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SENATE—*Tuesday, April 10, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DANIEL PATRICK MOYNIHAN, a Senator from the State of New York.

PRAYER

The Reverend Dr. Lawrence N. Jones, dean, Howard University School of Religion, Howard University, Washington, D.C., offered the following prayer:

Eternal God, our Creator, who sustains in existence all that is, moment by moment, help us to grasp the enormous possibility and opportunity inherent in the gift of life. You have blessed us with the freedom and the responsibility of sharing with You in the continual unfolding of Your purpose. Grant to us the insight to discern Your will and the power to do it.

We pray for the President and the Congress of this Nation, whose decisions have so great consequence for the quality of life available to those they govern and for humanity everywhere. We pray especially for the Senate of the United States. Sustain in its Members the consciousness that they are called to serve in order that others may have access to life in its fullness.

O God, our Father, we commend to You the unuttered petitions of all who are here and commit them to Your loving care. Grant to us the grace to trust in Your trustworthiness and the high privilege of being the instruments of Your purpose and the channels of Your love. To Your honor and glory we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 10, 1979.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL PATRICK MOYNIHAN, a Senator from the State of New York, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MOYNIHAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. ROBERT C. BYRD. I thank the Chair.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes, to consider the nominations on page 2 of the Executive Calendar.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only for the purpose of advising the majority leader that the nominations he identifies, that is to say, all the nominations on page 2 of the Executive Calendar, are cleared on our calendar as well, and we have no objection to proceeding to their consideration and confirmation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will report the first nomination.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

The nominations confirmed en bloc are as follows:

NATIONAL INSTITUTE OF BUILDING SCIENCES

Blanca G. Cedeño, of New York; Guy O. Mabry, of Ohio; Leonard Miller, of Florida; Joseph Herbert Newman, of New Jersey; and Lois A. Craig, of Massachusetts, to be members of the Board of Directors.

NATIONAL CREDIT UNION ADMINISTRATION

Lawrence Connell, Jr., of the District of Columbia, to be a member of the National Credit Union Administration Board.

DEPARTMENT OF DEFENSE

Michael Blumenfeld, of the District of Columbia, to be an Assistant Secretary of the Army.

Sundry nominations in the Air Force and Navy placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of all the nominations appearing on page 2 of the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I move to reconsider, en bloc, the votes by which the nominations were confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate return to legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. For the moment, I reserve the remainder of my time.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I am about to introduce a bill for myself and my distinguished colleague (Mr. SASSER), who may wish to make a statement to accompany it.

I ask unanimous consent that these proceedings may appear at the appropriate point in morning business today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Mr. BAKER's remarks on the introduction of a bill appear elsewhere in the RECORD.)

Mr. BAKER. Mr. President, I have no further requirement for my time under

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the standing order. I yield back the remainder of my time under the standing order.

RECOGNITION OF SENATOR HUDDLESTON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kentucky (Mr. HUDDLESTON) is recognized.

OUR OUTDATED IMMIGRATION LAWS

Mr. HUDDLESTON. Mr. President, with a great deal of hard work and dedication, the people of the United States have built a political and economic system which is admired by millions throughout the world. Unfortunately, this worldwide admiration may have undesirable consequences for us as a nation and it is imperative that this problem be given careful attention by Congress.

In recent years, dramatic economic, political, and population changes in many nations have increased tremendously the flow of immigrants into the United States. The demands for entry into our country have grown to such proportions that our immigration laws, which primarily were formulated 25 years ago, are breaking down and can no longer meet the needs generated by the changing conditions. Because of our inadequate immigration laws and policies, executive agencies are either devising their own ad hoc immigration programs or floundering without clear direction. Thus, we are faced with an escalating problem, which may have a significant impact upon the quality of life in this country, without a definitive national policy to guide us.

Literally millions of illegal aliens are streaming across our borders in search of a better life which they believe can be found in the United States. Although we presently lack sufficient data to know precisely how large the flow is or what its long-range impact will be on our nation, we do have enough information to see the potential dangers involved. It is well documented that the Immigration and Naturalization Service apprehended for deportation over 1 million illegal aliens last year and it is estimated that one or two times this number arrived undetected. Estimates of the total number of illegal aliens in this country range anywhere from 2 to 12 million, depending upon what source of information you choose to use.

Most of the illegals come to this country for one reason—jobs. It is possible to earn in one day in the United States what it would take a week or longer to earn in some other countries. Economists cannot agree on the impact this has on the economy. Some see it as a positive contribution while others see it as a definite negative factor. However, we do know by way of comparison that 6 million people presently are unemployed in this country and that in 1978 the Federal Government spent approximately $9 billion on job creation programs. Although it would be simplistic to state that every illegal alien takes a job that a legal resident or citizen could fill, the magnitude of the numbers involved requires that we view the matter as an extremely critical situation.

The legal side of our immigration program is also a cause of great concern. Problems and inconsistencies are constantly cropping up. Although we set an annual quota of 290,000 immigrants, we in fact admitted well over 400,000 in 1978. A recent report by the General Accounting Office revealed that thousands of the legal immigrants who come to this country each year, become immediate recipients of supplemental security income payments. The estimated cost of this is approximately $75 million per year, a conservative estimate according to GAO.

Even our system of keeping track of legal aliens is inadequate to meet the demands placed upon it. When the INS was asked by the Attorney General to report on how many Iranian students are in this country following recent student disturbances, the INS was forced to admit that its antiquated system could not provide the answer. In fact, the effectiveness of the operation of the INS has been called to question so many times that the Attorney General has appointed a special task force of the Department of Justice to investigate the overall administration of the INS.

Even though the INS is facing the impossible task of trying to deal with the flood of illegal aliens and to meet the demands created by the flow of legal immigrants with inadequate resources, the administration has requested in its budget for fiscal year 1980 a reduction in manpower for the INS. The lack of wisdom and foresight in this decision is obvious. Yet, it is an accurate reflection of the general lack of direction our immigration problems are receiving.

An integral part of our national immigration program is the admission of individuals who are classified as refugees. It is in this area that we have suffered the greatest loss of congressional control. The procedures we are now using for admitting refugees are in urgent need of change, because they have not been formally approved by the whole Congress and are primarily an ad hoc creation of the executive branch. Under the immigration laws of this country a quota of 17,400 refugees per year is authorized. Yet in recent years this quota has been substantially exceeded through the use of the vague "parole authority" granted to the U.S. Attorney General. Under this procedure the Attorney General has sole discretion to decide how many refugees he will admit at any given time. The result is that we are admitting hundreds of thousands of refugees without an enforceable quota and without the benefit of guidelines formulated by Congress.

The present use of the "parole authority" obviously exceeds the original intent of the authorizing statute. This intent was clearly reiterated in 1965 when the Immigration and Nationality Act was substantially altered. The congressional report on that legislation stated:

> Inasmuch as definite provision has now been made for refugees, it is the express intent of the committee that the parole provisions of the Immigration and Nationality Act, which remain unchanged by this bill, be administered in accordance with the original intention of the drafters of that legislation. The parole provisions were designed to authorize the Attorney General to act only in emergent, individual, and isolated situations, such as the case of an alien who requires immediate medical attention, and not for the immigration of classes or groups outside of the limit of the law.

Obviously Attorney General Bell and previous Attorneys General agree with this assessment. In testimony submitted by Attorney General Bell to the House Judiciary Committee on November 28, 1978, he stated:

> I am not comfortable about the use of the parole authority in these nor any other group situations where I have exercised that authority in the past. Nor is this discomfort unique to me. Every Attorney General before me, faced with such requests, has voiced similar reservations because the intent of the Congress, in establishing the parole authority, was to provide a safety valve for unusual, individual cases of compelling need that could not otherwise be met. It was not to provide the means to end-run the other provisions of the immigration law.

Admittedly, the Congress acquiesced to a limited extent in these actions. However, the increasing frequency and the magnitude of the Attorney General paroles must compel us to put a stop to the procedure which has the chief law enforcement officer of the United States stating publicly that he is "end-running" the immigation laws.

The Attorney General stated on March 26, 1979, that he was exercising his "parole authority" again in order to admit an additional 60,000 refugees between May and October of 1979. These one-man decisions will result in 108,000 refugees being admitted in 1979. It will also mean that approximately 250,000 Indochinese will have been admitted since 1975 under this same vague authority.

I have written to the Attorney General on two occasions advising that the continued use of his "parole authority" was inappropriate at this time for four reasons. First, as I stated previously, his "parole authority" was never intended by Congress to be used to admit large numbers of immigrants into the country. It was intended by Congress to be used only for individual and unique cases.

Second, Congress presently has under active consideration a bill which would establish a formalized procedure for admitting refugees beyond a specified quota. For the Attorney General to proceed with additional large-scale paroles at a time when Congress is in the process of formulating refugee legislation, which will hopefully reflect a national immigration policy, borders on being an intrusion on Congressional prerogatives in this matter.

To delay additional admissions at this crucial time would in no way reflect unfavorably upon the United States. Our generosity toward the homeless of the world is well known and it far exceeds the efforts of any other nation. To date, we as a nation have provided more financial assistance and have taken in more refugees than any other nation. Our commitment to humanitarian needs has been translated into positive action while other nations which have the resources to contribute a great deal actually give very little. A prime example of this is Japan, which is a prosperous nation with very close ties to other Asian nations. However, Japan has only admitted three Indochinese refugees. Recently, after strong pressure, Japan agreed to admit several hundred refugees into the country. This is a commitment which is welcome but nonetheless extremely late.

Third, Congress made the decision last year to treat our immigration policy in a comprehensive fashion when we created the Select Commission on Immigration and Refugee Policy. This select commission, which has now been formed, was given the responsibility of examining our immigration policy, including our refugee admissions. In its authorizing legislation the commission is specifically instructed to make "a comprehensive review of the provisions of the Immigration and Nationality Act and make legislative recommendations" and to "assess the social, economic, political, and demographic impact of previous refugee programs and review the criteria for, and numerical limitations on, the admission of refugees to the United States."

The millions of immigrants, including refugees, who are coming into our country each year, have the potential to create pressures which could cause our country serious problems in the years ahead. Zero population growth estimates that if we assume there is a net immigration of illegal aliens of 800,000 per year, along with our legal immigration, the population of the United States 20 years from now will be 25 million more than without illegal immigration.

The impact that this increased population will have on scarce energy resources, governmental services, employment, housing, and many other necessities is staggering and demonstrates very graphically why we can no longer deal with the immigration issue in a piecemeal fashion. This is why it is imperative that we discontinue our ad hoc approaches to the problem and concentrate on the total immigration issue which includes legal immigrants, illegal aliens, and refugees. If we continue to blindly ignore the consequences of our actions or inactions on the immigration issue, we will feel the full impact within a very short period of time.

The various problems associated with increased immigration were clearly spelled out by a report prepared by the Environmental Coalition earlier this year. In this report it was projected that if present trends continue illegal immigration will add 40 million to our population by the year 2000. Using this as the basis for their computations the fund estimated that—

> By 1990, the extra oil required to meet the needs for an additional 20 million American residents will be 1.2 billion barrels, to be imported at a cost to the U.S. of $16.4 billion.

This cost figure was arrived at before the recent round of oil price hikes by the producing nations, which means that the ultimate cost will be substantially more. Given our present concern about our dependence on foreign oil and the worsening energy shortage, any decision which results in increasing the U.S. population should be carefully weighed against the resulting increased energy demands.

An example of the type of immigration pressures we face can be found in Mexico. Sixty percent of the illegal aliens who come to the United States come from Mexico. Their unemployment is already well into the double-digit area and their population will double by the year 2000. Even with the new wealth which is anticipated to be made available by their vast oil deposits, it is believed by reliable sources that their unemployment situation will not improve for the next 20 years. With the population information we have available now, we can reasonably predict that the pressure to emigrate from Mexico and other developing countries will continue to increase.

In the area of refugees, the situation is just as gloomy. There is still a steady flow out of Indochina. This is adding to the present worldwide pool of refugees or displaced persons, which totals approximately 13 million. Recent developments such as those in Iran threaten to contribute to the overall problem. The office of the U.S. Coordinator of Refugee Affairs accurately summed up the situation when it stated in its 1979 world refugee assessment:

> The world refugee population today exceeds that of any period in recent history. Refugees were generated in Africa and Southeast Asia at a substantially higher rate in 1978 than in 1977. This rate of flow will probably continue and, for some African groups, could increase dramatically in the months ahead.

To proceed with large-scale admissions may impose upon us a commitment which the select commission may find to be inappropriate. However, once that commitment has been made, it will be impossible for us to go back and correct it. It seems that the logical approach would be to wait until we do know the answers to many of our questions before blindly moving ahead.

The fourth reason why we must be extremely concerned about our refugee policy is the cost factor. Given the mood of the American taxpayers today, I do not believe that they are willing to continue to support a program of the magnitude we have entered into under the Attorney General's "parole authority."

President Carter has told the American people that the Federal Government can no longer continue to expand deficit spending in an effort to meet all the needs of the American public. He stated in his 1980 budget message that, in order to continue to support those programs that represent only our most pressing needs, he has "terminated, reduced, or deferred other programs."

I do not believe that we as elected officials can tell the American taxpayer that vitally important domestic programs will have to be reduced or terminated while continuing to follow a policy that will require billions of dollars to be spent over the coming years on an open-ended immigration program, a program which is obviously growing and not diminishing, as are some vital domestic programs.

Over the last 25 years, we have spent $1.3 billion on the Cuban refugee assistance program, which is still operating, even though the number of incoming Cuban refugees substantially declined many years ago. Our experience with a more recent program is proving to be even costlier. Since 1975, we have spent approximately $1 billion on the Indochinese refugee assistance program and the end still is not in sight. It is estimated that total expenditures for refugee programs for 1980 will be approximately $500 million, assuming an admission level of 124,000. It is almost impossible to find the total costs involved, because they are often hidden in nonrefugee programs such as food stamps. The largest part of these expenditures for 1980 will come from admitting and resettling refugees. However, this projected admission level could be increased if the Attorney General decides to do so.

Although the immediate and direct costs of our refugee program are fairly apparent, we still have little or no solid data on what the indirect costs will be in either the short or long range. We do not know what this increase in population will mean insofar as demands on governmental services or resources in general are concerned. Our facts at this time are extremely sketchy.

On the positive side, we do know that the employment rate for refugees is extremely high. However, many appear to be under-employed, because approximately one-third of the Indochinese are still receiving governmental assistance. While the high employment rate for refugees is encouraging, we still do not know how this affects our domestic pool of 6 million unemployed or the billions we are spending to create jobs. Nor do we know what significance this will have for the economy if we experience a recession in late 1979, as many economists are predicting.

As a free nation we should not be ashamed of setting out to formulate a rational and comprehensive immigration policy which is in the best interests of our citizens. Each nation has the inherent right to protect the integrity of its borders and regulate the flow of immigration, and the United States should not be an exception to this universally accepted practice.

Even Mexico, which has benefitted substantially from the emigration of its unemployed citizens to the United States, is rumored to be devising better ways to secure its Southern borders from immigrants who will be attracted by the economic activity generated by their new oil money.

Canada, which is similar to the United

States in its land area and its history of being a land of opportunity for immigrants, completely revamped its immigration laws last year. The new immigration law contains provisions relating immigration to labor market needs and long-term planning for the size, rate of growth, and geographic distribution of the population.

Mr. President, I am not advocating an isolationist policy which attempts to close our doors to all immigration. We can and should have an active immigration policy in the United States. I firmly believe that it is healthy for our country to have an infusion of new blood on a regular basis and that we have a moral duty to assist the homeless of the world in every reasonable fashion.

However, we must have a total immigration policy which is as fair to American citizens as it is to immigrants. We will never accomplish this as long as we continue deciding immigration questions in a piecemeal fashion and without adequate information on the ultimate consequences. At this time, we have no real understanding of the economic, social, political, or demographic impact of present immigration levels. I believe that it is time that we act responsibly on this issue by discovering the facts before we continue down a road with so many potential pitfalls. Once we have traveled this road, it will be impossible to retrace our steps.

Mr. President, I ask the distinguished majority leader if he will give me 3 more minutes.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Tennessee, who has the next time, if he will yield 3 minutes to the distinguished Senator from Kentucky?

Mr. SASSER. May I inquire of the distinguished majority leader, this will not take away from my time, will it?

Mr. ROBERT C. BYRD. It would.

Mr. President, I ask unanimous consent that I may retrieve the time I yielded back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished majority leader.

Mr. President, I reiterate that I am not unaware or unappreciative of the tremendous contribution that foreign-born individuals in the United States have made to the development of this great country. Certainly, we could not have populated and developed the vast areas of the United States in the manner that we did without those who came to us from foreign shores. The image of the United States as the great melting pot of the world has contributed to the strength that we have enjoyed throughout the entire world.

This has been very important to us. We have just recently observed an anniversary of Prof. Albert Einstein, and every schoolboy knows the tremendous contributions that this genius made to our country, and through our country to the entire world.

Our space program received a tremendous boost by the presence here of Wernher von Braun, the great rocket expert from Germany.

We have had a Secretary of State very recently who was a foreign-born citizen of this country. We have a Secretary of the Treasury now who is a foreign-born citizen.

All of these and many thousands of others have made the United States principally what it is today.

However, it is vitally important that we have a comprehensive total policy relating to the entry of foreign individuals into the United States. That policy should be made by the Congress of the United States with a clear understanding of what we are doing and, with the citizens of the United States being fully aware of the policy we are developing. Furthermore, it should be a policy devised in the light of conditions which exist today and which anticipates our needs and our interests in the future.

My suggestion is simply that the time has come for a total review and reassessment of the immigration policies of the United States, including the refugee problem, this will enable us to have a better understanding of the scope of the problem that exists now and a better hope of developing the kind of policy and procedures that will be in the best interests of the citizens of this country. And, indeed, in the best interests of those who desire to immigrate and become citizens of the United States.

I thank the Chair.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is recognized for not to exceed 15 minutes.

TRAVEL OF FEDERAL EMPLOYEES

Mr. SASSER. Mr. President, as my colleagues may recall, I introduced legislation (S. 697) on March 19, 1979, which was designed to reduce by $500 million the amount which may be spent for travel and transportation of Federal employees during fiscal year 1980. This would still allow $7.4 billion for travel and transportation purposes. This amount should be sufficient to conduct the Nation's business.

Based on testimony from the Director of the Office of Management and Budget and from Alice Rivlin, the Director of the Congressional Budget Office, I am more convinced than ever of the feasibility and need for a travel limitation such as I have introduced.

Mr. President, I introduced this legislation because I believe that my colleagues in the Senate as well as the public at large share a common concern about Government travel; that is, there is simply too much of it.

The President has shown his concern by asking Federal agencies to reduce Government travel costs for the coming fiscal year.

Nevertheless, the administration's 1980 budget includes $3.1 billion for "transportation of persons." Using the Congressional Budget Office cost of an average trip per CBO employee of slightly less than $380, this yields 8 million Government-financed trips per year.

Dividing that by 365 days per year yields 22,000 Government-financed trips a day, every day of the year, Saturdays, Sundays, Christmas, and New Year's Day included.

Mr. President, this means there are probably more than 20,000 Federal employees in the air at any given moment—and this does not even count the non-Government employees who are traveling on Federal Government grants and contracts.

There is worse news coming.

Since introducing S. 697, I have directed the staff to conduct a survey of Federal travel requests to find what deficiencies, if any, could be uncovered.

The survey consisted of examination of documents relating to 241 trips taken by Federal employees at a Government cost of $60,000 in airline fares alone. The travel documents surveyed were selected at random from travel documents filed with the General Services Administration by two Federal agencies.

Mr. President, our survey yielded some very disturbing results. In fully 53 percent of the 241 trips surveyed, the travel request had been authorized by the same employee actually performing the travel.

Mr. President, I believe this is a serious weakness that leaves the Government and the taxpayer wide open for travel abuse. It seems to me that Government financed trips, for whatever purpose, should be approved by the employee's supervisor.

I believe that there ought to be a standard procedure in the executive branch that says "if a Government employee is required to make a trip, that requirement should be certified by his supervisor, and the employee should not be allowed to merely write out his own travel request and approve it himself or by herself."

Mr. President, this countersigning by a supervisor is the procedure we employ here in the Senate. This is the procedure employed in the private sector as well. I do not think it is an unreasonable requirement or an unreasonable burden, to impose on Government employees.

Nevertheless, our survey revealed that 71 percent of the traveling employees in one agency and 44 percent of the traveling employees in another were signing their own travel requests.

Conversely, an additional survey of 43 trips taken by a third agency revealed only one case of the travel being approved by the same person performing the travel.

So this demonstrates, Mr. President, that it is possible and it is feasible that it can be done, just as it is in private industry and just as we do here in the Senate, that a travel request or a travel voucher in the executive branch of the Federal Government can be approved or subject to scrutiny of a superior.

This further strengthens my belief that controls on Government-financed travel are inadequate in many cases but are susceptable to effective management controls.

Mr. President, the survey also confirmed my suspicion that Federal employees are not utilizing the various airline fare discounts available today.

These are part of the benefits of airline deregulation. For instance, a review of 16 recent round trips between Washington, D.C., and San Francisco indicated that 15 of the 16 paid the $450 standard fare. Only one employee realized a supersaver fare costing $315. Not one employed the current midweek supersaver round trip fare of $270. So, of the 16 trips we reviewed in this spot survey, the potential savings could have exceeded $2,700. This confirms my belief that Federal employees are not being required to travel in the least expensive way possible.

My colleagues are well aware that the taxpayers are demanding that the Federal Government cut expenditures and reduce waste. A good place to start, in my judgment, is by reducing the Federal travel budget by $500 million below the President's budget request of $7.9 billion. This would have the effect of grounding 2,000 Federal employees a day and keeping them at their desks, conducting, we hope, the essential affairs of this Nation. Such a cutback might also encourage the executive branch to tighten up its travel regulations and utilize the new discount fares whenever and wherever possible.

So, Mr. President, I urge my colleagues to join as cosponsors of S. 697. It is designed to reduce by $500 million the amount that may be spent for travel and transportation of Federal employees during fiscal year 1980. I point out that this is a bipartisan effort to reduce nonessential travel expenditures. This proposed legislation is being cosponsored by Senators Bayh, Leahy, Sarbanes, Proxmire, Danforth, Huddleston, Levin, Hollings, Stewart, Ford, Exon, Boren, Heinz, Thurmond, Cohen, Bentsen, Baucus, Percy, Burdick, Harry F. Byrd, Jr., and DeConcini. I urge my colleagues to join us by contacting me or the subcommittee clerk, Mr. Terrence Sauvain, at 224–7251.

ORDER OF BUSINESS

Mr. SASSER. Mr. President, the distinguished Senator from Arkansas has requested that I yield the remainder of my time to him. However, the majority leader has requested that the Senator from Kentucky (Mr. Ford) be allowed to speak prior to my yielding the remainder of my time.

Mr. FORD. Mr. President, the Senator from Tennessee may go ahead. I am going to ask unanimous consent that I have 3 or 4 minutes. I think we have enough time. I wish to speak on a different subject.

The ACTING PRESIDENT pro tempore. The Chair informs Senators that following the order for the Senator from Tennessee, there is to be a period for the transaction of morning business; and if the Senator from Tennessee will yield the floor, the Senator from Arkansas could be recognized.

Mr. SASSER. I yield the remainder of my time to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the distinguished Senator from Tennessee, and I appreciate the cooperation of the Senator from Kentucky. I assure my colleagues that my remarks will take only a few moments.

FEDERAL EXPENDITURES FOR FORMER PRESIDENTS

Mr. PRYOR. Mr. President, I have read with interest recent reports concerning Federal Government expenditures for assistance to former Presidents.

I have been especially interested in this matter because the funds for support services and benefits for former Presidents are provided pursuant to two statutes, the Former Presidents Act and the Transition Act, both of which are under the jurisdiction of the Governmental Affairs Subcommittee on Civil Service and General Services, which I chair.

Moreover, Government services to the former Presidents, pursuant to the statutes, are provided by the General Services Administration for which the Civil Service and General Services Subcommittee has oversight responsibility.

I think that we in Congress recognize that the transfer from public to private life of the Nation's Chief Executive must involve some ongoing Federal financial assistance. The two relevant statutes are responsive to the needs of both the transition period immediately following the service in office, and the subsequent years of retirement.

Congress must, however, also recognize that today all expenditures of taxpayer dollars must be subject to very careful, periodic scrutiny, and dollars spent for former Presidents are not excepted from that rule. There must be greater oversight. We must always look at what we have authorized, and we must review whether previous authorizations need to be revised.

The ever-watchful eye of the General Accounting Office has been focused on the provisions of the Transition Act and the Former Presidents Act and their concrete suggestions for changes in the statutes warrant our careful consideration.

Mr. President, I intend to direct the attention of the Civil Service and General Services Subcommittee to this issue. I welcome the interest of others in the subject.

I ask unanimous consent to have printed in the Record an article from the U.S. News & World Report, April 16, 1979, entitled "An $800,000 Yearly Tab for Nixon, Ford."

There being no objection, the article was ordered to be printed in the Record, as follows:

An $800,000 Yearly Tab for Nixon, Ford

For America's two surviving former Presidents, Richard M. Nixon and Gerald R. Ford, leaving the White House has not meant giving up the good life.

Generous pensions, personal staffs and office allowances—all provided by taxpayers—are helping take the worry out of their retirement years. Public cost: about $800,000 this year alone.

For Nixon, it means five color-TV sets and free repairs for his electric golf cart. Ford's perquisites include allowing taxpayers to pick up the tab for $23,000 a year in long-distance phone calls and $2,000 a year for office plants.

In addition, both retirees are entitled to such fringes as lifetime Secret Service protection, free mail privileges, special briefings on U.S. policy matters, health care at military hospitals—and use of a stylish, government-owned townhouse in Washington.

Nixon's personal retirement benefits total some $85,000 a year, including his $66,000 pension under the Former Presidents Act and about $19,000 for his years in Congress.

The money didn't come without argument. Nixon's resignation in 1974 under threat of impeachment led to several unsuccessful attempts in Congress to deny him a pension and staff. Only last summer, the Senate voted on an effort to wipe out Nixon's benefits, rejecting the move, 89 to 2.

A QUITE LIFE

Nixon lives in semiseclusion with his wife Pat in their luxurious oceanfront home in Southern California. Shuttling between his home and his nearby office in a golf cart, he spends most days answering corespondence or working on his next book.

According to records filed at the General Services Administration's regional office in San Francisco, Nixon spent $163,329 in federal funds for office and related expenses last year. His 1979 budget calls for $232,000, including $51,000 for office rent not previously counted as a budgeted expense.

In 1978, Nixon's eight-member staff was paid a total of $95,658, with his top assistant, John B. Brennan, drawing the highest salary—$36,500.

Other expenses: $7,817 for hauling Nixon's effects to California, $3,943 for long-distance phone service, $1,792 for office supplies, $3,569 for gasoline and other operating supplies, $540 for 200 photographs of the former Chief Executive, $35 for golf-cart parts and $480 for newspapers and magazines.

Nixon's taxpayer-subsidized reading matter includes the Los Angeles Times, San Diego Union, Los Angeles Herald-Examiner, New York Times, Washington Post and New Republic magazine. Also charged to the government were purchases of Who's Who in America, International Who's Who, Politcal Almanac, Encyclopedia of World Government and the Public Papers of Richard M. Nixon for 1969 and 1972.

During the transition period, when outgoing Presidents are entitled to aditional funding, the Nixon staff apparently stocked up on office supplies and stationery. They purchased more than 400,000 sheets of writing paper, 260,000 envelopes and 20,000 of each of three kinds of acknowledgment cards at a total cost of $45,461.

Nixon also got to keep some equipment used at the San Clemente White House during his Presidency, including typewriters, couches, a refrigerator and five color-TV sets.

Within a brief period after he left office, Nixon had his safe's combination changed twice at public expense.

In 1978, the former President and his staff spent $14,770 on travel, including auto expenses of $518 a month. Low by presidential standards, Nixon's travel costs reflected his limited public schedule since leaving Washington.

Apparently planning to get out more, Nixon asked for and received from Congress a 60 percent increase in travel money last year. Lawmakers are weighing his bid for another $11,000 increase next year to about $35,000.

AIDES' TRAVEL SUBSIDIZED

Although former Presidents do not have to justify the travel they do at taxpayer expense—Lyndon Johnson in retirement had a military aircraft standing by—both Nixon and Ford have been careful not to abuse the privilege. So far, most of the travel costs charged to them have been incurred by their aides.

Ford, who often uses aircraft supplied by private individuals, has never requested payment for an air ticket. Still transportation costs for the Ford operation in 1978 came to $29,994, just under the $30,000 ceiling set by Congress. Car rentals, including $525 for a Thunderbird used by the staff during a Ford visit to Vail, Colo., accounted for much of the expense.

Nixon has charged the government for only three air tickets—to New York in 1978, reportedly to sign a book contract, to Washington in 1979 for a White House dinner honoring Chinese Vice Premier Deng Xiaoping (Teng Hsiao-ping) and to New York in 1979 to attend services for former Vice President Nelson A. Rockefeller. He chose not to bill the government for trips to China in 1976 and to France and England last year.

Neither ex-President has sought reimbursement for living costs while traveling, although they are entitled to do so. Ford has used the government-owned townhouse near the White House; Nixon has never stayed there.

SPEECHES AND SPORTS

Still politically active and in the limelight as titular head of the Republican Party, Ford now makes his home in Palm Springs, Calif. He frequently speaks out on issues and remains popular on the lecture circuit, particularly among Republican audiences. Much of his leisure time is devoted to golf and skiing.

Ford's activities keep his staff busier—and office more costly to operate—than Nixon's. Last year, Ford spent $291,685 for offices and staff, somewhat below his budgeted $302,000. This year's budget: $327,000. Both former Presidents are seeking slight increases for office expenses in 1980.

While Nixon's postpresidential mail has tapered off from thousands of letters a week to 400 to 500 a month—rising when he or Mrs. Nixon has a birthday—Ford continues to receive mail by the sackful.

Ford's endorsement of the Panama Canal treaties in 1977 produced such a public response that Congress voted him an extra $54,000 for more staff to help answer his mail. A simultaneous effort to boost Nixon's staff allowance by $6,800 was rejected.

Congress managed to help Ford without helping Nixon by extending to 30 months the provisions of the Presidential Transition Act. The law, intended as temporary assistance to smooth an outgoing President's entry into private life, previously lapsed six months after a new leader took over.

Even with the extra money, Ford's salary budget of $150,000 must be stretched thin to cover 12 employees. Top assistant Robert E. Barrett's pay in 1978 was $20,470 from the government, plus an undisclosed supplement from Ford personally. Other staff members were paid from $5,810 to $26,636.

Other Ford expenditures last year included $24,456 for office rent, $23,485 for long-distance telephone calls, $987 for supplies, $4,678 for 15,000 acknowledgement cards and $979 for newspapers and magazines.

What does Ford read? According to the submitted bills, he subscribes to the Los Angeles Times, New York Times, Christian Science Monitor, Wall Street Journal, U.S. News & World Report, Time, People and Congressional Quarterly. In 1978, Ford also bought copies of the Los Angeles Blue Book for $17.50, the Southwest Blue Book for $30.50, Orben's Comedy Fillers for $25 and a one-year subscription to the Evans-Novak Political Report for $75.

LITTLE THINGS COST A LOT

Even the little touches to make an ex-President's retirement years more comfortable can add up. It cost $2,242 last year to decorate Ford's personal office with plants. Professional watering service for the plants cost another $100 a month. Also acquired last year: a coffee maker for $154, a coffee set for $889 and two water carafes at $75 each.

A recurring expense in the care and feeding of former Presidents is the cost of protecting them and their children, wives or widows from bodily harm. While the Secret Service does not disclose cost figures, a White House study shows that 2.2 million dollars was spent last year just for setting up permanent protection for the Fords. Presidential widows also get pensions of $20,000 a year until they remarry or die.

The more a former President moves around, the more his protection costs. Even a relatively inactive person such as Nixon can require as many as 30 Secret Service guards working in shifts.

THE SELLING OF A PRESIDENT?

Impressive as it is, the outlay of taxpayer funds pales in comparison with the big money that outgoing Presidents have come to expect from the sale of books, and from interviews and appearances.

Nixon, once strapped for cash because of back taxes and Watergate legal expenses, has taken in an estimated 1.5 million dollars in book royalties and television fees since leaving office.

In addition to his presidential and congressional pensions totaling some $106,000 a year, Ford earns around $50,000 from the American Enterprise Institute, a Washington-based research organization. He and his wife Betty signed a contract, estimated at 1 million dollars, for their separate memoirs and agreed to do TV shows for NBC for a total fee of around 1.5 million.

All the attention given to today's former Presidents is a far cry from the way the nation historically has treated its erstwhile leaders. Before 1958, when Herbert Hoover and Harry Truman became the first former Chief Executives to receive pensions, ex-Presidents were largely ignored. Some managed quite comfortably on private incomes, but others stepped abruptly from the luxury of the White House into relatively stark surroundings.

Today a generous Congress and endless public curiosity make certain that, for one who has served as President of the United States, those golden years of retirement are precisely that.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 20 minutes, with statements therein limited to 5 minutes each.

IMPACT OF EPA SO_2 EMISSION CEILING PROPOSAL

Mr. FORD. Mr. President, I take the floor today to address an issue of great urgency which could have far-reaching and fundamental national policy implications. The issue to which I refer is a sulfur dioxide emission ceiling for new steam electric power plants which is now being considered by the Environmental Protection Agency.

Last September EPA initiated a rulemaking proceeding as part of its revision of new source performance standards for steam electric power plants. While this proceeding has sparked national attention and has focused on a number of controversial issues, at the time they initiated the rulemaking EPA appeared to be satisfied with maintaining the existing sulfur dioxide (SO_2) emission ceiling for new powerplants at 1.2 pounds of SO_2 per million Btu's. Only recently has it come to my attention that EPA is now seriously considering a maximum SO_2 emission standard which is significantly more stringent than the 1.2 pound ceiling. At a time when SO_2 emissions are decreasing nationwide, it is difficult to understand why EPA believes a stricter emission ceiling is necessary.

Briefly, if EPA does adopt a stricter SO_2 emission ceiling, such as 0.55 pound SO_2 per million Btu's, vast quantities of coal reserves in this country would be precluded from use by electric utilities in new powerplants. Yesterday I received a copy of a letter and data sent by Carl E. Bagge, president of the National Coal Association, to EPA Administrator Douglas Costle documenting the devastating impact such an emission ceiling would have on a number of coal companies operating in a five-state area of Illinois, Indiana, West Virginia, Ohio, and my State of Kentucky. The letter and data sent by Mr. Bagge to Mr. Costle indicate that as much as 100 percent of the steam coal reserves of the surveyed companies in western Kentucky would be foreclosed from the utility market. The impact of such a requirement by EPA on not only the coal industry but on the people and economy of my State would be devastating. I might add that the electric utility market constitutes approximately 78 percent of the total coal consumed in this country. Therefore, the national impact of this proposal would also affect the people and economics of all our States.

The National Coal Association survey also indicates that in northern West Virginia 85.8 percent of the coal reserves of the surveyed companies would be lost; while in Ohio the number would be 99.9 percent, in Illinois 74.3 percent, and in Indiana 88.5 percent.

Mr. President, at a time when this country is vitally concerned about its over reliance on higher priced imported oil and the impact it is having on the economy of this Nation, I find it incredible that this administration is considering a regulation that would foreclose billions of tons of secure and low-cost domestic coal reserves from its major markets. For every ton of coal that is kept out of the market, 4 barrels of imported oil are needed to replace that coal. Therefore, the national policy implications of this specific regulation are truly significant.

I understand that the formal record is now closed in this NSPS rulemaking proceeding at EPA. I also understand that EPA staff is now considering various SO_2 emission ceiling options to be included in their new source performance standards recommendations to Mr. Costle by

April 16, 1979. Mr. Costle is presently under a Federal Court order to publish these regulations in their final form in the Federal Register no later than June 1, 1979.

Because of the fundamental national energy, environment and economy implications of this proposal, I am calling on President Carter and his administration to fully examine this issue and provide for adequate comment from all affected segments of our economy; industry, labor, consumers, the States, and other Federal agencies and other interested parties.

This is especially important now because the more stringent SO_2 emission ceiling options were not fully laid out and focused on when the public initially commented on the NSPS rulemaking last December. Since it appears that EPA is now leaning toward a more stringent requirement without the public having a chance to comprehend and comment on what this proposal will do, it is essential that the implications of such a policy be given a complete public review.

President Carter just a few days ago addressed the Nation on the seriousness of our energy situation. At that time he outlined some broad and sweeping policy decisions designed to address our worsening energy posture. Based on what the President is trying to accomplish for this Nation, I find it inconceivable that an agency of his administration is now considering a specific regulation within a broader rulemaking proceeding which could have a negative impact as fundamental as any of those outlined in the President's message. I do not believe that we as a nation can afford to embark on such a course of action without a full and comprehensive public airing of this issue. Therefore, if such a deviation from the existing 1.2 pounds SO_2 per million Btu's standard is contemplated, I urge Administrator Costle and call upon President Carter to provide for more complete public input, including the national impacts of these proposals, before making a decision in this matter.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the letter and data sent by Carl E. Bagge to Administrator Douglas Costle on April 6, 1979.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL COAL ASSOCIATION,
Washington, D.C., April 6, 1979.

Hon. DOUGLAS M. COSTLE,
Administrator,
U.S. Environmental Protection Agency,
Washington, D.C.

DEAR MR. COSTLE: The National Coal Association (NCA), whose members include the major coal producers in the U.S., recently became aware that your agency is now giving serious consideration to significant changes from earlier proposals in the conditions that will be regulated in its revised New Source Performance Standards (NSPS) for steam electric power plants. Our current concern is focused primarily on various maximum sulfur dioxide emission ceilings which are appreciably more stringent than the 1.2 pounds of SO_2 per million British Thermal Units (BTUs) contained in the original EPA proposal published in the September 19, 1978, Federal Register.

Because of the major impact the proposals now under consideration by your agency could have on the U.S. coal industry, I want to bring the gravity of this situation to your personal attention.

Enclosed are documents containing new data which yesterday were submitted to your agency in response to a request from EPA staff. The documents address two specific points:

1. The impact of various alternatives SO_2 emission ceilings on certain coal reserves, and
2. The degree of sulfur removal achievable by coal washing.

The data contained in the attached material is based on a survey of a number of coal companies who operated and/or own coal reserves in the five states included in the survey.

IMPACT ON COAL RESERVES

This material documents the significant adverse impact some of the more stringent alternative SO_2 emission ceilings would have on coal reserves in a five state area. As you will note, they show the effects of the emission ceiling on cleaned coal reserves calculated for both 85 percent and 90 percent sulfur dioxide removal by stack gas cleaning.

As shown in the attached exhibits, substantial portions of reserves held by coal companies would become unsalable to electric utilities. Under the most stringent requirements the following percentage of the surveyed producers' coal reserves would be precluded from use in electric power plants: Northern West Virginia—85.8%; Ohio—99.9%; West Kentucky—100%; Illinois—74.3%; Indiana—88.5%. These reserves, representing the "cream of the crop" of known coal reserves, in general have more attractive cost and quality characteristics. These reserves would become unavailable to serve the needs of the electric energy consumer. This loss would result in inflationary competition for scarce and costly lower sulfur coals.

COAL WASHING

The documents also address the critical concern we have about the assumed across-the-board 35 percent sulfur removal efficiency achievable by coal washing. Based on a review of results currently being achieved using good engineering practice in operating mines, we believe that expectation to be optimistic by 5 to 10 percentage points. While we recognize that larger amounts of pyritic sulfur can be removed by advanced processes, it is necessary to reduce the size of the coal to a much finer consistency than currently practiced. This would result in dramatically higher capital and operating costs while requiring much higher energy consumption at the coal preparation facility. In addition, the end product would resemble "black flour". This would also create substantial downstream difficulties in handling and transportation, and would be environmentally offensive. Moreover, the resultant product will be higher in moisture and lower in thermal content than cleaned coal under current experience.

CONCLUSION

The enclosed data documents two significant points:

The devastating impact certain alternative sulfur emission ceilings could have on coal reserves.

The serious concern we have about the validity of the across-the-board 35 percent sulfur removal by washing assumption relied on by your staff in their studies of the sulfur emission ceiling issue.

We believe the significant national policy consequences that will result from such an EPA proposal deserve serious and full examination by the public, industry, labor and the full range of government, Congressional and state interests.

I request that this letter and the attached data be placed in your public document room.

Sincerely,

CARL E. BAGGE.

NATIONAL COAL ASSOCIATION—STEAM COAL SURVEY

INDIANA—RESERVES UNABLE TO MEET STANDARD

[Million tons]

	Scrubber efficiency			
	85 percent sulfur removal		90 percent sulfur removal	
Maximum SO_2 emission standard	Percent of reserves lost	Total tonnage lost	Percent of reserves lost	Total tonnage lost
1.2 lb SO_2/mm Btu	0	0	0	0
1 lb SO_2/mm Btu	0	0	0	0
0.8 lb SO_2/mm Btu	24.4	542.0	0	0
0.65 lb SO_2 mm Btu	74.6	1,656.9	0	0
0.55 lb SO_2/mm Btu Annual average.	88.5	1,966.8	17.5	388.9

Note: Survey includes washing and applicable scrubbing efficiency. Represents 2,223.1 mm tons of recoverable reserves.

ILLINOIS—RESERVES UNABLE TO MEET STANDARD

[Million tons]

	Scrubber efficiency			
	85 percent sulfur removal		90 percent sulfur removal	
Maximum SO_2 emission standard	Percent of reserves lost	Total tonnage lost	Percent of reserves lost	Total tonnage lost
1.2 lb SO_2/mm Btu	0	0	0	0
1 lb SO_2/mm Btu	7.2	895.0	0	0
0.8 lb SO_2/mm Btu	36.9	4,626.7	0	0
0.65 lb SO_2/mm Btu	60.7	7,609.2	8.8	1,097.1
0.55 lb SO_2/mm Btu Annual average.	74.3	9,310.1	30.4	3,811.2

Note: Survey includes washing and applicable scrubbing efficiency. Represents 12,538.3 mm tons of recoverable reserves.

NATIONAL COAL ASSOCIATION—STEAM COAL SURVEY—Continued

WEST VIRGINIA, NORTHERN—RESERVES UNABLE TO MEET STANDARD

[Million tons]

	Scrubber efficiency			
	85 percent sulfur removal		90 percent sulfur removal	
Maximum SO$_2$ emission standard	Percent of reserves lost	Total tonnage lost	Percent of reserves lost	Total tonnage lost
1.2 lb SO$_2$/mm Btu	0	0	0	0
1 lb SO$_2$/mm Btu	0	0	0	0
0.8 lb SO$_2$/mm Btu	38.0	670.9	0	0
0.65 lb SO$_2$/mm Btu	55.3	977.6	8.5	150
0.55 lb SO$_2$/mm Btu (Annual average.)	84.8	1,499.1	38	670.9

Note: Survey includes washing and applicable scrubbing efficiency. Represents 1,767.2 mm tons of recoverable reserves.

OHIO—RESERVES UNABLE TO MEET STANDARD

[Million tons]

	Scrubber efficiency			
	85 percent sulfur removal		90 percent sulfur removal	
Maximum SO$_2$ emission standard	Percent of reserves lost	Total tonnage lost	Percent of reserves lost	Total tonnage lost
1.2 lb SO$_2$,mm Btu	1.4	5.5	1.4	5.5
1 lb SO$_2$/mm Btu	18.8	74.1	1.4	5.5
0.8 lb SO$_2$/mm Btu	33.3	131.4	1.4	5.5
0.65 lb SO$_2$/mm Btu	95.2	375.7	18.8	74.1
0.55 lb SO$_2$/mm Btu (Annual average.)	99.9	394.4	33.3	131.4

Note: Survey includes washing and applicable scrubbing efficiency. Represents 394.8 mm tons of recoverable reserves.

WEST KENTUCKY—RESERVES UNABLE TO MEET STANDARD

[Million tons]

	Scrubber efficiency			
	85 percent sulfur removal		90 percent sulfur removal	
Maximum SO$_2$ emission standard	Percent of reserves lost	Total tonnage lost	Percent of reserves lost	Total tonnage lost
1.2 lb SO$_2$/mm Btu	0	0	0	0
1 lb SO$_2$/mm Btu	0	0	0	0
0.8 lb SO$_2$/mm Btu	51.3	584.0	0	0
0.65 lb SO$_2$/mm Btu	100	1,140.2	0	0
0.55 lb SO$_2$/mm Btu Annual average.	100	1,140.2	43.6	496.9

Note: Survey includes washing and applicable scrubbing efficiency. Represents 1,140.2 mm tons of recoverable reserves.

PERCENT SULFUR REDUCTION BY WASHING[1]

[Actual 1978 data]

State	Number of mines	Producton surveyed (millions of tons)	Percent reduction by washing (pounds SO$_2$/mm Btu)
Illinois	17	24.4	27
Indiana	5	12.7	31
Ohio	11	6.3	20
West Virginia	13	14.2	26
Total	46	57.6	27

[1] "Washing" signifies preparation of raw coal prior to delivery to electric utilities.

DIFFERENCE IN PERCENT SULFUR REDUCTION—LBS. OF SO$_2$ PER MILLION BTU

There is a difference in the percent of sulfur reduction, raw vs cleaned between Raw Core—Washed Core or Raw plant feed—Washed plant product. The percent reduction in a majority of coal seams will be less for Raw plant feed—Washed plant product.

1. Raw Core—Clean Core (Lab.) = % Reduction.

Raw feed—Clean Coal (Prep. Plant) = % Reduction.

NOTE.—The % Reduction will be different due to:

(a) % Sulfur in Raw Core is generally higher than % Sulfur in Raw Plant feed.

(b) % Sulfur in Clean Lab. is generally lower than % Sulfur in Clean Prep. Plant, and

(c) Btu Clean Core (Lab.) is higher than Btu Clean Coal from Prep. Plant.

2. Efficiency of cleaning equipment is based on the following:

(a) Percent rejects from Raw feed.

(b) Size consist of plant feed.

(c) Particle shape of plant feed.

(d) Percent by weight (+ or −0.05 Sp. Gr.) of Raw feed at the Washing Gravity. (Example, 1.45—1:50 Sp. Gr.=6.0%, 1.50—1:55 Sp. Gr.—4.5%).

3. ICF, in its report, *Appendix C—Coal Preparation*, states the standard level of preparation for bituminous coal to be Level 3—Coarse Beneficiation. With this coarse beneficiation, they state, "Sulfur reduction on high-sulfur coals generally range from 30 to 40 percent, depending on the chemical makeup of the coal." We cannot agree with this statement. On pace C-3, second paragraph, third sentence, "It was judged that the first level of preparation in the BOM studies is essentially equivalent to level 3 described above." We do not see how they could judge this to be so, as there is no comparison as to percent of sulfur reduction by the two methods.

THE DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979—S. 210

Mr. FORD. Mr. President, I am pleased to join my colleague and distinguished chairman of the Governmental Affairs Committee, Senator RIBICOFF, in support of S. 210, a bill to create a Cabinet-level Department of Education.

As the evidence of deficiencies in management of the Department of Health, Education, and Welfare mounts, the need for establishing a separate Department of Education has become obvious. The new department would greatly improve the efficiency and manageability of the massive HEW bureaucracy which has grown to unmanageable proportions.

It is my strong conviction that the enactment of this legislation will actually reduce administrative cost and waste by streamlining the bureaucracy and consolidating programs. This Nation's educational programs are presently fragmented and dispersed throughout the Federal Government, making any meaningful level of coordination or accountability impossible. The proposed Department would bring together over 150 programs from six departments and agencies which have a fiscal year 1979 budget of approximately $13.5 billion. The savings from placing all these programs in one department are apparent to even the casual observer. In addition, the new Department will elevate the status of education in the Federal Government so as to improve its coordination and accountability.

In the upcoming vote on S. 210, the Senate has an opportunity to take a vital and historic step toward improving the quality and management of Federal educational programs.

This, it must be emphasized, does not mean that there will be greater Federal involvement in an area which traditionally has been the domain of State and local authorities. Rather, I believe S. 210 will correct the deficiencies in the management and quality of existing Federal educational programs without encroaching on the centuries-old tradition of local control.

During committee hearings on the proposed legislation, the question was raised as to whether a separate department would result in greater Federal control of education or a national education policy. The Governmental Affairs Committee made it clear, in those hearings and through specific language contained in the bill, that S. 210 is by no means intended to change the responsibilities of State and local school authorities.

In recognition of the fundamental principle upon which this Nation's educational system was founded—a system of local control—S. 210 places clear limits on Federal authority in this area. Furthermore, the Governmental Affairs Committee has improved upon a similar piece of legislation, overwhelmingly passed by this body last September, by the addition of a section entitled "State and Local Responsibilities for Education".

This section of the bill includes specific language which prohibits Federal control over education policies and decisions that are properly the responsibility of State-local governments.

As one who is concerned with the expanding role of the Federal Government, I want to reiterate what four of my distinguished colleagues so eloquently expressed in their colloquy last Thursday. S. 210 will increase accountability by streamlining the Federal educational bureaucracy; however, there is nothing in this bill intended to increase Federal control over education. In fact, this legislation should aid in efforts to reduce much of the complex, duplicative, excessive regulations and paperwork which have developed as a result of the fragmented nature of Federal educational policy.

I have consistently opposed bills which would interefere with matters that could best be handled at the State and local levels of government. I am, however, a cosponsor of this legislation because I believe it will not lead to more Federal involvement. Rather, I believe the new Department will help the partnership among Federal, State, and local governments to improve the quality of and access to education for all Americans.

IN COMMEMORATION OF THE ARMENIAN MASSACRES

Mr. PROXMIRE. Mr. President, April 24 has been designated International Holocaust Day. It will also mark the 64th anniversary of the Armenian massacres, which constituted the first occurrence of genocide in the 20th century. As the day draws near, Mr. President, it is only proper to commemorate this disastrous event in the history of the Armenian people.

The bloody massacres of 1915, during which 1,500,000 Armenians were brutally slain, were a ghoulish repetition of the massacres of 1895 and 1896, which horrified a civilized world.

Not only had the Turks attempted to annihilate the Armenian nation; Mr. President, they also tried to obliterate every trace of a 3,000-year-old civilization. Yet all Turkish Governments since 1915, including the present Government, have been unwilling and unable to come to grips with this dark blotch on their past history.

Mr. President, Turkey is a crucial focal point in an area of Middle Eastern instability. It is the crossroads of East and West. But through its inaction on this important issue, Turkey continues to tell the world that she apparently condones past acts of genocide.

Likewise, Mr. President, this honorable body, through its refusal to ratify the Genocide Convention, has failed to demonstrate to the world that international justice is more than an empty, hollow phrase.

As the 64th aniversary of the Armenian massacres approaches, I challenge this Senate to become a forum for the grievances of all freedom-loving people whose inalienable rights of self-determination have been violated. As Members of this Senate, let each of us examine our conscience and do our utmost to alleviate the memory of these unjustified crimes. Let us, Mr. President, ratify the Genocide Convention.

ECONOMIC WISDOM

Mr. ARMSTRONG. Mr. President, after I returned home last night, following 15 hours of deliberations in the Budget Committee, I found that my 12-year old son had received a most interesting communication which contained more economic wisdom and good sense than I heard in all the hours that the Budget Committee met.

I ask unanimous consent that the brief letter sent by one of my constituents to my 12-year-old be printed in the Record, and I commend it to the attention of my colleagues as a guide to future policymaking in this body.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Dear Wil: You don't know me but your parents have been friends of mine for a long time. I'm writing to you about this energy problem our country faces because you are living near the nation's capital and are probably as concerned as I. It appears from here that the President and his administration is at a loss as to how this serious problem can be solved and yet the solution just does not seem to be that tough. With all the accomplishments of these old United States there has to be an answer.

You know out of the 324 most important inventions and discoveries since the world began the U.S. in its short 200 year history is credited with 193 or 60%. When business was turned loose in World War II, Ford, General Motors, Douglas, Remington, Kaiser and the others, placed on a cost plus 10% basis and left alone, produced enough war material to bury Hitler. So much ammunition was unloaded on Great Britain many feared the island might sink. On September 1st, 1939 when Adolph Hitler invaded Poland he had an unbelievable arsenal of over 11,000 military planes and more than 15,000 tanks and armored cars. His factories were at full blast and we, full of apathy, sat here with 420 military planes that would fly and a handful of obsolete tanks.

I'll tell you something Wil, your grandparents were scared—plenty scared—for they knew that we could never hope to catch up. Well, when business was turned loose in 1942 things began to happen and by 1945 we had over 300,00 planes, 72,000 naval ships, 86,000 tanks, and 4,900 merchant vessels. We older folks just don't seem to learn from history, for now we establish an energy department with over 14 billion dollars to spend. We hire college professors, bureaucrats and other strangers to business methods to make surveys, studies, harass oil companies, print up forms, draw more regulations and hamper the producers in every conceivable way. You know Wil, maybe the Sam Browns, Peter Bournes, Bella Abzugs, and their kind is not the answer after all.

What do you think would happen if we selected fifteen or twenty good solid American Corporations such as Westinghouse, General Electric, General Motors, an oil company, coal company, solar firm, nuclear, windmill, utility outfit and others that might qualify and turn them loose on this problem? We could waive 25% of their income tax provided they put this savings into research labs. These labs to be used exclusively for the developing of a good cheap energy. At the same time we could remove all restrictions from these research departments. They would be off limits to OSHA, EPA, Jane Fonda, Ellsburg and unions. They would have no quota systems, minimum wage, labor laws or bureaucratic bunglers. Just go to work with all their technical knowledge, trained people and limitless resources to find us energy whether from coal, oil, wind, rain, sun, ocean, nuclear, sand, the earth or whatever. You know, by golly, this would create a lot of new jobs in the private sector and in ten or fifteen years someone would surely come up with all the good, clean and cheap energy we could use in a million years. What is your opinion on this, Wil?

Well, you think about it and one of these days when things are peaceful and quiet around your house and your father has a little time to spend with you, you might mention some of this to him. If it has merit, he'll know better than you and I what to do about it.

It's been nice talking to you, Wil, and give Jean and my best to Ann and your parents.

Sincerely,

H. W. Rider.

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Stewart). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how much time remains in morning business?

The PRESIDING OFFICER. Five minutes remain.

EXTENSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period be extended for an additional 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 936—EXTENSION OF AUTHORITY UNDER THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. JACKSON. Mr. President, I am introducing legislation today to extend mandatory crude oil price controls from May 31, 1979, to October 31, 1981, and to provide the President with discretionary authority to impose price controls until December 31, 1982. Under existing law, his discretionary authority to impose price controls expires September 30, 1981.

The bill I am introducing would amend the Energy Policy and Conservation Act in two places, simply changing the dates upon which the existing controls expire. Seeking to amend EPCA reminds me of the circumstances under which it was enacted. Those circumstances are reminiscent of the situation facing this Nation today and bear recounting.

Our price control scheme had its birth

in an era of raging inflation. The organization of petroleum exporting countries had recently increased the crude oil price demanded by its members and the Nation could ill afford those price increases. Because we were powerless to force OPEC to rescind its price increases, we used the only tool we had at hand: We imposed price controls on domestic crude oil, thus strengthening our own economy and protecting ourselves against the full impact of paying OPEC prices for all of our energy.

The circumstances leading to our decision to impose domestic price controls then are mirrored today. Inflation is nearly out of control; OPEC has just shocked the world by once again flexing its muscles and increasing its prices; and we simply cannot afford to have all of our domestic crude oil priced at OPEC levels. According to a preliminary analysis by the Congressional Budget Office, the producer revenue windfall would amount to $2.8 billion this year; $10.2 billion in 1980; and $12.2 billion in 1981 or $25.2 billion in a very short period of time.

I am not against giving producers an incentive price for production from new areas, such as Alaska and the Outer Continental Shelf or oil that is particularly expensive to produce. I coauthored the late Senator Bartlett's stripper well price decontrol amendment 3 years ago. More can be done under the existing regulations. For example, the Department of Energy has proposed pricing incentives for tertiary recovery which I support.

But I am against giving producers a windfall in the form of OPEC prices for oil already being produced.

The President justifies this windfall by saying it will encourage additional production. That sounds fine, but the facts do not square with the rhetoric. The most generous numbers I have seen prepared by the Congressional Budget Office show only a 200,000-barrel-per-day supply response from decontrol. That supply response does not justify the cost to the economy. We simply cannot afford decontrol now.

President Carter has tried to make his proposal sound attractive by discussing all of the good things that can be funded from the proposed Energy Security Fund. Let us not forget this fundamental fact: The present plan is to give the producers the revenues now and to enact the fund later if Congress goes along. That, it seems to me, is simply backward. You do not give the producers a windfall, and then propose to take some of it away from them. It makes much more economic sense not to give them a windfall in the first place.

Simply deregulating oil for the sake of deregulation does nothing but increase prices to consumers and adds to the inflationary cycle.

Lifting controls combined with the already outrageously high cost of imports, and the new regulations, will mean an increase of between at least 15 and 20 cents per gallon at the pumps by September 1981. This is the crude oil cost increase. The price increase to consumers assuredly will be larger—as it always has been in the past. We are guaranteeing the early arrival of $1 per gallon gasoline.

Mr. President, we must keep in mind the fact that the decision to decontrol oil prices is much more than a decision to release the price of the 48 percent of U.S. energy consumption derived from petroleum. Oil is—and will continue to be for a long time to come—the swing fuel in the United States. The price of all energy consumed in the United States rises and falls with the price of crude oil. So the decision to raise the cost of oil to our economy by $6 to $8 per barrel—$1 to $1.40 per million Btu's—is a decision ultimately to raise the cost of all energy used by the U.S. economy by this amount. Moreover, the decontrol of crude oil means that the pace and timing of all increases in the prices of all energy consumed in the United States will ultimately be set by the OPEC cartel.

I must hasten to add that the cost to the consumer of oil price decontrol is not limited to the price paid for energy. Energy prices have an all-pervasive impact on our economy. The price of raw materials used in virtually every facet of our lives is ultimately affected by the price of crude oil. Petroleum is used in petrochemical feedstocks which form the basis for the clothes we wear, the houses we live in, and even the quality of food we eat. It fuels the cars we drive, it fuels the basic materials transportation network, it fuels our utilities. The list goes on and on.

We are not helpless pawns in the world energy picture. We have the ability to control the price paid for nearly half of our crude oil.

I recognize that the President made a commitment last year to the other leaders of the free world to have this Nation's energy prices reflect the replacement cost of that energy.

I am willing to help him meet that commitment. However, conditions have changed since the President made it. Events in the Middle East have added a punitive aspect to OPEC's political pricing policies. At home, inflation continues to grow at a damaging rate.

I am willing to have the domestic price of frontier sources of energy reflect the replacement cost of that energy. But I am not willing to have the domestic price of all energy set by the OPEC cartel. That is an inflationary policy. That is an unfair policy because it gives a windfall to big oil companies at the expense of people on low and fixed incomes. That is an unwise policy because it weakens our economy without adding significantly to our domestic oil production.

The time has come for us to act. We must act before it is too late and the damage has been done.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(a) of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 757(a)) is amended by striking "39 months" and substituting "68 months".

SEC. 2. Section 18 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 760g) is amended by—

(1) striking "40th month" and substituting "69th month"; and

(2) striking "September 30, 1981" and substituting "December 31, 1982".

Mr. METZENBAUM. Mr. President, I rise to support the leadership of the distinguished chairman of the Energy Committee in his proposal which, I think, will appropriately be called recontrol instead of decontrol.

I do so because, frankly, there is no reason at this point to be decontrolling the price of oil. There is no shortage that presently exists. The Department of Energy, through Jack O'Leary, the Deputy Secretary, has indicated publicly that there has been no shortage, that there is no shortage, and that there was a balance in the world between consumption and production.

Others in the Department of Energy have claimed that there is a 500,000 barrel-a-day shortage. The fact is that the International Energy Agency, which has the responsibility of keeping track of these matters for the consuming nations, the Western nations of the world, has indicated that our imports were up 1 million barrels a day in the months of January and February.

The fact is that the Department of Energy figures have indicated that our consumption was down 700,000 to 800,000 barrels of oil a day in the months of January and February.

The facts are that a special staff report of the House Energy Committee indicated and confirmed that there was indeed a surplusage of oil in the months of January and February to the extent that it was up 1 million barrels of oil a day.

Then what really happened? Why was it that there were price increases? Why was it that there were lines in some areas, and why was it that there was great talk about a shortage?

There was talk about shortage and there were price increases because the oil companies willed it that way. Unfortunately, there were those in the administration who were saying the same thing, that there is a shortage of 500,000 barrels of oil a day, and who were reporting over and over again that the price would go up to $1 a gallon.

Well, that may be the view of some who hope that you can cut back on consumption by increasing the price.

But the fact is that is not what has occurred over the past many months and years. The higher the price went the more we consumed. Even the best estimates indicate that decontrol would only involve about 200,000 barrels of oil a day of additional production at a cost to the American people of something in the area of $17 billion in the next 28 months.

Only 2 months ago Mr. Alfred Kahn, speaking for the President with respect to our battle against inflation, made it clear in unequivocal terms that decontrol would be inflationary. He indicated in simple English that decontrol would drive up the price. He also indicated it would be very difficult with decontrol to explain to the American working people why they should not be fighting for higher wage increases.

Now we have decontrol. Under the Senator from Washington's bill, cosponsored by a number of us, we would have recontrol. We would have put back in place the law with respect to controlling the meteoric rise of prices, so that the American people would have some protection from their Government.

The fact is, there are many who say, "Well, even though there may have been no shortage in January and February, even though production may have been up, on a long-range basis what would you do?"

What we would do is have mandatory conservation measures, measures that would be mandatory rather than mere rhetoric, because mere rhetoric will not convince the American people that there is a shortage or that we ought to be doing anything about our energy problems in this country.

I am not one who questions the need to do something about the oil shortage problems and the energy problems in this country. We can do something, on a short-term basis, by mandatory conservation measures. We can see to it that the automobile motors manufactured in this country are small motors. We can see to it that there will not be imported into this country autos that will not get at least a certain number of miles per gallon.

The PRESIDING OFFICER. The Senator's time under morning business has expired.

Mr. METZENBAUM. I ask unanimous consent that I may have 2 more minutes.

Mr. ROBERT C. BYRD. Mr. President, I object. That has been my practice for 10 years.

I ask unanimous consent that I be recognized.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia is recognized for 5 minutes.

Mr. ROBERT C. BYRD. I yield the Senator from Ohio 3 minutes of my time.

Mr. METZENBAUM. I thank the Senator. I did not realize there was a 5-minute time limit.

On a short-range basis, there are many other means that can be used for mandatory conservation, not the least of which is to put into place stronger, more stringent methods with respect to enforcing the 55 miles per hour speed limit on the highways of this Nation. We can do that by making stronger and tougher the law which pertains to our allocation of Federal interstate highway funds.

Mr. President, the proposal we have offered today does not include directions for mandatory conservation. It does not spell out what we can do on a long-range basis as pertains to the development of alternative energy resources. I share the view of the Senator from Washington that there are some special instances in which price relief should be granted for that oil that is hard sought after and hard to come by. But that does not justify decontrolling the price of oil that is on line at the well, and coming forth out of the ground at a cost of $5.50 a barrel.

This measure is needed. It will be difficult to pass, but if we want to win the battle against inflation, and if we are to do something really effective with respect to the energy problems of this Nation, I would hope that the Senate and this Congress would see fit to pass the Jackson measure proposed a few moments ago.

Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "Wharton Annual Model, Decontrol of Domestic Oil Prices Alternative, March 27, 1979."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—*Reduction in oil imports (thousand) barrels per day*

Year	Due to conservation	Due to increased domestic supply
1979	50	25
1980	100	50
1981	200	75
1982	300	100
1983	375	125
1984	450	150
1985	525	175
1986	600	200
1987	675	225
1988	750	250
1989	825	275
1990	900	300

Mr. KENNEDY. Mr. President, I join with the Senator from Washington, the chairman of the Energy Committee, in recommending this measure to the Senate, for six basic reasons.

First of all, Mr. President, without this legislation we are going to see an increase in the severity of the No. 1 problem that is affecting the American consumer and the American taxpayer: The problem of inflation. We are going to see the fires of inflation banked even higher, and that will be devastating to the pocketbook of the average consumer. I believe that decontrolling the prices of "old" oil will be one of the most significant actions taken by the administration or by Congress in adding to the prices paid by the American consumer. At the very time when inflation is the No. 1 problem we face as a country, as a society, and as a leader of the world the decontrol of oil will be a mortal blow to the anti-inflation program.

Decontrol of "old" oil will add a percent or more to the rate of inflation. Price increases, without decontrol, have been staggering. Heating oil prices rose 25 percent in the last 5 months. Gasoline prices have risen 2 percent a month for the past 2 months—an annual rate of 24 percent.

When the administration made inflation its No. 1 priority and proceeded to slash the budget of programs designed to address human needs, it argued that inflation is the No. 1 enemy of the family budget. Decontrol will ruin public morale in the battle against inflation.

If "old" oil prices are permitted to increase by 200 to 300 percent, convincing working men and women to hold wage increases to 7 percent will be impossible. If wages cannot be held down, the voluntary inflation plan will fail and price controls will be inevitable. Is this a cost American industry is willing to pay for decontrol of old oil?

Second, Mr. President, if we look even at the figures provided by the administration in predicting the extent of increased production and conservation from decontrol, we will see that it is marginally effective at best: 250,000 barrels a day in terms of increased production, and approximately the same amount of conservation in 1982 means $5 to $15 billion will be transferred from consumers to producers in 1982. This means we will pay an outrageously high cost per barrel, at least $40 per barrel and some estimates have been made as high as $250 a barrel, for the additional barrels produced.

The reduction in oil imports possibly produced by decontrol of old oil is so small that its effect on national security will be minimal—only a 5-percent reduction in oil imports and a 2½-percent reduction in total consumption in 1985 based on the Congressional Budget Office's estimates. In terms of strategic vulnerability there is little difference between 50 percent dependent and 45 percent dependent.

If we are trying substantively to increase production, the administration's proposal fails to meet the test.

Third, Mr. President, the remedies which have been fashioned to try to provide relief for those who will be most adversely impacted, low- and middle-income people, are totally inadequate. Low-income consumers pay a disproportionate portion of their income for energy—the lowest income groups in this society are now spending as much as 50 percent of their budgets for energy resources, on utilities to heat their homes and gasoline to get to their jobs—during the winter.

What is the remedy offered under the administration's proposal? It is $500 million the first year and $800 million each succeeding year. What is the Department of Energy's own Advisory Committee recommending for the elderly people and the most needy people in the low- and middle-income groups? They recommended $2.3 billion, even before the OPEC price increase.

So on one side we see an enormous transfer of resources, and huge price increases. On the other hand, the proposals offered to meet the needs of low-income consumers are obviously inadequate.

Fourth, as the Senator from Washington pointed out, we should have implemented any tax increase program prior to decontrol.

I have great doubts that we will ever see a windfall profits tax. The real wage insurance program, designed to protect wage earners from inflation, appears to have little chance of enactment. It is equally unlikely that an equitable windfall tax, designed to protect against energy inflation, will ever be passed.

If a windfall profits tax is enacted, little of this money will be rebated to the poor. All but a fraction will end up as "plowbacks," price supports, energy trust fund accounts, or in some other worthwhile sounding scheme. Under the President's proposal, energy development companies will receive $10 to $20 for every dollar the poor receive. The bottom line of these schemes will be the same—special interests will get the money, the poor will get a pittance of relief, a lot of tax theory, and a few apologies.

Fifth, as the Senator has pointed out, we are not actually decontrolling an industry. We have tried to provide decontrol of the airlines industry to provide more competition. There are those of us who strongly favor decontrolling the trucking industry to provide more competition. But, as the Senator from Washington has pointed out, this proposal has virtually nothing to do with competition.

The decontrol of old oil simply means that we will allow OPEC to set the price of all oil produced in our Nation. An OPEC monopoly price is clearly not a free market price. Decontrol will also lead to further concentration of economic power in the United States.

One of the most dangerous aspects of decontrol is the threat it poses to competition both in the energy industries and in other industries. Already the major petroleum companies have accumulated very large volumes of cash which they have used to make acquisitions of their competitors in the energy industries. They have also used this cash to make substantial contributions to the aggregate concentration by acquiring firms outside the energy industries. When the Congress reconvenes I intend to introduce a bill along the lines of that proposed to the President last week. It would prohibit the top 20 oil companies from acquiring any firm with assets over $100 million.

In the administration's proposal, there was no suggestion of how we would increase competition within the industry, nor was there a solid proposal for how to provide for the proliferation of energy resources throughout the world. Putting new resources onstream to provide competition for the OPEC countries should certainly be in any kind of energy proposal.

Finally, Mr. President, when I was in Massachusetts a few days ago, there were people who anticipated that the administration would decontrol oil prices. There is no region in this country whose people have done more in terms of insulating their homes than the region I come from. There is no region whose people have done more cutting back in the use of automobiles and driving than the region I come from. There is no region whose people have set their thermostats lower than the people of the region I come from.

Still we are being asked in spite of our efforts to conserve, to do more. We ask you, What more can we do?

The American people are ready to do their part in riding out the effects of the Iranian shortfall. However, they cannot be expected to cooperate unless they are convinced that the oil industry is not capitalizing on their sacrifices. An energy policy in which the consumer uses less, pays more, and the oil companies make more is doomed to failure.

The suggestions and recommendations of the Senator from Washington, I think, provide a responsible action to address this issue. I am hopeful they will be expeditiously considered. I commend the Senator from Washington for his leadership on this issue, which is probably the most important action that this body can take in protecting the consumers this year.

I am not just concerned about the effects of energy prices on the elderly and the poor of the Northeast. The Department of Energy's Advisory Committee has also found that the poor—especially the elderly—suffer from heat stroke and exhaustion during the summer months in the South and Southwest when they cannot afford to pay their airconditioning bills. This is a nationwide need that demands a national solution.

We are prepared to do our share. When we talk about national defense, we do not ask one section of the country to do more than the other. If we develop an energy program, it seems to me the burden ought to be fairly and equitably distributed. The proposed oil decontrol program does not meet this test. I think the actions of the Senator from Washington will help us meet that test and I strongly support them.

Mr. President, I ask that the following information summarizing DOE's report on low-income energy assistance be included in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ENERGY AND THE POOR: A SUMMARY OF DOE'S DRAFT REPORT—LOW-INCOME ENERGY ASSISTANCE: A PROFILE OF NEED AND POLICY OPTIONS: FUEL OIL MARKETING ADVISORY COMMITTEE

KEY FACTS

Low income families spend 33% of their income on energy compared to 10% for the median income family.

When energy prices rise 25%, the percentage of income paid for energy by the poor rises 4 times as much as the percentage paid by median income households (see attached table).

Energy prices have risen 3 times faster than the Consumer Price Index in 1972.

In 1978 alone, low income households paid $8 billion more than they would have paid if energy prices had risen only at the rate of inflation.

Some elderly families are spending 50% of their incomes on energy during winter months.

Some poor families are paying $1000 of their $3000 income for energy.

A program that starts to meet the needs of the poor will cost $3.2 billion annually (before OPEC and decontrol). (The Administration has proposed $800 million.)

TABLE 1.—*Direct energy costs to households at typical and low income levels, under alternative price conditions*

	Annual costs (in dollars)		Costs as percentage of average household income	
	Low income [1] household (mean income $3,318)	Typical [2] income household (mean income $16,582)	Low income household	Typical income household
Costs at 1978 prices	1,103	1,594	33.2	9.6
Costs with 10 percent price increase	1,213	1,725	36.6	10.4
Costs with 25 percent price increase	1,334	1,913	40.2	11.5

[1] Current low-income household costs from the Bureau of Labor Statistics, U.S. Department of Labor.

[2] From D. Nichols and J. Stutz, "Analyzing Inputs of Energy Costs on Residents of New England", a report for the New England Regional Energy Project, February, 1979. It should be noted that as these figures are for New England they are high in comparison to the average U.S. figures.

DECONTROL OF DOMESTIC OIL PRICES

Mr. SASSER. Mr. President, I am a cosponsor of Senator JACKSON's bill to postpone the decontrol of domestic oil prices.

I commend the Senator from Washington, Mr. JACKSON, on his bill to postpone the decontrol of domestic crude oil prices until October 31, 1981. I am concerned by the premature lifting of these controls and the impact it will have on energy prices.

The Congress has acted in the past to remove price controls from energy resources and the results are clear. The effect of decontrol of natural gas prices has been a dramatic increase in prices but as yet no increase in production. The experience we have had with decontrol of jet fuel also has been inflationary and unsatisfactory. When jet fuel was decontrolled earlier this year, prices on the spot market jumped from 60 cents a gallon to $1.07 a gallon.

These higher prices paid for oil will result in massive windfall profits for oil companies, perhaps as much as $15 billion per year. What guarantee do we have that these moneys will be used to expand exploration, increase drilling drilling activity and will result in increased production? The Congress should not allow itself to be required to act on legislation removing mandatory controls on oil prices before a windfall profits tax is in place.

The impact of these projected price increases resulting from decontrol of oil prices will be most obvious in the cost of gasoline. Senator JACKSON has presented his projections which indicate gas prices could go up as much as 15 cents a gallon.

But the impact will not end with gasoline and heating oil. In 1974, following the Arab oil embargo and the rapid increases in oil prices, all of our energy sources which were not controlled experienced a corresponding increase in prices.

I fear that we will see the same sympathetic price rise in our other energy commodities—particularly coal—as a result of decontrol of domestic oil prices. This will again boost our costs for producing electricity—costs which are already placing a strain on consumers in all of our States.

I share the view of our Energy Committee chairman, Senator JACKSON, that the time is not right for removing mandatory controls on the price of oil. There is much that must be done before such action is taken.

The administration and the oil industry have yet to give us convincing evidence for their claims of increased production to replace our current imports.

Congress needs to address the matter of dealing with excess revenues generated from decontrol. This must be done before, not after, the price increases so that consumers are protected and so that revenues are directed toward the development of effective alternatives to our decreasing oil supplies.

Again, I commend the Senator from Washington for his legislation and express hope that decontrol of oil prices will not occur unless the public is adequately protected.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF EDUCATION

The PRESIDING OFFICER. The Senate will now resume consideration of the unfinished business, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 210) to establish a Department of Education.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15 p.m. today.

There being no objection, the Senate, at 1:27 p.m. recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders numbered 58, 59, 60, and 65.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—my reservation is for the purpose of advising the majority leader that those four calendar items are cleared here and we have no objection to their disposition.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

U.S. RAILWAY ASSOCIATION AUTHORIZATIONS, 1980

The bill (S. 447) to provide authorization of appropriations for the U.S. Railway Association, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1980, there are authorized to be appropriated to the Association for purposes of carrying out its adminstrative expenses under this Act such sums as are necessary, not to exceed $30,000,000. Sums appropriated under this subsection are authorized to reman available until expended.".

OFFICIAL MARCH OF THE AMERICAN MERCHANT MARINE

The concurrent resolution (H. Con. Res. 3) expressing the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine, was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

The Senate proceeded to consider resolution (S. Res. 125) waiving section 303 (a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 413.

● Mr. MUSKIE. Mr. President, the Senate now has before it Senate Resolution 125, a resolution to waive section 303(a) of the Congressional Budget Act of 1974, to permit consideration of S. 413, the Aviation Safety and Noise Abatement Act of 1979. S. 413 requires a waiver of the budget act because it provides new spending authority of $175 million to become effective in fiscal year 1980, a year for which no budget resolution has yet been adopted.

The waiver resolution was reported by the Commerce Committee on April 4 and was referred to the Budget Committee last week while the committee was considering spending targets for the first budget resolution for fiscal year 1980. Therefore, the waiver resolution and the spending authorizations for S. 413 were considered at the same time by the Budget Committee. Mr. President, the Budget Committee did accommodate the spending authorizations of S. 413 in our deliberations of April 5, when the spending targets were considered for function 400, transportation. At the same meeting, the Budget Committee voted favorably on Senate Resolution 125 to grant a waiver of section 303(a) of the Budget Act.

There are several aspects of the bill that are of budgetary significance. In addition to the $175 million in direct spending authority, the bill authorizes $15 million for the planning of noise abatement programs, bringing the increase in total authorizations to $190 million. These figures are consistent with the function 400 spending targets for the fiscal year 1980 first budget resolution approved by the Budget Committee.

I also want to mention two amendments that I understand will be offered and accepted by the floor managers, Senator CANNON and Senator PACKWOOD, that do much to improve the bill in my estimation. The first provides for an increase of $250 million in trust fund payments for FAA operations. This is a significant step in implementing the principle that user fees should finance all aspects of Federal aviation expenditures. The second amendment implements a clarification of authorizing language so that the spending authorizations for trust fund programs are better defined. Traditionally, authorizations identified as being minimums in the Airport and Airway Development Act have been integrated and scored as the exact authorization. However, recent actions by the administration have caused concern in the Budget Committee. I believe that this technical clarification of the authorizing committee's intent will assist both committees in their mutual responsibility to oversee and control Federal spending.

Mr. President, on behalf of the Budget Committee I want to commend Senator CANNON and the Commerce Committee for their actions in improving the budgetary aspects of this legislation. I recommend that the Senate approve Senate Resolution 125 to waive section 303(a) of the Budget Act to permit consideration of the Aviation Safety and Noise Abatement Act.●

The resolution was agreed to as follows:

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 413, a bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes.

Such waiver is necessary to permit consideration of new spending authority (as detailed below) to become effective in a fiscal year for which the first concurrent resolution on the budget has not been agreed to. Specifically, the new spending authority for which this waiver is needed arises from the authorization of additional funds from the Airport and Airway Trust Fund, as contained in titles I and II of S. 413, for a future fiscal year not yet considered by the Budget Committee. The total amount of the additional funding for fiscal year 1980 is $190,000,000.

Compliance under section 303(a) of the Budget Act is not possible because of the multiyear nature of airport development projects under the Airport and Airway Development Act. These projects are for airport development and construction that may take several years to complete and call for assurance that Federal funding will be committed to that project in order to permit the airport operator to sell municipal bonds to raise the local authority's share of the project costs. This need for future commitment for planning purposes has been recognized by the Congress since the creation of the trust fund in 1970, and creates a need for the earliest possible passage of S. 413.

Additionally, the committee is of the opinion that the safety needs to be addressed by these funds cannot be delayed solely to accommodate the budget schedule. After the San Diego air crash, Congress was criticized for allowing a trust fund surplus of over $2,000,000,000 to lie idle while obvious safety needs went unmet. Timely action on this legislation is imperative to demonstrate that the Congress will respond in a timely manner to its aviation safety, as well as its budgetary, responsibilities.

The entitlements contained in S. 413 represent both renewals and extensions of existing spending programs under the Airport and Airway Development Act. Because Congress anticipated possible modification and review of the ADAP program, the legal basis for expenditures of trust fund moneys for discretionary programs expires at the end of fiscal year 1979, leaving no authority to spend discretionary funds in 1980. Yet the need for continued and increased discretionary funding for 1980 has been clearly demonstrated and is documented by a backlog of over $900,000,000 in accumulated requests for ADAP funds of which over $600,000,000 have been identified by the Federal Aviation Administration as high priority programs. Without the renewed and increased discretionary level for 1980, many airport safety programs will not be funded. The Airport and Airway Trust Fund, from which these needed projects are in major part sponsored, is currently running a surplus of well over $2,000,000,000 which will not be significantly reduced by the additional spending programs and authority contained in S. 413.

The comparable legislation pending before the House of Representatives contains substantially identical spending programs for fiscal year 1980 as are contained in the Senate bill, S. 413. The possibility therefore that a conference committee agreement will contain higher figures than those contained in S. 413 is remote.

The committee has demonstrated its concern with the need for budgetary restraint by proposing in the bill as introduced modest increases in funding, notwithstanding the fact that this program generates its own revenue. The committee went still further to reduce the total expenditure increase by amendment in committee.

Finally, as the Airport and Airway Development Act was created in 1970 and reviewed in 1976, it expires at the close of fiscal year 1980. The levels of authorization written in 1976 to run through 1980 could not have anticipated the dramatic growth in air traffic, in part due to the passage of the Airline Deregulation Act of 1978, which has not only increased the pressures on airport development and construction but also created a significant surplus in the trust fund.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING THE PRINTING OF FIELD NOTEBOOK PREPARED BY HERBERT C. HOOVER

The Senate proceeded to consider the resolution (S. Res. 114) authorizing the printing of additional copies of the Geological Atlas of the United States, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 2, strike "the Geological Atlas of the United States, by Herbert Hoover," and insert in lieu thereof "field notebooks prepared by Herbert C. Hoover in connection with the Geological Atlas of the United States, Folio 31, Pyramid Peak Folio, California," so as to make the resolution read:

Resolved, That there shall be printed as a Senate document, field notebooks prepared by Herbert C. Hoover in connection with the Geological Atlas of the United States, Folio 31, Pyramid Peak Folio, California, in such style and form as may be directed by the Joint Committee on Printing.

SEC. 2. In addition to the usual number, there shall be printed three thousand five hundred copies for use by the United States Senate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

Resolution authorizing the printing as a Senate document of field notebooks prepared by Herbert C. Hoover in connection with the Geological Atlas of the United States, Folio 31, Pyramid Peak Folio, California.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold?

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to title 46, section 1126(c) of the United States Code, appoints the Senator from New York (Mr. MOYNIHAN) to the Board of Visitors to the U.S. Merchant Marine Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce, Science, and Transportation (Mr. CANNON) his appointments of the Senator from Hawaii (Mr. INOUYE) and the Senator from South Dakota (Mr. PRESSLER) as members of the same Board of Visitors.

The Chair, on behalf of the Vice President, pursuant to Public Law 95–45, and upon the recommendation of the majority leader, appoints the Senator from West Virginia (Mr. RANDOLPH) as chairman of the Senate delegation to the Interparliamentary Union Spring Meeting, to be held in Prague, Czechoslovakia, April 14 to April 22, 1979.

The Chair, on behalf of the Vice President, appoints the following Senators as congressional advisers to the eighth session of the Third United Nations Conference on the Law of the Sea, to be held in 1979: The Senator from Washington (Mr. MAGNUSON), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from New York (Mr. JAVITS), the Senator from Texas (Mr. TOWER), the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. STEVENS), and the Senator from Kansas (Mr. DOLE).

The Chair, on behalf of the Vice President, pursuant to Public Law 83–420, appoints the Senator from Vermont (Mr. LEAHY) to be a member of the board of directors of Gallaudet College.

The Chair, on behalf of the Vice President, pursuant to title 14, section 194(a) of the United States Code, appoints the Senator from New Hampshire (Mr. DURKIN) to the Board of Visitors to the U.S. Coast Guard Academy, and the Chair announces on behalf of the chairman of the Committee on Commerce, Science, and Transportation (Mr. CANNON) his appointments of the Senator from Washington (Mr. MAGNUSON) and the Senator from Missouri (Mr. DANFORTH) as members of the same Board of Visitors.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which S. 447 was adopted.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 55, the bill (S. 413) to provide assistance to airport operators to prepare and carry out noise compatibility programs.

I do so in the belief that it will be for the purpose mainly of getting opening statements out of the way. What I say is not intended to indicate any preclusion of amendments on that measure today. I do not anticipate any sweeping action on it today.

As soon as the bill is before the Senate, I hope the Chair will recognize the Senator from North Carolina (Mr. MORGAN) to speak on another matter until the managers of the aircraft noise bill are able to come to the floor.

Mr. BAKER. Mr. President, reserving the right to object, I wonder if the majority leader will give me just a moment to check on the availability of the ranking member on this side of the aisle.

Mr. ROBERT C. BYRD. Yes. I withdraw the request.

DEPARTMENT OF EDUCATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of the unfinished business, for the purpose only of Mr. MORGAN's making a speech in relation thereto.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (S. 210) to establish a Department of Education.

Mr. MORGAN. Mr. President, I rise in opposition to S. 210, a bill to establish a separate Cabinet level Department of Education. I thank the distinguished majority leader and the distinguished minority leader for allowing me to make this statement prior to the adjournment for the Easter recess period, because I would like for it to be in the RECORD so that my colleagues may know my views.

When I first became aware of this proposal, I was inclined to favor it. I believed it would lead to the improved management of Federal education programs, something every Member of the Senate would admit that we need, and the bill seemed to be an appropriate way to make progress toward that end.

But, in the last year, as I have become more familiar with this measure and its consequences, my position has slowly changed. I now believe that enactment of S. 210 would be a serious mistake.

The most serious problem with establishing a separate Department of Education is that it will, inevitably, lead to vastly increased Federal influence over education policy in this country. Frankly, it is hard for me to imagine a worse thing we could do in the field of education.

The specter of increased Federal influence and control is implicit in the bill itself, in the committee report, and in almost every statement made to support the concept, notwithstanding the repeated ritualistic disclaimers.

This reorganization proposal is not just an exercise in better management as many believe. For that matter, no reorganization is. Congressman BRADEMAS, the House majority whip, and a most distinguished patron of the arts and humanities, for which I commend him, stated this quite clearly:

> Too often reorganizations omit—some of them perhaps deliberately—an explicit recognition that reorganization of the executive branch . . . is not simply an exercise in improving the efficiency of Government. Reorganization is a fundamentally political act, not political in the partisan sense, but political in that every organization—and every reorganization—means a distribution or redistribution of power and influence over the substance of policy . . .

As far as I can tell, the main proponents of this bill fully intend that the Federal influence over and direction of educational policy in this country increase. Last year, I received a letter from my good friend, the Vice President, asking me to support S. 210. He listed a number of reasons for supporting this bill of which the first, and presumably the most important, was to "bring increased attention to the needs of education by providing new focus and direction at the highest levels of government." James McIntyre, Director of the Office of Management and Budget, stated in testimony before the Senate Governmental Affairs Committee, and again I quote:

> The establishment of a Cabinet level department of education will provide a base for national leadership.

Perhaps the clearest statement came from John Ryor, president of the National Education Association, when he said:

> Creating a department of education is, indeed, a profound step in which the Federal Government will be recognizing, for the first time, that it has a responsibility for education in and of itself.

Senator RIBICOFF, who is managing this bill, has said:

> The whole system of education is dependent on the leadership and commitment the Federal Government takes. Only an increased Federal priority to education can increase the American people's confidence in our educational system.

Mr. President, I have the highest amount of respect for the senior Senator from Connecticut. We agree on many issues, and have often cooperated in working for a better Federal Government. But his views, as expressed by the above quote, are directly opposite from mine. And frankly, I see little room for compromise on this issue. I would argue that the last thing the people of this country need is the leadership and commitment of the Federal Government in education.

For example, the Federal Government has been involved in public elementary and secondary education in a significant fashion since 1965. Since that time we have seen declining achievement by students in the basic skills, increased violence and vandalism in the schools, and greater use of drugs.

There is not a Member of the Senate who would deny the existence of these trends, nor would anyone deny the concurrent expansion of the Federal role. For lack of better evidence, I am hesitant about asserting the existence of a cause and effect relationship between the increasing Federal role and the decline in our schools. But, as this is important, there is more evidence supporting that relationship than there is to support the theory that increased Federal leadership and commitment, which is the same as increased Federal control and influence, will improve matters.

Some people might argue that these quotes do not reflect the intentions or the direction of this legislation. So, let me direct the Senate to the language of the bill itself. The first purpose, in the statement of purposes, is to "insure that education receives the appropriate emphasis at the Federal level." In this context, "appropriate emphasis" must mean "greater emphasis," for if it meant less emphasis there would be no reasons for the legislation.

The fifth purpose, which was the second purpose listed in the bill last year, is to "enable the Federal Government to coordinate education activities and programs more effectively through interagency cooperation, technical assistance, and evaluation of program effectiveness."

A vote for S. 210 is a vote to establish a department with a charter to coordinate all education activities nationwide. The power to coordinate, in this context, in my opinion, implies the power to coerce. This must lead to greater Federal influence over our educational policy.

The second purpose as stated in S. 210 is equally revealing. It is to "continue and strengthen the Federal commitment to insuring access by every individual to equal educational opportunities." The committee report, in explaining this, states that—

> Equal education opportunity has been and must remain a major educational goal of the Federal Government.

This is a gross misreading of history. It has never—this must be emphasized—never been the policy of the U.S. Congress to promote equal educational opportunities for its own sake.

It has been the policy of the Congress and the will of the people, that all Americans have an equal opportunity in life, that Americans should not be denied this opportunity simply because they are part of a racial minority, or female, or handicapped, or because they have not had the chance to learn to speak proper English at home.

The Congress has provided assistance to State, local, and private education programs because it realized, wisely I think, that equal opportunity is best insured if everybody receives an equal education. Equal educational opportunity has not been the goal, but the means. Equal opportunity, without any limiting adjectives, has been the goal.

The same is true of every other education program, or education-related program, enacted by the Congress. There is not a single such program which has been justified on the basis that it is good for education. Student assistance programs exist to help attain equal opportunities for all. Indian education programs exist partly because of the unique trust status of the Indian tribes of America. The GI bill, which helped me to go to college, was enacted to provide veterans with needed help and to compensate them for their services rendered to this country. And we do not make research grants to universities to subsidize higher education, which it does, but in order that we might maintain our technological leadership in the case of National Science Foundation programs, to improve the health of all Americans in the case of health-related research, et cetera.

In fact, this is why there has been such difficulty in deciding what belongs in this new department. Let me list the many education-related programs which will not, or might not, be included in this bill: Veterans' education, social security education benefits, the many National Institutes of Health, the school lunch and related programs, the Indian schools, the Department of Defense schools for overseas dependents, the National Science Foundation education programs, Head Start, and the manpower training programs in the Department of Labor. We had no comparable difficulties in deciding what to put in the Department of Energy, which to me implies there was a much better rationale for creating it.

It is worth noting here that last year's version of this bill contained an open-ended prescription for Federal interference in locally and State-controlled schools. It tells us that we need this bill "to promote the quality and relevance of education to individual needs, including the assurance of an adequate level of skill development * * *." To quote from an article by David Breneman and Noel Epstein, which I will describe more fully in a minute—

> Who decides what is "an adequate skill level"? Is Washington to establish minimum skill requirements? Are we talking about paving the way for a national test, a move proposed . . . but successfully thwarted thus far?

This language has now, fortunately, been removed. But the same people are pushing this Department, and the same attitudes still prevail. I would suggest that once the foot is in the door we will see the same type of proposals will be back in the next session and in future sessions.

Albert Shanker, president of the American Federation of Teachers, in a statement opposing the establishment of this new department, described the problem of Federal control extremely well. He said:

> Our public school system is built upon a system of local control by lay school boards. That this system needs a larger share of Federal assistance is beyond dispute.

Before I go further, I must say that I am not at all sure I agree with this last sentence, largely because of what Mr. Shanker said next:

> But the degree to which this should mean a greater amount of Federal control is a question that has not been discussed. None of the plants to create a separate department of education address this thorny and difficult issue. Namely, what is the Federal role on education policy? No other domestic sector of Cabinet-level status compares with education in terms of the clear limits of Federal authority. Is the creation of a cabinet-level department in an area which constitutionally is left to the States and localities wise without at least exploring these questions further?

An excellent article appeared in the August 6, 1978, Washington Post. This article, written by David Breneman, of the Brookings Institution, and Noel Epstein, an editor for Outlook and formerly for the Washington Post, contains a brilliant description of the danger that this bill will bring about Federal control over education, and I urge all my colleagues to read it before voting on final passage. The article concluded with the following sentence:

> A department (of education) is either a prescription for increased central influence over education or for excessive expectations that will only lead to more, not less, frustration.

I want to repeat that statement, Mr. President.

> A department of education is either a prescription for increased central influence over education or for excessive expectations that will only lead to more, not less frustration.

Now, what are these excessive expectations?

Many supporters of S. 210 believe that a separate department will lead to improvements in Federal education policy. I do not feel there is any basis for that conclusion; there certainly is not, judging by our experiences with the Department of Housing and Urban Development.

Establishing a separate department will expand the bureaucracy, and will almost surely increase the pressure on Congress to spend more money on education, but neither of these will bring about, by themselves, better policy.

In fact, there is a good chance that having a separate department will lead to worse policy. It is interesting to note that the one Federal education program about which we never get complaints, the one which I believe to be working the best, is not controlled by the education bureaucracy. I am, of course, referring to the Head Start program.

The Head Start program, which is operated by HEW's Administration for Children, Youth, and Families, is not strictly an education program, but rather, and I now quote from last year's committee report on the Department of Education bill—

> Provides comprehensive services including health, nutrition, education, dental, mental health, parental involvement and social services. The outstanding success of this program can be partially attributed to Head Start's unique characteristics—significant parental involvement, comprehensive services and a diverse Federal-to-local delivery system.

The Governmental Affairs Committee decided, unanimously, not to place the most successful Federal education program in the new department because they were afraid that it might become dominated by narrow educational interests. This unanimous decision does not say much for confidence in the new department. Let me quote Albert Shanker again:

> One of the problems with education policymaking thus far is that it has been too narrowly conceived. A separate department would only exacerbate this tendency.

Creation of a separate department will also not magically lead to new, major initiatives in education, although, as I said, it will lead to more spending on bureaucracy. At the present time, the dominant role in the formation of policy initiatives, within the administration, is held directly by the White House through the Office of Management and Budget. Establishing the new department will not change this, unless the President so decides, and he has given no indication that he will so decide.

Many also believe that this bill will allow the Federal Government to save money through the ending of program duplication and better program coordination. In the first place, Congress could bring about that result simply by ordering a reorganization of the education bureaucracy with HEW. It could start by combining the Office of the Commissioner of Education and that of the Assistant Secretary for Education. We do not need a new department to deal with this problem.

Second, this bill will cost the taxpayers money, according to Congressional Budget Office estimates, in order to pay for the additional bureaucracy. The cost is small, but it is there, and it will only grow. The estimated cost of this bill is $5.2 million in fiscal year 1980, $7.45 million in fiscal 1981, $9.9 million in fiscal 1982, $9.16 million in fiscal 1983, and $9.62 million in fiscal 1984, for a 5-year total of about $41.3 million.

I might add that I have a lot of trouble with these estimates. It is hard for me to believe that a bill which authorizes the appointment of 63 additional supergrades, and further allows the new Secretary to appoint an additional 155 people above that as he sees fit is only going to cost $41 million in 5 years. I simply do not believe it.

As for the estimate offered by the Office of Management and Budget that this bill will eventually save 350 to 450 positions and $100 million annually in expenditures, one should note that this estimate has been asserted without any supporting evidence. It is an assertion of the OMB.

Finally, I should like to add some cautionary notes. As a Washington Post editorial stated, last April:

> One of the principal risks of creating a separate education department is that it will become a creature of its clientele. That clientele would not necessarily be the school children and their parents . . . but much more probably it would be the National Education Association. In a way, this would be giving them their own department.

It makes no sense to give narrow special interest groups their own department, and the groups we are talking about here are too often hostile to the needs and desires of schoolchildren and their parents.

I think this is all too obvious from the number of teacher strikes supported by the National Education Association, and the literally hundreds of thousands of days of school lost by tens of thousands of schoolchildren all across America We in the District of Columbia watched the schoolchildren in the District be deprived of more than 3 weeks of school, right in this crucial stage of a school year. We do not know what harm has been done to these youngsters because of the strike. We wonder, sometimes, whether the concern is more for the youngsters, the students and pupils, or whether it is for the selfish interest of those who are advocating such actions.

Many educational groups, for example, were opposed to Senator HATCH's amendment to the Elementary and Secondary Education Act that required parental consent before any child could be subjected to psychiatric or psychological examination, testing or treatment, or before any child could be placed in an innovative program aimed at behavioral modification. Equally, many education interest groups are bitterly opposed to the demand, by parents, for minimum competency testing in the schools. Do we really want to shift power in setting education policy from parents to these groups?

Finally, considering the declining number of children in this country, we may be creating this new Department right at the time when the Federal role in education would normally begin to decline. The Senate has a bill before us, S. 1780, which also will lead to a declining Federal bureaucratic role in education.

If a breaking up of HEW is desirable, other options may be much more desirable. For example, the Federal role in health policy has been growing constantly, and there is currently a bill before the Senate to establish a separate Department for Health Affairs. If we enact comprehensive national health insurance, may we want a Department of Health and a Department of Education and Welfare? We might want a Department of Education and Labor. There are other options, and making this change now will preclude the Congress from adopting a better choice, one which might become clear in the near future.

I certainly agree that better management of Federal education programs and improvements in policy are necessary. I also agree that we must simplify our existing education bureaucracy, eliminate program duplication, and establish better coordination between programs. All these could be accomplished without establishing a new Cabinet-level department.

I do not believe that we need this new Department. I also do not believe the majority of American people want this department. I know that the American Federation of Teachers does not want this, that the AFL–CIO is against it, that the U.S. Catholic Conference does not want it, and I know that many civil rights activists do not want it. Last year, I said that as more people become aware of this proposal, I believe a great deal of opposition will surface. Events since then have proven this prediction to be correct. If this bill is passed, many Americans will be outraged. At a time when they are asking for less Federal spending and less Federal involvement in their lives, they are not going to understand why the Senate wants to create another bureaucracy.

Passing S. 210 is not a good idea, and I urge my colleagues to assess the arguments and vote against it.

UP AMENDMENT NO. 74

(Purpose: To clarify the purposes and responsibilities of the Federal Interagency Committee on Education)

Mr. THURMOND. I understand amendments are now in order to S. 210.

The PRESIDING OFFICER. The Senator is correct.

Mr. THURMOND. I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will state it.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an unprinted amendment numbered 74.

On page 96, at line 15, strike all after "improvement" and strike all of line 16 and insert in lieu thereof the following:

"Of the administration and coordination at Federally funded education programs; and"

Mr. THURMOND. Mr. President, section 214(b)(4) reads as follows:

The improvement, development, and oversight of a comprehensive Federal policy for education; and

Mr. President, the amendment I have offered would read this way:

The improvement of the administration and coordination of federally-funded education programs.

Mr. President, I have conferred with the leaders of the bill and they have agreed to accept this amendment. I say that the way the portion of the bill reads now that we are amending might be misconstrued. It might be construed that this Department of Education is going to come up with a comprehensive Federal policy for education for the whole Nation and States of the Nation, and that is the very thing I think the chairman of the committee and the ranking member had in mind to avoid when this bill was prepared.

They have agreed to accept this amendment to clarify that point so there would be no question as to just what it means.

Mr. LEVIN. Mr. President, I am pleased to accept Senator THURMOND's amendment. It clarifies the function of the Federal Interagency Committee on Education and I hope it is accepted.

Mr. PERCY. Mr. President, we very much appreciate this amendment from our distinguished colleague. I know of no objection to it on this side of the aisle and am pleased to accept it.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. LEVIN. I yield back the remainder of my time.

Mr. THURMOND. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment (UP No. 74) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 75

(Purpose: To require the establishment of an identifiable administrative unit in the Office of the Secretary of Health and Human Services to coordinate programs significantly affecting handicapped individuals)

Mr. LEVIN. Mr. President, on behalf of Senator CRANSTON and Senator WILLIAMS I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for Mr. CRANSTON, proposes an unprinted amendment numbered 75.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 145, between lines 6 and 7, insert the following:

COORDINATION OF PROGRAMS AFFECTING HANDICAPPED INDIVIDUALS

SEC. 513. The Secretary of Health and Human Services shall establish within the Office of the Secretary of Health and Human Services an identifiable administrative unit to identify, assess, coordinate, and eliminate conflict, duplication, and inconsistencies among programs significantly affecting handicapped individuals carried out by or under the Department of Health and Human Services, and to promote efficiency among such programs. Such unit shall seek to coordinate, to the maximum extent feasible, such programs with programs significantly affecting handicapped individuals carried out by or under the Department of Education.

On page 145, line 8, strike out "Sec. 513." and insert "Sec. 514.".

On page 73, in the table of contents, renumber the item relating to section 513 as the item relating to section 514 and insert immediately after the item relating to section 512 the following:

"SEC. 513. Coordination of programs affecting handicapped individuals.".

Mr. LEVIN. Mr. President, the amendment is designed to establish within the Office of the Secretary of Health and Human Services an identifiable administrative unit to coordinate programs significantly affecting handicapped individuals carried out by the Department of Health and Human Services. The Rehabilitation Services Administration would be transferred to the new Department; however, entitlement programs would not be transferred. The programs remaining in the Department of Health and Human Services are concerned with developmental disabilities and supplemental security income for the disabled. The unit would also coordinate those programs with the handicapped programs in the Department of Education.

COMBINATION OF PROGRAMS AFFECTING HANDICAPPED

● Mr. CRANSTON. Mr. President, I thank the chairman of the Government Affairs Committee, my colleague from Connecticut (Mr. RIBICOFF), for offering, on my behalf, an amendment to establish in the Office of the Secretary of Health and Human Services an identifiable administrative unit to coordinate within that Department programs significantly affecting handicapped individuals. In addition, the unit would be responsible for coordinating, to the maximum extent feasible, such programs with programs significantly affecting handicapped individuals carried out by or under the Department of Education.

Mr. President, I am an original cosponsor of S. 210, the proposed Department of Education bill, just as I was a cosponsor of S. 991, last year's Department of Education bill. However, as I expressed in my February 6 statement upon the introduction of S. 210, I continue to have reservations about the prospective transfer of the Rehabilitation Service Administration—RSA—to the new Department.

As a result of such a transfer, it is likely that RSA's conduct of services for handicapped individuals would be isolated from conduct of such interrelated programs significantly affecting handicapped individuals as the developmental disabilities program, titles II and XVI of the Social Security Act, and enforcement by the Office for Civil Rights of section 504 of the Rehabilitation Act of 1973—Public Law 93-112.

Because the RSA transfer has been retained in the bill as reported, I believe that it is extremely important to establish an entity within the Department of Health and Human Resources to assure that the limited resources available for programs significantly affecting handicapped individuals are spent in the wisest and least duplicative possible manner. The role of such an entity, as provided for in my amendment, would be to identify, assess, and seek to coordinate, and eliminate conflict, duplication and inconsistencies and promote efficiency among, programs significantly affecting handicapped individuals within the proposed Department of Health and Human Resources, and to seek to coordinate, to the maximum extent feasible, such programs with programs significantly affecting handicapped individuals in the new Department of Education.

Mr. President, I initially proposed that the entity to be established under my amendment be charged with the responsibility of coordinating appropriate programs within the Department of Health and Human Services with appropriate programs carried out by or under any other Federal department, agency, or instrumentality. However, my colleague from Connecticut (Mr. RIBICOFF) has prevailed upon me to limit the entity's statutory responsibilities to be coordination only of appropriate programs affected by the establishment of the Department of Education.

Mr. President, I intend to oversee the activities of the entity that would be established by my amendment in order to assure that it is doing all that is feasible to assure that the limited resources available throughout the Federal Government for programs significantly affecting handicapped individuals are spent in the wisest and least duplicative manner. It may well be that to accomplish this goal, the entity's responsibilities will need to be expanded—by administrative action which I believe the Secretary would be authorized to take—to include efforts to improve coordination with appropriate programs throughout the Federal Government.●

Mr. LEVIN. Mr. President, I urge the adoption of this amendment on behalf of Senator CRANSTON.

Mr. PERCY. Mr. President, I know of no objection to this amendment on this side of the aisle.

Senator CRANSTON deserves tribute for thinking this problem through and for suggesting a structure of organization that will improve attention given the handicapped.

I approve its adoption and accept the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LEVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (UP No. 75) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I understand there will be another amendment to the Department of Education bill.

Am I correct? May I ask the Senator from Michigan (Mr. LEVIN)?

Mr. LEVIN. Yes.

ORDER FOR CONSIDERATION OF S. 413, THE AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of that amendment, the Senate then turn—and this is cleared with the minority—upon the disposition of the additional amendment which will shortly be offered, I ask unanimous consent that the Senate then turn for the rest of today to consideration of the bill S. 413, Calendar Order No. 55, the airport-aircraft noise bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UP AMENDMENT NO. 76

(Purpose: To revise certain provisions of section 400A of the General Education Provisions Act, relating to paperwork control)

Mr. LEVIN. Mr. President, on behalf of Senator CHILES, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for Mr. CHILES, proposes an unprinted amendment numbered 76.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 131, line 9, insert "(a)" after "Sec. 428.".

On page 131, between lines 12 and 13, insert the following:

(b) Section 400(a)(3)(B) of the General Education Provisions Act is amended to read as follows:

"(B) Each request for collection of information or data acquisition activities shall be submitted to the Director of the Office of Management and Budget by each relevant Federal agency at the same time that it is submitted to the Secretary for review and coordination under this section. Whenever the Director of the Office of Management and Budget exercises his authority under section 3509 of title 44, United States Code, he shall make a decision thereon within the review period provided in subsection (b) and shall furnish such decision to the Secretary and to the Federal Education Data Acquisition Council. The decision of the Director shall control, unless the Secretary, in carrying out the provisions of this section, determines that additional elements in the proposed collection of information and data acquisition activities are excessive in detail, unnecessary, redundant, ineffective, or excessively costly in which case the decision of the Secretary shall control. If the Director does not exercise his authority under such section 3509, within the review period provided in subsection (b), the decision of the Secretary under this section shall control.".

Mr. LEVIN. Mr. President, this amendment states that requests for collection of information or data acquisition activities shall be submitted to the Director of the Office of Management and Budget by each relevant Federal agency at the same time it is submitted to the Secretary of Education.

The amendment would not jeopardize the provisions of last year's education amendments for a Federal education data acquisition council made up of representatives of each Federal agency that puts out surveys, reports, applications, and so forth, to be completed primarily by educators.

Senator WILLIAMS, Senator PELL, Senator JAVITS, and the other members of the Education Subcommittee are to be commended for their leadership in establishing a workable procedure for interagency coordination of paperwork. This system allows the bureaucrats to cooperate to cut out duplication, unnecessary requests for data, and monitor their own progress in relieving this burden and expense to educators. The amendment would strengthen and reinforce the FEDAC system by providing for the Office of Management and Budget to review data requests simultaneously and retain responsibility for government-wide paperwork policy.

Mr. PERCY. Mr. President, at the time the Governmental Affairs Committee and the Government Operations Committee established the Office of Management and Budget, it put tremendous emphasis upon management, not just budget. It is not just a green eyeshade operation which is to look at the management of the Federal Government.

One of the greatest problems we have in Federal Government is control of paperwork. Therefore, it is perfectly proper to direct requests for collection of information and data to the Office of Management and Budget.

I commend Senator CHILES, who has been a watchdog for this phase of Government operations, for this amendment.

I know of no objection to this amendment on this side of the aisle. I find it acceptable.

Mr. LEVIN. Mr. President, I yield back the remainder of my time, and I urge the adoption of the amendment.

Mr. PERCY. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. LAXALT. Mr. President, I support all well reasoned efforts to improve the quality of education in this country. Unfortunately, the pending legislation (S. 210) which would create a Federal Department of Education, is neither well reasoned nor an improvement in the quality of our educational system.

There are many praiseworthy Federal programs designed to benefit the educational process. Many do as they were intended. And they have managed to accomplish their tasks with relatively little impact on local teaching practices. As it is now constituted, the Federal education effort aids local school districts, but with few exceptions it is in no position to exercise control.

Recently, in a briefing in which he expressed his support for the creation of a Cabinet-level Department of Education, Vice President Mondale made the point that the United States is the only major industrial democracy in the world that does not have a department or ministry of education. In my opinion, this is neither a symptom nor a source of what is wrong with American education. You would hardly judge from the Vice President's remark that the United States is also the only major industrial democracy—or any sort of country—in the world in which three-quarters of the children graduate from high school, and half of those graduates go on to college.

The most appealing and distinctive feature of American education is its diversity and the absence of any single, integrated national control from above. Though the United States offers more educational opportunities to more people than any nation has ever attempted, it has done so without any national plan or governing authority.

Given the complexity and sensitivity of the field, the variety of our needs, and the size and divergent interests of different sectors and regions, I feel that our educational system has served us well, and that we should strive to maintain its multiformity.

It is the diversity and mixture which has provided educational opportunities for ever-increasing numbers. It has also generated a variety of sources of funding and has inspired the kinds of dedication and leadership needed to create and sustain institutions. Perhaps most importantly, it has largely concentrated administrative energies and decision-making authority at the State and local level where the students are—and where the problems emerge—rather than at faraway centers setting inflexible rules in their prescription for a national system.

Short of national control, proponents of S. 210 argue that the current low bureacratic status of the Office of Education means that the President pays less attention to education problems than if there were a Cabinet Department of Education. Their reasoning follows that creation of a Department of Education would thus increase the visibility and prestige given to education needs at the Federal level.

But visibility and prestige for what? What can be done to stop the giant hand of the Federal Government from reaching into local affairs until it effectively can override the wishes of local school boards and suppress or ignore the desires of parents. There are no effective guarantees against such a move. The bureaucracy's track record speaks for itself.

In several places in the bill and the committee's report, we find the phrase "supplement and complement." Local and State efforts in education, we are told, will be "supplemented and complemented" by the Department of Education. I doubt you can find a Federal bureaucrat entrenched anywhere in Government who would not love to get his teeth into that phrase.

You do not need a crystal ball to image this scenario: A low-level official in the Department of Education sees something he does not approve of in a local school program. He passes his concern up the line and at some point a Federal official decides there is a need to "supplement and complement" the local program. Local officials are called in and advised that if changes are not made, the school district stands to lose Federal funds for certain programs. That would be a hefty threat, and one well listened to, in today's budget conscious times.

The point, simply, is that via the Department of Education, the Federal Government will have the ready made two-by-four with which to get the attention—and the subservience—of local educators.

A major argument put forth in support of S. 210 is that by consolidating education programs in a separate department, improved management and efficiency will result. It is absurd to believe that Federal regulations and redtape were ever reduced by creating a new Government agency. Duplication, grantsmanship, reporting, and paperwork, not related to program goals assigned by the Congress, will only be exacerbated by a Federal education department. A new Department of Education would create a number of top level positions, a budget of a minimum of $14 billion, and total employment of 16,000 bureaucrats. Creating a new layer of bureaucracy is a clear signal for more administrative structure—not less.

Whatever the deficiencies of existing educational forms and practices—and there are many—let us resolve them without installing an overarching authority and attendant bureaucracy that will inevitably bring remoteness and rigidity in place of the ranging resiliency of our present pluralism. Many rhetorical assertions have been made about presumed benefits of the proposed Department, but the basic, substantive question has yet to be answered. How will this proposal improve the quality and quantity of services available to children in their schools, families, and communities? I am afraid that this question has yet to be satisfactorily answered, and that the harmful effects of centralization that will be brought about by passage of S. 210, will be both regrettable, and once in place, nearly impossible to reverse.●

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now consider S. 413, which will be stated by by title.

The assistant legislative clerk read as follows:

> A bill (S. 413) to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 4, line 6, strike "and" and insert "or";

On page 4, line 7, strike "approval" and insert "submission";

On page 4, line 18, after "for" insert "airport";

On page 5, line 14, strike "per centum" and insert "percent";

On page 5, line 15, strike "per centum" and insert "percent";

On page 5, line 16, strike "this paragraph" and insert "subsection (a)(1) of this section";

On page 6, line 4, strike "per centum" and insert "percent";

On page 6, line 10, strike "unit of local government" and insert "public agencies and planning agencies";

On page 6, line 12, after "airport," insert "and";

On page 6, line 13, strike "carrier" and insert "carriers";

On page 6, line 13, strike "any regional planning authority, and any metropolitan planning authority,",

On page 7, line 17, strike "one hundred and eighty" and insert "180";

On page 7, line 21, strike "(1)";

On page 7, line 22, strike "(A)";

On page 7, line 23, strike "commerce, and (B)" and insert "commerce or";

On page 8, line 1, strike "uses; and (2)" and insert "uses, or";

On page 8, line 19, strike "and to units of local government" and insert ". Such airport operator may in turn agree to make the grant available to public agencies";

On page 8, line 22, strike "units" and insert "agencies";

On page 9, line 1, strike "per centum" and insert "percent";

On page 9, line 25, strike "unit of local government" and insert "public agencies or planning agencies";

On page 10, line 8, strike "one" and insert "1";

On page 10, beginning with line 11, strike through and including line 17, and insert in lieu thereof the following:

"Sec. 106. No part of any noise impact map or related information submitted to, or prepared by, the Secretary and no part of the list of land uses identified by the Secretary as land uses which are normally compatible with various impacts of noise on individuals shall be admitted as evidence, or used for any other purposes, in any suit or action seeking damages or other relief for the noise that results from the operation of an airport."

On page 12, beginning with line 19, strike through and including line 25;

On page 13, line 1, strike "(e)" and insert "(d)";

On page 13, line 14, strike "(f)" and insert "(e)";

On page 14, line 23, strike "per centum" and insert "percent";

On page 14, line 25, strike "per centum" and insert "percent";

On page 15, line 8. strike "seventy-five thousand" and insert "75,000";

On page 15, line 9, strike "(ii) is registered in the United States, and (iii)" and insert "and (ii) in the case of an aircraft registered in the United States,";

On page 16, line 14, strike "aircraft registered in a foreign country and operating in the United States" and insert "air carriers and foreign air carriers engaging in foreign air transportation";

On page 16, line 21, strike "five" and insert "5";

On page 17, line 1, strike "one hundred twenty" and insert "120";

On page 17, beginning with line 3, insert the following:

(b) If, prior to January 1, 1980, the International Civil Aviation Organization reaches an agreement on noise standards that complies with clause (a)(1) or (a)(2) of this section, the Secretary, acting through the Administrator of the Federal Aviation Administration, shall immediately commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such agreement at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

On page 18, line 16, strike "on" and insert "of";

On page 19, line 5, strike "the purchase of";

On page 19, line 22, strike "per centum" and insert "percent";

On page 20, line 3, strike "operating aircraft within the United States" and insert "engaging in foreign air transportation";

On page 21, line 8, strike "one hundred" and insert "100";

On page 22, line 17, after "aircraft" insert "(as defined in 14 CFR 36.1(f)";

On page 23, line 6, strike "ninety" and insert "90";

On page 23, line 9, strike "ninety" and insert "90";

On page 24, line 6, strike "sixty" and insert "60";

On page 24, 8, strike "thirty" and insert "30";

On page 24, line 14, strike "sixtieth" and insert "60th";

On page 24, line 17, strike "one hundred twentieth" and insert "120th";

On page 24, line 21, strike "ninety" and insert "90";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Aviation Safety and Noise Abatement Act of 1979".

TITLE I

Sec. 101. For purposes of this title—

(1) the term "airport" means any air carrier airport whose projects for airport development are eligible for terminal development costs under section 20(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1720)(b));

(2) the term "airport operator" means any person holding a valid certificate issued pursuant to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432) to operate an airport; and

(3) the term "Secretary" means the Secretary of Transportation.

Sec. 102. Not later than the last day of the twelfth month which begins after the date of enactment of this Act, the Secretary, after consultation with such Federal, State, and interstate agencies as he deems appropriate, shall by regulation—

(1) establish a single system of measuring noise to be uniformly applied in measuring the noise at airports and the areas surrounding such airports;

(2) establish a single system for determining the impact of noise upon individuals which results from the operations of an airport and which includes, but is not limited to, noise intensity, duration, frequency, and time of occurrence; and

(3) identify land uses which are normally compatible with various impacts of noise on individuals.

Sec. 103. (a)(1) After the effective date of the regulations promulgated in accordance with section 102 of this title, any airport operator of an airport may submit to the Secretary a noise impact map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, as of the date of submission of such map, a description of the projected aircraft operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(2) If, after the submission to the Secretary of a noise impact map under paragraph (1), any change in the operation of an airport would create any substantial new noncompatible use in any area surrounding such airport, the operator of such airport shall submit a revised noise impact map showing such new noncompatible use.

(b)(1) Section 11 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711) is amended by renumbering paragraphs (6) through (21), and all references thereto, as paragraphs (7) through (22), respectively, and by adding immediately after paragraph (5) the following new paragraph:

"(6) 'Airport noise compatibility planning' means the development for planning purposes of information necessary to prepare and submit (A) the noise impact map and related information pursuant to section 103 of the Aviation Safety and Noise Abatement Act of 1979, including any cost associated wtih obtaining such information, or (B) a noise compatibility program for submission pursuant to section 104 of such Act.".

(2)(A) Section 13(a) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1713) is amended by—

(i) inserting "(1)" immediately before the first sentence thereof; and

(ii) adding at the end thereof the following new paragraph:

"(2) In order to promote the development of an effective noise compatibility program, for fiscal years beginning after September 30, 1979, the Secretary may make grants of funds for airport noise compatibility planning to sponsors of those air carrier airports whose projects for airport development are eligible for terminal development costs under section 20(b) of this title.".

(B) Section 13(b) of such Act is amended to read as follows:

"(b) Amount and Limitation of Grants.—(1) The award of grants under subsection (a)(1) of this section is subject to the following limitations:

"(A) The total funds obligated for grants under subsection (a)(1) of this section may not exceed $150,000,000, and the amount obligated in any one fiscal year may not exceed $15,000,000.

"(B) The United States share of any airport master planning grant under this section shall be that per centum for which a project for airport development at that airport would be eligible under section 17 of this Act. In the case of any airport system planning grant under this section, the United States share shall be 75 percent.

"(C) No more than 10 percent of the funds made available under subsection (a)(1) of this section in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.

"(2)(A) The total funds obligated for grants under subsection (a)(2) of this section may not exceed $15,000,000.

"(B) The United States share of any airport noise compatibility planning grant under this section shall be that percent for which a project for airport development at that airport would be eligible under section 17 of this Act.".

Sec. 104. (a) Any airport operator who has submitted a noise impact map and the related information pursuant to section 103(a)(1) may, after consultation with the officials of any public agencies and planning agencies in the area surrounding such airport, the Federal officials having local responsibility for such airport, and any air carriers using such airport, submit a noise compatibility program to the Secretary. Such program shall set forth the measures which such operator has taken or proposes for the reduction of existing noncompatible uses and the prevention of the introduction of additional noncompatible uses within the area covered by the noise impact map submitted by such operator. Such measures may include, but are not limited to—

(1) the implementation of any preferential runway system;

(2) the implementation of any restriction on the use of such airport by any type or class of aircraft based on the noise characteristics of such aircraft;

(3) the construction of barriers and acoustical shielding, including the soundproofing of buildings;

(4) the use of flight procedures to control the operation of aircraft to reduce the impact of noise in the area surrounding the airport; and

(5) acquisition of land and interests therein, including, but not limited to, air rights, easements, and development rights, so as to

assure the use of property for purposes which are compatible with airport operations.

(b) The Secretary may disapprove any program or part thereof submitted to him pursuant to subsection (a) (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) within 180 days after it is received by him. The Secretary may disapprove such program or part thereof (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) if the measures to be undertaken in carrying out such program create an undue burden on interstate or foreign commerce or are not reasonably consistent with obtaining the goal of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses, or if the program does not provide for its revision made necessary by any revised noise impact map submitted under section 103(a)(2) of this title. Failure of the Secretary to disapprove such program (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) within such time period shall be deemed to be an approval of such program. With respect to any part of such program which relates to such flight procedures, the Secretary shall provide such part of such program to the Administrator of the Federal Aviation Administration who shall either approve or disapprove such part of such program.

(c)(1) The Secretary is authorized to incur obligations to make grants under this Act from funds made available under subsection (d) of this section for any project to carry out a noise compatibility program or parts thereof not disapproved under subsection (b) of this section. Grants under this Act may be made to operators of airports submitting noise compatibility programs. Such airport operator may in turn agree to make the grant available to public agencies in the area surrounding such airports if the Secretary determines such agencies have the capability to carry out projects for which grant applications are made in accordance with such noise compatibility programs. The Federal share of any project for which a grant is made under this subsection shall be 80 percent of the cost of the project. All of the provisions of the Airport and Airway Development Act of 1970 applicable to grants made under that Act (except section 17 of those provisions relating to apportionment) shall be applicable to any grant made under this Act, unless the Secretary determines that any provision of such Act of 1970 is inconsistent with, or unnecessary to carry out, the purposes of this Act.

(2) The Secretary, further, is authorized under this section to make grants to operators of airports for any project to carry out a noise compatibility program developed prior to the enactment of this Act or the promulgation of its implementating regulations if the Secretary determines that such prior program is substantially consistent with the purposes of reducing existing uses and preventing the introduction of additional noncompatible uses and that the purposes of this Act would be furthered by prompt implementation of such program.

(d) The Secretary may obligate for expenditure out of the Airport and Airway Trust Fund not to exceed $75,000,000 for the fiscal year ending September 30, 1980, for making grants under subsection (c) of this section.

Sec. 105. The Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with the officials of any public agencies or planning agencies in the area surrounding such airport, shall prepare and publish a noise impact map and a noise compatibility program for the airport established by the Act of June 29, 1940 (54 Stat. 686), and the airport the construction of which was authorized by the Act of September 7, 1950 (64 Stat. 770). Such map and program shall prepared and published in accordance with the requirements of this Act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this Act.

Sec. 106. No part of any noise impact map or related information submitted to, or prepared by, the Secretary and no part of the list of land uses identified by the Secretary as land uses which are normally compatible with various impacts of noise on individuals shall be admitted as evidence, or used for any other purpose, in any suit or action seeking damages or other relief for the noise that results from the operation of an airport

Sec. 107. No person who acquires property or an interest therein after the date of enactment of this Act in an area surrounding an airport with respect to which a noise impact map has been submitted under section 103 of this title shall be entitled to recover damages with respect to the noise attributable to such airport if such person had actual or constructive knowledge of the existence of such noise impact map unless, in addition to any other elements for recovery of damages, such person can show that—

(1) a significant change in the type or frequency of aircraft operations at the airport; or

(2) a significant change in the airport layout; or

(3) a significant change in the flight patterns; or

(4) a significant increase in nighttime operations;

occurred after the date of the acquisition of such property or interest therein and that the damages for which recovery is sought have resulted from any such change or increase.

Sec. 108. The Secretary shall study (1) airport noise compatibility planning carried out with grants made under section 13 of the Airport and Airway Development Act of 1970, and (2) airport noise compatibility programs carried out with grants made under this title, to determine to what extent such planning and programs are achieving the goals of reducing existing noncompatible uses of land around airports and preventing the introduction of new noncompatible uses around airports. Not later than January 1, 1981, the Secretary shall submit a report to Congress setting forth the determinations made pursuant to such studies together with legislative recommendations, if any, which the Secretary determines necessary.

TITLE II

Sec. 201. (a) Paragraph (3) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is amended by striking out "$525,000,000 for fiscal year 1980." and inserting in lieu thereof "$612,000,000 for fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 is amended by striking out "$85,000,000 for fiscal year 1980." and inserting in lieu thereof "$98,000,000 for fiscal year 1980."

(c) The last sentence of paragraph (2) of subsection (b) of section 14 of the Airport and Airway Development Act of 1970 is hereby repealed.

(d) Subsection (e) of section 14 of the Airport and Airway Development Act of 1970 is amended by adding at the end thereof the following new sentence: "If in fiscal year 1980, or in any subsequent fiscal year, the total amount obligated under subsection (c) of this section in such fiscal year is less than the minimum amount made available for obligation under such subsection for such fiscal year, the amount available for obligation or expenditure as determined under the preceding sentence of this subsection shall be reduced by an amount equal to the difference between the amount made available under subsection (c) for such fiscal year and the total amount obligated under such subsection (c) for such fiscal year.".

(e) Subsection (f) of section 14 of the Airport and Airway Development Act of 1970 is amended by adding a new paragraph (4) to read as follows:

"(4) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (4), shall impair the authority of the Secretary to obligate by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to paragraph (5) of subsection 15(a), in addition to the minimum amounts authorized for that fiscal year by subsection (a)(3) and (a)(4) of this section.".

Sec. 202. (a) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(4)) is amended by striking out "and minus $15,000,000 in the case of each of the fiscal years 1977 through 1980 " and inserting in lieu thereof "and minus $15,000,000 in the case of fiscal years 1977 through 1979, and minus $20,000,000 in the case of fiscal year 1980,".

(b) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 is further amended by striking out "and $15,000,000 of the amount made available for each of the other fiscal years" and inserting in lieu thereof "$15,000,000 of the amount made available for each of the fiscal years 1977 through 1979, and $20,000,000 of the amount made available for fiscal year 1980".

Sec. 203. Paragraph (2)(A) of subsection (a) of section 17 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1717(a)(2)(A)) is amended by striking out "and shall be 80 per centum of the allowable project costs in the case of grants from funds for fiscal years 1979 and 1980," and inserting in lieu thereof "shall be 80 percent of the allowable project costs in the case of grants from funds for fiscal year 1979, and may not exceed 90 percent of the allowable project; costs in the case of grants from funds for fiscal year 1980,".

TITLE III

DEFINITIONS

Sec. 301. For purposes of this title—

(1) the term "noncomplying aircraft" means any civil subsonic turbojet powered aircraft (A) which (i) has a maximum certified takeoff weight of 75,000 pounds or more, and (ii) in the case of an aircraft registered in the United States, has a standard airworthiness certificate issued pursuant to section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423), and (B) which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977;

(2) the term "retrofit" means the alteration of the engine or the engine nacelles of an aircraft with sound absorbent materials for the purpose of noise reduction; and

(3) the term "Secretary" means the Secretary of Transportation.

COMPLIANCE FOR INTERNATIONAL CARRIERS

Sec. 302. (a) If, by January 1, 1980, the International Civil Aviation Organization (hereafter referred to as "ICAO") does not reach an agreement (1) which adopts the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, or (2) on noise standards and an international schedule for compliance with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36), the Secretary, acting through the Administrator, shall commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such regulations (14 CFR part 36) or with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36) during the 5-year period thereafter, at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

(b) If, prior to January 1, 1980, the International Civil Aviation Organization reaches an agreement on noise standards that complies with clause (a)(1) or (a)(2) of this section, the Secretary, acting through the Administrator of the Federal Aviation Administration, shall immediately commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such agreement at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

LIMITED WAIVER AUTHORITY

SEC. 303. Notwithstanding any other provision of law, the Secretary is authorized to allow any noncomplying aircraft to be operated beyond the date by which such aircraft is to be in compliance with noise standards applicable to it in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, by waiving the application of such regulations to such aircraft for such period beyond such date of compliance as he determines reasonable to permit compliance. No such waiver shall be granted except upon application of the operator of the noncomplying aircraft and a finding by the Secretary that such operator has made a good faith effort to comply with such regulations and that there is good cause for failure of such operator to comply with such regulations as applicable to such noncomplying aircraft. For the purpose of this section, the term "good cause" shall include the following:

(1) Any case where the supplier is unable to furnish or make available to such operator in a timely manner the necessary engine retrofit kits, replacement engines, or replacement aircraft.

(2) Any case in which the failure to grant a waiver would otherwise create burdens on an individual operator which are unreasonable in comparison to the burdens imposed on other operators of noncomplying aircraft.

(3) Any other circumstances the Secretary deems appropriate.

NEW TECHNOLOGY AIRCRAFT INCENTIVE

SEC. 304. The Secretary shall provide a waiver for the operation of any noncomplying aircraft beyond January 1, 1985, if (1) the operator has a plan for the replacement of such noncomplying aircraft which has been approved by the Secretary pursuant to regulations issued by the Secretary (14 CFR part 91), (2)(A) with respect to any two-or-three-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1983, or (B) with respect to a four-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1985, for a replacement aircraft which meets, at a minimum, the noise standards for new type certificated aircraft set forth in regulations issued by the Secretary, acting through the Administrator, on March 2, 1978 (F.R., Vol. 43, p. 8722 et seq.), and (3) the Secretary determines that such replacement aircraft will be in service within a reasonable period of time after such operator enters into the binding contract.

DOMESTIC NOISE ABATEMENT CHARGE

SEC. 305. Notwithstanding any other provision of law, the Civil Aeronautics Board may, under the rules of section 308, authorize or require any operator to impose a noise abatement charge for that portion of the transportation of any person subject to the tax imposed by subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954 and any property subject to the tax imposed by section 4271(a) of the Internal Revenue Code of 1954. The charge shall not exceed an amount in excess of 2 percent of all other rates, fares, or charges for that portion of such transportation (excluding all Federal and State taxes).

INTERNATIONAL NOISE ABATEMENT CHARGE

SEC. 306. When all air carriers and foreign air carriers engaging in foreign air transportation are required by regulations of the Secretary to comply with noise standards pursuant to section 302 of this title, the Civil Aeronautics Board may, under the rules of section 308, authorize or require—

(1) any operator of an aircraft which is used for the carriage of persons for compensation or hire to impose a noise abatement charge in addition to any other lawful fare or charge, for the transportation of any person by air, if such transportation begins in any State or in the District of Columbia, and any portion is not taxable under subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954. The charges shall not exceed—

(A) $2 for transportation of persons to foreign contiguous territory or adjacent islands, or between the continental United States and the States of Alaska and Hawaii, or between the States of Alaska and Hawaii; or

(B) $10 for the transportation of persons not described in subparagraph (A); and

(2) any operator of an aircraft which is used for the carriage of property for compensation or hire to impose, in the case of foreign air transportation of property by air which begins in any State or in the District of Columbia, a noise abatement charge in addition to any other lawful rate or charge. The rate or charge shall not exceed 5 percent of all other such rates or charges for such transportation (excluding all Federal and State taxes) but not to exceed a maximum of $2.25 per 100 pounds of cargo.

USE OF NOISE ABATEMENT CHARGE REVENUES

SEC. 307. As long as the fleet of any operator is not fully in compliance with all applicable Federal noise abatement regulations, the noise abatement charges collected by that operator shall be retained and utilized by it only to bring its aircraft fleet into compliance with all applicable Federal noise abatement regulations.

IMPOSITION, MODIFICATION, AND TERMINATION OF NOISE ABATEMENT CHARGES

SEC. 308. (a) The Civil Aeronautics Board is hereby authorized to impose, increase, decrease, otherwise modify, or terminate any noise abatement charge the imposition of which is authorized by section 305 or 306. The imposition of, or an increase in, a noise abatement charge may be authorized or required by the Board only upon the request in writing of an operator of a noncomplying aircraft or upon the recommendation of the Secretary of Transportation. In exercising its authority to decrease or terminate any such charge, the Board may act upon its own motion or in response to a recommendation of the Secretary of Transportation. In making any recommendation with respect to the imposition or termination of, or an increase or decrease in, a noise abatement charge, the Secretary of Transportation shall include with his recommendation a report with respect to the effect of the requested noise abatement charge action by the Board.

(b) Any report submitted to the Board by the Secretary in support of a recommendation for noise abatement charge action by the Board shall include an evaluation of—

(1) the financial condition of the operators;

(2) the progress of the operators toward the bringing of noncomplying aircraft into noise regulation compliance;

(3) the state of production of "stage 3" aircraft (as defined in 14 CFR 36.1(f)); and

(4) whether the requested imposition or termination of, or an increase or decrease in, the noise abatement charges, or the failure to impose, increase, decrease, or terminate the noise abatement charges as requested, will produce excessive profits for the operators.

(c) In exercising its authority under this title to authorize or require the imposition of noise abatement charges or to increase, decrease, or terminate such charges, the Board shall comply with the requirements of section 553 of title 5, United States Code, to the greatest extent possible consistent with completing the proceeding within 90 days after the date on which notice is given under subsection (b) of that section. The Board shall complete any such proceeding within 90 days after the date of such notice. The final rule adopted by the Board may adopt, modify, or reject the recommendations of the Secretary.

(d) In making its determinations, the Board shall consider, among other things:

(1) the need for the operators to raise sufficient capital to meet the requirements for compliance with all Federal noise abatement regulations;

(2) the desirability of encouraging the development and use of the most advanced technology available for reducing noise levels;

(3) with respect to the imposition of noise abatement charges authorized or required under section 306, or an increase or decrease in, or the termination of, such charges, the views of the Department of State; and

(4) the need of the operator, or operators (as the case may be), to achieve a reasonable corporate rate of return, unless the Board finds such charges are otherwise not in the public interest.

(e) The final rule shall be submitted to both Houses of Congress and shall take effect 60 days thereafter unless either House disapproves, by simple majority vote, the implementation of the rule within 30 legislative days from the date of submission to the Congress.

TERMINATION OF CHARGES

SEC. 309. Notwithstanding any other provision of this title, any noise abatement charge imposed under section 305 shall cease to be in effect on the day after the last day of the 60th month which begins after the date of enactment of this Act. Notwithstanding any other provision of this title, any noise abatement charges imposed under section 306 shall cease to be in effect on the day after the last day of the 120th month which begins after the date of enactment of this Act.

TITLE IV

SEC. 401 Not later than 90 days after the date of enactment of this Act, and each January 31 thereafter, until implementation of collision avoidance systems in the national air traffic control system, the Secretary of Transportation shall submit to the Congress a report on the status of the development of such systems. Such reports shall set forth proposed timetables for the implementation of such systems. The Secretary of Transportation's report shall include proposals for any legislation needed to implement such systems.

Mr. CANNON. Mr. President, I ask unanimous consent that Chip Barclay and Bill Semos have the privilege of the floor during the consideration of S. 413.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I should like to alert our colleagues that I intend to press right ahead with this bill and with amendments this afternoon, and I hope we may be able to complete it. There is a strong likelihood that there will be rollcall votes during the consideration of the bill.

Mr. President, the Aviation Safety and Noise Abatement Act of 1979 is a bill very similar to one which the Senate considered and unanimously agreed to last year. The major differences are that S. 413 only covers ADAP spending increases for one fiscal year, 1980 (last year's bill covered fiscal year 1979 and 1980), and the bill before the Senate today contains guidelines for a potential airline surcharge to assure that Federal noise regulations can be met.

From the written comments received on S. 413 and from the personal comments I have been receiving since last October, there are two issues in this bill which are the center of controversy on this legislation.

The first issue is that of the budget impact of the funding increases in titles I and II of the bill. The airport and airway trust fund generates its own revenue, and in fact, has accumulated an unobligated surplus of almost $3 billion. Let me repeat that, in fiscal year 1980 the trust fund will generate revenues approximately the same as our proposed budget authority and the fund has a net worth of nearly $3 billion in past year's revenues. Therefore, to treat an increase in expenditures from this trust fund the same way one would treat an increase in welfare expenditures is irrational, but that is exactly what the administration would have us do.

In addition, every day the surplus in the trust fund is creating a negative drain on the general Treasury, because of the interest the Treasury must pay the trust fund for its use of the fund's moneys. Next year the Treasury will pay the trust fund nearly $130 million in interest.

Aside from the foregoing, I point out that we have shown great restraint in our proposals. Considering the fact that FAA admits that nearly $700 million in "high priority," safety-related ADAP requests went unfunded last year, I think we have proposed a very austere spending increase. Title II of the bill will allow us to fund important, safety-related development at our Nation's airports.

In the aftermath of the San Diego air disaster last fall, Congress came under strong criticism for "sitting on" (at that time) a $2 billion surplus in the aviation trust fund while parts of the Nation's air traffic and airport systems were still in need of additional safety-related improvements. The absence of a properly equipped reliever airport in the San Diego area was very likely the reason the small private aircraft involved in the collision with the PSA airliner was using Lindbergh Field for a training flight. The need for timely action is clear in this case. Continued inertia in the face of the trust fund surplus would properly draw congressional responsibility for the safety of air travel into question. I hope the Senate will agree that there is no justification for diluting the urgency of air safety requirements.

The waiver provisions in S. 413 have also generated controversy. Frankly, I am confused about some of the opposition to the two waiver provisions since the administration and the airport operators supported title III last year with nearly identical waiver provisions in that bill, but suddenly this year the same provisions have resulted in their opposition. In fact, the airport operators last year supported the new technology waiver as an "improvement" (which it is) on FAR 36, the noise rule.

Section 303 of the bill, the general waiver provision is a permissive section—the Secretary has total discretion to use or not use this waiver authority. This section is to provide waivers for "good cause" to operators who have shown a good faith effort to comply with the regulations but have fallen short. Basically this section calls for commonsense.

Section 304 provides a mandatory waiver if the operator of a noncompliant airplane signs a contract for a "Stage three" airplane (which represents the newest, quietest technology). The contract must be signed by the date the noise regulation would require retrofit, and the Secretary can disapprove any unreasonably long delivery schedule. So for a 2- or 3-year delay in compliance we can provide the incentive to acquire an airplane about one-half as noisy as the aircraft being replaced, instead of getting retrofit's meaningless noise reduction. New technology replacement, of course, also provides the ancillary benefits of increased productivity and decreased fuel consumption, while retrofit creates the opposite effects.

These waiver sections are absolutely necessary if we are to introduce some rationality to the FAA's noise regulation. That regulation currently encourages replacement with newer but noisier airplanes or the retrofitting of older aircraft. S. 413 seeks to encourage new technology replacement over the other less efficient and effective alternatives.

S. 413 includes guidelines for the CAB to impose a 2-percent surcharge in the future, however, this provision should not be mistaken by the Senate as providing funds for airlines. The CAB today has the legislative authority to impose a noise or any other kind of surcharge—as they did in 1973 with the airport security surcharge which was added to all airline tickets. What we are providing are prospective guidelines in the unlikely future event that industry profits nosedive so drastically that the noise regulations can not financially be met by the airlines. These guidelines are really an insurance policy that noise regulations can be met even in the unlikely event of a drastic industrywide recession.

Title I of the bill addresses the noise problem on the ground providing planning and land acquisition assistance to airport operators. The noise problem must be attacked both on the ground and at the source, so titles I and III are equally important to the noise relief effects of this legislation.

Finally, title IV requires the Secretary of Transportation to report on the development and implementation of a collision avoidance system for aircraft.

S. 413 is essential for upgrading the safety of our air transport system, and for getting started down the path of perceptible rather than imaginary relief from the impact of aircraft noise.

● **Mr. DOLE.** Mr. President, I rise in support of the Aviation Safety and Noise Abatement Act of 1979.

I would first like to express my support of the bill's general purposes of reducing airport noise and insuring air safety. With increased air travel and changing aircraft technologies, these problems are growing in importance. Aircraft noise is retarding airport expansion and safety improvements, and is depreciating land values in affected areas. But as we face these environmental concerns, we must also consider the economic impact of efforts to reduce noise levels.

This bill addresses many of the causes of airport noise without requiring a great amount of new budget authority or placing an unrealistic burden on those parties responsible for making American aircraft quieter. I am particularly pleased to see that much of the funding will come from the aviation trust fund, with its huge, unused surplus.

One of the major provisions of this piece of legislation would give the Secretary of Transportation authority to grant waivers, on a limited, case-by-case basis, from regulations requiring retrofitting of noise control devices on existing aircraft. These limited waivers would encourage the purchase of the new, quieter, safer, energy-efficient engines as an alternative to retrofitting, which in many instances would be impractical.

I favor this preference for replacement. Airlines will still have the option of retrofitting, but will not be required to work with old engines when a new engine would be more practical. Progress toward quieter aircraft will continue. Aircraft technology is advancing rapidly. By encouraging replacement of old engines we can take advantage of this development, and in the long run reduce noise levels to an even greater extent.

It is also important to consider the energy savings of the new engines. This is especially true in light of recent shortages of aviation fuel which have required flight cancellations across the country. The new technology engines use 15 to 25 percent less fuel than current engines, a significant savings in these conservation-conscious times. Transport planes now in the planning stage will use from 30 to 50 percent less fuel per seat mile. These savings make replacement an attractive option.

More particularly, this bill would increase the amount of funding available from the airport and airway trust fund for airport construction and development by $100 million for fiscal 1980. Of that amount, $13 million will be made available to general aviation and reliever airports for upgrading facilities, and for operational and maintenance expenses. It would also eliminate a prohibition against obligation of expenditures of discretionary funds in fiscal year 1980.

Though the Airport and Airway Development Act will be considered by Congress in 1979, this interim relief is justifiable in light of the near $3 billion surplus in the aviation trust fund. Smaller airports have encountered a growing need for funds to upgrade and expand air facilities in light of increasing demands for service. For instance, Frontier Airlines' efforts in Kansas to improve its service through improved technology have led to a need to improve airport facilities. These provisions of the Aviation Safety and Noise Abatement Act of 1979 would free the surplus trust fund money for just such a use.●

Mr. PERCY. Mr. President, will the Senator yield?

Mr. CANNON. Mr. President, I yield to the Senator from Illinois.

UP AMENDMENT NO. 77

Mr. PERCY. Mr. President, I send an amendment to the desk and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Without objection it is so ordered. The amendment will be stated. The legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes unprinted amendment numbered 77.

On page 7, line 4, insert the following:

After the word "of," insert the following: "single family residences, condominiums, apartment buildings, and other."

Mr. PERCY. Mr. President, I today offer an amendment to the Aviation Safety and Noise Abatement Act of 1979. This amendment was discussed at some length with the distinguished floor manager of the bill last year and has been submitted for his study again this year.

Airplane noise is the No. 1 issue to tens of thousands of my constituents. Constituents who live with the once-every-60 seconds din of jet aircraft arriving and departing Chicago's O'Hare International Airport know how bothersome this noise can be. The bulk of these constituents spend less than 10 hours per year in an airplane. Yet they spend seemingly every waking hour and many restless sleeping hours hearing the whine of jet engines.

I have talked to many of these constituents. I have been with them in their villages. I have been with them in their homes. And, living near an airport here in Washington, I have experienced firsthand how bothersome jet aircraft noise can be. Many times while in our garden conducting a meeting, or simply carrying on conversations as we simply have had to retreat indoors. Pleasant as it was outside, we could not hear each other. So I am tremendously sympathetic to the noise problem of the people who live near O'Hare Airport and other major airports around the country.

No one has been able to conclusively determine the short- and long-term health effects of excessive noise. I do know that my own experience as an officer in the Navy based at many naval air stations, an experience which subjected me to heavy aircraft noise, contributed considerably to my own loss of hearing. And, no one can deny that jet noise is extremely annoying and, at times, painful.

Of course, the only airplane noise heard by the vast majority of my constituents is the whisper of a jet traveling across the sky. For some of my colleagues, nearly all their constituents fall into this category. But my colleagues and I use the air transport system, citizens across my State and every other State use the air transport system. The aircraft noise problem therefore belongs to all of us. It is up to us to take steps to solve it.

The amendment which I offer today is intended to guarantee that airports and airport area towns consider the option of using the grant money included in this bill to soundproof individual residences, condominiums, and apartment buildings. Too often, Federal money goes for big projects. I would like to see some of this money going to the homeowner whose walls shake and windows rattle everytime a plane passes overhead. Without some explicit statement in the bill itself, I am concerned that these grants will never filter down to the homeowner or apartment dweller whose life is so dominated by the environment in which they live near an airport.

The list of projects qualifying for grant money in section 104(a) includes "the construction of barriers and acoustical shielding, including the soundproofing of buildings." My amendment would change this language to read "the construction of barriers and acoustical shielding, including the soundproofing of buildings, condominiums, single-family residences, apartment buildings, and other buildings."

I believe that this amendment will be of great benefit to those residing near airports throughout the country. I urge my colleagues to accept it, and would be very pleased indeed if the manager of the bill, the distinguished Senator from Nevada (Mr. CANNON), would himself accept it, since he has expressed sympathy with the principle in the past.

Mr. CANNON. Mr. President, I think that is a technical amendment. The amendment spells out precisely what we had intended in the language in the bill. I think it makes it very clear so that there is no disputing what Congress actually did intend in the bill.

I will say to my colleague when this bill passes, the result of the bill will provide some meaningful relief—if the bill is passed in substantially its present form—to his constituents who suffer from that very serious problem. I accept the amendment.

Mr. PERCY. I thank my distinguished colleague who himself is a frequent visitor to Chicago's O'Hare Airport. If he flies in the next time, he will realize that the tens of thousands of people who live nearby will hopefully some day benefit from this.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

Mr. PERCY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 78

(Purpose: Provides funds for FAA Operations from the Airport and Airway Trust Fund and makes the annual ADAP authorization a maximum)

Mr. CANNON. Mr. President, I propose an amendment to S. 413 to use $250 million of the uncommitted surplus of the Aviation Trust Fund to finance operations and maintenance of the Federal Aviation Administration for fiscal year 1980. The $250 million offsets the bill's proposed $190 million spending increase plus the administration's proposed $60 million reduction in the statutory authorization for fiscal year 1980, thus obviating any negative impact of this bill on the fiscal year budget. As far as I am concerned, this is an unusual proposal for an unusual fiscal year. It is not to be taken as the operations and maintenance authorization level for future fiscal years.

In addition, at the request of the Budget Committee, I propose a technical amendment to change language in the bill from "not less than" to "not less than nor more than" wherever "not less than" appears in section 14 of the ADAP Act with respect to authorization levels. This will prevent the spending of the entire surplus of the Aviation Trust Fund without congressional review. This change does not affect the existance of statutory minimums and with the added provision of S. 413 solving the "carry-over problem," the Federal Aviation Administration will nevertheless be able to spend previous years' authorizations in addition to the maximum authorization for each individual year.

The PRESIDING OFFICER (Mr. BAUCUS). The Chair advises the Senator that until all committee amendments have been disposed of that it would take unanimous consent to offer other amendments.

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order to offer the amendment I have just offered.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. CANNON. Mr. President, I ask

unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, between lines 2 and 3, insert the following new subsections:

"(f) Subsection (e) of section 14 of the Airport and Airway Development Act of 1970 is amended by—

"(1) inserting immediately before the period at the end of the third sentence the following: ", except that for fiscal year 1980 an additional $250,000,000 may be appropriated from the unexpended balance of the Airport and Airway Trust Fund"; and

"(2) inserting immediately before the words "may not exceed" in the fourth sentence the following: "(other than amounts appropriated in fiscal year 1980 from the unexpended balance of the Airport and Airway Trust Fund)".

"(g) Subsections (a), (c) and (d) of section 14 of the Airport and Airway Development Act of 1970 are amended by inserting the phrase "or more than" immediately after the words "not less than" each time those words appear therein."

Mr. CANNON. Mr. President, I have already stated the explanation of the amendment, what it does and what it purports to do. If there is no further discussion of it, I am prepared to vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. CANNON. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 79

(Purpose: Provides conforming amendments to title II of the Airport and Airway Development Act)

Mr. CANNON. Mr. President, there is a technical amendment that I wish to offer, a conforming amendment to title II of the Airport and Airway Development Act, to permit the funding of the action provided in this bill. Technically this would come within the jurisdiction of the Finance Committee, but the matter has been cleared with Senator LONG, and there is no objection to its being considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an unprinted amendment numbered 79.

Mr. CANNON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, between lines 2 and 3, insert the following new section:

"SEC. 204. Subparagraph (A) of section 208(f) (1) of the Airport and Airway Revenue Act of 1970, as amended, (49 U.S.C. 1742 (f) (1) (A)) is amended by striking out all after "1976" and inserting in lieu thereof "or of the Aviation Safety and Noise Abatement Act of 1979 (as such Acts were in effect on the date of enactment of the Aviation Safety and Noise Abatement Act of 1979);"."

Mr. CANNON. Mr. President, as I have stated, this is simply a technical amendment conforming with title II of the bill itself.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE OVER THE EASTER HOLIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 99.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 99, which the clerk will state.

The assistant legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Tuesday, April 10, 1979, it stand adjourned until 12 o'clock meridian on Monday, April 23, 1979, and that when the Senate recesses on Tuesday, April 10, 1979, it stand in recess until 12 o'clock meridian on Monday, April 23, 1979.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OBSERVATIONS ON THREE MILE ISLAND

Mr. HAYAKAWA. Mr. President, I wish to make a few observations on Three Mile Island, and the nuclear problems there.

In view of the renewed debate on the safety of nuclear reactors, I would like to share with my colleagues a letter which I recently received from Dr. Edward Teller. Dr. Teller, a member of my advisory committee on energy, is associate director of Lawrence Livermore Laboratories and is a renowned expert in the field of nuclear energy.

In his letter, Dr. Teller makes some observations about the Three Mile Island incident which I feel are very relevant. In particular, he points out that, "the malfunction that did occur—damage of the fuel elements resulting in the release of radiation but no melt-down—was anticipated in the Rasmussen report that analyzes meticulously reactors of the present type. In that analysis, the probability of the occurrence of such a malfunction was correctly estimated." Despite the incident in Pennsylvania, his conclusion remains: "Nuclear energy remains the safest source of electricity."

Mr. President, certainly we should not underestimate the problems nuclear power still has to overcome after the events at Three Mile Island. Analysis of what happened there will contribute greatly to the field of nuclear reactor safety. On the other hand, we cannot just rush out and shut down every reactor in the country. In fact, the Nuclear Regulatory Commission was requested to shut down the Rancho Seco plant near Sacramento, Calif., merely because its design is similar to the one at Harrisburg. In my opinion, this is not a measured response to the situation.

Actions like this, in addition to some of the wild headlines we have been subjected to over the last few days, are designed to play up to the superstitions many Americans continue to harbor about nuclear energy. Michael Novak of the Washington Star has written an excellent article about this. In a piece entitled "New Superstitions of the Nuclear Age," he correctly points out that "something special disturbs our imaginations when we think of nuclear energy. We begin to think in eschatological terms. The discussion becomes pseudoreligious." He also says that "the risk factor of nuclear energy is far lower than of any other form of energy. But the superstition factor of nuclear energy is far higher."

Mr. President, I ask that the text of Dr. Teller's letter and the Novak article from the Washington Star of April 4, 1979 be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOOVER INSTITUTION ON WAR,
REVOLUTION AND PEACE,
Stanford, Calif., April 3, 1979.

Hon. S. I. HAYAKAWA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HAYAKAWA: You asked me to comment on the safety of nuclear reactors in view of the malfunction of the reactor near Harrisburg, Pennsylvania on Three Mile Island.

An unusually great effort has been made to assure the safety of nuclear reactors by introducing a multiplicity of safeguards. These are so designed that nobody will be hurt unless a considerable number of safeguards fail. In Pennsylvania a number of safeguards did fail, resulting in damages of at least $100 million. Nobody was hurt. The maximum radiation received by any person was 3.4 r-units (rems), equivalent to a rather heavy diagnostic X-ray procedure. Most medical people agree that this exposure will not result in cancer at any time, although there are some who have consistently opposed this view. If there is an increased cancer incidence at this level of irradiation, its probability is so small as to be undetectable. All but a handful of people were exposed to less than 1/30th of one rem, which is a fraction of the radiation that all of us receive from natural sources in one year.

Visits to the Three Mile Island plant by President Carter and members of the Congress should be reassuring as to the radiation levels. The protective clothing they used is not sufficient for protection in case of heavy radiation.

The malfunction that did occur—damage of the fuel elements resulting in release of radiation but no melt-down—was anticipated in the Rasmussen Report that analyzes meticulously reactors of the present type. In that analysis, the probability of the occurrence of such a malfunction was correctly estimated. The 72 reactors in the United States have averaged a little under 6½ years of operation, for 463 reactor years of experience.

In spite of all these well-known facts, widespread hysteria resulted from the Pennsylvania malfunction. The reasons are mostly psychological, and you are more competent to evaluate the motives and the probable course of such reactions than am I.

A malfunction of this kind, together with its thorough investigation, which in the Harrisburg case should be completed in a few weeks or, at most, a few months, adds to our knowledge and improves our safety measures. So far, in no case has the function or the malfunction of any of the two hundred big regulated electricity-generating reactors in the free world damaged the health of any individual. Nuclear energy remains the safest source of electricity.

Shutting down a full-scale nuclear reactor will add to our oil imports 40,000 barrels per day. One should, therefore, not shut down a reactor without serious reason.

Sincerely,

EDWARD TELLER.

NEW SUPERSTITIONS OF THE NUCLEAR AGE

(By Michael Novak)

The highly reported accident at a nuclear reactor near Harrisburg, Pa., illustrates how superstitious is our age. Vast attention—of a special emotional quality—was paid to an accident in which no one was killed, no one wounded. Yet in the state of Pennsylvania between 1870 and 1950, over 30,000 men died in the mines; for long periods, some men died almost daily. This does not count the scores of thousands who were mutilated.

Like the radiation of nuclear materials, the earth also produces noxious gases, some of them explosive, others merely lethal to human lungs. These, too, the miners braved. Some mines were rocked by fierce explosions; in some, fires sucked all the oxygen from the air, and men suffocated. No source of energy is without a cost in human life.

Yet something special disturbs our imaginations when we think of nuclear energy. We begin to think in eschatological terms. The discussion becomes pseudo-religious.

One of the great mistakes of the generations immediately preceding ours was the notion that, as time went on religion would recede in importance. Rather, their mistake was not to see that as genuine religion fades, its place is filled, not by reason, but by fads, cults, the occult and superstition. They did not see how nuclear energy—among other things—would evoke new superstitions.

The revival of Islam in Iran is matched by the upsurge of pseudo-religious attacks upon modernity in this country and Western Europe. Nuclear energy exceeds the understanding of most of us. Our knowledge about it is mainly symbolic. We see in it images of mysterious power, images of cataclysm, images not far removed from medieval images of hell: fire and incineration, brimstone and radiation, writhing and lingering pain. Better armed than Savonarola are scientists exhorting us to change our behavior, lest we fall into a nuclear gehenna. Now that preachers seldom warn of the end of the world, professors have taken it up. They talk like medieval frescoes.

The socialist world, meanwhile, the One True Religion, is rapidly increasing its reliance on nuclear-powered energy. The Labor government of Great Britain led the way in establishing a nuclear grid there some 30 years ago. There has not been a single fatality. The Soviet Union continues to build nuclear plants.

The socialists of the West, however, have turned against nuclear energy. Leftwing magazines in Europe and the United States have sponsored demonstrations and reported ominously on the bombings of nuclear facilities. Their purposes appear to be twofold: (1) to prevent the West from having nuclear power in the coming energy crunch; and (2) to make certain, in any event, that private industry is driven from the field of nuclear energy, so that the latter may be wholly under the control of the state.

Every source of energy brings nagging social costs along with its enormous benefits. Without energy for machines, humans are reduced to menial servitude and sentenced to live under severe scarcity. The earth is alive with energy: The interior of the earth is alive with fires that break out from time to time in volcanoes; the sun is a source of nuclear energy; every gallon of the oceans contains more power (from hydrogen) than is contained in a gallon of crude oil. Wood and age-old fossil fuels surround us with an abundance of energy. On this poor earth, energy is more plentiful than air or water or food.

But much of this energy is hostile to human life or, at best, neutral. In all this vast universe, we have as yet discovered no other spot fit for human habitation besides this earth. Despite all the enormous energy loose in the universe, humankind is nourished only—so far as we yet know—on this one small orb.

According to scientific estimates (if I may evoke a phrase of beguiling authority), the risk factor of nuclear energy is far lower than that of any other form of energy. But the superstition factor of nuclear energy is far higher.

The more modern it becomes, the more vulnerable our society becomes to symbolism and image. Popular ignorance is vast. Scientific power exceeds public comprehension. When power exceeds comprehension, an Age of Superstition has begun.

We need to pinch ourselves, to remind ourselves to be rational and pragmatic. The fate of the world without nuclear energy is likely to be grim. Those who stoke the fires of superstition, while increasing the power of the state, are toying with deadly realities well known to history.

PERSPECTIVE ON POLITICS

Mr. HAYAKAWA. Mr. President, there has been rising discussion here about the universal draft for military and/or national service. My distinguished colleague in the House of Representatives, PETE MCCLOSKEY, has introduced a bill for such universal national service in which one has the option of going into the Armed Services, into conservation work, into the care of the old and indigent, into the care of young children, and so on.

There are a number of options provided.

On the subject of national service, in which I have been interested for a long time, the Wall Street Journal on March 29, 1979, had an interesting editorial.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRING BACK THE DRAFT

(By Norman C. Miller)

WASHINGTON.—We are going to have to bring back the draft.

The all-volunteer army isn't working. It is enormously expensive, and it is failing in its mission to maintain combat-ready active forces and reserves. The army reserves, in particular, are disastrously undermanned—500,000 short of mobilization requirements.

Even with the lure of relatively high pay, all the services have been falling short of their enlistment targets. In future years, it may be almost impossible to attract enough recruits as the number of young people in the population shrinks dramatically.

Thus, says Gen. Louis Wilson, commandant of the Marine Corps, "I believe the draft will be necessary in the decade of the '80s."

Many members of Congress are coming to the same conclusion. It is possible that Congress will soon reinstitute selective-service registration for all 18-year-olds, although few legislators are yet willing to consider seriously a return to the draft. With Vietnam still a searing memory, the politicians think young people and their parents won't tolerate resumption of the draft.

"The mothers of America won't stand for it," says Sen. Jacob Javits, even as he deplores the "very grave problems" of the volunteer army.

This is tantamount to saying that the concept of service to the country has been eroded beyond rescue, and perhaps this is a sad fact. But one wonders if it is really true. No one expects young people or parents to cheer a return to the draft, but would they rebel if the need were made clear by political leaders? Especially if a system could be developed in which all youngsters—male and female, rich and poor—would be expected to perform a period of national service either in a military or civilian role?

Rep. Paul McCloskey, a California Republican who was a leader in the anti-war movement during Vietnam, is one who thinks a system of national service could be developed with military and civilian options. His plan is well worth considering.

Under the McCloskey scheme, all youngsters would be required to register with a National Service System. At age 18, they could choose to:

Volunteer for two years of military service in exchange for four years of educational benefits similar to the old GI bill.

Volunteer for six months active military duty and 5½ years reserve duty, without educational benefits.

Volunteers for one year of civilian service—working in day-care centers, aiding the elderly or performing other social services—without gaining any post-service benefits.

Decline to volunteer and be placed in a lottery pool for six years of draft liability. If drafted for a two-year hitch, they would be required to serve four more years in the reserves and would receive two years of educational benefits.

Everyone would be paid at subsistence levels. Thus, even with the educational benefits offered by the McCloskey plan, the cost would be no more than for the volunteer army. Rep. McCloskey would allow deferments for youngsters who wish to go to college directly from high school, but after college they would have to volunteer for service or risk being drafted. The key point is that *everyone* would be called on to serve or take their chances in a random-selection draft.

"The bill is designed to join the abilities and idealism of our young people with our need for combat-ready armed forces and the fulfillment of a number of other goals of government and charitable enterprises," says Rep. McCloskey.

Establishing a civilian service corps along with a military draft would help insure an equitable summons to useful national service for all youngsters. Simply restoring a draft alone would be inherently inequitable. There is no military need or justification to conscript all youngsters, so most young men and probably all women would escape a new draft.

Of course, the McCloskey plan poses a number of difficult problems. Even in the era of women's liberation, do we want to subject women to the draft? Are there enough useful public-service jobs to employ hundreds of thousands of youngsters, or could we wind up with a massive makework bureaucracy? On a philosophical level, is it legitimate to induce young people to sacrifice a year or two of their lives in military or civilian service?

My guess is that the practical problems could be solved by gradual, experimental establishment of a civilian youth service corps along with a random-selection draft. The philosophical issue—whether the government has a right to induce youngsters to serve during peacetime—is a tougher question.

But the question becomes easier to answer when the composition of the volunteer army is examined. Beyond its enormous cost, it is an army of the underclass. It is heavily black and the white volunteers are generally from poor families. As a society, we are relying on those born into poverty to perform military duty.

Indeed, we have all but abandoned the concept of duty to serve the nation. This is the most unhealthy thing of all. Even if the volunteer army could be sustained in the years ahead, it would be a bad idea. It is wrong to rely on poor kids to fill the ranks of the armed forces. It is no favor to better-off kids to allow them to escape any sense of duty to serve their country.

The idea of national service, with military and civilian options, offers the best prospect of restoring a sense of duty among youngsters, and maintaining an army that is representative of the society it serves.

SALT: THE SENATE'S ROLE

Mr. HATCH. Mr. President, during the past 2 weeks I have read continual reports in the media that the signing of a new SALT agreement is imminent. It appears that the administration now feels confident that all details to the agreement will be finalized. I viewed the remarks by Secretary of Defense, Harold Brown and National Security Adviser, Zbigniew Brzezinski as the formal kick-off of the administration's campaign to sell the SALT agreement to the American public.

In his speech in Chicago Mr. Brzezinski seemed to express a sense of urgency in signing and ratifying a new agreement:

> We are concerned not only about the Soviet Union of today, but also about the Soviet Union of tomorrow. During the next several years, the Soviet leadership will change. We cannot predict the characters of the new leaders . . . when the next generation of Soviet leaders decides its policies towards Strategic Arms and towards the United States, we want them to face clear and agreed restraints on the competition in Strategic Arms.

This underlying sense of urgency seems to be predicated on the belief that Leonard Breznev is in ill health and will not last the next few years. For this reason Mr. Brzezinski feels we must quickly enounce SALT II in United States-Soviet relations, a sort of benchmark for the new leadership. I question his rationale. Soviet history is clear that changes in leadership, the result of intense power struggles within the Politburo, bring about dynamic change as opposed to the more passive change in American leadership. Policies are subject to complete upheaval and in many instances those of the previous leadership are held in contempt. The Soviet Union will have to undergo a period of cleaning, a time when the new leadership will promise a return to the true tenets and goals of Marx and Lenin. With this in mind, I find the argument put forth by Mr. Brzezinski without solid foundation.

Secretary Brown began his campaign by warning to the dangers of cost. It was his contention that failure to ratify SALT II would cost the U.S. taxpayers an additional $30 billion over the next decade. When officials in the Pentagon were queried about the cost factor they were unable to provide any specific answer to what this money would be spent on. As a member of the Budget Committee I am especially concerned about this claim. I have written to Secretary Brown today, asking him to detail what weapon systems we will be forced to increase our spending on if SALT II fails.

The budgetary issue is one that has lurked in the background for some time. Ardent supporters of the SALT agreement speak fervently of the "spiraling arms race." They create the illusion that both the United States and the Soviet Union will be forced into a rapidly accelerating arms race, a race that will be paid for by the U.S. taxpayer. I question this claim also. In my letter to Secretary Brown I have asked for a complete breakdown of defense budget projections with SALT II and also a projection without. I think that all of my colleagues would appreciate such information. I think it is information essential to the debate.

Mr. President, I am not opposed to a SALT II agreement. I, like millions of Americans would like to see a reduction in the threat of nuclear war. At the same time I fully realize that any reduction in such a threat is based on both sides having a credible force as a deterrent. The SALT II agreement, at least as it has been reported to me, fails to achieve this aspect of "credibility" in several areas. This is not to say that it cannot be brought into a more acceptable form. The beauty of our Government provides such a vehicle as we take up the agreement for debate and consideration. Through the use of amendments and reservation the Senate can offer the "advise and consent" mandated in article II of the Constitution.

Mr. President, this week's issue of U.S. News & World Report addresses this problem. Mr. Marvin Stone had written an editorial entitled "SALT: The Senate's Role." I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALT: THE SENATE'S ROLE

(By Marvin Stone)

President Carter is soon to conclude a strategic-arms-limitation treaty with Russia's Brezhnev that is viewed with misgivings in this country and in Western Europe.

There are many who fear that the proposed agreement, as it stands today, will work to the detriment of the U.S. and its Allies and to the advantage of the Soviet Union.

Their concern, in our view, is entirely warranted. Still, the administration appears determined to resort to a form of psychological warfare to bring into line senators who may remain suspicious of what has been wrought.

If the word we get is correct, senators will be warned in a most forceful manner by the White House that rejecting the treaty would have catastrophic consequences: an uncontrolled arms race, revival of the cold war and perhaps worse.

If the President fears that rejection of the pact would be catastrophic, he can readily avoid it. He can insure that the legitimate apprehensions of responsible senators are resolved in advance, even if this means now going back to the Russians for some further tough bargaining on debatable issues.

If the President persists in sending to the Senate a treaty viewed by many as defective, he should not be surprised if the Senate applies its own corrective—not rejection, but amendments to the treaty. There are at least four points that the Senate should insist on clarifying:

1. Survivability. To conquer any Soviet knockout attack against our 1,000 Minuteman missiles, the Pentagon favors MPS—a multiple-protective-structure system. Under this proposal, thousands of silos would be built, and powerful missiles would be shuttled among these "holes"—a kind of shell game. The administration has notified the Soviets that it considers MPS permissible under the proposed treaty. Not so, say the Russians. They maintain that the plan would violate the verification provision of the treaty. Before SALT is ratified, there should be no doubt that the U.S. has the right to proceed with MPS or any other system required to respond to any Soviet threat.

2. Support for Allies. The administration insists that the "noncircumvention" provision of the treaty will not prevent the U.S. from sharing cruise-missile technology with NATO Allies. Again the Soviets dissent, contending that such transfers would violate the pact. That creates a potential time bomb in Allied relations. Our friends believe that cruise missiles may make an invaluable contribution to their future security. The ambiguity should be eliminated from the treaty.

3. Missile deployment. A protocol attached to the treaty would bar the U.S. for three years from deploying mobile missiles as well as ground-launched or sea-based cruise missiles with a range of more than 375 miles.

The former may be essential for the U.S. in the future, while the latter may be vital for NATO. If necessary, the Senate should act to guarantee that the protocol cannot be extended through Soviet intimidation.

4. Verification. In view of the loss of U.S. electronic monitoring stations in Iran, the Senate must insure that the U.S. can, in fact, monitor compliance with the treaty by "national means." The Senate cannot afford to approve ambiguous terms that the Soviets could later exploit to gain an advantage.

What it comes down to is this: The Senate has a responsibility to insure that a SALT treaty is consistent with the requirements of American security. If the White House submits a treaty that senators consider defective—one that might impair the nation's strategic interests—the Senate would be negligent if it failed to introduce the necessary amendments to remedy shortcomings.

By amending a blemished treaty rather than rejecting it outright, senators would affirm their commitment to ending the arms race while refusing to subscribe to terms that might jeopardize the national interest.

THE ECONOMICS OF OIL

Mr. HATCH. Mr. President, throughout the past few months, the instability in Iran has filled the news media. We have sensed the uncertainty with which the new government has taken control. We fear for the vulnerability for the future of Iran. However, up to this time the effects of the Iranian situation on the United States have been suggested but not felt. Until recently, the crisis in Iran has remained distant. But now, we have come into direct contact with Iran's instability. The economic consequences are confronting us headon. Iran has served as a siren, alerting us to our vulnerability. We have been awakened to our own ever-increasing instability due to the so-called energy crisis. Immediate action is imperative.

On April 20, 1977, President Carter told a joint session of Congress that we must act together to devise and to implement a comprehensive national energy plan to cope with a crisis that otherwise would overwhelm us. Yet in the ensuing 2 years, the United States has made little progress on a plan for increasing its supply of energy or reducing its dependency on imports. Secretary Schlesinger predicts that even with the energy bill, by 1985, we still will be importing between 9 and 10 million barrels a day, about 50 percent of our consumption. Additionally, President Carter has estimated that for every 5 billion barrels increase in oil imports, 200,000 American jobs are lost.

In desperation, President Carter is proposing a standby gasoline rationing program. Only owners of registered motor vehicles would be entitled to receive gasoline rations, one ration for every vehicle owned. This very plan is a contradiction. Not only will rationing not produce even one additional barrel of oil, but the very owners who are responsible for the increased consumption would be rewarded with coupons for every car they own. Meanwhile, the 17 percent of all households which do not own cars, would be denied ration coupons valued at several hundred dollars a year. The inequity of rationing would place additional strains on the 17 percent, denying them the opportunity of selling their "would be" coupons. Whereas four-car owners, receiving a ration for each vehicle, would be able to maximize the benefits of their more favorable positions under such a program.

The commonly held solution to the ever-increasing "crisis" has always been stepped-up Government interference. Even before the upheaval in world oil markets due to the Arab embargo in 1973, the U.S. Government was controlling every basic operating decision the oil companies made: Purchasing, sales, pricing, quantity, allocation—all questions that used to be efficiently answered in the marketplace. Under the guise of consumer protection from the greedy oil companies, price and market restrictions were substituted for a foresighted energy policy centering on increasing the future supply of energy resources. Government was controlling the consumer and the Nation right into an energy shortage. Today there are 1,500 bureaucrats in the Department of Energy trying to manage oil prices, allocations, and entitlements. The American consumer is still on the receiving end of these decisions to ration, impose price ceilings, and restrict distribution. Not only has DOE failed to stop the rising price of oil and gas due to OPEC's extortionate demands, they have sustained policies extinguishing any incentive for future development and research on alternative domestic energy sources. The regulated, artificially low prices for gasoline charged by domestic producers, in addition to reducing the level of oil production, discourages coal development and any serious effort to perfect other energy processes. In short, the administration's present energy policy encourages a dependence on imports at the expense of our domestic producers and American consumers.

Should the United States fail to implement a successful energy policy soon, we will be endangering our national security, the world's monetary system, world economic growth, and eventually the social and political foundations of the free world. The nations of OPEC know we quake with fear at the slightest threat of a second oil embargo and they have recently been hinting that they will cut us off if we do not lift quotas and tariffs on imported petroleum products. These regulatory practices have hindered OPEC from moving into the refining, marketing, and manufacturing. Imagine a situation where the removal of these vital protections became a condition of supply crude oil. What is to stop them from making such demands?

It seems, Mr. President, that our choice is obvious. Despite the fact that the President and the Department of Energy continue to dwell on impending doom, the facts say otherwise if we act now. Studies show that the vast supplies of oil and gas remain to be found. William C. Lane, Jr., a former staff member of Senator FRANK CHURCH's Subcommittee on Foreign Economic Policy, has found that there are twice as many oil wells in Kansas as in all of South America and three times as many in Arkansas as in all of Africa.

The U.S. Geological Survey estimates total global petroleum reserves to be as high as 6,000 billion barrels, or 10 times the figure cited by Secretary Schlesinger. This is equivalent to 281.6 years' supply at the present rate of consumption. Untapped structures lie under such areas as LaBrea-Parinas, Peru; northwestern Argentina; the Paleozoic play of northwestern Brazil; the Chad Basin; northern Italy; the Thrace Basin; the Baluchistan folds of Pakistan; Bangladesh; Burma; South Australia; Bonaparte Gulf, Australia; the Arctic Islands; the Mackenzie Delta in Canada; the Yukon, and the list continues. We should not overlook the prospect of enhanced recovery from conventional fields, Venezuela's Orinoco Belt, Antarctica, the continental slopes and rises, and the ocean floor. Studies now indicate that Mexico's reserves might be second only to those of Saudi Arabia.

Technological advances could also greatly increase world oil reserves. Only one out of three barrels of oil in known reserves can be produced with current technology. Locked away in old fields, the United States has approximately 300 billion barrels of unrecoverable oil. Technologies can also be developed on such other alternatives as solar, geothermal, and wind if more capital to invest in this research were available.

Even with these optimistic alternatives, our best bet would be to encourage domestic exploration and production. Energy development in the United States is being arrested by Federal price controls on oil and natural gas. Big government has served to stifle the only possible solution, the free market.

The energy crisis is a problem in market-oriented, supply-demand economics. The free market system is responsible for the political society we enjoy. Oil is crucial to our political freedom, our social mobility, and our national security. The free market system is the most efficient method of making production and distribution decisions and price determination. The time has come to abandon our insistance that a Federal bureaucracy can be successful in keeping prices down, curtailing consumer demand and creating more supply all at the same time. We must allow our free enterprise system to work and establish a new equilibrium among these factors.

Deregulation would give important new incentives to the energy producers. Deregulation would lift the bonds of an artificially constrained supply. Competition would be less restricted. An increase in price would bring an increase in supply. The initial rise in price would be accompanied by a decline in demand, resulting in essential natural conservation, thus having the same effect as President Carter's tax proposal. The President's plan for an added tax, whether at the pump or at the well head, fails to yield an additional supply or research capital and yet continues to drive prices up for all consumers. Increased capital could be invested in new exploration and drilling as well as in new technology.

The time has come to break the bonds of OPEC; to crawl from the rubble of current energy policy. Government regulation is failing; private enterprise is waiting.

Mr. President, I would like to share a recent editorial in the Wall Street Journal with my colleagues, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO GET MORE OIL

On June 1 President Carter has an opportunity to strike a blow in favor of U.S. energy for a change instead of against it. On that day he acquires the power to suspend the mandatory oil price controls that Congress imposed. As of that date it is entirely up to the President whether the policy continues of subsidizing OPEC oil production and discouraging domestic production. It becomes entirely up to the President whether we continue to grow dependent on OPEC oil. To encourage the President to decide in favor of Americans instead of Arabs, 23 associations of independent domestic petroleum producers representing 10,000 independent producers who drill 90 percent of the new exploratory wells in the U.S. have offered him a big plum.

Unable to obtain a meeting between the President and their representatives, the independent producers have put their offer in writing in a letter to the President of February 28. In exchange for terminating price controls on upper tier oil on June 1, 1979, and phasing out controls on lower tier oil by September 30, 1981, these American oilmen offer the President "increased domestic oil production of 400,000 barrels daily by 1981 and 2,000,000 barrels a day in 1985. This new production would displace imports barrel for barrel."

It is always possible that the doomsayers are right and that there is no more oil in the U.S. But only last month the U.S. Geological Survey raised its minimum estimate of domestic undiscovered oil reserves 20 percent to 60 billion barrels. That's hardly a negligible amount, but the cost of drilling, as drillers move offshore and into deeper formations, has been rising rapidly and, under controlled prices, oil and gas drilling has been losing its attractiveness as an investment. The number of drilling rigs operating in the U.S. has declined 12% since last October, due partly to the new natural gas act.

The producers fear, for good reason, that the President will merely throw them a bone in June. The Federal Energy Regulatory Commission, (FERC) has already designed the bone in the form of a new price category, for "new, new oil" on top of the "old" and "new" categories that presently exist. Aside from further complicating the regulatory mishmash, the new higher ceiling would apply to very few wells. Given the regulatory risk, the attraction of exploration further declines.

Earlier this year Alfred Kahn, head of the Wage and Price Council, argued against trying "to use rigid controls to hold down the price of oil when the incremental cost to the U.S. economy is $14 a barrel." But a few days later he came away from a meeting with President Carter espousing a different line. Decontrol, he said, "would be seriously inflationary." We would like to see the studies supporting this contention.

In their letter to the President the independent producers point out that the White House's own Office of Domestic Affairs, the Department of Energy and the staff of the House Energy and Power Subcommittee all confirm that phased decontrol over the next 30 months would mean a one-time increase in the price level of one-tenth of one percent in the first year and three-tenths of one percent in the next two years—less than the increase caused by our dependency on OPEC.

For our own part, we reject even this calculation. Decontrolling the price of oil will have zero effect on the inflation rate, since that rate is determined by the government's fiscal and monetary policies and not price movements of any one commodity. Nor does the case for decontrol depend on the driller's assessment of U.S. oil potential. Even if they find no additional oil at all, decontrol of all energy prices is the ony way to bring on substitute forms of energy in a smooth and efficient pattern. Development of substitutes will be retarded until the drillers' predictions are proved or disproved.

Today the incremental cost of oil to the U.S. economy is more than $14 a barrel, and headed upward if Middle East instabilities persist or worse. It makes no sense whatever to continue paying these prices to OPEC while denying them to American drillers. It makes even less sense to maintain the control system's entitlements, which in effect tax current American oil production and use the receipts to subsidize the purchase of OPEC oil.

The American oilmen who are the closest to the facts of domestic oil exploration say they can displace Iranian imports with American output if only the government will remove the controls that prevent them from doing so. That the people with such a promising message can't even get through the President's door is scarcely a hopeful sign of any immediate return to sanity in energy policy.

HOW A STRAIGHT LINE BECOMES A CIRCLE

Mr. HATCH. Mr. President, it is sometimes said that a bureaucracy can turn a straight line into a circle. What is conceived by Congress is not always what is delivered to our constituents. We have an ample list of such programs in the United States, among them is the social security system.

A constituent recently sent me an article which appeared in the Chicago Tribune. Even though it is several months old, run on July 12, 1978, the issue is as pressing as ever and I think the article illustrates very well how a host of well-meaning regulatory agencies and departments can create a nightmare for health care in the United States just as they have in Great Britain.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITAIN'S STAB AT HEALTH CARE CALLED A FLOP

(By James O. Jackson)

LONDON.—Britain's socialized medical system marked 30 years of existence last week in an atmosphere of gloom and acrimony over its failure to deliver on the optimistic promises of 1948.

The huge National Health Service [NHS], the country's largest single employer, has become the target of bitter criticism from doctors, patients, and politicians. Some critics have called for scrapping the entire system, and even its supporters agree that fundamental reforms are needed.

"Doctors know that the NHS is failing to provide the service which the patients have been led to expect," the British Medical Association said in a statement issued on the 30th anniversary. "They are no longer willing to cover up for the deficiencies of the Health Service, and are ready to speak out publicly in defense of their patients."

The litany of deficiencies is "nearly endless." And for the last year a royal commission has been listening to a recitation of failures as it seeks a way out of the deepening British medical crisis.

Among them:

Antiquated and worn-out hospitals, half of them built before the turn of the century and lacking modern equipment.

An enormous waiting list for non-urgent operations, so long that tens of thousands of persons have no hope of relief from such ailments as hernia, arthritic joints, or varicose veins.

A top-heavy administrative bureaucracy that has created an unworkable mass of red tape, which bewilders patients and enrages doctors.

An exodus of top-quality doctors either to private practice in Britain or to other countries where pay and conditions are better; and, conversely, a rush of foreign doctors and nurses into NHS hospitals to fill low-paid posts rejected by British professionals.

A breakdown in morale of hospital staffs that is bringing strikes, slowdowns, and outright rebellion among professionals once renowned for their dedication.

Rising medical costs that are widening the "technology gap" between the kind of treatment that is available and the kind that is possible as a result of modern advances.

None of these failures was anticipated by the late Aneurin Bevan, the crusading Labor Party stalwart who was the father of British socialized medicine. He believed the system would bring such improvements in the basic health of Britons that, in time, medical care would become less and less costly to a more and more healthy nation.

But in its first year the costs were twice what had been expected, and even Bevan was surprised at the tremendous rush of patients to obtain free medical care. He concluded that the sudden pressures had disclosed that "in the past, there had been a vast amount of silent suffering and preventable pain."

But the rush is still on today, and critics of the system question whether the NHS had done any good at all in its three difficult decades.

NHS officials like to point to statistics on the reduction in infectious diseases, including the virtual eradication of tuberculosis, polio, and diphtheria as among the greatest achievements of socialized medicine.

But critics point out that tuberculosis, polio, and diphtheria also have been conquered in countries without a state monopoly on medicine, and they complain that Britain has made, at best, a mediocre showing for all the money spent on NHS.

For example, infant mortality in Britain has been more than halved since 1948, from 38 deaths per 1,000 live births to only 16. But other countries, including France, Holland, Norway, and Finland, have reduced their infant mortality rates even more, and the United States did at least as well.

The most glaring and frustrating statistic in the NHS, however, is the length of the waiting list for non-urgent surgery, which now stands at more than 600,000. Many must expect delays of three or four years for operations to correct problems which, though not fatal, are painful and disabling.

The British Medical Association denounced the delays as "a scandal without parallel in any developed country," and a number of NHS doctors have mounted personal protests over the waiting lists. One, orthopedic surgeon John Cozens-Hardy, called a meeting of the 127 persons on his waiting list to tell them that some will not get their operations for 36 years unless something is done to clear the backlog.

Many of the patients were elderly persons confined to wheelchairs because of arthritic hips, and the announcement dashed all hope of getting artificial hip joints.

"I have so little operating theater time available that I was able to do only two hips in the whole of 1977," he said.

Even when the operating theater is available, he said, there may be shortages elsewhere.

"Two weeks ago I had an afternoon virtually clear and then had to turn a patient away because there was no bed," he said.

Another cause of frustration and delay in the system is its bureaucracy, a multi-tiered administrative hierarchy that has been repeatedly revamped, most recently in 1974, but with apparently no effect.

"There is a great deal of anger and frustration at what many regard as a seriously overelaborate system of government administrative and decision making," according to a report by a research team from Brunel University.

That anger and frustration drive both doctors and patients out of the NHS and into private hospitals, "pay beds" in NHS hospitals, or to other countries. Many pay for private medical insurance such as the 2 million Britons covered by the giant firm, British United Provident Association, enabling them to get treatment privately whenever the NHS fails to provide it.

When such privately insured patients use a "pay bed" in an NHS hospital or pay fees to a doctor who practices both in the NHS and privately, they are, in effect, jumping to the head of the line.

The lucrative possibilities of private practice have lured many doctors away from the NHS, and thousands more have immigrated to America, Australia, or the Arab oil states. Even the much-maligned administrators sometimes abandon the NHS for greener pastures.

Meanwhile the 600,000-strong waiting list is growing steadily longer, and those on it are reduced to repeating an old joke that no longer gets any laughs.

"You join the queue with a cold," it goes, "and by the time you get treatment, you've got double pneumonia."

SALT II

Mr. HATCH. Mr. President, I am very concerned about recent remarks made by Secretary of Defense Harold Brown in a speech before the Council on Foreign Relations and the Foreign Policy Association of New York City. In this speech Dr. Brown stated:

> With SALT, it would be significantly less expensive (perhaps as much as $30 billion less expensive over the next decade) for the United States to maintain that balance than without a SALT II agreement.

I question the very premise that Secretary Brown bases his arguments. If he is to make such inflammatory statements, I think that he owes it to the American public and the Congress to give a clear definition of the costs of the defense of the United States with a SALT agreement and the cost without such an agreement. Break these costs down into a program basis, show us where the money will be spent and where it may be saved. If this is the case then I am very interested in this information.

What I think is happening is that the administration, in kicking off its campaign to sell the SALT II agreement, has fallen back to the use of economic fear as a primary tool in the sale of agreement to the American public. Yet close analysis will demonstrate that they are the ones that are responsible for the economic problems that we now face in this Nation, and I might add that we will have double-digit inflation again this year. It is their lack of a comprehensive economic policy that this argument has any weight.

In conclusion, let me reiterate my original point; where are the costs and where are the savings? Loose rhetoric will serve no purpose in a debate as important as the one concerning the SALT II agreement.

Mr. President, I ask unanimous consent that a statement by our distinguished colleague, Senator PERCY, and three newspaper articles pertaining to Secretary Brown be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALT II

Mr. PERCY. Mr. President, today Secretary Harold Brown delivered an incisive speech on SALT II and the national defense before the Council on Foreign Relations and the Foreign Policy Association of New York City that supplements and complements the remarks made by Dr. Brzezinski in Chicago last night. I commend it to my colleagues.

REMARKS BY SECRETARY OF DEFENSE HAROLD BROWN

I am pleased to have this opportunity to speak with you about strategic arms limitations and the national defense. I am convinced—and I believe that the President, and many of you, agree—that the emerging SALT agreement with the Soviet Union will be the single most significant bilateral understanding reached by the two global superpowers during the 1970s.

SALT has become part of the fabric of international relationships. It is an element of stability not only in military terms but in the worldwide political balance. Experience has shown that SALT alone cannot end the political competition between us and the Soviet Union, nor can it fulfill all our hopes for cooperation—or all our needs for strategic security. But, as the President's National Security Advisor suggested yesterday, it is necessary to the prudent management of both aspects of our relationship.

Because of the agreement's profound importance, it is essential that the public debate concerning its merits be not only thorough, but also well informed. In speaking here today I hope to contribute to both of those essential qualities.

Let me begin my discussion of SALT and the national defense by reporting to you on the status of the talks. Although we are very close to an agreement, there are at least two or three remaining major issues—especially those involving verification and limits on new missiles—of such importance that we must know that they have been resolved satisfactorily before we can be confident a SALT II Treaty can be achieved. Whether—and therefore when—agreement can be reached depends largely on the negotiation of these issues. The prospects, in my view, continue to be good.

Under our system of government, of course, the final United States decision on whether or not a treaty will take effect will be made by the Senate. Thus, the formal debate over ratification will be conducted in the Senate and will not start until a Treaty is signed and submitted to that body. As a practical matter, however, the debate over SALT II has already begun and, in fact, has been underway for as long as or longer than the negotiations themselves. Moreover, the debate is a far-reaching one and has, properly, addressed our broader strategic policy objectives and programs, as well as the provisions of the agreement itself.

I believe the key question each of us must answer centers on the agreement itself: will its approval make the United States more secure than lack, or rejection, of an agreement. But that question can be answered—and SALT can properly be evaluated—only in the context of: United States strategic weapons policy and objectives; the state of the U.S. Soviet balance now and as we expect it in the future; and the programs that we have undertaken to implement our strategic policy.

THE SOVIET CHALLENGE

Our national security derives from much more than our military strength. The military balance is only a part—but a vital part—of our total national security posture. There is no doubt that Soviet military power today is much greater than it was in the 1960's—both in absolute terms and relative to our own. There has been a steady increase in Soviet military spending during each of the past 15 years. Our current estimate is that it would cost us $40 billion more than we now spend each year on our own defense establishment, to support military forces and programs of the size and nature pursued by the Soviets.

Today, the military balance between East and West is one of rough equivalence—but with troubling trends appearing in both strategic and tactical nuclear areas. It is not the current balance but rather the momentum of Soviet strategic programs that is cause for concern.

Despite Soviet military accomplishments, the Soviet Union does not now enjoy a military advantage in nuclear terms; it is not in a position to exploit its strategic weapons or embark on a course that may lead to the use of nuclear weapons without themselves encountering unacceptable risks. A strategic balance exists today because the deterrent forces on the two sides are essentially equivalent. Neither side could launch a first strike that would prevent the other side from responding with a retaliation of devastating proportions. Neither side can effectively intimidate the other with its strategic forces,

In the face of these circumstances of Soviet challenge and competition, we are pursuing, and need to continue, two complementary courses of action.

The first is to ensure, within SALT constraints, that our strategic forces are capable of meeting our defense objectives despite the continued Soviet strategic buildup. The 1980 Defense budget and our Five-Year defense program for 1980–1984 are designed to do this.

The second is to seek, in a SALT II agreement, specific and verifiable provisions constraining Soviet strategic forces as part of the process of limiting further the strategic arms competition between the U.S. and the Soviet Union.

U.S. OBJECTIVES

Two concepts underlie U.S. strategic forces planning: deterrence and essential equivalence.

Deterrence of nuclear war is our most fundamental defense objective. A credible deterrent can be achieved only if we possess the military force necessary to persuade our enemies that, whatever the circumstances, if they start a course of action that could lead to war they will either:

Pay an unacceptable price to achieve their objective or;

Be frustrated in their effort to achieve that objective.

Our basic strategy requires us to be able to inflict such damage on a potential adversary, that regardless of the circumstances, the prospect of that damage will preclude his attack on the United States, our allies, or our vital interests. To achieve this we need, first of all, a survivable capability to devastate the industry and cities of the Soviet Union. Assured destruction capability—which is what I've just defined—is the bedrock of nuclear deterrence. It is not, however, in my judgment, sufficient in itself as a strategic doctrine. Massive retaliation may not be appropriate, nor will its prospect always be sufficiently credible, to deter the full range of actions we seek to prevent.

We need capabilities convincingly able to do, and sure to carry out, under any circumstances the Soviets consider realistic, whatever damage the Soviets consider will deter them. Put differently, the perceptions of those whom we seek to deter can determine what is needed for deterrence in various circumstances. For fully effective deterrence, we need to be able to respond at the level appropriate to the type and scale of a Soviet attack. Fully effective deterrence requires forces of sufficient size and flexibility to attack selectively a range of military and other targets, and to enable us to hold back a significant reserve.

This ability to provide measured retaliation in response to less-than-total attacks—and thus to prevent the Soviets from imagining that they can gain meaningful advantage at some level of nuclear conflict—is essential to credible deterrence. Moreover, whatever doubts one may have about whether a nuclear war could be kept limited—and I have severe ones—it would be the height of folly to put the United States in a position in which uncontrolled escalation would be the only course we could follow.

By any reasonable standard, we have a credible deterrent today and will have one for the foreseeable future. We have, and will continue to have, survivable forces capable of massive destruction of Soviet cities and industrial potential, even after an all-out surprise attack. We also have—and will have increasingly in the coming years—both the forces, and the targeting and employment policies, that allow for selective use of nuclear force to respond to more limited provocations. The rapid Soviet buildup in strategic forces over the past dacade, as compared to our own more modestly paced improvements in forces, should not obscure the basic power and credibility of our deterrent.

Moreover, the problems we face—in particular the growing vulnerability of our fixed silo ICBMs—will not force us to choose between all-out attacks on cities, on the one hand, and surrender, on the other. Our capacity to make selective strikes at military and other targets, while maintaining a reserve, is large now and will grow in the future, despite ICBM vulnerability.

Essential equivalence—our second broad objective—is somewhat different from credible deterrence. It is one possible criterion for such deterrence, particularly if we want our nuclear forces to have an effect that goes beyond deterrence of an all-out strategic surprise attack. The use of essential equivalence as an objective reflects the reality that nuclear forces—like other military forces—have a broader political role, not entirely determined by technical, static (force-counting) or even dynamic (war-gaming) calculations of military capability.

As long as our relationship with the Soviet Union is more competitive than cooperative—and this is clearly the case in military terms—maintaining essential equivalence of strategic nuclear forces is necessary to prevent the Soviets from gaining political advantage from a real or perceived strategic imbalance.

Essential equivalence thus demands that our forces not only be on a par with those of the Soviet Union, but be seen to be so. We need not—we should not—imitate Soviet forces in an inevitably futile, immensely costly, and potentially very dangerous effort to match or exceed the Soviets in every conceivable index of strategic power. To say, however, we can tolerate some "gaps" that are offset by U.S. advantages by other measures is not to say we can tolerate an overall imbalance whether perceived or real.

Today, essential equivalence exists. While the Soviets have certain advantages, such as ICBM throw weight and deliverable megatonnage, we now have offsetting advantages in numbers of warheads, accuracy and antisubmarine warfare capability.

Most importantly, while no one can assuredly predict the outcome of any nuclear exchange, neither we nor the Soviets would gain, in any rational sense from such a conflict.

It's worth considering, for a moment, whether these objectives are ambitious enough:

Ought we to be satisfied with equivalence and with preventing Soviet actions by deterrence?

Ought we instead to seek to exploit our resources and our technology to attain strategic superiority?

In the first place, massive numerical superiority in strategic forces, even when we had it in the 50's and 60's, proved to be no panacea for our military needs, and still less for our security.

The potential futility of any quest for superiority derives, I believe, from the realities of nuclear weaponry and bilateral superpower relations. Modern nuclear weapons technology is such that while equivalence is a realistic goal, superiority is not, *providing* that the other side is determined to prevent it. Each superpower can, by actions that are well within its technical and economic capability, prevent the other from gaining an overall advantage, much less supremacy.

The system is not self-equilibrating; neither equivalence nor even deterrence will be maintained automatically. Avoiding inferiority requires us to have the will and resolve to do the things that will enable us to maintain the strategic balance. For, if the Soviets ever were to achieve superiority, I am convinced they would make every effort to exploit it politically, and even militarily. I am confident that we will continue to show the will and resolve to prevent the Soviets from attaining superiority But I think it would be equally wrong to suppose that the Soviets, challenged to a race for superiority, would passively yield such an advantage to us.

In brief, equivalence and deterrence are at one and the same time our maximum feasible—and our minimum tolerable—objectives. And at present, our forces meet those objectives.

But if the present balance is adequate in terms of our objectives of deterrence and equivalence, we face challenges for the future that we can ignore only at great peril. If today we are in a satisfactory relationship vis-a-vis the Soviet Union, what of tomorrow, less rhetorically, what will the strategic balance be like during the planning horizons we can reasonably contemplate?

Some trends are of real concern. The Soviets are rapidly catching up to us in a number of key areas where we have led in the past, especially in the areas of accuracy and reentry vehicle numbers. Additionally, the improvements the Soviets have made in long range theater nuclear forces may be of great significance as the central balance becomes more equal. Further, the growing vulnerability of our land-based missile force in the early 1980s could, if not corrected, contribute to a perception of U.S. strategic inferiority that would have severly adverse political—and could have potentially destabilizing military—consequences.

In reviewing the challenges the Soviets are posing in the strategic area, we should remember that the United States has not been idle. In the past 10 years, we have deployed more than a thousand MIRVed missiles, thereby increasing our missile warhead total nearly four-fold. SRAM (the Short-Range Attack Missile) has increased the capability of the B–52 force. Further, we have programs to improve each of the three elements of the U.S. Triad of strategic forces:

This year we will begin to put the new Trident C4 missile in our submarines fleet. In addition, the first new Trident submarine will be on patrol in late 1981, will be quieter—and thus less detectable accoustically—and will be capable of longer on-station times. We are also beginning work on a substantially improved Trident II submarine-launched missile.

Our cruise missile programs will greatly enhance the effectiveness of the bomber leg of the Triad. B–52 aircraft capable of penetrating Soviet air defenses will continue to contribute to the viability of the manned bomber leg of the Triad into the late 1980s. We are working on bomber and cruise missile technology for the longer term.

We are improving the accuracy and yield of the Minuteman forces. We are pursuing and will choose from among a number of options for more survivable, mobile, basing of part of the ICBM force to deal with the vulnerability problem. The MX missile for this purpose is funded for engineering development in the fiscal year beginning this October.

To summarize the current situation, despite Soviet military accomplishments, neither the Soviet Union nor the U.S. has a clear military advantage, and we intend to keep it that way. Our programs are sufficient for that purpose, if we receive the support of Congress in providing the funds to carry them out.

THE ROLE OF ARMS CONTROL

Strategic arms control provides one important way in which we can limit the military challenges we face. It is, therefore, an integral part of our overall efforts to meet our national security objectives. Thus, the SALT II agreements should be judged by the Congress and the American public first of all in terms of their contribution to our security and that of our allies. And is in terms of this criterion that I will set forth the bulk of my evaluation of the agreement for you today.

We should recognize, however, that in addition to the more specific military security issue, the merits of SALT and the SALT process must also be judged in a broader political context. That broader context has to do with our role as leader of the Atlantic Alliance, and the political damage that would be done to our status among allies and friends if the United States were seen to be neglecting, or even rejecting, strategic arms limitations. The SALT process itself is important to the further development of U.S.-Soviet and overall East-West relations. SALT is the foundation for progress in establishing an enduring political relationship with the Soviets that reduces tensions, and sets important visible boundaries to our ideological, and political and military, competition.

The basic elements of the SALT II agreement are familiar to you:

A Treaty, to last until 1986, that will:

Set equal limits on strategic nuclear vehicles.

Establish various sublimits on MIRVed systems (that is, ballistic missile systems carrying multiple warheads that can target more than one aim point) and heavy bombers carrying air-launched cruise missiles.

Limit each side to one new ICBM type, with a maximum of 10 reentry vehicles.

Bar increases in number of RVs on existing ICBMs.

Provide measures to permit unimpeded verification by national technical means.

A Protocol, to last about 3 years, that will

Bar deployment of ground-launched and ship-launched cruise missiles with ranges greater than 600 km during that period, while permitting unimpeded testing and development of such vehicles of any range.

Bar deployment of mobile ICBMs or air-to-surface ballistic missiles during that period.

The treaty will permit the deployment of these systems after the Protocol expires.

The agreement also includes:

A statement of Principles to guide SALT III, and

An exchange of statements on the Soviet Backfire bomber.

SALT II is, I firmly believe, a significant and most useful step in what we hope will be a continuing process.

The 1972 SALT I agreement contributed greatly to stability. It did so by banning nationwide ABM defenses, and by capping the buildup of strategic offensive arms through limiting missile launcher numbers to those existing or under construction in 1970. The Vladivostok agreement of 1974 set equal aggregates of all strategic nuclear delivery systems at 2400 and set a sublimit of MIRVed systems of 1320.

In 1977, at the beginning of this Administration, we attempted to achieve a comprehensive arms control agreement that would have been substantially more restrictive than the Vladivostok agreement—or the SALT II treaty—but a number of technological and political factors prevented success. We therefore took the dual track of trying to negotiate the largest possible reductions to the interim ceilings while making a serious attempt to limit qualitative improvements in new system. We have achieved real successes in both areas.

We have been able to negotiate reductions in the Vladivostok limits—to 2250 SNDVs and 1200 MIRVed missiles—as well as to impose a new sublimit of 820 on land-based MIRVed ICBMs, the most destabilizing strategic force element.

In addition, we have broken significant new ground in the qualitative area by limits on numbers of reentry vehicles on each type of ICBM (and SLBM) and by allowing each side only one new type of ICBM.

Taken together, these two tracks have resulted in a significant step forward in the arms control process.

The prospect of continuing the process is a major intangible at stake in the debate. But the SALT II agreement need not be defended merely as a way station to SALT III and beyond. It can be fully and convincingly justified on its own merits.

The simplest way is to observe that, without the SALT II agreement, the Soviet Union could have nearly one-third more strategic systems than with the agreement. And there would be corresponding effects on other measures. For example, instead of the 2250 SNDVs of the Treaty, they could have 3000. Naturally, we do not know what the Soviets would do in the absence of a Treaty, but these higher strategic system levels are well within their capability. And the history of the nuclear era is strewn with the wreckage of confident U.S. predictions that the Soviets would at some point or another cease to add to force levels that were already—according to the U.S. predictors—as large as the Kremlin could possibly want. In my view, it is probable that without SALT II we would enter into an era of greater uncertainty—in both military and political terms—that would result in increased strategic forces on both sides, as hedges against that uncertainty.

Faced with such a Soviet buildup, the U.S. could, and I am confident would, respond. Given our determination to maintain essential equivalence, and the demonstrated Soviet willingness to avoid strategic inferiority even at great cost, the net result of such a numbers race would be greater strategic force levels at vastly greater expense and at substantial risk to stability.

The United States does not have unlimited resources to spend on strategic weapons programs without significantly affecting other defense priorities—such as improvements in conventional forces—and other government programs, such as those required to combat inflation. But we do need to spend enough, and what is enough depends in part on the actions of our adversaries.

SALT will not solve all our problems. Even with SALT we will need, and we will be permitted, to expand our strategic nuclear efforts above their present levels. Those levels, incidently, are about half, in constant dollar terms, what they were during the mid 1960s. But SALT will mean greater stability and predictability in the strategic challenges we face, and so the balance could be maintained at a substantially lower level of destructive power. Furthermore, with SALT, it would be significantly less expensive (perhaps as much as $30 billion less expensive over the next decade) for the United States to maintain that balance than without a SALT II agreement.

SALT II, while forestalling this pointless numbers race, will leave us the flexibility to carry out programs to deal with the challenges the Treaty will not eliminate. We can develop, test and deploy each of our planned programs—cruise missiles, Trident, MX—in the fashion, and on the schedule, that we have planned. Apart from putting some distinguishing features on our ALCMs and cruise missile carriers (to aid counting under SALT), we will not be forced by SALT II to alter our strategic programs, which we need to balance Soviet programs that are allowed in SALT II and that are, in large measure, already in place.

In at least one important respect—Minuteman vulnerability—SALT II will make the solution of a problem easier than without an agreement. SALT II will limit, to well below previously projected levels the number of Soviet MIRVed ICBMs, will freeze the number of warheads on existing ballistic missile launchers, and will limit the number of RVs allowed for new ICBMs. These restrictions sharply reduce the significance of the Soviet throw weight advantage, which without limitation, would, for example, enable them to deploy 20 or perhaps even 40 warheads on their largest ICBMs.

The combination of limitations on missile launchers and numbers of warheads will ease somewhat the difficulty of maintaining the survivability of our land-based ICBMs. The deployment of a new mobile ICBM system, regardless of basing mode, will be more feasible because an upper bound will be placed on the number of warheads that can be targeted against the aim points represented by that deployment. SALT II becomes, then, an important element in ensuring ICBM survivability.

Equally important, SALT II will leave us free to pursue with our allies the important issues of modernization of NATO's TNF forces, and to consider arms control initiatives in this area.

SALT will serve U.S. interests. It enhances the stability of the deterrent and allows us the flexibility to embark on needed modernization of our strategic forces without triggering another expensive and potentially destabilizing arms race. I do not doubt our economic or technical ability to compete successfully with the Soviets in strategic weapons. I do question whether such an effort is the best use of our national—or even defense—budget. And I do not believe that we would purchase increased security with that sort of effort.

Under the treaty, we can maintain flexible and credible deterrence, and assure essential equivalence.

Without the treaty, we could also do these things, but it would be more costly and less certain. I see the treaty as a valuable method of meeting our strategic goals—as a major component in our strategy along with our weapons programs. In my judgment, it is a very important component, although we must recognize that it will have to be accompanied by substantial U.S. defense programs—expanded ones in the strategic field.

VERIFICATION

Among the concerns expressed about the agreement one is undoubtedly in a class by itself: "Will it be verifiable?" Clearly the limits of an agreement with the USSR cannot be treated as self-enforcing. The U.S. must be able to verify with adequate confidence, by its own intelligence systems, the fact that the Soviets are complying with the agreement.

The SALT II Agreement will be verified by national technical means, including photo reconnaissance satellites and other technical measures. These means enable us to monitor many aspects of the development, testing, production, deployment, training and operation of Soviet forces. Despite the closed nature of Soviet society, we are confident that no significant violation of the treaty could take place without the United States detecting it. Because of our vigorous deployment and R&D efforts, we would be able to respond with appropriate actions before any serious adverse impact on the strategic balance could take place.

Much has recently been written about the loss of the intelligence sites in Iran and how important these sites were to have been to SALT verification. Intelligence of the kind obtained from these sites is important to our assessment of Soviet strategic forces programs, including some of the aspect limited by SALT II. We are examining alternative means of collection, and the question is not if we will reinstitute this capability but how, where, and how quickly we can do it. This and other verification matters will of course be discussed at length during the ratification process.

We are now well into a national debate, not only on the treaty, but on our strategic policy—and on the overall state of U.S.-Soviet relations. In the course of that debate, I would hope that those who consider themselves thoughtful proponents of military security and those who consider themselves thoughtful proponents of arms limitation, as well as those, among whom I number myself, who are concerned with both, can focus on the specific issue of whether our security—and with it the prospects of peace—will be better served with the treaty than without.

The President of the United States—and I—think the answer is clear. A sound SALT agreement is in the interest of both the United States and the Soviet Union, despite the competition between our two systems that exists elsewhere—and indeed will continue with respect to strategic nuclear forces. SALT II will provide a firmer foundation for other measures to control the growth and proliferation of nuclear and conventional capabilities throughout the world. Indeed, if the Soviet Union will emphasize cooperation rather than competition, SALT II will allow a healthier state of US-Soviet relations.

All these considerations have led me to conclude that assuming the remaining issues can be resolved to our satisfaction, signature and ratification of SALT II are clearly in the national interest of the United States. In my own mind, I am satisfied with that conclusion, but I acknowledge that reasonably people of good will and high purpose may come to a different judgment. I hope that the coming debate will strengthen our understanding, strengthen our resolve to sign and approve the Treaty, and in so doing, lead to a strengthening of our national security. Indeed, I am confident that, that will be the result, and that it will be a good one for all of us.

[From the Washington Post]

BROWN CITES SECURITY FACTORS IN ADMINISTRATION SALT DRIVE

(By Dan Morgan)

NEW YORK, April 5.—Defense Secretary Harold Brown took up the baton today in the administration's campaign to attract conservative opinion both in the Senate and the nation for a new strategic arms limitation treaty with the Soviet Union.

Speaking at a joint session of the Council on Foreign Relations and Foreign Policy Association here, Brown emphasized that SALT II "will have to be accompanied by substantial U.S. defense programs in the strategic field," greatly increased above existing spending levels.

Brown's speech, following by a day an address by presidential assistant Zbigniew Brzezinski on the political need for SALT in the Soviet-American relationship, was intended as the administration's security justification for the long-awaited treaty.

Approval of the treaty by negotiators from both sides now awaits only a Soviet response on several difficult points regarding U.S. verification of Soviet compliance.

Although the administration is going on the assumption that final problems will be overcome quickly, Brown said today that it would be "a matter of some months"—possibly "the remainder of this political year"—before Senate approval could be concluded.

High adminstration sources say that despite the concern expressed by some Senate liberals that the treaty does not go far enough in curbing the arms race, they do not expect them to vote against approval.

The administration's campaign for votes, they say, will be aimed mainly at reassuring conservatives that the treaty does not in any way jeopardize national security.

In his speech today, Brown emphasized that "despite Soviet military accomplishments, the Soviet Union does not now enjoy a military advantage in nuclear terms over the United States; it is not in a position to exploit its strategic weapons or embark on a course that may lead to the use of nuclear weapons without themselves encountering unacceptable risks."

Brown noted that the United States has been able to negotiate reductions already worked out in Vladivostok—to 2,250 strategic delivery vehicles and 1,200 missiles capable of firing multiple warheads. The treaty also imposes a new limit of 820 land-based missiles with multiple warheads—the force considered of most concern to U.S. strategic security.

"Without SALT II, the Soviet Union could have nearly one third more strategic systems than with the system," said Brown. "In my view, it is probable that without SALT II we would enter into an era of greater uncertainty—in both military and political terms—that would result in increased strategic forces on both sides."

During a question-and-answer period that followed, Brown has asked if the strategic arms talks had exerted pressures on both sides to continue rather than slow down the arms race. To that he replied: "I'm not aware of any case where, because of SALT, some new system was developed or employed which wouldn't have been [in the absence of SALT]. I disagree completely that SALT has made things worse."

The defense chief stressed that the proposed new treaty will permit the United States to develop, test and deploy each of the three major new strategic systems designed to counter the Soviet threat in the 1980s. These are the Trident submarine, the MX land-based missile and cruise missile.

Figures issued by Pentagon officials, this week on the comparative level of U.S. spending with and without SALT clearly suggest the limited nature of the agreements being concluded by by the two countries. Without SALT, they said, the spending on strategic systems would be some $67 billion over the next five years. However, this spending figure will still be around $52 billion even with a SALT agreement.

Pentagon officials say that the cost of deploying a mobile, land-based MX missile capable of evading the threat of modernized Soviet land missiles in the 1980s would be around $20 billion. A mobile system employing airplanes would cost at least $30 billion, they add.

"By any reasonable standard, we have a credible deterrent today and intend to have one for the foreseeable future. We have, and will continue to have, survival forces capable of massive destruction of Soviet cities and industrial potential, even after an allout surprise attack. The rapid Soviet buildup in strategic forces over the past decade, as compared to our more modestly paced improvements in forces, should not obscure the basic power and credibility of our deterrent," Brown declared.

Administration officials, including Brown, believe the Senate approval process could hinge on Soviet assurances on treaty verification. The American side wants guarantees against Soviet coding of the telemetry returned by Soviet rocket tests.

At the same time, administration sources have acknowledged that the loss of U.S. monitoring stations in Iran has complicated the task of checking on Soviet compliance with the treaty.

Brown noted, however, that "not having a SALT agreement does not make verification easier." Sources said that contacts with friendly countries subsequent to the Iranian losses have led to optimism that backup systems can be installed.

Some administration officials have expressed concern that Senate critics of the treaty could attempt to amend the document. Commenting on this today, Brown said this would have the same affect as rejecting it since it would force both sides back to the negotiating table. "It would have tragic consequences for ourselves and the world," he added.

[From the Washington Star]

FAILURE ON SALT COULD COST U.S. $30 BILLION, BROWN SAYS

(By Vernon A. Guidry, Jr.)

Failure to achieve a new SALT agreement with the Soviet Union could cost the United States as much as $30 billion in new defense spending, Defense Secretary Harold Brown said today.

But even with the treaty, Brown went on, the United States must expand its strategic weapons programs to maintain rough equivalence with the Russians.

The secretary's predictions came in remarks prepared for delivery in New York to the Council on Foreign Relations and the Foreign Policy Association.

"SALT will not solve all our problems," he said. "Even with SALT, we will need, and we will be permitted, to expand our strategic nuclear efforts above their present levels. But SALT will mean greater stability and predictability in the strategic challenges we face, and so the balance could be maintained at a substantially lower level of destructive power."

The Secretary said that with SALT, "it would be significantly less expensive perhaps as much as $30 billion less expensive over the next decade, for the United States to maintain that balance."

Brown's speech was part of a visibly stepped-up effort by the administration on behalf of the treaty after a round of new and authoritative reports that final agreement is near. Last night, Zbigniew Brzezinski, the president's national security affairs adviser, took to the road to promote SALT in a speech to the Chicago Council on Foreign Relations.

White House officials have been reluctant to launch a high-level campaign for support for the treaty until it was finally agreed to in all details. The public effort so far has been left to a low-level but active group at the State Department.

Critics of the emerging treaty have felt no such reluctance, however, and that has contributed to administration frustrations over the course of the SALT debate so far.

The administration still has not decided, for instance, on how far it should or could go in making available photographs taken by U.S. spy satellites. Although it has long been known that such photographs play an important role in verifying compliance with elements of a strategic arms limitation agreement, the government only officially acknowledged their existence in October.

A paper produced by the National Security Council listing four options is circulating within the government to solicit comment, according to sources with access to the document.

The first option would be to do nothing more, since even the acknowledgement of the existence of the photographs came only after long debate. The intelligence community feared—and still fears—that it was the start of a slide down a long, slippery slope of damaging disclosures.

The second option in the paper would bring increased discussion of U.S. satellite capability, including drawings and scale models of the Soviet facilities that the satellites photograph, but no pictures.

The third option would be to make ready the release of selected photographs taken of Soviet strategic installations, but use them publicly only if an extra boost were needed in the fight to gain ratification of the SALT treaty in the Senate.

The fourth option calls for release of the pictures with an accompanying plan to make the most of them.

The intelligence community opposes release, making the "slippery slope" argument. And while the Soviet Union knows full well about the satellites, and has its own, it does not take to public discussion of them.

Moreover, according to one Pentagon source, Soviet Foreign Minister Andrei Gromyko informed U.S. Secretary of State Cyrus Vance in January that the Soviet Union did not want the pictures released and therefore available to such hostile neighbors as the People's Republic of China.

The option paper lists other arguments, both pro and con. For one thing, not all of the photographs are of the "gee whiz, look at that" category showing things impressive to the layman.

They require a good deal of skilled and knowledgeable interpretation before they yield their intelligence information. In some, for instance, Soviet missile silos are not seen, but rather inferred from road patterns, command vans and wiring trenches.

The NSC paper asks why the public has to see them when it is the Senate that has to be convinced—and senators already have access.

In addition, the paper spells out fears that opponents of the SALT Treaty will use release of the photos to accuse the administration of compromising U.S. intelligence to sell SALT at any cost.

And, the paper goes on, it could shift the debate from the issues the administration wants to emphasize to those it doesn't.

The satellite photos are part of what is called verification of SALT provisions, useful to determine size, location and, most important, number of missile silos.

But there are other aspects of verification that are giving the administration more trouble at the moment, chiefly the loss of U.S. bases in Iran that were used to electronically observe and eavesdrop on Soviet missile shots.

Brown's remarks met the issue head on, admitting that the intelligence gathered by the installations in Iran was important. "We are examining alternative means of collection, and the question is not 'if' we will reinstitute this capability, but how, where and how quickly we can do it."

The New York Times reported yesterday that the administration plans to use as a stopgap an electronically sophisticated new version of the old U2 spy plane to fill this gap. At the Pentagon, however, this was described as merely one alternative under consideration, and one that in any event probably would not be ready for regular use until 1982.

The new estimate of defense costs came as Congress was demonstrating a willingness to approve spending for the purpose.

The Senate Budget Committee yesterday voted to give President Carter all but $700 million of the military funds he requested for fiscal 1980. After a lengthy debate on the Soviet threat, the panel voted 9–6 to leave room in the new budget for $125.3 billion in defense funds.

The House Budget Committee voted Tuesday for a $123.9 billion ceiling on defense spending.

THE LATEST WORD ON IRS VERSUS PRIVATE SCHOOLS

Mr. HATCH. Mr. President, the recently republished IRS regulations regarding the tax-exempt status of private, religious schools do not correct the fundamental flaw inherent in these regulations. The IRS claims the revised version restricts the scope of the regulations. Nevertheless, they predicate their actions on the assumption that the majority of American private schools are discriminatory.

In other words, should a private or religious school fall into the category of being a "reviewable" school, it is according to the IRS, prima facie discriminatory, and subject to losing its tax exemption.

Upon examining the newly proposed regulations, one comes to the conclusion that our Internal Revenue Service has taken upon itself the responsibility for implementing an aggressive affirmative action policy. Yet, it is a policy which IRS Commissioner Jerome Kurtz has said, "We have almost no specific guidance * * *."

In reading these regulations and considering the commissioner's statement, one can almost hear Mr. Justice Blackmun in his dissent in *Alexander* v. *Americans United, Inc.*, 94 S. Ct. 2065 (1974), in which he warned of the potential for abuse of power vested in the IRS:

> There appears to be little to circumscribe the almost unfettered power of the Commissioner. This may very well be so long as one subscribes to the particular brand of social policy the Commissioner happens to be advocating at the time . . . but applications of our tax laws should not operate in so fickle a fashion. Surely, social policy in the first instance is a matter for legislative concern . . .

I agree with Mr. Justice Blackmun. Social policy is a matter for legislative concern and it is an affront to the Congress of the United States to have an administrative agency attempt to set social policy. Legally and politically, an agency such as the IRS is restricted in its rulemaking authority. It is restricted to making procedural decisions, but not substantive policy decisions—an area which is reserved by the Constitution's article I to Congress.

When the IRS first released its "private school" regulations, responsibilities in the Congress over such regulations were not consulted. And yet, these regulations give the individual IRS agent incredible subjective authority to determine the guilt or innocence of a private or religious school.

For example, I quote the following statement taken from the proposed regulations:

> The schools will be considered to have a racially non-discriminatory policy as to students if the school can show that it has undertaken actions or programs reasonably designed to attract minority students on a continuing basis.

I call your attention to the word reasonably. It is a code word—the buzz word which gives the IRS broad, sweeping and open-ended power to evaluate the evidence a private or religious school may submit in its own defense. Such a blank check goes beyond the authority granted to the Internal Revenue Service. This authority is limited to the areas of taxation and the collection of revenues, not in the admission, recruitment and employment policies of private and religious schools.

Furthermore, the numerical quotas set forth in these regulations are in direct contradiction to the Supreme Court's decision in Bakke against Board of Regents (1978). That decision struck down numerical quota systems similar to the one proposed in these regulations. These IRS regulations raise serious questions about constitutional propriety.

Since the original issuance of these regulations, the IRS has taken for granted that any school under these rules which is classified reviewable is, in fact, discriminatory. It must be inferred that the IRS believes such schools to be prima facie discriminatory solely because, subsequent to their establishment or expansion, these schools had insignificant minority enrollments.

Given a total absence of allegations of specific discrimination, a school's insubstantial minority enrollment could be accounted for reasons other than an intent to discriminate.

For example, it could be due to factors like tuition cost, lack of special programs available in public schools, an inconvenient location, religious objections and other factors that are not in the least related to intended discriminatory conduct.

A pivotal factor in this brief commentary on the proposed regulations is whether or not a tax-exemption is, in fact, a form of Federal subsidy. I believe that it is not, and that it was never intended to be construed as one. Rather, tax-exemptions have been the tools by which government has been prevented and restrained from taxing, refrained from destroying institutions which must be free from governmental intervention. Never has Chief Justice John Marshall's maxim been more appropriate. "The power to tax involves the power to destroy."

Finally, there is the issue of the open-door. I have already alluded to it in my statements about the broad and sweeping power such regulations grant the IRS. But the real danger is the precedent set and the encouragement given to the IRS by these regulations to encroachment on the activities and rights of religious schools and churches. If the IRS gains control over the Nation's religious schools through its power to tax, it is presuming to make substantive policy. It is presuming to do the legislative job reserved for Congress. It is folly to assume IRS employees are capable legislators or experts in the areas of religion, sociology and racial questions, and yet by their regulatory behavior they presume to be. And the risk this poses to the freedom of American private schools today, will become the danger jeopardizing church organizations and religious groups tomorrow. Freedom of worship and religious practice is protected by the first amendment, but this becomes meaningless when it is the Federal Government through the IRS which determines who can and who cannot practice or organize through the power to tax.

Since the beginning of this, the 96th Congress, I have introduced two bills intended to address the problems posed in "IRS versus Private Schools," S. 103 (The Save Our Schools Act) and S. 449 (The Charitable Organizations Preservation Act). I am privileged to have the support of many colleagues who have cosponsored either or both pieces of legislation. I am especially thankful, though, to my friend, the Senior Senator from Virginia (HARRY F. BYRD, JR.) who has decided to hold hearings on this subject in the Senate Finance Committee's Subcommittee on Taxation, which he chairs. These April hearings, however, will deal with more than IRS versus private schools. In the most fundamental sense, by the nature of the subject to be considered, they will deal with the restoration of the Congress role to get substantive policy. We must never again allow this legislative power to be taken from us. We must never again allow those who for the best of reasons would commit the worst of constitutional offenses, by removing the power of government from those who were elected to wield it. The power to legislate is a power of Congress. Every school child learns this civic lesson early on, but now it is our responsibility to remind those who may have forgotten it.

A NEW DIRECTION FOR TITLE III

Mr. HATCH. Mr. President, I have asked for this time in order to address my colleagues on the matter of small or struggling American colleges. They are being siphoned off. They are dying. And they are being jeopardized in large part, because of a prevailing Federal policy which this Congress first enacted in order to help them. I am talking about title III of the U.S. Education Act which comes up for renewal later this year.

On the 13th of last month, the General Accounting Office released its study on the administration of title III of the Higher Education Act by the U.S. Office of Education. Title III was enacted in 1965 for the purpose of helping struggling colleges remain solvent, allowing them to grow in an era of declining enrollment and rising costs. Highlighted in this GAO report were the following interesting items:

> It was not demonstrable that any institution receiving funding during the program's $700-million funding history was any closer to development than it would have been without the funding;
>
> There was a serious question as to whether funding had been directed to institutions envisioned by Congress to be the intended beneficiaries of the program;
>
> Criteria for selection of funding recipients was largely subjective, with no ascertainable difference between those institutions which received funding and some which did not;
>
> No institution enrolled in the program has ever become "developed" in accordance with the statute's purported goals;
>
> Cost control and technical assistance from the Federal Government were sorely lacking;
>
> Some "assisting agencies" through which funding was channelled have become Title III "junkies," actively recruiting colleges to receive funding under their auspices;

These are certainly serious criticisms of the way in which title III is being run, and the GAO is certainly not the kind of partisan or politically motivated source of such criticism which under any other circumstances might be suspect. Each of these areas deserves to be scrutinized by the Congress, and I am sure that this will be done by the Labor and Human Resources Committee to which I belong, and in particular Senator PELL's Subcommittee on Education. In order to stimulate discussion among all of my Senate colleagues, however, I would like to briefly address the particular points raised in the GAO report I just cited.

The first problem has to do with the question of selecting recipients for funding under title III. In 1965, Congress took much the same approach to the definition of a developing institution that the Supreme Court has taken with respect to pornography. We did not know what it was, but we would know it if we saw it. Our former Senate colleague, and at that time Congressman ROBERT GRIFFIN, took a lot of "heat" in 1965 for criticisms he raised about title III as it was then conceived, criticisms which since then have proven to be prophetic. Then Congressman GRIFFIN proved himself to be a legislative Cassandra, and let me briefly quote from his analysis:

> It should be noted that this title provides for $30 million to be handed as a blank check to the Commissioner of Education. . . . The Commissioner will be the one who decides which institutions are "underdeveloped" and he will decide which institutions are to get money, and how much.
>
> . . . As we look down through the definition of the term "developing institution" we find it is almost meaningless. For example, it is an institution which is making a reasonable to improve the quality of its teaching and administrative staffs and of its student services.

What institution is not trying to improve the quality of its teaching and administrative staff?

> This is a blank check. We would give to the Commissioner of Education $30 million to begin with, and I do not know how much after that. He will pick and choose which colleges around the country will receive the funds. How much money? Such amounts as he decides to hand out.

Mr. President, I am a friend of title III. I believe in what it was intended to do, and I have faith in what it can yet become. But I agree with Bob Griffin's analysis, and I recognize that something is terribly wrong in the program. Back in 1965, Congress decided to enact this legislation with no more guidance than that funds were to go to institutions which were "struggling" and "out of the mainstream." These definitions are vague. They are slightly less ambiguous in form than the morning fog which rises above the George Washington Parkway, and yet the Office of Education took this language intending to strictly apply it.

What instead happened, of course, was to distort the whole intent and to misdirect the operation of the program. Most needy educational institutions were denied from funding, because the Office of Education began to define "struggling institutions" not by virtue of a school's viability, but by virtue of the financial standing of its students.

The General Accounting Office first noticed this problem, and issued a report in 1977, reporting to Congress that the Office of Education had not developed adequate eligibility criteria for the title III program, and recommended that it "reconsider the criteria for identifying developing institutions so that they identify those institutions intended to benefit by the legislation."

A January 1977 study undertaken for the Office of Education by a private research team came to the same conclusion, stating:

> . . . We see no reason to believe that "developed" institutions (more closely conform with the Office of Education's definition of "development") or indeed differ on any other traditional activity measures.

Even the Office of Education itself agreed that the eligibility criteria it had used to dispense $700 million were not good measures of a school's developmental status.

So, in November 1978, HEW promulgated a new series of regulations intended to remedy this deficiency. Instead, they relied even more heavily on the financial condition of the students, as opposed to the financial condition of the school. Specifically, the determinations of whether an institution is struggling for survival and is isolated from the main currents of academic life would be based on, first, the average educational and general expenditures, and second, the average basic educational opportunity grant award per full-time student. In other words, an institution, unless it can submit some fairly compelling extenuating circumstances, will receive funding only if it has large numbers of low-income students and spends very little on them.

I cannot, for the life of me, find in the House and Senate debate in 1965 any indication that this program was intended to be an indirect student grant program to supplement BEOG awards. There is, furthermore, no indication that the sponsors felt that the nature of the student body—other than its quality—was in any way relevant to the question of whether an institution was "developing."

Neither, apparently, could the GAO. On page 18 of its most recent report, GAO responds to the new HEW criteria in this way:

> It is not clear to us that HEW's proposed regulations will identify those institutions which are struggling for survival and isolated from the main currents of academic life, as was intended by the law. . . . HEW might not be adequately considering other academic or funding characteristics of institutions, which might result in any institutions which are providing valuable services and are struggling for survival being ruled ineligible for the program. . . .
>
> . . . Generally, (representatives of organizations with an interest in title III) favored many of the regulations' proposed changes; however, most were *very much concerned* about the use of the two heavily weighted quantitative criteria to determine wheher institutions should be considered developing. (Emphasis original.)

In fact, it is even now the case that funding under title III is going to large, relatively well-financed State institutions which, in at least one case, have just completed expansion programs involving the acquisition of smaller colleges which were forced to close their doors. At the heart of this perversion of legislative intent lies an arrogance among certain HEW policymakers who would like to use the program to accomplish their own private agendas. To permit this to occur would represent an abdication of congressional will which would serve as a source of embarrassment for all of us.

To illustrate the ways in which smaller, struggling, and in many cases rural colleges and universities have been betrayed by the way in which title III has been enforced, consider the following specific problems:

First, there is the problem of determining so-called demonstrable development.

To quote from the GAO report:

> The inability to measure the progress of program participants is shown by OE statistics on the first 12 years of title III. *No institutions have been identified as having progressed through the program into the mainstream of higher education,* despite the fact that 120 of the institutions receiving title III funds in academic year 1977–78 had been in the program for at least 8 years. . . . OE could not provide statistics for these institutions showing (1) they had progressed toward the mainstream of higher education

> through the use of title III funds or (2) how long title III assistance would be necessary.
>
> Most initial goals for Advanced institutions have not been met.

This problem exists notwithstanding the 1971 congressional mandate that Office of Education evaluate the effectiveness of the program. As a matter of fact, Office of Education has, if anything, exacerbated the problem by allowing each basic program institution to form its own evaluation team. In many instances, reports were produced primarily by persons with a vested interest in the outcome. Often reports relied heavily on internal reports of the institutions being evaluated.

In addition, the GAO found that reports often, first, failed to evaluate all title III programs; second, failed to show the relationship between activities engaged in by institutions and the objectives of the program; third, relied much too heavily on the input of institutional officials; fourth, did not determine the adequacy of controls over disbursements; and fifth, were too subjective to be of any use.

Seven hundred million dollars is a lot of money to throw away without any demonstrable indication that there is any progress as a result of it.

Then there is the problem of subjectivity in the selection process. I have already discussed the question of whether HEW's selection criteria pay appropriate heed to the congressional intent in enacting title III. There is another question of whether, given OE's selection of its criteria, it is possible to determine from those criteria why one institution is funded and another is not.

The GAO report states that—

> Because selection procedures were often inconsistently applied, institutions might not have been afforded an equal opportunity to obtain funding.

Says the GAO:

> (I)t is questionable, whether the most deserving institutions were provided title III assistance.

There were no statistical records showing why some institutions were funded and others were not. The information provided by the report does allow us to reach some informed guesses, however.

In the first place, even institutions which had qualified for funding on the basis of their service to low-income students, among other factors, were instead ordered by field readers on the basis of their service to urban areas and low-income populations. This allowed panels consisting of individuals not always in sympathy with a particular college to superimpose their own subjective judgments on the suitability of an institution's student body on the top of HEW's objective assessment of student body adequacy.

Second, we have seen that no institution ever graduated from the program. In fact, there is amble evidence that funded institutions came to depend on title III funding. Subsequent Office of Education policy limiting first-time grants, which were only 16 in 1977, fostered a symbolic relationship inuring to the benefit of both the program and funded institutions.

Third, the supposedly impartial third-party reviewers were, in 24 percent of all cases, themselvs representatives of institutions applying for funding. There is no evidence that a waiver to the agency's own conflict-of-interest rules was ever applied for in any of these cases.

Despite these biases built into the process, there grew wide discrepancies between the recommendations of many of the reviewers, with little demonstrable relationship between the recommendations and the final granting of awards.

Then there is the inability of institutions to graduate from program. The GAO found that one of the principal reasons why a broader range of institutions were not able to participate in title III funding was because of preferential treatment given those institutions coming back for money year after year. Of the 31 institutions which received grants of $500,000 or more, 23 had been involved in the title III program for at least 10 years.

Says the GAO:

> In most cases the level of funding was based on the amount awarded an institution in the previous year.

In fact, the level of previous funding was given more weight by the Office of Education in determining grants than either the amount requested or the amount recommended by the supposedly disinterested field readers.

Given this sort of preferential treatment, the fact that no institution has ever graduated from the program and only one has been disqualified on account of loss of certification takes on new meaning.

Now, some within the Office of Education are asking questions such as "Isn't 'development,' after all, a continuing process?" Perhaps. But the fact that Harvard is continuing to develop does not mean that it is a "developing institution." Title III was never intended as an indefinite life support system for a class of Federal funding addicts.

It was never intended to be a form of renewable Washington breadline for Yale or Harvard or Princeton. It was intended to be a means of giving, as a last resort, emergency funding to the schools we seldom hear about, and the schools about which we never will unless title III is reformed.

Consider the problem of cost control. The GAO report states:

> . . . At *most* of the institutions we visited, payments to assisting agencies were inadequately supported, questionable charges to grants were made, grant funds were carried over to succeeding fiscal years by institutions and assisting agencies (without prior OE approval), and inaccurate and misleading financial reports were submitted to OE by the institutions. (Emphasis added.)

The Higher Education Act of 1965 mandated expenditure, reporting and recordkeeping controls on the moneys authorized under this title. The GAO found that, in many cases, institutions did not comply with these statutory mandates.

In the case of private "assisting agencies" receiving funding from title III institutions for the provision of services, there was not only failure of documentation, but in some cases a failure by the assisting agency to provide any services to the developing institution. In one instance, funds were being diverted to allow faculty of nondeveloping institutions to do research on a multivolume history of the black struggle for freedom in the United States, a project of "life and art of black women blues singers of the 1920's as a creative response to racism," and an "analysis and texture of black life in an urban environment." The title III grantee never bothered to send a participant to the assisting agency. Another college could not account for $585,000 paid to an assisting agency.

The recipient institutions themselves did no better. In a remarkable example of understatement, GAO says:

> . . . Many charges by institutions and assisting agencies appeared to violate the "reasonable cost" criterion outlined in the regulations. The most common examples of this were charges for personnel costs (salaries and fringe benefits). . . .

In other words, a substantial portion of our precious title III funds are going to bloated salaries and three-martini lunches. The executive director of one assisting agency received an annual salary of $70,000, over half of it paid for by the Federal Government. Another institution paid a consultant $300 a day.

The horror stories go on for pages: One agency using $108,000 to offset losses from its other operations, a consortium building up a $140,000 reserve "so that the consortium could be self-sufficient if Federal support were terminated," another agency using Federal funds to relocate its headquarters. Other title III expenditures included "bar expenses" and lunches at a "topless" restaurant.

Not only did GAO assert that the Office of Education's post-award monitoring was inadequate, but the Office of Education even conceded the fact, blaming insufficient funds for the deficiency. Note that the program receives over $100 million a year. Even when deficiencies were spotted by GAO and others, they were not corrected, and one assisting agency's accountants refused to certify its financial statements.

On page 60, the GAO report states:

> . . . Some assisting agencies have become reliant on the title III program for a significant portion of their revenues. . . . In some arrangements, the influnce of the institutions is actually secondary to that of the assisting agencies in planning Basic program projects. Some assisting agencies have assumed a leadership role in the program and have recruited institutions to participate in projects developed by the assisting agencies.

This is a program gone out of control—a program in which the paid consultants recruit the grant recipients in order to maintain a steady flow of fees. Can there be any doubt what our reaction would be if a military contractor recruited foreign countries to apply for U.S. military assistance?

In short, both the letter and spirit of title III as it was conceived have been betrayed. Title III was never intended to be an indirect aid program for students receiving BEOG (basic education opportunity grant) money. It was never intended to be a general welfare program for Yale or Harvard or other American college administrations found to be less than destitute. Title III was intended to preserve and promote the basic diversity, heterogeneity and number of American colleges by encouraging the struggling colleges to survive and preventing the ailing colleges from dying.

When title III is reexamined in this Chamber later in the season, I intend to raise these questions again. I intend to offer corrective legislation in order to keep a good idea as it was conceived from permanently turning into a bad idea as it has become. I raise these questions now so that our actions taken later as the result of deliberation by every Senator sincerely interested in the future and quality of our American colleges.

MORE JOBS FOR MORE AMERICANS

Mr. HATCH. Mr. President, American citizens are being denied the fruit of their labor. An endlessly expanding Federal establishment has done too little to create more jobs for more Americans, and done too much to discourage private investment and productivity which are necessary to make increasing employment possible. We believe that unemployment is a symptom of a national economic disease. We have carefully diagnosed it, and we recommend a series of specific cures. Our recommendations require concrete legislation and Federal agency cooperation with the private sector which remains the mainspring of our American economy. Our recommendations recognize and share a view held by an overwhelming majority of Americans. That is, that the Federal Government has a role to play in protecting the banks of the river of our American economy, but not in directing the flow of each cubic foot of its water. Most of all, we believe that unemployment is a problem the solution of which cannot wait. We can recommend the tools needed to create more jobs, but it is up to everyone in Government to assure that they are effectively and properly used.

The Labor Department's unemployment levels for the beginning of 1979 indicate that the joblessness rate is hovering around 6 percent nationally. This Government survey estimate means that some 5.9 million persons were unemployed last month. These February and March figures also indicate that citizens in the black community are being hit hardest, with teenage unemployment continuing in the mid-30-percent range. In fact, for black and minority teenagers the unemployment rate was 35.5 percent, a much higher increase over last December's 32.7-percent rate.

At the same time, job creating forces continue to work strongly on the economy and in the last month total employment in the Nation grew by 345,000. Over the past year, the number of jobs created has grown by 3.6 million and last month a record 96.6 million persons were employed in our country. Overwhelming, this employment increase is attributable to private and independent sector efforts toward job creation.

We believe that this job creation engine should be further primed, that wherever possible incentives should be provided to prime sponsors in the private and independent sectors of our economy to create more jobs for more Americans. In spite of efforts to create increased public service employment training and CETA reorganization, unemployment rates for blacks—and especially black teenagers—remain as high as they were last year.

In order to more effectively solve these problems, we recommend the following legislative approaches:

First. The U.S. Employment Service should establish within its preexisting organization a "vocational training component" as part of the service. In cooperation with the private and independent sectors of our economy, specific changes in current law should be quickly examined and the reforms implemented. Readjusting the age limit at which young men and women may leave school in order to provide for a more practical vocational training option, and other reforms would be specified.

Second. The Job Opportunity Bonus Act of 1979 (JOB Act) introduced by Senator HATCH should be enacted at the earliest possible date. This legislation gives social bonus payment incentives to private sector prime sponsors in order to train structurally unemployed young men and women in applicable skills. This solution is particularly addressed to the teenage unemployment problem which continues to pose a social as well as economic difficulty for our Nation.

Third. The Senate Labor and Human Resources Committee should begin a thorough examination of current Federal policy which translate into disincentives to the creation of private sector jobs. Maintenance of manual employment forces has been specially difficult for many businesses and small and growing economic enterprises. Support for the private sector initiative program (PSIP), a program recently instituted by CETA, is an important part of rekindling our job creation efforts. Such Government efforts help to tie any new job creation to private sector efforts. We believe that this promises the best approach in order to create jobs which are more lasting and more productive for a growing American society.

Fourth. There must commence at the earliest possible date a reexamination of the legal barriers to youth employment. Young people, and especially those who "drop out" of school or can be classified as "new graduates," have the greatest difficulty in making the transition to fulltime, full-earning employment. While earlier efforts by the Federal Government to keep youths out of the labor market were predicated on the poor working conditions in coal mines and textile mills, coupled with a need for legislation to prevent the proverbial "sweatshops" of 8- and 10-year-old workers, the effort has since overshot the mark. A sometimes contradictory pattern of Federal and State laws have developed which limit employment opportunities to teenagers and young adults at ages when new job training and employment is most critical.

ASIAN AMERICAN LEGAL DEFENSE FUND BRIEF OUTLINES DIMENSIONS OF DISCRIMINATION AGAINST AMERICANS OF ASIAN ANCESTRY

Mr. MATSUNAGA. Mr. President, at the request of the Asian American legal defense and education fund, I am submitting for inclusion in the CONGRESSIONAL RECORD a portion of the amici curiae brief filed by the Asian American legal defense and education fund, the Asian Law Caucus, Inc., and Asian Americans for Equality in the case of Kaiser Aluminum and Chemical Corp., et al., against Brian F. Weber, which is now pending, before the United States Supreme Court.

In their brief, the three organizations argue strongly for the continuation of voluntary affirmative action programs to help minority groups overcome the effects of past discrimination.

Asian Americans are a small minority and many Americans may not be aware that the earliest Asian immigrants who arrived in this country in the latter part of the 19th century were prohibited from becoming American citizens. They, their children and even their grandchildren were excluded from the mainstream of American life by discriminatory laws and social policies similar to those imposed on other minority groups. Despite the fact that the citizenship prohibition and many of the other exclusionary laws were repealed in the early 1950's, and despite their remarkable educational and occupational attainments, Asian Americans continue to suffer the effects of this past discrimination, particularly on the job.

Although I am inserting in the RECORD only the summary of argument, I believe that Members of this body would find the entire brief to be informative and illuminating, and I hope that my colleagues will make every effort to obtain a copy from the Asian American legal defense and education fund in New York.

Mr. President, I ask unanimous consent to have the summary of argument from the amici curiae brief printed at this point in the RECORD.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

SUMMARY OF ARGUMENT

Historic legally-imposed exclusion from equal participation in the economic life of the nation remains substantially unremedied for Asians as well as members of other racial minorities. When each of the principal Asian American groups—Chinese, Japanese and Filipinos—in turn came into competition for employment with white labor, each was subject to imposition of invidious racial legislation, much like the Black Codes, in the western states, and national prohibition of naturalization and further immigration. These legal restraints have now lapsed, but their vestiges and inequality remain. The present status of the Asian minority illustrates the practical necessity for affirmative action programs in employment: Asian

Americans earn less than white Americans even when their education and occupational attainments are greater. Governmental and private efforts to overcome the impact of legally compelled unequal employment opportunity through affirmative action programs are therefore proper and necessary.

AMERICA IS STILL "COMING HOME" FROM VIETNAM

Mr. McGOVERN. Mr. President, America's leading actors and actresses were honored last evening in the Academy Awards presentation, but it was really the Vietnam war which took up center stage and, in one way or another, dominated the evening. The impact of the war on a blue collar community in Pennsylvania, "The Deer Hunter," won the best picture award. The impact of physical injury and psychic injury on the men who fought the war and on their families were the subject of "Coming Home," which led to Jon Voight's best actor award and Jane Fonda's best actress award.

Mr. President, I think it has been clear for a long time that we are still having difficulty confronting the realities of this difficult chapter in our history, but I do think it is fortunate that at least in the cultural realm we are beginning to try to assess the impact of that war on our country and on our people.

Has America come to terms yet with the Vietnam war? Do we understand why we fought there? Do we comprehend what impact it had on ourselves and on the Vietnamese? What lessons have we learned? How do we interpret the experience for what it says about our values and our future?

It will be a long and difficult process before we can answer many of these questions fully. We may have to open doors which keep out ugly experiences. We may have to confront painful memories. We may be surprised at the good which is discoverable in the way many Americans combined patriotism with humanity and protested the unjustness of the war.

But at the very least we must try to come to terms with the meaning of the war for America. It is necessary that we do this, not just for historical interest or to correct the record, but because the experience of Vietnam still dominates so much of our contemporary political dialog. Many of the problems we debate now are extensions of the fundamental issues which were involved in the Vietnam war. We seem to end up often debating surrogates of the Vietnam experience without ever having come to terms with the primary issues themselves. Let me give one example.

Why has our foreign policy and military debate in recent years become so emotionally charged with allegations of American weaknesses and so-called loss of nerve? Why is it that the events in Iran are blamed on a failure of American willpower? Why are there allegations of a so-called culture of appeasement in our country today? Why is it that there is pressure today to approve uncritically every new defense program, every new aircraft carrier, as a signal of our will? In other words, why is so much of our foreign policy debate today conducted as if the opinions of the American people—or American will—were the real enemy to national security?

I find the roots of this problem in conflicting interpretations about the Vietnam war. After the war, a small body of bitter-enders alleged that the war ended as it did only because of a lack of American willpower to use enough military force in Vietnam. They said, if only the United States had bombed earlier, blockaded Haiphong soon enough, perhaps even used nuclear weapons, the United States could have won the war. Therefore, the lesson they drew was that the Vietnam war was lost at home. It was the old "stab in the back" theory, the same kind heard in France after the end of the Algerian war. And, I might add, the same theme heard in Germany after its defeat in World War I.

In the past few years, this kind of "failure of nerve" thesis has spread. Some influential writers have even suggested that the outcome of the Vietnam war demonstrates that we have a "culture of appeasement in the United States. It was at about the same time as the end of the war that we began to hear the new threat about European security. It was not a military threat, you may recall, but a political one which was first sounded. The problem as defined at Western democracies lacked, yes, once again, the willpower, to mobilize in the event of a crisis of security in Europe. Therefore, the solution was to generate quick-response forces to respond to the short-war scenario of only several days warning time.

Of course, there were many other factors in the growth of concern for European security and there are many factors behind the emotionalism about such issues as the Panama Canal. But behind so much of the debate on these issues lies an unresolved question: Did the United States suffer a set back in Vietnam because of a failure of nerve or a failure of policy? Did we lack the willpower—or did we lack the vision to see our mistakes? The emotionalism of our current debate, and the nature of the questions raised, are legacies of the war which must be resolved so that we can move ahead to new challenges for forming a rational foreign and military policy.

Mr. President, I raise these questions in the context of the Academy Awards last evening for the following reason. Despite the importance of the lessons of Vietnam to our future national life, discussion about the Vietnam war seemingly has vanished. Whether because the experience is too painful, which it may be; or because policymakers prefer to avoid any reference to this unpopular war, as I am sure they do—for whatever reason, 10 years of fighting and bloodshed are all but invisible in our national political life.

Where Vietnam has begun to emerge is in our national cultural life and, in particular, in the cinema. What is not being confronted politically is being presented artistically. Films like The Deer Hunter or Coming Home or Who'll Stop the Rain or Go Tell the Spartans or Twilight's Last Gleaming are attempting to give us insights into the war experience. I find this to be a vital function now being played by film makers. For in their interpretations of the war's impact on the soldiers, on the veterans, on the Vietnamese, on the American families, and so on, we may slowly begin to see ourselves and the experience from a new perspective and understand more fully what its meaning is for us.

Many of these films seem to share a common perspective. They tend to deal with the impact of the war on Americans as it is revealed in their behavior after returning to America. Put bluntly, innocent soldiers were sent to Vietnam and came back terribly changed and wounded. Something happened over there which turned good boys in The Deer Hunter or a model husband-soldier in Coming Home or a professional military leader in Twilight's Last Gleaming into disturbed and even deranged figures.

We tend not to see much of what actually happened in Vietnam in these films in terms of any average experiences of our soldiers. Even less do we see of the impact of the war on Vietnamese society. Instead, we see the war as a reflection in the lives of the home-bound Americans who fought it. The war itself is in the background; the people it injured for one reason or another, they are in the foreground.

This common theme suggests to me that we still have a long way to go in examining the experience. We still seem not able, even through a cultural medium of film, to look directly at the war itself even as we see its victims. I can understand this reluctance and difficulty. America is still coming home from the Vietnam war. The films which have been produced are valuable beginnings, and I salute the film makers and actresses and actors, not only for winning awards voted by their peers, but also for opening a small window on this critical national confrontation in Vietnam.

I hope that our cultural institutions will keep on helping us to view ourselves and the war, and that we shall be able to look not only at the reflection of this war but at the war itself, its nature, causes, impact and consequences. We must do this if we are to heal the wounds of the war which still fester in our political life.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I propound the following unanimous-consent request, which I believe has been agreed to by Mr. CANNON and Mr. PACKWOOD and the minority leader, who is present, and Mr. JAVITS, who is not present at the moment, but who has been contacted by the minority leader. Each of the aforementioned is here to speak for himself, with the exception of Mr. JAVITS.

I ask unanimous consent that, upon the disposition of the Department of Education bill following the recess, which, of course, follows the disposition of the first concurrent budget resolution, the Senate then resume the consideration of the now pending measure, S. 413; that at that time, Mr. JAVITS be recognized to call up his amendment; that there be a 2-hour time limitation on that amendment; that there be a time limitation on any other amendment of 30 minutes; a time limitation of 20 minutes on any debatable motion or appeal or point of order, if such is submitted to the Senate by the Chair for disposition or discussion; that the agreement be in the usual form; and that there be a time limitation on debate of not to exceed 30 minutes, to be equally divided between Mr. CANNON and Mr. PACKWOOD.

I believe that constitutes the proposal.

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object, and I hope it is not necessary to object. I should like to restate my understanding of the request made by the majority leader. That is, that when we finish the Department of Education bill, we shall proceed then to the matter now pending before the Senate.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And the agreement will be in the usual form.

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. I must say, Mr. President, that I am not certain at this point that I have the last part of that agreement cleared on my side, as to the usual form. If the distinguished majority leader wishes to wait just a moment while I check with a couple of people on that, we can defer action at the moment, or if he would like to put the request without that condition, I can agree to it at this time.

Mr. ROBERT C. BYRD. Mr. President, I modify the request in this fashion: That there be 2 hours on the bill for debate, rather than 30 minutes. For the moment, I withdraw the request anent the usual form except with respect to the control of time.

Mr. BAKER. Mr. President, I have no objection to the request in that form.

Mr. ROBERT C. BYRD. This will mean, hopefully, that we might add the other provision after the distinguished minority leader clears it.

Mr. BAKER. If the majority leader will yield, I hope to do that, Mr. President. I am willing to try and we can address that subject a little later in the day.

Mr. ROBERT C. BYRD. Is that acceptable to the distinguished managers?

Mr. CANNON. I have no objection.

Mr. PACKWOOD. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senators.

Mr. ROBERT C. BYRD subsequently said: The distinguished minority leader and I have discussed further the agreement that was entered into earlier in the day with respect to Calendar Order No. 55, S. 413, the aircraft noise bill.

I believe that I am prepared now to ask unanimous consent that the provision with respect to "the usual form" be added to that agreement.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, as the majority leader knows, as I indicated to him previously, this is now cleared. It will have the effect of excluding nongermane amendments, and we have no objection to the inclusion of this provision in the previous request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That upon the disposition of S. 210 (Order No. 54), the Senate resume consideration of S. 413 (Order No. 55), a bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes, and the Senator from New York (Mr. Javits) be recognized to call up an amendment on which there shall be 2 hours, to be equally divided and controlled by the mover of such and the manager of the bill, with debate on any other amendment to be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and with debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, the Senator from Nevada (Mr. Cannon) and the Senator from Oregon (Mr. Packwood): Provided, That the said Senators, or either of them, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

UP AMENDMENT NO. 80

(Purpose: To provide further guidance to the Civil Aeronautics Board in considering noise abatement charges)

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an unprinted amendment numbered 80.

On page 24, lines 1–3, strike the words "the need of the operator, or operators (as the case may be), to achieve a reasonable corporate rate of return" and insert in lieu thereof the following: "the intent of Congress that noise abatement charges be imposed only if operators fail to achieve an actual 5 percent corporate rate of return on investment".

Mr. PACKWOOD. Mr. President, this bill presents an interesting philosophical situation that we are going to face more and more often in the future. That situation is, what are we going to do, who is going to bear the cost of mandated Federal Government requirements? In this case, it happens to be airline noise, but it can be scrubbers on a stack in a factory, or it can be occupational safety and health.

Most of these costs that are imposed on industry are not productive costs. They do not produce any more goods, they do not employ any more people, except for those industries that happen to produce the equipment that has to be installed.

In addition, in the past, in the last 10 to 15 years, we have seen in this country a decline in the rate of productivity, and we have seen a decline in the rate of capital reinvestment, until today, we are seventh of the seven major industrial nations—those in Europe and Japan—seventh in terms of capital reinvestment, and seventh in terms of productivity, mainly because many of the other nations, even though they may have our wage scale—and now Germany, Sweden, and, I think, Belgium, are above our wage scale—do not face the same environmental and other standards that we impose on our industries.

This situation involving noise abatement was imposed on the airlines, and I supported it, in a bill some years ago. The airlines are now faced with three ways of meeting the standards—retrofitting, reengining, and replacement. Retrofitting is trying to make the present engine meet the standards. The reengining is obvious: You take out the old engine and put in a new engine. Replacement means that you buy a new aircraft.

The airlines are not objecting nor asking any help, really, for the purchases of new aircraft. As they purchase them, they meet the standards, they are more fuel-efficient, they save energy, they are about 20 percent quieter. They meet the standards, there is no problem. There is no problem on reengining those airframes that can take the new engines. But some of them cannot, so that there is no way to purchase a new engine, put it in the plane, and have it meet the standards. Your choice is either to purchase a new plane or retrofit your present engine.

The problem with retrofitting is that it is neither cost-efficient nor fuel-efficient. You do not improve your efficiency, you probably reduce it. You have a tremendous capital expense; you have a very, very slight reduction in noise; and you do not get any more productivity or haul any more passengers.

I initially had some misgivings about this bill because the airlines had asked for the right to allow the CAB to impose a 2-percent surcharge on passengers to pay for the retrofitting or the reengining or the replacement. I thought it was unfair to give to the airlines an advantage that no other industry has, regulated or unregulated. We impose all kinds of measures on businesses and do not allow them a special advantage that we are allowing the airlines.

However, as I said at the start of this speech, we are coming to a place in many of these areas where we are going to have to decide whether we are going to impose these costs on business at no increase in productivity, at no increase in hauling of passengers, impose this substantial cost on them.

We have reached a compromise on this issue. The amendment I have just added would indicate that the 2 percent surcharge cannot be levied unless the actual rate of return of the airlines is 5 percent on the corporate rate of return on investment.

At the moment, the airlines are profitable. The deregulation bill that Chairman CANNON worked so assiduously to pass last year worked. Fares are down, comparatively speaking; ridership is up. The airlines are awash in profits. And there is no reason under the present circumstance why they should need the 2 percent increase to pay for these improvements.

If their profits should fall below an actual 5 percent, however, then we are imposing collectively, societally, a burden on the airlines for the benefit of all of us. We do not want them to be too noisy. Then the question comes: Who should pay for it? In that case, if we are going to impose it, I suppose we should all pay for it. At the moment, I do not think there is any likelihood for airline profits for the foreseeable future, and I have been in this business now long enough to know that the foreseeable future does not extend beyond 2 years, that they will never have to ask for this 2 percent increase.

For that reason, Mr. President, if there is no other debate, I am prepared to ask for a vote on the amendment and yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, first, I commend the distinguished Senator from Oregon on his fine statement.

There is only one point I would like to correct him on, which I think even makes a better case. That is, he said the newer aircraft are 20 percent quieter. They are actually 50 percent quieter. The new airplanes are 50 percent quieter and that is why we are pressing to try to force the air carriers to go to the new technology aircraft, so that we can really have some perceived noise improvements around the airports.

I think the Senator has made an excellent case and I agree with him. I think we do need to try to limit the use of this potential surcharge.

Mr. President, I am in favor of accepting the amendment proposed by Senator PACKWOOD. I understand the intent to be that the 5 percent will be interpreted as that return on investment or ROI computed by the Civil Aeronautics Board without adjustment and with a provision for Federal income taxes computed in accordance with the provisions of Public Law 88–272 and part 399.44 of the CAB Economic Regulations in effect September 29, 1978.

Mr. PACKWOOD. That is correct.

Mr. CANNON. Mr. President, I am prepared to accept the amendment. I think it is a good one.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 80) was agreed to.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 81

(Purpose: To provide the Civil Aeronautics Board with further guidance in considering noise abatement charges)

Mr. CANNON. Mr. President, Senator HART is unavoidably detained in another committee meeting. I have an amendment to offer on his behalf, which I would like to submit.

● Mr. HART. Mr. President, the aircraft noise reduction legislation pending before the Senate raises a number of serious problems. I am most troubled by the funding mechanism in title III that is established to be used at the discretion of the CAB. The entire notion of taxing airline tickets to assist in compliance with noise standards is ill conceived. The funds needed to meet these standards should be obtained by the airlines operating in the free market. They can raise the necessary funds by increasing prices, going to the capital market, or a combination of the two. Government intervention can only raise the cost of compliance.

Mr. President, I oppose the funding mechanism provided for in title III because airlines can use the existing ratemaking structure to seek any cost justified rate increases from the CAB. Also, with the enactment of airline deregulation last year, airlines are now free to raise their rates by 5 percent without CAB prior approval starting July 1, 1979.

Government interference in the marketplace should be reduced, not increased in the manner specified by this bill. When government intervenes in the capital allocation process it runs the risk of misallocating resources. The competitive free market remains the best available mechanism for channeling capital funds into their most productive uses.

Because I believe the funding mechanism established by this bill is ill conceived and a poor public policy precedent, I am offering a number of amendments to strengthen the guidelines the CAB must follow to impose the noise abatement surcharges. These amendments will insure that if the noise abatement surcharges are never imposed, they will be imposed through a procedure that is more responsible and responsive than the procedures now outlined in the bill.

My amendments, which I understand are acceptable to the committee, would provide that when considering the imposition of noise abatement surcharges, the CAB must consider a report and recommendation of the Secretary of Transportation with regard to the advisability of imposing such charges. The amendments would also provide for a yearly review of the charges to determine whether they should be continued.

I commend the chairman of the Aviation Subcommittee for accepting these amendments. I may have further amendments at a later point in the consideration of this bill.●

Mr. CANNON. Mr. President, the amendment clarifies and makes more specific the intent of the bill's guidelines for the CAB's imposition of a noise abatement surcharge.

Under the determinations set out for the CAB in section 308, the Board is required to examine the need of the operators as a class in considering the justification for a surcharge. The CAB will also consider the need of each individual operator, as DOT is required to do, so that any distortive effects on the average industry need can be thoroughly examined.

That is the assurance that I have given to Senator HART and that the CAB will consider both the average industry need and the need of each carrier.

Mr. President, the amendment is a technical and clarifying amendment to conform with the statement I have just made.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON), for Mr. Hart, proposes unprinted amendment numbered 81.

Mr. CANNON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 24, strike the word "or" and insert "and".

On page 22, lines 13 and 23, strike the word "operators" and insert "each operator".

On page 22, line 14, strike the words "of the operators" and insert "and good faith efforts of each operator".

On page 22, line 3, strike the period and insert the following: "; *Provided*, That, the Board shall review each charge at least once a year to determine whether it would be appropriate to continue such charge."

On page 23, line 24, strike the word "and".

On page 24, line 4, strike the period and insert "; and".

On page 24, between lines 4 and 5, insert the following:

"(5) any report or recommendations submitted to the Board by the Secretary of Transportation.".

Mr. CANNON. Mr. President, as I said, the amendment is a technical and conforming amendment which clarifies and makes more specific the intent of the bill's guidelines for the CAB's imposition of a noise abatement surcharge, and

Senator Packwood's amendment has already limited the imposition of a surcharge to certain terms and conditions.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 81) was agreed to.

Mr. CANNON. Mr. President, as far as I know, there are only two remaining amendments, one of Senator Javits and one other possible amendment, and a unanimous-consent agreement has been obtained with respect to Senator Javits' amendment. He is now here.

It is my understanding he does not wish to proceed with his amendment today and there has been a 2-hour time limit obtained on the amendment. It will be the pending amendment to be called up and the Senator will be recognized when this bill is called up after the conclusion of the Department of Education bill.

Mr. JAVITS. Will the Senator yield?

Mr. CANNON. Yes.

Mr. JAVITS. What is the situation on the bill? Is there any time limit on the bill?

Mr. CANNON. There is a time limit on the bill.

Mr. JAVITS. May I know what it is?

Mr. CANNON. The agreement provides a 2-hour time limit on the Javits amendment, a 30-minute time limit on any other amendment, and I know of only one, potentially one, at the present moment, and a 2-hour time limit on the bill.

Mr. JAVITS. What about Senator Stevens?

Mr. CANNON. Thirty minutes on any other amendment.

Mr. JAVITS. On any other.

I thank the Senator.

Is there any time on the bill—2 hours?

Mr. CANNON. Two hours on the bill.

Mr. JAVITS. I thank the Senator very much.

I must say that I appreciate the fact I have simply been overwhelmed with so many questions and that the Senator has given graciously the opportunity to debate this matter.

I have no desire to delay the bill, but I do think it is an important question—certainly for us who are near noise centers and airports.

I appreciate that we have the opportunity to debate it.

Mr. CANNON. I thank my colleague.

May I say to the Senator, as Senator Packwood stated, I think if this bill is passed in substantially its present form, we are going to provide some meaningful relief from noise in and around the vicinity of airports of this country, which is very badly needed.

Mr. JAVITS. I hope so.

We differ with the Senator on the waiver, but we will fight that.

I thank the Senator.

Mr. CANNON. Mr. President, as far as I know, there are no other amendments to S. 413 now, other than Senator Javits' amendment, which is covered in the unanimous-consent agreement, and the possibility of one other amendment which is also covered under the time limit in the unanimous-consent agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Illinois (Mr. Stevenson) to attend the United Nations Conference on Science and Technology for Development, to be held in Vienna, Austria, August 22–31, 1979.

QUORUM CALL

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 5 p.m. today.

There being no objection, the Senate, at 4:18 p.m., recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Baucus).

SENATE DELEGATION REPORT ON PARLIAMENTARY EXCHANGE WITH THE SOVIET UNION

Mr. ROBERT C. BYRD. Mr. President, I read a statement on behalf of Mr. Ribicoff.

Mr. President, a delegation of twelve Senators with Senator Ribicoff as Chairman and Senator Bellmon as vice chairman participated in a parliamentary exchange with the Soviet Union in November 1978. The delegation included Senators Burdick, DeConcini, Durkin, Eagleton, Glenn, Nunn, and Stevenson, and Senators Javits, Laxalt, and Schweiker.

This trip was authorized under provisions of section 502(b) of the Mutual Security Assistance Act of 1954 as amended by section 22 of the International Security Assistance Act of 1978 (Public Law 95–384) and Senate Resolution 179 agreed to on May 25, 1977. The delegation's itinerary included the United Kingdom, the Soviet Union, Hungary, and Morocco.

Mr. President, this delegation has prepared a substantive and informative report of its discussions with Soviet leaders. Given the importance of our relations with the Sovet Union and with the other countries visited, and in light of the probablity that the issues these Senators discussed will soon come before the Senate, I ask unanimous consent that the delegation report entitled "Senate Delegation Report On Parliamentary Exchange With The Soviet Union," when submitted, be printed as a Senate Document, and that two thousand additional copies be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes to consider nominations that have been reported favorably today by the Committee on Governmental Affairs, they being Kurt W. Muellenberg, of Maryland, to be Inspector General, GSA; John Patrick White, of California, to be Deputy Director of the Office of Management and Budget; and Peter Henry Wolf, of the District of Columbia, to be an associate judge of the Supreme Court of the District of Columbia; the following nominations from the Committee on Commerce, Science, and Transportation: Messrs. Sidney B. Vaughn, Jr., John D. Costello, and Donald C. Thompson, to be promoted to the grade of rear admiral in the U.S. Coast Guard; and various nominations reported from the Committee on Commerce, Science, and Transportation, they being reserve officers of the Coast Guard, to be permanent commissioned officers in the grades indicated.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, my reservation once again is for the purpose of confirming to the majority leader that these nominations have been cleared on our side. We do not object to their consideration and confirmation.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the nominees be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are printed at the conclusion of today's Senate proceedings.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 137—APPOINTMENT OF MEMBERS TO THE SELECT COMMITTEE ON ETHICS

Mr. ROBERT C. BYRD. Mr. President, I am about to offer a resolution on behalf of myself and Mr. BAKER. Before offering the resolution, I would like to explain the resolution.

Under the rules that are to be followed in the appointment of Members to serve on the Senate Ethics Committee, one Member from the majority party and one from the minority party shall be Members who have served in the Senate for less than 6 years. One Member from the majority party and one from the minority party shall be Members who have served in the Senate for less than 12 years but more than 6 years. One Member from the majority party and one from the minority party shall be Members who, at the time of initial appointment to the select committee, have served in the Senate for 12 or more years.

The resolution I am about to offer on behalf of Mr. BAKER and myself would name the following Senators from the majority party:

Mr. STEVENSON, who qualifies by virtue of his having served more than 6 years and less than 12; the Senator from North Carolina, who would qualify by virtue of his having served not more than 6 years; the Senator from North Dakota (Mr. BURDICK) who would qualify by virtue of his having served 12 years or longer. The Senator from New Mexico would qualify as having served not more than 6 years. The Senator from Oregon (Mr. HATFIELD) would qualify by virtue of his having served 12 years or more.

So, Mr. President, the five Members I have named would qualify under the rules.

I send the resolution to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 137) appointing members of the Select Committee on Ethics.
>
> *Resolved*, That the following Senators are appointed to comprise the Select Committee on Ethics: the Senator from Illinois (Mr. STEVENSON), the Senator from North Carolina (Mr. MORGAN), the Senator from North Dakota (Mr. BURDICK), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Oregon (Mr. HATFIELD).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution. Senators may reserve the right to object.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I rise only to say that this has been a long and tortuous path. This seems the best course of action.

None of the people being appointed on this side is a willing participant. It is a duty and a necessity, and I express for the record my appreciation to them for agreeing to undertake this task.

As the majority leader pointed out, the appointments do comply with all the requirements of the rules of the Senate as presently constituted.

Mr. LONG. Mr. President, reserving the right to object, the Senator said that five of those Members would meet the requirements of the rules. Which one does not meet the requirements of the rules?

Mr. BAKER. There is a vacancy.

Mr. ROBERT C. BYRD. There is a vacancy on the Republican side at the moment. The distinguished minority leader thought he had a sixth Member, but for the moment he does not have.

Mr. BAKER. If we do not go ahead and do this, we may not have a fifth Member.

Mr. LONG. What is the point in appointing five? Why not wait until the Senator is in a position to recommend the sixth? Why should not the Senate know the sixth one who is being appointed?

Mr. ROBERT C. BYRD. The chairman is here to speak for himself, and perhaps he had better respond to the question at this point.

Mr. STEVENSON. Mr. President, reserving the right to object, I hope the vacancy can be filled at the earliest possible date. I had hoped it would be filled today, so that the committee could get on expeditiously with all its business.

At present, the committee has only three members, and with only three members, it can conduct no business. Five members would at least give us a quorum. With five members, we could proceed, I believe, to resolve some of the procedural issues before the committee in connection with an initial review, with an investigation. We could not go beyond that, the resolution of those procedural matters, without a sixth member.

However, to answer the Senator's question, we could get on with our business, which we cannot do with only three members. In connection with the initial review, it might be possible, depending on the consent of all the parties, to get on with some of that business, perhaps as soon as tomorrow, so that the investigation in question is not delayed by the time that will be consumed by the recess that is coming up.

I think it is in everybody's interests to avoid any further delays in connection with that investigation.

Mr. BAKER. Mr. President, reserving the right to object—and I will take just a brief moment on that reservation—I say to my colleagues that it is my full intention to make the sixth appointment as soon as possible.

Although I had thought we had a sixth member agreeable to serve on the committee, it develops that there are certain complications that required him to withdraw his name from the resolution. It happened at the last moment, which is no criticism of the Member involved but, rather, unfolding circumstances of which he was not aware at the moment.

It is now 5:30 in the afternoon, and it would be very difficult for me to find someone to name, without arbitrarily designating a Member from that class, which I am reluctant to do. However, I will do it if I must, in order to avoid difficulty in this situation.

I hope we can proceed at this time with the appointment of five Members, with the remaining Republican vacancy, and I represent that I will make that appointment as soon as I can do it in an orderly way.

Mr. ROBERT C. BYRD. The five will constitute a quorum and can do business, as the chairman has said, so that the work of the committee will not be delayed.

The Senate is about to go out on a recess at the close of business today, and this would mean that if the resolution is not adopted, the appointments cannot be made until the Senate returns.

Mr. LONG. Mr. President, reserving the right to object——

Mr. STEVENSON. We do have a meeting scheduled for tomorrow. Certain arguments are scheduled on procedural motions in connection with this initial review as well as routine business. Without a quorum, we cannot dispose of those matters.

Mr. LONG. Mr. President, reserving the right to object, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor for that purpose. I believe I still have the floor, do I not?

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

Mr. NUNN. Mr. President, will the Senator suspend and let me handle another matter that will take about 30 or 45 seconds?

Mr. LONG. Will the Senator put the quorum back on?

Mr. NUNN. I assure the Senator I will put the quorum on.

Mr. ROBERT C. BYRD. I yield to the Senator from Georgia for the purpose stated.

The PRESIDING OFFICER. It will take unanimous consent for the rollcall to be dispensed with.

Mr. ROBERT C. BYRD. Yes. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Georgia has the floor yielded to him by the Senator from West Virginia.

AUTHORIZATION FOR FORMER STAFF INVESTIGATOR TO TESTIFY IN A CIVIL ACTION

Mr. NUNN. Mr. President, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 138) to authorize a former staff investigator of the Senate Permanent Subcommittee on Investigations of the Committee on Government Affairs to present himself to be deposed and testify in a civil action and to authorize the release to the Arizona Director of Insurance of certain documents and other information in the possession of said Subcommittee.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. NUNN. Mr. President, I offer today a resolution to authorize W. Donald Gray, a former staff member of the Senate Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, to present himself to be deposed and testify in a civil action and to authorize the release to the Arizona Director of Insurance of certain documents and other information in the possession of the Subcommittee.

The Arizona Director of Insurance, through his counsel, has requested in writing that Mr. Gray, a former staff investigator of the Subcommittee, be available to be deposed and testify in a civil action seeking recovery of funds wrongfully removed from Family Provider Life Insurance Co. He also has requested the release of documents and other information in the possession of the Subcommittee pertaining to Family Provider and other insurance companies which are the subject of investigations by the Director of Insurance. The information sought from Mr. Gray and the documents were obtained in the course of the Subcommittee's Labor Union Insurance investigation.

Pursuant to rule XXX of the Standing Rules of the Senate and the privileges of the Senate, such documents and information may not be revealed or released without a Resolution of the Senate.

Mr. President, I cleared this with Senator PERCY and all Senators on the Permanent Subcommittee on Investigations, and accordingly I offer this resolution which was approved by the Committee on Governmental Affairs and also the Subcommittee on Investigations and I ask that the resolution be adopted.

This has been cleared with Senator PERCY. It is a routine rule XXX resolution that we have to request often. The explanation has already been made and I hope it will be approved unanimously.

Mr. BAKER. Mr. President, I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 138) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 138

Whereas, J. N. Trimble is the Arizona Director of Insurance and, acting in the capacity as receiver of the Family Provider Life Insurance Company, has instituted a civil action, captioned *J. N. Trimble* v. *Kleindienst et al*, (C.A. No. 77–1976), in the United States District Court for the District of Columbia seeking recovery of funds wrongfully removed from Family Provider;

Whereas, the Director of Insurance is also conducting investigations into the affairs of certain other insurance companies;

Whereas, the Arizona Director of Insurance, through his counsel, requested in writing that W. Donald Gray, a former staff investigator of the Permanent Subcommittee on Investigations, be made available to be deposed and testify in the above-captioned civil action and that documents and other information in the possession of the Permanent Subcommittee on Investigations relating to Family Provider and other insurance companies also be made available to him;

Whereas, the information sought from Mr. Gray was obtained by him in the course of his employment with the Permanent Subcommittee on Investigations during an investigation into Labor Union Insurance;

Whereas, the documents and other information concerning Family Provider and other insurance companies sought by the Arizona Director of Insurance were obtained by the Subcommittee in the course of its investigation into Labor Union Insurance;

Whereas, by the privileges of the Senate and by Rule XXX of the Standing Rules of the Senate, no information secured by staff employees of the Senate pursuant to their duties and no documents and other information in the possession of a Subcommittee may be revealed or released without the consent of the Senate: Therefore, be it

Resolved, That W. Donald Gray be authorized to present himself and be deposed and testify in the matter of *J.N. Trimble* v. *Kleindienst et al.* as to any knowledge relevant to the issues in that matter which he obtained in his work on the Subcommittee's Labor Insurance investigation; and to take with him copies of documents relating to such deposition or testimony which were received or produced as a result of such investigation; and be it

Further resolved, that the Permanent Subcommittee on Investigations is authorized, at the discretion and direction of its Chairman, to provide the Arizona Director of Insurance with documents and other information in its possession relating to insurance companies which have conducted business in the State of Arizona.

SEC. 2. The Secretary of the Senate should transmit a copy of this resolution to J. N. Trimble, Director of Insurance, State of Arizona, 1800 West Washington St., Phoenix, Arizona 85007.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 137—APPOINTMENT OF MEMBERS TO THE SELECT COMMITTEE ON ETHICS

Mr. ROBERT C. BYRD. Mr. President, I renew my request that is before the Senate that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 137) was agreed to, as follows:

Resolved, That the following Senators are appointed to comprise the Select Committee on Ethics: the Senator from Illinois (Mr. STEVENSON), the Senator from North Carolina (Mr. MORGAN), the Senator from North Dakota (Mr. BURDICK), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Oregon (Mr. HATFIELD).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank all Senators, and I want to thank certain Senators in particular.

I thank the distinguished Senator from Illinois (Mr. STEVENSON) for consenting to serve further on the committee. It is a chore that no one wants, much less even asks for. No one seeks this assignment and no one wants it.

It is a little like serving on a jury. No one wants to serve on a jury. I have never seen anyone yet who asked to serve on a jury, but I suppose it has occurred. But I have not seen anyone who asks to serve on this committee.

But one has a citizen's duty to serve on the jury, and one has a duty as a Senator to take on the assignments that are arduous and burdensome, and this is an assignment that requires a great deal of time and a great deal of work, and the Senator from Illinois has been unstinting in the time that he has given and in the work that he has given.

I cannot adequately express my gratitude to him for the work that he has performed and for his willingness to continue to serve.

I say the same thing about Mr. MORGAN, the distinguished Senator from North Carolina, a former Attorney General of the State of North Carolina, who is very ably equipped to serve on this committee and who has approached his duties with supreme dedication and purpose, and here again realizing that it is a thankless task. Not only is it thankless, but it is a costly one, but he has never been heard to complain.

And I thank Mr. BURDICK who has agreed to serve, not again because he wants the assignment. I found it extremely difficult to find Members who have the time and who are willing to serve on this committee. There are no points to be made back home. There are no votes to be garnered back home. There are no news headlines that one can send releases back to his home State in connection with his service about projects having been gained for the State or about additional appropriations having been acquired for the State. So Mr. BURDICK, realizing all of this, agreed to serve.

Especially is it difficult to fulfill the requirements of the rule with respect to the categories. As Members approach seniority in this body they are burdened with additional workload, and many of the Members of the Senate who have served 12 or more years are chairmen or ranking members of committees, and it is an extremely onerous burden on them to take on an additional assignment of this kind.

I could name several. For example, if I were to name the chairman of the Appropriations Committee, Mr. MAGNUSON, that is a full-time job serving as chairman of that Appropriations Committee, full-time, and as to Senator STENNIS who chairs the Armed Services Committee, that is a full-time job as chairman of the Armed Services Committee.

We will certainly have the SALT Treaty to conduct hearings on. I feel reansonably sure that that committee will want to hold some hearings on that treaty if it is submitted.

He is chairman of the Defense Appropriations Subcommittee. So one can go on and on.

Mr. RANDOLPH, my senior colleague, chairman of the Public Works Committee, serves on several committees.

In some instances some of the chairmen are running for reelection, and that in itself is a full-time job, running for reelection.

So it is extremely difficult. I thought it was virtually impossible to get a Member from my party, who has served in the Senate for 12 or more years, to serve because, as I say, those Members, particularly in that category, already have more burdens than they can bear and, in addition to that, we have 24 Democrats wh se seats are up this year, and they feel, for the most part, that they have to give a lot of time to their campaign activities.

So as far as I am concerned, I think that is part of the rule that ought to be changed at some point, because the problem comes in getting people who are willing and who have the time. When I say willing, I want to mention here a new Member who came to the Senate and was just sworn in at the beginning of this session, Senator PRYOR from Arkansas. I had about given up on getting a Member with 12 years or more service, and so I asked Senator PRYOR if he would—a competent lawyer, dedicated, and he is fair, he is reasonable, he has got his feet on the ground, and he is a man who reveres justice, and he is a man who has the courage of his convictions—here was a young man, here was a new Member, who said to me, "Let this cup pass from me." But he said, "I am willing to take my share of the workload if that is what it requires, Mr. Leader, in order to do service to this institution. I do not want the job, but somebody has to serve." He said, "I am willing to take my stint."

I will not ever forget that. That is the kind of dedication that marks the service of every one of these men who is on this committee, and I cannot say enough in tribute to them.

But when I found that there would be problems, perhaps, in waiving the rule and going outside the category, I went back to those who had served 12 years or longer. To some I had not gone because I felt they had so much work already on them that it would be an imposition on them for me to even ask them, for example, Senator MAGNUSON, Senator STENNIS, Senator CHURCH. But I went back, and Senator BURDICK agreed to serve.

I want to thank Senator PRYOR. I want to say this: There was not one scintilla of objection to him as an individual, as a Senator. The problem lay with the rule which this Senate adopted, and the categories that are laid out which I have enumerated, and it was felt by some Senators that the Senate ought to appoint according to the rule, and if you are going to change the rule change it at some future date.

So, with apologies to Mr. PRYOR, and with commendations to him at the same time for his willingness to serve, I want to say again that I respect him tremendously for being willing to step into the breach and serve.

Mr. President, that is all I shall say with respect to the Members on my side. There were others, may I say, if the distinguished minority leader will indulge me for just 1 minute, who were willing to serve and who had said to me that they would serve. Some of them, who are running, will serve at the beginning of the next Congress.

There is one distinguished Senator who has said he will serve later in this same Congress if need be. So they did not all say "no." Those who did had justification for it. But there are others who were willing to serve and will serve at a future time.

I thank the distinguished minority leader for his patience in waiting.

(Mr. HEFLIN assumed the chair.)

Mr. BAKER. Mr. President, I thank the majority leader for his remarks on this subject. He and I both wrestled with this problem for some time because not only is there a requirement to fill the slots through the application of the rules, but there is a more fundamental requirement for fairness, not only to any of us who may be reviewed by the Ethics Committee as thus constituted, but also to our colleagues, peers, and friends who are asked to serve and, as the majority leader points out, in many cases could not serve, in each instance for good reasons.

So it has been a difficult job, Mr. President, not because any Member has been recalcitrant or reluctant to assume his obligations, but because this is a complex, tedious, and difficult assignment, some would say a chore, and we were calling on men and a woman who had extraordinarily complex lives already, and a difficult schedule in any event, under any circumstances.

I have no ill will toward any Member who was not able to serve and who declined to serve. I understand that. I would have been the first to protest had I been approached on this subject. But it is a necesary task.

Mr. ROBERT C. BYRD. The Senator would not have been the first.

Mr. BAKER. I would have been among them.

Mr. ROBERT C. BYRD. He would have been second.

Mr. BAKER. I thank the majority leader.

But, Mr. President, I would like to pay a special tribute to the distinguished Senator from New Mexico (Mr. SCHMITT) who has served, I believe with distinction as vice chairman of this committee for some time, as a matter of fact since its inception, cooperating with his counterpart, the distinguished Senator from Illinois (Mr. STEVENSON), and the members and staff of that committee.

For Senator SCHMITT to agree to continue to serve at least for the time being as vice chairman is no small sacrifice, and I would like to publicly express my gratitude to him for that undertaking.

One of the remaining Republicans could not continue to serve because he was standing for reelection. Another found it impossible because of extraordinary additional burdens and responsibilities that he has not only in the Senate but in the organization and hierarchy of the Republican Party in the Senate.

Mr. President, we will fill the remaining vacancy as soon as possible. I am sure the committee will serve with care and diligence in that it will reflect credit on the Senate in the discharge of its duties and obligations.

Mr. President, I thank Senator TOWER for his service; I thank Senator MATHIAS for his previous service; I thank those who are about to serve, and I am pleased that we have concluded this matter to the point at least where the committee can proceed with the next step in its inquiry.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader for his statement. I understand the difficulty he has had.

I also want to thank the Senator from Connecticut (Mr. RIBICOFF), who has served during the past 2 years but who, because he is chairman of a very busy committee and has a great deal of work during this session, could no longer serve because he could no longer give the time that would be necessary on this additional committee.

Once again I want to thank Senator STEVENSON for the labors that he has engaged in over these many months, in a very difficult, time-consuming position. I am sure he has probably had to spend many hours on this committee that he has not been able to give to the other important committee assignments he has. But he has done so cheerfully out of dedication to this institution, the Senate—and that is all there is service on this committee, dedication to the Senate and to the institution. That is the only thing that can motivate one to give of his time, so much of it as he is required to do in this way. I again thank him, and I thank the Senator from North Carolina (Mr. MORGAN) for the many days, weeks, months, long hours, and nights that he has given.

Mr. President, I yield the floor.

Mr. MORGAN. Mr. President, if the Senator will yield, I would just express my appreciation to him for his very kind and generous remarks. I am not sure, though, that I deserve them, because I was not sure that I had a choice. I am not so sure that I would volunteer or be willing to, but nevertheless it is a responsibility that I think the Members of the Senate have, and Senator STEVENSON has certainly done a yeoman's work for nearly 2 years now. It has been a constant, day-in and day-out responsibility, and I certainly want to join in the majority leader's tribute to him.

Mr. STEVENSON. Mr. President, the majority leader said earlier that I had consented to serve in continuous service on this committee. I did nothing of the kind. I still have not consented; but, like my good friend and colleague whose service on the committee I value, the Senator from North Carolina (Mr. MORGAN), we continue over, and we have agreed to continue over until the work that we began is concluded.

It is unenviable work, not only because of the reasons that have been mentioned, but because we were also elected to serve the country and we have other very important assignments which inevitably suffer with the amount of time spent on this important, but less important and sometimes very delicate and disagreeable, work.

I just want to thank the Members who have served with me on the Ethics Committee for their diligence and their statesmanship in that duty, and in addition to them, the majority leader, who has, at every step along the way, given us his full support. Without that support, it would be a far more difficult task than it is. So I am grateful to him, and I know that all the members of the committee share that gratitude, too, which I express to him and also to the minority leader. They both have given us their support unstintingly and at every step.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished chairman for his gracious remarks.

Mr. BAKER. I thank him also.

(Later, the following occurred):

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action taken by the Senate earlier on the resolution making appointments to the Senate Ethics Committee be vitiated and that the Senate proceed to the consideration anew, ab initio.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I move that the resolution be amended by adding as a sixth member the distinguished Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BAKER. Mr. President, just a word of explanation.

I should like to reiterate what I said earlier. This has been a difficult job and a difficult consideration for a number of Members who, for very good reasons indeed, fount it impossible to serve on the committee. I express my deep gratitude to Senator HELMS, who has agreed to fill the last remaining vacancy. He falls in that class, what we refer to as the "middle" class, of Senators who have served more than 6 years but less than 12 years. His name then completes the roster of Members, on both sides, of the Ethics Committee according to the rules as they are now stated and published by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DECONCINI). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there is one additional nominee which I understand has been cleared to serve in two positions, Mr. James L. Stone, of Massachusetts, to serve as a member of the Commodity Futures Trading Commission for a term expiring April 13, 1983, and also to serve as the chairman of the Commodity Futures Trading Commission.

I ask unanimous consent that the Senate go into executive session for 1 minute to consider the nominations of Mr. Stone to the aforementioned positions.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only for the purpose of gaining recognition to express to the majority leader our approval of that request, and to say that we have no objection to the confirmation of Mr. Stone for both positions indicated on the Executive Calendar.

The PRESIDING OFFICER. Without objection, the Senate will go into executive session.

The clerk will read the nomination.

COMMODITY FUTURES TRADING COMMISSION

The assistant legislative clerk read the nomination of James M. Stone, of Massachusetts, to be a member of the Commodity Futures Trading Commission for a term expiring April 13, 1983, and to be Chairman of the Commodity Futures Trading Commission.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to law on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REORGANIZATION PLAN NO. 2 OF 1979—MESSAGE FROM THE PRESIDENT—PM 55

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1979, to consolidate certain foreign assistance activities of the United States Government. I am acting under the authority vested in me by the Reorganization Act, chapter 9 of title 5 of the United States Code, and pursuant to title III of the International Development and Food Assistance Act of 1978 which requires that I report to the Congress my decisions on reorganization in this area. The purposes of this reorganization are to make more coherent our economic policies and programs affecting the developing nations and to improve the effectiveness of United States foreign development activities.

This Nation is committed—not only in the interest of the people of developing countries, but in our own interest as well—to help those countries in their efforts to achieve better lives for their citizens. To this end, we conduct a number of bilateral development assistance programs, participate in a number of multilateral development assistance programs, and engage in a variety of other economic activities that affect developing countries.

When this Administration took office, United States support of international development suffered from four major problems. First, no single U.S. official was charged with responsibility for establishing a comprehensive and coherent strategy for our Nation's efforts in this field. Second, no agency or official had the authority to ensure that the various U.S. programs affecting development were consistent with each other or complemented the programs of the multilateral organizations to which we contribute. Third, none of the agency heads testifying before the Congress about his particular portion of our foreign assistance efforts was able to speak authoritatively for the program as a whole or for the Administration's overall development policies and priorities. Finally, because there was no authoritative spokesperson, developmental concerns were at times accorded insufficient weight in executive branch decision-making on trade, monetary, and other non-aid economic issues that affect developing nations.

Just before his death a year ago, Senator Hubert H. Humphrey prepared a bill intended to solve these problems. Congressman CLEMENT ZABLOCKI introduced a similar measure in the House. Although the Congress took no action last year on the organizational provisions of the Humphrey-Zablocki bill, it directed me, in title III of the 1978 development assistance authorization act, to institute a strengthened system of coordination of U.S. economic policies affecting the developing countries, and urged me to create an agency with primary responsibility for coordination of international development-related activities.

In response to the Humphrey-Zablocki bill and the Administration's own analyses, I took a number of steps last year to strengthen aid coordination and improve the effectiveness of our development assistance programs. The Reorganization Plan transmitted with this message continues that process. It will provide stronger direction of U.S. policies toward the developing world, ensure a more coherent development strategy, promote the more effective use of the various U.S. bilateral instruments by which the U.S. can encourage economic and social progress in developing countries, and ensure that U.S. bilateral programs and the multilateral programs to which we contribute better complement each other.

This reorganization would create a new agency, to be known as the International Development Cooperation Agency (IDCA). IDCA would become a focal point within the U.S. Government for economic matters affecting U.S. relations with developing countries. Subject to guidance concerning the foreign policy of the United States from the Secretary of State, the IDCA Director would be the principal international development advisor to the President and to the Secretary of State. The Director would replace the AID Administrator in chairing the Development Coordination Committee. The IDCA Director would make recommendations to me concerning the appointment and tenure of senior officials of each component of IDCA, and would establish and control the budgets and policies of the Agency for International Development and the bilateral foreign assistance programs it administers, and of the Institute For Technological Cooperation, proposed in legislation transmitted to the Congress on February 26, 1979, which would support research and technological innovation to reduce obstacles to economic development.

The Overseas Private Investment Corporation, which insures and guarantees U.S. private investments in developing countries against certain hazards, would also be a component of IDCA, but OPIC's Board of Directors, which the IDCA Director would chair, would continue to set OPIC policy.

Each of these agencies would retain its individual identity and substantial day-to-day operating autonomy. A principal responsibility of the IDCA Director—who would be supported by a small staff—would be the achievement of consistency and balance among the policies, major programs, and budgets of the component agencies.

To help ensure that U.S. bilateral efforts and the programs of major multilateral development institutions better complement each other, the IDCA Director would participate in the selection of U.S. Executive Directors of multilateral development banks (World Bank Group, Inter-American Development Bank, Asian Development Bank and African Development Fund) and would advise these Executive Directors on development policy and proposed projects and programs. Additionally, IDCA would assume lead responsibility for budget support and policy concerning United States participation in those organizations and programs of the United Nations and the Organization of American States whose purpose is primarily developmental. These are the UN Development Program, UNICEF, the Organization of American States Technical Assistance Funds, the UN Capital Development Fund, the UN Educational and Training Program for Southern Africa, the UN/Food and Agriculture Organization (FAO) World Food program, the FAO Post-Harvest Losses Fund, and the UN Disaster Relief Organization.

The IDCA Director would be responsible for ensuring that development goals are taken fully into account in all executive branch decision-making on trade, technology, and other economic policy issues affecting the less developed nations, and would submit an annual development policy statement to the Congress. The Director would also prepare a comprehensive foreign assistance budget, which he would submit to the Office of Management and Budget after consulting with the Secretary of State, and would lead the Administration's presentation of that budget to the Congress.

When IDCA is established, I intend to delegate to it the principal authority for the bilateral development assistance program administered by AID (now vested in me by law, delegated to the Secretary of State, and redelegated to the Administrator of AID). Certain functions vested in me under the Foreign Assistance Act will continue to be delegated to the Secretary of State, Secretary of the Treasury, Secretary of Defense, or elsewhere; but most functions relating to the assistance program will be delegated directly to the IDCA Director, who will in turn redelegate these functions, as appropriate, to the Administrator of AID. I also intend to delegate to the Director of IDCA authority proposed to be vested in me to establish an Institute For Technological Cooperation; the IDCA Director would redelegate these functions, as appropriate, to IFTC.

The reorganization would increase program effectiveness through improved coordination, as requested in the 1978 authorization act. I estimate that it would achieve that goal with no increase in expenditures or personnel. After investigation, I have found that this reorganization is necessary to carry out the policy set forth in section 901(a) of title 5 of the United States Code. This plan abolishes one of the statutory officers that the President may appoint under section 624(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2384(a)). No statutory functions are abolished by the plan. The provisions in this plan for the appointment and pay of the Director, Deputy Director, and Associate Directors of IDCA have been found by me to be necessary by reason of the reorganization and are at rates applicable to comparable officers in the executive branch.

This proposal constitutes the first major restructuring of the U.S. foreign aid program since the creation of the Agency for International Development in 1961. It will provide the United States with governmental machinery far better able to fulfill our commitment to assist people in developing countries to eliminate hunger, poverty, illness and ignorance. It responds to the mandate of the Congress. Let us work together to ensure its successful and effective implementation.

JIMMY CARTER.

THE WHITE HOUSE, *April 10, 1979.*

MESSAGES FROM THE HOUSE

At 12:04 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that, pursuant to the provisions of 44 United States Code 2501, as amended, the Speaker has appointed Mr. PREYER as a member of the National Historical Publications and Records Commission on the part of the House.

The message also announced that, pursuant to the provisions of 16 United States Code 715a, as amended, the Speaker has appointed Mr. DINGELL and Mr. CONTE as members of the Migratory Bird Conservation Commission on the part of the House.

The message further announced that, pursuant to the provisions of section 2 (a)(8), Public Law 93-133, the Speaker has appointed Mr. STARK as a member of the Federal Council on the Arts and the Humanities on the part of the House.

The message also announced that, pursuant to Public Law 301 of the 78th Congress, the chairman of the Committee on Merchant Marine and Fisheries has appointed Mr. BIAGGI, Mr. AUCOIN, Mr. MCCLOSKEY, and Mr. MURPHY of New York (ex officio) to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy for the year 1979.

The message further announced that, pursuant to section 194 of title 14 of the United States Code, the chairman of the Committee on Marine and Fisheries has appointed Mr. BIAGGI, Mr. DE LA GARZA, Mr. SNYDER, and Mr. MURPHY of New York (ex officio) to serve as members of the Board of Visitors to the U.S. Coast Guard Academy for the year 1979.

At 1:12 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House disagrees to the amendment of the Senate to H.R. 3091, an act to extend for 1 year the provisions of law relating to the business expenses of State legislators.

The message also announced that, pursuant to the provisions of Public Law 86–42, as amended, the Speaker has appointed Mr. FASCELL, chairman, Mr. JOHNSON of California, Vice Chairman, Mr. BOLAND, Mr. GIBBONS, Mr. HANLEY, Mr. OBERSTAR, Mr. BONKER, Mr. GRAY, Mr. ANDREWS of North Dakota, Mr. MCEWEN, Mr. WINN, and Mr. STANGELAND as members of the U.S. Interparliamentary Group, to be held in Alberta, Canada, August 9 to August 17, 1979, on the part of the House.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1045. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a certified copy of the judgment order of March 30, 1979, entering judgment for the plaintiffs in the Yankton Sioux Tribe v. the United States, No. 332–C–1; to the Committee on Appropriations.

EC–1046. A communication from the Clerk, U.S. Court of Claims, transmitting, pursuant to law, a certified copy of the court's judgment order of March 9, 1979, entering judgment in the sum of $4,977,616.06 together with interest for the plaintiffs, in Gila River Pima-Maricopa Indian Community, et al. v. the United States, No. 236–E; to the Committee on Appropriations.

EC–1047. A communication from the Acting Director, Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1048. A communication from the Acting Director, Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Air Force's proposed Letter of Offer to Thailand for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1049. A communication from the Acting Director, Defense Security Assistance Agency, transmitting, pursuant to law, the required information concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–1050. A communication from the President, transmitting proposed authorization request for combatant ships; to the Committee on Armed Services.

EC–1051. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, relating to the involuntary separation or mandatory retirement of officers in the regular Navy and regular Marine Corps; to the Committee on Armed Services.

EC–1052. A communication from the Secretary of the Navy; transmitting a draft of proposed legislation, to amend title 10, United States Code, to repeal sections which impose certain restrictions on enlisted members of the armed forces and on members of military bands; to the Committee on Armed Services.

EC–1053. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on HUD rehabilitation and homeownership programs; to the Committee on Banking, Housing, and Urban Affairs.

EC–1054. A communication from the Secretary of Transportation, transmitting, pursuant to law, the first Urban Mass Transportation Administration Quarterly Report for FY 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–1055. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a report on the operations of the Export-Import Bank of the United States for the Fiscal Year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–1056 A communication from the Export-Import Bank, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during February 1979 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC–1057. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a list of the present and former NASA employees who have filed reports with NASA pertaining to their NASA and aerospace-related industry employment for the fiscal year ended September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC–1058. A communication from the President, American Trucking Associations, Inc., transmitting, for the information of the Senate, a report entitled "Guidelines for Equity in Highway Cost Allocation"; to the Committee on Commerce, Science, and Transportation.

EC–1059. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in Docket No. 36746 (Sub-No. 78) and Docket No. 36746 (Sub-No. 79) within the specified 7-month period, and seeking an extension thereon; to the Committee on Commerce, Science, and Transportation.

EC–1060. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Congress Needs To Redirect the Federal Electric Vehicle Program," April 9, 1979; to the Committee on Commerce, Science and Transportation.

EC–1061. A communication from the Secretary of Commerce transmitting, pursuant to law, recommendations on the Seventh Annual Report of the National Advisory Committee on Oceans and Atmosphere (NACOA); to the Committee on Commerce, Science and Transportation.

EC–1962. A communication from the Secretary of Commerce, transmitting, pursuant to law, recommendations on the Seventh Annual Report of the National Advisory Committee on Oceans and Atmosphere (NACOA); to the Committee on Commerce, Science and Transportation.

EC–1063. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36746 (Sub-No. 80), (Sub-No. 81), and (Sub-No. 82) within the initially specified 7-month period, and seeking an extension thereon; to the Committee on Commerce, Science, and Transportation.

EC–1064. A communication from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report regarding the health hazard aspects of discharging waste from railroad conveyances; to the Committee on Commerce, Science, and Transportation.

EC–1065. A communication from the Assistant Secretary for Conservation and Solar Applications, Department of Energy, transmitting, pursuant to law, the 1978 Annual Report on the State Energy Conservation Program (SECP); to the Committee on Energy and Natural Resources.

EC–1066. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the Federal Land Policy and Management Act (FLPMA); to the Committee on Energy and Natural Resources.

EC–1037. A communication from the Secretary of the Interior, reporting, pursuant to law, that the C & K Marine Production Company has submitted an application to the Department for repayment of royalties totaling $50,084.67; to the Committee on Energy and Natural Resources.

EC–1068. A communication from the Secretary, Nuclear Regulatory Commission, transmitting, pursuant to law, the fifteenth report on abnormal occurrences at licensed nuclear facilities; to the Committee on Environment and Public Works.

EC–1069. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Emission of Sulfur-Bearing Compounds from Motor Vehicle and Aircraft Engines"; to the Committee on Environment and Public Works.

EC–1070. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Human Viruses in the Aquatic Environment: A Status Report with Emphasis on the EPA Research Program"; to the Committee on Environment and Public Works.

EC–1071. A communication from the Cochairmen, Appalachian Regional Commission, transmitting, pursuant to law, a study of the physical hazards constraining land use in the Appalachian Region and the findings and recommendations of the Appalachian Regional Commission; to the Committee on Environment and Public Works.

EC–1072. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to promote balanced growth and development in the regions of the Nation by reauthorizing the Appalachian Regional Commission and amending Title V of the Public Works and Economic Development Act of 1965, as amended, to create a nationwide system of multistate regional development commissions; to the Committee on Environment and Public Works.

EC–1073. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Eighth Annual Report on the Special Bridge Replacement Program; to the Committee on Environment and Public Works.

EC–1074. A communication from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the Endangered Species Act of 1973, as amended, through fiscal year 1982; to the Committee on Environment and Public Works.

EC–1075. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve the ability of States and political subdivisions to secure support from absent parents for children receiving AFDC, and in certain cases the parent with whom the child is living, and for other purposes; to the Committee on Finance.

EC–1076. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the first annual report on the financial condition and results of the operations of the Black Lung Disability Trust Fund; to the Committee on Finance.

EC–1077. A communication from the President of the United States, transmitting a draft of proposed legislation to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes; to the Committee on Foreign Relations.

EC-1078. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-1079. A communication from the Acting Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, a report regarding activities carried out under Title XII of the Foreign Assistance Act of 1961 as amended, on Famine Prevention and Freedom from Hunger; to the Committee on Foreign Relations.

EC-1080. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Paraguay; to the Committee on Foreign Relations.

EC-1081. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting proposed amendments to S. 586, the Foreign Relations Authorization Act for the balance of this fiscal year and for fiscal years 1980 and 1981; to the Committee on Foreign Relations.

EC-1082. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-1083. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-1084. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-1085. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Productivity Suffers Because Word Processing is Not Well Managed," April 6, 1979; to the Committee on Governmental Affairs.

EC-1086. A communication from the Inspector General, Department of Energy, transmitting, pursuant to law, the annual report of the Office of Inspector General; to the Committee on Governmental Affairs.

EC-1087. A communication from the Director, Office of Management Services, Finance Group, United States Postal Service, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-1088. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, its Annual Report for 1978; to the Committee on Governmental Affairs.

EC-1089. A communication from the Acting Administrator, General Services Administration, transmitting a draft of proposed legislation to amend chapter 25 of title 44, United States Code, to provide an authorization for the National Historical Publications and Records Commission programs, and for other purposes; to the Committee on Governmental Affairs.

EC-1990. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in the cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1091. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-1092. A communication ffrom the Assistant Attorney General, Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to limit the service of civil process by United States marshals; to the Committee on the Judiciary.

EC-1093. A communication from the Deputy Assistant Secretary of Defense, transmitting pursuant to law, the 1978 report on "Extraordinary Contractual Actions To Facilitate the National Defense"; to the Committee on the Judiciary.

EC-1094. A communication from the Administrator, Law Enforcement Assistance Administration, transmitting, pursuant to law the Tenth Annual Report of the LEAA; to the Committee on the Judiciary.

EC-1095. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation as well as a list of the persons involved; to the Committee on the Judiciary.

EC-1096. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting pursuant to law, 1,064 copies of orders in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-1097. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the second and fourth bimonthly reports on the progress of the Influenza Immunization Program; to the Committee on Labor and Human Resources.

EC-1098. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How Effective Are OSHA's Complaint Procedures?" April 9, 1979; to the Committee on Labor and Human Resources.

EC-1099. A communication from the Administrator of Veterans Affairs transmitting, pursuant to law, a report covering those cases recommended for equitable relief under paragraph 210(c)(3), 38 U.S.C.; to the Committee on Veterans' Affairs.

EC-1100. A communication from the Chairman, National Commission on Libraries and Information Science, transmitting, pursuant to law, a copy of a resolution adopted by the Commission in support of the President's recommendation for the establishment of a Department of Education; ordered to lie on the table.

EC-1101. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report of the release of budget authority required to be made available for obligation pursuant to section 1012(b) of the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget; the Committee on Commerce, Science, and Transportation, and the Committee on Foreign Relations, jointly, pursuant to the order of January 30, 1975.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which are referred as indicated:

POM-148. A resolution adopted by the State of Michigan; to the Committee on Appropriations:

"HOUSE RESOLUTION NO. 71

"Whereas, The health and well-being of Michigan's senior citizens are of paramount importance to the quality of life that exists in our State. This vital segment of our population must be guaranteed the assurance of the means by which they can maintain the rudiments of good health and toward this end the importance of good nutrition is imperative; and

"Whereas, Many older citizens depend on the hot lunch and Meals on Wheels currently in effect throughout Michigan. Under the Fiscal Year 1979 Continuing Resolution adopted by Congress, the service funds allocated to Michigan have been reduced a total of $93,483 this year due to the fact that in Michigan our senior citizen population has not grown as rapidly as that in other parts of the nation; and

"Whereas, To implement the provisions of the Older Americans Act, the Office of Services to the Aging needs supplemental appropriations for Fiscal Year 1980. If these funds are not received, social service awards to senior citizens would have to be decreased by twenty-four percent and nutrition service awards by twenty-five percent. This would necessitate the reduction of approximately 7,000 meals per day to older Michigan residents throughout the State starting on the first of October, 1979; and

"Whereas, In addition, Michigan increased its rate of spending by spending carry-over funds from previous years in accordance with Administration on Aging directives and in response to a court order from a national lawsuit—*Kennedy* vs. *Matthews*. The needs of Michigan's senior citizens continue to escalate as their numbers increase and it is the responsibility of their elected representatives to see to it that they have the food they need to maintain good nutrition; and

"Whereas, It is, therefore, essential that the Congress of the United States continue the appropriation levels in Fiscal Year 1979 and Fiscal Year 1980 that will maintain the same number of meals per day across the State as is currently being provided as well as additional funds to ensure that the nutritional needs of the increasing number of senior citizens in Michigan be met; now, therefore, be it

"Resolved by the House of Representatives, That the Michigan House of Representatives memorialize the Congress of the United States to appropriate adequate funds for nutrition services under the Federal Older Americans Act, and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, and to each member of the Michigan Delegation to the Congress of the United States."

POM-149. A joint resolution adopted by the State of Arizona; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION 1002

"Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues, and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat facing our nation; and

"Whereas, constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article V of the Constitution of the United States, amendments to the federal Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments.

"Therefore, Be it resolved by the Legislature of the State of Arizona:

"1. That the Congress of the United States institute procedures to add a new article to the Constitution of the United States and that the Congress of the United States prepare and submit to the several states an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

"2. That, alternatively, the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

"3. That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this joint Resolution then this petition for a constitutional convention shall no longer be of any force or effect.

"4. That the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the federal Constitution or requiring the Congress to call a constitutional convention for proposing such an amendment to the federal Constitution.

"5. That the Secretary of State of the State of Arizona transmit copies of this Resolution to the President of the United States Senate, the Speaker of the House of Representatives of the United States, to each Member of the Arizona Congressional Delegation and to the Secretary of State and the presiding officers of both houses of the legislature of each of the other states in the Union."

POM-150. A concurrent resolution adopted by the State of Arizona; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION 1001

"Whereas, under the Constitution of the United States, treaties are solemn undertakings of the duly established authorities;

"Whereas, by article VI of the Constitution and decisions of the Supreme Court, treaties are deemed to be part of the law of the land;

"Whereas, article II, section 3, of the Constitution states that the President 'shall take care that the laws be faithfully executed;'

"Whereas, the Senate, being a partner with the President to the treatymaking authority, possesses a special interest and role in the method used by the United States for the termination of treaties;

"Whereas, in accordance with the separation of powers, the President should not unilaterally terminate a treaty absent a material breach by another party;

"Whereas, the termination of a defense treaty is a decision of the highest national importance which, under the checks and balances system, should receive the added deliberation provided by the participation of the Senate or Congress;

"Whereas, as a matter of actual practice under the Constitution, treaties or obligations thereunder generally have been terminated by the United States only upon notice having been given by the President acting pursuant to or in anticipation of the authorization or direction of the Congress or Senate;

"Whereas, under United States practice, the Senate and House of Representatives have acted jointly in the enactment of legislation terminating over forty treaties;

"Whereas, the United States has never terminated a defense treaty with a friendly government; and

"Whereas, bipartisan support in the United States Senate was instrumental in creating the entire structure of interlocking and interdependent treaties which has helped safeguard the peace and security of the Nation in the period following World War II.

"Therefore, Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

"1. That, in accordance with the separation of powers under the Constitution, the President should not unilaterally abrogate, denounce or otherwise terminate, give notice of intention to terminate, or suspend any of the security treaties comprising the post-World War II complex of treaties, including mutual defense treaties, without the advice and consent of the Senate, which was involved in their initial ratification, or the approval of both Houses of Congress.

"2. That the Secretary of State of the State of Arizona transmit certified copies of this Resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of Congress from Arizona."

POM-151. A concurrent memorial adopted by the State of Arizona; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT MEMORIAL 1003

"Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

"Whereas, section five of such Act prescribed a limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

"Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

"Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

"Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

"Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

"Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

"Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

"Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

"Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

"Whereas, reclamation systems on Indian reservations contain no such limitation even though much of such land is under long-term lease to non-Indians; and

"Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

"Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

"Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by Federal investments are now largely obsolete, moot or nugatory; and

"Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative lifestyles in reliance on Federal policy; and

"Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

"Whereas, the appearance of unpredictability of Federal policy may and the application of the proposed regulations would severely affect the marketability of all reclamation lands.

"Therefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.

"2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM-152. A concurrent resolution adopted by the State of Hawaii; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION NO. 9

"Whereas, the Energy Policy and Conservation Act signed into law on December 22, 1975 authorized the creation of a Strategic Petroleum Reserve with an initial capacity of five hundred million barrels of oil for the United States; and

"Whereas, President Carter's administration has subsequently proposed an amendment to expand the Strategic Petroleum Reserve to one billion barrels of oil by 1985, an approximately six-month supply; and

"Whereas, the 1975 Act also provided that each noncontiguous area of the United States does not have overland access to domestic crude oil should have its component of the Strategic Petroleum Reserve within its respective territory; and

"Whereas, on December 15, 1976 the Federal Energy Administration (now incorporated in the Department of Energy) recommended that no component of the reserve be located in Hawaii because of the high costs involved and environmental hazards; and

"Whereas, the Federal Energy Administration further noted that the one billion barrel reserve planned for the Louisiana salt domes would be sufficient to provide for Hawaii's needs as well as for the rest of the nation during an oil emergency; and

"Whereas, after long and persistent lobbying by Hawaii's state administration and congressional delegation, Hawaii was successful in persuading the Department of Energy to support a three million barrel emergency oil storage facility in the Islands rather than to store all of Hawaii's reserve in the Louisiana salt domes; and

"Whereas, while the Department of Energy's decision will give Hawaii a limited measure of protection (approximately a one-month reserve), the three million barrel reserve is much smaller than the ten million barrel capacity that Hawaii needs to adequately protect itself in an oil emergency; and

"Whereas, a ten million barrel oil reserve (an approximately ninety-day reserve) is essential to Hawaii because of the State's almost complete dependence on imported oil for its energy needs; and

"Whereas, it has been estimated that any additional emergency shipment from the Louisiana salt domes would take approximately sixty-three days to reach Hawaii and that any supply of Alaskan oil would have only limited use in Hawaii because of its high sulfur content; and

"Whereas, the storage of only three million barrels of oil in Hawaii would result, therefore, in a serious shortfall of energy for Hawaii in the event of another disruption to oil supplies as experienced in the Arab embargo of 1974; and

"Whereas, plans for a three million barrel, $12 million emergency oil storage in Hawaii have been deleted from the Carter Administration budget; and

"Whereas, while the threat of an oil embargo for the continental United States is only partial because of its domestic crude oil, coal, natural gas, shale oil, hydroelectric and nuclear power, and its interconnecting electric grids and oil and gas distribution systems, the threat to the Island State of Hawaii which has none of the aforementioned backup resources, is total; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, the Senate concurring, that the United States Department of Energy is requested to increase Hawaii's Strategic Petroleum Reserve to a ten million barrel capacity in view of Hawaii's unique vulnerability and problem as an Island State situated thousands of miles from the continental United States; and

"Be it further resolved that Hawaii's delegation to the United States Congress is respectfully requested to do everything within its power to establish a ten million barrel Strategic Petroleum Reserve in Hawaii; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Energy, and to each member of Hawaii's delegation to the United States Congress."

POM-153. A resolution adopted by the State of Hawaii; to the Committee on Labor and Human Resources:

"HOUSE RESOLUTION No. 436

"Whereas, Public Law 94-142, the Education of All Handicapped Children Act of 1975, mandates states to provide 'free appropriate public education' to all handicapped children between the ages of 3 and 21, regardless of the severity of handicap, by September 1, 1980; and

"Whereas, the provision of the Act is consistent with Hawaii's goal and commitment to assure equal educational opportunities for all children and exceptional children, in particular, through chapter 301, Hawaii Revised Statutes, and

"Whereas, the State's commitment is demonstrated in the increase in number of handicapped children served from 5,514 in December 1974, to 9,333 in December 1978, at an increase in state expenditures in fiscal year 1975 of $8,800,661 to $17,665,932 in fiscal year 1979; and

"Whereas, the spiraling costs of current services and additional resource requirements for 3- and 4-year-old handicapped students, speech-impaired handicapped, diagnostic services, and related services of speech, occupational and physical therapy, and counseling, would require a projected fiscal year 1981 budget of $22,026,216, excluding transportation costs; and

"Whereas, the highly prescriptive nature of Public Law 94-142 mandates unrealistic timelines, insensitivity to the fiscal limitation of states in meeting the multitude of emerging social needs, and disregard of the Constitutional responsibility of education by individual states; and

"Whereas, the cost of such programs and services intended to be shared, in accordance with the Public Law 94-142, by the federal government at a rate of 5 per cent in 1978, 10 per cent in 1979, 20 per cent in 1980, 30 per cent in 1981, and 40 per cent in 1982, and for each fiscal year after 1982, is estimated to be inadequate; and

"Whereas, the federal government's level of contribution to the cost of assuring programs and services to the handicapped has been less than provided for in the Act; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii; Regular Session of 1979, that the United States President and Congress are respectfully requested to enact legislation necessary to provide the full funding outlined in the Act as the federal commitment to handicapped children; and

"Be it further resolved that the State of Hawaii and other states be granted immediately the full funding stipulated in the Act for 1982 so that all handicapped children can be provided a free appropriate public education immediately and the provision of the Education of All Handicapped Children Act may become a reality; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States; the President of the United States Senate; the Speaker of the United States House of Representatives; the Secretary of Health, Education, and Welfare; and to each Member of the Hawaii delegation to the United States Congress."

POM-154. A concurrent resolution adopted by the State of North Dakota; to the Committee on Commerce, Science and Transportation:

"SENATE CONCURRENT RESOLUTION No. 4020

"Whereas, the Milwaukee Road is presently in bankruptcy proceedings; and

"Whereas, it appears to be the intent of the trustee in bankruptcy of the Milwaukee Road to abandon Lines West (those portions of the Milwaukee Road west of Minneapolis and St. Paul, Minnesota); and

"Whereas, the abandonment of Lines West would have some or all of the following results:

"1. The loss of railroad service to coal-fired electric generating stations;

"2. The loss of railroad service to grain, livestock, and other agricultural shippers; or

"3. The loss of a competitive railroad to compete with other railroads and other types of shippers in the area.

"Whereas, the aforementioned results will, in turn, mean the following:

"1. Business will be placed in a noncompetitive position creating a negative growth atmosphere;

"2. Some businesses will fall victim to bankruptcy;

"3. Employment levels will decline; and

"4. Economic stagnation of the area will be the final result.

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That—

"1. Lines West be maintained as a viable operating railroad entity;

"2. The trustee in bankruptcy of the Milwaukee Road is urged to maintain Lines West so that lack of maintenance will not force abandonment and destroy Lines West as a viable portion of the Milwaukee Road; and

"3. The Congress of the United States and the Secretary of Agriculture are urged and requested to take whatever remedial steps are necessary, with all possible speed, to prevent loss of Lines West to the state of North Dakota and other great plains states.

"Be it further resolved, that copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of Agriculture, the Secretary of the Department of Transportation, the North Dakota Congressional Delegation, the trustee in bankruptcy of the Milwaukee Road railroad, and the legislative assemblies of Montana, South Dakota, Idaho, and Washington; and

"Be it further resolved, that the trustee in bankruptcy of the Milwaukee Road is urged to give notification of the bankruptcy hearings to the North Dakota Legislative Assembly through the North Dakota Legislative Council so that the appropriate committee chairmen of the North Dakota Legislative Assembly can attend the bankruptcy hearings."

POM-155. A concurrent resolution adopted by the State of South Dakota; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION No. 18

"Whereas, wilderness studies have been conducted on over three hundred million acres of public land in Alaska and the lower forty-eight states by Congress, the Forest Service, Bureau of Land Management, Fish and Wildlife Service and National Park Service; and five thousand acres known as the Beaver Park Area located in Meade County, South Dakota, has been designated as a Wilderness Area; and fifty-one thousand six hundred acres in South Dakota remain under study status; and

"Whereas, wilderness study status and wilderness designation prohibits or severely restricts bark beetle control, grazing, fire control, logging, construction of temporary and permanent roads, exploration for oil, gas and other valuable minerals, water projects, permanent campsites, sanitary and other facilities; and

"Whereas, under current management guidelines, these multiple uses will be prohibited indefinitely, as long as studies are being conducted; and

"Whereas, these prohibitions and restrictions are causing continued impairment of farming and ranching operations, imports of fuel and non-fuel minerals known or thought to be present in many wilderness study areas, timber shortages to local mills and an absence of critically needed information on mineral resources:

"Now, therefore, be it resolved, by the Senate of the Fifty-fourth Legislature of the state of South Dakota, the House of Representatives concurring therein, that the South Dakota Legislature memorialize the Congress of the United States to give prompt consideration to:

"(1) Resolving the uncertainties surrounding the status of designated areas;

"(2) Opening appropriate wilderness study area to the multiple-use concept.

"Be it further resolved, that a copy of this Resolution be sent to the South Dakota Congressional Delegation, the Presiding Officer of both Houses of Congress, the U.S. Secretary of the Department of Agriculture, and the U.S. Secretary of the Department of the Interior."

POM-156. A joint resolution adopted by the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION No. 5

"Whereas, the United States government, as part of the program consequent to the Fisheries Conservation and Management Act, Public Law 94-265, popularly known as the 200-mile law, after extensive preliminary research and consultation which included consultation with Mexican government scientists, has instituted the Anchovy Fishery Management Plan to conserve and manage the central subpopulation of northern anchovy off the Pacific Coast of the United States; and

"Whereas, The National Marine Fisheries Service, in conformance with the plan, has announced the spawning biomass of northern anchovy (central subpopulation) estimates for the 1978-79 season and has set a substantially reduced harvest quota for this season; and

"Whereas, The United States fishermen are conforming to these regulations in order to properly conserve and manage this vitally important fishery stock for the ultimate benefit of the commercial and recreational fishing interests and the consumer populations of the United States and Mexico; and

"Whereas, The biological stability of the northern anchovy population may be severely impaired as a result of unregulated international competition for the resource; and

"Whereas, The central subpopulation of northern anchovy is a transboundary stock which is fished by both United States and Mexican commercial and recreational fishermen, and consequently, the success of any fishery plan depends absolutely upon the joint cooperation of both countries; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California memorializes the Congress and the President of the United States to direct the Department of State to immediately take all steps necessary to effect a timely agreement between the governments of the United States and Mexico regarding the implementation of a joint anchovy fishery management plan for the conservation and management of the transboundary stocks of the central subpopulation of northern anchovy, in order that this important fishery be conserved and managed for the immediate and future benefit of the people of the United States and Mexico; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of the resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-157. A resolution adopted by the State of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, The current economic situation has created a need for housing for the elderly poor; and

"Whereas, Under federal law and regulations as set forth by the Housing and Urban Development Department, preference cannot be shown to local residents who qualify; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation that will provide that local residents who qualify be given preference in obtaining elderly housing in any development that is built in their immediate area; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-158. A resolution adopted by the State of Massachusetts; to the Committee on Environment and Public Works:

"RESOLUTIONS

"Whereas, the Nuclear Regulatory Commission (NRC) has ordered the Maine Yankee nuclear power plant in Wiscasset, Maine, to immediately shut down; and

"Whereas, said order was based on the NRC's finding that the strength of the plant's auxiliary cooling system was insufficiently designed to withstand an earthquake of an extreme magnitude even though the system was designed to withstand a once in a thousand year earthquake in that area of the country; and

"Whereas, the NRC's order of an immediate shutdown is unwarranted because of the improbability of the main cooling system failing at the same time as the auxiliary cooling system is rendered inoperative by an earthquake; and

"Whereas, this shutdown will increase our dependence on foreign oil at the very time the supply of oil has been constricted by other nations, and the President has exhorted the country to reduce oil consumption; and

"Whereas, one million extra barrels of oil per month will be consumed because of the shutdown of the Maine Yankee; and

"Whereas, Massachusetts electric companies will charge consumers an estimated $3,720,000 per month due to the increased use of expensive foreign oil; and

"Whereas, the increased cost of electricity borne by the citizens of Massachusetts is neither justifiable nor tolerable in light of the double digit inflation that they already must bear; and

"Whereas, there are alternative solutions to the problem; therefore be it

"*Resolved,* That the Massachusetts House of Representatives urges the President of the United States to take such steps as are necessary to reverse the order of the Nuclear Regulatory Commission shutting down the Maine Yankee nuclear power plant and allow said plant to operate until such time as plans are made to make such improvements as are needed without imposing an undue cost on the citizens of the Commonwealth; and be it further

"*Resolved,* That copies of of these resolutions be sent forthwith by the Clerk of the House of Representatives to the President of the United States, the Presiding Officer of each branch of Congress and to the Members thereof from this Commonwealth."

POM-159. A concurrent resolution adopted by the State of Delaware; to the Committee on Governmental Affairs:

"HOUSE CONCURRENT RESOLUTION No. 28

"Whereas, the federal government of the United States, by actions of both the Legislative branch and the Executive branch, requires the states to implement new programs and to provide increased levels of service under existing programs; and

"Whereas, implementing new programs and increasing levels of service of existing programs are costly to the states which frequently must resort to additional taxation; and

"Whereas, throughout the United States there is resentment of the heavy burden of taxation; and

"Whereas, recent actions by a numbr of states demonstrate that this resentment is being translated into consistent rejection of exising and proposed methods of raising revenues; and

"Whereas, the public outcry against taxation makes it increasingly difficult to raise revenues which are necessary to finance the programs and services mandated by the federal government; and

"Whereas, simple equity dictates that a level of government which establishes programs or services in the public interest should provide the means for financing these programs and services.

"Now, therefore:

"Be it resolved by the House of Representatives of the 130th General Assembly of Delaware, the Senate concurring, that the General Assembly joins other states in respectfully requesting the President of the United States and the members of the Congress to act to ensure that the federal government reimburses the states for costs incurred in the implementation of new programs or increased levels of existing programs.

"Be it further resolved that this request be put into effect with respect to any law enacted by the Congress after January 1, 1980, or any executive order or regulation issued by the President after January 1, 1980.

"Be it further resolved that copies of this Resolution be sent to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to the members of the Delaware Congressional Delegation namely, United States Senator William V. Roth, United States Senator Joseph R. Biden, Jr., and United States Representative Thomas B. Evans, Jr."

POM-160. A resolution adopted by the State of Massachusetts; to the Committee on Finance:

"RESOLUTION

"Whereas, Massachusetts and other states and all the cities, towns and counties have benefited greatly from the Federal Revenue Sharing Program, Public Law 95-512, as an alternative source of revenue to the real estate property tax; and

"Whereas, The Federal Revenue Sharing Program will expire on September thirtieth, nineteen hundred and eighty, unless extended by Congress; now therefore be it

"*Resolved*. That the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation such as HR 2291 extending the current general revenue sharing program, the State and Local Fiscal Assistance Act of 1972, for another four years: and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of the Congress and to the members thereof from this Commonwealth."

POM-161. A joint resolution adopted by the State of Utah; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 17

"Whereas, the Senate and the House of Representatives of the United States at the 2nd Session of the 92nd Congress of the United States of America, by House Joint Resolution No. 208, proposed the following amendment to the Constitution of the United States to become valid when ratified by three-fourths of the legislatures of the several states within seven years from the date of its submission by the Congress, which amendment shall read:

" 'Article——'

" 'Section 1: Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex.'

" 'Section 2: The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.'

" 'Section 3: This amendment shall take effect two years after the date of ratification.';

"Whereas, the Congress of the United States has, in an unjust and unequal manner, extended the ratification period by 39 months so that only those who favor the proposed Amendment may vote to ratify, while making no similar provision for those who oppose the ratification to vote again and reverse a previous ratification;

"Whereas, several states have already indicated their displeasure with the proposed Amendment by voting to rescind a previous ratification and have so notified Congress;

"Whereas, the Fourteenth Amendment to the Constitution of the United States forbids any state to 'deny to any person within its jurisdiction the equal protection of the laws';

"Whereas, the Fifth Amendment to the Constitution of the United States holds that 'no person shall be . . . deprived of life, liberty, or property, without due process of law . . .';

"Whereas, Article IV, Section 1, of the Constitution of Utah guarantees that "both male and female citizens of this state shall enjoy equally all civil, political and religious rights and privileges";

"Whereas, the Courts of the United States are interpreting these Constitutional injunctions more and more as forbidding discrimination on the basis of sex;

"Whereas, the Congress of the United States and the Legislature of the State of Utah have passed and are passing laws, based upon these Constitutional injunctions, specifically forbidding discrimination in employment, marriage, divorce, education, finance, retirement, and other fields;

"Whereas, the proposed amendment to the Constitution of the United States is redundant and unnecessary to either judicial or legislative remedies for achieving equal rights under the law on account of sex;

"Whereas, those states which oppose the ratification of the amendment, as well as those states which favor the ratification, should take positive steps to notify the Congress of their deliberation and decision relative to the proposal; and

"Whereas, the Utah House of Representatives has heretofore considered the proposed amendment two times during the seven year ratification period and each time has rejected a resolution to ratify that proposed amendment, according to its own will and reflecting the will of the majority of the citizens of this state.

"Now, therefore, be it resolved, by the General Session of the 43rd Legislature of the State of Utah that said amendment to the Constitution of the United States is hereby rejected and not ratified.

"Be it further resolved, that the Congress of the United States be informed that the Legislature of this state is opposed to the extension of the specified time limits for this and any other amendments proposed to the states for their ratification.

"Be it further resolved, while acknowledging that one Legislature may not bind a subsequent one, that the members of the 43rd Legislature of the State of Utah do strongly recommended that this proposed amendment not be considered again by a Legislature of the state.

"Be it further resolved, that copies of this resolution, duly certified by the Utah Secretary of State, be forwarded to the administration of the General Services of the United States of America, as well as to the President of the United States Senate and the Speaker of the United States House of Representatives.

"Be it further resolved, that copies of this resolution, duly certified by the Secretary of State, be forwarded to each house of the legislatures of each of the other 49 states, urging upon them that one or both of their houses adopt a similar resolution to communicate to the Congress of the United States similar actions and concerns related to the proposed amendment."

POM–162. A concurrent resolution adopted by the State of North Dakota; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE CONCURRENT RESOLUTION No. 4030

"Whereas, although employees have the right to strike, and will never lose that right under the Constitution of the United States, striking employees should not be subsidized by government assistance programs; and

"Whereas, striking employees may critically interfere with the public's right to electricity, employment, and education, as evidenced by the recent three-month coal strike; and

"Whereas, it is unfair that the public must subsidize striking employees;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Legislative Assembly of the State of North Dakota urges the Congress of the United States to act expeditiously to amend the eligibility standards of the Food Stamp Act of 1964 [Pub. L. 88–525, 78 Stat. 703, 7 U.S.C. 2011 et seq.], as amended, so that striking employees not be allowed to receive government assistance.

"Be it further resolved, that copies of this resolution be forwarded to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the North Dakota Congressional Delegation."

POM–163. A concurrent resolution adopted by the State of Indiana; to the Committee on the Judiciary:

"CONCURRENT RESOLUTION

"Whereas, in 1945 the McCarran-Ferguson Act (15 USC 1011–1015) was enacted into law; and

"Whereas, in that Act it was stated that "Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

"Whereas, in the course of that regulation, the several States have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, the several States have continually reviewed, experimented with, and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

"Whereas, the business of insurance has developed a competitive structure; and

"Whereas, the public has benefited from the competitive structure of the insurance industry including at the retail level a wide variety of organizations, often small businesses, intensely competing, and from regulation of the industry by the several States; and

"Whereas, federal regulation has repeatedly been shown not to be a panacea; and

"Whereas, it is becoming increasingly clear that the establishment of federal regulation increases the cost of government, often increases the cost of products and services to the consumer, and often without providing offsetting benefits to the public; and

"Whereas, federal regulation often adds confusion and delay; and

"Whereas, there has been no showing that the several States cannot continue to regulate the insurance industry; and

"Whereas, there has been no showing that federal regulation of the insurance industry by limiting State regulation and permitting the application of the federal antitrust laws will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to state regulations, to pool the resources of several insurance companies in order to provide for coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are provided at reasonable cost, and innovation in which new products or services are made available; and

"Whereas, officials of the federal government have publicly, although unofficially, recommended amending the McCarran-Ferguson Act so as to limit State regulation of the business of insurance:

"Therefore, be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"Section 1. That the Senate and House of Representatives of the Congress of the United States are memorialized to reject any proposed amendments to the McCarran-Ferguson Act (15 USC 1011–1015).

"Section 2. That the Principal Clerk of the Senate forward copies of this resolution to:

"(1) the Secretary of the United States Senate;

"(2) the Clerk of the United States House of Representatives; and

"(3) each member of the Indiana Congressional Delegation.

Adopted by voice vote this twenty-first day of February, 1979."

POM–164. A petition from a private citizen relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

POM–165. A resolution adopted by the Orange County Board of Supervisors, Santa Ana, California urging the Congress to continue funding for Indochinese Refugees; to the Committee on Appropriations.

POM–166. A resolution adopted by the Calhoun County Board of Commissioners, Marshall, Michigan, pertaining to a National Cemetery in the Fort Custer area near Battle Creek; to the Committee on Veterans Affairs.

POM–167. A resolution adopted by the Board of County Commissioners, Yellow Medicine County, Minnesota, pertaining to grain elevators; to the Committee on Commerce, Science, and Transportation.

POM–168. Resolutions adopted by the Wisconsin Cattlemen's Association, pertaining to the carryover basis of the Revenue Act of 1978 and the Importation of beef to the United States; to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CHILES, from the Committee on Governmental Affairs:

Kurt W. Muellenburg, of Maryland, to be Inspector General, General Services Administration.

John Patrick White, of California, to be Deputy Director of the Office of Management and Budget.

(The above nominations from the Committee on Governmental Affairs were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHILES, from the Committee on Governmental Affairs:

Peter Henry Wolf, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

The following officers of the U.S. Coast Guard for promotion to the grade of Rear Admiral:

Sidney B. Vaughn, Jr.;
John D. Costello; and
Donald C. Thompson.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, as in executive session, I also report favorably sundry nominations in the Coast Guard which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record on March 15, 1979, at the end of the Senate proceedings.)

By Mr. CHURCH, from the Committee on Foreign Relations:

William Lacy Swing, of North Carolina, to be Ambassador Extraordinary and Plenipotentiary of the United States to the People's Republic of the Congo.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Nominee: William Lacy Swing.

Post: Ambassador, People's Republic of the Congo.

Contributions, amount, date, and donee:

1. Self: None (I have, I believe, in the past checked the box on Form 1040—IRS, designating $1 to go to the Presidential Election Campaign Fund.)

2. Spouse: Not applicable (I am divorced.)

3. Children and Spouses: Names: Brian Curtis (son, age 16): None.

4. Parents: Names: Baxter Dermot Swing (father): None. Mary Frances Swing (nee Barbee) (mother): None.

5. Grandparents: Names: Bessie Swing (nee Sowers): None. (All other grandparents deceased).

6. Brothers and Spouses: Names: James B. Swing: None. Arlene Swing (nee Lashmidt): None.

7. Sisters and Spouses: Names: Anna Leonard (nee Swing): $7., National Republican Senatorial Committee (1977); $2. National GOP Campaign Committee (1977). Similar amounts in previous years for which records no longer available. Lawrence Leonard: None. I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

By Mr. CHURCH, from the Committee on Foreign Relations:

John Prior Lewis, of New Jersey, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

POLITICAL CONTRIBUTIONS STATEMENT

Nominee: John Prior Lewis.

Post: Chairman, OECD–DAC.

Contributions, Date, Amount, and Donee:

1. Self: Have no record or precise memory but during indicated period amounts, only to donees listed, genuinely trivial and certainly not in excess of total shown. November 1974 through November 1978, $400. Consumer cause Brendon Byrne, Jimmy Carter, New Jersey Democratic congressional and local candidates.

2. Spouse: Have no record or precise memory but during indicated period amounts, only to donees listed, genuinely trivial and certainly not in excess of total shown. November 1974 through November 1978, $400. Common Cause Brendon Byrne, Jimmy Carter, New Jersey Democratic congressional and local candidates.

3. Children and Spouses Names: None.

4. Parents Names: None.

5. Grandparents Names: None.

6. Brothers and Spouses Names: None.

7. Sisters and Spouses Names: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

By Mr. CHURCH, from the Committee on Foreign Relations:

Donald Eugene Syvrud, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund.

Richard Frank Celeste, of Ohio, to be Director of the Peace Corps.

Richard Frank Celeste, of Ohio, to be an Associate Director of the ACTION Agency.

(The above nominations from the Committee on Foreign Relations were reported with the recommendation that it be confirmed, subject to the nominees commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CHURCH. Mr. President, as in executive session, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record on March 26, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAKER (for himself, Mr. Sasser, and Mr. Robert C. Byrd):

S. 934. A bill to amend the Federal Railroad Safety Act of 1970 to expand State enforcement of railroad safety laws; to the Committee on Commerce, Science, and Transportation.

By Mr. CHAFEE:

S. 935. A bill to amend the Internal Revenue Code of 1954 to provide an election to depreciate property eligible for the investment credit over 5 years, to allow the amortization of pollution control equipment over 2 years, and for other purposes; to the Committee on Finance.

By Mr. JACKSON (for himself, Mr. Bayh, Mr. Bumpers, Mr. Church, Mr. Durkin, Mr. Eagleton, Mr. Kennedy, Mr. McGovern, Mr. Metzenbaum, Mr. Nelson, Mr. Proxmire, Mr. Riegle, Mr. Sasser, and Mr. Stevenson):

S. 936. A bill to extend the authority under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 937. A bill to establish a Cabinet-level committee to coordinate programs to increase exports; to the Committee on Governmental Affairs.

S. 938. A bill to revise section 1 of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

S. 939. A bill to exempt certain motor vehicle transportation by or for maritime carriers in terminal areas; to the Committee on Commerce, Science, and Transportation.

S. 940. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that officers of organizations or groups sponsoring foreign business related meetings verify certain activities of individuals attending such meetings; to the Committee on Finance.

By Mr. HATFIELD (for himself and Mr. Leahy):

S. 941. A bill to modify and improve the financial incentives provided in part D of title IV of the Social Security Act with respect to State programs established under such part for the collection of support obligations assigned under part A of such title; to the Committee on Finance.

By Mr. DURKIN:

S. 942. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws; to the Committee on Finance.

By Mr. MATHIAS:

S. 943. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for medical and legal malpractice liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers for malpractice insurance, and for other purposes; to the Committee on Finance.

By Mr. DURKIN:

S. 944. A bill to amend the Act of October 20, 1976, so as to remove certain population ceilings with respect to local governments with populations of less than ten thousand; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself and Mr. Boren):

S. 945. A bill to provide that annuity contracts purchased by the Uniformed Services University of the Health Sciences shall be entitled to the benefits of section 403(b) of the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. DURKIN:

S. 946. A bill to amend Section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 947. A bill to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of materials concerning a lottery authorized by that foreign country, and for other purposes; to the Committee on the Judiciary.

By Mr. DURKIN (for himself and Mr. Jackson):

S. 948. A bill to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; to the Committee on Energy and Natural Resources.

By Mr. BURDICK (for himself and Mr. Young):

S. 949. A bill to amend the National Environmental Policy Act of 1969 to provide for a statute of limitations with respect to judicial review of environmental impact statements; to the Committee on Environment and Public Works.

By Mr. DURKIN (for himself, Mr. Tsongas, Mr. Matsunaga, and Mr. Ribicoff):

S. 950. A bill to establish a national goal for the use of renewable energy resources, to establish information and financial initiatives to promote the use of renewable energy resources, and to authorize the use of certain renewable energy resources by the Federal Government; to the Committee on Energy and Natural Resources, and that, if and when it is reported to the Senate, it be rereferred to the Committee on Banking, Housing, and Urban Affairs, for a period not to exceed 60 days to consider the subject matter of section 9, by unanimous consent.

By Mr. CANNON (by request):

S. 951. A bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DURKIN:

S. 952. A bill to amend the Anadromous Fish Conservation Act; to the Committee on Environment and Public Works.

By Mr. CANNON (by request):

S. 953. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent.

By Mr. DOMENICI (for himself and Mr. Stewart):

S. 954. A bill to amend title 10, United States Code, to authorize additional Army Reserve Officers' Training Corps scholarships for cadets at military junior colleges, to authorize the Secretary of the Army to provide that cadets awarded such scholarships may serve their obligated period of service in the Army Reserve or Army National Guard of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. HELMS (for himself and Mr. Leahy):

S. 955. A bill to provide for the safeguards of taxpayer rights, and for other purposes; to the Committee on Finance.

By Mr. HEINZ (for himself and Mr. Schweiker):

S. 956. A bill to authorize the appropriation of funds for the renovation of, and certain operating and maintenance costs of, the Benjamin Franklin National Memorial at the Franklin Institute, Philadelphia, Pennsylvania; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA (for himself, Mr. Inouye, and Mr. Stevens):

S. 957. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KENNEDY:

S. 958. A bill to amend the Clayton Act to provide remedies for the enforcement of antitrust judgments, to provide review procedures for the purposes of modifying or vacating an antitrust judgment, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 959. A bill to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Energy and Natural Resources.

By Mr. BELLMON:

S. 960. A bill to provide for the payment of interest on reserves held in Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY:

S. 961. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

By Mr. McGOVERN (for himself and Mr. Dole and Mr. Melcher):

S. 962. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to encourage self-reliance in developing countries; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself and Mr. Melcher):

S. 963. A bill to permit the Secretary of the Interior to use the chemical compound sodium monofloracetate for the purpose of controlling the population of coyotes on public lands, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PACKWOOD (for himself and Mr. Hatfield):

S. 964. A bill to provide for a series of regional Presidential primary elections; to the Committee on Rules and Administration.

By Mr. JAVITS:

S. 965. A bill to amend title IV of the Social Security Act to improve the aid to families with dependent children program and provide fiscal relief for States and localities; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 966. A bill to amend the Social Security Act to strengthen and improve the program of Federal support for foster care of needy dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Finance.

By Mr. MELCHER (for himself, Mr. Magnuson, Mr. Baucus, and Mr. Pressler):

S. 967. A bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment; to the Committee on Energy and Natural Resources.

By Mr. MELCHER (for himself, Mr. Burdick, Mr. McGovern, Mr. Stevens, Mr. Church, Mr. McClure, Mr. Domenici, Mr. Young, Mr. Gravel, and Mr. Weicker):

S. 968. A bill to amend certain provisions of Title V of the Public Utility Regulatory Policies Act of 1978 to expedite processing of applications for crude oil transportation systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. THURMOND:

S. 969. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately five hundred United States airmen in Yugoslavia during World War II; to the Committee on Rules and Administration.

By Mr. FORD:

S. 970. A bill to amend the Tennessee Valley Authority Act of 1933 in order to increase the number of members on the board of directors of such authority to five and to set certain residence requirements; to the Committee on Environment and Public Works.

By Mr. HART (for himself and Mr. Randolph):

S. 971. A bill to amend the Public Works and Economic Development Act to provide economic development assistance to regions suffering from increases in energy-related employment; to the Committee on Environment and Public Works.

By Mr. HEFLIN:

S. 972. A bill for the relief of Elvi J. Jomwe; to the Committee on the Judiciary.

By Mr. HELMS (for Mr. Hatch):

S. 973. A bill for the relief of anna-Liisa Pyykkonen; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 974. A bill for the relief of Tin Foo Chan (also known as Michael Chan); to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. McGovern, Mr. Levin, Mr. Young, Mr. Matsunaga, Mr. Lugar, Mr. Chafee, Mr. Percy, Mr. Ford, Mr. Heinz, Mr. Bentsen, Mr. Baucus, Mr. Melcher, Mr. Pressler, Mr. Hatfield, Mr. Stevenson, Mr. Mathias, Mr. Ribicoff, Mr. McClure, Mr. Cohen, Mr. Stone, Mr. Talmadge, Mr. Huddleston, and Mr. Zorinsky):

S.J. Res. 63. A joint resolution to designate the year of 1979 as the "Food for Peace Year"; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. Percy, Mr. Pell, Mr. Hatfield, Mr. Mathias, and Mr. Warner):

S.J. Res. 64. A joint resolution to authorize the United States Navy Memorial Foundation to erect a memorial; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAKER (for himself, Mr. Sasser, and Mr. Robert C. Byrd):

S. 934. A bill to amend the Federal Railroad Safety Act of 1970 to expand State enforcement of railroad safety laws; to the Committee on Commerce, Science, and Transportation.

FEDERAL RAILROAD SAFETY ACT AMENDMENTS OF 1979

Mr. BAKER. Mr. President, I am today introducing a bill to amend the Federal Railroad Safety Act of 1970 in order to improve enforcement of Federal railroad safety standards by granting State regulatory agencies the authority to impose penalties and to seek immediate injunctive relief in U.S. district courts when railroad safety laws have been violated.

This measure was drafted by the Tennessee Public Service Commission, which regulates railroads operating within the State of Tennessee, and is cosponsored by my distinguished colleague, Senator Sasser.

The Railroad Safety Act of 1970 was adopted in response to a growing number of rail accidents throughout the Nation. The statute granted authority to the Secretary of Transportation and the Federal Railroad Administration to promulgate and administer nationally uniform rail safety standards. These Federal rules preempt State regulation except in very limited circumstances.

Unfortunately, Mr. President, the act has not succeeded in assuring safe operating conditions on rail track and roadbed throughout the Nation. Rather, the national rail safety situation has deteriorated substantially since 1970, largely as a result of the worsening financial condition of the railroad industry.

My own State of Tennessee offers an excellent example of the Federal Railroad Administration's failure to improve conditions. Prior to enactment of the Railroad Safety Act, the State of Tennessee had a highly developed and effective program of safety regulation administered by the railroad division at the Tennessee Public Service Commission. Under State law, the commission had responsibility for regulating rail common carriers operating within the State, and railroad division inspectors regularly inspected track and roadbed throughout the State, calling violations of safety standards to the attention of the commission. Show cause orders were immediately issued to the railroads requiring correcton of unsafe conditions, and most of these violations were corrected without formal action by the commission.

Since the Federal Railroad Administration adopted safety standards and preempted State enforcement in 1974, conditions on railroads operating in Tennessee have steadily deteriorated to the point where derailments have doubled, averaging more than one a day. Each such derailment is a potential disaster, and the attention of the entire Nation was focused on these deplorable conditions on February 27, 1978, when a derailment at Waverly, Tenn., took 12 lives, injured many others, and destroyed millions of dollars in property.

Mr. President, I believe the conclusion which has been reached by the Tennessee Public Service Commission, the people of Tennessee, and the State's congressional delegation is obvious. The Federal railroad safety program is simply not working in our State, and it is time for Congress to return to State agencies which are willing and able to accept the responsibility, the authority to effectively enforce Federal safety standards in a prompt and efficient manner.

When the Senate first approved the railroad safety bill in 1970, it recognized the importance of State participation and included a provision allowing States to adopt and enforce Federal safety standards in State courts. The House disagreed with this provision, however, and, as finally adopted, the measure permits States to petition Federal district courts to assess and collect penalties or grant injunctive relief only if the Department of Transportation does not take such action within 90 days of the violation's occurrence.

The bill which I am introducing today would give certified State agencies the authority to impose civil penalties and enjoin violations without delay. Such concurrent authority, similar to the procedure followed under the Natural Gas Pipeline Safety Act of 1978 (49 U.S.C. sec. 1617, et seq.), is necessary to secure our citizens' safety and property. I urge the Senate to carefully consider this measure, to hear the testimony of the Tennessee Public Service Commission and others in my State who will document the gravity of the railroad safety situation there, and to take favorable action on this measure at the earliest possible time.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Railroad Safety Act Amendments of 1979".

SEC. 2. The last sentence of section 206(a) of the Federal Railroad Safety Act of 1970 is repealed.

SEC. 3. Section 207 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 436) is amended to read as follows:

"STATE ENFORCEMENT

"SEC. 207. (a) Each State participating in carrying out investigations and surveillance activities under the provisons of section 206. is authorized to—

"(1) assess and compromise, subject to the provisions of section 209, for each violation, occurring within that State, of any rule, regulation, standard or order prescribed by the Secretary under this title the civil penalty included in or made applicable to that rule, regulation, standard or order;

"(2) bring in the district court of the United States having jurisdiction in the locality where the violation occurred a suit to recover any civil penalty assessed pursuant to paragraph (1);

"(3) apply to any appropriate district court of the United States for an order or injunction to restrain, within that State, violations of this title or to enforce, within that State any rule, regulation, order or standard prescribed by the Secretary under this title;

"(4) issue, after notice and an opportunity for a hearing, orders directing compliance, within that State, with any rule, regulation, order or standard prescribed by the Secretary under this title;

"(5) petition for enforcement of an order issued pursuant to paragraph (4) in an appropriate district court of the United States; and

"(6) issue immediately, without prior notice or opportunity for hearing, an order prohibiting the further use, within that State, of any facility or piece of equipment which the State agency having the regulatory jurisdiction described in section 206(a)(1) determines is in unsafe condition and thereby creates an imminent hazard of death or injury.

"(b) In the case of an order issued under paragraph (6) of subsection (a), the issuing agency shall provide for an administrative review of such order (including a hearing if requested) within 15 days after the issuance of such order.

"(c) Nothing in this section shall be construed to limit the authority granted to the Secretary by this title. In carrying out the provisions of this section a State agency shall assure that—

"(1) the authority granted in subsection (a) of this section shall not apply in any case in which the Secretary has affirmatively determined, in writing, that no violation has occurred or that no order or injunction should be issued or sought;

"(2) no railroad shall be required to pay more than one civil penalty for any separate offense which constitutes a violation of a rule, regulation, order or standard prescribed by the Secretary under this title; and

"(3) no railroad shall be subject, under sections 203, 208 or 210 or under paragraphs (3) through (6) of subsection (a), to an order or a suit for an injunction or order if—

"(A)(i) such an order or injunction has previously been issued against that railroad.

"(ii) both the prior and the present order or injunction are based on substantially the same violations or unsafe conditions, and

"(iii) the previously issued injunction or order has not been held invalid; or

"(B)(i) such a prior order against that railroad or prior claim against that railroad for such an order or injunction has been held invalid or denied by a final judgment on the merits, and

"(ii) the present and prior orders or claims for injunctions or orders are based on substantially the same violations or unsafe conditions.

"(d) For purposes of subsection (c) of this section, violations or unsafe conditions to which a prior order or injunction is or was applicable shall not be considered to be the same violations or unsafe conditions which were the basis of the prior injunction or order if—

"(1) those violations or unsafe conditions continue or recur after the expiration of the prior order or injunction; or

"(2) new facts or circumstances appear or occur which justify a new, additional or modified order or injunction.

"(e) The Secretary shall promulgate rules or regulations designed to eliminate, insofar as practicable, duplication of administrative effort and institution of redundant proceedings in the exercise of the concurrent enforcement authority established by this title.".

Mr. SASSER. Mr. President, yesterday morning we read reports of yet another major derailment of a train carrying hazardous materials. This time 5,000 people in the Florida panhandle had to be evacuated from their homes to avoid toxic sulfur fumes.

This is just one more example of the immediate need for action to improve the safety of our railroads.

Last year, 16 people died in my home State of Tennessee because of a similar accident in Waverly. Fortunately, it appears that there were no fatalities in this latest accident. But nonetheless, thousands of lives are disrupted and again the tens of thousands of Americans who live near railroad tracks are reminded of the constant danger.

Mr. President, today I join in the introduction of one piece of needed legislation. This legislation amends the Railroad Safety Act of 1970 to provide more State enforcement of railroad safety regulations.

Shortly after the tragedy in Waverly, I held hearings to investigate railroad safety problems. Among the startling facts I learned at that time was that the number of derailments in Tennessee and in many other States has actually increased since passage of the Railroad Safety Act of 1970.

This fact does not indicate the failure of the act, but a deficiency. When that bill was approved, the Federal Government was given authority for enforcing railroad safety standards. This improved the quality of safety enforcement in many States. But, in Tennessee, where a good safety inspection program was already underway, the act served to lower standards.

The legislation I join in introducing today would return some safety responsibility to the States. It would not lessen the Federal role in safety enforcement but, rather, would return to the States the authority to inspect the conditions of railroads within their boundaries. It would allow the States to go to Federal court to enforce safety rules that have been established by the U.S. Department of Transportation.

The problem is that the Federal Government has not been able to provide the needed manpower to enforce safety standards. In Tennessee, there are 10 railroad inspectors who have little or no authority to enforce the law. This bill would allow them to aid the Federal Government. It would return to them the power to see that railroads operating in their State are safe.

Mr. President, this legislation will not put an end to tragic railroad accidents, but it may decrease the number. It is a much-needed beginning.

By Mr. CHAFEE:

S. 935. A bill to amend the Internal Revenue Code of 1954 to provide an election to depreciate property eligible for the investment credit over 5 years, to allow the amortization of pollution control equipment over 2 years, and for other purposes; to the Committee on Finance.

CAPITAL COST RECOVERY ACT OF 1979

Mr. CHAFEE. Mr. President, among economists, business leaders and Government policymakers, there is a rising consensus that the slow growth of capital investment is putting a serious drag on our economy. While strong consumer demand financed by a startling rise in consumer debt has fueled the long recovery from the 1974–75 recession, the supply side of our economy has not been strengthened by a comparable increase in capital formation. Consequently, we are seeing signs that full productive capacity has been reached and the economy is overheating, exacerbating our already-severe inflation rate.

A recent survey which I took of corporate leaders around the country has revealed almost universal concern about three closely related problems: Inflation, lagging productivity growth, and slow rates of capital investment. And from the people who have given thought to these problems, there is also widespread agreement that accelerating the rates of depreciation for corporate investments is the single most needed change in our tax laws.

The yield anticipated from such a change in terms of increased capital investment, improved industrial productivity, more stable prices, higher employment, and a rise in real earnings for workers would go far toward easing our current economic dilemma. By rapidly accelerating the depreciation schedules now allowed for productive equipment and Government mandated antipollution investments, we can provide the best possible stimulus to this chain of economic activity.

Today, I am introducing the Capital Cost Recovery Act of 1979. It is a serious proposal, Mr. President, and one which will give my Senate colleagues a concrete starting point for the task of enacting accelerated depreciation legislation during the 96th Congress. The bill is simple in concept and will be flexible in use. It should be equally attractive to big businesses and to small businesses. The act permits rapid depreciation according to the following guidelines:

First. Allows the depreciation over a period of not less than 5 years of tangible personal property (and certain other tangible property) which is eligible for the investment credit.

Second. Leaves current rules for depreciation of shorter lived equipment (3 years or less) unchanged.

Third. Leaves rules for application of the investment tax credit unchanged for the above. (One-third credit for depreciation over 3 and 4 years, two-thirds over 5 and 6 years, and full investment credit for depreciation in 7 or more years).

Fourth. Allows the depreciation of Government-mandated pollution equipment in 2 years with the full investment tax credit.

Fifth. Allows use of standard accelerated depreciation accounting methods currently provided by law (declining-balance, sum of the years-digits, etc.).

Why should we promote accelerated depreciation? Many people will ask, "Why should we give business another tax break?"

First of all, I think most people have recognized that Federal tax policy has a direct effect on corporate as well as private personal behavior. Over the past 30 years, capital formation has responded strongly to impetus given by enactment of the investment tax credit and adoption of the more rapid asset depreciation range system (ADR). Likewise, it suffered during periods in the mid-1960's and early 1970's when the credit was suspended or repealed. This is well documented in a report presented in March before a House Ways and Means subcommittee by the National Association of Machine Tool Builders.

The association, whose members account for 90 percent of the machine tool production in the United States, stated:

> At the outset, we commend to this subcommittee the concepts of the investment tax credit and accelerated depreciation methods as engines of productive growth in the American economy. They have been, and continue to be extremely effective methods of encouraging critically necessary capital investment in the U.S. economy.

Second, it must be understood that while accelerated depreciation alters the timing of a firm's tax payments, it does not alter the absolute amount of taxes paid. Depreciation deductions for a machine, whether taken over 5 years or 10 years, still yield the same amount of deductions. In the end, taxes are simply deferred.

Depreciation of machines and equipment is a cost of doing business—not a tax break. It allows for the recovery of capital expenditures to replace obsolete property. A realistic depreciation schedule is essential to assuring American industry that the cash flow needed for the purchase of new capital goods will be available. One of the best results of more rapid depreciation allowances is that a larger portion of the required funds can be generated internally. This takes pressure off market interest rates and makes investing less risky to a firm.

Third, because inflation is high, the real value of depreciation allowances has declined to the point where it no longer approximates the recovery cost of capital expenditures. The effect of this is that depreciation costs are understated and taxable profit levels are overstated. Dr. Martin Feldstein, president of the National Bureau of Economic Research stated in January that:

> Corporations paid a tax of $35 billion on phantom profits because of understated depreciation. This caused a 30-percent increase in their total tax bill, a tax increase equal to nearly one-third of current after-tax profits.

This tax on so-called "phantom profits" is clearly a disincentive to further investment. The Capital Cost Recovery Act will go a long way toward correcting this inequity by permitting a taxpayer the option of writing off his capital investments in as few as 5 years. Of course, he may elect a longer schedule with the full investment tax credit if that suits the company's plans better.

Fourth, increased capital investment resulting from accelerated depreciation would have a beneficial impact on worker productivity. As the 1979 Economic Report of the President illustrates, the rate of productivity growth in the United States has declined dramatically in recent years, making it increasingly difficult to bring inflation under control. From 1948 to 1965, the average U.S. productivity growth was 2.6 percent per year. From 1965 to 1973, it was 2 percent. By 1978, the private sector (nonfarm) productivity gain was less than 1 percent—well below that of any of our major industrial competitors and trading partners.

Capital investment has lagged so far during the 1970's that, in real dollar terms, the asset value in many American industries is below its 1971 peak. We are unconsciously and involuntarily consuming our capital stocks. In a recent survey of 16 of its more prominent members, the National Association of Machine Tool Builders estimated that staying even since 1971 would have required twice the capital investment that has been made to date. But given inflation and our current depreciation policies, that would have been impossible.

I would like to take a moment to relate to you just what I have heard from some of our Nation's business leaders:

> I strongly urge that allowable depreciation be changed to equal replacement values so that we can stop consuming our nation's capital stock. David P. Reynolds, Chairman & Chief Executive, Reynolds Aluminum, Richmond, Virginia.
>
> Traditionally, the increase in capital per worker has been a major reason for improving productivity. Much of the capital investment that has taken place in recent years has gone into pollution abatement and similar equipment, which has desirable results but which does not contribute to additional measurable output. Inflation has acted to reduce the amount of capital investment as cash flow from depreciation accounts has been inadequate for replacement at current prices. H. J. Haynes, Chairman, Standard Oil Company, San Francisco, California.
>
> Most countries in the world have more liberal depreciation than do we in the United States. With technology moving as rapidly as it is today, our rates are out of date. We favor five-year recovery on machinery write-off. William A. Klopman, Chairman,

Burlington Industries, Inc., Greensboro, N.C.

Investment credit and rapid depreciation schemes work because the benefit gets cranked directly into return on investment calculations. In many cases, these incentives makes the difference between "go" and "no go" decisions. . . . I am noting a benefit that creates jobs. Richard A. Lenon, International Minerals and Chemical Corporation, Northbrook, Illinois.

Jobs. We are talking about more jobs, a better standard of living for all Americans, and a better attitude of our Government toward the people and institutions that are our productive resources.

My fifth and final discussion point, what the Washington establishment calls "the bottom line," comes down to dollars and cents. A February 1979 study prepared for the Committee for Effective Capital Recovery by Data Resources, Inc., analyzes the impact on the U.S. economy of a proposal similar to the one I am making today. Assuming reduction of the tax allowable lifetime on equipment to 5 years, and on plant to 10 years, with no change in the current rules for depreciation, Data Resources estimates a resulting average increase of $15.8 billion of real business investment per year from 1979 to 1981. This breaks down to $4.6 billion for plant and $11.2 billion for equipment, yielding as well a 0.6 percent decline in national unemployment.

As you will recall, my legislation does not include a provision for reducing useful lives of plant and other real property. There are a number of reasons for this: One is that Congress provided the full investment tax credit for the rehabilitation of older existing commercial and industrial structures when it passed the Revenue Act of 1978. Allowing more rapid writeoffs for new plant would work at cross-purposes with the rehabilitation credit whose intent is to stem the decline of our older cities and the general exodus of business from inner city areas. Another prominent reason for excluding plant is simply cost in terms of lost revenues to the Treasury. At a time when all expenditures and tax cuts are being carefully scrutinized, as they should be, it can only make sense to put your money where it will do the most good.

In my view, accelerated depreciation for equipment and antipollution expenditures will get the biggest bang for the buck.

While we do not have firm revenue estimates, preliminary figures on the revenue loss to Treasury resulting from this legislation show the following:

[Billions of dollars]

A. Depreciation of Business Property:

FY 1980	−.7
FY 1981	−2.9
FY 1982	−5.4
FY 1983	−6.6
FY 1984	−8.3

B. Depreciation of Pollution Control Equipment:

FY 1980	−.5
FY 1981	−1.5
FY 1982	−1.9
FY 1983	−1.9
FY 1984	−1.9

The need to enact this legislation is critical. It is a strong proposal, targeted to the sectors of our economy that need support, and I urge my colleagues to join me in making a commitment to its success during the 96th Congress.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Capital Cost Recovery Act of 1979".

Sec. 2. (a) Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) 5-Year Useful Life For Certain Section 38 Property.—

"(1) In general.—In the case of any eligible property, the taxpayer may elect, for purposes of computing the depreciation deduction allowed by subsection (a), to treat such property as having a useful life of not less than 5 years.

"(2) Half-year convention required.—If the taxpayer elects under paragraph (1) to have this subsection apply with respect to any eligible property during the taxable year, all eligible property placed in service by the taxpayer during the taxable year (regardless of whether this subsection applies to such property) shall be treated as having been placed in service on the first day of the second half of the taxable year.

"(3) Eligible property.—For purposes of this subsection, the term 'eligible property' means section 38 property (within the meaning of section 48(a)) other than property described in subpargraphs (C), (D) and (E) of section 48(a)(1)

"(4) Election.—

"(A) In general.—An election under this subsection shall be made at such time and such manner as may be prescribed by the Secretary by regulations.

"(B) Termination.—A taxpayer may terminate, in such manner as may be prescribed by the Secretary by regulation, any election made under this subsection for any taxable year at any time on or before the earlier of—

"(i) the date on which he files a return of tax for such year, or

"(ii) the due date for filing such return (determined with regard to any extensions of time for filing).

"(C) Revocation.—Subject to any period of limitations, a taxpayer may revoke any election in effect under this subsection for any taxable year, but only with the consent of the Secretary.".

(b) Subsection (d) of section 179 of such Code (relating to additional first-year depreciation allowance for small business) is amended by adding at the end thereof the following new pargraph:

"(10) Coordination with section 167(r).—Section 179 property shall not include any property with respect to which an election is made under section 167(r).".

Sec. 3. (a) Subsection (a) of section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) is amended by striking out "60 months" and inserting "24 months".

(b) Subsections (a) and (b) of such section 169 are each amended by striking out "60-month" and inserting "24-month".

(c) Paragraph (4) of section 57(a) of such Code (relating to items of tax preference) is repealed.

Sec. 4. The amendments made by this Act shall apply to property placed in service on or after the date of enactment of this Act.

By Mr. JACKSON (for himself, Mr. Bayh, Mr. Bumpers, Mr. Church, Mr. Durkin, Mr. Eagleton, Mr. Kennedy, Mr. McGovern, Mr. Metzenbaum, Mr. Nelson, Mr. Proxmire, Mr. Riegle, Mr. Sasser, and Mr. Stevenson):

S. 936. A bill to extend the authority under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Jackson when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. MATHIAS:

S. 937. A bill to establish a Cabinet-level committee to coordinate programs to increase exports; to the Committee on Governmental Affairs.

S. 938. A bill to revise section 1 of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

S. 939. A bill to exempt certain motor vehicle transportation by or for maritime carriers in terminal areas; to the Committee on Commerce, Science, and Transportation.

S. 940. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that officers of organizations or groups sponsoring foreign business related meetings verify certain activities of individuals attending such meetings; to the Committee on Finance.

● Mr. MATHIAS. Mr. Presdent, the United States is blessed with bountiful raw materials and an affluent domestic market which has helped us become the world's leading industrial power. But day by day, the U.S. position in world trade is slipping. We are no longer even self-sufficient.

American exports in 1978 were only 6.7 percent of the gross national product (GNP) while imports stood at 8.4 percent of GNP. Other major industrial nations in the world generally pay for the goods they import by what their exports earn.

The U.S. share of international commerce has decreased from 27.7 percent in 1958 to 19.3 percent in the first half of 1978. More than half of our 1978 trade deficit of $34 billion can be traced to the decline in U.S. manufacturing and agricultural trade. We have got to turn this situation around.

Our trade deficit has led to greater inflation, a dollar bleeding to death in world markets and a decline in the American standard of living. Exports are critically important to our economy—one of every five production jobs in this country is involved with exports, one of every third dollar of U.S. corporate profits comes from international activities and exports now contribute more to our GNP than private corporate investment does. Considering the enormous amount of Federal assistance aimed at smaller sectors of our economy, it seems ironic that our $140 billion-a-year export sector has received so little attention.

Industry attributes much of the blame for our poor export performance to the maze of disincentives to trade which the Federal Government has built up over the years. Instead of being a catalyst to export promotion, the Government has raised barriers to U.S. business seeking overseas markets.

It is time we act to remove those barriers to trade and enact measures that will have a positive impact on our export efforts.

On March 26, I sponsored a workshop on national export policy in Baltimore to see if we could not come to grips with some of the problems that plague us in international competition. That workshop gave many business people—those who now export and those who would like to export—a chance to sound off about what is wrong with our current approach to export policy and what should be done to change it. In setting up this workshop, I had a great deal of cooperation from the executive branch and several officials of the Carter administration participated.

As a result of the workshop discussions and after consulting with other experts in the field, I now introduce several bills that I think will at least get us moving in the direction of a coherent, effective export promotion program.

CABINET-LEVEL FOREIGN TRADE EXECUTIVE COMMITTEE

As a start, I introduce a bill that would establish a standing Cabinet-level executive committee that would report on a monthly basis to the Congress on programs undertaken to increase exports and the results they have had, and that would make legislative recommendations to the Congress. Part of the blame for our unfavorable balance of trade must be assigned to a lack of leadership and coordination of the many departments and agencies sharing jurisdiction over export-related programs. Too often these programs work at cross-purposes simply because there is no sensible communicating going on. This bill, if passed, will help solve that problem by mandating a degree of coherence and accountability in our export effort.

UNFAIR FOREIGN COMPETITION ACT OF 1979

On the related matter of unfair trade practices, I introduce a bill that would amend the antitrust laws to include dumping within the definition of behavior that is prohibited by those laws. I think that dumping is one of the worst anticompetitive acts, and we should give both the Antitrust Division and injured American companies the right to sue for treble damages under the antitrust laws. In the definition of dumping, I include both selling below cost of production and selling in the U.S. market below the price in the home markets.

Currently the antidumping laws are enforced by the Treasury Department and I have heard a lot of complaints about the way they are enforced. The bill would allow injured U.S. manufacturers themselves to sue the foreign dumpers, instead of sitting on their hands waiting for the Treasury Department to act.

SEAPORT MOTOR VEHICLE EXEMPTION

In an effort to eliminate unnecessary regulation that hurts our export effort, I also introduce a bill that will exempt the commercial zones and terminal areas of all port cities in the United States from the regulations of the Interstate Commerce Commission. The bill would revise the Interstate Commerce Act in order to exempt this motor vehicle transportation by shippers in port areas. Transportation requirements in these areas are completely unlike those on the open road, and I think this exemption would be a move in the right direction.

FOREIGN CONFERENCE ATTENDANCE SLIP ELIMINATION

There are also minor irritants that must be removed from the path of Americans doing business abroad. Therefore, I introduce a bill that will rescind the statutory requirements that U.S. business executives and professionals who attend business meetings abroad submit to the Internal Revenue Service atendance slips signed by the convention organizers to prove that they attended the meetings. The requirement is a constant and unnecessary source of embarrassment to U.S. citizens, and both Treasury Secretary Blumenthal and Ambassador Strauss applaud the bill. These people are our overseas sales force. If we trust them to do our business around the world, then we should treat them like the professionals they are.

Several weeks ago, I also introduced, with Senator JAVITS of New York and Senator DANFORTH of Missouri, a bill that would expand the Webb-Pomerene exemption to cover services. Currently, as you know, it covers only manufactured goods.

These bills are only a small beginning. If export promotion is to become a top national priority—which it must—we need a team effort, with the Federal Government removing unwarranted barriers and substituting creative incentives to export, and with business making a greater and more aggressive commitment to exports.

Only with that kind of a team effort can we get back to the day when all over the world people could say with pride and confidence "It's sound as a dollar." ●

By Mr. HATFIELD (for himself and Mr. LEAHY):

S. 941. A bill to modify and improve the financial incentives provided in part D of title IV of the Social Security Act with respect to State programs established under such part for the collection of support obligations assigned under part A of such title; to the Committee on Finance.

● Mr. HATFIELD. Mr. President, today I am introducing (for myself and Mr. LEAHY) an amendment to the Social Security Act which would permit all States to retain 15 percent of the support collected on public assistance cases as an incentive for producing such collections.

The current law, by an inadvertance in the framing, omitted all but about 10 States, including Oregon and Vermont, from this incentive. So, I am not proposing a new program. This bill simply would extend this benefit to all States equally.

The result of this inequity has been that while Oregon excels in collection activity and its production of a profit for not only the State but for the Federal Government as well it has done so without the benefit of literally millions of dollars of incentives which are provided to other States.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the heading to section 458 of the Social Security Act is amended by inserting "States and" after "to".

(b) Section 458(a) of such Act is amended—

(1) by inserting "(1)" after "(a)",

(2) by inserting "or a State on its own behalf makes," after "another State,",

(3) by striking out "or such other State" and inserting in lieu thereof ", such other State, or such State (in the case of a State which on its own behalf makes such enforcement and collection)", and

(4) by adding after and below such subsection (a) the following new paagraph:

"(2) No payment under the preceding provisions of this section shall be made to a State from amounts collected on its own behalf, or to a political subdivision of a State on account of amounts collected (disregarding amounts collected on behalf of any State other than the State of which such political subdivision is a part) by it—

"(A) during the fiscal year beginning October 1, 1979, and during the succeeding fiscal year, unless the total of the amounts so collected by such State or, by such political subdivision, as the case may be, during such year exceeds the total of the expenditures incurred during such year by such State, or by such political subdivision, as the case may be, in collecting such amounts, and

"(B) during each fiscal year (commencing with the fiscal year which begins October 1, 1981), unless the Federal share of the total of the amounts so collected by such State, or by such political subdivision, as the case may be, during such year exceeds the Federal share of the total of the expenditures incurred during such year by such State, or by such political subdivision, as the case may be, in collecting such amounts.".

(c) Section 458 of such Act is further amended by adding at the end thereof the following new subsections:

"(c) Any amounts payable to a State or political subdivision thereof pursuant to the preceding provisions of this section shall be paid on the condition that such amount shall be employed—

"(1) first, to reimburse the State, or political subdivision thereof, as the case may be, for the non-Federal share of the expenditures incurred (during the period with respect to which such amount became payable) in carrying out, in the case of a State, its State plan (approved by the Secretary as meeting the conditions required by section 454), and, in the case of a political subdivision, such a State plan of the State of which it is a part, and

"(2) so as to allocate, of any of such amount which is in excess of the sum needed to meet the requirement imposed by paragraph (1), not less than 50 per centum thereof to enhance, improve, or expand the operation or scope of such plan by increasing, for the first fiscal year which begins after such amount is so allocated, in the case of a State, the amount of non-Federal funds expended for the purposes of carrying out such plan, and, in the case of a political subdivision, the amount of non-Federal funds expended for the purpose of carrying out so much of such plan as is administered by such political subdivision, over the amount of the non-Federal funds expended for such purpose for the preceding fiscal year (and the amounts so expended by a State or political subdivision shall be included as amounts expended by the State for purposes of section 455).".

"(d) No payment under this section shall be made to any State or political subdivision thereof with respect to any amount collected by it unless such amount was collected in accordance with the State plan of the State approved by the Secretary as meeting the conditions required by section 454.".●

By Mr. DURKIN:

S. 942. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws; to the Committee on Finance.

Mr. DURKIN. Mr. President, the bill I am introducing is designed to rectify one of the most glaring inequities that now exists in the U.S. Tax Code. This inequity has cost the U.S. Treasury billions and has contributed to the excessive profits which the oil companies now enjoy. And it has meant higher taxes for every American citizen.

My bill amends the Internal Revenue Code of 1954 to permit the bringing of a class action suit seeking judicial review of the validity of foreign tax credits. This legislation will allow some long overdue scrutiny of a tax policy which runs directly counter to the interests of the American taxpayer.

Of all the loopholes in the intricately complex jumble of tax codes and regulations, this must be one of the boldest. In the early 1950's the major oil companies, with the support of the State Department, persuaded the Treasury Department to agree that the royalty payments they were making to foreign countries constituted an income tax, and could therefore be deducted dollar for dollar from U.S. income taxes. Such tax credits claimed by U.S. petroleum companies operating abroad cost the U.S. Treasury an estimated $1.2 billion annually and some $7 billion since 1974.

Congress decided in 1976 to end these credits, but due to the power of the oil companies and bureaucratic inertia, they continued for a long time after Congress made its policy decision. My bill opens up to public challenge the process by which the Internal Revenue Service interprets congressionally mandated policy on foreign tax credits. The protection of these IRS rulings from public challenge has allowed the crediting of foreign taxes to become, in reality, a U.S. Government subsidy of the major petroleum companies operating abroad, to the detriment of both the domestic producer and the American consumer.

The existing laws reinforce this problem since parties aggrieved by this loophole cannot presently challenge them in U.S. district courts. This legislation gives the American people what they have deserved for a long time—a mechanism to halt an outrageous bias toward a small segment of American industry.

Recent events indicate the need to act decisively in this area. Public testimony presented before the House Subcommittee on Commerce, Consumer, and Monetary Affairs of the Government Operations Committee during March of this year, indicate that the administration's top tax advisers, together with officials from the Department of Energy, have participated in meetings with Chinese officials, designed to provide American expertise in formulating a Chinese tax on its domestic oil production. In light of existing IRS policy concerning foreign tax credits, this simply means that the U.S. Government is advising a foreign nation on the best way to take money out of our Treasury and in addition, increase oil and gas prices for the American consumer. I suspect that most of my colleagues would agree that this action is not in the best interests of the United States.

I ask unanimous consent that an article from the Washington Star describing these high level machinations be inserted in the Record at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DURKIN. Indeed, if the Treasury Department is actually fronting for American oil companies planning to operate in China, then the American people deserve nothing less than their right guaranteed under the equal protection clause of the Constitution, to challenge these policies in court.

This legislation is also designed to severely limit the current practice of so-called credit carryover, which permits credit earned in the year of low liability to be saved and reapplied in a future year. Under my bill, foreign tax credits saved up during a period where a court has determined the use of credits inconsistent with the law will be disallowed, giving the U.S. Treasury a chance to recoup at least a small part of the money that is lost annually as a result of improper adherence to the law.

Mr. President, oil companies in this country have been reaping staggering profits while the American consumer has been suffering. In addition, the foreign tax credit provisions have been giving them even more unwarranted money. The foreign tax credit for the oil companies has to end once and for all, and I urge my colleagues to support this legislation which will truly end it.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter B of chapter 76 of the Internal Revenue Code of 1954 (relating to proceedings by taxpayers and third parties) is amended by redesignating section 7430 as section 7431 and by inserting after section 7429 the following new section:

"Sec. 7430. Declaratory Judgments Relating to Certain Tax Rulings.

"(a) Creation of Remedy.—In the case of an actual controversy involving the issue of whether a tax ruling is in accordance with the provisions of this title or any other law, upon the filing of an appropriate pleading, the United States Tax Court or any United States district court may make a declaration with respect to such issue. Any such declaration shall have the force and effect of a decision of the Tax Court or a final judgment or decree of the district court, as the case may be, and shall be reviewable as such.

"(b) Tax Ruling.—For purposes of this section—

"(1) In general.—Except as provided in paragraph (2), the term 'tax ruling' means any interpretation by the Secretary of a provision of this title or of any other Federal law related to internal revenue taxes if such interpretation—

"(A) is contained in a regulation, instruction, or procedural guideline prescribed by the Secretary; or

"(B) is contained in a written determination (as defined in section 6110(b)(1)) which is open to public inspection under section 6110.

"(2) Certain matters not reviewable.—The term 'tax ruling' does not include any rule, regulation, or other statement relating to agency organization, procedure, or practice.

"(c) Persons Who May Bring Action.—

"(1) In general.—A petition involving any tax ruling may be filed under subsection (a) by—

"(A) any United States person (as defined by section 7701(a)(30)) whose trade or business is placed at a competitive or other disadvantage by such ruling; or

"(B) any taxpayer, if such ruling results in a loss of revenue to the United States Treasury.

"(2) Interested parties may not bring action.—No petition involving any tax ruling may be filed under subsection (a)—

"(A) by any person who was a party to the proceedings with respect to which such ruling was issued; or

"(B) by any organization, if a substantial number of the members or shareholders of such organization are persons described in subparagraph (A).

"(3) Intervention.—Any person—

"(A) who was a party to the proceedings with respect to which a tax ruling was issued; or

"(B) who under subsection (c) would be eligible to bring an action under this section involving such ruling;

may, upon timely application, be permitted to intervene in any action under this section involving such ruling. The court may limit the number of persons who may intervene in such action, or may limit the extent of their participation in such action, if the court finds that such a limitation is necessary to prevent undue delay or prejudice to the adjudication of such action.

"(d) Notice to the Secretary.—No action may be brought under subsection (a) with respect to any tax ruling unless—

"(1) at least 90 days before the filing of a petition under this section, the petitioner has submitted to the Secretary a statement of his intent to bring an action under this section and an explanation of his position with respect to such ruling; and

"(2) before the filing of such petition, the Secretary does not revoke such ruling.

"(e) notice.—In the case of any action brought under this section with respect to any tax ruling—

"(1) the Secretary shall publish a notice, in the same manner as the Secretary publishes notice of proposed regulations, that such action has been brought; and

"(2) if such ruling was issued in response to a request by any person, the Secretary shall send a notice that such action has been brought to the last known address of such person, by registered or certified mail.

"(f) Judgment.—

"(1) Judgment for costs.—If the persons bringing any action under this section prevails in such action, the court may award such person a judgment for the costs of such action, including fees and expenses of attorneys.

"(2) MANNER IN WHICH DECLARATION TAKES EFFECT.—The court shall provide the manner in which any declaration in an action under this section is to take effect.

"(g) DENIAL OF CREDIT CARRYOVER.—No amount shall be allowed as a credit against the tax imposed by chapter 1 in any taxable year ending after the date of a declaration under this section that a tax ruling is not in accordance with law, if such amount—

"(1) is a credit carryover from a taxable year ending before the date of such declaration, and

"(2) would not have been allowed as a credit for the taxable year from which it is carried over if such declaration had been in effect during such taxable year.

"(h) TAX LIABILITY.—For purposes of this section, the term 'tax liability' means the liability of any person for any tax imposed by this title."

(b)(1) Sections 7451, 7459(c), and 7482 (b)(1)(E) of such Code are each amended by striking out "7428" and inserting in lieu thereof "7428 or 7430".

(2) Paragraph (1) of section 7482(b) of such Code is amended by striking out "7428" in the last sentence and inserting in lieu thereof "7428, 7430".

(3) The table of sections for subchapter B of chapter 76 of such Code is amended by striking out the last item and inserting in lieu thereof:

"Sec 7430. Declaratory judgments relating to tax rulings.
"Sec. 7431. Cross references."

(4) Subsection (e) of Section 1346 of title 28, United States Code, is amended—

(A) by striking out "or section 7428" and inserting in lieu thereof ", section 7428"; and

(B) by inserting ", or section 7430" after "District of Columbia)".

(5) Section 2201 of title 28, United States Code, is amended by striking out "section 7428" and inserting in lieu thereof "section 7428 or 7430".

(c) The amendments made by this Act shall take effect on the date of the enactment of this Act.

EXHIBIT 1

U.S. TOLD CHINESE HOW TO TAX OIL, HOUSE UNIT TOLD

(By Leonard Curry)

The Carter administration's top tax official and three assistants told a Chinese delegation last week how to impose a Chinese tax on U.S. oil companies that would reduce revenue for the U.S. government and raise prices for American consumers.

Donald C. Lubick, assistant Treasury secretary for tax policy, said the Chinese kept the only records of the March 5 meeting at the Treasury Department.

Lubick said the only evidence he retains of the meeting, beyond an entry in his appointment book, is a list of names written in Chinese that the Chinese delegation left with him.

But Lubick insisted that the meeting was proper. Lubick said the State Department initiated the seminar, which dealt with the U.S. foreign tax credit as it applies to petroleum companies.

Although the credit reduces revenue for the U.S. government by allowing oil companies to apply foreign taxes against U.S. liabilities and indirectly influences consumer prices, Lubick said the seminar was necessary for the purposes of expanding sources of U.S. petroleum supplies.

China has no income taxes on its own citizens, said Rep. John Conyers, D-Mich., and initiated the discussion with the United States on the recommendation of Exxon, Phillips, Pennzoil and Union, which expressed concern about retaining the benefits of federal tax credits on Chinese petroleum. If China did not tax U.S. companies taking its oil, then all costs of receiving Chinese oil would be deducted as an operating expense instead of a more profitable tax credit.

Lubick said the international oil companies received $18.4 billion in foreign tax credits against U.S. income in 1976, the latest year for which data is available. That was three-fourths of all foreign tax credits taken by American companies that year and about 40 percent of the value of all imported oil.

Lubick made the disclosure in the closing moments of a public hearing yesterday before a House Government Operations subcommittee. He said that a seminar was held in his third-floor suite at the Treasury Department because "China asked how the tax laws worked."

"We have done nothing other than to tell them what law is in the book," said Lubick. ". . . It was a seminar."

"Don't they have to impose taxes on their own citizens" to make a tax on oil companies legal? Conyers asked.

"It's a question of how to levy taxes on foreign companies doing business in China," Lubick said.

"What is our government's position?" Conyers inquired.

"We took no position," Lubick responded.

Rep. Benjamin Rosenthal, D-N.Y., the subcommittee chairman, asked Lubick to produce minutes of the meeting with the Chinese to enable the subcommittee to form an opinion on what transpired.

"There is one piece of paper in Chinese," said Lubick. ". . . There was a lot of talking and no writing."

"It's absolutely impossible," said Rosenthal. "A meeting with high officials of the Chinese government and no one took notes." Lubick nodded that Rosenthal's interpretation was correct.

Before Lubick testified, the subcommittee released a congressional study that showed the Energy Department "had made little or no contribution to the administration's tax policies affecting energy."

Lubick denied that the Energy Department was not consulted on tax problems. He said Treasury and Energy officials met frequently after 6 p.m. at the Executive Office Building to review the consequences of tax developments on energy policy.

But under questioning, Lubick could identify only one Energy tax specialist, Gina Despres, who had been involved in any discussions. Despres said she had never attended the evening meetings.

Assistant Energy Secretary Alvin L. Alm said he had participated in the night sessions, but conceded that he was not a tax expert. Alm and Lubick also said they could not point to any definitive tax issue affecting energy conservation that resulted from the meetings.

Rosenthal said their testimony contradicted the General Accounting Office study. Conyers asked Lubick to produce evidence that the meetings were of substance.

"You told us about night meetings and oral commitments on policies that might not develop," Rosenthal said.

"There is a marked suspicion that tax policy impacts on energy policy," Conyers said. ". . . I am surprised that your aides would let you come here so unprepared."

By Mr. MATHIAS:

S. 943. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for medical and legal malpractice liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers for malpractice insurance, and for other purposes; to the Committee on Finance.

MEDICAL AND LEGAL PROFESSIONAL LIABILITY INSURANCE TAX EQUITY ACT OF 1979

● Mr. MATHIAS. Mr. President, I am introducing today the Medical and Legal Professional Liability Insurance Tax Equity Act. This bill will allow doctors, lawyers, and other professionals in the health care and legal fields to establish tax exempt self-insurance reserve trust funds to help protect themselves against malpractice liability.

Simply put, this bill gives the same status to professional liability reserve trust fund payments that insurance premiums now enjoy. Professionals would be able to write off payments to the tax-exempt trust funds as business expenses. In addition, the interest accumulating to the fund would be tax-exempt.

The tax code permits a business deduction for the payment of insurance premiums as a cost of doing business, but many professionals have had to buy policies with extremely high deductibles in order to get any insurance at all. A single malpractice suit could ruin many professionals because they would have to pay much of the initial cost of the suit.

This bill is a limited one in two basic ways. First, it is restricted to health and legal professionals, generally, and, second, there is a solid cap on the amount of deductible money that can be put into the self-insurance fund each year. It is imperative that, in protecting the tax-paying professional, we also take into account the concerns of the Treasury Department. This bill limits contributions to the self-insurance fund to no more than 5 percent of the taxpayer's gross annual income. I think that while we should provide adequate first-layer self-insurance to professionals, we want to make sure that we do not witness an unacceptable run on the Treasury in the form of tax deductions for self-insurance trust funds.

As I have mentioned before, a study by the RAND Corp. showed that between 19 and 25 percent of the physicians practicing in southern California in 1976 had no commercial insurance coverage. The best estimate available was that between 10 and 15 percent of all doctors in the country were practicing without any insurance.

On March 13, 1979, I introduced S. 634, a bill to provide for trust funds identical to those in the present bill for manufacturers and the construction industry. But I want to stress the importance of extending the benefits of this concept to professionals. They are all finding it increasingly difficult to purchase liability insurance at any price. This bill would help those professionals who are being forced to the wall by rising malpractice insurance rates. I am sure that as professionals set up self-insurance reserve funds they will be able to take higher deductible policies and be able to afford higher ceilings on the commercial policies that they will buy. By providing doctors and lawyers with this mechanism to establish and maintain self-insurance funds, we will be helping to control costs in the insurance field.

Last year the Internal Revenue Code was amended, largely through the efforts of my distinguished colleague from Iowa (Mr. CULVER), to permit manufacturers to set aside after-tax dollars in reserve funds for product liability. That is a firm first step, but only the first. The Department of Health, Education, and Welfare (HEW) found recently that partial or total self-insurance for hospitals would provide a significant chance to reduce and control rising hospital costs. And in April 1977, HEW's Bureau of Health Insurance authorized self-insurance for nonprofit or public hospitals. But the more than 1,000 commercial hospitals in the United States are prevented from self-insuring under that authorization.

It is unfair to private business when the Government allows itself advantages that it forbids to the private sector. Commercial hospitals pay income taxes which public and nonprofit hospitals are exempt from, with the result that they cannot self-insure without using hard-earned after-tax dollars. And commercial hospitals are also discouraged from self-insuring because the IRS may penalize them for having undistributed dividends or unreasonable accumulations of funds.

This bill will help all health care providers, including commercial hospitals. It is time that Congress addressed the insurance issue, since it is one of the major contributors to skyrocketing hospital costs. This bill will provide a way to cut costs where they can be most easily cut without reducing the quality of service.

And finally, while legal malpractice insurance is nowhere near as great a problem as medical malpractice insurance, the premiums for legal malpractice insurance have risen dramatically in recent years. Costs are already at unacceptably high levels, and some types of policies are increasingly difficult to find in certain areas of specialty.

All in all, the problem of professional liability insurance is getting progressively worse. I am looking forward to hearings on both this bill and on S. 634, my products liability bill soon in the Finance Committee. I will shortly be sending out a letter to invite my colleagues to join me in sponsoring these important measures and hope they will do so.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Medical and Legal Professional Liability Insurance Tax Equity Act of 1979".

SEC. 2. (a) Section 165 of the Internal Revenue Code of 1954 (relating to losses) is amended by redesignating subsection (i) as subsection (j) and by inserting immediately after subsection (h) the following new subsection:

"(i) SELF-INSURANCE FOR CERTAIN MALPRACTICE LOSSES AND EXPENSES.—

"(1) GENERAL RULE.—In the case of a taxpayer engaged during the taxable year in a trade or business which involves the sale of any qualified medical or legal service, at the election of the taxpayer, there shall be allowed as a deduction under subsection (a) the sum of—

"(A) any amounts transferred by the taxpayer for such taxable year to his malpractice liability trust, including net income earned on the corpus of that trust and net gains realized from the sale or exchange of trust assets so transferred, and

"(B) any amounts paid by the taxpayer for such taxable year to a captive insurer with respect to the malpractice liability of the taxpayer.

"(2) DETERMINATION OF AMOUNT.—

"(A) IN GENERAL.—The maximum amount which may be taken into account under paragraph (1) by the taxpayer for the taxable year shall not exceed the smallest of—

"(i) 5 percent of the gross receipts of the taxpayer for such taxable year from the sale of qualified medical or legal services,

"(ii) the amount which when added to the sum of—

"(I) the balance of the taxpayer's malpractice liability trust, and

"(II) the net contributions of the taxpayer to his captive insurer, if any, equals 15 percent of the taxpayer's average yearly gross receipts from the sale of qualified medical or legal services during the base period, or

"(iii) $100,000.

"(B) BASE PERIOD.—For the purpose of this paragraph, the term 'base period' means the shorter of—

"(i) the period beginning with the most recent preceding taxable year for which the taxpayer elected to have this subsection apply which is immediately preceded by a taxable year for which the taxpayer did not so elect and ending with the current taxable year, or

"(ii) the 5-fiscal-year period of the taxpayer which ends with or within the taxable year.

"(3) DISALLOWABLE OF DEDUCTION FOR CERTAIN LOSSES.—In determining the amount of the deduction allowable for the taxable year under subsection (a) to a taxpayer who has elected to have this subsection apply, no deduction shall be allowed for any malpractice liability loss sustained by the taxpayer during the taxable year with respect to a qualified medical or legal service except to the extent that the aggregate amount amount of such losses from such service during such year exceeds the sum of—

"(A) the amount, at the beginning of such taxable year, in the malpractice liability trust of the taxpayer, plus

"(B) the aggregate amount of payments by the taxpayer to such trusts within the taxable year which are allowable as a deduction under paragraph (1).

"(4) USE OF FUNDS OF TRUST FOR INAPPROPRIATE PURPOSE.—

"(A) IN GENERAL.—If any amount in a malpractice liability trust is, during a taxable year, used for any purpose other than the purpose set forth in paragraph (9) (D) (iii)—

"(i) an amount equal to the amount so used shall be included in the taxable income of the taxpayer for the taxable year, and

"(ii) the liability of the taxpayer for the tax imposed by this chapter for such taxable year shall be increased by an amount equal to 10 percent of the amount so used.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to amounts paid out of any malpractice liability trust not later than the last day prescribed by law (including extensions thereof) for filing the taxpayer's return with respect to the tax imposed by this chapter for the taxable year to the extent the amount of such payment is not more than the excess of—

"(i) the aggregate amount of payments by the taxpayer to such account for the taxable year, over

"(ii) the maximum amount of such payments which may be deducted under paragraph (2).

"(5) TIME WHEN PAYMENTS TO ACCOUNT DEEMED MADE.—For the purposes of this subsection, a taxpayer shall be deemed to have made a payment to his malpractice liability trust on the last day of the preceding taxable year if the payment is made on account of such taxable year and not later than the last day prescribed by law (including extensions thereof) for filing the taxpayer's return with respect to the tax imposed by this chapter for such taxable year.

"(6) PAYMENTS TO TRUST TO BE IN CASH OR CERTAIN OTHER ITEMS.—No deduction shall be allowed under paragraph (1) with respect to any payment to a taxpayer's malpractice liability trust other than a payment in cash or in items in which the assets in said account may be invested under paragraph (10).

"(7) SPECIAL RULE FOR CONTROLLED GROUPS.—

"(A) IN GENERAL.—For the purpose of paragraph (2)—

"(i) in the case of any taxpayer who, during a calendar year, is a member of a controlled group of corporations, only gross receipts properly attributable under section 482 to such taxpayer for such year shall be taken into account; and

"(ii) the aggregate deductions under this subsection taken by all of the members of a controlled group of corporations for each taxable year shall be limited to the amount that would be permitted under paragraph (2) if all the component members of such group were considered to be a single taxpayer.

"(B) DEFINITION OF CONTROLLED GROUP.—For the purpose of subparagraph (A), the term 'controlled group of corporations' has the meaning given such term by paragraphs (1), (2), and (3) of subsection (a) of section 1563, except that the determination of whether a taxpayer is a component member of a controlled group of corporations at any time during a calendar year shall be made on December 31 of such year.

"(C) CONTROLLED GROUPS CONTAINING PERSONS OTHER THAN CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to groups of taxpayers under common control where one or more such taxpayers is not a corporation.

"(8) Election, termination, and withdrawal of funds.—

"(A) Making election; terminating account.—The Secretary shall prescribe by regulations—

"(i) the time, manner, and conditions under which the election under paragraph (1) shall be made by a taxpayer;

"(ii) the time, manner, and conditions under which a taxpayer may terminate his malpractice liability trust, and the funds accumulated therein, if any, may be distributed to the taxpayer without being subject to the penalty under paragraph (4); and

"(iii) the time, manner, and conditions under which a taxpayer may withdraw all, or any portion of, the funds from his malpractice liability trust without penalty under paragraph (4).

"(B) SPECIAL REQUIREMENTS.—The regulations prescribed by the Secretary regarding the election under paragraph (1) shall require the taxpayer to indicate whether he is electing to transfer all, or any portion, of (i) the net income earned on amounts previously transferred to his malpractice liability trust and (ii) the net gains realized on the sale or exchange of trust assets to that trust. Such amounts which the taxpayer does not elect to transfer to his malpractice liability trust may be withdrawn from that trust without penalty under paragraph (4).

"(C) Withdrawal of funds.—The regulations prescribed by the Secretary regarding the withdrawal of funds from a taxpayer's malpractice liability trust without penalty under paragraph (4) shall permit such withdrawals when the taxpayer has no outstanding malpractice liability claims or lawsuits asserted against him and no reasonable expectation that any malpractice liability claims and lawsuits will be asserted against him.

"(D) Inclusion in income.—Amounts distributed to a taxpayer from his malpractice liability trust without penalty under this paragraph shall be included in the net income of the taxpayer in the taxable year in which the distribution is made.

"(E) Transfers to another trust.—In the case of a transfer of an amount from a malpractice liability trust to another malpractice liability trust, the maximum amount of deduction allowable to the taxpayer under paragraph (2) shall, for the taxable year of the transfer, be increased by an amount equal to the amount included in the income of the taxpayer for such year under subparagraph (D).

"(F) Other regulations.—The Secretary shall prescribe such other regulations as may be necessary to carry out the purposes of this subsection.

"(9) Definitions.—For purposes of this subsection—

"(A) Qualified medical of legal service.—A service is a qualified medical or legal service with respect to any person if—

"(i) such person is licensed by a State (including the District of Columbia) to perform such service,

"(ii) such service is the provision of—

"(I) medical care (as defined in section 213(e)(1)(A)), or

"(II) legal services,

"(iii) such person may incur malpractice liability with respect to such service, and

"(iv) payments from the malpractice liability trust of the taxpayer may be made for the purposes described in subparagraph (D)(iii) with respect to such service.

"(B) Malpractice liability.—The term 'malpractice liability' means liability of the taxpayer for damages attributable to negligence in the performance of any qualified medical or legal services sold by the taxpayer.

"(C) Malpractice liability loss.—The term 'malpractice liability trust' means any loss attributable to the malpractice liability of the taxpayer.

"(D) Malpractice liability trust.—The term 'malpractice liability trust' means any trust—

"(i) established in writing which is created or organized under the laws of the United States or of any State (including the District of Columbia) by the taxpayer;

"(ii) the trustee of which is a bank (as defined in section 581) or another person (other than the taxpayer or any component member of a controlled group of corporations, within the meaning of paragraph (7), of which the taxpayer is a member) who demonstrates to the satisfaction of the Secretary that the manner in which that other person will administer the trust will be consistent with the purposes for which the trust is established;

"(iii) the exclusive purposes of which are (I) to satisfy, in whole or in part, the malpractice liability losses sustained by the taxpayer with respect to one or more qualified medical or legal services sold by the taxpayer, and the expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his malpractice liability, and (II) to pay the administrative and other incidental expenses of such trust in connection with the operation of the trust and the processing of claims against the taxpayer;

"(iv) the assets of which will not be commingled with any other property other than in a common trust fund (as defined in section 584) and will only be invested as permitted in paragraph (10); and

"(v) the assets of which may not be borrowed, used as security for a loan, or otherwise used by the taxpayer for any purpose other than those described in clause (iii).

"(E) Captive insurer.—The term 'captive insurer' means any insurer—

"(i) which is directly or indirectly—

"(I) wholly or partially owned or controlled by the taxpayer, or

"(II) wholly owned or controlled by an association of which the taxpayer is a member, and

"(ii) which is licensed to provide malpractice liability insurance to the taxpayer under the laws of a State of the United States, including the District of Columbia.

"(F) Net contributions of taxpayer to captive insurer.—The term 'net contributions of taxpayer to his captive insurer' means the sum of all premiums paid by the taxpayer to his captive insurer for malpractice liability insurance, less all amounts paid by his captive insurer for claims against the taxpayer for compensation with respect to the malpractice liability of the taxpayer.

"(10) Restrictions on investment of assets.—The assets of a malpractice liability trust may not be invested in anything other than—

"(A) public debt securities of the United States,

"(B) obligations of a State or local government which are not in default as to principal or interest, or

"(C) time or demand deposits in a bank (as defined in section 581) insured by the Federal Deposit Insurance Corporation, a savings and loan association insured by the Federal Savings and Loan Insurance Corporation, or an insured credit union (as defined in section 101(6) of the Federal Credit Union Act) located in the United States.

"(11) Deductibility of amounts paid to captive insurer as an ordinary and necessary business expense.—The deductibility, in whole or in part, of amounts paid by a taxpayer to a captive insurer for malpractice liability insurance coverage under this subsection shall not affect the deductibility of such amounts under section 162 (relating to ordinary and necessary business expenses), except that such amounts shall not be deducted more than once.

"(12) Discharge of indebtedness of taxpayer by malpractice liability trust.—For the purpose of section 61 (relating to gross income), the payment by the trustee of the taxpayer's malpractice liability trust of malpractice liability losses sustained by the taxpayer, expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his malpractice liability, or other expenses permitted to be paid by the trustee of such trust under paragraph (9), shall not be included in the gross income of the taxpayer."

(b) Accumulated Earnings Tax.—Paragraph (4) of section 537(b) of the Internal Revenue Code of 1954 (relating to the accumulated earnings tax) is amended to read as follows:

"(4) Liability loss reserves.—

"(A) Product liability loss reserves.—The accumulation of reasonable amounts for the payment of reasonably anticipated product liability losses (as defined in section 172(i)), as determined under regulations prescribed by the Secretary, shall be treated as accumulated for the reasonably anticipated needs of the business.

"(B) Malpractice liability trusts.—The accumulation of amounts in a taxpayer's malpractice liability trust (as defined in section 165(i)(9)(D)) shall be treated as accumulated for the reasonably anticipated needs of the business of the taxpayer to the extent such amounts were allowed as a deduction by reason of section 165(i)."

(c) Effective Date.—The provisions of this Act apply to taxable years beginning after September 30, 1979.●

By Mr. DURKIN:

S. 944. A bill to amend the Act of October 20, 1976, so as to remove certain population ceilings with respect to local governments with populations of less than 20,000 to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, the bill that I introduce today attempts to correct a serious deficiency in the way that communities with large blocks of federally owned land are granted payments in lieu of taxes.

One of the greatest assets in my home State of New Hampshire is the White Mountain National Forest. Almost 700,000 acres in size, the national forest comprises about 12 percent of the State's entire land mass and contains some of its most scenic and productive timberlands.

Over the years this Federal domain has served the public well. It has been able to accommodate both the recreational needs of numerous people in New Hampshire and New England as well as produce a steady supply of wood for the local timber industry.

While the White Mountain National Forest has added substantially to the quality of life in the region, its sometimes overwhelming presence has caused some consternation among a few of its smaller neighbors. I speak specifically of the small communities in New Hampshire that are virtually surrounded by national forest land, and, as a result, have no opportunity to expand their property tax base.

To its credit, the Congress recognized the revenue problems encountered by such communities. By passing the Payments in Lieu of Taxes Act of 1976, the Congress set down several formulas by which individual towns would be reimbursed for all Federal land within their boundaries.

However, the Congress also set population standards for receiving Federal payments in lieu of taxes. For instance, a town with a population of 300 can get a maximum in lieu of payment of $15,000, no matter how much Federal acreage lies within its boundaries. This provision of the law has the unfortunate consequence of discriminating against New Hampshire communities—most of them small—that abut the forest and have nowhere to turn in their quest for getting additional real estate on their property tax rolls.

My bill is simple: It merely lifts the limit on payments for all towns under 10,000 in population. In this way, the towns on the fringes of the White Mountain National Forest and numerous other

Federal lands throughout the United States will be able to receive their fair share of in lieu payments, not one arbitrarily limited by population.

I would also like to remind my colleagues that the situation with regard to public lands is far different in the East than it is in the West. In the West, for instance, the national forests were carved from the public domain—they were never in private hands.

In the East, however, the national forests were established under the Weeks Act of 1911, which directed the Federal Government to purchase land from private interests to create the national forest. The Federal Government to this day is still purchasing land for the White Mountain National Forest.

In the case of New Hampshire's national forest, then, we have a situation where a large amount of once-private land has been taken off the property tax rolls into Federal ownership. Such transfer of property is never easy for a community, especially today when towns are hard-pressed for revenues to meet operating expenses. My bill merely lessens the financial impact for those communities with significant blocks of Federal land and directs the Federal Government to pay the full worth of the land, regardless of population.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 2 of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality", approved October 20, 1976 (90 Stat. 2662), is amended by inserting immediately after "population limitation" wherever it appears therein, a comma and the following: "if any,".

(b) Subsection (b)(1) of section 2 of such Act is amended to read as follows:

"(b)(1) In no case shall any population limitation be applicable to any unit of local government having a population of nine thousand nine hundred and ninety-nine or less.".

(b) Subsection (b)(2) of section 2 of such Act is amended by deleting "of five thousand or more," and inserting in lieu thereof "in excess of nine thousand nine hundred and ninety nine,".

(c) Subsection (b)(2) of section 2 of such Act is further amended by deleting the following:

"5,000	$50
"6,000	47
"7,000	44
"8,000	41
"9,000	38".

By Mr. MATHIAS (for himself and Mr. BOREN):

S. 945. A bill to provide that annuity contracts purchased by the Uniformed Services University of the Health Sciences shall be entitled to the benefits of section 403(b) of the Internal Revenue Code of 1954; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, I introduce a bill today to allow the faculty and staff of the Uniformed Services University of the Health Sciences, located in Bethesda, Md., to participate in the tax-sheltered annuity program enjoyed by their colleagues in other medical schools.

The University was designed to provide top quality medical educations for people who would serve in the U.S. armed services. Congress left the University's charter deliberately broad in order "to make this the finest medical school in the world in the shortest possible time," according to the Uniformed Services Health Professions Revitalization Act.

Mr. President, the Internal Revenue Code is extremely precise in its distinctions, and it is very clear that only State schools and private schools are eligible to participate in the annuity program. Since the University is an instrument of the Federal and not a State government, it has been repeatedly denied authorization from the IRS to participate in the program, which is available to every other medical school in the country.

To deny benefits to the faculty and staff of the University sets back our efforts to make the University the "finest medical school in the world in the shortest possible time." The bill I am introducing today will allow that an annuity contract bought by the University for its employees who are members of the civilian faculty or Staff will be treated as if the University were a State-funded school, or a charitable organization. That means that the faculty and staff of the University would be able to take advantage of a significantly beneficial tax shelter. And, as a result, the University will once again be on equal footing competitively with other medical schools in the Nation.

I urge all of my colleagues to join me in correcting this anomaly in the law. The men and women who are striving to make the University the finest medical school in the world have earned this vote of confidence.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That an annunity contract purchased by the Uniformed Services University of the Health Sciences for any employee who is a member of the civilian faculty or staff of such university shall, for purposes of § 403(b) of the Internal Revenue Code of 1954, be treated as an annuity contract purchased for an employee by an employer described in § 501(c)(3) of such Code which is exempt from tax under § 501(a) of such Code.

SEC. 2. The first section of this Act shall apply to service after December 31, 1977, in taxable years ending after such date.●

By Mr. DURKIN:

S. 946. A bill to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Energy and Natural Resources.

● Mr. DURKIN. Mr. President, I am today introducing a bill which resolves a serious flaw in the way that money from the Land and Water Conservation Fund is allocated to local communities.

This bill will enable New Hampshire communities and other communities in colder climates to cover swimming pools and hockey rinks and still remain eligible for matching grants from the Federal Government to build such facilities. At present, the Department of Interior's Heritage Conservation and Recreation Service, which administers the recreation fund, does not permit money to be spent toward the cost of covered rinks and pools.

Since it was established in 1965, the Land and Water Conservation Fund has sought to promote outdoor recreation in the United States by making money available to State governments to disburse to local communities. The communities that participate in this program can get half of the cost of a local recreation project paid by the Federal Government. In the years since its enactment, this fund has done its job well, providing for countless thousands of Americans recreational opportunities where none existed before.

Unfortunately, the fund discriminates against communities in the northern States because it does not allow covered skating rinks or pools to get the matching Federal funds. In my home State of New Hampshire, the long winters and heavy snows make it imperative that these facilities be covered so they can be used for more than just a few months out of the year. It seems reasonable to me that these communities should be permitted to take full advantage of these matching grants and, at the same time, provide the most appropriate recreational facility for the community. This is precisely what my amendment does.

Mr. President, the Congress, and more recently the Department of the Interior, attempted to address this inequity in using Federal money for construction of covered rinks and pools. However, the law and subsequent departmental rules became so muddled and confused that officials from Interior were forced to halt all grant money for covered facilities.

My amendment creates a simple solution to this problem: It simply makes covers a part of the project cost in pools and rinks, and thus makes the entire project eligible for 50 percent funding from the recreation fund. Passage of this act will enable New Hampshire communities and other communities around the country to use Federal dollars more efficiently by allowing them to build recreational facilities which can be used all the time instead of just part of the year.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 946

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That section 6(e)(2) of the Land and Water Conservation Fund Act of 1965 as amended (16 U.S.C. 460*l*–8(e)(2)) is further amended by changing the proviso in the Section to read as follows: "*Provided* that the Secretary shall permit the construction of sheltered facilities for swimming pools and ice skating rinks, and that the cost of such enclosure shall be an allowable state expenditure for the purpose of matching grants as provided by Section 6(c) of this Act (16 U.S.C. 4601*l*–8(c))." ●

By Mr. MATHIAS:

S. 947. A bill to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of materials concerning a lottery authorized by that foreign country, and for other purposes; to the Committee on the Judiciary.

● Mr. MATHIAS. Mr. President, today I am introducing a bill amending title 18 of the United States Code to make lawful certain U.S. export activities concerning foreign lotteries.

Under current law, foreign manufacturers are permitted to ship lottery tickets and other material used in connection with lotteries to States which conduct lotteries and have enacted laws authorizing such lotteries. However, current law prohibits American manufacturers from shipping lottery tickets and related material to foreign countries where lotteries are legal. My bill seeks to correct this disparity. It would allow American manufacturers to compete equally with foreign manufacturers in foreign markets. Many foreign nations which conduct legal lotteries have expressed an interest in using American designed lottery tickets because the state of the art is significantly more developed in the United States. But American manufacturers have either lost these contracts or have been compelled to do the actual production work abroad because of the current law, thus depriving American workers of greater employment opportunities.

The potential foreign market for American manufactured lottery tickets and lottery materials is estimated at one-half billion dollars. Producing these materials for export would create more jobs in the United States and contribute to improving our balance of payments.

This bill would not, Mr. President, change existing laws which prohibit the mailing or transportation of lottery material to or within a State which does not conduct a State lottery. Nor would it permit shipment to a foreign country where lotteries are not legal.

I urge all of my colleagues to give it their serious consideration. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That (a) subsection (b) of section 1307 of title 18 of the United States Code is amended by striking out "mailing to addresses within" and all that follows through the end of such subsection (b) and inserting in lieu thereof the following: "mailing—

"(1) to addresses within a State of equipment, tickets, or material concerning a lottery which is conducted by that State acting under the authority of State law; or

"(2) to an addressee within a foreign country of equipment, tickets, or material designed to be used within that foreign country in a lottery which is authorized by the law of that foreign country."

(b) Subsection (c) of section 1307 of title 18 of the United States Code is amended—

(1) by inserting "(1)" after "of this section"; and

(2) by inserting "; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions)" before the period.

Sec. 2. Section 1953 of title 18 of the United States Code is amended—

(1) in subsection (b), by striking out the period at the end of such subsection and inserting in lieu thereof the following: ", or (5) the transportation in foreign commerce to a destination in a foreign country of equipment, tickets, or materials designed to be used within that foreign country in a lottery which is authorized by the laws of that country."; and

(2) by adding at the end the following new subsections:

"(d) For the purposes of this section (1) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions).

"(e) For the purposes of this section lottery means the pooling of proceeds derived from the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or ticket purchasers. 'Lottery' does not include the placing or accepting of bets or wagers on sporting events or contests.". ●

By Mr. DURKIN (for himself and Mr. Jackson):

S. 948. A bill to amend the Public Utility Regulatory Policies Act of 1978 (92 Stat. 3117) to revise the limitation on size of small hydroelectric power projects; to the Committee on Energy and Natural Resources.

Mr. DURKIN. Mr. President, the National Energy Act contains a very important program which assists the development of small hydroelectric power sources. As one of the authors of this program, I am extremely pleased it is moving ahead, and plan to work hard to see that it is adequately funded. Small hydro is an extremely important energy service for New Hampshire and New England, but is also potentially beneficial to all other areas of the country, including the Pacific Northwest.

Today, I am introducing legislation along with Senator Jackson, the distinguished chairman of the Energy and Natural Resources Committee, to amend the Energy Act to increase the loan eligibility limit for small hydroelectric power projects from 15 to 25 megawatts. This change will make even more projects eligible for loans, and will enable more people in our country to benefit from the water power which helped make our Nation great.

The change I am proposing arises from more than a dozen economic feasibility studies on potential power sites which indicate that sites up to 25 megawatts can benefit also from Federal loans. The 15-megawatt limit already in law was based on some preliminary analyses, but I now believe that the 25-megawatt limit makes more sense.

I look forward to the small hydro program growing substantially in the next few years. Studies have indicated that almost 2,000 megawatts of electricity can be generated in New England, including 450 megawatts in New Hampshire, by retrofitting existing dam sites with turbines. This is a significant contribution to our energy needs, and I appreciate the continued support of my colleagues for this program.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2708) is amended by striking paragraph (1) and inserting in lieu thereof:

"(1) 'small hydroelectric power project' means any hydroelectric power project which is located at the site of any existing dam, which uses the water power potential of such dam, and which has not more than 25,000 kilowatts of installed capacity;"

By Mr. BURDICK (for himself and Mr. Young):

S. 949. A bill to amend the National Environmental Policy Act of 1969 to provide for a statute of limitation with respect to judicial review of environmental impact statements; to the Committee on Environment and Public Works.

● Mr. BURDICK. Mr. President, today I am introducing legislation on behalf of my colleague from North Dakota, Senator Young, and myself to amend the National Environmental Policy Act of 1969 for a 180-day statute of limitations with respect to judicial review of environmental impact statements.

At the time NEPA was enacted, there was very little environmental legislation on the books. NEPA filled a void. It charges Federal decisionmakers with "recognizing the profound impact of man's activity on the interrelations of all components of the natural environment" and requires means and measure to "maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

Until 1969, traditional economics held that air and water were free. Economic modeling and project development did not assign costs to air and water quality. But, this body has long recognized that those costs do exist. Human health is a function of environmental quality. To the extent that environmental quality degenerates from the pristine to polluted, costs are born disproportionately among the population in health care and what has become known as the human condition. To the extent that we employ mechanical means to maintain a clean environment, costs are extracted proportionately from the consumer pocketbook.

NEPA was a very important step in that step in that it required for the first time that environmental quality be factored into project development. It required that Federal decisionmakers consider environmental costs. And it provided for the collection of data to assist the decisionmakers and the public in assuring that the goals of the act are met.

Subsequent to the enactment of NEPA, we have passed legislation to set some specific environmental standards. Our laws assist with preservation of endangered species and set standards for air and water quality. We have reduced the discretionary authority of decisionmakers to make choices and have required that we employ technology and mechanical means for maintaining in most cases, and improving in others, the environmental condition. But, this additional legislation has exposed a weakness in NEPA.

Open ended judicial review of the adequacy of an environmental impact statement means that a later change in Federal designations or standards as a result of authority provided by other environmental laws renders a previously adequate EIS open to challenge. This problem is made more acute by the fact that neither the law nor the regulations define the necessary geographical sweep of impact statements. My amendment does not seek to set such limits. Rather, it seeks to set a date prior to which those decisions are subject to judicial challenge. After the date, they are not.

Currently the period of risk associated with potential NEPA litigation cannot be predicted. The risk introduces an incalculable degree of uncertainty for all projects affected by NEPA.

If NEPA is to remain an action-forcing tool and not an action-delaying tool, then a statute of limitations is required. I commend to Senators, comments made by our colleague, Senator JACKSON, apearing on "Meet the Press," Sunday, April 8. The chairman and author of NEPA, while not referring to NEPA specifically, suggested a need to limit judicial appeal.

My amendment would not alter the requirements of NEPA, nor would it preclude full public and judicial review. Rather, it would establish a date certain beyond which no new litigation could be effected. Litigation in progress could proceed to final rule. Project construction and activities could move forward and proceed with certainty. NEPA would be applied in the manner in which it was intended.

I ask my colleagues in the Senate to join in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the National Environmental Policy Act of 1969 is amended by adding at the end thereof the following new section:

"SEC. 106. Judicial review of the adequacy of any final detailed statement prepared by a Federal agency pursuant to section 102(2)(C) of this Act shall not be available except in an action brought in a court of competent jurisdiction within 180 days after the date on which such final statement is published in the Federal Register."

SEC. 2. The amendment made by this Act shall be effective with respect to final statements prepared pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 that are published in the Federal Register on or after the date of the enactment of this Act.●

By Mr. DURKIN (for himself, Mr. TSONGAS, Mr. MATSUNAGA, and Mr. RIBICOFF):

S. 950. A bill to establish a national goal for the use of renewable energy resources, to establish information and financial initiatives to promote the use of renewable energy resources, and to authorize the use of certain renewable energy resources by the Federal Government; to the Committee on Energy and Natural Resources, and that, if and when it is reported to the Senate, it be rereferred to the Committee on Banking, Housing and Urban Affairs, for a period not to exceed 60 days to consider the subject matter of section 9, by unanimous consent.

OMNIBUS SOLAR ENERGY COMMERCIALIZATION ACT OF 1979

Mr. DURKIN. Mr. President, I am today introducing the Omnibus Solar Energy Commercialization Act of 1979. This bill promotes the rapid commercialization of solar energy technologies through a number of Federal initiatives, including establishment of a more efficient information dissemination system, a low-interest long-term loan program, and several programs to promote the use of renewable resources by Federal agencies.

I want to thank Senators TSONGAS, MATSUNAGA, and RIBICOFF for cosponsoring this bill.

It is abundantly clear that the Nation must start now to make the transition from an oil-based energy economy to an energy economy based on inexhaustible resources. Toward this end, the Federal Government is heavily funding research and development of technologies such as nuclear fusion, but it appears that fusion is decades away from commercialization, if it is commercialism at all. In contrast, solar technologies are ready for commercialization now, and we must pursue in every possible manner the widespread commercialization of solar energy technologies.

For this commercialization to be successful, the Federal Government must assist the free enterprise system in a number of ways. Because some expensive and financially risky research and development is necessary, the Government must play a major role in encouraging widespread development of solar energy's commercial potential. Unfortunately, the administration's fiscal year 1980 budget request is too weak in most areas of solar research and development to constitute a serious commitment to this effort. If we are to accelerate the commercialization of solar energy technologies, many important actions can and should be taken now. The Omnibus Solar Energy Commercialization Act provides the authority necessary to take these actions, and I will briefly outline the measures I believe we must take to make solar energy a widespread energy source.

First, the Omnibus Solar Energy Commercialization Act sets a national goal of 20 quads of energy from renewable energy resources in the year 2000. This would be equal to one-half million barrels of petroleum per day. Establishing a national goal focuses the Nation's attention on solar energy and provides a benchmark so that we can fairly judge our progress. This goal clearly demonstrates both at home and abroad that the U.S. Government believes in the credibility of solar energy and is willing to make a long-term commitment to use renewable energy resources.

Is a 20-quad goal realistic? Although the domestic policy review of solar energy projects 18.7 quads as the maximum practical limit, my research demonstrates that a goal of 20 quads is challenging but realistic.

However, this goal cannot be met until several barriers to renewable resource development are eliminated. Last July, as part of a nationwide effort to identify these barriers, citizens of New Hampshire held a solar energy conference, which concluded that the first and most important barrier to renewable energy development is the lack of public understanding of solar energy. This barrier gives rise to several false assumptions, such as that "solar technology is 20 years away and cannot be currently implemented to any significant degree." These false assumptions, they concluded, can be corrected by providing better information to the public.

The conclusions of this conference are applicable nationwide. In the Department of Energy's report, "Citizens' Solar Program," the conclusions of similar solar conferences held in all 50 States and the District of Columbia are summarized. This summary ranked 10 major barriers; No. 1 was the educational barrier created by lack of information and training.

The problem of disseminating useful and timely information is directly addressed in this bill in three ways. First, the act formally establishes the Solar Heating and Cooling Information Center. This Center was informally set up under the Department of Energy as part of the requirements of the Solar Heating and Cooling Demonstration Act of 1974. The Congress intended the programs in that act to terminate after 5 years and, consequently, funding for those programs is now being phased out. It is not only important that the Center continue its work, but the evidence which I have collected recommends an expansion in the Center's activities. The Omnibus Solar Commercialization Act requires the Center to develop a series of information services and outreach programs including the development of materials specifically designed to assist architects, builders, manufacturers, and many other persons who would be a part of the solar commercialization process.

Second, my legislation directs that the Government become more aggressive in disseminating information. I have found that the Federal Government often has good, useful information which the public either does not know about or cannot obtain in a timely manner. The Omnibus Solar Commercialization Act addresses this problem by establishing a policy that the information be made available through local and regional organizations such as the Energy Extension Services and the Regional Solar Energy Research Institutes. The act anticipates that these regional entities will do much to generate information and outreach programs which are particularly appropriate to their localities.

Finally, Mr. President, this legislation addresses the "information gap" by giving the Secretary of Energy the authority and the duty to coordinate the information dissemination efforts of the Solar Heating and Cooling Information Center and the regional organization, so that we may have one comprehensive, thorough, and well-orchestrated energy plan.

But better information is just one of the solutions which must be aggressively pursued. Another important avenue of Federal support for increased solar commercialization is low-interest loans to ease the transition to solar systems. In many cases, solar energy can be effective on a life-cycle basis, but consumers are required to make large, initial capital investments. Thus, consumers may experience increased monthly energy bills initially because their financing cost exceed the savings made from using less fuel. In later years, financing costs decrease and fuel costs increase so that greater savings occur.

The Omnibus Solar Energy Commercialization Act proposes to eliminate this financial disincentive through the establishment of long-term, low-interest loans. These loans would be made available at local banks and savings and loans institutions at a subsidized interest rate fixed 6 points below the FHA mortgage lending rate. The term of any loan would not exceed 30 years and the borrower is not penalized for early prepayment. Maximum loan levels are set for a single-family residence, a multi-family residence, and a commercial building, and no loan would be allowed for nonwarranted equipment.

Private lenders making solar loans are reimbursed for the difference between the subsidized interest rate and the market rate in a lump sum payment by a Solar Energy Development Corporation. The Solar Energy Development Corporation is established by the Secretary of Energy in the Department of Energy. It is expected that the Solar Corporation will have the same corporate powers as the Government National Mortgage Association, although the Secretary of Energy is given flexibility in determining its exact structure.

Within the flexibility given the Secretary, it is expected that the Solar Corporation will have sufficient corporate authority to fulfill its purpose. It is expressly stated in the act that the purpose of the Solar Corporation is to provide reasonable credit terms, financial liquidity, and lower risk to private lenders of loans on solar energy systems.

The legislation I am introducing today takes a third major approach in increasing solar commercialization by establishing a solar demonstrations program in Federal buildings. In the National Energy Act an important, but not very aggressive, program was established to promote the demonstration of solar heating and cooling in Federal buildings.

The Omnibus Solar Commercialization Act establishes a much more aggressive program by requiring passive solar energy systems and active solar energy systems when cost effective in all new civilian Federal buildings. It requires the sale of gasohol in all Federal fueling stations. Also, it provides the Federal power marketing administrations with the authority to purchase and guarantee the purchase of power from generating facilities utilizing renewable resources. An administration may even build such a facility if no utility or other person offers to build the facility.

These Federal initiatives are aggressive but reasonable. They demonstrate a tangible commitment to the commercialization of solar energy systems. The total consumption of Federal gasoline, for example, was 362 million gallons during fiscal year 1978. Gasohol means a 90- to 10-percent ratio of gasoline to alcohol. Thus, 36 million gallons of alcohol will fulfill the Federal requirement. This demand for alcohol I am proposing will help that industry expand and will save the Nation more than 36 million gallons of imported oil.

The power marketing administrations have instituted an excellent oil-saving conservation program and, I understand, that they would like to use renewable energy sources in their distribution systems. Bonneville Power Administration, for example, has investigated the feasibility of using wind energy systems and have found a very high potential and reasonable cost projects. However, BPA and the other power marketing administrations do not have the authority to build power facilities or even to purchase power from power facilities. The Omnibus Solar Energy Commercialization Act provides the power marketing administrations with the opportunity to use renewable energy resources.

Mr. President, the final section of my legislation authorizes $50 million in fiscal year 1980 funding to carry out the provisions of this act. Eventually, the primary budgetary impact from this act will come from the subsidies for low-interest loans. I do not expect a significant outlay in fiscal year 1980 for loan subsidies, however, because it is anticipated that the Solar Energy Development Corporation will not be functioning until fiscal year 1981. Beginning in fiscal year 1981, a budget outlay of approximately $100 million per year should be expected. Each year the authorization needs of the bank will be reviewed by the Congress in the context of the Department of Energy's budget request.

Current cost estimates for the information program average $300,000 for each State. Thus, $15 million would fund greater State and local programs, the Energy Extension Service, the Solar Heating and Cooling Information Center, and other information dissemination centers. Approximately half of the $15 million is already included in the DOE fiscal year 1980 budget request.

The marginal cost of buying 36 million gallons of alcohol and distributing it to proper locations is estimated at $15 million. This estimate is on the high end of the projections.

The remaining funds will support the installation of solar systems in Federal buildings. Again, it is not anticipated that major outlays will be possible in fiscal year 1980, and moreover, it is expected that each agency will request funds for solar installations as part of their annual budget plan, because no system is required that is not cost-effective.

Mr. President, the programs established in this legislation—dissemination of solar energy information, low-interest loans, and a Federal demonstration program—are necessary if we are to make solar energy an energy source of general use which will make a substantial contribution toward reducing our dependence on oil and natural gas. This legislation is designed to make a firm national commitment to increased development and use of solar technology, and I urge its acceptance by my colleagues.

I ask unanimous consent that a brief fact sheet and the bill be printed in the Record.

There being no objection, the bill and fact sheet were ordered to be printed in the Record, as follows:

S. 950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Omnibus Solar Energy Commercialization Act of 1979".

Sec. 2. Findings:

The Congress finds and declares that—

(a) the U.S. faces an energy shortage arising from decreasing supplies of domestic fossil fuels and insufficient development of renewable energy resources;

(b) unless effective measures are promptly taken by the Federal Government and other users of energy to increase the rate of use of renewable energy resources, the U.S. will become increasingly dependent on the world oil market, increasingly vulnerable to interruptions of foreign oil supplies, and unable to provide the energy to meet future needs;

(c) the Nation is handicapped by the absence of an established national goal for the achievement of rapid commercialization of solar energy systems;

(d) one of the major impediments to rapid commercialization is the absence of an effective financial institution dedicated to the promotion of solar energy and able to facilitate the widespread commercialization of residential, commercial, and industrial solar energy systems.

(e) The Federal Government can promote the commercialization of the direct solar energy systems by installing solar energy systems in new Federal buildings;

(f) dwindling petroleum supplies can be directly supplemented through the addition of biomass-derived-alcohol to motor gasoline;

(g) the formal establishment of a coordinated network for the dissemination of information to the public is a prerequisite to the development of an improved public understanding of the potential of solar energy systems; and

(h) it is in the Nation's interest to provide opportunities for the increased production of electricity from renewable sources.

SEC. 3. Definitions:

For the purposes of this Act

(1) the term "Secretary" means the Secretary of the Department of Energy";

(2) the term "renewable energy resource" means any energy resource which has recently originated in the Sun, including direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, ocean currents and waves, hydropower, products of photosynthetic processes, organic wastes, and others;

(3) the term "solar energy systems" has the meaning provided by P.L. 95–619, Sec. 241, which amends the National Housing Act;

(4) the terms "Federal building" and "Federal agency" have the meaning provided by P.L. 94–385, Sec. 303;

(5) the term "entity" means any "person" or "municipality" as those terms are defined in the Federal Power Act;

(6) the term "passive solar energy system" means space heating and cooling systems that make most efficient use of, or enhance the use of, natural forces—including solar insulation, winds, night time coolness and opportunity to lose heat by radiation to the night sky—to heat or cool living space by the use of conductive, convective or radiant energy transfer. Passive solar systems include:

(i) Direct Gain Glazing Systems—the term "direct gain glazing systems" means the use of south-facing (+ or –45° of True South) panels of insulated glass, fiberglass, or other similar transparent substances that admit the sun's rays into the living space where the heat is retained. Glazing is either double-paned, or single-paned equipped with moveable insulation.

(ii) Indirect Gains Systems. The term "indirect gains systems" means the use of panels of insulated glass, fiberglass or other transparent substances that direct the sun's rays onto specially constructed thermal walls, ceilings, rockbeds, or containers of water or other fluids where heat is stored and radiated.

(iii) Solaria/Sunspace Systems—The term "solaria/sunspace systems" means a structure of glass, fiberglass or similar transparent material which is attached to the South-facing (+ or –45° of True south) wall of a structure which allows for air circulation to bring heat into the residence, and which are able to be closed off from the residential structure during periods of low solar insulation.

(iv) Thermal Pond System. The term "thermal pond systems" means containers, such as tanks or water bags, filled with water or other fluids which when placed on roof-top, capture the sun's rays and radiates stored heat directly into the residence and makes use of moveable insulation to regulate heat absorption and radiation;

(7) The term "Administrator" means an Administrator of a Power Marketing Administration;

(8) The term "just rate" means a rate based on the marginal cost of the production of electricity from a new conventional peaking power electrical generator.

SEC. 4. National Goal:

A national goal is hereby established that, as part of our Nation's total energy supply in the year 2000, a minimum of twenty quadrillion British thermal units of energy shall be supplied from renewable energy resources.

SEC. 5. Information Dissemination:

(a) With respect to the information training, education, and other outreach services referred to in this Section, it shall be the policy of the Secretary to utilize to the maximum extent feasible State and local government organizations, the Energy Extension Services, the regional Solar Energy Research Centers and other such regional entities that are responsible for solar energy activities.

(b) The Secretary shall establish the Solar Heating and Cooling Information Center (hereafter referred to as the Center) for the purpose of providing information services to the public and to the regional entities referred to in Sec. 5. (a).

(c) The information services provided by the Center shall include, but not be limited to—

(1) retrieval and dissemination of materials relating to the development and commercialization of solar energy system to—

(A) Federal, State, and local government organizations,

(B) universities, colleges, and other nonprofit organizations,

(C) private persons, upon request, in appropriate cases;

(2) development of materials specifically designed to assist

(A) architects,

(B) builders,

(C) contractors,

(D) installers,

(E) officers of financial institutions,

(F) building appraisers, and inspectors,

(G) state and local officials,

(H) manufacturers, and

(I) other persons who are involved in the development and commercialization of solar energy systems; and the

(3) development and implementation (where appropriate) of training, education, and other outreach programs specifically designed to assist in the development and commercialization of solar energy systems.

(d) The Secretary shall coordinate the activities of the Center, the Energy Extension Services, the Solar Energy Research Institute, the regional Solar Energy Research Centers, and other regional entities involved in providing the services referred to in this section.

SEC. 6. In-House Federal Energy Initiatives:

(a) Effective 180 days after the date of the enactment of this Act, the Head(s) of each Federal agency(s) responsible for the construction of any new civilian Federal building shall require that any such Federal building shall include passive solar energy systems, and active solar energy systems unless the Head of such Federal agency determines that such active solar energy systems are not cost-effective.

(b) For the purposes of this section, an active solar energy system shall be considered cost-effective if the original investment cost differential can be recovered over the expected life of the Federal building, using a cost criteria based on undiscounted constant dollars, maintenance costs of no more than 1.5 per centum of the active solar energy system cost per year, and regional fuel cost escalation rates as determined by the Department of Energy, under Title VIII of the Department of Energy Organization Act of 1977.

(c) Parts (a) and (b) of this subsection shall not apply to those buildings which are designed to operate without heating, cooling or hot water systems.

(d) For purposes of this section, a Federal building is considered a "new Federal building" if the final design of that building is completed after the date prescribed in subsection (a).

SEC. 7. Federal Fleet Gasohol Initiative:

(a) Effective 180 days after the date of enactment of this Act, the Head of each Federal agency operating a fueling station for Federal civilian gasoline motor vehicles located in the United States shall require that such fueling station shall dispense only gasoline incorporating 10 percent alcohol by volume.

(b) Effective 180 days after the date of enactment of this Act, the Head of each Federal agency operating a retail gasoline supply outlet shall require that gasoline incorporating 10 percent alcohol by volume be made available for retail sale.

(c) Alcohol purchased or produced to comply with the provisions of this section shall be derived from sources other than fossil-fuels.

(d) The Head of said agency shall procure quantities of alcohol as required by this section in such a manner as to promote the development of those sources which provide the least potential for environmental degradation.

SEC. 8. Federal Power Marketing Administration Initiatives:

(a) The Administrators of the Alaska Power Administration, the Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration are authorized to enter into agreements to purchase and to guarantee the purchase of power from generating facilities utilizing renewable energy resources proposed for construction by non-Federal entities.

(b) The said Administrators are authorized to construct and operate generating facilities, other than hydroelectric facilities; *Provided, however*. That no such facility may be constructed unless the Administrator (1) has made a public offer to purchase or to guarantee the purchase of the power from a comparable facility at a just rate if such facility is constructed by a non-Federal entity, and (2) the Administrator has received no offer from a non-Federal entity to construct such generating facility within 180 days after the date of the public offer required by this subsection.

SEC. 9. Financial Initiatives:

(a) The Secretary is authorized to establish within the Department of Energy a Solar Energy Development Corporation (hereafter referred to as the 'Solar Corporation') with the same corporate powers given the Government National Mortgage Association in section 309(a) of the National Housing Act.

(b) The purpose of the Solar Corporation is:

(1) to provide reasonable credit terms for the purchase and installation of solar energy systems;

(2) to provide a source of financial liquidity for private sector financial institutions, and

(3) to reduce the risk to private sector financial institutions of loans on solar energy systems.

(c) Within one year of the enactment of this Act, the Secretary shall establish the Solar Corporation. The Secretary shall appoint a President of the Solar Corporation and other officers and employees as the Secretary deems necessary to carry out the functions of the Corporation. Appointments shall be made pursuant to the provisions of Title 5, United States Code, governing appointments in the competitive service.

(d) The Solar Corporation is authorized to make payments to financial institutions for the purpose of subsidizing long-term, low-interest loans which are made by such institutions to owners or builders of commercial and residential structures for the purchase and installation of solar energy systems in such structures and which meet the requirements of this section.

(e)(1) The amount of any such payment made with respect to any such loan may be in a lum-sum payment and shall be equal to an amount necessary to compensate the financial institution for making such loan at an interest rate which is 6 percent points below the current maximum interest rate permitted on a mortgage insured under section 203(b) of the National Housing Act, rather than at the market rate, as determined by the Solar Corporation.

(2) The Solar Corporation may, with respect to any loan with respect to which a subsidy payment is made under this section, require the financial institution to repay the Solar Corporation any amount to which the Solar Corporation is entitled as a result of the borrower's repaying the loan at an earlier date than was scheduled under the original agreement.

(f) A payment may be made under this section with respect to a loan only if—

(1) the term of repayment does not exceed thirty years, except that there shall be no penalty imposed on the borrower if he or she repays such loan or advance of credit at any time before the term of repayment expires;

(2) the amount of such loan does not exceed $10,000 per unit in the case of any single family residential structure, $5,000 per unit in the case of any residential structure with two or more dwelling units (not to exceed $500,000 per loan), and $200,000 in the case of any commercial structure;

(3) the solar energy system purchased and installed with such loan is covered by an agreement which contains at least the following warranties—

(A) that the installer or manufacturer, or both, will remedy any defect in the system or component (including if necessary, repair or replacement at the site) without charge and within a reasonable time, in instances of defects in materials, workmanship, or installation which become evident within one year of the date of installation or such longer period as the Secretary determines is reasonable; and

(B) that the installer will provide, without charge and within 15 days before the expiration of the warranty, an onsite inspection of the system and components for the purpose of discovering and remedying any defects which may be present;

(3) the security for such loan is acceptable to the Secretary; and

(4) the solar energy system financed by such loan is purchased and installed after the date of enactment of this Act.

(g) The "Energy Conservation in Existing Buildings Act of 1976" (P.L. 94–385, as amended by P.L. 95–619) is amended by adding a new paragraph after Sec. 412 (9)(F) as follows—"(G) materials associated with passive and active solar energy systems; and ", and relabeling Sec. 412(9)(G) as Sec. 412 (9)(H).

(h) There are authorized to be appropriated to the Secretary not to exceed $2,000,000 for the fiscal year ending September 30, 1980 for administrative expenses associated with the establishment of the Solar Energy Development Corporation.

SEC. 10. Authorization of Appropriations:

There are authorized to be appropriated to the Secretary not to exceed $48,000,000 for fiscal year ending September 30, 1980 to fund programs authorized in Sections 2 through Section 8.

FACT SHEET ON OMNIBUS SOLAR ENERGY COMMERCIALIZATION ACT

The Omnibus Solar Energy Commercialization Act—

a. Sets a national goal of 20 quads of energy from renewable energy resources in the year 2000;

b. Establishes a national policy to make solar energy information to builder, bankers, consumers, and other concerned persons available locally;

c. Formally establishes a Solar Heating and Cooling Information Center, to develop a series of information services and outreach programs for local use;

d. Provides long-term, low-interest loans to consumers for the purchase of solar energy systems;

e. Requires the use of passive solar and, when cost-effective, active solar energy systems on all new civilian Federal Government buildings;

f. Requires the sale of gasohol in all Federal fueling stations;

g. Provides the Federal Power Marketing Administrations with the authority to purchase and guarantee the purchase of power from generating facilities utilizing renewable resources, and

h. Allows a Federal Power Marketing Administration to build such a facility if no utility or other persons offers to build it for the Administration.

Mr. DURKIN. Mr. President, I ask unanimous consent that the Omnibus Solar Commercialization Act of 1979, which I am introducing today, be referred to the Committee on Energy and Natural Resources, and that, if and when it is reported to the Senate, it be referred to the Committee on Banking, Housing, and Urban Affairs for a period not to exceed 60 days to consider the subject matter of section 9.

This request has been cleared with the chairmen of the respective committees, Senators JACKSON and PROXMIRE, and by the respective leaders, I understand.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, the distinguished Senator has tried, and he has tried, and he has tried again, and this time he has shown persistence and patience. I congratulate him.

I appreciate his understanding of the problems that the leadership on both sides have with this kind of request.

There is no objection. I understand the minority leader now does not object.

Mr. DURKIN. I thank the majority leader.

I state at this time that we have three cosponsors, Senators TSONGAS, MATSUNAGA, and RIBICOFF.

I thank the majority leader and the leadership on the minority side.

The PRESIDING OFFICER. Without objection, the request is agreed to.

By Mr. CANNON (by request):

S. 951. A bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. CANNON. Mr. President, I introduce today at the request of the Secretary of Commerce, a bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes.

I ask unanimous consent that the bill and the administration's statement of purpose and need be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857–13–857–18) is amended by adding the following sentence immediately after the date "1979":

"There is authorized to be appropriated for the fiscal year ending September 30, 1980, $465,000 and for the succeeding fiscal year such sums as may be necessary."

STATEMENTS OF PURPOSE AND NEED

This legislation, which the Department is proposing on behalf of the National Advisory Committee on Oceans and Atmosphere (NACOA), would provide for a two year extension of the authorization for appropriations for NACOA.

NACOA was originally established by Public Law 92–125 of August 16, 1971, to consist of 25 non-federal members having an interest and expertise in oceanic and atmospheric affairs. Public Law 95–63 of July 5, 1977, repealed the Act of August 16, 1971 and established a new committee of 18 members. NACOA is now mandated to (1) undertake a continuing review, on a selective basis, of national ocean policy, coastal zone management, and the status of the marine and atmospheric science and service programs of the United States; and (2) advise the Secretary of Commerce with respect to the carrying out of the programs administered by the National Oceanic and Atmospheric Administration. NACOA submits an annual report to the President and to the Congress and submits such other reports as may from time to time be requested by the President or the Congress.

The Secretary of Commerce, to whom NACOA's support functions are presently assigned, was initially authorized the sum of $200,000 per year by the enabling Act. This was amended by P.L. 92–567 in 1972 to provide $400,000 per year through fiscal year 1975. P.L. 94–69, August 5, 1975, increased the authorization of $445,000 for fiscal years 1976 and 1977 with $111,250 for the transitional period between the two years. Public Law 95–63 authorized the appropriation of up to $520,000 for NACOA for the fiscal year ending September 30, 1978. P.L. 95–304 authorized and the appropriation of $572,000 for NACOA for the fiscal year ending September 30, 1979.

Enactment of this proposed legislation would provide authorizations for fiscal year 1980 at the level of $465,000 and for fiscal year 1981 for such sums as may be necessary.

By Mr. DURKIN:

S. 952. A bill to amend the Anadromous Fish Conservation Act; to the Committee on Environment and Public Works.

Mr. DURKIN. Mr. President, the purpose of the bill that I offer today is to boost the burgeoning salmon population of New Hampshire and New England.

This bill provides direct incentives to construct fish ladders and other such facilities on small dams that have been refurbished as hydroelectric power sites. As an amendment to the Anadromous Fish Act of 1965, this bill increases the authorization from $20 to $40 million and earmarks all of the additional funds for small-scale hydroelectric sites. My bill will make all dams producing 25 megawatts of electricity or less—which is the Department of Energy's standard for small-scale hydroelectric projects—eligible for these construction grants.

The salmon is certainly no stranger to my colleagues from the Pacific Northwest. It has long been a staple of the region's commercial fishing industry and presents a rare challenge to the sport fisherman lucky enough to hook one.

In the Eastern United States, however, the Atlantic salmon has been virtually extinct for many years. New Hampshire and New England rivers teemed with this prized game and eating fish in colonial times as countless thousands fought their way back from the ocean to cold, clear tributaries where they spawned a new generation of fish each fall.

History books marvel at the annual salmon migrations that would quite literally, clog the icy waters of the Pemigewasset and the Ammonoosuc, wild rivers that tumble out of New Hampshire's high peaks. Some mysterious primordial force—still not completely familiar to biologists—guided those fish in droves from ocean straits off Greenland and Canada to the mouths of the Merrimack and Connecticut Rivers and on to the precise tributary where they were born. Many were netted and speared as they fought their way upstream, providing settlers with an important source of food. As an outdoorsman vitally interested in the future health of sport fishing, I would have relished the opportunity to see that awesome display of nature—now only a distant memory in some dusty history books.

The early industrialization of New England spelled swift doom for this species. As more and more dams were built on New England rivers to provide power for manufacturing plants, the salmon were suddenly blocked from using the spawning grounds they had been using for centuries. Not surprisingly the fish all but disappeared in a matter of a few years.

More than 10 years ago, the U.S. Fish and Wildlife Service, joined by the fish and game departments of the New England States, embarked on an ambitious program of restoring the Atlantic salmon to its native habitat.

This program combined purification of the major New England rivers with construction of fish ladders so the salmon could bypass the large dams and once again reach spawning grounds where they had not been for almost 200 years.

After some initial setbacks and a discouraging lack of progress, the program is finally beginning to bear some fruit. The fact that Atlantic salmon are returning to the Connecticut River as far upstream as Turners Falls, Mass., is testament that a sound fisheries program, well managed and given adequate time and money, can restore a major species to its native habitat.

I have long spoken about the need for New Hampshire and New England to lessen their dependence on foreign oil supplies and develop alternate sources of energy, and for that reason, I am a strong advocate of small-scale hydroelectric dams. It is my hope some day that a sizable number of New Hampshire's 3,000 small dams can be restored to produce electric power and make us energy independent instead of totally dependent on outside energy sources.

When these dams are refitted with turbines, and the day is fast approaching when they will, it seems natural to build fish ladders alongside the turbines. This will make certain that the beneficial work of the existing salmon restoration program in New England is extended to its smaller rivers.

Mr. President, the Congress showed great foresight when it passed the Anadromous Fish Conservation Act of 1965. It recognized the absolute necessity to protect this precious natural resource from extinction by the hand of progress, and it has just begun to do the job at hand. But this is just a beginning, and now it is time to recognize the great strides in restoring New England's native salmon and let the east reap some of the benefits of this program. I have a dream that the rivers of New Hampshire will once again be full of salmon, just as they were in colonial times, and I hope that I will be able to see this in my lifetime.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(a) of the Anadromous Fish Conservation Act, as amended (16 U.S.C. 757d (a)), is amended by inserting immediately before the last sentence thereof the following new sentences: "For the fiscal year beginning October 1, 1979, and each of the next following fiscal years, there is authorized to be appropriated, to carry out the provisions of this Act, not to exceed $40,000,000. Not less than 50 per centum of all amounts appropriated pursuant to the preceding sentence shall be used solely for fishery enhancement projects, such as fish ladders, in connection with small-scale hydroelectric power dams. For purposes of this subsection, 'small-scale hydroelectric power dams' mean dams with potential power output of 15 megawatts or less.".

By Mr. CANNON (by request):

S. 953. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works, jointly, by unanimous consent.

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT

Mr. CANNON. Mr. President, I introduce today at the request of the Department of Transportation a bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes.

I ask unanimous consent that the bill be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask unanimous consent that the letter of transmittal be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 20, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is a draft of a proposed bill "To provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes."

This legislation would establish a comprehensive and uniform system for fixing liability and settling claims for oil pollution damages in U.S. navigable waters, adjacent land, and other areas. This legislation is of high national importance as we seek to meet our energy needs in an environmentally sound manner. Those energy needs require accelerated development of our offshore oil and gas resources, the use of tankers and the development of deepwater ports. This proposal would provide a broad range of protection against adverse economic impacts of the oil spills potentially associated with these activities.

In recent years, we have taken significant steps to limit and control oil pollution in the waters of the United States. We have demonstrated our ability to reduce oil pollution despite a marked increase in the transportation of oil. Yet, as the incidents involving the ARGO MERCHANT, the OLYMPIC GAMES and the AMOCO CADIZ demonstrate, oil spills continue to occur; and one-third of the oil spilled is from unidentifiable sources, where compensation cannot be obtained under existing law. Inconsistency among current Federal and State liability laws along with a multiplicity of compensation funds, at both levels of government, create severe confusion and impose unnecessary burdens on oil producers, taxpayers, and consumers through duplication of administrative costs and fee payments.

During the 94th Congress, the House Merchant Marine and Fisheries Committee held hearings on oil pollution liability and compensation. When President Carter took office, he directed an executive task force to consider a far-reaching legislative and executive program to prevent oil spills, to combat them effectively when they occur, and to compensate those damaged by oil pollution. The task force examined the various bills which had been introduced in both the 94th and the 95th Congress during its study and proposed that an administration bill be submitted as a part of a comprehensive response to ocean pollution. While the 95th Congress was able to reach agreement on many issues related to oil pollution liability and compensation, final passage of legislation was not achieved.

The past efforts and extensive deliberations of Congress in formulating a comprehensive oil pollution liability and compensation scheme were carefully considered in drafting this bill. The proposed bill would establish strict liability for oil pollution damages from identifiable sources and provide strong economic incentives for operators to prevent oil spills. Equally important, the bill would provide relief for oil-related environmental damages which in the past have gone uncompensated. For example, all State governments would be able to claim compensation for damages to natural resources under their jurisdiction. In addition to replacing a patchwork of overlapping, inconsistent Federal and State laws and defining liability for oil spills, the proposed legislation would establish a uniform system for settling claims that assures that all just claims are compensated. The legislation provides for a fund of up to $200 million derived from a fee not to exceed three cents per barrel on imported and domestically produced oil.

The bill would also provide compensation for economic losses resulting from pollution damage to natural resources for claimants who harvest marine life resources. The Administration bill submitted during the 95th Congress would have provided somewhat greater coverage for consequential economic losses from oil pollution, including compensation to State and local governments for loss of tax revenues, and loss of income due to injury or destruction of property or natural resources if the claimant derived 25 percent of his income from the use of the damaged property or resource. After careful consideration of this issue, particularly with respect to the lack of a clear definition of the extent to which recovery would be available under these provisions, the Administration has determined that this coverage should not be provided under the Superfund legislation at this time. Therefore, we recommend that coverage for consequential damages be limited to that category of claimants who depend directly, in the normal course of their business, on the opportunity to harvest marine life resources.

While enactment of this legislation would mark the closing of a major gap in a system of preventing and compensating for oil pollution damage, it is by no means the final step in this Administration's efforts to address the problems of compensation for pollution from hazardous substances and materials which can endanger our citizens and our environment. An interagency task force is currently involved in an intensive effort to determine an appropriate compensation and liability scheme for these other substances and materials. An important segment of this effort is to consider the proper relationship between that scheme and the oil pollution compensation bill we are submitting with this letter (including whether or not the two schemes should be tied together). The Administration expects to develop necessary legislation directed to this subject for submission to the Congress in the near future.

Finally, we would like to be clear that submission of this oil pollution compensation bill is not intended, and its enactment should not be construed, as affecting the legislative history of section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321) or the case law that has been developed under that statute. We have sought to assure conformance between the provisions of this bill and the provisions of the FWPCA wherever appropriate so as to prevent litigation over issues which have already been resolved.

It must be emphasized that this "superfund" bill in no way affects the Federal Government's authority under section 311 of the FWPCA to prevent and clean up spills, and to penalize spillers.

The Administration urges the Congress to adopt this proposed legislation, which was developed only after a thorough and far-reaching consideration of the problems involved. I am convinced that this proposal will provide a comprehensive compensation system which will work with maximum flexibility and minimum governmental involvement. I therefore ask that you lay this proposal before the Senate. A similar proposal has been submitted to the House of Representatives.

The Office of Management and Budget advises that this legislative proposal is in accord with the President's program.

Sincerely,

BROCK ADAMS.

By Mr. DOMENICI (for himself and Mr. STEWART):

S. 954. A bill to amend title 10, United States Code, to authorize additional Army Reserve Officers' Training Corps scholarships for cadets at military junior colleges, to authorize the Secretary of the Army to provide that cadets awarded such scholarships may serve their obligated period of service in the Army Reserve or Army National Guard of the United States, and for other purposes; to the Committee on Armed Services.

MILITARY JUNIOR COLLEGE SCHOLARSHIPS

● Mr. DOMENICI. Mr. President, today I am introducing legislation to seek additional Army Reserve Officers' Training Corps scholarships for cadets at our military junior colleges.

We are all aware of the important contribution the Armed Forces Reserve and National Guard play in our national defense structure. In the past few weeks, we have been advised by our Nation's military leaders of the shortage of officers in the Reserve and Guard, and the possible remedies we may have to take to overcome this serious problem.

Mr. President, we have six military junior colleges located in New Mexico, Alabama, Georgia, Missouri, and Pennsylvania which have the capacity of helping reduce this shortfall in a 2-year period of time. These junior colleges will commission approximately 243 second lieutenants in 1979, and anticipate commissioning 463 in 1980. The junior military college graduate, as outlined in this legislation, is then obligated to serve in the Army Reserve or National Guard for a period of not less than 6 years. It should be noted the graduate may continue his schooling for a baccalaureate degree with the choice of applying for active duty or staying with the Reserve component after graduation.

With estimates that our Army Reserve and Army National Guard may be 150,000 below required strength levels, I firmly believe this legislation will offer some immediate relief to the serious deficiencies in today's military manpower situation. Our military junior colleges have a long and distinguished record of providing well-trained personnel to our Nation's Armed Forces. By providing additional ROTC scholarships to these fine institutions, we will help alleviate the shortage in the Reserve components in the shortest possible time while contributing to our country's national defense. I urge my colleagues to join me in support of this bill.●

By Mr. HELMS (for himself and Mr. LEAHY):

S. 955. A bill to provide for the safeguards of taxpayer rights, and for other purposes; to the Committee on Finance.

TAXPAYERS' BILL OF RIGHTS ACT

Mr. HELMS. Mr. President, today is the last day Congress will be in session before the deadline for the American people to file their individual Federal income tax returns.

The distinguished Senator from Vermont (Mr. LEAHY) and I have selected this day as symbolically appropriate to offer a bill entitled the "Taxpayers' Bill of Rights Act."

It is now almost 3½ months into the year but it will not be for another 3 weeks that Americans will start working for themselves for 1979. All this year, since January 1, up to 3 weeks from now, the American taxpayers will have been working to pay their taxes. In other words, it will take the average American until May 6 of this year to earn enough money to pay his share of the cost of Government.

The Tax Foundation, an organization that publishes some outstanding analyses of tax issues has calculated that taxes on all levels will consume the output of the average working American for the first 4 months and 6 days of 1979. Thus, "Tax Freedom" day this year should be on May 6.

The massive size of the Federal tax alone is sufficient to make many citizens regard it as confiscatory and unconscionably high. It is indeed too high. It discourages initiative. It encourages unemployment. It makes savings and investment unattractive and it rewards consumption and indebtedness.

Since the Federal Government began taxing income, the rates have grown bit by bit, but they have grown until the total bite is of massive proportions. The procedures that might have been proper for the relationship between the Government and the taxpayer when the rates were 2 or 3 percent, are still being used.

It is my view that the procedures must be changed when the Government takes from the American taxpayers 20 or 30 or 40 percent, or more, of their earnings—using the coercive power of the Federal Government.

"MIRANDA" RIGHTS

One of the basic freedoms afforded individuals when they are arrested by the police is the notification that they can have an attorney, that they have a right to remain silent, and that anything said might be used in later action against them. This was the result of the Supreme Court's Miranda decision. Up until now, that right has not been granted to taxpayers.

The taxpayers' bill of rights requires IRS officials to fully inform taxpayers at the beginning of any interview or conference that the taxpayer has the right to have an attorney present during any meeting in which the taxpayer's liability is discussed. Further, the bill also provides that at any time during the conversation if the taxpayer decides he does not want to continue the conversation without the counsel of an attorney, then the taxpayer has the right to refuse to answer any further questions.

In short, the taxpayers' bill of rights provides a modified "Miranda warning" for taxpayers during their meetings with IRS officials. However, unlike the application of the Miranda warning in the criminal context when a suspect is undergoing questioning during a custodial interrogation, IRS would not be required to provide an attorney or to exclude any statement made by the taxpayer because such a warning was not given completely.

Mr. President, certainly it is not my intent to transform every communication between IRS officials and taxpayers into an adversary confrontation. Rather, the affirmative duty of informing each taxpayer of his rights at the beginning of any meeting should do much to convince the taxpayer of the fairness in which his case is being handled, and therefore, do much to reduce the adversary nature of such meetings.

The present law provides strong criminal penalties for anyone who makes and signs a materially false statement to IRS officials in order to evade the payment of any tax.

TAXPAYER SERVICES

The bill, the Taxpayers' Bill of Rights Act, would set up a special office with the rank of Assistant Commissioner of Internal Revenue Service for Taxpayer Services. At this time there is a small office within IRS that is supposed to provide for aids to taxpayers. The magnitude of the problem is such, however, that a major division should be established.

The office would not only help a taxpayer find an answer to a question and help taxpayers fill out required forms, but it would serve as a complaint office and an ombudsman to the taxpayer. Today, some taxpayers give up in despair of ever obtaining correct settlements of some bills. Months can be spent trying to track down a lost check or an incorrect computer entry. The new Office of Taxpayer Services would provide vital help in these cases.

In connection with certain cases, there have been instances of the seizure of a taxpayer's assets resulting in great harm to the taxpayer. My bill would provide for taxpayer assistance orders which would postpone seizures or actions that would impose undue hardships on taxpayers.

NOTIFICATION OF TAXPAYER'S RIGHTS

Perhaps one of the most basic needs is the assignment in the bill, of the responsibility to assure that taxpayers know their rights. This would probably be the most widely recognized new service performed by the IRS. It would require that clearly written pamphlets be provided outlining the taxpayers' rights. It would require that the taxpayers' rights be spelled out in cases of audits, assessments and appeals.

The IRS already provides some information on these topics but presently a full notification of rights and a clear explanation of them is not required.

LIMITS ON INVESTIGATIONS

My bill would prevent the IRS from conducting investigations of individuals and organizations unless the investigations have to do with the enforcement of the laws under the purview of the IRS. In other words, the IRS would be strictly forbidden to conduct harassment investigations.

The exceptions to this rule would be in cases of an individual seeking employment with the IRS, in cases where a person or organization sought IRS contracts, and in cases of otherwise lawful investigations concerning organized criminal activities.

The taxpayer who believed his rights under this provision were denied could seek civil penalties against individuals in the IRS who violated this provision.

TAXPAYER'S ATTORNEYS FEES

My bill would extend an established principle of civil law to cases involving a taxpayer and the IRS. It would provide that in cases before the tax court, a taxpayer who wins his case to be awarded attorney's fees.

This is an important consideration, because today, a taxpayer who believes he is in the right may just give up the fight rather than incur the legal costs of fighting the matter.

The skyrocketing costs of litigation today are well known, and my bill would simply go a little way toward giving the two parties to a legal question before the tax court equal footing.

Any taxpayer today who faces losing $1,000 in attorney's fees to fight what he considers to be an unjustified claim against him of $900 just could not "win." My bill would provide that if the court found in his favor, he would also be awarded reasonable attorney's fees.

INTERVIEWS AT TAXPAYER'S CONVENIENCE

Today, the IRS has the authority to call up a taxpayer and demand an interview at the IRS office inconvenient to the taxpayer, or at a time inconvenient to the taxpayer. The IRS by this method puts another "tax" on certain taxpayers. It is a tax of added time and expense to the taxpayer that is never reimbursed.

The IRS contends that an interview on Government property makes a taxpayer more cooperative. My bill would not prevent such interviews in IRS offices, but it would stipulate that the taxpayer could, if he wished, have the interview at his home or office and at a reasonable time of his choosing.

GAO AUDIT OF IRS

Finally, my bill provides that the General Accounting Office has authority to conduct audits and investigations of IRS operations. The IRS has denied the authority of the GAO to conduct such audits although most legal scholars believe the GAO already has such authority. My bill clears up this situation and would require an annual report on the efficiency, uniformity, and equity of the administration of the internal revenue laws.

TAXPAYER'S BELIEF IN EQUITY OF SYSTEM

Mr. President, it is a widely acknowledged fact that the success of the Internal Revenue Service in obtaining needed funds for the operation of our Federal Government is in large part due to the fact that the great majority of American people pay their taxes promptly and without hesitation.

Unfortunately, the size of the tax bite, the complexity of the tax code, and the appearance of arbitrary administration have all undermined much of the faith the average taxpayer has put in his Government. The procedures outlined in my bill would require added services at some cost to the IRS. It would, however, restore some of the faith the taxpayer has had in the equitable administration of our tax laws by aiding the taxpayer in his struggle with the complex, and unintelligible tax code. In this regard the bill might reduce long-run costs of the IRS, by increasing the taxpayer's confidence in the equity of IRS operations.

A FREE SOCIETY AND EQUITABLE TAXES

A free society depends on a government that is both limited and equitable. In order for our tax system to be regarded as equitable, reforms must be made. If people are going to be treated equally under the tax code, we must act to insure better service to the taxpayer.

Taxes represent the greatest influence of government on the lives of the average American. The Government chooses how a major percentage of the output of the taxpayer will be utilized. This great confiscation of economic resources—if it is justifiable at all—is only justifiable if it is rational and if it is fair. When government grows too complex for anyone to understand, and when taxes are regarded as incomprehensible and inequitable, then we do not have government for the people. We have government for some people. We have government for the aggrandizement of government.

As I stated, a free society can only exist when government is both limited and equitable. If it is possible to have equitable government when government is as massive as ours, then it is vital that the small step I have proposed be taken. I believe the "taxpayers' bill of rights" is an overdue, needed reform.

Certainly, the early supporters of the income tax would be shocked if they learned that the average working person devoted the output of his efforts from January 1 until May 6 just to pay taxes.

The massive confiscation of resources, and indirectly, of the time of working men and women in America via taxation has been likened to involuntary servitude. Perhaps some of the authors of the constitutional amendment which authorized income taxes would look upon today's tax bite in the same manner. It is as if the first 4 months of every year are spent under sentence by the Internal Revenue Service. Unlike the criminal proceedings, the first offender does not get off with a suspended sentence and there is no time off for good behavior.

The massive amount of money taken by the Federal Government today requires that the taxpayers' right be spelled out.

In conclusion, the "taxpayers' bill of rights" would extend for the first time to law-abiding taxpayers rights that the Supreme Court has said must be given to common street criminals. A taxpayer would be told that he has a right to an attorney, that he has a right to remain silent, and that any statement made might be used against him.

My bill would set up a new Commissioner of Taxpayer Services to serve as an ombudsman to the harried taxpayer. It would establish a right that a taxpayer that wins a suit against the IRS be awarded reasonable attorneys fees.

This bill would help insure taxpayers are treated equitably and fairly. The big-spending Federal Government should give the best treatment possible to the fellow who picks up the tab.

Mr. President, I ask unanimous consent that the bill, the Taxpayers' Bill of Rights Act, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Taxpayers' Bill of Rights Act".

Sec. 2. Amendment of 1954 Code; Meaning of Terms.

(a) 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) Meaning of Terms.—For purposes of this Act, terms used in this Act which are also used in such Code shall have the same meaning as when so used.

Sec. 3. Disclosure of Rights and Obligations of Taxpayers.

(a) In General.—The Secretary of the Treasury shall, as soon as practicable, but not later than 10 days after the date of the enactment of this Act, prepare brief but comprehensive pamphlets which set forth in simple and nontechnical terms—

(1) the rights and obligations of a taxpayer and the Internal Revenue Service (hereinafter in this section referred to as the "Service") during an audit;

(2) the procedures by which a taxpayer may appeal any adverse decision of the Service (including administrative and judicial appeals);

(3) the procedures for prosecuting refund claims and filing of taxpayer complaints; and

(4) the procedures which the Service may use in enforcing the internal revenue laws (including assessment, jeopardy assessment, levy and distraint, and enforcement of liens).

(b) Transmission to Committees of Congress.—The Secretary of the Treasury shall transmit drafts of the pamphlets required under subsection (a) (or proposed revisions of any such pamphlet) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the same day. Any draft (or any revision of a draft) of a pamphlet may not be distributed under subsection (c) until 90 days have elapsed from the date it was transmitted to such committees.

(c) Distribution.—The pamphlets prepared in accordance with subsections (a) and (b) shall be distributed by the Secretary of the Treasury to any taxpayer upon request, and notice of the availability of such pamphlets shall be displayed prominently in all public offices of the Service. Copies of appropriate pamphlets shall be provided to any taxpayer with the first communication from the Service to the taxpayer regarding the taxpayer's liability for tax for a taxable year, if such communication occurs during a meeting or is in writing. If such a communication is by telephone, copies of the appropriate pamphlets shall be mailed to the last known address of such taxpayer within 24 hours after such a communication.

Sec. 4. Assistant Commissioner for Taxpayer Services; Taxpayer Assistance Orders.

(a) Assistant Commissioner for Taxpayer Services.—

(1) In General.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) Assistant Commissioner for Taxpayer Services.—There is established within the Internal Revenue Service an office to be known as the Office of Taxpayer Services to be under the supervision and direction of an Assistant Commissioner of Internal Revenue. The Assistant Commissioner shall be responsible for—

"(1) providing to taxpayers—

"(A) assistance in obtaining easily understandable tax information and information on audits, corrections, and appeals procedures (including pamphlets prepared under section 3 of the Taxpayers' Bill of Rights Act);

"(B) assistance in answering questions on tax liability and preparing and filing returns; and

"(C) assistance in locating documents or payments filed with or submitted to the Internal Revenue Service by taxpayers;

"(2) providing personnel in local offices of the Internal Revenue Service to receive and evaluate complaints of improper, abusive, or inefficient service by Internal Revenue Service personnel and, with due regard for the rights of both the taxpayer and the Internal Revenue Service personnel and under regulations prescribed by the Secretary, to take action to correct such service;

"(3) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service;

"(4) compiling data on the number and type of taxpayer complaints in each internal revenue district and evaluating the actions taken to resolve such complaints;

"(5) issuing Taxpayer Assistance Orders under section 6306; and

"(6) carrying out such other functions which relate to assisting taxpayers as the Secretary may prescribe.

The Assistant Commissioner shall submit an annual report to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation on the activities of the Office of Taxpayer Services."

(2) Salary.—Section 5109 (c) of title 5 United States Code, is amended to read as follows:

"(c) The positions held by employees appointed under subsections (b) and (c) of section 7802 of the Internal Revenue Code of 1954 are classified at GS–18, and are in addition to the number of positions authorized by section 5108 (a) of this title.".

(b) Taxpayer Assistance Orders.—Subchapter A of chapter 64 (relating to collections) is amended by adding at the end thereof the following new section:

"Sec. 6306. Taxpayer Assistance Orders.

"(a) Authority To Issue.—Upon application filed by a taxpayer with the Office of Taxpayer Services, in such form, manner, and at such time as the Secretary shall by regulations prescribe, the Assistant Commissioner for Taxpayer Services may issue a Taxpayer Assistance Order if, in the determination of the Assistant Commissioner, the taxpayer is suffering from an unusual, unnecessary. or irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary.

"(b) Effect of Order.—The Secretary may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection).

"(2) chapter 70 (relating to jeopardy. bankruptcy, and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title). or

"(4) any other provision of law,

which is specifically described by the Assistant Commissioner in such order during such period (not to exceed 60 days) of time as may be so specified in such order.".

(c) Conforming Amendments.—

(1) The section heading for section 7802 is amended to read as follows:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners."

(2) The table of sections for subchapter A of chapter 80 is amended by striking out the item relating to section 7802 and inserting in lieu thereof the following:

"Sec. 7802. Commissioner of Internal Revenue; Assistant Commissioners."

(3) The table of sections for subchapter A of chapter 64 is amended by adding at the end thereof the following new item:

"Sec. 6306. Taxpayer Assistance Orders.".

(d) Effective Date.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

Sec. 5. Authorizing, Requiring, or Conducting Certain Investigations, etc.

(a) Prohibition, Etc.—Section 7214 (relating to offenses by officers and employees of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) Authorizing, Requiring, or Conducting Certain Investigations, Etc.—

"(1) In general.—Except as provided in paragraph (2), an officer or employee of the United States acting in connection with any revenue law of the United States shall not knowingly authorize, require, or conduct—

"(A) any investigation into, or surveillance over, any person or records regarding the beliefs, associations, or activities of any individual or organization which are not directly related to such revenue laws, or

"(B) the maintenance of any records containing information derived from such an investigation or surveillance.

Any person violating the preceding sentence shall be fined not more than $10,000, or imprisoned not more than 2 years, or both.

"(2) Exception.—The provisions of paragraph (1) shall not apply with respect to any otherwise lawful investigation, including investigations concerning organized crime activities, of any individual who is an applicant for, or who holds, any position in the Internal Revenue Service or any position in the Government the duties of which relate to the administration or enforcement of internal revenue laws of the United States, or who is a contractor, or prospective contractor, with the Internal Revenue Service.

"(3) Definitions.—For purposes of this subsection—

"(A) Investigations.—The term 'investigations' means any oral or written inquiry directed to any person, organization, or governmental agency.

"(B) Surveillance.—The term 'surveillance' means—

"(i) the monitoring of persons, places, or events by means of electronic interception, overt of covert infiltration, overt or covert observation, or photography, and

"(ii) the use of informants.".

(b) Civil Remedies.—

(1) In general.—Subchapter B of chapter 76 (relating to judicial proceedings) is amended by redesignating section 7430 as section 7431 and by inserting immediately after section 7429 the following new section:

"Sec. 7430. Civil Cause of Action for Violation of Section 7214(c).

"(a) Remedies.—

"(1) Damages.—Whoever violates any provision of section 7214(c) (relating to certain offenses by officers and employees of the United States) shall be liable for damages to any individual or organization which, as a result of such violation, has been the subject of a prohibited investigation, surveillance or recordkeeping, in an amount equal to the sum of—

"(A) any actual damages suffered by plaintiff or $100 per day for each day the prohibited activity was conducted, whichever is greater;

"(B) such punitive damages (not in excess of $1,000) as the court may allow; and

"(C) the costs of any successful action, including reasonable attorney fees.

"(2) Equitable relief.—Any individual or organization which has been the subject of any investigation, surveillance, or recordkeeping in violation of section 7214(c), may bring a civil action against the United States for such equitable relief as the court determines appropriate to enjoin and redress such violation.

"(b) Venue.—An individual or organization may bring a civil action under this chapter in any United States district court for the district in which the violation occurs, or in the United States district court for the district in which such person resides or conducts business, or has his principal place of business or in the United States District Court for the District of Columbia.

"(c) Jurisdictional Amount.—Any Federal court in which a civil action under this section is brought pursuant to subsection (b) shall have jurisdiction over such action regardless of the pecuniary amount in controversy.".

(b) Clerical Amendment.—The table of sections for such subchapter is amended by striking out the item relating to section 7430 and inserting in lieu thereof the following new items:

"Sec. 7430. Civil cause of action for violation of section 7214 (c).

"Sec. 7431. Cross references.".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to the maintenance of records during the 90-day period beginning on such date of enactment if such records were in existence on such date.

Sec. 6. Award of Costs to Prevailing Taxpayer.

(a) Recovery of Costs.—Part II of subchapter C of chapter 76 (relating to Tax Court procedure) is amended by adding at the end thereof the following new section:

"Sec. 7465. Recovery of Costs.

"(a) In General.—In any proceeding before the Tax Court for the redetermination of a deficiency, the prevailing party, unless the prevailing party is the United States, may be awarded a judgment of costs in connection with such proceeding and any administrative proceeding relating to such deficiency to the same extent as is provided in section 2412 of title 28, United States Code, for civil actions brought against the United States.

"(b) Judgment.—A judgment of costs entered by the Tax Court under subsection (a) in favor of the prevailing party shall be treated, for purposes of this subtitle, in the same manner as an overpayment of tax. No interest or penalty shall be allowed or assessed with respect to any judgment of costs.".

(b) Clerical and Conforming Amendments.—

(1) The table of sections for such part II is amended by adding at the end thereof the following new item:

"Sec. 7465. Recovery of costs.".

(2) Section 2412 of title 28, United States Code, is amended—

(A) by inserting "(a)" before "Except", and

(B) by adding at the end thereof the following new subsection:

"(b) In any civil action which is brought by or against the United States for the collection or recovery of any internal revenue tax, or of any penalty or other sum under the internal revenue laws, and in which the United States is not the prevailing party, a judgment for costs may include reasonable attorney's fees.".

(c) Effective Date.—The amendments made by this section shall only apply with respect to civil actions and proceedings for the redetermination of deficiencies commenced after the date of the enactment of this Act.

Sec. 7. Civil Action for Deprivation of Rights by Internal Revenue Service Employees.

(a) In General.—Any officer or employee of the Internal Revenue Service who, under color of any Federal law, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

(b) Conforming Amendment.—Section 1343 of title 28, United States Code, is amended—

(1) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(2) by adding at the end thereof the following new paragraph:

"(5) To recover damages or to secure equitable or other relief under section 7 of the Taxpayers' Bill of Rights Act.".

(c) Effective Date.—The amendments made by this section shall apply to actions arising on or after the date of the enactment of this Act.

Sec. 8. Procedures Involving Taxpayer Interviews.

(a) In General.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"Sec. 7518. Procedures Involving Taxpayer Interviews.

"(a) In General.—Upon the request of any taxpayer, any officer or employee of the Internal Revenue Service in connection with any interview with such taxpayer in connection with the assessment of a deficiency shall—

"(1) conduct such interview in the principal residence or place of business of the taxpayer, and at a reasonable time convenient to the taxpayer, and

"(2) allow the taxpayer to make a recording of such interview.

An officer or employee of the Internal Revenue Service may record any such interview if he informs the taxpayer of such recording prior to the interview and provides the taxpayer with a transcript of such recording upon the request of the taxpayer and reimbursement for the cost of reproduction of such transcript.

"(b) Safeguards.—An officer or employee of the Internal Revenue Service shall prior to any interview described in subsection (a) warn the taxpayer—

"(1) he has a right to remain silent;

"(2) any statement he makes may be used against him; and

"(3) he has the right to the presence of an attorney.

The taxpayer may waive the rights described in the preceding sentence if such waiver is made voluntarily, knowingly, and intelligently. If, however, he indicates in any manner and at any time during the interview that he wishes to consult with an attorney or that the interview be discontinued there can be no questioning regardless of whether he may have answered some questions.".

(b) Conforming Amendment.—The table of sections for such chapter is amended by adding at the end thereof the following new item:

"Sec. 7518. Procedures Involving Taxpayer Interviews.".

(c) Effective Date.—The amendments made by this section shall apply to interviews conducted on or after the date of the enactment of this Act.

Sec. 9. Property Exempt From Levy.

(a) In General.—Section 6334 (a) (relating to property exempt from levy) is amended by adding at the end thereof the following new paragraph:

"(10) Income Producing Property.—Any property of such individual from which income is derived to the extent that such income is taken into account under paragraph (9) as part of the applicable exempt amount of such individual.".

(b) Effective Date.—The amendment made by this section shall apply with respect to levies made after the 90th day after the date of the enactment of this Act.

Sec. 10. General Accounting Office Oversight of the Administration of the Internal Revenue Laws.

(a) Audits and Investigations.—The Comptroller General shall establish a program to provide for a continuing audit and investigation of the efficiency, uniformity, and equity of the administration of the internal revenue laws of the United States.

(b) Annual Reports.—The Comptroller General shall annually prepare and transmit to the Congress a report on the program established under subsection (a), together with such recommendations for legislation as the Comptroller General may consider necessary or appropriate. Such report shall include a statement by the Comptroller General on—

(1) the type and extent of assistance which the Internal Revenue Service (hereinafter in this section referred to as the "Service") provides to taxpayers in the preparation of returns, and the accuracy and consistency of any advice which the Service provides in connection with such assistance;

(2) the adequacy of the procedures by which the Service responds to taxpayer complaints, and the number and nature of such complaints;

(3) the equity of the procedures by which the Service conducts audits, collections, and taxpayer appeals, the means by which the taxpayer is advised of such procedures, and the adequacy and consistency of such advice;

(4) the uniformity of the Service's administration of the internal revenue laws, including the uniformity of the standards and legal interpretations it employs;

(5) the number and specific circumstances of disclosures, if any, of returns or of information derived from such returns which the Comptroller General determines to be in violation of law;

(6) the investigation and prosecution by the Service and the Department of Justice of alleged civil and criminal violations of the internal revenue laws;

(7) the implementation by the Service of section 552 of title 5, United States Code (relating to freedom of information); and

(8) any other matter which the Comptroller General determines to be necessary or appropriate.

(c) Other Investigations.—The Comptroller General shall conduct any special audit or investigation of the administration of the internal revenue laws requested by any committee of the Congress or any Member of Congress. The Comptroller General may conduct any other audit or investigation of the administration of the internal revenue laws which he considers appropriate.

(d) Disclosure of Information to the Comptroller General.—The Comptroller General, for purposes of conducting any audit or examination under subsection (a) or (c), shall have access to any Federal agency's books, documents, papers, and records on the administration, operations, and effects of the internal revenues laws and to inspect returns. Requests for such inspection of returns must be made in writing and must specify the identity of each taxpayer whose return is to be inspected.

Mr. LEAHY. Mr. President, today I am again pleased to join my distinguished colleague from North Carolina (Mr. HELMS) in introducing legislation that would restore a semblance of reason and decency to the treatment of taxpayers by the IRS.

This legislation is long overdue. Instances of IRS harassment of taxpayers, of forced and inconvenient audit interviews and conferences, and of IRS operations and investigations beyond the purview of their legal authority have been all too prevalent in recent years.

The bill we are introducing today would go a long way toward eliminating the confusion and apprehension, and the sense of hopelessness and resignation that all too often characterizes the relationship between taxpayers and officials of the IRS.

The bill would establish an Office for Taxpayers Services to be headed by an Assistant Commissioner of the Internal Revenue Service.

This Office would assist taxpayers in the answering of tax related questions, the preparation of forms, and the settlement of disputes with the IRS. It would also serve as the official office for taxpayer complaints. If we are going to continue to rely on a complicated set of tax laws, we at least must make every effort to minimize the confusion and delays which presently hinder and obstruct taxpayers' compliance efforts.

The bill would also establish the right of a taxpayer who successfully contests an IRS ruling to recover all reasonable attorney's fees. This provision should eliminate the petty harassment of taxpayers by IRS officials.

In the next week millions of Americans who have not yet done so will be going through the tedious and painful process of preparing their tax returns for 1978.

It is my strong hope that next year at this time, taxpayers will have all the benefits and rights established in this "taxpayers bill of rights" to assist them in this painful but necessary process.

By Mr. HEINZ (for himself and Mr. SCHWEIKER):

S. 956. A bill to authorize the appropriation of funds for the renovation of, and certain operating and maintenance costs of, the Benjamin Franklin National Memorial at the Franklin Institute, Philadelphia, Pa.; to the Committee on Energy and Natural Resources.

BENJAMIN FRANKLIN NATIONAL MEMORIAL ASSISTANCE ACT

● Mr. HEINZ. Mr. President, today it is my pleasure to introduce the Benjamin Franklin National Memorial Assistance Act. On behalf of my distinguished colleague from Pennsylvania, Senator SCHWEIKER, and myself, I take this opportunity to urge the passage of this legislation which will allow the Franklin Memorial to continue to function as this country's only national memorial to Benjamin Franklin.

The Benjamin Franklin National Memorial serves as a living tribute to one of our Nation's Founding Fathers. Since the famous 21-foot statue of Franklin was installed in the rotunda of the Franklin Institute in 1938, approximately 20 million people have visited the great hall. Over the past 40 years the Franklin Institute has performed in an exemplary fashion in memorializing Benjamin Franklin. Recent developments at the time of the Bicentennial include installation of a major audio-visual program designed to enable visitors to understand Franklin's life and achievements in the context of the Bicentennial. The program met with great success. However, it must now be replaced with a program suited to the post-Bicentennial period. In addition, it is important to develop and nationally distribute a range of educational materials on Franklin.

The Franklin Institute has functioned in a superlative manner with a limited budget. In recent years, deficit operations have made it impossible for the Benjamin Franklin National Memorial to continue to operate and be maintained in a manner befitting a man who many feel was America's foremost citizen.

The Franklin National Memorial is our only national memorial to Franklin and it is important that we restore it and provide funds to preserve it. The Benjamin Franklin Memorial Assistance Act will accomplish this goal by authorizing the Secretary of the Interior to enter into agreements to provide for the renovation and refurbishment of the memorial. The bill authorizes $350,000 to be appropriated for restoration and cleaning of the rotunda area and other nonrecurring costs. In addition, the bill authorizes the Secretary of the Interior to enter into agreements to contribute funds for the maintenance and operation of the Benjamin Franklin National Memorial, and for the design and presentation of educational and informative programs for the memorial. The bill also authorizes such sums to be appropriated to the Secretary of the Interior as may be necessary to carry out these provisions.

Benjamin Franklin was an urbanite in rural society. He was a scientist, technologist, dissident, businessman, statesman, practical philosopher, printer, idealist, and exponent of religious freedom.

Franklin personified in his own nature the ideals on which this country was built. With the enactment of this bill we can be assured that a living memorial will continue to pay tribute to this great American.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 956

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Joint Resolution entitled "a Joint Resolution to designate the Benjamin Franklin Memorial Hall at the Franklin Institute, Philadelphia, Pennsylvania, as the Benjamin Franklin National Memorial" approved October 25, 1972, (86 Stat. 1164), is amended by adding at the end thereof the following new section:

"SEC. 3. (a) (1) The Secretary of the Interior is authorized to enter into agreements to provide for the renovation and refurbishment of the Benjamin Franklin National Memorial.

(2) There are authorized to be appropriated $350,000 to carry out the provisions of this subsection.

(b)(1) The Secretary of the Interior is authorized to enter into agreements to contribute funds for the maintenance and operation of the Benjamin Franklin National Memorial, and for the design and presentation of educational and informative programs for such Memorial.

(2) There are authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to carry out the provisions of this subsection.●

By Mr. MATSUNAGA (for himself, Mr. INOUYE, and Mr. STEVENS):

S. 957. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Governmental Affairs.

Mr. MATSUNAGA. Mr. President, I am today introducing, along with my distinguished colleague from Hawaii (Mr. INOUYE) and the distinguished Senator from Alaska (Mr. STEVENS), a bill to provide air traffic control specialists employed by the Department of Defense (DOD) and the Department of Transportation (DOT) at flight service stations with the same important early retirement benefits that Federal Aviation Administration (FAA) air traffic specialists employed at towers and centers currently enjoy.

Mr. President, several years ago, the pressing need for early retirement benefits for air traffic controllers was readily apparent. Air traffic slowdowns and "sick outs" were staged across the country by air traffic controllers to bring national attention to their plight. Subsequently, the 92d Congress focused on the vital services provided by air traffic controllers and the serious physical problems which they face as a result of the extremely high stress nature of their work.

Public Law 92-297 was enacted in 1972 to improve the conditions of employment for air traffic controllers by offering preferential retirement benefits and second-career training for those controllers who, for medical or other reasons, are unable to continue their work. Moreover, to insure the quality of the force, the law established special appeal procedures for those involuntarily removed from air traffic control work and authority was provided for setting maximum age limitations for recruitment and retention.

Civil service retirement provisions (title V. U.S.C.) were amended to offer the controllers early retirement benefits which were not applicable to the majority of employees under the civil service system. Under Public Law 92-297, an air traffic controller may retire at age 50, if he has completed 20 years of service as a controller. He may also retire after 25 years of service as a controller, regardless of age. And the controller is guaranteed an annuity equal to not less than 50 percent of his average salary over the highest 3 years of his service.

Mr. President, Public Law 92-297 had broad, bipartisan support in both Houses of Congress and was extremely well received by our Nation's air traffic controllers, with the exception of those air traffic control specialists employed at flight service stations. Although the FAA had recommended the inclusion of flight service station specialists in the original early retirement legislation, they were excluded from coverage in the bill enacted into law. In later hearings concerning the exclusion of flight service specialists, the Agency revealed that this decision was based primarily on economics. Obviously, Mr. President, this decision was not based on justice.

Since I first introduced legislation in the 94th Congress to bring flight service specialists under the early retirement provisions of Public Law 92-297, there have been attempts to minimize the importance of the services rendered by flight service stations and claims that there is not enough medical evidence to support the granting of early retirement and second career training benefits to station personnel. I would like to speak briefly to these two points.

Mr. President, although the duties of flight service station specialists differ in many respects from the duties of air traffic controllers in towers and centers, they share the same heavy responsibility of safeguarding the lives of the pilots and passengers placed in their care. All air traffic controllers—at towers, centers, and stations—handle or communicate with aircraft prior to, during, and following a flight. At all three facilities, their advice and related assistance to pilots insures each year the safe operation of millions of aircraft movements throughout our Nation's massive air traffic system.

While it is true that flight service station specialists do not perform the duties of actual separation of aircraft from each other, they do perform the important duties of actual separation of aircraft from cultural objects and from the ground. Moreover, the principle duties of station employees involve the furnishing of information to pilots, relaying traffic control instructions between pilots and air traffic control facilities, and, most importantly, providing critical assistance to pilots in distress through the use of radio and direction-finding equipment.

Air traffic controllers inflight service stations have been called the lifeline of general aviation. The controller at a station handles flight plans, provides weather reports, and an array of preflight and inflight services to general aviation pilots, air carrier pilots, and military aircraft.

Mr. President, many people familiar with aviation will surely agree that flight service stations do, indeed, fulfill a vital function at the grassroots level for the entire general aviation community. And they become even more important in light of the fact that the volume of air traffic served by flight service specialists is expected to increase substantially over the next several years. According to FAA forecasting reports, the number of general aviation pilots in the United States will nearly double by 1989.

In addition, with the recent enactment of airline deregulation legislation, a great expansion of commuter air service among small airports is expected in the immediate future. The commuter air services will rely largely on services provided by air traffic controllers at flight service stations.

Mr. President, it is very clear that flight service specialists will, in the coming years, play an increasingly important role in aviation safety, particularly for the expanding general aviation community. I, therefore, strongly believe that in the interest of aviation safety, flight service stations must be of the highest quality, staffed with personnel at age and stamina levels which are necessary to effectively carry the heavy physical and mental burdens connected to this occupation.

In evaluating the appropriateness of granting early retirement coverage to flight service station specialists, the Department of Transportation has long considered whether or not the stress and pressures of flight service work adversely affect the skills of controller personnel. After reviewing very carefully the medical information relating to this question, I am convinced that the occupation of flight service station specialist is extremely stressful and that extension of Public Law 92-297 early retirement and second-career benefits to these personnel is highly justified.

Medical studies made to date, including stress factor studies, have indicated that stress factors in the workplace are as severe in flight service stations as they are in towers and centers. Information submitted to the House Post Office and Civil Service Committee during the 94th Congress by former Secretary of Transportation William Coleman showed that the percentage of disability retirements and deaths for flight service personnel was far greater than that for center and tower personnel; In fact, 3 times times the percentage for center personnel. Furthermore, when divided into age groups, the percentage of retirements and deaths for those 49 years of age and under in flight service was 3.5 times greater than tower personnel and almost twice that of center personnel.

These statistics, Mr. President, indicate to this Senator that in continuing to withhold from flight service station specialists coverage under Public Law 92-297, we are not acting in the best interest of aviation safety. Through the lack of early retirement and second career training opportunities, a significant number of flight service specialists must work far beyond their most productive and efficient years; obliged to continue to utilize deteriorating skills for lack of a satisfactory alternative. Compounding this serious problem is the fact that many flight service stations must attempt to provide adequate service to the growing general aviation community with small staffs and, in some cases, outdated equipment.

Mr. President, in enacting Public Law 92-297, the Congress found that the mental and physical abilities necessary to perform air traffic duties in towers and centers begin to decline by age 40, and decline dramatically by age 45, as a result of the tremendous pressures experienced in the workplace. In hearings preceding the enactment of the law, the Senate Post Office and Civil Service Committee concluded that flight service specialists should not be included immediately in the law, pending further investigation by the Department of Transportation. In response to the committee's directive, the Department made further studies, the findings of which, according to the Department, were insufficient evidence upon which to base a decision whether or not to extend early retirement coverage to flight service personnel. Since that time, as I have indicated, conclusive evidence has been gathered demonstrating that flight service personnel suffer from the same damaging effects of constant stress and pressure as do air traffic controllers in towers and centers.

Mr. President, it has now been 7 years since the discriminatory decision was made to leave flight service station specialists out of the provisions of Public Law 92-297. Correction by the Congress of this basic inequity is long overdue. The bill I am introducing today, which is identical to the bill introduced in the House of Representatives earlier this session by Congresswoman GLADYS NOON SPELLMAN, will grant flight service specialists employed by the Departments of Defense and Transportation the same early retirement benefits now provided to air traffic controllers in towers and centers.

Mr. President, in the interest of justice for flight service specialists and in the interest of safety for our Nation's entire aviation community, I urge favorable consideration of this important legislation.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the text of section 2109 of title 5, United States Code, relating to the definition of air traffic controller, is amended to read as follows:

"(a) For the purpose of this title, 'air traffic controller' or 'controller' means a civilian employee of the Department of Transportation or the Department of Defense who, in an air traffic control facility or flight service station facility—

"(1) is actively engaged—

"(A) in the separation and control of air traffic; or

"(B) in providing preflight, inflight, or airport advisory service to aircraft operators; or

"(2) is the immediate supervisor of any employee described in paragraph (1).

"(b) The Secretary of Transportation and the Secretary of Defense may jointly prescribe regulations to determine the application of this section.".

(b) Section 3307(b) of title 5, United States Code, relating to maximum-age entrance requirements, is amended by inserting "and the Secretary of Defense" after "Secretary of Transportation" and by inserting "jointly" after "designate,".

(c)(1) Subchapter VII of chapter 33 of title 5, United States Code, relating to air traffic controllers, is amended by adding at the end thereof the following new section:

"§ 3386. Definition

"For the purposee of this subchapter, 'Secretary concerned' means—

"(1) the Secretary of Transportation with respect to matters concerning the Department of Transportation; and

"(2) the Secretary of Defense with respect to matters concerning the Department of Defense.".

(2) The table of sections of such chapter is amended by adding at the end thereof the following new item.

"3386. Definition.".

(d) Section 3381 of title 5, United States Code, relating to certain training of air traffic controllers, is amended—

(1) in subsection (a), by striking out "of Transportation" and inserting in lieu thereof "concerned";

(2) in subsection (c)(1), by striking out "Department of Transportation" and inserting in lieu thereof "Executive agency in which such controller is employed"; and

(3) in subsections (d) and (f), by inserting "concerned" after "Secretary".

(e) Section 3382 of title 5, United States Code, relating to involuntary separation for retirement of air traffic controllers, is amended—

(1) in the first sentence, by striking out "of Transportation" and inserting in lieu thereof "concerned"; and

(2) in the third sentence, by inserting "concerned" after "Secretary".

(f) Section 3383 of title 5, United States Code, relating to certain review procedures, is amended—

(1) in the first sentence of subsection (a), by striking out "of Transportation" and inserting in lieu thereof "concerned";

(2) in the second sentence of subsection (a), by inserting "concerned" after "Secretary";

(3) in subsections (b), (c), and (d), by inserting "concerned" after "Secretary" each place it appears therein;

(4) in subsection (b)(2), by striking out "Department of Transportation" and inserting in lieu thereof "Executive agency in which the controller is employed,"; and

(5) in subsection (d), by striking out "Department of Transportation" and inserting in lieu thereof "Executive agency in which the controller is employed".

(g) Section 3384 of title 5, United States Code, relating to the issuance of certain regulations regarding air traffic controllers, is amended by striking out "is authorized to" and inserting in lieu thereof "and the Secretary of Defense are authorized to jointly".

(h) Section 3385 of title 5, United States Code, relating to the effects of the provisions of the subchapter on other provisions of law, is amended by striking out "of Transportation" and inserting in lieu thereof "concerned".

(i) Section 8335(a) of title 5, United States Code, relating to mandatory separation, is amended—

(1) in the second sentence—

(A) by inserting "or the Secretary of Defense, as the case may be,"; and

(B) by striking out "he may" and inserting in lieu thereof "they may jointly"; and

(2) in the third sentence, by inserting "or the Secretary of Defense, as the case may be," after 'Secretary of Transportation".

SEC. 2. All regulations which have been issued by the Secretary of Transportation under sections 2109, 3307(b), 3381 through 3385, or 8335(a) of title 5, United States Code, and which are in effect on the effective date of this Act shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law or by operation of law.

SEC. 3. This Act shall take effect on October 1, 1979, or on the ninetieth day after the date of the enactment of this Act, whichever is later.

By Mr. KENNEDY:

S. 958. A bill to amend the Clayton Act to provide remedies for the enforcement of antitrust judgments, to provide review procedures for the purposes of modifying or vacating an antitrust judgment, and for other purposes; to the Committee on the Judiciary.

ANTITRUST CONSENT DECREE ENFORCEMENT ACT OF 1979

Mr. KENNEDY. Mr. President, there are presently over 900 outstanding consent decrees in cases brought by the Government. In fact, antitrust suits filed by the Antitrust Division of the Department of Justice are more often than not terminated by consent decree. Since 1955 approximately 75 percent of all complaints filed by the Antitrust Division have been resolved in this manner. But because of the workload in the Antitrust Division judgment section and the stringent requirements imposed by the Federal judiciary on private parties seeking contempt citations, enforcement and review of Government antitrust judgments is severely limited.

The use of consent decrees by the Department of Justice to settle Government suits has increased steadily since the turn of the century. Though consent decrees were entered in only 14 percent of Government antitrust civil actions settled from 1900 to 1909, that proportion leaped to 58 percent in period from 1910 to 1919 and since 1929, consent decrees have been used in settling approximately 80 percent of antitrust civil actions.

The obvious consequence of the more frequent use of consent decrees has been the creation of an imposing responsibility for the Antitrust Division, one that is growing measurably every year. Since consent judgments are often open-ended, or at least effective for a number of years, the number of those outstanding continues to increase. Yet, the Antitrust Division, which has employed virtually the same number of attorneys for the last 20 years, must review and enforce outstanding consent decrees that have increased in number almost 10 percent in just the last 2 years.

As might be expected, enforcement of Government antitrust judgments limited by present law to the Attorney General appears to be inadequate. Although approximately 900 consent decrees have been entered since 1906, the Department of Justice has initiated no more than 60 contempt proceedings. This average of one per year indicates either a degree of corporate compliance that is extraordinary, or a corespondingly extraordinary lack of enforcement. The limited resources available to the Antitrust Division, the proliferation of antitrust complaints, and the absence of any longstanding comprehensive review process, strongly suggest the latter.

Some observers have suggested that if the Government is not enforcing these decrees, then private parties can, by instituting contempt proceedings themselves. This alternative is at best illusory. In order to prevail in such a proceeding, the private party must first meet stringent requirements of standing; and second, if standing is granted, he must sustain the heavy burden of proof beyond a "reasonable doubt" in criminal proceedings, or proof by "clear and convincing evidence" in civil proceedings. Even in the rare event that a private party establishes a violation, the court is under no obligation to take action.

Mr. President, the practical unenforceability of these judgments strikes hard at the effectiveness of our antitrust laws in penalizing violators of our antitrust laws and deterring prospective violators. Further, the inadequate review of consent decrees raises the additional problem that businesses and industries may, under certain circumstances, be hampered by judgments that have become obsolete and anticompetitive in light of rapidly changing economic environments.

There are good reasons for consent decrees in settlement of Government antitrust cases. In the interests of best utilizing the limited resources available to the Antitrust Division, the consent decree permits a broad application of the antitrust laws by expeditiously bringing numerous suits to settlement. Indeed, without easy recourse to settlement by consent decree, the Antitrust Division would undoubtedly become mired in protracted litigation of a relatively few suits, leaving time and manpower to do little else. But the effectiveness of this method of settling cases ultimately rests on the degree of enforcement. Without enforcement of decrees, even the broadest possible application of the antitrust laws will be inadequate.

By enlisting the aid of private parties in the enforcement and review of consent decrees we can make possible that which is impossible under present law. Instead of increasing the size of the Federal Government in order to enable the Antitrust Division to bear the onerous burden of a responsible review process, we should facilitate the participation in the enforcing process of those who have the most at stake in effective enforcement and review. In lieu of more Government regulation, we should allow injured parties in the private sector, who are often better qualified than the government to discern violations or changing market conditions, to assume more responsibility for the enforcement of the antitrust laws in general, and the review and enforcement of Government consent decrees in particular.

Mr. President, such a notion is completely consistent with congressional intent traced through nearly a century of legislative action. Congress has chosen again and again to enlist private parties to enforce the antitrust laws. In our Nation's first antitrust law, the Sherman Act, private parties injured by a violation of the act were given the right to sue for recovery of "threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee."

In passing the Clayton Act 24 years latter, Congress broadened the application of the treble damage remedy to all violations of the antitrust laws and strengthened the enforcement capability of private plaintiffs by providing that judgments in antitrust suits brought by the Government are, under certain circumstances, prima facie evidence in private treble damage suits.

Mr. President, only 4 years ago, Congress acknowledged some of the deficiencies in Government antitrust consent decree process, and required private party participation. Recognizing that such decrees were being conceived in virtual secrecy, Congress passed the Antitrust Procedures and Penalties Act to involve the judiciary and interested parties in determining whether a decree is in the public interest. Unfortunately, the act only established procedures for prejudgment period. Post-judgment enforcement by private parties, so essential to effective enforcement, was not provided for.

The legislation I am introducing today, Mr. President, will fill the current gap in the antitrust enforcement and review process. It will do so in four ways: First, it will provide a procedure permitting persons damaged by violations of Government antitrust judgments to petition the Attorney General for enforcement of the outstanding judgment. Second, under carefully circumscribed circumstances, it will empower the damaged person thereafter to directly petition the court that issued the antitrust judgment for enforcement of that judgment. Third, the bill authorizes the courts to grant equitable relief to effectuate an antitrust judgment and authorized civil penalties for violations of judgments. And fourth, it establishes a procedure allowing parties to antitrust decrees to petition the Attorney General for review of an outdated judgment and thereafter to petition the court that issued the judgment to vacate or modify it.

Mr. President, this legislation will help restore a measure of strength and equity to our antitrust laws. It is fair to persons who may be injured by violations of judicially entered antitrust judgments. It is fair to antitrust defendants who have entered into consent decrees or have been enjoined by court orders. It will thus become an integral part of our antitrust laws, helping to encourage and preserve the competition so vital to our free enterprise system.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 958

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Consent Decree Enforcement Act of 1979".

SEC. 2. The Clayton Act (15 U.S.C. 12 et seq.) is amended by adding the following new section immediately after section 5:

"ENFORCEMENT OF ANTITRUST JUDGMENTS; ACTIONS BY INJURED PERSONS; ACTIONS BY ATTORNEY GENERAL FOR CIVIL PENALTY; REVIEW OF ANTITRUST JUDGMENTS

"SEC. 5A. (a) (1) Subject to the requirements of paragraph (2), any person damaged by a violation of an antitrust judgment may bring a civil action in the court in which such judgment was entered to obtain equitable and other relief as provided in this section.

"(2) (A) Before bringing an action under paragraph (1), such person shall provide full and complete written notice to the Attorney General of the basis and reasons for that person's belief that an antitrust judgment has been violated. This notice shall include such factual information and supporting data as may be necessary for the Attorney General to fully evaluate the allegations.

"(B) Within 60 days after a person has provided notice under subparagraph (A), the Attorney General shall inform the person filing such notice whether he will bring an action to enforce an antitrust judgment or to collect a civil penalty under subsection (b) for violation of an antitrust judgment. The Attorney General may extend the 60-day period for an additional 30 days by notifying such person, in writing by certified or registered mail, in order to have additional time to consider the allegations. In any case in which the Attorney General determines that he will bring such an action, he shall commence such action within 30 days after notification of his decision to do so.

"(C) After filing a notice under subparagraph (A), a person may bring a civil action under paragraph (1) whenever the Attorney General has—

"(i) notified such person under subparagraph (B) that he will not file an enforcement action relating to the violation alleged in such notice;

"(ii) notified such person under subparagraph (B) that he will file an enforcement action relating to the alleged violation, but has not filed such an enforcement action within 30 days of such notification; or

"(iii) failed, within 90 days after notice provided under subparagraph (A), to notify such person of his decision as to whether he will file an enforcement action relating to the alleged violation.

"(3) Any person who brings a civil action under paragraph (1) and prevails in whole or in part shall recover the costs of the action, including a reasonable attorney's fee.

"(b) (1) Any person that violates an antitrust judgment shall forfeit and pay to the United States a civil penalty which shall accrue to the United States and may be recovered in a civil action brought on behalf of the United States by the Attorney General. The penalty for each such violation shall not exceed $10,000.

"(2) Each separate violation of an antitrust judgment shall give rise to a separate claim for a penalty. In the case of a violation through continuing failure to obey, or neglect to obey, an antitrust judgment, each day of continuance of such failure or neglect shall be considered a separate violation.

"(3) If the Attorney General brings an action under paragraph (1), any person damaged by a violation of such antitrust judgment may intervene in such action within 30 days after the institution of such action as a matter of right, and at any time thereafter in the discretion of the court.

"(4) In any action brought under paragraph (1), if the court finds by a preponderance of the evidence that the defendant violated an antitrust judgment, the court shall award half of the civil penalty awarded to the person responsible for bringing such violation to the attention of the Attorney General, and half to the United States. Any person who intervenes under paragraph (3) who contributes substantially to the decision of the court shall recover the costs of the action, including a reasonable attorney's fee.

"(c) (1) Any person damaged by a violation of an antitrust judgment or any party to an antitrust judgment may petition the Attorney General to review such antitrust judgment with a view to modifying or vacating such judgment to further carry out the purposes of the antitrust laws.

"(2) Any petition filed under paragraph (1) shall be in writing and shall contain such factual information and supporting data as may be reasonably necessary to fully apprise the Attorney General of the nature of the modification sought and the reasons therefor.

"(3) Not later than 60 days after the date on which any petition filed under paragraph (1) is received, the Attorney General shall inform the party filing such petition whether he will appear before the appropriate court of the United States to obtain the modification sought, together with the reasons for his decision.

"(4) Upon expiration of the 60-day period under paragraph (3), any person damaged by a violation of an antitrust judgment or any party to an antitrust judgment may petition the district court of the United States for the district in which such judgment was originally entered to vacate or modify such judgment.

"(5) The Attorney General shall comply with the provisions of subsections (b) through (h) of section 5 of this Act before vacating or modifying any antitrust judgment pursuant to the provisions of this subsection.

"(d) (1) In any action brought pursuant to this section, the courts of the United States are empowered to—

"(A) grant mandatory injunctions, prevent and restrain such violations, and order such other and further equitable relief as may be appropriate to enforce or effectuate an antitrust judgment; and

"(B) impose a civil penalty as provided in subsection (b) of this subsection for any such violation of an antitrust judgment.

"(2) The provisions of section 4B of this Act do not apply to this section.

"(e) For the purposes of this section, the term—

"(1) 'antitrust judgment' means a judgment under section 4 of the Sherman Act or section 15 of this Act, or a consent judgment entered into under section 5 of this Act; and

"(2) 'violation', with respect to an antitrust judgment, includes failure or neglect to obey such judgment, engaging in any conduct or activity prohibited by such judgment, or failure to take any action commanded or decreed by such judgment.".

By Mr. JACKSON (by request):

S. 959. A bill to amend section 6(e) (2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Energy and Natural Resources.

Mr. JACKSON. Mr. President, by request. I send to the desk for appropriate reference a bill to amend section 6(e)(2) of the Land and Water Conservation Fund Act, as amended.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no obligation, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–8(e)(2)), is further amended by changing the proviso in the section to read as follows: "*Provided*, That no assistance shall be available under this Act to enclose or shelter facilities normally used for outdoor recreation activities, but the Secretary may permit local funding to shelter facilities heretofore or hereafter developed with financial assistance under this Act."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 3, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend section 6(e)(2) of the Land and Water Conservation Fund Act, as amended."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The draft bill would permit States to shelter or enclose, at their own expense, any outdoor recreation facility heretofore or hereafter developed with monies from the Land and Water Conservation Fund.

At the present time, section 6(e)(2) of the Act gives the Secretary the discretion to allow the sheltering or enclosure of swimming pools and ice skating rinks in areas of the country where the severity of climatic conditions and the increased use made possible by the sheltering justifies their construction. Ten percent of a qualified State's yearly apportionment from the Fund or State and local monies may be used for this purpose. The Conference Committee Report on these 1976 amendments to the Act further defined climatic severity to include those northern tier areas of the country which suffer from severe cold weather and snow conditions.

Early in the Spring of 1977, the Heritage Conservation and Recreation Service circulated proposed guidelines to implement the current sheltering provisions of the Act for comment. The reaction from various Members of Congress, Governors, communities, and the State liaison officers who administer the Fund program within the several States and territories has been overwhelmingly critical. It has been extremely difficult to establish a logical and defensible cut-off point beyond which climatic conditions are not severe enough to justify sheltering. States have also expressed concern that the use of Fund assistance for sheltering purposes will cause a heightened interest in proposals which cannot be assisted within the current ten percent ceiling.

We also believe that there are several additional factors which are crucial to a full evaluation of a truly effective sheltered facilities program. There are many normal outdoor recreation facilities, such as tennis courts and basketball courts, in addition to ice skating rinks and swimming pools, which receive limited public use due to harsh weather conditions. Not only is this apparent in our northern States, but our southern areas suffer as well. Sand and dust storms and extreme hot weather, long periods of rain and so forth all serve to limit the outdoor recreation experiences our citizens can enjoy. At the present time, for example, our southern States are unable to provide ice skating facilities with assistance from the Fund, and the outdoor swimming season in communities with moderate climates must still be limited to three summer months.

In deliberating the 1976 amendments to the Land and Water Conservation Fund Act, and historically since the inception of the Fund in 1965, the Congress has expressed a strong desire to maintain an aggressive outdoor recreation program. We agree with this philosophy and are thus suggesting that this expansion in scope be coupled with a provision which would eliminate any direct assistance from the Fund for the enclosures.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

ROBERT HERBST,
Assistant Secretary.

By Mr. BELLMON:

S. 960. A bill to provide for the payment of interest on reserves held in Federal Reserve Banks; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. BELLMON. Mr. President, as is well known, the Federal Reserve Board plays an important role in maintaining the strength of our national economy through its management of our monetary system. These management activities have, in the past, been considerably aided by the ability of the Federal Reserve to manage the monetary supply by adjusting the reserve requirements according to the state of our national economy.

The adjustment of the level of reserves depends heavily upon attracting and maintaining membership by individual banks in the Federal Reserve System. In recent years, there has been a heavy loss of membership in the Federal Reserve.

[Dollar amounts in billions]

Year	Number of banks	Amounts of deposits
1950 -----------	6,873	$17.5
1960 -----------	6,174	16.7
1970 -----------	5,767	23.3
1975 -----------	5,787	26.8
1978 -----------	5,621	(1)

[1] To be determined.

Sources: Robert Smith, economic statistical analyst, Comptroller of the Currency. Perry Quick, analyst, Federal Reserve.

The rapid erosion of the Federal Reserve System is primarily due to the fact that member banks are required to maintain "sterile" reserves. These deposits do not draw interest for the member bank though they are loaned by the Federal Reserve and produce revenues for the U.S. Treasury. These revenues are substantial as the following chart will show.

[Dollar amounts in billions]

Year	Amount of deposits by member banks	Earnings to the Treasury
1950 -----------	$17.5	$0.26
1960 -----------	16.7	.69
1970 -----------	23.3	1.51
1975 -----------	26.8	1.84
1977 -----------	27.4	1.79

Sources: Robert Smith, economic statistical analyst, Comptroller of the Currency. Perry Quick, analyst, Federal Reserve.

This income is certainly welcome to the U.S. Treasury. However, the present decline in participation in the Federal Reserve System is threatening to kill the goose that lays these golden eggs. If the present trend continues, the Federal Reserve will be in such a weakened condition that it will produce neither revenues to the Treasury nor the stabilizing influence in our economy for which the Reserve was created.

Mr. President, plainly corrective action must be taken. I am today introducing legislation which is intended to help deal with this problem. This will provide for the payment of interest each month to each member bank on that bank's average reserve balance except for the part of the balance which covers deposits in excess of $100 million. The rate of payment would be equal to the average yield on U.S. Treasury bills issued during the previous quarter.

The effect of this legislation is to remove the disincentive which most banks now have toward joining the Federal Reserve System and help provide an inducement for banks to remain a part of the Federal Reserve System. Also this bill will help maintain the principle of our dual banking system which generally preserves a stronger bank examiner requirement than would be possible with 50 different State operated banking systems. In addition, this bill will help return a significant amount of revenues to the small banks which serve this Nation's economy where loan funds are frequently in short supply.

This legislation will help deal with an increasingly critical national problem. I urge its early enactment. Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 960

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Federal Reserve Act is amended by adding at the end thereof the following new paragraph:

"Subject to such limitations, restrictions, and regulations as the Board of Governors may prescribe, each Federal Reserve bank shall pay interest each month to each member bank on the average balance of that part of such bank's reserves which is maintained pursuant to section 19 (b) with respect to the first $100,000,000 of the bank's deposits, at a rate which is equal to the average yield on Treasury bills issued during the three-month period immediately preceding the interest payment date.".●

By Mr. KENNEDY:

S. 961. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

SPEEDY TRIAL ACT AMENDMENTS

Mr. KENNEDY. Mr. President, on July 1, of this year, the Speedy Trial Act of 1974 will enter its final phase. On that date the permanent time limits under the act for each major stage of Federal criminal prosecution, which have been phased in over the last 3 years, go into effect. So does the sanction of dismissal for failure to meet those limits.

Concern has been expressed by some of those involved in our criminal justice system that if the act takes full effect as scheduled it would create a burden which the system cannot sustain. Estimates differ as to the extent of the problem posed and what action, if any, Congress should take. Various proposals have been offered to modify the act, or to defer certain features until a later date.

The Attorney General has today sent Congress the administration's proposals in this area and I am introducing them by request. They will be considered by the Committee on the Judiciary along with other analyses of the situation and proposed courses of action at hearings to be held on the Speedy Trial Act beginning on May 2, 1979.

The effectiveness and consequences of efforts to implement the Speedy Trial Act are of great significance for the criminal justice system and for the public interest in prompt prosecution and punishment of those who violate the Federal law. The committee will consider this matter very carefully.

I ask unanimous consent that the text of the message and the bill be printed at the end of my remarks.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 961

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Speedy Trial Act Amendments Act of 1979".

SEC. 2. Section 3161(b) of title 18, United States Code, is amended:

(a) by deleting "thirty" in the first sentence thereof and is inserting in lieu thereof "sixty", and

(b) by deleting "thirty-day" in the second sentence thereof and inserting in lieu thereof "sixty-day".

SEC. 3. Section 3161(c) of title 18, United States Code, is amended to read as follows:

"(c) (1) The trial of a defendant charged in an information or indictment with the commission or an offense shall commence within one hundred twenty days from the filing date (and making public) of the information or indictment, or from the date the defendant has appeared before a judicial officer of the court in which such charge is pending, whichever date last occurs. If a defendant consents in writing to be tried before a magistrate on a complaint the trial shall commence within one hundred twenty days from the date of such consent.

"(2) The trial of a defendant shall not commence less than thirty days from the date specified in paragraph (1) without the consent of the defendant."

SEC. 4. Section 3161(e) of title 18, United States Code, is amended by adding at the end thereof the following:

"If the defendant is to be tried upon an indictment or information dismissed by a trial court and reinstated following an appeal, the trial shall commence within sixty days from the date the action occasioning the trial becomes final, except that the court retrying the case may extend the period for trial not to exceed one hundred and eighty days from the date the action occasioning the trial becomes final if the unavailability of witnesses or other factors resulting from the passage of time shall make trial within sixty days impractical. The periods of delay enumerated in section 3161(h) shall be excluded in computing the time limitations specified in this section. The sanctions of section 3162 are applicable to this section."

SEC. 5. Section 3161(h) of title 18, United States Code, is amended:

(a) by amending paragraph (1)(A) to read as follows:

"(A) delay resulting from proceedings, including an examination, to determine the mental competency or physical capacity of the defendant;" and

(b) by amending paragraph (1)(B) to read as follows:

"(B) delay from proceedings, including an examination of the defendant, pursuant to section 2902 of title 28, United States Code;" and

(c) by amending paragraph (1)(E) to read as follows:

"(E) delay resulting from the preparation and service of pretrial motions and responses and from hearings thereon;"

SEC. 6. Section 3164 of title 18, United States Code, is amended:

(a) by amending the catchline to read as follows:

"§ 3164. Persons detained or designated as being of high risk" and

(b) by amending section 3164(a) to read as follows:

"(a) The trial or other disposition of cases involving

(1) detained persons who are being held in detention solely because they are awaiting trial, and

(2) released persons who are awaiting trial and have been designated by the attorney for the Government as being of high risk shall be accorded priority." and

(c) by amending section 3164(b) to read as follows:

"(b) The trial of any person who falls within subsection (a)(1) or (a)(2) of this section shall commence no later than ninety days following the beginning of such continuous detention or designation of high risk by the attorney for the Government. The periods of delay enumerated in section 3161(h) shall excluded in computing the time limitation specified in this section."

SEC. 7. The analysis at the beginning of Chapter 208 of title 18, United States Code, is amended by deleting "3164. Interim limits." and inserting in lieu thereof "3164. Persons detained or designated as being of high risk.".

SEC. 8. Section 3174 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) If the chief judge of the district court concludes that the need for suspension of the time limits under this section is of great urgency, he may order the limits suspended for a period not to exceed thirty days. An application to the judicial council of the circuit pursuant to subsection (a) shall be filed within ten days of such order."

WASHINGTON, D.C.,
April 10, 1979.

Hon. WALTER F. MONDALE,
The Vice President, U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration and reference is a legislative proposal to amend the provisions of Title I of the Speedy Trial Act of 1974; 18 U.S.C. 3161 *et seq.*

The Speedy Trial Act prescribes time limits within which the various stages of a federal prosecution must occur. After a four year period of phasing-in progressively narrower interim limits, the final time limits will go into effect on July 1, 1979. These are: (1) thirty days from arrest to the filing of a charge with the court; (2) ten days from filing to arraignment on the charge; and (3) sixty days from arraignment to trial. These time limits can be extended by excluding periods of delay as specified in the Act. When the Act becomes fully effective this July, the sanction for exceeding the statutory time limits, after deducting excludable periods, will be dismisal of the action. Such dismissal is mandatory, although it may be with or without prejudice to reprosecution at the discretion of the court.

The phase-in period for the Act has been monitored by the Administrative Office of the U.S. Courts, and the results of that monitoring have been reported to the Congress. Also, the Department of Justice recently has completed an intensive study of delays in the processing of criminal cases under the Act in nine representative judicial districts.

The data contained in the reports of the Administrative Office and the Department of Justice indicate that, if current levels of compliance with the Act are maintained, a significant number of dismissals can be expected when the final time limits take effect on July 1, 1979. Specifically, dismissals could occur in as many as 17 percent of criminal cases filed; in 1978 this percentage represented 5,174 cases.

While this estimate of dismisals may be reduced by the addition of new judges and prosecutors, by increases in prosecutorial productivity, and by prosecutive policies emphasizing cases in priority areas, it is clear that final implementation of the Speedy Trial Act this July will have damaging effects on the workings of the Federal criminal justice system. Even for those cases dismissed without prejudice, problems of logistics and the passage of time may impair reprosecution. Finally, timely scheduling of criminal proceedings under the Act will be a major factor in trial delays of civil cases in the federal courts.

The enclosed legislative proposal will amend the Speedy Trial Act of 1974 to redress these problems in a manner consistent with the intent of Congress to safeguard the speedy trial rights of criminal defendants. This will be achieved primarily through amending the Act's final time limits (sections 2 and 3 of the proposal) to require that a defendant be charged within 60 days of arrest, and that trial begin within 120 days of the filing of the charge. [The latter interval includes the period from filing of the charge to arraignment that is now in the Act.] The penalty of dismissal will continue to be applicable, as under the current law, to cases that exceed these time limits. Based on the data reported by the Administrative Office and the Department of Justice, an estimated 97 percent of all criminal defendants would be charged within 60 days of arrest and tried within 120 days of filing of the charge.

In proposing this enlargement and reconfiguration of the Act's time limits, the Department has included two important additional safeguards for criminal defendants.

First, the proposal will carry forward a provision of the Act otherwise due to expire with the interim time limits on July 1, 1979, which requires expedited trials for persons designated by the U.S. Attorney as being of high risk and for pre-trial detainees. The excludable time provisions are made expressly applicable to the expedited trial limits for pretrial detainees and designated high risk defendants. Second, trial cannot be scheduled sooner than 30 days after the filing of an information or indictment, without the consent of the defendant, thus assuring sufficient time for the selection of counsel of choice and preparation of defenses.

The Department's proposal includes several other amendments. The first will provide a 120 day limit, running from the time of consent of the defendant, for trial before a magistrate upon a complaint. The time limits of the Act also will apply to trial upon indictments ordered reinstated by an appellate court and the excludable delay and dismissal provisions of the Act will be expressly applicable. The excludable time provisions will be amended to allow a reasonable time for determining the mental or physical capacity of the defendant, or his eligibility for treatment under the Narcotics Addiction Rehabilitation Act, as well as delay attendant to preparation and hearing of pretrial motions. Finally, the Act is amended to allow a less cumbersome procedure for dealing with judicial emergencies.

In submitting this proposal the Department of Justice is acting to fulfill its responsibility to the public to assure the effective and equitable working of the criminal justice system, consistent with the right of criminal defendants to a speedy trial. Several of the Department's proposed amendments, and particularly the changes in the Act's time limits, are consistent with the position of the Judicial Conference of the United States. Thus the changes proposed here represent the product of careful study by both the executive and the judiciary.

The Office of Management and Budget has advised that there is no objection to the submission of this legislative proposal from the standpoint of the Administration's program.

The Department urges the prompt consideration and enactment of this legislation.

Yours sincerely,

GRIFFIN B. BELL,
Attorney General.

SECTION-BY-SECTION ANALYSES OF THE SPEEDY TRIAL ACT AMENDMENTS OF 1979

The bill amends provisions of Title I of the Speedy Trial Act of 1974, 18 U.S.C. 3161 et seq.

Section 2 of the bill amends 18 U.S.C. 3161 (b) to enlarge the time allowed for the filing of an indictment or information following the arrest of a defendant, or the service upon him of a summons based upon a complaint, from thirty to sixty days. A conforming change is made in the second sentence of the section, dealing with felony charges in a district where no grand jury has been in session during the period.

Section 3 will merge the ten-day interval now provided by 18 U.S.C. 3161(c) for arraignment after filing of an indictment or information with the sixty-day arraignment-to-trial interval, and enlarge the consolidated interval to 120 days. The section also provides that trial before a magistrate upon a complaint must be commenced within 120 days of the filing of the defendant's consent to be tried by a magistrate. Finally, the section provides that trial cannot be scheduled sooner than thirty days after the filing of an information or indictment, without the consent of the defendant.

Section 4 of the bill amends 18 U.S.C. 3161(e) to apply to trial upon indictments ordered reinstated by an appellate court the time limits currently provided for retrial necessitated by appellate proceedings. The amendment provides that the excludable delay provisions of 18 U.S.C. 3161(h) and the sanctions of 18 U.S.C. 3162 are applicable to the time limits governing trial upon a reinstated indictment.

Section 5 amends the excludable delay provisions of 18 U.S.C. 3161(h). Amendments of 18 U.S.C. 3161(h)(1) (A) and (B) modify the current provisions to allow exclusion of delay resulting from examinations and hearings on the defendant's mental competency or physical incapacity; and from election, examination, and determination of the defendant's eligibility for treatment under the Narcotic Addiction Rehabilitation Act, 28 U.S.C. 2902. The section also adds a provision to exclude delay attendant to preparation and hearing of pretrial motions.

Section 6 of the bill amends 18 U.S.C. 3164 to carry forward the provision otherwise due to expire with the interim time limits on July 1, 1979, which requires trial within ninety days from the beginning of continuous pretrial detention of a person or the designation of a person as being of high risk. The amendment also provides that the excludable delay provisions of 18 U.S.C. 3161 (h) are applicable to this expedited trial limit. *See, e.g., United States* v. *Corley*, 548 F. 2d 1043, 1044 (D.C. Cir. 1976) (per curiam); *United States* v. *Mejias*, 417 F. Supp. 579, 581–83 (S.D.N.Y.), *aff'd on other grounds, sub nom. United States* v. *Martinez*, 583 F. 2d 921 (2d Cir. 1976); Note, *The Interim Provisions of the Speedy Trial Act, An Invitation to Flee?* 46 Fordham L. Rev. 528, 530–34 (1977).

Section 7 of the bill amends the analysis at the beginning of Chapter 208 of Title 18 to conform with the amendments contained in section 6 of the bill.

Section 8 amends 18 U.S.C. 3174 to authorize the chief judge of a district, upon stated conditions of a judicial emergency, to order the time limits of the Act suspended for no more than thirty days. An application to the judicial council of the circuit, under 18 U.S.C. 3174(a), must be filed within ten days of such an order.

By Mr. McGOVERN (for himself, Mr. DOLE, and Mr. MELCHER):

S. 962. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to encourage self-reliance in developing countries; to the Committee on Agriculture, Nutrition, and Forestry.

REFORMS IN FOOD FOR PEACE

Mr. McGOVERN. Mr. President, for 25 years the food for peace program under Public Law 480 has been an important part of our country's agricultural and foreign policy. There remains in many countries a desperate need for the kind of assistance our food aid program is able to provide. But, as a former food for peace administrator, I also realize how often it is difficult to administer a program which is designed to satisfy so many different constituencies, both at home and abroad.

Senator DOLE and I feel that more can and should be done to improve the overseas impact of our food for peace program in ways that benefit the poor and support longer term solutions to world hunger. We have decided to jointly introduce a bill which, we believe, will help make Public Law 480 food aid more responsible to the needs of developing countries and their people. The bill is called the Self-Reliant Development and International Food Assistance Reform Act of 1979. A similar bill has recently been introduced in the House of Representatives. We are confident that both Houses will see fit to enact these modest reforms on this 25th anniversary of the food for peace program.

In a moment, I will comment upon the specific provisions of this bill. But first, I think it is important that we consider food aid within the broader context of world hunger and development strategies. I would also like to briefly summarize the purposes and dimensions of our Public Law 480 programs, so that the reforms we are recommending can be better understood.

THE CHALLENGE OF WORLD HUNGER

Everyone agrees that poverty in the developing world is of very serious proportions. Three-fourths of the world's 4 billion people are poor. About one-fifth live in absolute poverty. About 700 million people are seriously malnourished. Almost twice that many have no access to safe drinking water or health facilities. Over half a billion adults can neither read nor write. An estimated 10 million people will die this year from malnutrition or related causes. Most of them will be children and infants unable to fend for themselves.

Much of this human misery is needless, and could be eliminated if there is enough political will to do so. Although our national power is limited, as we are frequently and forcefully reminded, I believe that the United States can do more, and must do all that it possibly can to end world hunger and poverty. This challenge is much more than an appeal for charity: It is a call for simple justice. It is also in our own long-range self-interest. The security and prosperity of our children and grandchildren will largely depend on how we have responded today to the crying human need that surrounds us.

Is food aid alone an appropriate and sufficient response to this need? Clearly not. Hunger and poverty must be overcome through a variety of measures which encourage equitable economic growth and self-reliance. Providing food aid may help meet immediate needs while more permanent solutions are being worked out, but it cannot in itself be a solution to world hunger.

Poor people must be active participants in their own development, not merely recipients of outside aid. They need greater access to land, improved technologies, better jobs and wages, more locally produced foods, improved diets, and a greater voice in decisionmaking on these matters. Government actions are also critical: They can be supportive or counterproductive to grassroots development. Experts have been telling us for over a decade that traditional economic growth strategies which involve external investment, trade, and aid do not always help the poor. But redistributing scarce internal resources among the poor may also make very little difference in the long run unless it is accompanied by sustained economic growth.

The solution to poverty and hunger, as most people agree, requires food self-sufficiency in most countries and economic self-reliance in others. Those people and countries who cannot grow adequate quantities of food must become strong enough economically to purchase and import their needs.

Taiwan, South Korea, and India have often been cited as examples of countries which used to receive large quantities of concessional food aid, but which are now able to purchase most of their food imports on commercial terms, as a result of economic growth. Food aid helped these countries expand industrial employment at rates higher than would otherwise have been possible. This raised urban incomes, which in turn increased effective demand for local as well as imported foods. But there have also been instances in which food aid undermined local food production, bolstered unpopular regimes, or allowed recipient governments to neglect their own rural areas.

Though the results of food aid have been mixed, the need persists. The International Food Policy Research Institute predicts that, in spite of all efforts to increase local food production, the grain deficits of developing countries will rise sharply from 36 million metric tons in 1978 to as much as 120–145 million tons by 1990. In the short run, these deficits will have to be met either by costly commercial imports, which many poor countries cannot afford, or by food aid. In the long run, though, U.S. commercial exports and food aid combined could not possibly provide enough grain to meet world needs without seriously overusing our farmland. They would also accelerate inflation, through sharply increased domestic and world food prices which hurt particularly the poor. Clearly it is both urgent and in our national interest to promote greater self-reliance of developing countries and their people.

PURPOSES AND DIMENSIONS OF U.S. FOOD AID

Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, serves many objectives. This is why it has been so popular in Congress over the years. It was originally designed to expand international trade, develop export markets for U.S. agricultural commodities, and promote U.S. foreign policy. It has been rather successful in achieving these aims. However, it is less clear the extent to which the program has been able to achieve its other objectives, namely to combat hunger and malnutrition, and to encourage economic development in the developing countries.

The public image of Food for Peace is based mainly on title II programs, which provide outright grants of food to needy persons, mostly through U.S. voluntary agencies such as CARE and Catholic Relief Services. Yet these programs usually account for less than a third of total Public Law 480 shipments each year. Most of our food aid is sold to governments on concessional terms under titles I and III. These governments then resell the foods on their domestic markets and obtain immediate revenues, which makes food aid a valuable form of budget support for hard-pressed governments.

Since 1954, over 265 million tons of agricultural commodities valued at over $27 billion have been exported under Public Law 480. Last year, the program provided more than a billion dollars' worth of commodities to 79 countries, most of it sold on low-interest terms. Yet this Government-funded program represents only 4 percent of last year's total U.S. agricultural exports of $27 billion. Even though it is relatively small, the food for peace program is important to low-income countries such as Egypt, Indonesia, India, Bangladesh, South Korea, and Pakistan.

Public Law 480 is also a minor part of our country's total foreign economic aid expenditures. Congress has been asked this year to approve a worldwide package of nonmilitary aid programs worth $8.7 billion, which represents about 2 percent of our national budget. Food for peace accounts for only 8 percent of that foreign aid request.

Having situated food aid within the broader context of world hunger, and realizing how small the program really is, I would like to examine now the specific provisions of the reform bill which Senator Dole and I have introduced.

SPECIFIC PROVISIONS OF THE REFORM BILL

The "Self-Reliant Development and International Food Assistance Reform Act of 1979" has eight sections. Each section consists of amendments to Public Law 480.

The second section requires the President to determine that whenever food aid is provided, there is a legitimate need for it in each country, and that the food or the revenues from the sale of that food will effectively benefit the poor. This will require assessments of each country's needs and capacity to use food aid well. In recent years, food aid has been directed increasingly to the newly-independent countries of Asia and Africa, many of which are not always able to handle large-scale food imports in ways that clearly benefit the needy. Other countries still receive large quantities of food aid mainly because of U.S. political interests, more than legitimate need, though this tendency has been reduced lately. The amendment would make need and developmental performance the primary criteria for receiving food aid.

The third section encourages the use of food aid for developmental purposes (such as increasing local food production) by giving greater assurances of supply to countries that enter agreements to use food aid in this manner. Under existing legislation, section 401 (a) requires that available supplies be used first to meet domestic requirements, adequate carryover, and anticipated exports for dollars, except if the Secretary of Agriculture determines that some part may be used to carry out "urgent humanitarian purposes." The amendment would extend this exception to cover developmental uses of food aid. More reliable supplies are necessary if we hope to pursuade more governments to enter into multiyear "food for development" agreements under title III of Public Law 480. Otherwise, food aid will continue to be most scarce just when it is most needed, wreaking havoc in the budgets and development plans of countries which receive such aid.

The fourth section applies debt-forgiveness provisions, newly in use for governments that enter "food for development" agreements, also to food that is used directly in approved projects that benefit the very poor. It simply clarifies an existing provision of title III which has been ambiguous.

The fifth section guards against sending food aid when it would be a disincentive to poor-country farmers, in emergency situations as well as in normal times. It also redefines the special consideration given under Public Law 480 to developing foreign markets for U.S. agricultural commodities, so that emphasis is placed on raising the purchasing power of the poor so that they can buy more local as well as U.S. foods.

The sixth section gives a broader role to indigenous institutions and workers in title II programs that provide food directly to the needy, emphasizing the need to avoid creating attitudes of dependency.

The seventh section would allow, under certain limited circumstances, the use of title II for food security programs. Unless section 206 is made slightly more flexible, some of the disaster prone countries in Africa, for example, will be unable to establish small food security reserves or grain/price stabilization schemes. Used on a case-by-case basis where titles I and III are not feasible, title II should be used to improve food security, which is to be a vital part of any of the humanitarian and development purposes of title II.

The last section is really a food security section. It is an outgrowth of the concern that U.S. assistance resources—food, financial, and technical assistance—be used in more creative and concerted fashion to alleviate hunger and malnutrition and meet basic human needs.

Food security means effective domestic food reserves and other measures to assure that a nation's food and nutrition needs are met on an ongoing basis. Domestic food reserves are at the heart of a nation's food security, as are measures to assure that available food is adequately stored, protected from deterioration, and distributed. While food production is, of course, central to food security for most nations, food security is essential to insure a stable context for pursuing food production and other development efforts. Food security as used in this section and in current international discussions applies to the management of a nation's food resources, particularly its utilization of available commodities.

Funds available under section 103 of the Foreign Assistance Act, the bilateral agriculture, rural development and nutrition program, could well be devoted increasingly to promoting national food security in developing countries. Commodities made available under the Public Law 480 program (titles I, II, and III) might be used to assure greater national food security—for example, to stock emergency food reserves in developing countries. With respect to multilateral assistance, U.S. policy could become more supportive of efforts such as the FAO's food security assistance scheme and projects of the World Bank and regional banks, UNDP and UNICEF which have national food security orientation.

CONCLUSION

Although these are modest, no-cost reforms, they are designed to focus greater attention on the effects of U.S. food aid in countries that receive it. Other changes in the program not considered in this bill may also be desirable, and may or may not require legislative amendments. Passage of the reform bill I have just described would show that the United States takes seriously the need for greater self-reliance in developing countries, and that this will become a more central consideration in future programing of U.S. food aid. There is no reason why our food-for-peace program should ever be looked upon by future generations as having been an obstacle, rather than a help, in the worldwide struggle against hunger and poverty.

There can be no more basic aspiration of our common humanity, regardless of where people live or what sociopolitical structure they live within, than freedom from hunger. No one, least of all the bulk of the world's poor, can believe that the political, social, and economic dysfunctions which led to conditions of starvation for hundreds of millions, are the instruments of legitimate economic purpose.

They know, and we know, it has more to do with the fruits of political influence. At what cost will our security come in the face of that truth, in a world filled with lethal weapons? The failure of millions to have the basic human requirement of an adequate diet cannot be justified, either by the values of democracy or by our desire for a more secure future. President Kennedy often said if we cannot help the many who are poor, we will not be able to save the few who are rich. Nothing would more strengthen the social foundations of democracy than a better fed world, where the casualties and castoffs of the global development process were brought in, instead of shut out. It is my hope that this legislation, however modest, will take us further in that direction.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 962

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Self Reliant Development and International Food Assistance Reform Act of 1979".

DETERMINATION OF COMMODITY NEEDS AND PROGRAM BENEFICIARIES IN EACH COUNTRY

Sec. 2. Section 404 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"Sec. 404. (a) The programs of assistance undertaken pursuant to this Act, and the types and quantities of agricultural commodities to be made available, shall be directed toward the attainment of humanitarian and developmental objectives. To the maximum extent possible, either (a) the commodities themselves will be used to improve the economic and nutritional status of the poor through effective and sustainable programs, or (b) any proceeds generated from the sales of agricultural commodities will be used to promote policies and programs that benefit the poor."

"(b) Country assessments shall be carried out whenever necessary in order to determine the types and quantities of agricultural commodities needed; the conditions under which commodities should be provided and distributed; the relationship between United States food assistance, other development resources, and the development plans of a country; the institutional arrangements for administering and evaluating programs utilizing food assistance; the most suitable timing for commodity deliveries; and the rate at which food assistance levels could be effectively increased to meet nutritional and developmental needs."

AVAILABILITY OF COMMODITIES FOR DEVELOPMENT PURPOSES

Sec. 3. Section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "or developmental purposes" immediately after "humanitarian purposes" in the second sentence.

INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

Sec. 4. (a) Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in the first sentence, by inserting ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

(2) in the second sentence, by inserting ", or the use of the commodities themselves," immediately after "participating country".

(b) Section 305 of such Act is amended—

(1) by inserting the following sentence at the end of Section 305(a): "Disbursements of funds from the special account in an amount equivalent, as of date of original deposit, to the dollar value of the credit furnished by the Commodity Credit Corporation under Section 304(a), shall be deemed to be payment of all installments of principal and any interest payable thereon for the commodities purchased by the participating country for purposes of this title." and

(2) by adding the following new subsection:

"(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

Sec. 5. (a) Section 103(f) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(f) give special consideration to increasing effective demand for food within purchasing countries by supporting a variety of measures to stimulate equitable economic growth, keeping in mind the potential for developing new and expanding existing markets for local foodstuffs, as well as United States agricultural commodities, and the need to prevent post-harvest losses and improve storage, handling, and distribution facilities;".

(b) Section 103(n) of such Act is amended by inserting "or interfere with local food production and marketing in the purchasing country, or" immediately after "displace".

(c) Section 202(a) of such Act is amended by amending the last sentence to read as follows: "The President shall take reasonable precaution to assure that the distribution of commodities furnished under this title, both in normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country."

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

Sec. 6. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, help these groups design and carry out their own projects, recommend ways of making food assistance available which are most appropriate for each local setting, supervise food distribution, and regularly evaluate the effectiveness of each project.".

ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

Sec. 7. Section 206 is amended by deleting (3) and substituting: "(3) such agreement provides that the currencies will be used for alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in Section 103 of the Foreign Assistance Act of 1961 as amended, and for programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries."

USING FOOD AID TO AND RELATED RESOURCES TO ENCOURAGE FOOD SECURITY

Sec. 8. Section 103 of the Foreign Assistance Act of 1961 as amended is amended by adding at the end therof the following new subsection:

"(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of U.S. development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor majority in such countries. Therefore, U.S. bilateral assistance under this Act and the Agriculture and Trade Assistance Act of 1954, and U.S. participation in multilateral institutions, shall emphasize polices and programs which assist developing countries to increase their national food security my improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post-harvest food losses, and improving food distribution."

Mr. DOLE. Mr. President, since Public Law 480 food-for-peace legislation was enacted in 1954, over $27 billion worth of farm commodities have been exported under its provisions. The basic goals of Public Law 480 have been: To expand international trade; to develop and expand export markets for U.S. agricultural commodities; to encourage economic development in the developing countries; and to promote U.S. foreign policy objectives. The act has also enabled the United States to provide humanitarian assistance in emergencies and to meet nutritional needs of the poor.

A broad consensus has emerged in recent years that in the long run, the food needs of the world's poor must be met primarily by their own agricultural efforts. Yet grain deficits of developing countries are expected to rise sharply during the next decade, in spite of all efforts to increase local food production.

In the short run, these deficits will have to be met by costly commercial imports, which many countries cannot afford, or by food aid. In the long run, U.S. commercial exports and food aid combined would not be able to provide grain on a sufficient scale without causing much higher domestic and world food prices, and greatly fueling inflation. It is thus clearly in our own long-range interest, as well as theirs, to promote greater self-reliance of developing countries and their people.

SELF-RELIANCE

Public Law 480 legislation includes a number of references to the need for encouraging greater self-reliance in countries that receive food aid, but further reforms are needed to make these provisions more effective. Current law requires self-help measures of countries receiving concessional financing for food aid purchases under title I. It also allows the poorest countries to enter into multiyear "food-for-development" agreements under title III, whereby they can utilize revenues from the sale of Public Law 480 commodities to support specified development policies and programs and reduce their repayment obligations accordingly.

Although criticisms have been made about the impact of food aid on developing countries in earlier years, and doubts have been expressed about the practicality of certain legislative initiatives such as title III, many specialists believe that food aid is necessary and has been and can be a useful resource for development in certain countries when properly administered. The administration has demonstrated a concern for using food aid in ways that promote development within the limits of existing legislation and recipient country capabilities, and should be encouraged to intensify its efforts in this direction.

AVAILABILITY OF COMMODITIES FOR DEVELOPMENT PURPOSES

Excessive year-to-year instability in food grain supplies and prices can cause great hardships to poor people in low-income food-deficit countries, and can seriously undermine these countries' efforts to achieve development goals. A more reliable supply of U.S. food aid could be one step towards reducing such instability. However, Public Law 480 requirements have resulted in making food aid scarce precisely when it is most needed.

Section 401(a) requires that domestic supplies of any commodity be utilized first to meet domestic requirements, adequate carryover, and anticipated exports for dollars before residual supplies can be made available for food aid. Thus, when grain supplies were reduced and prices soared following the 1972 U.S. grain sales to the Soviet Union, Public Law 480 exports of wheat and coarse grains dropped from 7.9 million tons in 1972 to 2.5 million tons in 1974, despite acute famines at that time in Bangladesh on the Sahel.

Following those events, Congress decided in 1977 to amend section 401(a) by adding a waiver saying that these availability restrictions would apply "unless the Secretary of Agriculture determines that some part of the supply thereof should be used to carry out urgent humanitarian purposes of this act." Supplies were thus guaranteed for emergency responses, but not for other uses of food aid.

A special taskforce on the operation of Public Law 480, created in response to section 1210 of the Food and Agriculture Act of 1977, has recommended that the above assurances of supply be broadened to include developmental uses of food aid. Secretary of Agriculture Bob Bergland endorsed this recommendation on behalf of the administration in his memorandum transmitting the taskforce report to Congress in September 1978. He argued that greater assurances of U.S. supply increases the possibilities for effective forward planning by the developing countries, and for multiyear agreements.

With abundant harvests in recent years, the time may be politically opportune to expand guaranteed Public Law 480 supplies to help developing countries increase their own food producing capabilities under multiyear agreements.

NEEDS AND BENEFICIARIES

Concessional sales of agricultural commodities under title I are greatly valued by recipient governments. One reason is the increased availability of low-cost food to meet local consumption needs. But perhaps more importantly, the easy credit terms of most title I sales (3 percent annual interest over 40 years) provide immediate budgetary support to governments which they might not be able to raise from internal revenues. For countries such as Bangladesh, Haiti, Egypt, and India, income from the sale of Public Law 480 commodities on local markets has at various times represented a significant proportion of their national budget. In such cases, the anticipated income may be more valuable to the Government than the commodity itself, especially when the commodities offered as food aid are often determined more by surpluses in the donor country than by recipient country preferences or needs. Such budgetary support can help governments devote more resources to internal development needs, but it can also help sustain unpopular regimes.

In response to political abuses of food aid during the Vietnam war, Congress passed restrictive amendments which allocated at least 75 percent of title I food aid to the poorest countries and made observance of human rights a requirement for receiving such aid. These restrictive amendments were basically reiterating an ongoing concern that U.S. food aid should give greater priority to helping the poor and feeding the hungry, taking into account the realities of each recipient country.

COUNTRY ASSESSMENTS

The proposed amendment to section 404 is designed to give legislative support to a recommendation of the special taskforce on the operation of Public Law 480 urging that "detailed country assessments be carried out in order to determine appropriate levels of food aid and the rate at which food aid can be effectively increased to meet nutritional and developmental needs." The amendment does not require developing countries to adopt a host of conditions which some may consider humiliating, nor does it require lengthy reports to Congress on implementation of new requirements. It simply asks the administration, before making any commitments to provide food aid under any title, to carefully assess each country's needs and its capacity to use food aid or revenues therefrom in ways which will benefit the poor. The administration would thus be accountable to Congress for having made a determination that each food aid agreement meets these two criteria.

INCREASING DEMAND FOR FOOD AND ENCOURAGING LOCAL FOOD PRODUCTION

The amendments proposed to sections 103(f), 103(n), 107(b), and 202(a) share a common purpose: To make protection of local food producers in recipient countries as important as protection of U.S. commercial markets, and to serve the common interests of both by supporting measures that will convert nutritional needs into effective economic demand for food. The assumption is that in many developing countries the key to any significant market expansion lies in promoting economic growth which increases the purchasing power of those who are hungry. At the same time, these amendments spell out some of the implications for titles I and II of the requirements set forth in section 401(b) regarding adequate storage facilities and avoidance of disincentives to domestic production in the recipient country.

EMERGENCY SITUATIONS

The proposed amendment to section 202(a) adds to the above concerns the need for a more discriminating use of food aid in emergency situations. Much adverse publicity has been given to instances such as the Guatemala earthquake of 1976, after which massive Public Law 480 food aid handouts are said to have lowered food prices and undermined the precarious income of local corn producers. It is precisely in emergency situations such as this that special precautions need to be taken to avoid disrupting local food marketings. Since requests for food aid under such circumstances may be urgently submitted by local governments, voluntary agencies, or the world food program, it is important that these cooperating agencies cooperate in assessing the foreseeable impact of emergency food aid on local marketing patterns, as well as on normal commercial purchases from the United States.

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

Section 202(b)(2) under present legislation limits the role of indigenous workers employed in title II programs "To provide information on nutrition and conduct food distribution programs in the most remote villages." In practice, most U.S. voluntary agencies which administer title II programs work closely with local counterpart institutions that are involved in community development work encompassing more activities than simply food distribution. This amendment seeks to give legal recognition to the important role of these indigenous institutions and stimulate more creative uses of their potential for integrating title II food aid into broader community development efforts. They are best able to achieve this through the quality of contact they can establish with beneficiary groups and the continuity in programing they can assure with indigenous personnel.

In response to field-level criticisms that title II food aid often tends to create attitudes of dependency within beneficiary groups, the amendment emphasizes the need for indigenous workers to help beneficiary groups design their own projects, carry them out, and evaluate their effectiveness. It also recognizes that community development purposes may be best served by allowing flexibility in determining the size and composition of food rations to be distributed in individual projects. Long-range and sustainable nutrition goals are best pursued within the framework of programs oriented toward self-reliance.

SPECIFIC PROVISIONS OF THE REFORM BILL

The "self-reliant Development and International Food Assistance Reform Act of 1979" has five sections. Each section consists of amendments to the Public Law 480.

First. The first section requires the President to determine that whenever food aid is provided, there is a legitimate need for it in each country, and that the food or the revenues from the sale of that food will effectively benefit the poor. This will require assessments of each country's needs and capacity to use food aid well. In recent years, food has been directed increasingly to the newly independent countries of Asia and Africa, many of which are not always able to handle large-scale food imports in ways that clearly benefit the needy. Other countries still receive large quantities of food aid mainly because of U.S. political interests, more than legitimate need, though this tendency has been reduced lately. The amendment would make need and developmental performance the primary criteria for receiving food aid.

Second. The second section encourages the use of food aid for developmental purposes (such as increasing local food production) by giving greater assurances of suuply to countries that enter agreements to use food aid in this manner. Under existing legislation, section 401(a) requires that available supplies be used first to meet domestic requirements, adequate carryover, and anticipated exports for dollars, except if the Secretary of Agriculture determines that some part may be used to carry out "urgent humanitarian purposes". The amendment would extend this exception to cover developmental uses of food aid. More reliable supplies are necessary if we hope to persuade more governments to enter into multi-year "food for development" agreements under title III of Public Law 480. Otherwise, food aid will continue to be most scarce just when it is most needed, wreaking havoc in the budgets and development plans of countries which receive such aid.

Third. The third section applies debt-forgiveness provisions, newly in use for governments that enter "food for development" agreements, also to food that is used directly in approved projects that benefit the very poor. It simply clarifies an existing provision of title II which has been ambiguous.

Fourth. The fourth section guards against sending food aid when it would be a disincentive to poor-country farmers, in emergency situations as well as in normal times. It also redefines the special consideration given under Public Law 480 to developing foreign markets for U.S. agricultural commodities, so that emphasis is placed on raising the purchasing power of the poor so that they can buy more local as well as U.S. foods.

Fifth. The last section gives a broader role to indigenous institutions and workers in title II programs that provide food directly to the needy, emphasizing the need to avoid creating attitudes of dependency.

CONCLUSION

In conclusion, I am pleased to introduce, with Senator George McGovern, the "Self-Reliant Development and International Food Assistance Reform Act of 1979." I hope the Committee on Agriculture, Nutrition, and Forestry and the entire Senate will give it prompt and favorable consideration.

By Mr. HATCH (for himself and Mr. Melcher):

S. 963. A bill to permit the Secretary of the Interior to use the chemical compound sodium monofloracetate for the purpose of controlling the population of coyotes on public lands, and for other purposes; to the Committee on Environment and Public Works.

Mr. HATCH. Mr. President, I am introducing today a bill which would reinstate the use of compound 1080 on public lands. This compound was used for years on public lands by trained Fish and Wildlife agents as a safe and effective means of controlling coyote predation on sheep herds across the United States. In January of 1972, in a classic example of overreaction to environmental extremists, an Executive order banned the use of all toxicants on public lands. Subsequent to this order the Environmental Protection Agency rescinded registration to all manufacturers and made it illegal to ship compound 1080 in interstate commerce.

In reality, I am introducing this bill in behalf of the thousands of ranchers and farmers who have been damaged by the predatory tactics of the coyote. Many of these ranchers live in the Western States where livestock grazing is done almost exclusively on public lands. This wily little animal, the coyote, is about the size of a small dog and can bring down a huge sheep in a second and have the carcass completely dressed out quicker than a butcher. It is not my intent to play on the emotions but rather to present the facts as they exist.

It is a fact, Mr. President, that in the last 4 years the coyote has literally chewed up more than $100 million worth of lamb dinners and the raw materials for more than 5 million suits. Last year alone, the coyote cost sheepmen and consumers in this country almost $30 million according to a USDA estimate. In 1976, the dollar loss to the sheep industry was placed at $32 million; in 1975, another $30 million; and in 1974, the loss totaled nearly $37 million.

The total number of livestock operations and total number of sheep have been on the decline for years in many Western States. As an example, in the past 10 years the Wyoming sheep population has been reduced by 850,000 head which represents a 40-percent decrease in the total sheep population. In the same 10-year period the sheep population in Idaho decreased over 50 percent.

In my own State of Utah the decrease was equally dramatic; 350,000 head representing a 45-percent decrease. Sheep and wool revenue as measured by agriculture cash receipts has increased in Utah only 42 percent since 1940 while beef, dairy products, and turkey have all increased 92 percent during the same period. While it would not be fair to attribute such drastic losses to the coyote entirely, it would be safe to conclude that without coyote predation the losses would have been significantly reduced.

Many factors have contributed to the decline in the industry including: Poor management, severe weather, disease, and public preference of beef. However, it should be noted that coyotes are the No. 1 killer of sheep and lambs. They have consumed more of the sheepman's livestock than disease, bad weather, and all other predators combined. On a national basis the total loss has been tragic; 2.5 million head. A spokesman for the USDA confirmed that betwen 65 and 75 percent of the kill during those years was due mainly to coyotes.

The open expanse of western rangeland is a natural resource that is an asset to sheepmen in producing high quality lambs at relatively low cost. The sheepman's heavy dependence on ranges means he can never be completely independent of the Federal Government since the vast majority of western land is owned and managed by the "Feds". Hence, the rancher is dependent on the pracitces and policies of the Federal land managing agencies.

Many of these rangeland policies have been detrimental to the sheep industry over the years. Specifically, the policies regarding predator control have been devastating. The reason for this is simple: There has been no effective predator control program for coyotes since the ban of Compound 1080 in 1972. During the past 7 years the coyote population has increased astronomically.

Due to the coyotes' prolific nature and their low neonatal attrition rate, it is difficult to bring the population down. It has been estimated that just to keep the population stable one would need to take 75 percent of the pups at birth while leaving the remaining 25 percent subject to existing trapping techniques. Consequently, it is plain to see why the sheep ranchers' losses from coyote predation reflect a directly proportional relationship to the increase in the coyote population. Some ranchers that I am aware of are experiencing a 10–20 percent loss of their crop. Recently, one

Western rancher sold 7,000 head of sheep which his family had owned for three generations citing lack of predator control as the reason for selling his entire operation.

Mr. President, I should point out that this chemical toxicant is an extremely selective agent. When it is administered in the proper dosage, its effects are lethal to coyotes but not to other forms of animal life inhabiting the same ecological niche. Initially it was thought that the toxicant could be damaging to other species of animals found in the same food chain as coyotes. Studies have shown that the effect is immediate and fatal to coyotes but is not passed on through the food chain.

One such study has revealed that for an eagle to die from baited meat, it would have to ingest 13–19 pounds of meat which is physically impossible for the species. There have been no known fatalities from Compound 1080 to humans. The closest incident related to humans took place in Alaska where a group of people stranded due to inclement weather came across some baited meat and ingested it. The result was a mild case of diarrhea. Additionally, there has been no evidence to show that the toxicant does damage to the environment. However, it was the environmentalists who successfully pressured the President into banning the compound originally.

I believe that the original Executive order was nothing more than a move to quell the fear of newly fostered environmental fires without giving proper credit to the real benefits of this chemical agent. The environmentalists are now, oddly enough, finding themselves on the other side of the fence. The coyote is cutting into the game herd and destroying many of the small deer and other animals.

In conclusion, may I stress that it is not the intent of my bill to eliminate the coyote. Neither the sheep industry nor the individual producer has that as his goal. The objective of this bill is for reasonable control of the coyote population: A program that the Federal Government has failed miserably to provide for sheep growers.

Mr. President, much more could be said about the need for Compound 1080 by sheepmen everywhere. However, it is not just the sheepmen, it is the American consumer also. Each sheep lost to the coyote means an increase in price to the consumer. I have yet to see any evidence to show why Compound 1080 should not be used to prevent depredation of the sheep industry. On the other hand, evidence of its urgent need can readily be seen in the form of thousands of sheep carcasses which dot the western landscape. I am pleased to introduce this legislation and ask my colleagues to give it thoughtful consideration.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 964. A bill to provide for a series of regional Presidential primary elections; to the Committee on Rules and Administration.

PRESIDENTIAL REGIONAL PRIMARIES ACT

● Mr. PACKWOOD. Mr. President, in 1968, I called for improvements to our Presidential selection process. I felt then, as I do today, that regional preference primaries would add a measure of order and integrity to the current system of choosing our President. That process now resembles more a snowball racing downhill than a rational, humane method designed to choose our leader. No decision of this magnitude is made with so little logic.

Jules Witcover, author of the now famous "Marathon," describes the Presidential primary system as "grueling," "an atmosphere of carnival," "a demanding experience," "nothing short of trial by ordeal," and "a sort of madness."

This selection process, totally unforeseen by the Founding Fathers, began with a good idea. In 1910, Oregon voters approved the Nation's first unadulterated Presidential-preference primary. My home State's election is still regarded as the model of the "pure" Presidential primary. These first primaries were successful in opening the system up to the popular election of the President. It helped eliminate the smoke-filled room and cronyism method of choosing our leader. But between 1910 and 1976 the system broke down. Now we are in the ironic and sad position of discouraging States from holding new primaries when, in fact, everyone should be permitted to participate equally.

Again, Jules Witcover sums up the situation accurately:

> Entering 1976, the basic Constitutional structure—states choosing individual Presidential electors who in turn choose the President—remained unchanged. But within that framework had grown a maddeningly intricate mechanism, developed ostensibly to extend the franchise more directly to the people. In the process, a punishing procedural maze was established that brought candidate and public alike to the point of exhaustion and frustration. Everyone said something had to be done about the system beyond the financing of the campaigns, and from time to time some Members of the Congress introduced modifying legislation. But Congress ignored all such proposals. The 1976 campaign was obliged to proceed using Rube Goldberg political machinery. It seemed, to some, to be masochism on a national scale. But that's the way it would have to be for all those who chose to seek the American Presidency in the Bicentennial year.

I do not believe we can risk using this outdated mechanism for any future elections.

First, not all Americans are afforded an equal opportunity to select the President. The voters of New Hampshire, which holds the first State primary each 4 years have selected and defeated more Presidential candidates than the voters of any other State. New Hampshire defeats dealt to two incumbent Presidents, Truman in 1952 and Johnson in 1968, led immediately to their withdrawal from the race.

It is fair to say voters in New Hampshire have unequalled influence in the process. Hamilton Jordan, in a memo to his candidate in August of 1974, wrote:

> The sequence or chronological order of primaries is important for obvious reasons. Good or poor showings can have a profound and irrevocable impact on succeeding primaries and a candidate's abilities to raise funds and recruit workers. The press shows an exaggerated interest in the early primaries.

In developing his strategy, Jordan relied on his belief that sequence of the primaries was one-half as important as the size of the individual State delegation. He went on to recommend what percentage of the Carter campaign effort should be associated with which States. New Hampshire was assigned 4.8 percent of the total, making it rank fifth from the top, just under New York, California, Illinois, and Florida. His ranking of it as fifth in importance compares with its rank in population in 1970 as 42d out of the 50 States. The States holding early Presidential preference primaries truely have undue influence.

Right now, April 10, 1979, candidates are wooing the residents of New Hampshire and other early primary States in hopes of winning the 1980 election, 20 months away. The Washington Post this week reported Republican candidate PHIL CRANE has already visited New Hampshire 21 times.

By the time Oregon voters get to go to the polls the field is narrowed significantly. A candidate good for, say New England, may be an unbeatable front runner by the time Oregon voters get a chance to choose. Such a candidate may not be good for Oregon or the Nation, but better alternatives may have dropped out long ago for lack of money, volunteers or an image as a winner. A rolling boulder has momentum, but that fact does not make it a good Presidential candidate.

Nor does the current system aid in defining the issues. I challenge my colleagues to recall a single major issue that was fleshed out to any extent during the primary season. This fact has not been unnoticed by the press. Witcover notes, "Even when a member of the press did isolate a basic difference (between candidate stands on issues), it did not seem to catch on generally." There is currently much to prevent good issue development. The candidates are not in the same place at the same time. Candidate forums are difficult to organize. Productive debates seldom occur. Comparisons of the candidates' positions on issues are hard to discern.

Because the candidates are expected to campaign in up to five States across the whole country for a single primary date they cannot be forced to address single-region issues. It is too easy for them to slip out from under a difficult question and never be subject to a followup question on the same issue.

The current primary system lends itself to personal attacks, and many good candidates have been destroyed by them. I noted only last month an article from the Manchester Union Leader reporting personal jabs exchanged between Presidential aspirants PHIL CRANE and Ronald Reagan. Substantive issues remain in the background.

Between now and the nominating conventions of 1980 much time and money will be spent without contributing to selecting the best candidate. While it is impossible to determine the amount of dollars wasted, some of the causes are clear.

Thirty-one primaries in 1976 dotted

the map in random sequence. The 6-hour flight between the east and west coast is in itself exhausting. The candidates took that trip several times without contributing one iota to the selection of the best candidate, the development of the issues or the involvement by the public in the democratic process. The most important loss is not the money but the loss to a public in urgent need of more substantive candidate exposure.

Advertising campaigns conducted for voters in one State slop over to adjoining States, wasting huge amounts of money. An extreme burden on the campaign organizations is the recent reporting requirements of the Federal Election Commission. In 1976, each candidate closed his accounting books both 30 and 10 days prior to each State primary for FEC reporting requirements.

An ideal primary process selects the best candidate.

As we give the public more opportunities to make the best selection, we approach the ideal system. So the process must flesh out the issues. It should provide the public the opportunity to weigh the statements, their responses to questions, the demeanor of the candidates. Each member of the public should have an equal opportunity to influence the selection. To the extent possible the process should be efficient. We should save the money and time of the candidates if such savings does not reduce the opportunity to select the best candidate.

Simplifying and greatly improving this election system is surprisingly simple. I propose five regional primaries. States could still choose whether to hold a primary. But once they decide to do so it would have to be held on the same date as other States in that region. States would still fund their own primaries.

The sequence of these regional primaries would be determined by lottery so no region could claim a greater influence by holding the first primary, election after election. Seventy days prior to each primary date a lottery would select which region's election would be held next.

I propose the regions be generally described as New England, the Great Lakes area, the Southeast, the Great Plains and the West. If these designations had been used in 1976, no region would have had more than seven, or fewer than five, State primaries.

If the candidates had to stay within a region for 30 days at a time, the voters would get a clear comparison. The candidates would acquire a sensitivity to the issues of regional importance. Even the public outside the region would benefit by exposure to 30 days of news coverage emanating from a single region. The country would learn of Oregon's interest in forests, farms, and fish. Westerners would better understand the need for crime control, energy alternatives, and economic redevelopment in the East. Regional issues must be addressed by Presidential candidates just as they should be by the President.

I ask my colleagues in Congress to consider first, the mess we have today and second, my proposal to clear it up. I leave it to historians and the public to determine whether we have, in the past, chosen the best candidates. I do not think we can leave to future generations the decision of how and whether to improve the primary process. I ask unanimous consent that the text of the Presidential Regional Primaries Act be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 964

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Regional Primaries Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) the proliferation of elections held by States for the expression of a preference for the nomination of individuals for election to the Office of President subjects candidates for nomination for election to such office to physical exhaustion, danger, and inordinate expense;

(2) there is no uniformity among State laws with respect to the effect of such elections or delegates to the nominating conventions held by political parties;

(3) the confusion caused by this lack of uniformity in State laws gives rise to cynicism, frustration, and distrust of the nomination process;

(4) the national nominating conventions held by political parties constitute an integral part of the process by which the President is chosen by the people of the United States; and

(5) in order to protect the integrity of the Presidential election process and provide for the general welfare of the Nation, it is necessary to require States which conduct Presidential primaries to conduct them in accordance with an organized, regional scheme for all such primaries.

ESTABLISHMENT OF REGIONAL PRIMARIES

SEC. 3. (a) The Congress requires that no State which conducts an election for expression of a preference for the nomination of individuals for election to the Office of President provide by law for such election to be conducted except in accordance with the provisions of this Act.

(b) Five regional primaries shall be held during each Presidential election year. The first regional primary shall be held on the second Tuesday of March, and an additional regional primary shall be held on the second Tuesday of each of the four succeeding months. Seventy days before the date of the first regional primary, the Commission shall determine by lot the region in which that primary is to be held. The Commission then shall determine by separate lot, conducted seventy days before the date of each subsequent regional primary except the last, the region in which each subsequent regional primary is to be held.

(c) (1) At each such regional primary, there shall appear on the ballot, together with the name of the political party with which he is affiliated, the name of each individual who is generally recognized in national news media throughout the United States as a candidate for nomination by a political party for election to such office, as determined by a majority of the members of the Commission.

(2) An individual whose name is not placed on a regional primary ballot by the Commission under paragraph (1) may have his name and the name of the political party with which he is affiliated appear on the ballot, if he is eligible for election to the Office of President, notifies the Commission in writing that he is a candidate for nomination by a political party (specifying which political party) for election to the Office of President, and—

(A) presents the Commission with a petition supporting his candidacy for such nomination, signed by 1 per centum of the registered voters eligible to vote in the primary (not more than 25 per centum of the signatures necessary shall come from any State within that region); or

(B) pays a filing fee of $10,000 which should be refunded if he receives 5 per centum or more of the total number of votes cast by members of his political party in the regional primary.

The notification and presentation or payment shall be made to the Commission by such date before the primary as the Commission may prescribe, but not earlier than forty-five days or later than thirty-five days prior to the date on which the primary is to be held in that region.

(3) The Commission shall announce—

(A) a tentative list of individuals for whom votes may be cast at a regional primary seventy days before the date of that primary; and

(B) a final list of individuals for whom votes may be cast at a regional primary thirty days before the date of that primary.

(d) The Commission shall not include on the ballot of any regional primary the name of any individual who executes and files with the Commission the following affidavit, executed under oath:

"I, ———, being duly first sworn, do depose and say that I am not, and do not intend to become, a candidate for nomination for election, or for election, to the Office of President of the United States.

"State of———

"County or city of ———

"Subscribed and sworn to before me this ——— day of ———, 19 —.

"———

"[Seal]" "Name

"———

"Title

"My commission expires ———, 19 —.".

(e) Nothing in this Act prohibits the casting of votes for candidates whose names are written on the ballot by voters in accordance with the requirements, if any, of the law of the State in which the election is held.

(f) Subject to such guidelines as the Commission may promulgate, the regional primary shall be conducted in each State which chooses to hold a primary by officials of that State charged with conducting elections. Voters in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Each voter shall be eligible to vote only for a candidate for nomination by the party of that voter's registered affiliation. Each such State shall make provision for the registration of voters by party affiliation.

(g) The chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission within a period of time after such date, not exceeding fifteen days, prescribed by the Commission.

APPOINTMENT OF CONVENTION DELEGATES

SEC. 4. (a) A candidate who receives 5 per centum or more of the votes cast by members of his political party in a regional primary shall appoint delegates from States within the region within which the primary was held to the national nominating convention held by the political party whose nomination he seeks.

(b) The number of delegates which a candidate shall appoint in any State within that region is a number which is a percentage of the total number of delegates from that State to his party's national nominating convention equal to the percentage of the votes cast by members of his party in that State received by him in the primary.

(c) If a candidate receives less than 5 percentum of the votes cast by members of his political party in a regional primary, he may not appoint a delegate from any State within that region. The percentage of the votes cast for such a candidate by members of his political party in any State within that region shall be (1) apportioned among the other candidates of the same political party who received votes in that State on the basis of the number of votes received by each of such other candidates and (2) added to the percentage of the votes received by each of such other candidates in that State for the purpose of determining the number of delegates they may each appoint under subsection (b).

(d) If a candidate fails or refuses to appoint delegates to which he is entitled in any State within a reasonable time, as prescribed by the Commission, the Commission shall, with the consent of the State government involved, appoint delegates pledged to support such candidate at the national nominating convention held by his party. Such delegates shall be bound to support such candidate at the convention to the same extent as if they had been appointed by that candidate.

CONVENTION BALLOTING

Sec. 5.(a) A delegate to a convention held by a political party for the nomination of a candidate for election to the Office of President shall vote for the nomination of the candidate who appointed him or for whom he was appointed until—

(1) two ballots have been taken; or

(2) such candidate receives less than 20 per centum of a vote on a ballot; or

(3) such candidate releases him.

(b) If an individual receives a majority of the votes cast on a ballot, he shall be the nominee of that party for election to the Office of President. A subsequent ballot may be taken to reflect the support of the entire convention for such candidate, but the result of the subsequent ballot shall not, in the nomination of a different individual for election to such office.

(c) The individual who will be the candidate for a political party for election to the Office of Vice President shall be selected by the convention held by that party in accordance with such procedures as it may adopt.

REIMBURSEMENT OF STATES FOR COSTS OF PRIMARY

Sec. 6. Upon application therefor, the Commission shall reimburse each State which held a Presidential primary in 1976, to make future primaries within that State conform to the previsions of this Act. No other costs incurred shall be reimbursed. Applications for reimbursement shall be submitted at such times and in such form, and shall contain such information, as the Commission shall require.

DUTIES OF THE FEDERAL ELECTIONS COMMISSION

Sec. 7. (a) The Commission shall meet prior to each regional primary and at such other times as it deems necessary and shall—

(1) publish tentative and final lists of the individuals for whom votes may be cast in each regional primary ballot and furnish a certified list of such individuals to the appropriate officials of each State thirty days before a regional primary is to be held in that State;

(2) determine the sufficiency of any petition presented to the Commission under section 3(c):

(3) prescribe the date, after the date of a regional primary, on which the chief executive officer of each State shall certify the results of the regional primary held in his State to the Commission;

(4) promulgate guidelines and procedures to be followed by the States in conducting regional primaries;

(5) review applications for reimbursement submitted under section 6, prescribe the time of submission, form, and information content of such applications, and determine and pay the amount to be reimbursed to each State under such section;

(6) consult and cooperate with State officials in order to assist them in conducting regional primaries;

(7) determine by lot in accordance with section 3(b) the order in which the regional primaries are to be held;

(8) receive and hold any filing fee paid under section 3(c) (2) (B) and—

(A) refund that fee to the candidate who paid it if he receives a number of votes in the regional primary with respect to which he paid it equal to 5 per centum or more of the total number of votes cast by members of his political party in that primary; or

(B) pay the fee into the general fund of the Treasury if it is not refundable under clause (A) of this paragraph;

(9) appoint delegates when necessary under section 5(d); and

(10) take such other actions as may be necessary to carry out the provisions of this Act.

(b) The Commission shall report to the Congress and the President not later than one hundred and eighty days prior to the date of the first regional primary to be held under this Act on the steps it has taken to implement the provisions of this Act, together with recommendations for additional legislation, if any, which may be necessary in order to carry out the regional primary system established under this Act.

DEFINITIONS

Sec. 8. As used in this Act, the term—

(1) "Commission" means the Federal Election Commission;

(2) "region" means any of the following five regions:

(A) Region 1 comprises Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Connecticut, New York, Pennsylvania, New Jersey, and Delaware.

(B) Region 2 comprises Michigan, Illinois, Indiana, Ohio, West Virginia, and Kentucky.

(C) Region 3 comprises the District of Columbia, Maryland, Virginia, North Carolina, South Carolina, Tennessee, Mississippi, Alabama, Georgia, Florida, the Commonwealth of Puerto Rico, the Virgin Islands, and the Canal Zone.

(D) Region 4 comprises North Dakota, South Dakota, Minnesota, Wisconsin, Iowa, Nebraska, Kansas, Missouri, Oklahoma, Arkansas, Texas, and Louisiana.

(E) Region 5 comprises Washington, Oregon, Montana, Idaho, Wyoming, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, Hawaii, and Guam.

(3) "regional primary" means an election held in accordance with the provisions of this Act for the expression of a preference for the nomination of individuals for election to the Office of President;

(4) "candidate" means an individual who is a candidate for nomination by a political party as its candidate for election to the Office of President;

(5) "national nomination convention" means a convention held by a political party for the nomination of candidates for election as President and Vice President; and

(6) "State" means the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, and each of the United States.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. JAVITS:

S. 965. A bill to amend title IV of the Social Security Act to improve the aid to families with dependent children program and provide fiscal relief for States and localities; to the Committee on Finance.

FAMILY PROTECTION ACT OF 1979

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference the Family Protection Act of 1979, a bill to improve the program of aid to families with dependent children through additional assistance and protections for recipients, increased financial assistance to State and local governments, and better administrative provisions.

Mr. President, the effectiveness of the current welfare system has been undermined by a host of problems. The most serious of these, I believe, is the disparity of coverage and benefit levels and the inequitable distribution and inadequate levels of Federal support among the different States in our country.

Although the Federal Government currently carries more than half the cost of the welfare system, States determine eligibility and benefit levels for the two largest programs, aid to families with dependent children (AFDC) and medicaid. As a result, payments are subject to the vagaries of a State's finances and/or the priority a State gives to those in need of assistance. This practice has had a most deleterious effect on recipients as well as on the economic viability of those States that are more generous in their outlays, and has shifted a disproportionate tax burden to their residents. This burden is in many cases exacerbated by a distribution formula for Federal reimbursement that does not adequately reflect the varying financial capacities of the States.

It is imperative that the 96th Congress make substantial improvements in the AFDC program. A number of proposals were advanced in the 95th Congress, but no consensus was reached. We must not let that happen again in the 96th. The bill I am introducing today draws from these earlier proposals some of what I consider their best features, incorporates some of the elements of the draft proposals that the administration has been circulating, and introduces an alternative method for calculating the Federal reimbursement percentage. The cost to the Federal Government in fiscal year 1981 of $1.8 billion is reasonable compared to the benefits it will bring to our Nation's neediest people and to our State and local governments. These cost estimates are preliminary and have been worked out with the assistance of HEW staff.

My colleague from New York, Senator Moynihan, as a member of the Finance Committee, is directly and deeply concerned with these welfare matters. Indeed, he heads the subcommittee which deals with this particular question.

I wish it to be understood, Mr. President, as I submit this bill, that this is my own view of what is the most desirable plan for our country and what is the most equitable plan so far as my own State is concerned. I respect enormously Senator Moynihan's expertise in this field. Nothing I have said in my statement or that is contained in my bill should be considered in any way in derogation of that.

However, I do feel that as this is such a critical element of the financial plight of my State and, indeed, of the social and demographic aspects of my State, that it is my duty to advance my own view as to how best to deal with the safeguarding of the various interests which are concerned. It is in that spirit, Mr. President, that I have submitted this bill.

Let me turn now to a description of the bill. I ask unanimous consent that a detailed section-by-section analysis as well as the bill itself be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

NATIONAL MINIMUM BENEFITS

Mr. JAVITS. Even with the benefits of welfare and food stamps, too many of our Nation's poor live in abject poverty. A sense of humanity demands that we continue to try to alleviate some of this distress. My bill would address some of the inequities in the present system by requiring the States to pay to a family with no other income a benefit that, when added to the value of food stamps, would equal a minimum of 70 percent of the nonfarm poverty level—projected at $7,210 for a family of four in 1979. Presently these families in about 18 states of our country receive combined benefit of less than $5,047, 70 percent of the poverty level. The lowest ranking State at this time pays approximately 50 percent of poverty—$3,065.

How can we expect a mother to buy the most rudimentary necessities of life for three children on $3,065 per year? It is an outrage to believe that adequate nutrition, clothing, and housing can be supplied for three children on such a meager yearly sum. Therefore, my bill proposes to mandate a minimum welfare/food stamp benefit of 70 percent of the poverty level and would direct the Secretary of HEW to report to the Congress within 1 year of this legislation's enactment on whether it would be feasible and desirable to raise the national minimum benefit even further, to 100 percent of the poverty level.

The increased cost to the Federal Government of the minimum benefit would be $500 million.

UNEMPLOYED PARENTS PROGRAM

Only 26 States and the District of Columbia provide benefits under the AFDC–U program to two-parent families, and yet many two-parent families in our Nation also live in grinding poverty. Twenty-four States—Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Kentucky, Louisiana, Maine, Mississippi, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Virginia, and Wyoming—provide no assistance to two-parent families under the AFDC–U program. Even those States that do have an AFDC–U program are not permitted to give assistance to two-parent families if the father works more than 100 hours in a month or if he has not worked in 6 of the 13 previous quarters (the so-called "prior work" requirement). And, families in need because of the unemployment of the mother are totally barred from participation in the program. There is no reason to penalize a family that stays together simply because they are not able to find sufficient employment at decent earnings to bring them out of poverty.

The 100 hours and prior work rules have numerous negative consequences. Parents who work more than 100 hours at very low wages, particularly those parents of large families, do not qualify for AFDC–U, yet they lack sufficient earnings to furnish the basic necessities for their families. Also, because of the extreme scarcity of employment for our youth, particularly our inner city youth, many young parents have never worked or had sufficient steady employment to work the required six quarters. Even older parents in cities with high unemployment rates, such as New York and Buffalo, are too often unable to find permanent jobs.

I strongly believe that two parent units deserve the same consideration and support as single parent units and that we should not discriminate against the former by imposing drastically stricter eligibility requirements against them. Therefore, my bill would mandate the AFDC–U program nationwide, eliminate the 100 hours and prior work rules and broaden the scope of the present AFDC–U program from one addressing only fathers to one for unemployed parents. But, it would not require extension of medicaid to AFDC–U families in States that do not at present have an AFDC–U program. Rather, I would require a 30-day job search period before determining a family's eligibility for the program. Those who could not find jobs during that period would then be eligible for aid, but would concurrently have to register for the WIN program so that they could receive job counseling and assistance in their job search. Surely we will be using our resources more effectively and efficiently by providing assistance to these families and by registering their employable parents for the WIN program so that they will be able to find a job that would help them break the cycle of poverty and insure their self-respect.

These changes would increase the Federal payment by $333 million in fiscal year 1981.

INCOME DISREGARDS

We must continue to offer incentives to encourage welfare recipients to seek opportunities in the job marketplace. Under present law, the first $30 per month of earned income, plus one-third of the remainder in addition to work expenses and child care, are deducted to determine net income for purposes of computing the benefit level. This method of computation has the effect of insuring that the welfare grant is not reduced dollar for dollar by the amount of earned income.

Some welfare proposals in the 95th Congress, as well as H.R. 7200 reported by the Finance Committee, contained provisions to modify the disregard in various ways, including placing the fractional disregard after the other deductions. This method would greatly reduce the amount of income disregarded. I feel this is an unwarranted reduction in the incentive to work that is not worth the savings in welfare expenditures, and it discriminates against families with child care expenses.

Consequently, I am not proposing a change in the placement of the fractional disregard but am offering two changes in the system for recipients that I believe will materially improve administration by simplifying the calculation of the disregard. I propose that work expenditures be standardized between 15 and 25 percent of gross income based on samplings every 2 years of actual work expenses in the State. Also, child care expenses would be capped at $150 for one child and at $300 for two or more children in care.

My bill would make limited modifications in the present calculations for income disregards for applicants of welfare as well. It would standardize the work expenses and cap child care in the same way as for recipients of welfare. And, it would add an additional $40 per month disregard in determining the applicant's eligibility. While I favor the same disregard for applicants as for eligibles—the so-called "eligibility at the breakeven"—I am concerned about the sharp increases in welfare rolls, and therefore, welfare costs, that such a proposal might incur. Therefore, I propose a limited disregard of $40 as a compromise between my concern with the need to promote stronger work incentives and the dictates of fiscal constraint.

The net savings to the Federal Government would be $64 million.

RIGHTS AND RESPONSIBILITIES

Our Nation's needy should be treated with fairness and dignity. In turn, they should be made acutely aware of what will be expected of them in seeking Federal assistance. Therefore, I am including a section in my bill that would spell out the rights and responsibilities of applicants and recipients.

These rights and responsibilities are too numerous to list now, so I have given a detailed account in the section-by-section analysis that is being inserted in the Record. However, I will list just a few as examples: The handicapped would be given additional assistance in filing applications. Time limits would be set for determining eligibility and making payments. Presumptive payments would be made if necessary where delay was not the fault of the applicant. Fair hearing procedures would be established. The protections of the Privacy Act would be applied to the welfare process.

Some of these rights and responsibilities are new, some of these are in present Federal regulations, and some are generally accepted but are not found in the regulations. I strongly believe all of them are important to insuring a fair and responsive welfare system. For this reason, I have incorporated them into my bill.

RESOURCES TEST

Under present law, a State establishes the limit on liquid assets that a family unit may have and still be eligible for welfare. In many States, this assets test is lower than the $1,750 limit for food stamps. Although my bill would still allow States to continue setting a limit lower than the $1,750 figure for applicants, once eligible for welfare, recipients who were fortunate enough to acquire some assets such as a gift or bequest would be allowed to retain them up to $1,750.

The increased cost to the Federal Government would be $24 million in fiscal year 1980.

PRORATING FOR INELIGIBLE GRANTEES

Needy children sometimes are in the care of an individual who is not a part of the recipient unit, such as a grandparent or an older brother or sister and who has income to meet his or her own share of the household costs. There are also instances of a stepparent in the home. In these situations, my bill would permit States that pay 100 percent of the standard of need to prorate the shelter portion of the grant to those households where the total income of both recipients and nonrecipients exceeds the State standard of need. This needs standard is set by the States at the level they determine is the subsistence amount for a family. In most States it is set significantly below the poverty level.

States generally should be permitted to reduce welfare costs where noneligible family members share the rent. But if a State pays less than the full standard of need, or if a family has income less than that standard, we in Congress should not be asking the recipients to live on even less than the minimum subsistence level.

The savings to the Federal Government from this provision would be $50 million.

INCENTIVES FOR REDUCTION OF ERROR RATES

The 95th Congress established financial incentives for States that reduced their dollar error rate in welfare administration below 4 percent. However, it included in the calculation of the dollar error rate negative case actions, for which under the present quality control system only the number of cases wrongfully denied, not the dollar amount that should have been awarded, is calculated. To avoid the unnecessary waste of financial and personnel resources that would be required to determine the dollar figure for negative case actions, my bill would establish a separate incentive for negative case action error rates below 4 percent and make additional financial reimbursements only to those States whose dollar error rate and negative case action error rate each were under 4 percent. I believe this method fulfills Congress' intent of considering all errors, and rewarding States for reducing all errors, without adding unnecessary costs to the quality control system.

As an added boost to States in reducing error rates, my bill would provide for the Federal Government to pay 90 percent of the costs of installing computer systems for claims processing and information retrieval and 75 percent of the costs of operating such systems.

FEDERAL REIMBURSEMENT PERCENTAGE

Since the inception of transfers of Federal money to the States, Members of Congress have been debating the distribution formula. The AFDC program is no exception. The bill I am introducing today presents a new concept for determining Federal reimbursement—a formula based on a State's tax capacity. Yet, I recognize that not all Members of Congress will agree that the tax capacity formula is a better formula than the so-called medicaid formula elected presently by most States for their welfare reimbursement. So, I propose to retain the medicaid formula in a slightly revised form and permit a State to elect reimbursement either under this formula or under the tax capacity formula.

As to the actual formulae I am proposing, my bill would modify the present medicaid formula for determining a State's share by lowering the .45 modifier .40. Thus, the revised medicaid formula for a State's share would be:

$$.40 \times \frac{\text{state's per capita income 2}}{\text{U.S. per capita income}}$$

A State could choose the revised medicaid formula or the new tax capacity formula, which I will explain in detail later:

$$.40 \times \frac{\text{state's per capita tax capacity}}{\text{U.S. per capita tax capacity}}$$

Twenty-one States would have the same or a higher reimbursement rate under the tax capacity formula than under the new medicaid one. The regular AFDC formula would be eliminated, and those four States presently using it would receive the same percentage reimbursement as they do in fiscal 1979 if the medicaid or tax capacity formula does not produce a higher percentage. Puerto Rico, Guam, and the Virgin Islands would continue to receive a 75-percent-reimbursement rate. In addition, my bill would raise the minimum Federal reimbursement rate of 55 percent from the present 50 percent.

The total costs to the Federal Government for these changes would be $700 million in fiscal year 1981 and $793 million in fiscal year 1982.

My bill would also require that States pass through to those local governments that share the welfare costs, the full amount of the increased percentage. This will provide increased fiscal relief to many financially hard-pressed cities whose fiscal health is often directly proportional to the size of its welfare burden.

I believe welfare is a national problem and that the Federal Government should shoulder a large share of the burden. These changes I am proposing in the Federal match would increase the average Federal reimbursement rate from the present 54 percent to 60.4 percent and would insure that most States receive a higher Federal reimbursement rate. I would prefer an even higher Federal match, but I recognize the fiscal constraints facing our Federal Government so am proposing a more limited increase.

I ask unanimous consent that two tables be printed in the RECORD at this point in my remarks. The first table lists for each State the projected 1982 dollar amounts and reimbursement rates, incorporating the new formula more favorable to the State. The second lists the reimbursement percentage that each State would receive under the revised medicaid formula and the proposed tax capacity formula.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—1982 AFDC BENEFITS

[In millions of dollars]

State	Total benefits	Fiscal year 1979 Fed percent	Fed dollars using 1979 percent	New Fed percent	New Fed dollars using new percent	Additional Fed dollars
Alabama	90.0	71.3	64.2	74.5	67.1	.92
Alaska	19.4	50.0	9.7	55.0	10.6	1.0
Arizona	35.8	43.9	15.7	62.8	22.5	6.8
Arkansas	60.2	72.9	43.9	75.8	45.6	1.8
California	2,075.2	50.0	1,037.6	56.0	1,162.1	124.5
Colorado	85.3	53.2	45.3	58.4	49.8	4.5
Connecticut	196.3	50.0	98.2	55.0	108.0	9.8
Delaware	32.0	50.0	16.0	55.0	17.6	1.6
District of Columbia	107.3	50.0	53.7	55.0	59.0	5.4
Florida	170.8	58.9	100.7	63.5	108.5	7.8
Georgia	118.5	66.8	79.1	70.6	83.7	4.6
Hawaii	98.2	50.0	49.1	56.4	55.4	6.3
Idaho	24.0	65.7	15.8	69.4	16.7	.9
Illinois	814.4	50.0	407.2	55.0	447.9	40.7
Indiana	139.4	57.3	79.9	62.0	86.5	6.6
Iowa	126.2	56.6	71.4	61.6	77.7	6.3
Kansas	82.1	53.5	43.9	58.8	48.3	4.3
Kentucky	142.4	68.1	96.9	71.5	101.8	4.9
Louisiana	111.2	68.8	76.5	72.2	80.3	3.8
Maine	57.6	69.5	40.1	72.9	42.0	1.9
Maryland	191.4	50.0	95.7	59.2	113.3	17.6
Massachusetts	556.6	51.8	288.1	62.4	347.3	59.3
Michigan	905.6	50.0	452.8	59.6	539.8	86.9
Minnesota	190.6	55.6	106.1	60.8	115.9	9.8
Mississippi	37.3	77.9	29.1	80.1	29.9	.8
Missouri	177.4	60.4	107.1	64.8	115.0	7.9
Montana	16.1	64.3	10.4	68.5	11.0	.7
Nebraska	44.3	57.6	25.5	62.7	27.8	2.2
Nevada	9.1	50.0	4.6	55.0	5.0	.5
New Hampshire	25.1	61.1	15.3	65.1	16.3	1.0
New Jersey	582.9	50.0	291.4	55.6	324.1	32.6
New Mexico	38.2	69.0	26.4	72.6	27.8	1.4
New York	1,749.5	50.0	874.8	59.2	1,035.7	161.0
North Carolina	160.4	67.6	108.5	71.3	114.3	5.9
North Dakota	16.3	61.4	10.0	66.9	10.9	.9
Ohio	513.4	55.1	282.9	60.1	308.6	25.7
Oklahoma	87.3	63.6	55.6	68.0	59.4	3.8
Oregon	165.4	55.7	92.1	60.8	100.6	8.5
Pennsylvania	846.9	55.1	467.0	62.4	528.5	61.5
Rhode Island	69.5	57.8	40.2	65.6	45.6	5.4
South Carolina	60.6	75.3	45.6	75.3	45.6	.0
South Dakota	21.0	68.8	14.5	72.5	15.2	.8
Tennessee	88.0	69.4	61.1	72.8	64.1	3.0
Texas	137.0	64.9	88.9	64.9	88.9	.0
Utah	47.4	68.1	32.3	71.6	33.9	1.7
Vermont	24.6	68.4	16.8	72.0	17.7	.9
Virginia	156.6	56.5	88.5	62.8	98.3	9.8
Washington	204.4	50.0	102.2	60.0	122.6	20.4
West Virginia	60.7	67.3	40.9	70.9	43.0	2.2
Wisconsin	297.2	59.7	172.2	62.8	186.6	14.4
Wyoming	7.0	50.0	3.5	55.2	3.9	.4
Total	12,074.0	53.8	6,494.5	60.4	7,287.5	793.0

TABLE II

[In percent]

State	Proposed medicaid formula	Proposed tax capacity formula
Alabama	74.5	68.8
Alaska	55.0	55.0
Arizona	65.8	62.8
Arkansas	75.8	68.8
California	55.0	56.0
Colorado	58.3	58.4
Connecticut	55.0	55.0
Delaware	55.0	55.0
District of Columbia	55.0	55.0
Florida	63.5	60.8
Georgia	70.6	64.8
Hawaii	55.0	56.4
Idaho	69.4	65.2
Illinois	55.0	55.0
Indiana	62.0	60.8
Iowa	61.6	58.8
Kansas	58.8	58.0
Kentucky	71.5	64.0
Louisiana	72.2	58.8
Maine	72.9	70.4
Maryland	55.0	59.2
Massachusetts	57.2	62.4
Michigan	55.4	59.6
Minnesota	60.6	60.8
Mississippi	80.1	72.0
Missouri	64.8	62.4
Montana	68.5	60.8
Nebraska	62.7	58.8
Nevada	55.0	55.0
New Hampshire	65.1	61.2
New Jersey	55.0	55.6
New Mexico	72.6	62.8
New York	55.0	59.2
North Carolina	71.3	66.4
North Dakota	66.9	60.4
Ohio	60.1	59.2
Oklahoma	68.0	59.2
Oregon	60.5	60.8
Pennsylvania	60.2	62.4
Rhode Island	62.5	65.6
South Carolina	74.2	69.2
South Dakota	72.5	63.6
Tennessee	72.8	67.2
Texas	62.9	55.0
Utah	71.6	65.6
Vermont	72.0	66.4
Virginia	61.2	62.8
Washington	55.0	60.0
West Virginia	70.9	64.0
Wisconsin	62.8	62.8

Mr. JAVITS. Let me turn now, Mr. President, to an explanation of the present formulae and their weaknesses so that my colleagues may better understand the rationale and the necessity of a new formula. In the early years of the AFDC program, the matching formula for welfare payments was designed to provide a uniform Federal contribution in all States. When a State made a payment to an AFDC recipient, the Federal Government contributed a share of the payment, up to a maximum amount specified in Federal law. However, as early as the 1940's, efforts began in the Congress to modify this method of financing, and to introduce some means of reflecting State capacity to pay. Finally, in 1958, the Congress adopted amendments to the Social Security Act which instituted use of per capita income as a basis for Federal matching of AFDC payments.

In adopting this approach, the Congress was attempting to provide a more equitable means of financing growing welfare payments, and also to provide an inducement to low per capita income States to increase their payment levels. Under the 1958 amendments, the Federal Government continued to match a set percentage of AFDC payments, up to a specified amount. But for payments above this amount, and up to a specified maximum, States were to receive Federal matching on the basis of State per capita income in relation to the per capita income of the United States. The per capita income factor was squared to accentuate the relief to States with lower per capita income. As the report of the Senate Finance Committee stated:

> The revised formula in the bill . . . will be of particular assistance to States to make more nearly adequate assistance payments. This will help to more nearly balance the level of assistance made available to needy people in the various parts of the country.

The 1958 amendments continued to provide the basis for Federal matching for AFDC until 1965, when, as part of the amendments creating the new medicaid program, the Congress agreed to allow States to use, as an alternative financing formula, the same formula which had been adopted for the medicaid program. This formula also was based on State per capita income. However, it differed from the AFDC formula, resulting in a higher Federal match for all States, by a lowering from 50 to 45 of the percentage by which the per capita income ratio was multiplied.

Over the years per capita income as a measure of fiscal capacity has been strongly criticized. The primary weakness is the fact that a State's tax base, which is its primary source of revenue, consists of much more than personal income. Two tax bases which are not necessarily directly reflected in personal income statistics are the property tax base and the severance (of natural resources) tax base. For example, States with above average concentrations of rich farmlands or industrial capacity will have greater than average sources of property tax revenues. In addition, States with large natural resource bases can levy severance taxes which effectively "exports" a substantial portion of its tax effort. Likewise, States with a large tourist industry or a concentration of corporations can export their taxes through sales taxes on goods and services purchased by tourists or corporate income taxes on companies whose sales and profits often are out of the State.

Another flaw in the use of per capita income as a measure of fiscal capacity is its failure to take into account variations in the cost of living. The National Center for Economic Alternatives developed an index of cost of living and multiplied it by the per capita income in a State to arrive at a measurement of real income. Thus, States with a cost of living index above the U.S. average would have a real per capita income below their nominal per capita income. Conversely, States with an index below the U.S. average would have a real income above the nominal income. Under this measurement, New York in 1977 had a nominal per capita income of $7,537, but a real income of $6,696. So, instead of being the State with the 12th highest per capita income, after taking into account the cost of living, it was 27th highest.

Rhode Island provides an even more extreme example: a nominal per capita income of $6,775 and a real per capita income of $6,167, thereby moving from 26th highest to 43d highest. By contrast, when the cost of living index was applied, Florida had a higher real than nominal per capita income: $6,684 nominal and $7,254 real per capita income. Florida thus went from the 28th highest nominal per capita income State to the 10th highest real per capita income. Although there is no one widely accepted measure of State-by-State cost of living data similar to the Bureau of Labor Statistics' U.S. cost of living standard, the National Center's data provide a gage of the cost of living differentials that demonstrates an additional weakness in per capita income as a measure of fiscal capacity.

The formula I am proposing today incorporates, I believe, a more accurate measure of fiscal capacity than per capita income. It is based on the representative tax system developed by the Advisory Council on Intergovernmental Relations in 1962, further refined by them in subsequent years, and simplified into more usable form last year by the National Institute of Education.

The NIE study "defines the tax capacity of a State and its local governments as the amount of revenue they could raise (relative to other State-local governments) if all 50 State-local systems applied identical tax rates (national averages) to their respective tax bases." The total revenue which a State and its local governments could raise by applying national average tax rates to its own tax base is translated into a per capita amount and then compared to the total State/local revenues (per capita) actually raised in the United States. Applying such a formula in 1975 for New York, for example, would have given the State a per capita tax revenue of $653.99, whereas the U.S. per capita tax revenue was actually $642.76. Thus, New York's capacity was 102 percent of the national average. I want to emphasize that New York's actual per capita tax collection was $991—over 50 percent above the U.S. per capita collections—a superb tax effort by New Yorkers.

Although there is no perfect measure of a State's fiscal capacity, I believe the representative tax system on which I base the tax capacity formula is a very adequate gage. Because it is based on nationwide average tax rates, it reflects tax revenue potential relative to other States. This is a better indicator than actual tax collections since collections reflect a State's efforts in taxation, not necessarily its capacity. The availability of the data through the Bureau of the Census coupled with the relative ease of calculation of the index is an added benefit. Also, because of the averaging of tax rates of all 50 States, actions by individual states in altering tax rates will have minimal impact on their capacity index, thus avoiding the problem of manipulation of the formula by the State. I urge my colleagues to give this new formula their careful consideration.

FISCAL RELIEF

The many changes proposed in this bill will increase benefit levels and costs in all States, but the exact amount is impossible to determine. Therefore, to protect States from this increased burden, I propose that no State for the next 5 years be required to pay more than it paid under its AFDC and medicaid program in fiscal year 1979. However, because extension of medicaid to AFDC-U families in States with no AFDC-U program at present is optional, States that choose to extend medicaid to these families would not be held harmless for the additional costs attributable to them.

In addition, to insure fiscal relief to all States, computation of the AFDC hold-harmless would be against 95 percent of fiscal 1980 costs. This would be phased out 1 percent per year, thus expiring in the same year as the hold-harmless terminates. The cost of this provision would be $335 million for hold-harmless and $40 million for fiscal relief in fiscal year 1981.

As to the bill's provision for interim fiscal relief in fiscal year 1980, $500 million would be distributed in fiscal year 1980 to all States, including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. One-half would be allocated on the basis of each State's AFDC expenditures divided by its per capita tax capacity as a proportion of the sum of each State's expenditures over tax capacity for all States. The other half would be allocated on the basis of each State's number of children below the poverty level as a proportion of the number of children below the poverty level in all States.

I ask unanimous consent that a table showing the distribution of the interim fiscal relief be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Allocation of each State's share of interim fiscal relief*[2]

[In millions]*

States[1]	
Alabama	6.6
Alaska	0.5
Arizona	4.5
Arkansas	4.7
California	65.3
Colorado	4.1
Connecticut	5.6
Delaware	1.1
District of Columbia	2.9
Florida	15.7
Georgia	11.1
Hawaii	2.6
Idaho	1.2
Illinois	30.8
Indiana	7.1
Iowa	4.2
Kansas	3.3
Kentucky	8.1
Louisiana	9.0
Maine	2.3
Maryland	7.7
Massachusetts	17.9
Michigan	29.4
Minnesota	7.1
Mississippi	6.9
Missouri	8.8
Montana	1.1
Nebraska	2.0
Nevada	0.7
New Hampshire	1.2
New Jersey	17.6
New Mexico	3.1
New York	62.6
North Carolina	10.2
North Dakota	0.9
Ohio	21.9
Oklahoma	4.4
Oregon	4.8
Pennsylvania	29.7
Rhode Island	2.3
South Carolina	6.1
South Dakota	1.2
Tennessee	7.9
Texas	21.9
Utah	1.8
Vermont	1.1
Virginia	8.5
Washington	7.2
West Virginia	3.5
Wisconsin	9.6
Wyoming	0.4

[1] Doesn't include Puerto Rico, Guam and the Virgin Islands.

[2] Tax capacity figures based on '75 data; Poverty level figures based on '76 data; AFDC figures based on '77 data.

*Data may not add to $500 million due to rounding.

Mr. JAVITS. Mr. President, my bill calls for a revamping of our welfare system, bringing help to our neediest people, wherever they live. By increasing assistance to every State, this bill will take us one step further toward dealing with welfare as the national problem that indeed it is.

EXHIBIT 1

S. 965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Protection Act of 1979".

MINIMUM AFDC BENEFIT AMOUNT

SEC. 2. (a) Section 402(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (28);

(2) by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(30) provide that aid provided under the plan shall be equal to or greater than the minimum benefit amount specified in section 412.".

(b) Part A of title IV of such Act is amended by adding at the end thereof the following new section:

"MINIMUM BENEFIT AMOUNT

"SEC. 412. (a) The minimum monthly benefit amount for aid furnished under a plan approved under this part to any assistance unit shall be an amount equal to—

"(1) 70 percent of the projected official nonfarm poverty line (established as required under subsection (b) and adjusted for family size and to a monthly basis) for a family of the same size as such unit within the State, minus

"(2) the sum of (A) the unit's income for such month (subject to the provisions of section 402(a)(8)), and (B) the average value (within such State) of the food stamps for which an assistance unit of the same size as such unit would have been eligible during the last preceding July if the total income of such assistance unit for such July consisted solely of payments made under the State plan.

"(b) For purposes of determining the benefit amount under subsection (a) the Secretary, in consultation with the Office of Management and Budget, shall establish a nonfarm poverty line for each calendar year which shall be based on the latest data available for such year and projections through the end of such year. That poverty line shall apply with respect to benefit amounts furnished during the fiscal year that begins in October of such calendar year.".

(c) Section 406 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(g) The term 'assistance unit' means a dependent child (or children), and the relative (or relatives) described in section 406(a) with whom such child is living, who are claiming aid, and any other individual living in the same home as such child and relative whose needs the State determines should be considered in determining the need of such child or relative, but does not include any individual receiving supplemental security income benefits under title XVI.".

FEDERAL MATCHING FOR AFDC

SEC. 3. (a)(1) Section 403(a) of the Social Security Act is amended by striking out all that precedes paragraph (2) and inserting in lieu thereof the following:

"SEC. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid and services to needy families with children, for each quarter, beginning with the quarter commencing October 1, 1980—

"(1) an amount equal to the Federal public assistance percentage (as determined under section 413(b)) or, at the option of the State, the alternative Federal public assistance percentage (as determined under section 413(c)), multiplied by the total amount expended by such State during such quarter as aid to families with dependent children under the State plan, but subject to the limitation on Federal matching under section 413(a);".

(2) Section 403(a)(2) of such Act is repealed.

(b) Part A of title IV of such Act is amended by adding after section 412 (as added by section 2 of this Act) the following new section:

"MAXIMUM STATE PAYMENTS SUBJECT TO FEDERAL MATCHING; FEDERAL PERCENTAGES

"SEC. 413. (a)(1) The maximum monthly benefit amount for aid furnished under a State plan approved under this part which shall be subject to Federal matching under section 403, for any assistance unit, shall be an amount equal to the greater of—

"(A)(i) 100 percent of the projected official nonfarm poverty line (established as required under section 412(b) and adjusted for family size and to a monthly basis) for a family of the same size as such unit within the State, minus

"(ii) the average value (within such State) of the food stamps for which an assistance unit of the same size as such unit would have been eligible during the last preceding July if the total income of such assistance unit for such July consisted solely of payments made under the State plan (except that such value shall be determined without regard to dependent care and excess shelter expense deductions allowed under section 5(e) of the Food Stamp Act of 1977); or

"(B) the State's pre-existing benefit level for a family of the same size.

"(2) For purposes of this subsection the term 'pre-existing benefit level' with respect to a family means the average amount (as determined by the Secretary) that was payable to a family of the same size with no income other than aid under the State plan, for March 1979.

"(b) The Federal public assistance percentage for any State shall be 100 percent, minus the State percentage. The State percentage shall be that percentage which bears the same ratio to 40 percent as the square of the per capita income of such State bears to the square of the per capita income of the continental United States (including Alaska) and Hawaii; except that the Federal public assistance percentage shall in no case be less than 55 percent or more than 83 percent, and in the case of Puerto Rico, Guam, and the Virgin Islands, shall be 75 percent.

"(c)(1) The alternative Federal public assistance percentage for any State shall be

100 percent, minus the alternative State percentage. The alternative State percentage shall be that percentage which bears the same ratio to 40 percent as the per capita tax capacity of such State bears to the per capita tax capacity of the continental United States (including Alaska) and Hawaii, except that the alternative Federal public assistance percentage shall in no case be less than 55 percent or greater than 83 percent, and in the case of Puerto Rico, Guam, and the Virgin Islands shall be 75 percent.

"(2) For purposes of this section the term 'tax capacity' means the total amount of tax revenue that the State (and its political subdivisions) could raise if such State had a representative tax system.

"(3) For purposes of this section the term 'representative tax system' means a system which applies each type of State and local tax (as defined in subsection (e)) applied by any State (or political subdivision thereof) at a rate equal to that rate for such tax in the continental United States (including Alaska) and Hawaii which would produce the total amount of tax revenues that were actually produced by each such tax in such States (and political subdivisions thereof).

"(d) (1) The Federal public assistance percentage shall be determined and promulgated in accordance with the provisions of section 1101 (a) (8) (B), and the alternative Federal public assistance percentage shall be determined and promulgated in the same manner, utilizing tax capacity data for the three most recent years for which satisfactory data are available.

"(e) For purposes of this section, 'State and local' means the following categories of compulsory contributions exacted by the State (or by any unit of local government or other political subdivision of the State) for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay), as such contributions are determined by the Bureau of the Census for general statistical purposes:

"(1) General sales or gross receipts taxes.

"(2) Selective sales or gross receipts taxes on motor fuels, alcoholic beverages, tobacco products, insurance, public utilities, parimutuels, or amusements.

"(3) Licenses for motor vehicles, motor vehicle operators, corporations in general, alcoholic beverages, or hunting or fishing.

"(4) Individual income taxes.

"(5) Corporation net income taxes.

"(6) Property taxes on residential property, commercial or industrial property, farm real estate, or public utilities.

"(7) Death and gift taxes.

"(8) Severance taxes.

"(f) If, for any State, for any quarter ending prior to September 30, 1985, the Federal percentage as determined under section 403 (a) (1) as in effect in the quarter ending September 30, 1980, is higher than the Federal public assistance percentage, and higher than the alternative Federal public assistance percentage, for such State, payments under section 403 (a) (1) shall be based on such higher Federal percentage for any such quarter.".

DETERMINATION OF BENEFITS IN CERTAIN CASES WHERE CHILD LIVES WITH RELATIVES NOT LEGALLY RESPONSIBLE FOR HIS SUPPORT

Sec. 4. Part A of title IV of the Social Security Act is amended by adding after section 413 (as added by section 3 of this Act) the following new section:

"DETERMINATION OF BENEFITS IN CERTAIN CASES WHERE CHILD LIVES WITH RELATIVES NOT LEGALLY RESPONSIBLE FOR HIS SUPPORT

"Sec. 414. (a) Notwithstanding any other provisions of this part, a State plan for aid and services to needy families with children in a State that makes payments under such plan equal to 100 percent of the standard of need under such plan, shall not be regarded as failing to comply with the requirements imposed under this part solely because, under such plan, in any case in which one or more children live in any household—

"(1) (A) in which the total income of such child or children and the closely related family members (as defined in subsection (b)) living in the same household equals or exceeds the standard of need under such plan for a family equal in number to the total number of such children and closely related family members in the same household, or (B) where the income of such children and closely related family members cannot be determined due to failure to cooperate without good cause, and

"(2) which (A) does not include a relative (specified in section 406(a) (1)) who is legally responsible for the support of the child or children and the total income of such child or children and the closely related family members living in the same household equals or exceeds the Bureau of Labor Statistics' Lower Budget for a family equal in number and composition to the total number of such children and closely related family members, or (B) includes one or more such relatives but none of such relatives is eligible for aid under the State plan because such relative is being supported by another person or under another program,

the amount of the aid allowed for the needs of such child or children for shelter, utilities, and similar expenses, bears the same ratio to the total amount which would be allowed for such needs, if all the closely related family members with whom such child or children are living were eligible for such aid, as the number of such children bears to the total number of such children and closely related family members. This section shall not apply in any case in which the amount so allowed for the needs of such child or children would be less than such child or children's pro-rata share of the total expenses of the household for shelter, utilities, and similar expenses.

"(b) For purposes of subsection (a), the term 'closely related family members' of a child means those relatives of his who are specified in section 406(a) (1) and any other individual for whose support such a relative is legally responsible, but does not include any such relative or other individual (1) with respect to whom benefits are provided under another public program, eligibility for which is based on need, or (2) whose presence in the home would not increase the total amount which would be allowed for shelter, utilities, and similar expenses if he were eligible for aid.

"(c) The amount of aid to families with dependent children for shelter, utilities, and similar expenses shall be identified, for purposes of this section, in the following manner:

"(1) If the State plan approved under this part designates a portion of the standard of need under the plan, for families of specified sizes, to meet shelter, utilities, and similar expenses, then an amount equal to that portion shall be considered the total amount for such expenses for a family of the specified size.

"(2) If such plan does not designate any portion of the standard of need for meeting such expenses, then such portion shall be prescribed by the Secretary, but in no event shall such portion exceed 30 percent of the standard of need for a family of a specified size.

"(d) For purposes of subsection (a), the total income of the child or children and the closely related family members (as defined in subsection (b)) shall not include any income which any such individual is obligated to apply to the support of any other individual not living in the household, and shall be determined as it would be if all such individuals were applicants for aid under the State plan, except that in the case where such child or children received aid under the plan in each of the four preceding months, the total income of such child or children and the closely related family members who were in the household during those four months shall be determined as it would be if all such individuals were eligible for aid under the plan.".

INCOME DISREGARDS

Sec. 5. (a) Section 402(a) (7) of such Act is amended to read as follows:

"(7) except as otherwise provided in paragraph (8), provide that the State agency shall, in determining need for any child or relative claiming aid to families with dependent children, take into consideration the needs, income and resources of any member of the assistance unit (as defined in section 406(g)) of which such child or relative is a member;".

(b) Section 402(a) (8) (A) (ii) of such Act is amended to read as follows:

"(ii) in the case of earned income of a dependent child not included under clause (i) and any other member of an assistance unit—

"(I) in the case of a determination of eligibility for an assistance unit which was not receiving such aid in the month preceding the month with respect to which the determination is made, the first $40 of earned income of such unit;

"(II) in the case of a determination not included under division (I), the first $30 of earned income of such unit;

"(III) in the case of a determination not included under division (I), one-third of the remainder of the earned income of such unit;

"(IV) a fixed percentage of earned income of such unit reasonably attributable to work expenses (which fixed percentage shall be determined by the State based on a sampling of actual work expenses of recipients of such aid and which shall be updated at least every two years, but which not be less than 15 percent or more than 25 percent, and which may have up to three variations within the State based upon such sampling); and

"(V) any reasonable child care costs actually incurred by such unit up to $150 for a unit having one child receiving child care or $300 for a unit having more than one child receiving child care;

except that the provisions of this clause (ii), other than divisions (IV) and (V), shall not apply to earned income derived from participation on a project maintained under the programs established by section 432 (b) (2) and (3); and".

RESOURCES TEST

Sec. 6. (a) Section 402(a) of the Social Security Act (as amended by section 2 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (29);

(2) by striking out the period at the end of paragraph (30) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(31) provide that payments under the plan shall be made only to assistance units whose resources do not exceed the limits prescribed by the Secretary under section 415.".

(b) Part A of title IV of such Act is amended by adding after section 414 (as added by section 4 of this Act) the following new section:

"RESOURCES LIMITATIONS

"Sec. 415. (a) The Secretary shall prescribe the types and allowable amounts of financial resources (liquid and nonliquid assets) which an assistance unit otherwise eligible to receive aid to families with dependent children may own, and shall, in so doing, assure that no member of such unit will be eligible to receive such aid if the resources of such unit exceed $1,750, or, in the case of a unit consisting of two or more persons one of whom is age sixty or over, if its resources exceed $3,000. In valuing resources the Secretary shall count only the value of the unit's interest in the item of property or other asset. The Secretary, in prescribing inclusions in, and exclusions from, financial resources, shall include in financial resources any boats, snowmobiles, and airplanes used for recreational purposes, any vacation homes, any mobile homes used primarly for vacation purposes, and any licensed vehicle (other than one used to produce earned income or to transport disabled unit members) to the extent that the fair market value of any such vehicle exceeds $4,500.

"(b) The Secretary shall issue regulations, after consultation with the Secretary of Agriculture, for the purpose of assuring that the administration of this section is carried out, to the maximum extent practicable, in the same manner as the administration of subsection (g) of section 5 of the Food Stamp Act of 1977.

"(c) A State may prescribe a resource limitation which is more restrictive than the limitations prescribed by the Secretary under this section for purposes of making a determination of eligibility for an assistance unit which was not receiving aid under the State plan in the month preceding the month with respect to which the determination is made.".

DEPENDENT CHILDREN OF UNEMPLOYED OR LOW INCOME PARENTS

SEC. 7. (a) Section 402 (a) of the Social Security Act (as amended by section 6 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (30);

(2) by striking out the period at the end of paragraph (31) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(32) provide aid to dependent children of unemployed or low income parents in accordance with section 407.".

(b)(1) Section 407(a) of such Act is amended by striking out "(as determined in accordance with standards prescribed by the Secretary) of his father" and inserting in lieu thereof "or low income (as determined under subsection (f)) of his parent".

(2) Section 407(b) of such Act is amended by striking out all that precedes paragraph (2) and inserting in lieu thereof the following:

"(b) With respect to aid to families with dependent children provided to an assistance unit which would not qualify for such aid except for the provisions of subsection (a), the State plan must—

"(1) (A) require the payment of aid to families with dependent children with respect to a dependent child as defined in subsection (a) when such child's parent is unemployed or low income, except as provided in subparagraph (B); and

"(B) require a 30-day work search by such parent in accordance with subsection (c) prior to receipt of aid; and".

(3) Section 407(b)(2) of such Act is amended—

(A) by striking out "provides" and inserting in lieu thereof "provide";

(B) by striking out "fathers" in subparagraph (A) and inserting in lieu thereof "parents";

(C) by striking out "father" each place it appears and inserting in lieu thereof in each instance "parent"; and

(D) by amending subparagraph (C)(i) to read as follows:

"(i) unless and until such child's parents, unless exempt under section 402(a)(19)(A), register pursuant to such section for the work incentive program established under part C of this title, or, if exempt under such section by reason of clause (iii) thereof or because no such program in which such parents can effectively participate has been established or provided under section 432(a), register with the public employment offices in the state, and".

(4) Section 407(c) of such Act is amended to read as follows:

"(c)(1) For purposes of subsection (b)(1)(B), the search requirement shall not be required if the parent, during the 30-day period prior to receipt of aid under the State plan—

"(A) was receiving unemployment compensation under the law of a State and met the work search requirements of such law;

"(B) was registered with a State employment agency and was actively seeking employment; or

"(C) was otherwise actively seeking employment and so demonstrates under standards prescribed by the Secretary of Labor.

"(2) Such work search requirement shall not be required in the case of a parent who is employed at a rate of not less than 35 hours per week, other than in a public service job under the Comprehensive Employment and Training Act or who is exempt under section 402(a)(19)(A) from registration for the work incentive program established under part C of this title.

"(3) A parent who engages in a work search after application for aid shall be reimbursed for the reasonable expenses of such search by the Secretary of Labor from funds appropriated under the work incentive program established under part C of this title, provided such parent is registered for such program.".

(5) Section 407(d) of such Act is repealed.

(6) Section 407(e) of such Act is amended by striking out "fathers" and inserting in lieu thereof "parents".

(7) Section 407 of such Act is amended by adding at the end thereof the following new subsection:

"(f) For purposes of this section an individual shall be considered to be unemployed or to have low income during any month in which the total income of the assistance unit of which such individual is a member was such that the unit would be eligible for aid to families with dependent children if the dependent child (or children) in such unit was a dependent child by reason of the provisions of section 406(a).".

(8) The section heading of section 407 of such Act is amended by striking out "UNEMPLOYED FATHERS" and inserting in lieu thereof "UNEMPLOYED OR LOW INCOME PARENTS".

MEDICAID COVERAGE FOR DEPENDENT CHILDREN OF UNEMPLOYED OR LOW INCOME PARENTS

SEC. 8. Section 1902 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h) Notwithstanding any other provision of this title, a State that did not provide aid to dependent children of unemployed fathers under section 407 of this Act during the month of March 1979 may, for purposes of this title, choose not to include as individuals receiving aid or assistance under the State plan approved under part A of title IV, those individuals receiving such aid or assistance who would not be receiving such aid or assistance except for the provisions of section 407.".

MAINTENANCE OF BENEFIT LEVELS

SEC. 9. Section 402(a) of the Social Security Act (as amended by section 7 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (31);

(2) by striking out the period at the end of paragraph (32) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(33) provide that the level of benefits paid under the plan for an assistance unit of any size and any income level shall be maintained at least at the level of such benefits paid to a unit of such size and income level for the month of March 1979.".

LIMITATION ON STATE FISCAL LIABILITY

SEC. 10. Section 403 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(k)(1)(A) Except as otherwise provided in paragraphs (2) and (3), if the adjusted non-Federal share for any fiscal year, prior to fiscal year 1986, under the State plan approved under this part (as defined in subparagraph (B)), exceeds the adjusted base year amount for such State (as defined in subparagraph (C)), the Secretary shall pay to such State, in addition to any other payments required by this section, an amount equal to such excess.

"(B) For purposes of this subsection the term 'adjusted non-Federal share' means the sum of the following amounts expended by the State and its political subdivisions which constitute the non-Federal share of such expenditures:

"(i) Aid to families with dependent children not in excess of (I) the minimum level of benefits required under section 412, or (II) the level of benefits paid under the State plan in fiscal year 1979, if higher.

"(ii) Medical assistance furnished under a State plan approved under title XIX to recipients of aid to families with dependent children, but excluding (I) such assistance furnished by a State which did not provide such assistance in March 1979, and (II) such assistance furnished to recipients of aid to dependent children of unemployed or low income parents by a State which did not provide aid to dependent children of unemployed fathers in March 1979.

"(iii) Amounts expended for the proper and efficient administration of the State plan approved under this part.

"(C) For purposes of this subsection the term 'adjusted base year amount' means the sum of the following amounts expended by the State and its political subdivisions for the fiscal year 1980 which the Secretary determines would have constituted the non-Federal share of such expenditures if the Federal share for such year had not been adjusted under subsections (c), (f), (g), (h), and (j) of this subsection (but including in such Federal share any amount paid to such State for such year under subsection (i) of this section):

"(i) The applicable percentage (as determined under subparagraph (D)) of the amount expended as aid to families with dependent children.

"(ii) Medical assistance paid under a State plan approved under title XIX to recipients of aid to families with dependent children.

"(iii) Amounts expended for the proper and efficient administration of the State plan approved under this part.

"(D) For purposes of subparagraph (C), the applicable percentage shall be 95 percent for fiscal year 1981, 96 percent for fiscal year 1982, 97 percent for fiscal year 1983, 98 percent for fiscal year 1984, and 99 percent for fiscal year 1985.

"(2)(A) If the Federal payment under this section to any State for any fiscal year after fiscal year 1980 would be reduced by any amount under the provisions of subsection (c) (f), (g), or (h) of this section (without regard to paragraph (1) of this subsection), such Federal payment shall be reduced by such amount after the application of the provisions of paragraph (1) of this subsection.

"(B) If the Federal payment under this section to any State for any fiscal year after fiscal year 1980 would be increased by any amount under the provisions of subsection (j) of this section (without regard to paragraph (1) of this subsection), such Federal payment shall be increased by such amount after the application of the provisions of paragraph (1) of this subsection.

"(3) As a condition of any State receiving a payment under paragraph (1), the State must agree to pay to any political subdivision thereof which participates in the non-Federal share of expenditures under the State plan approved under this part, a portion of such payment which bears the same ratio to such payment as such political subdivision's financial contribution to such expenditures bears to the total non-Federal share of such expenditures.".

ADDITIONAL FEDERAL FUNDING FOR CERTAIN MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS

SEC. 11. (a) Section 403 (a) (3) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by redesignating subparagraph (B) thereof as subparagraph (D); and

(3) by adding after subparagraph (A) the following new subparagraphs:

"(B) 90 percent of so much of the sums expended during such quarter (commencing with the quarter which begins October 1, 1980) as are attributable to the planning, design, development, or installation of such statewide mechanized claims processing and information retrieval systems as (i) meet the conditions of section 402 (a) (34), and (ii) the Secretary determines are likely to provide more efficient, economical, and effective administration of the plan and to be comparable with the claims processing and information retrieval systems utilized in the administration of State plans approved under title XIX, and State programs with respect to which there is Federal financial participation under title XX and programs operated under the Food Stamp Act of 1977,

"(C) 75 percent of so much of the sums expended during such quarter (commencing with the quarter which begins October 1, 1980) as are attributable to the operation of systems (whether such systems are operated directly by the State or by another person under contract with the State) of the type described in subparagraph (B) (whether or not designed, developed, or installed with assistance under such subparagraph) and which meet the conditions of section 402 (a) (34), and".

(b) (1) Section 402 (a) of the Social Security Act (as amended by section 9 of this Act) is further amended—

(A) by striking out "and" at the end of paragraph (32);

(B) by striking out the period at the end of paragraph (33) and inserting in lieu thereof "; and"; and

(C) by adding after paragraph (33) the following new paragraph:

"(34) at the option of the State, provide, effective October 1, 1980 (or at the beginning of such subsequent calendar quarter as the State shall elect), for the establishment and operation, in accordance with an advance automatic data processing planning document approved under subsection (d), of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan for aid to families with dependent children approved under this part, so as (A) to control and account for (i) all the factors in the total eligibility determination process under such plan for aid (including, but not limited to, (I) identifiable correlation factors (such as social security numbers, names, dates of birth, and home addresses of all applicants and recipients of such aid and the relative with whom any child who is such applicant or recipient is living) to assure sufficient compatibility among the systems of different jurisdictions to permit periodic screening to determine whether an individual is or has been receiving benefits from more than one jurisdiction, and (II) checking records of applicants and recipients of such aid on a periodic basis with other agencies, both intra- and inter-State, for determination and verification of eligibility pursuant to requirements imposed by other provisions of this Act), (ii) the costs, quality, and delivery of funds and services furnished to applicants for and recipients of such aid, (B) to notify the appropriate officials of child support, food stamp, and medical assistance programs approved under title XIX whenever the case becomes ineligible or the amount of aid or services is changed, and (C) to provide for security against unauthorized access to, or use of, the data in such system.".

(2) Section 402 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) (1) The Secretary shall not approve the advance automatic data processing planning document, referred to in subsection (a) (34), unless he finds that such document, when implemented, will generally carry out the objectives of the statewide management system referred to in such subsection, and such document—

"(A) provides for the conducting of, and reflects the results of, requirements analysis studies, which include consideration of the program mission, functions, organization, services, constraints, and current support, of, in, or relating to, such system,

"(B) contains a description of the proposed statewide management system referred to in subsection (a) (34), including a description of information flows, input data, and output reports and uses,

"(C) sets forth the security and interface requirements to be employed in such statewide management system,

"(D) describes the projected resource requirements for staff and other needs, and the resources available or expected to be available to meet such requirements,

"(E) includes cost-benefit analyses of each alternative management system, data processing services and equipment, and a cost allocation plan containing the basis for rates, both direct and indirect, to be in effect under such statewide management system,

"(F) contains an implementation plan with charts of development events, testing description, proposed acceptance criteria, and backup and fallback procedures to handle possible failure of contingencies, and

"(G) contains a summary of proposed improvement of such statewide management system in terms of qualitative and quantitative benefits.

"(2) (A) The Secretary shall, on no less than an annual basis, review, assess, and inspect the planning, design, and operation of, statewide management information systems referred to in section 403(a) (3) (B), with a view to determining whether, and to what extent, such systems meet and continue to meet requirements imposed under such section and the conditions specified under subsection (a) (34) of this section.

"(B) If the Secretary finds with respect to any statewide management information system referred to in section 403(a) (3) (B) that there is a failure substantially to comply with criteria, requirements, and other undertakings, prescribed by the advance automatic data processing planning document theretofore approved by the Secretary with respect to such system, then the Secretary shall suspend his approval of such document until there is no longer any such failure of such system to comply with such criteria, requirements, and other undertakings so prescribed.".

(c) Part A of title IV of the Social Security Act is amended by inserting after section 415 (as added by section 6 of this Act) the following new section:

"TECHNICAL ASSISTANCE FOR DEVELOPING MANAGEMENT INFORMATION SYSTEMS

"SEC. 416. The Secretary shall provide such technical assistance to States as he determines necessary to assist States to plan, design, develop, or install and provide for the security of, the management information systems referred to in section 403(a) (3) (B) of this Act.".

INCENTIVES TO REDUCE ERROR RATES

SEC. 12. Section 403(j) of the Social Security Act is amended to read as follows:

"(j) (1) If the dollar error rate of aid furnished by a State under its State plan approved under this part with respect to any six-month period, as based on statistically valid quality control samples and evaluations thereof, is less than 4 percent, and the State's negative case action error rate for the same six-month period, as based on statistically valid quality control samples and evaluations thereof, is less than 4 percent, the amount of the Federal financial participation in the expenditures made by the State in carrying out such plan during such period shall be the amount determined without regard to this subsection, plus the percent of the Federal share (as determined under paragraph (2)) of the sum of—

"(A) the amount by which such expenditures are less than they would have been if the erroneous excess payments of aid had been at a rate of 4 percent; and

"(B) the amount by which such expenditures are more than they would have been if the erroneous underpayments of aid had been at a rate of 4 percent.

"(2) The percent of the amount of additional Federal financial participation provided for in paragraph (1) (B) shall be determined as follows:

"(A) Based on its dollar error rate, a State is eligible for the following percent of the additional amount described in paragraph (1) (B)—

"(i) 10 percent of the Federal share of such amount, in case such rate is not less than 3.5 percent,

"(ii) 20 percent of the Federal share of such amount, in case such rate is at least 3.0 percent but less than 3.5 percent,

"(iii) 30 percent of the Federal share of such amount, in case such rate is at least 2.5 percent but less than 3.0 percent.

"(iv) 40 percent of the Federal share of such amount, in case such rate is at least 2.0 percent but less than 2.5 percent, and

"(v) 50 percent of the Federal share of such amount, in case such rate is less than 2.0 percent.

"(B) The percent determined according to (A) shall be increased by the following percent according to the State's negative case action error rate—

"(i) 10 percent if the negative case action error rate is not less than 3.5 percent,

"(ii) 20 percent if the negative case action error rate is at least 3.0 percent but less than 3.5 percent,

"(iii) 30 percent if the negative case action error rate is at least 2.5 percent but less than 3.0 percent,

"(iv) 40 percent if the negative case action error rate is at least 2.0 percent but less than 2.5 percent, and

"(v) 50 percent if the negative case action error rate is less than 2.0 percent.

"(3) For purposes of this subsection—

"(A) the term 'dollar error rate of aid' means the total of the dollar error rates of aid for (i) payments to ineligible families receiving assistance; (ii) overpayments to eligible families receiving assistance; and (iii) underpayments to eligible families receiving assistance;

"(B) the term 'erroneous excess payments' means the total of (i) erroneous payments to ineligible families receiving assistance, and (ii) overpayments to eligible families receiving assistance;

"(C) the term 'erroneous underpayments' means underpayments to eligible families receiving assistance; and

"(D) the term 'negative case action error rate' means the total of the negative case action error rates for (i) incorrect denials of applications for assistance or other incorrect dispositions of applications without determinations of eligibility, and (ii) incorrect terminations of assistance.".

RIGHTS AND RESPONSIBILITIES OF APPLICANTS AND RECIPIENTS

SEC. 13. (a) Section 402(a) of the Social Security Act (as amended by section 11 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (33);

(2) by striking out the period at the end of paragraph (34) and inserting in lieu thereof "; and"; and

(3) by adding at the end therof the following new paragraph:

"(35) provide that the procedural regulations promulgated by the Secretary under section 417 are properly implemented.".

(b) Part A of title IV of such Act is amended by adding after section 416 (as added by section 11 of this Act) the following new section:

"RIGHTS AND RESPONSIBILITIES OF APPLICANTS AND RECIPIENTS

"SEC. 417. (a) The Secretary shall issue regulations for the purpose of assuring that each State, in the administration of its State plan under this part, provides that—

"(1) each individual or assistance unit that either makes in person (at any location designated to receive application for payments under the State plan) or sends in written form (received at such location) what may reasonably be interpreted as a request for payment under such plan shall be deemed to have filed an application on the same day such request is made or received; and that such locations, including locations in remote areas at which agency staff will be present at fixed times, shall be as convenient to assistance units in location and hours of operation as is administratively feasible;

"(2) the application form shall (A) be prescribed by the Secretary, (B) require only such information as the Secretary determines to be essential to the administration of this title and the State plan; (C) be available in an appropriate language other than English in those portions of political subdivisions of States in which 10 percent or more of the members of eligible and potentially eligible assistance units speak a language other than English, (D) contain a description in understandable terms and in prominent and boldface lettering of the applicable civil and criminal sanctions for failure to comply with the provisions of this title and the State plan by members of eligible or participating assistance units, (E) specify or furnish as attachments a clear description of the rights of applicants and participating assistance units under the State plan, (F) be made available for public distribution, accompanied by instructions for the filling out of such application and detailed information about the eligibility requirements, scope, and benefits of the program under the State plan, and (G) include those provisions necessary for each adult member of the assistance unit to make the assignment and enter into the agreement required by section 402(a)(26); and verification of the information provided on the application and of other information essential to determining eligibility shall be made in the least intrusive manner possible, with the unit being advised of all contacts that will be made so that it might be determined whether the necessary information can be provided to make such contacts unnecessary or whether it would prefer to withdraw its application;

"(3) each applicant assistance unit may be represented or assisted in any part of the application or the hearing process pursuant to paragraphs (9) through (11) either by any adult claiming to be a member of the unit, or by any adult other than a member of the unit (including a lawyer) so long as that adult has been clearly designated as the representative of that unit for that purpose by an adult member of that unit or nonmember adult for a unit that contains no adult member able to file; and each applicant assistance unit shall be offered assistance by the agency (including payment of fees) in completing the application and obtaining all necessary documents and other evidence;

"(4) each applicant assistance unit may receive and return application forms by mail or delivery;

"(5) appropriate means and procedures are established for receipt of applications and for determinations of eligibility in those cases in which no adult member of the unit is able to appear in person because of age or physical or mental handicap, or because of the location or hours of operation of the office designated to receive application for payments under the State plan in the political subdivision in which such unit resides, including visits to the unit's home if face-to-face contact is necessary;

"(6)(A) the eligibility of each applicant assistance unit and the amount of payment to which such unit is entitled shall be promptly determined so as to allow no more than 30 days to elapse from the date on which its application is filed as described in paragraph (1) and no more than 15 days to elapse from the date a notification of change in circumstances is received, to the date on which the notice of the determination is mailed to the unit, and no more than 5 days to elapse from the mailing of such notice before the date on which any payment resulting therefrom (for all months for which payment would already have been made if the payment so resulting were not the assistance unit's first payment) is made; except that the time limit shall not apply where the State can demonstrate that failure or delay on the part of the unit to provide information essential to the determination of eligibility and the amount of payment caused the delay, but if such failure or delay is corrected, the applicable time limit under this subparagraph shall be 20 days from the day of such correction;

"(B) this time limitation period shall not be used as a waiting period before making payment under the State plan or as a basis for denying payment;

"(C) by the end of the applicable time limit, payment shall be made even in the absence of all the information essential to the determination of eligibility and the amount of payment so long as that absence is not directly attributable to action or inaction on the part of the unit and there is no documented reason to believe that the unit is ineligible or should not receive the highest amount to which it would be entitled by virtue of its composition, size, and income; and if there is a documented reason for dispute over the amount of benefit to which the family is entitled, payment shall be made in the amount as to which there is no dispute;

"(D) any presumptive payment made in accordance with paragraph (C) shall be considered to be a correct payment in ascertaining quality control error rates under this title, and whenever the State agency finds that more or less than the correct amount has been paid for any month with respect to an eligible assistance unit, proper adjustment shall be made by appropriate adjustments in future payments with respect to such unit, or by recovery (in an amount that represents an equitably proportionate share of the total overpayment, as determined in accordance with regulations of the Secretary) from the unit or from a member or the estate of a member of the unit if the Secretary determines that the action of such member caused the overpayment; except that adjustment as recovery shall not be undertaken in the case of payment of more than the correct amount if adjustment or recovery on account of such overpayment in such case would defeat the purposes of this title, or be against equity or good conscience, or (because of the small amount involved) would impede its effective or efficient administration, as determined in accordance with regulations of the Secretary;

"(7) the notice under paragraph (6) shall state the action taken on the application or the notification of change and the reasons and authority therefor, including the facts on which the action is based and shall explain the unit's right to and the manner in which it can request a hearing pursuant to paragraph (11) if it is dissatisfied with the action; and shall be provided in the appropriate language other than English where the application was submitted in a language other than English;

"(8) in cases in which a determination is made to terminate, suspend, adjust (for overpayment), withhold, or reduce payment to a recipient assistance unit, or take any other action affecting the receipt or manner of payment, such unit shall be mailed a written notice that such action is to occur at least 15 days before the date such action is to become effective, which notice shall include a statement of the action to be taken, the reasons for such action (including the facts on which the action is based) and the specific legal basis (including citation of applicable law and regulation) for such action, the unit's right to and the manner in which it can request a hearing pursuant to paragraph (11), and the circumstances under which payment will be continued if a hearing is requested;

"(9) a hearing pursuant to paragraph (11) shall be granted to any unit that requests a hearing by way of a clear expression in writing, or orally (confirmed in writing), by a member of that unit or its representative pursuant to paragraph (3) to the effect that the unit wants the opportunity to protest any agency action by which the unit is aggrieved (including the agency's failure to act within prescribed time limits) or to contest a determination affecting its claim or receipt of assistance, if that expression occurs within 90 days after notice of the determination is mailed to the unit (or should have been so mailed) or within 90 days after the action or inaction complained of, unless that request for hearing is withdrawn in writing by the unit or its representative or the hearing is abandoned because, without good cause, the unit fails to appear by a member or its representative at the time scheduled for such hearing, or the action is required by State or Federal law requiring automatic grant adjustments for classes of recipients and it is not being challenged as resulting from an incorrect application of such law in the individual case;

"(10) if the unit requests a hearing at any time before the action referred to in paragraph (8) becomes effective, payment shall be continued in full and no such action shall be taken on the basis of the contested determination until the hearing decision is issued, or, if the unit requests a hearing within 15 days following the date such action becomes effective payment in full shall be reinstated and the action revoked (both until the hearing decision is issued and subject to recovery or adjustment of any overpayment if such action is sustained thereafter in the hearing process, but subject to the limitations on recovery set forth in paragraph (6)(D)) unless, at the hearing, there is a determination that the action is required by State or Federal law requiring automatic grant adjustments for classes of recipients and it is not being challenged as resulting from an incorrect application of such law in the individual case;

"(11) the hearing shall—

"(A) be conducted by the State at a reasonable time, date, and place with adequate preliminary written notice to the requesting unit, and the State may, with the consent of the individuals affected, consolidate individual requests for hearing into a single group hearing if the sole issue for hearing involved in those requests is one of State or Federal law (or change therein);

"(B) involve opportunity for the requesting unit or its representative, including legal counsel, to (i) examine and copy, without charge, at a reasonable time before the date of the hearing as well as during the hearing, all documents, records, and other material (including material in the unit's case file) to be relied upon at the hearing in support of the action, and an opportunity to examine and copy without charge, at a reasonable time prior to the hearing all documents relating to the unit which are not protected from disclosure under the Privacy Act, (ii) present its views, evidence (including witnesses), and arguments on all pertinent facts and circumstances in the matter, without undue interference, to the State or an impartial individual designated by the State, as a hearing officer meeting standards established by the Secretary, (iii) compel the attendance at such hearing of any witness employed by the State upon a showing that such witness may possess factual information relevant to the issues involved, (iv) confront and cross-examine adverse witnesses upon whose evidence the action taken is based in whole or in part, (v) question or refute any testimony or evidence, (vi) prevent attendance at the hearing or any portion of the hearing by any person not essential to the conduct of the hearing, and (vii) if the individual's medical condition is at issue, obtain prior to the hearing a medical assessment at agency expense from a source satisfactory to the requesting unit;

"(C) result in issuance and mailing to the unit of a revised determination reaffirming or modifying the initial action, which revised determination shall be based exclusively on evidence and other material introduced at the hearing (which shall constitute the hearing record and shall be available to the unit or its representative at a reasonable time in an accessible place), shall be accompanied by explanation of the reasons for that revised determination, including a summary of the facts and identification of the supporting evidence, law, and regulation, and the manner, if any, by which the unit can appeal such determination through State processes, and shall be accessible to the public with all identifying information deleted; and

"(D) lead to prompt, definitely, and final administrative action to implement the revised determination by making or not making payment or taking such other action as is required within 90 days from the date of the request for a hearing pursuant to paragraph (9);

"(12) replacement of lost or stolen payment checks will occur as swiftly as possible when requested at least 3 days and not more than 30 days after the regular due date of the check involved, but in no event in more than 5 days from the date of the request for such replacement;

"(13) agency staff shall have, or shall have ready access to persons who have, the ability to communicate effectively with persons who do not understand English or whose communication skills are limited by inability to see, hear, speak, or by other causes;

"(14) no information collected pursuant to the State plan with respect to any member of any applicant or recipient assistance unit or any such unit identified by name or address will be maintained in records in any form beyond a reasonable period of time after such member ceases to be a member of such a unit or after such unit ceases to be a recipient assistance unit under the program under the State plan;

"(15) information with respect to aid under the plan is made available and publicized;

"(16) in every respect not otherwise specified by the provisions of this section, there will be full compliance with the provisions of the Privacy Act of 1974 (5 U.S.C. 552a) (with the State being deemed for this purpose to be a Federal agency within the purview of that Act) and section 6103 of the Internal Revenue Code of 1954.

"(b) The Secretary shall, in carrying out subsection (a), consult with the Secretary of Agriculture for the purpose of assuring that this section is administered, to the maximum extent practicable, in the same manner as are similar provisions of the Food Stamp Act of 1977 which deal with the rights and responsibilities of applicants and recipients under such Act.

"(c) For purposes of this section, an application is effective as of the first day of the month in which it is filed, and is an application for benefits for each month beginning with that month and ending with (1) the month in which the agency denies the application, (2) the sixth consecutive month in which no amount is payable to an assistance unit which had previously been determined to be an eligible assistance unit, or (3) the month in which the application is withdrawn (in accordance with such rules as the agency may prescribe), whichever occurs first. Thereafter payments under this title may only be made upon the filing of a new application except that information and evidence received in connection with the filing of a prior application shall be considered in determining eligibility based on any new application.

"(d) For purposes of this section the term 'day' includes each day of the week, including weekends and holidays.".

PASS THROUGH OF INCREASED FEDERAL PERCENTAGE

Sec. 14. Section 403 of the Social Security Act is amended by adding after subsection (k) (as added by section 10 of this Act) the following new subsection:

"(1) (1) in order to receive any payments under this section any State that requires cost sharing by political subdivisions for aid to families with dependent children must, for each quarter, reduce such local cost sharing to a percentage (not less than zero) equal to such local cost sharing percentage as in effect in the quarter ending September 30, 180, minus the excess Federal percentage.

"(2) For purposes of this subsection, excess Federal percentage for any quarter means—

"(A) the State's Federal public assistance percentage, or if greater, its alternative public assistance percentage, minus

"(B) the Federal matching percentage for such State as determined under subsection (a) (1) or (2) or section 1118 (as the case may be) as in effect during the quarter ending September 30, 1980,

but only if greater than zero.".

EFFECTIVE DATE

Sec. 15. (a) Except as otherwise provided in this Act, the amendments made by the preceding sections of this Act shall become effective with respect to payments made to States under titles IV and XIX of the Social Security Act with respect to expenditures made for quarters beginning on or after October 1, 1980.

(b) In the case of a State plan under part A of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requiremnts of such part solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

INTERIM FISCAL RELIEF

Sec. 16. (a) The last sentence of section 403 (a) of the Social Security Act is amended by striking out "beginning after September 30, 1977, and prior to April 1, 1978" and inserting in lieu thereof "beginning after September 30, 1979, and prior to October 1, 1980".

(b) Section 403 (i) of such Act is amended to read as follows:

"(i) (1) In the case of any calendar quarter which begins after September 30, 1979, and prior to October 1, 1980, the amount payable (as determined under subsection (a) or section 1118, as the case may be) to each State which has a State plan approved under this part shall, subject to paragraph (2) of this subsection) be increased by an amount equal to the sum of—

"(A) an amount that bears the same ratio to $62.5 million as the quotient obtained by dividing (i) the amount expended as aid to families with dependent children under the State plan of such State during the most recent fiscal year for which sufficient data is available by (ii) the per capita tax capacity of such State (as defined in section 413), bears to the sum of such quotients for all the States; and

"(B) an amount that bears the same ratio to $62.5 million as the number of children (under the age of 17) in such State who were, during the most recent fiscal year for which sufficient data is available, members of families that were below the national nonfarm poverty line (as established by the Office of Management and Budget) for such fiscal year bears to the total number of such children in all the States.

"(2) As a condition of any State receiving a payment for any quarter under the provisions of paragraph (1) of this subsection, such State must agree to pay to any political subdivision thereof which participates in the cost of the State's plan under this part, with respect to each quarter for which such payment is payable, so much of such payment as is a pro-rata share of such political subdivision's financial contribution to the State's plan for such quarter.

"(3) If complete data is not available for Puerto Rico, Guam, or the Virgin Islands, with respect to the tax capacity or the number of children under the poverty line, the Secretary shall carry out the provisions of this subsection utilizing the best estimates available with respect to such data for those jurisdictions.".

STUDY OF BENEFIT AMOUNTS

Sec. 17. The Secretary of Health, Education, and Welfare shall conduct a study of the desirability and feasibility of raising the minimum benefit amount under the aid to families with dependent children program to 100 percent of the official nonfarm poverty line, and of raising the maximum benefit amount subject to Federal matching to an amount in excess of 100 percent of the official nonfarm poverty line. The Secretary shall submit a report to the Congress not later than one year after the date of the enactment of this Act containing his findings and any recommendations for legislation for implementing such findings.

Exhibit 2

Section-by-Section Analysis of Javits Welfare Bill

Section 1. Title—Family Protection Act of 1979.

Section 2. Minimum AFDC Benefit Amount—Section 2 would mandate that each state pay to a family with no other income a benefit that, when added to the average value of Food Stamps payable to a family of that size and income, would at least equal 70 percent of the nonfarm poverty level. Benefits paid during the fiscal year would be computed based on the poverty level projected through the end of the calendar year in which the fiscal year begins. The determination of the average value of food stamps would be based on that paid in the state in July preceding the fiscal year. Cost: $500 million. (All cost estimates are for fiscal year 1981 and are preliminary, worked out with the assistance of HEW staff.)

Section 3. Federal Matching for AFDC—Under this section a state would be given the option of choosing a modified medicaid formula or a new tax capacity formula. The present medicaid formula for determining a state's share would be changed by reducing the multiplier from .45 to .40. The new medicaid formula would thus be .40 times the square of a state's per capita income over the U.S. per capita income. The new tax capacity formula would be .40 times a state's per capita tax capacity over the U.S. per capita tax capacity. Puerto Rico, Guam, and the Virgin Islands would receive a 75 percent reimbursement. The regular AFDC formula would be eliminated, and those states presently using it would be entitled to the percentage reimbursement rate they received in FY80 if the medicaid or tax capacity formulas did not produce a higher rate. The minimum Federal reimbursement would be raised from 50 percent to 55 percent. States would be required under Section 14 to pass through to those local governments that share in welfare costs the full amount of the increased percentage.

A state's tax capacity is computed as the amount of revenue a state and its local governments could raise relative to other state/local governments if it applied national average tax rates to its tax bases. This figure is translated into a per capita amount for the numerator of the fraction, while the denominator would be actual per capita tax collections by all state and local governments in the U.S. Under my system, twenty-one taxes drawn from seven of the Bureau of the Census tax categories make up the data base. However, ten other types of taxes, constituting 3.2 percent of revenues collected in 1975, would not be included because of the difficulty of determining the appropriate tax base, their relatively small proceeds, or their use by two few states. Cost: $700 million.

Section 4. Determination of Benefits in Certain Cases Where Child Lives with Relatives Not Legally Responsible for His Support—Section 4 would permit states that pay at least 100 percent of the state standard of need to prorate the shelter portion of the grant for recipients living with closely related family members who are not recipients, provided total income of the household exceeds the standard of need for a unit of that size. For states that do not designate a portion of the grant for shelter, the Secretary would prescribe an amount not to exceed 30 percent for the shelter portion. Total family income would not include work related expenses or any income obligated to the support of another individual not residing in the household. The earned income disregard would be applied in determining income only in cases where the family unit had been a recipient in the previous four months and where the non-eligible individual had been living with the family during that period. Savings: $50 million.

Section 5. Income Disregards—Section 5 would modify present law on income disregards both at application and after eligibility is established. At application, $40 per month of income would be disregarded, as would the standardized work related expenses. Each state would be required every two years to sample actual work related expenses of recipient and set no more than six fixed percentages between 15 percent and 25 percent to replace the present itemized work expenses at application and after eligibility is determined. Child care costs would be capped at $150 for one child in care and $300 for 2 or more children in care. For recipients, the disregard would be $30 plus one-third of the remainder plus standardized work expenses and child care subject to the cap. Savings: $64 million.

Section 6. Resources Test—To meet the resources test under this section, recipients of assistance would not be allowed to have resources of more than $1750 for the family unit, unless the unit of two or more persons contains an individual of age 60 or over, in which case the unit could have resources of not more than $3000. The Secretary would be required to implement the program to the maximum extent practicable in the same manner as the food stamp assets test. States would be permitted to set a lower dollar limit for applicants than the level mandated for recipients. Cost: $24 million.

Section 7. Dependent Children of Unemployed or Low Income Parents—Section 7 would mandate the AFDC–U program and expand it to cover both parents. The 100-hour rule and the prior work requirement of present law would be eliminated. Eligibility requirements would be similar to those for the AFDC program except that the unemployed or low income parent would be required to have been actively seeking work for at least 30 days prior to the family's receipt of aid. This requirement would be met if the parent showed that he or she had met the State unemployment insurance standards for work search, had been registered with the Employment Service and actively pursued job opportunities, or had otherwise actively been seeking work. The Secretary of Labor needed to show an independent work search. If an unemployed or low income parent were employed at least 35 hours per week at the time of application he or she would also be exempt from the work search requirement except if the employment were in a public service job under CETA. The parent would, of course, also be subject to the general work requirement established for AFDC applicants and recipients in Section 402(a)(19) of the Act. Expenses of the job search would be reimbursable through the WIN authorization. Cost: $333 million.

Section 8. Medicaid Coverage for Dependent Children of Unemployed or Low Income Parents—States that do not presently have an AFDC–U program would be given the option of extending medical coverage to AFDC–U families. No estimate available.

Section 9. Maintenance of Benefits Levels—States would be required to maintain benefits levels at the level paid in March, 1979.

Section 10. Limitation on State Fiscal Liability—For Fiscal Year 1981, no state would be required to pay more than 95% of its AFDC expenditures in FY 1980. In each of the next 4 years, the 95% figure would be raised one percentage point. In addition, in Fiscal Years 1981 through 1985, no state would be required to pay more than it had paid for medicaid in FY 1980 unless such costs were attributable to the optional extension of medicaid to AFDC–U families in states establishing the AFDC–U program pursuant to the provisions of this bill. States would also be held harmless for increases in the costs of administration over these same 5 fiscal years. Cost: $335 million.

Section 11. Additional Federal Funding for Certain Mechanized Claims Processing and Information Retrieval Systems—Under Section 11, the Federal government would reimburse States for 90% of the costs of planning and establishing mechanized claims processing and information retrieval systems that are compatible with such systems for Medicaid, Title XX, and Food Stamp programs. In addition, the Federal government would pay 75% of the cost of operation of these and similar systems. The Secretary would also be authorized to provide technical assistance to States for the development of such systems. Minimal cost.

Section 12. Incentives with Respect to Error Rates—As under present law, an additional Federal payment would be made to states whose dollar error rate and negative case action error rate are each less than 4%. The computation of dollar error rate would be based on overpayments, underpayments and payments to ineligibles. States with error rates below these limits are given an additional Federal payment which amounts to a percentage of the difference between the Federal share at the actual dollar error rate as follows:

10% if the error rate were 3.5% to 3.9%;
20% if the error rate were 3.0% to 3.4%;
30% if the error rate were 2.5% to 2.9%;
40% if the error rate were 2.0% to 2.4%;
and
50% if the error rate were below 2.0%.

Under this section, an additional reimbursement for low negative case action error rates would be based on the same formula, but this percentage figure would be added to the dollar error rate percentage. Thus, a state with a 3.2% dollar error rate and a 3.6% negative case action error rate would receive an additional 22% reimbursement. Minimal cost.

Section 13. Rights and Responsibilities of Applicants and Recipients—Application Forms: Under this section, the Secretary would be required to design an application form for national use which would include a statement of the applicant's rights, a description in understandable terms of civil and criminal penalties which the applicant would be subject to for making false statements, and the provisions needed to implement the child support enforcement program. In geographical areas where 10% or more of the eligible population speaks a language other than English, the application form would be available in the appropriate language.

State Procedures on Filing Applications: Each state would be required to establish procedures for those cases in which no adult is personally able to come to the welfare office because of age or physical or mental handicap, or because of the location of the office or its hours of operation. Once an application had been submitted, the state would be required to determine eligibility within 30 days and to make payment within 5 days thereafter. Benefits would be payable as of the first day of the month in which the application was made. However, if the family unit failed to provide the necessary information for determining eligibility, determination would not be required until 20 days after the information had been supplied. An application would be considered submitted when a request had been made in person or when a written request that could reasonably be interpreted as an application had been received. Furthermore, the state would be required to make a determination as to continuing eligibility or change in the payment level within 15 days of receiving notification of a change in the family's circumstances.

Payments: Once the time period had expired, payment would have to be made on a presumptive basis even if all the essential information were not available, provided the lack of information was not attributable to action or inaction by the applicant and provided there was no documented reason to believe the family was ineligible. If the evidence raised a question as to the amount of payment to which the family was entitled, then payment would be made in the amount as to which there was no dispute. Adjustments would be made for underpayments, and overpayments would be subject to recovery if caused by the action of the applicant. However, where recovery would defeat the purposes of welfare or be against equity or good conscience, no recovery would be made.

Notice of Determination: The notice of determination made on an application would state the reasons, the facts and the authority by which the decision was reached. It would also notify the unit of its right to request a hearing. In the case of a grant termination or reduction, written notice would have to be given 15 days prior to the date of the intended action, and the notice would have to provide information similar to that given in the notice of determination on an application. Should a hearing request be made after notification of an intended change in the grant and within 15 days of the actual change, payment would be continued in full pending the hearing's outcome, but would be subject to recovery.

Hearing Procedures: A hearing would be granted to any unit that protested in writing any grievous action or inaction on the part of the agency. However, a hearing would not be required if the unit failed to make the request within 90 days of the grievance complained of, the unit failed to appear at the hearing, or the action was required to comply with state or Federal law and the applicability of the law was not being questioned. The hearing would be held at a reasonable time and place and the unit would be given adequate notice. The state would be allowed, with the consent of the individual in question, to consolidate the proceedings into one hearing if the issue were solely one of compliance with state or Federal law. The unit would be given the opportunity to examine and copy, without charge, all relevant documents, except where disclosure of the documents is prohibited by the Privacy Act. The unit could also require any state employee with knowledge of relevant information to attend the hearing and would have the right to cross-examine adverse witnesses. If the individual's medical condition were in question, he or she would be able to obtain at agency expense and from a person of his/her choosing a medical assessment of his/her condition. The results of the hearing would be mailed to the unit and also made available to the public after the deletion of all identifying material. The decision would be implemented within 90 days of the hearing request.

Agency Responsibilities: Also, under this section, the agency would be required to replace a lost or stolen check within 5 days of a request, provided such a request were made between 3 and 30 days of the due date of the check. The agency would be responsible for providing personnel with the ability to communicate with persons who do not speak or understand English or whose ability is limited because of sight, hearing and speech, or other impediments. Once an individual for whatever reason was no longer receiving aid, information collected by the state concerning that individual would not be retained after a reasonable time. For the purpose of this section, the Privacy Act would apply to the welfare process and the state would be considered a Federal agency. Minimal cost.

Section 14. Pass Through of Increased Federal Percentage—See Section 3 above.

Section 15. Effective Date—The effective date of this Act would be October 1, 1980, unless the Secretary were to determine that a state law would have to be changed to implement portions of this legislation. In such cases, those portions of the Act would take effect in the first quarter following the end of the first regular session of the state legislature after the enactment of this Act.

Section 16. Interim Fiscal Relief—Under Section 16 $500 million in interim fiscal relief would be distributed in FY 1980 to all states, including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. One half would be allocated on the basis of each state's AFDC expenditures divided by its per capita tax capacity, as a proportion of the sum of each state's AFDC expenditures over tax capacity for all 50 states. The other half would be allocated on the basis of each state's number of children below the poverty level in relation to the number of children below the poverty level in all 50 states.

Section 17. Study of Benefit Amounts—The Secretary of HEW would be directed to report to Congress within one year of the enactment of this Act his findings and recommendations on the desirability and feasibility of raising the combined food stamp and AFDC national minimum benefit to 100% of the poverty level and the combined maximum benefit above 100% of poverty. Minimal cost.

By Mr. CRANSTON (by request):

S. 966. A bill to amend the Social Security Act to strengthen and improve the program of Federal support for foster care of needy dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Finance.

CHILD WELFARE AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, I am today introducing at the request of the Secretary of Health, Education, and Welfare, the proposed Child Welfare Amendments of 1979.

Mr. President, as chairman of the Subcommittee on Child and Human Development, I am introducing this bill by request as a courtesy to the administration rather than on my own, because there are a number of areas where I think this legislation is deficient. Unlike the administration's proposal during the 95th Congress, S. 1928—which was the product of extensive discussion with Vice President MONDALE and the White House staff—the present proposal was not developed with full consultation and participation of interested Members of the Senate. We were not even furnished with a draft of the proposal until March 19, a few days before it was transmitted to the Congress.

In reviewing the text of the administration's proposal, I note that there are a number of areas where it represents a step backward from the administration's proposal during the 95th Congress. In particular, I am deeply disappointed in the administration's decision to place an income test upon continuation of medicaid assistance for foster children with medical conditions who are adopted by families whose private medical insurance coverage excludes pre-existing medical conditions for adopted children.

I am also disappointed that the administration's proposal deletes the program of adoption services under title IV–B of the Social Security Act which was also part of the administration's proposal in the last Congress. The administration's proposal also places a ceiling on the adoption assistance program—a limitation which the Finance Committee and the Senate rejected in the legislation passed by the Senate last year—despite virtually uniform agreement that the adoption assistance program is a program which should be encouraged and will result in far less cost than the present foster care system.

The provisions relating to the adoption of children with special needs are of particular concern to me, and I am unable to give my wholehearted support to a proposal which is a step backward in these areas from the administration's position in the 95th Congress and from the legislation which passed the Senate during the last Congress.

There are other aspects of the administration's proposal which I do strongly support, and I intend to work closely with Senator MOYNIHAN, chairman of the Public Assistance Subcommittee, and Senator LONG, chairman of the Finance Committee, as well as other Members of the Senate concerned with the welfare of children—particularly the other principal cosponsors of S. 1928, the chairman of the Labor and Human Resources Committee, Mr. WILLIAMS, and the former ranking majority member of the Subcommittee on Child and Human Development, Mr. RIEGLE—toward developing within the next several weeks a proposal which I trust can be endorsed by the administration as well as be approved by the Finance Committee.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, along with the transmittal letter and a section-by-section analysis of this proposal prepared by HEW.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 966

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Child Welfare Amendments of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

SEC. 2. (a) Title IV is amended by adding at the end the following new part:

"PART E—FOSTER CARE AND ADOPTION ASSISTANCE

"PURPOSE; AUTHORIZATION OF APPROPRIATIONS

"SEC. 470. (a) It is the purpose of this part to enable the United States, through the Secretary, to cooperate with State public welfare agencies in providing payments for foster care and adoption assistance on behalf of needy children.

"(b) For the purpose of making payments to States under this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 1980 and each succeeding fiscal year.

"ALLOTMENTS TO STATES

"SEC. 471. (a) For fiscal year 1980, each State shall be entitled to an allotment from the appropriation pursuant to section 470(b) of 130 per centum of the amount which it was entitled to be paid under section 403 for foster care maintenance payments in accordance with section 408 for fiscal year 1978 (as adjusted in accordance with subsection (d)).

"(b) For each of the fiscal years 1981, 1982, 1983, and 1984, each State shall be entitled to an allotment from the appropriation pursuant to section 470(b) equal to 110 per centum of its allotment for the preceding fiscal year (as adjusted in accordance with subsection (d)).

"(c) For fiscal year 1985 and each succeeding fiscal year, each State shall be entitled to an allotment from the appropriation pursuant to section 470(b) equal to its allotment for fiscal year 1984 (as adjusted in accordance with subsection (d)).

"(d) In determining the amount which a State was entitled to be paid under section 403 for foster care maintenance payments in accordance with section 408 for fiscal year 1978, for the purpose of determining the amount of the State's allotment under this section for any succeeding fiscal year,

"(1) the Secretary shall base such determination on the most reliable data available as of the beginning of the fiscal year for which the allotment is made;

"(2) the Secretary shall include in such amount any claims by the State for fiscal year 1978 which are disputed by the Secretary, until the fiscal year following the fiscal year in which the dispute is finally resolved.

"STATE PLANS FOR FOSTER CARE AND ADOPTION ASSISTANCE

"SEC. 472. (a) A State plan under this part for foster care and adoption assistance on behalf of needy children must meet the following requirements:

"(1) The plan provides that the State agency will conduct a program of foster care maintenance payments in accordance with section 476 and a program of adoption assistance in accordance with section 477.

"(2) The plan provides that the State agency responsible for administering the program authorized by part B of the title shall administer the program authorized by this part.

"(3) The plan provides that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them.

"(4) The plan provides that the State shall assure that the programs at the local level assisted under this part will be coordinated with the programs at the State or local level assisted under parts A and B of this title, under titles XIX and XX of this Act, and under any other appropriate provision of Federal law.

"(5) The plan provides that the State will, in the administration of its programs under this part, use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the programs, except that the Secretary shall exercise no authority with respect to the selection, tenure in office, or compensation of any individual employed in accordance with such methods.

"(6) The plan provides that the State agency referred to in paragraph (1) (hereinafter in this part referred to as the 'State agency') will make such reports in such form and containing such information as the Secretary may from time to time require, and will comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports.

"(7) The plan provides that the State agency will monitor and conduct periodic evaluations of activities carried out under this part.

"(8) The plan provides that the State shall arrange for a periodic and independently conducted audit of the programs assisted under this part and part B of this title, which shall be conducted no less frequently than once every three years.

"(9) The plan provides safeguards which restrict the use of or disclosure of information concerning individuals assisted under the State plan to purposes directly connected with (A) the administration of any plan or program of the State under this part, under part A, B, C, or D of this title, or under title I, V, X, XIV, XVI (as in effect in Puerto Rico, Guam, and the Virgin Islands), XIX, or XX, or the supplemental security income program established by title XVI, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, and (C) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need. The safeguards so provided shall prohibit disclosure, to any committee or a legislative body, of any information which identifies by name or address any such applicant or recipient. This requirement shall not preclude a State from providing standards which restrict disclosure to purposes more limited than those specified herein, or which, in the case of adoptions, prevent disclosure entirely.

"(10) The plan provides that where any agency of the State has reason to believe that the home or institution in which a child resides whose care is being paid for in whole or in part with funds provided under this part or part B of this title is unsuitable for the child because of the neglect, abuse, or exploitation of such child, it shall bring such condition to the attention of the appropriate court or law enforcement agency.

"(11) The plan provides that the standards established pursuant to section 2003(d)(1)(F) shall be applied by the State to any foster family home or child care institution receiving funds under this part or part B of this title.

"(12) The plan provides for periodic review of the standards specified in paragraph (11), and of amounts paid as foster care maintenance payments and adoption assistance payments, to assure their continuing appropriateness.

"(13) Effective October 1, 1982, the plan provides for a case review system under which each child receiving foster care under the plan has a case plan (as defined in section 475(3)), and that each such child receives, no less frequently than once every six months, a case review (as defined in section 475(4)).

"(14) Effective October 1, 1982, the plan provides for procedural safeguards of the rights of parents, foster parents, and children. These safeguards shall apply with respect to parental rights, to the removal of the child from his home, to a change in the child's placement, and to any determination affecting visitation privileges of parents. Under these safeguards, each child in foster care under the supervision of the State shall be assured of a dispositional hearing to be held, in a family or juvenile court or another court of competent jurisdiction, or by an administrative body appointed by the court, no later than eighteen months after the original placement. The dispositional hearing shall determine that the child—

"(A) should be returned home,

"(B) requires continued placement for a specified period of time not to exceed six months, unless extended by the court (or administrative body) because of special needs or special circumstances which prevent immediate return to a parent,

"(C) should be placed with a legal guardian,

"(D) should be freed for adoption through appropriate proceedings and placed in an adoptive home, or

"(E) requires a permanent long-term foster care placement because the child cannot or should not be returned home or placed in an adoptive home.

"(15) Effective October 1, 1982, the plan provides assurances that each voluntary placement of a child in foster care under the plan will be pursuant to a written voluntary placement agreement as defined in section 457(12) which is made available to the foster parent or child care institution with whom the child is placed.

"(16) Effective October 1, 1982, the plan provides that in each case (except in emergency cases) reasonable effort will be made to prevent removal of the child from his home before the child is placed in foster care, and to return the child to his home unless the placement agency determines that such efforts are inappropriate or unless the parents refuse such services.

"(17) The plan provides that an opportunity for a fair hearing before the State agency will be granted to any individual whose request for benefits under this part is denied or is not acted upon with reasonable promptness.

"(b) The Secretary shall approve any plan which complies with the provisions of subsection (a) of this section.

"PAYMENT TO STATES

"SEC. 473. (a) For fiscal year 1980 and each succeeding fiscal year, the Secretary shall pay to each State which has a plan approved under this part the sum of the following amounts:

"(1) the lesser of its allotment pursuant to section 471 or the Federal foster care percentage (as defined in section 475(6)) of the total amount expended during such fiscal year as foster care maintenance payments and adoption assistance payments under this part; plus

"(2) the sum of the following proportions of the total amounts expended during such fiscal year as found necessary by the Secretary for the proper and efficient administration of the plan (subject to the limitations set forth in subsection (b))—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by local agency administering the plan in the political subdivision, and

"(B) 50 per centum of the remainder of such expenditures in fiscal years 1980, 1981, and 1982, and 75 per centum of the remainder of such expenditures in each succeeding fiscal year.

"(b)(1) No payment shall be available under this section for fiscal year 1982 or 1983 or any succeeding fiscal year, for any part of total expenditures for administration of the plan under this part which represents a greater percentage increase in administrative costs above such costs for the immediately preceding fiscal year than the percentage increase in administrative costs of the State's program under part A for the same period.

"(2) The total payment to a State under subsection (a) for administration of the plan under this part for fiscal year 1983 or any succeeding fiscal year shall not exceed 75 per centum of an amount equal to a per centum of the State's total expenditures under this part for foster care maintenance payments and adoption assistance payments, to be established by the Secretary in regulations, which shall not be greater than 25 per centum nor less than 5 per centum.

"(c) For fiscal year 1981, and each fiscal year thereafter, sums available to a State from its allotment under section 471 for carrying out this part, which the State does not claim as reimbursement for expenditures in such year pursuant to subsection (a)(1), may be claimed by the State as reimbursement for expenditures in such year pursuant to part B of this title, in addition to such sums available pursuant to section 421 for carrying out that part.

"(d) No Federal payment may be made under this part with respect to any State expenditure made in fiscal years beginning after September 30, 1979, unless the Secretary receives a claim from the State for Federal reimbursement for such expenditure on or before the last day of the fiscal year following the fiscal year in which the expenditure was made (as determined in accordance with such guidelines or regulations as the Secretary may promulgate).

"OPERATION OF STATE PLANS

"SEC. 474. If the Secretary finds after reasonable notice and opportunity for hearing to the State agency administering the State plan approved under this part that the plan no longer complies with the provisions of section 472(a), or that in the administration of the plan there is a failure to comply substantially with any such provision, the Secretary shall notify the State that further payments will not be made to the State under this part (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply.

"DEFINITIONS

"SEC. 475. As used in this part or part B of this title:

"(1) The term 'administrative review' means a review open to the participation of the parents and caretakers of the child, conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review.

"(2) The term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adoptive parents of a minor child which, at a minimum, specifies the amounts of the adoption assistance payments and any additional services and assistance which are to be provided as part of such agreement, and stipulates that the agreement shall remain in effect regardless of whether the adoptive parents are or remain residents of the State.

"(3) The term 'case plan' means a written document which includes at least the following information: a description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement and how the agency which is responsible for the child plans to carry out the judicial determination made with respect to the child in accordance with section 476(a)(1); and a plan of services that will be provided to the family, child, and caretakers in order to improve the conditions in the home, facilitate return of the child or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the plan of services that have been provided to the child under the plan.

"(4) The term 'case review' means a review by a court of competent jurisdiction or an administrative review (as defined in paragraph(1)) with respect to a child in foster care, which at a minimum—

(i) verifies that the child has a case plan, and determines the continuing appropriateness or need for modification of the case plan and the extent of compliance with the case plan;

(ii) evaluates the continuing necessity for and appropriateness of the placement and the progress made toward eliminating the need for placement in foster care; and

(iii) sets a date by which it is expected that the child can be returned home, or placed for adoption or legal guardianship, or otherwise permanently placed.

"(5) The term 'child-care institution' means a public institution accommodating not more than twenty-five children, a nonprofit private child-care institution, or a group home, which is licensed by the State in which it is situated or which has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing; but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily to accommodate children who are delinquent.

"(6) The term 'Federal foster care percentage' for any State shall mean 100 per centum less the State percentage; and the State percentage shall be that percentage which bears the same ratio to 45 per centum as the square of the per capita income of such State bears to the square of the per capita income of the continental United States (including Alaska) and Hawaii; except that (1) the Federal foster care percentage shall in no case be less than 50 per centum or more than 83 per centum, and (2) the Federal foster care percentage for Puerto Rico, the Virgin Islands, Guam and the Commonwealth of the Northern Mariana Islands shall be 50 per centum. The foster care percentage for any State shall be determined and promulgated in accordance with the provisions of subparagraph (B) of section 1101(a)(8).

"(7) The term 'foster care maintenance payments' means payments to cover the cost of food, clothing, shelter, school supplies, recreation, a child's personal incidentals, protection from liability related to care of a child, reasonable travel to the child's home for visitation, and such other costs as the Secretary may specify in regulations, but may not be used to cover the cost of educational services or construction or other capital costs or any costs which the Secretary may specify in regulations. In the case of institutional care, the term includes the reasonable costs of administration and operation of such institution as necessary to provide the items specified in the preceding sentence.

"(8) The term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved by the agency of such State responsible for licensing homes of this type, as meeting the standards established for such licensing;

"(9) The term 'parent' means a biological or adoptive parent or legal guardian, as determined by applicable State law.

"(10) The term 'voluntary placement' means an out-of-home placement of a minor, by or with participation of a State agency, after the parents or guardians of the minor have requested the assistance of the agency and signed a voluntary placement agreement.

"(11) The term 'voluntary placement agreement' means a written agreement, binding on the parties to the agreement, between the State agency, any other agency acting on its behalf, and the parents or guardians of a minor which specifies, at a minimum, the legal status of the minor and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.

"FOSTER CARE MAINTENANCE PAYMENTS PROGRAM

"SEC. 476. (a) Each State with a plan approved under this part may make foster care maintenance payments (as defined in section 475(6)) under this part only with respect to a child who would meet the requirements of section 406(a) or of section 407 of this Act but for his removal from the home of a relative (specified in section 406(a)) and only if all the following conditions are met:

"(1) The removal from the home was

"(A) the result of a judicial determination to the effect that such removal was necessary to protect the child from harm or the likelihood of harm,

"(B) carried out on an emergency basis, in accordance with the laws of the State, in order to protect the health or safety of the child and followed by a judicial determination, meeting the conditions specified in clause (A) of this paragraph, within seventy-two hours of the time of the child's removal from the home; or

"(C) the result of a voluntary placement pursuant to a voluntary placement agreement; *Provided*, That, if a child remains in voluntary placement for a period in excess of one hundred and eighty days, there is, within that period, a judicial determination or an administrative review (as defined in section 475(1) of this part) to the effect that such placement was, and continues to be, in the best interest of the child and continues to be voluntary on the part of the parents or guardians.

"(2) Effective with respect to any such placement occurring on or after October 1, 1980, the child is placed in the least restrictive (family-like) setting available, consistent with the best interests and special needs of the child, and in close proximity to the child's family.

"(3) The child's placement and care are the responsibility of (A) the State agency administering the State plan approved under section 472, or (B) any other public agency with whom the State agency administering or supervising the administration of the State plan approved under section 472 has made an agreement which is still in effect;

"(4) The child has been placed in a foster family home or child-care institution.

"(5) The child—

"(A) received aid under the State plan approved under section 402 in or for either the month in which court proceedings leading to his removal from the home of a relative was initiated or the month in which such removal occurred, or would have received such aid if application had been made therefor, or

"(B) had been living with a relative specified in section 406(a) within six months prior to the month in which such removal occurred, and would have received such aid in or for such month if application therefor had been made.

"(6) There is a case plan (as defined in section 475(3)) for such child (including periodic review of the necessity for the child's placement in a foster family home or child-care institution).

"(b) Foster care maintenance payments may be made under this part only on behalf of a child described in subsection (a) of this section—

"(1) in the foster family home of any individual, whether the payments therefor are made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution (as defined in section 475(5), whether the payments therefor are made to such institution or to a public or nonprofit private child-placement or child-care agency.

"ADOPTION ASSISTANCE PROGRAM

"SEC. 477. (a) Each State with a plan approved under this part may, directly or through another appropriate public or nonprofit private agency, make adoption assistance payments as provided in subsection (b), pursuant to an adoption assistance agreement (as defined in section 475(2)) to parents who, after the effective date of this section, adopt a child who would meet the requirements of section 406(a) or of section 407 of this Act but for his removal from the home of a relative specified in section 406(a), and who the State has determined, pursuant to subsection (c), is a child with special needs.

"(b)(1) The amount of the adoption assistance payments shall be determined by the State or local agency administering the program under this section, based upon the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents, to take into account changes in such circumstances and needs. In no case may the amount of the adoption assistance payment exceed the foster care maintenance payment (as defined in section 475(7)) which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home. Parents who have been receiving adoption assistance payments under this section shall promptly inform the State or local agency administering the program under this section of circumstances bearing on their need for or the amount of adoption assistance payments.

"(2)(A) Parents may be eligible for adoption assistance payments under this part only if (i) their income at the time of the adoption does not exceed 200 per centum of the median income of a family of four in the State, adjusted in accordance with regulations of the Secretary to take into account the size of the family after adoption, or (ii) the State or local agency administering the program under this section determines that there are special circumstances (as defined in regulations of the Secretary) which warrant adoption assistance payments.

"(B) No payment may be made to parents under this section with respect to any month in a calendar year following a calendar year in which the income of such parents exceeds the limits specified in paragraph (A)(1), unless the State or local agency administering the program under this section has determined, pursuant to paragraph (A)(ii), that there are special circumstances which warrant adoption assistance payments.

"(3) Where a child with special needs (as determined pursuant to subsection (c)) is placed for adoption pursuant to an interlocutory decree, the individuals with whom the child is placed shall be eligible for adoption assistance payments under this subsection, during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted the child.

"(4) In addition to any payments which may be made pursuant to paragraph (1) a State may pay to parents who adopt a child with special needs (as determined pursuant to subsection (d)) an amount necessary to cover part or all of the nonrecurring expenses (as defined in regulations of the Secretary) associated with the proceedings related to the adoption of the child.

"(5) No payment may be made under this section with respect to any child who has attained either the age of eighteen or (where the State or local agency administering the program under this section determines that there are special circumstances, as defined in regulations of the Secretary, in the family which warrant the continuation of adoption assistance payments) the age of twenty-one.

"(6) No payment under this section with respect to a child may be made to parents who the State determines are no longer legally responsible for the child or are no longer providing any support to the child.

"(c) In order to determine that a child is a child with special needs for purposes of this section, the State or local agency administering the program under this part must determine (in accordance with such standards and procedures as the Secretary may by regulation provide)—

"(1) that the child is difficult or impossible to place with appropriate adoptive parents without providing adoption assistance payments because of his ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps;

"(2) that the child cannot or should not be returned to the home of his parents; and

"(3) that, except where it would be against the best interests of the child because of such factors as the development of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable effort, consistent with the best interest of the child, has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section.

"TECHNICAL ASSISTANCE; DATA COLLECTION AND EVALUATION; INTERSTATE COOPERATION

"Sec. 478. (a) The Secretary may provide technical assistance to the States to assist them to develop the programs authorized under this part and shall periodically (1) evaluate the programs authorized under this part and part B of this title and (2) collect and publish data pertaining to the incidence and characteristics of foster care and adoptions in this country.

"(b) The Secretary may make grants to, and enter into contracts with, the State agencies specified in section 476(a)(1) for the purpose of assisting each such agency to develop interstate systems, in cooperation with the State agencies of other States, for facilitating the exchange of information pertaining to the programs authorized under this part and part B.

"(c) There are authorized to be appropriated $1,500,000 for fiscal year 1980 and each fiscal year thereafter to permit the Secretary to carry out his responsibilities under subsections (a) and (b) of this section."

(b) Effective with respect to expenditures after September 30, 1979, section 408 of the Social Security Act is repealed.

MEDICAID COVERAGE FOR ADOPTIVE CHILDREN WITH SPECIAL NEEDS

Sec. 3. (a) Section 1902(a)(10) of the Act is amended:

(1) in clause (A), by inserting after "or part A of title IV," the following: "or with respect to whom foster care maintenance payments are being made under part E of title IV,".

(2) Section 1902(a)(10) is amended by striking "and" at the end of clause (B), by inserting "and at the end of clause (C), and by adding immediately after clause (C) the following new clause:

"(D) for making medical assistance available to each individual under the age of eighteen (or, where special circumstances exist, as defined in regulations of the Secretary, under the age of twenty-one), on behalf of whom adoption assistance payments are being made or have been made under part E of title IV, and who has a medical condition or combination of medical conditions which is or was a contributing factor in the difficulty of placing him for adoption;"

(3) in the matter following paragraph (D), as added by paragraph (2), by striking "and" immediately preceding "(III)" and by inserting at the end the following: "and (IV) notwithstanding any other provision of this title, the State plan need not provide for making available to individuals described in paragraph (D) medical assistance equal in amount, duration, and scope to the medical assistance made available to any other individual eligible for benefits under this title."

(b) Section 1902(a)(13) is amended

(1) by amending subparagraph (C)(1), in the matter preceding clause (i), to read: "in the case of individuals not included under subparagraph (B) or subparagraph (G) for the inclusion of at least—";

(2) by deleting "and" at the end of subparagraph (E); by adding "and" at the end of subparagraph (F); and by adding at the end thereof the following new subparagraph:

"(G) in the case of each individual specified in section 1902(a)(10)(D), for the inclusion of at least the care and services provided individuals included under subparagraphs (B) and (C) which are necessary for the treatment of any medical condition which is or was a contributing factor in the difficulty of placing that individual for adoption;".

CONVERSION OF CHILD WELFARE SERVICES TO AN ENTITLEMENT PROGRAM; AMENDMENTS TO ALLOTMENT FORMULA; AMENDMENT TO FEDERAL SHARE

Sec. 4. (a) Section 421 is redesignated as section 421(a), and is amended to read as follows:

"ALLOTMENTS TO STATES

"Sec. 421. (a) From the sum authorized to be appropriated pursuant to section 420 for each fiscal year, each State which has a plan developed in accordance with this part shall be entitled to an allotment determined by the Secretary as follows: he shall first allot $70,000 to each State, and shall then allot to each State an amount which bears the same ratio to the remainder as the product of (1) the population of the State under the age of twenty-one and (2) the allotment percentage of the State (as determined under this section) bears to the corresponding products of all the States."

(b) Section 421 is further amended by adding at the end thereof a new subsection (b) to which is transferred the content of section 423(a).

(c) Section 422(a) is amended in the matter following clause (2) by striking out "the Federal share (as determined under section 423)" and inserting instead "75 per centum".

(d) Section 421 is further amended by adding at the end thereof a new subsection (c) to which is transferred the content of section 423(c), amended as follows:

(1) in the first sentence, by striking out "Federal share and";

(2) by striking out "promulgation:" and all that follows and inserting instead "promulgation."

(e) Section 421 is further amended by adding at the end a new subsection (d) to which is transferred the content of section 423(d).

(f) Sections 423 and 424, including the captions thereof, are repealed.

AMENDMENTS TO REORGANIZE PROVISIONS CONCERNING PLAN REQUIREMENTS AND PAYMENTS

Sec. 5. (a) Section 422 of the Act, as amended by section 4(c) of this Act, is repealed and replaced (except as provided in subsection (b)) by the following new sections:

"STATE PLANS FOR CHILD WELFARE SERVICES

"Sec. 422. In order to be eligible for payment under this part, a State must have a plan for child welfare services which has been developed jointly by the Secretary and the State agency designated pursuant to paragraph (1), and which meets the following requirements:

"(1) The plan provides that (A) except as otherwise provided in this paragraph, the individual or agency designated pursuant to section 2003(d)(1)(C) to administer or supervise the administration of the State's services program will administer or supervise the administration of such plan for child welfare services and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering such plan for child welfare services, a single organizational unit in such State or local agency, as the case may be, will be responsible for furnishing such child welfare services. If on December 1, 1974, the agency of a State administering its plan under this part was not the agency designated pursuant to section 402(a)(3), this subsection shall not apply with respect to such agency but only so long as such agency is not the agency designated under section 2003(d)(1)(C), and if on December 1, 1974, the local agency administering the plan of a State under this part in a subdivision of the State is not the local agency in such subdivision administering the plan of such State under part A of this title, this subsection shall not apply with respect to such local agency but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX.

"(2) The plan provides for coordination between the services provided under the plan, and the programs under the State plans approved under part A and part E of this title, with a view to provision of welfare and related services which will best promote the welfare of such children and their families.

"(3) The plan provides, with respect to day care services (including the provision of such care) provided under this title—

"(A) for cooperative arrangements with the State health authority and the State agency primarily responsible for State supervision of public schools to assure maximum utilization of such agencies in the provision of necessary health services and education for children receiving day care,

"(B) for an advisory committee, to advise the State public welfare agency on the general policy involved in the provision of day care services under the plan, which shall include among its members representatives of other State agencies concerned with day care or services related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with the provision of day care,

"(C) for such safeguards as may be necessary to assure provision of day care under the plan only in cases in which it is in the best interest of the child and the mother and only in cases in which it is determined, under criteria established by the State, that a need for such care exists and, in cases in which the family is able to pay part or all of the costs of such care, for payment of such fees as may be reasonable in the light of such ability,

"(D) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population, and to geographical areas, which have the greatest relative need for extension of such day care,

"(E) that day care provided under the plan will be provided only in facilities (including private homes) which are licensed by the State, or approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, and

"(F) for the development and implementation of arrangements for the more effective involvement of the parent or parents in the appropriate care of the child and the improvement of the health and development of the child.

"(4) The plan provides for the training and effective use of paid subprofessional staff with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency."

PAYMENT TO STATES

SEC. 423. (a) From its allotment under section 421, subject to the conditions set forth in this section, the Secretary shall from time to time pay to each State that has a plan developed in accordance with section 422 an amount equal to 75 per centum of the total sum expended under such plan (including the cost of administration of the plan) in meeting the costs of State, district, county, or other local child-welfare services, in developing State services for the encouragement and assistance of adequate methods of community child-welfare organization, in paying the costs of returning any runaway child who has not attained the age of eighteen to his own community in another State, and of maintaining such child until such return (for a period not exceeding fifteen days), in cases in which such costs cannot be met by the parents of such child or by any person, agency, or institution legally responsible for the support of such child. In developing such services for children, the facilities and experiences of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the State and local communities as may be authorized by the State.

"(b) The method of computing and making payments under this section shall be as follows:

"(1) The Secretary shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period under the provisions of this section.

"(2) From the allotment available therefor; the Secretary shall pay the amount so estimated, reduced or increased, as the case may be, by any sum (not previously adjusted under this section) by which he finds that his estimate of the amount to be paid by the State for any prior period under this section was greater or less than the amount which should have been paid to the State for such prior period under this section.

"(c) In order to be eligible for payment under this section, the State must make a satisfactory showing that it is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision."

(b) In the case of Guam, Puerto Rico, and the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, section 422(1) of the Act shall read as follows:

"(1) The plan provides that (A) the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title will administer or supervise the administration of such plan for child-welfare services and (B) to the extent that child-welfare services are furnished by the staff of the State agency or local agency administering such plan for child-welfare services, the organizational unit in such State or local agency established pursuant to section 402(a)(15) will be responsible for furnishing such child-welfare services.".

PERIOD FOR FILING OF CLAIMS

SEC. 6. Section 423, as added by section 5 of this Act, is amended by adding at the end thereof the following new subsection:

"(d) No Federal payment may be made under this part with respect to any State expenditure made in fiscal years beginning after September 30, 1979, unless the Secretary receives a claim from the State for Federal reimbursement for such expenditure on or before the last day of the fiscal year following the fiscal year in which the expenditure was made (as determined in accordance with such guidelines or regulations as the Secretary may promulgate)."

LIMITS ON CASH ASSISTANCE AND DAY CARE UNDER PART B OF TITLE IV

SEC. 7. Section 423, as added by section 5 of this Act and amended by section 6 of this Act, is further amended by adding at the end thereof the following new subsection:

"(e) No payment may be made to a State pursuant to this section, for fiscal year 1980 or any succeeding fiscal year, for (1) child day care necessary solely because of employment, or training to prepare for employment, of a parent or other relative with whom a dependent child is living, (2) foster care maintenance payments, and (3) adoption assistance payments, which exceeds the total amount of its payment under this section for fiscal year 1979."

CONDITIONS ON ADDITIONAL FUNDS UNDER PART B OF TITLE IV

SEC. 8. Section 423, as added by section 5 of this Act and amended by sections 6 and 7 of this Act, is further amended by adding at the end thereof the following new subsections:

"(f)(1) Except as provided in paragraph (5), a State shall not be eligible for payment from its allotment (as determined under section 421) of an amount greater than it was paid under this part for fiscal year 1979 until the quarter beginning October 1, 1980 or, if later, the quarter succeeding the quarter in which the State:

"(A) completes case reviews (as defined in section 475(4)) of children in foster care under the responsibility of the State, including as a minimum all children who have been in such foster care continuously for the six months preceding the last day of the quarter during which the case reviews are performed; and

"(B) submits to the Secretary and makes available to the public a report based on the case reviews under subparagraph (A) which sets forth the number of children who have been in foster care for more than six months and the length of time they have been in foster care; their ages and appropriate demographic characteristics; their legal status, the reasons for initial placement in foster care; the types of foster care arrangements in which they reside; and the numbers of children respectively expected to return to parents or other relatives, to be adopted, or to have legal guardians appointed.

"(2) Each State shall be eligible for payment from its allotment (as determined under section 421) of an amount greater than it was paid under this part for the same calendar quarter of fiscal year 1979 (subject to the provisions of this subsection) for each calendar quarter for which the State demonstrates the following to the satisfaction of the Secretary:

"(A) There is in operation in the State a statewide information system from which can be readily determined the legal status, demographic characteristics, location, services provided under State supervision, and goals for the placement of each child who is in foster care under the supervision of the State, or who has been in such care within the preceding twelve months.

"(B) There are in operation in the State, with respect to each child in foster care under the supervision of the State, all procedures and safeguards required under sections 472(a)(13), (14), and (15), and a service program which assures each such child the safeguards required under section 472(a)(16).

"(3)(A) The Secretary shall find that the State has satisfied the requirements of paragraphs (1) and (2) for any quarter with respect to which he finds that the State has made a good faith effort to comply and has complied substantially with those requirements. The Secretary shall not find a State in substantial compliance with such requirements with respect to any quarter in which he finds that the State has failed to complete at least 80 percent of the case reviews required by paragraphs (1) and (2).

"(B) Where the Secretary finds that the State has failed, in any quarter, to complete any of the case reviews required by paragraph (2), the payment to the State for that quarter under this part shall be reduced by $500 for each required case review omitted.

"(4) (A) In order to be eligible for payment as provided in paragraph (2), each State shall submit an annual report to the Secretary on its program under this part, which report shall contain the information specified in paragraph (1) (B), and any additional information which the Secretary may by regulation reguire. The first report required by this paragraph shall be due by the end of the fiscal year succeeding the fiscal year in which the report required by paragraph (1) (B) is submitted to the Secretary.

"(B) Where a State fails to submit to the Secretary the report required by subparagraph (A), he shall withhold from the payment to such State under this part for any quarter succeeding the date on which the report was due any amounts in excess of the amount which the State was paid in the same calendar quarter of fiscal year 1979. The Secretary shall pay the State any amounts so withheld in the quarter succeeding the quarter in which the report is received.

"(5) For the purpose of assisting States to comply with the conditions specified in this subsection, the Secretary shall, notwithstanding the limitations on payments specified in this subsection, pay to each State from its allotment under section 421 for any fiscal year after 1979, in addition to an amount equal to such State's payment under this part for fiscal year 1979, an amount equal to 30 per centum of the remainder of the State's allotment.

"(g) With respect to fiscal years beginning after September 30, 1980, in the case of any State which the Secretary determines has complied with the conditions specified in subsection (f),

"(1) no less than 40 per centum of the amount by which its payment in any fiscal year exceeds its payment under this part for fiscal year 1979, must be expended by such State in part for services designed to help children to remain with their families and in part for services to help children, where appropriate, to return to families from which they have been removed, including, at least one of the following services: homemakers, day care, twenty-four-hour crisis intervention, emergency caretakers, emergency shelters, or any other such services specified in regulations of the Secretary; and

"(2) no payment in excess of the payment made under this part with respect to fiscal year 1979 may be made under this part with respect to any fiscal year in which the total of State expenditures for child welfare services under this part and title XX (excluding expenditures for activities specified in subsection (e) of this section) is less than the total of such State expenditures under this part and title XX in fiscal year 1979.".

AMENDMENTS TO CHILD WELFARE SERVICES STATE PLAN REQUIREMENTS

SEC. 9. Section 422, as amended by section 5(a) of this Act, is further amended by adding after paragraph (4) the following new paragraphs:

"(5) The plan provides that the State agency administering the plan under this part will develop, obtain approval of, and administer a plan under part E of this title.

"(6) The plan provides that, after the Secretary determines that the State has designed, developed, and implemented the systems and procedures provided for by section 423(e) (2), the State will maintain such systems and procedures.

"(7) The plan provides that the conditions specified in section 472(a) of this Act which are applicable to funds paid under part E of this title will apply to any funds paid under this part which the State uses to cover expenditures for which financial assistance is available under part E of this title."

TECHNICAL CONFORMING CHANGES; TWO-YEAR AVAILABILITY OF FUNDS; EFFECTIVE DATE

SEC. 10. (a) (1) Section 402(a) (20) is amended to read as follows:

"(20) provide assurances that the State will provide for foster care maintenance payments and adoption assistance payments in accordance with part E of this title;".

(2) Section 406(b) (2) is amended by inserting "and" after clause (C), striking out clause (D), and redesignating clause (E) as clause (D).

(b) Notwithstanding any other provision of law, funds appropriated for fiscal year 1980 pursuant to section 420 of the Social Security Act, and allotted to States for that year pursuant to section 421 of that Act, shall remain available for expenditure for child welfare services under part B of title IV of that Act until September 30, 1981.

(c) The amendments made by this Act shall be effective on and after October 1, 1979.

MARCH 23, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To amend the Social Security Act to strengthen and improve the program of federal support for foster care of needy and dependent children, to establish a program of federal support to encourage adoption of children with special needs, to improve child welfare services, and for other purposes."

The enclosed draft bill is substantially the same as the Administration's draft bill transmitted to the Congress on July 25, 1977. The amended foster care and child welfare programs and the new adoption assistance program under this bill would provide significantly greater safeguards for children and their parents, foster parents, and guardians than are provided under current law. This proposal also incorporates improvements made during consideration in the last Congress of the Administration's bill and of H.R. 7200. Other modifications made in this proposed bill would improve and simplify administration of these programs. The enclosed summary provides a detailed analysis of our proposal.

The draft bill is a part of the Administration's legislative program designed to improve federal-State programs serving children. The Administration will also be proposing legislation to improve Medicaid services to low-income children by replacing the early and periodic screening, diagnosis, and treatment program (EPSDT) with a new child health assurance program (CHAP) which would broaden Medicaid eligibility of needy children, increase Medicaid coverage, and improve service delivery.

This bill would substantially increase the federal funds available under part B of title IV of the Social Security Act (the Act), which authorizes the child welfare services program, by amending part B to entitle States to payment of the full amount authorized to be appropriated. Over time, this increase will represent an annual increase of more than $200 million above current appropriations. In addition, the federal matching rate would be increased to 75 percent of State expenditures. In return for this increased funding, States would be expected to improve significantly the quality and scope of services they provide to children and their families, and would be required to develop strengthened procedural safeguards to protect the rights of children and their parents, guardians, and foster parents. Among other things, States would be required to develop and implement procedures for regular case monitoring and review (including judicial review) for each child placed in foster care under the supervision of the State; States would also be required to earmark a percentage of their child welfare services funds to services designed to keep families together, and to reunify families.

The draft bill would establish a new program of federal support for foster care and adoptions. Foster care for poor children is now funded as part of the aid to families with dependent children program (AFDC), but there is no federal program designed to provide funds for or to encourage adoption. Rather, the current system discourages potential adoptive parents from adopting foster children, many of whom have special needs as a result of their age, race, or mental or physical handicaps. This proposal would place both these programs in a new part E of Title IV. In addition to providing funds to assist families to adopt such children, this new program would provide continued Medicaid coverage for children with medical conditions which contribute to the difficulty of placing them for adoption. Funding for this program would be based on previous State expenditures for foster care. Funding would increase for five years, to accommodate the program improvements required, and would thereafter remain level at the funding level for fiscal year 1984.

The amendments made by this proposal are designed to encourage States to reduce the numbers of children in foster care by preventing their separation from their families and by encouraging permanent placement with adoptive families in cases where there is no hope that a child will be able to remain with his biological family. We believe that these program improvements will over time reduce federal expenditures. We propose to study the effect of implementation of these amendments, including the effect of the ceiling on funding for foster care maintenance payments, and to report our findings to the Congress.

The bill reflects the Administration's continuing concern about the problem of abuse of children in foster care, particularly those in institutions and in situations where the child is placed far from home. We believe that enactment of our bill will demonstrate to children and their families that the State and federal governments are committed to helping grow to maturity in loving and supportive environments, by assuring that foster care children are receiving proper care and periodic reviews of their placements in order to best protect them and improve their chances for permanent placements; that adoption is available for children who cannot return home; that children can be free from concern about institutional abuse and inappropriate placement; and that families who want to adopt children with special needs are assisted financially where appropriate.

We believe this proposal would offer to many thousands of children, parents, and foster parents new hope for a happy and fulfilling family life, and we therefore urge its enactment by the Congress.

We are advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

JOSEPH A. CALIFANO, JR.,
Secretary.

SECTION-BY-SECTION ANALYSES

Several of the new provisions are designed to assure effective administration of the title IV-E program and coordination with related programs. They include requirements (1) that the State agency which is responsible for the child welfare services program under title IV-B of the Act and the social services program under title XX of the Act also administer the new part E programs; (2) that the State assure appropriate coordination between the new programs and other related programs; (3) that the title XX standards which apply to child-care institutions and foster care homes would also apply to such entities when assisted under part E; and (4) that the State arrange for periodic independent audits of its programs under part E.

Other new plan requirements are designed to protect the rights of parents, foster parents, and children. They include requirements (1) that the State agency bring to the attention of the appropriate court or law enforcement agency conditions harmful to any child assisted under the part E programs; (2) that each child in foster care under the program have a case plan and receive a case review at least every six months; (3) that the plan provide for procedural safeguards of the rights of parents, foster parents, and children, including a judicial dispositional hearing not later than 18 months after the original placement in foster care; (4) that each voluntary placement under the program be pursuant to a written agreement; (5) that reasonable efforts be made to prevent removal of children from their homes, and to return them home; and (6) that any individual denied benefits under the program be afforded a fair hearing (this provision parallels a provision in title XX). States would have a three-year grace period to implement those new provisions requiring development and implementation of new procedures.

Section 472(b) of the part E would require the Secretary to approve a State plan which met the statutory conditions.

Section 473 of part E would provide for payments to the States. Under section 473(a) each State would be entitled to payment from its allotment of the federal share (as determined for purposes of the Medicaid program) of foster care maintenance payments and adoption assistance payments under the program. States would be entitled to payment of 75 percent of their training costs under the program; 50 percent of other administrative costs for the fiscal years 1980 through 1982, and 75 percent of other administrative costs for succeeding fiscal years, subject to ceilings as provided for under section 473(b). Under section 473(c), beginning with fiscal year 1981, sums allotted to a State for purposes of part E which the State does not claim under part E could be claimed by the State under part B of title IV. Section 473(d) would establish a deadline for filing of claims for reimbursement by the federal government for expenditures under part E of the end of the fiscal year following the fiscal year in which the expenditure was made.

Section 474 of part E would authorize the Secretary, where a State with an approved plan ceased to comply with the requirements of this part, to reduce the State's federal payment by an appropriate amount, or to cease making payments entirely, until the State has corrected its failure.

Section 475 of part E would provide the definitions of terms used in this part.

Section 476 of part E would describe the foster care maintenance program which a State must provide under its State plan. In many respects, the program would not differ from the one currently authorized as part of the AFDC program under section 408 of the Social Security Act. Following are the major innovations which would characterize the revised program: (1) federal reimbursement would be provided with respect to children voluntarily placed in foster care or placed initially on an emergency basis; (2) findings to be included in judicial determinations which serve as the bases for placement in foster care would be specified; (3) the requirements for the individual case plan for each child in foster care would be strengthened; (4) each child must be in the least restrictive (family-like) setting available consistent with his best interests and most appropriate to his special needs and in close proximity to the child's family; and (5) federal reimbursement would be permitted with respect to foster care provided by public institutions, so long as any such institution accommodated no more than 25 children. As under current law, children in foster care under part E would retain their Medicaid eligibility.

Section 477 of part E would describe the adoption assistance program which a State must provide under its State plan. Under the program, a State would be responsible for determining which children in the State in foster care would be eligible for adoption assistance because of special needs which have discouraged their adoption. The State would have to find that any such child would have been eligible for AFDC but for the childs removal from the home of his relatives; that the child cannot or should not be returned to that home. The State would also have to make a reasonable effort, consistent with the child's needs, to place him for adoption without offering financial assistance; however, this last requirement could be waived where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with foster parents who wish to adopt him.

In the case of any such child, the state could pay adoption assistance to adoptive parents, so long as their income did not exceed 200 percent of the median income of a family of four in the State, adjusted to reflect family size. The agency administering the program could make exceptions to the income limit where special circumstances (as defined by regulation) warrant adoption assistance. The amount of the adoption assistance would be agreed upon between the parents and the agency, could not exceed the foster care maintenance payment that would be paid if the child were in a foster family home, would be readjusted by agreement of the parents and the local agency to reflect any changed circumstances, and could initially include an additional payment to cover the non-recurring expenses associated with the adoption of the child. Adoption assistance payments would not be paid after the child reached maturity, or for any period when the family income rose above the specified limits.

Section 478 of part E would authorize an appropriation of $1.5 million annually to permit the Secretary to provide technical assistance to States to assist them in developing the programs called for in part E; to make grants to, or enter contracts with, the State agencies to develop interstate systems for the exchange of information pertaining to foster care and adoptions; and to evaluate the programs authorized under part B and part E of title IV. The Secretary, pursuant to this section, would periodically publish data pertaining to foster care and adoptions.

Sec. 2(b) of the draft bill would repeal section 408 of the Act, which currently authorizes federal reimbursement for State foster care programs under title IV-A.

Sec. 3 of the draft would amend title XIX of the Act to provide limited Medicaid eligibility until maturity to certain children with special needs receiving adoption assistance under part E of title IV. The State would be required to provide Medicaid coverage for any medical condition which contributed to the difficulty of placing such a child for adoption, and would have the option of providing him full Medicaid coverage. (It should be noted that, as is the case with other Medicaid recipients under current law, if there is a family insurance contract that covers the child, Medicaid would only provide coverage in excess of the coverage provided by that policy.)

Secs. 4 through 9 of the draft bill would amend part B of title IV of the Act, which authorizes federal reimbursement for State child welfare services programs.

Sec. 4(a) of the draft bill would redesignate section 421 of the Act (which provides for allotments to the States of appropriations under part B) a section 421(a), and would amend this provision to entitle each State to a proportional share of the amount authorized to be appropriated (currently $266 million per fiscal year). (This entitlement would be limited by certain conditions specified in sections 7 and 8 of the draft bill.)

Sec. 4 of the draft bill would also transfer from section 423 of the Act to section 421 the provisions concerning determination of State allotment percentages, and would repeal section 424 (which provides for reallotment of part B funds unused by States).

Finally, this section of the draft bill would amend part B to modify the federal share of State costs under the child welfare services program. Currently, the rate of federal reimbursement is related to the per capita income in each State, and ranges between 33⅓ percent and 66⅔ percent. Under the amendment which would be made by section 5, federal reimbursement would be 75 percent of expenditures for each State.

Sec. 5 of the draft bill would amend part B to reorganize provisions concerning State plan requirements and federal payments. No substantive change in current law are made by this section. It would repeal section 422 of the current Act, which contains provisions concerning both plan requirements and payments, and replace it with new sections 422 (containing plan requirements) and 423 (containing provision for payments).

Sec. 6 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to establish a deadline for filing of claims for reimbursement by the federal government for expenditures under part B of the end of the fiscal year following the fiscal year in which the expenditure was made.

Sec. 7 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to limit the amount of a State's payment under part B which the State could spend for foster care maintenance payments, adoption assistance payments, and employment related day care services to the amount which the State was actually paid under part B for expenditures in fiscal year 1979.

Sec. 8 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to specify the conditions which a State must meet in order to be entitled, in fiscal year 1980 or any succeeding fiscal year, to payment from its allotment (as increased by section 4 of the bill) of an amount greater than it was paid under part B for fiscal year 1979.

Thirty percent of the additional sums would be available beginning in fiscal year 1980. States would be able to use that money for any purposes permitted under part B. However, the intent is to provide increased sums to the States to enable them to give priority to establishing certain systems and procedures—including information systems, case review systems, service programs to help children stay with, or return to, their families, and procedural safeguards to protect the rights of parents, children, and foster parents. States would also be required to complete case reviews of all children who have remained in foster care over six months, and to make a report to the Secretary based on those reviews.

Once these steps were accomplished, but not before fiscal year 1981, a State would be eligible for its full allotment under part B, on three conditions: (1) The State must demonstrate to the satisfaction of the Secretary that there are in operation in the State specified safeguards, including a statewide information system covering all foster children, a case review system, procedural safeguards including judicial review of placements, written agreements governing all voluntary placements, and a program designed to prevent separation of children from their families. The State would also be required to submit to the Secretary an annual report. Where the State failed to meet these requirements, the Secretary would have discretion to withhold all or part of the State's federal payment in excess of the amount paid for fiscal year 1979. (2) At least 40 percent of the amount received in excess of the federal payment for fiscal year 1979 must be spent in part for services to prevent removal of children from their families and in part for services to restore children to their families. (3) A State would not be paid more than it was paid for fiscal year 1979 in any fiscal year in which it spent less from State sources for child welfare services than it spent from State sources in fiscal year 1979.

Sec. 9 of the draft bill would amend section 422 of the Act to add several new requirements for State plans under part B. (1) The plan would be required to provide that the part B agency will develop and administer a plan under the new part E added by this bill. (2) Once a State had met the conditions for payment of its full allotment under part B, the State would be required to maintain the systems and procedures it had developed. (3) The plan would be required to provide that any requirements applicable to foster care maintenance payments or adoption assistance payments under part E would also be applicable to payments under part B which are used for those purposes.

Sec. 10 of the draft bill would make technical conforming amendments to title IV–A of the Act, and would provide that funds appropriated and allotted to States under part B for fiscal year 1980 would remain available for expenditure by States through fiscal year 1981. This section would provide an effective date for the draft bill of October 1, 1979.●

By Mr. MELCHER (for himself, Mr. Magnuson, Mr. Baucus, and Mr. Pressler):

S. 967. A bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment; to the Committee on Energy and Natural Resources.

IMPACT REDUCTION OF ENERGY RESOURCES ACT OF 1979

● Mr. MELCHER. Mr. President, I am today introducing legislation designed to insure that the Coal Conversion Act which passed the last Congress is able to meet its intended goal. The conversion of the Nation's electricity production to coal fired generators requires that transportation of coal be readily available from coal producers to the coal user. Congress, during consideration of the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95–620) included a provision which was intended to provide funds for rehabilitation of branch railroad lines to transport coal and coal products. The $100 million that was authorized was targeted for regions or States which can use these resources in greater quantities as a substitute for imported petroleum. Essentially, that means the user end of the railroad line. The legislation I am introducing today will utilize the same fund for the very same purposes except it will expand the fund to be used on the producer end as well.

The necessity of this action, which places the producing end in comity with the using end, is obvious. If, because of poor track and equipment, producers are unable to get their coal to the user from the producer, the coal conversion as expected cannot be accomplished.

This legislation also requires the involvement of the Department of Energy when coal sources will be denied access to their marketplace, because of the lack of sufficient rail transportation.

The bill would require that trustees of railroads in reorganization or the Chairman of the ICC presiding over an abandonment must notify the Secretary of Energy of the respective reorganization or abandonment.

The Secretary of Energy will then be required to study the reorganization or abandonment with respect to the impact on coal transportation and report to Congress within a certain date of his findings.

If the Secretary finds that the reorganization or abandonment will reduce or curtail present or prospective coal shipments, the Secretary will be required to oppose such reorganizations or abandonments in the appropriate forum.

The Secretary will also be required to provide loans or grants to maintain the shipment of the coal. Whereas the part of this legislation which amends present law regarding the rehabilitation of trackage, the loans or grants from the Department of Energy would be required to provide funds to lease or support coal cars and locomotives.

The importance of this legislation can not be over emphasized. For the areas comprised of the States of Illinois, Indiana, Minnesota, Michigan, Ohio, Wisconsin, Arkansas, Louisiana, Oklahoma, Texas, Iowa, Kansas, Missouri, Montana, North Dakota, and Nebraska, there are 156 applications pending for power units to burn coal by the year 1990. One hundred and twenty-two of these are for plants to be on line by the end of 1985.

I ask unanimous consent to have printed in the Record a table from the Interstate Commerce Commission on the average cost of railroad freight cars and gondolas.

There being no objection, the table was ordered to be printed in the Record, as follows:

ATTACHMENT D

AVERAGE COST OF NEW FREIGHT CARS INSTALLED, BY KIND OF CAR[1] (CLASS I LINE HAUL RAILROADS)

Year	Boxcars		Flatcars		Rack cars	Gondola cars	Hopper cars		Refrigerator cars	Tank cars	All freight carrying cars[3]	Caboose cars	All freight train cars
	General service	Special service[3]	General service	Special service			Open top	Covered					
1939	$2,742	$3,670	$2,171	(4)		(5)	$2,328	(5)			$2,514	$3,483	$2,515
1940	2,772	3,451	2,242	(4)		(5)	2,567	(5)	$5,486		2,693	3,489	2,698
1941	2,944	3,209	2,316	(4)		(5)	2,677	(5)		$1,056	2,842	3,906	2,851
1942	3,027	3,342	2,609	(4)	$1,700	(5)	2,824	(5)	4,737	3,363	2,955	3,960	2,970
1943	3,068	3,193	2,379	(4)		(5)	2,994	(5)			2,954	4,051	2,968
1944	3,302	3,313	2,855	(4)		(5)	2,813	(5)			3,000	5,043	3,026
1945	3,297	3,795	2,553	(4)		(5)	2,752	(5)			3,079	4,732	3,084
1946	3,726	4,951	3,266	(4)		(5)	3,282	(5)	9,309		3,583	4,373	3,589
1947	4,185	4,736	3,478	(4)	4,196	(5)	3,634	(5)	8,304		4,021	6,649	4,030
1948	4,250	5,166	3,504	(4)		(5)	3,837	(5)	7,996		4,054	7,058	4,065
1949	4,568	(2)	4,461	(4)	6,524	(5)	4,603	(5)		7, 50	4,594	7,498	4,619
1950	5,135	(2)	5 112	(4)		(5)	5,350	(5)	8,259		5,274	7,955	5,300
1951	5,457	(2)	5,631	(4)	6,290	(5)	5,464	(5)	6,980		5,493	7,765	5,508
1952	5,859	(2)	6,214	(4)	7,350	(5)	5,814	(5)	9,260		5,904	11,232	5,948
1953	6,346	(2)	6,744	(4)		(5)	6,221	(5)	9,544	8,950	6,319	11,485	6,332
1954	6,713	(2)	7,644	(4)	5,595	(5)	7,656	(5)	12,870	13,490	7,317	9,877	7,323
1955	7,515	8,919	8,692	(4)	7,733	$7,915	6,745	$8,122	10,774	10,439	7,795	12,730	7,839
1956	7,891	10,276	9,660	(4)	7,428	8,630	7,344	8,721	21,702	10,830	8,136	15,637	8,182
1957	8,888	11,023	8,916	(4)	10,149	8,641	7,828	9,437	17,484	11,690	8,667	19,116	8,688
1958	8,712	11,111	15,856	(4)	10,835	9,175	8,485	10,017	14,982	10,538	9,144	12,159	9,151
1959	9,851	12,618	13,120	(4)	13,288	8,409	8,715	11,532	15,667	13,691	10,319	17,240	10,380
1960	10,629	12,767	12,254	(4)	13,712	13,521	8,866	13,892	16,529		11,100	16,497	11,115
1961	10,715	13,000	13,970	(4)	14,765	9,573	8,882	11,615	20,166		11,315	16,191	11,392
1962	11,469	14,803	12,778	(4)	15,410	12,313	8,586	15,263	17,617	19,721	11,777	17,787	11,793
1963	14,265	15,679	12,596	(4)	13,742	8,815	9,737	14,455	20,453	18,517	14,055	19,588	14,111
1964	13,083	17,534	15,462	(4)	12,000	12,504	10,380	14,673	21,914	19,339	14,061	17,759	14,085
1965	14,610	19,831	15,682	$17,371	13,311	12,451	11,085	14,582	22,359	18,150	15,448	19,752	15,466
1966	12,167	18,129	14,725	17,593	13,564	12,853	11,794	15,487	23,358	[6] 34,041	15,320	18,650	15,338
1967	11,955	17,877	16,524	19,262	12,632	13,028	10,424	15,074	25,313	27,423	14,591	21,727	14,608

AVERAGE COST OF NEW FREIGHT CARS INSTALLED, BY KIND OF CAR[1] (CLASS I LINE HAUL RAILROADS)—Continued

Year	Boxcars		Flatcars		Rack cars	Gondola cars	Hopper cars		Refrigerator cars	Tank cars	All freight carrying cars[3]	Caboose cars	All freight train cars
	General service	Special service[2]	General service	Special service			Open top	Covered					
1968	10,061	19,398	13,956	15,534	(7)	11,746	11,447	14,728	28,307	------------	13,471	21,168	13,553
1969	11,733	18,007	13,759	18,107	(7)	13,754	12,558	15,201	29,957	------------	15,607	17,415	15,625
1970	13,355	20,912	15,534	22,275	(7)	14,203	12,726	16,221	31,592	------------	17,163	19,390	17,199
1971	14,219	18,640	10,495	19,068	(7)	15,749	13,197	15,930	32,167	------------	16,293	24,874	16,352
1972	19,258	23,533	------------	17,666	(7)	15,111	15,580	18,079	32,427	------------	18,051	25,640	18,219
1973	18,000	22,000	------------	18,000	(7)	15,600	16,000	18,000	30,000	20,000	18,800	29,000	18,900
1974	22,900	34,000	28,000	20,000	(7)	21,500	18,800	20,000	------------	21,700	21,800	31,000	21,900
1975[8]	31,168	37,005	32,815	40,201	(7)	27,076	25,834	26,480	42,553	22,300	27,777	41,023	27,921
1976[8]	30,923	35,644	27,040	45,695	(7)	26,856	25,495	27,497	------------	------------	27,983	41,648	28,099
1977[8]	36,791	46,643	31,515	34,852	(7)	26,906	28,026	28,545	51,179	------------	31,053	48,888	31,114

[1] The variations in the average cost of freight cars from year to year can relate, in part, to changes in the mix of car subtypes within each category and to differences in the capacities of cars installed.

[2] Reported as "automobile" prior to 1948 and included with general service boxcars for years 1949 through 1954.

[3] Includes all other freight train cars not separately shown.

[4] Included with general service flatcars.

[5] Included with open top hopper cars.

[6] Reflects installation of 2 experimental 38,000 gal tank cars at a unit cost of $76,765.

[7] Included with special service flatcars.

[8] Preliminary.

Source: Interstate Commerce Commission, "Transport Statistics in the United States"; years 1975, 1976, and 1977 from Annual Reports of Railroads. ●

By Mr. MELCHER (for himself, Mr. Burdick, Mr. McGovern, Mr. Stevens, Mr. Church, Mr. McClure, Mr. Domenici, Mr. Young, Mr. Gravel, and Mr. Weicker):

S. 968. A bill to amend certain provisions of title V of the Public Utility Regulatory Policies Act of 1978 to expedite processing of applications for crude oil transportation systems, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. MELCHER. Mr. President, in my part of the country—the Northern Tier and the Midcontinent States—we are experiencing a serious shortage of crude oil. This shortage has been caused by Canada's drastic reduction in crude oil exports over the past 4 years. As a result, residential, agricultural, and industrial consumers of petroleum products in these areas face the very real prospects of shortages and of growing dependence on insecure sources of foreign oil delivered to the gulf coast, and transshipped northward through the Midcontinent's existing pipeline system.

At the same time that these States and regions are experiencing shortages, there is a growing surplus—often referred to as a glut—of crude oil on the West Coast. This surplus is a result of increasing production from Alaska's Prudhoe Bay which is now at a level of 1.2 million barrels per day and scheduled to reach 1.35 million barrels per day by the end of the year. One proposal for dealing with this surplus and meeting the requirements of our inland States was the Sohio Oil Co.'s Long Beach, Calif., to Midland, Tex., project. A few weeks ago, corporate sponsors of this project announced that they were terminating the project after investing $58 million, because of economic, environmental, legal, and State and local permitting problems. Efforts are now underway to reactivate the project, but, in my view, prospects are very, very poor that this can or will be accomplished.

Pending before the Department of the Interior are four other applications from sponsors of proposed crude oil pipeline projects designed to move Alaskan and offshore oil to States in the northern tier and midcontinent regions. Three of these applications involve Canadian routes in whole or in part. The fourth, the Northern Tier Pipeline Co.'s project involves an all U.S. system with the construction of a new crude oil transshipment facility at Port Angeles, Wash., and a 1,500-mile pipeline which interconnects with existing pipelines at Clearbrook, Minn. This proposal is 1,100 miles shorter from Valdez to Chicago than the Sohio proposal and studies by Pace and the Department of Energy show the northern tier route as thee most economical transportation system for Alaskan or Persian Gulf crude oil.

My colleagues will recall that as a part of the national energy program adopted late last year, the Congress addressed this question in title V, "Crude Oil Transportation Systems" of the Public Utility Regulatory Policy Act. Unfortunately, because of the passage of time and changed conditions, by the time title V became law, the dates established in the legislation for final action were impossible for the Department of the Interior and the President to meet. As a result, the Secretary of Interior, by executive action, established a new schedule for decisionmaking on the issuance of permits which will result in another 9 months to 1 year delay beyond the date initially established by the Congress of December 1, 1978. It is my view that the policy contained in title V as adopted by the Congress can yet be achieved in a more expedited fashion than that set forth in Secretary Andrus' proposed new schedule. The bill I am introducing today, would amend title V and is designed to further expedite the decisionmaking process and to establish new congressionally approved dates for action. The final EIS deadline would be July 15 with a final decision within 45 days following that date.

The bill I am introducing today is, in large measure, based upon suggestions made by the Department of the Interior as part of a drafting service I had requested in January 1979. The bill is, I want to emphasize, my own. It does not at the present time have the endorsement of the administration. I am confident, however, that in light of the thrust of the President's recent energy message and the increasingly critical crude oil supply conditions facing the country, the administration will respond to this legislation in a positive, constructive, and supportive manner.

Finally, Mr. President, I want to emphasize that the bill does not in any way, preempt State or local decisionmaking procedures. It is my belief that State decisions will not be made until the decision by the Federal Government has been made to approve the Federal permits. The bill does not choose one of the pending applications over any of the others. This is left to the judgment and discretion of the Secretary of the Interior in connection with the standards contained in title V. What the bill does do is establish firm but achievable dates for decisionmaking. It also reduces the time allocated for hearing procedures, consultation, and coordination between Federal, State, and local agencies. It also eliminates the need for referring a decision on this matter directly to the President and authorizes the Secretary of the Interior to act on the basis of the record then before him. The bill permits the Congress to make a final determination on the factual and legal sufficiency of the environmental impact statement covering the four-project applications and the title V decisionmaking process. Finally, the bill amends title V to strengthen the section on limitations on judicial review of Federal permits with language similar to that provision in the Trans-Alaskan Pipeline Act.●

By Mr. THURMOND:

S. 969. A bill to authorize the construction and maintenance of the Gen. Drazha Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 United States airmen in Yugoslavia during World War II; to the Committee on Rules and Administration.

Mr. THURMOND. Mr. President, I am introducing today a bill designed to authorize the National Committee of American Airmen Rescued by Gen. Drazha Mihailovich to erect a monument in Washington, with publicly subscribed funds, dedicated to "General Drazha Mihailovich, Savior of American Airmen."

The reason for having such a monument so designated stems back to World War II. During that war the United States and Great Britain initially supported the nationalist resistance movement in Yugoslavia, led by Gen. Drazha Mihailovich. Due to a tragic combination of errors and mistaken information, the allies withdrew their support from Mihailovich at the end of 1943 and backed the Communist resistance movement of Marshall Tito.

Despite his abandonment by the allies, and despite the merciless war waged against him by both the Communists and the Nazis during 1944, General Mihailovich and his forces, known as the Chetniks, succeeded in rescuing some 500 American airmen who were shot down over Yugoslavia. Most of these men were safety evacuated from Nazi-occupied Yugoslavia to Italy.

In 1948, President Harry S Truman awarded posthumously the Legion of Merit to General Mihailovich for his heroics in rescuing American airmen and for his larger services to the allied cause. Unfortunately, the American public was unaware of this award since the State Department, fearful of offending the sensitivities of the Yugoslavia Communist Government, made the award to Mahailovich "secret" for almost 20 years.

Now, almost 40 years after their rescue, a group of American airmen have organized themselves into a National Committee of American Airmen Rescued by General Mihailovich and have launched a movement to build a memorial in Washington, D.C., dedicated in gratitude to the man who saved their lives. I can think of no better way to discharge this debt than to authorize these airmen to erect the monument they have in mind.

Mr. President, it must be pointed out that this project would not be financed by the American taxpayers. Funds for this monument would be subscribed publicly by the airmen's group. It would be a simple monument, with one side bearing a plaque listing the names of the airmen rescued by General Mihailovich, and on the other side the text of President Truman's Legion of Merit citation.

This legislation is identical to previous measures that have been approved unanimously in both the 94th and 95th Congress. It has also been approved by the National Capital Parks Advisory Committee on Monuments and by the Secretary of Interior. It also has the endorsement of the American Legion Convention and President Meany of the AFL–CIO.

Mr. President, the airmen who seek authority to have this monument erected do not wish to make political noises that would offend the Communist regime of Yugoslavia. They seek only to acknowledge their deep sense of gratitude to a man who was instrumental in rescuing nearly 500 downed American flyers during World War II. They simply want the simple recognition that would be imparted by erection of the General Mihailovich Monument.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 969

Whereas, during World War II more than five hundred American airmen who were shot down over Yugoslavia were rescued and returned to active duty by the nationalist resistance forces of General Draza Mihailovich; and

Whereas, for these services and other services to the Allied cause, General Mihailovich was, in 1948, on the recommendation of General Eisenhower, awarded the Legion of Merit in the Degree of Supreme Commander by President Truman; and

Whereas the National Committee of American Airmen Rescued by General Mihailovich has petitioned Congress for permission to erect in the District of Columbia or environs, with publicly subscribed funds, a simple memorial as an enduring expression of their gratitude to the man who saved their lives; and

Whereas such an expression of gratitude would be in keeping with the American tradition of honor and has been specifically endorsed by major national organizations, including an endorsement by the American Legion Convention of 1977 and the endorsement of President George Meany of the American Federation of Labor and Congress of Industrial Organizations;

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to section 2 of this Act, the Secretary of the Interior shall permit the National Committee of American Airmen Rescued by General Mihailovich to construct and maintain a monument to General Draza Mihailovich, in recognition of the role he played in saving the lives of approximately five hundred United States airmen in Yugoslavia during World War II, as described in such committee's petition to Congress concerning the authorization of such monument. Such monument shall be of appropriate design and shall be located on Federal public land within the District of Columbia or environs. The design and location of the monument shall be subject to approval by the National Capital Planning Commission, the Fine Arts Commission, and the Secretary of the Interior.

Sec. 2. The National Committee of American Airmen Rescued by General Mihailovich shall accept private funds which shall be the sole source for the construction and maintenance of such monument The Secretary of the Interior shall only permit such committee to begin the construction of such monument when he determines that such committee has sufficient funds to complete such construction and to provide for such maintenance; except that such committee must have such funds no later than two years after the date of enactment of this Act.

By Mr. FORD:

S. 970. A bill to amend the Tennessee Valley Authority Act of 1933 in order to increase the number of members on the board of directors of such authority to five and to set certain residence requirements; to the Committee on Environment and Public Works.

Mr. FORD. Mr. President, when the Tennessee Valley Authority was created in 1933 as a multipurpose regional development agency, little did anyone realize what a critical role the future held from not only a regional, but a national perspective. TVA has grown to become the largest producer of electricity in the Nation, serving an estimated 7 million people. The TVA's role in energy development can only be expected to grow in the years ahead as indicated by President Carter's decision in April 1977 to use TVA as a national energy demonstration agency. This will have a profound effect on the users in the TVA service area.

If the TVA is to be in a posture to fulfill its new mandate without sacrificing its basic congressionally mandated obligation to the people of the region, it has become apparent to many of us from the valley that the times demand increased and more intense participation from the Board of Directors. We have serious doubts that a three-member Board can give the proper and balanced representation in the years ahead.

To remedy this, I am introducing legislation to expand the TVA Board from three to five members and, in addition, stipulate that three members at all times be residents of States which consume TVA power. This requirement would serve as a safeguard to guarantee that the people most affected by the TVA's action have a voice in those decisions.

The next few decades could well turn out to be the most important and challenging in the TVA's history. The changes I am recommending are positive ones and will enable the Board to better fulfill the high expectations we have for it, while at the same time assuring that the Board's primary responsibilities to the people of the valley are not shortchanged.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Tennessee Valley Authority Act Amendments of 1979".

Sec. 2. (a) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831a (a)) is amended (1) by inserting "(1)" after "(a)", (2) by striking out "three members" and inserting in lieu thereof "five members", and (3) by inserting at the end thereof the following:

"(2) The terms of office of the two additional members initially appointed pursuant to amendments made by the Tennessee Valley Authority Act Amendments of 1979 shall expire as designated by the President at the time of nomination, one at the end of the sixth year, and one at the end of the ninth year, after the date of such amendments. After such date of enactment appointments to the board shall provide three members on the board at all times who at the time of appointment were residents of states consuming power produced by the Corporation.".

(b) Section 2(d) of such Act is amended by striking out "two members" and inserting in lieu thereof "three members".

By Mr. DOLE (for himself, Mr. McGovern, Mr. Levin, Mr. Young, Mr. Matsunaga, Mr. Lugar, Mr. Chafee, Mr. Percy, Mr. Ford, Mr. Heinz, Mr. Bentsen, Mr. Baucus, Mr. Melcher, Mr. Pressler, Mr. Hatfield, Mr. Stevenson, Mr. Mathias, Mr. Ribicoff, Mr. McClure, Mr. Cohen, Mr. Stone, Mr. Talmadge, Mr. Huddleston, and Mr. Zorinsky):

S.J. Res. 63. Joint resolution to designate the year of 1979 as the "Food for Peace Year;" to the Committee on the Judiciary.

FOOD FOR PEACE YEAR

Mr. DOLE. Mr. President, on July 10, 1979, we will have cause to celebrate a proud day in American history—the silver anniversary of the signing by President Dwight D. Eisenhower of the Agricultural Trade and Development Act—the food-for-peace program, Public Law 480. This single piece of bipartisan legislation has done much to save and improve lives all over the world.

It should be memorialized, and those who participated so effectively in bringing to life this great legislative and administrative achievement should take great pride in their achievement.

PRESIDENT EISENHOWER

President Eisenhower supported this program from its inception on July 10, 1954. Witness the eloquence of his call to the American people regarding the food-for-peace program:

> My earnest hope is that our people will put their hearts as well as their minds into this effort. It is more than surplus disposal, more than an attempt to foster ties and sympathies for America. It is an effort that I consider in full keeping with the American tradition—that of helping people in dire need who with us are devoted to upholding and advancing the cause of freedom. It is an undertaking that will powerfully strengthen our persistent and patient efforts to build an enduring, just peace.

HUBERT HUMPHREY

As I look around the Senate Chamber today, I see many of the great supporters of the food-for-peace program. There is one man who devoted great energy and thought on behalf of this activity, who is no longer among us, but whose memory I shall forever cherish, Hubert Horatio Humphrey. He stated:

> When the history of the twentieth century is written, the development and expansion of the Food for Peace program is sure to be viewed as one of the most constructive steps ever undertaken by any nation. Without our farmers' abundant productivity, this could not have been possible.

In the 25 years since the Public Law 480 program was devised out of the hearts and minds of brilliant men, I have watched it with keen interest and with growing awareness of what it has accomplished.

OBJECTIVES OF P.L. 480

It is important that all of us understand the great objectives of Public Law 480, as set forth in the preamble of the act. It follows:

> The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States.

It is to be noted that one objective of Public Law 480 is the development and expansion of export markets for U.S. agricultural products. As we look back at the export statistics from the inception of this program to the present, one would have to conclude that there has been no period in American history in which we have done as well in our agricultural exports. In the year just ended we had a record total of agricultural exports of $29 billion. Of this, dollar sales set a new record of $28 billion.

The benefits of exports are shared by nonfarm people. Hundreds of thousands of workers and businessmen across the country owe part or all of their incomes to the activities created by agricultural exporting—handling, transporting, warehousing, processing, packaging, freight forwarding, insuring, financing, and related activities. Exporting has, in itself become a vast industry.

Another benefit to the United States of expending foreign markets for our farm products is a better balance of payments. Agriculture contributed about $15 billion to a net favorable balance of payments in 1978.

It is not generally known—but it is a fact of which we should be very proud—that American agriculture, through its export earnings, is today doing more than any other segment of the Nation to hold back the critical outflow of dollars.

There is growing recognition of the program's substantial contribution to the development of commercial markets for our farm products. In a large sense, these commercial exports constitute food for peace at its best—mutually beneficial, multilateral trade using the efficiency of commercial trade channels. The soundest and the simplest way to maintain our balance of payments would be to utilize to the maximum the productive efficiency of our farmers by finding ways to increase our agricultural exports even more.

A NATIONAL PROGRAM

The food-for-peace program is far more than just a farm program. It is truly a national program. It reflects the fact that we have wed our world leadership responsibilities with our breakthrough in agricultural technology.

Food and fiber from American farms have saved the lives of millions of people. There are millions of boys and girls today, throughout the world, who regularly receive school lunches through this program.

This administration has not utilized this great basic tool of foreign aid to its full potential. Today, the program has been considered all too narrowly by the Office of Management and Budget. The focus has been on initial outlays and there has been no study of long-range term returns to the Treasury.

Let us look briefly at some of the major benefits: First, it generates higher income with increased tax receipts. Second, it increases employment, both rural nonfarm. Third, it reduces CCC inventories and along with that, storage and interest costs.

Fourth, it increases the volume of agriculture commodity processing. And fifth, it improves the health of those who receive the foods and fosters better international relations.

I urge President Carter to use his authority to move larger quantities of agricultural commodities into export under the food-for-peace program. I predict that in the 1980's we will see a much greater appreciation of the cost-benefit ratios from this great program.

Millions of youngsters in many lands are alive today as a result of American compassion and American know-how—and as a result of a unique partnership between the public and private sectors of this country.

These youngsters are growing stronger, and more resistant to childhood diseases that take an abnormal toll among the young in most developing countries.

They have a better chance of survival to adulthood and a productive, useful life; and, as a result, their countries have greater hope of economic progress—and the world a greater hope of peaceful existence.

AMERICA'S VOLUNTEER AGENCIES

They are the youngsters fortunate enough to be included among the organized child-feeding activities of America's great voluntary agencies for overseas relief and rehabilitation, organizations such as CARE, the Protestant Church World Service and Lutheran World Relief, Catholic Relief Service and its charities counterparts, the American Jewish Joint Distribution Committee, and a number of similar privately supported humanitarian organizations helping to carry out the U.S. Government's food-for-freedom program.

For the 13 years under title II of that program there has been made available new food products for the world's hungry—particularly designed to meet the protein deficiency of infants and children.

These youngsters now have available for them foods specifically designed to meet their protein deficiency. They are no longer just getting whatever was available as "surplus" or in CCC inventory to fill their empty stomachs, regardless of nutritive need. I am pleased to state that we have eliminated that concept from the food for peace lexicon. We must never revert to the "surplus concept."

They are now getting "high-octane fuels" for energy and growth, instead of just "water in the gas tank."

NEW FOOD PRODUCTS

The food for peace program has made available those entirely new food products, offering hope for the world's hungry—extremely low-cost formulated foods particularly designed to meet protein deficiency, especially of infants and children, yet acceptable in taste and convenient in use with a minimum of cooking required.

These foods include the following: Corn soya milk, corn soy blend, soy fortified bulgur, wheat soy blend, rice soy blend, soy fortified sorghum grits.

Now formulated foods are being developed. Every encouragement should be given to our scientists, both in Government and in private enterprise to make new breakthroughs in formulated foods to meet needs.

As we look back on the quarter century of effort, the accomplishments of this program are remarkable by any test. Now we must look ahead to see how this expression of America's compassion can be utilized even better for the whole family of man.

The Nation's founders insisted on "a

decent respect to the opinions of mankind." This food for peace program is a continuing major action on our part in that direction. July 10, 1979 is a date to uplift the hearts and minds of men.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the text of the joint resolution was printed in the RECORD, as follows:

S.J. RES. 63

Whereas the year 1979 marks the twenty-fifth anniversary of the Food for Peace Program established by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), approved July 10, 1954;

Whereas United States agricultural commodities are provided under the Food for Peace Program to friendly countries to alleviate and prevent malnutrition and hunger;

Whereas the commodities supplied under the Food for Peace Program to people in more than 100 countries around the world help to meet famine or other urgent relief requirements, combat malnutrition, promote economic and community development in developing areas, provide assistance for needy persons and nonprofit school lunch and preschool feeding programs, and carry out the commitment of the United States to the World Food Program;

Whereas the Food for Peace Program has been an important factor in the expansion of overseas markets for United States farm products; and

Whereas the assistance provided under the Food for Peace Program is evidence that the United States shares its agricultural abundance with those in need: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the year 1979 is hereby designated as the "Food for Peace Year", and the President of the United States is authorized and requested to issue a proclamation inviting the people of the United States to celebrate the twenty-fifth anniversary of the enactment of the Agricultural Trade Development and Assistance Act of 1954 with appropriate ceremonies and activities.

Mr. McGOVERN. Mr. President, it is with great pleasure that I stand here as coauthor of this Joint Resolution to memorialize 1979 as the Food for Peace Year. The Agricultural Trade and Development Act—Public Law 480—signed by President Eisenhower on July 10, 1954, is truly a humanitarian landmark in the best tradition of the United States.

John F. Kennedy spoke of this legislation with a great glow of satisfaction. If I may quote from one of his public utterances on this program:

> American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way and to play an important role in helping to provide a more adequate diet for peoples all around the world. We must make the most vigorous and constructive use possible of this opportunity. We must narrow the gap between abundance here at home and near starvation abroad. Humanity and prudance, alike, counsel a major effort on our part.

I shall never forget President Kennedy's statement before a packed crowd at the Corn Palace in Mitchell, S. Dak., in 1960, when he said:

> I think the farmers can bring more credit, more lasting goodwill, more chance for freedom, more chance for peace, than almost any other group of Americans in the next ten years, if we recognize that food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose goodwill and friendship we want.

This they have done, and we are here today celebrating these accomplishments. I am proud of the part that I have played in my stint in the executive branch in administering this program for 18 months.

For, in the opening hours of his administration, on January 24, 1961, the President issued an Executive order creating the Office of Food for Peace. He instructed me as the first Director to exercise "affirmative leadership and continuous supervision over the various activities" involved in our overseas food programs. He called upon me to "consider very carefully the intimate relationships between our foreign agricultural activities and other aspects of our foreign assistance program."

I shall always be grateful to President Kennedy and my fellow citizens for permitting me to serve in this inspiring program. This experience has given me a growing realization of the urgent demands of one of the world's great paradoxes—abundance in a world of want.

It has also strengthened my conviction that the amazing productivity of our farmers is America's most valuable material resource in today's world and even more surely in the world of tomorrow.

Food has become a very significant form of foreign economic assistance. I am tremendously impressed by the single overriding fact that without the farmers' productive capabilities, the entire U.S. foreign assistance program would be much less effective than it is today. In fact, food for peace in many areas of the world is the most effective, and the most worthwhile assistance program. Each of us should share in the glow of pride to know that the food and the fiber from American farms has saved the lives of millions of people. And you should be happy to know that there are millions of boys and girls today, throughout the world, outside of the United States, who are regularly receiving school lunches. There is a spiritual aspect involved in this. I know that rural families are reverently grateful as well as genuinely happy that they have been able to save lives and improve health.

Does it not make economic sense, as well as moral sense, for the United States and other exporting countries to share abundance—God-given abundance—with the millions who are in need of food, rather than to store it in bins or let the land lie idle?

Through the productive genius of the American farmer, the processing and marketing genius of agribusiness, and the compassion of the American people, we have been able to avert widespread famine in recent times. The United States has responded to need wherever it arose.

Under the food for peace plan we have reached and helped more than a hundred million people in more than a hundred countries.

Under this program we have delivered 230 million tons of food, valued at $25 billion, to needy and disaster-struck nations in the 25 years of its existence.

The food for peace program under which this food aid was provided reflects the democratic, humanitarian and ingenious character of our American people. We feel a moral obligation to share our abundance. In the course of 25 years great human suffering has been relieved; millions of adults have been saved from starvation, millions of children have been helped in periods of emergency, and the crisis of hunger with which the world is still confronted has at least been softened.

The world knows this, and Public Law 480 is known all over the world.

The United States is willing to share our abundance. However, food aid is only one part of the war on hunger. The main objective is and must be helping others produce and consume more for themselves.

A vigorous self-help effort, underwritten in the interim by assistance, encouragement, and advice, is the best alternative for the developing nations.

Under this program, the United States provides technical and capital assistance along with food to help those countries which demonstrate a determination to undertake effective programs to increase their own ability to provide food for their people.

Governments cannot lick this problem alone. The initiative and ingenuity and years of experience of the private sector and the entire food production, food processing, and food distribution field is needed.

It is essential that the keen interest and active support of our country's great food-processing industry in meeting the challenge of combating child malnutrition worldwide be enlisted.

U.S. aid experts and international nutritionists involved in Third World food issues have long recognized the need for specially formulated products which meet the specific nutrient needs of infants, the preschool child, and others in need of special nutrition. The fundamental hope of long-term Third World development cannot be secured unless the health status of these target groups is improved. Good health is a precursor to national and socioeconomic development.

Industry and Government scientists recognized this "urgent need for inexpensive, safe, and compact nutritious food blends which could be produced in volume, incorporated into divergent dietary profiles, and pass through the most primitive of distributions systems in good condition. They also felt they could develop such products and set to work.

The Government encouraged these efforts and called upon the food industry, voluntary agencies and academic scientists to join forces to develop new specially formulated, high protein cereal based foods. A whole group of these specially designed foods to meet protein, vitamin and mineral deficiencies at low cost has emerged. They are based on corn, wheat, rice and grain sorghum plus soy proteins and nonfat dry milk.

These groups pulled together providing advice, technical expertise and encouragement. The results were products which meet the aforementioned needs. These are very simple basic products which could not have been developed without highly sophisticated scientific, manufacturing and production inputs.

Today we have a whole group of these products distributed under title II of Public Law 480. Tomorrow, given essential Government encouragement, there will be more emerging from our laboratories. The old surplus commodity availability program has been replaced by a group of formulated foods. This is real progress. We must never retrogress to simply distributing surplus commodities.

The food which is donated to U.S. voluntary agencies and the world food program for direct feeding programs for the needy—maternal child health, food for work, and school lunch programs, is distributed through the expertise of the U.S. voluntary agencies. These voluntary agencies are particularly valuable—actually invaluable—to developing countries in bolstering their administration and managerial capacities, including training at the grassroots in the techniques of food handling, distribution and storage. Despite the fact that the food is donated, there are substantial internal costs—transportation, warehousing, and the like which must be financed by the recipient country.

There are some who say that title I sales should be eliminated. These concessional sales move through the normal country channels of trade and return foreign currency—ultimately dollars—to the U.S. Treasury. I disagree with those who would force poverty-stricken nations to spend extremely scarce resources to support massive relief operations.

A major purpose of the Food for Peace program is to help developing countries move more rapidly toward solving the problem of poverty through broad-based development. Title I food helps to narrow the gap between consumption and production. This food enters into usual distribution channels and does not require any separate infrastructure. But care must be taken to assure that these increased supplies do not discourage farmers in the developing countries from increasing their own production. This is essential, not only to meet more of the needs of growing populations, but to increase farm income. For this reason, Food for Peace programs must be coordinated with AID programs directed at helping the poor and with other assistance from bilateral and multilateral donors to strengthen the developing countries' development programs to increase employment and enhance incomes.

Seneca once observed that "A hungry people listens not to reason nor cares for justice."

And, in that knowledge, we have, under the Food for Peace program, reached and helped people in more than a hundred countries.

Out of my experience and subsequent observation, I am certain that this Nation will continue to share our abundance with people who lack it. But our programs of food assistance must support, and not deter, agricultural development in places which need it. Food aid is only one part of the war on hunger.

We need to help the developing countries with an export of ideas and techniques from our own experience. But these programs must be adapted to their way of doing things—adapted to problems of climate and water and social structure. This is the essence of the Food for Peace program—to help others help themselves.

On this occasion, we should renew our commitment on behalf of the American people to join with the other developed nations in an all-out effort to eradicate large-scale famine and hunger from the face of the Earth.

The American farmer has risen to many challenges to meet the needs. His Government must be determined that he shall stand on equal footing with the rest of the economy—that he shall have every opportunity for a fair and just return on his investment, his time, his energy and his extraordinary skill.

Today we are able to challenge the problems of meeting food needs—and we are able to do so in large part because of the energy and productivity of American agriculture. Today our abundance is a weapon for peace.

We must use that weapon—ably, honorably and well.

By Mr. CHAFEE (for himself, Mr. Percy, Mr. Pell, Mr. Hatfield, Mr. Mathias, and Mr. Warner):

S.J. Res. 64. Joint resolution to authorize the United States Navy Memorial Foundation to erect a memorial; to the Committee on Energy and Natural Resources.

A U.S. NAVY MEMORIAL FOR THE NATION'S CAPITAL

Mr. CHAFEE. Mr. President, of all the monuments, memorials, statues and parks in our Nation's capital, not one is dedicated solely to the honor of the men and women who have served their country in the U.S. Navy.

Since many of our colleagues in the Senate are former Navy men, I am sure some are aware that a U.S. Navy Memorial Foundation has been established to raise private money for such a memorial. The Foundation is registered in all 50 States and has begun raising the $5 million needed for this purpose.

In conjunction with their efforts, Mr. President, today I am introducing a resolution which authorizes the U.S. Navy Memorial Foundation to erect a memorial on public grounds in the District of Columbia.

While plans are not yet firm, it is hoped that a site can be obtained along Constitution Avenue between the Washington Monument and the Lincoln Memorial. However, should such a site not be available, I am confident that an appropriate site can be found elsewhere in the District or in nearby Virginia or Maryland. Designs are currently underway for construction of a large shell in the form of a wave which can be used as an outdoor concert stand for the popular Navy Band.

Mr. President, such a memorial would be an especially fitting way to commemorate the men and women who have served in the U.S. Navy, both in times of war and times of peace. I think that if I were visiting Washington, D.C. from Rhode Island or Ohio or Texas or wherever, the sounds of the Navy Band playing from this national memorial would strike me as a real, living tribute to the generations of Americans who have served in the Navy. Such a memorial would be a delightful addition to the cultural life of Washington, as well.

Again, I want to stress to my colleagues that no Federal money will be involved in the design or construction of this memorial. It will be entirely funded from private contributions made to the U.S. Navy Memorial Foundation. The resolution I am introducing simply authorizes that it be erected on public land in Washington, D.C., and that subsequent maintenance of the memorial be the responsibility of National Park Service.

As a former Secretary of the Navy, I take particular pride in introducing this proposal. A similar resolution has already been introduced in the House by Congressman Bob Wilson of California. I would urge the support and cosponsorship of my colleagues here in the Senate so that we can move ahead with it as quickly as possible.

Mr. President, I ask unanimous consent that the text of my resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 64

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Navy Memorial Foundation is authorized to erect a memorial on public grounds in the District of Columbia in honor and in commemoration of the men and women of the United States Navy who have served their country in war and peace.

Sec. 2. (a) The Secretary of the Interior is authorized and directed to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds of the United States, in the District of Columbia or on such grounds principally serving as a site for national monuments along the Potomac River in Northern Virginia, upon which may be erected the memorial authorized in the first section of this Resolution.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts and the National Capital Planning Commission.

(c) Other than as to the land authorized for the erection of the memorial in subsection (a), neither the United States nor the District of Columbia shall be put to any expense in the erection of this memorial.

Sec. 3. The authority conferred pursuant to this Act shall lapse unless (1) the erection of such memorial is commenced within five years from the date of enactment of this Act, and (2) prior to its commencement funds are certified available in an amount sufficient, in the judgment of the Secretary of the Interior, to insure completion of the memorial.

Sec. 4. The maintenance and care of the memorial erected under the provisions of this Act shall be the responsibility of the Secretary of the Interior.

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. Hatch, the Senator from Utah (Mr. Garn) and the Senator from Wyoming (Mr. Wallop) were added as cosponsors of S. 29, to repeal the Davis-Bacon Act.

S. 55

At the request of Mr. Bentsen, the Senator from Colorado (Mr. Hart) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 91

At the request of Mr. Thurmond, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 91, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of title 10, USC, and for other purposes.

S. 193

At the request of Mr. Tower, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 193, a bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission.

S. 211

At the request of Mr. Hart, the Senator from California (Mr. Hayakawa) was added as a cosponsor of S. 211, to amend the Internal Revenue Code to provide for the indexation of individual income tax brackets, and for other purposes.

S. 227

At the request of Mr. Heinz, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 227, a bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

S. 323

At the request of Mr. Hayakawa, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 323, a bill to repeal the 55 mph speed limit.

S. 445

At the request of Mr. Percy, the Senator from Hawaii (Mr. Inouye), the Senator from Montana (Mr. Baucus), and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 445, the Regulatory Reform Act of 1979.

S. 519

At the request of Mr. Helms, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 519, to preserve the academic freedom and autonomy of institutions of higher education and to condition the authority of U.S. officials to issue rules, regulations, or orders with respect to such institutions.

S. 520

At the request of Mr. Helms, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 520, to provide procedures for calling constitutional conventions for proposing amendments to the U.S. Constitution pursuant to article 5 of the Constitution.

S. 575

At the request of Mr. Hatch, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 575, the Freedom From Quotas Act of 1979.

S. 598

At the request of Mr. Robert C. Byrd, the Senator from Maine (Mr. Muskie) was added as a cosponsor of S. 598, the Soft Drink Interbrand Competition Act.

S. 697

At the request of Mr. Sasser, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 697, a bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

At the request of Mr. Robert C. Byrd, his name was added as a cosponsor of S. 697, supra.

S. 700

At the request of Mr. Danforth, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 700, a bill to provide a 10-percent tax credit for research and experimental expenditures.

S. 752

At the request of Mr. Sasser, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 752, to require the National Railroad Passenger Corporation to establish a reduced fare program for elderly and handicapped individuals.

S. 794

At the request of Mr. Levin, the Senator from Indiana (Mr. Bayh), the Senator from Maryland (Mr. Mathias), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Alaska (Mr. Gravel) were added as cosponsors of S. 794, the Postal Supervisors Arbitration Act.

S. 816

At the request of Mr. Hayakawa, the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 816, a bill to amend the Social Security Act to provide that any alien receiving benefits under certain needs-related provisions of such act shall be considered to be a public charge, to provide for attribution of a sponsor's income and resources to an alien, and to provide a 3-year residency requirement for aliens who receive certain benefits.

S. 836

At the request of Mr. Melcher, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 836, to amend the Rural Electrification Act to provide financing for telecommunications facilities for broadband services in small towns and rural areas, and for other purposes.

S. 887

At the request of Mr. Cranston, the Senator from California (Mr. Hayakawa) was added as a cosponsor of S. 887, to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks in California.

S. 918

At the request of Mr. Nelson, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 918, the Small Business Development Center Act of 1979.

SENATE RESOLUTION 98

At the request of Mr. Bentsen, the Senator from Oklahoma (Mr. Bellmon), the Senator from Nevada (Mr. Cannon), the Senator from Arizona (Mr. DeConcini), and the Senator from Indiana (Mr. Lugar) were added as cosponsors of Senate Resolution 98, disapproving the President's Standby Gasoline Rationing Plan.

SENATE CONCURRENT RESOLUTION 21—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO A U.N. CONFERENCE ON NEW AND RENEWABLE ENERGY SOURCES

Mr. PERCY (for himself, Mr. Pell, and Mr. McGovern) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. Con. Res. 21

Whereas increased dependence on fossil fuels, particularly oil and natural gas, when existing supplies are rapidly being depleted, is costly to developed and developing countries both environmentally and economically;

Whereas the uncontrolled spread of nuclear power carries environmental risks due to waste pollution and the possibilities of accidents, or material diversion;

Whereas encouraging the use of alternative, nonconventional, new, or renewable sources of energy, including solar energy, wind, biomass waste materials, alcohol fuels, and other sources can alleviate some of the pressure placed on all countries to satisfy rising energy demands;

Whereas the United Nations Conference on New and Renewable Energy Sources provides new opportunities for the United States to cooperate with other countries and international agencies for exchange of information and realistic analysis of world-wide possibilities for the development of practical uses of solar energy, wind, biomass, and other energy sources which can provide direct and indirect benefits to the United States and many other countries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the United States should cooperate with the United Nations in preparation for and conduct of the United Nations Conference on New and Renewable Energy Sources to be held in 1981 for the purpose of exchanging information and providing a realistic analysis of possibilities for development of technology and development of practical uses of those sources to help meet energy needs throughout the world.

1981 UNITED NATIONS CONFERENCE ON NEW AND RENEWABLE ENERGY SOURCES

Mr. PERCY. Mr. President, today I am submitting a concurrent resolution which expresses the sense of the Congress that the United States should cooperate fully with the U.N. on the U.N. Conference on New and Renewable Energy Sources. I am pleased to have two of my distinguished colleagues from the Senate Foreign Relations Committee, Senators PELL and McGOVERN, as the primary cosponsors of this resolution. Senator McGOVERN and I have worked closely during the last 18 months to promote the concept of this Conference.

The U.N. General Assembly formally approved this Conference on January 29. It will be held in New York in 1981, and will focus on new and renewable energy sources such as solar, geothermal and wind power, gasohol, tidal power, wave power, charcoal, peat, energy from draught animals, oil shale, tar sands and hydropower. In order to insure that those energy sources are considered thoroughly, the Conference will not touch upon the issues of nuclear power and oil supply and pricing.

Mr. President, it is crucial that we encourage international cooperation in the area of energy. An ample supply of reasonably priced energy is essential to the stability and prosperity of all nations. As Secretary of State Cyrus Vance said in a speech given on March 30 at the Northwest Regional Conference:

> No issue we face today more clearly demonstrates the interests we share with the people of the developing world than energy.
>
> The commuter buying gasoline in Seattle and the peasant farmer buying kerosene near Khartoum both face the harsh reality of rising world petroleum prices. Governments in the richest countries and those in the poorest must deal with the impact of higher energy costs and rising energy demand on their national economies.
>
> Let me be frank: The worldwide energy situation, already serious, is likely to get worse before it gets better. For the foreseeable future, in the absence of substantial new efforts worldwide growth in energy demand will continue to outpace worldwide growth in energy production.
>
> We must do what is necessary in our own country to restrain consumption and increase domestic production. But we cannot solve the energy problem by what we do here alone. It is a global challenge.
>
> Thus, we have a direct interest in helping developing countries devise their own effective energy policies—helping them identify their energy resources, determine their current and future energy demand, identify the technology they need, and obtain the necessary financing.

In that same speech, the Secretary of State noted that President Carter and other heads of state at the Bonn Economic Summit last July pledged to increase assistance for harnessing the vast energy potential of the Sun, the wind, the oceans, and other renewable resources. Such assistance will be discussed further at the Tokyo Summit in June. Mr. Vance also stated that the United States strongly backed the U.N. Conference on New and Renewable Energy Sources, and that the United States intended to play an active role in that effort.

The recent accident at the Three Mile Island nuclear power plant, and the recent OPEC price rises have underscored the global need to turn to more benign energy sources. Skyrocketing energy costs associated with conventional energy sources threaten economic growth and the standard of living in both developed and developing countries. The expansion of renewable energy sources through a cooperative, international effort offers one way to lessen the effects of fierce competition for dwindling conventional supplies. As Secretary Vance said in the speech which I quoted from earlier:

> Our future economic well-being and theirs carries an inescapable imperative: we must work together to expand the availability of energy for developed and developing countries alike; there is no promise for any of us in an intensifying competition for limited energy supplies.

I agree wholeheartedly with these sentiments, and believe that the U.N. Conference provides a unique opportunity for the kind of cooperative effort referred to by Secretary Vance. Congress should go on record as endorsing the concept of the Conference and supporting an active American role in it. For that reason, I ask my colleagues to support the resolution I am introducing today.

I would like to make two brief additional comments.

First, as with earlier U.N. conferences, such as the one on the environment in Stockholm in 1972, preconferences can play a critically important role. I would hope that conference centers like the one at Courcheyel in southern France could be put to good use in that regard.

Second, last year Senator McGOVERN and I asked the Congressional Research Service to prepare a concept paper on this Conference. This paper, prepared by Mr. Robert Blum, will be available shortly. It provides an excellent analysis of the potential of this Conference and what action the United States should take in order to meet U.S. objectives. I recommend it to my colleagues.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF EDUCATION— S. 210

AMENDMENT NO. 142

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by them to S. 210, a bill to establish a Department of Education.

AMENDMENT NO. 143

(Ordered to be printed and to lie on the table.)

Mr. MORGAN submitted an amendment intended to be proposed by him to S. 210, supra.

Mr. MORGAN. Mr. President, when the Senate returns to consideration of S. 210 following the recess, I will be offering an amendment which would prohibit the President from using his authority under the Reorganization Act of 1977, or any future reorganization authority, to transfer any additional programs or agencies into the new department. My amendment would, in effect, require that specific legislation be passed before the new department could be expanded. It is being cosponsored by Senators STEVENS and HELMS.

Over the last couple of years, the Congress has made its preference for a limited Department of Education quite clear. The Senate has, at various stages in the legislative process, removed the Head Start program, the child nutrition programs, the Interior Department's Indian education programs and the National Foundation of the Arts and Humanities from the proposed department. The House removed all of these programs, as well as the National Science Foundation's science education programs.

In spite of these decisions, the administration's enthusiasm for a comprehensive Education Department remains unabated. Administration officials have repeatedly cited the need to consolidate fragmented education-related programs as a reason for supporting S. 210. Additionally, the first section of S. 210 states that:

> The Congress finds and declares that the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education.

While no section of S. 210 could be found that dealt with this finding, it is worth noting that a fact sheet recently published by the Governmental Affairs Committee states that:

> The new Department will represent a sound base upon which to . . . consolidate, in the future, more scattered Federal education programs.

I believe that once the new Education Department is established, attempts to expand it will rapidly follow.

The Congress has thoroughly discussed the question of whether to establish this new department and what it should include. Having made a decision not to include a number of education-related programs, I do not feel that this decision should be challenged by any bureaucracy trying to expand or any future reorganization prone to the administration. Thus, I believe it is important that we close a loophole in S. 210, and prevent the possibility of programs being transferred through executive action.

My amendment is a simple amendment designed to insure that the intent of Congress is followed. It does not in any way affect the substance of the proposed Department of Education, nor does it make substantive changes in the Reorganization Act of 1977.

It is inconceivable to me that anyone would oppose my amendment unless they plan to work for the expansion of the proposed department through nonlegislative means at some future date. I think it is a needed amendment which closes a loophole in the bill, and I urge my colleagues to support it.

AMENDMENT NO. 144

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to S. 210, supra.

Mr. HUMPHREY. Mr. President, today I am submitting an amendment to S. 210.

legislation to establish a Department of Education, which would state in unmistakable terms that where a student attending an institution of higher education receives direct Federal tuition grant aid, and the money does not pass through the college or university, receipt of such funds by the student does not constitute Federal aid to the school.

Mr. President, Grove City College is a typically American small liberal arts college located in a rustic setting in Western Pennsylvania.

The town of Grove City is proud of its college.

It was founded in 1876 by a group of the Grove City business and academic leadership. The group decided that Grove City needed an institution of higher learning and Grove City College was born. It has an affiliation with the United Presbyterian Church.

Its current enrollment is 2,200, and hardly fluctuates.

Grove City does not aspire to become Behemoth University.

It has a dedicated faculty of 100 professionals.

The college emphasizes a broad understanding of the liberal arts, preparing its students to think rationally.

The success of the Grove City College experience is exemplified by the fact that an unusually high percentage of its graduates find employment upon finishing school.

Interestingly enough, Grove City believes sincerely in paying as it goes. It is free of debt, all its building being paid for.

Its students are taught rigorously in the art of thinking with due consideration for a high moral code.

There is little or no incidence of serious trouble involving the students of Grove City and the town. In fact, the motto of the town of Grove City is "where education and industry unite."

Its department of economics, chaired by Dr. Hans Sennholz has a national reputation for its dedication to free market economics, and economics majors are teaching in a number of American universities.

In short, Mr. President, Grove City College embodies the finest in American education—self reliance, academic integrity, and a dedication to turning out well informed and productive citizens.

But, Mr. President, all is not well at Grove City College.

It has become the latest target—or should I say, victim of the Department of HEW's vengeance.

Now Grove City College receives not a dime of Federal moneys.

It has steadfastly refused to accept such bounty because it has known only too well that the Federal Government regulates that which it subsidizes—a fact that however late, many renowned institutions have come to recognize.

The only possible Federal connection at Grove City is an Air Force ROTC program—which, if necessary, in order to protect its independence, it is willing to remove from the campus.

Of course, some Grove City College students do receive some direct Federal assistance. Not a nickel passes through the college. The school's role in this is merely to certify to the Federal Government, that the student is in fact enrolled.

Now HEW contends that because some students receive such aid, under Federal programs, the college itself is a recipient and must comply with Washington's multifarious regulations.

At the present time, Grove City College is being put through the litigation wringer by the Federal Government.

When it should devote its energies to education, it must spend time, energy and scarce funds to defend itself in the courts.

In this respect, Grove City has joined such distinguished American institutions as Hillsdale College and other schools in resisting the Federal intrusion.

Mr. President, when is Congress going to awaken to the fact that a great many of America's independent colleges neither need nor want Federal money?

When is it going to awaken to the reality that is contemporary education? Inevitably such Federal money is tied to all kinds of minute restrictions and regulations, that they compromise the institution's integrity as well as its independence.

We have an opportunity to say to HEW, that if the institution itself receives not a dime of Federal money, then HEW has no right to intrude in its affairs.

I believe the American people are fed up with hyperactive HEW officials going about the country to seek out schools which do not conform to HEW's notion of how an institution should be run.

If a college or university does not care to accept Federal moneys, why should they be compelled to submit to HEW's oppressive rules and regulations?

Mr. President, my amendment would make it unmistakably clear, that merely because a student receives direct Federal tuition assistance, this should not be construed as receipt of Federal assistance by the institution in which he is enrolled. It is simple. It cannot be misconstrued.

Mr. President, I hope my colleagues will join me in ushering a new day for the Nation's struggling institutions by endorsing this urgently needed legislation. I cannot conceive of a single argument for the proposition that although an institution of higher learning receives not a penny of Federal funds, it should nevertheless be subject to the pervasive lash of HEW or any other Federal agency.

Mr. President, I ask unanimous consent that an article entitled "College Challenges Federal Intervention" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 10, 1979]

COLLEGE CHALLENGES FEDERAL INTERVENTION

(By Gene I. Maeroff)

One of the clearest challenges to the Federal Government's authority to regulate private higher education is quietly making its way through the courts, pitting a small liberal arts college in the hills of western Pennsylvania against the vast Department of Health, Education, and Welfare.

Grove City College, which prides itself on independence, maintains that it is not subject to Washington's authority because it accepts no Federal funds. The Government, though, contends that because some Grove City students receive aid under Federal programs, the college itself is a recipient and must comply with Washington's regulations.

COLLEGE REFUSES TO SIGN

The issue was joined when officials at Grove City refused to sign a form that H.E.W. submitted to all colleges and universities asking them to acknowledge their compliance with Title IX of the Education Amendments of 1972, which bans discrimination against women.

"We believe in women's rights, but we support those rights voluntarily, as a matter of Christian conscience," said Charles S. MacKenzie, the president of Grove City, which is affiliated with the United Presbyterian Church, U.S.A. "To sign a compliance form is to accept H.E.W. jurisdiction over a college that doesn't take a penny of Government money."

The case entered the legal system a year ago in Philadelphia when an administrative law judge heard Grove City College's objections to signing the compliance form. He ruled in September that financial assistance to students was aid to the institution and that the Department of Health, Education, and Welfare could cut off funds to the students if college officials did not sign the form.

Included in the decision, however, was the judge's observation that "there was not the slightest hint of any failure to comply with Title IX save the refusal to submit an executed assurance of compliance . . . . This refusal is obviously a matter of conscience and belief."

Grove City and four of its students responded in November by filing a complaint against H.E.W. in the Federal District Court in Pittsburgh, alleging that the Government had exceeded its constitutional authority. Government lawyers denied the allegations last month.

"The next step is for one side or the other, probably us, to file for summary judgment," said Mark C. Rutzick, the trial lawyer assigned to the case by the Justice Department.

Meanwhile, students at Grove City continue to receive Federal aid through Basic Educational Opportunity Grants and Guaranteed Student Loans, the two programs the Government says make the college a recipient of Federal assistance.

In both programs, the money is given directly to the students and does not pass through the college, a fact that is immaterial, according to the Government. "The college benefits by having its pool of potential students increased as a result of these programs," Mr. Rutzick said.

Grove City's resistance to regulation is of symbolic significance when the Federal Government's role in higher education is expanding. Washington has justified its increasing regulation on the ground that those who get public funding must be prepared for public scrutiny.

By now, officials of most institutions seem ready to concede that they have no recourse but to accept, however reluctantly, Federal intervention. Some seminary-type colleges have obtained waivers, but only Grove City and one other institution, Hillsdale College in Michigan, are challenging the Government on the Title IX compliance form.

Mr. MacKenzie, the Grove City president, vows to take the case to the United States Supreme Court, if necessary.

"This case is absolutely fascinating, a lightning rod to raise the general question of the limits of Federal control," said John D. Phillips, president of the National Association of Independent Colleges and Universities, based in Washington.

Grove City, with a faculty of 110 and

2,200 undergraduates, has followed a policy of not seeking or accepting Federal research and development grants. The legal case centers on whether this position of independence remains valid if its students accept Government assistance.

The program under which they do so, Basic Educational Opportunity Grants, is the cornerstone of Washington's effort to widen access to higher education. This year, 2,728,000 students are receiving a total of $2.6 billion through the program. In addition 1,140,000 students, some of whom are also receiving opportunity grants, are participating in the Federal Guaranteed Student Loan program.

The growth of such programs during the 1970's had an impact on almost all of the 3,000 colleges and universities in the country as Government officials began to see the law, not good faith, as the way to make sure policies were followed.

PAYMENTS WERE STOPPED

In 1974, Bob Jones University in Greenville, S.C., refused to sign a compliance form required under Title VI of the Civil Rights Act. The institution contended that it was not a recipient of Federal funds, but a Federal District court upheld the Government's argument that Bob Jones University conducted a program that received Federal funds because it enrolled students who received benefits under the G.I. Bill.

G.I. Bill payments to Bob Jones students were stopped, and lawyers in the Justice Department believe that case weakens Grove City's position.

ENERGY RELATED ECONOMIC DEVELOPMENT ACT OF 1979—S. 971

AMENDMENT NO. 145

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. HART (for himself and Mr. RANDOLPH) submitted an amendment intended to be proposed by them, jointly, to S. 971, a bill to amend the Public Works and Economic Development Act to provide economic development assistance to regions suffering from increases in energy-related employment.

INLAND ENERGY IMPACT ASSISTANCE ACT

Mr. HART. Mr. President, the distinguished chairman of the Committee on Environment and Public Works, Senator RANDOLPH, and I are introducing today the Inland Energy Impact Assistance Act of 1979.

This revised version of similar legislation we introduced in the last Congress will set up a 5-year program within the Economic Development Administration to help State and local governments deal with the adverse social and economic impacts of energy development. This program will be a counterpart to the coastal energy impact program established in 1976.

Senator RANDOLPH and I revised this bill in close cooperation with the White House, the Economic Development Administration, and other executive agencies. I thank them for their excellent cooperation and assistance.

The act will authorize planning grants to help State and local governments, will allow better delivery of assistance under existing Federal programs to meet energy impact needs, and will provide Federal seed money for State assistance to help communities deal with impacts not addressed by existing programs. After 5 years, when necessary State and local mechanisms will be in place to deal with future impacts, the program will end.

The Inland Energy Impact Assistance Act is a necessary companion to accelerated energy production.

The need to increase domestic production of energy resources is clear. Two quick facts underscore this importance. First, petroleum now supplies almost half of our energy needs. Second, almost half of our petroleum comes from foreign countries. The recent cutback in Iranian exports and price increases by the OPEC cartel emphasizes the problems caused by relying on foreign sources.

Faced with this stark reality, nobody will disagree with the need for increased use of our domestic energy reserves. The Department of Energy expects coal production to increase by 50 percent in the next 6 years, from about 700 million tons in 1977 to over 1 billion tons in 1985. Even before the recent incentive of price decontrol, DOE expected domestic crude oil production to increase by 8 percent in the same time period. Newer energy supplies, like uranium and shale oil, are likely to be developed at even faster rates. To use these resources, almost 600 new powerplants are expected by 1985, increasing electrical generation by 40 percent.

While these domestic resources are necessary to meet overriding national needs, their development can cause serious local adverse effects.

Energy resources are mostly in rural areas. Typically, the community nearest the side of the resources is a small town with a constant or declining population, a stable life style, a limited tax base, and almost nonexistent governmental resources.

Energy development drastically changes the community. A sudden influx of new specialized workers arrives to develop the energy resource. The energy workers also bring their families, and create a demand for "secondary" jobs to supply goods and services to the energy workers. Because of this multiplier effect, the actual population growth is usually around 2.5 times the increase in jobs directly related to the energy development. This population surge is most pronounced at the very first stage of energy development, when temporary construction workers are present in great numbers.

This boom growth has already happened in many places. Craig, Colo., which is in the center of a coal boom, grew by almost 50 percent in three years, and will likely double again by 1985.

This sudden population growth causes severe and complex problems, including shortages in public facilities and housing. The new residents rapidly overload existing schools, roads, sewers, hospitals, and other facilities. Commercial facilities and services cannot meet the new surge of demand. Not enough housing is available for the new population. Most new workers and their families end up in mobile homes.

The social and economic disruptions are worse than the shortages of facilities and services. The community is overrun by new pressures and new tensions.

The excess demand for limited goods and services, paced by soaring housing prices, creates a high inflation rate. This inflation hits hardest the older residents, whose incomes are generally much lower than the energy works. Suddenly the community's original residents can no longer afford to live in their town in the way they have for years.

In a very real sense, the community itself does not exist as it did before the energy development. The small, quiet, stable, rural town has vanished to be replaced by a booming community dominated by a new industry and a new population. The social ties of the town are severely strained and often break. The old residents are resentful of the new. Crime, alcoholism, child abuse, and other indications of social breakdown become common. In Craig, Colo., for example, during 3 years of rapid growth caused by coal mining and power generation, crimes against people increased by 900 percent, alcoholism cases increased by 623 percent, family disturbances increased by 352 percent, child abuse and neglect cases increased by 130 percent, and child behavior problems by 1,000 percent.

Together, these problems make up the well known "boom town" syndrome. The most extreme examples include Craig and Hayden, Colo., and Rock Springs and Gillette, Wyo. The problems, however, are not confined to the Rocky Mountain West, Appalachia, and other areas of major energy resources. The same problems arise from rapid population growth associated with any energy development, whether it is a coal mine or a nuclear generating facility. Virtually every state will experience severe impact problems as our domestic energy production accelerates.

The nature and extent of these problems is well documented. A March 1978, report to the President estimates $80 billion is needed by 1985 for the basic public facilities and services to support domestic energy development.

Of course, the local effects of energy development are not all bad. Although local enthusiasm for energy development is waning as people learn more about the adverse effects, some communities still welcome the new jobs and increased local tax bases. Some people point to this additional revenue, and ask why the communities cannot use it to meet their needs. While this seems reasonable at first glance, a closer examination shows why local governments by themselves cannot solve their problems.

The impacted communities' needs far exceed their current and expected resources. As I have pointed out, the towns near energy resources are usually small, with limited revenues and a lack of governmental services. For example, of 179 communities in Federal Region VIII with energy-related impacts, only about 25 have planners. The almost total lack of expertise to deal with rapid growth leaves these communities extremely vulnerable.

While revenues from taxes on the energy development and related growth will help, even they will be inadequate. Total energy impact needs are identified as $80 billion by 1985, but the State and local revenues from energy development will be only $49 billion.

Much more importantly, however, the revenues come in after the local government must address the impacts.

The greatest need is for expanded facilities and services before the surging population overruns the community's existing resources. Revenues from the new population are limited. Not until the energy is being sold, typically several years later, does the community receive its greatest revenues.

Further, the local government is often unable to borrow against the future revenue to meet its initial needs. Generally, the town has no previous bonding history, and little resources to back any bonds, except the potential energy development. Private investors are often unwilling to extend credit in these circumstances, because of the risk the energy development might not produce adequate local revenues to repay the loans.

Lack of advance information can also undercut a community's ability to arrange timely financing. Rock Springs. Wyo., for example, had 1 month's notice before construction began on a major power plant in 1972. With the complicated procedures for municipal borrowing, which usually include a local referendum, this is not adequate time to borrow the necessary money. State constitutional and legislative provisions also often constrain a community's ability to borrow money by limiting the debt to a percentage of the town's current assessed tax base. This limit often is too low to allow the full facilities and services that are needed.

This financing difficulty is particularly acute when the energy resource is in one jurisdiction and the community in another. For example, Highland County, Va., is the residential center for workers at a power facility in neighboring Bath County. Highland County is suffering the impacts of the population growth, but has no opportunity to tax the energy development to fund new facilities and services.

The States have the primary responsibility for helping local governments deal with energy impacts. By using revenues from severance taxes on energy resources to fund impact mitigation measures, States are best able to tie increased revenues from energy development to the needs caused by that development. The States are also closer to the problems and are better able to design programs tailored to local needs. Finally, State and local governments have a well established partnership experienced in growth problems.

The Federal Government, however, has a clear responsibility to help State and local governments deal with these impacts. The energy is being produced largely on national land. It is being produced in response to national policies. It is being produced to meet national needs. The Federal Government would be irresponsible to accept the benefits of this energy without helping address the damaging local effects of its production.

The Inland Energy Impact Assistance Act of 1979 will meet this national responsibility. It will set up a 5-year program to encourage State and local governments and Indian tribes to establish mechanisms for addressing the effects of energy-related growth. Under the program, the Economic Development Administration (EDA) will:

Give $15 million a year in local planning grants for identification of likely impacts and measures to mitigate them;

Help different Federal agencies review their assistance programs relevant to energy impact, to help improve their delivery;

Establish "one stop shopping" offices for communities seeking help under the myriad of Federal programs relevant to their needs;

Give $135 million a year in seed money for State revolving funds of loans and grants to local governments for mitigation measures not funded under existing programs; and

Guarantee up to $1.5 billion (over the full 5-year life of the program) of local government loans for mitigation measures not funded by existing programs.

President Carter recognized the national responsibility for these measures when he proposed his national energy plan 2 years ago. The plan stated:

> The Federal government is willing to do its part to assist states, localities, and Indian tribes in coping with new energy developments, principally from coal utilization, that will occur under the plan.... A variety of existing Federal programs can assist states, communities, and Indian tribes in coping with development of major energy producing installations. A review will be conducted of these programs, and the view of states, local governments, and Indian tribes will be sought. If it should appear that there are gaps in coverage, additional legislation will be proposed.

Last May, after that review was completed, the President endorsed S. 1493, last year's Hart-Randolph energy impacts bill. No action had been taken on S. 1493 until the administration's position was announced. After the President indicated his support, too little time remained to complete legislative action before adjournment.

The President recommended full funding for the inland energy impact assistance program in his fiscal year 1980 budget proposal, renewing his support for the program even in this time of budgetary belt-tightening.

Since the end of the 95th Congress in October, Senator RANDOLPH and I have been working with the administration, the National Governors' Association, the National Association of Counties, the National League of Cities, State and local officials, and other interested groups to improve last year's bill.

The Inland Energy Impact Assistance Act of 1979 will help reduce the impacts of accelerated energy development in a fiscally conservative fashion. Its most important provisions are for local planning assistance and improved delivery of assistance under existing programs. Other programs by EDA, the Farmers Home Administration, the Law Enforcement Assistance Administration, the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of Health, Education, and Welfare, and other departments and agencies will provide the vast majority of the Federal assistance for carrying out impact mitigation plans. To make sure these programs are as effective as possible, the act provides for interagency cooperation in reviewing existing programs to see how they can address better the needs of energy impact areas. To also make sure that the local governments needing these Federal services can find them, EDA would help communities identify existing assistance programs matched to their needs.

Only when there are gaps in existing programs would mitigation assistance be available directly under this act. That assistance would be available in two ways, both designed to get the maximum return for the Federal dollar.

The first would be State revolving funds for loans and grants to impact areas. These funds would be established with Federal seed money of $135 million a year, with a required State match increasing to 50 percent in the last year. A State government would use this revolving fund to make loans to impact areas. Only when loans would not provide any real assistance—such as when the local government cannot tax an energy development in a neighboring jurisdiction, or when there are legal restrictions blocking the local government's ability to receive loans—could this assistance be through grants. After the 5 years of this program, the State revolving fund would continue operating without Federal assistance.

The Federal seed money for these revolving funds is in grants, not loans, because loans would not work. Most State constitutions either prohibit or severely limit the State's authority to borrow money. Those States that do allow State borrowing generally have complicated procedures to authorize going in debt. These time-consuming procedures would prevent the State from getting the loans in time to give prompt assistance to communities facing immediate impacts. In short, a loan program would greatly undermine the effectiveness of the program.

The second form of mitigation funding would be through Federal guarantee of local loans. With minimal Federal money, this will allow local governments to overcome the marketplace reluctance to lend money to the impact communities.

The total Federal outlays for impact mitigation under this act would be less than $200 million per year. This is about 2 percent of the total estimated need for impact mitigation measures during the life of the program. This is a small share of the burden to ask of the Nation that will use the energy.

I ask unanimous consent that a section-by-section analysis of the act and the text of the amendment be printed at this point in the Record.

There being no objection, the amendment and analysis were ordered to be printed in the Record, as follows:

AMENDMENT No. 145

Strike all after the enacting clause and insert the following:

"That this Act may be cited as the "Inland Energy Impact Assistance Act of 1979."

"Sec. 2. The Public Works and Economic Development Act of 1965, as amended, is further amended by adding the following new title:

"TITLE XI—ENERGY IMPACT ASSISTANCE

"STATEMENT OF PURPOSE

"Sec. 1101. The purpose of this title is to provide assistance to regions, States, Indian tribes and local governments to develop and increase the capacity to anticipate and plan mitigation activities for impacts directly re-to assist in ensuring the ability to finance such mitigation activities and to promote orderly regional development, and to mitigate impacts without imposing additional restrictions on energy resource development.

"CONGRESSIONAL FINDINGS

"Sec. 1102. The Congress of the United States finds that:

"(a) there is a national energy policy of encouraging greater domestic energy production to lessen dependence on foreign supplies;

"(b) many communities have suffered severe impacts as a result of rapid energy resource development;

"(c) there are often problems with population growth and resulting social stresses from rapid energy development;

"(d) energy impacts on communities frequently disrupt physical conditions in communities and require public investment to maintain or restore the quality of community life;

"(e) in some communities mismatches occur between:

"(1) the time of need for public facilities and services and the availability of increased governmental revenues to pay for facilities and services;

"(2) the location of communities which are impacted and the taxing authority;

"(3) the reasonable ability to repay loans to finance facilities and services and the total amount required for such expenditures;

"(f) rapid energy resource development often affects many communities, Indian tribes and States which do not have adequate staff or other resources to plan and carry out mitigation programs;

"(g) many of the communities, tribes and States affected by rapid energy resource development will be able to meet future impact needs, but some of them lack the institutions and financing to meet immediate impact needs;

"(h) many of the problems and impacts associated with energy resource development are not limited to one State and may require a regional approach to interrelated problems;

"(i) the Appalachian Regional Commission and the regional commissions created under Title V of the Public Works and Economic Development Act of 1965, as amended, have been active in such efforts in the past and can be valuable instruments in providing services to eligible areas under this program;

"(j) while it is in the national interest to assure that no community, Indian tribe, or area bears more than its fair share of the burden in meeting national goals, costs should be recovered from beneficiaries, where possible;

"(k) it is in the national interest to build on effective State management of energy impact assistance programs in targeting aid to meet particular problems;

(l) planning entities consisting of State and local representatives, with close Federal cooperation, appear to be particularly well suited for local planning to address problems arising from energy resource development; and

"(m) timely Federal assistance in preventing or mitigating the adverse consequences of rapid energy resource development will alleviate the concerns of affected communities, reduce impediments to the expansion of energy supplies and further the goal of energy independence.

"DEFINITIONS

"Sec. 1103. As used in this title, the term

"(1) 'Indian tribe' means the governing body of any tribe, band, nation, or other group which is recognized as an Indian tribe by the Secretary of the Interior and for which the United States holds land in trust or restricted status for that entity or its members;

"(2) 'Local government' means any municipality, county, parish, town, township, village or other political subdivision of a State;

"(3) 'State' includes the several States; except that with respect to section 1109(d) of this title the term 'State' shall also include any duly authorized entity acting on behalf of a State;

"(4) 'Regional commissions' means the Appalachian Regional Commission established by the Appalachian Regional Development Act of 1965, as amended, (40 U.S.C. App. 301) or any regional commission established under Title V of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3171);

"(5) 'Secretary' means the Secretary of Commerce.

"(6) 'Local planning unit' means an assessment team, a local government, a consortium of local governments, an Indian tribal government, an Economic Development District established under section 403 of this Act, as amended (30 U.S.C. 3171), a Local Development District certified under section 301 of the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App. 301), or an areawide agency for an eligible area designated as the areawide clearinghouse pursuant to procedures adopted to implement Title IV of the Intergovernmental Coordination Act of 1968 and Section 204 of the Demonstration Cities and Metropolitan Act of 1966, which has been delegated with the responsibility to develop an Energy Impact Plan in the area or community which it represents.

"(7) 'Assessment team' means a temporary intergovernmental body of responsible officials representing the State and local governments of the area for which such team is established, operating with close Federal cooperation. Representatives of energy development industry, operating in the area or scheduled to operate in the area within a reasonable time, may be invited to join such teams. The Governor shall appoint the State and local government representatives on assessment teams.

"(8) 'Energy Resource Development' means activities involving exploration or extraction of energy resources, related conversion or processing of energy resources, related construction or operation of generation facilities using depletable resources located in the proximity of the extraction of energy resources; major Federally-funded energy projects, including uranium processing and nuclear waste disposal; and construction of a major energy transportation facility.

"(9) 'Public facilities and public services' means facilities or services which are financed in whole or in part, by any State or political subdivision thereof, Indian tribe or other appropriate entity, in the place of a State or political subdivision thereof, including but not limited to water supply, waste collection and treatment (including drainage), schools and education, and hospitals and health care, fire and police protection, and roads and streets.

"ELIGIBILITY OF AREAS

"Sec. 1104. (a) The Governor of a State or the governing body of an Indian tribe may determine that a community or area is eligible for energy impact assistance under this title if:

"(1) there exists energy resource development which will create a need for new or improved public facilities or public services in the community or area;

"(2) a substantial amount of the energy produced in such energy resource development will not be consumed in the community or area; and

"(3) there has been within the past five years, or will be within three years, significant increases in employment or population, caused by such energy resource development.

"(b) The Secretary, in the absence of a determination under section (a), and after consultation with the Governor, a regional commission where application has been made under section 1111 of this title, or the governing body of an Indian tribe, may make an independent determination that an area is eligible for assistance under this title, provided there is compliance with the eligibility requirements of subsection (a).

"ALLOCATION OF FUNDS

"Sec. 1105(a). Funds appropriated for assistance authorized under section 1106, 1109, and 1110 of this title shall be allocated by the Secretary among the States which have areas eligible under section 1104, except as provided in subsection (b) and (c) of this section, on the basis of a formula developed by the Secretary which shall include (subject to availability of timely data):

"(1) relative and absolute, actual and projected population growth in eligible areas related to energy resource development,

"(2) relative and absolute increases in employment related to energy resource development in the most recent year for which representative data is available for eligible areas as compared to a base year to be determined by the Secretary, as well as projected employment for the area as compared to such base year.

"(3) the need of a State for financial assistance as reflected by the utilization of available resources and/or funds allocated to such State under this title;

"(4) differences in unit costs of providing facilities or services among eligible areas; and

"(5) other factors determined by the Secretary. In making this determination the Secretary shall consider making increases in allocations for relative and absolute increases in:

"(i) efforts by State and local governments to secure tax and/or other revenues arising directly or indirectly from energy resource development; and

"(ii) State assistance to prevent and mitigate adverse impacts from energy resource development;

"(b) The Secretary shall determine a minimum allocation which shall be the amount necessary for the efficient administration of an energy impact program by a State. The Secretary is authorized to adjust the allocations which would otherwise result under subsection (a) of this section to eliminate any allocations less than such minimum amount.

"(c) In any allocation process, the Secretary shall set aside a portion of the total funds available for Indian tribes and for areas in States which do not qualify for a separate allocation pursuant to subsection (b).

"(d) Any funds allocated by the Secretary pursuant to this section which, in the opinion of the Secretary, cannot be obligated within a reasonable time, for the State, area or Indian tribe for which such allocation was originally made may be made available as needed for use for States, areas or Indian tribes eligible under this title.

"(e) In preparing the allocation required under subsection (a), the Secretary shall exclude data related to activities eligible under Section 308 of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. 1456(a)).

"PLANNING AND MANAGEMENT GRANTS TO STATES AND INDIAN TRIBES

"SEC. 1106. (a) The Secretary is authorized to make grants of funds, allocated in accordance with section 1105 of this title, to States or Indian tribes for the purpose of paying the costs of activities under sections 1107 and 1108 of this title for planning and management of the activities necessary to prevent or mitigate the adverse impacts of energy resource development.

"(b) The Governor of any State or governing body of any Indian tribe receiving grants authorized under subsection (a) shall make subgrants to local planning units to assist in paying for preparation of Energy Impact Plans required under section 1107 and related management activities to prevent or mitigate the adverse impacts of energy resource development.

"(c) Governors of States or the governing body of an Indian tribe within the area of a regional commission are authorized to utilize such regional commissions as a means of coordination of policy and approach.

"(d) Grants for planning and management activities authorized under sections 1107 and 1108 of this title shall be fully coordinated with, and where appropriate incorporated with other planning assistance programs authorized by this Act.

"ENERGY IMPACT PLANS

"SEC. 1107. (a) For each area eligible for assistance under this title, the Governor of a State or the governing body of an Indian tribe shall designate and provide funds available under section 1106 to an appropriate local planning unit which shall prepare an Energy Impact Plan responding to the needs for new or improved public facilities and public services created in the area by energy resource development. Energy Impact Plans shall be prepared in cooperation with elected officials of local governments in the eligible area and in consultation with appropriate Federal agencies, the owner or operator of the energy resource development, other States and regional commissions, Indian tribes, and other interested parties. Existing Federal, State, county, tribal, and local plans and planning processes shall be fully utilized and incorporated to or coordinated with, to the maximum extent practicable, in the preparation of such Energy Impact Plan. A report shall be prepared annually to indicate the progress of the area on efforts to implement the plan and to indicate any modification which may be appropriate.

"(b) Each Energy Impact Plan shall identify—

"(1) the actual and projected impact of the energy resource development on the economy of the designated area or community over the period of anticipated impacts;

"(2) the specific needs for new or improved public facilities or public service within the designated area due to significant increases in employment or population during the past five years and/or expected to occur in the next three years resulting from the energy resource development, including both immediate needs (those already in existence or developing in less than one year) and long-term needs (those which may not occur until late in the planning period);

"(3) specific proposals for meeting such needs, including specific programs, projects, and activities, and the priorities for implementing such proposals taking into consideration the nature, severity, and duration of the existing or anticipated energy impact;

"(4) the contributions toward meeting needs to which the owner or operator of the energy development is committed, and further contributions for which such commitments will be sought;

"(5) all funds or other resources which can be made available to meet such needs from State and local government;

"(6) the availability of Federal assistance other than that authorized by this title which is available to mitigate such needs;

"(7) if appropriate, what existing or new State legislative authority is necessary to carry out an Energy Impact Plan; and

"(8) existing or proposed procedures which will be employed by the local governments and Indian tribes to assure development of planning, management, and financing capabilities to mitigate or avoid the adverse impacts of rapid energy resource development and to obtain the participation of the energy development industry in impact prevention and mitigation;

"(c)(1) The Secretary, and the heads of other departments and agencies, are authorized to provide appropriate assistance in the form of non-privileged or non-proprietary information, data, studies, or research to the Governor of a State, the authorized representative of an Indian tribe, local planning unit, or any local government official responsible for planning and carrying out energy impact prevention or mitigation. Such assistance may be provided under conditions agreed upon between the State or tribe and the Federal agency.

"(2) Regional Commissions may provide technical assistance and guidance to the States, Indian tribes, and local planning units for the preparation of area impact plans and State mitigation strategies.

"ENERGY IMPACT MITIGATION STRATEGIES

"SEC. 1108(a). A State or Indian tribe requesting assistance under section 1109 of this title shall submit within nine months after enactment of this title, and thereafter, within nine months after the commencement of each fiscal year, for the approval of the Secretary or regional commission when appropriate, an Energy Impact Mitigation Strategy, to be revised annually as appropriate. A State's Mitigation Strategy shall utilize and coordinate with, and wherever possible be incorporated with, existing State plans and processes for community and economic development, including local areawide components. The strategy shall:

"(1) describe the process by which the Energy Impact Plan for each area was developed and incorporated into the strategy.

"(2) describe the process by which priorities have been or will be set for funding activities specified in Energy Impact Plans, including use of funds available from Federal, State or local governments, Indian tribes, and private sources;

"(3) contain assurances satisfactory to the Secretary that the proceeds from any repayment of loans made by the recipient with funds granted under this title will be used to meet energy impact needs and that after all such needs have been substantially satisfied, with the concurrence of the Secretary, such repayments will be used for other adjustment purposes under this title; and

"(4) contain information necessary to assist the Secretary or the Federal Cochairman of a regional commission where application for funding has been made pursuant to Sec. 1111 of this title to exercise responsibilities under the National Environmental Policy Act of 1969, (42 U.S.C. 4321 et seq.) the National Historic Preservation Act of 1966, (16 U.S.C. 470) and other Federal environmental acts, as appropriate. For the purpose of this title, the Federal Cochairman of a Regional Commission shall be considered a Federal agency within the meaning of the National Environmental Policy Act.

"(b) No State or Indian tribe is eligible to receive any implementation assistance under section 1109 of this title unless such State or Indian tribe has an Energy Impact Mitigation Strategy approved by the Secretary or by a regional commission where application for funding has been made pursuant to section 1111 of this title. Such approval shall be made within a reasonable time and shall be based on the acceptability of the State or tribal process for securing and incorporating local plans and comments, the process by which priorities have been set for funding activities, and the development of institutions to aid local areas in planning, financing, and carrying out local programs.

"IMPACT ASSISTANCE TO STATES AND INDIAN TRIBES

"SEC. 1109(a). The Secretary is authorized to make grants of funds, allocated in accordance with section 1105 of this title, to States and Indian tribes for the purpose of implementing Energy Impact Plans in accordance with an approved State or tribal Energy Impact Mitigation Strategy.

"(b) Such grants may be used for development of and implementation of projects or programs which are necessary to provide new or improved public facilities or public services which are required as a direct result of energy resource development, including such activities as permitted under the provision of section 601 of the Powerplant and Industrial Fuel Use Act (42 U.S.C. 8401 and 8402).

"(c) Such grants may be expended directly by the recipient or may be redistributed by it through financing mechanism approved by the Secretary to a State or political subdivision thereof, Indian tribe, or other appropriate entity in the place of a State or political subdivision thereof, in the form of grants, loans, loan guarantees, payments to reduce interest on loans or on guaranteed loans, or other appropriate assistance. A recipient may redistribute funds in the form of grants only in the following situations:

"(1) where constitutional or legal restrictions prevent the use of loans by the recipient;

"(2) where the remaining borrowing capacity of the recipient is inadequate;

"(3) where the recipient is unable to reasonably amortize repayment;

"(4) where specific local conditions or considerations of equity preclude loan and loan guarantee assistance;

"(5) where there exists any situation where the adverse social or economic impacts of an energy resource development are occurring in a municipal, county, or state jurisdiction which has no existing statutory authority to tax that energy development and to make the revenues available for the purpose of impact mitigation; or

"(6) where the Secretary determines that grants are otherwise warranted to accomplish the purpose of this title.

"(d)(1) The Secretary, at the request of a Governor or governing body of an Indian tribe, in order to carry out an Energy Impact Mitigation Strategy, is also authorized to guarantee loans for the same purposes as grants are authorized under subsection 1109 (b). Such Governor, governing body, or other appropriate entity shall make available the funds necessary for such loan guarantees or payment of interest costs under paragraph (3) of this subsection. No loan or guarantee shall be made under this subsection. No loan or guarantee shall be made under this subsection or section 1110 of this title after September 30, 1984.

"(2) Loans guaranteed under this subsection or section 1110 or loans made under section 1110 shall be on such terms and conditions as the Secretary shall prescribe, subject however to the following restrictions and limitations:

"(i) The financial assistance is not otherwise available on reasonable terms and conditions;

"(ii) There must be, in the opinion of the Secretary, a reasonable expectation of repayment of the loan or guaranteed loan;

"(iii) Direct loans and commitments to guarantee loans are authorized for any fiscal year only to the extent or in such amounts as permitted separately in appropriation acts;

"(iv) The total principal amount of the loans guaranteed under this title shall not exceed $1,500,000,000;

"(v) The interest paid on any obligation which is guaranteed under this section or section 1110 and which is received by the purchaser thereof (or the purchaser's successor in interest) shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954;

"(vi) There has been established by the States and Indian tribes a sufficient reserve, in the opinion of the Secretary to cover probable losses on guaranteed loans;

"(vii) The approval of the Secretary of the Treasury shall be required of the interest rate, timing, and other terms and conditions of the financing of guaranteed obligations, except that the Secretary of the Treasury may waive this requirement with respect to the financing of any guaranteed obligation when it is determined that such financing does not have a significant impact on the market for Government and Government-guaranteed securities;

"(viii) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section or section 1110. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligation involved for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation, except for fraud or material misrepresentation on the part of the holder, or known to the holder at the time acquired;

"(ix) No loan made or guaranteed under this subsection or section 1110 may be made for more than the cost of the assets to be financed with the loan;

"(x) The maturity of any loan made or guaranteed under this subsection or section 1110 must be for a period of time less than the period of time composing the useful life of the assets financed with the loan;

"(xi) The Secretary may prescribe and collect fees in connection with guarantees made under this section or section 1110. These fees may not exceed the amount which the Secretary estimates to be necessary to cover administrative costs pertaining to loan guarantees;

"(xii) Repayments of principal and interest on loans made under section 1110, fees collected pursuant to paragraph 2(xi) of this subsection, and recoveries or other monies received pursuant to Federal loans and loan guarantees under this title shall be recovered into the general fund of the Treasury.

"(3) In connection with loans guaranted under this subsection or section 1110 the Secretary may pay to the issuer such portion of the interest on such obligations as determined by the Secretary to be appropriate after taking into account current market yields on other obligations with similar terms and conditions the interest on which is not included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954, as amended, and in accordance with such terms and conditions as the Secretary shall require. The allocation under Section 1105(a) of this title for any State shall be reduced annually by the amount of assistance received within such State under this paragraph.

"(4) There is hereby established a revolving fund consisting of all payments to the Secretary in the form of interest or principal in conjunction with loans and evidences of indebtedness under this ttile, and funds borrowed from the Secretary of the Treasury under this title. Such funds shall be used to honor guarantees made under this subsection or section 1110. After the expiration date for which assistance under this title is authorized, any funds remaining in the revolving fund established in this sub-section shall revert to the Department of the Treasury; except that funds constituting a reserve for outstanding loan guarantees shall not revert until the Secretary determines that such funds are no longer necessary.

"(5) No loan, loan guarantee or grant shall be made under this title after September 30, 1984, except under the provisions of subsection 1110(a)(3).

"SPECIAL ASSISTANCE

"SEC. 1110(a)(1). The Secretary is authorized to make grants, loans, loan guarantees, and payment of certain interest costs to an Indian tribe, or with the concurrence of the Governor and the regional commission where application has been made under section 1111, to any State or local government, in advance of acceptance of an Energy Impact Mitigation Strategy under section 1108, or in appropriate other cases, to meet emergency needs for public facilities or public services in an energy impact area eligible under section 1104 of this title where such needs cannot be met with other Federal programs, or other assistance in a sufficiently timely manner.

"(2) Applications for such assistance shall contain all necessary information to assist the Secretary to exercise responsibilities under the National Environmental Policy Act of 1969, (42 U.S.C. 4231 et seq.) the National Historic Preservation Act of 1966 (16 U.S.C. 8401) and other Federal environmental acts, as appropriate.

"(3) If the Secretary finds that any recipient under this subsection is unable to meet its obligation pursuant to a direct loan, or pursuant to a loan guarantee made under this title and satisfied by the Secretary, because facilities and population associated with energy resource development activity have not provided revenues as anticipated in the recipient's assurances at the time the loan was made, or because of any other unforeseen adverse development, the Secretary may, pursuant to regulations:

"(i) modify the terms and conditions of such loan or obligation under a guarantee or forgive all or any portion of such loan or obligation;

"(ii) refinance such loan or arrange for the refinancing of such obligation under a guarantee provided that amounts refinanced are not in excess of the amounts included in current appropriations acts;

"(iii) make a supplemental loan or grant, the proceeds of which shall be applied to the payment of principal or interest due under such loan or obligation under a guarantee; or

"(iv) take such other action as the Secretary deems appropriate.

"(4)(a) Not more than 50 per centum of the funds appropriated and allocated under section 1105 for this title in the fiscal year ending September 30, 1980, and not more than 15 per centum of the funds appropriated and allocated under section 1105 for this title in any subsequent fiscal year, shall be used to carry out the purposes of this subsection; provided that grants, loans, and guarantees made directly to local governments pursuant to subsections (a)(1), (b) and (d) of this section shall not, in any fiscal year, exceed 15 per centum of the funds appropriated and allocated under section 1105 of this title.

"(b) The Secretary, with concurrence of the Governor and the regional commission where application has been made under section 1111 or governing body of an Indian tribe, is authorized to provide assistance directly to local planning units for planning and management of activities necessary to prevent or mitigate the adverse impacts of energy resource development;

"(c) The Secretary, after consultation with the Governor or regional commission, where application has been made under section 1111, may provide assistance under this section to an area eligible for implementation assistance in a State not eligible for a separate allocation of funds under section 1105.

"(d) Financial assistance under this section shall be subject to the provisions of section 1109(d) and shall be provided on such further terms and conditions as the Secretary shall provide by regulation. The required matching share for grants in any year shall be the same as the State matching share described in section 1112(a).

"(e) The allocation under section 1105(a) of this title for any State shall be reduced annually by the amount received within such State under this section.

"ROLE OF REGIONAL COMMISSIONS

"SEC. 1111(a). Upon application by a regional commission, in accordance with established decision-making and operational procedures which require the affirmative vote of a majority of the States and the Federal Cochairman, funds allocated under section 1105(a) of this title for eligible energy impact areas within such region shall be made available to the Federal Cochairman of such commission to carry out the authorities and responsibilities of the Secretary under sections 1106(a) and 1109(a) of this title for developing and implementing Energy Impact Mitigation Strategies. Such assistance shall be provided in accordance with established procedures of such commission, and shall be provided in accordance with the requirements of sections 1106 and 1109 of this title.

"STATE SHARE OF PROJECT COSTS

"SEC. 1112(a). Except as provided in subsection (b) of this section, a State or Indian tribe shall provide 12.5 per centum of the total costs of developing and implementing an Energy Impact Mitigation Strategy for the fiscal year ending September 30, 1981. For the fiscal year ending September 30, 1982, the State or Indian tribe shall provide 25 per centum of such costs. For the fiscal year ending September 30, 1983, the State or Indian tribe shall provide 37.5 per centum of such costs. For the fiscal year ending September 30, 1984, the State or Indian tribe shall provide 50 per centum of such costs. Grants shall be conditioned on a requirement that the State or Indian tribe shall have demonstrated by the end of the first fiscal year after first receipt of any funds under this subsection an adequate strategy for the recovery of the substantial majority of such funds within a reasonable time or an adequate alternate strategy for assuring that the economic benefits of the energy resource development or other revenues will be used to minimize the impact and needs resulting from the energy resource development, including commitments of severance taxes, user fees, or other energy resource development-related revenues to mitigate such impact and needs.

"(b) Grants to Indian tribes may be for up to 100 per centum of the cost of developing and implementing the Energy Impact Mitigation Strategy where the Secretary determines, after consultation with the Secretary of the Interior, that a tribe has exhausted its effective revenue producing and borrowing capacity.

"COMBINATION WITH OTHER FEDERAL FUNDS

"SEC. 1113. Funds made available under this title may be combined with other Federal funds or used to provide the non-Federal portion of costs of any other Federal assistance program, when such funds or costs are for the projects or purposes described in section 1109(b) of this title.

"AVAILABILITY OF OTHER FUNDS

"SEC. 1114(a). Financial assistance under this title shall not be duplicative or in lieu of other public or private assistance reasonably available on terms that, in the opinion of the Secretary, would permit the accomplishment of the project or program.

(b) Financial assistance under this title shall not be duplicative or in lieu of assistance available for any program, project or activity which is eligible for Federal financial assistance under section 308 of the Coastal Zone Management Act of 1972, as amended, (16 U.S.C. 1456(a)).

(c) A State's allocation of funds under section 1105 shall be reduced by the amount of any loans to that State or to any political subdivision thereof made during the preceding fiscal year under the authority of Section 317(c) of the Federal Land Policy and Management Act of 1976 (P.L. 94579; 43 U.S.C. 1747).

"INTERGOVERNMENTAL COORDINATION

"SEC. 1115(a). When participating in coordination activities authorized by section 603 of the Rural Development Act (P.L. 92-419; 7 U.S.C. 2204), Title V of the Public Works and Economic Development of 1965, as amended (P.L. 89-136; 42 U.S.C. 3181), Title I of the Appalachian Regional Development Act of 1965, as amended, (40 U.S.C. App. 101 et seq.) or Executive Order No. 12075 (1978) or No. 11386 (1967), the Secretary of Commerce shall assure that the needs of communities impacted by energy resource development for coordination of Federal programs are recognized and addressed to the maximum extent possible.

"(b) The Secretary of Commerce shall designate an organizational unit:

"(i) to administer the energy impact assistance program established by this title, and to perform the coordination functions required by this section,

"(ii) to provide information about Federal assistance from programs other than those authorized by this title to prevent or mitigate adverse impacts from energy resource development in such area, and

"(iii) to advise other Federal agencies of the needs identified in the Energy Impact Plan for each area eligible for energy impact assistance under this title and of specific proposals for meeting such needs to assure that all Federal assistance or other expenditures in such area support the Energy Impact Plan, and, is coordinated with State and local efforts to manage the impact of energy resource development.

"(c) The Governor of a State or governing body of an Indian tribe shall take appropriate action to ensure full local government and public participation in the development of Energy Impact Mitigation Strategies and to inform the public of assistance available in any designated area to respond to the impact of the energy development.

"(d) The Secretary of Energy, the Secretary of the Interior, the Secretary of Agriculture, the Chairman of the Federal Energy Regulatory Commission, the Administrator of the Environmental Protection Agency, and the head of any other Federal agency with responsibility for or knowledge of information concerning energy resource development shall, to the extent practicable, provide such information to appropriate States, Indian tribes, or local planning units to facilitate assessment of community needs and to assist in early or initial energy impact planning efforts.

"POWERS OF THE SECRETARY

"SEC. 1116. Prior to issuing regulations necessary to carry out this title, the Secretary shall consult with the Secretary of Energy, the Secretary of Agriculture, the Secretary of the Interior, the Administrator of the Envionmental Protection Agency, the Federal Cochairmen of the regional commissions as defined in this title, and other appropriate Federal officials. The Secretaries of Energy and the Interior shall present comments relating to any energy or energy-related concerns with respect to regulations promulgated by and Energy Impact Mitigation Strategies submitted to the Secretary of Commerce. In issuing regulations or approving Energy Impact Mitigation Strategies, the Secretary of Commerce, or the regional commissions where application has been made under section 1111, shall demonstrate that due consideration has been given to energy or energy-related concerns as provided by the Secretaries of Energy and the Interior.

"AUTHORIZATION

"SEC. 1117. There are hereby authorized to be appropriated to carry out this title not to exceed $150 million for each of the fiscal years ending September 30, 1980, September 30, 1981, September 30, 1982, September 30, 1983, and September 30, 1984; provided that (i) not more than 10 per centum of any annual appropriation or $10 million, whichever is greater, shall be made available for planning assistance under section 1106(a) of this title; (ii) no financial assistance authorized hereunder shall be used to finance the cost of facilities for the generation, transmission, or distribution of electrical energy, or to finance the cost of facilities for the production or transmission of gas (natural, manufactured, or mixed); (iii) no grant funds shall be used to provide grants to private, profit-making firms; (iv) appropriations authorized under this title shall remain available until expended.

"MISCELLANEOUS

"SEC. 1118(a). Sections 202(b)(1), 702 and 712 of this Act shall not be applicable to this title.

"(b) Nothing in this title shall eliminate or add to any Federal requirement otherwise applicable to any energy resource development."

SECTION-BY-SECTION ANALYSIS: INLAND ENERGY IMPACT ASSISTANCE ACT OF 1979

Section 1101. Statement of Purpose.

The purposes are to develop and increase the capacity of state and local governments and Indian tribes to anticipate and mitigate impacts from energy resource development and to help finance mitigation measures, without putting new restrictions on energy resource development.

Section 1102. Congressional Findings.

This section summarizes the reasons for the Act.

Section 1103. Definitions.

This section defines key terms, including "energy resource development," which includes exploration, extraction, conversion, processing, and generation of all types of energy resources.

Section 1104. Eligibility of Areas.

The Governor of a state (or governing body of an Indian tribe) can designate an energy impact area if: there is energy resource development likely to create a need for new public facilities and services; a substantial amount of the energy will be consumed outside the area; and there has been with the past five years, or will be in the next three years, significant increases in employment or population because of the energy development.

Section 1105. Allocation of Funds.

EDA will allocate funds authorized by this Act among the States on the basis of a formula based upon relative and absolute population growth related to energy resource development; relative and absolute increases in employment related to energy development; the States' use of available funds; and differences in costs for facilities and services.

Section 1106. Planning and Management Grants to States and Indian Tribes.

EDA is authorized to make grants to States and Indian tribes for planning activities under section 1107, and for mitigation funding under section 1108. States shall pass the grants on to local governments.

Section 1107. Energy Impact Plans.

The appropriate planning unit for an impact area, with assistance under section 1106, shall prepare energy impact plans. The plans will identify the likely impacts of the energy resource development, propose public actions to mitigate those impacts, and identify existing programs to fund these mitigation proposals.

Section 1108. Energy Impact Mitigation Strategies.

States (and Indian tribes) requesting mitigation assistance under section 1109 shall submit to EDA a statewide energy impact mitigation strategy, identifying priorities for funding of mitigation proposals from the various energy impact plans. EDA shall approve a mitigation strategy for a State before giving grants to that State under section 1109.

Section 1109. Impact Assistance to States and Indian Tribes.

EDA is authorized to give grants to States (and Indian tribes) for measures identified in the appropriate mitigation strategy. States may expend the grants directly, or may distribute the money through a revolving loan fund. A State may make grants to local governments only:

Where constitutional or legal restrictions prevent the use of loans by local governments;

Where the local governments have inadequate borrowing capacity to meet their needs;

Where the local governments would be unable to repay loans;

Where local conditions or considerations of equity make loans inappropriate;

Where the jurisdiction suffering the impacts is different from the jurisdiction having authority to tax the energy resource development; or

Where grants are otherwise necessary to

meet the purposes of the Act, as determined by EDA.

EDA is also authorized to guarantee loans by local governments to carry out mitigation strategies. The total amount of loans guaranteed under this section and section 1110 cannot exceed $1.5 billion.

Section 1110. Special Assistance.

EDA is authorizd to make grants, loans, loan guarantees, and payments of interest on loans to State and local governments (and Indian tribes) before approving an energy impact mitigation strategy under section 1108 to meet emergency needs. Not more than 50 percent of the funds authorized under this Act may be used for special assistance in fiscal year 1980, and not more than 15 percent in any subsequent fiscal year.

Section 1111. Role of Regional Commissions.

By affirmative vote of a majority of the participating states and by the Federal cochairman, the participants in the Appalachian Regional Commission or another regional commission may elect to have the commission provide the Federal assistance in the region rather than EDA.

Section 1112. State Share of Project Costs.

The State (and Indian tribe) share of developing and implementing mitigation strategies shall be 12.5 percent in fiscal year 1981, 25 percent in fiscal year 1982, 37.5 percent in fiscal year 1983, and 50 percent in fiscal year 1984.

Section 1113. Coordination with Other Federal Funds.

Funds under this title may be combined with other Federal funds.

Section 1114. Availability of Other Funds.

No financial assistance shall be given under this Act if other public or private financial assistance is reasonably available for the same purpose. Financial assistance under this Act shall be separate from assistance under the Coastal Zone Management Act.

Section 1115. Intergovernmental Coordination.

EDA shall create an organization unit to administer the Act, to provide information about other Federal assistance programs to impact areas, and to advise other Federal agencies of the needs of energy impact areas to help coordinate existing programs to meet those needs.

Section 1116. Powers of the Secretary.

Before issuing regulations under this Act, the Secretary of Commerce shall consult with other Federal agencies.

Section 1117. Authorization.

$150 million is authorized for each of fiscal years 1980 through 1984. Not more than 10 percent shall be available for planning assistance under section 1106.

Section 1118. Miscellaneous.

Nothing in this Act shall be construed to be a new requirement for energy resource development or to in any way impede energy resource development.

NOTICE OF HEARING

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

● Mr. STEWART. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry will hold a hearing on S. 717, to extend the authorization for appropriations for the operation of the Federal Insecticide, Fungicide, and Rodenticide Act through fiscal years 1980 and 1981, on Thursday, April 26, 1979.

The hearing will begin at 10 a.m. in room 324 of the Russell Senate Office Building.

Anyone wishing to testify on S. 717 should contact Denise Alexander of the committee staff at 224–0014.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. GLENN. Mr. President, on Wednesday, April 11, 1979, the Committee on Governmental Affairs will hold an oversight hearing on the current status of the U.S. Postal Service. The hearing will be based on the comprehensive statement submitted to the Congress in January at the time the annual budget was submitted to the Office of Management and Budget. Postmaster General William F. Bolger will testify.

The hearings will be held in room 3302, Dirksen Senate Office Building and will begin at 2:30 p.m.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce that the Governmental Affair's Subcommittee on Energy, Nuclear Proliferation, and Federal Services will hold hearings on the formation of an Institute for Technological Cooperation (S. 499 and S. 588) on Tuesday, April 24, 1979, at 10 a.m., in room 318 of the Russell Senate Office Building. For further information please contact the subcommittee at 4–2627.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, will postpone the hearing previously scheduled for April 12, 1979, on the proposed constitutional amendment providing that the term of office of Members of the U.S. House of Representatives shall be extended to 4 years (S.J. Res. 34). Numerous Members of the House of Representatives scheduled to testify will be unable to do so due to the rescheduling of the House of Representatives Easter recess. Notice will be given when an alternative hearing day is scheduled. Any questions may be addressed to Mary K. Jolly, Subcommittee on the Constitution, 102B, Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, on Tuesday, April 24, at 9:30 a.m. in room 322, Russell, my Subcommittee on Agricultural Credit and Rural Electrification will hold a hearing on reauthorization of the loan programs of the Farmers Home Administration contained in the Consolidated Farm and Rural Development Act.

Information on the hearing can be obtained from either Melissa Bristow of my staff at 224–3530 or Reider J. Bennett-White of the Agriculture Committee staff at 224–6917.●

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs which I chair on the Banking, Housing, and Urban Affairs Committee has scheduled a series of hearings with public witnesses on housing authorization legislation for fiscal year 1980. There will be a hearing at 10 a.m. on Monday, April 23, 1979, at the Daughters of Miriam Center for the Aged, 155 Hazel Street, Clinton, N.J. The hearings will focus on housing for the elderly and handicapped. On Tuesday, April 24, 1979, from 9 to 11:30 a.m. and from 2 to 4:30 p.m. in room 5302, Dirksen Senate Office Building, Washington, D.C., there will be a hearing on S. 740, Homeownership Opportunity Act, S. 745, Housing and Community Development Amendments of 1979, and related measures. This legislation will also be the topic of hearings on Tuesday, May 1, 1979, from 9 to 11:30 a.m. in room 5302, Dirksen Senate Office Building, Washington, D.C.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources will hold hearings on collective bargaining in agriculture at 9:30 a.m. on Thursday, April, 26, and Friday, April 27. The hearings will be held at the Council Chamber Rotunda, City Hall, 200 Lincoln Avenue, Salinas, Calif. For further information, contact Darryl Anderson of the committee staff, 224–3674.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit and Rural Electrification will conduct a hearing on S. 836, introduced by Senator John Melcher. The bill would amend the Rural Electrification Act of 1936 to provide for the financing of telecommunications facilities for broadband services in small towns and rural areas.

The hearings will be held on Tuesday, May 1, beginning at 10 a.m. in room 324, Russell.

Anyone wishing to testify should contact Denise Alexander of the committee staff at (202)–224–2035. Oral statements will be limited to 10 minutes, but will be inserted in the Record in full. Submitted statements are also welcome.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Senate Small Business Committee will meet in executive session, beginning April 24, 1979, to begin marking up the fiscal year 1980 SBA authorization legislation. The markup on April 24, 1979, will begin at 9:30 a.m. in room 424, Russell Senate Office Building. Additional markup sessions, if necessary, have been scheduled for May 1, 2, 3, and 9, all in room 424, Russell. Time of the subsequent markups will be announced later.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources will have hearings on the applicability and enforcement of the Federal Mine Safety and Health Act of 1977 to stone and sand and gravel mining. These hearings will be held on Friday, May 4, 1979, in room 4232 of the Dirksen Senate Office Building, commencing at 9:30 a.m.

Anyone desiring to testify at these hearings, or needing further information should contact Mike Goldberg of the committee staff, room 4230, Dirksen Senate Office Building, Washington, D.C. 20510, telephone (202) 224-3674.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Senate Small Business Committee will hold a hearing on April 24, 1979, in room 424, Russell Senate Office Building beginning at 2 p.m. The hearing will consider legislation pending before the committee relating to interest rate subsidies for disaster assistance victims, and the role and responsibilities of the Small Business Administration, and other agencies, in providing disaster assistance to businesses and homeowners.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance will hold hearings on April 27, 1979, on the tax-exempt status of private schools.

The hearings will begin at 9:30 a.m. in room 2221 of the Dirksen Senate Office Building.

In August 1978, the Internal Revenue Service proposed new guidelines for determining whether certain private schools practice racial discrimination and thus not qualify for tax-exempt status.

Those guidelines were widely criticized and the Internal Revenue Service withdrew the guidelines after several days of public hearings that were held in December 1978. The Internal Revenue Service has now issued revised guidelines. This hearing will give the public an opportunity to comment on the new guidelines as well as legislation which has been introduced on this question.

The following Senate bills on this matter have been introduced:

One. S. 103 (Mr. HATCH and Messrs. BYRD of Virginia, GARN, GOLDWATER, HAYAKAWA, HELMS, LAXALT, MCCLURE, STEVENS, THURMOND, and TOWER).—To provide the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies.

Two. S. 449 (Mr. HATCH).—To amend the Internal Revenue Code of 1954 to provide that the tax exemption of certain charitable organizations and the allowance of a deduction for contributions to such organizations shall not be construed as the provisions of Federal assistance.

The bills affect private schools throughout the Nation which are tax-exempt under section 501(c)(3) of the Internal Revenue Code. The Joint Committee on Taxation estimates that the proposals involve no revenue loss.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources will have a hearing on the nomination of Mr. Timothy F. Cleary to be a member of the Occupational Safety and Health Review Commission (a reappointment). The hearing will be held on Wednesday, April 11, 1979, at 1:30 p.m. in Room 4232 of the Dirksen Building.

All those wishing further information or wishing to testify at this hearing should contact Mike Goldberg of the committee staff at room 4230 of the Dirksen Senate Office Building, Washington, D.C. 20510, (202) 224-3674.●

SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, MARKETING, AND THE FAMILY FARM

● Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Economic Development, Marketing, and the Family Farm of the Small Business Committee, will hold a hearing on April 26, 1979, in room 424 of the Russell Senate Office Building. The hearing will convene at 10 a.m. to consider S. 918, the Small Business Development Center Act of 1979. Witnesses will be announced at a later date.

Interested persons should contact the committee office, 224-5175, for further information.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, I would like to announce that the Subcommittee on Child and Human Development of the Committee on Labor and Human Resources has scheduled a field hearing on the problem of child-snatching and the role of the Federal Government in this matter. The hearing will be held on Tuesday, April 17, 1979, in the Washington Room of the Los Angeles County Patriotic Hall, 1816 South Figuera, Los Angeles, Calif., and will begin at 2 p.m.

In addition, the subcommittee will hold the third in a series of hearings on the institutional abuse of children on Thursday, May 31, 1979. This hearing will begin at 10 a.m. and will also be held in the Washington Room of the Los Angeles County Patriotic Hall.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on Wednesday, April 25, the Committee on Energy and Natural Resources will hold a hearing on the President's fiscal year 1980 request for funding authorization for departmentalwide programs of the Department of Energy.

The hearing will review proposed authorizations for the Director of Administration, the Controller, and the Assistant Secretaries for International Affairs, for Intergovernmental Affairs, and for Policy and Evaluation. The hearing will begin at 2 p.m. in room 3110 of the Dirksen Senate Office Building. Questions regarding this hearing should be directed to Richard D. Grundy at 224-9894.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, has canceled the hearing to be held on April 11, 1979, at 9:30 a.m. in room 2228 of Dirksen Senate Office Building on S. 414 the University and Small Business Patent Procedures Act. The hearing will be rescheduled at a later date and time to be announced.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittte on Federal Spending Practices and Open Government will be holding a hearing on the rail transport of hazardous materials on Thursday, April 12, 1979. This hearing will take place at 10 a.m. in Crestview, Fla. For further information regarding the hearing, please contact Mr. Ronald A. Chiodo, subcommittee chief counsel and staff director at 224-0211.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to consider the reauthorization of the National Advisory Committee on Oceans and Atmosphere.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LEVIN. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the session of the Senate today to mark up and report several bills and nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GENERAL PROCUREMENT

Mr. LEVIN. Mr. President, I ask unanimous consent that the General Procurement Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the fiscal year 1980 Department of Defense authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEVIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today—beginning at 3 p.m.—to consider the President's proposed energy conservation plan.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL DEVELOPMENT SUBCOMMITTEE

Mr. LEVIN. Mr. President, I ask unanimous consent that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, April 25, 1979, beginning at 1 p.m., to hold a hearing on the gasoline rationing plan followed by a mark-up session on the Rural Development Policy and Coordination Act and the Rural Development Act of 1972.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE FOREIGN RELATIONS COMMITTEE OPENS HEARINGS ON TREATY TERMINATION

● Mr. GOLDWATER. Mr. President, it was my pleasure yesterday to appear before the Foreign Relations Committee at its opening hearings on the very important subject of the legislative role in the termination of treaties.

The committee is not only addressing the immmediate issue presented by President Carter's attempted abrogation of the Mutual Defense Treaty with the Republic of China, but is undertaking a broad review of the power of unmaking treaties of any kind. Also, Senator FRANK CHURCH, chairman of the committee, announced that the hearings will examine the related issue of asserted claims of Presidential power to make treaties by calling them executive agreements. I applaud the committee for arranging comprehensive hearings on a subject which holds a life or death interest to the safety and well-being of American citizens and to the economic prosperity of the Nation, among the many subjects covered by existing treaties.

Mr. President, I believe the most revealing development at yesterday's sessions occurred during an exchange of questions between the chairman and witness Herbert Hansell, who is Legal Adviser to the State Department. Mr. Hansell made it crystal clear that the Carter administration not only argues the Executive has power to cancel the defense treaty with Taiwan incident to the President's recognition power, and not only has the asserted power to terminate any treaty which contains a provision authorizing withdrawal by either "party" after due notice, but that the President also possesses total, unchecked power to wipe out any treaty at all, whether or not the treaty provides by its own terms for annulment.

This sweeping claim of total power over the unmaking of treaties, based on the so-called inherent powers of the President, reveals the true nature of the Carter administration's action in the case of the defense treaty with the Republic of China. The Taiwan treaty is being used as a precedent for a power grab by the Executive over an area of foreign policy-making that has so far eluded the Executive. The State Department can build on this action, if left unchallenged, to expand Presidential power over the canceling of any treaties at will in the future.

The true issue raised by this open-ended assertion of power is whether the separation of powers doctrine, which is at the heart of our democratic structure of government, applies to policy decisions in the domain of foreign affairs, just as it does in the field of domestic matters.

It is my strong belief that the checks and balances apply with full force and meaning to making the ultimate decisions in foreign policy, and that there is convincing historical evidence to prove the framers intended treaty termination to be determined by the President and Legislature jointly.

Mr. President, my position is explained in detail in the testimony which I gave before the committee, and inasmuch as it directly involves a subject of concern to all Members of this body, I ask that the text of my statement be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR BARRY GOLDWATER

TREATY TERMINATION IS A SHARED POWER

Mr. Chairman, it is a pleasure to speak before you again on the subject of the legislative role in treaty termination.

Mr. Chairman, I have introduced a resolution, S. Con. Res. 2, which is pending in your Committee, to uphold the Constitutional power of the Senate in this field. It is sponsored by 22 Senators.

You also have the Byrd Resolution before you, which is a concise and accurate statement of Constitutional doctrine. It declares simply that no defense treaty can be terminated without the approval of the Senate.

Mr. Chairman, I recommend the Committee act favorably on both resolutions. The Byrd Resolution announces the position of the Senate alone, while my resolution states the policy of Congress and must be approved by both Houses. Also, my resolution contains a statement of the reasons for adopting the policy declaration, because I believe it is necessary to justify our action on a matter of major consequences.

Now, there are two ways a treaty is normally terminated under our Constitution. First, the President acts together with the Senate, since they are the party who made the treaty. Second, the President acts together with both Houses of Congress in repealing a treaty, just as Congress and the President act jointly in repealing any other law.

If the President wishes to terminate a treaty, or give notice that a treaty will be terminated after a given time period, he may act with the approval of the Senate alone. But in this situation, two-thirds of the Senate must give its approval, as in the case of ratifying a treaty.

This procedure has been followed twice in our history, and in each case Senate Resolutions were approved by more than two-thirds of the Senate.

Also, a treaty can be terminated with the advice and consent of the Senate by making a new treaty which repeals an earlier one. This has happened at least five times. For example, a Federal District Court has announced that the treaty between the United States and France of April 16, 1869, was "impliedly repealed" by the Trademark Treaty of 1883 since the latter treaty covered the whole subject matter of the former one. La Republique Francaise v. Schultz, 57 Federal Reporter 37 (1893).

However, the usual way a treaty has been terminated is by the authority given in an Act of Congress or Joint Resolution. I have identified 45 instances in which treaties or treaty provisions were terminated with Congressional action of this kind.

Forty-two of these treaties were cancelled at the direction or with the implied authority of Congress, and three of them were terminated because of the enactment of inconsistent legislation which conflicted with earlier treaties.

The weight of history is solidly on the side of legislative participation in the termination of treaties. This is important because it goes to the understanding which the Senate had when it ratified treaties containing provisions which allowed either party to terminate them after notice. Since the country historically has not withdrawn from treaties containing such provisions unless the legislature approved of it, this historical usage becomes a part of the interpretation of treaties which the Senate ratified.

Now, I have read the argument by the Legal Adviser at the State Department, who claims there are twelve precedents of Presidential treaty termination. I have examined each of these incidents in detail, and I frankly must say that they are phony. There was ample legislative authority on the books for the cancellation of six of these twelve treaties. Two others were not terminated. They remained in force. Another expired because the country with whom we had entered into the treaty lost its existence and disappeared as a nation.

The final three treaties were terminated because they became out-dated and ineffective. There was a basic change in conditions essential to the original purpose of the treaties. Thus, they became inoperative under international law due to unique circumstances and not because of any power in the President to terminate treaties generally.

Mr. Chairman, it is true the Constitution is silent on treaty termination. But I would remind you that Article I, Section 7, is also silent on how a bill which becomes a law shall be terminated. Yet I am unaware of anyone in the Executive Branch arguing that the President can repeal a law on his own. In fact, there is a Supreme Court decision which says the President cannot terminate a law by his own action. The Confiscation Cases, 20 Wallace 92 (1874).

It is my belief that by placing treaties among "the Supreme Law of the Land" in Article VI, clause 2 of the Constitution, and by requiring in Article II, section 3, that the President "shall take care that the laws be faithfully executed," the Framers prohibited the President from terminating treaties unilaterally.

The whole history of the Constitutional Convention and the State Conventions on ratifying the Constitution shows that the Framers had as one of their top priorities the purpose of making the United States a more dependable treaty partner than it had been in the past. Take one example. The Framers had fresh in mind the Treaty of Peace with Great Britain of 1783 concluding the War of Independence. Now, it is inconceivable that the Framers intended to allow the President to cancel that treaty by his own action, without having the added deliberation and approval of the Senate or both Houses of Congress.

We also should remember the obsession of the Framers with regional economic interests. Many of them hoped for lucrative commercial treaties that would open up trade for their states.

For example, during the ratification process, C. C. Pinckney, who had earlier been a member of the Federal Convention, explained to the South Carolina legislature that the State, "considering the valuable produce it has to export, is particularly interested in maintaining the sacredness of treaties."

So I believe it is contrary to everything we know about the Framers to assume they wished to make it easier to undo a treaty than to enter into one. Surely they would not have meant to vest a single person with total power to denounce a commercial treaty that was highly beneficial to their geographic area or to terminate a peace treaty.

In this connection, it is also important to remember the basic doctrine of separation of powers that flows through every provision and line of the Constitution. The Framers wanted to avoid setting up a tyrant. They wanted to give each branch of government checks and balances on the other.

Justice Joseph Story, one of the past giants on the Supreme Court, explains in his Commentaries on the Constitution that the treaty power was vested jointly in the President and Senate so that the people would enjoy "a greater security for its just exercise." He writes that the check, which results from the fact that what the President does is but preliminary and requires the approval of other independent minds to make it final, "is a restraint which awakens caution, and compels to deliberation."

His analysis applies to the unmaking of a treaty with equal force as it does to the making of one. By vesting treaty termination jointly with the President and at least one branch of the legislature, the Framers assured that the security of the people will be better protected than it would be if the power were conferred on the President alone. The security that follows caution and added deliberation is lost if no check is put on the unmaking of a treaty.

Mr. Chairman, the issue before you is not a new one. The question of how to terminate a treaty came up in the Congress soon after the Constitutional Convention. Congress decided in 1798 that it had the power to annul a treaty. Congress passed a statute, signed by President Adams, repealing four treaties we had entered into with France during the Revolutionary War.

During debate on the legislation, Congressman Sewall said: "In most countries, it is the power of the Chief Magistrate to suspend a treaty whenever he thinks proper; here Congress only has that power."

In 1856, your Committee took up the identical question the country has before it today. It examined how a treaty should be terminated when the treaty, by its terms, provides for cancellation after notice given by either party.

Your Committee had no difficulty in answering the question. In its official report, it said that "where the right to terminate a treaty at discretion is reserved in the treaty itself, such discretion resides in the President and Senate."

The report went on to say that a treaty can also be repealed by joint action of both Houses of Congress, but it rejected any idea that the President could do it alone. S. Rept. No. 97, 34th Cong., 1st Sess., p. 3 (1856).

In fact, we might go back a few years earlier to 1848, when then Secretary of State James Buchanan wrote, in the context of the proposed cancellation of a treaty with Denmark, that "an act must first pass Congress to enable the President to give the required notice . . ." His official concession of the shared power of Congress is especially noteworthy since the particular treaty of which he wrote contained a provision similar to Article 10 of the Republic of China Defense Treaty, which allows either party to terminate it after notice. Secretary Buchanan obviously believed that the "party" referred to in the treaty meant the "President plus Congress." Hearing before the House Committee on Foreign Affairs on Termination of the Treaty of 1832 between the United States and Russia, 62d Cong., 2d Sess., p. 297 (1911).

Moving to more recent history, your Committee might take note of the fact that fourteen treaties and treaty obligations have been terminated under the express or implied authority of eleven different sets of laws since 1920. I would also refer you to several sweeping assertions of Congressional power in making foreign policy which Senate Committees have made in the last decade.

For example, in reporting favorably on the National Commitments Resolution in 1967, and again in 1969, your Committee vigorously defended Congressional power and rejected "Executive supremacy in the making of foreign policy." As your Committee correctly pointed out:

"The means of a democracy *are* its ends; when we set aside democratic procedures in making our foreign policy, we are undermining the purpose of that policy." S. Rep. No. 91–129, 91st Cong., 1st Sess., p. 9 (1969); S. Rep. No. 90–797, 90th Cong., 1st Sess., pp. 7–8 (1967).

In 1974, the Senate Judiciary Committee expressed a similar view of what it called the legislative role "in the making of any substantive foreign policy." That report states "that policy-making in foreign affairs was never intended to be concentrated in one branch of the government. It is a shared power, subject, as are other constitutional powers, to the 'checks and balances'—that is the principle of separation of powers—implicit in the Constitution." Senate Report No. 93–1286, 93rd Cong. 2d Sess., p. 3 (1974).

Similarly, in reporting favorably on the War Powers Resolution, your Committee said in 1973 that "the residual legislative authority over the *entire* domain of foreign policy—not just the war power—was placed in Congress by the Constitution." S. Rep. No. 220, 93rd Cong., 1st Sess., p. 13 (1973).

Your Committee said that in its view, "as in the view of the Framers of our Constitution, complete, unqualified control in one area poses the danger, if not indeed the inevitability of complete, unqualified control over all other areas of our national life." *id.*, p. 8.

This is exactly the point I am making today. Unchecked concentration of power in the President to terminate any treaty at his whim is totally contrary to our democratic form of government.

If the President can take the law into his own hands in this area, then a future President may build upon this precedent to usurp complete control over all other powers.

Mr. Chairman, it is in this setting of consistent affirmations of shared powers over decision-making in the field of foreign policy that the Senate has approved ratification of treaties containing notice provisions. From this, it is clear that when the Senate gave its approval to treaties providing for withdrawal after notice, it did so with the understanding that it retained a role in making the decision of when and whether to terminate those treaties.

The Senate was included as an integral element of the "party" who represented the United States in ratifying those treaties; and absent any indication to the contrary in the legislative history of the treaties, it must be concluded that the Senate continues to be a part of that same authority for the purpose of unmaking treaties.

And, while I am discussing the term "party," I believe it is important that we comprehend the full consequences of allowing the President to get away with cancelling any treaty that provides by its own terms for withdrawal by either "party."

There are dozens of major treaties the United States now has that contain provisions using this term. The word "party" appears not only in the defense treaty with the Republic of China, but in NATO; our security treaties with South Korea, Japan, and the Philippines; the Nuclear Test Ban Treaty; the Nuclear Non-Proliferation Treaty; and several others. Each of these treaties contain provisions which allow either "party" to withdraw after notice. If "party" means "President", then any President will be able to wake up in the morning and decide by himself that the United States is withdrawing from any one of these important treaties without any power in Congress to stop him. This would be giving the President what is virtually a dictator's powers.

Mr. Chairman, all the President has to do to meet the Constitution is to ask two-thirds of the Senate, or a majority of both Houses of Congress, for its approval. This will not normally be a problem. For example, President Carter enjoys a majority for his own political party numbering 120 in the House and 18 in the Senate.

But by coming to the Senate or Congress whenever he feels it is wise to terminate a treaty, the President would be demonstrating his devotion to rule by law and not rule by decree.●

THE INTERNATIONAL YEAR OF THE CHILD

● Mr. CULVER. Mr. President, the year 1979 has been designated the International Year of the Child (IYC) by the United Nations. The year encourages us to focus on the lives of our children and to determine how we might help resolve the problems facing them.

The United States has led the world in the observance of the International Year of the Child through the work of the National Commission on IYC. I am pleased to serve as a member of the National Commission, along with my colleague, Senator CHARLES MATHIAS, who recently delivered a speech at a luncheon to mark the participation of the State of Maryland in the International Year of the Child. In his remarks, Senator MATHIAS describes the purposes of the year and highlights the goals which the National Commission has established to be met this year.

I commend this speech to all of my colleagues for their review, and I ask that the text of Senator MATHIAS' address be printed in the RECORD.

The address follows:

INTERNATIONAL YEAR OF THE CHILD: A BEACON OF HOPE

(By Senator CHARLES McC. MATHIAS, JR.)

I'm very happy to be with you today as Maryland officially begins its celebration of the International Year of the Child (I.Y.C.).

As you all know, 1979 is the 20th Anniversary of the United Nations Declaration of the Rights of the Child. To mark this anniversary, the United Nations General Assembly has called on each nation of the world to reaffirm its commitment to the future of its children and to redouble its efforts to see that the Rights of the Child are not only protected but enhanced. That is the purpose behind the International Year of the Child—and there are a billion and a half good reasons for it, most of them under 10-years-old.

To spearhead U.S. participation in the International Year of the Child, 1979, President Carter established a National Commission of which I am proud to be a member because there's important work to be done.

Over one-third of the population of the United States—nearly 66 million people—is under the age of 18. Here are some of the facts of their lives in this year, 1979, that we must face:

17.5 million American children live in dire poverty;

up to 14 percent of them receive no regular medical care;

20 million of them are not fully protected against preventible childhood diseases;

one million of them are victims of child abuse and neglect;

problem drinking among young children has increased by 50 percent since 1966;

25 percent of those children who complete the fifth grade drop out of high school; and,

77,000 children under the age of 18 are in prisons, approximately 14,000 of them incarcerated with adults.

We must also face the fact that significant and irreversible social changes have taken place in American society, particularly in the institution of the family. In 1976, 46 percent of children under 18 years of age had mothers in the work force, as compared with 39 percent in 1970; of those 14.5 million working mothers, 2.9 million—or nearly 20 percent—ran single-parent homes, and over 10 million children under the age of 18 lived in families headed by a single-parent, the majority of them women.

Today, for the first time in our nation's history, more than half of our school age children have mothers in the work force and one-third of the mothers of pre-school age children work outside the home. With the pressures of inflation that beset us all, these figures are on the rise.

International Year of the Child gives us a timely opportunity to examine these new realities of American life that so deeply affect the welfare of the American child. And it challenges us to confront the disturbing facts that are emerging about the condition of children in the United States and to do something about them.

The approach being taken to the International Year of the Child is unique in international observances. Instead of holding a big, highly-publicized, international conference, each participating nation is centering its efforts on the particular programs and changes that will produce the most lasting benefits to its own children.

The National Commission has identified specific issues which must be addressed—questions which must be answered—by the people of the United States during I.Y.C. They include:

Child nurturing and the role of the family: how can families be assured minimal economic support; how can communities help families fulfill and enhance their child nurturing roles; how can elderly citizens contribute to the nurturing of the child?

Health care: how can we assure that all children have equal access to quality health care; how can we prevent disease and disability and death in infants and children; how can we provide an environment that will not damage the health, growth and development of children?

Juvenile justice: to what extent do our juvenile justice systems acknowledge and respond to a child's need for a family; what specific legislative and administrative initiatives can the state and federal government undertake to end policies and practices of the juvenile justice system that are destructive for large numbers of children; what can be done to prevent status offenders from becoming hardened criminals?

Impact of the media on children: what is the responsibility of publishers, film producers and broadcasters to encourage public discussions on the impact of media on children; what is the responsibility of advertisers, who use media to promote and sell their products, to insure that children will not be misled by advertising claims; how can nationwide standards of acceptable programming for children be set? These are very important questions when you consider that the average child under the age of 12 spends approximately 25 hours a week watching television; in fact, the average 18-year-old has spent more time watching television than doing anything else (except sleeping) including time spent in school.

The National Commission has begun to ask these questions and will be leading discussions around the country in an attempt to find answers. But it is not the Commission's job to raise the issues and answer the questions in a vacuum. Everyone in this country has a stake in this.

I personally am very heartened to see how vigorously grassroots America is responding to the challenge of the International Year of the Child, and, of course, I take very special interest in how Maryland responds to this challenge. I am proud of the initiatives taken by the Maryland Coordinating Committee for I.Y.C. and I am proud of all of you here today. I look forward to working with you.

The International Year of the Child presents this State with a rare opportunity and a great task. I urge you to build on the work that the National Commission has begun, and to encourage the people of Maryland to search for solutions to the problems we have identified and to put them into effect.

To be effective our International Year of the Child programs must be closely coordinated among federal and state governments and local communities. We will need many different ways to coordinate with one another, but we can at least open up one avenue for coordination here today. I hereby invite you to get in touch with me whenever you need help in Congress.

During your work as you come across problems where you think Congress has a role to play, please let me know. I want to do all I can to help you—but only you can tell me where help is needed and what kind of help is needed.

Congress already is focusing on some of the issues we have been discussing. The 95th Congress considered legislative proposals concerning teenage pregnancies, adoption expenses and subsidies, long-term foster care, child abuse legislation, sanctions against sexual exploitation of children in pornographic material, juvenile justice and runaway youth.

I worked on legislation dealing with several of these problems as the ranking Republican member of the Senate Judiciary Subcommittee to Investigate Juvenile Delinquency. Among the major accomplishments of that Congress was passage of "The Protection of Children Against Sexual Exploitation Act" which I introduced in May of 1977. This legislation toughens federal criminal sanctions against the use of children in the production of pornographic material. It will greatly assist in the prosecution of those engaged in this vicious practice.

I was also very involved in amendments to the "Juvenile Justice and Delinquency Prevention Act" which extended the Act through fiscal year 1981 and assure continued federal involvement in the fight to prevent juvenile delinquency.

The 96th Congress too is certain to give priority attention to legislation affecting the welfare of children. We are well aware that our children are our future. Indeed, the quality of tomorrow's world, perhaps even its survival, will be determined by the kind of children we are raising today and how we are raising them.

The ideas generated by the International Year of the Child from all over the country will be important in shaping the legislative approaches that Congress will take in the next several years with respect to children and child welfare. Indeed, the success of the International Year of the Child, both in the United States and around the world, will depend on the degree to which the citizens and governments of every country are able to achieve new insights and act on them for the benefit of children everywhere.

So far today, I have been talking as a member of the National Commission of the International Year of the Child and as a legislator. Now I would like to talk as a parent.

No number of conferences, or programs, or funds for improving conditions for children can accomplish one iota as much as a concerned and loving parent can. The experts can tell you how much television is too much, but the experts can't turn off the tube. Psychologists can tell you what happens when you deprive a child of love but they can't come into your house and supply the love. And social workers can tell you how drugs or drunkeness affect a child but they can't cure your addiction.

Every parent should have a sign like the one Harry Truman had on his desk—"the buck stops here"—because parents are the Alpha and the Omega of child welfare. Maryland's Department of Human Resources has printed a bumper sticker that says more than anything I have said today about where we should start in this International Year of the Child. It reads: Have You Hugged Your Child Today?

But it's not enough to hug our children and tell our children we love them. We've got to show them by giving them better health care, better education, a safer, saner environment and brighter prospects for the future. By working together toward the common goal of enhancing the lives of our children, I think we'll be able to handle that awesome responsibility. But it will be hard work and it will require the best from all of us.

I challenge you to continue your work with the same enthusiasm that you have begun it. I pledge you my full support. And I wish you good luck in a momentous undertaking.

I would like to close now with a passage written by the late Margaret Mead, who until her death was an Honorary Commissioner of the National Commission on the International Year of the Child:

In a darkened world beset by the fear of nuclear holocaust, degradation of our soil and air and imbalance of population growth that threatens to strangle our human settlements, the Year of the Child stands like a beacon of hope. We must see that its light guides us and gives us direction for preparing a livable, sustainable, beautiful world for our children.●

DEVELOPMENTS ALONG THE APPALACHIAN TRAIL IN VERMONT

● Mr. STAFFORD. Mr. President last evening, the Green Mountain Club met to organize a new section (or chapter), which will have the responsibility for patrolling and maintaining a portion of the Appalachian Trail in Vermont. The new chapter will work on an 18-mile section of the trail that runs between Sherburne Pass and Vermont Route 12, to be known as the Ottauquechee section.

This initiative brings a new, strong GMC presence to the area, for which the club is to be commended. I hope that it will demonstrate anew the cooperative attitude that exists in Vermont among all who want to have reasonable and responsible management of the Appalachian Trail.

This voluntary, cooperative effort holds importance because of the present law directing the National Park Service to acquire lands and easements along the Appalachian Trail.

The people of Vermont have developed what I believe has proved to be a sound attitude on these issues, where cooperation has developed among the landowners along the trail in Vermont and the park service. An advisory committee is working on the purchase program, helping to foster this atmosphere of understanding. As I have explained to the park service, this atmosphere could be seriously jeopardized by any change now in Federal acquisition policy, no matter how well intended that change.

It is my understanding that about a third of the 88 Vermont landowners along the trail plan to make trail lands available through easements. Such an approach is sound and responsible. It will hold down the program's cost, and prove far preferable for those landowners than the purchase of the land, and thus should be valuable to those using the trail.

The acquisition of easements to protect the trail is a valid technique, one that is to be preferred in States such as Vermont, where such a strong, cooperative attitude has developed. The program to acquire easements which was conceived when the trail acquisition legislation was passed, must never be undercut.

Mr. President, in closing, I again commend the GMC, which has done so much to foster cooperation, rather than confrontation, on issues relating to the Appalachian Trail.

Mr. President, a pamphlet explaining the trail program to Vermont landowners has been printed. I would hope other States can develop similar programs of cooperation. I ask that this pamphlet be printed in the RECORD.

The pamphlet follows:

PROTECTING THE APPALACHIAN TRAIL

THE NATIONAL TRAILS ACT

In 1968, Congress enacted the National Trails System Act, and designated the Appalachian Trail as a National Scenic Trail. Congress recognized the growing development pressures that threatened the Trail, and through passage of the Act authorized a federal program to preserve the Appalachian Trail as a continuous 2,000 mile footpath.

Concerned that the original Act was not adequate to protect the Trail, Congress amended the Act in 1978, increasing funding Appalachian Trail corridor, and establishing and authority for public ownership of the a three-year deadline to substantially complete the protection program.

THE PROTECTION CONCEPT

The National Park Service has been assigned the ultimate responsibility to protect the Trail outside the Green Mountain National Forest in Vermont. Recognizing that the Appalachian Trail has depended on the good-neighbor policy fostered by affected landowners since its creation over 50 years ago, Congress encouraged the Park Service to adopt a flexible approach to protecting the Trail and to provide landowners a choice in how the Trail could be protected.

WHAT ARE THE OPTIONS FOR PROTECTING THE TRAIL

There are basically two: (1) outright sale of the land involved to the National Park Service, or (2) the sale of a protective easement. These two options are described below.

OUTRIGHT SALE

The most direct way for the National Park Service to protect the Appalachian Trail is to purchase, at fair market value, the complete title to the land making up the trail corridor. Land so purchased by the National Park Service will remain essentially in its present condition, and can act as a buffer from future development at no expense or worry to the landowner.

PROTECTIVE EASEMENTS

An easement is a legal instrument by which a property owner, while keeping title to his land, permanently sells or donates certain rights to another party. Under a protective easement, the National Park Service would purchase, at fair market value, certain permanent rights to the land, while the landowner continues to own the property.

The standard easement offered by the Park Service utilizes a layered concept, in which the trail corridor is divided into a "right-of-way" bordered on either side by a wider "protective easement." (See "Sample Easement" sheet enclosed.)

This "right-of-way" can be purchased outright by the National Park Service, or can be acquired as a "right-of-way easement." Under a right-of-way easement, the Park Service will have the right within this narrow strip to allow Trail Clubs to construct and maintain a footpath, and the right to permit the public to traverse the area. The landowner retains few rights within the right-of-way.

Wider protective easement areas would be located on either side of the right-of-way. Within the land covered by the protective easements, the landowner is restricted from building structures or roads, displaying advertising, dumping trash or unsightly materials, and excavating or draining the land. On the other hand, the landowner continues to own the property and can harvest timber, manage a sugarbush, cut firewood, graze animals, or cultivate pasture and crop land. Within the protective easement area the landowner also retains control over use by the public, and can post the land against trespass, overnight camping, fires, hunting, fishing or snowmobiling.

Since the land itself belongs to the landowner, however, he or she will continue to pay property taxes. The amount of those taxes will be based upon the assessed value of the restricted land.

HOW WILL LAND VALUES BE DETERMINED?

The National Park Service will obtain an appraisal of each property by a private appraiser who is familiar with local property values. The appraiser will inspect the property within the trail corridor and state his professional opinion of its current fair market value in an appraisal report.

In establishing the value of a protective easement, the appraiser will determine the amount by which the fair market value of the property will be decreased by the restrictions the easement places on the land.

The Park Service is required to offer you "just compensation" for each property, or any easement rights acquired, and this amount cannot be less than the approved appraisal.

WILL I HAVE TO PAY ANY SETTLEMENT COSTS?

The National Park Service is required to pay the following title conveying costs:

1. Recording fees, transfer taxes, and similar expenses incidental to conveying your property title.

2. Penalty costs and other charges necessary to permit prepayment of a mortgage that may be on your property.

3. Prepaid property taxes for the period after the title was transferred to the government.

The Park Service can pay other similar expenses to the extent they are fair and reasonable.

WILL I HAVE TO PAY CAPITAL GAINS TAXES?

If you sell your property for more than it originally cost, you will be required to pay a federal capital gains tax on the profit. To ease this tax burden, you may arrange to have the National Park Service pay for the property in installments over a three year period. In addition, when private property is purchased by a public agency as a result of Congressional mandate, any profits from the sale may be reinvested within 24 months through the purchase of similar property without paying a capital gains tax.

Vermont law also imposes a land gains tax on the profit realized from the sale of land which has been held for a period of less than six years. Again, if the land is purchased by a public agency as a result of Congressional mandate, any profits from the sale may be reinvested within 24 month through the purchase of similar property without paying the land gains tax.

If a landowner agrees to sell his property for less than fair market value (a "bargain sale"), or to give the land to a federal, state, or town government, or to a public land trust, the federal capital gains tax and the Vermont land gains tax can be reduced, or avoided entirely.

WHAT ARE THE ADVANTAGES OF A BARGAIN SALE OR DONATION?

The most obvious benefit derived from a bargain sale or donation of land usually comes from a reduction in the landowner's state and federal income taxes. The actual amount of tax savings will vary, depending upon the owner's gross income and the amount of his or her other deductions. To realize any savings, the donor must be itemizing deductions rather than using the standard deduction.

Some property owners may also wish to donate land or a protective easement to the State of Vermont, to a local town government, or to an appropriate charitable organization such as the Ottauquechee Regional Land Trust to keep the land or land rights under local ownership, and to arrange a means of protection more suitable to their individual needs. For more information on the donation of land or easements, contact Richard Carbin, Secretary/Treasurer of the Ottaquechee Regional Land Trust at (802) 457-3188.

LOOKING TOWARDS THE FUTURE

Maintenance and management of the Appalachian Trail in the years to come will continue as a cooperative venture between local trail clubs, landowners, and area residents. In Vermont the traditional Trail maintainers, the Green Mountain Club and Dartmouth Outing Club, will clear and blaze the Trail, post signs, control erosions, maintain shelters and campsites, pick up litter, monitor use levels, and take care of the many other details that go along with maintaining a trail like the Appalachian Trail. Both Clubs supplement volunteer labor with a permanent staff and summer trail crews, and will be available to help landowners with any concerns relating to the Trail.

Although Trail maintenance and policy decisions will be handled at the local level, the National Park Service recognizes it has the responsibility to assure that problems associated with use, overuse, and abuse of the Trail are controlled. Plans are tentative, but the Park Service may enter into cooperative agreements with the Forest Resource Protection system of the Vermont Forest Service and with local sheriff's departments, for example, to protect landowners against possible problems like fire hazard and vandalism.

The Green Mountain Club, Dartmouth Outing Club, Vermont Agency of Environmental Conservation, and National Park Service all want to see the Appalachian Trail protected permanently on a sound basis, and are working hard to assure that the AT will be a well-managed, well-maintained resource for everyone to enjoy.

WHOM DO I CONTACT FOR MORE INFORMATION?

Your Appalachian Trail representative in Vermont can answer, or at least get the answer, to any further questions you may have.

His address is:
Preston Bristow
Appalachian Trail Project
39 Central Street
Woodstock, Vt. 05091
(802) 457-3731

This information pamphlet was prepared by the Appalachian Trail Conference and the Ottaquechee Regional Planning and Development Commission in cooperation with the National Park Service.●

AMTRAK

● Mr. CRANSTON. Mr. President, I am today joining a numper of my colleagues in the Congress in declaring my opposition to the Department of Transportation's plan to slash some 12,000 route miles from Amtrak, our Nation's only national passenger rail network.

I take this position after careful consideration. It is clear that America's energy needs, with available fuel in diminishing supply, will force alternatives to the automobile as a chief source of transportation for the Nation. Every possible form of mass transit, from urban light rail to national passenger networks, must be given priority in country-wide planning for the years ahead.

It seems to me that this is a curious time to propose cutting Amtrak services roughly in half, while continuing our large-scale subsidies of highways—$23 billion each year—or airports and airways subsidies of some $2 billion annually. One effect of airline deregulation has been to trim services to smaller cities. And a clear effect of cutting Amtrak is to further reduce transportation alternatives and lure persons back into their cars while, at the same time, the administration asks us to curtail auto usage wherever we can.

Where, Mr. President, is the sense in this? Will less train service, and therefore more auto and plane use, help conserve energy? Clearly not. In 1974, during another energy crisis, Amtrak ridership jumped 18 percent. Why does DOT think things will be different this time?

I also find DOT's Amtrak enconomics to be questionable. To save $166 million in a tight budgetary period seems a laudable goal. But this so-called savings bears closer scrutiny. It appears, for example, that some $100 million in additional moneys would be required to settle labor claims resulting from discontinued service. That lowers the savings to about $60 million, a less impressive figure. When one adds the estimated $2.5 billion to upgrade track and facilities in the Northeast corridor, the savings go right out the window. And even if the full $166 million could be saved, how much in additional dollars must be paid to upgrade or to build new highways to accommodate autos and buses? Adriana Gianturco, director of California's Department of Transportation, points out that $166 million is just about enough to build 4 miles of 8-lane urban freeway at today's costs.

In view of these factors, Mr. President—and I touch on just a few of them—I believe the Congress should disapprove the present Amtrak cutback proposed by DOT. The effect of this congressional action does not mandate any particular route structure, nor does it imply that the Congress is unaware of the fiscal difficulties of Amtrak. Such action by the Congress simply sends DOT back to the Amtrak drawing boards, where DOT officials can rethink the original congressional mandate, which was to provide an optimal intercity railroad passenger system based on current and future market and population requirements. I do not find that mandate to be fulfilled in the suggested Amtrak route-cutting plan.

Members of Congress who have awaited the DOT blueprint for this optimal intercity railroad passenger system will not find it in the Amtrak proposal. We should withhold our approval until the law is obeyed.●

CLOSED CAPTIONING

● Mr. HEINZ. Mr. President, I was pleased to learn recently that the hearing impaired of this Nation will soon have an opportunity to more fully enjoy prime time television, a development made possible through a project known as closed captioning. This project was funded by the Department of Health, Education, and Welfare and developed by the Public Broadcasting Service. HEW and PBS will be joined by the two leading commercial networks, ABC and NBC, in this joint effort to produce about 5 hours a week of prime time television viewing with closed captioning.

With a decoding device costing about $100, a hearing impaired viewer could read captions as they appear across the screen. Those without decoders will not be distracted by any apparent change in the picture on the screen, while deaf viewers will have a chance to share more completely in a medium we so often take for granted.

The original study on closed captioning, prepared in 1974 by Donald Torr of Gallaudet College for PBS, investigated the interest of the deaf community in closed captioning. After watching television sets fitted with a variety of decoders, deaf viewers were asked if they would like to have such a decoding device for their own television sets. Ninety-seven percent of those with severe to profound hearing loss responded affirmatively.

It is particularly pleasing to me that a partnership of Government, public service and commercial groups have come together in this sensitive response to the hearing impaired. Too few have remembered that the remarkable invention of television has remained virtually unavailable to the deaf—that is, until now. While this partnership project carries some risk, it also holds out the promise of a richer entertainment experience for 14 million Americans. I commend Dr. Ed Martin of HEW and the courageous people at PBS, ABC, and NBC for this bold and admirable undertaking. And my personal thanks to Laurel Kintner for bringing this good news to my attention.●

FAIR HOUSING

● Mr. STEVENSON. Mr. President, tomorrow marks the anniversary of enactment of title VIII of the 1968 Civil Rights Act. Known commonly as the fair housing law, title VIII was enacted to eliminate discrimination in housing. The fair housing law represents a national commitment which we must not permit passing years to obscure. I am pleased to cosponsor the resolution introduced by the distinguished senior Senator from Maryland, Mr. MATHIAS, to recognize April as Fair Housing Month.

While fair housing is indispensible to full enjoyment of the rights our democracy guarantees, it also is important to a sensible and workable urban policy. Such a policy would encourage changes in residential patterns and match the Nation's work force and workplace. It would facilitate movement by the disadvantaged, many of whom are minorities, from central cities to jobs in suburbs, smaller cities and rural areas. And it would encourage movement of the affluent to urban centers where white collar jobs are concentrated.

Current policies ignore societal dynamics and the lure of employment opportunity for the disadvantaged. Industry naturally locates factories in areas where efficiencies and convenience can be attained, not in urban cores. Despite the need for encouraging the natural movement of workers to workplace—and there is evidence of outmigration of the disadvantaged—our policies continue to follow conventional dictates. We continue to frustrate society's natural growth by pouring billions of dollars into deteriorating pockets of central cities, using subsidies to entice industry and the disadvantaged to remain in distressed areas. We should shape our policies in ways that go with and not against the grain of society.

Regardless of the contours of our policies, many of the poor will remain locked in central cities unless employment opportunity is accompanied by housing opportunity. Only through open housing can the disadvantaged reap the benefits of employment in outlying areas. Housing discrimination impedes the flow of the disadvantaged to jobs just as it assaults fundamental human rights.

Mr. President, the importance of the fair housing law remains undiminished 11 years after its enactment. It is important both as a guarantor of human rights and as a complement to rational urban policy.●

THE PROBLEM OF PRODUCTIVITY

● Mr. TOWER. Mr. President, babies born today are faced with a 7 to 8 percent inflation rate, a 6 percent unemployment rate, high taxes, a declining dollar, increasing government, and are $3,300 in debt. This may be one explanation as to why they cry louder than ever, according to C. Jackson Grayson in a perceptive article appearing in the April 16 issue of the Dallas Vision. Dr. Grayson, who heads the American Productivity Center in Houston, observes that the entire free world is walking a tightrope between high unemployment and double-digit inflation.

Unfortunately, most of the solutions being proposed to remedy our current economic ills, including high deficits to stimulate demand, fine tuning, and voluntary restraint to wage and price controls, focus on symptoms instead of causes.

Dr. Grayson calls for an alternative approach. The crux of the problem is growth and productivity. Growth creates jobs and holds down inflation. But, as Dr. Grayson sees it, because the prime source of growth is productivity, economy-wide real income and job creation can rise no faster than productivity.

Dr. Grayson's guess is that three main factors influence the slowdown in the United States of the productivity growth rate: Slowing capital, and research and development expenditures; Government interventions of many kinds; and management and labor inattention. But what concerns him most is that not enough business, labor, or Government leaders are moving to inform themselves about productivity and then to pursue it as an answer. His solutions are found in the following steps:

The President and Congress create and fund programs for productivity improvement in the public sector;

Labor, organized and unorganized, help to create productivity programs in their firms, industries, and unions;

And finally, productivity improvement programs cross domestic borders and take cognizance of the growing economic interdependence of nations.

Because of the timeliness of Jackson Grayson's article, I request that it be printed in the RECORD.

The article follows:

THE PROBLEM OF PRODUCTIVITY

(By C. Jackson Grayson)

Someone said recently that the reason babies born today cry louder than ever is that they enter the world with a seven-to-eight percent inflation rate, a six percent unemployment rate, high taxes, a declining dollar, increasing government, and are $3300 in debt. It's enough to make grown men cry.

The entire free world is walking a tightrope between high unemployment and double-digit inflation. Inflation in the United States has moved steadily upward. From 1955 to 1960 the rate was 2.4 percent. From 1967 to 1972 it was 4.8 percent. From 1972 to 1977 it was 7.2 percent. In 1978, it grew at an 8 percent rate. And in the first two months of 1979, the inflation rate increased by more than 10 percent. A recent survey by the National Association of Business Economists produced a forecast by half of their members of six to seven percent inflation annually over the next five years; and 30 percent think it will be more than seven percent.

The solutions being proposed to remedy our current economic ills include high deficits to stimulate demand; "fine tuning" with spending and tax programs; money suppl, manipulation; and income policies of infinite variety from voluntary restraint to wage and price controls. Almost all of these focus on symptoms instead of causes. They are short-run, not long-run-oriented. They increase the role of government and are anti-private enterprise and anti-productive.

Unless an alternative approach is presented, I fear that in frustration and despair the American people will insist on more political guidance over the economy, rising protectionism, and more control over labor and management.

The differences in gross national product per capita that appear over the surface of this planet are explained largely by differences in growth. Growth creates jobs. It holds down inflation. Because the prime source of growth is productivity, economy-wide real income and job creation can rise no faster than productivity. Some mistakenly believe that growth stimulates productivity. In the short-run that is true; productivity does rise in a recovery period. But, in the long-run, it is the other way around: productivity causes growth. So if we are to have growth, reduce inflation, and create jobs, then there must be an increase in national productivity. John Kennedy ran against Richard Nixon in 1960 on an economic growth theme. He promised to "get the country moving again". We need that call today.

Productivity is what you get out for what you put in. Output over input. And not output only over labor hours, but also over capital input, over energy input, and over materials input. We must look at total output relative to input. And not just for manufacuring, but also, for services—banking, insurance, retailing, doctors, hospitals, and government. It sounds naive to some people to think that labor and management in the private sector can do anything any more to influence the economy. There is even anger by some labor and management leaders that they *should* do anything. And, instead of acting, too many leaders are searching for the Wizard of Oz who controls all of this so they can dispatch the villain. There is no villain. American inflation and American unemployment were made in America by Americans.

Monetary and fiscal policies clearly have a great deal to do with creating and solving unemployment and inflation. But there are limits to what demand-management policies by themsleves can do, and the "fine tuning" of these policies exceeds our abilities to manage the economy with such calibrating adjustments. Anyway, the best monetary/fiscal targets and goals usually get sabotaged or exaggerated by politics. Finally, monetary and fiscal policies are not understood by most Americans, nor are they believed to be within their abilities to influence.

It is time that we focus on fundamental, long range solutions that are economically real, that the average American worker and manager can understand, and that he can influence everyday. These solutions grow out of productivity.

There is little doubt that the productivity growth rate in the U.S. is slowing. For the past ten years we have had the lowest rate of productivity growth of any other modern industrial nation in the world. While our level of productivity remains the highest in the world, our long-term growth rate has been cut in half in recent years. For the period of 1947–1966, our annual average growth rate was about 3.2 percent per year. Between 1967 and 1977, our rate of growth dropped to 1.5 percent per year. The difference between a growth rate of 3.2 percent and 1.5 percent is almost the difference between night and day. These figures indicate that somethhing is fundamentally wrong. In the early part of this decade, there was the standard belief that the decline was caused by the business cycle. Today there is almost unanimous agreement and concern that the slowdown is not cyclical but secular. Last August the *Wall Street Journal* reported that "these sluggish gains in productivity now extend back for a decade, strongly indicating that a fundamental unfavorable structural problem has emerged in the economy."

Why is our productivity growth rate slowing? There are many explanations offered, such as government regulation, nonproductive environmental investments, work disincentives, aging plants and institutions, and loss of will to grow. The answer is probably some of all and all of some of these. The striking fact is that no one really knows. For such an important factor central to the economic well being and future standard of living in the U.S., we really don't know why we are slowing down! My own guess is that three main factors influence the slowdown: slowing capital and research and development expenditures; government interventions of many kinds; and management and labor inattention. What concerns me is that not enough business, labor or government leaders are moving to inform themselves about productivity and then to pursue it as an answer. On the contrary, there is too little awareness of these factors: the importance of productivity in job creation and price stability; the slowdown in productivity growth; the rapid gains in productivity growth by other nations, passing us by in some industries; the dangers of a worldwide slowdown in growth, and its consequences; the relationship between productivity and our standard of living. I suggest that we begin a national productivity effort to include government, industry, individual business (including management and labor), and international cooperation.

The President and Congress must create and fund programs for productivity improvement in the public sector. Until recently there was an agency in Washington charged with this responsibility, the National Center for Productivity and Quality of Working Life. But Congress allowed it to die last year. There now appears to be a plan to farm out some of its functions to other government departments, and coordinate them through a council. But this is not likely to be effective. No money goes with the farm-outs, and the council's efforts are likely to be lost in the shuffle.

I recommend that either through legislation or through Executive Order a lead agency charged with productivity responsibility be created or designated and be given sufficient financial resources and Executive Office clout. The agency's agenda should include action in three major areas: improving productivity in the government itself; removing government-caused impediments to productivity in the private sector; and providing incentives and assistance to productivity efforts in the private sector.

Productivity improvement programs must also be initiated industry-wide in the U.S. Though the national output per man hour grew by 1.8 percent in 1977, the rate ranged from an increase of 16.4 percent for the sugar industry to a decrease of 7.4 percent in the clay refractories industry. In 1977, productivity actually declined in 25 of the 66 industries that the Bureau of Labor Statistics measured. In three-quarters of the industries, productivity growth was less in 1977 than the year before.

We need to get beneath the national aggregate figures and not only record what is happening, but also understand why. We need to be able to track industries so that we can give early warnings of declining productivity trends. Recent experiences suggest that firms and even entire industries sometimes do not become aware of a potential market loss from domestic or foreign competition until the loss has occurred.

Faced with information about declining trends, and some of the causes, steps might be taken to help reverse the decline. Or, if the situation is hopeless, steps might be taken to phase out of the industry with retraining programs, disinvestment, and entry into new areas.

Many opportunities are lost for productivity improvement because firms do not seek to learn about the productivity levels, trends and practices of their domestic and foreign competitors. Few firms make sure analyses for several reasons, among them false security, fear of anti-trust violation, the unavailability of data, the lack of a system for such comparisons and, finally, inertia. Productivity comparisons (called "inter-firms comparisons") are already underway in a few industries in the U.S. and are more common in some other nations. They could be conducted by three groups at the national level, through an expended BLS program, through the cooperative efforts of individual firms with the aid of an outside, neutral group such as a CPA firm, and by industry and professional associations.

At the level of the individual department or plant or firm, management must create organized, sustained productivity improvement programs. Faced with continually rising costs, regulations, shrinking real profits, a declining return of investment, management may find productivity to be the chief controllable variable left for management.

While most managers will label productivity a good thing, a few have explicit programs to develop it. They know productivity is important, they talk about it. But I have found that when they take a critical look at productivity, few managers can really define it, measure it, plan for it, or really even understand it. If firms do have such programs, too often they are on-again off-again drives, and not systematic, organized efforts on a continuing or strategic basis. What has happened in recent years is that too many mangers have played the game of money and demand management inside their firms. Key measures of success have been return on investment, with emphasis on acquisitions, merger, and tax manipulation. Laurels, bonuses and promotions have gone to financial accounting, legal and marketing specialists, with less attention to productivity. Score-keeping has not been on productivity improvement, but on capacity, market share, profitability and price leadership. Even leading business schools have all but dropped emphasis on productivity from their curriculum.

Meanwhile, our foreign competitors have been concentrating on the subject. One American manufacturer's nightmare was described as a combination of Japan's advanced technology with China's highly disciplined masses, which would present him (and the U.S.) with an enormously competitive force. If managers would embark on such a planned, organized program with the same zeal with which they tackle markets, the results would be tremendous. Peter Drucker put it well: "Productivity is the first test of management's competence."

Labor, organized and unorganized, must be included in helping to create productivity programs in their firms, industries and unions. Labor has the most at stake, but also the most to gain. Employee compensation accounts for almost three-fourths of all income produced. And the poor performance of real wages in recent years has been because of poor productivity gains fueling high inflation. The average employee today feels under just as much economic pressure as the manager. He feels overworked, under pressure to get results, taxed to frustration, concerned about job security, and increasingly doubtful about the adequacy of his retirement income.

Productivity improvement is also needed to help employment. Some employees are skeptical of this statement, equating productivity improvement with loss of their job. It is true that, in some cases, improved productivity will make a job obsolete. But two things can offset this. First, firms can offer the affected employees several ways to make the adjustment: re-training, new job opportunities, and a variety of other techniques now employed by some firms. Second, study after study shows the productivity leads to more, not less, jobs in the economy. Productivity can open up new opportunities, as indicated in a recent study by General Electric. It showed that high technology industries from 1950 to 1974 increased employment at a rate of 2.6 percent a year, while low technology industries (with low productivity) formed jobs at the low rate of 0.3 percent.

Jobs that are not productive can no longer be sustained over time through featherbedding, make-work, side payments, subsidies, or government protection. Such "false" employment eventually fails, meanwhile adding to inflation, creating a loss of dignity on the part of the employee, adversary labor-management relations, and eventual company bankruptcy and unemployment. This takes nothing away from the need for adjustment assistance during periods of change.

Most labor leaders know the benefits of productivity, provided that the employees share in the gains, provided that management handles displacement problems fairly, and provided that employees are treated as a part of the improvement programs. They also recognize that increased productivity benefits both wages and profits that a three percent increase in the productivity can permit a three percent increase in wages and a three percent increase in profits. As far back as 1919, the AFL adopted a formal declaration recognizing increased productivity as the way to progress: "The increased productivity of industry resulting from scientific research is a most potent factor in the ever increasing struggle of the workers to raise their standard of living and the importance of this factor must steadily increase. . . ."

But, because there has not always been a mutual understanding or cooperation on these points, productivity has not been a good word to many employees. What productivity often means to them is layoffs, pressure, dehumanization, stop-watches, and exploitation, instead of new jobs, higher real wages and a higher standard of living. The area of joint labor-management productivity efforts offers perhaps the largest single area for improvement in the years ahead because of less capital availability, higher energy costs, a larger service sector, and a new set of social values characterizing modern American society.

Finally, a program of productivity improvement must cross domestic borders and take three forms. First, American business must learn more about the productivity levels, trends and sources of improvements in other nations. Following World War II, there was a massive one-way productivity transfer from the U.S. to order nations. Since then other nations have begun to catch up and indeed, in a number of areas, have surpassed us. A government study of several years ago showed that the manufacturing and technological advantages which the U.S. has enjoyed since World War II are now at an end. The same study showed also that few officials in government, universities, and private industry had first-hand knowledge of technical developments in foreign countries.

In particular, there is a lack of knowledge of what Japan and Germany are doing in some advanced technological areas, whereas for years the Japanese, in particular, sent tens of thousands of managers here with cameras and note pads to learn about American know-how. Second, American firms must export to other markets. During the last 20 years, the United States' share of the world exports declined from 21 percent to below 12 percent. Now is the time to turn the decline around, for while the unit labor costs in manufacturing rose only 44 percent in the U.S. from 1970 to 1977, most of the other major industrial nations posted increases of 100 percent or more. Most American firms, however, are oriented towards the domestic market, with less than ten percent of them consistently involved in export business. The point is brought home by a comment one German industrial leader made to me: "God help us if American business ever wakes up to its export potential." Third, we must create programs to assist the less developed countries with productivity improvement. These nations must have markets, and the markets are in the developed nations. Only if they export can they afford to buy manufactured goods exported by the industrial nations. In 1977 they bought 35 percent of total U.S. exports. The U.S. sells more manufactured goods to the less developed nations than to Western Europe, Japan and the Communist countries combined. We must slowly re-deploy labor and capital from our own low productivity sectors to those where the developed nations enjoy a comparative advantage. It will help the less developed countries and will facilitate non-inflationary growth and retain higher employment in the developed countries. Japan has already recognized this and is taking steps to make this adjustment gradually over the years ahead. Additionally, we should provide the less developed countries with productivity improvement programs just as we gave Europe in the form of the Marshall Plan.

These are not idle suggestions for improving the quality of American life; they are urgent matters to be considered now and acted on immediately. The very survival of our economic system may be at stake. ●

JOHN S. ROGERS

● Mr. PELL. Mr. President, I wish to applaud the United Brotherhood of Carpenters and Joiners for its wisdom in selecting John S. Rogers of Hauppauge, N.Y., as its general secretary.

Mr. Rogers is only the fifth person to serve in this key leadership position in the long history of this highly respected labor organization. Furthermore, he is one of the youngest members of the

Brotherhood of Carpenters to ascend to such a high position.

Though his roots and home are in New York State, Mr. Rogers has had for many years a special relationship with the many members of the brotherhood in New England, including my own State of Rhode Island. He served the brotherhood's New England membership well during the years he served as special representative and later as general representative for the region.

Mr. President, John "Whitey" Rogers is an example of today's breed of highly trained and capable labor leaders, a man who has worked his way up from apprentice carpenter to his current position at the helm of a proud and vital national labor organization.

The United Brotherhood of Carpenters and Joiners chose wisely and well, Mr. President, and I wish Mr. Rogers a long and successful career as its general secretary.●

A NEW NATIONAL ENERGY POLICY

● Mr. HEINZ. Mr. President, this past Thursday evening, almost exactly 2 years after he declared the moral equivalent of war against the energy problems confronting this Nation, President Carter again addressed the Nation on the subject of energy. During the 2 years between Presidential messages, not enough has been done to meet the goals set out in the first address. In part this lack of progress must be attributed to the confusion and uncertainty generated by the failure of the Federal Government to address and respond to the problem in a comprehensive manner. The congressional debate over the national energy plan frustrated the initial promise that the plan offered. Regulatory and funding decisions made by the Department of Energy and other energy-related regulatory bodies proved to be contradictory; the goal of one undercutting the purposes of another.

While far from perfect, the National Energy Act passed last year, in conjunction with the many energy-related laws enacted since the 1973 oil embargo, provides the President with the tools he needs to fashion a comprehensive response to the demand for greater stability in energy supply and demand. Through an extensive program to demonstrate the commercial viability to alternative energy sources, such as coal, solar, low-head hydro and geothermal power; an aggressive conservation program, to which all Americans must abide; and elimination of Federal responsibility for setting oil prices and allocations, so that energy prices accurately reflect the comparative costs of producing a given amount of energy, we can make significant progress toward the more efficient use of our energy sources.

The disruption caused by the recent crisis in Iran demonstrates that arguing over who is to blame for the current situation is irresponsible folly. Clearly, there is more that each of us can and must do to overcome our energy problems. The President is correct in saying that the energy situation is more critical today than it was just 2 years ago. The situation will not improve unless everyone recognizes the importance of each individual's contribution to either the solution or the problem.

OIL DECONTROL

The focal point of the President's recent speech was his decision to decontrol domestic crude oil prices as part of an effort to reduce our dependence on imported oil. The goal of reducing our dependence on foreign oil is not a new one. It has been a primary concern since the 1973 Arab oil embargo, which prompted the birth of Project Independence. However, the recent Iranian crisis, which included a 69-day suspension of oil exports, dramatically demonstrated that since 1973 we have become more rather than less dependent on foreign oil.

The pricing and allocation responsibilities assumed by the Federal Government under the Emergency Petroleum Allocation Act have not added greater stability to the supply and price of oil or petroleum products. The low prices established for American oil have discouraged exploration for new deposits in this country and encouraged greater reliance on foreign sources of oil. Moreover, certain unscrupulous oil companies have taken advantage of the complexity of the oil pricing and allocation regulations to illegally increase their revenues at the expense of the American consumer. While some rebates will be collected and penalties assessed as a result of suits brought by the Federal Government, it is clear that the Department of Energy cannot effectively enforce these regulations.

Mr. President, removing price and allocation controls on domestic oil will eliminate the incentives to seek foreign supplies of oil from which the oil companies receive greater revenues and the opportunity for these firms to illegally increase revenues by reclassifying oil, and it will encourage greater investment in the development of domestic reserves. Furthermore, the 9.05 percent increase in OPEC prices, which does not include the $4 surcharge per barrel which some countries have indicated they will impose, and the decision to reduce production to maintain a tight world oil market announced following the OPEC meeting at the end of March demonstrate that continuing domestic controls will not prevent further price increases.

WINDFALL PROFITS TAX

Accompanying decontrol of domestic oil prices will be larger revenues for the oil companies. Congress, by enacting a windfall profits tax, a concept which I have long supported, can insure that these excess revenues are used for the benefit of or returned to the public. The President has suggested that these funds can be used to assure that individuals with low incomes have access to the energy required to heat their homes, to cook their meals and to enable them to get to work; to demonstrate the commercial application of alternative energy sources; and to stimulate the development of new more efficient technology. I believe we should consider other alternatives, including a return of these revenues through tax reduction.

ALTERNATIVE ENERGY SOURCES

However, the President need not wait for the passage of a windfall profits tax to move forward in most areas. In fact, Congress has authorized a number of alternative energy projects. Unfortunately, valuable time has been wasted while interdepartmental squabbles over funding levels and policy priorities have raged. Such delays only further confuse the signals the Government transmits to the public and the business community.

For example, when the Senate was considering the Natural Gas and Petroleum Conservation and Coal Utilization Act of 1977, the country was in the midst of a natural gas shortage which forced schools and industry to close and threatened to leave homes without heating fuel. In order to encourage greater conservation of our limited supplies of oil and natural gas, I offered several amendments to S. 977 which would have required powerplants and major industrial boilers to convert to coal sooner. The administration opposed these amendments while at the same time imposing curtailments on industry.

Since that time, the natural gas shortage has become a surplus, in large part due to the conversion of curtailment-threatened industry to oil-fired capacity. The recent administration suggestion that industry now use more natural gas in place of oil is indicative of its tendency to treat symptoms rather than real causes.

Mandatory conversion of powerplant and large industrial boilers to coal through the provisions of the Powerplant and Industrial Fuels Use Act of 1978 will conserve more oil and natural gas for residential, transportation, and industrial applications in which the unique features of those liquid fuels are demanded.

The oil saving potential of an aggressive coal utilization policy is significant. For example, by increasing the utilization of coal-fired powerplants from the current 56-percent level to 57.5 percent, we could reduce oil consumption by 100,000 barrels per day. Increasing the utilization to 60 percent would save another 200,000 barrels per day. In addition, this policy would increase domestic coal production by 50 million tons per year; thereby eliminating half of the unused capacity that exists in the coal industry today.

The President must also direct the Department of Energy to implement the coal gasification and liquefaction programs authorized by Congress. Today there are only two commercially operating coal gasifiers in the country. One of these, located in York, Pa., operates on low sulfur anthracite coal. In contrast, South Africa, which lost 90 percent of its oil supply as a result of the change of governments in Iran, has under construction a coal to oil conversion plant that will transform 27 million tons of coal into 500 million gallons, that is over 10 million barrels, of oil per year. Last year, a 50-million-gallon-per-year pilot plant which has been operating since the early 1960's recorded a 14-percent profit. Further evidence that at today's world market prices, converting coal to oil makes economic sense.

CONSERVATION

In conjunction with greater utilization of alternative energy sources, steps must be taken to insure that further energy savings are achieved through energy conservation measures. It is imperative that the mandatory building thermostat plan, which could save 400,000 barrels of oil per day, be implemented immediately. Funding for the schools and hospitals conservation program and expansion of the weatherization programs to include installation of solar equipment are other measures which will reduce energy waste and publicly underscore the benefits of conservation.

In contrast, the weekend gasoline station closing and gasoline rationing plans presented to Congress by the President in March would probably exacerbate rather than ease the tight oil market. Implementation of these plans, the discussion of which has already had significant negative impact on the tourism and recreation industry on which the economies of many parts of the country are dependent, would add to the distortion of the market and increase the inequities in distibution inherent in the current allocation program. In short, distribution of rationing coupons based on vehicle registration would discriminate against rural Americans who have no mass transit alternative, while encouraging urban residents to continue unnecessary driving habits.

DOMESTIC OIL RESERVES

Finally, Mr. President, the United States can reduce its dependence on foreign oil by increasing utilization of domestic reserves. Pipelines, such as Sohio's Pactex or a Northern Tier line, must be constructed so that valuable Alaskan and Californian crude, which are currently saturating the west coast market, can be transported efficiently to the rest of the country. But transportation is only part of the solution. New refineries must be built or old ones converted so that they are capable of processing the heavier, higher sulfur crude found in Alaska and California.

The measures which I have mentioned are not simple patchwork policies intended to pull us through this period of shortages. Rather, they are constructive responses clearly in the long-term interest of this country. A choice between greater self-reliance and continued dependence on foreign oil must be made. The President has the authority to implement a comprehensive energy program that includes conservation, alternative energy source utilization, and domestic production programs.

In his address last Thursday, the President announced that he would implement a policy that would entail greater sacrifices on the part of every American. While this decision may impose hardships in the short term, the alternative, reliance on uncertain sources of energy, is clearly unacceptable.●

THE OBSOLETE ICBM

● **Mr. McGOVERN.** Mr. President, the U.S. ICBM vulnerability issue will be a major feature of the SALT debate. Both supporters and opponents of SALT tend to agree that SALT will neither by itself solve nor worsen the vulnerability problem, although I agree with those who believe that our ICBM's would be more vulnerable in the absence of a treaty.

What concerns me deeply is the growing tendency to regard the ICBM vulnerability problem and the MX–ICBM debate as part of the politics of SALT rather than as issues to be resolved on their own merits. The MX is being considered as part of a package of concessions to opponents of genuine arms control to convince them to vote for SALT. The need for a new ICBM has become submerged to the need for more votes for SALT.

As a consequence of this political process, the full range of alternatives to the current U.S. strategic posture has not been considered adequately. In particular, it may be unnecessary, counterproductive, and destabilizing to go ahead with a new silo-busting MX since our submarines and cruise missiles will be more than adequate to deter a nuclear attack on the United States. The March 1979 issue of the Defense Monitor published by the Center for Defense Information, presents a thoughtful analysis of the reasons why the ICBM force, if vulnerable, should be eliminated rather than replaced. It makes a reasonable case for the sufficiency of the submarine and cruise missile nuclear forces as our nuclear deterrent force. Current and future weapons technology in these areas would insure the survivability, command and control and target coverage necessary to protect our national security.

I hope the President and the Congress will give serious consideration to foregoing any temporary advantage from a new counterforce ICBM–MX and instead will design U.S. forces to contribute to strategic stability and genuine mutual arms reductions.

I ask that the text of the Center for Defense Information report, "The Obsolete ICBM," be printed in the RECORD.

The text of the article follows:

THE OBSOLETE ICBM

THE POTENTIAL ICBM VULNERABILITY PROBLEM

One of our three separate long-range nuclear delivery systems may become obsolete. Nearly 10,000 nuclear weapons can be carried to the U.S.S.R. by ICBMs (Inter-Continental Ballistic Missiles), bombers, and SLBMs (Submarine-Launched Ballistic Missiles). Right now, each of these systems could survive a Soviet nuclear attack and each could still deliver a crushing nuclear blow on the Soviet Union. Within some years, however, it may *in theory* be possible for a Soviet attack to wipe out about 90% of the ICBM forces in a surprise attack. We should be concerned, but not alarmed, about the potential vulnerability of our 1054 land-based ICBMs.

If the Soviets do get the capability to knock out our ICBMs, our submarines and bombers could still destroy the Soviet Union as a functioning society (see the scenarios on pages 4–5). Even so, there are some, for example members of the Committee on the Present Danger, who feel that nuclear weapons could be used selectively against the U.S. to force us into surrendering some important interests. It is presumed that the Soviets would come to think they could attack our ICBMs and escape retaliation. They might fire perhaps 300 of their MIRVed (multiple warhead) ICBMs to destroy 90% or more of our ICBMs and many of our non-alert bombers on airfields around the U.S. The President would then, allegedly, be left with the option of attacking Soviet cities and triggering a Soviet attack on our cities.

Rather than choose that fatal option, this scenario goes on, the President might decide to capitulate to Soviet demands. Moreover, it is suggested that the Soviets might not even have to launch the initial attack on U.S. ICBMs. If everyone thought the Soviets could destroy most of our IBCMs, we might give in to Soviet nuclear blackmail in an international crisis. Proponents of this scenario have never plausibly suggested what these Soviet demands might be. For what single goal of foreign policy would the Russians take such desperate changes on the destruction of their society?

One answer to the predicted Soviet threat against U.S. ICBMs would be to launch our missiles as soon as our satellites detected the launching of Soviet missiles or as soon as Soviet missiles began to reach the U.S. In this way, the U.S. ICBMs would escape destruction and go on to hit the Soviet Union. The problem with this plan is that it gives the President—if he is available at the time—only a few minutes to make a decision of national life or death. Furthermore, in a crisis the Soviets might fear that we would intend to launch our ICBMs first so as to avoid their destruction, and the Soviets might then be even more inclined to get in the first blow in a war they are sure is coming. The U.S. has never renounced the possibility of being the first to use nuclear weapons if the national interest seemed to require it.

A second means of dealing with the problem of the potential vulnerability of U.S. ICBMs would be to eliminate fixed ICBM launching sites and rely on a system which would keep the ICBMs constantly on the move so that the Soviets could not attack them. The Pentagon is now considering building an entirely new land-based ICBM which they call "MX." These new missiles would be moved around among several thousand holes in the ground (now being called "multiple protective structures"), or they might be moved from airfield to airfield aboard airplanes. Such a new ICBM system could cost $30 Billion. Because the Soviets would never know where the new missiles were placed, they would need to attack the thousands of holes in the ground or airfields with thousands of nuclear weapons if they wanted get at the missiles. The U.S. could become a vast "sponge" for Soviet nuclear weapons.

We want to suggest a third solution to the potential problem of ICBM vulnerability; eliminate all land-based ICBMs. Elimination of the ICBMs would obviously remove the targets for the Soviets and thus remove the problem of ICBM vulnerability. Without ICBMs to attack, the Soviets could not fire their ICBMs selectively against them. If the Soviets attacked U.S. cities, the result would be the destruction of Soviet cities and the deaths of millions of Soviet citizens.

BENEFITS OF ELIMINATING THE ICBM'S

Removing the hair trigger. Not having to worry about "using or losing" the ICBMs, the President would be able to wait out any Soviet attack and respond according to the actual situation. The destruction of U.S.

cities would be matched by the destruction of Soviet cities. Nuclear deterrence would be as sure as it can ever be. The President could also respond to some kind of limited Soviet attack with a limited retaliation, although scenarios of "limited" nuclear war are unrealisic.

Avoiding a hair trigger on Soviet forces. The new MX missile proposed by the Air Force would carry larger, more accurate nuclear weapons than our current ICBMs and could pose the threat of an attack which could largely disarm the Soviet ICBM force.

This threat could cause the Soviets to put a hair trigger on their ICBMs, which make up a much larger proportion of their total nuclear forces than ours do. In a crisis, they might be tempted to launch their missiles first so as to avoid their destruction. Eliminating the threat posed by our ICBMs would improve our own security by eliminating the Soviet fear that they would have to use or lose their own ICBMs.

Stabilizing the Arms Race. Delaying the vulnerability of the Soviet ICBMs to an American missile attack would also provide an incentive for the Soviet Union to slow its own strategic build-up and would lessen the pressure on the Soviets to prepare in advance to counter new American ICBMs. They would have time to consider shifting their own nuclear systems to sea and to avoid the more provocative measure of building a land-based mobile missile system.

Decoupling Offensive Nuclear Forces. Whether the Soviets follow our example in getting rid of ICBMs or not, we should not base our decision about what kind of offensive forces to have on what kinds of offensive forces the Soviets have. Unfortunately, because of the potential vulnerability of our ICBMs to Soviet ICBMs, the adequacy of our forces is being measured by some according to the size and numbers of Soviet ICBMs. Removing this relationship between ICBMs on the two sides would permit the U.S. to free itself from the vicious circle of tying the structure of our nuclear delivery system to the anticipated structure of Soviet systems. We should buy what we need for nuclear deterrence and no more.

Making Nuclear War Planning More Realistic. The Pentagon wants to use ICBMs in a "damage-limiting" role. Damage limiting is the idea that, after a Soviet attack, we would substantially reduce their remaining destructive power by attacking their missiles held in reserve in silos. This idea is defective because if we actually tried to destroy Soviet reserve missiles in this way, the Soviets would be highly likely to launch them before our attack could be completed.

In addition, a "damage-limiting" attack by the U.S. would require the U.S. to fire thousands of weapons at most of the Soviet silos, whether they contained missiles or not (we could not be certain exactly which silos had launched their missiles and which had not). The number of weapons required for such an attack might be so large that a damage-limiting force would be indistinguishable from a force designed to destroy all or most Soviet ICBMs in a *first* strike by the U.S.

It is unrealistic, however, to think that we can ever have a force with this capability. The Soviets are sure to take countermeasures (such as acquiring mobile missiles) to avoid such vulnerability. Plans for a "counterforce" (missile vs. missiles) war are unrealistic and merely provoke escalation of the arms race.

Avoid Waste in Military Spending. We ought to spend whatever is needed to defend the United States, but we should not waste huge sums of money on weapons of little value. This year the Defense Department asked for almost a Billion dollars in new money for a new ICBM which can be moved around. The whole system might cost $30 Billion (although there is as yet no clear plan as to what the system will finally be). The taxpayer's dollar would be spent better if just some funds went to study whether we really need a land-based missile at all.

OTHER NUCLEAR DELIVERY SYSTEMS CAN DO THE JOB

What can be done with ICBMs?

Reliable Communications and Control. Of the three strategic nuclear delivery systems, the ICBMs are the most closely controllable by the President or his military commanders. Commands to the underground launch control centers can be sent and responded to via ground stations, aircraft relays, or satellite relays. The missiles themselves can be given the command to launch from airborne command posts if the underground centers have been cut off or destroyed.

At present these quick and reliable communications permit the ICBM force to offer the widest variety of nuclear attacks for Presidential or military choice. The missiles can be re-targeted within 36 minutes, with the guidance instructions of each selected from a hundred different attack plans. In this way the force as a whole offers considerable flexibility. It should be noted, nevertheless, that part of the need for this flexibility derives from the expectation that many ICBMs might be destroyed by an attack on their silos. The surviving missiles would then have to be retargeted in order to distribute their nuclear weapons more efficiently. Flexibility in targeting is also thought to be useful for fighting "limited" nuclear wars, although the idea that a nuclear war will remain limited is probably an illusion.

Accuracy. Half the nuclear weapons carried by Minuteman III missiles are expected to land within about 600 feet of their targets. These accurate nuclear weapons would be useful against hardened (blast-protected) targets, which might include command-and-control posts, shelters for high ranking personnel, aircraft shelters, nuclear storage bunkers, surface-to-air missile sites, some industrial plants, and ICBM silos and control centers. Most of these targets will also be vulnerable to U.S. cruise missiles when they become available.

Rapid Delivery. Not only are ICBMs very accurate, but they can hit their targets within a half hour of being launched—and the launching of all of them can be highly coordinated.

What about Nuclear Blackmail? What would happen if the Soviets retained their 1400 land-based missiles while the U.S. had none? If we get rid of our ICBMs would some Germans or Japanese or Americans feel that the Soviets could push us around? In military terms, the absence of U.S. ICBMs would not make a difference, for nuclear war means mutual destruction. But might the Soviets think that if we had no ICBMs (despite the thousands of nuclear weapons on our submarines and bombers) they could then blackmail the U.S. in ways they could not before? Would the American President back down in the face of Soviet threats? Would the Germans and the Japanese, no longer trusting the U.S. nuclear deterrent, begin making their accomodations with the Soviets?

The Soviets understand that a nuclear weapon delivered by a bomber or a submarine-launched missile explodes in the same way as one delivered by an ICBM. Either our retaliatory forces can inflict enough damage to make nuclear war unthinkable for Soviet leaders, or they cannot: the mode of delivery is secondary. If some people do not grasp this fact, then the answer is to provide them with better information, not to construct costly new forces for the sake of appearances.

What can be done with the other nuclear delivery systems?

With the ICBMs becoming vulnerable and therefore obsolete, we must ask: (1) can we maintain adequate command and control over sea-based missiles and our bombers?, (2) can these systems deliver enough weapons to the right kinds of targets to keep up nuclear deterrence?, (3) can the U.S. maintain the survivability of these systems? The answer to all three questions is "Yes".

Command and Control. The kind of command and control needed depends on the kind of nuclear war that might be fought. A closely controlled "counterforce" war in which the U.S. is attempting to disarm the Soviet Union in a highly coordinated attack requires more central and continuous control than a retaliatory attack intended to inflict general damage. It is simply unrealistic, however, to think that the U.S. could maintain such a counterforce capability for any length of time: the Soviets can negate such a strategy by making their own ICBMs mobile.

How do we communicate with our bombers and submarines? Radio messages from ground stations, aircraft, or satellites can order bombers to take off and head toward the Soviet Union. Detailed coded instructions about which of their contingency plans to execute can also be radioed. A few hours later, radio messages can be sent telling them to continue into Soviet airspace and on their targets (presumably the absence of a confirming message causes the bombers to turn back). Since bombers on their way to the Soviet Union would probably not be in the vicinity of nuclear explosions, they may have an easier time receiving and acknowledging messages than ICBM control posts which may be under nuclear attack which would disrupt atmospheric conditions. The main problem with the command and control of bombers is that decisions must be made during the few hours in which they are in transit to the Soviet Union (still, with aeriel refueling they might go into holding patterns for a while). Invulnerable ICBM's would not have this problem, but vulnerable ICBM's would reduce decision time to minutes.

As with bombers, land-based radio stations and satellites can relay messages to submarines. An alternate means of communications in the event of war is expected to be the TACAMO aircraft. These C–130 aircraft fly to the general vicinity of the submarines and transmit messages with a powerful and jam resistant very low frequency (VLF) radio signal. Detailed target orders for the missiles can be teletyped to the submarines in this way. Thus submarines could be used to execute even limited nuclear options if the President wished.

The main difficulty in communicating with submarines is that they must come very close to the surface of the water and trail an antenna buoy to receive VLF or higher frequency radio messages. Near the surface, they are more vulnerable to detection and destruction by enemy anti-submarine forces. The Navy is experimenting with and planning to put into use an extremely low-frequency (ELF) radio transmitter which could alleviate this problem. An ELF system would allow the Navy to indicate with brief encoded messages when and where the submarine should approach to surface to receive a more detailed message. Since the detailed message could be transmitted at high speed, the submarine would then need to be exposed to detection for only a matter of minutes.

Kinds of Weapons. The more we plan for a "counterforce" (disarming) first or second strike against the Soviet Union, the greater will be the demand for fast-launched and accurate weapons. For other hardened targets, our bombers can deliver hundreds of nuclear weapons that are larger and just as accurate as ICBM-delivered weapons. In addition, the U.S. plans to put into operation air-launched cruise missiles which will be twice as accurate as our newest ICBM weapons.

Today's Poseidon SLBM's are as accurate as our older ICBM, the Minuteman II. The new Trident I missile will be at least that accurate. By the end of the 1980's, the U.S. could, if it so desired, deploy Trident II SLBM's that could be as accurate as any ICBM. In fact, such a highly accurate SLBM would pose a threat to the Soviet ICBM force.

By the mid-1980's, the U.S. is planning to add more cruise missiles to its strategic nuclear forces than it now has ICBM-delivered nuclear weapons. In other words, we could dismantle our entire 2100-weapon ICBM force and still have hundreds more nuclear weapons trained on the Soviet Union than we have today.

In sum, under current plans we could do away with our ICBMs in the next six or eight years and still cover the targets we can now reach. Further force changes now under development could permit us by the end of the 1980's to cover more targets of all kinds than we can today with forces that include ICBMs.

Survivability. But could the combination of air-launched and sea-launched weapons survive a Soviet attack and deliver a devastating retaliatory blow to the Soviet Union? There is little question that today our submarine and bomber forces would survive a Soviet first strike and be able to retaliate with enormous force. The question is, can this capability be maintained into the foreseeable future? Let us look at the present situation of the two delivery systems and at how they might be adapted to meet future threats.

Bombers. Our B-52 and FB-111 bombers are today maintained at a 30 percent alert rate: within five minutes of being warned, nearly 120 bombers and the necessary refuelling tankers could be taking off and getting out of the way of a nuclear attack on their bases. In the event of an international crisis (much more likely a prelude to war than a period of calm relations), a much higher alert rate could be maintained and many more bombers would be safe from attack.

In penetrating the Soviet Union, our bombers would face heavy defenses, including surface-to-air missiles and jet interceptors. The bombers, however, carry nuclear-armed short-range attack missiles (SRAMs) to suppress Soviet defenses. They also possess highly sophisticated (and constantly improving) electronic counter measures (ECM) to jam and confuse enemy defense radars. Billions have been spent and are yet planned to be spent on improving the ability of the bombers to penetrate the Soviet Union. Some estimates indicate that today about 85 percent of our airborne bombers could get to their targets.

Future Soviet air defense measures might reduce our bomber penetration, but the Air Force is already preparing for that eventuality. It is planning to acquire over 3,000 air-launched cruise missiles (ALCM). These missiles can be launched from bombers or from a future cruise missile carrier aircraft at points hundreds of miles outside the Soviet Union, fly close to the ground (beneath Soviet radar defenses), and deliver a 200-kiloton nuclear explosive to within 300 feet of the target. Recent tests have shown that the present Soviet air defense network would be useless against this missile.

If the Soviet Union were to spend about $50 Billion on a new system airborne radars, new interceptor planes, and better surface-to-air missiles, they might have a chance against the ALCM. By then, however, the U.S. could have the advanced strategic air-launched missile (ASALM), which will be faster and better able to avoid and confuse Soviet defenses.

Submarines. On the average, about 28 of our 41 missile launching subs are at sea and ready to strike the Soviet Union with about 3,600 nuclear weapons. Submarines in port are vulnerable to nuclear attack, but, with a few hours warning, many of them can also be at sea. A disarming strike on this SLBM force would require the Soviet Union to locate and destroy most or all of these submarines almost simultaneously. No one today can see how this could be done.

Even so, the U.S. is taking measures further to enhance the invulnerability of the submarine force. The new Trident I missile to be installed on twelve of our present Poseidon submarines and on the new Trident submarine will extend the striking range of the subs from 2500 to 4000 nautical miles, thus greatly expanding the areas of ocean in which they can escape detection. The deployment of extremely low frequency (ELF) communications system will reduce the time the submarines must spend in exposed positions near the surface to receive messages. The Trident submarines will be even quieter (thus less detectable by sonar) and will stay at sea longer than present submarines.

If the Soviet Union were to expand greatly its antisubmarine warfare forces in a way that appeared threatening, there are protective options open to the United States. For example, with longer range missiles, U.S. submarines could cruise off the U.S. continental shelves, from which U.S. anti-submarine forces could exclude Soviet hunter-killer submarines. From the northeast continental shelf, the new Trident I missile with its range of 4000 nautical miles could deliver a full payload of weapons to such important Soviet cities as Moscow, Kiev, and Leningrad. By carrying a somewhat lighter weapons load, the Trident I could reach any target in the Soviet Union from either the northwest or the northeast U.S. continental shelf. On the drawing board is the Trident II, which would not even have to sacrifice payload to reach all Soviet targets from the U.S. coasts.

Submarines that would operate near U.S. coasts need not be as large and sophisticated as the new and costly Trident submarine. They would have less need for long operating ranges and for the speed, quietness, sensors, and weapons necessary for self-defense. For 1979 the Congress authorized $3,000,000 for the study of less expensive alternatives to the Trident submarine.

Once launched, would our SLBMs get through? Most U.S. SLBMs have been equipped with multiple nuclear warheads—a measure taken in part to make sure the weapons would penetrate potential Soviet missile defenses. With the exception of a modest 64-missile ABM force near Moscow, the Soviet Union has no defenses against ballistic missiles. Since 1972, missile defenses have been limited by a treaty between the U.S. and the U.S.S.R. The United States is also experimenting with maneuverable reentry vehicles which could evade defenses if they existed, but these will probably be unnecessary.

SUMMARY

Even without ICBMs, present and projected U.S. nuclear delivery systems are clearly sufficient to deter rational Soviet leaders from unleashing a nuclear war. Some believe that we could make U.S. willingness to resort to or risk nuclear war more believable if we were to build a new ICBM force that would be more threatening to Soviet ICBM forces. An ICBM force that could destroy Soviet missiles in their silos would, in this view, be more intimidating to the Soviet Union, especially if coupled with a U.S. civil defense effort which mitigated the effects of a Soviet SLBM retaliation. This sort of advantage over the Soviets, however, would be short-lived. They would surely adopt means of avoiding the danger of such a disarming attack—either land-based mobile missiles or larger SLBM forces would be logical choices. Our strategic nuclear forces can never be used to make truly credible threats to deter other actions than a nuclear attack on us. If such threats were ever possible, it was when the U.S. had a nuclear monopoly and a nuclear war between us and the Soviets would have been one-sided. That situation is gone forever.

ICBMs Offer the Enemy a Target, But Don't Change the Outcome of Nuclear War

(Here are two descriptions of nuclear wars postulated to take place in 1985. Each is based on the premise of a Soviet first strike on the U.S. and each assumes that the U.S. "rides out" the attack—does not launch its ICBMs under warning.)

FIRST SCENARIO: A SOVIET SURPRISE ATTACK*

Zero Hour H: U.S. reconnaissance satellites detect the launching of Soviet ICBMs toward the U.S. The North American Defense Command in Colorado Springs passes the information to the President and to military commanders.

H+10 minutes: About 120 alert B-52 and FB-111 bombers begin to take off within five minutes of being warned of the probable attack. Several Navy TACAMO aircraft take off, joining those already on airborne alert. They fly to positions over the oceans which allow them to relay very low frequency radio messages to our ballistic missile submarines. On land the extremely low frequency (ELF) radio station begins to alert the submarines at sea to be ready to approach the surface briefly at pre-arranged times to receive emergency orders.

H+15 minutes: The President flies to Andrews Air Force Base, where he will board the National Emergency Command Post (a special Boeing 747). Air Force generals in Omaha take off in their own Airborne Command Post.

H+30 minutes: Soviet nuclear weapons begin exploding on U.S. ICBM silos, B-52 bomber and tanker bases, submarine ports, military headquarters, and other military facilities, including communications centers. Meanwhile, 120 U.S. bombers fly toward the Soviet Union while 27 ballistic submarines are safely hidden at sea.

H+2 hours: The attack on U.S. military targets is largely completed. From their airborne command posts, the President and his generals use the Minimum Essential Emergency Communications Network and a satellite sensor system (which detects nuclear explosions) to assess the results of the attack. Ninety percent of our 1054 ICBMs have been destroyed; the remaining 100 or so missiles are temporarily retained as a reserve force.

H+3 hours: The bombers en route to the Soviet Union are radioed positive orders to proceed. Ten nuclear submarines are given their firing orders.

H+5 hours: About 1280 of the 1600 nuclear weapons carried by missiles launched from the first ten U.S. subs begin to explode on military targets in the Soviet Union. All submarine bases, many airfields, and numerous surface-to-air missile sites are destroyed.

H +8 hours: Short-range attack missiles from some of the U.S. bombers begin a further attack on Soviet air defenses. Thanks to the earlier attacks and to sophisticated electronic countermeasures to Soviet defense radars, about 80 percent of the 1600 U.S. bombs and air-launched cruise missiles explode on Soviet military facilities over the next 4 hours. Of a list of 1300 military targets, over 90 percent will be destroyed by the combination of submarine-launched missiles, short-range attack missiles, bombs, and air-launched cruise missiles.

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*The number of targets and levels of destruction given in these scenarios are derived from studies published by the Congressional Budget Office and the U.S. Arms Control and Disarmament Agency.

H +9 hours: Unable to determine in advance whether the highly accurate U.S. bombs and cruise missiles will be aimed at their remaining ICBMs, the Soviets launch these missiles against the U.S.

H +9 hours, 30 minutes: Soviet nuclear weapons begin to destroy industrial plants in hundreds of U.S. cities. About 2000 weapons, ranging from 1 to 20 million tons of TNT in explosive power each, detonate over the U.S. in the next 2 hours.

H +12 hours: Surviving U.S. bombers head back for their U.S. recovery airfields. The results of the second Soviet attack, that on U.S. cities, are assessed aboard the airborne command post of the President. He orders a full retaliation against Soviet cities and the message is relayed to the missile-launching submarines.

H +13 hours: As orders are received another 1500 nuclear weapons are launched from submarines. These are aimed at Soviet industrial centers, but will at the same time destroy hundreds of cities.

RESULTS

After this retaliation, the U.S. has at sea a reserve of about 1000 nuclear weapons, as well as another 200 on its remaining land-based ICBMs. There are probably no airfields remaining capable of reloading returning B–52s for new attacks.

The Soviet Union now has a reserve of about 375 nuclear weapons on ICBMs and about 180 on sea-based missiles. There will not be much point in fighting further, however, for both societies have been destroyed as military and economic entities.

In the United States, around 120 million people are dead or dying. Seventy-five per cent or more of U.S. industrial capacity is destroyed. Hundreds of cities are demolished. No significant military bases remain.

In the Soviet Union, virtually all of 1300 military targets have been destroyed. About 70 percent of Soviet industry is eliminated. From 60 million to 94 million people are dead or dying.

In both countries, tens of millions more are injured. Medical care is almost non-existent and many more will die. Food and water are hard to find and redistribution of supplies is impossible because of the destruction of all major transportation centers. Lingering radiation and damaging ultraviolet radiation from the sun (no longer screened out by an ozone layer in the atmosphere) make life for the survivors increasingly difficult and hazardous.

SECOND SCENARIO: INTERNATIONAL CRISIS ESCALATES TO NUCLEAR WAR

Zero Hour H–2 weeks: A conflict of vital interests between the Soviet Union and the United States in the Middle East, Asia, or Europe leads to confrontation.

H–1 week: After a series of tense exchanges, the Soviets demand that the U.S. back down. The U.S. refuses and instead places all its military forces on alert. The Soviet Union follows suit and begins to take civil defense measures.

In the course of the Soviet alert, 44 submarines able to launch over 820 missiles carrying over 1300 nuclear weapons are put to sea. Ten of the submarines proceed toward the U.S. because their missiles will only reach 1500 miles. Several of these subs will be tracked and eventually destroyed by U.S. anti-submarine warfare forces.

The other Soviet subs can remain in more protected waters and will be safer from U.S. attack.

Eighty of the 100 new Soviet cruise missile-carrying bombers are on alert and will take off on 10 minutes' warning.

All Soviet strategic rocket forces are alerted, and it can be assumed that 80 percent of the 1270 ICBMs will fire as planned.

The United States, meanwhile, puts to sea 31 missile-launching subs, including 6 of the new Trident subs. Soviet anti-submarine warfare forces are ineffective against the U.S. subs. At regular intervals these subs surface briefly to rendezvous with TACAMO aircraft to receive detailed orders. Instead of the normal 120 bombers on alert, the U.S. has about 312 bombers ready to begin taking off on 5 minutes' notice. As usual, almost all the 1054 U.S. ICBMs are ready to be launched.

Zero Hour H: Convinced that war is inevitable, the Soviet Union launches 350 ICBMs. These are detected almost immediately by U.S. satellite observation.

H +6 minutes: Over 300 U.S. bombers and the necessary refueling tankers begin to take off.

H +20 minutes: The President in his Boeing 747 National Emergency Airborne Command Post takes off from Andrews Air Force Base.

H +30 minutes: Up to 2700 Soviet nuclear weapons begin exploding on U.S. ICBM fields, bomber bases, and submarine bases.

H +2 hours: The Soviet strike has destroyed 90 percent of U.S. ICBMs in their silos. The remaining 10 percent are held as a reserve.

H +3 hours: The Soviet Union broadcasts a message inviting the U.S. to negotiate rather than continue up the ladder of escalation.

H +4 hours: U.S. assessments of the attack lead to the estimate that it has left 20 million Americans dead or dying. The President declares that retaliation is unavoidable and orders the bombers in the air to proceed to the Soviet Union. The bombers are ordered to limit their attacks to military targets—naval bases, air bases, command centers, storage depots, barracks, others.

H +8 hours: U.S. bomber-launched short-range attack missiles and cruise missiles begin their assault on Soviet air-defense radars and missile sites. Owing to electronic countermeasures employed by the bombers, about 80% of the bombers and bomber-launched missiles eventually penetrate the remaining Soviet defenses.

H +8 hours, 15 minutes: Rather than lose their remaining ICBMs to a highly accurate U.S. bomb and cruise missile attack, the Soviets launch the bulk of their ICBM reserve of 920 missiles.

The Soviet Union also uses its medium and intermediate range nuclear armed missiles in western Russia to attack U.S. and other NATO air bases and nuclear weapons storage depots in Western Europe. The U.S. responds with strikes on military targets in the Western Soviet Union by F–111 bombers, A–6 attack aircraft from carriers, and recently deployed long-range Pershing II missiles.

H +9 hours, 15 minutes: The second Soviet ICBM attack devastates the U.S. with another 2500 nuclear weapons. Despite some attempts at the evacuation of cities, another 80–100 million (beyond the 20 million killed in the first attack) are killed. Orders for retaliation are relayed to U.S. missile-launching subs.

H +11 hours: As surviving U.S. bombers leave the Soviet Union, U.S. submarines begin launching their retaliatory strikes. Even though a thousand nuclear weapons are held in reserve, and even though about 20% of the missiles fired fail to reach their targets, 3000 nuclear weapons eliminates 95% of Soviet industry. Eighty percent of all Soviet cities with a population of over 25,000 suffer nuclear devastation. Depending on the degree of success of Soviet civil defense measures, 30 to 90 million Soviet citizens die immediately and millions more later.

In the next two days, Soviet submarines bombard the U.S. with another 700 nuclear weapons. No important city is left standing.

Long-term results are similar to those described at the end of the first scenario, only worse.

WHAT THESE SCENARIOS SHOW

Vulnerable U.S. ICBMs offer an inviting target to Soviet military planners. In the absence of these targets, the Soviets might be less prone to any illusion that a limited nuclear war could be fought or that they could control the pace of escalation from military to civilian targets. With or without U.S. ICBMs, the result of nuclear war would be mutual suicide.

Whether the U.S. has advanced warning of outbreak of the war or not, the outcome is nuclear holocaust for both sides.●

S. 344: THE LOUISVILLE COURIER-JOURNAL DISCUSSES BILLBOARD CONTROL

Mr. STAFFORD. Mr. President, the Louisville Courier-Journal recently carried an editorial discussing the sorry state of the present Federal effort to control the proliferation of highway billboards. The editorial terms the program a "beached whale" and "a welfare program for sign owners." The Federal effort, the paper notes, is "so weak and riddled with exemptions" that it has become useless.

While the editorial overstates the moneys that have already been spent on billboard removal—the figure is closer to $100 million than $1 billion—it must be noted that the potential cost of the present program is well in excess of that $1 billion figure.

I do not believe it is wise to spend some $1.3 billion to perpetuate a program designed simply to assure the continuation of substantial profits to the billboard industry. Nor is it wise to continue, as the law does, to intrude on the police powers of local government.

Mr. President, my bill, S. 344, would enable States to drop out of the program and to act as they see fit. Such a flexibility is needed to make billboard control realistic. I ask that this Courier-Journal editorial be printed in the RECORD.

The editorial follows:

[From the Louisville, Ky., Courier-Journal, Jan. 6, 1979]

THE WAR AGAINST BILLBOARDS IS STILL WAGED WITH BLANKS

Visual pollution doesn't cause cancer, at least so far as anyone has yet established. And the U.S. has far to go in controlling the kinds of pollution that do.

Thus it's not surprising that, despite the grand promise of the federal Highway Beautification Act of 1965 and subsequent legislation, the billboards still march across the countryside, their ranks thinned only slightly by barrages of federal or state laws that have been loaded mostly with blanks.

Courier-Journal stories last weekend described the low priority assigned by Kentucky and Indiana to enforcement of billboard restrictions. That approach, unfortunately, probably is more typical than otherwise of other states.

For that, the federal government must shoulder the largest part of the blame. The law, as amended at various times since 1965, is so weak and riddled with exemptions that one expert on the subject quite fairly describes it as the "billboard protection and compensation act." But both Kentucky and Indiana have been inexcusably weak in doing what is possible under the law.

The two states have erred in different directions. Kentucky has almost completed the purchases of "non-conforming" signs—those were erected before they became illegal. Its record, according to a General Accounting Office report, is the third best in the nation.

Indiana has done only 11 percent of that job. But Kentucky, according to the same agency, leads the nation in the number of illegal signs—those erected after passage of the law banning them. At last count, there were 14,983 of these signs along the major routes.

That's more than a violation of federal law. Kentucky hasn't yet taken the first step to enforce its own 1976 billboard law, which was supposed to complement the federal requirement. Nor has it any present intention of doing so. In fact, state officials say Congress may be about to scrap the entire Highways Beautification Act, and why spend money if the signs may go right back up next year or the year after? That's not sound reasoning. No law gives public officials the option of basing enforcement on which way the political winds are blowing.

But it is true that there has been little from Washington to inspire zeal in conforming with the law. The program for buying up old billboards is now stalled for lack of federal money. The Federal Highway Administration says $30 million has been authorized for the highway beautification program next year but only $13.1 million appropriated. Most of that will go for administration, leaving the taxpayer to wonder what's to be administered.

The program, it must be conceded, is a beached whale. More than a billion dollars has been spent to remove highway signs, yet more signs have sprouted as the old ones disappeared. In essence, it has been not much more than a welfare program for sign owners.

There is a better way, and it's not to repeal the law and let the nation's highways become a billboard jungle. The key is to serve the purpose without allowing visual anarchy. Many of the signs do present useful information to the traveler looking for food, fuel, or a place to spend the night. Something more informative than the "gas, food, lodging next right" rights is helpful to many motorists.

The law already permits making those signs more careful by identifying the gas stations, restaurants and motels at approaching interchanges. Little has been done to implement this provision, probably because it's so easy to ignore or circumvent the law. That approach may need refining or supplementing. But it's better than either legalized blight or depriving the traveler of helpful information.

CONSEQUENCES OF EXPLOSIVE POPULATION GROWTH

● Mr. TALMADGE. Mr. President, I have recently had the privilege of reading a highly provocative commentary on the problems that some countries face as a consequence of the continuing explosive population growth and a finite ability to produce food for their people. The commentary is by Dr. H. C. Harry Neufeld, director of the Richard B. Russell Agricultural Research Center of the U.S. Department of Agriculture at Athens, Ga., and appeared in the Research Reporter publication of the University of Georgia. I commend Dr. Neufeld's commentary to my colleagues and I ask that it be printed in the RECORD.

The commentary follows:

VIEWPOINT: WAITING FOR A MORAL ALTERNATIVE

It took from the dawn of time until 1830 for the world's population to reach 1 billion; in just 100 years (1930) it reached 2 billion; in 30 more years (1960) it reached 3 billion; and in just 15 years (1975) we had become 4 billion people. Today at a population increase rate of 172 per minute, we are at 4.5 billion. The latest estimate is that world population will increase 56 percent by the year 2000, giving us 6.5 billion at that time. Scientists do not agree as to whether we can feed that many people with the resources that can be produced on this planet. Moreover, when we extend the time to about 30 years from now—by then the world's population will have doubled. That means that in the next 30 years man must produce as much food again as he has produced since the dawn of time.

It is certainly not true that we can produce enough food to feed many times the present world population with our advanced technology and available land. The available land is very limited . . . 70 percent of the earth's surface is under water. An estimated 18 percent of the remaining 30 percent is mountains, rocky areas, deserts, jungles, prairies and marshland. Out of this balance of 12 percent, about 6 percent is land in regions either too hot and dry, or too cold and wet to be useful for agricultural purposes.

This leaves a mere 6 percent of land for agriculture. To be sure, some more land could be added by reclaiming it from the shores of oceans and big lakes as has been done in the past in some parts of the world. And more and better fertilizers would increase yields. However, all these measures have their ultimate limitations. Just as any container can accommodate only as much as its volume, the world also has its ultimate limitations.

We frequently hear it said that the world's peoples are suffering from a protein shortage. We see the effects of this when we see pictures of malnourished children in Africa, Asia and other parts of the world, their swollen bellies a sharp contrast to their bony arms and legs. It isn't a pretty picture. Their diets are not only small in quantity, but the protein levels of their foods are too low to build healthy bodies.

A term used at least as early as the Napoleonic Wars is creeping more and more frequently into the debate on the food crisis. This term is triage. Originally, triage referred to the medical disaster strategy of dividing casualties into three categories: those with superficial wounds, those badly injured but capable of surviving if given medical help, and those hopeless cases on whom limited medical manpower and supplies would be wasted.

Some people are now calling for a triage-type application in aid policies toward economically underdeveloped countries. This would involve a clear-cut listing of those that have enough food or foreign exchange to feed their people—Thailand and the oil-producing countries are examples. Countries such as Pakistan and the Philippines have a manageable imbalance that can well be corrected with food and financial assistance. But finally, there are those countries that purportedly "can't be saved." In these countries, according to triagists like William and Paul Paddock, population has already outstripped agricultural potential. This, combined with "other divisive factors, makes catastrophic disaster inevitable." Bangladesh and several of the Sahelian countries have been given as examples.

For the record, triage, when applied to the population problem, absolutely requires two assumptions: (1) that population has exceeded the world's food supply, and (2) that some country, at that time, has a surplus of food that is insufficient to make up the difference between supply and demand.

If both of these situations should occur at the same time, of course, people will die. Nothing on earth can prevent that, but the country with the small surplus is faced with 'playing God.' It is, in fact, *forced* to play God; there is no alternative. What should it do with its small surplus? Keep it? Throw it away? Sell to the highest bidder? Bolster a friendly dictator? Some decision must be made, but on what basis? The concept of triage is that the decision should be based on helping those who can best be helped, because it is impossible to help everyone.

Triage has been widely denounced as immoral. We are still waiting to hear—from anyone—of an alternative to triage which is moral.●

THE PUBLIC BUILDINGS COOPERATIVE USE ACT: THE PUBLIC BEGINS TO USE THE J. EDGAR HOOVER FBI BUILDING

● Mr. STAFFORD. Mr. President, the J. Edgar Hoover FBI Building on Pennsylvania Avenue here in Washington, D.C., has come to epitomize, for many people, the cold, public-keep-out atmosphere of too many Federal office buildings. It is the perfect building for a careful review of possible mixed commercial-Federal usage, as encouraged by the Public Buildings Cooperative Use Act.

Over the past couple of years, I have had periodic correspondence with the FBI, urging that certain, nonsensitive areas of the Hoover Building be opened to more public use. This would include the courtyard, auditorium, and other ground-floor space.

Just last week I received an update on this from Director Webster. I am very pleased to note that the agency is moving forward on the concept espoused in the Cooperative Use Act. I am particularly encouraged that the agency is exploring the possibility of shops on the building's first floor facing Pennsylvania Avenue. This forward-looking attitude by the FBI should serve as sound guidance to other agencies, particularly the General Services Administration.

I ask that the letter be printed in the RECORD.

The letter follows:

FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., March 30, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 19, 1979, supporting our enhanced use of the Hoover Building's courtyard area. I am pleased to update our progress in this area for your information.

My initial determination with respect to the use of the courtyard was to identify the need for seating to make the area more attractive to people. I asked that a study be conducted to determine suitable permanent seating consistent with the present architecture and landscaping. When it became apparent that permanent seating would require approximately two years to design and construct, I approved the acquisition of attractive redwood benches to fill this need temporarily. They have received extensive use, both by the public and FBI employees, especially when the weather is pleasant. The presence of people in the courtyard has done much to humanize the atmosphere. In the meantime, we have requested a permanent design proposal from GSA and expect to receive it in the near future.

Our FBI courtyard concert series met with considerable success last year, and we have planned an ambitious schedule for this year as well. Last summer we had six noon-hour concerts in the courtyard, including the Munich Police Choir, the Marine Corps Drum and Bugle Corps and Silent Drill Team, and the Ambassadors, a big band entertainment group. In December the FBI Recreation Association sponsored a Christmas concert and program, featuring the Cardozo High School Male Chorus. Our tentative 1979 schedule presently includes nine concerts beginning in the latter part of April.

Your letter correctly notes that we have had discussions with GSA and the Pennsylvania Avenue Development Corporation exploring ways to make the Hoover Building an integral part of the planned Pennsylvania Avenue Redevelopment Project. This may include the rental of commercial space on the ground floor of the Hoover Building, and I have received an impressive briefing as to the potential for such development in our building.

In view of the unique activities which take place in our building, there are security problems which must be evaluated before such a proposal could be implemented. I have, therefore, ordered a detailed security assessment of the impact on FBI operations in placing shops in this space. When this study is completed, we will be able to discuss this proposal more fully with GSA.

I appreciate your encouragement of our efforts and assure you of my continued interest and support for these projects.

Sincerely,

WILLIAM H. WEBSTER,
Director.●

PARTICIPATION IN THE FOOD STAMP PROGRAM

● Mr. TALMADGE. Mr. President, last month the Committee on Agriculture, Nutrition, and Forestry submitted its veiws and recommendations on the Federal budget for fiscal year 1980 to the Committee on the Budget as required by section 301(c) of the Congressional Budget Act of 1974.

During our discussions, a question arose as to the proper application of section 18(b) of the Food Stamp Act of 1977 if the actual appropriations available for any fiscal year are insufficient to provide the level of assistance otherwise required to be afforded all individuals eligible to participate in the food stamp program.

Both the Acting General Counsel of the Department of Agriculture and the Deputy Comptroller General of the United States have concluded that, when reductions in the value of food stamp allotments are required under section 18(b) of the act, the Secretary of Agriculture must direct State agencies to make such reductions across-the-board on a pro rata basis. The act, as now written, does not, in their opinion, afford the Secretary the discretion or flexibility to reduce the value of allotments in any other manner.

Mr. President, I ask that the text of the opinions of the Acting General Counsel and the Deputy Comptroller General be printed at this point in the RECORD.

The material follows:

WASHINGTON, D.C.,
March 16, 1979.

Subject: Food Stamp Act of 1977, Section 18(b).

To: Carol T. Foreman, Assistant Secretary.

This responds to your informal request for our opinion concerning implementation of section 18(b) of the Food Stamp Act of 1977. Section 18(b) reads as follows:

"(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set herein, the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection." (7 U.S.C. 2027).

While the statute is not specific as to the method by which the Secretary would be required to reduce the value of allotments, we believe that a close reading of section 18(b), as well as other provisions of the Act, leads to the conclusion that any reduction should be accomplished on a pro rata basis. Any other position would be most difficult to defend in a court or other competent tribunal.

The first sentence of section 18(b) provides that the Secretary shall "limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year." The second sentence, dealing with reduction if necessary, commands the Secretary to direct State agencies "to reduce the value of *such* allotments" (underscoring supplied). Significantly, the statute does not speak of eliminating some allotments but of reducing the value of *all* allotments. Further, section 18(b) provides that the value of the allotments shall be reduced only "to the extent necessary to comply with the provisions of this subsection." Anything other than a pro rata reduction would appear to go beyond this restriction.

Moreover, the Act in detailed manner sets forth eligibility standards in sections 5 and 6, and requires that "assistance under this program shall be furnished to all eligible households" (sec. 5(a); see also section 2, Declaration of Policy). Section 5(c) provides that the income standards of eligibility shall be the nonfarm income poverty guidelines prescribed by the Office of Management and Budget. Section 5(d) provides that household income for purposes of the food stamp program shall include all income from whatever source excluding only ten categories of items. Section 5(e) provides that in computing household income the Secretary shall allow a standard deduction of $60.00 (subject to semi-annual adjustments based on the Consumer Price Index). Additional deductions for earned income, dependence care and excess shelter costs are also specified. Section 5(g) sets forth specific requirements for the Secretary to follow in prescribing the types and allowable amounts of financial resources an eligible household may own.

Section 3(o) of the Act defines "Thrifty Food Plan" and provides that "The cost of such diet shall be the basis for uniform allotments for all households." Section 8(a) provides that "The value of the allotment which the State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty fund plan reduced by an amount equal to 30 per centum of the household's income as determined in accordance with section 5 of this Act".

Elimination of allotments to some eligible households, or the reduction of some allotments more than others, based on categories of eligible households or other criteria, appears contrary to the framework of the Act and incompatible with the requirements of the Act, in the event a reduction in the value of allotments becomes necessary.

With respect to when the Secretary would be required under Section 18(b) to direct reductions in the value of allotments, the section directs the Secretary to do so when he finds that the allotment requirements of participating States for any fiscal year will exceed the appropriation for such fiscal year. The Secretary would be expected to make such a finding at such time as he has information reasonably leading him to the conclusion that it is necessary to act in order to avoid exceeding the statutory limitation.

NORMAN L. PLOTKA,
Acting General Counsel.

WASHINGTON, D.C.
April 3, 1979.

Hon. EDMUND S. MUSKIE,
Chairman, Committee on the Budget,
U.S. Senate.

DEAR CHAIRMAN MUSKIE: This is in further response to your request for our opinion on the program implications of maintaining the appropriation authorization limitations for FY 1980 and FY 1981 now imposed on the food stamp program by sections 4(a) and 18 of the Food Stamp Act of 1977 (Act) title XIII of Pub. L. No. 95–113, approved September 29, 1977, section 1301, 91 Stat. 961, 979, to be codified at 7 U.S.C. §§ 2011 *et seq.* You were specifically concerned with the method to be used in implementing subsection 18(b) of the Act, 7 U.S.C. § 2027(b).

Under subsection 18(b), the Secretary of the Department of Agriculture (Department) is directed to limit the value of all allotments issued to amounts not in excess of the total appropriation for the fiscal year in question. If at any time, he finds that the requirements of participating States are likely to cause him to exceed the limitation he set if the program continues at the same rate.

"* * * the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection."

The question is on what basis may the reduction be accomplished.

The position of the Department is that—

"* * * a close reading of section 18(b), as well as other provisions of the Act, leads to the conclusion that any reduction should be accomplished on a pro-rata basis. Any other position would be most difficult to defend in a court or other competent tribunal.

"The first sentence of section 18(b) provides that the Secretary shall 'limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year.' The second sentence, dealing with reduction if necessary, commands the Secretary to direct State agencies 'to reduce the value of *such* allotments' (*underscoring* supplied). Significantly, the statute does not speak of eliminating some allotments but of reducing the value of *all* allotments. Further, section 18(b) provides that the value of the allotments shall be reduced only 'to the extent necessary to comply with the provisions of this subsection.' Anything other than a pro-rata reduction would appear to go beyond this restriction.

"Moreover, the Act in detailed manner sets forth eligibility standards in sections 5 and 6, and requires that 'assistance under this program shall be furnished to all eligible households' (sec. 5(a); see also section 2, Declaration of Policy). Section 5(c) provides the income standards of eligibility shall be the nonfarm income poverty guidelines prescribed by the Office of Management and Budget. Section 5(d) provides that household income for purposes of the food stamp program shall include all income from whatever source excluding only ten categories of items. Section 5(a) provides that in computing household income the Secretary shall allow a standard deduction of $60.00 (subject to semi-annual adjustments based on the Consumer Price Index). Additional deductions for earned income, dependent care and excess shelter costs are also specified. Section 5(g) sets forth specific requirements for the Secretary to follow in prescribing the types and allowable amounts of financial resources an eligible household may own.

"Section 3(o) of the Act defines 'Thrifty Food Plan' and provides that 'The cost of such diet shall be the basis for uniform allotments for all households.' Section 8(a) provides that "The value of the allotment which the State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty fund [food] plan reduced by an amount equal to 30 percentum of the household's income as determined in accordance with section 5 of this Act.'

"Elimination of allotments to some eligible households, or the reduction of some allotments more than others, based on categories of eligible households or other criteria, appears contrary to the framework of the Act and incompatible with the requirements of the Act, in the event a reduction in the value of allotments becomes necessary."

Another viewpoint was expressed by the minority counsel to the House Committee on Agriculture, in a letter to Senator Helms, member of the Committee on Agriculture, Nutrition, and Forestry. He maintains that the imposition of a pro rata reduction in allotments is not the only interpretation to be made of subsection 18(b). He states that—

"* * * I am of the opinion that section 18(b) may be subject to an interpretation that the Secretary has certain flexibility in how he may reduce food stamp allotments. One might question the viability of a legal interpretation that argues that if Congress were not to increase the authorization 'cap' for fiscal year 1980 and that reductions in allotments had to be made, it was Congress' sole intention that every food stamp recipient's allotment be reduced by a pro rata amount. One might also question whether it is reasonable to assume that a Secretary of Agriculture, who must after all implement such a reduction based on his own interpretation, would not interpret such a section if faced with that hard decision so as to effect a just and equitable result, not necessarily that calling only for an inflexible pro rata reduction.

"I submit that the pro rata interpretation of section 18(b) is not the sole, inescapable interpretation of section 18(b). I submit that another interpretation allowing flexibility for the Secretary to use existing funding for other than pro rata reductions can be argued to be reasonable, legally justifiable, and one that gives effect to the legislative intent of Congress in enacting the Food Stamp Act of 1977."

Subsection 18(b) of the 1977 Act is modeled, in part, on subsection 16(b) of the Food Stamp Act of 1964, 7 U.S.C. § 2025(b) (1976). That subsection read as follows:

"(b) In any fiscal year, the Secretary shall limit the value of those coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred to the separate account under the provisions of subsection (a) of this section. If in any fiscal year the Secretary finds that the requirements of participating States will exceed the limitation set forth herein, the Secretary shall direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection."

Since the program was adequately funded in the past, we were informally advised that the Department was never required to direct State agencies to reduce the amount of coupons issued to participating households. Therefore, it does not have any practical experience in implementing the above provision.

Subsection 16(b), which was in an earlier version of the bill (H.R. 7940) to amend the Food Stamp Act of 1964, was deleted by the House Committee on Agriculture because under subsection 16(b)—

"* * * if the funds are not transferred to the separate account in advance, the Secretary, pursuant to section 16(b), would be forced to halt the issuance of bonus food stamps by the states (he could continue to allow them to issue food stamps in the exact value of the charges collected for such stamps) or else, as provided by the second sentence of section 16(b), 'direct State agencies to reduce the amount of such coupons to be issued to participating households to the extent necessary to comply with the provisions of this subsection.'" H. Rept. No. 95–464, 95th Cong., 1st Sess., 415 (1977).

Subsequently, subsection 18(b) was adopted in Conference. The House Conference Report, H. Rep. No. 95–999, 95th Cong., 1st Sess., 203 (1977), does not provide any insight on the mechanics of implementing subsection 18(b).

As the House Agriculture Committee minority counsel points out in his letter, subsection 18(b), in and of itself, is not restrictive. That subsection does not specifically say that reductions in allotments must be made on a pro rata basis. As he points out, our Office has generally held that where an appropriation act is not specifically directive, it is assumed that the Congress intended the agency to have flexibility in carrying out the statutory purposes. But subsection 18(b) is not part of an appropriation act. It is part of permanent substantive legislation, the Food Stamp Act of 1977, which among other purposes, makes extensive amendments to the existing food stamp program. Subsection 18(b) must therefore be read in context.

Read as a whole, the Act is quite restrictive. While it is true, as the minority counsel states, that the legislative history of the Act "is replete with expressions of concern for the poor, the elderly, and the disabled," these concerns are reflected in the intricate income standards and eligibility criteria of sections 5 and 6. Once a household is determined to be eligible for an allotment on the basis of uniform national standards, the Department is required to furnish such a household with assistance if it applied for participation under the program. (Section 5(a).) This is one reason that the necessary reduction cannot be accomplished by eliminating one category of otherwise eligible participants altogether.

If reduction were possible other than on a pro rata basis, it might be possible to, in effect, eliminate one category of participants by providing only nominal support—thus complying with section 5(a) in a literal sense but indirectly thwarting its intent. The Act makes no distinction between households composed of students, strikers, the disabled or the elderly. The eligibility standards set forth in sections 5 and 6 of the Act are based solely on the income and financial resources of households. The "limited purchasing power of low-income households" and the "hunger and malnutrition among members of such households" is the Act's primary concern. 7 U.S.C. § 2011.

The most persuasive argument in favor of a pro rata reduction is the language of sections 8(a) and 3(o) of the Act. Section 8(a) sets forth the formula that is to be used in determining the value of allotments that may be issued to eligible households as follows—

"The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible in the food stamp program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 of the Act * * *."

The "thrifty food plan" is defined in section 3(o) as:

"* * * the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty-four, a child six through eight, and a child nine through eleven years of age, determined in accordance with the Secretary's calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition * * *."

It is clear that permissible variations, based on income considerations, have already been included in the formula.

Further, under section 3(o), the Act provides that the cost of the "thrifty food plan" diet "shall be the basis for *uniform allotments* for all households regardless of their actual composition." (Emphasis added.) In our view, this language dictates the basis for any determination of "value." Allowing the Department flexibility to reduce the value of allotments on any other basis would defeat the purposes of the sections discussed above. Thus, we agree with the Department of Agriculture that allowing reductions in allotments under subsection 18 (b) on other than a pro rata basis would be contrary to the framework of the Act.

We trust that this answers your questions satisfactorily.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General

● Mr. TALMADGE. Mr. President, the Department of Agriculture recently announced that preliminary estimates show that 17.8 million persons participated in the food stamp program in January 1979, an increase of 1.7 million over the previous month. The rate of increased participation and costs of the program are a matter of concern to me and the other members of the Committee on Agriculture, Nutrition, and Forestry. In order that we may have better information on the increase in participation and the implementation of the Food Stamp Act of 1977, I have asked the Secretary of Agriculture to supply answers to a series of questions.

I ask that the text of my letter to the Secretary be printed in the RECORD.

The letter follows.

WASHINGTON, D.C., *April 9, 1979.*

Hon. BOB BERGLAND,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I understand that food stamp program participation increased from 16.1 million persons in December 1978 to 17.8 million persons in January 1979. I also understand that the Department's preliminary data for February 1979 indicate an increase of 1.1 million participants over January 1979, bringing participation up to 18.9 million persons. The Congressional Budget Office states that, after seasonal adjustments were computed, food stamp program participation increased by 10 percent in January 1979 and 5.8 percent in February 1979.

Although the Food Stamp Act of 1977 was not fully implemented in January and February 1979, these new participation figures and the increased costs of the food stamp program are a matter of concern to me and the other members of the Committee on Agriculture, Nutrition, and Forestry.

In order that we may have a better understanding of what is taking place, I would appreciate your providing answers to the following questions, along with any other detailed information you believe would be helpful:

(1) Why did the Administration implement the elimination of the purchase requirement prior to implementing the other provisions of the 1977 Act that established more restrictive eligibility standards?

(2) How many of the new participants who came into the program in January and February 1979 does the Administration estimate will be removed from the program by July 1, 1979 (when the more restrictive eli-

gibility standards of the 1977 Act are due to be implemented fully)?

(3) Would it be accurate to attribute all of the increased program participation in January and February 1979 to the elimination of the purchase requirement?

(4) What level of participation is the Administration projecting for the period March 1 through September 30, 1979? How much of this increase in participation should be attributed to the elimination of the purchase requirement and how much to food price inflation and unemployment? What amount of appropriations does the Administration now believe will be necessary to provide sufficient funding for the program for fiscal year 1979?

(5) What portion of the increased funding requested by the Administration for the 1980 program should be attributed to the elimination of the purchase requirement and what portion of food price inflation and unemployment?

With every good wish, I am

Sincerely,

HERMAN E. TALMADGE,
Chairman.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD the 11 notifications I have just received.

The notifications follow:

WASHINGTON, D.C., *April 9, 1979.*

In reply refer to: I-9111/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-24 concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $14.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79-24]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value: Major defense equipment,* $13.5 million; other, $0.5 million; total, $14.0 million.

(iii) Description of articles or services offered: One hundred (100) M113A1 armored personnel carriers.

(iv) Military department: Army (UWX).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

WASHINGTON, D.C., *April 9, 1979.*

In reply refer to: I-7292/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-25 concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $14.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79-25]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.

(ii) Total estimated value: Major defense equipment*, $13.8 million; other, $0.5 million; total, $14.3 million.

(iii) Description of articles or services offered: Eighteen (18) M109A2 155mm self-propelled howitzers.

(iv) Military department: Army (UWW).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

WASHINGTON, D.C.,
April 9, 1979.

In reply refer to: I-9498/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-26, concerning the Department of the Army's proposed Letter of Offer to Kuwait for defense articles and services estimated to cost $11.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79-26]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Kuwait.

(ii) Total estimated value: Major defense equipment,* $10.2 million; other, $0.9 million; total, $11.1 million.

(iii) Description of articles or services offered: One thousand three hundred fifty (1,350) TOW missiles, twenty (20) TOW launchers, seven (7) TOW trainers, ancillary equipment, and parts to support systems for five years.

(iv) Military department: Army (UFA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

WASHINGTON, D.C.,
April 9, 1979.

In reply refer to: I-11402/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-27, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $60.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director, Defense Security Assistance Agency.

[Transmittal No. 79-27]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: Major defense equipment,* $58.8 million; other, $1.8 million; total, $60.6 million.

(iii) Description of articles or services offered: Eighty six (86) M60A1 tank chassis.

(iv) Military department: Army (UYW).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

WASHINGTON, D.C., *April 9, 1979.*

In reply refer to: I-115340/78ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirments of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-28, concerning the Department of the Army's proposed Letter of Offer to the Republic of Korea for defense articles and services estimated to cost $13.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

RICHARD H. VIOLETTE,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 89-28]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Republic of Korea.

(ii) Total estimated value: Major defense equipment*, $12.8 million; other $0.9 million; total $13.7 million.

(iii) Description of articles or services offered: One thousand eight hundred (1,800) TOW missiles, ten (10) TOW launchers, ancillary equipment, and spare parts.

(iv) Military department: Army (VTH).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

WASHINGTON, D.C.,
April 9, 1979.

In reply refer to: I-363/79ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-29, concerning the Department of the Army's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $28.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERICH F. VON MARBOD,
Acting Director,
Defense Security Assistance Agency.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

[Transmittal No. 79–29]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: United Kingdom.

(ii) Total estimated value: Major defense equipment,* $24.6 million; other, $4.1 million; total, $28.7 million.

(iii) Description of articles or services offered: One hundred and fifty thousand (150,000) rounds of 155mm howitzer ammunition.

(iv) Military department: Army (VJM).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: Apr. 9, 1979.

Washington, D.C., *April 9, 1979.*

In reply refer to: I-11235/78ct.

Hon. Frank Church,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–30, concernposed Letter of Offer to Thailand for deing the Department of the Air Force's profense articles and services estimated to cost $47.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Erich F. Von Marbod,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79–30]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Thailand.

(ii) Total estimated value: Major defense equipment*, $44.9 million; other $2.8 million; total $47.7 million.

(iii) Description of articles or services offered: Three (3) C-130H aircraft with training, spares and support equipment.

(iv) Military department: Air Force (SEF).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

Washington, D.C., *April 9, 1979.*

In reply refer to: I–5949/78ct.

Hon. Frank Church,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–31, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $14.8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Erich R. von Marbod,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79–31]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: Major defense equipment,* $12.8 million; other $2.0 million; total, $14.8 million.

(iii) Description of articles or services offered: Five (5) Naval Vulcan Air Defense Systems (NVADS), four (4) to be installed aboard Royal Saudi Naval Forces (RSNF) MSCs and one for training. Case includes installation and checkout of equipment in Saudi Arabia, training, 90 days on board spaces, and system documentation.

(iv) Military department: Navy (SAZ).

(v) Sales commission fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

Washington, D.C.

In reply refer to: I-11336/78ct.

Hon. Frank Church,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–32, concerning the Department of the Navy's proposed Letter Of Offer to Saudi Arabia for defense articles and services estimated to cost $80.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Erich F. Von Marbod,
Acting Director, Defense Security
Assistance Agency.

[Transmittal No. 79–32]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Saudi Arabia.

(ii) Total estimated value: Major defense equipment,* $70.2 million; other, $10.5 million; total, $80.7 million.

(iii) Description of articles or services offered: One hundred (100) HARPOON missiles with spare parts and supplies as shore stock to support the Royal Saudi Naval Forces' ship missile requirements.

(iv) Military department: Navy (AAI).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

Washington, D.C.

In reply refer to: I–9431/78ct

Hon. Frank Church,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–33, concerning the Department of the Navy's proposed Letter of Offer to Spain for defense articles and services estimated to cost $12.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Erich F. von Marbod,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79–33]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Spain.

(ii) Total estimated value: Major defense equipment,* $9.5 million; other $2.5 million; total, $12.0 million.

(iii) Description of articles or services offered: One hundred (100) AIM–7F missiles, eight (8) AIM–7F crew training missiles along with component containers, support equipment, spare/repair parts and associated lines required to support this program.

(iv) Military department: Navy (AFT).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.

Washington, D.C.,
April 9, 1979.

In reply refer to: I–11526/78ct.

Hon. Frank Church,

Chairman, Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–34, concerning the Department of the Air Force's proposed Letter of Offer to Malaysia for defense articles and services estimated to cost $25.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Richard R. Violette,
Acting Director,
Defense Security Assistance Agency.

[Transmittal No. 79–34]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Malaysia.

(ii) Total estimated value: Major Defense Equipment,* $21.5 million; other, $3.5 million; total, $25.0 million.

(iii) Description of articles or services offered: Four (4) F–5F aircraft and related logistics support.

(iv) Military department: Air Force (SBB).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 9, 1979.●

THE LESSONS FROM IRAN

● Mr. KENNEDY. Mr. President, recently George Ball wrote a very thoughtful and important essay entitled "The Lessons From Iran," which appeared in the April 2 issue of the Boston Globe. Mr. Ball writes from a particularly strong position of authority, having advised the Carter administration on the Iran crisis and having served previously as our Ambassador to the United Nations and as Under Secretary of State under Presidents Kennedy and Johnson.

While reflecting on the revolution in Iran, Mr. Ball stresses the expanding potential for instability in neighboring Saudi Arabia and throughout the Middle East. This potential must be stemmed if we are to protect and advance our vital economic, political, and security interests in the region.

I strongly agree with Mr. Ball's judgment that—

> If the debacle of Iran proves anything, it is that we cannot assure—as the Nixon Doctrine assumed—the security of a strategic region by stuffing a backward state with massive quantities of arms.

I also agree with George Ball that the United States must impress upon the Saudis the critical importance of granting liberties to and improving the conditions of its citizens.

> If we now stay silent as we did with Iran, and do not try to condition our military help on the necessary internal measures that will relieve Saudi Arabia of the grinding pressures for revolutionary change, we may one day—perhaps within two or three years—be confronted by a new regime and a new situation. If that occurs, we can be confident the new regime will exploit to the fullest the demagogic values of anti-Americanism and will very likely cut back oil production.

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* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

Equally important are Mr. Ball's judgments on our oil diplomacy. We should "seize the moment," he says, "when Saudi Arabia is concerned about their security and welcome our military assurances and concrete military proposals, and try to reach an understanding that will for at least the next 10 years or so, produce oil at not less than an agreed minimum." He emphasized as well the importance of reducing our dependence on Middle East oil and increasing alternative sources of energy—themes which have been stressed in hearings held by the Joint Economic Subcommittee on Energy, which I have the privilege to chair.

Mr. President, Mr. Ball makes many more important points about our relations with Iran, Israel, and the Arab world, in the light of events in Iran and the Egypt-Israel peace treaty. They are a welcome contribution to the debate on U.S. foreign policy, and I request that his article be printed in full in the RECORD.

The article follows:

THE LESSONS FROM IRAN: UNITED STATES CAN NO LONGER AFFORD TO LIVE IN A FOOL'S PARADISE

(By George W. Ball)

The collapse of the shah's government in Iran has injected a new element of instability in a strategically vital area on which the West depends for an essential part of the oil required for its industrial existence. We must make certain we understand the lessons of that experience in shaping our policies for the future.

Let us first dispose of the fatuous contention that America could have saved the shah from the wrath of his people had we only flexed our military muscles more visibly by intervention in Angola or Ethiopia, or even by steaming the Sixth Fleet up the Persian Gulf.

There is no mystery about what happened in Iran. A whole country turned against a hated ruler in a long overdue internal revolution, which American intervention could only have exacerbated. One of the lessons of Vietnam is that even in situations where there is a large measure of external aggression, American power is blunted when the conflict has a revolutionary basis.

Befuddling the current postmortem is the nostalgia of those who recall that, through the CIA, we did help restore the shah to power in 1953. But the conditions then were totally different. The shah was still a young, rather modest man who reigned rather than ruled. The Iranian people had not yet experienced the brutality from the secret police and the corruption by the royal family they came to know increasingly during the next 26 years.

Furthermore, the attempted usurper of the shah's power, Dr. Mohammad Mossadegh, had betrayed his own followers by restorting to increasingly dictatorial methods.

Thus, rather than a whole country desiring to depose its ruler—which was recently the case—there was substantial opposition to the efforts of Mossadegh to dislodge the shah. To the extent that the United States assisted in mobilizing that opposition (still a matter of some conjecture), we could do so only because it was there to mobilize. Even so, our assistance had an unhappy byproduct; it marked the shah in the eyes of his own people as being too much America's creature.

The shah was right in saying, as he did on several occasions while resistance was boiling up during the agonizing days of 1978: "We must remember this is not 1953."

Apart from the inexorability of revolution when conditions are ripe, the first lesson we should learn from the Iranian debacle is the urgent need to reduce our dependence on Mideast oil.

Today the non-Communist nations derive 48 percent of their oil from countries on the Persian Gulf—Saudi-Arabia, Kuwait, Iraq, and the Gulf emirates and sultanates. Saudi-Arabia alone produces 18 percent of America's oil imports.

Already the drying up of Iran's oil flow has caused a substantial rise in spot oil prices and inspired an upward revision of the OPEC price structure by the Organization of Petroleum Exporting Countries (OPEC).

From the sheer logic of survival we must stop the lotus-eating in which we have so long engaged, recognize the critical nature of the oil problem and, through a variety of means, reduce our overall requirements and increase the domestic production of all forms of energy.

Today we have become almost ludicrously vulnerable. We have let our economic well-being—and that of other non-Communist countries—depend on the reactions of a few small backward states—particularly Saudi Arabia—to forces and pressures we cannot control no matter how much we flex our muscles and pound our chests.

We are betting our economic survival, in other words, not only on the hope that the current Saudi regime—one of the world's last few absolute monarchies—will continue to survive the strains and tensions of an intensely turbulent area, but that it will be willing indefinitely to exhaust its only significant natural resource at a rate substantially exceeding its own economic best interests. The risks implied in a mere statement of that reckless position should give Americans sleepless nights.

Unless we break out of our lethargy, we will face a dour day of reckoning.

Yet, no matter how quickly and decisively we move, we cannot greatly reduce our dependence on Mideast oil overnight. Meanwhile, we must be sensitive to the needs and attitudes of countries in the Gulf area, and particularly Saudi Arabia, the only nation with the marginal capacity to sustain the industrial economies of the West.

Though in the Mideast stability is only a relative term, Saudi Arabia should still prove more stable than Iran.

While there are some backsliders, the Wahabi ruling family is stricter in adhering to Islamic practices; the royal family has greater legitimacy than the shah and its ramifications extend throughout the country; the population is small and more homogenous; and, though there is immense corruption, with total government receipts of $125 million a day, there is enough revenue to permit a larger part of the population to share the wealth.

Yet with its inordinate wealth and backward society, Saudi Arabia and its foreign policies are still inherently unstable. The country is excessively dependent on imported unskilled labor and on foreign technicians who are an indigestible lump in its body politic.

The government's close relations with America rests on assumptions and conditions that we can quickly change—and indeed may already be changing.

In recent months anti-Americanism has become shockingly prevalent, and there is no doubt that Saudi government is unhappy with its American friend. The fact that three American businessmen have just been sentenced to flogging perhaps reflects this changing attitude.

Saudi unhappiness stems in part from a mistaken reading of the Iranian experience—the belief that the United States could somehow have protected a friendly state from its own revolutionary convulsion. But the Saudi government is even more upset by our diplomatic activities in the wake of Camp David.

The Saudis resent our pressure on them to support a bilateral agreement between Israel and Egypt. As a tiny state surrounded by activist Arab countries far larger and more powerful, it cannot afford to ignore the common Arab position toward the occupied areas and, if we continue to press it to do so, we may jeopardize a relationship on which we are dangerously dependent.

The Saudis are already showing signs of alienation offset only by their heightened dependence on us for security—a dependence highlighted by the current fighting in Yemen.

They are, for the first time, showing an interest in normalizing their relations with the Soviet Union, which they have always regarded as their No. 1 enemy. And Crown Prince Fahd has postponed his trip to Washington, either to show his disapproval with US efforts on behalf of an Israeli-Egyptian peace or because his government wants time to reassess its policies.

Clearly, the government is having increasing difficulty achieving agreement among its own members and making decisions, and there is reason to believe that the younger members of the royal family—largely Western-educated—may be gaining influence.

Some younger princes, trained in economics and less conservative politically than the elder generation (who learned their lessons in the desert and not in universities), are urging that their country restrict its oil production to perhaps no more than six million barrels a day—which would be catastrophic for America. They also tend to favor improved relations with the radical Arab states—a trend evident ever since the Baghdad Conference in November of last year.

If we are prudent, we will recognize the sensitivity of Saudi Arabia's position in the Arab world. Meanwhile, we should do everything possible to reassure not only the Saudis but other states in the area that they can depend on us for their security. What are the major dangers that they face?

There are two dangers: Direct aggression by the Soviets—or by their Cuban puppets—against some state or states in the area and Soviet-supported attacks by a local state against its neighbors. In addition, the United States and our Western allies face the danger that internal insurrections might install a hostile government in an oil-producing country.

I do not, for the time being, believe it likely that the current Soviet government would undertake any direct military move. That would involve too great a risk of confrontation with the United States.

But we should leave no doubt as to our response. Moscow must keep its hands off the Persian Gulf area, including Iran, since any aggression there would threaten oil resources that are vital to the whole non-Communist world. We cannot let that happen.

If the Soviet Union is not likely to launch a direct attack against any state in the Gulf area, it still poses a threat through its support of Ethiopia and South Yemen. The United States is moving to counter that threat by supplying aircraft and equipment to the Yemenis and, as a warning, has ordered a carrier task force into the Gulf of Aden.

The Saudis are necessarily nervous at military action on their borders that can be efficiently resupplied from Ethiopia, particularly because they depend on nearly a million emigre Yemeni workers. But South Yemen poses an even more serious threat to the small Gulf states in which Palestinians form the backbone of the workforce. It is essential that we develop arrangements for military cooperation with those states as quickly as possible.

To make the threat of a US reaction credible to the Soviets while reassuring the states in the Gulf area, we must visibly improve our capability for quick military response.

Unfortunately, the permanent forward-basing (as distinct from the pre-positioning of supplies) is no longer very feasible. Apparently the Saudis made clear to Secretary Harold Brown on his recent visit that an American base on their territory would be politically compromising.

But we should substantially beef up our presence in the Indian Ocean, assist the Saudis with surveillance (as by current deployment of AWACs) and give constant reminders of our improving ability to deliver force quickly, even from American bases.

With Iran eliminated as the "protector" of the Gulf area, a mindless reflex is leading many to search for another surrogate country, such as Egypt or Saudi Arabia, to assume the shah's role as "policeman." This is, it seems to me, a temptation we should sturdily avoid.

If the debacle of Iran proves anything, it is that we cannot assure—as the Nixon Doctrine assumed—the security of a strategic region by stuffing a backward state with massive quantities of arms.

With diligence and determination, we should be able to cope effectively with external military threats to nations in the Gulf area. But, as experience has taught on many occasions, we can do little to influence an internal power struggle once widespread revolutionary forces have built up, as was the case in Iran.

To be effective, we must concentrate on preventing such a buildup, which means that we must act while a nation is still relatively stable, conditioning our military commitments on its correction of conditions (including corruption) that could, sooner or later, incite revolutionary change.

It is essential that this be done well before discontent spreads widely; otherwise, it may only accelerate the revolutionary process.

The government of Saudi Arabia is today showing unhealthy symptoms of a malaise that could lead to internal troubles. While many would consider that assessment overly pessimistic, one knowledgeable recent visitor to Riyadh told me: "The atmosphere in Saudi Arabia seems disturbingly reminiscent of Iran two years ago. There is widespread criticism of the government and the royal family, while the increase in magnitude of the graft and corruption suggests a spirit of 'Let's get it while we can.' "

If we have properly learned the lessons of Iran, we should have an appropriate representative of our government talk to the Saudis in a frank but friendly manner before it is too late. The representative should emphasize the need for prudent reforms, including halting the corrosive evils of the current flagrant corruption.

In addition—although it is a sensitive subject touching on customs with a religious sanction—the representative should point out the urgent need to liberalize the medieval treatment of women, who are today denied the freedom that even such other orthodox Wahabi states as Kuwait and Qatar long since learned to take for granted—the opportunity to be properly educated and to work.

In a country of only four million people, where only one in eight can read and write Arabic, and with perhaps no more than 250,000 skilled male Saudis of effective working age, the denial of normal work opportunities to one-half the population is not only offensive to human values but a profligate misuse of scarce human resources.

In addition, we Americans should squarely face the prospect that no Saudi government will be likely to permanently continue producing oil at a level substantially exceeding the country's revenue needs.

We should, therefore, seize the present moment, when the Saudis are concerned about their security and welcome our military assurances and concrete military proposals, to try to reach an understanding that they will, for at least the next 10 years or so, produce oil at not less than an agreed minimum level needed to sustain the Western economies. At the same time the United States and other user countries should take steps to reduce their oil dependence.

If we now stay silent as we did with Iran, and do not try to condition our military help on the necessary internal measures that will relieve Saudi Arabia of the grinding pressures for revolutionary change, we may one day—perhaps within two or three years—be confronted by a new regime and a new situation. If that occurs, we can be confident the new regime will exploit to the fullest the demagogic values of anti-Americanism and will very likely cut back oil production.

While we are reviewing the lessons disclosed by the debacle in Iran and its effect on our vital interests in Saudi Arabia and other Gulf states, we should also consider the possible consequences of President Jimmy Carter's apparent success in achieving an agreement between Egypt and Israel.

Implicit in the President's spectacular diplomatic action are the hazards of a process that has caused the United States problems before. Our government sets out to achieve certain broad and desirable goals—in this case an overall Arab-Israeli settlement. But as increasing obstacles are encountered it invests such great prestige that the achievement of some kind of treaty produces a set of agreements so filled with dangerously heavy obligations, qualifications and contrived ambiguities that they create more tensions and misunderstandings than resolve.

Though the Mideast peace treaty provides a framework for holding elections looking toward limited self-government for the West Bank and Gaza Strip, we must be careful not only to make sure that that time schedule is maintained but that in the haggling which will inevitably accompany an agreement on modalities, the Israelis do not so emasculate the concept of self-government as to make it little more than a modification of the present military occupation.

If that happens, the bitterness in the occupied area would intensify, violence would increase and the neighboring Arab states would accuse the United States of a sellout.

We must not lose sight of this point. The Palestinian issue—not the disposition of the sands of the Sinai—is at the heart of the overall Arab-Israeli quarrel.

If we leave more than a million people in the West Bank and Gaza Strip under a military occupation that has already continued for 11 years, not only will we call into question the sincerity of our concern for human rights, but, left untreated, the Mideast's festering ulcer will sooner or later have lethal consequences.

Our vigorous pursuit of a Palestinian settlement is also necessary to prevent Sadat from being seriously undermined. Unless we can persuade the Saudis, for example, that this is only a first step and that America is fiercely determined to secure an overall settlement, the Saudis may well feel compelled by the dynamics of Arab opinion to cut back on their huge annual subsidy to Egypt.

Iran has shown that we can no longer afford to live in a fool's paradise. Revolution is a constant threat throughout the Mideast. And we now know what we should always have known—that no matter how great our military competence, there is little we can do to stop internal convulsions once they begin.●

THE SCHOOL PRAYER ISSUE

● Mr. McGOVERN. Mr. President, the distinguished journalist, Robert Kaiser, of the Washington Post has written an interesting piece on the right-wing political attack on liberal Members of the Senate. Mr. Kaiser's piece in today's Washington Post is a provocative, excellent piece. It does, however, contain one reference to me that needs to be clarified.

Mr. Kaiser reports that I voted for a motion to table Senator HELMS' prayer in the schools amendment, but that I did not vote on the amendment. The facts are that I left the Senate before the final vote with the assurance of the manager of the bill, Senator RIBICOFF, that there would be no further votes. This was an honest error on Senator RIBICOFF's part, because he had expected the tabling motion to carry. Instead, it was a tie.

But to clear up any doubt, I am against congressional action to overturn the Supreme Court on the school prayer issue.

Any child who wants to pray in school, need only bow his or her head and offer a silent prayer. That does not require an act of Congress.

Indeed, as reported in the Book of Matthew, Jesus said:

> And when thou prayest, thou shalt not be as the hypocrites are; for they love to pray standing in the synagogue and in the corners of the streets, that they may be seen of men. Verily I say unto you, they have their reward.
>
> But thou, when thou prayest, enter into thy closet, and when thou hast shut thy door, pray to thy Father which is in secret; and thy Father which seeth in secret shall reward thee openly. Matt. 6:5–6.

So let us leave the life of prayer to the individual and to God. Congress need not get involved in the prayer business. It is better that we not.

I ask that Mr. Kaiser's entire article be printed in the RECORD.

The material follows:

WIND FROM THE RIGHT CHILLS VULNERABLE SENATE DEMOCRATS

(By Robert G. Kaiser)

Scenes from a political melodrama now playing Washington's backrooms, with occasional walk-ons on the Senate floor:

At the White House, when congressional leaders gather for breakfast with President Carter, the Senate majority leader pleads repeatedly: Please remember my 24 Democrats, please don't put them in a difficult position, please go easy on them.

In a privately rented room on Capitol Hill, political aides to 24 Democratic senators give up their Saturdays to hear lectures on the 1978 election results, the mood of the electorate, political advertising techniques and the like.

In various encounters, Russell B. Long of Louisiana, perhaps the Senate's most powerful member and one of the 24 Democrats in question, lets it be known that he won't be cooperating with the White House as closely this year as he did in 1978.

On the Senate floor, members of this Gang of 24 who once allowed themselves to be called liberals line up on the side of budget balancing, or—in a particularly striking roll call vote last Thursday—in favor of prayer in public schools.

The title of this melodrama might be Anxiety About '80, and the reluctant stars are the 24 Democratic senators who must face the voters in November 1980 or look for other careers. The numerical imbalance that will cast 24 Democrats and only 10 Republicans against the electoral fates in a single year is unprecedented in modern times.

Eighteen of the 24 belong—or belonged until recently—to the progressive-liberal wing of the Democratic Party, a group whose collective insecurity has shot upward in the last year or so, propelled by Proposition 13 fever and the ensuing politics of austerity that seems to have gripped Capitol Hill and much of the country.

Though the Senate has done remarkably little legislative work this year, it is apparent that Anxiety About '80 will strongly influence the year's floor votes and the behavior of a number of vulnerable Democratic senators.

"It's amazing what is not going on around here," Sen. Paul Laxalt (R-Nev.) said the other day, commenting on the lackadaisical legislative schedule in the first three months of this Congress. It has struck him recently, Laxalt said, that this pace may not be accidental.

Apparently it isn't. The majority leader, Robert C. Byrd (W.Va.), is not only pleading regularly with the president not to burden the Senate with controversial votes this year; he is also determined not to hold any Friday sessions of the Senate until at least July. The resulting opportunity to take three-day weekends every week gives the 24 vulnerable Democrats plenty of time to spend at home with the voters.

(One of the 24—Adlai E. Stevenson of Illinois—has announced he won't run for re-election in 1980. As of now, all of the others may well decide to run.)

Few Democratic senators take seriously the possibility that the Republicans might gain control of the Senate in 1980, though this thought is occasionally the basis for nervous wisecracks. An aide to Sen. Alan Cranston (Calif.), the majority whip, noted recently that Cranston is trying to help his Republican counterpart, minority whip Ted Stevens (Alaska), find a good office inside the Capitol. "After all," the Cranston man quipped, "Alan may be the minority whip himself soon."

More serious, senators and Carter administration officials agree, is the possibility that conservative Republicans will pick up enough strength in 1980 to establish a bloc of 41 or more senators who could be depended on to support filibusters. It takes a vote of 60 of the 100 senators to cut off a debate under the cloture rule.

On some issues, such a bloc of 41 could be established if as few as five of the 24 vulnerable Democratic seats fell to conservative Republicans. The conservatives would have to pick up 10 or more of the 24 to have a reliable new version of the old Republican-Dixiecrat coalition.

But the election is 19 months away. This Senate will have numerous opportunities to shape domestic and foreign policies to suit its new mood. Senators, aides and administration officials who work with Congress agree that the outcome of this process could be surprising.

Thursday's vote on the school prayer issue was indicative. In debate on the bill to create a Department of Education, Sen. Jesse Helms (R-N.C.) offered an amendment that said the Supreme Court should be stripped of jurisdiction to review any state or local law permitting voluntary prayers in schools and other public buildings.

As a constitutional question this was a radical proposition, as Sen. Abraham A. Ribicoff (D-Conn.) noted on the floor. But his move to kill the bill failed, and then the Helms amendment was approved, 47 to 37.

Among those voting for it were Democrats Frank Church (Idaho), Wendell H. Ford (Ky.), Ernest F. Hollings (S.C.), Robert Morgan (N.C.) and Dick Stone (Fla.)—all members of the Gang of 24 up for re-election in 1980. Another member, George McGovern (S.D.), voted to table the amendment, and when that failed, McGovern did not vote on the amendment. Those six provided the margin by which the Helms measure passed.

Last evening the Senate got a second chance to vote on the Helms amendment after it had been moved from the Department of Education measure to a minor bill that is unlikely ever to become law. Church, Ford, Morgan and Stone voted for it again. Hollings didn't vote, and McGovern voted no.

Church is an example of a senator who seems particularly anxious to dispel any liberal image for the voters at home. Last month he voted for a controversial proposal advanced by Bob Dole (R-Kan.) that would have prohibited any future increase in the ceiling on the national debt unless either the federal budget was balanced or two-thirds of both houses of Congress voted to raise the ceiling anyway.

Long, chairman of the Finance Committee, argued that proposal could cripple the national economy if a recession began and if just one-third-plus-one of either house decided it didn't want deficit spending to deal with the problem. Church said "the urgency of balancing the budget is still not being taken seriously enough," and announced his support for Dole.

"Poor Frank," a colleague said of Church in an interview. "He's been waiting all his life to become chairman of Foreign Relations (a post he assumed this year), and now he's scared to death that he'll lose his seat."

According to colleagues and staff aides, Church, Hollings, Ford, Stone and John A. Durkin (N.H.) are among the most nervous about 1980. Hollings, who has taken many progressive positions in the past, told an associate: "Ain't nobody going to run to the right of Fritz Hollings next year."

Even as formidable a figure as five-term Senator Long is reported concerned about re-election. Colleagues say a Baton Rouge advertising man named Louis (Woody) Jenkins won 41 percent of the vote in last year's Democratic primary against Louisiana's other senator, J. Bennett Johnston, after running to Johnston's right in the campaign.

Johnston is a conservative who voted against the Panama Canal treaties last year. Long is said to be nervous about having voted for those treaties (which he also lobbied for on President Carter's behalf), and about the possibility that Jenkins might try to paint the chairman of the tax-writing committee as a national figure who has lost touch with Louisiana.

Long has let it be known to the Carter administration that he will not be available this year to help on crucial fights. This could mean that Long will end up in opposition to a new strategic arms limitation treaty (SALT) with the Soviet Union. If he does turn against SALT, it will be a terrible blow to the administration's ratification strategy, which depends on moderate southern support.

Some members of the Gang of 24 have decided there isn't much they can do about changing images or positions, and say they will be taking their chances with traditional rhetoric and policies in 1980. Two examples are John C. Culver of Iowa and McGovern.

McGovern is already the target of an advertising campaign in South Dakota newspapers financed by the National Conservative Political Action Committee based in Arlington. The NCPAC has widely published an ad that depicts McGovern handing over the United States to a Chinese soldier, and declares in part: "McGovern supports a sell-out of Taiwan and the United States. Can you support a senator who would sell out your interests?"

Culver, whose friend and Iowa colleague Dick Clark was defeated by a conservative Republican last November, has decided on a pugnacious approach to his political problems. He has been back in Iowa lambasting Democratic legislators there who joined with Republicans on a vote for a balanced-budget amendment to the Constitution. He accused these Democrats of deciding that "I'll do any stupid thing just to hold on to my seat." Culver hopes to make his stubborn commitment to liberal principles an issue in the campaign.

Whatever their ideological position or attitude toward re-election, all 24 Democrats have been invited to send their political aides to the seminars being run by the Senate Democratic Campaign Committee.

That committee got off an early start to try to help the Gang of 24. Their Saturday sessions have included reports from big-name pollsters on the mood of the electorate (indifferent, generally conservative) and reports from winning and losing campaign managers for Democratic candidates in 1978.

One factor discussed at these seminars distresses senators and their aides especially, not least because they don't know what to do about it—voter apathy. One speaker to the Saturday group noted that Sen. John Tower (R-Tex.) won re-election against Robert Krueger with 13.1 percent of the voting-age population's support. Krueger got 13 percent.

A presidential election in 1980 will draw a somewhat bigger turnout, campaign planners reckon, but it will also create another problem for Senate candidates—running on a ticket headed by Jimmy Carter.

"We recognize that there will be top-of-the-ticket problems in some states," one participant in the Saturday seminars said in an interview. "We all talk about this candidly—it's a fact of life."

M'GOVERN SELLS OUT TAIWAN AND THE UNITED STATES

Senator George McGovern has come out in support of Carter's actions in terminating military support to and diplomatic relations with the Republic of China on Taiwan.

By supporting Carter's actions McGovern is supporting:

sell-out of the government which controlled all of China after the last free election in favor of a government which has never controlled Taiwan.

sell-out of the security of Taiwan, as military forces were withdrawn abruptly, pushing the Republic of China into a position in which it may be forced to develop nuclear weaponry or establish relations with Russia.

sell-out of the economic status of Taiwan as it is threatened by possible economic strangulation by Red China.

sell-out of the future of American trade with China by supporting the myth that trade with Red China can in any way replace trade with Taiwan.

sell-out of the United States Congress by supporting Carter's action which was in defiance of the resolution passed by a 94–0 vote in the Senate and adopted by the House instructing the President to consult with Congress before severing any relations with the Republic of China on Taiwan.

McGovern supports Carter. McGovern supports a sell-out of Taiwan and the United States. Can you support a senator who would sell-out your interests?

Tell Senator George McGovern how you feel. Fill out and mail the following coupon.

Tell us how you feel. We'll send you more information.

TERMS OF 24 DEMOCRATS WILL EXPIRE WITH 1980

Democratic senators whose six-year terms expire in January 1981:

Birch Bayh (Ind.).
Dale Bumpers (Ark.).
Frank Church (Idaho).
Alan Cranston (Calif.).
John C. Culver (Iowa).
John A. Durkin (N.H.).
Thomas F. Eagleton (Mo.).
Wendell H. Ford (Ky.).
John Glenn (Ohio).
Mike Gravel (Alaska).
Gary Hart (Colo.).
Ernest F. Hollings (S.C.).
Daniel Inouye (Hawaii).
Patrick J. Leahy (Vt.).
Russell B. Long (La.).
George McGovern (S.D.).
Warren G. Magnuson (Wash.).
Robert Morgan (N.C.).
Gaylord Nelson (Wis.).
Abraham A. Ribicoff (Conn.).
Adlai E. Stevenson (Ill.), who is not running for reelection.
Donald W. Stewart (Ala.).
Dick Stone (Fla.).
Herman E. Talmadge (Ga.).●

TRIBUTE TO WOMEN AND INDUSTRY

● Mr. WILLIAMS. Mr. President, last week I had the pleasure of attending the Fifth Tribute to Women and Industry (TWIN) sponsored by the Young Women's Christian Association in Ridgewood, N.J.

Each year, TWIN recognizes women who have made a significant contribution to industry in a managerial, executive, or professional role and also pays tribute to the dozen of firms in New Jersey which have helped foster a work atmosphere that promotes higher achievement among women employees.

On March 30 at the Tammy Brook Country Club in Creskill, N.J., 52 outstanding women were honored in a ceremony that was most impressive and enlightening. I found it particularly noteworthy that many of the women honored that night also gave generously of their time to lead special seminars on career options for young women. By sharing their own experiences with young women enrolled in these career seminars, which are sponsored by the YWCA, the women honored by TWIN are lending enthusiasm and determination to the next generation of women in industry.

Mr. President, I have been holding hearings recently on a range of issues affecting women in the workplace. The Labor and Human Resources Committee is constantly finding examples of fine programs in private businesses which help enhance the role women play in making industry more successful, profitable, and compassionate.

Since the purpose of the TWIN dinner is also to highlight these special achievements, I thought I would call my colleagues' attention to the remarks made at the dinner by James G. Affleck, chairman and president of the American Cyanamid Co. Along with Edward A. Jesser, Jr., chairman of United Jersey Banks and honorary chair of the 1979 TWIN dinner, Mr. Affleck made the formal part of the program a most useful discussion of the role women play in industry and in modern American society. In addition to these two special guests, Barbara B. Eaton, chairwoman of TWIN '79, and Louise C. Pascal, executive director of the Ridgewood YWCA, are to be commended for making a special evening even more glorious.

Mr. President, I ask that Mr. Affleck's keynote address at the 1979 TWIN dinner be printed in the RECORD.

The address follows:

REMARKS OF JAMES G. AFFLECK

I am especially pleased to be here this evening for the Fifth Annual Tribute to Women and Industry. (TWIN).

A fifth anniversary—that's a milestone. I am delighted to see that TWIN has taken hold because I believe its work is important and needs to be done.

The TWIN award is for achievement—recognition to women whose contributions benefit industry, themselves, and most importantly create a pathway where others can follow. They are leaders, barrier breakers, and role models for success.

Role models are an important influence on youngsters. It is not easy for young people to perceive the world of today's career woman. They know each morning women leave their homes and head out there somewhere, doing something, but they're not quite sure what it is. Some of their input comes from the traditional role models with which they are familiar. They may observe the working women that make up 60 percent of the workforce of clerks, saleswomen, waitresses and hairdressers, and those who comprise 97.6 percent of the secretarial force. But it is very difficult for them to catch a glimpse of women who are changing these statistics.

Of course, they get some rousing role models from television whose image of the working woman is a cross between Charley's Angels and Laverne and Shirley.

But between tradition and fantasy is the real world where change is taking place. TWIN awards recognize the achievement of real women, successful in industry, as living proof of career opportunities available today.

In addition to recognizing achievement and creating role models for the young, I think it is important to mention the work of the TWIN Management Forum. This group is made up of TWIN honorees who were not content to receive their awards and run. Out of their sense of responsibility and desire to reach out to others, they contribute their experience, expertise and time. They have volunteered to organize workshop seminar programs presented at community colleges, universities, women's groups and high schools. Here, women just entering or reentering the workforce meet face-to-face with women successful in management. The experiences they share are not from the textbook but rather from business life. They cannot help but guide and encourage others to join their ranks of achievement.

The world of today is complex. We face many problems that are challenging all of our resources. Brainpower, skill and determination are needed to find solutions. Industry is learning that it cannot afford to ignore one-half of our available human resources.

That is where we stand now.

But I would like to conclude with a scenario for the future. I don't pretend to know the exact date, but people like you and I will meet for the last TWIN awards dinner. It will be the last of its kind because our society will have progressed to the point where women are an integral part of the business world at all levels.

TWIN will self-destruct because the need for bringing attention to women achievers in industry will no longer exist.

Instead, we simply will be honoring the achievements of people in industry.

I think that is a hope that we all share—and a goal to which we are all working.

Thank you.●

COMMENDATION TO THE BOSTON FIRE DEPARTMENT

● Mr. KENNEDY. Mr. President, I want to call the attention of my colleagues to a dramatic display of skill, courage, and dedication by the officers and members of the Boston Fire Department.

In the early morning hours of March 29, 1979, two major hotel fires broke out almost simultaneously in downtown Boston. This was one of the most potentially disastrous fire situations in the history of our city. Over 200 firefighters were quickly and efficiently mobilized, and nearly 2,000 persons were safely evacuated from their rooms in the Copley Plaza and Sheraton-Boston Hotels.

Tragically, the fires resulted in 1 death, and 69 people were hospitalized. However, there is no doubt that the courage and professionalism demonstrated by the Boston Fire Department that night averted a major disaster. Indeed, the many individual acts of heroism at these fires resulted in the saving of an untold number of lives.

My colleagues here in the Senate know that our firefighters are engaged in one of our Nation's most hazardous jobs, demanding great self-sacrifice and tremendous skills. Yet, unfortunately, all too often we take for granted the dedicated service of our firefighters to our communities. All too often we fail to give them the public recognition and gratification they so richly deserve.

I want the Boston Fire Department to know that their heroic actions will not be forgotten, and I want to commend this very special group of public servants for their tremendous effort on the morning of March 29.

Mr. President, I ask that a Boston Globe editorial justly praising the work of the Boston Fire Department be printed in the RECORD.

The editorial follows:

A TEST OF COURAGE AND SKILL

It was a nightmare situation—two big uptown hotels on fire and some 1900 guests groping around inside, some of them threatening to jump from windows in their panic. The fact that no one died and relatively few people were seriously injured is a very great tribute to the training, discipline and overall efficiency of the Boston Fire Department.

Within minutes of the early morning alarm at the Copley Plaza Hotel, a record 13 Boston ladder companies were on the scene with 200 firefighters manning the 100-foot ladders to bring as many as 50 people to safety. And just as that fire was brought under control, another broke out in the 29-story Sheraton, two blocks away.

There the situation was worse. The alarm system, checked out on March 7, had not been activated to warn guests above the first four floors that the emergency was indeed real. The fire had caused fuses to blow on some floors and staircases were in darkness. Yet weary firemen, trained for the job, checked every room, every closet on each of the 29 floors, reassuring the fugitives and making sure that no one was left in the building.

The Department of Health and Hospitals, routinely alerted in any three-alarm situation, had emergency units at the two hotels and crews stood by in the city's main hospitals to receive all who might need attention. The Hynes Auditorium, next door to the Sheraton, was opened for those who had nowhere to go. There were coffee and blankets for those who remained. And, in the end, the disaster did not happen.

In any old city like Boston the threat of a holocaust is real. In Boston, memories of the Cocoanut Grove and the Hotel Vendome conflagrations make that threat vivid. On Tuesday the Fire Department and the network designed to meet such a crisis were tested. They came through with glory and the city as a whole owes them thanks.●

JOHNNY E. WARD SELECTED SOUTH CAROLINA SMALL BUSINESS PERSON OF THE YEAR

● **Mr. HOLLINGS.** Mr. President, an outstanding resident of my State has been selected as the South Carolina small business person of the year for 1979. Johnny E. Ward, of Moncks Corner, S.C., was recently named the winner of this most prestigious award at the spring meeting of SBA's Advisory Council. Each year the State Advisory Council of the Small Business Administration selects a person who has realized great success in establishing his own small business.

No finer a selection could have been made than that of Johnny Ward. He is the most successful president of W & W Truck and Tractor Co., Inc. of Moncks Corner and he epitomizes the hard work performed by over 66,000 small businesses in South Carolina.

Ward first showed his entrepreneurial inclinations at the age of 16. If you ask Johnny, he will tell you: "My daddy was a pulpwooder and I didn't know any other business. Around Williamsburg County, the only way to make a living other than farming or moonshining was pulpwooding." And pulpwooding Johnny Ward did and he did it well.

In 1973 when he sold his successful pulpwood company, it had grown from a production of some 30 cords of wood a week to over 2,000 cords weekly, employing over 125 people. That was quite a success record when you consider that Johnny Ward got into the pulpwood business in 1958 by fixing up a wrecked logging "bobtail" truck of his father's, repairing an old chain saw and saving up capital amounting to $7.

W & W Parts and Repair, a logging equipment service and parts business, grossed over $1 million in its second year of operation but it did not satisfy Johnny Ward's desire for achievement.

By 1975, Ward had expanded the parts and repair business into the sales of heavy logging equipment and formed W & W Truck & Tractor Co., Inc. He acquired the Can-Car franchise, manufacturer of Treefarmer logging skidders and later added the Massey Ferguson farm tractor franchise. With the expansion into this new phase of operation and the general economic climate, Ward encountered some rough business conditions. But with his leadership and the assistance of an SBA bank loan, the South Carolina small business person of the year changed the downward trend of his firm and by the conclusion of 1976, he had accomplished a complete turnaround.

After 5 years of operation, sales through 1978 at W & W exceeded some $6.5 million, an increase of over 1,500 percent from the first year of operation. Also, business profits exceeded $350,000, up 2,400 percent.

"The Logging Times" newspaper, published by Hatton, Brown & Co., Inc., described Johnny Ward as a "super salesman" in awarding him the first Hatton Award in honor of their founder, Hartwell Hatton.

Ward's firm has received the No. 1 sales award for Can-Car Treefarmer sales for the past 4 years and has always exceeded its Massey Ferguson sales quota each year.

Assisting Johnny Ward in his business have been a number of outstanding workers, especially his wife Betty who worked with him from 1965 through 1970. The Ward's have three children: Allen, 18; Robbin, 12; and Terrie, 8.

I know all of my colleagues join me in congratulating Johnny Ward on this award and on a job well done for American business.●

UNITED AUTO WORKERS OPPOSE REPEAL OF CARRYOVER BASIS TAX REFORM

● **Mr. KENNEDY.** Mr. President, in a letter of April 5, 1979, the United Auto Workers have expressed their strong opposition to the current effort to repeal the important "carryover basis" tax reform. That reform, which was enacted in 1976, was a long overdue provision that eliminated one of the most serious loopholes in the tax laws, a loophole that provides large tax benefits for many of the wealthiest individuals in the Nation.

As the UAW states in its letter:

> Coming in the wake of last year's regressive tax cut and the current wave of fiscal conservatism, we regard the effort to repeal the carryover basis—with a windfall of a billion dollars a year to extremely wealthy individuals—as a direct affront to working people.

Prior to 1976, wealthy persons were able to pass on their property to their heirs, free of the capital gains tax that would normally be imposed on the increased value of the property. By contrast, citizens whose estates were accumulated through savings from wages and salaries paid income tax during their lifetime, with the result that their estates consisted of aftertax assets.

This discrimination in the tax laws in favor of the wealthy was ended by the 1976 reform. Under this reform, the basis of the property in the hands of the former owner is carried over to the new owner, with the result that when the property is eventually sold, the full increase in value is subject to capital gains tax.

In this respect, the 1976 reform placed the taxation of gains on property transferred at death on an equal footing with the taxation of gains on property transferred by gift, which has been subject to the carryover basis rule for over 50 years.

Mr. President, I welcome the support of the UAW in opposition to the repeal of the carryover basis tax reform, and I submit for the RECORD the letter I have received.

The letter follows:

> APRIL 5, 1979.
>
> DEAR SENATOR:
>
> The UAW opposes most strenuously the current effort to repeal the "carryover basis rule" adopted as part of the 1976 Tax Act. Coming in the wake of last year's regressive tax cut and the current wave of fiscal conservatism, we regard the effort to repeal carryover basis—with a windfall of a billion dollars a year to extremely wealthy individuals—as a direct affront to working people.
>
> The push for repeal of the carryover basis rule is wrong on two counts: first, on the principle of tax equity; and second, creating an unjustified billon dollar annual tax expenditure for a small number of wealthy individuals proves that for some fiscal responsibility means taking from the poor to give to the rich.
>
> When the Congress wisely acted in 1976 to impose the carryover basis rule, it recognized that it was unfair for individuals to escape taxation on vast amounts of unearned income by virtue of their death. We are alarmed that the Congress might actually be willing to abandon its prior decision to close this costly loophole. There are few who will not speak in favor of tax justice; but those who vote to repeal this three-year-old reform—which has yet to take effect—will demonstrate the gulf that exists between their rhetoric and their action.
>
> The effort to repeal the carryover basis is especially ironic since its impetus comes from some of the same individuals who talk about cutting deficits and balancing budgets. The notion that deficits can only be reduced by cutting spending for programs that help people—jobs programs, housing assistance, social security, nutrition for the young and old, etc.—and not by ending tax expenditures that aid the wealthy is not simply wrong, it is a justifiable source of public cynicism. The very individuals who argue against the carryover basis rule, at the expense of a billion dollars a year, will just as quickly move to save that billion dollars on the expenditure side by cutting a program of concern to the needy. Clearly, this is unjust.
>
> The UAW urges you to resist the entreaties of those who would repeal the carryover basis rule, and instead speak up in defense of this simple reform, the implementation of which is already overdue. Thank you.
>
> Sincerely,
>
> HOWARD G. PASTER,
> *Legislative Director, UAW.*●

TREATY TERMINATION: THE ROLE OF THE SENATE

● **Mr. HARRY F. BYRD.** Mr. President, yesterday I appeared before the Com-

mittee on Foreign Relations to testify in support of Senate Resolution 15 which reads as follows:

Resolved, That it is the sense of the Senate that approval of the United States Senate is required to terminate any mutual defense treaty between the United States and another nation.

Mr. President, I ask that this testimony be printed in the RECORD.

The testimony follows:

TESTIMONY OF SENATOR HARRY F. BYRD, JR.

There is no disagreement, I am sure, with the assertion that under our Constitution the President of the United States clearly shares the treaty-*making* process with the Senate of the United States.

Does he not then share the treaty-*terminating* power with the Senate?

That is the issue addressed by the Byrd Resolution which the Committee on Foreign Relations is considering today.

I introduced Senate Resolution 15 on the opening day of the Congress, January 15—and it was debated in the Senate on March 7 and March 8, when I presented it as an amendment to the Taiwan Relations Act. I did not press it to a vote when I received assurance that it would be made the pending Senate business not later than June 8; and with the further assurance of a direct vote on the Resolution, if I so choose.

Senate Resolution 15 is cosponsored by Senators Warner, Helms, Hayakawa, Garn, Thurmond and Proxmire.

The Resolution is a brief one, and with your permission, I shall read it:

"It is the sense of the Senate that approval by the Senate of the United States is required to terminate any mutual defense treaty between the United States and another nation."

In debate in the Senate on March 7, the distinguished senior Republican member of this Committee, Senator Javits, with his customary ability to get to the heart of a matter, stated that "this is not just another Sense of the Senate Resolution . . . . this is the real McCoy."

The Senior Senator from New York immediately recognized, when I called this resolution up for consideration, that the Senate was being asked to make a decision of great future importance to the country and to the Senate itself.

Whatever the Senate finally does in regard to the Byrd Resolution—whether it approves it, or defeats it—a clear precedent will have been established.

The issue posed by the Resolution is far broader than the question of Taiwan and the 30 year-old treaty of friendship with the Republic of China. We have many treaties of friendship with nations throughout the world and what happens to them in the future could depend on what action is taken on Senate Resolution 15.

At this point, let me say this:

I favor establishing full diplomatic relations with the People's Republic of China. It is one of the great nations of the world; it has a population larger than that of any other country.

It is important that our country and the People's Republic have contact, that there be a dialog between our countries. So I look with favor upon the establishment of diplomatic relations.

What I do not favor, however, is that in bringing this about, the President of the United States threw overboard a long-time friend and ally. The Senator from Ohio (Mr. Glenn), in his presentation to the Senate, pointed out that the President gave notice of intent to terminate the treaty of friendship between the United States and Taiwan without consulting the other party to the treaty; that, in fact, the first the Republic of China knew about the proposal to terminate the treaty was when it learned of it through the news media.

The second aspect of this action taken by the President last December is much broader than the question of Taiwan.

It seems to me that it is important to establish for the future whether a President may unilaterally terminate a Mutual Defense Treaty with other nations.

Our country has many such treaties. Some of them are extremely important, in the view of the Senator from Virginia, to the welfare of the United States.

I believe that a President alone does not have authority to terminate such treaties. In the research that my staff has been able to do, no case has been found in which a major treaty with another nation, of a defense nature, ever has been abrogated unilaterally by a President of the United States. There have been cases, of course, in which minor treaties have been set aside; there have been cases in which, with the outbreak of war, the treaty became ipso facto, nonbinding. However, so far as I can determine, this is the first time an attempt has been made to set aside a treaty of this magnitude by unilateral action of the executive branch of government.

In 1954, Secretary of State John Foster Dulles responded as follows to an inquiry by Senator Jenner of Indiana. This was the statement of the Secretary of State:

"In light of the fact that your letter specifically raised the question whether the Department of State, under the present administration, claims authority to modify treaties. I am glad to assure you that it is my view that the Executive may modify a treaty or a provision thereof only by the conclusion of another treaty entered into by and with the advice and consent of the Senate. This is also the view of my advisors who are fully aware of my position and fully share my views."

Admittedly, Mr. Chairman, there is a difference of opinion among lawyers and the Constitution itself is silent on the direct question.

The Constitution provides the manner in which treaties are to be made, but it is silent as to termination.

But, Mr. Chairman, the Constitution is also silent in explaining how statutes are terminated. The Constitution describes carefully the process of creating a law, but nowhere does it describe the process of nullifying a law. All of us know that a President cannot unilaterally terminate a law—yet a treaty is a law.

To hold that a President can nullify a treaty is to assign to the President the power unilaterally to set aside a law—because a treaty is a law and is so recognized.

The Constitution in Article VI reads: "This Constitution, and the Laws of the United States, which shall be made in Pursuance thereof, and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land, and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

Admittedly, a statute or treaty can be self-limiting by providing in its own terms for termination of its effectiveness upon the occurrence of specified contingencies . . . for example, the expiration of a fixed term of years. However, if a statute or treaty does not provide that it is to be in effect for a limited term or that it will automatically terminate on the happening of some other contingency, then it will not terminate, in my view, unless and until terminated by a subsequent action of like status.

Now, Mr. Chairman, there is no precedent for the termination of a mutual defense treaty by executive action alone. On March 7, on the Senate floor, I asked the Senator from Ohio, Mr. Glenn, the following question: "Has any mutual defense treaty been terminated by unilateral action?" Senator Glenn responded: "I do not believe so . . . in that time since World War II, which is the only time we have had mutual defense treaties, the answer is no."

Mr. Chairman, there may be some isolated precedent involving termination of minor treaties in abnormal circumstances by uncontested executive action. But it is a well-established principle, repeatedly enunciated by the Supreme Court, that the occurrence of an unconstitutional action in the past does not justify or make constitutional its repetition. I do not think, therefore, that too great stock should be placed in obscure precedents which may be cited to the committee.

As I said during the debate of the Taiwan Relations Legislation, the issue presented is clear cut. The Senate must participate in the treaty making process. Without Senate consent, a treaty cannot be ratified. Logic requires, therefore, that Senate consent is necessary to terminate a treaty.

Otherwise, Mr. Chairman, the Senate could grant consent to the President's ratification of a treaty, and within a matter of weeks or months, a new President, newly elected, could undo that action.

I do not believe that a precipitious reversal of policy of that nature should be permitted solely on the whim of a single man or on the outcome of an election for a single office.

It would not be sensible to require Senate approval of ratification of a mutual defense treaty and, at the same time, permit a virtually immediate reversal of that decision without Senate approval.

Now, Mr. Chairman, Article X of the particular mutual defense treaty between the United States and Taiwan reads as follows:

"This Treaty shall remain in force indefinitely. Either Party may terminate it one year after notice has been given to the other Party."

I believe it is highly significant that nowhere in Article X does the term "President" appear. Article X does use the term "Party". Clearly, the term "Party" means government. In the case of the United States, our government includes both the President and the Congress.

Article X also uses the term "may terminate". This language is permissive. It does not say "must terminate". It does not say "will be terminated". It merely says "may terminate".

The Senator from New York (Mr. Javits) stated categorically to the Senate (page 4102 March 7) that "it is my judgment and I sat through all the sessions of the Committee, that the Committee did not intend to approve or disapprove of the legality of President Carter's action."

The Committee report on Page 18 asserts that the Committee is "inclined" to believe that the President did not act unconstitutionally.

I am inclined to the same position as enunciated by the Committee. Is seems to me the President does have the authority to give notice of intended termination of a treaty, but that the actual termination does not occur until approved by the Senate.

I end as I began. Under our Constitution, the President of the United States clearly shares the treaty-*making* power with the Senate of the United States. In my judgment, he likewise shares the treaty-*terminating* power with the Senate.●

TOWARD A STRONGER EUROPEAN COMMUNITY

● Mr. **KENNEDY**. Mr. President, this spring two developments promise to play a major role in determining the future character of relations between the U.S. and Western Europe.

Namely, the new European Monetary System (EMS) and the first direct elections to a European Parliament punctuate the initiative begun almost 30 years ago to create a European Community.

During these past years the community has already proved itself, in practical, not abstract, terms, as Dr. David Owen, the British Foreign Secretary, wrote recently in Encounter. The Community has become, Dr. Owen stated:

> A weighty figure on the world stage and developed a distinctive personality of its own. The word personality is particularly appropriate, since it reflects the evolutionary or organic view of Community development which we in Britain find most natural and satisfying. Human personality is determined by both success and failure; a strong personality can put its failures to good account and build on the experience gained.

That experience began in the early 1950's when the Schuman plan created the European Coal and Steel Community. By the end of the decade, the Rome Treaty had established the European Economic Community (EEC), generally known as the Common Market.

Today, the European Community has expanded from the original six members (France, West Germany, Denmark, and Benelux) to nine member nations, including Great Britain, Ireland, and Italy. The way is now being paved for the further integration of Spain, Portugal, and Greece into the Community by the early 1980's—an expansion which should not be underestimated in terms of its contribution to the democratic institutions and the economic progress of these three key nations of southern Europe.

"It is generally achnowledged," M. Guy de Jonquieres commented this winter in a special section on Europe in The Financial Times of London, "that the Community which has done so much to foster an image as a bulwark of political stability, democratic principles, respect for human rights and rule of law, has a compelling obligation to respond positively to approaches by three neighbouring countries which have only recently emerged from dicatorial rule."

The past month another major step was undertaken by the members of the EEC, with the exception of Britain, to establish the foundation for a common monetary system throughout Western Europe. Introduced by Chancellor Helmut Schmidt and President Giscard d'Estaing this past July at the Bremen summit, the EMS will tie all Western European currencies together so as to create a common exchange rate, a reserve asset, and credit facilities for the participating member nations.

The European Currency Unit (ecu) is the basis for this innovative monetary system transcending national monetary interests. It is important to note the ecu is a real currency although at first only central banks will have use of it.

David Shears recently wrote in London's Daily Telegraph:

> Describing the thinking behind the EMS, jointly promoted by West Germany and France, Herr Schmidt recalled that when the Rome Treaty setting up the Common Market was signed in 1957 'we assumed fixed exchange.' But since then each member country had pursued different economic, fiscal and monetary policies. For more than five years European currencies had been separated. It was as if each of the 11 German Federal States had its own money, constantly shifting in value against the others.

The EMS is off to a smooth start since commencing operation this past March and has posed thus far no serious difficulties for the foreign exchange operators. If the EMS continues to meet success it will strengthen the Community, so that the serious challenges which will arise with the future integration of Spain, Portugal, and Greece can be met with equal success.

Moreover, Chancellor Schmidt and President Giscard expressed the belief this past December that the primary objective of an international monetary policy should be to harness world inflation and to encourage stable conditions for the growth of world trade. Thus they expect the linking of Europe's currencies together in an EMS will enable the EEC as a block to attack more effectively both inflation and the other challenges to a sound financial world order.

A strong, growing Europe—economically, as well as politically—can only serve as an asset to our interests abroad and here at home. Secretary Blumenthal and Secretary Vance are to be applauded for their joint statement this past December asserting the EMS "will contribute to sustainable growth in the world economy and a stable international monetary system." Moreover, increased monetary cooperation within the EEC "is an important step toward the economic integration of Europe, which we have long supported."

Complementing this dramatic economic change in Western Europe is the introduction of a fourth level of politics, as Karl Kaiser has suggested in a recent editorial. Beyond the municipal, provincial and national elections, there now will be elections this June to an all-European Parliament centered in Brussels.

For the first time all the nations of Western Europe, including Spain, Portugal, and Greece, are in democratic hands. The first democratic election of 410 representatives by Europe's 180 million voters to the new Parliament will not only underscore but hopefully strengthen this unprecedented trend within each of the member nations.

Behind this forward step in the movement for European unity was Jean Monnet, a man of rare dedication and vision. During his 90 years M. Monnet championed the cause for European unity with foresight and endless patience. M. Monnet pointed out the European Community "is the only way to ensure independence and progress for our peoples and peace in this part of the world."

Hopefully, the European Parliament will fulfill M. Monnet's aspirations for a dynamic community. Although the Parliament will have to set a new tone for relations with the already powerful Council of Ministers and the Commission in Brussels, there is promise this can be accomplished to the benefit of the Community.

Dr. Owen has observed:

> If it is to become a real Parliament it must be able to reflect the clash of national interests as well as the aspirations of a developing European identity. And it is essential that the Assembly work with the Council to improve the Community rather than setting itself up as a rival.

Thus, if the "new Euro-MPs include a number of distinguished elder statesmen as well as some promising newcomers to the political scene," Malcolm Rutherford of The Financial Times predicts debate of issues could reach a new level of interest and a new sphere of influence would be introduced to the politics of the Community and home governments.

These thoughts on the European Parliament are explored further in an article in The New York Times by the distinguished political scientist, Karl Kaiser. As Mr. Kaiser points out:

> The first democratic elections to a West European Parliament in the Continent's history provides an opportunity to express the inherent bonds between democracies on both sides of the Atlantic and to establish a working partnership between the two parliaments representing the two largest democratic voting populations in the West.

Mr. President, I ask that Mr. Kaiser's thoughtful article be printed in the Record.

The article referred to follows:

[From the New York Times, Feb. 28, 1979]

Europe's Parliament

(By Karl Kaiser)

Bonn.—Few of those who promoted the idea of direct elections to the European Parliament could forsee the developments set off by such a decision. Long before the 180 million voters cast their votes in June, this decision has already profoundly affected politics in Western Europe and unleashed processes with dynamics of their own. Three areas are particularly noteworthy.

1. The preparations for the elections are changing the substance and structure of national politics in Europe.

European themes have dramatically increased in importance in the party politics of all states of the European Community. Debates on election programs, political strategies and the selection of candidates keep parties busy down to the local level. The subject of Europe, in the past sometimes left to the foreign-policy élites, has become more than ever a part of domestic politics.

In some countries, the powers of the future Parliament are the subject of deep divisions, notably in France where the issue unites (not for the first time) parts of the Gaullists and Communists in a bizarre nationalist alliance. In most countries, if one can believe polls, the election outcome is likely to change the balance of forces among parties and to affect their domestic political structures. It appears that Communists in Italy, and Gaullists and Communists in France, will lose, while Socialists and Social Democrats in France and West Germany are likely to gain.

The elections will create a new, fourth level of political expression beyond local, state and national votes. Though parties will also use the European elections in terms of domestic politics, the process inevitably focuses principally on Europe. For most people, voting will be their first concrete act as European citizens. The community and the idea of European will gain a new legitimacy.

2. The preparation of direct elections is creating new trans-national political links in Europe.

Political parties have formed federations and alliances across national boundaries: democratic socialists, liberals, Christian Democrats and conservatives. They have worked out election programs and are attempting to conduct a trans-national election strategy. The beginnings of a political infrastructure, comparable to a national party system, are being built at the European level.

3. The direct elections are giving European politics a new focus.

When Social Democrats and conservatives in several countries compete for voters in terms of conflicting conceptions of the future Europe, they politicize the integration process. In the raising of issues of unemployment, economic order or foreign policy, the overdue departure from a much too technocratic Europe has begun.

Party elites are beginning to focus their career on Europe. By sending their staunchest opponents of a supranational Europe into the Parliament, Gaullists or the British Labor Party are preparing the ground for major conflicts in the future. But in doing so, the battles on supranationality and basic political issues will be fought within the Parliament, thus inevitably enhancing its standing.

Since Jean Monnet relaunched European integration after the defeat of the European Defense Community in 1954, Europe has not experienced such a feeling of a new departure.

Does this mean that the European Parliament will have more jurisdictions? Not necessarily! Formidable obstacles will stand in the way of a change of jurisdiction, above all the European Community treaty, which can be changed only with the consent of all states.

But 410 personalities with a direct mandate from Europe's population, comprising major figures like the Gaullist leader Jacques Chirac (an opponent of more jurisdictions) or the former West German Chancellor Willy Brandt are joining the Parliament for a serious purpose: to influence politics. The Parliament will, therefore, become a new focus for Europe's political life.

In any case, the question of formal jurisdiction may not be relevant at the beginning. The national parliaments, bogged down in technocratic details, need not be a relevant model. The European Parliament may well find a new and relevant role: It can fill a vacuum by raising and debating the fundamental issues of European politics—for example human rights, social protection, redistribution of regional wealth and Europe's place in the world. Its contribution to European politics would thus be profound.

It is to be hoped that the United States Congress will acknowledge the election as the great event that it is. The first democratic elections to a West European Parliament in the Continent's history provide an opportunity to express the inherent bonds between democracies on both sides of the Atlantic and to establish a working partnership between two parliaments representing the two largest democratic voting populations in the West.●

THE NEED FOR AN EXPANDED PUBLIC AWARENESS OF AMERICA'S DEFENSE NEEDS

● Mr. GOLDWATER. Mr. President, the need for an expanded public awareness of America's defense needs has never been more important than it is today. We are confronted by a steadily increasing Soviet military capacity and unless we understand precisely how this can affect this Nation's strategic interests, we are liable to pay a very costly price. I emphasized my very great concern over the need for greater public awareness of our defense needs in a speech before the New York Chapter of the Association of the U.S. Army.

Mr. President, because I believe it is of increasing importance, I ask that the text of my speech be printed in the RECORD.

The speech follows:

REMARKS BY SENATOR BARRY GOLDWATER

It is a special pleasure for me to be with you tonight. I welcome this opportunity to share with this dedicated group of Americans some thoughts on the national defense issues facing our country today.

This New York Chapter of A.U.S.A. is an influential one, and can play a major role in assuring that our nation achieves an adequate defense. The Association enjoys a fine reputation as a broad-gauged patriotic organization with the best interests of the nation at heart. A.U.S.A.'s factual, professional approach to the task of enhancing national security is well known. Their articles and white papers are of great value to me as a legislator.

The need to foster a public awareness of America's defense requirements has never been greater than it is today.

My thoughts tonight on our nation's security touch on a simple lesson from the past, some concerns about the present, and the challenges of the future.

The month of May will mark the seventh anniversary of the signing of the first U.S.-Soviet agreement on limiting strategic arms—SALT I. As my colleagues and I make ready to review the second SALT agreement, I am reminded of a period between the World Wars which offers a disturbing parallel to events today.

In 1932, with the bitter memory of war still vivid in the minds of its leaders, Great Britain entered the disarmament conference in Geneva with the hope of achieving lasting security through international arms control. In Berlin, Hitler quietly moved forward with a rearmament program designed for world conquest. German military strength grew steadily during the three years the Geneva negotiations lasted. The conference ended, as it had begun, without any positive result.

Though it boasted of a tough and realistic world view, the British government in the thirties was transfixed by the promise of a permanent peace engineered through arms reductions and diplomacy. National leaders of the time, who spoke earnestly of their resolve never to accept military inferiority, steadfastly refused to recognize the alarming rise in German military strength and their own weaknesses.

Prime Minister Baldwin addressed the House of Commons in July 1934 with these brave but empty words:

"It is not the case that Germany is rapidly approaching equality with us. All I would say is that His Majesty's government is determined in no condition to accept any position of inferiority with regard to whatever air force may be raised in Germany in the future."

There is a familiar ring to the censure motion brought in 1934 by the labor and opposition liberals on the occasion of a proposed five year spending program to modestly upgrade the Royal Air Force. The arms control advocates regretted that: "His Majesty's government should enter on a policy of rearmament . . . certain to jeopardize the prospects of international disarmament and to encourage a revival of a dangerous and wasteful competition. . . ." We hear similar words today in our land.

Germany's military strength grew unabated through 1938, allowing Hitler to move that year against Czechoslovakia. The outcome of Prime Minister Neville Chamberlin's Autumn Journey to Munich to decide Czechoslovakia's fate—to secure peace through appeasement—is history.

A few days after the Munich meeting—and with a new world war but a few months ahead—it remained for Chamberlin to explain to the House of Commons this simple truth: "Our past experience has shown us only too clearly that weakness in armed strength means weakness in diplomacy."

For those who would negotiate future limitations on arms from a posture of military inferiority, the lesson of four decades ago is clear.

With the signing of the new SALT accord now surfacing, I am struck by the recent declines in U.S. conventional arms capabilities that have occurred in a period of limitations on our *strategic* arms under SALT I.

Manning for our active forces has declined overall more than 10 percent since 1972. The Army Reserve and National Guard stand almost 15 percent below 1972 levels, and General Bernie Rogers warns that our ready reserves have fallen to more than half a million short of prudent requirements.

I count President Carter's decision in 1977 killing the B–1 bomber as not only a blow to the nation's strategic force but also as a major loss in future conventional might. The aging B–52 bomber proved the enormous non-nuclear capability of the manned bomber in Southeast Asia, a capability that must not be lost with the eventual passing of the B–52. In strategic capable aircraft, the Soviets now outnumber ours.

The fall in active Navy ships from 650 in 1972 to 450 today marks a dangerous change in this country's ability to secure the sea lanes so vital to our economic well-being.

The men and women who serve the country so courageously today—the keystone of our national security—have felt the squeeze, too. Outlays per person for pay, benefits, and bonuses have fallen in purchasing power by almost 10 percent since 1974. Further declines threaten to do great harm to the morale of the military.

These are disquieting indicators of our declining military posture. And one cannot help but be struck by a corresponding drift in the course of American foreign policy—from Angola to Africa's horn, then up to Iran and Afganistan, and across to Taiwan. Indecision, question, retreat and weakness have replaced the firmness of our history.

Of course, not all is bleak today. I must say that I am encouraged by the Administration's commitment to finally reverse the downward trend in real defense spending—however modest the upturn. And, I remain confident that our land, air and sea forces can be prepared to execute the missions around the globe for which they are presently trained but partially equipped.

As for the future, I believe that Chamberlin's dictum presents a truly formidable challenge to those to whom America's security is entrusted. In the closing years of this decade, we are seeing signs that the global environments in the 1980's will be quite different than anything we as a nation have faced before.

The foremost challenge to our military civilian leaders will be to organize, train, and equip U.S. forces for an ever-broadening array of contingencies. I venture to say that rapid deployments of ground and air forces for limited engagements—to achieve limited objectives—will represent an increasingly crucial challenge.

As we undertake to adjust the size and composition of our forces for the coming decade, I would urge that critical attention be given to the further meshing of our ground force and strategic airlift capabilities; and to the effective use of naval ship and air capabilities in limited contingencies far from the shores of America, Europe, or Japan.

I would also counsel continuing scrutiny of weapons programs to insure that we are developing the arms and equipment we will need to span the contingency spectrum. We must be sure the systems we develop today provide capabilites that will enhance and not delimit our choices for exercising force to protect America's global interests in the years ahead.

It is said by some that we can ill afford a dangerous and wasteful defense spending program in an age of unprecedented scarcity. It is also said that force is no longer relevant in the calculus of international security.

The words ring like echoes from the past, untrue today as they have always been. It is a simple lesson from history—Chamberlin's lesson—that must guide our preparations for the 1980's. Strength means peace.

As an abstract proposition, the relevance of force is beyond question. Our task is to insure that our forces are designed to be superior to the challenges before us. If Americans know these challenges and their intimacy with freedom—I have no doubt that America's armed forces will be ready. Americans have never quit, failed, nor shown cowardice.

We crossed the oceans, we climbed the mountains, forded the rivers, traveled the prairies to build on this continent a monument to human freedom. We came from many lands with different tongues united by our belief in God and our thirst for freedom. We said that governments derive their just powers from the consent of the governed. We said the people are sovereign.

We can put aside apathy, turn our backs on disappointment, relegate the errors of the past to the past, and face the future unafraid. An aroused America, an informed America, can overcome the perils of the present moment and rescue freedom for our nation and for the world. It will not be easy. We must be prepared to make the necessary sacrifices—to discipline ourselves—to demand a quality of leadership equal to the undertaking.

I deeply appreciate the honor you have accorded me tonight, and the opportunity you have afforded me to share these thoughts with you.●

AFL–CIO SUPPORTS REFUGEE LEGISLATION

● Mr. KENNEDY. Mr. President, pending in the Judiciary Committee is an extremely important bill to bring long-overdue reform to the refugee provisions of our immigration law—to treat the admission of refugees to the United States in a more orderly, effective, and humane fashion, with proper congressional control.

We have held a hearing on this bill, S. 643, which I introduced, along with Congressman Peter Rodino, chairman of the House Judiciary Committee, and Congresswoman Elizabeth Holtzman, chairwoman of the House Subcommittee on Immigration, Refugees, and International Law.

The committee welcomes comment on this draft legislation, and we are anxious to receive the views of all interested parties. We will keep the hearing record open for some weeks to accommodate such comment.

However, I wanted to share with my colleagues today the thoughtful statement the committee received from the AFL–CIO, strongly endorsing the provisions contained in the Refugee Act of 1979.

I commend the AFL–CIO for the leadership and humanitarian view embodied in the recent executive council's resolution on Indochinese refugees adopted at Bal Harbour, Fla., on February 29. I ask that the text of this resolution, and their comments on S. 643, be printed in the Record.

The material follows:

Statement By AFL–CIO on the Refugee Act of 1979

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and unabiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increasing tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the lack of a consistent and coherent policy toward political refugees. This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, an end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish. President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not as yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

How is it that the AFL–CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL–CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a non-issue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exist.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the "Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have, in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill."

While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international travel, make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL–CIO's continuing involvement in urging a more generous, open-ended U.S. policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL–CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiatives, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON INDOCHINESE REFUGEES

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-ended policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the Southeast Asian Refugee Fund to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.●

THE RETIREMENT OF MISS E. ELIZABETH BRYDEN

● Mr. PACKWOOD. Mr. President, on April 30, 1979, Miss E. Elizabeth Bryden is retiring as librarian for the Senate Republican Conference. On behalf of the Republican Conference, I wish to extend my congratulations to Betty for her 33 years of Government service, 26 of which have been in the U.S. Senate.

Betty has served under five chairmen since her tenure with the Conference library began in 1965. She first came to Washington on the staff of Representative Robert Luce of Massachusetts and moved to the Department of the Navy in 1941, where she remained for the war years. She then came back to the Hill—this time to the Senate—to the staff of Massachusetts Senator Leverett Saltonstall. After a brief sojourn in private industry, Betty returned to the House of Representatives in 1964 and then moved to the Senate Republican Conference in 1965, where she has faithfully served the Republican Members for the past 15 years.

Betty's absence will be sorely felt. All of us who have had the opportunity to work with her wish her the best for her well-deserved retirement. She leaves a void in this body that will be difficult to fill.●

AUTHORITY FOR CERTAIN ACTIONS TO BE TAKEN DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 noon on April 23, 1979, the President of the Senate and the President pro tempore be and they are hereby authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 noon on April 23, 1979, the Vice President of the United States, the President of the Senate pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 o'clock noon on April 23, 1979, the Secretary of the Senate be authorized to receive messages from the other body and/or the President of the United States, and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO FILE COMMITTEE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until April 23, 1979, committees may be authorized to file committee reports on April 12, 1979, and on April 18, 1979, until 3 p.m. each day.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate, upon its return on April 23, 1979, will proceed to the consideration of the First Concurrent Budget Resolution.

I ask unanimous consent, Mr. President, that, upon the Senate's return, following the recognition of the two leaders, there be a period for the transaction of routine morning business on that date of not to exceed 30 minutes, and that Senators may be permitted to speak therein for up to 5 minutes each, after which the Senate proceed to the consideration of the First Concurrent Budget Resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a call for regular order not displace that First Concurrent Budget Resolution with the unfinished business until that resolution is disposed of.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senate will proceed to the consideration of the First Concurrent Budget Resolution upon its return on April 23, 1979. There is a built-in time agreement in the law, and the Senate will probably be on that resolution for a couple of days or more. Rollcall votes can be anticipated on that Monday, I should think, and upon the disposition of that measure, which I am sure will be during that week, the Senate will resume consideration of the Department of Education bill, which is the unfinished business and on which there is also a time agreement which has been entered into by order of the Senate.

Upon the disposition of that measure, and hopefully the Senate will be able to dispose of the First Concurrent Budget Resolution and the Department of Education bill during that week, the Senate will then turn to the aircraft noise bill on which some action has already been taken. That bill is S. 413. There is a time agreement on that measure.

It is reasonable to assume that there will be rollcall votes daily during that week.

REGARDING FRIDAY SESSIONS OF THE SENATE THROUGH APRIL

Let me restate the commitment which I made to committees, staff directors of committees, and to Senators: It is that through the month of April the Senate will not be in on Fridays, barring an emergency. I want to repeat that month—April.

"O, to be in England, now that April's there," if I may quote Browning, whose first name is Robert.

I want to underline that word April. One of the Washington papers today said I made that promise through June, until the 1st of July. But I did not. I said there would be no rollcall votes on Fridays through June, barring emergencies.

I said there would be no rollcall votes on Fridays through June, barring an emergency, but I did not say the Senate would not be in on Fridays. The Senate may be in on Fridays, may have voice votes, may have vote by division, and may, by order, postpone votes on which rollcalls are ordered over until a future time. So that Senators may not misunderstand and, because of misunderstanding, schedule events for Fridays following April, let me say it once more so that the press will also understand it: There will be no Friday Senate sessions through April, the fourth month of the calendar year. The month has 30 days in it and is spelled with five letters—A-p-r-i-l—barring an emergency. I am doing this in order that committees may meet the May 15 deadline under the Budget Reform Act.

And they are working. I have noticed the committee meetings that are set forth in the Daily Digest and the Washington Post and I have seen a great number of them are meeting daily in an effort to meet that deadline. So, when we get back, we are going to have some busy days. There will be a lot of rollcall votes. But, as we look down the road, the days are going to become longer and times will become more difficult.

All of the appropriations bills will be coming over from the other body, presumably by June, and the Senate can begin acting on the appropriations bills. The Senate Appropriations Committee has, through its subcommittees, been working diligently on all of the regular bills and hearings have been conducted. The full committee and the subcommittees will be able to proceed to mark up quickly following the receipt of the appropriations bills from the other body. I understand that there are something like 65 expiring deadlines on programs for which the authorization will no longer be valid unless the Congress reenacts the authorizations. So, there are 65 of those.

Then there are other measures that will be coming along. If the SALT agreement is reached, the Foreign Relations Committee and the Armed Services Committee undoubtedly will conduct lengthy hearings on such a treaty. The Panama Canal implementing legislation will be coming along in due course. And there are other measures.

So the committees will have done most of their work, measures will be reported and placed on the Calendar, and then we shall have to try to arrange the schedule so that the Senate can busy itself in debating such measures as are necessary to be called up.

As to the first concurrent budget resolution, I am advised that the committee will report this week, so that the report will be printed and available to Members and their staffs well before the Senate returns from the nonlegislative holiday period.

THANKS TO ALL

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader, the distinguished assistant Republican leader, and the distinguished majority whip—Messrs. BAKER, STEVENS, and CRANSTON—and Mr. INOUYE, the Secretary of the Democratic majority, for the fine cooperation that I have enjoyed from all of them. I also take this occasion to thank all the members of the committees that have worked so hard in response to the request by the leadership that they move forward as quickly as possible to meet the May 15 deadline.

I also take this occasion to thank the officers of the Senate and our capable assistants, Mr. Hildenbrand and Mr. Joe Stewart, and also the members of the Democratic Policy Committee, so ably led by Ms. Mary Jane Checchi, with the chief counsel and the staff director of that committee.

I thank the people who sit at the desk, day in and day out, and help us with our problems; and the official reporters, who see to it that we make accurate statements on the floor and, if we do not, they call them to our attention so we can correct them.

I thank the pages, too, because without them, the trains would not run on time.

Mr. President, I guess that about winds it up. I hope all Members and their families will have a very pleasant Easter holiday and that if they have an opportunity, they will go to West Virginia, my beautiful home State.

Mr. BAKER. Mr. President, if the distinguished majority leader will yield to me, I wish him the same. As I pass over West Virginia on my way to Tennessee, I shall feel a great glow of warmth.

The PRESIDING OFFICER. The Chair recognizes the trips about to be embarked upon by both the majority leader and the minority leader to their States.

Mr. ROBERT C. BYRD. I thank the distinguished Presiding Officer.

RECESS UNTIL MONDAY, APRIL 23, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrrent Resolution 99, that the Senate stand in recess until the hour of 12 o'clock meridian on Monday, April 23, 1979.

The motion was agreed to, and at 6:19 p.m., the Senate recessed until Monday, April 23, 1979, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 10, 1979:

National Institute of Building Science

The following-named persons to be members of the board of directors of the National Institute of Building Sciences for the terms indicated:

For a term expiring September 7, 1979: Blanca G. Cedeno, of New York.

For terms expiring September 7, 1980: Guy O. Mabry, of Ohio; Leonard Miller, of Florida; Joseph Herbert Newman, of New Jersey.

For a term expiring September 7, 1981: Lois A. Craig, of Massachusetts.

National Credit Union Administration

Lawrence Connell, Jr., of the District of Columbia, to be a member of the National Credit Union Administration Board for the term of 6 years.

Department of Defense

Michael Blumenfeld, of the District of Columbia, to be an Assistant Secretary of the Army.

Office of Management and Budget

John Patrick White, of California, to be Deputy Director of the Office of Management and Budget.

General Services Administration

Kurt W. Muellenberg, of Maryland, to be Inspector General, General Services Administration.

In the Coast Guard

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Sidney B. Vaughn, Jr.
John D. Costello
Donald C. Thompson

Commodity Futures Trading Commission

James M. Stone, of Massachusetts, to be a member of the Commodity Futures Trading Commission for a term expiring April 13, 1983.

James M. Stone, of Massachusetts, to be Chairman of the Commodity Futures Trading Corporation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

Superior Court of the District of Columbia

Peter Henry Wolf, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years.

In the Coast Guard

Coast Guard nominations beginning James R. Costello, to be captain, and ending Louis J. Jensen, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 15, 1979.

In the Air Force

Air Force nominations beginning Gregory J. Aaron, to be captain, and ending Dan O. Yoshii, to be captain, which nominations were received by the Senate on March 23, 1979, and appeared in the CONGRESSIONAL RECORD of March 26, 1979.

In the Navy

Navy nominations beginning Susan R. Allen, to be ensign, and ending Tonu M. Kiesel, to be commander, which nominations were received by the Senate on March 23, 1979, and appeared in the CONGRESSIONAL RECORD of March 26, 1979.

HOUSE OF REPRESENTATIVES—*Tuesday, April 10, 1979*

The House met at 12 o'clock noon.

The Reverend Socrates Tsamutalis, pastor of the Greek Orthodox Church of St. John the Theologian, Tenafly, N.J., offered the following prayer:

With praise and thanksgiving we come to Thee our living and true God, as we gratefully acknowledge Your innumerable blessings upon our hallowed land.

Amidst the manifold problems that beset our world remind us, heavenly Father, that "Blessed is the nation whose God is the Lord."

As Congress convenes today our fervent supplication, for these consecrated Members and officers of the House of Representatives, is to fill their hearts and minds with the love of Your righteousness and with the strength to do justly.

Renew their faith in You, Lord, and keep it strong. Revive their spirits with the fire of Your wisdom as they labor for the good of Your people.

This we ask in Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 2283) entitled "An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. GARN, and Mr. TOWER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 450. An act to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes;

S. 869. An act to amend section 207 of title 18, United States Code; and

S.J. Res. 61. Joint resolution to authorize the President to issue a proclamation designating the week beginning May 20 through May 26, 1979, as "National Oceans Week."

The message also announced that the Vice President, pursuant to section 6968 (a) of title 10, United States Code, appointed Mr. SARBANES, Mr. SASSER, Mr. TOWER, and Mr. MATHIAS to be members, on the part of the Senate, of the Board of Visitors of the U.S. Naval Academy.

FATHER SOCRATES TSAMUTALIS

(Mr. HOLLENBECK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLENBECK. Mr. Speaker, it is a great pleasure for me to welcome Father Socrates Tsamutalis, pastor of the St. John the Theologian Church in Tenafly, N.J., who delivered our opening invocation. I would like to thank him for his very inspiring prayer.

Father Tsamutalis is pastor of one of New Jersey's largest Greek Orthodox parishes. Just this past week at an impressive ceremony which I had the honor to attend, St. John the Theologian was elevated to cathedral status and New Jersey's first Greek Orthodox bishop was enthroned. The growth of this parish in both membership and in community stature is due in large part to the energy, enthusiasm, and multifaceted ministry of Father Tsamutalis. He has spent more than 20 years, most of his distinguished career, as a religious leader and educator in New Jersey, and he is truly one of our most outstanding citizens.

I know that my colleagues share my appreciation to Father Tsamutalis for being with us this afternoon, and I hope the Members will have an opportunity to meet him personally.

☐ 1205

AGREEING WITH CAB JUDGE THAT TAKEOVER OF NATIONAL AIRLINES WOULD BE ANTICOMPETITIVE

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. GIBBONS. Mr. Speaker, I was very pleased to learn of the negative recommendation made by a Civil Aeronautics Board administrative law judge last week in regard to the proposals of both Pan American World Airways and Texas International Airlines to take over National Airlines.

I have opposed all of the pending proposals to "acquire" National on the same grounds the CAB judge used as a basis for his opinion—such a move would be anticompetitive and contrary to congressional intent of the Airline Deregulation Act, intended to establish vigorous competition among the airlines.

In my opinion, Mr. Speaker, National has been offering excellent service to its customers in my district. Allowing Pan Am to purchase National would be turning a profitable institution over to an airline that has always warned us about its potential bankruptcy, and one that has withdrawn service from the Tampa Bay area as recently as a year or so ago. Allowing Eastern to purchase National would be highly uncompetitive for users in my area, and I would hope the still pending recommendation in regard to Eastern's proposal would be considered in the same light as the Pan Am-TXI proposals.

I certainly hope that the review of this decision by the full CAB will concur with the decision of their administrative law judge, who has previously made a thorough study of the merits of these proposals, and found them to be few. I think for a good, competitive, well-run operation, National Airlines should remain free and independent.

Mr. Speaker, I agree with the statement of Judge Dapper, who said the pending applications "raise the serious question of whether the essential purpose of the deregulation legislation will be defeated if the size of the air carrier industry is substantially reduced by merger." ●

LETTER TO PRESIDENT CARTER OPPOSING RESUMPTION OF UNIVERSAL REGISTRATION, THE MILITARY DRAFT, OR MANDATORY NATIONAL SERVICE

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, yesterday, I and 38 other Members sent a letter to President Carter asking him to oppose a resumption of universal registration, the military draft, or mandatory national service.

Far from helping to improve our national security, I believe the draft would hurt, by distorting our priorities.

The Soviet Union has undertaken the greatest military buildup in the history of the world, and may already have surpassed us in strategic strength. Our response has been the giveaway of our Panama Canal, the derecognition of an old ally, the Republic of China on Taiwan, and the negotiation of SALT treaties that help the U.S.S.R. in its goals of world domination.

But the answer is not spending billions

training green 18-year-olds with rifles and bayonets. We need to increase our R. & D. budget; ABM's; more Trident nuclear submarines; laser weapons; a more modern Navy; cruise missiles; and all the high-technology defense our free market system can provide. We also need to stop subsidizing the sale of our technology to the Communists.

The United States feeds itself and much of the world with only 3.5 percent of our population engaged in farming. Capital-intensive, high-technology agriculture makes this possible. The Soviets would have famine without Western food, yet over 29 percent of its population farms. In Red China, the figure is 60 percent.

Our Armed Forces need to be capital intensive, like our farming, not labor intensive, like the Communists.

We need a smaller, better trained, more highly technical Armed Forces. High school dropouts can pick up papers on the drill field; they cannot maintain and operate cruise missiles.

If we have to triple salaries to get the engineers, scientists, and technicians we need, let's do so.

To pay for these salaries, we should: First, cut the size of the Armed Forces, getting rid of the idea of the potato peeler in uniform; second, close outmoded overseas bases, but beef up bases at home; third, stop subsidizing the defense of wealthy allies like West Germany and Japan; and fourth, end all foreign aid and payments to the U.N.

Our country desperately needs a better, more sophisticated national defense; then the draft will not help.

The draft—and the even worse idea of national service—are wrong constitutionally, militarily, economically, and morally. Registration for the draft is also a bad idea. A better reserve and national guard program—with higher salaries—would accomplish the goal far more easily.

The draft is not a weapon I would put willingly into the hands of Brzezinski, Vance, and Young. American boys must not be asked to fight and die in another no-win war.

Government exists for one main reason—defense of its citizens, not to run HEW or HUD.

We must be able to defend ourselves from a Soviet or Red Chinese sneak attack. The draft would not help in any way, more Trident subs would.

Nor would the draft work, in the age of amnesty for draft dodgers and the consensus that girls will need to join the boys in the trenches.

The military draft is neither practical nor desirable. It would hurt, not help, our national security problems.

☐ 1220

EXTENDING PROVISIONS RELATING TO BUSINESS EXPENSES OF STATE LEGISLATORS

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 3091) to extend for 1 year the provisions of law relating to the business expenses of State legislators, with a Senate amendment thereto, and disagree to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, after line 6, insert:

CHILD SUPPORT ENFORCEMENT

SEC. 2. (a) Section 455(a) of the Social Security Act is amended—

(1) by striking out the semicolon at the end of paragraph (2) and inserting in lieu of such semicolon a period, and

(2) by striking out all that follows paragraph (2).

(b) This section shall become effective on October 1, 1978.

WIN CREDIT

SEC. 3. (a) (1) Section 50B of the Internal Revenue Code of 1954 is amended by redesignating subsection (i) as subsection (j) and by adding after subsection (h) the following new subsection:

"(i) SPECIAL RULES WITH RESPECT TO EMPLOYMENT OF DAY CARE WORKERS.—

"(1) ELIGIBLE EMPLOYEE.—An individual who would be an 'eligible employee' (as that term is defined for purposes of this section) except for the fact that such individual's employment is not on a substantially full-time basis, shall be deemed to be an eligible employee as so defined, if such employee's employment consists of services performed in connection with a child day care program of the taxpayer, on either a full-time or part-time basis.

"(2) ALTERNATE LIMITATION WITH RESPECT TO CHILD CARE SERVICES ELIGIBLE EMPLOYEES.—The amount of the credit allowed a taxpayer under the preceding provisions of this section with respect to work incentive program expenses paid or incurred by him with respect to an eligible employee whose services are performed in connection with a child day care services program conducted by the taxpayer shall, at the election of the taxpayer, be determined by including (in computing the amount of such expenses so paid or incurred by him) any amount with respect to such employee for which he was reimbursed from funds made available pursuant to section 3(c) of Public Law 94-401 or section 2007 of title XX of the Social Security Act, except that, if the total amount of such credit, as so computed, plus such amount reimbursed to him under such sections, exceeds the lesser of $6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee, the amount of such credit shall be reduced (but not below zero) so as to provide that such total does not exceed the lesser of $6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee.".

(2) The amendment made by paragraph (1) shall be effective in the case of taxable years beginning after December 31, 1978.

(3) Section 50B(a) (2) (B) of the Internal Revenue Code of 1954 as in effect prior to amendment by the Revenue Act of 1978 is amended, effective October 1, 1978, by striking out "October 1, 1978" and inserting in lieu thereof "January 1, 1979".

(b) Paragraphs (1) and (2) (A) of section 3(c) of Public Law 94-401 are each amended by striking out "(other than the fiscal year ending September 30, 1979)".

(c) Paragraphs (1) and (3) (B) of section 3(c) of Public Law 94-401 are each amended by striking out "Federal welfare recipient employment incentive expenses" each time it appears and inserting in lieu thereof in each instance "work incentive program expenses".

(d) Section 3(c) (3) (B) of Public Law 94-401 is amended—

(1) by striking out "Federal welfare recipient employment expenses" and inserting in lieu thereof "work incentive program expenses"; and

(2) by striking out "section 50B(a) (2)" and inserting in lieu thereof "section 50B (a) (1)".

(e) Secton 3(c) (2) (B) of Public Law 94-401 is amended—

(1) by striking out "$5,000" and inserting in lieu thereof "$6,000"; and

(2) by striking out "$4,000" and inserting in lieu thereof "$5,000".

(f) (1) The amendments made by subsection (b) shall be effective on and after October 1, 1978.

(2) The amendments made by subsections (c), (d), and (e) shall be effective with respect to expenses paid or incurred after December 31, 1978.

CHILD DAY CARE SERVICES

SEC. 4. (a) Section 2002(a) (1) of the Social Security Act is amended by inserting "100 per centum of the expenditures during that quarter (which are not in excess of 2 per centum of the limitation applicable in that State under paragraph (2) (A) for the fiscal year in which such quarter occurs for grants to qualified providers under section 2007," after "an amount equal to".

(b) Title XX of such Act is amended by redesignating section 2007 as section 2008 and inserting after section 2006 the following new section:

"CHILD DAY CARE SERVICES

"SEC. 2007. (a) Subject to subsection (b), sums granted by a State to a qualified provider of child day care services (as defined in subsection (c)) to assist such provider in meeting its work incentive program expenses (as defined in subsection (c)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed for purposes of section 2002 to constitute expenditures made by the State in accordance with the provisions of this title for the provision of child day care services.

"(b) The provisions of subsection (a) shall not be applicable with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used to pay wages to any employee at an annual rate in excess of $6,000, in the case of a public or nonprofit private provider, or at an annual rate in excess of $5,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

"(c) For purposes of this subsection—

"(1) the term 'qualified provider of child day care services', when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to this title; and

"(2) the term 'work incentive program expenses' means expenses of a qualified provider of child day care services which constitute work incentive program expenses as defined in section 50B(a) (1) of the Internal Revenue Code of 1954, or which would constitute work incentive program expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.".

(c) Sections 2002(a) (4) (C), 2002(a) (4)

(D), and 2002(a)(5)(A) of such Act are each amended by striking out "2007(1)" and inserting in lieu thereof "2008(1)".

(d) The amendments made by this section shall become effective on October 1, 1979.

PERMANENT EXTENSION OF PROVISIONS RELATING TO ALCOHOLICS AND DRUG ADDICTS

SEC. 5. Section 4(c) of Public Law 94–120 is amended (effective October 1, 1978) by striking out "only for the period" and all that follows and inserting in lieu thereof "from and after October 1, 1975.".

AMENDMENTS RELATED TO SECTION 322 OF THE REVENUE ACT OF 1978

SEC. 6. (a) Paragraph (1) of section 322(e) of the Revenue Act of 1978 (relating to effective date) is amended by adding at the end thereof the following new sentence: "For purposes of applying section 50A(a)(2) of the Internal Revenue Code of 1954 with respect to a taxable year beginning before January 1, 1979, the rules of sections 50A(a)(4), 50A(a)(5), and 50B(e)(3) of such Code (as in effect on the day before the date of the enactment of this Act) shall apply.".

(b) Subparagraph (B) of section 322(e)(2) of the Revenue Act of 1978 (relating to eligible employees hired after September 26, 1978) is amended—

(1) by striking out "September 27, 1978," and inserting in lieu thereof "September 26, 1978, for purposes of applying the amendments made by this section,"; and

(2) by striking out January 1, 1979." and inserting in lieu thereof "January 1, 1979, and any wages paid or incurred after December 31, 1978, with respect to such individual shall be considered to be attributable to services rendered after that date.".

(c)(1) Subparagraph (C) of section 50A(a)(4) of the Internal Revenue Code of 1954 (relating to limitation with respect to nonbusiness eligible employees) is amended by striking out "'$6,000' and" and inserting in lieu thereof "'$6,000' for".

(2) Subparagraph (B) of section 50B(g)(2) of such Code is amended by striking out "giving to such credit" and inserting in lieu thereof "giving rise to such credit".

(3) Clause (i) of section 50B(h)(1)(A) of such Code is amended by striking out "9-day" and inserting in lieu thereof "90-day".

(4) The second subsection designated as subsection (d) of section 322 of the Revenue Act of 1978 is amended by striking out "our" in paragraph (1)(A) thereof and inserting in lieu thereof "out".

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. CONABLE. Mr. Speaker, reserving the right to object, I would like to ask the distinguished chairman of the Committee on Ways and Means if he could explain the parliamentary situation in which we now find ourselves.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, on March 23 this House passed by a vote of 364 to 4 the bill, H.R. 3091, which merely extends for the year the tax treatment for State legislators.

The Senate approved the bill but they added four unrelated provisions. I would like to refer to them very quickly.

While I am very sympathetic with the purpose of the Senate amendments that have been added, it has been virtually impossible to deal with the substance of these amendments and the problems they raise with the budget resolution prior to the recess.

It is important we pass this bill today if we are to extend the tax relief to State legislators in time for them to file their tax returns before April 15. I will attach a further description of these amendments and I would like to deal with them generally. I am sympathetic with them. I hope we can deal with them expeditiously but because of the urgency of getting this done prior to April 15, we are using this procedure to remove the Senate amendments and send the bill back to the other body.

Mr. Speaker, H.R. 3091 as passed by the House extends for 1 additional year the effective date for the tax treatment of away-from-home travel expenses incurred by State legislators for the 1978 taxable year. As you may recall the Congress dealt with the problem of State legislators in the Tax Reform Act of 1976 and provided a rule covering years prior to 1976. Subsequently, the Congress has extended this treatment to cover 1976 and 1977. Since we have not had an opportunity to focus on a permanent solution by April 15 of this year when State legislators along with all other taxpayers are required to file their 1978 tax returns, the House passed an additional 1-year extension to cover 1978 with the understanding that during this session we will review the matter and provide a permanent rule for the future.

The Senate agreed to the House-passed bill providing for the 1-year extension for State legislators but amended the House-passed bill to include four unrelated provisions. Three of the amendments deal with public assistance provisions and the fourth makes some changes to the WIN tax credit.

While I am very sympathetic with the purpose of the Senate amendments to H.R. 3091, it has been virtually impossible to deal with the substance of these amendments and the problem they raise with the budget resolution prior to the recess. It is important that we pass this bill today if we are to extend the tax relief to State legislators in time for them to file their tax returns by April 15. I have been assured by Mr. CORMAN, who is chairman of the Public Assistance Subcommittee, that the substance of the Senate amendments are under current consideration by the subcommittee and that at a very early time a bill dealing with the Senate concerns will be ready for full committee consideration.

I hope that this bill will be used by the Senate as a vehicle for the Senate amendments attached to H.R. 3091 so that we could meet in conference to discuss any differences between the two Houses. I feel this would accomplish both objectives of passing H.R. 3091 to provide the State legislators a timely relief and to deal with the substance of the Senate amendments in a separate bill so that we could meet in conference with the Senate over our differences and also not to interfere with the budget problems which at this time would require a waiver either by the Budget Committee or the Rules Committee and further complicate the procedure now.

Mr. Speaker, I urge the House to disagree to the Senate amendments and thus return H.R. 3091 to the Senate as originally passed by the House. I hope that the Senate will act on this bill today with my commitment that at a very early date we will send a bill over which will deal with the concerns of the Senate as contained in the Senate amendments to H.R. 3091.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Is it the intention of the gentleman to reject the Senate amendments if the permission is granted?

Mr. ULLMAN. Yes.

Mr. CONABLE. Strip them off and send it back without them.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON THE BUDGET TO HAVE UNTIL NOON, FRIDAY, APRIL 13, 1979, TO FILE REPORT ON CONCURRENT RESOLUTION ON THE BUDGET

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until noon, Friday, April 13, 1979, to file a report on the concurrent resolution setting forth the budget for fiscal year 1980 and revising the budget for fiscal year 1979.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PERMISSION FOR COMMITTEE ON THE BUDGET TO HAVE UNTIL 5 P.M., FRIDAY, APRIL 13, 1979, TO FILE REPORT

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until 5 p.m., Friday, April 13, 1979, to file a report entitled "Toward a Balanced Budget, Report Pursuant to Public Law 95–5."

The SPEAKER. Is that objection to the request of the gentleman from Connecticut.

There was no objection.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT ENTITLED "TOWARD A BALANCED BUDGET"

Mr. GIAIMO. Mr. Speaker, I send to the desk the resolution (H. Res. 220) providing that there be printed for use by the House Committee on the Budget 1,000 additional copies, at a cost not to exceed $1,200.00 of the House Report entitled Toward a Balanced Budget: Report Pursuant to Public Law 96–5, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 220

Resolved, That there be printed for use by the House Committee on the Budget 1,000 additional copies, at a cost not to exceed $1,200.00 of the House Report entitled, Toward a Balanced Budget: Report Pursuant to Public Law 96-5.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET, 1980

Mr. GIAIMO. Mr. Speaker, I send to the desk the resolution (H. Res. 221) providing that there be printed for use by the House Committee on the Budget 1,000 additional copies, at a cost not to exceed $1,200. of the House report entitled First Concurrent Resolution on the Budget—Fiscal Year 1980, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 221

Resolved, That there be printed for use by the House Committee on the Budget 1,000 additional copies, at a cost not to exceed $1,200 of the House Report entitled, First Concurrent Resolution on the Budget—Fiscal Year 1980.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1225

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-42, as amended, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group, held in Alberta, Canada, August 9 to August 17, 1979, the following Members on the part of the House:

Mr. Fascell of Florida, chairman;

Mr. Johnson of California, vice chairman;

Mr. Boland of Massachusetts;
Mr. Gibbons of Florida;
Mr. Hanley of New York;
Mr. Oberstar of Minnesota;
Mr. Bonker of Washington;
Mr. Gray of Pennsylvania;
Mr. Andrews of North Dakota;
Mr. McEwen of New York;
Mr. Winn of Kansas; and
Mr. Stangeland of Minnesota.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 1, answered "present" 2, not voting 64, as follows:

[Roll No. 87]

YEAS—367

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Clausen
Clay
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McDade
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—1

Lloyd

ANSWERED "PRESENT"—2

Roe
Weiss

NOT VOTING—64

Addabbo
Ambro
Ashbrook
Badham
Bereuter
Boggs
Bolling
Bonior
Brown, Calif.
Buchanan
Burton, John
Carter
Chisholm
Cleveland
Coelho
Collins, Ill.
Conyers
Crane, Philip
Davis, S.C.
Deckard
Dellums
Diggs
Dingell
Dixon
Dornan
Downey
Duncan, Oreg.
Evans, Ga.
Fish
Ford, Mich.
Frost
Gephardt
Goodling
Harsha
Heftel
Hubbard
Hutto
Jenrette
Kogovsek
LaFalce
Leland
Long, La.
McClory
McCormack
McEwen
Marlenee
Mathis
Mitchell, Md.
Montgomery
Nolan
O'Brien
Obey
Ottinger
Pepper
Rhodes
Runnels
Sebelius
Staggers
Thompson
Traxler
Wilson, C. H.
Wilson, Tex.
Wright
Wydler

☐ 1240

Mr. PEASE changed his vote from "present" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3324) to authorize appropriations for fiscal years

1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, April 9, title V had been considered as having been read, and open to amendment at any point. Pending was an amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The Chair now recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) for 5 minutes in support of his amendment.

☐ 1245

Mr. ZABLOCKI. Mr. Chairman, before I address my remarks to the amendment pending, I would like to advise the committee that it is the intention of the gentleman from Wisconsin when we go back into the House to ask for a separate vote on the so-called Quayle amendment providing for a 1-year authorization. The committee strongly recommends a 2-year authorization and, therefore, a separate vote will be requested. I am advising the Members so that the chairman of the Committee on Foreign Affairs will not be accused, as he was the week before, of not giving fair notice.

Mr. Chairman, the amendment I am offering is essentially the same as title V of the bill. The entitlements and reappropriations against which a point of order was raised by the gentleman from Connecticut have been deleted, so this amendment conforms to the rules of the House.

The purpose of my amendment is to remove the Peace Corps from ACTION. Mr. Chairman, we have received ample testimony that it is necessary that the Peace Corps be established as an autonomous agency. My amendment provides for the establishment of the Peace Corps as an autonomous agency linked to the new International Development Cooperation Agency.

The Committee on Foreign Affairs has carefully considered this matter over the last 2 years. The committee has several strong and valid reasons for recommending that the Peace Corps be separated from ACTION and linked to IDCA at this time. Our hearings and other oversight have shown that the Peace Corps has been badly managed under ACTION and that the morale of the Peace Corps volunteers and staff has deteriorated. We want to give the Peace Corps autonomy and identity, which it does not now have under ACTION.

I wish to address myself, Mr. Chairman, to the Dear Colleague letter that has been circulated by a very esteemed colleague, the gentleman from Connecticut (Mr. DODD). I must point out that his letter underlines "Alert" and "Alert" and "Alert" and "Urgent." It is very necessary and urgent for me at this time to point out errors in his Dear Colleague letter. For example, he said we should not transfer the Peace Corps to an agency that does not exist. I must point out that the reorganization proposal from the executive branch to establish IDCA will be reported to Congress tomorrow. Further, should the Congress, for whatever reason not agree to the President's recommendation, we clearly spell out in subsection (i) of the bill that if the reorganization plan establishing IDCA has not been approved by the Congress by defeating a resolution of disapproval by October 1 of this year, the Peace Corps shall be established as an independent agency. So we are taking into account such a development, and the gentleman's paragraph 1 is in error, I submit, Mr. Chairman.

Second, he says IDCA has been described as an agency that would promote our Nation's foreign policy; yet the success of the Peace Corps has been viewed in great part for its ability to function independently. Mr. Chairman, we have clearly spelled out in our legislation and report that the Peace Corps will be autonomous with authority for its own budget and policy. Subsection (e)—and I read from the report—states that "the Director of the Peace Corps is to be responsible for the day-to-day operations of the Peace Corps, including the development of its budget, subject to overall policy guidance and review by the Board."

I submit, Mr. Chairman, under ACTION the Peace Corps does not have such independence and, therefore, in paragraph 4 in the gentleman's Dear Colleague letter where he says under IDCA authority the Peace Corps would function less independently than it does now, nothing could be further from the truth.

☐ 1250

Today the Director of ACTION has complete control over the Peace Corps. We are trying to establish an independence for the Peace Corps, an autonomy for the Peace Corps.

Therefore, our recommendation that it be under IDCA, which would be the coordinating agency for all our developing programs, is the proper place to assure this autonomy. If IDCA is not established then the Peace Corps should be an independent agency, as we provide in the legislation before us, Mr. Chairman.

Third, Mr. Chairman, we see the Peace Corps as a very important element in the U.S. presence in developing countries. It is important that it be well coordinated with other programs.

Therefore, my amendment proposes to link it with IDCA by making the Director of IDCA the Chairman of the Peace Corps Board of Directors. Such a link is only for the purpose of coordination, not to allow the Peace Corps to be swallowed up in the AID program, as some have charged.

Mr. Chairman, I urge my colleagues to support this important amendment which has received thorough consideration by the Committee on Foreign Affairs.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am glad to yield to the gentleman, since I referred to the gentleman's "Dear Colleague" letter.

Mr. DODD. I appreciate the gentleman's yielding.

First of all, I just, if I may, would like to thank the gentleman for his assistance during this process, being as willing as he has been to discuss with me, candidly, the issues.

I wonder if my good friend, the gentleman from Wisconsin, the chairman of the committee, might share with the Committee of the Whole the extent of hearings that were held on reaching the determination to put the Peace Corps in IDCA, as it is presently drafted in the amendment pending before the committee?

Mr. ZABLOCKI. Mr. Chairman, I would like to reply to my dear friend and esteemed colleague, the gentleman from Connecticut, that even before the consideration of creating IDCA, subcommittees of the Foreign Affairs Committee and the full committee for 2 years studied and were concerned with the Peace Corps and its continuation.

Mr. DODD. I understand.

Mr. ZABLOCKI. I will yield for a further reply to the gentleman from Washington; but let me further state that when the committee had been working with the executive branch and OMB particularly on the creation of IDCA, we determined that the covering umbrella would be probably the best place to put the Peace Corps, after it is taken out of ACTION.

We were nearly unanimous in committee on this issue. There was such an overwhelming support that it should be removed from ACTION that I just cannot understand why the gentleman from Connecticut would want it to remain there.

If I may now yield to the gentleman from Washington, who held hearings, the gentleman will respond to the gentleman's question in more detail.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for 3 additional minutes.)

Mr. BONKER. Mr. Chairman, I thank the gentleman for yielding.

To add to what the gentleman has just stated, the Subcommittee on International Development in the last session conducted 2 years of hearings on Peace Corps reorganization. We heard from countless witnesses, including Sargant Shriver who was the first to testify, all the way through the last Peace Corps Director, John Dellenback.

We also had ad hoc committee meetings throughout the last session and earlier this year to discuss the IDCA concept within which the Peace Corps would be placed; so we had a series of hearings. We heard from almost everyone who has ever been interested in this subject.

I might add that we had almost unanimous support that the Peace Corps ought to be taken out of ACTION and made independent; so I do not think we can fault this amendment on the basis that we have not had sufficient hearings.

Mr. WINN. Mr. Chairman, would the gentleman yield?

Mr. ZABLOCKI. I would be delighted to yield to the gentleman from Kansas.

Mr. WINN. Mr. Chairman, as the ranking minority member of the Committee on International Development in the 95th Congress, I would say that we had many, many hours of hearings dealing specifically with the Peace Corps and we listened to many hours of testimony from the people that the gentleman from Washington referred to. Even though we were not unanimous on what we should do with the Peace Corps at the end of this 2 years, we were quite concerned about the internal politics of the Peace Corps and the fact that it was completely lost down in ACTION.

Then the gentleman from Wisconsin came up with his presentation, and we do have IDCA coming on board. We think the amendment is the answer to that whole problem.

Mr. Chairman, I thank the gentleman.

☐ 1255

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for his contribution.

Let me say, Mr. Chairman, as one of the original sponsors of legislation creating the Peace Corps, I want to assure my colleagues, members of the committee, that I am deeply interested in preserving the Peace Corps. This is the only way, in my opinion, that we are going to save the Peace Corps, and the Peace Corps has indeed contributed much to the better understanding in its people-to-people program.

I urge the adoption of the committee amendment.

Mr. DODD. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment. I am a former Peace Corps volunteer and I share that distinction with only two other Members of this body, Mr. Hall of Ohio and Mr. Petri.

I would like to draw the attention of the members of the committee to several important points contained in this amendment. First of all, as has been pointed out by the chairman of the Foreign Affairs Committee, IDCA does not yet exist. Whether or not the creation of IDCA is being considered by the White House, or by the Congress does not alter the fact that this agency does not yet exist. What we are being asked to do by this amendment is, to the best of my knowledge, a first in legislative history. We are going to take an agency, the Peace Corps, which has probably enjoyed the best reputation of any Government agency over the past 17 or 18 years and we are going to transfer that agency to another agency that does not yet exist within the bureaucracy of the Federal Government. That is what I would call legislative magic at its best.

Second, despite the fact there have been extensive hearings and discussions between the gentleman from Washington and other Members about what should be done with the Peace Corps, the fact remains that this amendment was reached as a result of a compromise between the members of the committee who were involved in this issue. This was not the subject of hearings before the full committee or the subcommittee but rather a compromise decision to try and deal with the status of the Peace Corps.

The reason I raised the question to the distinguished chairman of the committee is because this is an important consideration. We are going to take an agency which has enjoyed a very positive reputation both domestically and internationally, and move it to an agency which does not even exist. No one can clearly say what the International Development Cooperative Agency is going to be. What sort of a group of people is it? What will their goals be? How will their goals affect the mission of the Peace Corps?

As a Peace Corps volunteer who served in the Dominican Republic in the 1960's at the time of their revolution, I recall the day when the entire U.S. mission was asked to leave that country with the exception of one group of people, and those were the Peace Corps volunteers. We were considered apart from the normal American mission, the AID mission and the Embassy. That was because we dealt not with projects, not in cement and concrete, but with people. Our goals were not necessarily to improve the quality of roads or to build new schools, although we did those things. The goal and the mission of the Peace Corps was a people-to-people program. The goal was to build friendship between individuals. That was the unique goal of the Peace Corps from its very beginning.

If we take the Peace Corps today as is proposed by this amendment and include it in a development agency you will transform the soul of the Peace Corps from a person-to-person, nonpolitical agency into an agency that is wrapped in development programs.

For years people overseas have always considered the Peace Corps to be unique in a particular way, that we were really oriented toward the betterment of peoples lives and not simply to their governments' development goals.

☐ 1300

Let me point out further that in the amendment as proposed by the gentleman from Wisconsin (Mr. Zablocki) we would be sending Peace Corps volunteers to "friendly countries." Now, I certainly would prefer to have the Peace Corps going to nations with whom we are friendly. I do not disagree with that goal. But in the past we have tried to divorce the Peace Corps from our short-term foreign policy programs, and from time to time we have had strained relationships with various countries in the world.

Despite those strained relationships. the Peace Corps has been a program that repeatedly has been allowed to continue in existence and provide an American presence in countries where our own embassies have been asked to leave.

If we state it as a goal under IDCA. that we will only send the Peace Corps to "friendly countries," we will then give the Peace Corps a quality that it has not had for the past 17 years, and that, I think, would be a mistake. It would be a mistake to foist that goal on the Peace Corps itself.

Let me also make a couple of references to the morale of the Peace Corps.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Dodd) has expired.

(By unanimous consent, Mr. Dodd was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DODD. Mr. Chairman, I wish to complete just a couple more points, and then I would be pleased to engage in a colloquy with the chairman of the committee.

Mr. Chairman, I would like to discuss the question of whether the morale is good in the Peace Corps as it presently exists under ACTION, and whether or not it is a well-managed organization. I think that the statistics over the past several years would show that the Peace Corps, particularly during the last 2 years, is enjoying far better morale than it did over the past 4 or 5 years under the previous administrations. In fact, the number of grievances has dropped significantly, and in fact it was ACTION which has demonstrated some ability to clean out waste in Government, the sort of waste that we can certainly see in some other agencies.

ACTION has a zero-based paperwork program. From 1972 to 1976 the number of forms used by ACTION grew from 305 to 1,375, an increase of 43 percent a year. In the last year and a half those forms have been cut by more than 37 percent. Computer reports have been cut by some one-half million pages, a drop of 21 percent.

There are a number of other items that can be pointed to which would demonstrate that in fact ACTION has been doing a far better job than other agencies in cleaning up its operation and performing better by eliminating waste. These are issues that are of great concern to the American people.

Let me also point out that with regard to the possible transfer of the Peace Corps to IDCA, at present the Director of the Peace Corps reports to the Director of ACTION and then to the President, as opposed to the procedure under IDCA where we set up an autonomous or semiautonomous board which has to report to the administrator of IDCA, who in turn, because of the stated goal of cooperation and working with other agencies, may have to report to the Secretary of State, who would then have to report further to the President of the United States.

The board meets four times a year, so for all practical purposes the chief administrator of IDCA would become the administrator of the Peace Corps.

It seems to me that if we are trying to minimize the levels of bureaucracy that an agency should have to go through before decisions can be made, it is a lot simpler to have the Peace Corps Director report to the ACTION Director and be responsible to the President than to have to go from the Board of Directors to the IDCA Administrator, then to the Secretary of State, and then further on to the Presidency. We would be simply complicating the problem.

Again, probably the most significant point is that we are submerging the Peace Corps in an agency that is going to be concerned with our short-term foreign policy goals. With a program that has enjoyed the reputation of not being a part of our short-term foreign policy, I believe it would be a serious mistake for us to transfer the Peace Corps to a yet to be established agency which will be a principal instrument of short-term U.S. foreign policy.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has again expired.

(On request of Mr. ZABLOCKI, and by unanimous consent, Mr. DODD was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DODD. I am delighted to yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Connecticut (Mr. DODD) has construed the language in the amendment to mean the same as the language under section 501(a), which reads:

> Peace Corps volunteers make a unique contribution to world peace and friendship by assisting friendly countries to meet their needs for trained personnel.

☐ 1305

It in no way implies that they would be limited, that the Peace Corps would be limited. If we stated in the legislation "assisting only friendly countries," then the gentleman's argument would be valid.

Mr. DODD. Mr. Chairman, let me respond to that one point. The gentleman may be correct, but I can envision the day here in the House when there will be amendments offered on the floor to cut off Peace Corps funds so that we will not send volunteers to some country with whom we have strained relations because it would be interpreted that that clause "friendly countries" would mean we should only send volunteers to countries with whom we have friendly relations.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has expired.

(On request of Mr. ZABLOCKI and by unanimous consent, Mr. DODD was allowed to proceed for 1 additional minute.)

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, that could occur whether the Peace Corps remained under ACTION or an independent agency.

As to the reference as to whether IDCA will come into being, I want to share with the gentleman a letter that was received on April 3, from John P. White, Deputy Director, to the chairman of the Committee on Foreign Affairs:

> As you know, the President on March 7, 1979, transmitted a report to the Congress required by title III of the International Development and Food Assistance Act of 1978 in which he stated his intention to propose the creation of an International Development Cooperation Agency (IDCA).
>
> I am pleased to inform you that we expect to transmit to the Congress during the week of April 9, 1979, a reorganization plan that would establish IDCA.

Mr. DODD. Mr. Chairman, I am not especially wedded to the concept that we may not want to move in this direction. But it seems to me that we are putting the cart before the horse by transferring the Peace Corps to IDCA before IDCA has been officially established.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. DODD) has again expired.

(By unanimous consent, Mr. DODD was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, there is a rush to judgment today to place the Peace Corps into an Agency that the Congress may decide that it does not want to support. And it seems to me that we ought to deal a little bit more thoughtfully with an Agency that has done so well over these past 17 years. What is the reason today, on April 10, to be saying, "Let's take this organization, the Peace Corps, and put it into IDCA," when in fact the Members of this body may decide that IDCA is not the way we want to go with our international development program. And that could very well happen. I am not suggesting that what the gentleman suggested will not occur, but I think, in terms of the Peace Corps, we ought to think about it very, very carefully and not rush to put the Peace Corps into an Agency when we are not certain that this Agency will, in fact, be established.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Wisconsin, the chairman of the Committee on Foreign Affairs, to make the Peace Corps independent and establish a coordinating link between the Peace Corps and IDCA.

Mr. Chairman, 2 years ago I introduced legislation to take the Peace Corps out of ACTION and make it an independent foundation. The International Development Subcommittee, on which I served, conducted 2 years of hearings.

Testifying before the subcommittee were Sargent Shriver, former Peace Corps Directors, and others who were involved with the Peace Corps experience over the last 15 years. Without exception, excluding the current ACTION Director, everybody who testified supported the concept of making the Peace Corps independent.

We have been asked here to withhold action until the administration is forthcoming with its own proposal on ACTION reorganization. But in 2 years of studying this issue the White House has been unable to come up with any specific recommendation. If the White House were to make a recommendation, that plan would go straight to the Committee on Government Operations and, unless Congress would disapprove within 60 days, we would have absolutely no choice on the establishment of IDCA or the Peace Corps organization. At least through this process today, we have an opportunity to directly address this issue.

I would remind the Members that over 40 of our colleagues have supported this concept. A former Peace Corps volunteer, PAUL TSONGAS, now in the Senate, will be introducing legislation similar to this in the other body. All of the Peace Corps volunteers who have written to the committee and to me personally have supported the concept of making the Peace Corps independent.

☐ 1310

Why should we take the Peace Corps out of ACTION? It should have never been placed there in the first place. The Peace Corps had high visibility and was very successful. It was an expression of the best that there was in us. By placing it within ACTION, we made it subservient to a bureaucratic agency that was more preoccupied with domestic programs than with people-to-people programs in other countries. It has created bureaucratic problems that are both costly and inefficient, and inhibits the effectiveness of Peace Corps programs.

The recent Peace Corps Director, who was forced into resignation, was a very capable person and was carrying out the true spirit of the program until there was an unavoidable clash between the Peace Corps Director and the ACTION Director. As long as the Peace Corps says in ACTION, it is going to be subject to political influence from the White House, regardless of whether it was during the Nixon years when there was an attempt to reduce the Peace Corps visibility, or whether under the current administration where we have in effect three political activists who are involved in the ACTION agency. It is no place for political appointees. The Peace Corps ought to be removed. It ought to be politically independent, and it ought to be insulated politically from influence from either the State Department or the White House.

Mr. HALL of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Ohio.

Mr. HALL of Ohio. Can the gentleman from Washington answer this question, relative to hearings that we had before the Foreign Affairs Committee? Sargent Shriver and another gentleman by the name of Dellenback, I believe, who was the Deputy Director of the Peace Corps and also was a past Congressman, testified—and correct me if I am wrong—that, if the Peace Corps is taken out of ACTION and put into an agency, and they referred to it as IDCA, you in fact are killing the Peace Corps. Did they not in fact say that?

Mr. BONKER. The testimony before the committee was faced with two alternatives. One was the independent foundation, which I have supported, and the other was the chairman's proposal to place the agency within IDCA. What we came up with, and as the gentleman well knows as a member of the committee, was a compromise that incorporates the Peace Corps as an independent agency with its own Board of Directors that has exclusive authority for policy and budgetary matters. It was a dotted-line connection with IDCA.

If we do not act today to maintain the autonomy of the Peace Corps, and the President submits in his proposal for reorganization of the Peace Corps by placing it in IDCA, we will lose that opportunity to make it autonomous.

I think the members of this committee ought to be well aware of this relationship between the Peace Corps, which maintains it autonomy through a Board of Directors that has the authority for its own budget for its own policy, and its coordinating relationship with IDCA.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(At the request of Mr. DODD and by unanimous consent, Mr. BONKER was allowed to proceed for 1 additional minute.)

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, I thank the gentleman for yielding.

I am not quite clear as to what the gentleman's position is. As I understand it, with regard to the transfer of the Peace Corps from ACTION to IDCA, the gentleman would be opposed to that.

Mr. BONKER. Absolutely.

Mr. DODD. The gentleman would prefer it as an independent agency?

Mr. BONKER. Precisely.

Mr. DODD. I am confused as to why the gentleman then would be supporting this amendment, which in effect will transfer the Peace Corps to IDCA. The only way that it will ever not go to IDCA is if IDCA, according to the amendment, is not established; in which case, it would then become an independent agency.

So it would seem to me, if the gentleman is truly interested in accomplishing his goal of seeing the Peace Corps become an independent agency, that he is now going to be put in a position, assuming the amendment carries, to then fight the establishment of IDCA, so that the Peace Corps would be the independent agency which is guaranteed under the amendment.

Why should we not go the straight route? Let us defeat this amendment and come back with our proposal as a separate piece of legislation and debate the merits of whether or not the Peace Corps ought to be an independent agency or stay in ACTION.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

(By unanimous consent, Mr. BONKER was allowed to proceed for 2 additional minutes.)

Mr. BONKER. Let me say, as one who has been working on this issue for at least 3 years and who believes strongly in Peace Corps independence, if I thought for a moment it compromises the Peace Corps independence, I would not support it. I think most members of the committee and the chairman realize that.

□ 1315

Mr. Chairman, let me read from the amendment itself. It says the following:

> The Peace Corps Director and the Board of Directors shall have the authority, as provided in subsection (e), to exercise all the functions under the Peace Corps Act, which, immediately before such establishment, the Director of ACTION or any other officer or employee of ACTION has the authority to exercise.

And then in subsection (6) the following appears:

> It is the intent of Congress that in order that the Peace Corps exercise the autonomy required to maintain its unique character and identity, the Director of the Peace Corps shall be responsible for carrying out the policies and programs of the Peace Corps, developing the budget of the Peace Corps, and directing its operations . . .

Mr. Chairman, I do not think that we could be any more explicit about the independence and the autonomy of the Peace Corps than we have been in this legislation.

I would suggest that if we do not take this action today, we are left with only two proposals which have been advanced by the administration; that is, either keep the Peace Corps in ACTION, which I think very few in this Chamber would support, or to place it in IDCA under the transfer concept to which the gentleman referred, where it would have absolutely no autonomy.

Mr. Chairman, if the Members support an independent Peace Corps, I think they have no other choice but to support the chairman's amendment.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield briefly to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I support the concept of making the Peace Corps an autonomous agency with links to the International Development Cooperation Agency.

I do not believe it is necessary for me to point out that there has been considerable controversy over aspects of the Peace Corps in recent years. Many have been dissatisfied with the incorporation of the Peace Corps into ACTION. Others have noted the recent firing of a competent and dedicated Peace Corps Director. Added to this were the statements made by that same Peace Corps Director, who claimed that the current head of ACTION sought to use the Peace Corps for his own ideological and political ends.

In short, the past few years have not been easy times for the Peace Corps. It is my hope that this amendment with its vision of an autonomous, but not isolated, Peace Corps will go far to reestablish the Peace Corps as a dynamic entity, capable of performing its mission.

Mr. Chairman, I would make the point here that this gentleman supported the Peace Corps concept when it was initially conceived back in the days of President Kennedy. As a matter of fact, its domestic counterpart then, VISTA, was proposed during the Nixon years. I have supported both programs strongly. However, both programs, both parts of them, have taken on a diverse hue and a different direction, particularly under the current Director. Whether that is the problem, I am not sure; but I certainly have to subscribe to the view expressed by the gentleman from Washington (Mr. BONKER) that we have no alternative here today but to do what we have an opportunity to do by way of adopting this amendment.

Mr. Chairman, as I read the amendment, the new independence of the Peace Corps will not mean it is isolated from other aspects of American assistance programs. Rather it will be free of interference but, at the same time, have its activities coordinated with other U.S. assistance agencies. I think this provides a proper balance between Peace Corps program integrity to have some sense of coordination in our assistance programs.

As you know, there have been recent reports that the Peace Corps has been used for ideological purposes. Let me say in that regard that the Peace Corps exists not for some specific ideology, not to carry on somebody's private vision of economic or social revolution, not to serve as a training ground for social activists—it exists to represent the unique spirit of American volunteerism to the people of other lands.

That spirit transcends politics. It transcends ideology. It transcends petty partisan bickering. It does not seek to dominate, but to serve. It does not seek to impose views but to accept people as they are and to help them.

When anyone, for whatever allegedly noble purpose, seeks to subvert the voluntary spirit of the Peace Corps or to turn it to partisan ideological ends, he is harming not only a program or policy or agency of Government but our spirit of American service itself.

It is my hope that an autonomous Peace Corps will be free of the personal whims and ideological fads of one person or one ideology. The new Peace Corps spirit should be American, not the reflection of one small part of America.

I believe that what we are doing today is setting the agenda for a new look, not only at the Peace Corps, but at the Federal Government's entire volunteer service, domestic and foreign. Just as troubles have recently plagued our overseas volunteer agency during the past few years, so have they hampered our domestic volunteer agencies as well. It is my hope that when the time comes to give close scrutiny to the troubled and often controversial programs of the ACTION agency's domestic side, we will see the same spirit of bipartisan teamwork that went into this amendment.

The Peace Corps needs to be rescued from its present unhealthy dominance by ACTION and I urge you to join with me in seeing that it is. I hope the spirit of creativity and willingness to cast aside outmoded frameworks that characterizes this move will also be shown when it comes time to strengthen ACTION's domestic program. That strengthening might take the form of reorganization, or elimination of some programs or aspects of some programs. We do not know as yet. But there can be no doubt that the creation of an autonomous Peace Corps is but the first step to a thorough examination of what ACTION is and what it should be.

Mr. Chairman, I thank my colleague, the gentleman from Michigan (Mr. Broomfield), for yielding to me at this particular time.

□ 1320

Mr. BROOMFIELD. Mr. Chairman, I would like to associate myself with the remarks made by the gentleman from Illinois (Mr. Michel).

I would also like to conclude by saying that I think that this vote will be a benchmark for the future of the Peace Corps, because I think that anyone who analyzes what we have presently would have to agree that the Peace Corps has been going downhill in recent years. I know the main interest of the gentleman from Wisconsin (Mr. Zablocki) is to keep the Peace Corps a very vital part of our foreign policy, and I urge everyone to support the Zablocki amendment.

Mr. HALL of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. Zablocki).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished chairman of the Committee on Foreign Affairs, and I do so reluctantly because I know of his sincere efforts and his belief and his thrust and direction of trying to keep the Peace Corps independent. But I disagree on the way that this committee went about it.

First of all, I would like to establish my own credentials. I am a member of the Committee on Foreign Affairs, this very distinguished committee, and I am also an ex-Peace Corps volunteer who served in the country of Thailand 14 years ago. As a member of the committee I had the opportunity to listen to some debate and to question the reasoning of putting such an important agency as the Peace Corps under a new heading called IDCA. After further questioning and debate, I was amazed that this agency has not been created yet, and yet we are placing one of our most, I believe, prized programs in an agency that has not been created. The committee wants to give it a different direction, yet we are putting it under a program where rules and regulations, other things that are concerned with IDCA, have not even been seen yet. We have no idea in which direction IDCA is going to go. To me this is a dangerous move. It is, I believe, a frivolous move, and I think it does disservice to a program that I believe is one of our more important programs as far as this country is concerned.

I do not question the feeling that Peace Corps should be separated from ACTION. I feel that to do it in a matter of 24 hours—and that is just about the time it took to work out the compromise package in the Committee on Foreign Affairs—to put it into an agency that has not been created yet, and to treat it not as a separate topic but as an amendment, does a tremendous disservice to a very, very important agency.

Peace Corps is the only program to which we give our most precious resource and that is human beings. We do not give machines, money, or military hardware. We give people, and we give Americans. They live in communities; they speak the language of that community; they eat the same food; they earn the same wages. The best compliment that that community can give to that Peace Corps member is to treat him as part of that community.

As a former Peace Corps volunteer I am deeply concerned that by this action the morale of the present volunteers will, I think, really be disturbed. I think the attractiveness of the Peace Corps in the future, the attractiveness of trying to bring those qualified people into the Peace Corps will severely be hurt. Individuals join the Peace Corps because they want to help other people in other countries. They do not join the Peace Corps to become a part of the bureaucracy.

□ 1325

Let us consider other options, but let us not move too swiftly. Let us treat the Peace Corps as a separate topic and let us not move in a matter of hours to a compromise that I think by moving it from one agency to another could be very, very dangerous to a most important program.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. HALL of Ohio. I would be glad to yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I am still confused as to the gentleman's position because, if I understand it correctly, the gentleman wants to see the Peace Corps out of ACTION and not placed in IDCA and retain its independence, which many of us share. But the fact still remains that if we do not act today to set up the autonomy of the Peace Corps, and the President submits to Congress his reorganization plan to establish IDCA and place the Peace Corps there, which is a very likely occurrence, we have lost any opportunity to have a say on that matter. We have lost an opportunity to make it independent.

Why would the gentleman oppose this amendment, and why does he support the concept of taking it out of ACTION?

Mr. HALL of Ohio. Mr. Chairman, I thank the distinguished chairman of the Committee on International Organizations.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Hall) has expired.

(By unanimous consent, Mr. Hall of Ohio was allowed to proceed for 2 additional minutes.)

Mr. HALL of Ohio. Mr. Chairman, I thank the gentleman from Washington for his question. I would answer it in this way. We do not know, in fact, that the Peace Corps is going to be included under the agency of IDCA. I personally do not believe it will.

Mr. BONKER. Mr. Chairman, if the gentleman will yield further, if it does not occur, then the Peace Corps will remain in ACTION and that is not what the gentleman supports, either.

Mr. HALL of Ohio. As the gentleman from Washington knows, this legislation put together in the Committee on Foreign Affairs, in which I serve and as the gentleman knows, I supported the gentleman's legislation relative to the Bonker proposal in making the Peace Corps completely independent. The gentleman did not want to vote on his proposal. Because of this I felt that the compromise that was worked out in the committee in a matter of hours was very, very disastrous.

I feel to move swiftly on such an important agency and such an important program is frivolous.

I think for those reasons, there are other options. I believe we do have time and I think that if we are going to decide the direction and the purpose of the Peace Corps in a matter of hours and treat it as an amendment and not as a separate topic, we could be creating a worse situation than what we presently have under ACTION.

I urge the Members to vote against this amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words. I rise to support the pending amendment.

I would like to point out, Mr. Chairman, that what we have here is an honest difference of opinion between Members, all of whom are supporting the Peace Corps. I think we all recognize that the Peace Corps over its history has had some ups and downs. The present period would have to be a down period.

I think the proposal by the gentleman from Wisconsin, supported by the gentleman from Washington, is the most practical alternative before us. I believe it will include the major emphasis and direction from Congress which I think is healthy for the Peace Corps.

We have an ongoing interest in the success of the Peace Corps. I would suggest that notwithstanding these differences of opinion that have surfaced, the logical course of action to follow this afternoon is to support the chairman of our full committee, in what has been described as a compromise, but it will not be the first or the last compromise we have worked with.

I support that position.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I want to associate myself with the gentleman's remarks and also to underline the intent of the committee to provide independence and autonomy to the Peace Corps, whether or not it is part of the structure of IDCA. That is the whole purpose and I believe the amendment is drawn to reflect that purpose.

I urge its adoption.

Mr. RITTER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I rise in support of the good chairman's amendment. I think what we are dealing with here is not just the mechanics of transfer. It is the survival of the Peace Corps and the consideration of the broad American public on the whole question of the ACTION agency.

Right now what may be a reasonably performing subunit of that agency is getting a very, very bad name back in all of our communities. In order to preserve the Peace Corps, if the wish of this body is to preserve the Peace Corps, I think we need to make haste to assure its independence and take it out from what is an agency with a couple of good black eyes.

□ 1330

Mr. DODD. Mr. Chairman, will the gentleman from Illinois yield?

Mr. DERWINSKI. I will yield to the gentleman from Connecticut.

Mr. DODD. I thank the gentleman for yielding.

I would just like to point out to my friend, to call this a compromise I think is a bit of a mistake. What you are here suggesting is that somehow this is going to be a good middle ground. I think if you consider carefully what is being proposed here you will reach a different conclusion. We are talking about taking the Peace Corps and transferring it, that is what is going to be done here, to an agency that does not yet exist, as the gentleman well knows. We do not know what shape this agency ultimately is going to take. We are taking the prize jewel, if you want to call it that, of our foreign policy over the past 17 years, the Peace Corps, and move it from a position which it presently enjoys where there may be difficulties but there are correctable problems, to a limbo in effect, a fate worse than death. In death, at least you know where you are going. When you send it to IDCA, we do not know what the fate of the Peace Corps will be.

To call this a compromise, to suggest somehow we are reaching a middle ground by sending it to an agency which does not even yet exist I think is a misnomer.

Mr. DERWINSKI. I think the gentleman would recognize it is everyone's intention the Peace Corps continue, that the Peace Corps function properly, that the Peace Corps be involved in a minimum of political dispute as well as a minimum of foreign policy misuse. That is everyone's goal and upon that we all agree.

Now, what exact shape the AID Agency takes will not adversely affect the Peace Corps, in my judgment.

Mr. FASCELL. Mr. Chairman, will the gentleman from Illinois yield?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. I think the gentleman has just underscored a principal point to be made in this debate as far as I am concerned. It is that the relationship of the Peace Corps will remain the same. The goals remain unchanged by law and the Peace Corps by its own initiative has established its own acceptability and credibility both here and abroad and there will be no way anyone will be able to distort that image. Certainly this pending proposal does not anywhere distort the image.

I think we are crying out ahead of time. As far as moving before IDCA is actually formed, that is not magic. It is just common sense and good planning.

Mr. DERWINSKI. Mr. Chairman, I think it is also a fair judgment that in some form IDCA will be established, the Peace Corps will properly and logically fit. The Peace Corps will continue as an effective instrument of foreign policy.

RECORDED VOTE

Mr. DODD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 116, answered "present" 1, not voting 41, as follows:

[Roll No. 88]

AYES—276

Abdnor
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
AuCoin
Bafalis
Baldus
Barnes
Bauman
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Chappell
Cheney
Clausen
Clay
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Foley
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gonzalez
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Heckler
Hefner
Hillis
Holland
Hollenbeck
Holt
Horton
Howard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McDade
McDonald
McHugh
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oberstar
Obey
Panetta
Pashayan
Peyser
Price
Pritchard
Pursell
Quayle
Railsback
Regula
Reuss
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Stack
Stangeland
Stanton
Stewart
Stockman
Stratton
Stump
Swift
Symms
Tauke
Taylor
Thomas
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Volkmer
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—116

Anderson, Calif.
Aspin
Atkinson
Bailey
Barnard
Beard, R.I.
Bedell
Biaggi
Blanchard
Bonior
Brinkley
Brodhead
Brown, Ohio
Burton, John
Burton, Phillip
Carney
Cavanaugh
Chisholm
Conyers
Corman
Cotter
Crane, Daniel
D'Amours
Daschle
Dellums
Derrick
Dixon
Dodd
Donnelly
Downey
Drinan
Eckhardt
Edwards, Calif.
Fazio
Ferraro
Fish
Florio
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Giaimo
Ginn
Gore
Hall, Ohio
Harkin
Hightower
Hinson
Holtzman
Hopkins
Hughes
Jacobs
Jeffords
Jenkins
Kastenmeier
Kazen
Kildee
Kostmayer
Lederer
Levitas
Lott
McCloskey
McKinney
Maguire
Matsui
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Mollohan
Murphy, Pa.
Murtha
Myers, Pa.
Nolan
Oakar
Ottinger
Patten
Patterson
Paul
Pease
Perkins
Pickle
Preyer
Quillen
Rahall
Rangel
Ratchford
Richmond
Rodino
Rosenthal
Roybal
Sabo
Santini
Scheuer
Seiberling
Shannon
Sharp
Smith, Iowa
Spellman
St Germain
Stark
Stenholm
Stokes
Studds
Synar
Walgren
Weaver
Weiss
Whitten
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wylie

ANSWERED "PRESENT"—1

Lehman

NOT VOTING—41

Addabbo
Ambro
Ashley
Badham
Boggs
Bolling
Carter
Cleveland
Coelho
Crane, Philip
Davis, S.C.
Deckard
Frost
Goodling
Hawkins
Heftel
Hubbard
Jenrette
Kogovsek
LaFalce
Leland
Long, La.
McClory
McCormack
McEwen
Mitchell, Md.
Murphy, N.Y.

O'Brien
Pepper
Petri
Rhodes
Runnels
Sebelius
Staggers
Steed
Thompson
Traxler
Vento
Wilson, C.H.
Wright
Wydler

□ 1345

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Addabbo against.
Mr. McClory for, with Mr. Frost against.
Mr. O'Brien for, with Mrs. Boggs against.

Mr. HINSON and Mr. RODINO changed their vote from "aye" to "no."

Messrs. PASHAYAN, ALBOSTA, and LONG of Maryland changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1350

The CHAIRMAN. Are there further amendments to title V?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECTIVE DATES

SEC. 601. The amendments made by titles I, II, III, and V and the provisions of title IV shall take effect on October 1, 1979.

□ 1355

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 46, immediately after line 9, insert the following new section:

UNIFIED PERSONNEL SYSTEM

SEC. 602. Section 401(a) of the International Development and Food Assistance Act of 1978 is amended by striking out "March 15" and inserting in lieu thereof "May 1".

(b) The amendment made by subsection (a) shall be effective as of March 15, 1979.

Mr. ZABLOCKI. Mr. Chairman, this amendment is made necessary by the fact that the administration has missed by several weeks the original date of March 15, 1979, for sending to the Congress the personnel regulations mandated by the Congress. The regulations will be sent this month, and this amendment simply assures that the regulations will be valid. It changes the reporting date to May 1. Mr. OBEY, the author of this provision, supports this change.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer another technical amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 46, immediately after section 601, insert the following new section:

BUDGET ACT REQUIREMENTS

SEC. 603. (a) The authority to make payments which is provided in sections 405(a), 406(a), 406(c), 407(e), 408(d), and 412 of this Act shall be effective only to the extent that the budget authority to make such payments is provided for in advance by appropriation Acts.

(b) Appropriations may not be made for the fiscal year 1979 under the authority of section 501(d).

Mr. ZABLOCKI. Mr. Chairman, in order to bring H.R. 3324 to the floor, it was necessary to seek a rule waiving points of order against the various sections of the bill under sections 303(a)(4), 401(b)(1), and 402(a) of the Congressional Budget Act regarding new entitlement authority.

In consultation with the Committee on the Budget, the Committee on Rules agreed to grant technical waivers of these Budget Act requirements provided that the committee would offer corrective language on the floor.

This amendment would subject those provisions of the bill which now constitute "entitlements" to advance budget authority provided in appropriations, thus correcting the violation of the Budget Act with respect to entitlements.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 46, immediately after section 603, insert the following new section:

HUMAN RIGHTS REPORTS

SEC. 604. Paragraph (1) of section 116(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

"(A) in countries that receive assistance under this part, and

"(B) in all countries which are members of the United Nations and which are not otherwise the subject of a human rights report under subparagraph (A) of this paragraph or under section 502B(b); and".

□ 1400

Mr. LAGOMARSINO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LAGOMARSINO. Mr. Chairman, the purpose of this amendment is to increase the number of countries reported on by the Department of State in its annual human rights report to Congress. It would expand the reporting requirement to include all member states of the United Nations. As we seek to determine the proper relationship between the United States and the other nations of the world, we need a more comprehensive and useful information base in order to avoid inconsistency in the implementation of our foreign policy with regard to human rights.

By expanding the reporting requirement to include all member nations of the United Nations, this amendment would guarantee that the Congress has access to adequate and balanced information on human rights conditions in all countries. The data would allow the administration and the Congress to compare and evaluate the status of human rights in a given country against similar information on other nations of the world community.

By using the framework of the United Nations and its universal declaration of human rights, we can further our policy goals of increasing assurance of the internationally recognized standards of human rights.

Mr. Chairman, despite an increasing interest in human rights practices around the world and increased debate about what the role of human rights concern should play in foreign policy, current State Department reports fail to include a significant number of important nations.

For example, this year's report fails to report on the Soviet Union, Red China, South Yemen, Cuba, Vietnam, Argentina, Brazil, Chile, and South Africa, just to mention a few. As we can see on the world map I have prepared, we received no reports from those nations indicated by the red lines.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

The gentleman's amendment is basically identical to the amendment that was offered last year by the gentleman from Illinois, Mr. BOB MICHEL.

I must say to the gentleman, though, that the Congress already receives reports on almost all of the countries, certainly all of the countries that we provide any assistance to, however small. Since the gentleman's amendment will probably prevail, as did that offered by the gentleman from Illinois (Mr. MICHEL), in the last Congress, despite the fact that the gentleman from Wisconsin believes this to be a mischievous amendment, we will accept it on this side.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman.

Mr. FASCELL. Will the gentleman from California yield?

Mr. LAGOMARSINO. Yes; I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I only do so because I know the gentleman is a very fairminded person and would not want to leave the wrong inference in the RECORD with respect to the gentleman's amendment. While it is true that no report pursuant to the legislation now pending is made on the Soviet Union and other Eastern bloc countries, it is true that the administration and the President does submit a report to the Congress on human rights on the Soviet Union, all the Eastern bloc countries and all the signatories to the Helsinki accords; so although under this particular law the reports are not submitted, the gentleman from California is accurate, the reports nonetheless are still submitted and made available to the Congress.

Mr. LAGOMARSINO. Mr. Chairman, what the gentleman says is true. The

State Department does report on the Soviet Union and its satellites, as an annex; they do not do it in the formal way that they do on all the rest of the 115 countries that are reported on.

I might point out that the book I hold up here is the State Department human rights reports. The part on the Soviet Union and all its satellites takes up about two pages and is not nearly as detailed in format as the reports on the other countries that are reported on under the act.

□ 1405

Mr. FASCELL. There is a report in that very book the gentleman is holding. What the gentleman is now saying is he wants more information.

Mr. LAGOMARSINO. Yes, we want it in the same format so that we can compare it with other countries and also to compare the same country's record from year to year.

Mr. MICHEL. Mr. Chairman, will my colleague yield?

Mr. LAGOMARSINO. I will yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I will be brief. Either Mr. Lagomarsino's amendment should be adopted or the administration's human rights policy should be discontinued. Logically and factually we have no other choice.

At present, under current policy, the United States is practicing what some would call selective sensitivity. The administration has drawn an economic line concerning economic or military aid, and has said, in effect: "Beyond this line we shall not inquire about human rights. All of you who are beyond this line have nothing to fear from the United States, unless, of course, you happen to be an easy target."

This is selective sensitivity. Let us take two examples of nations that are left out of the State Department's annual report on human rights.

First there is the Soviet Union. Leaving the Soviet Union out of a list of nations that violate human rights is like leaving Muhammed Ali out of the list of heavyweight boxers. The Soviet Union has the dubious distinction, since 1917, of engaging in genocide before Hitler was ever heard of, of crushing human rights in European nations as well as within its own borders and of continuing to dominate the field insofar as human rights violations are concerned. Yet, the American people have never been given an official history of what the Soviet Union has done and continues to do. All we ever hear is how much the Kremlin wants détente.

Second, there is the People's Republic of China. There are those who say that the leadership of China, from the days of Chairman Mao to the present, has been responsible for the deaths of more innocent human beings than any other regime in the history of the world. This is not an opinion of casual observers, but of those who have studied the China human rights situation. Even the Communist Chinese leaders admit that they have jailed or killed millions of their own people. But the State Department does not report about them.

Let us have a true human rights policy, not one that sheds great tears over torture in one country while it ignores genocide in another.

I would like to know about some of these Third-World countries that are always preaching to us about morality. I would like to see a report on the petty dictators, paranoid misfits, and other assorted criminals types who decry human rights violations in other nations but engage in such violations at home. Let us vote for this amendment and find out what is going on.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I want to associate myself with the remarks of the gentleman from California. I think the intent of his amendment is very constructive. We also accept the amendment.

Mr. LAGOMARSINO. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LAGOMARSINO. I ask unanimous consent that I be permitted to continue for an additional 2 minutes.

(By unanimous consent Mr. Lagomarsino was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, I would like to point out in concluding my remarks that under the present situation there are several countries that do not have economic or military dealings with us because they do not want to subject themselves to what they think is criticism that is not warranted in their case. The ones that are covered are singled out. We have the situation where we have some friends who are covered and many enemies or adversaries who are not, as is pointed out in the State Department report itself.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I do not question the judgment of my chairman and I will, therefore, not contest the gentleman's amendment in this body. We did contest it, as the gentleman knows, in committee. We debated it there. The committee did not accept it on the ground it was basically something irrelevant to the AID program to ask for a report about countries which are not included with any other program. For that reason it is unnecessary and I think it could do harm to our relations with other countries. I think it is the sort of thing that could have been the subject of hearings at least in our committee.

In view of the decision by our distinguished chairman I will not contest the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. ROUSSELOT. If our policy is to insure the implementation of human rights all over the world, and that is what our President says it is, how does it do harm to have this kind of amendment? Do you understand that?

Mr. LAGOMARSINO. Well, obviously I do not think it does any harm at all.

Mr. ROUSSELOT. I really do not understand how this committee which I know is very concerned with human rights, would oppose an amendment like this which would give the Congress and the executive branch a barometer and feeling of how those human rights are being carried out around the world. I would think that would be a tremendous help, would not the gentleman?

Mr. LAGOMARSINO. Absolutely.

In listening to the debate I have heard no one oppose it. There are a few Members who apparently have some reservations about it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from California (Mr. Lagomarsino).

The amendment was agreed to.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. Brown of California) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 9, 1979:

H.R. 2439. An act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46), transmitted pursuant to the Impoundment Control Act of 1974.

On April 10, 1979:

H.R. 2479. An act to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people of Taiwan, and for other purposes.

The SPEAKER pro tempore. The Committee will resume its sitting.

INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1979

The Committee resumed its sitting.

The CHAIRMAN. Are there other amendments to title VI?

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 46, after section 604, insert the following:

FOREIGN LANGUAGE AND AREA KNOWLEDGE REQUIREMENT

SEC. 605. The heads of affected departments and agencies, in consultation with the Secretary of State, shall review every personnel position in the U.S. Government involving service in foregin countries which are authorized by this Act, the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Arms Export Control Act, whose incumbent should have a useful knowledge of the language or dialect and the history and culture common to such country. Each position reviewed and designated as requiring language competence and area knowledge shall, within two years after enactment of this Act, be filled only by an individual with appropriate language and area knowledge, except that the heads of affected agencies and departments, in consultation with the Department of State, may make exceptions to this requirement when special or emergency conditions exist. The Secretary, in consultation with the heads of other affected departments and agencies, shall establish foreign language and area studies standards for officers and employees of the U.S. Government who are assigned duties involving service abroad under such Acts. The heads of affected departments and agencies shall arrange for appropriate language training or area studies for such officers and employees.

□ 1410

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, the purpose of my amendment is to require that key U.S. foreign policy positions are filled by people who have a working knowledge of the language and culture of the country of their assignment. It directs the heads of departments and agencies involved in foreign policy or assistance, in consultation with the Secretary of State, review and designate and fill, within 2 years, those positions requiring a knowledge of language, history and culture, and furthermore to set standards of competence for those positions.

Why is this necessary? Some of the reasons are obvious but perhaps not as obvious as they should be to those implementing our foreign policy:

First of all, there is no such requirement for U.S. officials involved in foreign policy except for Foreign Service officers. It should be extended to other agencies that impact on foreign policy.

Second, as a member of the President's Commission on Foreign Language and International Studies, I have become increasingly alarmed at the low priority our Nation gives to this area. Virtually every other major country strongly emphasizes the capacity to speak the language of the country they are in. A recent GAO study concluded that there are serious weaknesses in this area—for example, only 43 percent of the positions in the Agency for International Development involving work abroad were filled by persons with an adequate foreign language skill.

Third, the very foreign policy of this country rests on our capacity to understand and relate to others. And this principle is best implemented through language and area studies knowledge on the part of those implementing that foreign policy. Surely, such a capacity may be just as important, and perhaps more important, than our capacity to sell arms or provide foreign aid. Our weakness in this area has been shown again and again—from our inability to accurately estimate the situation in Iran, to efforts to improve trade negotiations, to the protection of American lives abroad. Indeed, in a recent tragedy in Afghanistan, when the U.S. Ambassador was kidnaped, the U.S. officials first on the scene could not speak the language and had to rely on Russians who spoke the language to coordinate the rescue effort.

Language skill and area knowledge is basic to the abilities of anyone involved in key foreign policy positions. The people of the world are proud of their national heritage and respect those who appreciate and respect that heritage. This is a world of perceptions, emotions, nationalism that play a prominent role in relations between countries. We must be ready to recognize that reality. That is the purpose of this amendment and I urge its adoption.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. Yes, I am pleased to yield to the chairman of the Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

We have had an opportunity, Mr. Chairman, of course, to study carefully the gentleman's amendment. I am in sympathy with it.

As a matter of fact, I have advised the gentleman that I had a similar amendment for language studies which I offered many years ago.

Mr. Chairman, we on this side accept the gentleman's amendment.

Mr. PANETTA. Mr. Chairman, I thank the gentleman from Wisconsin.

Mr. BROOMFIELD. Mr. Chairman, we, too, on this side accept the amendment.

Mr. PANETTA. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: Page 46, immediately after line 9, insert the following new section:

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

SEC. 602. Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated in this Act shall be used for any form of aid or trade, either by monetary payment or by the sale or transfer of any goods of any nature, directly or indirectly, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

Mr. ASHBROOK. Mr. Chairman, I urge the Members to support this important amendment. Every year this Chamber debates this amendment. Every year we hear arguments stating that we cannot afford to limit aid to these countries, because of world opinion or our standing in the United Nations. To my colleagues who may raise these points again this year I want to say that this amendment is not designed to hurt the U.S. standing in the world. It is designed to end our double standard in our foreign policy. How can we have a House subcommittee vote overwhelmingly to not send observers over to the peaceful and open elections in Rhodesia and then turn around and ship American tax dollars off to nations that have shocked the world with their human rights violations. I also wonder how we can tell our friends and allies that we will honor our commitments to them when, on the one hand we just completed the abandonment of the Republic of China and then turn around and vote tax dollars to nations who have openly killed Americans on the field of battle.

The money going to these countries is substantial. In 1978 the United Nations development programs provide $17,280,689 to Cuba, $3.678,196 to Cambodia, and $24,495,946 to Vietnam. The programs funded included a number of dubious expenditures given the horror stories that have surfaced from within these countries. For Cambodia the U.N. provided $42,084 for the restructuring of its education system, and another $74,752 for library development. I wonder if we can honestly believe that these funds were actually used for these purposes.

We have all heard the outrage of taxpayers over the squandering of their tax dollars on Government programs. This Chamber voted last week to cut funds from the National Science Foundation for some of its dubious programs. How can we turn around and vote to fund similar projects in enemy nations. Why should we help promote the arts in the cities of Cambodia for $18,981 when we all know that Government has spent the last few years emptying those cities of their inhabitants? I would also like to know why we should help implement Communist policies with such projects as "the planning for social welfare services within the context of national development plan" for $37,743?

We are learning to say "no" in this Congress to the never ending demands put upon us by special interests, and other groups within society. How can we continue to try to hold the line and then turn around and give away our money to these nations for some of the same projects as we are turning down for our own citizens? Members of the agricultural movement have been in this city for 4 months demanding a better break for American agriculture. We have no farm bill, yet we are ready to help fund a $2.9 million agricultural development program in Cuba and a $2.1 million agricultural development program in Cambodia.

There may be attempts to add additional countries to this amendment. I would welcome such amendments if it is shown that those nations, are, like these three, not only violating human rights within their own borders, but also active in exporting their terror to other nations. Cuba now has its troops and advisers spread around the world to help the Soviets bring more nations under Communist rule. Vietnam and Cambodia threaten the futures of neutral Laos and friendly Thailand. I know of few other countries that are working so actively to undermine American foreign policy in the world. I think it is in the interests of this Nation not to be a partner in the undermining of our allies, and friends.

I would like to close by telling my colleagues that the projects I have discussed will probably not stop if we cut our contribution to them. However, I think we would be sending a message to the United Nations and to other international bodies, that if they wish to practice selective exclusion of nations from their aid programs, we can do likewise. At least the nations this amendment addresses are legitimate threats to the world, or at least their region of the world.

□ 1415

AMENDMENT OFFERED BY MR. ZABLOCKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. ASHBROOK: Page 46, immediately after line 9, insert the following new section:

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

SEC. 606. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature to the Socialist Republic of Vietnam, Cambodia, or Cuba.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Ohio (Mr. ASHBROOK) would prohibit funds for any form of aid, by monetary payment or by the sale or transfer of any goods of any nature, directly or indirectly, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

Mr. Chairman, there are no funds in this bill for direct assistance to Vietnam, Cambodia, or Cuba. There are some relatively small amounts which could be considered as indirect aid through the United Nations program, and through some other international organizations, but there are no direct funds. Trying to prohibit funds, assistance indirectly, however, is impractical. The point I must make, Mr. Chairman, is that we cannot unilaterally dictate how an international organization will allocate its funds. It is for only that reason, because it is impractical, that I ask the Committee to approve the substitute amendment that I have offered for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK). The strong language of the substitute makes it very clear that, notwithstanding any other provision of law or of this act, funds authorized to be appropriated in this act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature, to the Socialist Republic of Vietnam, Cambodia, or Cuba.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would ask my good friend, the chairman of the Committee on Foreign Affairs, whether or not this amendment the gentleman has offered as a substitute for my amendment would not simply be a restatement of the law as it is now?

Mr. ZABLOCKI. Mr. Chairman, the gentleman is very perceptive and very attentive. It is exactly what the provision of law now is.

Mr. ASHBROOK. So, in other words, we are doing nothing.

Mr. ZABLOCKI. There has not been any sale or any direct assistance to the countries that the gentleman included in his amendment and which I included in my substitute for the amenlment.

Mr. ASHBROOK. Mr. Chairman, if my good friend will yield further, the gentleman is overlooking the two words which, of course, have been the basis of the debate in past years, "or indirect." I notice my colleague, the gentleman from Wisconsin, referred to this as a small amount. Maybe they are more opulent in that area, maybe it is only a small amount going to direct aid. By my calculation, it runs into millions of dollars. Does the chairman consider that a small amount to these countries?

Mr. ZABLOCKI. As stated, it is a relatively small amount of the funds that are contributed to the international organizations by the United States.

Mr. ASHBROOK. Would my colleague, for the record, give the precise amounts that those would be, and what the gentleman refers to as very small amounts?

Mr. ZABLOCKI. Well, under UNICEF programs, for example, the assistance expenditures for certain controversial countries particulaly the three countries the gentleman includes in his amendment. There is $14,258,781 for Vietnam, $107,144 for Cuba, and nothing for Cambodia under UNICEF. That is the total contribution under the UNICEF program. But there is no way of advising the gentleman how many United States dollars are in this amount. The U.S. share in UNICEF is about 20 percent of the overall worldwide total.

Mr. ASHBROOK. I think there is, so far as the UNDP is concerned. I think my colleague, the gentleman from Wisconsin, could tell the Committee what our approximate share is in contributions to the UNDP. I have already given the amount they spent. While arithmetic is not a prerequisite to being elected to the Congress, all we would have to do is to multiply that percentage times $27 million, times $24 million, and we could almost figure out what American dollars will be used for indirect aid to those countries.

□ 1420

Mr. ZABLOCKI. I must advise the gentleman it is not that simple, because there are over 150 countries that contribute to the various international organizations, including the UNDP. The U.S. contribution to UNDP was about 18.5 percent in 1978.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. ASHBROOK and by unanimous consent, Mr. ZABLOCKI was allowed to proceed for 4 additional minutes.)

Mr. ASHBROOK. If my colleague would yield, I think I heard in the general debate that the U.S. share in contribution to the U.N. development program, the UNDP, is approximately 40 percent. Is that a figure that is reasonably close to accurate?

Mr. ZABLOCKI. Under voluntary contributions, the gentleman is reasonably accurate in regard to some contributions in previous years but, as I said, our contribution to UNDP is about 18.5 percent of the overall total.

Mr. ASHBROOK. If my colleague would further yield, if we are giving $17 million to one country and $24 million to the other country, and say, when you cut it down from 40 to 33⅓ percent, that amounts to roughly $6 million to one country and $8 million to the other country. I think that the gentleman from Wisconsin would not stick by his statement that these are small amounts of money going in in direct aid to three countries with which we do not have diplomatic relations and three countries to which even the chairman might want to cut out direct aid to. Would this be approximately the truth?

Mr. ZABLOCKI. If I may recover my time, if indeed it were the case where we could say definitely that the 18.5 percent of the U.S. contribution to UNDP to Vietnam, for example, were fully U.S. dollars, then the gentleman from Wisconsin would have to amend his observation that they are relatively small amounts. But, I must again advise the gentleman from Ohio, there is no way of isolating the U.S. contribution to any of these programs. The gentleman's amendment is unworkable.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the chairman for yielding. Is it not a fact that if this amendment were to prevail, this would not stop money from these programs from going to these three countries? It would simply stop all U.S. contributions to these three programs, of which many dollars, many millions of dollars, go to friends of the United States through these programs. I am not in favor of aid to these three countries, but the whole basis on which the UNDP and the other programs, the Childrens Fund, are based, is that you cannot put conditions on where the funds are to be used. So, if we try to put a condition like this on it, our contribution will come to an end. That might satisfy the gentleman from Ohio very well, but I do not think it should satisfy the majority of this House.

Mr. ZABLOCKI. The gentleman is absolutely correct. We would be depriving some of the well thought out programs in the United Nations to which we would want to continue our contribution, of needed funds.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I would like to address myself to a particularly crucial section of this bill, the food for peace program.

When John F. Kennedy was inaugurated as President in 1961, he set two goals for the Nation—the first was to put an American on the Moon before the end of the 1960's and the other was to abolish hunger "in our lifetime." We can all be proud of the accomplishment of the first goal, but the sad fact remains that we have fallen far short of meeting the second.

There is an increasing awareness on the part of the American people of the gravity of the problem, as attested to by the volume of constituent mail urging concrete remedial action. The President has expressed his own concern through the establishment of the Commission on World Hunger and Malnutrition, chaired by Sol Linowitz. Meeting since November, the Commission has been asked to develop factual data as to the causes of world hunger and to make recommendations to reduce their prevalence. As cosponsor of the resolution calling for the President to take this action, I am fully supportive of the Commission's efforts.

We must, however, do more. In a United Nations food and agriculture report released last year, it was estimated that the world's hungry number approximately 450 million, or a quarter of the developing world. The U.N. organization's study found that in the poorest countries, close to one-half of all children can be classified as underfed. Because of malnourishment, about 40 percent of adult females in the developing world are anemic, and up to 100,000 children go blind each year. In Latin America, more than half of all deaths during the second year of life are attributed to nutritional deficiency.

In recent years, there has been great emphasis on human rights as a cornerstone of our foreign policy. I applaud this focus on individual freedoms, for I fervently believe that such freedoms must be assured. They are basic human rights which cannot be abridged nor denied. But in the quest to assure freedom of individual expression, we have ignored another fundamental human right: The right of freedom from hunger. To dismiss the hungry as nameless, faceless statistics is to ignore those people whose infants die, whose children are malnourished, and who have difficulty surviving at the most minimal level.

We must examine the motive behind the food for peace program. Do we really aim to feed those who desperately require our assistance, or are we in fact using this type of aid as a political weapon? I believe that we must seriously ponder these questions, for in their answers lie the direction of our entire food aid program.

The Ashbrook amendment seeks to insure that no assistance goes to Vietnam, Cambodia, or Cuba. I oppose this amendment, and urge my colleagues to do likewise. Although our differences of opinion with these nations are substantial, I believe that the poorest people in these countries should not be denied help merely because of the policies of their governments. Aid to these countries would not equip them with weapons or military hardware. It would instead implement the verbal commitment which we have made to human rights; it would translate our lofty goals into a reality.

This year, 1979, has been designated as United Nations International Year of the Child. Surely, we can make no greater contribution to the world's young people then to assure them of a healthy future—to put an end to the gnawing feeling in their stomachs which cause suffering for so many.

We must resist efforts to tie a nation's ideology to their receipt of humanitarian assistance. The United States has a responsibility to share our abundant resources with those who are hungry, irrespective of the policies of their governments. I thus ask my colleagues to join me in strongly opposing the Ashbrook amendment.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to speak to something else. I am not going to make a fuss over this amendment. I approve of our chairman's amendment. But, I just want to say this: I am not in favor of giving U.S. money, or any money, to corrupt and cruel governments, but I would hate to turn our backs on the people of any country. To say that in times of starvation in any country in the world, we are unwilling to give food to the volunteer agencies, such as Catholic Relief, Lutheran Relief, or World Vision, the very good private organizations that would deliver that food to the starving, is a scar on the humanitarian tradition of this country.

I can remember as a very small child, food and aid going out to China from the church in Bernardsville, because there was a flood in the Yellow River basin. Nobody cared who was sitting in the palace. The point was who was starving in the streets. Under certain conditions, I would not give money to the government. There, I agree with those who oppose aid. But when we can be sure that a corrupt government would not receive anything, I certainly would not want to close the door on the possibility of charitable and humane contributions to starving people, no matter where they are.

☐ 1425

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI) as a substitute for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and on a division (demanded by Mr. ASHBROOK), there were—ayes 24, noes 17.

So the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 46, line 7 after SEC. 601 insert (a) and add the following new paragraph:

"(b) *Provided*, That, No more than 90 percent of the funds authorized to be appropriated by each title of this act shall be expended, excluding those funds authorized to be appropriated in section 111, all of title II and section 302."

POINT OF ORDER

Mr. ZABLOCKI. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman from Wisconsin will state his point of order.

Mr. ZABLOCKI. Mr. Chairman, as the gentleman from Wisconsin listened to the Clerk read the amendment, and I read the amendment, it appears that the amendment provides a limitation on authorization of funds in section 111, all of title II, and section 302.

I believe the gentleman's amendment, therefore, is not in order and is subject to a point of order since he is authorizing to be appropriated by each title no more than 90 percent of the funds.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) desire to be heard?

Mr. BAUMAN. I do, Mr. Chairman, but I am not quite sure on what grounds the gentleman from Wisconsin made a point of order.

He simply described the amendment. The amendment is germane to title VI. Title VI clearly refers to the effective dates of all titles, and this amendment simply has the effect, with three exceptions, of cutting by 10 percent the amount of the funds made effective on those dates.

Mr. Chairman, it is a simple cut in funding.

The CHAIRMAN. Does the gentleman from Wisconsin (Mr. ZABLOCKI) desire to be heard further?

Mr. ZABLOCKI. If I may be heard further, Mr. Chairman, the gentleman's amendment is to title VI, section 601.

Section 601 sets forth the effective dates of the various titles in the legislation.

Therefore, I further make a point of order that the gentleman's amendment is not in order.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) wish to be heard further?

□ 1430

Mr. BAUMAN. Only to point out that the amendment has a limitation on the effective date, on those dates the funds will not be able to be expended in greater amount than the amendment allows.

The CHAIRMAN (Mr. LEVITAS). The Chair is prepared to rule.

The amendment offered by the gentleman from Maryland provides a percentage limitation on funds authorized to be appropriated by the bill now pending, with the exception of certain specified sections of authorized funds. Title VI of the bill, entitled "Miscellaneous Provisions" has by amendment already been substantially expanded in its scope, and the amendment offered by the gentleman from Maryland need be germane only to the title as a whole, since the bill is being read by title.

Therefore, it is the opinion of the Chair, and the ruling of the Chair, that the amendment is germane to title VI, and the point or order is overruled.

The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I thank the Chair for his ruling.

I would say to the Committee that this amendment is very clear, and it does not take a great deal of discussion. It simply is a 10-percent across-the-board cut in the authorized funding in this legislation, with three exceptions. There would be no cut whatever in the funding for the American hospitals abroad, which I think by consensus has been deemed a successful program.

There would be an exemption for any cut in title II, all of the Food for Peace program, which is important for the well-being of a great many nations, and also for our own agricultural economy.

There is a complete exemption for any cut in section 302, which is the Middle East funding for both Israel and Egypt in recognition of the new status that the treaty recently signed provides for that area.

However, this bill even as revised by the amendments in the Committee of the Whole still appropriates in excess of $4 billion, which is an increase over last year. As best as I can calculate it with the changes that amendments have made, my amendment would cut in excess of $400 million from the bill, and I suspect, based on past track records, that if this amendment passes, it will go to conference and the cut will be severely restricted so we might come out with a 5-percent cut. Certainly this cut is not too difficult and will improve the bill.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding. It is not clear to me from his description of the amendment whether the 10-percent cut, given the exclusions which he has constructively built into his amendment, would require in effect more than a 10-percent cut in the remaining parts of the bill which are not excluded from the reduction.

Mr. BAUMAN. It would not require more than a 10-percent cut in any given authorized figure in the bill.

Mr. SOLARZ. So that, to make it perfectly clear, what the gentleman is saying is that for each of the remaining programs or titles of the bill, the maximum cut would be 10 percent?

Mr. BAUMAN. That is right.

Mr. SOLARZ. I thank the gentleman for his explanation. I am still opposed to the amendment, but he helped to clarify it.

Mr. BAUMAN. I figured the gentleman would be, and that may help my case. But in this time of difficulty when we are facing a $30 billion deficit, this is at least one program that I think can use some judicious paring, and that is all that this cut suggests. It saves the best programs from any damage and at the same time provides the taxpayers some sort of relief, and I urge support for the amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as is usual, the gentleman from Maryland (Mr. BAUMAN) has very skillfully and artfully prepared an amendment which at face value would certainly not have been one we could accept. What he is really doing is cutting the authorizations across the board, except for Israel and Egypt, by 10 percent. The gentleman's amendment would cut $71 million out of the Agricultural Rural Development and Nutrition Account. This account forms the backbone of the campaign against world hunger which has repeatedly been given high priority by Congress. I am sure all Members of agricultural States who have so constructively endorsed this program should not support this cut.

□ 1435

The cut would reduce programs which help poor countries grow more of their own food. It would curb our technical assistance to farmers abroad designed to teach them to increase yields on their farmlands. It would cut $21 million from population and family planning programs. Normally I would be for that one cut, if I were supportive of any cut; but I must say that to be responsible we should not approve the gentleman's amendment. Even in the family planning programs, it is in the United States national interest to work toward reducing the world population birth rate so as to reduce the growing burden on scarce world resources. Cutting these funds would reduce our programs aimed at assisting developing countries to develop their own family planning programs, in many instances programs that the gentleman from Maryland, and certainly the gentleman from Wisconsin, can endorse.

The gentleman's amendment would cut $15 million from the health programs. AID programs help developing countries build their health systems, thereby helping to provide them with healthier, stronger populations and helping to contain the worldwide spread of infectious diseases, such as malaria, cholera, river blindness, and other diseases.

The gentleman's amendment would cut $15 million from energy programs and $2.5 million from disaster assistance programs. When earthquake strikes or a flood or a typhoon devastates an area in a poor country, we should not have to wait for congressional authorization and appropriation to provide relief.

Mr. Chairman, I submit this is an ill-advised amendment. It is a meat ax cut to a program that your committee, the Committee on Foreign Affairs, has carefully studied and determined what are the proper amounts for your consideration.

I hope the amendment will be defeated.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to my friend from Maryland.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for yielding; but the gentleman has overlooked that the meat ax would also fall on the magnificent splendor up in Manhattan, the United Nations, and all of their various activities.

It would fall on the Peace Corps, with which we are having so much difficulty these days.

It would fall on the as yet to be created Institute for Science and Technology, which embellishes the State Department's empire downtown.

There are many programs in here that need a little judicious paring. I am sure the gentleman does not really mean to use the words "meat ax."

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for including some of the programs that the gentleman's dull ax would chop off by a very, very substantial amount.

I have just tried to limit myself, knowing the limitations on the time, to the more important programs; but I thank the gentleman for pointing out that the gentleman even wants to cut the Peace Corps. I do not think we want to do that.

AMENDMENT OFFERED BY MR. BROOMFIELD AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. BAUMAN

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROOMFIELD as a substitute for the amendment offered by Mr. BAUMAN: On page 46, line 7, after SEC. 601, insert (a) and add the following new paragraph:
>
> "(b) No more than 95% of the funds authorized to be appropriated by each title of this act shall be expended, excluding those funds authorized to be appropriated in section 111 and those funds earmarked in section 302.

Mr. BROOMFIELD. Mr. Chairman, obviously it is not necessary to go into a complete discussion. It merely reduces it by 5 percent, rather than 10 percent, as the gentleman from Maryland proposes. The arguments are the same.

I think the committee, in all fairness, has done an excellent job in bringing forth a bill that has been very carefully reviewed.

However, at this time of inflation and high taxes it seems to me that we must make every effort to hold down Federal expenditures consistent with our national interest. This amendment does not jeopardize the Mideast peace agreement, since it excludes from the reduction the funds for Israel and Egypt. Nevertheless, it will result in a savings of nearly $200 million.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Michigan yield?

Mr. BROOMFIELD. Yes, I would be happy to yield.

Mr. BAUMAN. Mr. Chairman, I am not happy with the gentleman's meat ax approach to my amendment, having cut it in half; but on behalf of my committee, I would say that my committee would accept the gentleman's amendment in the interests of time.

☐ 1440

Mr. ZABLOCKI. I thank the gentleman for yielding.

The gentleman's amendment would not cut as deeply and the program would not bleed as profusely as with the amendment of the gentleman from Maryland. Nevertheless, Mr. Chairman, the committee bill is already below the President's request. I must even oppose a 5-percent cut. I believe that your committee, Mr. Chairman, came with a reasonable bill with proper amounts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the substitute.

Mr. Chairman, I am aware the hour is late but I am constrained once again to speak in opposition first to the substitute and to the original amendment and to hold before this committee and this body the problem of world hunger. In our immense wealth in this country we simply do not understand the extent of the problem. While the amounts in this bill may sound large, $4.1 billion for fiscal year 1980; $4.3 billion for fiscal year 1981; the truth is these amounts reflect an increase of $1 billion since 1965 in dollars and 25 percent of the increase in our foreign economic assistance during a 15-year period in which inflation rose by more than 110 percent.

For the wealthiest country that has ever existed in the history of the world, it is a somewhat inadequate response at the levels the committee authorized. I would say while it is easy to vote for a cutting amendment, while it is easy to say no to foreign assistance of any kind, this country stands as the wealthiest country the world has ever known in the midst of a world where 15 million children will starve to death this year. The fact is some of those programs are vital to meet those basic human needs and also to serve our own long-term best interest as a Nation as we help to build a world in which we can live more securely and a world where people rather than starving like flies will become active trading partners as has already happened with such nations as Taiwan and Korea.

Now it is said foreign assistance has no constituency. I want to point out to the committee that this bill as reported by your Committee on Foreign Affairs has at least the following constituency: Church World Services and Lutheran World Relief, the Inter-Religious Task Force including 25 Christian and Judaic groups, and the Bread for the World Coalition including many of those same entities. The Judeo-Christian religious community does provide substantial private assistance, and increasing support for our governmental assistance programs. Nothing could be more appropriate than that churches and synagogues across this land should become the broad-based constituency this legislation merits, indeed, if those of us who are Christian understood the person we are alleged to follow, the entire Christian Church would become a constituency for foreign aid. Our leader has said "I was hungered and ye gave me meat, thirsty and ye gave me drink, naked and ye clothed me, sick and imprisoned and ye visited me. Inasmuch as ye have done it unto the least of these, my brethren, you have done it unto me."

We can say no to a partial and imperfect instrument or cut it back if we see fit but I will say, Mr. Chairman, unless we have felt upon our shoulders the burden of world hunger, unless we have felt upon our wrists and our ankles the shackles of the world's repressed, unless we have known in our minds and hearts the grief of a parent who has seen a child starve to death, as shall happen in 15 million cases on earth this year, we have not begun to understand the religion of Jesus. We shall stand condemned before the judgment bar of history and the judgment bar of God unless we find a way to help.

Mr. BAUMAN. Mr. Chairman, would the reverend gentleman yield at that point?

Mr. BUCHANAN. Certainly I will yield to the gentleman from Maryland.

Mr. BAUMAN. I know the gentleman is a distinguished man of the cloth but the gentleman also knows that just as the Savior has not endorsed this foreign aid bill, neither does this bill cut out title II which is the Food for Peace Program, to which the gentleman has addressed himself.

Mr. BUCHANAN. But, my friend, it does cut out so many things that are so vital.

Mr. BAUMAN. Yes, I understand, like the U.N., like the cocktail parties at the State Department and similar things.

Mr. BUCHANAN. It cuts out many nutrition-related programs.

I only say to my friend and to everyone who shall vote on this, we shall stand responsible for our response to world hunger however that response will come.

☐ 1445

Mr. Chairman, the gentleman does not have to vote for this foreign aid bill or the amount in this bill if he feels there is a better way, but I would say that I highly recommend to the wealthiest country that ever existed in the history of the world that, if we want to protect our own long-term best interests, if we want to do what is right in reflecting the goodness that lies at the heart of the greatness of this country, we should vote against this amendment and vote for this legislation.

Mr. BONER of Tennessee. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I had an amendment that would have called for an across-the-board cut of 8 percent in foreign aid for this year. That would have, as this amendment does, excluded the money that would be appropriated to Egypt and to Israel. This is not only in the interest of international peace and cooperation; it is not a reward for the signing of an historical peace treaty and not a singling out of any particular nation for special attention, but to support the activities of two vital nations to the interest of the United States.

I have read the Agency for International Development (AID) congressional presentation for fiscal year 1980 on the Egyptian and Israeli security supporting assistance. This economic assistance seeks to insure the stability and viability of Israel's economy, with $785 million in balance-of-payments assistance for fiscal year 1980. The State of Israel has begun to emerge from a period of severe economic difficulty following the 1973 war and its trade and current deficits have decreased and its growth rate is up.

The requested funds will enable Israel to continue its economic recovery, increase its rate of growth, improve its foreign exchange position reducing short-term debt, and provide the needed stability to make it a bulwark of peace and security in the region. In addition, the bill provides for $750 million for Egypt in fiscal year 1980, which will finance essential goods and services required for Egypt's economic development programs, and provide for a broad range of development assistance projects in agriculture, fertilizer productions, water, sewerage, telecommunication and the private sector credit. I support singling out Egypt and Israel in this proposed amendment for a reduction of 8 percent.

I, therefore, wish to associate myself with this amendment. In doing that, I also wish to say that I have the greatest of respect and admiration for the chairman of this committee for the efforts that he has personally undertaken to carry the load on this bill, and also for the members of the committee. They are to be applauded for their dedication and the number of hours they have worked to see that this bill has reached the point where it is today. I also have the greatest respect for the Department of State for its work. I would express my appreciation to the members for reporting out what I believe to be generally an important piece of legislation for the international relations of this Nation.

The cut that I would have proposed would have been 8 percent, and in associating myself with this 5-percent cut, I do so in the spirit that we will not have a reduction in our moral commitment to the economic growth and development of the poorer nations of the world; nor do I think we should shirk our responsibilities to support our commitment to human rights around the globe.

I realize the need for economic assistance to underdeveloped nations, although America, in my opinion, does not enjoy the economic wealth today relative to the other countries of the world that we enjoyed some 10 or 15 years ago. The OPEC nations, the nations of South America, and the nations of Africa are improving their economic conditions as a result of the development and better utilization of their natural resources. In my opinion, the United States can no longer pick up the tab for the cost of the many international activities in which we once participated in years past.

I feel a moral obligation to help people who are starving in other lands, but I feel a greater commitment to the senior citizens of the United States who cannot pay the high cost of their electric bills and to the working people whose income cannot keep pace with the rapidly escalating cost of gasoline and groceries which they desperately need for their basic existence.

At a time when we are talking about reducing the efforts to adequately fund such domestic programs here in the United States as social security, veterans' benefits—which the veterans have rightfully earned—and revenue sharing, I believe we must call upon our friends in foreign countries to sacrifice with us and to share those sacrifices that people in the United States must make.

Mr. Chairman, it is for that reason I wish to associate myself with the remarks made on the 5-percent reduction. But, I must say again, I do so with the greatest respect for the committee and the work that it has done, and with the greatest respect for the committee's chairman and membership.

Mr. PEASE. Mr. Chairman, will the gentleman yield?

Mr. BONER of Tennessee. I yield to the gentleman from Ohio.

Mr. PEASE. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I have noted the gentleman's comments that our wealth here in the United States is not keeping pace with that of other nations around the world. Do I understand that correctly?

Mr. BONER of Tennessee. The gentleman is correct.

Mr. PEASE. Mr. Chairman, when my constituents ask me about the foreign aid bill, I sometimes point out to them that the average GNP per capita in the United States is about $6,500, compared with the average GNP of those countries which benefit from this bill of, say, $200 to $250 per year.

□ 1450

Some nations, OPEC nations, may be increasing their relative position compared to ours, but I do not think the nations which would be helped by this bill are doing all they could be doing. If anything, they are slipping behind us, when we are already 30 or 40 times per capita higher than they are.

Mr. BONER of Tennessee. If I may speak to that, I recognize and appreciate the gentleman's remarks. I go back to my greatest concern in being a freshman Member of Congress. Having walked many streets in Nashville and Robertson and Cheatham Counties in Tennessee, I know that all of the figures, statistics, and comparative GNP's do not seem to satisfy those people back home who feel the dollars that are going abroad should remain here in America, where they are needed to support vital human services.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROOMFIELD) as a substitute for the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 26, noes 17.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 259, noes 135, not voting 40, as follows:

[Roll No. 89]

AYES—259

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, Phillip
Butler
Campbell
Cavanaugh
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Daschle
Derwinski
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Grassley
Green
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kazen
Kildee
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Lloyd
Lowry
Lujan
Luken
Lundine
McCloskey
McDade
McKinney
Madigan
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Sabo
Santini
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weiss
Whitehurst
Whitley
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—135

Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bouquard
Breaux
Brinkley
Burgener
Byron
Carney
Chappell
Cheney
Coleman
Collins, Tex.
Conable
Conyers
Corcoran
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Dellums
Derrick
Devine
Dingell
Downey
Duncan, Tenn.
Early
Eckhardt
Emery
Fountain
Garcia
Gingrich
Goldwater
Gradison
Gray
Grisham
Hagedorn
Hammerschmidt
Hance
Hansen
Hightower
Hinson
Hopkins
Huckaby
Ichord
Jacobs
Jeffries
Jenkins
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lungren
McDonald
McHugh
McKay
Maguire
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Nichols
Pashayan
Paul
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Rosenthal
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Satterfield
Sawyer
Scheuer
Schulze
Sensenbrenner
Shelby
Shumway
Snowe
Shuster
Smith, Nebr.
Snyder
Solomon
Stangeland
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Treen
Vander Jagt
Walker
Weaver
White
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wyatt
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—40

Addabbo
Ambro
Badham
Boggs
Bolling
Burton, John
Carr
Carter
Chisholm
Cleveland
Crane, Philip
Davis, S.C.
Deckard
Diggs
Edgar
Forsythe
Frost
Giaimo
Goodling
Heftel
Hubbard
Kogovsek
LaFalce
Long, La.
McClory
McCormack
McEwen
Mitchell, Md.
O'Brien
Pepper
Rhodes
Runnels
Sebelius
Staggers
Tauke
Thompson
Traxler
Wilson, C. H.
Wright
Wydler

□ 1505

Messrs. ROYER, BRINKLEY, STUMP, LEACH of Louisiana, HANCE, CHAPPELL, HAGEDORN, LATTA, STRATTON, YATRON, ECKHARDT, FOUNTAIN, and BARNARD changed their vote from "aye" to "no."

Mrs. COLLINS of Illinois, Ms. MIKULSKI, and Mr. OBERSTAR changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1510

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN) as amended.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 318, noes 77, not voting 39, as follows:

[Roll No. 90]

AYES—318

Abdnor
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McDade
McDonald
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Obey
Panetta
Pashayan
Patterson
Paul
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Swift
Symms
Synar
Taylor
Thomas
Treen
Trible
Udall
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—77

Akaka
Ashley
Barnes
Bedell
Beilenson
Bingham
Bonior
Brademas
Brown, Calif.
Buchanan
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Corman
Danielson
Dellums
Dingell
Dixon
Drinan
Eckhardt
Edwards, Calif.
Fary
Fascell
Fenwick
Garcia
Gonzalez
Gray
Green
Hawkins
Holtzman
Jenrette
Kastenmeier
Kostmayer
Lehman
Leland
McHugh
McKinney
Maguire
Markey
Miller, Calif.
Mineta
Mitchell, Md.
Murphy, N.Y.
Nolan
Oakar
Oberstar
Ottinger
Patten
Pease
Price
Reuss
Richmond
Rodino
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Shannon
Simon
Solarz
Stark
Stokes
Studds
Van Deerlin
Waxman
Weiss
Wirth
Wolff, N.Y.
Wolpe, Mich.
Yates
Zablocki

NOT VOTING—39

Addabbo
Ambro
Badham
Boggs
Bolling
Breaux
Burton, John
Carter
Cleveland
Conable
Crane, Philip
Davis, S.C.
Deckard
Diggs
Frost
Goodling
Heftel
Hubbard
Hyde
Kemp
Kogovsek
LaFalce
Long, La.
McClory
McCormack
McEwen
O'Brien
Pepper
Rhodes
Runnels
Sebelius
Staggers
Stewart
Tauke
Thompson
Traxler
Wilson, C. H.
Wright
Wydler

☐ 1530

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title VI?

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 46, add the following new title at the end of the bill:

TITLE VII—MINORITY RESOURCE CENTER

ESTABLISHMENT AND POLICY

SEC. 701. (a) In keeping with the established policy to maximize the use of appropriate domestic experience and technology in the delivery of international development assistance, participation by United States economically and socially disadvantaged enterprises should be assured.

(b) In order to increase the participation of economically and socially disadvantaged business enterprises in contract, procurement, grant, and research and development activities funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, the Administrator of such agency shall, within 90 days after the effective date of this title, establish within such agency a Minority Resource Center (hereinafter in this title referred to as the "Center").

(c) The Center shall have an Advisory Committee which shall consist of five (5) individuals appointed by the Administrator of such agency within 45 days after the effective date of this title, three (3) of whom are selected from a list of recommendations solicited from and submitted by trade and business associations representing economically and socially disadvantaged businesses.

GENERAL AUTHORITIES

SEC. 702. (a) The Center shall—

(1) establish, maintain, and disseminate information as an international information clearinghouse for economically and socially disadvantaged business enterprises, for the purpose of furnishing to such businesses information regarding business opportunities in developing assistance programs, funded by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, which implement the policy set forth in section 102 of such Act;

(2) design and conduct programs to encourage, promote, and assist economically and socially disadvantaged business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research and development contracts in order for such enterprises to participate in such development assistance programs;

(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities in such development assistance programs;

(4) develop support mechanisms which will enable socially and economically disadvantaged businesses to take advantage of business opportunities in such development assistance programs;

(5) enter into such contracts (to such extent or in such amounts, as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its function under this section.

(b) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to development assistance programs funded by such agency which implement section 102 of such Act, as may be requested by the Center in connection with the performance of its functions under this section.

DIRECTOR OF THE CENTER

SEC. 703. (a) There shall be a Director of the Center (hereinafter in this title referred to as the "Director") who shall be the Chief Executive of the Center. The Director shall be appointed by the Administrator.

(b) The Director of the Center shall hold an ex-officio seat on the Procurement Policy Advisory Committee of such agency.

DEFINITIONS

SEC. 704. For the purposes of this section—

(1) the term economically and socially disadvantaged enterprise means a business—

(a) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(b) whose management and daily business operations are controlled by one or more of such individuals.

(2) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(3) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Administrator of such agency shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual.

REPORTS

SEC. 705. Not later than (8) months after the effective date of this section, and no later than the end of every six-month period thereafter, the Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall submit to each House of the Congress a report concerning the activities of the Center under this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 706. There are authorized to be appropriated to the President to carry out the purposes of this title, in addition to funds otherwise available for such purposes, $950,000 for fiscal year 1980, and $1,030,000 for the fiscal year 1981. Amounts appropriated under this title are authorized to remain available until expended.

REPEAL AND TERMINATION

SEC. 707. Section 133 of the International Development and Food Assistance Act of 1977 is repealed and any section on minority business established under such section is abolished.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, what my amendment seeks to do is to facilitate what occurred on the Senate side some time ago, by providing within the International Development Cooperation Act a facility, a minority business resource facility, designed to implement and facilitate the involvement of minorities in export-import and other related businesses.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, the gentleman's amendment would provide for a policy that is already administered at AID. I see no objection to the gentleman's amendment, and on this side we would be prepared to accept it.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I would be delighted to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we also have had a chance to review this amendment. This is similar to the one the gentleman offered a year ago.

Mr. MITCHELL of Maryland. A year ago, that is correct.

Mr. BROOMFIELD. Mr. Chairman, we are happy to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The amendment was agreed to.

● Mr. GUARINI. Mr. Chairman, the House of Representatives has acted in favor of H.R. 3324, the International Development Cooperation Act, which establishes our foreign assistance program for another year. I supported that measure because I believe that economic and technical aid is in the long-term interest of the United States. By showing that we care about the undeveloped, the diseased and the malnourished, we reassert that our Nation has a vital interest in the future stability of the world. Neither peace nor security can exist in the world without respect and justice between nations.

Our domestic economy is only as strong as the resources at our command. The United States will continue to need materials unavailable in our own country to protect our standard of living from declining dramatically. Through this legislation the House has shown its commitment to helping the Third World develop its own energy supplies, technology and agricultural base. There remains an enormous amount of work in each of these areas, but the United States, still the most powerful and prosperous Nation on Earth, will do its part.

It is precisely because we are so powerful and prosperous, however, that we need to turn our attention inward as well, where our main responsibilities lie. The future of America is in our cities, and I am not convinced that either the administration or the Congress has yet accepted that fact. Many of my colleagues share my belief that we must do more—much more—for our older urban areas.

I realize that we have limited resources and that our tax dollars are worth less than they were 5 or 10 years ago. I know that people are concerned about Government spending and balanced budgets. But I also know that cities are vital to the health and survival of our Nation. Inflation and high unemployment continue to ravage our cities to such a degree that the only booming business is being done in our unemployment offices.

The cities and their problems must not be ignored, and those who forget the anguished summers of the 1960's do great harm to America. We must not ignore those years and their lessons, especially in view of the problems which plague our cities today. The lack of employment opportunities for young people is breeding urban discontent among some and driving others away from urban centers. Our elderly feel trapped and impoverished. Crime continues undiminished. The very spirit of our cities—and of America—is being drained through benign neglect.

Mr. Chairman, we need to be vitally concerned about our neighbors down the block as well as our neighbors across the ocean. To ignore either would be irresponsible and unwise, because the strength of our Nation and the character of our people depend upon our attention to human needs. Let us now take up the challenge of urban America. Let us adopt a vigorous determination to do what is right and what must be done. In doing so we will keep our Nation great.●

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

□ 1535

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3324) to authorize appropriations for fiscal years 1980 and 1981 for international development and economic assistance programs and for the Peace Corps, and for other purposes, pursuant to House Resolution 202, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. FOLEY. Mr. Speaker, I demand a separate vote on the so-called Ashbrook amendment, as amended.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 46, immediately after line 9, insert the following new section:

PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, AND CUBA

SEC. 606. Notwithstanding any other provision of law or of this Act, funds authorized to be appropriated in this Act shall not be used for any form of aid, either by monetary payment or by the sale or transfer of any goods of any nature to the Socialist Republic of Vietnam, Cambodia, or Cuba.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker being in doubt, the House divided, and there were—ayes 120, noes 2.

Mr. FOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAGOMARSINO. I am opposed to the bill, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LAGOMARSINO moves to recommit the bill, H.R. 3324, to the Committee on Foreign Affairs.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

☐ 1540

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 220, noes 173, not voting 41, as follows:

[Roll No. 91]

AYES—220

Akaka
Alexander
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boland
Bonior
Bonker
Brademas
Brodhead
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Holland
Hollenbeck
Holtzman
Horton
Howard
Ireland
Jeffords
Johnson, Colo.
Kastenmeier
Kemp
Kildee
Kostmayer
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
Oberstar
Obey
Panetta
Patten
Patterson
Pease
Peyser
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stanton
Stark
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOES—173

Abdnor
Albosta
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bevill
Boner
Bouquard
Bowen
Brinkley
Brooks
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ga.
Evans, Ind.
Flippo
Forsythe
Fountain
Fuqua
Gaydos
Gingrich
Ginn
Goldwater
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hinson
Holt
Hopkins
Huckaby
Hughes
Hutto
Ichord
Jacobs
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Livingston
Loeffler
Lott
Lujan
Lungren
McDonald
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nichols
Oakar
Pashayan
Paul
Perkins
Petri
Pickle
Quayle
Quillen
Rahall
Regula
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stump
Symms
Synar
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—41

Addabbo
Ambro
Badham
Boggs
Bolling
Breaux
Burton, John
Carter
Cleveland
Conable
Crane, Philip
Davis, S.C.
Deckard
Frost
Goodling
Heftel
Hillis
Hubbard
Hyde
Jenrette
Johnson, Calif.
Kogovsek
LaFalce
Long, La.
McClory
McCormack
McEwen
O'Brien
Ottinger
Pepper
Rhodes
Runnels
Santini
Sebelius
Staggers
Tauke
Thompson
Traxler
Wilson, C. H.
Wright
Wydler

☐ 1555

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Jenrette against.
Mr. Ottinger for, with Mr. Breaux against.
Mr. Frost for, with Mr. Badham against.
Mr. Pepper for, with Mr. Hyde against.

Until further notice:

Mr. Ambro with Mr. Cleveland.
Mrs. Boggs with Mr. Carter.
Mr. McCormack with Mr. Goodling.
Mr. Staggers with Mr. McEwen.
Mr. Thompson with Mr. O'Brien.
Mr. Wright with Mr. Conable.
Mr. Traxler with Mr. McClory.
Mr. Davis of South Carolina with Mr. Sebelius.
Mr. Santini with Mr. Deckard.
Mr. John L. Burton with Mr. Philip M. Crane.
Mr. Johnson of California with Mr. Kogovsek.
Mr. Long of Louisiana with Mr. LaFalce.
Mr. Hubbard with Mr. Heftel.
Mr. Charles H. Wilson of California with Mr. Wydler.
Mr. Runnels with Mr. Tauke.

Messrs. DASCHLE, ROTH, and HUTTO changed their vote from "yea" to "nay."

Mr. ROYER and Mr. KEMP changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BROWN of California). Without objection, the title is amended so as to read: "An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes."

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION, AND CROSS-REFERENCES AND TO MAKE OTHER TECHNICAL AND CONFORMING CHANGES IN ENGROSSMENT OF H.R. 3324

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, the Clerk be authorized to correct section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 3324.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress that "Our Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American merchant marine; and

H. Con. Res. 99. Concurrent resolution providing for an adjournment of the House and a recess of the Senate from April 10, 1979, to April 23, 1979.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT, SATURDAY, APRIL 21, 1979 TO FILE REPORT ON H.R. 39, PROVIDING FOR DESIGNATION AND CONSERVATION OF CERTAIN PUBLIC LANDS IN ALASKA

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight, Saturday, April 21, 1979, to file a report on the bill (H.R. 39) to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I just wanted to make this inquiry of the distinguished chairman of the Committee on Interior and Insular Affairs:

I understand this bill was reported more than 1 month ago from the gentleman's committee. Was there some difficulty as to why it was not filed before this time, and why do we need more time to file the report?

☐ 1600

Mr. UDALL. I would advise the gentleman, if the gentleman will yield, that the time is extended until April 23. The only effect of this request is to file it earlier than April 23, and the request has been cleared by the gentleman from Alabama, the gentleman from California, and the gentleman on the Member's side.

Mr. BAUMAN. The report will actually be filed by the chairman?

Mr. UDALL. The report will be filed before the week is out.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

Mr. SYMMS. Mr. Speaker, further reserving the right to object, may I ask the distinguished chairman of the Committee on Interior and Insular Affairs, is this the bill that the Committee on Interior and Insular Affairs voted on, or is the the original H.R. 39?

Mr. UDALL. No; this is the bill as reported by the Committee on Interior and Insular Affairs, with the support of the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, how will the report be? Will it deal with what was done in the committee? As I understand it, the Committee on Merchant Marine and Fisheries supported the Huckaby version. Is that correct?

Mr. UDALL. If the gentleman will yield, by a margin of one vote a substitute——

Mr. ROUSSELOT. No. I mean the Committee on Merchant Marine and Fisheries. What did they do?

Mr. UDALL. This has nothing to do with the report of the Committee on Merchant Marine and Fisheries. This deals only with the report of the Committee on Interior and Insular Affairs.

Mr. ROUSSELOT. All right. The Breaux substitute?

Mr. UDALL. The Breaux substitute was in the other committee, the Committee on Merchant Marine and Fisheries, and that report on that bill from that committee will be filed separately from our report.

Mr. FORSYTHE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the gentleman from New Jersey.

Mr. FORSYTHE. Mr. Speaker, I was just going to confirm what the chairman of the Committee on Interior and Insular Affairs is saying, that the report of the Committee on Merchant Marine and Fisheries will be filed, the bill which was reported out of the Committee on Merchant Marine and Fisheries, separately.

Mr. ROUSSELOT. Was it overwhelming, or what?

Mr. FORSYTHE. Twenty-five to fourteen.

Mr. ROUSSELOT. So it is a kind of unanimous report, the report my colleague refers to?

Mr. UDALL. In my committee, it was 22 for and 21 against, if that is unanimous.

Mr. ROUSSELOT. For us, it is pretty good.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, I want to ask if it is the chairman's intention, then, that after the recess we will go to the Committee on Rules to ask for a rule?

Mr. UDALL. The gentleman has stated the chairman's intention correctly.

Mr. SYMMS. I thank the chairman.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman. That is adequate discussion for this purpose. I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3363, STATE DEPARTMENT AUTHORIZATIONS, 1980 AND 1981

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call upon House Resolution 217 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 217

Resolution providing for the consideration of the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communications Agency, and the Board for International Broadcasting

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. Beilenson) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. Quillen), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 217 provides for the consideration of H.R. 3363 to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communications Agency, and the Board for International Broadcasting.

This rule is completely open, allowing any germane amendment to be offered to the bill when it is read for amendment under the 5-minute rule. One hour is allotted for general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. The bill is to be read for amendment by titles rather than by sections.

The rules provides waivers of sections 401(a) and 402(a) of the Budget Act so that the bill might be considered.

Section 401(a) of the Budget Act prohibits the consideration of any bill which provides new contract authority unless that bill also provides that such new spending authority is effective for any fiscal year only to such extent or in such amounts as are provided in appropriations acts. Section 203(e) of this bill would provide new contract authority which is not limited to the extent or amount provided in appropriations acts, and, thus, the bill would be subject to a point of order under section 401(a) of the Budget Act.

The Committee on Rules has been assured, however, that the Committee on

Foreign Affairs will offer an amendment which cures the Budget Act violation and, thus, has granted the request waiver.

The second waiver is for section 402(a) of the Budget Act. This section of the Budget Act prohibits the consideration of new budget authority for a fiscal year unless that bill has been reported by May 15 preceding the beginning of the fiscal year in question. Two sections of H.R. 3363 authorize the enactment of new budget authority for fiscal year 1979 and, obviously, the bill was not reported by May 15 of 1978. Consequently, there would be a Budget Act violation.

The two sections of H.R. 3363 in question provide supplemental authorizations of appropriations to deal with emergency situations confronting the U.S. refugee program and the operations of the Board for International Broadcasting abroad. Denial of the waiver would preclude the House from considering what course of action it wishes to take with regard to the thousands of refugees who even now are in transit toward our country. The Committee on the Budget supports the waivers, and considering the emergency situation involved, the Committee on Rules granted the waivers.

Mr. Speaker, H.R. 3363 authorizes appropriations totaling $2,143,916,000 for fiscal year 1980 and $2,369,297,000 for fiscal year 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting which makes grants to Radio Free Europe and Radio Liberty. In addition, the bill authorizes a supplemental appropriation for the Department of State for fiscal year 1979 in the amount of $104,910,000 which is to be used for migration and refugee assistance.

Mr. Speaker, I urge my colleagues to adopt House Resolution 217 so that we might proceed to the consideration of H.R. 3363 authorizing appropriations to the Department of State and other agencies.

☐ 1605

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. The gentleman made reference to the fact that the Budget Committee went along with the several Budget Act waivers, which the gentleman explained and which is proper and correct. There was a request for a Budget Act waiver, however, for a waiver of section 401(a), regarding new contract authority. The Budget Committee recommended to the Rules Committee that a waiver of 401(a) granting permission to the committee to include new contract authority not be granted by the Rules Committee. I understand that that matter has been resolved by the Rules Committee and the committee involved here, so that there will not be contract authority in this legislation. Is that correct?

I wonder if we could get an explanation of that?

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BEILENSON. I yield to the gentleman from Florida.

Mr. FASCELL. I would be happy to say, in response to that, we are in complete concurrence with the Budget Committee, and we ask for the waiver on the understanding that we will offer a technical amendment to correct the problem that the gentleman from Connecticut has raised.

Mr. GIAIMO. I thank the gentleman.

Mr. FASCELL. The language has been cleared with the Budget Committee and we are in agreement.

Mr. BEILENSON. Mr. Speaker, I urge the adoption of the resolution.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California has ably described the provisions of the resolution. I think it is important, whatever feelings we may have in the end, that the measure be fully debated on the floor of the House. It is the Department of State's and related agencies' authorization for a 2-year period amounting to well over $2 billion per year.

Mr. Speaker, I certainly have no objection to debate on the bill and urge adoption of the rule.

I reserve the balance of my time.

☐ 1610

Mr. BEILENSON. Mr. Speaker, I have no further requests for time.

Mr. QUILLEN. Mr. Speaker, I have no requests for time.

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point or order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 8, not voting 66, as follows:

[Roll No. 92]

YEAS—360

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McCloskey
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thomas
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—8

Bauman
Brinkley
Collins, Tex.
Crane, Daniel
Hansen
McDonald
Paul
Symms

NOT VOTING—66

Addabbo
Ambro
Ashbrook
AuCoin
Badham
Boggs
Bolling
Bonior
Breaux
Brodhead
Brown, Calif.
Burton, John
Carter
Cleveland
Conable
Conyers
Crane, Philip
Daniel, Dan
Davis, S.C.
Deckard
Dicks
Diggs
Downey
Erlenborn
Frost
Goodling
Hall, Tex.
Heftel
Hillis
Hinson
Hollenbeck
Hubbard
Hyde
Jenrette
Kogovsek
LaFalce
Lloyd
Long, La.
Lujan
McClory
McCormack
McEwen
Madigan
Marlenee
Nolan
O'Brien
Pepper
Pritchard
Pursell
Rhodes
Rosenthal
Roybal
Runnels
Santini
Satterfield
Sebelius
Staggers
Tauke
Thompson
Traxler
Udall
Volkmer
Wilson, C. H.
Wright
Wydler
Young, Alaska

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Young of Alaska.
Mr. Dicks with Mr. Wydler.
Mr. Ambro with Mr. Brodhead.
Mr. John L. Burton with Mr. Goodling.
Mr. Udall with Mr. Erlenborn.
Mr. AuCoin with Mr. Hollenbeck.
Mr. Charles H. Wilson of California with Mr. Hyde.
Mr. Diggs with Mr. Philip M. Crane.
Mr. Volkmer with Mr. Deckard.
Mr. Brown of California with Mr. Tauke.
Mr. Thompson with Mr. Conable.
Mr. Staggers with Mr. Badham.
Mr. Rosenthal with Mr. Cleveland.
Mr. Pepper with Mr. Ashbrook.
Mr. Nolan with Mr. Carter.
Mr. Frost with Mr. Hillis.
Mr. Downey with Mr. Lujan.
Mr. Hall of Texas with Mr. Hinson.
Mr. Jenrette with Mr. Madigan.
Mr. Santini with Mr. McClory.
Mr. Davis of South Carolina with Mr. Marlenee.
Mr. Breaux with Mr. Purcell.
Mrs. Boggs with Mr. Satterfield.
Mr. Long of Louisiana with Mr. McEwen.
Mr. McCormack with Mr. Sebelius.
Mr. Traxler with Mr. Hubbard.
Mr. Wright with Mr. Lloyd.
Mr. Kogovsek with Mr. LaFalce.
Mr. Roybal with Mr. O'Brien.
Mr. Runnels with Mr. Pritchard.
Mr. Heftel with Mr. Bonior of Michigan.
Mr. Conyers with Mr. Dan Daniel.

□ 1625

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER LEGISLATIVE PROGRAM

(Mr. FASCELL asked and was given permission to address the House for 1 minute.)

Mr. FASCELL. I would like to ask the gentleman from California, if I may, Mr. Speaker, what his intentions are about running the House for the rest of the afternoon. The leadership told me we would continue until 5:30. I have diligently inquired for several days about amendments to this bill. I understood there were no disputes or arguments. It passed the committee unanimously. There were some questions which we undertook to resolve. Therefore, I need to know how the gentleman intends to proceed so we can be fair with our colleagues.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. Certainly, I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman addressing me as though I am running the House. I appreciate that. I have to take the gavel away from my colleague from California. I thought he was running it. What is your point?

Mr. FASCELL. Mr. Speaker, I asked the gentleman how he intends to proceed from here on out in order that we may be fair with our colleagues.

Mr. ROUSSELOT. Mr. Speaker, I have one amendment to the bill that is coming. If I feel I cannot get an adequate vote on a division I might ask for a recorded vote.

Mr. FASCELL. My point is this: We do not intend to unduly prolong the general debate because, as I say, we now have no dispute on bringing this bill to the floor.

Mr. ROUSSELOT. I cannot filibuster here. That is only done in the other body.

Mr. FASCELL. I understand that.

Mr. Speaker, it is my intention to go immediately into the Committee of the Whole and conclude general debate as rapidly as possible.

Mr. ROUSSELOT. And then rise?

Mr. FASCELL. And then see where we are going from there.

Mr. ROUSSELOT. The gentleman and myself had a discussion on this issue as to whether the gentleman wanted to rise or not after we had the debate.

Mr. FASCELL. I endeavored to determine how many amendments there are in order to make some kind of a reasonable determination.

Mr. ROUSSELOT. I think I have told the gentleman that I have but one.

Mr. FASCELL. If the gentleman has but one amendment, that must be the total because I know of no others.

Mr. ROUSSELOT. My colleague from Maryland who is an expert in this area has several.

I will ask my colleague from Alabama if he has any amendments or whether in his opinion this legislation is perfect the way it is.

□ 1630

Mr. BUCHANAN. No, I will say to my colleague that I will appreciate it if we could proceed and see how far we get. Obviously if the procedure becomes too prolonged, then I would assume that the gentleman would ask that the Committee rise. I would hope that we would proceed without delay to general debate and see if we can finish this bill this afternoon.

Mr. ROUSSELOT. Mr. Speaker, I will ask the gentleman, is that an adequate answer from my colleague?

Mr. FASCELL. If the gentleman can give us a fair estimate.

Mr. ROUSSELOT. How long will the gentleman's speech be on this bill? Is he going to revise and extend his remarks?

Mr. BUCHANAN. It will be extremely brief.

Mr. ROUSSELOT. Will the other gentleman's speech be very long?

Mr. FASCELL. It will be very brief.

Mr. ROUSSELOT. Mr. Speaker, I can tell the Members I do not have a speech.

STATE DEPARTMENT AUTHORIZATIONS, 1980 AND 1981

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—yeas 75, nays 20.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 15, answered "present" 1, not voting 84, as follows:

[Roll No. 93]

YEAS—334

Abdnor
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Hefner
Hightower
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly

Kemp
Kildee
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lowry
Luken
Lundine
Lungren
McCloskey
McDade
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki

NAYS—15

Bauman
Carney
Collins, Tex.
Crane, Daniel
Gingrich
Hansen
Heckler
Hinson
Lott
McDonald
Miller, Calif.
Mitchell, Md.
Pashayan
Paul
Symms

ANSWERED "PRESENT"—1

Gaydos

NOT VOTING—84

Addabbo
Ambro
Ashbrook
AuCoin
Badham
Barnard
Beard, Tenn.
Boggs
Bolling
Bonior
Breaux
Brinkley
Brodhead
Burton, John
Burton, Phillip
Carter
Clay
Cleveland
Conable
Conyers
Crane, Philip
Daniel, Dan
Davis, S.C.
Deckard
Diggs
Dixon
Dodd
Dornan
Downey
Duncan, Oreg.
English
Erlenborn
Evans, Ind.
Florio
Forsythe
Frenzel
Frost
Goodling
Hall, Tex.
Heftel
Hillis
Hollenbeck
Hubbard
Hyde
Jacobs
Jenrette
Kindness
Kogovsek
LaFalce
Lloyd
Long, La.
Lujan
McClory
McCormack
McEwen
Maguire
Marlenee
Mottl
Nolan
O'Brien
Pepper
Pritchard
Pursell
Rhodes
Rosenthal
Roybal
Runnels
Santini
Sebelius
Stack
Staggers
Stockman
Tauke
Thomas
Thompson
Traxler
Weaver
Whitehurst
Williams, Mont.
Wilson, C. H.
Wright
Wydler
Young, Alaska
Zeferetti

□ 1645

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3363, with Mr. Simon in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. Fascell) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. Buchanan) will be recognized for 30 minutes.

The Chair recognized the gentleman from Florida (Mr. Fascell).

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

I want to start out by making an announcement to assure my colleagues that there will be no further votes on this matter today. We have reached an understanding with the gentleman from California (Mr. Rousselot), who is here, and I will yield to him in a moment. We intend to conclude general debate, start to read the bill by titles—and then we will rise.

Mr. Chairman, that will give the gentleman and any others who may have amendments an opportunity to consider the matter further and to be heard with greater deliberation than would be possible this afternoon.

□ 1650

As I understand it, this matter would then be the first order of business on our return from the Easter recess.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding. I appreciate also his willingness to agree to rise after the general debate. There were several Members, and still are, who have amendments. I appreciate the gentleman's attitude, and he has stated it very well.

Mr. FASCELL. We will read the first section only and then hold at that point. If any Members have amendments, I would certainly appreciate the courtesy of being advised as to what the substance of the amendments is before this matter comes up again.

Mr. ROUSSELOT. If the gentleman would yield further, my amendment relates to the United Nations, which I am sure surprises the gentleman.

Mr. FASCELL. No, it does not, as a matter of fact, since the gentleman has already told me what his amendment was about. I thank him.

Mr. ROUSSELOT. I appreciate my colleague's agreement and that of my colleague, the gentleman from Alabama.

Mr. FASCELL. I thank the gentleman from California.

Mr. Chairman, I rise in support of H.R. 3363, a bill to authorize appropriations for the Department of State, the International Communication Agency, the Board for International Broadcasting for fiscal years 1980 and 1981, and to authorize a fiscal year 1979 supplemental authorization for the Department of State.

H.R. 3363 was approved by a voice vote by the Committee on Foreign Affairs on April 2. The bill authorizes a total of $2,143,916,000 in funding authority for fiscal year 1980 and $2,369,297,000 for fiscal year 1981. In addition, it provides supplemental authority for fiscal year 1979 for $104,910,000 for the Department of State. These figures are considered by the Committee to be the lowest possible to allow the Department of State, the International Communication Agency, and the Board for International Broadcasting to discharge properly their important responsibilities.

H.R. 3363 contains an increase over past years in terms of dollar expenditures authorized. The increase, however, is more apparent than real. With relatively high inflation here, much higher inflation abroad and declining exchange rates, these agencies are actually functioning at the same real budget levels as they were 10–15 years ago. With no real increase in resources, these agencies have been able to absorb increased responsibilities resulting from a great increase in the number of countries with which we have relations and from the heightened importance of diplomacy in an era of increased interdependence. They have done this through greater efficiency, through greater reliance on automated technology and by cutting back on some operations.

Mr. Chairman, I would like to take just a few moments to outline some of the important functions for which funds are authorized by H.R. 3363. The most important feature of H.R. 3363 is that it provides the basic authority for funds for our diplomats to carry out this Nation's efforts to achieve a lasting peace and to protect important American security and economic interests around the world. It authorizes funds for our efforts to make the United Nations and its associated organizations the instruments for peace they were designed to be, and for important peacekeeping efforts both by regional organizations, such as the Organization of American States, and by U.N. peacekeeping forces in Cyprus and in the Middle East. It provides the resources needed to maintain our diplomatic relations with 136 nations and more than 90 international organizations and to enable the Department of State to coordinate the shaping and implementation of U.S. foreign policy among the numerous departments and agencies of our Government.

A few examples of ways in which funds authorized by H.R. 3363 serve the interests and needs of the American people are:

Timely information and analysis of major political and economic events around the world which may threaten either our national security or our economic well-being;

The provision of consular services to citizens encountering problems abroad;

Protection of U.S. interests at international conferences such as the World Administrative Radio Conference;

The funding of U.S. treaty obligations to international organizations such as the United Nations, and the Organization of American States;

Provision of alternative sources of news and information through the Voice of America, Radio Free Europe, and Radio Liberty to peoples around the world with no access to a free press;

The maintenance of important institutional relationships with our neighbors, Canada and Mexico;

Exchanges of students and scholars to learn first hand either about the United States or distant lands and cultures; and

Insuring the convenient and rapid availability of passports for U.S. citizens wishing to travel abroad.

These are only a few of the ways in which this bill promotes the interests of the United States.

I would now like to take just a few minutes to outline the major provisions of H.R. 3363 and indicate what changes the committee has made with respect to requests made by the executive branch.

Title I contains a total authorization for all activities for the Department of State of $1,629,452,000 for fiscal year 1980 and $1,816,556,000 for fiscal year 1981. This includes funds for all salaries and expenses of the Department for the acquisition, operation, and maintenance of buildings abroad, for contributions to international organizations and for support of U.S. missions to those organizations, for the U.S. sections of international commissions and for migration and refugee assistance activities. Also included in title I is a supplemental authorization of appropriations for fiscal year 1979 of $104,910,000 for migration and refugee assistance.

The specific amounts authorized by title I are identical to amounts requested by the executive branch with the exception of the addition of $25 million to the amounts requested in each fiscal year for migration and refugee assistance.

This additional $25 million for each fiscal year will permit continuation of the congressionally initiated program to assist Israel in meeting a small proportion of the costs associated with the resettlement in Israel of refugees from the Soviet Union and Eastern Europe. The amount is the same as that approved by Congress for fiscal year 1979.

Title II authorizes funds for all of the operations of the International Communication Agency which came into being April 1 of last year as a result of a Presidential reorganization plan. The ICA incorporates all programs formerly conducted by the U.S. Information Agency and the Bureau of Educational and Cultural Affairs of the Department of State. The amount provided by the committee in title II is $432,547,000 for fiscal year 1980, and $465,944,000 for fiscal year 1981. The amount provided for both fiscal years is $235,000 below the Executive's request. The amounts authorized in this bill basically continue ICA programs at the same level as the last few years. The dollar increases are generally related to higher salaries and inflationary costs.

Title III of the bill provides authorization of appropriations for the Board for International Broadcasting of $81,917,000 for fiscal year 1980, and $86,787,000 for fiscal year 1981. These amounts are $5 million below the executive branch request for each fiscal year. This reduction results from a change made by section 302 in the way in which authority is provided for appropriations to protect the radios' level of programing against foreign currency fluctuations.

Title IV deals with technical provisions and would not authorize any funds.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished chairman of the full committee.

□ 1655

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of H.R. 3363, to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

By providing a 2-year authorization for U.S. foreign affairs agencies, H.R. 3363 conforms to one of the most important elements of the Congressional Budget process—dual-year authorization cycles. As envisioned in section 607 of the Congressional Budget Act, dual-year authorizations of U.S. Government Agencies and programs would assist both the Congress and the executive branch in developing a long-range perspective on Federal Budget planning as well as better enable congressional committees to fulfill their legislative oversight responsibilities.

In practice, since the Budget Act came into force, the Executive Branch has complied with the letter, but not the spirit, of the Budget Act by submitting agencies and programs under the jurisdiction of the Committee on Foreign Affairs. However, at the request of the committee, the President has submitted a specific request for U.S. foreign affairs agencies and foreign economic assistance programs for both fiscal year 1980 and 1981. We would urge the executive to continue this practice in the future for all authorization requests.

Mr. Chairman, H.R. 3363 essentially conforms to the first concurrent resolution on the budget for fiscal year 1980 as reported by the House Budget Committee. Except for the inclusion of the additional $25 million for Soviet and Eastern European refugees migrating to Israel, a congressional initiative for the past 7 years, the bill is $10.8 million below the executive request for fiscal year 1980 and $3.8 million below the executive request for fiscal year 1981.

H.R. 3363, in its totality, is an extremely frugal bill. For the Department of State, for example, the authorization level reflects a decrease of some 332 personnel positions and barely allows for the impact of inflation on the agency's programs and activities. This is, in reality a "no-growth" budget.

Had we considered this legislation only in the context of the legitimate needs of U.S. foreign affairs agencies, I am sure the committee could have justified larger authorization levels. The committee was, however, cognizant of the need for responsible, tight budgeting in our foreign programs as well as our domestic activities. This bill, we believe, meets that criterion. Any further cuts, however, could seriously hamper our ability to discharge our responsibilities abroad.

Mr. Chairman, in closing, I would like to commend the distinguished gentleman from Florida (Mr. FASCELL) and his colleagues on the Subcommittee on International Operations for their thorough and extensive work in preparing this legislation for consideration on the floor today.

I urge the adoption of the bill.

Mr. FASCELL. Mr. Chairman, I thank my distinguished chairman. I appreciate those remarks.

Mr. Chairman, I yield now to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Chairman, I thank the gentleman very much for yielding.

I would like to take this opportunity to compliment the gentleman on his bill. I think it is another good example of the gentleman bringing his years of experience in tough administrative and budgetary discipline, together with his comprehensive and extensive knowledge of the foreign situation in the job we have to do to meld together a bill of great importance and of real decision. I will compliment the gentleman for it.

I do understand that the gentleman will be offering an amendment to place the staff of the U.S. Advisory Commission on Public Diplomacy under standard merit system procedures.

As chairman of the Human Resources Subcommittee of the Committee on Civil Service and the Post Office, I would like to thank the gentleman for offering this amendment which addresses this important issue.

Am I correct in my understanding that such an amendment will be offered and and that the intent of such an amendment is precisely that?

Mr. FASCELL. Mr. Chairman, the gentleman is absolutely correct. I will offer that amendment and I appreciate the cooperation of the gentleman from Virginia and his committee in working with us and calling this matter to our attention. That is our intent and, therefore, I will offer that amendment to carry out that purpose.

Mr. HARRIS. Mr. Chairman, I thank the gentleman. I have just one further point. Last year the Congress enacted Public Law 95–454, the Civil Service Reform Act, which created a pool of supergrade positions within the executive branch.

As one of the authors of that provision I firmly believe that enacting that provision it was the intent of Congress to hold the current line on the number of supergrade positions in the total executive branch.

I would like to ask the chairman, is it the intent of the gentleman under this bill that all supergrade positions authorized in connection with the Commission be included in this pool?

Mr. FASCELL. The gentleman is correct. That is our intent.

Mr. HARRIS. I thank the gentleman very much.

Mr. FASCELL. Mr. Chairman, I yield

to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I thank the chairman for yielding.

In section 105 of the bill it specifies that authority is granted to appropriate funds for the fiscal year to offset adverse fluctuations in the value of the dollar which would undermine the authorized level of program activity. I have no problem with that, but I am concerned that it should work both ways; that is, if the value of the dollar strengthens that there should be no undue windfall in the appropriations process.

I wonder if the gentleman would just clarify that.

Mr. FASCELL. Mr. Chairman, I certainly agree with the gentleman from Kansas. That is the committee's intent. We would expect no windfall if there is a rise in the dollar, so that there would be an accrual, rather than a devaluation of currency. Any additional money would have to be reappropriated.

We do not intend that there would be any windfall to any agency.

Mr. GLICKMAN. Mr. Chairman, if the gentleman would yield further, one final question. Section 102(a) includes over $207 million for travel and transportation, out of which about $37.5 million is for travel.

It strikes me that one of the things we can do to reduce that is to require the State Department, as well as any other department, to take advantage of bargain fares advance reservation systems, where as much as 30 percent can be saved on transportation.

Does the gentleman know if the State Department has or intends to develop any such policy?

Mr. FASCELL. Well, I know that the Department as a matter of policy, consistent with foreign assignments, seeks to make use of low fares, meaning coach where that is feasible.

I am not confident in my own mind that there is any regulation with respect to so-called bargain fares; however, the gentleman is correct. It is a matter which the Department should consider.

I can assure the gentleman that the committee will work with the Department and will pursue that matter with the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman very much.

□ 1700

Mr. FASCELL. I yield to the distinguished chairman of the Committee on the Budget.

Mr. GIAIMO. Mr. Chairman, I rise in support of H.R. 3363, the State Department authorization bill.

The 2-year authorization feature is in keeping with needed improvements in the authorization and appropriations cycle. This is precisely the kind of improvement envisioned in the Budget Act and has been encouraged repeatedly in the past 5 years by the committee and its budget process task force.

The conference report on the Budget Act, I would point out, referred to the need "for allowing adequate time for committee preparation and floor debate on each budget decision," and said it would "be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made."

I need not remind you that the authorization-appropriations process was in disarray with respect to the timeliness of appropriations before passage of the Budget Act and the discipline it imposed. In most years, action was not completed on many major appropriation bills until long after the start of the fiscal year.

That situation has been largely remedied. But further improvements in the authorization-appropriations cycle can be made through multiyear authorizations for such relatively stable and predictable programs as that contained in this bill.

Multiyear authorizations can mean major reductions in the time spent in hearings, markup, floor debate, and conference. They can assure that the authorizing committee reports the bill and floor action occurs in time for the Appropriations Committee to devote adequate time to its consideration. And it can free the authorizing committee for a much neglected activity in the Congress—that of program oversight.

As we all know, the volume of necessary authorization and appropriations legislation in the Congress too often prevents us from taking the hard, critical look at programs necessary to make improvements in them and to effect budget savings where they may be possible. Multiyear authorizations can greatly reduce much of the mechanical business of both committees and the entire House.

Finally, the practice of multiyear authorizations for such programs will assist both the Congress and the executive branch in developing a better long-range perspective on budget planning. If we continue to be caught up in the time consuming ritual of hearings, markup, floor action, conference, and final adoption of every program on an annual basis, we will have great difficulty in planning for future years when we should be bringing the Federal budget into balance.

The multiyear approach has been strongly encouraged by the leadership of the House, by the Rules Committee, by scholars who have studied the strengths and shortcomings of the Congress, and by the Budget Committee. It is entirely appropriate in this instance, and I urge adoption of this bill.

Mr. FASCELL. I want to thank the distinguished chairman of the Committee on the Budget for his remarks in support of the 2-year authorization. The committee has tried to cooperate fully with the Committee on the Budget. We know what a difficult job the chairman has. We believe it is vital and that is why we spent so much time in subcommittee and in committee on the second-year authorization.

We feel the examination of the second-year authorization giving the Committee on the Budget and the Committee on Appropriations and the House an opportunity to get a handle on this budget process is absolutely vital. We held the second-year authorization as closely to the line as we could so that we could make this process as meaningful as possible.

I want to thank the distinguished chairman for pursuing that process. I personally believe it is absolutely essential if this Congress is going to get a handle on the budget, that we have the opportunity to handle the budget on a 2-year cycle. Not that we are going to skip any one year but at least we will have the authorizations in so that the Committee on Appropriations on each year can act in a timely fashion and the Committee on the Budget will have the information for some kind of long-term planning.

Mr. Chairman, I reserve the balance of my time at this point.

Mr. BUCHANAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the distinguished chairman of our subcommittee for his leadership and associate myself with his remarks. The gentleman from Florida (Mr. FASCELL) has correctly described this legislation. In today's terminology, it can be aptly described as a "no frills" authorization.

I would hope that our colleagues would take the time to read the committee report to accompany H.R. 3363 because I think it underlines some real problems with regard to the conduct of our foreign policy.

We have tried and I believe succeeded in keeping this bill within the budgetary restraints. In fact, we reduced the administration requests in several areas.

The 1980 and 1981 authorizations for the Department of State are over the administration requests solely because of the $25 million added for assistance to Israel for the resettlement of Eastern European Jews there. This has been a congressional initiative and the administration again this year failed to request authorization for this program. It is working well and the funds are being utilized in an efficient and effective manner.

Within the past year there has been a substantial increase in the numbers of individuals which the Soviet Union has permitted to emigrate. The majority of these individuals are coming to the United States and these numbers are reflected in the supplemental authorization request for 1979. An increased number is also going to Israel and the funds to help with their resettlement is reflected in the $25 million authorized for fiscal 1980 and 1981.

I would note here that this is a 2-year authorization for several purposes. First, it is in keeping with the recommendations of the Budget Committee. Second, it gives the agencies funded here the ability to better plan for future programs. Thirdly, it will help our own Appropriations Committee.

Last year we came to the floor on the State, Justice Department appropriations bill well after the authorizing legislation for the Department of State had passed the House. Unfortunately, the other body had not acted, Thus we had no authorizing law, contrary to House rules.

By authorizing for 2 years, we hope to resolve some of these problems. The funds authorized for fiscal 1981 reflect an increase which is lower than the projected rate of inflation.

In fact, Mr. Chairman, some might call this a bare bones bill. Personally, I am afraid that there may even be a few bones missing.

The gentleman from Florida has outlined some of the problems the committee report does likewise. With regard to the Department of State, we are dealing with an agency that has not seen a personnel increase despite tremendously increased demands. In fact, the personnel level has declined 8.4 percent since 1967. We have many more Americans traveling now, yet the Department is being forced to close at least 13 consulates because of mandated personnel reductions and lack of funds.

This does not bode well for Americans traveling abroad, our efforts to develop foreign markets for U.S. products and our diplomatic efforts.

Regrettably, the story is similar for the International Communication Agency and Radio Free Europe, Radio Liberty, notwithstanding the fact that we live in a world where increased communication is vital to peace and understanding.

The authorization before us today is as lean as it can be without seriously impairing our foreign policy efforts and goals.

I urge the support of our colleagues for this authorization.

Mr. Chairman, I now yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I support the authorizations, as reported by the Committee on Foreign Affairs, for the Department of State, the International Communications Agency, and the Board for International Broadcasting. After study by the Subcommittee on International Operations and the full Foreign Affairs Committee, these authorizations represent a carefully drawn program for the conduct by the United States of its foreign affairs. I am especially interested, however, in the work of the Board for International Broadcasting (BIB), whose dependencies, Radio Free Europe (RFE) and Radio Liberty (RL), are important elements in the work to disseminate America's message to the world.

RFE and RL broadcast almost a thousand program hours a week to as many as 16 million listeners in the captive nations of Eastern Europe and the Soviet Union. Their message is international in that it covers happenings around the world and yet is directed at the local interests of the audiences. The work of these two projects and the Board itself is indispensable to America's efforts to reach the people in the "muffled" zone of Eastern Europe and the U.S.S.R. with the voice and ideals of freedom.

The intent of the civil service reform bill which we passed late last session was to streamline the administration of the executive branch. This is the second measure to come before us this year in which an exemption has been requested. The first was the Arms Control and Disarmament Agency authorization, and my amendment to disallow the exemption was approved by the House. In the State Department authorization bill we are debating today, we encounter the second attempt to end-run the Civil Service Reform Act, and I ask the support of the House to protect the integrity of the civil service merit system. There is no logical or practical reason why the State Department needs any exemption from the competitive hiring requirements of civil service law. To do so in this bill would be to open the door to a flood of other requests, with the eventual weakening of the fine legislation we enacted last year.

Mr. BUCHANAN. Mr. Chairman, following the brilliant example of my friend the gentleman from Illinois (Mr. DERWINSKI), I yield back the balance of my time.

Mr. FASCELL. Mr. Chairman, I want to thank my distinguished colleague, the ranking minority member of the subcommittee, the gentleman from Alabama (Mr. BUCHANAN) who has worked so hard and assiduously on this bill, and to say that at this point I have no further requests for time.

The CHAIRMAN. There being no further requests for time, pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DEPARTMENT OF STATE

SHORT TITLE

SEC. 101. This title may be cited as the "Department of State Authorization Act, Fiscal Years 1980 and 1981".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 102. (a) There are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law, the following amounts:

(1) For "Administration of Foreign Affairs", $849,423,000 for fiscal year 1980 and $1,009,815,000 for fiscal year 1981.

(2) For "International Organizations and Conferences", $502,945,000 for fiscal year 1980 and $525,082,000 for fiscal year 1981.

(3) For "International Commissions", $26,733,000 for fiscal year 1980 and $26,081,000 for fiscal year 1981.

(4) For "Migration and Refugee Assistance", $104,910,000 for fiscal year 1979 (in addition to amounts otherwise authorized), $248,951,000 for fiscal year 1980, and $254,188,000 for fiscal year 1981.

(b) Funds appropriated under paragraph (2) of subsection (a) may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise of the Inalienable Rights of the Palestinean People (or any similar successor entity), and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity).

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 103. Of the amounts authorized to be appropriated by section 102(4) of this Act for fiscal year 1980 and for fiscal year 1981, $25,000,000 for each such fiscal year shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe.

SCIENCE AND TECHNOLOGY AGREEMENTS

SEC. 104. To carry out bilateral science and technology agreements, there are authorized to be appropriated to the Secretary of State, in addition to amounts otherwise available for such purpose, $1,400,000 for fiscal year 1980 and $1,400,000 for fiscal year 1981.

NONDISCRETIONARY PERSONNEL COSTS, CURRENCY FLUCTUATIONS, AND OTHER CONTINGENCIES

SEC. 105. (a) The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, is amended by adding at the end thereof the following new section:

"SEC. 24. (a) There are authorized to be appropriated for the Department of State, in addition to the amounts authorized to be appropriated by the annual authorizing legislation for the Department, such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(b) In order to maintain the levels of program activity provided for by the annual authorizing legislation for the Department of State, there are authorized to be appropriated for the Department of State such sums as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.

"(c) Amounts authorized to be appropriated for a fiscal year for the Department of State or to the Secretary of State are authorized to be made available until expended.

"(d) Amounts authorized by the annual authorizing legislation for the Department of State to be appropriated for a fiscal year for the 'Administration of Foreign Affairs' account, the 'International Organizations and Conferences' account, the 'International Commissions' account, or the 'Migration and Refugee Assistance' account may be appropriated for that fiscal year for any other such account, except that the total amount appropriated for a fiscal year for any such account may not exceed by more than 10 percent the amount specifically authorized to be appropriated for that account for that fiscal year.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

LANGUAGE PROFICIENCY OF FOREIGN SERVICE OFFICERS SERVING IN FOREIGN COUNTRIES

SEC. 106. Section 578 of the Foreign Service Act of 1946 (22 U.S.C. 968) is amended by adding at the end thereof the following new sentence: "It is the sense of the Congress that it is vital to United States foreign policy interests that Foreign Service officers assigned to a foreign country have a useful knowledge of a language or dialect common to that country and, accordingly, familiarity with the local language should be widespread among the Foreign Service officers assigned to each United States mission abroad.".

Mr. FASCELL (during the reading). Mr. Chairman. I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PANETTA) having assumed the chair, Mr. SIMON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3363, to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, had come to no resolution thereon.

☐ 1705

LEGISLATIVE PROGRAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute.)

Mr. DEVINE. Mr. Speaker, I would like to have the attention of the acting majority leader and inquire of him the schedule for the balance of the day, for the balance of the week, and for the week after the district work period.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I would be happy to yield to the acting majority leader.

Mr. DANIELSON. Mr. Speaker, the work of the House for the day is substantially concluded and will be concluded upon the announcement of the forthcoming program and the disposition of the usual special orders and requests.

If the gentleman will yield further, the program for the House of Representatives for the week of April 23, 1979, which is the next week during which we will be in session, is as follows:

On Monday, April 23, the House will meet at noon. It is District day, and there are no bills on the District Calendar scheduled. On suspensions, there are no bills scheduled.

H.R. 3363, State Department authorizations, will be taken up, and consideration will be completed, to be followed by H.R. 1301, international shipment of lottery materials, under an open rule, with 1 hour of debate.

Mr. DEVINE. Mr. Speaker, I will ask the gentleman at that point: Does the gentleman expect that there will be votes on Monday, or would those be postponed until the following day?

Mr. DANIELSON. Mr. Speaker, I suspect there will be no votes on Monday, April 23, but that any votes called for will be continued until the following day.

Mr. DEVINE. I thank the gentleman.

Mr. DANIELSON. Mr. Speaker, on Tuesday, April 24, the House will meet at 1 p.m. Parenthetically, at 12 o'clock noon, just before that time, the Holocaust Ceremony will be held in the Capitol Rotunda.

At the 1 o'clock session, there is one bill scheduled on suspensions: H.R. 1790, to provide for the disposition of surplus property occupied by the U.S. Postal Service.

On Wednesday, April 25, the House will meet at 3 p.m. First on the calendar, there is a conference report on H.R. 2283, Council on Wage and Price Stability reauthorization. Then we will take up H.R. 10, civil rights of institutionalized persons, subject to a rule being granted.

On Thursday, April 26, the House will meet at 11 a.m., and we will consider H.R. 2575, Department of Defense supplemental authorizations, fiscal year 1979, subject to a rule being granted.

On Friday, April 27, the House will not be in session.

The House will adjourn by 5:30 p.m. on all days except Wednesday. Conference reports may be brought up at any time, and any further program will be announced later.

Mr. DEVINE. Mr. Speaker, in order to clarify the situation on Monday, as I understand it, the gentleman said there will be no votes on final passage of any legislation on Monday. However, that would not preclude votes on amendments; is that correct?

Mr. DANIELSON. There would have to be votes on amendments. There would be votes on amendments, but not on final passage.

Mr. DEVINE. Mr. Speaker, I thank the gentleman, and I yield back the balance of my time.

HOUR OF MEETING ON TUESDAY, APRIL 24, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, April 23, 1979, it stand adjourned to meet at 1 p.m. on Tuesday, April 24, 1979.

The SPEAKER pro tempore (Mr. MURPHY of Illinois). Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS, NOTWITHSTANDING ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 23, 1979, the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, April 23, 1979, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 25, 1979

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 25, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2283, WAGE AND PRICE STABILITY ACT OF 1974 EXTENSION

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 96-93)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 3(a) (5) of the Council on Wage and Price Stability Act is amended to read as follows:

"(5) focus attention on the need to increase productivity in both the public and private sectors of the economy, focus attention on the need to move toward full employment, and take into consideration the need to stimulate productivity in monitoring wages and prices to determine compliance with promulgated standards;".

SEC. 2. Section 3 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new subsection:

"(c) The Council is directed to review its policies with respect to the national interest in promoting greater productivity growth and shall submit a report of its findings and recommendations to the Congress by July 1, 1979. Such review shall include, but not be limited to, the need for flexibility in determining compliance with pay and price standards based upon documentable productivity gains resulting from improved efficiency of the workforce.".

SEC. 3. Section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 6. There is authorized to be appropriated to carry out the provisions of this Act not to exceed—

"(1) $6,952,000 for the fiscal year ending September 30, 1979; and

"(2) $8,483,000 for the fiscal year ending September 30, 1980.".

SEC. 4. Section 7 of the Council on Wage and Price Stability Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 5. The Council on Wage and Price Stability Act is amended by adding at the end thereof the following new section:

"SEC. 8. Notwithstanding any other provision of this Act, no payment under this Act may be made except to such extent, or in such amounts, as are provided in advance in appropriation Acts.".

SEC. 6. (a) Section 4(b) of the Employment Act of 1946 is amended—

(1) in clause (1), by striking out "and" at the end thereof;

(2) in clause (2), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) reducing the share of the Nation's gross national product accounted for by Federal outlays to 21 per centum or less by 1981, and to 20 per centum or less by 1983 and thereafter, or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in clause (1) of this subsection for the reduction of unemployment.".

(b) Section 4(c) of such Act is amended by adding at the end thereof the following:

"(3) Upon achievement of the 20 per centum goal specified in subsection (b)(3), each succeeding Economic Report shall have the goal of establishing the share of an expanding gross national product accounted for by Federal outlays at a level of 20 per centum or less, or the lowest level consistent with national needs and priorities: *Provided*, That policies and programs for achieving the goal specified in this clause shall be designed so as not to impede achievement of the goals and timetables specified in subsection (b)(1) for the reduction of unemployment.".

(c) The first sentence of section 4(d) of such Act is amended—

(1) by striking out "and" after "unemployment" and inserting in lieu thereof a comma; and

(2) by inserting after "inflation" the following: ", and Federal outlays as a proportion of gross national product,".

(d) Section 3(a)(2)(A) of such Act is amended by inserting "Federal outlays as a proportion of gross national product," after "productivity,".

And the Senate agree to the same.

HENRY S. REUSS,
WILLIAM S. MOORHEAD,
THOMAS L. ASHLEY,
JAMES J. BLANCHARD,
BILL STANTON,
STEWART B. MCKINNEY,
Managers on the Part of the House.

WILLIAM PROXMIRE,
HARRISON A. WILLIAMS, Jr.,
ALAN CRANSTON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

STIMULATION OF PRODUCTIVITY IN MONITORING COMPLIANCE WITH WAGE AND PRICE STANDARDS

The Senate amendment provides that the Council on Wage and Price Stability shall take into consideration the need to promote productivity in monitoring wages and prices to determine compliance with promulgated standards. The House bill contains no similar provision. The Conference substitute contains the Senate provision.

PROMOTING PRODUCTIVITY GROWTH

The Senate amendment provides that the Council shall review its policies with respect to promoting greater productivity growth and report its findings and recommendations to the Congress by July 1, 1979. The House bill contains no similar provision. The Conference substitute contains the Senate provision.

SPENDING SUBJECT TO APPROVAL IN ADVANCE IN APPROPRIATION ACTS

The House bill provides that no payment may be made under the Council on Wage and Price Stability Act except to such extent, or in such amounts, as are provided in advance in appropriation Acts. The Senate amendment contains no similar provision. The Conference substitute contains the House provision.

AMENDMENT TO THE EMPLOYMENT ACT OF 1946

The Senate amendment includes an amendment to the Employment Act of 1946, as amended by the Full Employment and Balanced Growth Act of 1978 (Humphrey-Hawkins), adding to the economic policy goals of the Employment Act of 1946 a numerical goal for reduction of the share of the gross national product accounted for by Federal outlays to 21 percent of the gross national product by fiscal year 1981 and 20 percent by fiscal year 1983 and thereafter, or the lowest level consistent with national needs and priorities. The Senate amendment provides that the policies and programs to achieve this goal should not impede the achievement of the unemployment goals of such Act. The House bill contains no similar provision. The Conference substitute contains the Senate provision.

HENRY S. REUSS,
WILLIAM S. MOORHEAD,
THOMAS L. ASHLEY,
JAMES J. BLANCHARD,
BILL STANTON,
STEWART B. MCKINNEY,
Managers on the Part of the House.

WILLIAM PROXMIRE,
HARRISON A. WILLIAMS, Jr.,
ALAN CRANSTON,
Managers on the Part of the Senate.

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FURTHER LEGISLATIVE PROGRAM

(Mr. BUCHANAN asked and was given permission to address the House for 1 minute.)

Mr. BUCHANAN. Mr. Speaker, I am certainly not a minority Member who is trying to run the House, but I really must say that if we have the State Department bill on Monday, in light of the fact that we have not completed it because of Members who have said they wanted to offer amendments, we surely will have many amendments offered, and I hope the Members will be advised as to what amendments there will be.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I am pleased to inform the gentleman and the House that there has been a change in plans. The bill, H.R. 3363, which has been announced for Monday, April 23, will be heard on Tuesday, April 24.

In exchange, the bill H.R. 1790, a suspension, to provide for the disposition of surplus property occupied by the U.S. Postal Service, will be taken up on Monday, April 23.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, the gentleman did not realize how much power he had, did he?

Mr. BUCHANAN. I was not aware of that fact.

Mr. DANIELSON. Mr. Speaker, if the gentleman will yield, any votes called for or ordered on Monday, April 23, will be continued over and will actually take place on Tuesday, April 24.

REORGANIZATION PLAN NO. 2 OF 1979, TO CONSOLIDATE CERTAIN FOREIGN ASSISTANCE ACTIVITIES OF U.S. GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-94)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1979, to consolidate certain foreign assistance activities of the United States Government. I am acting under the authority vested in me by the Reorganization Act, chapter 9 of title 5 of the United States Code, and pursuant to title III of the International Development and Food Assistance Act of 1978, which requires that I report to the Congress my decisions on reorganization in this area. The purposes of this reorganization are to make more coherent our economic policies and programs affecting the developing nations and to improve the effectiveness of United States foreign development activities.

This Nation is committed—not only in the interest of the people of developing countries, but in our own interest as well—to help those countries in their efforts to achieve better lives for their citizens. To this end, we conduct a number of bilateral development assistant programs, participate in a number of multilateral development assistance programs, and engage in a variety of other economic activities that affect developing countries.

When this Administration took office, United States support of international development suffered from four major problems. First, no single U.S. official was charged with responsibility for establishing a comprehensive and coherent strategy for our Nation's efforts in this field. Second, no agency or official had the authority to ensure that the various U.S. programs affecting development were consistent with each other or complemented the programs of the multilateral organizations to which we contribute. Third, none of the agency heads testifying before the Congress about his particular portion of our foreign assistance efforts was able to speak authoritatively for the program as a whole or for the Administration's overall development policies and priorities. Finally, because there was no authoritative spokesperson, developmental concerns were at times accorded insufficient weight in executive branch decision-making on trade, monetary, and other non-aid economic issues that affect developing nations.

Just before his death a year ago, Senator Hubert H. Humphrey prepared a bill intended to solve these problems. Congressman Clement Zablocki introduced a similar measure in the House. Although the Congress took no action last year on the organizational provisions of the Humphrey-Zablocki bill, it directed me, in title III of the 1978 development assistance authorization act, to institute a strengthened system of coordination of U.S. economic policies affecting the developing countries, and urged me to create an agency with primary responsibility for coordination of international development-related activities.

In response to the Humphrey-Zablocki bill and the Administration's own analyses, I took a number of steps last year to strengthen aid coordination and improve the effectiveness of our development assistance programs. The Reorganization Plan transmitted with this message continues that process. It will provide stronger direction of U.S. policies toward the developing world, ensure a more coherent development strategy, promote the more effective use of the various U.S. bilateral instruments by which the U.S. can encourage economic and social progress in developing countries, and ensure that U.S. bilateral programs and the multilateral programs to which we contribute better complement each other.

This reorganization would create a new agency, to be known as the International Development Cooperation Agency (IDCA). IDCA would become a focal point within the U.S. Government for economic matters affecting U.S. relations with developing countries. Subject to guidance concerning the foreign policy of the United States from the Secretary of State, the IDCA Director would be the principal international development advisor to the President and to the Secretary of State. The Director would replace the AID Administrator in chairing the Development Coordination Committee. The IDCA Director would make recommendations to me concerning the appointment and tenure of senior officials of each component of IDCA, and would establish and control the budgets and policies of the Agency for International Development and the bilateral foreign assistance programs it administers, and of the Institute For Technological Cooperation, proposed in legislation transmitted to the Congress on February 26, 1979, which would support research and technological innovation to reduce obstacles to economic development.

The Overseas Private Investment Corporation, which insures and guarantees U.S. private investments in developing countries against certain hazards, would also be a component of IDCA, but OPIC's Board of Directors, which the IDCA Director would chair, would continue to set OPIC policy.

Each of these agencies would retain its individual identity and substantial day-to-day operating autonomy. A principal responsibility of the IDCA Director—who would be supported by a small staff—would be the achievement of consistency and balance among the policies, major programs, and budgets of the component agencies.

To help ensure that U.S. bilateral efforts and the programs of major multilateral development institutions better complement each other, the IDCA Director would participate in the selection of U.S. Executive Directors of multilateral development banks (World Bank Group, Inter-American Development Bank, Asian Development Bank and African Development Fund), and would advise these Executive Directors on development policy and proposed projects and programs. Additionally, IDCA would assume lead responsibility for budget support and policy concerning United States participation in those organizations and programs of the United Nations and the Organization of American States whose purpose is primarily developmental. These are the U.N. Development Program, UNICEF, the Organization of American States Technical Assistance Funds, the UN Capital Development Fund, the UN Educational and Training Program for Southern Africa, the UN Food and Agriculture Organization (FAO) World Food Program, the FAO Post-Harvest Losses Fund, and the UN Disaster Relief Organization.

The IDCA Director would be responsible for ensuring that development goals are taken fully into account in all executive branch decisionmaking on trade, technology, and other economic policy issues affecting the less developed nations, and would submit an annual development policy statement to the Congress. The Director would also prepare a comprehensive foreign assistance budget, which he would submit to the Office of Management and Budget after consulting with the Secretary of State, and would lead the Administration's presentation of that budget to the Congress.

When IDCA is established, I intend to delegate to it the principal authority for the bilateral development assistance program administered by AID (now vested in me by law, delegated to the Secretary of State, and redelegated to the Administrator of AID). Certain functions vested in me under the Foreign Assistance Act will continue to be delegated to the Secretary of State, Secretary of the Treasury, Secretary of Defense, or elsewhere; but most functions relating to the assistance program will be delegated directly to the IDCA Director, who will in turn redelegate these functions, as appropriate, to the Administrator of AID. I also intend to delegate to the Director of IDCA authority proposed to be vested in me to establish an Institute For Technological Cooperation; the IDCA Director would redelegate these functions, as appropriate, to IFTC.

The reorganization would increase program effectiveness through improved coordination, as requested in the 1978 authorization act. I estimate that it would achieve that goal with no increase in expenditures or personnel. After investigation, I have found that this reorganization is necessary to carry out the policy set forth in section 901(a) of title 5 of the United States Code. This plan abolishes one of the statutory officers that the President may appoint under section 624(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2384(a)). No statutory functions are abolished by the plan. The provisions in this plan for the appointment and pay of the Director, Deputy Director, and Associate Directors of IDCA have been found by me to be necessary by reason of the reorganization and are at rates applicable to comparable officers in the executive branch.

This proposal constitutes the first major restructuring of the U.S. foreign aid program since the creation of the Agency for International Development in 1961. It will provide the United States with governmental machinery far better able to fulfill our commitment to assist people in developing countries to eliminate hunger, poverty, illness and ignorance. It responds to the mandate of the Congress. Let us work together to ensure its successful and effective implementation.

JIMMY CARTER.

THE WHITE HOUSE, *April 10, 1979.*

INTERNATIONAL DEVELOPMENT AND COOPERATION ACT

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, a week ago today I had the opportunity to go out and campaign for the gentleman from the 11th District of California, Mr. BILL ROYER, and fortunately he was victorious. During a moment of campaigning I was stopped by a husband who was on his way home from work. I asked him to go and vote, and we got engaged in a long conversation about foreign aid. He made it very clear that he was opposed to his Government giving away his tax money, and he saw little value in it.

I would suggest, Mr. Speaker, that perhaps he was expressing the concern of a lot of Americans as to our policy of foreign aid. Why is foreign aid a "dirty word" to the U.S. taxpayers? For just a minute, stand back and try to see it from their perspective. Consider the following:

Last year, the President vetoed a public works bill because he claimed that $42 million for U.S. public works was inflationary.

This year, the administration sent the Congress a bill proposing a $600 million cut in social security benefits.

Last Monday morning, the Congress increased our national debt limitation to $832 billion, and the budget is set at over a half a trillion dollars.

Gas prices will probably hit the dollar a gallon mark by the end of the summer.

Overall inflation will probably be double digit by the end of the year.

The President's asking citizens to hold pay increases to 7 percent.

The U.S. dollar continues to take a beating on foreign money markets and our balance of payments are amongst the worst of any industrialized nation in the world.

Now, what good does the U.S. taxpayer see coming about because of his past and present generosity to the rest of the world? Not much, I can assure you.

He sees the United States giving away a canal it bought and paid for several times over, and then is asked to pay the recipient of the gift to take it.

He hears himself being called every name in the book by every petty dictator from Africa to South America, and then has to hear these same dictators demand more of his hard earned dollars.

He hears stories of starvation in India and then finds that India has used his tax money to develop an atomic bomb.

He is admonished by the United Nations to get out of Puerto Rico; told by his own representatives to the U.N. that he needs to change his value system; subjected to derision by the majority of U.N. delegates, and then asked to pay the lion's share of running the organization.

He sees the spread of communism throughout the world; watches his President cave in to every demand of Red China; sees his government desert traditional, long time allies and court the favor of avowed enemies; and he's understandably confused by a muddled "human rights" policy that is both hypocritical and contrary to U.S. interests.

I would like to ask unanimous consent to print at the conclusion of these remarks a list of recipients of U.S. aid and the amounts these countries have received between 1946 and 1977.

Keep this list handy, and the next time you read about an American Ambassador being shot; or an African dictator giving himself a $25 million coronation; or an anti-U.S. resolution in the U.N.; or another developing country welcoming the presence of Cuban troops and Russian advisers, get this list out and find out just how much good will our foreign aid dollar has brought us.

The U.S. taxpayer has had it. He is suffering financially at home. He is despised abroad, and until there is some kind of change, he is justifiably opposed to sending billions of dollars out of this country that could better go toward meeting his needs and paying his debts. As one of my constituents recently observed, "you gotta be just plain crazy to keep paying somebody to spit in your face."

I would suggest, Mr. Speaker, that it is probably time that the Congress reevaluate our entire foreign aid program to make sure that it meets with the needs and the desires and the anxieties that most Americans hold inside.

HISTORICAL TOTALS OF U.S. ECONOMIC AND MILITARY ASSISTANCE, SENATE REPORT NO. 95–1194

Summary for all countries

[In thousands]

Total Economic and Military Assistance, fiscal years 1946–1977	$199, 609, 000
Total, Other U.S. Loans and Grants, fiscal years 1946–1977	31, 398, 000
Total, fiscal year 1978 (estimated)	9, 948, 366
Grand total, U.S. Foreign Assistance, fiscal years 1946–1977	[2] 240, 955, 366

Details by region and country (fiscal years 1946–77)

A. Near East and South Asia	$49, 001, 599
Afghanistan	520, 270
Bahrain	2, 075
Bangladesh	1, 119, 104
Cyprus	102, 691
Egypt	3, 252, 165
Greece	5, 050, 220
India	9, 603, 253
Iran	2, 164, 840
Iraq	95, 584
Israel	10, 121, 793
Jordan	1, 825, 063
Lebanon	197, 659
Nepal	210, 336
Oman	1, 368
Pakistan	5, 528, 117
Saudia Arabia	326, 514
Sri Lanka	341, 470
Syria	375, 890
Turkey	7, 516, 743
Yemen, People's Democratic Republic of	4, 500
Yemen, Arab Republic	84, 920
Central Treaty Organization (CENTO)	55, 176
Near East and South Asia Regional	501, 848
B. Latin America	16, 654, 900
Argentina	461, 848
Bahamas	301
Barbados	2, 130
Belize	8, 089
Bolivia	818, 926
Brazil	3, 062, 531
Chile	1, 359, 987
Colombia	1, 501, 125
Costa Rica	229, 371
Cuba	20, 130
Dominican Republic	578, 041
Ecuador	392, 586
El Salvador	187, 321
Guatemala	426, 028
Guyana	87, 362
Haiti	207, 093
Honduras	252, 679
Jamaica	138, 881
Mexico	300, 041
Nicaragua	302, 245
Panama	391, 729
Paraguay	194, 877
Peru	714, 615
Surinam	5, 805
Trinidad and Tobago	$40, 486
Uruguay	248, 556
Venezuela	353, 684
ROCAP	276, 825
East Caribbean Regional	80, 625
Latin America Regional	4, 010, 983
C. East Asia	61, 750, 782
Burma	180, 631
Cambodia	2, 130, 209
China, Republic of	6, 543, 351
Hong Kong	43, 800
Indochina, Undistributed	1, 557, 067
Indonesia	2, 461, 241
Japan	3, 950, 735
Korea, Republic of	12, 831, 817
Laos	2, 506, 214
Malaysia	198, 008
Philippines	2, 751, 795
Ryukyu Islands	387, 825
Singapore	22, 666
Thailand	2, 241, 844
Vietnam	23, 364, 139
Western Samoa	6, 907
East Asia Regional	572, 533
D. Africa	7, 119, 148
Angola	188
Algeria	198, 525
Benin (formerly Dahomey)	19, 390
Botswana	45, 625
Burundi	13, 891
Cameroon	45, 879
Cape Verde	12, 735
Central African Empire	11, 585
Chad	42, 251
Congo, People's Republic of the	7, 732
Ethiopia	642, 573
Gabon	13, 726
Gambia, The	11, 698
Ghana	325, 125
Guinea	126, 656
Guinea-Bissau	3, 583
Ivory Coast	42, 151
Kenya	226, 115
Lesotho	35, 868
Liberia	277, 410
Libya	230, 115
Madagascar	17, 655
Malawi	32, 267
Mali, Republic of	93, 746
Mauritania	31, 599
Mauritius	16, 402
Morocco	1, 117, 963
Mozambique	17, 465
Niger	80, 237
Nigeria	408, 633
Rwanda	15, 692
Sao Tome & Principe	300
Senegal	93, 178
Seychelles	1, 042
Sierra Leone	59, 191
Somalia Republic	84, 229
South Africa, Republic of	1, 300
Southern Rhodesia	7, 005
Sudan	136, 482
Swaziland	12, 293
Tanzania	194, 998
Togo	33, 938
Tunisia	910, 551
Uganda	43, 350
Upper Volta	65, 373
Zaire	649, 207
Zambia	41, 325
Portuguese Territories	3, 350
Central and West Africa Regional	143, 562
East Africa Regional	26, 801
Southern Africa Regional	109, 164
Africa Regional	338, 029
E. Europe	43, 803, 714
Albania	20, 400
Austria	1, 256, 642
Belgium-Luxembourg	1, 867, 491
Czechoslovakia	193, 001
Denmark	921, 970
Finland	56, 797
France	8, 466, 547
German Democratic Republic	800

See footnotes at end of table.

Detail by region and country (fiscal years 1946–77)—Continued

E. Europe—Continued	
Germany (Federal Republic)	$4,980,422
Berlin, West	131,881
Hungary	32,700
Iceland	82,144
Ireland	146,524
Italy	5,854,237
Malta	76,459
Netherlands	2,312,211
Norway	1,245,549
Poland	539,300
Portugal	784,051
Romania	10,125
Spain	2,091,639
Sweden	109,037
United Kingdom	8,779,506
U.S.S.R.	186,400
Yugoslavia	2,821,923
Europe Regional	835,767
F. Oceania	975,245
Australia	123,540
New Zealand	8,600
Papua New Guinea	300
Trust Territory of the Pacific Islands	824,151
Other Oceania	18,654
G. Canada	30,500
H. Interregional	20,272,692

NOTE.—Information as of September 30, 1977.

[1] Basic data (fiscal years 1946–77) taken from "U.S. Overseas Loans and Grants and Assistance from International Organizations," a publication of the Agency for International Development. See this publication for explanation and detail. Summary totals may differ slightly due to use of full numbers.

[2] Through September 30, 1977, repayments of principal and interest of both economic and military loans total $23,419,000. In addition, it is estimated that $562,100,000 will be repaid on AID loans in fiscal year 1977.

LEGISLATION TO CONTINUE PRICE CONTROLS ON DOMESTICALLY PRODUCED CRUDE OIL

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker, today I am introducing legislation to continue price controls on domestically produced crude oil for 2 more years. Senators JACKSON and METZENBAUM are introducing similar legislation in the other House.

Last week, the President proposed to decontrol the price of oil and to establish a windfall profits tax. The revenues from the windfall profits tax are supposed to be put into a fund to improve programs for solar energy development, mass transit and conservation among low-income residents.

I have no disagreement with the administration's desire to reduce consumption of oil and thereby reduce our dependence on foreign oil supplies. However, decontrol of oil prices is not the answer. By the administration's own estimates, we will experience only 200,000 barrels per day in increased production from full decontrol. This is an unacceptable burden in light of the price increase that all consumers will have to pay. It is estimated that the total first year increase to the consumer will be approximately $8 billion. Senator JACKSON has indicated that the cost per gallon will increase about 10 cents per gallon to the consumer by 1981. The possibility is that when coupled with recent OPEC price increases, the 10-cent figure may be on the low side of the spectrum.

Since it is expected that production will not increase substantially with oil price decontrol, the only other justification that I can see is that the price increase will provide consumers with an incentive to conserve oil. This is an inaccurate assumption at best. We must all remember the dramatic price increases this country has witnessed during the past 5 years. Increases of much more than 10 cents per gallon, that did nothing to deter consumption of gasoline. Quite the opposite has happened, in the past 5 years we have witnessed record levels of consumption by the American consumer. We must conclude that this increase in cost will have little effect on the consumption patterns of oil by this country.

I do believe that if we are to decontrol oil prices we must have a strong and effective windfall profits tax plan in place first. The President has not tied decontrol to his proposed tax plan. There is a great deal of feeling in the Senate, feeling that I share, that this already weak windfall profits tax plan will not emerge intact from the Senate Finance Committee. What we may well end up seeing is a "plow-back" proposal that will just provide more money to the large oil companies at the expense of the consumer. I fully endorse the concept that we should maintain controls on domestically produced crude oil, until the Congress has had the opportunity to implement a windfall profits tax that will provide some benefit to someone else other than the major oil companies.

It is apparent to me that we will not see an increase in supply nor a decrease in consumption under the President's proposal. I think you may still find some merit to the plan if the revenues from the windfall profit's tax would have an effect in other areas of energy usage. However, the dollar figures the administration expects from the tax will have little or no effect in other vital areas of energy usage. In the first year the administration expects to realize $1.6 billion and in the second year we should see $4.6 billion. When we consider that this money will be spent on mass transit, energy conservation for low and fixed income citizens and further solar energy development, we must conclude that revenues will do little in any of these three areas when considered by itself. Certainly, a total of $6.4 billion spread out across the Nation will have little impact in improving the mass transit picture in this country.

In these inflationary times, it is wrong to place additional and unnecessary burdens on the consumer. What we are faced with is a decontrol plan that will do little to deter consumption or improve supply of domestically produced crude oil. The accompanying windfall profits tax has little chance of emerging intact. The far greater probability is that we will see additional money, over and above what the administration recommends, going to the major oil companies with no improvement in our energy situation. Even if the windfall profits tax did emerge intact, it would have little effect on the problems it is designed to help solve. I can see no merit in rewarding the oil companies for something that will not happen.

I look forward to receiving the support of many Members of the House. I have already been joined in this effort by our colleague from Ohio, Mr. MOTTL and our colleague from New York, Mr. WEISS.

INTRODUCTION OF BILL ENTITLED "NUCLEAR REACTOR MORATORIUM AND WASTE DISPOSAL PROHIBITION ACT"

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, today I am introducing a bill entitled the "Nuclear Reactor Moratorium and Waste Disposal Prohibition Act." The bill has two primary functions: it would suspend the licensing of nuclear fission powerplants, pending an in-depth study by the Office of Technology Assessment, second, it would prohibit the location of nuclear waste disposal sites within or near densely populated areas.

More specifically, this legislation would prevent the Nuclear Regulatory Commission from licensing or renewing the licensing of nuclear fission powerplants, until such time that the Office of Technology Assistance completes a comprehensive study on the operational safety of such plants. The rationale for such action is simple, logical and mandatory. As early as 1958, there have been documented reports of nuclear accidents. The Three Mile Island incident clearly accented and highlighted the potential hazards of nuclear radiation, however, the peril of nuclear energy has long been our bedfellow. My legislation addresses the problem of the absence of applied safety standard criteria for nuclear fission powerplants and purports to do what must be done to provide individual and national safety and security.

Furthermore, this legislation would prohibit the Department of Energy from building or constructing a nuclear disposal site within or near any densely populated area. GAO completed a report in September 1977 entitled, "Nuclear Energy's Dilemma: Disposing of Hazardous Radioactive Waste Safely." The report spells out in clear and simple English that there is a definitive lack of demonstrated technologies for the safe disposal of existing commercial and defense high level wastes. The Department of Energy has seemingly refused to heed the documented, dangerous uncertainties associated with the safe and permanent disposal of radioactive nuclear waste. The blatant denial and bold refusal by the Department of Energy to look at and realize the facts of this report, prompts me to urge strong legislation which will mandate that nuclear waste disposal sites in highly populated areas be prohibited.

As an example, areas found in northern Ohio, much of Michigan, and parts of Pennsylvania, West Virginia, and New York State are under active consideration for possible burial sites for nuclear wastes. Without exception, these are heavily populated areas, especially the northeast part of Ohio. The insidious nature of radiation, that is the unmistakable fact that we cannot touch it, smell it, feel it, let alone know and understand its dangers, demands that we use prudence and wisdom in determining how to handle it. To do less than that is inhumane, irresponsible, and ignorant. I cannot believe, that in this great country of ours, a country who proclaims and defends the human rights and human needs of the remaining world, can deny the basic health and safety of her own people—the basic right to exist.

Although I am introducing this bill at a time when there is revived national debate over the future of nuclear power, it, in fact, represents many months of personal, painstaking efforts to obtain correct and comprehensive information and honest assurances from the Department of Energy that safety standards will be applied in terms of nuclear fission plants and nuclear waste disposal sites. Much to my disdain, I have not been successful. Therefore, may I suggest that the introduction of today's legislation is not only highly expeditious, but also indispensible to our survival—to our future.

As representatives of the people, we have an acute obligation to make decisions and take those actions which are in the best interests of the people. We cannot renege on our responsibilities. We cannot deny the imminent dangers. We cannot permit the ghost-like quality of radiation's results—to haunt our lives any longer.

H.R. 3480 WOULD REQUIRE FAA TO MAINTAIN STATUS QUO

(Mr. HARSHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HARSHA. Mr. Speaker, on April 5, 1979, I introduced a bill, along with Mr. Snyder, Mr. Johnson of California, and Mr. Mathis, to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from implementing certain proposals affecting the use of navigable airspace. These proposals, which are embodied in an FAA notice of proposed rulemaking issued on December 27, 1978, have generated over 40,000 comments from the aviation community, the vast majority of them negative.

The FAA proposals would drastically alter the makeup of the national airspace system by imposing unreasonable restrictions on general aviation users—users who operate 98.7 percent of all aircraft registered in the United States and transport almost one-third of the total number of passengers. They would overburden an air traffic control system already unable to cope with the increase in the number of aircraft operations. In addition, they would result in increased fuel consumption and longer delays for all users of the Nation's airspace.

These proposals would, in essence, require all pilots to file flight plans, comply with air traffic control instructions, and have certain equipment installed in their aircraft while operating in certain designated en route and terminal airspace. While the FAA contends that its proposals, if adopted, would improve overall air safety by reducing the number of near and actual midair collisions, we believe the FAA has grossly overreacted to the recent San Diego tragedy. In addition, it is undisputed that these proposed rules would not have prevented the San Diego accident.

Many of you have undoubtedly received letters from constituents urging you to prevent the FAA from implementing these plans. In response to these complaints, the Aviation Subcommittee of the House Public Works and Transportation Committee held hearings on March 20 and 21, 1979, to examine the proposals in more detail. Based upon the testimony given at these hearings, we are convinced that the FAA proposals, if adopted, will actually pose a greater threat to the traveling public than currently exists.

Moreover, the Department of Defense, in its comments to the FAA on April 2, 1979 (the full text of which follows) asserted:

> In conclusion, we object to the NPRM entitled "controlled visual flight" rules because of our inability to evaluate the impact of proposed rules on defense needs; the lack of detailed procedures to support the concept; inadequate consideration of alternatives that would likely yield similar safety benefits while imposing lower costs; and our perception that after-the-fact development will likely result in unacceptable constraints to military flight operations. We strongly recommend that rulemaking on this proposal not be implemented.

As frequent travelers on the airlines of this country, we recognize that improving the already excellent aviation safety record in this country is the most important challenge facing the industry today. However, we do not believe that these proposals are an answer to the potential midair collision problem. We are willing to work with the FAA and with members of the aviation industry and Congress to see to it that a better system is implemented. But to adopt measures without adequate evaluation and for the sake of change alone will only aggravate the situation and increase the potential for air disaster.

Therefore, we are introducing H.R. 3480, to require the FAA to maintain the status quo. We believe it is the only reasonable action Congress can take at this time to prevent the agency from implementing proposals that will cause major disruptions in the national airspace system without any increase in the level of safety:

WASHINGTON, D.C.
April 2, 1979.

Attn. Rules Docket (AGC–24), Docket No. 18605.

FEDERAL AVIATION ADMINISTRATION,
Washington, D.C.

DEAR SIRS: This constitutes the Department of Defense (DOD) response to the Department of Transportation, Federal Aviation Administration (FAA) proposed rule entitled "Controlled Visual Flight" Rules, Docket No. 18605; Notice No. 78–19. The DOD is vitally interested in the FAA proposed "Controlled Visual Flight" (CVF) Program as both a major user and provider of air traffic services. We have historically supported actions to enhance safety within the National Airspace System, and plan to continue this support. However, we must be assured that any action to reconfigure the airspace structure in the United States will in fact enhance safety and be consistent with and cause no degradation to the requirements of National Defense.

The DOD does not concur with the proposed rule because of its potential impact on our readiness posture. Contrary to what is stated in the Notice of Proposed Rule Making (NPRM), we are convinced that the concept has not been sufficiently developed, tested or proven to warrant issuance of detailed regulatory language. It is doubtful that constructive public comment can be obtained without benefit of live or simulated test data and accompanying air traffic control procedures which clearly show all users the potential system-wide benefits and impacts. Further, it appears that there are many major policy issues associated with the program that could have significant impact on National Defense which must be resolved prior to any rulemaking decision. Since this proposal represents a radical change to existing flight and air traffic service doctrine and has by-passed the more prudent advance NPRM procedure, we believe the opportunity to build a solid foundation for this program through a more rational learning process has been seriously compromised. In addition, by seemingly going from philosophy to rule, it appears that the whole issue has been predetermined and has overcome the spirit of cooperation among all airspace users.

The DOD position of nonconcurrence is based on the following specific concerns:

(a) The effect that lowering the floor of PCA will have on both present and future military operations areas (MOAs) and military training routes (MTRs) remains unclear. Because we have been engaged in a massive long term effort to develop both the MOA and MTR programs and have agreed to accept constraints associated with confining a majority of aircrew training activities into this special use airspace, the DOD must insist that current rules and air traffic services/procedures for these programs remain intact. If the intent of the CVF program is to require aircraft operating under the CVF concept to circumnavigate MOAs, we envision untenable problems in obtaining additional MOAs for military training activities and anticipate strong opposition from other airspace users because of the time and energy required to avoid such airspace. On the other hand, if CVF aircraft are to be routed through MOAs, DOD participants cannot accept constraints associated with providing separation services to these additional nonparticipants. Any further loss of training capability caused by a reduction in MOA/MTR airspace or restrictions to training within this airspace would be unacceptably degrading to operational readiness and National Defense. The DOD cannot favorably endorse the CVF concept without detailed knowledge of the effect associated procedures would have on military aircraft operating in the MOAs and MTRs.

(b) A second example of our concern with the NPRM is related to flight safety. DOD aircraft currently operating in the IFR system are frequently subjected to various air traffic initiated restraints such as radar vectors, holding delays and even denial of service because of "traffic saturation", some of which adversely affect Defense needs. Although the DOD policy is to operate within the IFR system to the maximum extent possible, we do authorize our aircraft to operate under VFR when IFR procedures unacceptably constrain mission accomplishment. Under the CVF proposal, that alternative would be denied unless aircraft descended below the new PCA floor—an action which would be unacceptable for turbine powered aircraft because of speed, fuel and handling considerations. Also, this alternative would require descent into an altitude stratum which we believe will be further congested by VFR aircraft who cannot or will not participate in the CVF program and thus will effectively increase our midair collision potential.

(c) FAA near midair collision (NMAC) data does not support the key points of the proposal to lower PCA and control all aircraft between 10,000 and 18,000 feet MSL. Of the total 1,006 reported NMACs, only 114 (11.3%) occurred between 10,000 and 18,000 feet. It has not been stated how many of the NMACs were the result of ATC system errors. The NPRM regulatory conclusion states, in fact, that the collision risk in that altitude strata is small. This conclusion is supported by a National Aeronautics and Space Administration report on NMACs which states that the lowest near miss rate for enroute air traffic is between 10,000 and 18,000 feet. Furthermore, we project that the NMAC potential below 10,000 will increase because VFR pilots who do not participate in the CVF program will be further compressed into less airspace which is already congested with other specially designated airspace. Also, in an era of limited resources, it appears questionable whether this FAA proposal would generate a favorable cost-benefit ratio in comparison to other possible alternatives. We would propose that FAA prepare an economic impact statement as to the cost of the proposed rule compared to the risks involved as set forth in documented reports.

(d) The NPRM does not address the potential increase in ARTCC and Flight Service Station workload likely to result from this proposal. We understand from FAA that the increase may be less than two percent of present traffic handled. However, we also are aware that this figure was derived from information received from only one ARTCC, and we must therefore question the validity of that data. We contend that FAA should be basing the CVF proposal on a firm estimate of workload increase, and that adequate system capacity should be determined in advance of rulemaking through system wide testing procedures. Operating limitations of Flight Service Stations (FSS) are well known in the aviation community. The current DOD/FAA test program to further reduce FSS workload raises serious questions as to the FSS capability to support the CVF program and still fulfill their responsibilities relating to the military MOA and MTR programs. Additionally, we know that the ARTCC 9020 computer has had a capacity problem in the past, since FAA recently advised DOD that ARTCC interface with newly automated DOD terminal air traffic facilities would be limited in part because of computer capacity limitations. We strongly suggest that computer capability to absorb such an increased workload be thoroughly evaluated system wide prior to implementation of any new concept.

(e) There are geographical areas (primarily in the West) where FAA lacks both radar and radio coverage in the 10,000 to 18,000 foot strata. Unfortunately, the NPRM does not address what will happen to CVF aircraft in these areas. This is of concern to us because we have aircraft operating on military training routes in such areas.

(f) Qualifications of pilots operating under the CVF concept have not been addressed in the NPRM. We believe this is an area of significant concern which should be submitted to the public prior to any final rulemaking action.

(g) Finally, Federal Aviation Regulations currently require aircraft operating above 12,500 feet to be equipped with an altitude encoding transponder. Therefore, radar data on such traffic is available. If such data was used to its full potential by controllers, aircraft operating above this altitude would be given an equivalent level of safety/control to that anticipated by the CVF program. If it is not being properly used, there is little reason to believe controllers could absorb the additional workload associated with a mandatory program such as contained in this NPRM.

The DOD strongly endorses alternative proposals to the CVF concept for enroute airspace as follows: (1) Lowering the continental control area (CCA) from 14,500 feet to 12,500 feet with the exception of areas 2,500 feet above ground level or less; (2) Requiring radio (and radar when applicable) contact with the appropriate ATC facility prior to entering the CCA, giving flight information (aircraft identity, type, heading and altitude, etc.); (3) Maintaining two-way radio contact with ATC within the continental control area (except as provided for in letters of agreement) and (4) Requiring aircraft in the continental control area to be equipped with MODE C transponder (except helicopters) and appropriate communications and navigation equipment. We also advocate under this concept that traffic advisories become mandatory. This alternative concept would eliminate all "unknown" air traffic above 12,500 feet and accomplish the same objectives of the CVF proposal without unnecessarily restricting the user or overloading the ATC system capacity. We believe that such a concept must be implemented and thoroughly evaluated prior to adopting the more restrictive and far reaching procedures proposed in the CVF concept.

We would also like to comment on related FAA initiatives to develop additional Terminal Control Areas (TCAs) and Terminal Radar Service Areas (TRSAs) even though they are not a part of the formal NPRM. Although lacking sufficient detail on which to base a final conclusion, the DOD tentatively supports the concept of expanding these terminal ATC programs where needed. But, as in the case of the CVF concept, we cannot endorse any reduction in special use airspace or military training activity conducted within this airspace due to TCA/TRSA implementation. Further, we would fully expect to be invited as a participant in planning such areas where we have an associated interest and be offered an opportunity to have military airfields included within these areas where such inclusion is dictated by safety and/or logic. Our experience indicates that TCAs have a definite tendency to cause redirection of traditional VFR flyways and compression of VFR traffic flow. Therefore, exclusion of a military airfield from a TCA can well result in a precipitious increase in the midair collision potential for that airfield. For this reason, it is essential that our airfields not be summarily excluded from TCAs and that the flexible application of associated procedures be adapted where possible to accommodate our terminal requirements. Further, we are concerned that TCA boundaries may include aircraft carrier docking facilities and weapons storage areas. We cannot accept TCA restrictions that would impact on helicopter weapon offload operations in such areas. Nonetheless, we believe that when given appropriate guidance and encouragement to sustain a spirit of cooperation, our respective interests can be successfully negotiated at the local level.

Regarding development of the proposed Phase III TRSAs, we note that approximately 10 of them would be administered by military approach control facilities. We want to clearly point out that where the DOD determines that any of these TRSAs is necessary for the military flight operation, we will take the lead in their development. However, the DOD cannot justify expenditure of military funds and manpower in support of an FAA-directed program that will have marginal benefits to the military operations. Therefore, in some instances, FAA must be prepared to reimburse the military services for expenditures caused by development and operation of a TRSA designed to primarily accommodate civil air carrier traffic.

In conclusion, we object to the NPRM entitled "Controlled Visual Flight" Rules because of our inability to evaluate the impact of proposed rules on Defense needs; the lack of detailed procedures to support the concept; inadequate consideration of alternatives that would likely yield similar safety benefits while imposing lower costs; and our perception that after-the-fact development will likely result in unacceptable constraints to military flight operations. We strongly recommend that rulemaking on this proposal not be implemented.

Sincerely

Thomas S. Falatko,
DOD Liaison Officer to the FAA.

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THE PAPERWORK AND REDTAPE REDUCTION ACT OF 1979

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I am today introducing the Paperwork and Redtape Reduction Act of 1979, a bill to create an institutional framework in the Federal Government for carrying out recommendations of the Commission on Federal Paperwork.

I am joined in sponsorship of this legislation by the chairman of the Committee on Government Operations, the gentleman from Texas (Mr. Brooks); my colleague on the Paperwork Commission, the gentleman from Oklahoma (Mr. Steed); and the chairman of the Government Information and Individual Rights Subcommittee, the gentleman from North Carolina (Mr. Preyer). An identical bill is being introduced in the other body by the Senator from Florida (Mr. Chiles) and the Senator from Texas (Mr. Bentsen).

As the Paperwork Commission pointed out in its report entitled "Information Resources Management":

> The real culprit of the (Federal) paperwork burden is mismanagement of information resources. * * * There must be established (in the executive branch) an Information Resources Management function incorporating and integrating many disparate but related information activities. * * * (These activities must be brought) together under a single management coordination umbrella.

Enactment of this bill would fulfill that goal of the Commission.

The Paperwork and Redtape Reduction Act is also based on studies and recommendations of the General Accounting Office and numerous excellent suggestions by Comptroller General Staats and his staff. Mr. Staats has written:

> We believe that measures designed to improve Federal paperwork management and to restructure and consolidate the Government's information management activities along the lines described in the bill are long overdue.

The legislation does the following:

Recognizes, for the first time, that management of Federal information resources is a responsibility of the Federal Government.

Places the authority for setting information management policy in the Government's central management agency, the Office of Management and Budget.

Insures that information management policy will receive priority attention within OMB by establishing a separate office similar to the Office of Federal Procurement Policy, headed by a Presidential appointee, to assume responsibility in that area.

Consolidates statistical policy activities in that office.

Requires Federal agencies to:

Systematically inventory and periodically review their information resources;

Plan and manage their information resource needs in conjunction with other resource needs; and

(c) Make sure that their information systems do not overlap each other or duplicate those of other agencies.

Mandates that OMB review, at least once every 3 years, each agency's information management and paperwork reduction activities. Requires OMB to set target goals for reductions of the numbers and burdens of information collection requests imposed on the public by the agencies.

Rewrites the Federal Reports Act of 1942, which governs the central clearance of devices used by Federal agencies to collect information from individuals, businesses, and State and local governments, so that:

First, the law is made clearer;

Second, all Federal agencies are made subject to the act (80 percent of all information collections are now exempt from it);

Third, the authority to approve or deny an agency's request to collect data from the public is placed in OMB, rather than being divided among several agencies;

Fourth, independent regulatory agencies are given the right to veto OMB disapprovals of their requests to collect information;

Fifth, OMB is forced to approve or disapprove agencies' requests within 60 days of receipt of the requests;

Sixth, agencies are permitted to collect material only if they demonstrate that they actually plan to use it;

Seventh, an approval of a request to collect data will expire after a limited period of time;

Eighth, OMB may authorize the transfer of lists of businesses among agencies for the collection or compilation of survey data; and

Ninth, individuals, businesses, State and local governments, and others from whom agencies collect information are told that they need not respond to requests which were not cleared by OMB.

Establishes a Federal information locator system to contain descriptions of all requests made by Federal agencies for the collection of information from the public. The system will be used to:

First, identify duplication in existing or new reporting and recordkeeping requirements;

Second, locate existing information that may meet the needs of a Federal agency and thereby promote sharing of data and avoid duplication; and

Third, consequently help OMB to decide which agency requests for information collection ought to be approved.

THE INTELLIGENCE COMMUNITY'S CASE AGAINST STANSFIELD TURNER

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, an article entitled "The Intelligence Community's Case Against Turner" was published in the editorial section of the Washington Post last Sunday.

The author, Benjamin Schemmer, is editor of the independent monthly magazine, Armed Forces Journal, from whose March issue the article was adapted.

Among the article's assessments—

> The American intelligence community needs a manager as director of central intelligence, not a prophet.

Also—

> The administration must make a few beginning by emphasizing the untainted quality of the intelligence product, providing the human resources the intelligence community needs and replacing centralization with coordination. All three are lacking under Stansfield Turner, and American intelligence is dying because of it.

Mr. Speaker, I believe that this expert dispassionate analysis of the problems facing our Nation's intelligence operations is "must" reading for every Member of Congress.

I would like to include the article at this point in the RECORD:

[From the Washington Post, Apr. 8, 1979]

THE INTELLIGENCE COMMUNITY'S CASE AGAINST TURNER

(By Benjamin F. Schemmer)

The American intelligence community has been suffering from a prolonged, critical illness. Now CIA Director Stansfield Turner may be administering the coup de grace.

Stansfield Turner became director of central intelligence with broad, bipartisan congressional support. At the time of his appointment, it generally was thought that the reforms of American intelligence begun under President Ford would receive even more impetus from President Carter. Carter's 1976 campaign themes of excellence and reform, and his sensitivity to the Third World, aroused expectations of even greater progress.

In only two years, Turner and the Carter administration have dashed those hopes. Turner has emerged as concerned mainly with advancing his own authority and acquiring influence with the president. His preference for technology over people, his willingness to politicize intelligence and his single-minded focus on centralizing control of the intelligence budget and collection activities have destroyed morale within the CIA, led hundreds of key CIA personnel to resign and prompted far more to "retire in place."

Turner has gravely damaged the quality of the intelligence community's product. Administration sources admit that more than 250 CIA professionals put in their retirement or resignation papers in the first pay period of 1979. The departures of concern now do not involve the "cold warriors," special or "black" operations executives and counterintelligence officers affected by Turner's 1977 Halloween purge of 820 surplus CIA personnel (a purge which William Colby had planned to be even more drastic). The men who are leaving now are career professionals—the intellectual cadre, the very brain of American intelligence.

Recent losses include such experts as Sayre Stevens, deputy director of the National Foreign Assessments Center; Vince Heyman, chief of CIA's Operations Center; Dick Christenson, chief of CIA's Office of Regional and Political Analysis; John Blake, the deputy director for administration; Ernie Oney, the agency's chief Iranian analyst, and Anthony Lapham, CIA's general counsel. Several national intelligence officers for key regions like the Middle East have resigned or are now seeking other jobs.

Retirement incentives and limitations on future employability resulting from the new Ethics in Government Act have helped stimulate resignations. But CIA's mass exodus reflects the despair of intelligence professionals that Turner and the Carter administration ever will provide effective leadership and reform. Several of the departing officials told Turner candidly that they were leaving because of his pervasive interference in intelligence reporting—in areas where he had no expertise, yet overrode expert opinion with his own judgment.

Those departing now are civil servants who quietly fought the pressures from a decade of CIA directors to give the Rostows, Kissingers and Brezezinskis intelligence analysis tailored to their policies of the moment on Vietnam, SALT, Angola and Iran.

CIA's professionals stuck it out through investigation after investigation, and director after director who twisted their reporting to produce "intelligence to please." They kept silent as post-mortem after post-mortem blamed "intelligence" for policymakers' unwillingness to hear the facts in crisis after crisis. By guilt through association, they shared the blame for the excesses of other CIA branches in special operations, drug experimentation and U.S. "internal security."

But Stansfield Turner's mismanagement of American intelligence has proved more than they could take.

LOTS OF DATA, LITTLE ANALYSIS

Turner has ignored analytic personnel needs to buy more technical collection assets—in spite of the fact that the intelligence community has long lacked the analysts needed to process its existing "take."

He has systematically hamstrung or ignored human intelligence sources and resources. Human intelligence doesn't mean a cadre of clandestine operators, "hit men" or CIA burglars; simply put, it is intelligence produced by people, not machines—information based on personal contacts and observations, and even such mundane but vital work as a careful reading of the local and regional press.

We now have little real human intelligence capability in Turkey, a country that is economically and politically fragile, yet whose importance to NATO and the Mideast is pivotal and whose array of U.S. technical collection systems will play a crucial role in verifying Russia's compliance with a new strategic arms limitation agreement. Human intelligence resources in Italy may be at an all-time low. There is little human intelligence effort focused on either friendly or hostile OPEC countries. Indonesia, the Philippines and Japan equally lack human intelligence reporting that focuses on internal stability or economic trends that could signal shifts in political alignments or popular support.

Admittedly, Turner initially received scant encouragement from National Security Adviser Zbigniew Brzezinski to improve Third World intelligence. Brzezinski may be even less sensitive than Turner to Third World issues and has shown little interest in improving the depth or quality of analysis provided to the President on them. Their priorities are reflected in the fact that of the entire U.S. intelligence community—perhaps 60,000 to 70,000 people in all—only 5 to 10 percent are involved in production and analysis. Not counting collection processors, the community has less than 25 to 50 analysts covering all of Africa, and perhaps only half that many for all of South America.

Thus, Turner has continued past CIA inclinations to focus its reporting on the Soviet Union disproportionately to America's need for intelligence on other parts of the world. Yet even in the Soviet arena, where there is a wealth of information and where hundreds of people are busy developing new order-of-battle data on the location, strength and equipment of Soviet forces, CIA has only three or four analysts looking at how all of the Soviet and Warsaw Pact ground forces in eastern Europe and the western U.S.S.R. might be employed. The result is a glut of signal and photo intelligence, but a paucity of badly needed insight on Soviet strategy, tactics and capabilities.

There are simply too few analysts in the intelligence community to produce the quality and depth of insight this country needs. If one defines "analyst" to exclude those who supervise, manage, coordinate or sort intelligence collection, or who administer the community's management needs, there are probably no more than 3,000 to 5,000 analysts spread throughout CIA, the Defense Intelligence Agency (DIA) and the National Security Agency (NSA).

Of the roughly $5 billion the United States is spending on direct intelligence activities in fiscal 1979, roughly 90 percent is going to hardware. Billions more are spent in the Defense Department for "intelligence related" activities and the integration of tactical collection efforts with "national means"—where the emphasis is also on hardware and technical collection.

In fairness to Turner, this is not a new problem. Since the early 1960s, one intelligence post-mortem after another has noted that the National Reconnaissance Office and NSA collect far more intelligence than can be processed effectively. Yet no amount of pictures or "intercepts" can speak for themselves. Ultimately, it is human intelligence, and intelligent analysis, which provides the pivotal insight into motives and intentions and trends and risks. Turner is the first director who has had the authority to redress the imbalance. But black boxes are easier to understand than people, and control over them means control over dollars and power in the bureaucracy. As a result, it is black boxes, not people, who are Stansfield Turner's priorities.

INTELLIGENCE TO PLEASE

Turner's predecessor, George Bush, was regarded by CIA's professionals as a "weak" director who could neither protect intelligence from Henry Kissinger nor obtain for his own analysts information on Kissinger's personal diplomacy. But Bush won respect for trying to protect the CIA from politicization. Stansfield Turner has impressed CIA's professionals as a willing agent who has tailored analysis to support predetermined National Security Council and other administration policies.

When Energy Secretary James Schlesinger needed an "oil crisis" to dramatize President Carter's energy goals in 1977 and 1978, Turner helped him create one—by skewing the estimates of demand and production, understating uncertainty and using the most pessimistic projections of Soviet demand.

His constant intervention in the production of National Intelligence Estimate (NIE) 11–14 on the Warsaw Pact tended to downplay the importance of Soviet improvements in ground forces and tactical aviation that might have challenged the value of the administration's improvements in NATO forces. Yet he put few anlysts to work on what our NATO allies really are doing, and as a result the United States has less intelligence on some of our allies' ammunition stcoks than on Soviet inventories.

It is hard to overstate the impact of Turner's failure to seek any improvements in the quality of the intelligence product, and his constant interference in the analytic process. No previous director has spent as much time "fine tunning" major national intelligence estimates or reports.

Knowing Brzezinski to be pro-shah, Turner kept "honing" the 1978 NIE on Iran until it simply was overtaken by events, arriving on U.S. policymakers' desks on the edge of the shah's downfall. His willingness last year to hold up a study of Soviet arms sales (embarrassing to the architects of Carter's policy of unilateral restraints on conventional arms transfers) still rankles CIA staffers—who knew that the Carter policy was based on a superficial and largely erroneous comparison of worldwide arms sales.

By contrast, Turner contributed nothing to the Army's superb analysis, later reinforced by the DIA, which leaked a few months ago to the Army Times and showed a North Korean force buildup totally inconsistent with Carter's decision to withdraw U.S. ground forces from that dangerous peninsula. (The CIA spent months simply verifying the Army/DIA figures.) Nor has his impact on a more recent analysis of the Middle East balance drawn praise from CIA officials.

The American intelligence community needs a manager as director of central intelligence, not a prophet. But Turner gives his own judgments and intuition more credit than he gives his analysts. To paraphrase the blunt remarks of one official who told Turner off as he left the CIA, "You're intelligent, but you confuse that with being informed, and you interfere in everything, whether you have anything to contribute or not."

CENTRALIZE AND CONTROL

Soon after he was confirmed as director, Turner generated an intelligence reorganization plan which would have elevated his status to cabinet rank, made him the sole channel of authorized intelligence reporting to the president and the NSC, obtained control over most of the Defense Department's intelligence assets, given him full power over intelligence tasking and collection, and put in his hands far stronger and more centralized budget authority.

Fortunately, the reorganization finally approved by Carter showed more balance and restraint—but it hardly was an organizational triumph. Any list of its features still has a monotonous emphasis on Turner. The question of centralized vs. decentralized control is as old as civilization; the question relevant today is: which will provide the best intelligence? Turner opted for centralization, power and more committees—when what America needed was better intelligence

Moreover, Turner has taken advantage of Defense Secretary Harold Brown's reorganization of defense intelligence to increase his authority over defense-managed systems—other than the tactical intelligence-related systems program—and the Defense Department's analytic capabilities (a control that President Ford had firmly denied the CIA). And had it not been for last-minute fiscal 1980 budget cuts, he would have succeeded in co-locating the DIA at Langley with CIA—thus eliminating the risk of a second opinion. His ploy was that co-locating DIA and CIA would cut costs by sharing computers, printing facilities and the like; in reality, the move would have delayed a much-needed DIA consolidation by two years.

The list of "new" committees is hauntingly familiar, and does little to filter Turner's control. The old "Forty Committee" is now the Operations Advisory Group. The president's Foreign Intelligence Advisory Board has been disbanded. While scarcely a source of consistent wisdom and intellectual courage, that board at least was an outside body of distinguished citizens beholden to no one—including the CIA director or the president. It has been replaced by an "echo" which is even weaker, a "Review Panel" which lacks the strength of a bipartisan mix of leading academics and figures from the private sector. Its members—William Leonhard, Klauss E. Knorr and retired Army Gen. Bruce Palmer Jr.—are estimable men, but with scant intelligence experience and thus little ability to challenge Turner or probe into his priorities.

There is a "new" Intelligence Oversight Board in the White House to keep the intelligence community honest; however, its mission is still unclear, and one wonders whether such a board could have much impact on any abuses committed by a strong administration policy official like Henry Kissinger. Most of the other committees are familiar variations on old themes. For example, there is an NSC Policy Review Committee, headed by Brzezinski, but its end effect may be to give influential officials like Brzezinski more ability to put a policy cast over the allocation of intelligence resources, without the independent review which outside, experienced intelligence officials provided through the old Board of National Estimates in focusing on the final product.

And the former U.S. Intelligence Board has been replaced by the National Foreign Intelligence Board as the senior management group within the community—though again the role of the director of central intelligence has been strengthened, as Turner controls most of the budget review and collection authority.

Collection management committees and staffs are restructured under a new National Intelligence Collection Tasking Staff. In theory, it provides centralized control and coordination—but intelligence professionals have not been impressed by its progress in getting organized, and the group now adds little but new layers of review on existing processes without improving the basis for deciding collection priorities or resource allocation.

What is missing from the intelligence community's reorganization and mix of new and old committees is *substance*. The new organization does not give the analyst or professional better assurance that he will have the resources to do his work well, or that he can be independent and objective. There is no decoupling of policy and intelligence, nor is there any new initiative to fuse intelligence and the broad range of equally important nonintelligence reporting from the State Department, the defense attachés and others. Dissemination of intelligence is still too limited: It leaks better than it gets distributed.

In fact, interagency coordination is so bad that in January, when Ambassador William Sullivan sent a critical EXDIS message from Tehran reporting on a meeting in which the shah finally indicated that his departure was imminent, neither Brzezinski nor Turner got the message to the agency's Iranian analysts or to appropriate defense intelligence personnel. Even Defense Secretary Harold Brown had to order one of his staff to obtain a copy of the message (apparently covertly) because he was not privy to it either.

More recently, the fact that Russia had tested its SS18 missile with up to 14 warheads appeared in the closely held, highly classified National Intelligence Daily only after it became clear that Richard Burt was about to break the story in The New York Times.

MANAGEMENT MALAISE

Centralization has not led to greater efficiency, because Turner and his entourage have managed to shake things up without shaking them down.

Turner's new largely departed "Gang of Eleven" naval staff officers (as they were unaffectionately known to CIA insiders) did a great deal to enhance Turner's powers in the intelligence community, but their main heritage was to leave an impression that Turner had sought to create his personal "Savak." They did almost nothing to enhance the quality of intelligence reporting and analysis. On the contrary, they disrupted the effort already under way and replaced it with a largely ineffective systems analysis staff charmingly called "PAID" (Product/Performance Assessment Improvement Division).

Turner's nominee to manage CIA's analytic effort, Robert Bowie, has done nothing since coming to Langley to change his reputation at Harvard for ineffectiveness. Yet Turner has resisted advice from inside and outside the intelligence family to fire him.

The CIA has had so many directors since Watergate that some fear it might suffer more from a new boss than from a bad one. But Stansfield Turner has become so serious a liability that he must go. The remaining analysts and managers won't take much more of Turner, and the lack of intelligence on Iran, Korea and Arab concern over the consistency of U.S. Mideast and Persian Gulf policy have given the nation brutal, recent lessons that it needs better intelligence than Turner can produce.

While Turner has made some widely respected appointments, like John Koehler to head the community's Resource Management Staff and John McMahon as deputy director for operations, most of Turner's personal coterie should go with him. The president must clear this deck to regain the broad community support he needs to obtain effective intelligence.

The administration must make a new beginning by emphasizing the untainted quality of the intelligence product, providing the human resources the intelligence community needs and replacing centralization with coordination. All three are lacking under Stansfield Turner, and American intelligence is dying because of it.

FOOD SECURITY ACT OF 1979

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, this afternoon Representative GILMAN and I are introducing legislation to establish a Government-held wheat reserve of up to 4 million metric tons. This reserve would serve as a backstop to the Public Law 480 program and would be used solely to meet emergency food needs in developing countries.

The Food Security Act of 1979 is similar to legislation that we introduced during the 95th Congress, and which was favorably reported by both the Agriculture and Foreign Affairs Committees in the House. Unfortunately, in the rush to adjournment last year, the bill never reached the floor for our consideration.

However, both Representative GILMAN and I believe that the need for such legislation remains urgent, and we are hopeful that the legislation we are introducing today will be approved during this session of Congress.

Clearly, there is considerable support for such legislation since almost 100 Members of the House cosponsored our bills during the 95th Congress. the Carter administration has also indicated that it will make this type of legislation a high priority in 1979. Because developments in world food security make the need for such legislation even more urgent, the time has come to translate that support into law.

BACKGROUND

Mr. Speaker, the problem of world food security is as critical today as it was 5 years ago when representatives of 130 nations discussed the issue at the World Food Conference held in Rome. At that time, those representatives made a commitment to bring about a world by 1985 in which—

> No child will go to bed hungry . . . no family will fear for its next day's bread and . . . no human being's future will be stunted by malnutrition.

In addition to adopting this eloquent statement of purpose, the conference made a number of specific recommendations designed to increase global food security and reduce widespread malnutrition. Some progress has been made toward these goals since 1974.

For example, 75 nations have now subscribed to the FAO-sponsored international undertaking on world food security which is designed to avoid acute food shortages in the event of widespread crop failures or natural disasters through the creation of an international network of national reserves. The World Food program has established an international reserve for emergencies with a modest stock level of 500,000 tons annually, and the World Food Council has identified over 40 food priority developing countries which will be the focus of international concern in coming years. Finally, some nations, including the United States, have strengthened their national stock policies and thus enhanced their own food security prospects.

The relatively good harvests that we have experienced worldwide during the last several years have eased the immediate crisis we faced in 1974 when the World Food Conference was held in Rome. World food stocks, which had dwindled to only 12 percent of global consumption in 1974–75, have been rebuilt in recent years and are now above the minimum level for world food security, at least according to the Food and Agricultural Organization.

Nevertheless, there have been many disappointments in recent years as well. For example, negotiations to establish a more effective International Wheat Agreement recently collapsed in Geneva. As a result, the higher annual tonnage levels which nations had pledged as part of a new Food Aid Convention reremain nonbinding. Similarly, contributions to the World Food program international reserve have fallen short of the annual 500,000 ton target, and individual stocking policies to fulfill the international undertaking on world food security are a cause for pessimism. Food aid shipments to the neediest countries have never reached the agreed upon international target of 10 million metric tons per year since the World Food Conference was held 5 years ago, and the dependence of the developing nations on grain imports has continued to increase as they attempt to meet the widening gap between their production and consumption.

In short, we have not really used the good harvests that we have had in recent years to fully prepare for the challenges that we are likely to face in the future.

THE CHALLENGE OF GLOBAL HUNGER

Indeed, we do not have to look to the future to understand that food and survival remain the primary concerns of far too many people throughout the world. A look at current statistics will make the point.

For example, the Agency for International Development estimates that over 1 billion people do not consume enough calories to meet minimum daily adult requirements, and that the diets of between 450 million and 750 million people are so nutritionally inadequate that their health is seriously threatened or impaired.

One of every six persons throughout the world suffers from chronic hunger. A disproportionate number of those now suffering are infants, children and women, especially pregnant and nursing mothers. In Africa, 1 out of every 3 children will die before the age of 5, and 30 percent of all deaths in Latin America are among children under that age.

Moreover, if we look to the future, there is little room for optimism. Food production has barely kept pace with population growth in recent years, and per capita food production has not increased. In fact, in Africa per capita food production has actually declined to a level 10 percent below what it was a decade ago, and post-harvest food losses throughout the developing world are estimated to be running at a level of approximately 20 percent.

The Food and Agricultural Organization has projected a net annual grain deficit exceeding 90 million tons by 1985, and the International Food Policy Research Institute puts the figure at over 120 million tons by 1990.

These international food problems will not be resolved easily, Mr. Speaker, nor by the United States alone. However, the United States should play a leadership role in helping to fashion solutions, a role commensurate with our preeminence in the agricultural area. One important step that we can take is to pass legislation that will insure stable flows of food aid from the United States through the Public Law 480 program. That is why Representative GILMAN and I are introducing the Food Security Act of 1979 this afternoon.

PROVISIONS OF THE BILL

Our legislation is designed to build upon one of the most successful programs that has ever been enacted by Congress. The Food for Peace program has been an outstanding success ever since it was first established in 1954. Our legislation is designed to strengthen that program by providing for continuity of commodity supplies under Public Law 480.

It would authorize the Secretary of Agriculture to establish a reserve stock of up to 4 million metric tons—147 million bushels—of wheat that would be publicly owned and held.

Stocks for the reserve would be acquired either from purchases on the market or from defaults on loans made under price support programs administered by the Department of Agriculture.

These stocks would not overhang the market or serve to hold domestic prices down. Instead, they would be isolated from the market after acquisition and could be used solely to provide emergency food assistance to developing countries when sufficient supplies of grain were not otherwise available under Public Law 480.

This is a very modest proposal, Mr. Speaker. The reserve would not be very large, and the bill itself has been drafted in order to encourage support from a wide range of interests, including our farm community. However, in its absence, there can be no guarantee of continuity of supply under Public Law 480 in times of tight supply. Because of various restrictions in the law, the amount of commodities available for food assistance after other claims have been satisfied is likely to be very limited at such times.

To illustrate this point, we should recall that the United States reduced its food aid under the Public Law 480 program from 7.9 million to 2.5 million metric tons of grain products between fiscal years 1972 and 1974. Yet, at that very time the need for food aid within the developing nations was increasing dramatically. We did this because supplies were tight, and the administration did not want to promote higher domestic prices, greater inflation, and the resulting budgetary and financial pressures that would have been generated by increased governmental purchases. However, the tradeoff in terms of starvation and suffering in the least developed nations is a price that I hope we will never have to pay again.

The Food Security Act of 1979 would help assure this by establishing a modest reserve that would serve as a backstop to Public Law 480, thus providing continuity of supply in times of crisis.

Creating such a reserve at this time could also have a modest but beneficial effect on real farm income. By taking some additional wheat out of circulation during the coming year, the Government could provide additional help to our wheat farmers without substantially affecting the prices consumers pay.

At the same time, because wheat is now selling at a very moderate price, the cost to the Government would be minimized. Estimates in the budget for fiscal year 1980 place the costs of acquiring and storing wheat for the reserve at approximately $300 million, or about $1.30 for every man, woman, and child in the United States. However, even this modest cost would be offset by substantial reductions in deficiency payments and reduced loan outlays amounting to at least $100 million.

In short, the reserve that would be established under our bill would be a good investment in assuring continuity of supply under our food aid program, and would have important benefits for both our farmers and taxpayers.

CONCLUSION

Mr. Speaker, neither food aid nor food reserves to back it up will resolve all of our food and food-related problems. Progress on these issues requires meaningful development assistance and trade arrangements, and, in many cases, reform within the developing countries themselves to increase agricultural production and provide greater purchasing power for their poor majorities.

However, food aid—and a Public Law 480 reserve designed to assure its availability—can play a vital role in assuring survival under emergency conditions, and in helping to promote some measure of political stability. This reserve represents an investment in a more secure future for millions of people throughout the world.

This is an especially good time for us to act, Mr. Speaker. Our good harvests make it possible for the fruits of our labor to become part of a conscious reserves policy. If we do not act now, however, we may not soon again have the opportunity to do so.

I therefore hope that we will take advantage of this opportunity and move rapidly to enact this much needed legislation.

Mr. Speaker, I am inserting a brief section-by-section analysis of the bill into the Record at this point:

SECTION-BY-SECTION ANALYSIS

Section 1. The short title of the bill is the "Food Security Act of 1979."

Section 2. The policy of the bill is to develop a wheat reserve to provide *solely* for emergency food needs in developing countries.

Section 3. To carry out the policy of the bill, the President shall establish a reserve stock of wheat of up to 4 million metric tons.

Section 4. Reserve stocks shall be acquired through (1) purchases from producers, and (2) designation of stocks of wheat acquired by the Commodity Credit Corporation.

Section 5. Reserves may be released by the President to provide, on a donation or concessional sale basis, emergency food assistance to developing countries only when supplies of wheat are so limited that they cannot be made available under the regular criteria of section 401(a) of P.L. 480 because any such disposition would reduce stocks below those needed to meet (1) domestic requirements, (2) adequate carryover, and (3) anticipated exports for dollars.

Section 6. Wheat released from the reserve shall be made available under the provisions of P.L. 480.

Section 7. The Secretary of Agriculture shall manage reserve stocks in terms of location, class of wheat and periodic rotation of stocks to avoid spoilage or loss. The Secretary shall promptly replace any stocks released.

Section 8. Reserve stocks shall not be considered part of the domestic supply for purposes of P.L. 480 and are not subject to any export limitations imposed under the Export Administration Act of 1969.

Section 9. The funds and authorities of the Commodity Credit Corporation may be used to carry out the purposes of the Act. The CCC shall be reimbursed at the time wheat is released from the reserve from funds made available for carrying out P.L. 480.

Section 10. Any determination by the President or the Secretary of Agriculture under the Act shall be final.

RADIATION HEALTH HAZARDS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, today's New York Times carries a report which further highlights the human health hazards of nuclear materials.

A study conducted by Dr. Carl Johnson, county health director in Jefferson County, Colo., found that people living downwind from the atomic weapons plant in Rocky Flats, Colo., have substantially higher rates of cancer than other Colorado residents who are not exposed to the plant's plutonium emissions.

Men living up to 13 miles downwind from Rocky Flats had a testicular cancer rate 140 percent higher than the norm for Denver-area men who do not reside within the plant's emission radius. Overall cancer rates—for both men and women—in the vicinity of the plant were 24 percent higher for males and 10 percent higher for females, according to the study.

It is crucial to note, Mr. Speaker, that these findings directly contradict a 1977 environmental impact statement prepared by the former Energy Research and Development Administration. The ERDA report said the plutonium emissions from Rocky Flats had the potential to cause only one cancer death and one genetic defect among the 1.6 million people in the Denver area. But the Johnson study found that there have already been 501 unexpected cancer deaths downwind from the nuclear armaments plant.

It seems at least possible that the Government has once again erred on the side of unwarranted optimism in assessing the effects of radiation on human health.

If Dr. Johnson's study is indeed accurate, then we are witnessing carnage on a vast scale in Colorado. More than 500 cancer deaths might have been avoided had stricter precautions been taken at Rocky Flats or—more to the point—had the facility been closed down or at least moved away from a major population center.

I think, too, Mr. Speaker, that this report is especially valuable because it reminds us of the linkage between nuclear energy and nuclear weapons. Production of both has been shown to be hazardous to public health and to environment. As many millions of Americans come to realize the dangers inherent in atomic power generation, I fervently hope that reports such as this one will lead them to simultaneously oppose nuclear weaponry in all its forms, in all nations.

I have previously called for a moratorium on nuclear powerplant construction and licensing, and I would like today to reiterate my belief that the United States and all countries must also declare a total ban on nuclear weapons testing and production.

We now know that atomic weapons kill and maim not only when they are exploded, but also when they are manufactured. Knowing this, we must act to stop this murderous process.

NATIONAL CATHOLIC EDUCATIONAL ASSOCIATION DIAMOND JUBILEE CONVENTION

(Mr. DOUGHERTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGHERTY. Mr. Speaker, during the Easter recess of this body an event of significance will take place. The 76th annual convention of the National Catholic Educational Association, the largest private, professional educational organization in the world, will meet in the city of Philadelphia, Pa. In conjunction with this, the National Forum of Catholic Parents Organizations will also convene.

The contributions of the Catholic community to the education of the people of America are clear. Historically, this commitment has been exhibited in over 200 years of service to develop, broaden, and inspire the minds, hearts, and spirits of America's young. Presently this commitment is realized in the 2.42 million elementary-aged children attending 8,204 schools and 806,800 students in 1,593 secondary schools; 147,948 educators work among these young people.

The diversity of America is represented not only in the services offered, but in those who are served by this community; 18.1 percent of these school-aged children represent American minorities: 248,000 black Americans, 245,000 Hispanic Americans, 47,600 Asian Americans and 8,000 Native Americans.

That Catholic education does its part in the national effort to address the needs and rights of the handicapped is evidenced in the 139 special education institutions which serve 12,000 children under the guidance of 1,400 teachers.

The occasion of the diamond jubilee of the National Catholic Educational Association calls for the recognition of the longstanding dedication of the Catholic educational community to actualizing the American ideal of quality education for all.

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BIG BROTHER ON A TRACTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Goldwater) is recognized for 10 minutes.

● Mr. GOLDWATER. Mr. Speaker, during the district work period which begins at the close of business today, I will be visiting with a number of agricultural groups in California to hear them out on a matter of grave concern. It seems that Washington cannot lick its habit of having its finger in everybody's stew, and the California farm community is justifiably upset because Big Brother is driving the tractor.

At issue is a 77-year-old law, the 1902 Reclamation Act, which places a limitation of 160 acres on the size of a farm which can qualify for water from a Federal reclamation project. There was a rationale for this law 77 years ago in the age of western pioneering. But in this day and age the act is archaic. Modern mechanized farming techniques have made it impossible for anyone to earn a living on so small a plot of land. Interior Secretary Andrus has made a concerted effort to enforce the law as a means of preserving the viability of the small family farm. The unfortunate consequence of the Secretary's action, however, was the slap in the face he gave to the efficient corporate farming enterprise, which is able to increase the availability of agriculture products in the marketplace, keep down the cost to the consumer, improve the local tax base, and provide employment in the cultivation, transportation, and processing of agricultural products.

Enforcement of this law in 1979 is insane. To do so is unfair because it limits farm income, violating the foundation of our free enterprise system. Private property rights are violated by enforcement of this law, and the Government is engaged in the real estate business by having a say in the distribution of farmland.

The courts and the Congress have recognized this law as being, for all practical purposes, obsolete. There have been more than two dozen judicial decisions which have modified or waived the 1902 law. Congress has made amendments to the administration of the law on a number of occasions. Furthermore, the law is not sensible. In the Imperial Valley of California, for instance, only 20,000 of the valley's 450,000 acres are held in corporate ownership.

I am a cosponsor of legislation in the House to repeal this 160-acre limit. The bill to effect the repeal was introduced by Congressman Stump, of Arizona, and has widespread support. It is the unfair and irrational position of the administration which stands in the way of this repeal, and I am most disappointed. Too many signals are being called from Washington these days, and having Big Brother drive the tractor is something we do not need on our California farms.●

NORTON SIMON, INC., LAUNCHES JOBS FOR YOUTH PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Green) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, I am delighted to call to the attention of my House colleagues that David J. Mahoney, chairman of Norton Simon, Inc., one of the major corporate institutions of New York's 18th Congressional District, last week announced that his company will hire 10 youths for every 1,000 of its U.S. employees. Mr. Mahoney announced that his board of directors is committing itself to 250 youth jobs this year. He urged the Nation's business leaders to endorse his plan to reduce the jobless rate among youth in urban centers.

Because of the importance of providing more jobs for youth and the significance of this corporate commitment by Norton Simon, I am pleased to insert into the Record excerpts from Mr. Mahoney's speech announcing this program at the award dinner of the National Conference of Christians and Jews. Mr. Mahoney's efforts to enlist similar commitments from other corporations is commendable, and I am sure my House colleagues join me in wishing him and Norton Simon every success.

The excerpt follows:

Remarks by David J. Mahoney, Chairman, Norton Simon, Inc., Announcing Jobs for Youth Program

Today our country faces a crisis as grave and far-reaching as any we have witnessed. I speak of the plight of our youth—the Americans we count on for the future of our country. Many, today, are abandoned to a life of idleness and despair. I am deeply concerned about the tragic waste of the young lives caused by a widespread joblessness, especially among minorities . . . .

Never before has our country seen such large pools of unemployed youth. For young whites, the jobless rate is bad; it is 14%. For black youth, it's disastrous: nearly three times worse, or about 40% unemployed. And some say it is much higher than the statistics indicate. The climb out of poverty and prejudice, the goal of the Black movement in the Sixties is still an empty promise for much of this generation. . . .

The ghetto young simply don't know how to connect in the business community. They lack the contacts of their white contemporaries who, through family friends, have found part-time jobs as they were growing up. When push comes to shove, it seems that it's pull that counts.

The longer a young person is frozen out of the job market, the tougher it becomes to get a foot in the door. The problem is particularly acute in urban centers where inexperienced youth compete for low-paying jobs with older workers and recent immigrants.

There is no simple answer to the deep-rooted problems that face minority youth. But one fact we cannot escape: their problems are our problems. We may think of ourselves as enlightened and responsible, but are we, if we turn our backs on this generation?

Can each and every one of us truly state that he or she is doing his utmost? We certainly cannot solve society's ills all at once, but we can take giant steps by our commitment to measurable objectives. Like any other goals, social goals can be set, and more importantly, met.

Most businesses already have programs to encourage minority hiring, but they have not really focused on the 40% rate of unemployment among black youth. And we can and must.

Recognizing the magnitude of the problem is not enough. We must take action in ways that make a difference. Because sentiment without a plan of action is worthless.

And here's what I propose as a workable plan: if the 1,000 largest industrial corporations in America, and the fifty largest banks and retailers were to each hire only ten minority youth for every thousand employees that they have, this could open up 200,000 jobs. And that's enough to fill Shea Stadium three times, and enough to open the doors to nearly half of the 445,000 presently unemployed young blacks, and selfishly, also alleviate what could be a very difficult, hot summer.

At Norton Simon Inc., our board of directors will support a youth employment program which will provide jobs for well over this percentage. We commit to 250 youth jobs this year. And I hope and I'm sure that directors of other major corporations should welcome the chance to help minority youth by such a specific proposal.

We can make a difference. We must reach out to include this youth of our nation and to prove to them that they are not defeated before they start. . . .●

HOSPITAL PRICE CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 20 minutes.

Mr. COLLINS of Texas. Mr. Speaker, the administration's hospital cost containment plan cannot possibly be the answer to the hospital inflation problem. What the administration wants to do is threaten the health and medical industry with Federal price controls if cost increases do not come down to 9.7 percent annually. We have already seen how price controls have caused severe supply shortages of oil and gas. Shortages in hospital care would certainly mean cutbacks in patient services and a slowdown in our technological advances.

I think we should question the Federal Government's ability to regulate costs for hospitals. First, it should be noted that President Carter's plan only covers the approximately 3,000 non-Federal hospitals, while the Government spends over $2.5 billion to operate 171 Federal health institutions.

Second, the President's hospital cost containment plan creates a very real danger that Government regulations will add to hospital costs rather than lower them, as Federal regulations have done in other areas when the Government makes arbitrary cost-cutting decisions. The Hospital Association of New York estimates that Federal regulations cost them—and in turn their patients—$1.1 billion a year. These regulations require the equivalent of 56,000 hospital employees spending all of their time on regulatory matters. These 56,000 hospital employees could provide services to about 600,000 patients. The New York study also noted that registered nurses spend about 25 percent of their time dealing with Government redtape. However, the fact that most dramatically states the cost factor to the patient is that regulatory compliance in this case adds $40 a day to each patient's hospital bill.

The administration has not said why HEW's budget is increasing by $2 million an hour, while hospital costs in general have risen only half that amount. Are hospitals supposed to double their costs to keep up with HEW?

The answer to rising hospital costs has to come from the medical industry itself, in cooperation with a Federal Government bureaucracy which is willing to cut its own costs. It has already been shown that the medical industry is interested in doing this and can do it successfully. An example of this is an organization of hospitals which is working through voluntary efforts rather than mandated Federal regulations. This voluntary effort has seen hospital spending increases reduced from 15.6 percent in 1977 to 13 percent in 1978, and to 11.6 percent in 1979, as opposed to Federal hospital costs which rose between 19 percent and 22 percent in 1977, the most recent year for which we have figures.

In March 1979 John Alexander McMahon, president of the American Hospital Association, pointed out in his testimony before the Senate Subcommittee on Health and Scientific Research that—

> The VE (Voluntary Efforts), therefore, has not only achieved its basic goal of a two-percentage-point reduction in 1978, but has also exceeded that goal by almost 50 percent. This has resulted in an estimated savings for the American people of $1.48 billion (including $621 million for Medicare and Medicaid.)

The Texas voluntary effort, managed by the Texas Hospital Association, has accomplished an annual savings of $100 million. This program, which includes the Texas Medical Association and the Texas Federation of Hospitals, has become a model for the voluntary effort.

In Texas, the voluntary effort includes physicians, hospital representatives, private insurance company representatives, health care equipment manufacturers, medical suppliers, and State government officials on its steering committee, all working together in a hospital cost reduction program.

In a recent article on the rising cost of hospital care, Columnist James Kilpatrick, "Why Those Health Care Costs," the Washington Star, February 6, 1979, quotes in his article from the testimony of Dr. Edward S. Hyman, of Louisiana, vice president of the American Council of Medical Staffs:

> The abnormal rise in the costs of private hospitals began with the featherbedding of personnel and the extra accounting required by Medicare. A hospital that has 12 technicians in the biochemistry laboratory to service sick patients now has another 12 in the personnel office and 27 more employees in the catacombs of a Medicare office to serve sick paper. Each is paid a salary by the hospitals . . . At a little 17-patient hospital in Georgia, the business office has expanded from two to 11 persons since Medicare, and the flood of paperwork has added $11 a day to patient costs.

Another basic fault with the Carter administration's plan is that it compares hospital costs to the Consumer Price Index. An editorial in the Washington Star noted that the comparison was misleading because "costs include but are not limited to rising prices." It is important to remember that while inflation is the main reason for rising hospital costs there are other factors also attributable.

Private Practice magazine, the official publication of the Congress of Country Medical Societies listed some of the other factors of why medical costs have increased faster than the Consumer Price Index:

First, the higher cost of medical technology and the people who operate the new technology.

Second, extensive wage increases for hospital employees because of unionization and application of minimum wage laws to hospital employers.

Third, widespread use of expensive health screening tests for people who appear in good health.

Fourth, a tenfold or more increase in malpractice liability insurance premiums for doctors and hospitals.

Fifth, a 20 percent increase in demand under medicare and medicaid especially as additional people seek medical treatment because the price barrier has been lowered.

Sixth, OSHA requirements for hospitals, as well as new fire safety codes.

Seventh, unemployment insurance benefits for hospital employees added during the 1970's.

Eighth, the cost of caring for the dying patient who once was cared for at home but is now mostly cared for in hospitals.

The basic question comes back to the reality that if the Government cannot control its own paperwork and regulatory costs, how can it be expected to do a better job with the private hospitals? A March 1979 editorial in the Washington Star newspaper, "Mandating Hospital Costs," raises some valid questions concerning unrealistically small allowances for the cost in patient care and hospital equipment. Can the Federal Government be relied upon to make wise cost-cutting decisions while protecting the best interest of the patient? Has the Government had a reliable record in cutting costs when controls have been applied? Is not the most likely result, under a "voluntary" program with mandatory features, that health care will be rationed with Government bureaucrats deciding who should receive treatment and who should not receive treatment? These can be life and death decisions.

In order to really solve the problem of hospital cost inflation, we need to understand its causes, not punish the medical industry. We should attack this type of inflation at its root cause, overspending by the Government which has deflated the value of the dollar. Congress needs to stop creating deficits which lower our monetary value and cause higher prices. If Congress would balance its budget, we could see an end to spiraling cost increases in all aspects of American life, including medical costs. We could then realistically see a dollar equal in value to the services we buy.

HOUSING PROBLEMS OF THE ELDERLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

● Mr. GRASSLEY. Mr. Speaker, earlier

today, the Housing and Consumer Interest Subcommittee of the Select Committee on Aging opened a hearing on the housing problems of the elderly. As ranking minority member of the Select Committee on Aging, I have both a responsibility and a deep interest in the problems of the elderly, among which is a lack of adequate housing.

In reading the witness list for the hearing, I noted that primary interest appeared to center on the housing plight of various minority groups including blacks, Hispanics, and Indians. This led me to wonder if we are not becoming too stereotyped in our identification of minority groups and in our perceptions of where some of our most critical housing needs are centered.

There are many kinds of minorities in America. The elderly themselves are a minority and they can be further subdivided into various other minority categories. Among these, a very large and needy minority is the rural elderly. It is on their behalf that I rise to make this comment.

Older people like to stay put among their friends, relatives and familiar surroundings. This is especially true of our rural areas where over two-thirds of the elderly own their own homes and where the majority have long-established roots.

The housing plight of the rural elderly has a similarity to that of other minorities in that the problem is not one of housing per se, but the quality of the housing they inhabit. In the main, they live in housing that was built 30 or 40 years ago when fuel was cheap and little heed was given to insulation. Inflation was not a problem. Building supplies were relatively inexpensive and the rural familiarity with hammer and saw was generally sufficient for most residential repair work. Do it yourself has always been part of the rural philosophy.

Today, the rural elderly who live in these houses face entirely different circumstances. Repair and insulation are imperatives. Yet costs have skyrocketed while all too frequently, savings have been wiped out and incomes reduced to social security or SSI levels. As a result, half of the rural elderly subsist on incomes below $3,000 per year and for many, the level is substantially less than $3,000.

As a result, few can afford to insulate. They cannot undertake major repairs. A high proportion, as is the norm among the elderly, are widows. Unlike their urban counterparts, most of the rural elderly live in single family dwellings. Exposed to the elements, their homes derive no benefit from ambient city warmth, from the central system which heats an apartment complex, or from nearby buildings that break the force of the wind.

A very real threat of this combination of poor housing, poverty, and inflation among the rural elderly is that of death due to hypothermia. This is an insidious condition of reduced body temperatures brought on by cold, often in combination with malnutrition. The elderly are particularly susceptible to hypothermia and the rural elderly are especially vulnerable. The nature and condition of their housing subject them to abnormally high heating costs. In order to heat their homes, even at uncomfortably cool temperatures, many of the rural elderly must make nutritional sacrifices. This opens the door, not only to hypothermia, but to many other maladies that find access in physical debility. Adequate housing is therefore more than a matter of creature comfort. It not only contributes to the overall well-being and quality of elderly life, but is intimately associated with latter-year survivability.

Our concern for insuring that the elderly are adequately housed most often turns on the inner-city ghettos, the ethnic minorities and the urban needy. Statistically, however, the ratio of elderly persons as a percentage of the population is higher in rural America than it is in the cities. Moreover their housing problems are among the most compelling in the country.

I have entered a statement for the report of today's hearing by the Subcommittee on Housing and Consumer Interest which expresses these facts and encourages their consideration. It is my conviction, however, that this is a topic which merits national attention and concern. ●

CONGRESSMAN STOCKMAN'S LUCID ANALYSIS OF THE ADMINISTRATION'S CRUDE ENERGY PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, when a foreign oil cartel makes energy uncomfortably scarce and expensive, the answer is not, as the administration apparently believes, to make energy still more scarce and expensive for American consumers. The answer is to remove barriers to domestic energy production and permit the free market to determine the price and supply of energy.

Let me propose two axioms on which, I believe, any intelligent U.S. energy policy should be based: First, we should produce all the energy we can below the OPEC price; second, we should not subsidize energy production at above the OPEC price.

The administration's energy policy, including its most recent pronouncement on oil policy, fails both of these tests. The President has announced that he will permit the price of domestic crude oil to be set by the market once again, which, by itself, would be a praiseworthy action. Full decontrol of energy would bring about conservation, the most efficient allocation of energy, and encourage maximum production at the lowest cost to consumers. However, President Carter proposes to negate the encouragement of production by taxing away the increased profitability, which might permit our energy producers to compete with OPEC—and then use the proceeds to subsidize energy sources which are more expensive than even OPEC oil. For example, the windfall-profits-tax revenues would subsidize solar energy, which has a cost equivalent to paying $50 a barrel for oil, and coal-based synthetic oil and gas which cannot be produced for less than $20 to $30 a barrel. OPEC oil costs about $14 a barrel.

The establishment of the President's energy security fund with the revenues from the windfall-profits-tax revenues would mean a two-thirds increase in the Department of Energy budget within 3 years. The Department's $11 billion budget is already larger than the cost of our oil imports from Saudi Arabia, larger than the profits of the biggest seven oil companies, larger than the annual value of all the oil produced in Texas, and about equal to the value of all natural gas produced in this country. Americans are groaning under the burden of its monstrous misallocation, and a two-thirds increase in this burden along with further discouragement of domestic energy production would be insupportable.

Representative DAVID STOCKMAN recently summarized the hideous result of the Federal Government's assumption of the market's price-and-supply decisions in the public interest:

> In the name of oil-import reduction, an energy "pork barrel" is now emerging that will make the traditional public works and farm commodity programs look trivial in comparison. The Department of Energy was recently cajoled into financing a $500 million commercial-scale coal-liquification plant in the Congressional District of the Chairman of the House Commerce Committee. This plant will indeed increase the use of West Virginia coal. But the fuel oil produced will cost East Coast consumers (or the taxpayers) at least $20 a barrel—50 percent more than the alleged monopoly OPEC price. Moreover, this is only the proverbial camel's nose under the tent. The northern Great Plains delegations will push for subsidized coal-gasification plants, the Rocky Mountain delegation for shale plants, the New England delegation for bio-mass conversion facilities, the Corn Belt for gasohol plants, the Sunbelt for solar credits and subsidies, the fiberglass industry for insulation subsidies, the oil and gas states for restoration of petroleum tax subsidies, the nuclear lobby for expanding subsidized development of uneconomic breeder reactors, and the "soft" technology people will lobby for "appropriate-scale" windmills. The effect of all this "pork trading" will be to burden the Congress with decisions it has neither the competence nor need to make, and to burden the economy with multibillion-dollar excess costs and resource misallocations which will only further stifle our seriously declining prospects for economic growth.

This candy store is being designed by an administration which freely describes opponents of its energy policy as "special interests."

Mr. STOCKMAN analyzed the President's oil decontrol and tax program in the Washington Post on April 8, 1979. I would like to share his analysis with my colleagues, because it is, as usual for Mr. STOCKMAN, lucid and compelling.

The article follows:

BACK INTO THE ENERGY BAZAAR

The expiration of mandatory oil price controls afforded the president a golden opportunity to close down the tumultuous federal energy-policy bazaar, with its miasma of daily congressional hearings and incessant legislative haggling; its avalanche of rulemaking and regulatory hearings; and its boom market for consultants, lawyers, energy-system modelers and firms more adept at selling grant-proposals to bureaucrats than energy products in the marketplace.

Instead, by endorsing creation of an energy development trust fund to dispose of the tax revenue generated by decontrol, he paved the way to the permanent politicization of energy prices and markets. He thus threatens to lead us from the frying pan into the fire.

The frenzied but unproductive swirl of energy policymaking over the past five years stems from the inherent incapacity of the political system to resolve two major problems: the problems of managing "economic rents"—the "windfall profits"—on domestic production priced below the world market and imposing economic premiums—subsidies—to encourage domestic supply or conservation at costs well above the market.

The decision made in 1974–75 to maintain a substantial gap between the domestic crude price and the world price generated a staggering number of governmental decisions. The $17-billion "windfall" denied crude-oil producers had to be carefully guarded at each stage of the petroleum market lest hundreds of potential claimants devour the prize. For example, without a second tier of price controls on petroleum products, the refineries could have captured much of the "windfall." Wholesalers, resellers and even 185,000 corner gas-station operators had to be placed under price ceilings for the same reason. Also made necessary by crude price controls were the entitlements program and a layer cake of seller/purchaser freezes and allocations to ensure that everyone—the weak and the strong, the integrated and the independent, the East Coast and the inland states—had equal access at each stage of the market to a commodity priced artificially below its value.

Moreover, policy-making had to compensate for consumers' understandable tendency to use too much of the cheap petroleum thus delivered. Hence, insulation tax credits, auto fuel economy standards, coal conversion orders and conservation equipment tax subsidies. The non-job of adjusting the plumbing in this jerry-built system accounts for most of what has passed for energy policymaking since 1974.

It is a sorry record. Government management is hampered by technical incompetence, an inability to anticipate the rule-evasion actions of private parties and the pervasive presence of the pork barrel in its decision process. Consumers would never vote with their dollars to build grotesquely inefficient "tea-kettle" refineries that produce the wrong products in the wrong place at the highest cost—with "DOE millionaires" as a byproduct. But the Congress did. Nor would they have tried to suppress more efficient, innovative gasoline distribution and retailing methods. DOE regulations inadvertently tried.

The marketplace would not have produced such anomalies as a crude-oil glut on the West Coast or too much leaded fuel and too little unleaded. But the regulatory gymnastics of safeguarding the "windfall" on controlled domestic production virtually guaranteed this outcome. Daisy chains of crude-oil resellers were spawned by the government rules, not the marketplace. And the spectacle of a junior congressman interrogating senior auto executives about the precise improvement in fuel economy gained from the introduction of four-speed lockup clutch transmissions, and at what costs in what year, is not so much the expression of palpable arrogance as it is the ludicrous apogee on an invalid premise.

The president has now eliminated the need for this futile dissipation of governmental energies—a courageous step. But he should have left well enough alone. Unfortunately, the windfall-profits tax and his energy development trust fund will keep what otherwise would have been an unemployed federal energy-policy establishment in business for decades to come.

At least the suppression of "windfall profits" on old oil had the virtue of serving debatable objectives of equity, if not economics. The new policy of distributing supply subsidies and imposing conservation mandates at a substantial economic premium above the world price serves neither. It rests on the spurious assumption that importing oil is in itself an economic problem. But $30-per-barrel coal liquids or $50-per-barrel equivalent solar process heat will have a far greater growth-retarding effect on the economy than $16 Saudi light. And paying multi-billion dollar premiums for domestically generated oil-import substitutes cannot help the balance of payments or the dollar unless we are prepared to resurrect the mercantilist doctrine of trade and payments.

In fact, importing oil is a problem only because the principal exporting nations are in areas of the world characterized by unstable political regimes and regional conflict. That leaves the world export market exposed to intermittent supply interruptions and price gyrations, which cause political problems at home and jeopardize our national security and diplomatic flexibility abroad.

But the president's world energy pricing program will do much to alleviate that problem. As the U.S. economy adapts to the world price, additional domestic oil production, coal substitution and continued improvement in energy efficiency will reduce imports by 2 million to 3 million barrels a day—perhaps considerably more as the real world price rises. To the extent that the remaining imports pose a threat, the proper response is an adequate crude and product storage program, with automatic triggers to release supplies when world crude output levels are temporarily disrupted. That would shield voters from long gasoline lines and spot price run-ups, and national security and diplomatic policy-makers from oil-supply-related duress.

Instead, the president has opted to transform the "windfall profits" generated by the policy errors of the past into "seed money" for the even more counterproductive energy-policy enterprises of the future. Moreover, by specifically proposing tax credits for the world's oldest home-heating technology (wood burning stoves) and subsidies to one of the world's richest oil companies (Gulf) to produce ultra high-cost coal liquids, he has gotten us off to an especially inauspicious start. If the $17 billion in "windfall profits" is such an intractable political problem that it must be taxed away, then the best solution would be to rebate the proceeds on a per-capita basis as an annual Christmas bonus to the American people. The worst solution is to hand them over to a Congress that is likely to build a windmill or its functional equivalent in every district across the land.●

PROPOSED CHANGES IN TRANSPORTATION LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I introduced two bills last Thursday which propose changes in transportation law for the purpose of improving transportation opportunities and alternatives for our Nation's urban centers.

The first bill amends title 23 of the United States Code to increase the Federal share for substitute transportation projects funded by the "interstate transfer" provision of our Federal highway law. Under certain conditions enumerated in section 103(e) of title 23, the Governor of a State and local governments involved can request that Federal funds reserved for an interstate highway project be used for substitute transportation projects. Although the Federal matching share of the interstate project is 90 percent, the Federal share for substitute projects is only 85 percent. This disparity can often inhibit a choice between the interstate highway and substitute projects. For example, each $1 in local funds brings $9 in Federal funds with a 90 percent Federal share but only $5.66 in Federal funds with an 85 percent Federal share.

Equalizing the Federal share would encourage State and local officials to make a choice among alternative uses for funds based upon the best use of Federal and local funds instead of just how to get the most funds.

The second bill amends section 5 of the Urban Mass Transportation Act to target more effectively Federal funds used principally for mass transit operating assistance by modifying the formula for apportioning these funds. This bill raises from 750,000 to 1 million the minimum population for an area to qualify for the additional $250 million which has been authorized by the Congress for each of the four fiscal years beginning with 1979 to assist large areas. The Department of Transportation proposed this added assistance for areas with over 1 million in population because the Department found that the present funding formula shortchanged them. Unfortunately, Congress, while approving the Department's proposal of a program targeted at the country's largest population centers, reduced the eligibility level for population to 750,000, despite the fact that areas with populations between 750,000 and 1 million are not shortchanged by the formula.

Presently, our transit system in New York City is struggling to meet its financial commitments. I am disturbed that the city's transit system serves 30 percent of the Nation's ridership, yet receives only 14 percent of Federal transit dollars. The system would benefit substantially by this bill.

This bill would mean that the New York metropolitan area's transit system would receive as much as an additional $10 million annually. Although some of these funds would be used in New Jersey, more than $8 million would improve transit facilities in the State of New York.

If this bill is enacted, New Orleans, Phoenix, Portland, San Juan, Indianapolis, Providence, Columbus, and San Antonio would lose their share of this so-called second tier.

However, the Department of Transportation did not find that these cities were being treated unfairly by the present formula. At a time when the larger cities, particularly those in the Northeast which have been built around their transportation systems, are starving for transit funds, it is important to provide the limited funds to those areas that need them most.●

CRITIQUE OF PROPOSED DEPARTMENT OF NATURAL RESOURCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

Mr. WEAVER. I would like to include in the Record for the information of my colleagues, an article by Luke Popovich, which will appear in the June issue of the Journal of Forestry. The Journal of Forestry is published by the Society of American Foresters, the national organization representing the forestry profession. Mr. Popovich is critical of the administration's proposed Department of Natural Resources because, as he puts it, it "rests on the questionable assumption * * * that consolidation is inherently good." I certainly agree.

DNR '79—Once More With Feeling

(By Luke Popovich)

Give the man his due: he has pluck. Undaunted by his failure to pack forestry into a department of natural resources while governor to Georgia, Jimmy Carter may try again as President, this time by transferring the Forest Service from the Agriculture Department to a new Department of Natural Resources run by Interior Secretary Cecil D. Andrus. Melville would have enjoyed the symmetry here: determined presidents and ambitious Interior secretaries from the time of Harold Ickes have regarded the Forest Service as some great whale, a defiant symbol that has eluded captivity and thwarted their best harpoons. It's the big one that always gets away.

Once again the smart money is on the whale. For between Captain Carter and his quarry lies the Congress, where the sailing won't be smooth. Congress has sixty days from the time the President formally submits his reorganization proposal—assuming he does—to vote a "resolution of disapproval" by a simple majority of either house. That also assumes the president won't need legislation to create a $7.4 billion department, but can use instead his reorganization authority, as Mr. Nixon did so imaginatively.

Even if he has the authority, as some doubt, the Senate is expected to muster the needed 51 votes to defeat the proposal, thanks in part to the intransigent opposition of people like Agriculture Committee Chairman Herman E. Talmadge (D-Ga.). Nor is majority leader Robert C. Byrd (D-WVa.) anxious to cause ripples in committee jurisdictions—and he has so informed the President. Further, unless Carter drops his plan to transfer also the National Oceanic and Atmospheric Administration from Commerce to the DNR, opposition can be expected from Commerce Committee Chairman Ernest F. Hollings (D-SC). On the House side, where a simple majority is harder to come by, Agriculture Committee Chairman Thomas S. Foley (D-Wash.) is busy mounting a strategy designed to keep the Forest Service where it's been since 1905.

"I intend to do everything I can to persuade my House colleagues to vote down the reorganization proposal when it comes to the floor for decision this spring," said Foley. The proposal as it stands simply "moves boxes around," said Hollings, and thus illustrates "one of the most spurious fallacies found in the field of good public administration—combining functions and programs merely because they all fall into the same loose category." As a measure of his objection, Hollings facetiously proposes instead a Department of Planetary Ecology (DOPE).

Another wind that blows ill for the president comes out of Connecticut. Senator Abraham A. Ribicoff, whose Government Operations Committee has jurisdiction over reorganization proposals, thinks legislation will be required to create any department that employs 90,000 people. That was the president's own opinion last year when he as much told the senator that the department of education Ribicoff wanted was fine, but that as President he lacked the authority to create one. Now Ribicoff is teaching Carter the virtues of consistency. "Frankly," said one Senate aide, "I don't think the administration has a chance in hell."

He wasn't referring just to reorganization's chances in Congress. As the proposal moves forward, it seems to pick up more opponents than steam. In addition to the pockets of congressional discontent, there are those tenacious interest groups that won't stand by idly while the Agriculture Department is dismantled and their pet agencies weakened or transformed.

The National Association of State Foresters, the forestry school deans, the National Association of Conservation Districts, and the Forest Farmers Association are but a few of the groups opposing the DNR. Take forestry research, for example, where the quest for truth is second only to the quest for money.

As one dean put it, the Forest Service "has been extremely helpful to universities doing forestry research, and that may not hold true if its moved to a DNR and loses its influence over agriculture research funding." In which case all that McIntyre-Stennis, SEAA, and Agricultural Research Service money may end up in soybean research. Anyway, say the deans, why split forestry research from the rest of agricultural research when the two get on so famously?

The state foresters fear the loss of the Forest Service from Agriculture much as Orlando, Florida would fear the loss of Disney World. Through its myriad cooperative agreements with agencies like the Soil Conservation Service, the Agricultural Stabilization and Conservation Service, and Extension, the Forest Service keeps rural programs glued together and helps the money trickle down to the ground.

If State and Private Forestry and cooperative forestry are no longer in Agriculture to support the Forestry Incentives Program, it's feared that an already shaky coordination may break down with unforeseen consequences. Besides, transfer of the Forest Service will trigger a scramble among the other agencies to fill the vacuum and grab a bigger share of the turf, a scramble that won't be conducted by the rules of the Marquis of Queensberry.

Granted, as Forest Service officials themselves acknowledge, new cooperative agreements can be set up across departmental lines. But worrying some agency officials is the possibility that a bureaucratic nightmare may result and drive the agencies traditional clients into the waiting arms of others in USDA. "There's enough of a territorial hassle right now without introducing the jurisdictional problem of different departments," said one agency official.

Count also among the opponents of the DNR such important conservation groups as the American Forestry Association (AFA) and the Wildlife Management Institute (WMI). AFA president Carl H. Reidel warns that while forestry may be the poor cousin of agriculture, what gains it's gotten have come from the political muscle of the USDA. Strip forestry from agriculture, argues Reidel, and you deprive it of its strongest constituency and give it nothing in return. Like many rural-based organizations, AFA decries the overwhelming preoccupation with public lands in reorganization.

White House reorganizers "talk only about public land management, not about the delivery systems like extension and State and Private forestry which they seem to think are unimportant," says Reidel. From WMI President Daniel A. Poole came a blistering attack on reorganization in the Congressional Record. Sportsmen don't want to see responsibility for managing wildlife habitat taken from the Forest Service and the BLM and given to the Fish and Wildlife Service, said Poole. The overlap in staff duties the administration sees in separate departments is not so much duplicative as non-existent, adds Poole: BLM has one wildlife biologist for every 2 million acres and one fisheries biologist for every 83,000 acres of lakes.

Promising interest groups "one-stop shopping" by putting all natural resource functions together in one department store is pointless, says Poole, if the administration won't spend any money on the merchandise.

Perhaps surprisingly, environmentalists' support for the DNR concept is conspicuously absent, despite the appeals of their champion Cecil Andrus. "We're very grateful for what Mr. Andrus has done on Alaska, but we don't think our interest would necessarily be served with the Forest Service in the DNR," confided one top environmental spokesman.

Only the Wilderness Society has openly declared for the proposal—"We have a great deal of confidence in his [Andrus'] ability to manage the national forests"—but the Sierra Club and National Resources Defense Council are keeping a low profile. These groups are bothered by their champion's disconserting habit of talking from both sides of his mouth.

He curries their favor with promises that Chief John R. McGuire would be fired and his agency kept on a tight leash, yet he tells industry that more public timber will come its way under his tutelage. "I think that kind of promise must be causing the Wilderness Society to question its support," said one environmental leader.

The big problem with making contradictory appeals to garner support from contrary interests is, of course, that neither side trusts you. It's called playing both ends against the middle, and Andrus is in the middle, leaving some to wonder, ironically, if the chances of reorganization wouldn't have been better with a more temperate apostle.

Consider the appeals being made to win industry backing. The White House Domestic Council has reportedly suggested that, in return for support, the administration might take a more enlightened view of RARE II, the National Forest Management Act regulations, and the timber supply study—all now on the president's desk awaiting action.

So far industry has withstood the siren song, reasoning that any administration which ignores RPA timber goals, welcomes environmentalists into its ranks, and makes a national monument out of the better part of Alaska can't be trusted to run a development-oriented forestry agency in its DNR. Industry leaders in Washington generally take the advice of one veteran congressional observer: "Look at legislation and budgets—to hell with promises."

Over at the USDA, Secretary Bob Bergland, the quintessential team player, last year told *Face the Nation* that he is cooperating with the president's task force because, among other things, "we need to reorganize along functional lines" rather than along programatic lines as many critics of reorganization believe is best. Bergland would eventually like to strengthen his department's hold on food and nutrition policy even if it means losing the Forest Service in the bargain. Or so thinks the White House, which has dangled that possibility before him.

Nevertheless, when the secretary finally did see the White House reorganization proposal, his grim assessment before a gathering of congressional staffers summarized the opinion of the proposals' staunchest opponents: "It's a turkey that won't fly," Bergland reportedly said.

His foresters hope their boss is right. Forest Service staffers don't want to leave home after so many enjoyable years and fond memories with their friends in the Agriculture Department. Sure there were squabbles and spats with brother and sister agencies, and forestry's allowance always seemed miserly compared with others. But if forestry didn't always get the attention it wanted, it was also left alone to work and play without meddlesome supervision.

For an agency head, the Chief has had an uncommonly strong voice, for example, in shaping the RPA and provisions of the National Forest Management Act. Besides, in the big house on Agriculture Street, everyone speaks the language of renewable resource management. And regardless of where in the country those resources are located or who owns them, it's understood that natural resources—timber as well as corn—aren't given by the gods as a one-time gift, they must be managed by those who use them.

But now that the Forest Service's family life may be drastically altered with Mr. Andrus' forceful marriage proposal, the agency is like the wayward daughter refusing her father's promptings and her suitor's hand. "When Andrus said the first thing he'd do would be to fire the Chief, he couldn't have said anything more calculated to alienate us," said one agency official who, like most of his colleagues, takes a dim view of any transfer to a public lands agency with strong, centralized leadership.

Despite promises that the Forest Service would be transferred intact, would absorb BLM, and would play "an enhanced role" in the new Public Lands and Forestry Administration, agency officials remain skeptical. They can't understand why of all federal boxes that could be moved to improve federal programs, the White House would choose to uproot an agency it itself calls a "center of excellence." There are so few in government, they ask, why trifle with this one? Or why forestry should be yanked from a department with broad experience with the private sector, which comprises two-thirds of the nation's forest land, and stuck in a department with no such experience and no comparable delivery systems, successful or otherwise.

As for the White House promise that a Level III Administrator would plead forestry's case to the DNR secretary, who'd supposedly give natural resources cabinet-level representation, Forest Service officials and friends remind us that natural resources already has two such secretaries, one of whom would be lost under the DNR scheme. We're also reminded that the people pushing the DNR are the same folks who gave us the Department of Energy. And the country can't stand more efficiency if it's the kind we got when energy responsibilities were consolidated.

Curiously enough, if reorganization has upset any one group as much as the Forest Service, it's the White House team known as the President's Reorganization Project (PRP), a collection of able men drawn mostly from the Office of Management and Budget and various state governments. They're both bureaucrats and students of bureaucracy, and for the past two years they've watched with a mixture of disappointment and amazement as their ambitious plans for reorganization have fallen, one after the other, to political realities and the hard-nosed realists in the White House.

In past months, a raft of agencies had been slated for careful scrutiny and possible change. For awhile, the President's Council on Environmental Quality, and the mighty Environmental Protection Agency were put up against the wall, only to win last-minute reprieves when environmentalists demanded clemency. Later such stalwart agencies as Commerce, Farmers Home Administration, and Army Corps of Engineers were in the gunsight, but escaped when the PRP was disarmed by political considerations.

Even the DNR concept was fleeced of its responsibilities for water resources after the Soil Conservation Service and Water Council were ruled off limits.

What's left? The Forest Service, NOAA, the determination of Andrus to replace what Interior lost when the Energy Department was created, and Carter's campaign promises that demand something be salvaged of the original grand design. Against this background, the PRP staff plugs away, trying to marshall data and arguments to support the DNR in the face of mounting opposition.

It's frustrating to the best among them, and the most frustrated part of the exercise, said Richard Pettigrew, presidential assistant for reorganization, "has been that no one is happy with the existing arrangement, yet no one is willing to take the leap of faith to improve the situation." He knows, for example, that legislation last year to improve cooperative and extension forestry programs wouldn't have been needed if those programs had been working properly.

Forest Service officials frankly acknowledge that the world wouldn't spin off its axis if its CFM responsibilities were moved to the DNR. "I don't see things changing all that much, other than that we'd lose coordination at the national level," said one agency expert. Besides, said another, "you can't say that disaster would result if State and Private Forestry were to be split from extension, since we have cooperative agreements with BLM now that work quite well across departmental lines." And on the research end, too, the proposed Resource Science and Data Administration may even be an improvement, for if forest science as presently constituted has blazed any trails to new frontiers, it's a well-kept secret.

As for the argument that professional standards would suddenly plummet in a DNR, the problem is that they may anyway, DNR or not. The 1978 Civil Service Reform Act, in effect opens senior agency positions to non-professional appointments. Besides, BLM foresters went to the same schools as McGuire's men and, in any event, the PRP insist that Forest Service expertise would form the basis of the new forestry administration. "We want to expand the agency's decentralized field structure and use the RPA as the framework for multiple-use planning," promises Pettigrew. "If we can get beyond the emotional stage, we can develop a surprising degree of consensus."

As for industry's complaints, PRP officials argue that lumberman can't have it both ways: if they want more clout for timber in White House decision-making, they must accept a greater degree of politicization in the new department. They also insist that the 2,000 employees they plan to phase out after a merger of the BLM and the Forest Service won't be field foresters, but administrators whose positions would no longer be needed. And no firings: manpower reductions would come from attrition.

Finally, they add, consolidation would mean that the new forestry administration would dwarf the recreation, data, and oceans administrations, thus insuring a strong voice for forestry in internecine debates. In short, says PRP's Thomas Belford, "we want a structure that can better serve policy goals," one that allows forestry's concerns "to percolate upwards to a policy level where they'll get political attention." "The integrity of the Forest Service is not in question," assured another.

Of course, neither is the integrity or sincerity of the PRP people; they believe their case is a good one, quite apart from the political motives of those higher up. But as reorganization critics know, to placate hostility the White House has been offering alternatives it cannot implement and promises it's not empowered to keep.

If Congress withholds its veto and approves the DNR, there's nothing on paper that can prevent a DNR secretary from reorganizing his new department as he sees fit, perhaps even for reasons that are now unforseen but would later be deemed necessary and good.

As for the merger of BLM and the Forest Service, there will be problems. The easy resemblance between them may belie important differences. Unlike the Forest Service, for example, BLM is organized at the state level. Will BLM in Billings be moved to Region 1 headquarters in Missoula? And at what cost? We're not told. The agencies' overall multiple-use mandates are similar, but their long-standing commitments to clients differ in ways that would be hard to alter. No one holding a BLM grazing permit under the Taylor Grazing Act would trade it for a less flexible Forest Service permit.

On the other hand, the examples we're given to illustrate the inconsistencies between the two agencies are rather trivial. As in the difference in timber sale contracts contrary to inferences by the PRP, the substantive differences in language pose few bothersome problems to purchasers. Also slight are examples of public inconvenience from dealing with several agencies with responsibility for recreation; most people visit an area because it's pretty, or close by, and are indifferent to what agency runs the campground or issues the permit.

Reorganization advocates like the National Wildlife Federation's President Thomas L. Kimball also make much of how conflicts between different resource interests would somehow vanish under a DNR. There, says Kimball, "no competing interests or conflicting legislation" would exist.

This view ignores the warring that would continue between the forestry administration, say, and the proposed parks and recreation administration. These clashes would be no less undesirable if swept under the rug of one large department. Reorganization would outlaw indecent exposure of conflicts, not the basic fact of bureaucratic life, namely, that agencies with conflicting missions will propose conflicting policies.

PRP officials cite California's Mineral King Valley to illustrate the jurisdictional fueding between USDI and USDA agencies. But the real conflict there was precipitated by developers (Walt Disney Inc.) and preservationists (Sierra Club); the agencies were but proxies.

The rationale for consolidating all natural resource functions under one tent took a nasty fall when water, a very natural resource, was left out. The DNR suddenly seemed like a paper tiger; how is it possible to build a recreation policy without the water projects of the Corps of Engineers, an agency which ranks second behind the Forest Service in the number of visitor-days? "Why bother with a DNR if you're not going to include water?", asks Brent Blackwelder of the Environmental Policy Center.

Holding no more water than the DNR is the argument that government reorganization should emulate nature. But its doubtful that GS–16's can replicate nature's subtle interrelationships, or that they should want to. Government has no business aspiring to become a great chain of being; its purpose is to serve people, whose needs vary widely and often conflict with one another rather than coalesce.

The problem here is that so much of the DNR proposal, and government reorganization generally, rests on the questionable assumption, accepted by most social engineers, that consolidation is inherently good. Consolidation is often not better. It's only bigger, as so many painful examples in government have shown.

Nor does it follow that comprehensive policy is good, much less that a vast mega-department of similar functions is the place to administer it. By concentrating like functions to the exclusion of all others, reorganizers simply assure that the mitigating advice and often salutary views of other related interests are more easily rebuffed or ignored. Witness the successful attempts of large regulatory agencies like EPA to fend off scrutiny from the president's economic advisors.

At that point, accommodation is seen not as reasonable, nor compromise as acceptable, but both as subversive of the department's ideal mission. Then we're off on a crusade. Already Andrus refers to the "sacred" responsibility of the government to "comprehensively plan" for our future resource needs. Today, public servant; tomorrow, Pope.

If reorganization fails to pass, it will probably fail for more prosaic reasons than these. The burden of convincing others to change the status quo always lies with reformers, and in this case that difficult task is made more so because the president's men don't seem to have the details and the facts to buttress their case.

For example, how will the nation save $100 million with a DNR, as is claimed, and how will two forestry agencies work as one? We're not told. Neither was Senator John Melcher (D-Mont.) when he proposed to ask those same questions of administration witnesses in hearings last March. The witnesses never showed, but asked for still more time to build a case they hadn't built in 18 months of study.

PRP has detailed plans but won't reveal them for fear of compromising future options, others who've worked with the group say it has no details to reveal.

There was a time when the benefits of natural resource reorganization may have clearly outweighed the costs. But the tide of opinion seems to say that that time was long ago.●

CONGRESSIONAL TESTIMONY OF LOIS GIBBS OF NIAGARA FALLS

The SPEAKER per tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, American history is composed, in great part, of people who rise to the occasion when confronted with adversity—people who, without formal training or experience, become leaders of their fellow men and women in times of deep need.

Lois Gibbs, a Niagara Falls housewife, found herself in such a situation when the pernicious effects of the Love Canal dumpsite became known and threatened her entire neighborhood. She has since become an aggressive, effective leader of that neighborhood—a driving force in the effort to secure assistance for the innocent victims of toxic chemicals buried 25 years ago in their backyards. On March 21 Lois joined with several others from western New York in presenting this tragic story to Congress and recommending what is becoming more and more clear—that Congress take action, soon, to prevent future Love Canals from happening.

Her testimony shows what we must all keep uppermost in our minds—the human side of improper handling of our society's wastes. It should be required reading, and I would like to share it with our colleagues now. It follows:

My name is Lois Gibbs and I am president of the Love Canal Homeowners Association (L.C.H.A.). The L.C.H.A. is a citizens group consisting of over 1,000 families representing more than 90% of the residents in the area. L.C.H.A. was formed to deal with the problem of living near the Love Canal chemical dumpsite. I became involved in this situation after discovering that toxic chemicals were buried two blocks from my home and that these chemicals could be aggravating my children's health problems, one of whom attended the 99th Street School located in the center of the dump. I started by canvassing the neighborhood to find if other residents had similar problems. I discovered that the majority of residents had what seemed to me an unusually high amount of illnesses. I then worked with residents to form an organization to identify their problems and to help them find solutions.

The L.C.H.A. was formed to voice the opinion of residents on the decisions made by State authorities which would affect our lives.

At the start I would like to say that upon learning of the situation at Love Canal, the State moved very quickly to begin health and environmental studies. They also put into effect a remedial construction plan which would attempt to reduce chemical migration from the canal.

Although there are many problems which I could discuss, I will limit my testimony to the experiences I have had dealing with the different State agencies involved at Love Canal. First I will discuss generally problems that have arisen. Then I will provide specific examples demonstrating the responsiveness of the State and finally, I will make several recommendations and suggestions which may help others who find themselves in similar circumstances.

As President and spokesperson for the L.C.H.A., I sit on the Love Canal Task Force and serve as a direct liaison between the members of the Task Force and the residents. Since June, 1978, I have taken an active concern in the chemical contamination problems in the neighborhood. I was responsible for the formation of the L.C.H.A. on August 4, 1978. On August 9, at the request of William Wilcox, Administrator, F.D.A.A., I attended a meeting in Washington, D.C., during which possible financial aid for Love Canal was discussed. By the 15th of August the association had set up an office to meet the needs of the residents. Since that time I have spent part of every day working with the various government agency representatives. I have had first-hand experience of the daily workings of the different state departments which include the NYSDOH, NYSDEC, NYSDOT, the Red Cross, the Love Canal Task Force, the Niagara County Mental Crisis Center, the Office of Disaster Preparedness, Department of Social Services, and the FDAA. I have met with local elected officials to discuss different measures which may be taken to provide assistance to the residents on the local, State, and Federal level. Several times I met with Governor Hugh Carey to discuss possible relocation of families, the proposed construction plan and, in general, the needs of the residents.

GENERAL PROBLEMS

(1) Problems of being a precedent.—Probably the most difficult obstacle to relieving the problems at Love Canal has been "being the first". Neither the State nor the Federal agencies who could help were responsible for the situation. And neither wanted to take financial responsibility for cleaning it up. Arguing between State and Federal authorities over who should pay for what expenses has continued since the first discovery of contamination.

In fact, the remedial work for the middle section of the canal which was supposed to start in mid-March has just been postponed until mid-summer. The reasons given are that the construction contract is going from emergency status to an open-bidding process and that the EPA, who was partially funding the work, refuses to review the construction plans until they know who is paying for what proportions. This is especially alarming since on Friday, March 9th, thick, black, oily leachate was found running off the north section of the canal onto the street and into the storm sewers. Remedial work on this section of the canal, which has not begun at all, must now await the decisions of the bureaucrats while residents remain in a contaminated area which is now being remedied.

(2) Lack of objectivity of the scientific studies underway.—The State is conducting major studies to define the health problems and the chemical contamination in the area. The outcome of these studies will be the basis of any decision to relocate families because of chemical contamination resulting in health effects. Twice, it has been necessary to relocate people living in different areas around the canal. In each instance, the State had to absorb most of the cost to buy homes or temporarily relocate these families. However, many people with health problems remain, and many questions about the extent of contamination are still being resolved.

Meanwhile, the State is conducting a scientific study, the results of which may end up costing the State many millions of dollars if the results indicate further contamination. This is especially alarming since continued announcements by State officials have been made that they do not intend to relocate any more families because of the lack of a cause and effect linkage between contamination from Love Canal and health effects found in the area. The political and bureaucratic pressures to be "absolutely certain" of the results place great constraints on the objectivity of the scientists working on these studies.

The very nature of the uncertainties of determining or establishing the significance of low-level contamination to many chemicals preclude obvious conclusions of cause and effect. Therefore, the Health Department, in an obvious conflict of interest, must make subjective recommendations to the politicians who will decide what must be done. I want to stress that the objectivity necessary for good science would be near impossible in these circumstances.

(3) Lack of resources that the State and local authorities had at their disposal for handling an emergency situation of the magnitude of the Love Canal crisis.—The means and capabilities of the State and local resources were—and still are—simply not sufficent to protect the public health and welfare of the residents during such an emergency situation. In fact, the ability of a governmental body to react to public needs is limited by both the laws defining its responsibilities and the appropriations limiting its ability to function.

The following comments provide examples of necessary actions taken by the State which are very much out of the ordinary:

1. Thousands of blood samples were taken from residents within a matter of a few weeks. The Department of Health does not as a general matter perform laboratory tests on people.

2. The large scale environmental sampling which was undertaken is not a matter of normal operating conditions especially testing for soil and sump contamination. The identification of unknown chemicals complicate this limitation even more. When dioxin, one of the most toxic chemicals known, was found in the canal, the State was not able to determine with any degree of certainty just what areas are contaminated with

dioxin. This is because of the expense and difficulty in measuring this chemical.

3. Very little is known about low level contamination of many chemicals. The Health Department made its best estimate of what the levels found in the homes may suggest. However, the best minds in the country should have been called in to evaluate what these levels of contamination mean.

4. A large scale epidemiological effort was implemented to describe the nature of the health problems of the residents. This has only been duplicated in similar major disasters and is not part of the prior experience of the Health Department.

Although the State reacted to the circumstances as best they could, they were not able to provide the kinds of assistance needed in an emergency situation to protect the health of its residents.

(4) The lack of a single scientific director in charge of coordinating and organizing the epidemiological and environmental studies.—Because of the nature of the problems at Love Canal, it was necessary to bring together different professionals to determine how best to solve the problems. Appropriate State professionals were placed in charge of the individual studies; however, a scientific director was not selected to over-see the entire program. Such a director would ensure that similar goals were followed and that each study group received the advantage of the efforts of the other groups.

A political appointee is presently in charge. This is not surprising, since the State selected people from within their different departments. This has created a great many uncertainties as to who is in charge of what studies, who is doing what work, and who is responsible for planning and follow-up. This has made our communication with the State especially difficult. The major problem that resulted was that no coordinated plan of action which could systematically define the problems and then select the best available solutions, was established. I certainly understand the constraints of urgency the authorities were under, but this offers little comfort.

(5) Insensitivity of State authorities.—In the situation where people are exposed to a threat, the magnitude of which no one understands, there are going to be many anxious moments. The residents have been very scared and emotional. And at first, the Health Department was unsure of how great a problem they were facing. Because they had never dealt with such an emergency crisis before, they had no easy method through which to communicate with the residents. Because of the fear of panic, the State did not know how far to involve the residents in the decisions and findings that were made. And officials often did not inspire confidence in the residents, which made matters worse.

Another problem was the flow of information to the residents. A lot of data and information was given to residents without any explanation of what the data meant.

There were also many instances where neither the residents nor our representatives were invited to meetings held by State officials during which decisions that were affecting the future of the residents were being decided. We were often told that we were not "professionals" and that we would disrupt the ability of people to speak freely. These closed-door meetings fostered mistrust, confusion and gossip about the concern of the Health Department for the residents. These feelings were further perpetuated when information on the health and environmental studies was held back from the homeowners and our representatives.

This situation has improved; although the homeowners association does not receive any routine communications from the State regarding the status of ongoing health and environmental studies. In fact, the only communications that I receive are to announce public meetings or in direct response to a memo or request that I have made. This general insensitivity has greatly polarized the homeowners from the State. It is unfortunate that this situation has developed because it could have been mostly avoided by better communication and the involvement of people who have had some experience working with people during difficult times.

SPECIFIC EXAMPLES

I would now like to provide several examples in detail which demonstrate the nature of the problems just described.

The "swale theory"

Upon describing the nature of the contamination in the area, State officials concerned themselves mostly with lateral migration directly into homes adjacent to the canal. This was perfectly appropriate as a first measure. However, after reviewing old photographs and consulting materials made available by the State, it became apparent that the nature of the contamination might be greatly influenced by the presence of old stream beds or "swales" which existed during the period when the canal was still filled with water. Over the years these stream beds were filled with "fill material" such as garbage, stones, refuse, dirt, or just plain anything that people could find.

I went to the University of Buffalo and consulted with Dr. Charles V. Ebert, a soils specialist who proved to be most helpful in describing and defining the location and characteristics of these stream beds. In mid-September I mentioned what I was finding to State authorities and they referred to my efforts as "useless housewife data". Working with Dr. Beverly Paigen, a cancer research scientist from Roswell Park Memorial Institute, I looked at the nature of the health effects found along the stream beds.

On November 1, 1978, Dr. Paigen and Steven Lester, a toxicologist who was hired by New York State to be our on-site monitor and scientific consultant, presented these findings to the Department of Health in Albany. The State representatives listened, then released a statement which read in part "that information presented by the homeowners' consultants was not gathered in a scientific fashion" and commented that they were not persuaded to draw any of the same conclusions.

This position was reaffirmed in statements made during a public meeting on November 22. However, on December 20 at a Task Force meeting, the State admitted that contamination was evident outside the first two rows of houses and that the stream beds may indeed represent an avenue of escape for chemicals from the canal. At a later Task Force meeting on February 6, 1979, Commissioner of Health Dr. David Axelrod praised the work of Dr. Paigen commenting that she was responsible for the finding of unusual health effects along the stream beds.

Dr. Axelrod then proceeded to recommend the temporary relocation of all pregnant women and children under two years of age who lived in a six block area because of the finding of "a small but significant increase in the risk of miscarriages and birth defects" (see Exhibit 3). It is striking that it was the homeowners with our limited resources and personnel—not the Health Department—who initiated these efforts to further define the extent of the health effects and chemical contamination resulting from Love Canal.

Miscarriage data

The evaluation of the miscarriage data was similarly handled by the State. Since many of the chemicals identified in the canal are toxic to the very young, miscarriages, birth defects, and crib deaths were one of the first indicators to be looked at. The State reviewed the data from their health survey and examined the number of miscarriages on a street by street basis. For the home immediately adjacent to the canal, they found that the number of miscarriages in ring I was one and a half times what was expected from national averages. This was sufficient to warrant relocating the families in these homes. They then looked at each row of homes going away from the canal.

On October 25, 1978, the Health Department made, in part, the following comments: "there is no evidence to date indicating that miscarriage rates among women in the reproductive age group who live between 93rd and 103rd Streets exceed levels." Using an analysis prepared by our scientific consultants, a memo was given to the State Health Department on December 20, 1978, describing their analysis of the miscarriage rate which showed better than a two-fold increase in remaining homes.

At this time the "swale theory" was no longer a theory and it was becoming apparent that the extent of contamination was beyond the first few rows of houses. Again it was at the Task Force Meeting of February 8th that the State announced that the "incidence of miscarriage among women living in the former 'wet areas' between 97th and 103rd Streets and Colvin Boulevard and Frontier Avenue was about twice as high as that of residents of 'dry' areas in the same neighborhood and that of a control group in a similar study of miscarriage frequency in Toronto."

From the initial decision to relocate families in early August until early February, the State continuously denied that any evidence of health problems existed outside the first two rows of houses. Again, it was the homeowners with our limited resources and personnel who initiated these efforts to define the extent of the health effects in the area. With our consultants we analyzed the data and pointed out apparent patterns of disease to the Health Department.

Lack of sampling plans

As described earlier, no organized plan of action was apparent. Who was in charge, how plans were to be carried out, and what the justification was, was not clear to us. For example, the soil sampling plan to define the extent of migration of chemicals was not defined until just recently.

Another example is the sampling of the air for chemicals. Because of the demand, air samples were at first taken only upon request. Later locations for air samples were recommended based on health effects.

The distribution of the health questionnaire and blood sampling was a somewhat different situation. For the first two rings of houses, two people went door to door handing out the questionnaire, answering any questions residents might have. They also took blood samples. However, when it became necessary to give out further questionnaires and take additional blood samples from other area residents, the situation changed. A general public announcement was made to come to the 99th Street School to have a blood sample taken.

Hundreds of people showed up at the same time. The four technicians who were present were totally overwhelmed by the situation. No effort was made to separate the people waiting to have their blood drawn from those having it done. Screaming children coupled with high summer temperatures and overcrowding conditions resulted in an unnecessarily unbearable situation. To make matters worse, as people left they were given a health questionnaire and asked to fill it out. Few people cared at all about this questionnaire.

A little planning and organization could have avoided this situation and provided better response to the questionnaire which many people just did not take the time to properly fill out.

All of these examples describe in part the difficulties I have experienced. I will now finish my testimony by making several suggestions and recommendations. First of all it is apparent that a means for responding to environmental incidents such as Love Canal must be provided by the Federal Government.

A group analogous to the infections disease response unit of the Center for Disease Control should be set up to respond to environmental emergencies that require immediate action and special expertise. Specialists in the effects of chemicals on skin disease, kidney disorders, urinary infections, and so on could be alerted and called in as needed. This did not happen at Love Canal. We are the first but we are not likely to be the last. Something must be done.

Such an agency would provide an agency responsible to pick up the costs of the studies needed and possibly for the remedial construction. It would also provide a mechanism for ensuring that a State agency with limited resources would not be faced with the difficult task of responding to such an emergency. It would also ensure that an "outside" group of experts who would not be involved in the situation and who would have no real or vested interest in any outcome of the studies, would be involved. This outside group could thus conduct an objective scientific study of existing health problems.

If necessary a special "Blue Ribbon Panel" of experts could be collected and asked to further review the data. However, the identity of such an advisory group should be publicly announced and its findings and recommendations made available immediately if urgency is required. At Love Canal such a Blue Ribbon Panel has been involved but its members and recommendations have been kept secret. If urgency is not needed, then interim reports should be available as should minutes of the meetings. In either case, sufficient time should be provided for such a committee to properly complete its task.

We have made many requests for such an outside group to come to Love Canal and review the existing data or even conduct a new study which would include a control population. No Federal agency has responded to our requests claiming they have no authority to do so.

Finally, I would like to say that we have faced many problems at Love Canal, some of which have been solved. Yet many others remain. I hope the Congressman and women who are here today have grasped a sense of the awfulness of our situation. Not only has our neighborhood become a test site for scientists but no authorities or agencies are willing to take a stand and help us. I ask that you do what you can for us and do what you *must* to prevent what has happened at Love Canal from ever happening again.●

WASHINGTON POST CENSORS CONSUMER NEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the Washington Post is one of the great newspapers of the world, and has spoken out consistently against press censorship and any actions which would disturb the right of the news media to do its job effectively. It is because of its past history in these areas that I am deeply concerned that the Washington Post chose not to devote any space to a problem that could cost consumers millions of dollars a year.

Let me take just a minute to discuss this problem. The Federal Reserve Board has issued regulations dealing with electronic fund transfers, the so-called electronic banking, which I believe, at least partly, are in direct conflict with the law. A glaring discrepancy in these regulations was brought to my attention by Prof. Fairfax Leary, a noted consumer law expert, who served as a member of the President's Electronic Fund Transfer Commission. He is recognized as the foremost consumer expert in the field of electronic fund transfers. After several discussions between my staff and Professor Leary, I issued a press release dealing with the consumer ripoff.

Because of the growing number of financial institutions in the Washington area using electronic fund transfer systems and the fact that the Washington Post refuses to publish anything about this potential ripoff, I am including a copy of my press release in my remarks so that consumers in the Washington area who wish to protect themselves from losing their hard-earned dollars can be made aware of the problem.

Mr. Speaker, I am not a newspaper reporter, but in this situation I believe the problem is so severe that I must become one. I hope that my career will be short and that the Washington Post will once again let consumers make up their minds for themselves rather than hide the news from them. The press release follows:

CONSUMERS WILL PAY MILLIONS UNDER FEDERAL RESERVE REGULATION

"Financial institutions will receive millions of dollars in windfall profits under a new regulation issued by the Federal Reserve Board," Chairman Frank Annunzio of the House Consumer Affairs Subcommittee charged today.

"The extra money will come directly out of the pockets of consumers," explained Annunzio, who said "that the Fed's action was in direct disregard of the recently enacted Electronic Fund Transfer Act."

In a letter to Federal Reserve Board Chairman William Miller, Annunzio pointed out that the Board's recently adopted regulation implementing the Act completely distorts the intent of Congress concerning a lost or stolen EFT card. The Act requires a consumer to notify the financial institution within two business days after learning of the loss or theft in order to limit the consumer's liability to a maximum of $50. If the notification is not made within two business days, the liability increases to $500.

"The Board has ruled that the consumer has not completed the written notification requirement until a copy of the notice is received by the financial institution, and that is where the rip-off lies," stated Annunzio. "Given today's slow and uncertain mail deliveries, in many cases it will be impossible for consumers to avoid the $500 loss even if they send the letter the instant they find out that the card has been lost or stolen.

"For example, if a consumer finds out on a Monday evening that his EFT card has been stolen and immediately writes a letter to the financial institution advising them of the disappearance, it will be a race against time to see if the letter arrives within two business days. If the two-day notification period expires, instead of facing a maximum of $50 liability the consumer now may lose up to $500—a tenfold increase."

Annunzio said that Board sources explained that the regulation was written to help the financial institution since it was felt it would be an undue burden on financial institutions to suffer losses before they could take action to prevent unauthorized use of the card.

"Congress recognized that problem," said Annunzio, "and that is why it put in a $50 liability rather than no liability at all". There is no justification either in law or in fairness to consumers for a $500 liability. Congress further intended that consumers would meet the notification requirement as soon as they mailed the letter to the financial institution.

"If the Board's regulation is allowed to stand it could produce financial horror stories for many EFT card holders."

Annunzio called on the Federal Reserve Board to immediately rewrite the regulation to make it clear that the consumer has met the notification requirement as soon as the loss notice is mailed.

"If the Board does not rewrite the regulation to conform with the law, I will introduce legislation to force that action. In the meantime, I would suggest that people not use their EFT cards until the Board complies with the law. Without the safeguard intended by Congress the EFT card is a financial electric chair."●

RESTRICTING THE EXPORT OF UNPROCESSED FEDERAL LOGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, the Public Lands Timber Export Act, which I have introduced, seeks to deal in a limited but important manner with the numerous economic problems posed by the export of unprocessed logs from the United States.

The bill would—

Make permanent the annual ban on the export of Federal logs that has been added to the Interior appropriations bill each year since 1973.

Tighten the minimum requirement for processing Federal logs for export by banning the export of "waney cants" (logs that have been sawed on only two sides).

Phase out over a 6-year period the practice of substitution, whereby a firm exports timber which would otherwise supply a local mill, and then purchase Federal timber as a substitute supply for that mill.

The legislation is needed to insure a more stable timber supply for domestic mills, and to insulate them more effectively from direct competition by high-bidding log exporters.

It will also send a signal to the Japanese that they can no longer count on a virtually unlimited flow of raw logs from the United States. I am confident that they will respond by buying more of our finished wood products.

Log exports are not the only factor contributing to the domestic supply problem. It makes no sense to be concerned about the timber impacts of RARE II—with 2.3 billion board feet a year at stake—and complacent about the 3 billion board feet of logs that the Northwest exported in 1978.

The existing log export restriction is a poor resource policy and bad economics. There are more jobs in domestic processing than in exporting, and a shift to finished products exports would protect existing jobs that now depend on log exports. The U.S. Forest Service has reported that each unprocessed log involves 4 man-hours per 1,000 board feet; processed into dimension lumber it is 12.5 man-hours per 1,000 board feet; and into plywood it is 19, 5 man-hours per 1,000 board feet.

Timber stumpage prices have increased 400 percent in the 1970's. A composite of log sales analysis for the last quarter of 1978 showed the price range of building or domestic timber (No. 1 peeler, Douglas fir) at $450 to $500, while the price range for export sales for the same species was $500 to $1,600. Log exports contribute significantly to this inflationary trend which, of course, is reflected most prominently in higher housing construction costs.

At the same time we are exporting unprocessed logs to Japan, more of our finished products are coming from Canada, which now supplies 25 percent of our market in the Northwest.

The Northwest is entering a timber supply crisis as more and more of our private lands are being overcut, which in turn will place enormous pressure on public lands. While timber is becoming increasingly scarce, more and more mills are closing simply because they cannot compete against the exporters for available logs.

Finally, the current practice of shipping out unprocessed logs, denying ourselves the capital investment, employment potential, and property tax benefits of manufacturing the resource domestically, while importing finished products from Canada is both a poor resource policy and bad economics.●

ITALY AND THE UNITED STATES: A STRATEGY OF COOPERATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, the United States and Italy have always shared a special relationship from the day of Columbus, particularly because millions of Americans of Italian descent have helped to nurture our country's growth. Today, Italy shares with us a concern over such crucial issues as health, energy, trade, labor, and cultural development. Because of our shared interests, I thought that our colleagues would wish to review the recent remarks of our able and distinguished Ambassador to Italy, Richard N. Gardner, concerning "A Strategy of Cooperation" between our two great nations:

ITALY AND THE UNITED STATES: A STRATEGY OF COOPERATION

(By Richard N. Gardner)

Since my arrival in Italy as U.S. Ambassador I have often had the occasion to discover that our two countries are bound by very special and very profound times. Your warm reception this evening provides an ideal framework for me to explain once again what I mean by special relations, and to illustrate the fundamental elements on which those relations are based: ties of friendship, culture, kinship and political alliance.

The relations between our two peoples have always been characterized by a particular warmth and affection. This is the tie of friendship.

In building our nation, we have benefitted from Italian civilization, wisdom and culture. We are indebted to Italy for its contribution to Western civilization, which after all would not have been possible without Italy. These are links that span the ocean, forming a framework of interests, values and principles which bind our destinies in common cause. This is the tie of culture.

If the United States is today a great nation, it is indebted to the more than twenty million Americans of Italian origin who have helped make it so. It was their labors, together with the labors of all other Americans, which took the best from the old and melded it with the best of the new.

In our difficult time of Watergate, for example, two great Italo-Americans, Congressman Peter Rodino and Judge John Sirica, played the key roles in defending our constitutional system. Today, Americans of Italian origin are playing an evergrowing role in our society—for example, Joseph Califano is our Secretary of Health, Education and Welfare; Angelo Giamatti is the President of Yale University; and there are 34 Italian-Americans in Congress. This is the tie of kinship.

In view of these ties, it is not at all surprising that Italy and the United States have joined in common cause with other like-minded nations to create the type of partnership which the NATO Alliance is, a model of its kind in the history of relations among nations.

There is full agreement between our two countries on the importance of the North Atlantic Alliance as an instrument which has guaranteed the security of its members, strengthened international stability, and enhanced confidence among nations. In this way NATO has encouraged detente and broader contacts among the peoples of the world.

The American government is well aware that Italy is a key member of NATO. While it is true that the military threat to the partners in the Alliance is directed primarily, and most immediately, at central Europe, the focus of the world's current economic and political difficulties has shifted more and more to the Middle East and Africa. Not only because of her geographic position, but also because she is economically the most advanced country in southern Europe, Italy inevitably possesses great influence throughout the Mediterranean region and adjacent areas. These circumstances give added scope and importance to Italy's contribution to NATO and to her role as interlocutor between the industrial world and the less developed countries of the southern hemisphere.

From what I have said, it should be clear that the United States attaches great importance to Italy. A strong, democratic Italy working closely with its like-minded allies and friends within the Atlantic framework is a primary interest of both our countries.

The essential spirit of the present period of Italian-American relations can be summed up in the phrase "the strategy of cooperation." We believe that actions speak louder than words and have, therefore, undertaken concrete programs that will provide tangible benefits to both our countries.

While we are cooperating in almost all fields, we are concentrating our efforts in ten sectors of particular importance to our two countries: energy, health and environment, labor and social security, trade and investment, taxation and corporate regulation, agriculture, law and the judiciary, reciprocal language training and area studies, exchange of leaders and scholars, and a student loan program.

The list is too long to examine each program in detail, but I would like to give you an idea of the kinds of activities that we are supporting. Many of the projects I will describe are new initiatives. Others are based on existing programs which have been strengthened or redirected. All concern crucial problems. All demand our best efforts.

ENERGY

Cooperation between Italy and the United States in the energy field is concentrated in five principal sectors: solar energy, coal, geothermal energy, conservation, and nuclear energy. The overall aim of our cooperation is to reduce the dependence of both countries on imported petroleum by developing indigenous energy resources, diversifying energy supplies, and conserving energy. A bilateral Italian-American Energy Working Group was formed in May 1975 to help promote cooperative projects, and a number of projects are underway or proposed.

In the field of solar energy, specific joint projects have been developed in three areas: photovoltaic conversion, high-temperature thermal conversion systems, and low temperature applications such as storage systems, heating and cooling, passive design of buildings, and industrial process heat applications. The highest priority project is likely to be a field experiment using both photovoltaic and high-temperature thermal systems of matched electrical output. This experiment would allow a direct comparison of the ability of these two different systems to generate electricity for a remote village or cluster of farms at a site to be selected in Sicily, Sardinia, or Calabria.

The resources of private industry in both countries are also being tapped. The recent signing of an agreement between Solarex Corporation of America and Montedison for the production of photovoltaic panels in Italy using technology developed by Solarex is an example of the potential for fruitful joint ventures and licensing arrangements in this area.

After a recent visit of American coal technology experts, six major areas of possible cooperation in the field of coal have been identified. These include technical and economic analysis of Sardinian coal by Italian technicians in U.S. laboratories, techniques for disposal of coal fly ash, power plant operational procedures, research in fluidized bed combustion (a process by which pollution caused by the burning of coal is substantially reduced), development of a coal transhipment terminal, and study of U.S. solvent refined coal (which may be burned more efficiently) in Italian laboratories. These activities will help make more economical the exploitation of existing coal deposits in Italy.

In the sectors of geothermal energy and energy conservation, Italy is sharing its advanced capabilities with America. A joint data bank on geothermal energy resources is being created. FIAT has been awarded a contract by the U.S. Jet Propulsion Laboratory for a preliminary design study of a hybrid gasoline/electric vehicle. Two FIAT "Totems," devices that generate both heat and electricity, may be installed in a Department of Energy pilot project.

The United States government is also cooperating with Italy in developing nuclear energy. As a result of a commitment made by President Carter to Prime Minister Andreotti in their July 1977 meeting in Washington, the U.S. Export-Import Bank has promised to consider favorably an Italian request for financing a substantial part of the Italian nuclear reactor program. The Export-Import Bank will also help in obtaining additional private financing from U.S. commercial sources.

Further, the two countries are cooperating in the vital field of reactor safety. Experts have recently held bilateral consultations on radioactive waste management and on the environmental problems arising from nuclear fuel reprocessing.

HEALTH AND ENVIRONMENT

The program of research grants and fellowships administered by the National Institutes of Health of the United States (NIH) has a thirty-year history of success. While the amount of the NIH grants decreased in the late 60s and early 70s, it is again on the upswing with a present commitment of over 2 million dollars annually. In fiscal year 1977, 44 younger Italian scientists won fellowships for advanced research training at NIH.

A program of 60 cooperative biomedical research projects administered by the U.S. National Science Foundation and the Italian Consiglio Nazionale delle Ricerche (CNR) covers a wide range of subjects, with particular emphasis on cancer therapy and immunochemistry.

An agreement signed in November 1977 by the Italian Minister of Health and the U.S. Secretary of Health, Education and Welfare created a program of cooperation in practical health matters to complement the existing research program. The 1977 Memorandum of Understanding specifically mentions the following areas: health aspects of environmental pollution; foods, especially the safety of additives and colorants; pharmaceuticals; prevention of heart disease; cancer; drug abuse; and biomedical communications. The program is to be implemented through coordinated scientific research, exchange of specialist delegations and information, discussions, scientific conferences and lectures.

LABOR AND SOCIAL SECURITY

In the area of labor, Italian-American cooperation has included government-to-government exchanges on problems such as youth employment and structural unemployment, and contacts between American unions and their Italian counterparts. In addition, the two countries have begun implementation of a pioneering agreement which eliminates double social security contributions and unifies credits for benefits.

Delegations of governmental experts have already been exchanged, and areas of interest have been identified. Italy will study U.S. experience in analyzing and predicting labor supply and demand, vocational training programs, and employment creation programs for youth, women, school dropouts, and other groups that usually have difficulty finding jobs. The United States will study Italian methods of assessing the effectiveness of teachers in youth training programs, and the techniques used in follow-up studies of these programs.

TRADE AND INVESTMENT

The $3.5 billion worth of goods which flow annually each way between the United States and Italy give the countries a natural basis for cooperation in trade and investment. Decisions in these fields are basically made by the private sector, and the role of the two governments is limited to offering facilitation and encouragement. Nevertheless, active intervention is sometimes helpful. One case in point was the successful effort to avoid American tariff increases on Italian shoe exports. Multilaterally, both countries will benefit by liberalized international trade, and cooperation between the two governments in the Tokyo Round of GATT trade negotiations has been of the closest sort.

The U.S. International Marketing Center in Milan is the focal point of efforts to make available to Italy information on high-technology products which Italian industry needs to maintain its world competitiveness. Events such as a forthcoming exhibit on energy systems and a symposium on conservation technology contribute to development of the Italian technological base. The Embassy's commercial section works in close contact with the Italian Foreign Trade Institute (ICE), and the efforts of both institutions are important in the continuing growth of bilateral trade.

The accumulated U.S. investment in Italy is nearly $3 billion. Despite well-publicized Italian economic and public order problems in 1976 and 1977, the flow of new U.S. investment did not stop. In part, this was because the Embassy, in its contacts with American businessmen, helped put the situation, with its opportunities as well as its risks, into perspective.

During 1978, the picture brightened with the announcement of agreements between Boeing and Aeritalia for the joint development and production of major components of the B-767 wide-bodied commercial transport. This agreement, which over the next decade will bring thousands of jobs to the South of Italy and produce over a billion dollars worth of new exports, complements earlier Aeritalia co-production ventures with McDonald-Douglas. In December, IBM announced a decision to invest $36 million to build a data-processing equipment plant at Santa Palomba south of Rome. The facility will bring 500 jobs to the employment-short Mezzogiorno region. High technology licensing agreements between U.S. and Italian firms also continue to grow.

In the field of defense, an agreement concluded in September 1978 opens many new possibilities for both countries. The new Memorandum of Understanding will enable Italian industry to compete for U.S. defense contracts to the benefit of both countries. Italian defense industries will gain new markets and the U.S. defense establishment will gain new sources for defense items it needs. The program of maintenance of U.S. Navy ships in Italian shipyards is another example of cooperation in the defense field. In the last four years alone, the U.S. Navy has spent $20 million for maintenance, and the program is expanding.

TAXATION AND CORPORATE REGULATION

Italy and the United States are exchanging information and experience in the fields of taxation and financial regulation of corporations. In the area of taxation, the two governments are concentrating on the use of computer technology, criteria for the selection of tax returns for audits, and compliance. In the field of financial regulation, members of the United States Securities and Exchange Commission have had discussions with commissioners of the Commissione Nazionale per le Societa' e la Borsa about the possibility of sharing experiences in security regulations in an effort to help Italy further develop its capital market.

AGRICULTURE

U.S.-Italian cooperative projects in the agricultural area have the overall objective of helping to increase the efficiency of Italian agriculture, particularly in the livestock production sector. This is aimed at assisting Italy in countering its animal, meat and livestock products trade deficit which has totaled over $5 billion annually in recent years. This objective is also if interest to the U.S. inasmuch as Italy typically imports more than half of its corn, soybeans and soybean meal from the U.S.

The bulk of the work is carried on under joint contracts between the U.S. Department of Agriculture and U.S. farmer-industry financed agricultural commodity trade associations such as the U.S. Feed Grains Council, the American Soybean Association and the American Holstein-Friesian Association. These in turn undertake specific, jointly-financed projects of direct interest to Italian farmers as well as agriculturally-related businesses and regional and national governmental and private organizations. Extensive use is made of highly specialized U.S. and foreign experts in such diverse areas as animal breeding, nutrition, and management techniques. Some of activities undertaken in 1978 include:

(a) Beef feedlot and cow-calf demonstrations in the Po Valley aimed at decreasing Italian dependence on imports of young cattle for fattening (which totaled about 2 million head in 1978) by increasing the number of calves produced in Italy and by decreasing the unacceptably high mortality rate of both domestic and imported calves.

(b) The introduction of techniques in Umbria and the Marche to eliminate the high cost of drying corn by using properly ensiled moist corn in feeding swine.

(c) Supplying computer analyses and comparisons of feed and other input data collected by a select group of medium-sized swine breeders and feeders in Umbria.

In addition the Embassy's Agricultural Attache assisted in arranging on-the-job farm training in the U.S. for 10 young Italian farmers in cooperation with the Coltivatori Diretti and the Confagricoltura and various U.S. agricultural organizations. The Attache also helped in arranging exchange visits of young Italian and American farmers under the International Farm Youth Exchange program which is sponsored by the American 4-H Clubs and the Italian Young Farmers Organization "3-P."

LAW AND THE JUDICIARY

This program of cooperation, now in its early planning stages, will bring together Italian and American lawyers, law professors and judges for a discussion of three high-priority problems identified by Italian jurists: implementation within the next two years of Italy's new penal code with its novel element of adversary trial process, improvement in the administration of the judicial ssytem, and the functions of constitutional courts.

CULTURAL AND EDUCATIONAL EXCHANGE

Prime Minister Andreotti and President Carter, in one of their first meetings, agreed to a program in which Italy will help the United States to strengthen its programs of Italian language training and Italian studies in American high schools and universities, and the U.S. will contribute to improving English language and American studies programs in Italy. An agreement on this program has been reached and signed by HEW Secretary Califano and Education Minister Pedini and is already bearing fruit. In July of last year, 35 Italian teacher-training specialists travelled to the U.S. for an intensive 9-week specialized course in teaching methodology. They are now beginning to put their new knowledge into practice in training courses for "scuola media" teachers. We calculated that within a few years as many as 20,000 teachers may benefit from this program. Another seminar in the U.S. is planned for the coming summer.

EXCHANGE OF LEADERSHIP AND SCHOLARS

I am also pleased that my government, in recognition of the vital importance of Italo-American relations, has agreed to reverse the trend of the last 20 years which has seen a reduction in the resources available for cultural and intellectual exchange. A 32 percent increase in funding will allow us to substantially increase the opportunities for rising young Italian leaders from various sectors to visit the U.S. for consultations with their American colleagues. Similarly, we hope in the future to be able to do much more in university exchange through the Fulbright program and we are undertaking a major effort to make American culture and history known to the Italian public. To this end we have already obtained a 40 percent increase in the American contribution to the Fulbright Commission's programs.

STUDENT LOAN FUND

I regret to report that the number of Italian students in the U.S. is lower, on a per capita basis, than from any other country of Western Europe. The scholarships granted by our two governments and by private sources are limited in number. This new program, which is now in the organizational phase, will insure the issuance of loans—not grants—to highly qualified university graduates who want to continue their studies in the U.S. in fields of particular interest to our two societies and who otherwise would not be able to face the heavy expenses.

I'm also very happy to report that the response of American and Italian banks and commercial firms to this idea, which has the personal support of Prime Minister Andreotti and President Carter, has been more than comforting. We hope—I think realistically—that approximately a dozen of the most important Italian financial institutions will agree to grant low-interest loans and that about 50 Italian and American companies will join together to constitute a subsidy fund to alleviate additional financing burdens for the students. As a result, we hope that at least 200 Italian students annually will be able to receive assistance to continue post-graduate studies in the U.S. starting in September 1980. An official announcement of this program will be made in the not too distant future.

These, then, are ten programs that form the heart of our Strategy of Cooperation. In very practical ways, they are helping our two countries strengthen their economies, educational systems, and democratic institutions. They are helping to demonstrate to the Italian and American peoples that our close relationship brings mutual benefits. Finally—and no less important in the long run—they are building new friendships and professional ties between a new generation of Italian and American leaders in business, the professions, science, and culture.

Relations between our two countries have endured for more than 200 years. This long friendship, however, should not lead us to rest on our laurels. We cannot take anything for granted. We should conduct ourselves in such a way that this history of fruitful cooperation will continue to develop and prosper.

And while working toward this end, we should not think simply in terms of our two governments, but rather in terms of our two peoples, united by ancient traditions, ties of friendship and an ever closer network of common interests.●

INTERNATIONAL COFFEE AGREEMENT ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, today, I am introducing, by request, the International Coffee Agreement Act of 1979.

For many nations of the world, particularly the developing nations in the tropics, coffee is the most important foreign exchange earner. Wild fluctuation in coffee prices have in the past had a devastating impact on the economies of these countries. For this reason in 1976, the United States along with some 66 other nations joined the international coffee agreement, a cooperative effort to stabilize the world coffee market. Specifically, the agreement seeks to balance world supply and demand for coffee on a basis that assures stable and adequate supplies at prices fair to both producers and consumers. Additionally, it endeavors to contribute to the economic well-being of the nations involved, promote the consumption of coffee, and generally, further international cooperation in the world coffee market.

Over the past few months, the price of coffee has fallen significantly. If this continues, the United States will soon be asked to fulfill its obligations under the ICA to limit imports of coffee from the few countries that have not joined the agreement and to require appropriate documentation for our coffee imports from member countries. For this reason, the International Coffee Agreement Act of 1979 has been submitted for consideration.

Although the legislation has received support from the administration, I have—as I have had in the past—several reservations.

A serious problem that has no national boundaries is inflation. In the United States, we have witnessed it draining the incomes of the American public. We, therefore, must be very careful that through commodity agreements which implement price stabilization mechanisms like price "floors," we do not integrate inflation into the structure of the world economy.

Not only should we be wary of the inflationary effect of such mechanisms, but also of the possible inflation from coffee shortages and their attendant price increases. Over the past few years, due to natural and political disasters together with coffee market manipulation, there have been several acute shortages of coffee. This has been translated into an increased global rate of inflation. I am concerned that the ICA does little or nothing to address this problem.

However, the bill does contain some commendable consumer language:

> In the event the President determines that there has been an unwarranted increase in the price of coffee due in whole or in part to the International Coffee Agreement, the President shall request the International Coffee Council . . . to take appropriate action. . . In the event the International Coffee Council has failed to take corrective action to remedy the situation within a reasonable time after such request, the President shall submit to the Congress such recommendations as he may consider appropriate to correct the situation.

Obviously, the above language is rather vague. I believe that when we consider this legislation, we will want to spell out in detail what constitutes "unwarranted increases" and what exact actions might be "appropriate" to correct the situations that might arise.

The schedule of the Subcommittee on Trade of the Committee on Ways and Means is currently fully occupied with consideration of the multilateral trade negotiations agreement, and it is impossible to predict when we will have the opportunity to consider this legislation.

I hope that the introduction of this bill, however, will encourage interested parties to begin study on this issue and prepare for eventual hearings. The subcommittee welcomes comments on this legislation and on the concerns which I have raised in this statement.●

TAX-EXEMPT MORTGAGE BONDS: TIME TO PLACE LIMITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

● Mr. REUSS. Mr. Speaker, the growth of tax-exempt State and local bonds to finance low-interest mortgages for single family homes has been phenomenal. Unfortunately, the original purpose of helping low- and moderate-income people become homeowners is being badly distorted.

An article in today's New York Times tells how waterfront condos in Redondo Beach, Calif., with prices ranging up to $175,000, are to be financed with 8.71 percent mortgages, subsidized by tax-exempt local bonds. And who pays the subsidy? The U.S. Treasury, and the American taxpayer.

A study prepared at my request by the Congressional Budget Office, and released yesterday, discloses how rapidly the use of tax-exempt bonds to finance single family homes is escalating. Since the first issuance by Chicago in July 1978, some 50 localities in 12 States have issued more than $1.6 billion worth, and State housing finance agencies in 23 States have issued another $2.5 billion during the same period. The study estimates that localities will issue $4 billion in such bond issues this year, and that by 1984 localities and State housing agencies will issue anywhere from $20 billion to $35 billion worth.

As a result, the Treasury will lose $340 million in foregone revenues in the coming fiscal year, and up to $2.1 billion a year by fiscal 1984.

There are many problems associated with these bonds, beyond that of lost Federal revenue: the inequity of a few select homeowners, who may not be poor at all, receiving subsidized mortgages for years; letting thrift institutions that administer the mortgages decide who gets them; the inefficiency of tax exemption as a form of subsidy; the lack of annual review that applies to direct housing subsidy programs approved by Congress; the crowding of the tax-exempt bond market and consequent higher interest rates for public-purpose municipal bond issues.

It is obvious that limits must be placed on the use of these bonds. The Housing and Community Development Subcommittee of the House Committee on Banking, Finance and Urban Affairs will hold hearings on the subject in the near future. I include the article from the New York Times in the RECORD at this point:

TAX-FREE HOUSING BONDS BOOM: MIDDLE-INCOME USE CRITICIZED

(By Robert Lindsey)

REDONDO BEACH, CALIF., April 9.—In this pleasant coastal community near Los Angeles, more than 200 condominium units are rising next to a boat-filled marina. The new homes will offer buyers ample space, spectacular views of the Pacific, prices ranging from $100,000 to $175,000, and mortgages priced at a bargain rate of 8.71 percent.

That interest rate is about one-fifth less than the prevailing rate for other private homes here. The reason is that the mortgages will be subsidized indirectly by the nation's taxpayers—via the tax exemption that municipalities have traditionally enjoyed on their borrowings.

The Redondo Beach luxury project is one of scores of developments of private homes going up across the nation that have bargain-basement mortgages financed by tax-exempt bonds, and municipal bond specialists say the use of such financing by city governments is growing at an explosive rate.

The innovation, however, is coming under growing attack from the Administration, Congress and savings institutions. Critics contend that the customary tax exemption for municipal borrowings is clearly being misapplied: A financing method that was intended to subsidize mortgages for low- and moderate-income families is instead being used to cut interest payments for the well-to-do. In a $25 million bond issue made Jan. 1 by the city of Evanston, Ill., for example, persons with incomes of as much as $50,000 a year are eligible for the mortgages.

The Government is also increasingly concerned that the technique will prove costly to the Federal Treasury—a Congressional study puts the revenue loss at $340 million in the fiscal year 1980—and is considering measures to clamp down. The Government anticipates the loss because investors are not paying normal taxes since they are investing in mortgage bonds on which no tax is charged on the income.

In Congress, hearings on the bond concept are scheduled in both houses. Representative Henry S. Reuss, Democrat of Wisconsin and chairman of the House Banking Committee, urged yesterday that the idea be curtailed. "Tax-exempt bonds are a costly and inefficient form of subsidy at best," he said. "And the wastefulness is compounded when they are used to finance low-interest mortgages for people with incomes of $40,000 a year or more."

Savings institutions have expressed concern over the competition of tax-subsidized mortgages and charge that the bonds are being used mainly to subsidize middle-class people who had adequate access to the conventional mortgage market.

The mortgage concept began to take hold last summer when Chicago issued $100 million in bonds to provide home loans to middle-class families with incomes of up to $40,000 a year. The Chicago plan was engineered by W. James Lopp 2d, an executive vice president of E. F. Hutton, the stockbrokers. By the end of the year, 22 localities in eight states had issued almost $600 million in such bonds.

Some bond experts have predicted that, in all, about $5 billion worth of these bond issues would be made this year as more and more local governments discover they have such money-raising authority and act to help home buyers cope with soaring housing costs and conventional mortgage rates that are now approaching 11 percent in much of the nation.

The list of governments that have issued the bonds include, for example, Minneapolis, Denver, Kanawha County, W. Va., Danville, Ill., and Wilmington, Del. Most mortgages run for 30 years and, in general, the interest rates paid by home buyers are 2 to 3 percentage points below the market rate.

NEW BOND ISSUES, MONDAY, APR. 9, 1979

Issues	Moody's rating	Current bid and asked	Change	Yield
UTILITY BONDS				
Gulf St. Utils 10⅛s09	A	99¾–100	−¼	10.13
S'wstn Bell 9⅝s19	Aaa	99⅞–100	−¼	9.63
Tex Elec Svc 9½s09	Aaa	98⅝–98⅞	−⅛	9.62
Bell Tel Pa 9¼s19	Aaa	97¼–97½	−⅛	9.49
So Centl Bell 9⅝s19	Aaa	100–100⅛	−¼	9.62
Texas P&L 9⅛s09	Aaa	97½–97¾	−¼	9.60
Duquense Lt 10⅛s09	A	100⅛–100⅜	−⅛	10.09
OTHER BONDS				
Contl Oil 9⅜s09 [1]	Aa	98⅞–99	----------	----------
Ford Mtr Cdt 9.85s04	Aaa	100⅜–100⅝	−⅛	9.79
Unit Tech 9⅜s04	Aa	99–99⅜	−¼	9.43
Philip Morris 9⅛s03	A	96⅛–96⅝	−½	9.47
McDerm. (J.R.) 9⅝s04	A	98–98⅜	−⅝	9.80
INTERMEDIATE NOTES				
Citicorp 11.05s04	Aaa	100¼–100½	----------	10.99
Ford Mtr Cdt 9¾s87	Aaa	100–100¼	−¼	9.71
Ford Mtr Cdt 9.55s89	Aa	98⅜–98⅝	−⅛	9.77
Unit Tech 9.45s89	Aa	100½–100¾	−⅛	9.33
Avco 9⅞s87 [1]	A	99⅛–99⅜	----------	10.00
Chem N.Y. 10.90s04 [1]	Aaa	100⅛–100¼	----------	10.87
INTERNATIONAL ISSUES				
Canada 9s83	Aaa	98–98⅜	−⅜	9.40
Canada 9¼s98	Aaa	96⅞–97¼	−¼	9.54
Hydro-Quebec 10s09	Aa	97⅜–97⅞	−¼	10.22
Ontario 9¾s09	Aaa	98⅞–99¼	−⅜	9.82
European Inv Bk 9⅝s86	Aaa	99⅞–100⅜	−⅛	9.57
European Inv Bk 9⅞s99	Aaa	100⅛–100⅝	−¼	9.82

[1] New on list.

Source: First Boston Corp.

In one unusual use of the financing method, regents of the University of California recently gave preliminary approval to a plan to sell $25 million worth of bonds for low-interest mortgages for faculty members.

The move has touched off protests from some Californians who argue that it is unfair for faculty members' mortgages to be subsidized when theirs are not, but the university contends it needed to do so in order to attract people to teach at its campuses.

This controversy reflects one side-effect of tax-exempt mortgage financing. In effect, it is creating first- and second-class citizens in the mortgage market: Some middle- and high-income home buyers can now purchase a home using money from one of the tax-exempt bond issues and pay considerably less—sometimes hundreds of dollars a month less than other homebuyers who cannot.

With tax-exempt yields at an abnormally high 7 percent, the bonds are proving to be understandably popular among many investors. Thus far, bond raters at Moody's and Standard and Poor's have looked favorably upon many of the issues. Nevertheless, the proliferation of offerings, as well as the quality of some of the issues, is worrying some members of the bond community, and investors are being advised to be discriminating in their choice.

Although savings and loan associations have expressed concern over the competition of tax-subsidized mortgages, most cities that have employed this method so far rely on banks or other savings institutions to process and administer the loans. In effect, they have made their fund-raising ability available to these institutions.

In some communities, the practice of picking one or a few local institutions to process the loans has raised protests of conflict of interest or criticism of favoritism.

LOCALITIES RUSH TO ADOPT IDEA

The fear of a crackdown on this increasingly popular financing method, which has already begun to help many investors avoid substantial amounts of Federal income tax, has helped feed a rush on by some local governments to use the financing method. They are encouraged by underwriters eager to earn a commission on the bond issue.

"I felt that if we didn't do it now, it may be too late very soon," said an official of one California city that has an issue going to office this month.

Mr. Rosen of Dean Witter Reynolds has concluded that the bond issues seem to be providing a significant "shot in the arm" to the housing industry. The device would grant families "previously closed out of the housing market a new opportunity to purchase their own home," he said.

Some financial specialists, he continued, feared that such bond issues could glut the bond market. "Never in recent times has a municipal [bond] market been faced with such potential volume," he declared.

In California, some communities have discovered they can use their bonding power not only to raise money for mortgages but to earn a profit as well.

Sheila Schoettcer, assistant director of the city agency that is overseeing development of the Redondo Beach harbor, said that the agency would go on the bond market this month in an effort to raise $40 million for mortgages for 229 condominiums.

She said that it appeared the redevelopment agency would have to pay investors who bought the bonds between 7 and 7.5 percent interest. Since home buyers would be paying 8.7 percent on the mortgages, (plus a small monthly fee for insurance), "there will be some surpluses left over" that her agency could spend for other needs.

"That way everyone benefits," she said. "The buyer gets a cheaper mortgage; the bond buyer gets lower taxes; and we have something left over." ●

INTERSTATE LAND SALES BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashley) is recognized for 5 minutes.

● Mr. **ASHLEY**. Mr. Speaker, today my colleague from New Jersey (Mr. Minish) and I are introducing a bill to amend the Interstate Land Sales Full Disclosure Act. Eleven years ago Congress passed the original act in response to evidence of widespread abuses in the sale of undeveloped land. It is clear that many consumer problems still exist today but, equally important, many small developers are heavily burdened by existing disclosure and registration procedures.

Last year Congressman Minish, chairman of the Oversight and Renegotiation Subcommittee of the Banking, Finance and Urban Affairs Committee completed an extensive investigation of the land development industry, and the Housing and Community Development Subcommittee, which I chair, conducted 3 days of hearings which focussed on the administration of the act and various proposals to amend the statute.

As a result of those hearings, this bill was developed to balance industry concerns regarding overregulation of small developers with consumer concerns regarding inadequate protection or remedies. The bill would improve the existing law in several ways. First, small developers or realtors who offer 100 or fewer lots or who sell less than 12 lots a year would be exempt from registration and disclosure requirements. Second, the law would focus more precisely on the regulation of the sale of raw or incompletely developed land.

Duplicative State and Federal disclosure and registration requirements would be eliminated where States provide adequate protections for their own residents. Defrauded purchasers would benefit from a more reasonable statute of limitations and additional financial and equitable remedies. Installment sales contracts could continue to be used if they contained minimum protections for the purchaser. The bill would create a "parens patriae" power for a State Attorney General to sue civilly on behalf of defrauded consumers who reside within his State. The bill would eliminate the present on-site inspection exemption and the bankruptcy exemption and would conform the definition of fraud to that found in the Securities Act of 1933. Finally, the Office of Interstate Land Sales would gain a new administrative remedy—the power to fine developers who violate a cease and desist order issued against fraudulent sales practices.

I believe that this bill provides a responsible approach to reducing the regulatory burden imposed on many small businessmen and assures that purchasers will receive adequate protection against fraudulent developers. I urge my colleagues to support this legislation. Following my remarks is a section-by-section summary of the bill:

INTERSTATE LAND SALES FULL DISCLOSURE ACT AMENTMENTS—SECTION-BY-SECTION SUMMARY

DEFINITIONS

Section 1 of the bill would provide a new definition of "subdivision" and a separate definition of the term "common promotional plan." Existing law combined these two definitions.

The term subdivision no longer refers to fifty lots. The number of lots is now referenced in the exemptions section of the bill, Section 1403.

EXEMPTIONS

Section 2 would revise section 1403 of the Act to create two categories of exemptions, as opposed to the present single category of complete exemptions.

Section 1403(a)—the first category would restate the existing complete exemption from the Act for certain types of subdivisions. These include improved land, sales of indebtedness secured by mortgages and securities issued by real estate investment trusts, sales by governments, cemetery lots, or sales to persons in the real estate business.

Section 1403(b)—the second category of exemptions would be limited to exemption from the disclosure and registration, but not the fraud, provisions of the Act. This section contains several new exemptions, revised exemptions, and deletes two existing exemptions.

Section 1403(b)(1) would provide that the maximum size of a subdivision which is exempt from the disclosure and registration requirements is increased from 50 to 100 lots.

Section 1403(b)(2) would add an exemption for developers who sell 12 or fewer lots per year regardless of the number of lots ultimately sold.

Section 1403(b)(3) would add an exemption for scattered site subdivisions where no part of the subdivision has more than 10 lots and an on-site inspection is made.

Section 1403(b)(4) would exempt subdivisions containing lots all of which exceed 40 acres in size rather than 5 acres.

Section 1403(b)(5) would revise the regulated jurisdiction exemption in several respects. With respect to streets, exempt lots (1) need not be located on a paved public street or highway but only on a paved street or highway, (2) the street will be built to standards applicable to those maintained by the local government and must be acceptable to the local government and (3) a homeowner's association as well as a local government may accept responsibility for maintenance of the street or highway. If a homeowner's association rather than the local government will be responsible, a good faith written estimate of the cost of such maintenance over the first ten years of ownership must be provided to the purchaser.

As an alternative a warranty deed, where warranty deeds are not commonly used in the jurisdiction, a seller may utilize a deed or grant that warrants at least that the grantor has not conveyed the lot to another person and that the lot is free from encumbrances made by the seller.

With respect to title, a title insurance binder or a title opinion, rather than a title insurance policy would be made acceptable.

The purchaser, rather than the purchaser or spouse, must make an on-site inspection.

Direct mail or telephone solicitations which offer gifts, trips, dinners and similar promotional items as opposed to direct mail or telephone solicitations or offers of gifts, trips, dinners and similar promotional items would be prohibited.

Existing exemptions for the sale of real estate pursuant to a court order or when there has been an on-site inspection would be deleted.

REQUIREMENTS RELATING TO THE SALE OR LEASE OF LOTS

Section 3 would revise Section 1404 of the Act and would more clearly create two categories of prohibited practices.

Section 1404(a)(1) would specify prohibited practices related solely to the sale of lots in subdivisions which are not exempt from this title and for which registration and disclosure are required.

Section 1404(a)(1)(A) would retain the existing requirement that nonexempt lots may not be sold unless a statement of record is in effect.

Section 1404(a)(1)(B) would retain the existing requirement that nonexempt lots may not be sold unless a property report is furnished prior to signing the contract of sale.

Section 1404(a)(1)(C) would add as a prohibited practice the display or delivery to prospective purchasers of advertising or promotional material which is inconsistent with information which must be disclosed in the property report.

Section 1404(a)(2) would relate to all subdivisions covered by the Act, including those specified in Section 1403(b) as exempt from the registration and disclosure requirements section.

Section 1404(a)(2)(A) would retain the existing prohibition against the use of any device, scheme or artifice to defraud.

Section 1404(a)(2)(B) would prohibit, with respect to any information pertinent to the lot or subdivision, the making of an untrue statement of a material fact or any omission to state a material fact necessary in order to make statements made not misleading.

Section 1404(a)(2)(C) would prohibit any transaction, practice or course of business which would operate as a fraud or deceit upon a purchaser.

Section 1404(a)(2)(D) would prohibit the practice of representing that roads, sewers, water, electric service or recreational amenities will be provided or completed without stipulating in the contract of sale that such services will be provided or completed.

Section 1404(b) would extend the period in which a purchaser may revoke a contract of sale to twenty-one days from the date of signing the contract.

Section 1404(c) would provide a two-year limitation on the time in which a purchaser who has not received a property report may revoke his contract of sale and the contract must provide this right.

Section 1404(d) would provide that within two years a purchaser may revoke a contract for the sale of a nonexempt lot which does not provide: (1) a legally sufficient and recordable description of the lot, (2) that, in the event of a breach by the purchaser, the seller (or his successor) will provide written notice of such breach, with a 30-day opportunity to remedy the breach, and (3) that after a purchaser has paid 15 percent of the purchase price of the lot, a seller (or his successor) must refund to the purchaser, any amounts paid (excluding interest) over the seller's (or his successor's) actual damages.

Section 1404(e) would provide that upon revocation and tender of an instrument divesting himself of his interest in the lot, the purchaser is entitled to all money paid under the contract.

CERTIFICATION OF SUBSTANTIALLY EQUIVALENT STATE LAW

Section 4 of the bill would revise the existing provisions of the Act with respect to cooperation with state authorities and require the Secretary to certify substantially equivalent state laws.

Section 1409(a)(1) would provide that a state shall be certified when the Secretary determines that the laws and regulations of the state applicable to nonexempt lots in that state require disclosure substantially equivalent to, or greater than, that of this Act, and the state administration of these laws and regulations provides, to the maximum extent practicable, that such information is accurate.

Section 1409(a)(2) would provide an alternative means of certification when the state's laws and regulations and administration with respect to matters for which information is not disclosed provide sufficient protection for purchasers.

Section 1409(b) would provide that when a state is certified, the disclosure materials accepted by the state shall be acceptable for filing under this Act.

Section 1409(c) would provide for periodic review of certified states and for withdrawal of certification when appropriate.

Section 1409(d) would provide that this provision is not intended to prevent or limit the authority of states or local governments to enforce laws not in conflict with the Act and require cooperation with state authorities.

CIVIL LIABILITIES

Section 5 of the bill would revise existing Section 1410 of the Act.

Section 1410(a) would restate the right of a purchaser or lessee to bring a civil action for breach of the prohibitions of Section 1404(a) and authorize such damages, specific performance or other relief, as the court deems fair, just and equitable.

Section 1410(b) would provide a right of action to enforce the revocation provisions of Section 1404 (b) through (e).

Section 1410(c) enumerates certain costs which may be recovered in such suits.

Section 1410(d) restates the right to contribution which a party liable under this section may utilize against other persons.

LIMITATION OF ACTIONS

Section 6 of the bill would revise existing Section 1412 of the Act.

Section 1412(a) would provide that actions maintained under Section 1410(a) must be brought within three years after discovery of violations was or should have been made. It would further limit suits with respect to violations of Section 1404(a)(1) to three years after the last payment hs been made pursuant to the contract of sale.

Section 1412(b) would limit actions brought because of a breach of the revocation provisions of the Act to three years after signing.

CEASE AND DESIST ORDERS

Section 7 of the bill would amend Section 1415 of the Act to provide the Secretary of HUD with authority to issue cease and desist orders.

Section 1415(e) would provide that whenever the Secretary has reasonable cause to believe a developer is engaged in an act or practice which would violate the provisions of Section 1404(a) and that such act or practice is likely to cause harm to purchasers, the Secretary may order a hearing with respect to issuing a cease and desist order.

Section 1415(f)(1) would provide that when the Secretary has reasonable cause to believe the violation is likely to cause immediate and substantial harm to purchasers, a temporary restraining order requiring the developer to cease and desist may be issued.

Section 1415(f)(2) would provide a right for a developer served by a temporary order to cease and desist to appeal in U.S. District Courts.

Section 1415(g)(1) would provide a civil penalty of $5,000 for each violation of a cease and desist order.

Section 1415(g)(2) would provide that the Secretary may collect penalties in U.S. District Courts.

Section 1415(g)(3) would provide that such penalties shall be payable to the U.S. Treasury.

CRIMINAL PENALTIES

Section 8 of the bill would increase the criminal penalties of the Act from $5,000 and not more than five years of imprisonment to $10,000 and not more than 7 years of imprisonment.

PARENS PATRIAE

Section 9 of the bill would add a new Section 1421 to the Act creating a Parens Patriae right to sue.

Section 1421(a)(1) would provide that any attorney general of a State may bring a civil action on behalf of individuals residing in such State in a U.S. District Court to secure monetary or injunctive relief for violation of Section 1404 or other Federal law if such violation is also a violation of Section 1404.

Section 1421(a)(2) would provide that the court shall award the State damages and costs and may award reasonable attorneys' fees.

Section 1421(a)(3) would provide that the court may award attorneys' fees to a defendant and shall award such fees upon a finding that a State Attorney General has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

Section 1421(b)(1) would provide that the State Attorney General shall publish notice of such actions by publication or as prescribed by the court.

Section 1421(b)(2) would provide that any individual on whose behalf an action is brought may elect to exclude himself from such action.

Section 1421(b)(3) would provide that the final judgment in an action brought under this section shall be resjudicata as to a claim of an individual on behalf of whom such action was brought who failed to give notice to exclude himself from the action.

Section 1421(c) would provide that no action under this section shall be dismissed or compromised without approval of the court.

Section 1421(d) would provide that damages may be proved by statistical or sampling methods or such other reasonable method of estimating as the court permits.

Section 1421(e) would provide each individual his appropriate portion of monetary relief; any balance would be deposited with the state.

Section 1421(f)(1) would provide that whenever the Attorney General of the United States or the Secretary of HUD brings an action, based on substantially the same alleged violation, on which a State Attorney General might bring under this section, he shall give notice to the State Attorney General.

Section 1421(f)(2) would provide that the U.S. Attorney General or Secretary of HUD make available to the State Attorney General relevant investigative files and materials in order to assist the State's efforts.

Section 1421(g) would define "State Attorney General" as the chief legal officer of a State or other persons authorized by State law to bring action under this section, but excludes persons employed or retained on a contingency fee basis.

REPORT TO CONGRESS

Section 10 of the bill would add a new Section 1422 to the Act requiring a biennial report to Congress by the Secretary on the administration of the Act and its impact upon the land development industry and purchasers and lessees of undeveloped land.

EFFECTIVE DATE

Section 11 will provide an effective date for these amendments.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, soon after the House returns from the Easter recess, we will be taking up the Alaska National Interest Lands Conservation Act, H.R. 39.

At that time, the gentleman from Illinois, JOHN B. ANDERSON, and I will propose an amendment in the nature of a substitute for the versions reported by committee.

Today, in order that all Members will be aware of our intentions and have the details of our proposal available for review, we are introducing the text of the Udall-Anderson substitute in bill form.

The Udall-Anderson substitute is not unfamiliar to Members of the House. It is molded upon the House-passed bill of 1978, with modifications. Some of these modifications reflect changed circumstances and new information since the House action of 1 year ago. Others respond to specific issues which have been raised by those commenting on the version of H.R. 39 which we introduced earlier this year.

We are going to propose this substitute on the floor because otherwise the House will not have the choice of a well-balanced Alaska lands conservation bill.

By a one-vote margin, the Committee on Interior and Insular Affairs turned down a bill much like the Udall-Anderson substitute, and approved instead the Huckaby substitute. That version is unacceptable to me, for it severely weakens the provisions of the House-passed bill of last year, in section after section,

Yesterday, the Committee on Merchant Marine and Fisheries, which has jurisdiction over some portions of this bill, reported its own version, the Breaux-Dingell substitute. In doing so, that committee explicitly turned down the House-passed bill which was offered by the gentleman from Massachusetts, GERRY STUDDS, as an alternative.

As Secretary of the Interior Cecil Andrus has reported, this Breaux-Dingell version incorporates most of the same features or similar ones which render the Huckaby substitute unacceptable. I include in the RECORD at the conclusion of these remarks copies of the Secretary's letters commenting on the two committee bills.

As we move toward consideration of these alternative versions of the Alaska lands legislation, I simply want to encourage all Members to bear carefully in mind the historic dimensions of the decisions we will make. In a way not common in our day-to-day work here, we will be writing the fate of a whole landmass. In these decisions, we are not merely deciding on the short-term future of these fragile lands, but on the birthright of future generations of Americans.

Last year, in passing H.R. 39, the House wrote a bold and historic stroke for conservation—and for sound balance. We can do so again. If you supported the House-passed bill last year, or if it is the kind of bill you can support, then the Udall-Anderson substitute merits your vote.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 13, 1979.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, the following are the views of this Department on H.R. 39, the proposed "Alaska National Interstate Lands Conservation Act," as ordered reported by your Committee on February 28.

As reported, the bill is unacceptable. It is far less protective of the Nation's public resources in Alaska than either the Administration's recommendations or the bill passed by the House in 1978. As reported, the bill permits inappropriate imbalanced exploitation of public resources in Alaska by commercial big-game hunters, and the mining, timber, and oil industries, to the detriment of vital wildlife, fisheries, and scenic and cultural values which must be protected for the Nation as a whole.

Existing laws designed to protect the public interest in Federal lands all over the country are waived or weakened. The bill flatly prohibits any future studies or withdrawals "except those authorized by this Act" for any purpose whatsoever; it opens 20 million acres of existing National Park System land to trophy and sport hunting; it opens the currently protected, extremely fragile Arctic National Wildlife Range to oil and gas exploration; it deletes key habitat from the existing Yukon Flats National Monument, an area that every year produces 2.1 million waterfowl; it omits refuge designation, adopted by the House in 1978, for the Togiak and highly productive Alaska Peninsula areas; it makes unwarranted changes in existing law so as to permit roads, pipelines, coal slurry lines, railroads, etc. through national parks and wildlife refuges and wilderness areas; and it weakens wilderness protection by providing for a variety of incompatible uses.

Certain areas deserving wilderness protection are denied it, with no prospect for the protection envisoned in the Wilderness Act during further wilderness studies. The existing Misty Fiords and Admiralty Island National Monuments in southeast Alaska are cut in half. In summary the bill fosters private economic gains for the few at the expense of the public interest in conservation.

This letter is not an all inclusive review of H.R. 39 as reported. It reflects only some of our key concerns and will be supplemented by a subsequent report which will more fully address the entire range of problems in the bill. Secretary Bergland is also submitting to your Committee the Department of Agriculture's views on H.R. 39 as reported.

The Office of Management and Budget has advised that there is no objection to the submission of this letter and that enactment of H.R. 39 as reported by the House Interior Committee, unless amended to accommodate serious Administration concerns, would not be in accord with the President's program.

Sincerely,

CECIL D. ANDRUS,
Secretary.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 28, 1979.

Hon. JOHN M. MURPHY,
Chairman, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Passage of a strong Alaska National Interest lands bill is the highest environmental priority of this Administration. Last year, your Committee played a major role in passage of a good bill by the House, but as you know that measure died in the Senate.

Recently, the Committee on Interior and Insular Affairs ordered reported the Huckaby bill, which is unacceptable to the Administration. The reasons for our opposition to that bill have been conveyed to your Committee under separate cover.

Today your Subcommittee on Fisheries and Wildlife Conservation and the Environment will begin markup of a Committee Print which Chairman Breaux has had prepared.

In the short time available to us to review the bill, we were surprised to note that it appears to be essentially a slightly revised version of the Huckaby bill and contains most of the same provisions which made that bill unacceptable to the Administration. We had understood that the Subcommittee was basically using H.R. 2219, which is identical to the bill passed overwhelmingly by the House last year, as a markup vehicle, but the Committee print is a major step backward from that bill.

While we did not support all of the provisions of last year's House-passed bill, overall it is a far superior bill to the Huckaby bill or the Breaux substitute.

Sincerely,

CECIL D. ANDRUS,
Secretary.●

Mr. ANDERSON of Illinois. Mr. Speaker, I am pleased today to join the gentleman from Arizona, Mo UDALL, in offering an Alaska lands conservation bill for the consideration of our colleagues.

The bill we are introducing today is intended to provide all Members with timely notification of our intent to offer this text as an amendment in the nature of a substitute when the House takes up the Alaska lands legislation.

I am giving my support and leadership to this effort because I believe strongly in sound balance in our conservation and natural resource programs. I am neither for throwing open our Federal lands to every form of exploitation and development, nor for putting all these lands off limits to any use. I am for a judicious and well-informed effort to find a balance.

Last year, I was proud to support the Alaska lands bill the House adopted.

Now, I join Mo UDALL in offering this proposed floor substitute because neither of the versions of this legislation emerging from committee meet the test of a sound balance.

In the days ahead, I hope Members will review this proposed substitute carefully, in comparison with the other versions which will be before the House.

It is my hope that the House will rise again to this great conservation challenge. We can again pass a sound, strong, well-balanced bill, based on the action we took just a year ago: the Udall-Anderson substitute.

ELIMINATING DISABILITY WAITING PERIOD FOR TERMINALLY ILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. SWIFT) is recognized for 5 minutes.

● Mr. SWIFT. Mr. Speaker, today I am introducing legislation which would amend the social security disability program. The amendment addresses an area in which human compassion demands our attention. At a time when the Congress is attempting to perfect the social security disability program with an eye to fiscal responsibility we must also keep human needs in mind. Specifically, my amendment would eliminate the waiting requirement for social security disability benefits for individuals with a terminal illness.

I first became aware of this problem in February when a constituent of mine contacted me about his experience in seeking medical assistance at Swedish Hospital in Seattle. My constituent had been diagnosed as having lung cancer. He was advised that he had 6 to 8 months to live.

The constituent, upon learning of his condition, applied for social security disability benefits. He was told that he would have to fill out proper forms and meet certain "standards." Additionally, there would be a 5-month waiting period beyond the time he was given disabled status by the Social Security Administration before he would begin receiving disability payments.

My constituent was irritated but he complied with the Social Security Administration procedures. Although he is not a wealthy man, his finances are sound and he did not require immediate financial assistance.

However, in frequent trips to the hospital for treatment of his illness he came in contact with many individuals whose financial need was severe and immediate. It was these contacts which spurred him to action. His original letter to me contains a quote which clarifies both his emotions and the overall problem which I attempt to address in the legislation which I am introducing today:

> Almost every day at the Tumor Institute at the Swedish Hospital, I meet people of all age groups and different social and ethnic backgrounds, many of whom could not afford to wait those five months. My sense of Justice is outraged. For years I personally have donated to Social Security, as have countless others. It is heartbreaking to me, to see elderly people, or anyone for that matter, who had been told to buy these food supplements at $1.00 each, or $4.00 per day or $90.00 per month and are financially unable to do so. Social Security Disability would not solve their problems, but at a time when they most need it, it could be a great asset. And why not? They have paid into the System.

My constituent gets to the heart of the matter. We are denying benefits to a certain group at a time in which they are desperately in need.

My legislation would eliminate the 5-month waiting period for social security disability applicants who are "terminally ill." Terminal illness is defined as "a medically determinable physical impairment which is expected to result in the death of such individual within the next 12 months." The amendment would be effective with regard to applications made subsequent to the enactment of this bill. Waivers would also be made for those applications by the terminally ill made prior to the enactment of the bill upon which the Secretary of Health, Education, and Welfare has not passed, and upon those applications by the terminally ill where the Secretary has decided but where there has been a civil action commenced with regard to the Secretary's decision. In no case will monthly benefits be retroactive. Mr. Speaker, it is enough to be suffering from a terminal illness without being forced into financial insecurity. I have heeded my constituent's plea for compassion by introducing this legislation and I urge the House to do likewise by passing it.●

INTRODUCTION OF BILL TO CORRECT AN INEQUITY IN JUDICIAL SURVIVORS' ANNUITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, I am introducing a bill today which will correct an inequity in the judicial survivors' annuity system. The change proposed by my legislation is neither complicated nor costly, and it will eliminate an economic and social injustice.

Under the present system, widows and widowers of judicial officials automatically lose their annuities upon remarriage. My bill would permit those survivors who are 60 years of age and older to remarry without any loss of pension benefits. Since workers do not begin earning new credits toward their retirement after age 60, the current remarriage stipulation only serves as a type of penalty for older individuals.

The social security and civil service pension systems originally contained this same inequity. The 95th Congress, however, amended both programs (Public Law 95-216; Public Law 95-318) to allow widows and widowers 60 years of age and older to remarry without losing any of their annuities.

The legislation which I am proposing will give persons covered under the Judicial Survivors Annuity Reform Act the same protections which Congress has already afforded other Federal employees and workers in the private sector.

Mr. Speaker, my bill would correct a flaw in the judicial survivors annuity system that unfairly penalizes people who can least afford to suffer economic losses. I urge my colleagues to join in this effort to secure simple justice for the survivors of judicial employees.

The bill follows:

H.R. 3594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That section 375(e) of title 28, United States Code, is amended by striking out "or remarriage of the annuitant" and inserting in lieu thereof "of the annuitant or upon the remarriage of the annuitant prior to attaining 60 years of age".

Sec. 2. Section 376(h)(2) of title 28, United States Code, is amended by striking out "remarriage" and inserting in lieu thereof "upon his or her remarriage prior to attaining 60 years of age".

Sec. 3. Any annuity under section 375 or 376 of title 28, United States Code, which has been terminated by reason of remarriage of the annuitant after attaining 60 years of age, shall be reinstated commencing on the date of enactment of this Act. ●

FIRST AMENDMENT PRIVACY PROTECTION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker—

> The liberty of the press is a great bulwark of the liberty of the people: It is therefore the incumbent duty of those who are constituted the guardians of the people's right, to defend and maintain it.—Massachusetts House of Representatives, 1768.

The recognition of the special role of the press in free political life is embedded as deeply in the roots of our national heritage as any other concept. Eloquent references to it and documented assaults on it appear and reappear throughout the pages of American history from before the founding of the Republic to the present day. As modern day legislators we rarely find ourselves so linked with the tradition of our revolutionary forefathers as when we are called upon periodically to reassert through act of Congress the fundamental principles of the first amendment.

Such an opportunity to reassert the freedom of the press presents itself to us this Congress in the form of H.R. 3486, legislation to protect journalists from arbitrary search and seizure by police authorities.

Last year the U.S. Supreme Court, in the case of Stanford Daily against Zurcher, held that newspapers and other news media are subject to arbitrary search and seizure even when not themselves the target of an investigation. In so ruling, the Court overturned the holdings of the court of appeals and the district court that, where the object of a search is a newspaper, first amendment interests restrain searches to the rare circumstances where there is a clear showing that important materials will be destroyed if a subpena or other advance request for the information is employed.

I am pleased to announce that the Subcommittee on Courts, Civil Liberties and the Administration of Justice, which I chair, will begin hearings on this historic legislation on April 25.

The Supreme Court, turned a deaf ear to the first amendment alarm sounded by the lower courts and dissenting justices and held that if future abuses of press freedom occur, "there will be time enough to deal with it."

This callous disrespect for freedom of the press does a great disservice to the over 200-year tradition of official recognition for special role of the news media in American life. Regretfully, the majority of the court ignored dissenting Justice Potter Stewart's simple but clear warning that it is "self-evident that police searches of newspapers burden freedom of the press." Justice Stewart buttressed his statement by a clear analysis of how the potential for physical disruption of newspaper operations and the more serious possibility of disclosure of confidential sources which accompany any surprise search, require an unusually high standard for such search.

Fortunately, the Supreme Court is not the only guardian of our Constitution. Immediately following the decision in the Standford Daily case, bills to reverse the Court's ruling were introduced in the 95th Congress by numerous Members from both sides of the aisle. Meanwhile, the President announced his intention personally to examine the issue and ordered the Attorney General to report to him with a legislative recommendation. The Attorney General has now completed his study and, after consultation with constitutional scholars, civil libertarians and law enforcement authorities throughout Government, has recommended a bill to the President for transmission to the Congress. The bill, H.R. 3486, is entitled the First Amendment Privacy Protection Act of 1979. I invite all Members to join with me in sponsoring this important piece of legislation and aiding in its speedy enactment. This is a legislative project within the best tradition of the revolutionary forebearers whose eloquent call to action still speaks to us clearly after more than two centuries. "it is the duty of those who are constituted the guardians of the people's right, to defend and maintain it."

A section-by-section summary of the legislation follows:

Section-by-Section Synopsis—H.R. 3486, the First Amendment Privacy Protection Act of 1979

SECTION 1, TITLE

SECTION 2

This section makes unlawful certain searches of persons in the process of disseminating to the public "a newspaper, book, broadcast or other similar form of public communications."

This section contains two different standards for searches:

The greatest protection is afforded to searches involving the "work product" of the person searched. Such searches are prohibited unless there is probable cause to believe that the person possessing the materials has committed the offense for which the specific materials are sought. However, if the offense involved is in itself the possession or communication of the materials sought, no search is permitted.

Also, searches involving work product are permitted if there is reason to believe that immediate seizure "is necessary to prevent death or serious bodily injury."

The lesser standard of protection is afforded to materials other than work product. In addition to the two exceptions to the prohibition of search mentioned above, searches are permitted:

If there is reason to believe that giving the notice required by a subpoena would result in the destruction of the evidence, or once a subpoena has been issued, the materials are not produced and there is reason to believe that further delay in attempting to enforce the subpoena "would threaten the interests of justice."

Finally, the bill excepts generally from protection all searches involving materials relating to defense or other classified information, whether or not actual work product is sought.

SECTION 3

This section provides for civil remedies including actual damages, punitive damages and liquidated damages of *not less than* $1,000 in addition to attorney fees.

Liability for damages is limited to the government unit (state, local or federal) only and not to the individual officer conducting the search unless the state involved has not waived its sovereign immunity to damages. If sovereign immunity is not waived the individual officer is personnaly liable to the extent that he did not have a reasonable good faith belief in the lawfulness of his conduct.

SECTION 4

This section defines precisely the terms used in the Act. ●

VICTOR AND BATSHEVA YELISTRATOV WILL NOT BE SILENCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, as one of the 35 nations which signed the Helsinki Final Act, in August 1975 it is startling that the Soviet Union would blatantly violate this agreement. Signatories to that accord agreed to facilitate the reunification of families which have been separated by governments and political borders. The Soviet Union is in no way living up to that pledge.

The Congress has been concerned about the existing situation and for the past several years, individual Members have spoken on behalf of specific families who are temporarily stranded in Russia. This year our project is entitled "Shatter the Silence" and I am proud today, to tell you of Batsheva and Victor Yelistratov.

Batsheva and Victor Yelistratov's relatives live in my congressional district and their deepest desire is to be reunited as an entire family. I have verified that Victor, in no way, possesses any information which is still "vital to the State." Nor does Batsheva. Yet, both of these individuals have had their emigration applications denied time and time again. They have been refused twice a year since 1972 and they are constantly harrassed by the KGB and other Soviet authorities. Since applying to leave the Soviet Union, Victor was fired from his position and now can only find jobs as a maintenance worker.

The Yelistratov's know that they want to leave the Soviet Union and they are helping others in the Soviet Union who have the same desires. They are brave and strong and they will not be silent. The situation is serious and I shall not be silent, either. I will speak and write letters on their behalf until they are free to come to the Commonwealth of Virginia.●

SOFT DRINK INTERBRAND COMPETITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HALL) is recognized for 5 minutes.

● Mr. HALL of Texas. Mr. Speaker, I am pleased today to join over 250 of my colleagues in introducing the Soft Drink Interbrand Competition Act. My colleagues, Messrs. MOLLOHAN, SHELBY, VANDER JAGT, BROYHILL, and CARLOS MOORHEAD, and I recently sent a dear colleague letter asking cosponsors to join us in introducing legislation designed to preserve this unique industry. For more than 75 years, independent local companies operating under territorial licenses granted by national syrup companies such as Coca-Cola, PepsiCo, 7-Up, and Dr. Pepper have manufactured, bottled, and distributed trademarked soft drink products. I am pleased to note that more than a majority of the House has agreed to cosponsor this vital legislation.

Exclusive territories are the core of the trademark licensing agreements described above. They define the geographical territory in which a bottler may manufacture and distribute trademarked soft drink products. In so doing, the bottler in his defined territory has been able to render service to both large and small retail outlets. I hasten to point out to my colleagues that an overwhelming majority of the 2,150 soft drink bottlers in this country are independently owned. They are not, as often thought, owned by the national syrup companies from which the bottlers purchase syrup. Seventy percent of these bottlers employ less than 50 employees and are thereby defined as small businesses under the definition promulgated by the Small Business Administration.

In 1971 the Federal Trade Commission (FTC) commenced litigation challenging the legality of the territorial provisions in the trademark licensing agreements described above. After hearing the testimony, the Administrative Law Judge before whom the cases were tried concluded in 195 findings of fact that these arrangements not only did not lessen competition but, in fact, promoted competition. This decision was appealed to the full Commission by complaint counsel for the FTC. In 1978 the FTC, in a 2-to-1 decision, reversed the Administrative Law Judge and stated that the absence of intrabrand competition, that is, between bottlers of the same product, resulting from the territorial arrangements was sufficient to find these agreements illegal regardless of their effect on interbrand competition, that is, between different soft drink products. However, the FTC did not find such territorial restrictions unlawful for returnable bottles. I should inform my colleagues that prior to the FTC ruling, every court which examined these soft drink licensing agreements upheld them. In 1920 a Federal district court, in *Coca-Cola Bottling Co.* v. *The Coca-Cola Co.*, 269 F. 796 (D. Del. 1920), upheld the legality of such arrangements. In two Federal court decisions, one involving a determination by the judge and the other following a jury trial, the legality of such territorial provisions was upheld. *Tomac, Inc.* v. *Coca-Cola Co.*, 418 F.Supp. 359 (C.D. Cal. 1976); *First Beverages, Inc.* v. *Royal Crown Cola Co.*, Civil Action No. CV–74–2896–MNL (C.D. Cal. 1976).

I believe that the antitrust laws should not be used to restructure an industry, especially where even the FTC admits a high level of interbrand competition exists. The FTC decision, if upheld, will totally restructure an industry in which the franchisees are, by and large, small family-owned businesses. These small bottlers will be swallowed up by large bottlers should territorial licenses be prohibited. In the long run, therefore, the FTC ruling would be anticompetitive. The industry will be transformed from many small businesses to a small number of regionalized units.

The harmful effects of the FTC decision on the soft drink industry may be explained as follows: Small independent bottlers will not be able to compete with large bottlers for large volume accounts. The result will be a soft drink industry with the largest bottlers supplying their products directly to chain store warehouse distribution systems. The volume and sale losses to small bottlers will force them out of business, or into becoming distribution arms for large bottlers, resulting in greater concentration. Because small accounts will generate little profit, the traditional system of local bottlers having routes serving large and small accounts will disappear. The large regionalized bottler will be unlikely to continue local, low volume deliveries, thereby reducing the availability of soft drinks and increasing the price to a large segment of the industry. Because the FTC decision allows only nonreturnables to be sold outside of the territories, this will accelerate the use of nonreturnable containers and intensify ecological and energy problems involved with these containers. The chain stores and food brokers and the large bottlers with which these stores and brokers will deal will move to exclusive use of one-way containers. This trend will be assured by a short-lived price war favoring such containers. The vague, ever-changing FTC claims of consumer savings are unfounded. Upward price trends will be caused by increased use of more expensive, nonreturnable containers, and price increases by small bottlers left with marginal accounts. Downward prices caused by price wars by large bottlers to gain volume accounts will be short-lived and are likely to benefit the chain stores and food brokers. As soon as a regional/warehousing structure in the industry is reached, there will be no intrabrand competition in price and de facto exclusive territories in nonreturnables will occur as a result of transportation costs. Chain stores market their own house brands below nationally known brands to insure sales; therefore, price savings to the consumer as a result of a price war will be limited to the willingness of the chain stores to reduce the price of national brands to a price competitive with their own house brands, an unlikely event.

The Soft Drink Interbrand Competition Act will simply clarify the circumstances under which vertical territorial license provisions are lawful. The bill specifically requires that there must be "substantial and effective competition with other products of the same general class." If such interbrand competition does not exist, exclusive territories judged individually, regionally or nationally could be found unlawful. Thus, the bill provides no exemption from the antitrust laws, but merely sets a standard to be followed by the FTC and the courts, following the Supreme Court's lead in the recent case of *Continental T.V.* v. *GTE Sylvania, Inc.*, 435 U.S. 36 (1977).

Competition in the soft drink industry has never been greater. There is no doubt of its intensity. Further, the industry competes not only in price, but also in flavors, brands, packaging, and diet or nondiet drinks. This competition has been a major factor in keeping consumer cost down. The average cost per ounce of cola in the 6½ ounce bottle in 1939 was .77 of 1 cent per ounce. The average cost today in the 16-ounce returnable bottle is .79 of 1 cent per ounce.

The FTC decision has been appealed to the U.S. Court of Appeals for the District of Columbia. However, congressional action is needed now. An unfavorable decision by the court of appeals (whose review powers are limited) and a refusal by the Supreme Court to hear the case would result in an immediate contest for the large accounts. Moreover, this litigation has continued for 8 years; should a remand be the decision of the U.S. Court of Appeals, the litigation could continue for many more years. Businessmen faced with a possible loss of their investment are understandably reluctant to risk any capital to replace or expand operations. This threat has prompted some small bottlers to sell out, thus increasing concentration in this small business industry. I do not believe the antitrust laws were intended by Congress to restructure an entire industry of small economic units with no predictable benefit to anyone. Public policy is the business of the Congress. These contractual relationships are nearly a century old; their competitive aspects should be recognized by the Congress.

I would also inform my colleagues that identical legislation introduced in the Senate on March 8 by Senators Bayh and Cochran now has 77 cosponsors. The broad interest of this Congress in this issue is obvious. It is my hope that the House Judiciary Committee will hold hearings on the bill within the next few weeks. As I have noted, time is imperative, and the sponsorship of over half the House indicates the need for a discussion of this issue.

Mr. Speaker, I include the text of the bill, together with an explanation thereof, to be printed in the RECORD as follows:

H.R. 3567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

SECTION 1. This Act may be cited as the "Soft Drink Interbrand Competition Act."

SEC. 2. Nothing contained in any antitrust law shall render unlawful the inclusion and enforcement in any trademark licensing contract or agreement, pursuant to which the licensee engages in the manufacture (including manufacture by a sublicensee, agent, or subcontractor), distribution, and sale of a trademarked soft drink product, of provisions granting the licensee the sole and exclusive right to manufacture, distribute, and sell such product in a defined geographic area or limiting the licensee, directly or indirectly, to the manufacture, distribution, and sale of such product only for ultimate resale to consumers within a defined geographic area: Provided, that such product is in substantial and effective competition with other products of the same general class.

SEC. 3. The existence or enforcement of territorial provisions in a trademark licensing agreement for the manufacture, distribution and sale of a trademarked soft drink product prior to any final determination that such provisions are unlawful shall not be the basis for recovery under Section 4 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies and for other purposes," approved October 15, 1914.

SEC. 4. As used in this Act, the term "antitrust law" means the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies" (the Sherman Act), approved July 2, 1890, the Federal Trade Commission Act, approved September 26, 1914, and the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (the Clayton Act), approved October 15, 1914, and all amendments to such Acts and any other Acts *in pari materia*.

LIST OF COSPONSORS FOR THE HALL OF TEXAS "SOFT DRINK INTERBRAND COMPETITION ACT"

1. Mollohan, Robert.
2. Shelby, Richard.
3. Vander Jagt, Guy.
4. Broyhill, James.
5. Moorhead, Carlos.
6. Abdnor, James.
7. Addabbo, Joseph.
8. Akaka, Daniel.
9. Albosta, Donald.
10. Alexander, Bill.
11. Ambros, Jerome.
12. Andrews, Ike F.
13. Andrews, Mark.
14. Anthony, Beryl.
15. Applegate, Douglas.
16. Archer, Bill.
17. Ashbrook, John.
18. Aspin, Les.
19. Atkinson, Eugene.
20. Badham, Robert.
21. Bafalis, L. A.
22. Bailey, Don.
23. Barnard, Doug.
24. Bevill, Tom.
25. Biaggi, Mario.
26. Blanchard, James.
27. Bonior, David.
28. Bonker, Don.
29. Bouquard, Marilyn.
30. Bowen, David.
31. Breaux, John B.
32. Brinkley, Jack.
33. Brodhead, William.
34. Brooks, Jack.
35. Brown, George.
36. Buchanan, John.
37. Burgener, Clair.
38. Butler, M. Caldwell.
39. Campbell, Carroll.
40. Carney, William.
41. Chappell, Bill.
42. Cheney, Richard.
43. Chisholm, Shirley.
44. Clausen, Don.
45. Clay, William.
46. Clinger, William.
47. Coelho, Tony.
48. Collins, James.
49. Conable, Barber.
50. Corcoran, Tom.
51. Coughlin, Lawrence.
52. Crane, Daniel.
53. Daniel, Robert.
54. AuCoin, Les.
55. Daschle, Thomas A.
56. Davis, Mendel J.
57. de la Garza, E.
58. Dellums, Ronald V.
59. Derrick, Butler.
60. Devine, Samuel L.
61. Dickinson, William.
62. Dicks, Norman.
63. Dixon, Julian C.
64. Dornan, Robert.
65. Dougherty, Charles.
66. Downey, Thomas.
67. Duncan, John J.
68. Edgar, Robert W.
69. Edwards, Jack.
70. Emery, David.
71. English, Glenn.
72. Ertel, Allen.
73. Evans, Billy Lee.
74. Evans, Thomas B.
75. Fazio, Vic.
76. Ferraro, Geraldine.
77. Fish, Hamilton.
78. Flippo, Ronnie.
79. Flood, Dan.
80. Florio, James.
81. Foley, Thomas.
82. Ford, William.
83. Forsythe, Edwin.
84. Fountain, L. H.
85. Fowler, Wyche.
86. Frenzel, Bill.
87. Fuqua, Don.
88. Garcia, Robert.
89. Gaydos, Joseph.
90. Gephardt, Robert.
91. Gibbons, Sam.
92. Gilman, Benjamin.
93. Gingrich, Newton.
94. Ginn, Bo.
95. Glickman, Dan.
96. Goodling, William.
97. Gradison, Willis.
98. Gramm, Phil.
99. Grassley, Charles.
100. Gray, William.
101. Grisham, Wayne.
102. Gudger, Lamar.
103. Guyer, Tennyson.
104. Hagedorn, Tom.
105. Hamilton, Lee.
106. Hance, Kent.
107. Hanley, James.
108. Harkin, Tom.
109. Hawkins, Augustus.
110. Hefner, W. G.
111. Hightower, Jack.
112. Hillis, Elwood.
113. Hinson, Jon.
114. Holland, Ken.
115. Hollenbeck, Harold C.
116. Holt, Marjorie S.
117. Hopkins, Larry.
118. Horton, Frank.
119. Howard, James.
120. Hubbard, Carroll.
121. Huckaby, Jerry.
122. Hutto, Earl.
123. Hyde, Henry J.
124. Ichord, Richard.
125. Ireland, Andy.
126. Jeffries, James E.
127. Jenkins, Ed.
128. Jenrette, John.
129. Johnson, Harold.
130. Jones, Ed.
131. Jones, Walter.
132. Kazen, Abraham.
133. Kelly, Richard.
134. Kemp, Jack.
135. Kildee, Dale.
136. Kindness, Thomas.
137. Kramer, Ken.
138. LaFalce, John J.
139. Latta, Delbert.
140. Leach, Claude.
141. Leath, Marvin.
142. Lederer, Raymond.
143. Lee, Gary.
144. Lehman, William.
145. Leland, George.
146. Lent, Norman.
147. Levitas, Elliott.
148. Loeffler, Thomas.
149. Long, Gillis.
150. Lott, Trent.
151. Lowry, Michael.
152. Lujan, Manuel.
153. Lundine, Stanley.
154. Lungren, Dan.
155. McCloskey, Paul.
156. McCormack, Mike.
157. McDonald, Larry.
158. McEwen, Robert.
159. McHugh, Matthew.
160. McKay, Gunn.
161. McKinney, Stewart.
162. Madigan, Edward.
163. Marks, Marc.
164. Marlenee, Ron.
165. Marriott, Dan.
166. Martin, James.
167. Mathis, Dawson.
168. Mattox, Jim.
169. Mavroules, Nicholas.
170. Mazzoli, Romano.
171. Miller, Clarence.
172. Mitchell, Donald.
173. Moakley, Joe.
174. Montgomery, G. V.
175. Moore, W. Hensen.
176. Murphy, Austin.
177. Murphy, John.
178. Murphy, Morgan.
179. Murtha, John.
180. Myers, John.
181. Myers, Michael.
182. Nedzi, Lucien.
183. Nolan, Richard.
184. Nowak, Henry.
185. O'Brien, George.
186. Ottinger, Richard.
187. Patten, Ed.
188. Paul, Ron.
189. Pepper, Claude.
190. Perkins, Carl.
191. Peyser, Peter.
192. Pickle, J. J.
193. Price, Melvin.
194. Pursell, Carl.
195. Quillen, James.
196. Rahall, Nick.
197. Richmond, Frederick.
198. Rinaldo, Matthew.
199. Roberts, Ray.
200. Robinson, J. Kenneth.
201. Roe, Robert.
202. Rose, Charles.
203. Rudd, Eldon.

204. Sawyer, Harold.
205. Sebelius, Keith.
206. Sensenbrenner, F.
207. Sharp, Philip R.
208. Shumway, Norman.
209. Shuster, Bud.
210. Slack, John.
211. Solomon, Gerald.
212. Spellman, Gladys.
213. Spence, Floyd.
214. Stangeland, Arlan.
215. Steed, Tom.
216. Stenholm, Charles.
217. Stockman, Louis.
218. Stratton, Sam.
219. Stump, Bob.
220. Symms, Steven.
221. Synar, Michael.
222. Tauke, Thomas.
223. Taylor, Gene.
224. Traxler, Bob.
225. Treen, David.
226. Trible, Paul.
227. Van Deerlin, Lionel.
228. Vento, Bruce.
229. Volkmer, Harold.
230. Walker, Robert.
231. Watkins, Wes.
232. Weaver, James.
233. White, Richard.
234. Whitehurst, G.
235. Whitley, Charles.
236. Whittaker, Robert.
237. Whitten, Jamie.
238. Williams, Lyle.
239. Wilson, Bob.
240. Wilson, Charles.
241. Wilson, Charles H.
242. Winn, Larry.
243. Wolff, Lester.
244. Wright, Jim.
245. Wyatt, Joe.
246. Wylie, Chalmers.
247. Yatron, Gus.
248. Young, Don.
249. Young, Robert.
250. Zeferetti, Leo.
251. Panetta, Leon.
252. Ritter, Donald.
253. Rostenkowski, Dan.
254. Fascell, Dante.
255. Rousselot, John.
256. Boner, William.
257. Snyder, Gene.
258. Hammerschmidt, John.
259. Coleman, Tom.

EXPLANATION OF THE SOFT DRINK INTERBRAND COMPETITION BILL

The purpose of the bill is to remedy fundamental defects in the conduct of the proceedings of the Federal Trade Commission in the recent Coca-Cola and PepsiCo cases where the Commission ignored the extensive evidence in the record of the intense interbrand competition among rival soft drink products and the significance of the territorial arrangements used in the industry in promoting such competition.

Thus, Section 2 of the bill provides that exclusive territorial licenses to manufacture, distribute, and sell trademarked soft drink products not be held unlawful under any antitrust law if the soft drink products subject to such arrangements are in "substantial and effective competition" with rival products. The words "substantial and effective" are intended to be flexible, but it is the intent of the legislation that if vigorous interbrand competition is found to exist, the fact that competition among manufacturers of the same soft drink product (i.e., intrabrand competition) has been foreclosed will not preclude the application of the bill. Some of the factors to be taken into account in determining whether or not substantial and effective competition exists include: the number of brands, types and flavors of competing products available in a licensee's territory; the number and strength of sellers of competing products; the degree of service competition among vendors; evidence of the intensity of price competition; ease of entry into the market; the persistence of inefficiency and waste; the failure of output levels to respond to consumer demands; and failure to introduce more efficient methods and processes. The soft drink industry is prepared to have its practices tested under such a standard.

Section 3 of the bill is intended to eliminate the possibility of treble damage actions as a result of the inclusion of territorial provisions in a soft drink licensing agreement prior to any final determination that such provisions are unlawful. Territorial provisions have been utilized in the soft drink industry for more than 75 years on the clear understanding that they were legally permissible. Such arrangements were held lawful by federal courts as early as 1920 and as recently as 1976. Moreover, the legality of such arrangements was not challenged by the federal government until 1971, after the industry practice had been openly engaged in for decades. Thus, persons utilizing such arrangements before a ruling that they are unlawful should not be subject to treble damage exposure. If, however, particular territorial arrangements are found to be unlawful because of the absence of substantial and effective competition, Section 3 would not bar treble damage suits in the event such arrangements are continued after a final determination of their illegality.

Section 4 of the bill defines the term "antitrust law" as used in the bill. It includes the Sherman Act, the Federal Trade Commission Act, the Clayton Act, and all amendments to such acts, together with any other acts which have historically been considered to be antitrust laws.●

SPEEDY TRIAL ACT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, it has been 5 years since the Congress acted to safeguard the speedy trial rights of criminal defendants.

Under the terms of the Speedy Trial Act of 1974, precise time limits are prescribed within which the various stages of a Federal prosecution must occur. But those statutory limitations have been phased in slowly, progressively, over a 4-year period as part of a scheme designed to allow sufficient time for the Federal criminal justice machinery to reasonably adjust.

The final time limits under the act are now set to become effective—on July 1, 1979. And while it is imperative that we not waver in our commitment to the goals of the 1974 act, we need to assess the immediate impact on the total system.

Beginning on July 1, this will be the law: All Federal prosecutions will be dismissed if they do not meet these narrow limits—30 days from arrest to the filing of a charge with the court; 10 days from filing to arraignment and 60 days from arraignment to trial. In all cases where the limits are exceeded the dismissal sanction is mandatory.

The Administrative Office of the Courts and the Department of Justice have been examining what this might mean in the processing of criminal cases. Their data indicate that a significant number of dismissals can be expected when the July 1 deadline takes effect. Specifically, dismissals could occur in as many as 17 percent of criminal cases filed; in 1978, that would have represented 5,174 prosecutions.

We are hopeful that the recent authorization of more than 100 new district court judgeships might reduce this estimate of necessary dismissals. And we can look also to an increase in prosecutors and an increase in prosecutorial productivity. But notwithstanding those factors, we need to look very closely at just how damaging to the workings of the Federal criminal justice system an adherence to the present statutory structure might be.

In order to facilitate that inquiry, and to assure that the Judiciary Committee will have a chance to address this real problem, I am today introducing a bill sent to the Congress by the Attorney General. The bill is drafted to amend the 1974 act to redress the potential problems in a manner consistent with our intent to safeguard the speedy trial rights of criminal defendants. The bill amends the act's final time limits to require that a defendant be charged within 60 days of arrest, and that trial begin within 120 days of the filing of the charge. (This latter internal includes within it the period from the filing of the charge to the arraignment.) The penalty of dismissal will continue to be applicable, as under the current law, to cases that exceed these time limits. Based on the data reported by the Administrative Office and the Department of Justice, an estimated 97 percent of all criminal defendants would be charged within 60 days of arrest and tried within 120 days of filing of the charge.

We will take a close look at these amendments and we will do so in order to meet the July 1 deadline if necessary. Above all, we will take every measure necessary to safeguard the complete rights of every Federal criminal defendant. In the end, I am sure we will have a strengthened act:

SECTION-BY-SECTION ANALYSIS OF THE SPEEDY TRIAL ACT AMENDMENTS OF 1979

The bill amends provisions of Title I of the Speedy Trial Act of 1974, 18 U.S.C. 3161 et seq.

Section 2 of the bill amends 18 U.S.C. 3161 (b) to enlarge the time allowed for the filing of an indictment or information following the arrest of a defendant, or the service upon him of a summons based upon a complaint, from thirty to sixty days. A conforming change is made in the second sentence of the section, dealing with felony charges in a district where no grand jury has been in session during the period.

Section 3 will merge the ten-day interval now provided by 18 U.S.C. 3161(c) for arraignment after filing of an indictment or information with the sixty-day arraignment-to-trial interval, and enlarge the consolidated interval to 120 days. The section also provides that trial before a magistrate under a complaint must be commenced within 120 days of the filing of the defendant's consent to be tried by a magistrate. Finally, the section provides that trial cannot be scheduled sooner than thirty days after the filing of an information or indictment, without the consent of the defendant.

Section 4 of the bill amends 18 U.S.C. 3161 (e) to apply to trial upon indictments ordered reinstated by an appellate court the time limits currently provided for retrial necessitated by appellate proceedings. The amendment provides that the excludable delay provisions of 18 U.S.C. 3161(h) and the sanctions of 18 U.S.C. 3162 are applicable to the time limits governing trial upon a reinstated indictment.

Section 5 amends the excludable delay provisions of 18 U.S.C. 3161(h). Amendments of 18 U.S.C. 3161(h)(1) (A) and (B) modify the current provisions to allow exclusion of delay resulting from examinations and hearings on the defendant's mental competency or physical incapacity; and from election, examination, and determination of the defendant's eligibility for treatment under the Narcotic Addiction Rehabilitation Act, 28 U.S.C. 2902. The section also adds a provision to exclude delay attendant to preparation and hearing of pretrial motions.

Section 6 of the bill amends 18 U.S.C. 3164 to carry forward the provision otherwise due to expire with the interim time limits on July 1, 1979, which requires trial within ninety days from the beginning of continuous pretrial detention of a person or the designation of a person as being of high risk. The amendment also provides that the excludable delay provisions of 18 U.S.C. 3161(h) are applicable to this expedited trial limit. *See, e.g., United States* v. *Corley*, 548 F.2d 1043, 1044 (D.C. Cir. 1976) (per curiam); *United States* v. *Mejias*, 417 F. Supp. 579, 581–83 (S.D.N.Y.), *aff'd on other grounds, sub nom. United States* v. *Martinez*, 583 F.2d 921 (2d Cir. 1976); Note, *The Interim Provisions of the Speedy Trial Act, An Invitation to Flee?*, 46 Fordham L. Rev. 528, 530–34 (1977).

Section 7 of the bill amends the analysis at the beginning of Chapter 208 of Title 18 to conform with the amendments contained in section 6 of the bill.

Section 8 amends 18 U.S.C. 3174 to authorize the chief judge of a district, upon stated conditions of a judicial emergency, to order the time limits of the Act suspended for no more than thirty days. An application to the judicial council of the circuit, under 18 U.S.C. 3174(a), must be filed within ten days of such an order.●

THE RURAL HOUSING ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

● Mr. LUNDINE. Mr. Speaker, more than a century ago, a young American journalist observed from his wanderings that—

> Though the birds of the air have their nests, the foxes have their holes, the savages their wigwams, in modern civilized society not more than half the families own their own shelters.

Surveying the New England farmers around him, this singular Yankee writer remarked—

> If it is asserted that civilization is a real advance in the condition of man, it must be shown that it has produced better dwellings without making them more costly [And yet], an average house in this neighborhood costs perhaps eight hundred dollars and to lay up this sum will take from 10 to 15 years of a laborer's life.

Determined to prove such modern deprivation unnecessary, Henry David Thoreau one day—

> Borrowed an axe and went down to the woods by Walden Pond, nearest to where I intended to build my house and began to cut down some tall arrowy white pines for timber.

Civilization has, indeed, advanced in the dozen decades since that audacious experiment in the woods of Concord, Mass., but not precisely along the lines Thoreau thought essential. Today roughly two-thirds of all Americans own their own shelter; in rural areas, in fact, the percentage approaches three-quarters. Today we measure substandard rural housing by insufficient plumbing and overcrowding, whereas in 1854 Thoreau could record that—

> I see in my daily walks human beings living in sties and all winter with an open door, for the sake of light, without any visible, or imaginable wood pile.

And yet, the prospect Thoreau raised, of fully providing decent housing at affordable prices, remains an elusive goal, especially in rural areas. Most important, Thoreau's answer to our material needs—a thrifty cabin on public land, planned, provisioned and constructed by oneself—is today even more improbable as a common solution to our rural housing problems.

There is no doubt of the seriousness of those problems. As two modern observers noted not long ago:

> When most people think about poor housing in the United States, they generally think about the slums and deteriorating neighborhoods in Chicago, New York and Los Angeles . . . Seldom do they realize that . . . the housing problem in rural America is much worse.

More than 2 million substandard dwellings are located in rural America. This means that over half of America's substandard housing is located in areas containing only a third of our population—in other words, 12 percent of all rural households live in inadequate shelter. Compounding this enormous problem is the fact that 75 percent of this substandard housing is inhabited by families whose annual incomes fall below $6,000. In the face of these discouraging statistics it is especially hard to accept President Carter's recently proposed budget for fiscal year 1980 which makes rural housing and development programs an especial target of the new fiscal restraint.

It is in the hope of checking that trend and of extending the present Federal efforts toward improving rural housing, that I join my colleague from Oregon (Mr. AUCOIN) in introducing today the Rural Housing Act of 1979. This legislation makes several necessary changes in current Farmers Home Administration programs to insure that the needs of America's rural poor are best served. It further extends the authorization for crucial loan and grant programs for fiscal year 1980. In addition to routine reauthorization of the low-interest loans for homeownership and rental housing (sections 502 and 515, respectively), this bill provides for the following:

Funding for the home repair loans and grants for very low-income households is increased beyond last year's level and slightly above the administration's recommendation.

Farmworker housing loans are authorized at the current level for fiscal year 1980 and farmworker grants are increased to a comparable level. The administration has recommended cuts in both the farmworker programs. When we remember, however, that these programs combined have produced fewer than 20,000 units in the past 15 years (measured against an estimated need of more than 100,000 units) it seems clear that our current level of effort should not be reduced.

An important rural housing research program which has been authorized in previous years but never funded is again extended in the hope that this year appropriation may be approved. This research would be directed specifically toward the needs of the handicapped, elderly, farmworkers, and Indians; the impact of the rural growth patterns; the provision of economically and environmentally sound rural community facilities; and could have far-reaching benefits for rural America.

Finally, the funding authorizations for three technical assistance programs is increased, in recognition of the serious need for counseling and planning to insure that assisted housing is available to those groups who most need it and to insure that such expenditures are committed to sound projects.

In addition to authorizations, the Rural Housing Act of 1979 contains several technical amendments designed to correct programmatic difficulties which have recently arisen or to enhance the scope of the program. Among these is a provision which would allow Farmers Home Administration to refinance private mortgages on homes which have been owned for less than 5 years. Also included is a provision which would facilitate rental assistance for up to 100 percent of a project's units, with special consideration for the yet unmet needs of American farmworkers. While I still believe that most projects should strive for an economic mix in tenants, it is simply a fact that in some instances this requirement acts as an impediment to the development of rental housing for groups which most need it.

Another section of the bill strengthens language in existing loan programs to guard against loss of low- and moderate-income rental housing which has occurred with the prepayment of mortgages and subsequent conversion of units. Finally, a new program for emergency water and waste loans is added under which the Secretary may advance or grant funds to individuals in rural areas to assure sanitary waste systems and potable running water in all occupied dwellings.●

HOW DISCRIMINATION IN INSURANCE, ON THE BASIS OF RACE, COLOR, RELIGION, SEX, OR NATIONAL ORIGIN, WILL BE ENDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, at the beginning of this Congress, I introduced a bill (H.R. 100) to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin. About 50 Members of this House have already notified me that they desire to cosponsor this bill. I appreciate their support and I know they will work vigorously to get it enacted.

I sense a strong national trend toward ending the long-continued and grevious practice by insurers of discriminating against insured persons, or their beneficiaries, or against applicants for insurance, on the basis of race, color, religion, sex, or national origin. More and more people are protesting against the injustices which flow from such arbitrary practices. I am receiving assurances of support for my bill H.R. 100 from many organizations and individuals, from all walks of life. I am pleased, also, that this bill has been endorsed as a matter of "high" priority by the respected Leadership Conference on Civil Rights, which represents about 150 participating organizations committed to further equal justice under law in our country.

This national struggle against discrimination in insurance has already resulted in several recent court decisions which have begun to chip away at the legal foundations underlying such discrimination. Two recent cases involved annuities. In April of last year, the U.S. Supreme Court ruled that the statutory prohibition against sex discrimination in employment (expressed in title VII of the Federal Civil Rights Act of 1964):

> Precludes treatment of individuals as simply components of a racial, religious, sexual, or national class. . . . Even a true generalization about the class is an insufficient reason for [treating differently] an individual to whom the generalization does not apply because there is no assurance that any individual woman [or man] . . . will actually fit the generalization. . . .

Therefore, the Supreme Court said, it was an unlawful sex discrimination to charge women employees higher rates than men employes for annuities with equal monthly payments when they retire. *Los Angeles Dept. of Water and Power* v. *Manhart*, 435 U.S. 702, 98 Sup. Ct. 1370, 55 L. Ed. 657. Just 4 months ago, the U.S. Court of Appeals, First Circuit, ruled that the same reasoning prohibits lesser monthly annuity payments to women than to men who had contributed equal amounts to the pension fund administered by the insurance company (TIAA-CREF). *Equal Employment Opportunity Commission* v. *Colby College and TIAA-CREF* (No. 78-1010, Dec. 18, 1978).

At least two Federal district courts have ruled that the Civil Rights Act of 1871 (42 United States Code 1983, 1985 (c)) may be relied on in a suit against the State insurance commission which approved sex discriminatory premium rates and periodic annuity payments, and a suit against the insurance company. *Stern* v. *Massachusetts Indemnity and Life Insurance Co.*, 365 F. Supp. 433 (E.D. Penn. 1973); *Reichardt* v. *Payne*, 396 F. Supp. 1010 (N.D. Calif. 1975). Another Federal district court has ruled that using sex-differentiated life expectancy tables to calculate annuity benefits financed by equal employee contributions violates title VII of the Civil Rights Act of 1964. *Henderson* v. *State of Oregon*, 405 F. Supp. 1271 (D. Ore. 1975). That ruling was affirmed by the Court of Appeals, Ninth Circuit, approving a consent decree directing that the defendant State must begin using annuity tables providing for equal monthly retirement allowances for men and women retiring after July 1, 1978.

One State supreme court (Indiana) has ruled that the State agency which administered the teachers' retirement fund violated both the Federal and the State constitutional guarantees of equal protection when it used a male mortality table to calculate larger monthly annuity payments for male retirees, and the same table with a 5-year setback to calculate smaller monthly annuity payments for female retirees. *Reilly* v. *Robertson*, ——— Ind. ———, 360 N.E. 2d 171 (1977), cert. den. 434, U.S. 825.

These judicial decisions, which are beginning to crack the barriers of discrimination based on race, color, religion, sex, or national origin, are important and praiseworthy. But they cannot effectively treat the problem uniformly or comprehensively. That can be done only through legislation, such as my bill, and by changes in State laws and regulations to end such discrimination.

My bill will not prevent State law from doing the job. Indeed, my bill recognizes the primacy of State law by providing that any complaints that an insurer has committed an unlawful discriminatory act based on race, color, religion, sex, or national origin must first file the charge with the appropriate State agency, if the State has a law prohibiting such discriminatory act and an agency to administer and enforce that law. Only if the State has no such law or agency, or fails to resolve the complaint, will any Federal agency or court have any role in resolving the matter. But the presence of the Federal law will mean that a State agency can proceed to eliminate such kinds of discrimination without any fear that such action may result in insurance companies moving to another State which allows such discrimination. That is because the Federal law will make the principle of nondiscrimination uniform for insurers in all States.

I am pleased to note that a significant effort to end such discrimination is being made within the National Association of Insurance Commissioners, which consists of the heads of the State and territorial insurance commissions. The NAIC's Task Force on Rates and Rating Procedures, headed by Hon. Thomas C. Jones, the insurance commissioner of my own State of Michigan, issued a comprehensive report last November recommending enactment of legislation to end the use of sex and marital status as classification factors in auto insurance. That report was approved in December by NAIC's Executive Committee, which forwarded it to all insurance commissioners for consideration at NAIC's annual meeting this coming June in Chicago.

Here are the highlights of that report:

It pointed out that "recent studies of insurance classification practices" (such as the Stanford Research Institute study of May 1976 on risk classification in property and casualty insurance) have produced "serious questions" about the validity of sex and marital status as classification factors. The report stated that such factors are "insufficient to identify the degree of homogeniety or separation, that is, the absence of significant overlap among loss distributions for various classifications—present in the rating system," for the following reasons:

They fail the important test of controllability; that is, providing incentives for loss control or reduction—since sex and marital status classifications present almost no practical opportunities for control of auto accidents.

They have very little relationship to the test of causality; that is, the connection between the rating factor and the loss potential—since the implied behavioral relationships "rely largely on questionable social stereotypes."

Third, they substantially fail the test of social acceptability, as shown by the recent opinion survey conducted for Aetna Life and Casualty Insurance Co. (March 1978) which showed that "fewer than 14 percent of the people surveyed believed that sex or marital status were acceptable rating criteria."

Only in one test—that of "simplicity and consistency; that is, stability and ease of verification"—did sex and marital status "receive high marks as rating factors."

Therefore, the report of the NAIC task force said, it "concludes that as rating characteristics, sex and marital status are seriously lacking in justification and are subject to strong public opposition, and should therefore be prohibited as classification factors" in automobile insurance.

The report also noted that Massachusetts has already eliminated sex and marital status classifications into auto insurance, and appended the following table, based on the Massachusetts experience, to show the probable rate changes which would result from eliminating rate differentials based on sex and marital status:

ESTIMATED RATE CHANGES ASSOCIATED WITH THE ELIMINATION OF RATE DIFFERENTIALS BASED ON SEX AND MARITAL STATUS

MASSACHUSETTS EXPERIENCE

Previous rating system		*Current class system*	
Class*	Relativity	Class**	Relativity
SF, under 25	1.8	Inexperienced, no driver training	3.1
SF, under 25	1.8	Inexperienced, driver training	2.8
SMS, under 25	3.3	Experienced, non-business	1.3
SMS, under 25 (DT)	2.2	Experienced, business	1.4
SMP, under 25	3.6		
SMP, under 25 (DT)	3.1		
MM, under 25	2.0		

*Key: SF=Single Female
MM=Married Male
SMS=Single Male, Secondary Driver
SMP=Single Male, Primary Driver
DT=Driver Training Course Completed

**Inexperienced means driver licensed less than three full years.

The task force report also appended the following table to show the rate changes expected to occur in Michigan when sex and marital status are eliminated as rating factors:

ESTIMATED RATE CHANGES ASSOCIATED WITH THE ELIMINATION OF RATE DIFFERENTIALS BASED ON SEX AND MARITAL STATUS

ESTIMATED MICHIGAN EXPERIENCE

		Estimated rate relativity with:	
Existing class*	Current rate relativity	Two age classes [1]	Three-age classes [2]
SF, under 21	1.7	2.2	2.2
MM, under 21	1.7	2.2	2.2
SMS, under 21	2.3	2.2	2.2
SMP, under 21	3.5	2.2	2.2
SF, 21–24	1.4	1.1	1.8
MM, 21–24	1.4	1.1	1.8
SMS, 21–24	1.5	1.1	1.8
SMP, 21–24	2.5	1.1	1.8
SMP, 25–29	1.7	1.1	1.0
Adult	1.0	1.1	1.0

*Key: SF=Single Female
MM=Married Male
SMS=Single Male, Secondary Driver
SMP=Single Male, Primary Driver
DT=Driver Training Course Completed

[1] Two age classes means one class for drivers under age 21, a second class for drivers age 21 or over (base rate).

[2] Three age classes means one class for drivers under age 21, a second class for drivers age 21–24, and a third class for drivers age 25 or over (base rate).

These tables indicate that use of either the Massachusetts or Michigan new classification methods, without discrimination based on sex or marital status, will result in more decreases than increases in rates, and will, indeed, benefit those with more driving experience. Most important, it will lend the arbitrariness of sex and marital status discrimination and base the classification and rating systems on factors which are more casually related to the risks covered by the insurance. I congratulate the National Association of Insurance Commissioners for moving in the direction of greater equity and better insurance for all.●

PASSOVER CELEBRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, tomorrow night the Jewish celebration of the Passover will begin. This holiday is a celebration of the freedom of the Jewish people and their deliverance from slavery thousands of years ago.

During the traditional Seder, each participant in this Passover meal will taste of some bitter herbs as a reminder of the painful and bitter experience of slavery. Passover is a time to remember past servitude and to reflect on the precious and precarious nature of freedom. It is in this spirit of the Passover, therefore, that we remember human tragedies past and present. During this time, many of us are reminded of the appalling tragedy of the holocaust, an uncomfortably recent reminder that freedom and dignity are endangered even today.

Even while Passover is being celebrated around the world, in West Germany debate is beginning in the Bundestag on extending the statute of limitations governing Nazi war criminals, which is scheduled to expire at the end of this year. Unless the West German Parliament votes to extend or abolish the statute before it expires, these criminals will no longer be legally responsible for the atrocities they committed during the Second World War.

The international controversy over the statute of limitations is growing. Last month I returned from West Germany where I was able to discuss this issue with Chancellor Schmidt, and members of the Cabinet and the Bundestag. I went to West Germany as part of a delegation from the Simon Wiesenthal Center for Holocaust Studies at Yeshiva University in Los Angeles. As a member of the delegation, organized at the invitation of the West German Government, I encouraged West German officials to support efforts to abolish the statute of limitations governing Nazi war criminals. Unless the Bundestag abolishes this statute, living individuals who participated in the atrocities at Buchenwald, Auschwitz, Dachau, and a host of lesser-known death camps, will never be required to stand before the bar of justice to answer for their heinous crimes.

We must never allow ourselves to forget the unspeakable brutality committed in these camps, lest by forgetting we condemn ourselves to repeating our errors. By abolishing the statute of limitations, the West German Government would be sending out a signal, loud and clear, to former Nazis around the world that their crimes will not go unanswered. The message would be this: There can be no escape from justice due to the passage of time, lapse of human memory, or the weakening of determination to prosecute.

During this Passover season, persons everywhere should pause for a moment to taste the bitter herbs and remember the holocaust, and by remembering, renew their commitment to the value of human life and dignity.

My father, Senator Thomas Dodd, served as executive trial counsel at Nuremberg. In his closing argument, he called upon the judges sitting there to insure "that no crime will go unpunished, because it was committed in the name of the state; that no crime will be passed by, because it is too big; that no criminals will avoid punishment, because they are too many." To this, I can only add my hope that, in this case, justice will not be denied, because it is too late.

I would like to express my thanks to the following members of the Center for Holocaust Studies delegation to West Germany and to wish all observers of the Passover a happy and meaningful celebration:

Rabbi Marvin Hier—Delegation Spokesman; Dean, Simon Wiesenthal Center for Holocaust Studies; Member of President Carter's Advisory Committee on Holocaust Studies.

Congressman Robert Dornan—27th Congressional District, Los Angeles, CA.

Roland Arnall—Co-Chairman of the Board of Trustees at Yeshiva University of Los Angeles and the Simon Wiesenthal Center for Holocaust Studies; Chairman of the Board, REA Enterprises.

Newton Becker—Member of the Board of Trustees of the Jewish Welfare Federation of Greater Los Angeles; Founder and National

Director of the Becker C.P.A. Review Course, Ltd.

Frances Belzberg—President, Permanent Board of United Jewish Appeal.

Father Carl J. Benecke S.J.—Member of the Los Angeles Archdiocese; Assistant Director of Industrial Relations, Loyola Marymount College.

Ruth Bromberg—Chairwoman of Israel Bonds, San Fernando Valley, CA.

Rabbi Abraham Cooper—Project Coordinator for the International Statute of Limitations Effort; Director of Operation Outreach, Simon Wiesenthal Center for Holocaust Studies.

Herbert and Beverly Gelfand—Chairman of the Board and Chief Executive Officer of the Deanza Corp.

Harry Hans Lederer—Chairman of the Weizmann Institute Founders Group of Southern California; Prominent Los Angeles Businessman.

Deanie Levine—Chairwoman of Israel Drive, Los Angeles, CA.

Martin Rosen—Mayor of Lawrence, NY; United States Counsel for Simon Wiesenthal; President of the Jewish Documentation Center.

Bayard Rustin—President of the A. Phillip Randolph Institute; Chief Executive of the Committee on Leadership, Conference on Civil Rights; Special Assistant to Dr. Martin Luther King (1955–1960).

Alex Vari—Holocaust survivor and underground fighter.

Jo Ann Wacht—Social Action Committee Chairman, Simon Wiesenthal Center for Holocaust Studies.

Maurice Weiss—Member of the Board of Trustees at Yeshiva University and the Siman Weisenthal Center for Holocaust Studies; Chairman of the Board for Israel Bonds; President of Northern Produce.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Mikva) is recognized for 5 minutes.

● Mr. MIKVA. Mr. Speaker, yesterday I was unable to be present for four recorded votes which concerned H.R. 3324, International Development Cooperation Act.

Had I been present, I would have voted as follows:

Rollcall No. 83 on the Solarz amendment which struck language from the Bauman amendment (which would have permitted the President to appoint impartial observers to observe elections in southern Africa and would have earmarked that $20 million be made available to Rhodesia), "yes";

Rollcall No. 84 on the Rousselot amendment which reinstated language in the Bauman amendment similar to that struck by the Solarz amendment, "no";

Rollcall No. 85 on the Bauman amendment, as amended, "no"; and

Rollcall No. 86 on the Bauman amendment which would have stricken language establishing the Institute for Scientific and Technological Cooperation, "no."

In addition, Mr. Speaker, last Thursday I was unavoidably absent for a recorded vote, rollcall No. 80, on funding for the Select Committee on the Outer Continental Shelf. If I had been present, I would have voted "no."●

PUBLIC SERVICE SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. Cavanaugh) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, I am today proposing legislation which will establish a Public Service System to address several problems which I and others have perceived in our society.

The inadequacy, excessive cost, and the inherent unfairness of the All-Volunteer Force concept of military manpower procurement has become increasingly evident to the Congress and the American people. The All-Volunteer Force has failed to adequately meet our country's essential needs for military preparedness while imposing an unbearable and endlessly escalating cost on our people. However, the more serious and ultimately the fatal defect in the All-Volunteer Force is that time has proven the current system is not a "volunteer" system at all. The AVF has proven to be an unjust and inequitable system of economic and racial conscription. A system in which those who have the least in our society are offered the opportunity to be trained to risk all in exchange for the very thing which they have been denied by the society they are asked to defend, a job.

Can anyone honestly say that the 42,020 black Army accessions, 34.9 percent of a total of 120,351 in 1978 were voluntary when we know that last month 35.5 percent of all black Americans between the ages of 16 and 24 who said they wanted work could not find it? The truth is we have been using the All-Volunteer Force as a social safety valve to relieve our society from the consequences of our failure to provide true equality of economic and employment opportunity for this Nation's minorities. At the same time we have relieved all those members of our society who are enjoying its maximum benefits from any obligation to contribute to the protection, preservation, and improvement of the system. This is a grievous social wrong and must be stopped.

So long as our Nation and this Congress determine that it is essential to our preservation to maintain a large and ready military system, justice demands the obligation for meeting the manpower needs of that system must be shared as equitably as possible by all of the beneficiaries of our society.

Others have observed the injustice and inadequacy of the current military manpower system and have concluded that the remedy is to require a period of public service from every young American. Approximately 4.3 million young people turn 18 each year. Our current military requirements do not exceed 700,000 persons per year. The cost of such a total mandatory service program has been estimated by CBO at $24 billion. I believe these proposals to be unjustified by our Nation's needs and unacceptable in cost.

Our country does, in fact, have many needs beyond those of the military which are equally essential to our national interest.

The care and protection of our national resources, the health care and social needs of our poor and elderly, the redevelopment and revitalization of our urban areas are all areas of current commitment by our national government. These needs, as our military needs, are becoming increasingly difficult to meet at the current cost.

We do not need to find new ways to spend our national treasury; we need to find a better way to meet our currently identified needs and goals, both military and civilian.

We must, therefore, initiate a system of universal registration for public service for all young Americans between the ages of 18 and 26 years from which our country's manpower needs both military and civilian could be met.

Each agency of the Federal Government would be required to designate a specific number of positions as youth service positions which would then be filled by young Americans either voluntarily or through the monthly conscription. These young people would serve either in the military or civilian youth service positions at a subsistence level of pay. We could through this system offer substantial relief to the current fiscal burden of our Government while not retreating from our legitimate and necessary national needs and assuring that the obligation for the burden of meeting these needs is more equitably distributed in addition to providing the opportunity for a meaningful utilization of the energies and abilities of young Americans.

I encourage all my colleagues to examine my proposal. Below is a summary of the provisions of the Public Service Act of 1979:

Summary of the Provisions of the Public Service Act

1. The Selective Service System will be replaced by the Public Service System. The Director of the Public Service System will be appointed by the President. Each state shall have a state director, a state headquarters, and an appeals board. Each county will have a local placement center with members serving on a voluntary basis and appointed by the President based on recommendations made by the governors of the states.

2. Every young adult will be required to register with the local placement center between his or her seventeenth and eighteenth birthdays. At the time of registration, the individual will receive information explaining the military and civilian service options available.

3. The individual will have the following options:

(a) volunteer at any time between the ages of 18 and 26 for eighteen months of active duty military service;

(b) volunteer at any time between the ages of 18 and 26 for six months of active duty military service followed by a 3 year active reserve commitment;

(c) volunteer at any time between the ages of 18 and 26 for a two year period of service in an approved civilian service position;

(d) elect any six-month period between his or her eighteenth and twenty-sixth birthdays during which to expose himself or herself to a random selection process for induction into:

(i) the active duty armed forces for a period of eighteen months, or

(ii) the active duty armed forces for a period of six months followed by a three year period of service with the active reserve,

(iii) the civilian branch of the Public Service System for a period of two years.

4. Individuals who do not volunteer for public service and who choose to submit to the lottery will be allowed to indicate their preference for military, military reserve, or civilian service. Each month the Director will determine the manpower needs of the three divisions of the Public Service System, and will select that number of registrants required, assigning them to the division for which they have indicated a preference and for which they are qualified. If the division that the registrant has selected has been filled for that month, he or she will be assigned to another division. Those individuals meeting the established standards for conscientious objection to military service will be assigned to the civilian division. If an individual has remained in the lottery pool for the six-month period and has not been selected for service, his or her obligation will cease, except in the event of a national emergency.

5. The current system of veterans' benefits will be made available only to those volunteering or selected for military active duty for a period of eighteen months or more. Military pay rates will not be affected by this Act. Those volunteering or selected for civilian service will receive a subsistence wage during their period of service.

6. Every federal agency will be required to designate a minimum of 5% of its employment positions to be filled by Public Service registrants. The Congress will annually earmark certain funds in the budget for each agency for these civilian service positions. Included in the Act is a four-year phase-in period, designed to provide for gradual placement of individuals into those positions created by attrition and promotion within the agences. The Act establishes a Civilian Placement Bureau which will process the monthly personnel requests of the federal agencies and assign those selected for civilian service to the positions for which they are best suited and for which the individual has indicated a preference.

7. Those persons who are found to be mentally or physically unfit for service will be exempt from participating under this Act, as will those individuals who meet strict standards of conscientious objecton to the entire program. Those who are temporarily unfit, pregnant women and mothers caring for children, and those with family hardships will be deferred for so long as is necessary.

8. Individuals who knowingly fail to register will be liable for misdemeanor penalties not to exceed six months in jail and/or $500. Those who fail to complete service after being selected in the service lottery will be denied any future federal employment, any loan or loan guarantee, grant or scholarship for educational purposes, any federal home mortgage loan or loan guarantee, and any loan or loan guarantee under the Small Business Act.●

THE BALANCED BUDGET ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ALBOSTA) is recognized for 5 minutes.

● Mr. ALBOSTA. Mr. Speaker, I want to share with my distinguished colleagues in the House of Representatives the following editorial which recently appeared in the Midland Daily News, Midland, Mich.

The Midland Daily News located in my congressional district published this editorial on April 6, 1979. It was written by John Palen, the outstanding editor of the Daily News, and discusses clearly and succinctly the balanced budget issue. In view of our recent debate on increasing the temporary debt ceiling for the U.S. Government, I feel this editorial is most timely and informative.

The editorial follows:

BALANCED BUDGET COST SHOULD BE ADMITTED

Congress ought to balance a budget.

Not the budget, not the 1980 fiscal year spending blueprint, but a hypothetical budget that would show all the effects—good and bad—if Congress were to balance the budget.

The process would serve more than just as an academic exercise, it might cool some of the budget-balancing fever that has overcome so many politicians and economists lately.

Congress or the Office of Management and Budget or somebody else should put the numbers in a computer, tell the thing to balance everything out and see what happens.

What would happen?

First, states and cities would see billions of dollars of federal aid missing.

Those looking for federal dollars for environmental protection, for safety and consumer law enforcement, for education grants and for school breakfasts and lunches might not find the funds.

Welfare recipients and federal pensioners might see their cost-of-living increases rise only a fraction of what is needed.

The elderly and the poor might find less money available for improving federally insured medical benefits.

Military strategists might discover fewer dollars to buy missiles and tanks and jet fighters.

The computer also might report that fewer people would have jobs.

But the bottom line would be black. Whether inflation, in view of the rising cost of imported oil, would be under much better control than it is now is doubtful.

Budget adjustment at the federal level is a tool, a valuable economic tool, that combined with other measures can influence the economic conditions under which we live.

Arthur Burns, former chairman of the Federal Reserve Board and a noted economist, recognizes that fundamental economic truth. Yet he has become the latest to jump on the bandwagon of those calling for legislation or a constitutional amendment requiring a balanced budget.

"A balanced budget is not a panacea and it would be naive to so regard it," Burns told a congressional committee.

But, he added, an amendment requiring a balanced budget would be a powerful constraint on government spending.

Most definitely. A powerful constraint on spending to help cities and states and the elderly and poor and the environment and school children.

What if there were such a constitutional restriction and the nation could not afford the $4 or $5 billion required for the Egyptian-Israeli peace? Would we let the peace treaty go?

Those who seek such spending curbs should be aware of and acknowledge the consequences.●

ENERGY PROFITS FOR ENERGY PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, when the President announced that he will decontrol the domestic price of oil, he stated that this action will be taken for two basic reasons: to promote energy conservation through increased prices; and to stimulate domestic oil production by increasing the amount of investment capitol available to the energy industry. The big question, of course, is what guarantee do we have that the energy companies will reinvest in energy the excess revenues that will result from decontrol?

We are all familiar with the celebrated acquisitions by energy companies of department stores and the like at a time when profits from oil production were never better. The President said he will monitor the industry to assure us that it is reinvesting these profits in energy production. However, this is not assurance enough. The American people already are skeptical that the energy industry needs more profit. Stronger action is needed to make certain that the oil companies do what is in the best interests of the Nation, and not just the oil companies.

Therefore, Mr. Speaker, I am today introducing a bill to discourage energy companies from investing in nonenergy related trades or businesses by placing an excise tax of 100 percent on such investments. The tax would be relatively simple to administer and, in fact, could be compared to a simple consumer sales tax. It would apply to investments made by energy corporations in any venture that the energy company could not prove was related to energy production. For the purpose of this bill, an energy corporation is defined as one in which 50 percent of its gross receipts for the immediately preceding calendar quarter were derived from energy trades or businesses.

Mr. Speaker, I am also taking the opportunity in this bill to further promote—although indirectly—investment in domestic energy production by repealing the foreign investment tax credit for oil and gas extraction. Oil companies would, of course, be allowed to deduct foreign taxes from taxable income, but they no longer would be able to take credit for what are, short and simple, royalties to the producing nation. The foreign tax credit on oil should not be considered anything less than a subsidy to OPEC—and the oil companies—from the American consumer, with the oil companies acting as an intermediary. As you know, royalties are deductible from earned income, but foreign taxes can be deducted almost dollar for dollar from the American companies taxes.

Let us face it, the oil companies and the producing nations have a pretty cozy relationship and what is a few words among friends. So by calling their share of the profits a tax, the producing nations save the oil companies a bundle. This, of course, reinforces the charging of exorbitant taxes by the producing nations.

Mr. Speaker, the great price hikes of 1979 and the President's decision to deregulate the price of oil demand that we rectify this situation. This really will not have much of an impact on the major oil companies, the top 20 of which netted a profit of over $13 billion last year, but it could net the Federal Government about $1 billion in additional taxes next year.

Both of these actions are long overdue, but recent events make their passage all the more pressing. I would urge my colleagues to support this bill.●

FINANCIAL DISCLOSURE STATEMENTS

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, the Ethics in Government Act requires Members, officers, and employees of the House of Representatives to file a financial disclosure statement with the Clerk of the House by May 15. The staff of the Committee on Standards of Official Conduct, which is responsible for interpreting and administering the disclosure law, has prepared an explanation of the reporting requirements and instructions for completing the disclosure forms. For the information of my colleagues, I insert these instructions into the Record at this point.

The material referred to follows:

Instructions for Completing Financial Disclosure Statement Under Ethics in Government Act

INTRODUCTION

Title I of the Ethics in Government Act of 1978 (P.L. 95–521) requires Members and officers of the House, candidates, and certain congressional employees to file an annual public financial disclosure statement with the Clerk of the House. The first disclosure statement under the statute must be filed by May 15, 1979 and will relate to calendar year 1978. House Rule XLIV, Financial Disclosure, as amended on January 15, 1979, provides that title I of the Ethics in Government Act shall be deemed to be a Rule of the House as it pertains to Members, officers, and employees of the House of Representatives.

COVERAGE

The Act requires Members and officers of the House and each employee compensated at a rate equal to or above the GS–16 salary level (currently $44,756) to file a disclosure statement. In addition, if no employee in a Member's office is compensated at a GS–16 salary level, the Member is required to designate at least one principal assistant to file a disclosure statement. Any Member would have the option to designate additional employees on his personal staff or committee staff to file a disclosure statement as if required by the Act. The names of any designated employees should be submitted to the Clerk of the House well in advance of the May 15 filing deadline.

The coverage of employees under the Act applies to those who performed the duties of their position in excess of sixty days in the calendar year preceding the year of filing. Thus, any employees designated prior to the May 15 filing date who were employed in the Legislative Branch in excess of sixty days in calendar year 1978 should file a disclosure statement on or before May 15, 1979.

New employees covered under the Act are required to file an abbreviated disclosure statement within thirty days after assuming their position. That statement need not include information respecting gifts and reimbursements received by the reporting individual, or any transactions in real property or securities.

CONTENTS OF REPORTS

Following is an explanation of the information required to be disclosed, (see below for information on spouse and dependent disclosure requirements): Income—(*A*) *The source, type, and amount of income aggregating $100 or more in value received from any source during the preceding calendar year.* In reporting honoraria, the individual must also list the date the honorarium was received. The amount of the honorarium should be the net figure, any travel expenses received in connection with the honorarium should be disclosed as a reimbursement. Current salary from the United States Government is specifically exempted from disclosure. However, pensions, annuities, veterans benefits, and other government income must be listed. (*B*) *The source, type, and category of value of income from dividends, interest, rent, and capital gains received from any source during the preceding calendar year which exceeds $100 in value.* Any such income over $100 from one source must be disclosed. The categories of value are: I—$1,000 or less; II—$1,001 to $2,500; III—$2,501 to $5,000; IV—$5,001 to $15,000; V—$15,001 to $50,000; VI—$50,001 to $100,000; VII—over $100,000.

The reporting individual should identify any income as salary, commissions, fees, honoraria, pensions, dividends, rent, etc. In reportinig income from any business entity, the gross amount should be listed, but the individual may also include the net income derived from business. The term "income" is intended to be all inclusive, as defined in the Act. All income from whatever source derived must be disclosed if it exceeds $100 from one source.

GIFTS

(*A*) *The identity of the source and a brief description of gifts of transportation, lodging, food, or entertainment aggregating $250 or more in value received from one source during the preceding calendar year.* (*B*) *The identity of the source, a brief description, and value of all other gifts aggregating $100 or more in value received from any source during the preceding calendar year.* Exempted from this category are gifts from relatives and gifts of personal hospitality of an individual; and gifts with a value of $35 or less need not be aggregated towards the $100 or $250 disclosure threshold. The term "gift" is defined in the Act and certain categories of gifts are specifically exempted from disclosure. The personal hospitality exemption is essentially limited to food, lodging, or entertainment extended for a non-business purpose by an individual, not a corporation or organization, at the personal residence or on other property owned by that individual or his family.

In disclosing tangible gifts, it is not necessary that exact dollar figures be reported in every case. If the exact value of a gift is not reasonably ascertainable, a good-faith estimate and a brief description of the gift is sufficient for disclosure purposes. In disclosing gifts of entertainment or travel-related expenses, the individual should include a brief description of the itinerary and the nature of the expenses provided.

REIMBURSEMENTS

The identity of the source and a brief description of reimbursements aggregating $250 or more in value received from any source during the preceding calendar year. This category would include items such as travel expenses provided to a Member in connection with a speaking engagement, whether the expenses were reimbursed to the Member or paid directly by the sponsoring organization. Exempted are travel-related expenses provided by federal, state, and local governments, or by a foreign government within a foreign country, and campaign reimbursements reported to the Federal Election Commission. As with disclosure of gifts of travel, food, and lodging, only a brief description of the itinerary and the nature of the expenses is required, rather than an itemized accounting of the expenses provided to the reporting individual.

PROPERTY HOLDINGS

The identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which exceeds $1,000 as of the close of the preceding calendar year. Excluded from this category are any personal liabilities owed to the reporting individual by a relative, and any deposits aggregating $5,000 or less in personal saving accounts. A personal savings account includes any certificate of deposit or any other form of deposit in a bank, savings and loan association, credit union, or similar financial institution.

Property held at any time during the calendar year must be listed; however, the value of the property should reflect the fair market value as of the end of the calendar year. It should not be necessary to obtain an appraisal to determine the fair market value since property holdings are disclosed only within certain broad categories of value. However, in those instances where it is difficult to make even a good-faith estimate of the category of value of an asset, the individual may use any generally recognized indication of value provided that the method of valuation is indicated on the disclosure form. Where the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, the individual may list the amount of the original purchase price, and indicate the date of purchase, instead of specifying the current category of value. In the case of other property holdings, the individual may list, for example, the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, or the equity value of an individually owned business.

This provision does not cover property in the nature of household goods, furniture, clothing, or other personal property which is not principally held for investment or the production of income. Thus, a painting in a home would not have to be listed even though the painting when sold might produce substantial income.

However, if a reporting individual is in the business of buying and selling paintings for profit, that individual would have to list that he held a certain number of paintings with the category of value of that being indicated. This provision does not require the listing of a life insurance policy even if the policy has a cash value since the policy is held for the principal purpose of life insurance protection and not the production of income. A typical loan made by the reporting individual to another person must be listed since such an arrangement involves personal property held for the production of income. However, specifically excluded from disclosure is any liability owed to the reporting individual by a relative.

In reporting under this category, a person could have one listing for "farm equipment" and it would not be necessary to list each tractor or combine separately. However, it would not be acceptable simply to list "stocks"—the name of each company in which stock worth over $1,000 is held must be listed separately. Similarly, it is not acceptable to simply list "John Jones Trust"—the identity of each investment holding in the trust, if known, must be listed separately. In listing real property holdings, the reporting individual should include a brief description of the property (such as number of acres and indication of any improvements), and its location (town or city, county, and state).

This provision treats real property the same as personal property. Thus, only real property held in a trade or business or for investment or the production of income must be reported. Accordingly, a personal residence would not be subject to disclosure under this provision. Likewise, a summer home or other property which is held and maintained purely for recreational or vacation purposes need not be reported. A summer home which is rented, however, is held for the production of income and must be disclosed.

LIABILITIES

The identity and category of value of the total liabilities owed to any creditor other than a relative which exceeds $10,000 at any time during the preceding calendar year, excluding (A) any mortgage secured by a personal residence of the reporting individual or his spouse; and (B) any loan secured by a personal motor vehicle or household furniture or appliances. This provision requires the listing of all obligations over $10,000, whether secured or not, and regardless of the repayment terms or interest rates, such as demand notes, margin accounts, loans nominally placed in the name of a fiduciary or agent, or any other obligation. The identity of any liability should include the name of the individual or organization to which the liability is owed, and the amount disclosed should be the largest amount owed during the calendar year. If the loan was paid off during the year, the reporting individual may so indicate.

The exemption for a mortgage on a personal residence applies to the individual's summer home or other vacation property as well as to the principal place of residence. If the vacation property is not subject to disclosure as property held for production of income, any mortgage on that property need not be listed as a liability. Any contingent liability, such as that of a guarantor, endorser, or surety, and the liabilities of a business, corporation, partnership, etc. in which the reporting individual has an interest also need not be disclosed. Any obligations arising from the dissolution of a marriage or permanent separation from a spouse are specifically exempted.

TRANSACTIONS

A brief description, the date, and category of value of any purchase, sale or exchange during the preceding calendar year which exceeds $1,000 in real property (other than a personal residence), or in stocks, bonds, commodities futures, and other forms of securities. Exempted are any transactions solely by and between the reporting individual, his spouse, or dependent children. The amount to be reported is the category of value of the total purchase price or total sales price and is not related to any capital gain or loss on the transaction. A typical listing under this provision would be that a 10 percent interest in an office building at 1500 Connecticut Avenue, Washington, D.C. was purchased on November 15, 1978, and the reporting individual's interest in that purchase had a category of value between $50,000 and $10,000; or that ABC stock had been purchased on December 1, 1978, and the category of value of the purchase price was between $5,000 and $15,000.

If there are two or more purchases, sales, or exchanges of the same security or commodities future in a calendar year, one or more of which involved $1,000 or less but which together totaled more than $1,000, then all the transactions should be reported, but the dates of transactions of $1,000 or less may be omitted. In listing real property transactions, the reporting individual should include a brief description of the property (such as number of acres and any improvements) and its location (town or city, county, and state).

POSITIONS HELD

The identity of all positions held on or before the date of filing during the current calendar year as an officer, director, trustee, partner, adviser, proprietor, agent, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, non-profit organization, labor organization, and any educational or other institution other than the United States Government. Specifically exempted are positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature

This provision requires reporting of all such nongovernmental positions, whether compensated or uncompensated The individual should report the title or nature of the position, and the name of the organization. The exemption for honorary positions applies to the situation, for example, where a Member is the honorary chairman of some organization, but does not actively participate in the organization's operations. However, if the individual is on the board of directors and attends director's meetings or has operational responsibilities for the organization, the position must be reported.

AGREEMENTS

A description of the date, parties to, and terms of any agreement or arrangement with respect to: (A) future employment; (B) a leave of absence during the period of government service; (C) continuation of payments by a former employer other than the United States Government; and (D) continuing participation in an employee welfare or benefit plan maintained by a former employer. This provision requires reporting, for example, of a contract between a government employee and his former employer that upon leaving the government at any time within the next five years, that employee can return to his former employer at a specified salary. Continued payments or benefits from a former employer would include interests in or contributions to a pension fund, profit-sharing plan, or life or health insurance; buy-out agreements; severance payments; etc.

SPOUSE AND DEPENDENT DISCLOSURE

The financial interests of a spouse or dependent child should be reported as follows: (1) the source, but not amount, of spouse earned income which exceeds $1,000. If the spouse is self-employed, only the nature of the business or profession need be reported; (2) all information required to be reported with respect to income derived from any asset reported by the spouse or dependent; (3) gifts or reimbursements to the spouse, unless received totally independent of the spouse's relationship to the reporting individual; (4) assets, liabilities, and transactions of the spouse or dependent child other than items (i) which the reporting individual certifies represent the spouse or dependent child's sole financial interest or responsibility and which the reporting individual has no knowledge of, (ii) which are not in any way, past or present, derived from the income, assets, or activities of the reporting individual, and (iii) from which the reporting individual neither derives, nor expects to derive, any financial or economic benefit.

The information respecting a spouse or dependent child (other than earned income of a spouse) must be reported in the same manner as that of the reporting individual. However, the person reporting need not identify such items as those of the spouse or dependent child. No information is required with respect to a spouse living separate and apart from the reporting individual with the intention of terminating the marriage or providing for permanent separation.

TRUSTS

The holdings of and income from a trust or other financial arrangement in which a beneficial interest in principal or income is held by the reporting individual, his spouse, or any dependent children must be disclosed. However, the reporting individual need only report the category of the amount of income received by him, his spouse, or dependents from a trust—(i) which was not created directly by such individual, his spouse, or any dependent; and (ii) with respect to which such individual, his spouse, and dependents have no knowledge of the holdings or sources of income of the trust; or from a qualified blind trust, as defined in section 102(e)(3) of the Act. Such a trust must be approved by the Committee on Standards of Official Conduct before it will be deemed a qualified blind trust under the Act.

THE PROMISE AND PERIL OF NUCLEAR ENERGY

(Mr. ALEXANDER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ALEXANDER. Mr. Speaker, last Friday evening, I attended a movie, The "China Syndrome", which issues an emotional indictment against the use of nuclear energy. The moviemaker charges that the use of nuclear energy for the purpose of generating electricity is unsafe, causing potential harm to people in areas the size of an entire State. He also charges that privately owned utilities operating on a faulty profit motive cannot be trusted to manage this dangerous source of power for the public interest. The following is an article from National Geographic (April 1979) that offers a balanced discussion of the issue. Following the National Geographic article is a pamphlet given to me at the Washington area movie theater I attended which demonstrated the volatility of this emotion-charged issue.

I commend the article, as well as the handout, for the consideration of my colleagues:

THE PROMISE AND PERIL OF NUCLEAR ENERGY

(By Kenneth F. Weaver)

"Nuclear energy is dying"—Amory Lovins, Friends of the Earth. "The vigorous development of nuclear power is not a matter of choice, but of necessity"—Hans A. Bethe, Cornell University.

The utter divergence of these points of view has marked the controversy in recent years about energy from fissioning atoms. The man in the street may be forgiven if he is not sure who is right.

The debate has been frequently emotional, sometimes bitter, often confusing. Frightening stories about radiation hazards of nuclear materials vie with worrisome forecasts of energy famine, economic troubles, and even environmental disaster if nuclear energy is abandoned.

Not many years ago prospects for the nuclear industry were booming. Nuclear electricity was heralded as the cleanest, cheapest, and most convenient form of power. It seemed certain to fill much of the vacuum caused by the predicted shortages of oil and gas.

Orders for nuclear plants flooded into General Electric, Westinghouse, and other suppliers. In just three years, 1971 through 1973, the utilities ordered an even hundred reactors. Optimistic predictions foresaw as many as 1,500 reactors in the United States by the end of the century.

Then came the oil embargo of 1973–74, followed by strong national pressures to use electricity and to conserve fuel. At the same time, the price of electricity was rising sharply. The ever growing demand for electricity slowed. Utilities found themselves over-extended. Abruptly, new reactor orders dropped—only 13 in the four years 1975 through 1978. Dozens of previous orders were cancelled or postponed.

Meanwhile, Government policy shifted from enthusiastic promotion to mixed support. Public attitudes, once generally pronuclear, wavered. Opponents mounted demonstrations at reactor sites like Seabrook in New Hampshire and Diablo Canyon in California. They raised safety questions at public hearings and filed court suits to prevent licensing of further reactors.

Against this background stands one significant fact: Nuclear energy is already providing roughly one-eighth of all the electric power generated in this country. More than 70 nuclear power plants in 27 states have received operating licenses. More than 90 others are under construction.

In 1978 nuclear energy produced nearly 300 billion kilowatt-hours, rivaling gas-fired and hydroelectric stations. Eighty percent of electricity produced in Vermont comes from nuclear power; in Maine, 65 percent; and in Connecticut and Nebraska, 50 percent or more. All this has come about in just over two decades since the United States' pioneer nuclear plant at Shippingport, Pennsylvania, went into service.

What, then, is the future of nuclear energy? Is it at a dead end? Or will it recover from its current troubles and fulfill at least some of the bright promise of a few years ago?

Answers are murky, shrouded in uncertainties. But here are some of the arguments, and essential facts needed to understand them, based on the views of many experts and on tours of nuclear installations in the United States and Europe.*

The basis for nuclear power is that certain heavy elements in the earth's crust, such as uranium, have varieties (called isotopes) that can be made to split, or fission. When the nucleus of such an atom splits, it results in fragments that together weigh slightly less than the original. The loss in mass turns into energy.

The fissioning atom also gives off neutrons, heavy subatomic particles. Under the right conditions these strike other fissionable atoms and cause them to split, thus creating a chain reaction.

A reactor is a remarkable device to stimulate this splitting of nuclei on a grand, but controlled, scale. Resulting energy, as heat, can be harnessed to make steam that drives turbine generators to produce electricity. The scentific principle is simple; putting it into use safely calls for complex, highly sophisticated engineering.

If you could look into the heart of a typical pressurized water reactor—the commonest kind in use—you would see the nuclear core, scores of thick bundles about 12 feet long, made up of slender, shiny tubes. Each tube, or fuel rod, is filled with some 200 pellets of enriched uranium.

The pellets are small—about twice as thick as a pencil and slightly more than half an inch long. But they are mighty: The energy content of each pellet is about the same as a ton of coal or four barrels of crude oil. The cost? Five to ten dollars.

A large reactor operating today holds tens of thousands of fuel rods in which are sealed some eight million uranium pellets weighing about a hundred tons. The capacity of such a reactor is roughly 1,000 megawatts (one million kilowatts) of electricity, enough for a city of 600,000 people. But the life of the core is limited. A third of the fuel must be replaced annually during the expected 30-to-40-year life of the reactor.

Once reactor operations begin, the core is surrounded and infiltrated with water—thousands of tons—which circulates under high pressure to carry away the intense heat and keep the reactor temperature within limits. The water also moderates, or slows, the flow of neutrons and thus helps control the chain reaction. Core and water are contained in a heavy steel pressure vessel. It, in turn, is shielded by a steel-and-concrete containment structure to prevent radioactivity from escaping into the outside world.

Suppose radiactivity does leak. Why is that a matter of concern? Some kinds of radiation, such as ordinary light, are relatively harmless.

But ionizing radiation, the kind produced by radioactive materials or X-ray machines, is dangerous because—though invisible and unfelt—it can cause serious changes in the cells of the human body. Its intense energy can destroy or distort molecules in cells. It breaks DNA strands in the genes.

The long-range effects may be cancer if the damaged cells go out of control and duplicate themselves wildly. Or there may be birth defects and genetic mutations in future generations if reproductive cells repair themselves incorrectly and produce abnormal arrangements of the DNA strands that govern heredity.

Two kinds of ionizing radiation are actually electrically charged particles: alpha particles, or nuclei of helium atoms, and beta particles, or electrons. Alpha particles travel in air only inches before they are stopped. They cannot penetrate the skin and are not a health hazard as long as they remain outside the body. However, if an alpha emitter, such as plutonium dust, is inhaled, the heavy alpha particles can deposit all their high-energy content directly in very sensitive lung tissues and wreak damage that may eventually result in cancer.

Beta particles travel a few feet in air, and they can penetrate slightly into the body. They especially affect the bones and the thyroid if beta emitters are ingested. The particles can usually be blocked by thin sheets of metal or wood.

Gamma rays, a third type, are shortwave, high-energy electromagnetic radiation, akin to X rays. They penetrate easily into the body. Reactors have a biological shield of thick concrete to reduce their intensity.

NATURAL RADIATION UNAVOIDABLE

Clearly, ionizing radiation is something to avoid if possible. And yet, although you may not be aware of it, you are bathed in low-level natural radiation all the time.

Cosmic rays from space, for example, subject you to about 40 millirems a year at sea level, even more at higher altitudes. (A millirem is a thousandth of a rem, the standard unit of radiation exposure.)

Also, uranium, radium, and thorium in stone, concrete, and soil, as well as radioactive carbon and potassium in your body and in water and food, combine to provide a radiation background that you cannot escape. From these natural sources the average person receives a whole-body dose of about a hundred millirems a year.

Besides absorbing natural radiation, many people are exposed to man-made ionizing emissions. Medical diagnostic X rays, for example, give the average person 70 millirems a year. TV sets and radium-dial wristwatches add perhaps a millirem over the course of a year.

From these natural and man-made sources, the average persons gets close to 200 millirems of radiation annually.

A nuclear reactor, properly operated, adds little to this burden: no more than a few millirems a year for the exposed public. Actually, coal plants emit about the same amount of radioactivity because of radium and uranium in the coal.

How much radiation does it take to hurt you? Radiobiologists regard a single dose to the whole body of 600 rems (600,000 millirems) as lethal to most people; 100 whole-body rems cause radiation sickness; 10 can damage the lymph nodes and spleen and decrease the bone marrow and blood cells, although you do not feel symptoms.

A few millirems or even a few rems seem small by comparison, especially when spread over a period of time. And some scientists believe there is a threshold below which radiation has no permanent effect. But many others insist no radiation level is harmless. Dr. Karl Z. Morgan of the Georgia Institute of Technology, former director of the Health Physics Division of the Oak Ridge National Laboratory, sums up this view:

"An overwhelming amount of data shows there is no safe level of exposure, and there is no dose of radiation so low that the risk of malignancy is zero. So the question is not: Is there a risk for low-level exposure? Or, what is a safe level of exposure? The question is: How great is this risk? Or, how great may a particular radiation risk be before it exceeds the expected benefits, such as those from medical radiography or nuclear power?"

When one visits a nuclear plant, he gets a mixed feeling of the awesome power and the extraordinary precautions to control that power. With Mike Malmros, an inspector for the United States Nuclear Regulatory Commission (NRC), I went to see the Rancho Seco plant in California's Sacramento Valley, near Lodi. A pressurized water reactor, operating since 1975, Rancho Seco is rated at 913 megawatts.

Our approach from the south brought us through barren hills into vineyard and ranch country, dominated by the Rancho Seco reactor building—a squat silo—and two colossal cooling towers 425 feet high.

"Air and farm products near the reactor are constantly monitored," Mike told me, "to make sure that any radioactivity reaching the outside world does not exceed our very low permissible levels. If the limits are exceeded, the plant is supposed to shut down until the problem has been corrected."

(In practice, critics say, fines are often too small for effective enforcement of safety standards and regulations in some plants.)

A heavy barbed-wire fence surrounds the power station at Rancho Seco. Motion sensors to detect intruders are so sensitive that sometimes jackrabbits set them off.

At the gate, guards put us through detectors to assure we were not bringing in weapons or explosives. Inside we picked up dosimeters and film badges to record any radiation we might receive. We put on special clothing for protection against radioactive particles: coveralls, plastic bootees, cotton gloves under rubber gloves, and hoods that left nothing exposed except our faces.

To reach the containment chamber, we had to go through an airlock tunnel. Signs warned "Radiation Containment Area."

Inside the airlock our ears popped as the massive door locked into position; air pressure was being lowered to that inside the chamber. Because of this lower pressure, if there are leaks, air will always move from outside to inside.

In the cavernous vault we could look directly down on the reactor vessel—a 422-ton steel bottle, 40 feet high, 14-foot inside diameter, with walls eight to ten inches thick. And deep within that cell, under nine feet of water, burns the fire of Prometheus.

But it does not burn unchecked. Cables on the reactor head connect with motors that drive control rods inside, poised above fuel assemblies. If the temperature rises unduly or other serious problems threaten, these rods are designed to drop into the core. But absorbing neutrons necessary for the nuclar chain reaction, they immediately cut it off.

Later, in the control room, we inspected batteries of lights and gauges that monitor the plant's operation. One row of green lights told us that all the control rods were inserted in the core; the reactor had shut down briefly for repairs.

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* Science editor Kenneth F. Weaver initiated the Geographic's coverage of energy in the November 1972 issue with "The Search for Tomorrow's Power." Last November Bryan Hodgson analyzed the natural-gas potential. Consult the *National Geographic Index* for recent articles on oil, coal, wind power, solar power, and geothermal energy.

As we toured the plant, Mike explained what he looks for in his inspections.

"I come unannounced four to six times a year to see that the reactor is working properly and that our safety requirements are enforced."

He pointed his flashlight down a row of cable trays, looking for dust or debris. "They have to do a lot of housekeeping," he said. "One secret for control of radioactive contamination is to keep things very clean."

He checked pipes for leaks and vibration. He checked valve positions and the readings on radiation monitors in the exhaust stack and at various other positions in the plant.

He also examined records to determine that ultrasonic tests and other methods had been used to assure that pipe welds were holding and that no cracks were forming. This precaution took on added significance in light of recent problems with cracks at other plants.

Mike showed me bins where low-level radioactive wastes, such as contaminated gloves and plastic bootees, are stored before being compacted and shipped to burial.

The most important waste, of course, is in the spent fuel rods. As fissionable uranium 235 in the core splits, it creates a variety of fission products such as cesium 137 and strontium 90. Most are strongly radioactive and produce heat even when the reactor is shut down. Thus when the spent fuel rods in the core are replaced, they must be transferred by remote control to nearby storage pools, where they will sit quietly in underwater racks for months or years as their radioactivity decays.

Our inspection completed to Mike's satisfaction, we underwent radiation checks. We put our hands and shoes in slots in a detector; its slow clicking revealed only background radiation. Finally, we surrendered our dosimeters and film badges, which had recorded no radiation dose.

For those working daily in radiation areas, some exposure is inevitable. Five whole-body rems (5,000 millirems) over an entire year is the normal cumulative dose permitted under Nuclear Regulatory Commission rules. Anyone who reaches this limit is not supposed to work where there is radiation for the rest of the year. In fact, NRC records show, average worker exposure per year runs only 700 to 800 millirems.

For the public, the NRC annual limit on radiation from the nuclear fuel cycle is 25 millirems. In practice, the actual exposure is a tiny fraction of this permissible limit.

These "acceptable" limits are controversial even though they are seldom reached. Some critics insist they be cut further.

Industry spokesmen note that the public has suffered no known radiation death or injury from the operation of any commercial nuclear power plant in 450 reactor-years of experience. The overall safety record, they say, is good compared to other industries.

CRITICS WONDER, WHAT IF . . .

Some people are neither comforted nor satisfied with this record. They point to numerous safty infractions at individual nuclear plants. They note a General Accounting Office study released last fall that criticizes the Nuclear Regulatory Commission for not adequately monitoring the quality of construction in new plants.

And they express considerable concern about certain kinds of accidents. What if there were a "loss-of-coolant accident" in which a major pipe ruptured so that it could not carry cooling water to the core?

Shutting down, or scramming, the reactor does not solve the problem. Although a scram stops the nuclear chain reaction, radioactive fission products in the fuel rods continue to disintegrate and give off heat long after shutdown. Without cooling water, the core would melt within an hour or two, fall to the bottom of the reactor vessel, and burn through the steel and concrete within a day. Buildup of pressure within the containment chamber might rupture the walls and release radioactive gases into the biosphere—the outer world with its living things. Consequences of such a "worst-case accident" could be catastrophic, with heavy loss of life, multitudes of cancer cases and damaged thyroids, and contamination of surface and groundwater and of perhaps a hundred square miles of land for many years. The extent of the disaster would depend on many variables.

Nuclear plant designers have, of course, anticipated such possibilities. They have provided many layers of engineering barriers and emergency systems. Since keeping the reactor core cooled down is of paramount importance, a reactor has four to six backup cooling systems. These can be thrown into use if the main system fails.

So the real question is: How likely is it that the pipe would break, that all the backup systems would then fail, and that the core would melt through all the barriers?

A major effort to calculate such probabilities was carried out by the Reactor Safety Study, published in 1975 by the NRC. It is also known as WASH-1400 and as the Rasmussen Report, for the chairman of the study group, Professor Norman C. Rasmussen, now head of MIT's Department of Nuclear Engineering.

The study calculated that if there were a hundred reactors operating, a person living within 25 miles of one of them would have one chance out of five billion each year of dying in a reactor accident. (The figure does not include long-term fatalities from cancer.) By contrast, the report contended, there are much greater chances of dying in any year in more ordinary accidents: for example, automobile—one chance in 4,000; fire—one in 25,000; air travel—one in 100,000; lightning—one in 2,000,000.

Serious criticism has been leveled at the Rasmussen Report because of some of its assumptions and methods. Also, it does not consider the possibility of sabotage.

The most damaging criticism has come from the recent blue-ribbon Lewis panel, commissioned by NRC. It says that the numbers in WASH-1400 are not confirmable, that the margins of error and uncertainty are much too narrow, and that the report cannot be used to prove the safeness of nuclear power. NRC has formally endorsed these criticisms.

But, say nuclear supporters, the risks are still smaller than more familiar hazards that society regularly accepts.

As Dr. Jerry Cohen of the Lawrence Livermore Laboratory says, "Somehow there is a feeling that a man killed by a streetcar isn't dead as a man killed by radiation."

A more immediate problem alarms many nuclear critics—the question of what to do with radioactive nuclear wastes. These may be divided into three groups:

. . . Low-level waste: bulky, slightly contaminated materials such as clothing, industrial trash, and sweepings, with only weak radioactivity.

. . . Transuranic waste: higher levels of radiation and more hazardous because of its content of very long-lived alpha-particle emitters such as plutonium.

. . . And high-level wastes of two kinds: (1) spent fuel, of which the typical large reactor produces about 30 to 40 tons a year, and (2) by-products of the Government weapons program. High-level wastes generate high heat and high penetrating radiation for centuries.

The question of how to handle this extremely dangerous material and isolate it in such a way that it will not harm either present or future generations was neglected for years and only recently has been given serious consideration.

The waste problem cannot all be blamed on nuclear power. The problem began more than thirty years ago when the United States started making plutonium for nuclear bombs and putting nuclear reactors in submarines.

The defense waste is enormous: some 500,000 tons of highly radioactive material and 64 million cubic feet of less radioactive trash. It is stashed temporarily (and not too safely, insist the critics) in tanks and burial pits, mostly on three Government reservations in Washington, South Carolina, and Idaho, awaiting Government action on permanent disposal.

To this huge accumulation, nuclear plants have added something less than 5,000 tons of spent fuel, virtually all of it cooling in pools adjoining the reactors, and 16 million cubic feet of low-level material buried in Government-licensed repositories.

Yet the fear of radioactivity has focused largely on power plants. And it is true that power-plant waste contains more radioactivity and is increasing more rapidly than defense waste. Critics and proponents alike agree that waste is the political Achilles' heel of the industry, and that a satisfactory solution is necessary if there is to be any future for nuclear power in the United States.

WANTED: A NUCLEAR-GARBAGE DISPOSAL

The problem is not confined to the United States, of course. Forty-three countries abroad now have some kind of nucelar energy program. Of these, 21 countries have a total of 151 operable power reactors, with a capacity of more than 56,000 megawatts. A like number of reactors are under construction; more are on order.

In each case, waste must be disposed of in some fashion. Moreover, all nations that have nuclear weapons—the Soviet Union, Britain, France, and China, as well as the United States—must worry about waste from weapons production.

Nations have tried a variety of methods for disposing of nuclear waste. The British have been piping low-level effluent into the Irish Sea. The United States Atomic Energy Commission, from 1946 to 1970, dumped tens of thousands of canisters of low-level nuclear trash into the Atlantic Ocean 120 miles east of the Maryland-Delaware coast, and into the Pacific 35 miles west of San Francisco.

One ominous sidelight: The manned submersible *Alvin* has located some of these canisters and found them crushed and leaking. Sponges were growing on the drums.

The Soviets, as I learned while touring nuclear facilities in the U.S.S.R., are pumping intermediate-level liquid wastes into sandstone that is as much as 2,000 meters deep beneath impermeable layers of clay.

In West Germany, near Hannover, I visited the world's first salt-mine waste repository. This prototype facility holds special interest because the United States has long considered the possibilities of storage in underground salt beds.

At a depth of about a kilometer, in glistening, low-ceilinged chambers abandoned when the Asse salt mine closed, I saw a stack loader piling yellow steel drums from floor to roof. The 200-liter drums held contaminated clothes and equipment, radioactive ashes, and air filters from nuclear plants. Since 1967 some 100,000 drums of such low-level waste have accumulated.

More dangerous wastes, which must be handled much more cautiously, have been stored at Asse since 1972. Drums of these intermediate-level materials, shielded in special casks, come through the tunnels by truck. Operators using remotely controlled cranes hoist the drums from their shielding casks and lower them through shafts into totally enclosed vaults. On a television monitor I could see the jumbled mass of barrels on the rough cavern floor 15 meters below.

Klaus Kühn, manager at Asse, told me that the two meters of rock salt between us and the hot wastes served as well as concrete for protection.

"That's fortunate," he added, "since the radiation in that room is 1,000 rems an hour. It would not be a good idea to go in."

German officials hope in the 1980's to establish a permanent waste storage facility in salt beds at Gorleben, near the East German border. That may prove difficult, however, as I left the salt mine, I saw signs demanding *"Kein Atommiill in Asse!*—No Atom Waste in Asse!" Anti-nuclear groups who oppose storage at Asse are also fighting against Gorleben. For that matter, they have been vigorously—and successfully—blocking a number of new nuclear plants.

Virtually every country in Western Europe shares to some degree this opopsition to nuclear power. For example, in Sweden, which gets nearly a fourth of its electricity from the atom, two governments have fallen partly over nuclear issues. In Austria last fall a national plebiscite by a narrow margin prevented licensing of a completed 600-million-dollar nuclear plant at Zwentendorf—to the great embarrassment of Chancellor Bruno Kreisky and his government.

In France opposition climaxed in a bloody riot at the site of Super Phénix, which will be the world's first commercial fast breeder reactor; 5,000 riot police battled some 20,000 demonstrators, leaving one person dead and a hundred wounded (pages 484–5).

In the United States nuclear opposition has not reached such violent proportions. But politically the impact has been strong. Thus two states—California and Maine—have prohibited any further nuclear plants until an acceptable solution has been found for waste disposal. Other states have imposed similar restrictions.

To complicate the problem, eight states have banned nuclear waste repositories within their borders, and others are considering such bans. In addition a number of states and communities have banned or severely restricted shipment of radioactive materials through their jurisdictions.

Thus it is not surprising that solution to the waste problem is now high on the priority list of the Department of Energy.

Where to put the waste? How about shooting it into space, into the sun? Fine if it worked, but incredibly costly and out of the question, say most experts, until we develop foolproof rocket launches.

How about the great ice cap of Antarctica or the deep-ocean sediments? Both have been considered, but both involve delicate international considerations. Moreover, both would likely in time expose the wastes to the marine environment, where they could spread to the entire biosphere.

How about copying the alchemists' fabled trick of transmuting lead into gold—that is, bombarding wastes with nuclear particles and converting them from unstable, radioactive elements into stable, innocuous substances? The idea is not ridiculous—after all, radioactive decay itself is a form of transmutation. But, alas, no one knows any practical, economical way of doing it, and the problem will not wait.

DEEP BURIAL MOST LIKELY SOLUTION

Lacking one of these imaginative solutions, most experts both here and abroad believe that dangerous, long-lived forms of radioactive waste would best be concentrated in solid form. Then it should be encased in protective canisters and stored hundred or thousands of feet deep in suitable geologic formations.

Scientists are currently studying such possibilities as salt beds, granites, basalts, and shales. They seek to learn which are most stable and which would best prevent radioactivity from leaking into the environment.

Much of the technology is now available to put the wastes deep into geologic formations and seal them off, according to several studies, most recently the draft report of the Interagency Review Group (IRG) on Nuclear Waste Management, a task force representing 14 federal organizations.

"A successful isolation of radioactive wastes from the biosphere appears feasible" for a few thousand years, says the report, which adds that assurance of success diminishes beyond that point.

The process of solidifying the waste in glass form is already being tested. At the nuclear center of Marcoule, in France, the government-owned Compagnie Générale des Matiéres Nucléaires (Cogéma) has since last summer operated the world's first plant for vitrifying nuclear wastes.

In the French process liquid radioactive waste, left over after the reprocessing of spent fuel, is evaporated. The residue is incorporated at high temperature into 1,500-pound blocks of extremely hard glass. These, say the French authorities, may be encased in metal drums and buried safely for centuries.

Many U.S. experts are pessimistic about glass and believe that ceramics, for example, would be less vulnerable to leaching.

Whatever method is used, long storage will be required. The length of time involves the half-life of the most toxic isotopes: that is, the time it takes for half of the radioactivity to disappear. If the half-life is 30 years, for example, half of the atoms disintegrate in 30 years; half of what is left disappears in the next 30 years, and so on. Within 10 half-lives, only one-thousandth of the radioactivity is left; within 20 half-lives, only a millionth.

As it happens, most of the strong gamma emitters in nuclear waste have half-lives of about 30 years or less. Thus in 300 years they will be reasonably safe; within 600 years, nearly harmless. Plutonium 239, however, has a half-life of 24,400 years. A quarter of a million years will pass before most of its alpha radiation is gone.

In all cases the wastes need to be stored in sites where ground water cannot easily reach them and where quakes and other tectonic activity are highly unlikely. In addition they need to be secure from human mischief.

Some 370 million dollars has been spent researching the waste problem. Yet it is uncertain how soon burial facilities will be available in the United States. The IRG report, which the Carter Administration is expected to use as the basis for a comprehensive waste-disposal policy, warns against undue optimism. It says that 1988 is the earliest that a permanent repository in salt for high-level wastes could be in operation for testing. If the decision goes instead to other kinds of geologic formations, about which we know less, a site would not be ready before 1992 at the earliest

As a transitional measure meanwhile, the IRG report recommends that the Government set up at least one smaller facility, in which as many as 1,000 spent fuel assemblies could be stored.

One such facility might be excavated deep in salt beds 25 miles east of Carlsbad, New Mexico. For some time the Department of Energy has considered locating the Waste Isolation Pilot Plant there. It would be primarily for transuranic defense waste, with space possibly for storage of spent reactor fuel. But questions have been raised, and the whole idea is unsettled.

Not all nuclear waste comes from power plants and defense uses. In New Mexico, Colorado, and wherever else uranium has been mined and milled, mountains of tailings—pulverized ore from which most of the uranium has been extracted—have been left to be spread by the wind and rain. One such mountain covers a city block four miles from downtown Salt Lake City.

For many years tailings were thought to pose little or no danger. At one time they were even used as foundation material for houses and public buildings in Grand Junction, Colorado, as well as other places.

However, tailings give off a radioactive gas, radon 222, which can seep through wood and concrete. Radon emits damaging alpha particles. In addition its decay products, called daughters of radon, are gamma-emitting solids that adhere to dust and can dodge in the lungs. Over many years they pose a cancer threat. Since radon is itself the decay product of radium 226, which has a half-life of 1,622 years, the problem is long lasting.

In properly operated uranium mines, ventilation carries away much of the radon gas and reduces the dose to the miners. But little has been done to cover or stablize dumps of tailings. The IRG report calls for the Government to take more vigorous steps to prevent human exposure, and the NRC has begun to draw up regulations for underground disposal.

Waste problems are entwined with two other highly controversial matters: the fast breeder reactor and the reprocessing of nuclear fuel.

The fast breeder is a special kind of reactor that eventually may produce more fuel than it consumes. To understand it, you need to know something about uranium.

As it comes from the ore, uranium consists chiefly of two isotopes. Uranium 235, which is fissionable and thus can be used for fuel, makes up 0.7 percent. Uranium 238, which does not lend itself to fissioning, makes up most of what remains. For fuel pellets in U.S. reactors, the proportion of uranium 235 is enriched to about 3 percent.

After the uranium 235 is largely burned up in the reactor, the huge amount of uranium 238 remains as waste. But if the waste is placed in and around the core of a breeder and irradiated by fast neutrons, some of the uranium atoms absorb neutrons and are converted to plutonium 239. Plutonium 239 is fissionable and can be used in reactors for fuel.

Thus, with breeders, it is theoretically possible to extract sixty times as much energy from uranium as with conventional reactors since the uranium 238 in spent fuel can be used over and over again.

However, the breeder has disadvantages. It is very costly. It is more complicated and in some ways more hazardous than conventional reactors, although its temperature and pressure are lower. And it uses liquid sodium instead of water for cooling.

Sodium is a soft, silvery metal that melts just below the boiling point of water. It will burn on exposure to air and reacts violently with water. And it leaks easily through very tiny openings. Thus extraordinary care must be taken in handling.

Despite such problems the breeder offers apparent attractions for nations that have little fossile fuel and must depend on other countries for uranium for reactor fuel. The breeder can make a little uranium go a long way. For example, the United Kingdom, using breeder reactors and only 5,000 metric tons of uranium, could theoretically unlock energy equivalent to all its estimated recoverable oil and gas in the North Sea.

Four nations abroad already are operating such reactors. Japan has a small one. The Soviet Union produces electricity and desalinates water with a 350-megawatt plant at Shevchenko on the Caspian Sea. The United Kingdom feeds electricity into the

Scottish grid with a 250-megawatt prototype breeder at Dounreay. France operates the 250-megawatt Phénix, named for the mythical bird reborn from its own ashes. It symbolizes the ability of the breeder to create new fuel as the old is destroyed.

France, together with Italian and West German interests, is also building the 1,200-megawatt SuperPhénix at Creys-Malville near Lyon. The reactor is scheduled to begin operation in 1983.

The United States has fallen behind Western Europe in breeder construction. There's irony in that fact. In 1951 a small United States breeder produced the first electricity ever generated from nuclear energy—enough to power four light bulbs. Today Experimental Breeder Reactor No. 1, at Idaho Falls, Idaho, is preserved as a national historic landmark.

Whether the United States will ever build large breeders remains uncertain. The Carter Administration opposes the breeder in the U.S. on the grounds that it is unnecessary either for economic reasons or because of uranium shortage. Also, because the breeder recycles plutonium, making it more readily available for nuclear bombs, there is a fear that the breeder will contribute to the proliferation of nuclear weapons among nations that do not already possess them.

For the same reason the administration opposes reprocessing spent reactor fuel—a necessary step if plutonium is to be extracted and recycled.

President Carter hopes that foreign nations follow the U.S. lead in forgoing reprocessing and breeder construction. By way of example, the President has blocked completion of a large reprocessing plant at Barnwell, South Carolina, that has already cost 250 million dollars. It could handle each year all the spent fuel from 50 reactors.

The administration has also attempted to cancel a largely federally financed, 350-megawatt pilot breeder on the Clinch River in Tennessee. Nearly 600 million dollars has been spent, chiefly on design and components for the plant, since the project started in 1973. But, the Department of Energy contends, Clinch River is a poor, obsolete design that has been delayed too long to be of any use.

Congress opposes the President's attempt to scuttle the project and has kept it alive for at least the current fiscal year. Proponents say that with a green light the Clinch River reactor could start producing electricity in late 1986.

BREEDER FACILITY NEARS COMPLETION

Despite the fight over Clinch River, breeder research, as this is written, continues in the United States to the tune of almost 600 million dollars a year in federal funds—nearly equal to what all other countries are spending.

In the desolate southeast corner of Washington State, on the 570-square-mile Hanford Reservation, the Department of Energy is completing a huge Fast Flux Test Facility to test breeder fuels and materials, not to generate electricity. This 540-million-dollar reactor will use plutonium and uranium for fuel and will be cooled by a fifth of a million gallons of sodium. The Government expects it to be ready late this year.

A paradox marks the attitude of the rest of the world with regard to the threat of proliferation. President Carter's appeals about the breeder and reprocessing seem to have fallen on deaf ears. Energy officials with whom I have talked in Western Europe say almost with one voice:

"The United States can afford to give up the breeder because it has its own uranium and oil and plenty of coal. We lack those resources, and we must have the breeder and reprocessing to meet our energy needs."

At the same time, these nations—along with the Soviet Union and Japan—have become deeply concerned about proliferation of nuclear weapons. They support the International Atomic Energy Agency (IAEA), headquartered in Vienna, which seeks to promote safeguards against diversion of nuclear fuel.

IAEA inspectors visit nuclear facilities in many countries to determine if supplies of plutonium and other fissionable materials are adequately safeguarded.

But these nuclear watchdogs lack teeth. They do not inspect in the U.S.S.R., or yet in the United States, or in certain smaller countries that have not signed the nuclear Non-Proliferation Treaty. Moreover, the inspectors have no powers of enforcement; they merely try to detect diversion.

Those who fear proliferation and diversion (and they are many) note that the bomb that devastated Nagasaki during World War II contained only ten to fifteen pounds of plutonium.

What if plutonium or uranium, from which bombs can be made, should be stolen by terrorists or by an irresponsible dictator?

A mysterious incident in the 1960's lends color to these fears. The story reads like the scenario for a paperback thriller.

On a wintry November day in 1968 the cargo vessel *Scheersberg A*, flying the flag of Liberia, cleared Antwerp harbor with a brand-new crew. Aboard were 200 tons of yellowcake, uranium oxide, made from ore mined in Zaire. It was bound for Genoa. All papers were in order.

Once in international waters, beyond prying eyes, the drums of yellowcake vanished. The *Scheersberg A* never arrived in Genoa. When she put into a Turkish port 15 days later, the $3,700,000 cargo was missing.

Secret agents tried to trace the shipment. They found nothing but blank walls and blind alleys. The mystery remains unsolved.

Was it a hijacking, masterminded by some sinister private group? Or could it be, as some believe, that the valuable uranium ended up in a secret nuclear laboratory in an Israeli desert? Research reactors can readily produce plutonium.

Radiation, waste, plutonium, proliferation. These are problems plaguing nuclear energy. Two other questions figure in the debate. Does nuclear cost too much? And how will the nation meet its energy needs without increased nuclear power?

Many utilities executives say that current reactors produce cheaper electricity than coal-powered plants. Especially is this true, they say, if coal plants are equipped with all the expensive gear required to protect the environment—devices to filter out particulates, smog-creating nitrous oxides, and lung-destroying sulfur dioxide.

Some economists are not so sure. They note the ultimate costs of waste disposal. They estimate that the price for necessary dismantling or entombing of radioactive plants may be 5 to 30 percent of the original construction costs. Thus nuclear energy could prove to be very expensive.

Even initial costs are getting out of hand. A typical nuclear plant finished several years ago cost about $200 per kilowatt of capacity. Prices in the next couple of years will have tripled, and by the 1990's they could triple again. Of course, costs of coal plants are skyrocketing in similar fashion.

Utilities are shying away from such heavy investments at today's inflated interest rates, with hundreds of millions of dollars tied up unproductively during the dozen years it now takes to go through the prolonged licensing and construction process.

If not nuclear power, what then?

Oil? As domestic energy demand mounts, we are importing more and more oil at high prices. Already we ship in some nine million barrels a day, at a cost of about 45 billion dollars a year. This heavy drain ruins our trade balance, contributes to the fall of the dollar, and spurs inflation. John O'Leary, Deputy Secretary of Energy, estimates that foreign oil could cost a hundred billion dollars a year by 1985 unless we curb imports. Clearly, oil is not the answer.

Gas? Utilities have been ordered to switch to coal because of the threatened shortage. And even if unproved gas resources are far greater than once thought, exploitation on a significant scale will take years.

Coal? Increasingly, coal is seen as a costly threat to the environment with its polluting sulfur oxides, nitrogen oxides, and acid rains. Perhaps worst of all, burning coal pours enormous amounts of carbon dioxide into the atmosphere, where it blocks heat radiation trying to escape from earth.

Many scientists believe that this greenhouse effect, along with other influences, will gradually increase the average global temperature. This increase may in the next century or so lead to a carbon dioxide catastrophe with disastrous changes in global climate.

Alternative energy sources? Increasingly the nation is trying to exploit solar energy, wind power, geothermal energy. Solar energy, especially, offers tremendous possibilities when technology for using it is well developed. Major contribution to electric power production, however, is years away. Even further in the future is the promise of nuclear fusion, power extracted from the fusion of hydrogen atoms—the ultimate power of the sun and the stars.

Conservation? A most worthy objective. Americans waste far more energy per capita than do Europeans. Everyone gives lip service to conservation, and efforts to save (in addition to higher costs) have already slowed the rise in demand for electricity. But whether enough Americans will take the necessary steps to keep electricity use from doubling by early in the 21st century remains a question.

So, is nuclear energy bleeding to death? Some, with hope, say yes. Others, with sadness, agree. Still others see nuclear returning to health *if* uncertainties and licensing problems that now delay construction and increase costs are eased; *if* shortage of capital and high interest rates let up; and, most important, *if* public acceptance can be won for plans to dispose of waste and to safeguard dangerous materials.

It's a murky picture, filled with emotion and uncertainties. Only one sure fact shines through, and it is not comforting: Never again will energy be either cheap or easy.

RADIATION AND YOU

In nature are found some 60 varieties, or isotopes, of chemical elements that are radioactive. That is, they continuously transform, or decay, into new elements, giving off high-energy radiation in the process. Some two hundred other radioisotopes are created artificially in nuclear machines, such as reactors.

When emissions from radioactive substances enter the human body, they injure cells by ionizing (tearing electrons from) atoms. If the damage is slight, or takes place slowly, the body usually makes repairs. But if damage is great, adequate repairs are impossible and the biological consequences can be severe: illness, reduced life expectancy, eventual cancer. Or genetic defects may appear in future generations.

The time it takes a radioactive element to decay is measured by its half-life. After one such period, half the original radioactivity remains; after two half-lives, a fourth; after 20 half-lives, only a millionth.

Some radioactive elements decay swiftly. Iodine 133 has a half-life of only 21 hours. But for iodine 131 the half-life is 8.1 days, and for iodine 129 it is 17,000,000 years.

Certain parts of the body, such as the gonads, thyroid, and bone marrow, are especially sensitive to radiation. Moreover, some radioisotopes have particular affinities. Strontium 90, for example, is a bone seeker. Iodine becomes concentrated in the thyroid instead of being eliminated.

Iodine 131, cesium 137, and strontium 90—all produced in nuclear reactors—are especially hazardous to man if they get into the food chain, because of biological concentration.

Most scientists believe it is prudent to assume there is no safe level of ionizing radiation, even though we constantly get some radiation from such natural sources as cosmic rays and granite in buildings.

Questions and Answers

How do fission and fusion differ?

Fission involves the splitting of the nucleus of certain heavy atoms such as uranium. Fusion involves joining the nuclei of two very light atoms such as deuterium and tritium, forms of hydrogen. In both cases the nuclear reaction produces significant amounts of energy.

How do reactors differ?

Light water reactors include:

(1) Pressurized water reactors. The most common type, these use ordinary water under pressure to cool the reactor cores. Heat is transferred to a secondary water cycle to produce steam for the power-generating turbines.

(2) Boiling water reactors. These also use ordinary cooling water, but allow it to boil directly into steam for the turbines.

Reactors may use gases or heavy water (which contains heavy hydrogen, or deuterium) for cooling. Breeder reactors generally cool with liquid sodium.

Most U.S. reactors use uranium 235 for fuel. Uranium 233 and plutonium 239 are also fissionable and can fuel reactors.

Can a nuclear plant explode like a bomb?

No. The uranium 235 generally used in thermal reactors is not sufficiently enriched to create a nuclear explosion. A nuclear plant could, of course, suffer a steam explosion under certain circumstances.

Are we likely to run out of uranium?

At current prices of about forty dollars a pound for yellowcake (uranium oxide), United States mines can probably produce enough uranium 235 for all the reactors likely to be built in this country for the rest of the century. The breeder reactor, which converts uranium 238 to fissionable plutonium, theoretically could multiply the reactor fuel supply 60-fold.

What is reprocessing?

When spent fuel is taken from a reactor, it contains valuable materials such as unused uranium, as well as plutonium 239 that has been created by the intense bombardment of neutrons during the fission process. Mixed with these useful materials are highly radioactive and very dangerous fission products such as cesium 137 and strontium 90.

Reprocessing plants separate these materials by chemical techniques concentrating the dangerous materials for storage and making the valuable materials available for use. This is how, for example, the defense establishment gets plutonium for nuclear weapons.

Reprocessing is essential if breeders are to come into use. Only by reprocessing can unused uranium be separated from spent fuel so that it can be irradiated in the breeder to produce additional fuel. Similarly, only by reprocessing can this newly created plutonium be claimed for use in reactors.

If a Third World country builds a nuclear plant, can it also make nuclear weapons?

All reactors produce plutonium as a byproduct. With a reprocessing plant, this plutonium can be separated and purified for fuel; it is also highly suitable material for weapons. That is why many people believe the spread of nuclear technology will be followed by the spread of reprocessing, the proliferation of nuclear weapons, and the increased threat of nuclear war.

Indeed, proliferation is regarded by many thoughtful critics as the most serious hazard of nuclear energy. The "nuclear club"—nations possessing nuclear weapons—now numbers five. Two or three other nations are suspected of having them clandestinely. Still others covet nuclear weapons as a matter of national pride or to maintain the balance of power with a hostile neighbor.

What about the threat of terrorists hijacking shipments of nuclear materials?

Terrorists would probably want to steal plutonium for bombs. But they would not likely try to steal plutonium in spent fuel because of the intense radioactivity of fission products, such as cesium 137 and strontium 90, in the fuel rods. However, if the plutonium is separated out by reprocessing, the danger of radioactive contamination would be greatly reduced, and the plutonium would be relatively safe. This, again, is why President Carter and others oppose the reprocessing of fuel from nuclear power plants.

How much energy does the U.S. need?

Currently, United States consumption of all kinds of energy adds up to about 76 quads (quadrillion British thermal units). While population growth and industrial expansion will tend to increase demand, escalating costs for energy are tending to hold it back. Many estimates see U.S. energy use rising to 100 or 125 quads by the year 2000.

Atoms at Work Around the World

Across the energy-hungry globe, nuclear power has established a foothold in at least 44 nations. By the middle of 1978, 22 countries had already licensed some 220 reactors, capable of generating more than a hundred million kilowatts of electricity. An additional 320 reactors were under construction or on order.

Large as these figures may seem, increasing opposition in most advanced nations has slowed nuclear power growth. But developing countries continue to seek reactors and other nuclear facilities, in part as symbols of importance.

Such facilities as fuel reprocessing plants produce plutonium that can be used to make nuclear bombs.

This arouses the fear of plutonium pilferage and the consequent spread of nuclear weapons.

Recycling Uranium

Controversy over nuclear energy in the United States often centers on the fuel cycle—the series of steps from mining and processing of uranium through use as fuel to the eventual disposition of spent fuel from the reactor.

Much valuable material in spent fuel could be salvaged for further use by reprocessing. For example, nearly a third of the original uranium 235 has not been burned up. It could be added to new uranium and further enriched for fuel. Thus the fuel cycle would be closed, having come full circle.

At the same time, the spent fuel contains a substantial amount of plutonium that has been created by neutron bombardment in the reactor. Like U 235 it is fissionable and can be used in fuel pellets. But it is a mixed blessing—plutonium can also be used in bombs.

Many people are deeply concerned about the possibility that plutonium separated from waste might be illegally diverted to terrorists or irresponsible nations. It could then contribute to proliferation of nuclear weapons and handicap efforts to prevent nuclear war.

Thus nuclear critics generally oppose closing the fuel cycle. They want spent fuel to go directly into centuries-long storage.

Key Voices Pro and Con

Reasonable people disagree widely about the merits and dangers of nuclear energy.

Dr. Hans A. Bethe, Nobel laureate and professor emeritus of physics at Cornell University, speaks and writes frequently in favor of nuclear power as a necessary replacement for dwindling oil.

Professors Norman C. Rasmussen, now head of nuclear engineering at MIT, directed the Government's Reactor Safety Study of 1975. It contended that risks from nuclear reactors are smaller than many commonly accepted risks of life.

Dr. Alvin Weinberg, longtime head of the Oak Ridge National Laboratory, where he stands amid canisters of uranium 238—is a nuclear advocate. But he has written frequently about the need to improve safety.

Dr. Ted Taylor, nuclear physicist and former bomb designer, warns that nuclear weapons may proliferate without tighter security for fissionable materials.

David Pesonen, a San Francisco lawyer, stands at the site of the proposed Bodega Head nuclear reactor. He led the fight that stopped the plant because of its proximity to California's San Andreas Fault—a landmark defeat of a nuclear project by environmentalists.

Amory Lovins, a consultant physicist with Friends of the Earth, opposes nuclear power as risky and unnecessary, and advocates renewable resources and more efficient use of all energy.

The Promise of Nuclear Fusion

Safe energy? Clean energy? Energy from an abundant fuel, hydrogen, a component of water. Therein lies the promise of fusion, the same energy process that fuels the sun. But firing the furnace of fusion to stoke man's reactors requires a hellfire of a hundred million degrees Celsius.

At that temperature nuclei of tritium and deuterium fuse into an unstable nucleus that spits out a high-energy neutron, leaving a nucleus of helium. In a reactor the neutron would give up its kinetic energy as heat.

Such is the theory, simply stated. Its implementation presents formidable difficulties that will not likely be surmounted until the next century. The two major types of fusion research involve lasers and magnets a technique being pursued at Princeton University and in the U.S.S.R.

People Uniting to Stop Nuclear Power . . . Here's Why:

The China Syndrome movie is fiction, but the problems of nuclear power are not fiction. Poor design, faulty equipment, costcutting and human error have already led to accidents in the nuclear industry. Unless it is stopped it is only a matter of time before a real China Syndrome occurs.

The Nuclear Regulatory Commission recently admitted that it may have underestimated the odds of a severe nuclear accident. Even without an accident, the routine releases from nuclear plants are already irreversibly contaminating our food and environment, increasing genetic damage and cancer rates.

"Radioactive by-products from nuclear plants represent a gross injustice to future generations. Some radioactive poisons take thousands of years to decay. When they escape into the environment, as some already do, they will cause cancer, genetic illnesses, and birth defects for centuries. The more nuclear power we permit in this generation, the more misery we inflict on following generations. Can we shrug, and allow it to happen?"—Jack Lemmon.

Karen Silkwood, a worker at the Kerr-McGee nuclear fuel plant at Crescent, Oklahoma, began gathering evidence of falsified quality control records in 1974. While on her way to present a *New York Times* reporter with documentation, her car went off the road, and 28-year old Karen Silkwood was killed. The documents mysteriously disappeared from the wreck, and her union (the Oil, Chemical & Atomic Workers) found evidence that her car was hit from behind. Sound familiar?

During the Nuclear Regulatory Commission (NRC) investigation, another employee admitted that he falsified photographic negatives of fuel rod welds with a black felt-tip pen. Nevertheless, the NRC declared the welds "safe". Sound familiar?

Many of your neighbors are working hard to bring out the truth about nuclear power—that it is NOT safe, clean, cheap, or necessary. We can meet *all* our energy needs more economically by using existing non-nuclear fuels more efficiency and using solar and renewable energy. All across America citizens, *like yourself*, are fighting the nuclear industry through marches, petitions, letter-writing, public education and court fights. They are taking Albert Einstein's advice:

"To the village square we must carry the facts of atomic energy . . . From there must come America's voice."

WE CAN DO SOMETHING TO STOP THE NUCLEAR MENACE

Come demonstrate—no more nuclear accidents—speakers and workshops. 1:00 P.M. Lafayette Park (across from the White House) Sunday, April 8. Monday, April 9, March on Congress: Demand A Solar Economy Route: LaFayette Park (11 A.M.) to U.S. Capitol (2 P.M.) via: NRC . . . GE . . . Westinghouse . . . Babcock & Wilcox . . . Atomic Industrial Forum & Others.

"The expansion of nuclear power can be stopped, and must be stopped . . . President Carter must NOT succeed with his announced plans to triple the amount of nuclear power in America during the next eight years . . What we each do about nuclear power, or fail to do, will affect this planet for many, many centuries to come."—JACK LEMMON.

** PLEASE HELP US WITH SOME MONEY TO DEFRAY OUR PRINTING COSTS **

(Please clip, sign and send today.)

A CLEAN ENERGY PETITION

1. I petition my representatives in government to sponsor and actively support legislation to: (1) foster wide use of solar—including wind—power NOW, and (2) phase out operation of nuclear power plants as quickly as possible.

Sign here------------------------------------

Name printed here---------------------------

Date --

Your permanent street address-------------

City, State and Zip--------------------------

2. I petition my representatives in government to sponsor and actively support legislation to: (1) foster wide use of solar—including wind—power NOW, and (2) phase out operation of nuclear powerplants as quickly as possible.

Sign here-----------------------------------

Name printed clearly here-----------------

Date ---------------------------------------

Your permanent street address------------

City, State and Zip-------------------------

Please send me information about: [ ] Karen Silkwood [ ] Nuclear power and solar energy.

Please mail signed petitions to: Potomac Alliance, 202-393/6702, P.O. Box 9306, Washington, D.C. 20005.

The recent accident at the Three Mile Island nuke plant near Harrisburg, Pa., released radioactive matter into the environment and required the immediate evacuation of all plant employees. How did this happen? A pump driving the cooling water broke down, the back-up cooling system failed and an employee made a "simple" mistake—she/he turned the emergency core cooling system OFF instead of ON. Fortunately, the error was spotted before a total meltdown—or "China Syndrome"—could occur.

The Pennsylvania accident was by no means the first serious atomic accident, *nor will it be the last.* The nuclear industry has repeatedly praised itself ("no accidents"), yet:

At Windscale, England, in 1957 a fire in a nuclear plant caused a massive release of radioactivity. Milk from 200 square miles of neighboring farmland had to be destroyed.

In 1958, a freak explosion at a nuclear waste dump caused widespread contamination and radiation sickness for hundreds of square miles around the Soviet village of Kyshcym. Hundreds of people died; rivers, farmland and villages remain "off limits" to this day. Both the Soviet government and the C.I.A. suppressed news of this terrible accident. Critical Mass, an anti-nuclear journal, finally forced the story out of the C.I.A. via the Freedom of Information Act.

A partial meltdown occurred at the experimental Enrico Fermi breeder reactor in 1966 when coolant was accidentally blocked. An engineer at the Michigan plant summed up the near tragedy, saying, "We almost lost Detroit."

The Dresden II nuke in Morris, Ill., went out of control for over two hours in June 1970 after a meter gave a false signal and a monitor "got its pen stuck." (Sound familiar?) Large quantities of radioactive iodine were released into the containment vessel, and subsequent investigation revealed serious problems with the emergency core cooling system (ECCS).

At Alabama's Brown's Ferry nuke in 1975, a candle being used by a worker ignited a fire which burned over seven hours and came within less than one hour of crippling ALL the reactor's cooling systems.

70 MILES FROM WASHINGTON, D.C., A NUCLEAR ACCIDENT IS WAITING TO HAPPEN

What next? Human error, unsafe reactor design and working conditions and computer snafus make radiation accidents all but inevitable. A disaster could be right "around the corner" at the NORTH ANNA NUCLEAR PLANT located just 70 miles upwind of Washington, D.C., in rural Virginia. The North Anna nuke is riddled with defects and stands on unstable, soft soil—facts which Vepco never wanted the public to know. The Nuclear Regulatory Commission (NRC) has fined Vepco over $112,000 (a national record until recently) for repeated abuses at its North Anna and Surry nuclear plants.

The plant's reactors stand astride a geologic earthquake fault. Geologists have no way of knowing whether present conditions could "lubricate" the fault into activity. Vepco knew of irregularities in the soil but lied and covered up the facts for three years, successfully obtaining an operating license. NRC in turn waited another 3 years until—after much publicity—it fined Vepco for "material false statements" about the nuke's safety.

The largest fine in NRC history was proposed for Vepco's failure to report the sinking of the pumphouse which would supply emergency cooling water to prevent a "China syndrome." This pumphouse tilts, its deepest corner having sunk 8 inches, threatening the rupture of critical pipes. In the short time of its existence, the pumphouse has nearly sunk to a limit it was not "expected" (or be allowed) to reach in 30 years!

In 1976 a construction worker alerted NRC to faulty welds and other poor construction practices in North Anna's Unit I (now in operation.) Vepco was fined and forced to correct these problems. Cracks have recently been found in components of Unit II's primary cooling systems. What about Unit I's components?

Vepco's other nuclear plant near Surry, Va., has been shut down by NRC (along with four other nukes) because the Stone & Webster engineering firm (which also designed and built North Anna) grossly miscalculated earthquake resistance standards. Steam generators, leaking radioactive water constantly, had already forced the shutdown of Surry's Unit I even before the NRC ruling on earthquake stress miscalculation.

NORTH ANNA OCCUPATION

None of these risks are necessary. Plentiful industrial, commercial and residential power can be provided in a decentralized manner through an active and thorough social and political commitment to conservation and solar power, backed up by renewable energy resources and the dwindling supplies of non-renewable fossil fuels.

Potomac Alliance, and safe energy groups from all over Virginia, are going to demand that Vepco shut down North Anna this summer. FOR GOOD. There will be a *rally at the plant June 2nd, and an occupation will follow, June 3rd, if the plant is still in operation.*

There will be a general discussion of strategy and the purposes and goals of the June action, as well as beyond, this coming Thursday, April 5, at the Antioch School of Law, 2633 16th Street (near Euclid St.) in northwest Washington. We'll begin at 7:30 p.m. Other meetings will be scheduled very soon, but please come and join us on April 5! ●

STATEMENT OF CHAIRMAN ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 3236, THE DISABILITY INSURANCE AMENDMENTS OF 1979

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on Monday, April 9, 1979, the Committee on Ways and Means ordered favorably reported with amendments H.R. 3236 to the House. The bill would amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 3236 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified rule for consideration of H.R. 3236 which would provide for:

First. Committee amendments which would not be subject to amendment;

Second. Making in order an amendment by Mr. GEPHARDT which would provide a cap on disability family benefits based on 80 percent of the individual's average indexed monthly earnings or 130 percent of such individual's primary benefit; and an amendment by Mr. HEFTEL which would provide a new definition of "disability" that would require that anyone under age 55 would have to meet the medical standards alone while those 55 and over could qualify also on the basis of the vocational factors; with 30 minutes of debate on each amendment, to be equally divided; without pro forma amendments;

Third. Waiving of all necessary points of order;

Fourth. One hour of general debate, to be equally divided; and

Fifth. One motion to recommit, with or without instructions.

We intend to file the committee report on Monday, April 23, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.●

STATEMENT OF CHAIRMAN ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 3464, TO AMEND TITLE XVI OF THE SOCIAL SECURITY ACT TO REMOVE CERTAIN WORK DISINCENTIVES FOR THE DISABLED UNDER THE SUPPLEMENTAL SECURITY INCOME BENEFITS PROGRAM, AND FOR OTHER PURPOSES

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ULLMAN. Mr. Speaker, on Tuesday, April 10, 1979, the Committee on Ways and Means ordered favorably reported H.R. 3464 to the House. The bill would amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, and for other purposes.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 3464 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of H.R. 3464 which would provide for:

First. Committee amendments which would not be subject to amendment;

Second. Waiving of all necessary points of order;

Third. Two hours of general debate, to be equally divided; and

Fourth. One motion to recommit, with or without instructions.

We intend to file the committee report on Wednesday, April 25, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.●

AGRICULTURAL BARGAINING ACT: FAIRNESS FOR FARMERS

(Mr. PANETTA was asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PANETTA. Mr. Speaker, today I am introducing the National Agricultural Bargaining Act of 1979, a bill that I think could be of great value for thousands of farmers throughout the country who are struggling to survive in this time of rapidly increasing inflation and low farm prices.

The Agricultural Bargaining Act, which is already endorsed by the American Farm Bureau, the Grange, the Farmers Union, and the National Council of Farmer Cooperatives, is designed to strengthen the farmer's bargaining power in today's marketplace. By establishing fair practice standards for both producer associations and the handlers of agricultural products, the bill will allow farmers to enhance their position in a market where presently they are at a serious competitive disadvantage.

During the last few years, the market structure of American agriculture has become concentrated in the hands of fewer, larger, and more specialized agribusiness operations. Large processors and retailers are consequently able to dictate product supply, the time and conditions for delivery, product quality and appearance, and, most important, the price that a farmer receives for his product. To cope with this noncompetitive situation, farmers have formed bargaining associations. But there is no requirement that processors or handlers have to engage in good faith bargaining with these associations. Indeed, there are examples where some farmers have been virtually penalized in the bargaining process because they belonged to such associations. This legislation provides the basis for good faith bargaining between farmer and processor. Both are essential to each other in the agricultural system. Both must be fair with one another if the system is to survive.

The National Agricultural Bargaining Act of 1979 establishes standards to be observed by both handlers and producer groups in their dealings in agricultural products; sets standards for the accreditation of cooperative associations; defines the mutual obligations of handlers and associations of producers to bargain with respect to production, sale and marketing of farm products; and provides for the enforcement of such obligations.

This proposed act does not mandate the formation of farmers associations or the terms to be negotiated. Farmers associations, on a voluntary basis, can petition the Secretary of Agriculture to establish the terms of the proposed bargaining unit. These will include such things as the commodity and handlers involved and the suggested time and duration of the negotiating period.

This bill does not require that either party come to an agreement. The agreement and the terms of the agreement are left to free market bargaining between the parties. What it does is to prescribe the mutual obligations of a handler and an accredited association to meet at reasonable times and for reasonable periods of time for the purpose of negotiating in good faith with respect to price, terms of sale, or other provisions relating to the products that are marketed within the bargaining unit. The bill also provides guidelines for mediation and arbitration services if requested by the association or handler, or if in the Secretary's judgment, an impasse in the bargaining has occurred.

Mr. Speaker, a formalized marketing and bargaining process will allow farmers to enhance their income with minimal government intervention. It is my hope that my colleagues will join me in my efforts to obtain action on this legislation during the 96th Congress.

The following is the text of the proposed bill:

H.R. 3535

A bill to assure fair practices in agricultural bargaining

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "National Agricultural Bargaining Act of 1979."

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 1. Agricultural products are produced in the United States by many individual farmers and ranchers scattered throughout the various States of the Nation. Such products in fresh or processed form, move in the channels of interstate and foreign commerce, or directly burden or affect interstate commerce. The efficient production and marketing of agricultural products by farmers and ranchers is a vital importance to their welfare, and to the general welfare. Because agricultural products are produced by numerous individual farmers, their ability to market and to bargain effectively for fair prices and terms of sale of their products is adversely affected unless they are free to join together in cooperative associations of producers as authorized by law. Interference with this right, or the failure of any handler of agricultural products to bargain in good faith with a cooperative association of producers as the representative and agent of such producers is contrary to the public interest and adversely affects the free and orderly flow of goods in interstate and foreign commerce.

Therefore, it is declared to be the policy of Congress and the purpose of this title to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products, to provide standards for the accreditation of cooperative associations of producers of agricultural products for the purpose of bargaining, to define the mutual obligations of handlers and associations of producers to bargain with respect to the production, sale, and marketing of agricultural products, and to provide for the enforcement of such obligations.

SHORT TITLE

SEC. 2. This title shall be known and may be cited as the "National Agricultural Bargaining Act of 1979."

DEFINITIONS

SEC. 3. When used in this title—

(a) "Accredited association" means an association of producers accredited in accordance with Section 6 of this title.

(b) "Association" means any association of producers of agricultural products engaged in the marketing of such products, including marketing, selling, bargaining, shipping, or processing as defined in section 15(a) of the Agricultural Marketing Act of 1929, as amended (49 Stat. 317; 12 U.S.C. 1141(a)), or in section 1 of the Act entitled "An Act to authorize association of agricultural producers" approved February 18, 1922 (42 Stat. 388, 7 U.S.C. 291).

(c) "Handler" means any person, other than an association, engaged in the business or practice of (1) acquiring agricultural products from producers or associations for processing or sale; (2) grading, packaging, handling, storing, or processing agricultural products received from producers or associations; (3) contracting or negotiating contracts or other arrangements, written or oral, with producers or associations with respect to the production or marketing of any agricultural product; or

(4) acting as an agent or broker for a handler in the performance of any function or act specified in (1), (2), or (3) above.

(d) "Person" includes one or more individuals, partnerships, corporations and associations.

(e) "Producer" means a person engaged in the production of agricultural products as a farmer, planter, rancher, poultryman, dairyman, fruit, vegetable, or nut grower, including a grower or farmer furnishing labor, production management, or facilities for the growing or raising of agricultural products.

(f) "Secretary" means the Secretary of Agriculture.

UNFAIR PRACTICES

SEC. 4. (a) It shall be unlawful for any handler to engage, or to permit an employee or agent to engage, in any of the following practices, which are hereby defined as unfair practices:

(1) To coerce a producer in the exercise of his right to contract with, join, or maintain his membership in, or to refrain from contracting with, joining, or maintaining his membership in an association or to refuse to deal with a producer because of the exercise of his right to contract with, join, or maintain his membership in an association.

(2) To discriminate against a producer with respect to price, quantity, quality or other terms of purchase, acquisition or other handling of agricultural products because of his membership in or his contract with an association.

(3) To coerce or intimidate a producer to breach, cancel or terminate a membership agreement or marketing contract with an association or a contract with a handler.

(4) To offer to pay or loan money or anything of value, or to offer or give any other inducement or reward to a producer for refusing to join or to cease to maintain membership in an association.

(5) To make or circulate false reports about the finances, management or activities of an association or a handler.

(6) To refuse to bargain in good faith with an association accredited to represent producers, if the handler is designated pursuant to section 6.

(7) To conspire, combine agree or arrange with any other person to do or aid or abet the doing of any practice which is in violation of this act.

(b) It shall be unlawful for any association to engage or to permit an employee or agent to engage in any of the following practices, which are hereby defined as unfair practices:

(1) To refuse to bargain in good faith with a handler designated pursuant to Section 6.

(2) To coerce or intimidate a handler to breach, cancel or terminate a marketing contract with an association or a contract with a member of an association.

(3) To make or circulate false reports about the finances, management or activities of an association or a handler.

(4) To coerce or intimidate a producer to breach, cancel or terminate a membership agreement or marketing contract with an association.

(5) To conspire, combine, agree or arrange with any other person to do or aid or abet the doing of any practice which is in violation of this act.

BARGAINING IN GOOD FAITH

SEC. 5. (a) "Bargaining" is the performance of the mutual obligation of a handler and an accredited association to meet at reasonable times and for reasonable periods of time for the purpose of negotiating in good faith with respect to the price, terms of sale, compensation for products produced under contract, or other provisions relating to the products that are marketed by the members of such accredited association or by the association as their agent. Such obligation on the part of any handler shall extend only to accredited associations and the products with respect to which such associations are accredited to bargain. Such obligation does not require either party to agree to a proposal or to make a concession.

(b) If a handler purchases a product from other producers under terms more favorable to such producers than the terms negotiated with an accredited association for such product, he shall offer the same terms to the accredited associations. In comparing such terms, there shall be taken into consideration, in addition to the stipulated purchase price and without limiting the generality of the foregoing any bonuses, premiums, hauling or loading allowances, reimbursement of expenses, or payment for special services of any character which may be paid by the handler, and any sums paid or agreed to be paid by the handler for any other designated purpose than payment of the purchase price.

ACCREDITATION OF ASSOCIATIONS OF PRODUCERS

SEC. 6. (a) An association seeking accreditation to bargain for producers of an agricultural product or products shall submit to the Secretary a petition for accreditation. The petition shall: (1) specify the agricultural product or products for the producers of which the association seeks accreditation to bargain; (2) designate the handlers, individually or by production or marketing area or by some other appropriate classification, with whom the association shall be accredited to bargain; and (3) contain such other information and documents as may be required by the Secretary.

(b) (1) Upon receiving the petition and any supporting material, the Secretary shall give notice of the petition to all designated handlers. Handlers who have been designated individually shall receive personal notice; handlers who have been designated by production or marketing area or by some other general classification shall be given notice through the Federal Register. Both the association seeking accreditation and the designated handlers shall have an opportunity to submit written evidence, views, and arguments to the Secretary, who may in his discretion conduct an informal proceeding. The Secretary shall hold a formal hearing for the reception of testimony and evidence only if he finds that there are substantial unresolved issues of material fact.

(2) The Secretary shall accredit such association if, based upon the evidence submitted, the Secretary finds:

(A) that under the charter documents or bylaws of the association, it is owned and controlled by producers;

(B) that the association has contracts with its members empowering the association to sell or negotiate terms of sale of the products of its members that are binding under State law;

(C) that the association represents a sufficient number of producers or that its members produce a sufficient quantity of agricultural products to enable it to function as an effective agent for producers in bargaining with the designated handlers. In making this finding, the Secretary shall exclude any quantity of the agricultural products contracted by producers with producer owned and controlled processing cooperatives and any quantity of such products produced by handlers; and

(D) that the association has as one of its functions acting as principal or agent for its members in negotiations with handlers for prices and other terms of trade with respect to the production, sale, and marketing of their products.

(c) The Secretary shall give notice of his decision to the petitioning association and to the designated handlers, together with a concise statement of his reasons. The Secretary shall also give notice of any accreditation to all other associations that have been accredited to bargain with respect to the product or products with any of the designated handlers.

(d) Each accredited association shall submit an annual report to the Secretary in such form and including such information as the Secretary by regulation may require so as to enable him to determine whether the association continues to meet the standards for accreditation.

(e) If the Secretary believes that an accredited association has ceased to meet the standards for accreditation set forth in paragraph (b) of this Section he shall notify the association of the respects in which he believes it has ceased to maintain such standards and allow it a reasonable time to answer or to correct the deficiencies noted. Thereafter, if the Secretary is not satisfied that the association is then in compliance with paragraph (b) of this Section, he shall notify the association and hold a hearing to consider the revocation of accreditation. If, based upon the evidence submitted at the hearing, the Secretary finds that the association has ceased to maintain the standards for accreditation, he shall revoke the accreditation of such association.

(f) The Secretary may, upon his own motion or the petition of an accredited association or a designated handler, amend his order of accreditation with respect to the product or products specified therein. The Secretary shall give notice of any proposed amendment and the reasons therefor to all accredited associations and handlers that would be directly affected thereby and shall provide an opportunity for the public hearing. Thereafter, the Secretary may amend the order if he finds such amendment will be conducive to more effective bargaining and orderly marketing by the accredited association of the product or products of its members.

ASSIGNMENT OF ASSOCIATION DUES, FEES OR RETAINS

SEC. 7. If a producer of a farm product voluntarily executes, either as a clause in a sales contract or other instrument in writing, an assignment of dues or fees to or the deduction of a sum to be retained by an association authorized by contract to represent such producer, by which the handler is directed to deduct a sum from the amount to be paid for such product, or for the services of such producer under a growing contract, and on behalf of the producer to pay the same over to such association, and causes notice of such assignment to be delivered to a handler, then such handler shall deduct the amount authorized from the amount paid for any farm product being sold by any such producer or for any services under any growing contract and, upon payment to producers for such farm product or services, pay said amount over to the association or its assignee.

MEDIATION AND ARBITRATION

SEC. 8. The Secretary may provide mediation services if requested either by an accredited association or by a designated handler engaged in bargaining with an accredited association and if, in the Secretary's judgment, an impasse in bargaining has occurred. The Secretary shall provide assistance in proposing and implementing arbitration agreements between accredited associations and designated handlers. The Secretary may establish a procedure for compulsory and binding arbitration if he finds that an impasse in bargaining exists and such impasse will result in a serious interruption in the flow of product to consumers or will cause substantial economic hardship to producers or handlers involved in the bargaining.

ADMINISTRATION

SEC. 9. (a) (1) Whenever it is charged that an accredited association or handler has violated or is violating Section 4(a) (6) or (b) (1) of this title, the Secretary shall issue and cause to be served upon the person charged a complaint stating the charges. The complaint shall summon the named person to a hearing before the Secretary at the time and place therein fixed.

(2) Whenever it is charged that an association or handler has violated or is violating any other provision of this title, the Secretary shall investigate such charges. If, upon such investigation, the Secretary has reasonable cause to believe that the person charged has violated such provision, he shall issue and cause to be served upon the person so charged a complaint stating the charges. The complaint shall summon the named person to a hearing before the Secretary at the time and place therein fixed.

(b) The person complained of shall have the right to file an answer to the original and any amended complaint and to appear in person or otherwise and give testimony. The person who filed the charge shall also have the right to appear in person or otherwise and give testimony.

(c) If, upon a preponderance of the evidence, the Secretary is of the opinion that the person complained of has violated any provision of this title, he shall state his findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violation and shall order such further affirmative action, including an award of damages to the person filing the charge, as will effectuate the policies of this title.

(d) The Secretary may make such rules, regulations, and orders as may be necessary to carry out the provisions of this Act, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person; and shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, binding, telegrams, telephones, law books, books of reference, publications, furniture, stationery, office equipment, travel, and other supplies and expenses, including reporting services, as shall be necessary to the administration of this Act in the District of Columbia and elsewhere, and as may be appropriated for by Congress; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for such purpose.

INDEPENDENT ENFORCEMENT AUTHORITY

SEC. 10. The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter for which a charge is authorized to be made to or before the Secretary by section 9 of this title. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though a charge had been filed with him, including the power to make and enforce any order.

JUDICIAL REVIEW

SEC. 11. (a) Any person aggrieved by a final order of the Secretary issued under Section 9 of this Act or under Section 6 (b) (2), 6 (e) or 6 (f) of this act, may obtain review of such order in the United States Court of Appeals for the District of Columbia Circuit by submitting to such court within 30 days from the date of such order a written petition praying that such order be modified or set aside.

(b) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record, shall be conclusive.

(c) Orders of the Secretary with respect to which review could have been obtained under paragraph (a) of this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.

(d) If no petition for review, as provided in paragraph (a) of this section, is filed within thirty days after service of the Secretary's order, the Secretary's findings of fact and order shall be conclusive in connection with any petition for enforcement which is filed by the Secretary after the expiration of such thirty-day period. In any such case, the clerk of the court, unless otherwise ordered by the court, shall forthwith enter a decree enforcing the order and shall transmit a copy of such decree to the Secretary and the person named in the complaint.

(e) The commencement of proceedings under this section shall not, unless specifically ordered by the Court, operate as a stay of the Secretary's order.

FEDERAL ENFORCEMENT

SEC. 12. (a) Whenever on the basis of any information available to him the Secretary finds that any person is in violation of section 4 of this title or in violation of any order of the Secretary, he shall bring a civil action in accordance with paragraph (b) of this section.

(b) The Secretary is authorized to commence a civil action for appropriate relief, including a permanent or temporary injunction. Any action under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

(c) Any person who violates section 4 of this title or any order of the Secretary issued under sections 9 or 10 of this title shall be subject to a civil penalty not to exceed $500 per day of such violation.

(d) Any person who willfully violates section 4 of this title, or any order of the Secretary under sections 9 or 10 of this title. shall be punished by a fine of not less than $500 nor more than $1,000 per day of such violation or by imprisonment for not more than one year, or both.

CIVIL REMEDIES

SEC. 13. (a) Except as provided in paragraph (b) of this section, any person may commence a civil action on his own behalf:

(1) against any person who is alleged to be in violation of section 4 of this title or of any order issued by the Secretary under sections 9 or 10 of this title; or

(2) against the Secretary when there is alleged a failure of the Secretary to perform any act or duty under this title which is not discretionary with the Secretary.

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such section or order (including the issuance of a permanent or temporary injunction or restraining order), or to order the Secretary to perform such act or duty as the case may be, and to apply any appropriate civil penalties under section 12 of this title.

(b) No action may be commenced:

(1) Under paragraph (a) (1) of this section

(A) prior to 60 days after the plaintiff has given notice of the alleged violation to the Secretary and to the alleged violator, or

(B) if the Secretary has commenced and is diligently prosecuting a civil or criminal action in a court of the United States to require compliance with such section or order, but in any such action any person may intervene as a matter of right.

(2) Under paragraph (a) (2) of this section prior to 60 days after the plaintiff has given notice of such action to the Secretary.

(c) Any person aggrieved by reason of any violation of, or combination or conspiracy to violate any provision of section 4 of this Act may bring an action in the appropriate district court of the United States without respect to the amount of the controversy, and shall recover damages therefor. Any action to enforce any cause of action under this subsection shall be forever barred unless commenced within two years after the cause of action arose.

(d) The court, in issuing any final order in any action brought pursuant to paragraph (a) or (c) of this section, may award costs of litigation (including reasonable attorney fees) to any party, whenever the court determines such award is appropriate.

(e) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether the aggrieved party shall have exhausted any administrative or other remedies that may be provided by law, except as provided in paragraph (b) of this section.

INVESTIGATIVE POWERS OF SECRETARY

SEC. 14. (a) Whenever required to carry out the objectives of this title, including the conduct of any investigations or hearings,

(1) The Secretary shall require any person to (i) establish and maintain such records, (ii) make such reports, and (iii) provide such other information as he may reasonably require; and

(2) the Secretary or his authorized representative, upon presentation of his credentials and a warrant or such other order of a court as may be required by the Constitution,

(i) shall have a right of entry to, upon or through any premises in which any records required to be maintained under paragraph (a) (1) of this section are located, and

(ii) may at reasonable times have access to and copy any records, which any person is required to maintain or which relate to any matter under investigation or in question.

(b) Any records, reports or information obtained under this section shall be available to the public except that upon a showing satisfactory to the Secretary that such records, reports or information, if made public, would divulge confidential business information, the Secretary shall consider such record, report or information or particular portion thereof confidential in accordance with 18 USC Section 1905, except that such record, report or information may be disclosed to other officers, employees or authorized representatives of the United States concerned with carrying out this title or when relevant in any proceeding under this title.

(c) (1) In making inspections and investigations under this title, the Secretary may require the attendance and testimony of witnesses and the production of evidence under oath.

(2) The Secretary, upon application of any party to a hearing held under sections 9 or 10 of this title, shall forthwith issue to such party subpoenas requiring the attendance and testimony of witnesses or the production of evidence requested in such application. Within five days after the service of a subpoena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Secretary to revoke such subpoena. The Secretary shall revoke such subpoena if in his opinion the evidence whose production is required does not relate to any matter in question, or if such subpoena does not describe with sufficient particularity the evidence whose production is required.

(d) The Secretary, or any officer or employee designated by him for such purpose, shall have power to administer oaths, sign and issue subpoenas, examine witnesses, and receive evidence. Witnesses shall be paid the same fees and mileage allowance as are paid witnesses in the courts of the United States.

(e) In the case of any failure or refusal of any person to obey a subpoena or order of the Secretary under this section, any District Court of the United States or the United States Courts of any territory or possession, within the jurisdiction of which such person if found or resides or transacts business, upon the application by the Secretary shall have jurisdiction to issue to such person an order requiring such person to appear to produce evidence if, as and when so ordered to give testimony relating to the matter under investigation or in question. Any failure to obey such order of the Court may be punished by said court as a contempt thereof.

STATE AUTHORITY

SEC. 15. This Act shall not invalidate the provisions of any existing state legislation dealing with the same subjects as this Act, nor shall this Act prevent any state from enacting legislation similar to existing state legislation, except that such similar legislation may not permit any action that is prohibited under this title.

SEPARABILITY OF PROVISIONS

SEC. 16. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

REPEAL OF AGRICULTURAL FAIR PRACTICES ACT OF 1967

SEC. 17. The Agricultural Fair Practices Act of 1967 (Pub. L. 90-288, 7 U.S.C.A. Sections 2301 *et seq.*) is hereby repealed effective on the day after the date of enactment of this title; provided, however, that such repeal shall not affect any act done or any right accruing or accrued, or any act or proceeding had or commenced in any civil cause, before such repeal.●

THE DRAFT HASN'T GONE AWAY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● **Mr. SEIBERLING.** Mr. Speaker, actual inductions into the Armed Forces ended in December 1972. Six months later, with certain minor exceptions, the authority of the President to induct men into the Armed Forces expired. Yet today, less than 6 years after the end of the draft, we are once again hearing a rising orchestration of calls for a resumption of compulsory military service. I was recently asked if I thought a consensus exists in the House in favor of a resumption of the draft. No such consensus exists. What is going on today is a concerted attempt to develop such a consensus, and we must not allow ourselves to be taken in by it.

Critics of the All-Volunteer Force (AVF) have alleged that it is not working—that it has failed to attract sufficient numbers of intelligent, capable men and women to meet its needs. Yet the Department of Defense, in a December 1978 study, states unequivocally that the AVF "has provided the military services with a full-strength Active Force of a quality equal to or superior to that achieved under the draft." The same report goes on to say that, since the end of the draft, Active Forces have remained within 1.5 percent of the congressionally authorized levels; that the quality of those serving on active duty "has not declined as popularly believed but has markedly and steadily improved since the end of the draft"; that retention of enlisted personnel has increased and is well above pre-Vietnam rates; and that disciplinary problems have declined significantly. These are hardly indications that the AVF is desperately in need of a return to the draft.

Apparently there are problems with the manpower levels in the reserves. Just how extensive the problems are remains to be seen. Congress has not yet taken a good, hard look at our Reserve requirements. Are they accurate? Are they necessary? Certainly proposals to create a new draft for the purpose of filling out the Reserves are premature and, perhaps, unworkable. DOD concludes that "a draft focused solely on the Selected Reserve or the IRR (Individual Ready Reserve) would involve practical difficulties. A Selected Reserve draft would be a 'hometown' draft to fill deficiencies in local Selected Reserve units and could undermine community support for the Reserves. An IRR draft would require that personnel with as little as 12 weeks of training be available for combat duty within 30 days of mobilization for a period of 6 years following this training. It is unclear whether such individuals could achieve and retain the necessary skills and physical conditioning with so little training." The report concludes that the "draft is not necessary * * *," and that "(p)rogram changes being tested and implemented for the Selected Reserve and the IRR may eliminate deficiencies in these areas and should be given a chance to work." I concur that DOD should be given enough time to develop the incentives needed to fill out the Reserves. Right now, Congress is in danger of making the terrible mistake of returning to the draft, and I am convinced that we have not even bothered to see if our basic manpower requirements are reasonable.

Yesterday I joined with 39 of our colleagues in the House in writing to President Carter in opposition to a resumption of the draft, in opposition to universal registration, and in opposition to any form of compulsory nonmilitary national service. The letter was endorsed by some 40 organizations and individuals, ranging from the American Civil Liberties Union to the executive director of the National Taxpayers Union. The full text of the letter, and a complete list of those organizations and individuals who endorsed the letter is as follows:

APRIL 9, 1979.

DEAR MR. PRESIDENT: We are writing to you because we are very disturbed by the increasing number of proposals calling for the resumption of the military draft or for some form of universal registration, which we perceive to be merely a prelude to the draft. Our concern is made greater by recent conflicting testimony by Secretary of the Army Alexander and the Joint Chiefs of Staff before the Senate Armed Services Committee.

Recent accounts of the condition of the All Volunteer Force (AVF) have led to proposals calling for a resumption of the military draft. While we acknowledge that the AVF is not problem-free, we do not believe that the resumption of the draft will eliminate those problems. We feel that the armed forces should be encouraged to develop constructive responses to the problems of the AVF rather than taking the drastic—and unnecessary—step of resuming compulsory military service.

It is our view that compulsory military service—except in time of constitutionally approved war or compelling national emergency—raises serious questions of propriety, and, indeed, legality in the light of the constitutional prohibition against involuntary servitude. The return to the draft, in a time when the United States has chosen to actively pursue the cause of world peace and so soon after the trauma of Vietnam, cannot fail to raise grave doubts and create new alienation among our people.

We are also opposed to establishing a system of universal registration for future military service. Such an action will be universally perceived as the first step toward the eventual resumption of the draft. Moreover, universal registration in peacetime would be a massive invasion of the privacy of millions of young Americans and would, almost inevitably, lead to the creation of yet one more enormous federal bureaucratic organization.

We are equally troubled by proposals to develop some form of compulsory nonmilitary national service. We are convinced that compulsory national service in peacetime, like the draft, is a violation of the Constitution. Our young people today have a wide variety of opportunities to volunteer their time for worthwhile causes. We cannot believe that forcing our young men and women to perform some type of national service would be in this country's best interests, and we doubt that such an action would have a beneficial impact on national morale.

We urge you to oppose the draft, compulsory non-military national service, and universal registration.

Ron Paul, Jim Johnson, Robert W. Kastenmeier, Ronald B. Dellums, Benjamin S. Rosenthal, Frederick W. Richmond, Richard L. Ottinger, F. James Sensenbrenner, Jr., Fortney H. (Pete) Stark, William H. Gray III, William M. Brodhead, Peter H. Kostmayer, and Shirley Chisholm.

Jim Weaver, Robert F. Drinan, Dave Stockman, Don Edwards, Richard Nolan, Louis Stokes, Bruce Vento, Ted Weiss, Donald J. Pease, George E. Brown, Jr., Eugene V. Atkinson, Elizabeth Holtzman, Charles A. Vanik, and John L. Burton.

John F. Seiberling, Parren J. Mitchell, Bob Traxler, Howard Wolpe, John Conyers, Bob Carr, George Miller, Phillip Burton, Edwin B. Forsythe, Cardiss Collins, Bennett M. Stewart, Abner J. Mikva, and William Clay,

Members of Congress.

The following organizations and individuals oppose the draft, compulsory nonmilitary national service, and universal registration, and are in support of the April 9 letter by members of the House of Representatives to President Carter.

American Civil Liberties Union.

Americans for Democratic Action.

Americans for Democratic Action—Youth Caucus.

Church Women United.

Inter-Religious Working Group, Vietnam Generation Ministries, Division of Church and Society, National Council of Churches of Christ in U.S.A.

Jewish Peace Fellowship.

Mennonite Central Committee, Peace Section.

Washington Peace Center.

David Addlestone, Co-Director, National Veterans Law Center.*

Robert Z. Alpern, Unitarian Universalist Association.*

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*Footnotes at end of article.

Thomas Ashby, Memphis Area Legal Services, Inc.*

Charles L. Boyer, Church of the Brethren, General Board.

William K. Cober, Executive Director, National Ministries, American Baptist Churches, U.S.A.

Jack Corbett, Department of Church/Government Relations, Board of Church and Society, United Methodist Church.

David Cortright, Executive Director, SANE.

Jay Hilgartner, Young Libertarian Alliance.

Chris Hocker, National Director, Libertarian Party.

Warren W. Hoover, National Inter-Religious Service Board for Conscientious Objectors.*

Barton Hunter, Fellowship of Reconciliation.

Frank Jackalone, National Chairperson, U.S. Student Association.

Rev. John E. Jordan, Board of Global Ministries, United Methodist Church.*

Rev. Dean M. Kelley, Acting Executive Director, Division of Church and Society, National Council of Churches of Christ in the U.S.A.

Edward R. Killackey, M.M., Maryknoll Fathers and Brothers.*

Jon Landau, CCCO/An Agency for Military and Draft Counseling.

Barbara Lupo, Clergy and Laity Concerned.

Barry Lynn, Office for Church in Society, United Church of Christ.

John McClaughry, Chairman, National Council Against Compulsory Service.

Robert McClean, Board of Church and Society, United Methodist Church.

Jerry Melnyk, Center for Veterans' Rights.*

Raymond Nathan, Director, Washington Ethical Action Office, American Ethical Union.

Grover Nordquist, Executive Director, National Taxpayers Union.

Tom Palmer, National Chairman, Students for a Libertarian Society.

Rolland Pfile, Executive Secretary, Department of Church in Society, Division of Homeland Ministries, Christian Church (Disciples of Christ).

Louise Ransom, Peter Salerno, Jr., Ivan L. Padilla (Denver), Inter-Religious Working Group, Vietnam Generation Ministries, Division of Church and Society, National Council of Churches of Christ in U.S.A.

David Saperstein, Union of American Hebrew Congregations.*

Louis Schneider, American Friends Service Committee.

Patricia Simon, Gold Star Parents for Amnesty/Boston Veterans Discharge and Upgrade Project.*

Richard A. Smith, Executive Director, Veterans Upgrade Center of New York.*

Edward F. Snyder, Friends Committee on National Legislation.

John Topping, President, RIPON Society.

June Totten, Director of Government Relations, American Baptist Churches, U.S.A.

Edith Villastrego, Women Strike for Peace.

David K. Walter, Director, Society for Individual Liberty.●

STATE DEPARTMENT PROJECTS 50-PERCENT PANAMA CANAL TOLL INCREASE

(Mr. HANSEN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANSEN. Mr. Speaker, I have intercepted key reports describing a shocking and deteriorating public debt situation in the Government of Panama which the U.S. State Department has been trying desperately to suppress, because of its unavoidable impact on Panama Treaty implementation legislation now before the Congress.

The data transmitted just last month by the American Embassy in Panama to the Secretary of State in Washington reveals a $2.4-billion debt level equaling the size of Panama's gross domestic product (GDP) with increases projected to push debt servicing "to an incredible 71 percent of the consolidated budget" by 1983.

And we see a dramatic potential impact on the advisability of implementing the Panama Canal Treaties of 1977 in the statement:

> The estimated $60–70 million yearly Canal payment to the GOP (Government of Panama) under the new Treaties rests on the assumption that probable toll increases over the next few years, aggregating upwards of 50 percent above present rates, will not reduce the current level of Canal traffic.

The question one must ask is what encumbrances and liabilities, including unintended partnership arrangements, the United States may assume in subjecting our multibillion dollar assets in the Panama Canal Zone to a joint venture with an entity so obviously on the verge of bankruptcy? Would any thinking businessman enter such a partnership?

Based on these reports which I am entering into the Record, I have today written to Secretary of State Cyrus Vance demanding an explanation of the facts contained in these reports. Among the questions raised are the following:

First. Upon learning of the existence of these documents, my office made four separate attempts to secure copies from the Department of State and were repeatedly told that no such reports existed. Why?

Second. The Department of State has continuously been less than candid with the facts. The best example is a series of differences between statements by State and the facts as they ultimately appear. For instance, your estimate of costs of the Panama Canal Treaty to the U.S. Treasury and taxpayers have risen from 0 to $350 to $981 million—up 265 percent in the last 2 months alone. Why?

Third. Now it appears that State's representation to the Congress of the effect of the treaty on tolls is at serious variance with its own house estimate on the same matter. As Secretary of State, you yourself testified in 1977 that tolls would rise by about 25 percent due to the treaty; and this figure has been reduced since. Now you say 50 percent. Why?

Fourth. When I raised the issue of Mr. Sol Linowitz' conflict of interest as a treaty negotiator, the Department of State announced that it had done a careful inquiry into such potential conflict of interest and determined that none existed. Now we discover that private commercial banks, one on which Mr. Linowitz served as a member of the board of directors, hold $2.4 billion of Panama's paper. Was this only discovered this month?

Fifth. Does the debt situation in Panama as described in these documents have any bearing at all on the Panama Canal Treaties as negotiated and/or upon the implementing legislation now under consideration in the Congress? What are the questions or consequences regarding Panama's ability to maintain or operate the canal in the future during or after the treaties by reason of their fiscal straits? What can be the effects on the U.S. taxpayer or upon the toll structure, because of the facts revealed in these papers—are we opening ourselves to underwriting unlimited liability to continually assure sufficient Panamanian solvency to maintain and operate the canal?

The story told in the financial report of our own Ambassador and the local staff of the State Department in Panama at first causes disbelief. How could a nation with one of the highest per capita incomes in all of Latin America also have one of the highest debt service to income ratios in that same region?

After the initial shock, our reaction must be to ask how such a state of affairs bears on the United States? Then we see that in order to have a mere hope of weathering the crisis, Panama must have an immediate increase in canal tolls of no less than 50 percent. The source of this information is the same State Department which has been telling Congress that tolls can be kept to a reasonable increase. One wonders just what State thinks is reasonable.

Beyond the shock of finding a neighbor state so mismanaged and the sympathy one must feel for the people of Panama, for it is always the people of a country who suffer for the profligacy of their government, there is the question of how this financial disaster changes the options of the Government of Panama. Are we faced with the prospect of a nation whose survival is based upon the use which it can make of the Panama Canal? It is one thing to have and treat the canal as an asset. It is quite another to be in such desperate straits that bartering away control of one's country and the canal become very real and necessary choices.

Eighteen months ago, I called the attention of the House to the strange case of Sol Linowitz and his involvement with banks which were large creditors of the Government of Panama. I was on firm ground then. With the reports which I am today introducing into the Record, my fears of conflict of interest were clearly well justified. Panama owes private banks more than $2.4 billion.

In September 1977, addressing the conflict of interest in Mr. Linowitz' position as banker and negotiator, I said that Panama owed international commercial banks $200 million. It now appears that Panama owes 12 times that amount to those banks. I suggested then that the pressure to shore up those loans had distorted the negotiating process. Both American negotiators had banking interests. The treaties provided for an enormous increase in canal payments to Panama over the current rate and left enough vagueness in terms to raise doubts that we knew the true cost of the transfer.

We now begin to see the picture. Panama is near bankruptcy. State all but guarantees that Panama needs a 50-percent toll increase and a continuously rising toll rate. I have offered legislation to eliminate the effect on the taxpayer of the transfer of the canal and limit the impact on the tollpayer of inflated tolls.

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*Organization listed for identification purposes only.

The reason for providing safeguards to the taxpayers and tollpayers was clear before this new revelation of the dire predicament of Panama's debt picture. It is now doubly important to build a barrier for taxpayers and canal users against the profligate spending of Panama.

Once the canal becomes the property of Panama, the United States will be faced during the next 20 years with the continuing pressure to raise tolls and appropriate funds to cover the ever-expanding appetite of the Panamanian Government for more and more money. Will the rest of Latin America thank us then for converting the canal into a money machine for one small country at the expense of the rest of our friends to the south? Even if we were to allow a wholesale and continuing escalation of toll rates, no conceivable increase could cover such a massive debt and debt service.

Interest alone on Panama's debt for 1979 is more than the current gross annual toll revenue of the canal. By 1983, Panama's total debt is projected to be more than 22 times the current annual toll revenue of the canal. With the canal in the hands of Panama, will we not be faced with the prospect of never-ending demands to bail Panama out of its financial mess with the veiled or overt threat that the operation of the canal will suffer unless we pay?

What is the prospect for after 1999? If the financial situation in Panama is not cured—and the report gives us little hope of that—whatever its intentions, Panama will be led to barter its principal asset for foreign assistance. Economic disaster could lead Panama to trade its independence or at least control over the canal for economic stability.

Is it so farfetched to envision oil rich states, the Soviets, or others paying Panama for control of a major pressure point of the United States? It is no more farfetched than the statements I made in 1977, exposing the conflict of interest involved in the positions of Linowitz and Bunker. We were not told the truth then and we are obviously still left to our own devices to find the true dimensions of the Panama Canal Treaty and its potential long-range effects.

The State Department's own records show dangerous financial instability in Panama which the assets of the canal can in no way relieve. It becomes clearer than ever that for the safety of Panama, the United States, and the world of Panama Canal users, the canal should rest where it is—at least for now—in the hands of the only nation on Earth which can be expected to properly maintain it and treat it as a trust for the benefit of the world.

State Department documents follow:

Panama's Public Debt: 1978–83

1. Summary: Carrying costs of Panama's debt shot up again last year, absorbing about half of the government budget. Also, new borrowing rose substantially, much of it from foreign commercial sources, which boosted the debt level to $2.4 billion, roughly the size of Panama's GDP. Projections based on the present debt structure plus anticipated new credit needs indicate further deterioration ahead with debt costs projected to take up well over half of the government budget by 1983. There is no peaking out in sight. End summary.

2. Government of Panama (GOP) debt servicing increased again last year to $400 million as a result of heavy borrowing in recent years, plus much higher international interest rates. It amounted to over one-half of the consolidated public sector budget and 60 percent of the $670 million Panama earned last year from the export of goods and services (Panama's currency is the U.S. dollar so the distinction between foreign and domestic debt is meaningless). On the portion of debt held directly by the central government, payments rose to $190 million, more than doubling in two years to reach 49 percent of central government revenues. These ratios are among the highest in the world and indicate extreme pressure on Panama's financial structure.

3. There was also a massive ($300 million) increase in GOP borrowing to $807 million, exclusive of a $300 million refinancing which stretched out difficult amortization requirements of the next three years. Most of the borrowing (78 percent) was non-project credit from abroad on commercial terms, while project lending by international financial institutions (IFI) came to only $57 million. The total greatly exceeded the GOP's apparent need for new money which consisted of its $400 million investment program and $235 million debt amortization (less any autonomous agency surpluses and repayments of government housing and agricultural loans—at least $50 million in total). According to one GOP source, the additional funds were procured to take advantage of their availability at favorable terms, even though they would not be used until the following year. However, some were used to capitalize interest payments ($25 million identified), or possibly for other purposes, with the rest probably held back until needed—perhaps invested in short-term interest bearing assets abroad.

4. Public debt rose by almost $600 million to $2.4 billion at the end of 1978 (Table 1)—roughly the size of Panama's gross domestic product (GDP). It is still largely short term and expensive commercial credit from abroad (65 percent), with only 15 percent owed to the IFI's (long term) and the balance to domestic lenders. There was also a continuation last year of the recent shift from U.S. to other credit sources: the Far East—particularly Japan (loans, bonds), Europe (greater participation in annual syndicated loans), and the Middle East and Venezuela. For example, there was major non-U.S. participation in the $300 million refinancing, which paid off several existing U.S. dominated loans.

5. This unexpectedly heavy borrowing will be very costly later on since much of it was short term and without the grace periods which the more publicized annual syndicated loans generally carry. It offset the relief which the $300 million refinancing had provided for the next three years. Also, there is the added servicing on some $40 million in previously unreported 1976 and 1977 loans. For 1979, total principal and interest payments are estimated to increase by $72 million to $470 million, 55 percent of the GOP consolidated budget. Costs on only the central government portion will come to about $229 million, 51 percent of its ordinary revenues. The government will need to borrow at least $567 million this year to cover its investment program as well as debt amortization (assuming that roughly $100 million can be generated internally), well below 1978 credit disbursements.

6. Looking ahead, the annual cost of carrying Panama's public debt can be expected to rise substantially over the next few years (Table 2). The increase will be fairly steady in the earlier years, then rises rapidly to $927 million by 1983 as the grace period on the $300 million refinancing runs out. At this level, debt servicing would amount to an incredible 71 percent of the consolidated budget. The projection is based mostly on debt already incurred, plus new borrowing for the government's investment budget (excluding the Cerro Colorado copper project, should it be approved later this year). This is estimated to increase 10 percent annually in view of post-treaty investment expansion planned by the GOP, but which would still mean little overall investment growth in real terms. Total needs would increase from $567 million this year to $1,082 million by 1983. For the central government only, principal and interest payments would increase from $229 million in 1979 to $437 million in 1983, or from 51 to 61 percent of central government revenues (Table 3). This is based on ten percent annual growth in existing revenues (steadily expanding economy but no tax increase) plus an increase in the Canal payment to $70 million in 1983 from $55 million in 1980 (the first full year under the new treaties).

7. Somewhat lower projections result by assuming reduced needs and easier credit terms. For example, if government investment holds at current dollar levels and future commercial borrowing were to carry average 10 years payouts rather than the 5-year payouts assumed above, the GOP's total debt service would come to $717 million in 1983, about $200 million less than shown in the above projections. This lowers 1983 debt costs as a proportion of the total budget from 71 to 64 percent. Also, 1983 borrowing would be reduced by over $350 million. For the central government only, debt servicing in 1983 would drop from 61 to 48 percent of ordinary revenues under the modified assumptions.

8. These are still extremely burdensome levels, however, and make the GOP's financial outlook quite ominous. More specifically, the situation could deteriorate to the point of widespread repayment delinquency, if not default, without: 1) economic growth of over 3 percent annually throughout the 1979–83 period; 2) virtually trouble free treaty implementation; 3) steady growth of Canal revenues.

Also, a go-ahead for Cerro Colorado could further destabilize the outlook by the sheer size of the project and the government's increased financial vulnerability, even though prospects for its eventual success might be deemed promising. Finally, and possibly of greatest importance, there are no indications at present that the debt service burden will peak out anytime soon following 1983—in fact, because the three year grace period on the $300 million 1978 refinancing will have run out, the picture beyond 1983 may be even more grim.

9. Any number of combinations of circumstances can be postulated as reasonably possible consequences of, if not remedies to, this deteriorating debt situation. However, it would seem to require at a minimum, and soon, more refinancing on a major scale, deep cuts in public sector investment, higher taxes and/or reduced subsidies, and continued austerity in the ordinary outlays of the ministries. This means that private investment must expand vigorously in the face of stable or declining public outlays in order for Panama to achieve even moderate overall economic growth, financed increasingly by domestic rather than foreign savings. In the absence of these developments in substantial measure, there is real danger that

creditors will begin to see the GOP revenue/economic base as less and less able to support its mounting debt burden, and quickly shrink the massive continuous flow of foreign credit that Panama requires. The GOP financial structure could not tolerate a significant cutback in credit volume.

10. Up to this point, however, creditors obviously have not been inhibited by Panama's debt level and the many uncertainties that still surround the overall outlook. The various factors behind current creditor attitudes toward Panama, and what the future may hold in this regard, will be the subject of a separate message.

GOVERNMENT OF PANAMA

TABLE 1.—DEBT OUTSTANDING, DEC. 31, 1978

[Dollar amounts in millions]

	Central government	Autonomous agencies [1]	Total	Percent
A. External:				
AID	45	71	116	(4.9)
EXIM	12	23	35	(1.5)
IBRD		117	117	(4.9)
IDB	54	43	97	(4.1)
Bonds	107		107	(4.5)
Private [2]	807	534	1,341	(56.6)
Total	1,025	788	1,813	(76.5)
B. Domestic: [3]				
Bonds	354	7	361	(15.2)
Private [4]	20	71	91	(3.8)
Other [5]	1	105	106	(4.5)
Total	375	183	558	(23.5)
C. Total	1,400	971	2,371	(100.0)

[1] Guaranteed by Central Government.

[2] Includes some official bilateral loans.

[3] External/domestic distinction is meaningless since Panama's use of U.S. dollar as its currency requires that both domestic and foreign debt be serviced with dollars—earned, borrowed, or saved.

[4] Includes credit from domestic branches of foreign banks.

[5] Includes some IFI credits which the Central Government reloaned to autonomous agencies, and should be considered as external borrowing.

Source: Comptroller General.

TABLE 2.—PUBLIC SECTOR DEBT SERVICE, 1978-83[1]

[In millions of dollars]

	1978 actual	1979	1980	1981	1982	1983
Projection A: [2]						
Disbursement	807	567	691	780	944	1,082
Amortization	235	267	351	396	512	597
Interest	163	203	238	264	227	330
Total	398	470	589	660	789	927
Outstanding (Dec. 31)	2,371	2,671	3,011	3,395	3,827	4,312
Projection B: [3]						
Disbursement	807	567	633	636	703	724
Amortization	235	267	333	336	403	424
Interest	163	203	236	256	258	293
Total	398	470	569	592	661	717
Outstanding (Dec. 31)	2,371	2,671	2,971	3,271	3,571	3,871

[1] Amortization and interest projections were derived by calculating payments due on existing debts based on terms as shown in GOP records. To this was added the servicing of additional debt for meeting GOP gross capital needs (new investment plus amortization less public savings). A major increase was assumed in the rate of int'l Fin. Inst. loan disbursements.

[2] Assumes 10 percent annual growth in the public investment budget; also 5-yr average payout on commercial borrowing following 0-3-yr grace periods, similar to the recent pattern.

[3] Assumes no growth in the investment budget and an average 10-yr payout on commercial borrowing following 0-3-yr grace periods.

Sources: 1978 Comptroller General; projection, U.S. mission.

TABLE 3.—PROJECTED DEBT SERVICE VERSUS BUDGET/REVENUES, 1978-83[1]

[In millions of dollars]

	1978 actual	1979	1980	1981	1982	1983
TOTAL BUDGET [2]						
Projection A:						
Expenditures	788	848	979	1,076	1,183	1,300
Debt service	398	470	589	660	789	927
Percent expenditures	(51)	(55)	(60)	(61)	(67)	(71)
Projection B:						
Expenditures	788	848	939	992	1,050	1,115
Debt service	398	470	569	592	661	717
Percent expenditures	(51)	(55)	(61)	(60)	(63)	(64)
CENTRAL GOVERNMENT ONLY						
Projection A:						
Revenues [3]	386	452	539	592	650	714
Debt service [4]	190	229	283	316	371	437
Percent revenues	(49)	(51)	(52)	(53)	(57)	(61)
Projection B:						
Revenues	386	452	539	592	650	714
Debt service	190	229	275	288	316	346
Percent revenues	(49)	(51)	(51)	(49)	(49)	(48)

[1] See footnotes table 2.

[2] Current and investment outlays of the Central Government plus investment outlays of the autonomous agencies.

[3] Assumes 10 percent annual increase in ordinary revenues, plus increase in Canal payments from $55,000,000 in 1980 to $70,000,000 in 1983.

[4] Assumes amortization remains 40 percent of the total and interest 60 percent of the tota.

Source: 1978, Comptroller General; projections, U.S. Mission.

JOINT EMBASSY-U.S. AID MESSAGE

SUMMARY

The government expects to collect 17.4 percent more revenue this year—$453 million compared to $386 million in 1978—all of which goes for current expenditures. However, the $395 million investment budget is little changed from the level of the past three years, so that total government spending in 1979 will be up by only 7.6 percent to $848 million, roughly one-third of the nation's Gross Domestic Product (Table 1). Looking ahead, the GOP is becoming steadily more vulnerable financially because of its alarming debt level and potential problems with economic growth and Treaty implementation, and may have to raise taxes or curtail services fairly soon despite new Canal receipts.

The overall 1979 revenue increase is to come principally from higher income tax collections, according to the GOP, as salaries and profits rise in line with the economic upturn the government is counting on this year (Table 2). Consumer tax receipts will go up somewhat but only because of higher prices. This is a switch from the past two years when the Panamanian consumer had provided most of the government's rising revenues. The average middle income Panamanian family was probably hardest hit by the 5 percent consumer sales tax introduced in early 1977. It accounted for all of the increase in total revenues that year, and then again in 1978 as apparently rising consumption and prices further boosted sales tax receipts despite Panama's continuing economic slump. Also, there were increased import tax collections last year as a result of higher imports. But both business and personal income tax yields have suffered from the recession (the 1977 increase resulted from stricter records keeping which the 5 percent tax required).

A new factor this year is the big jump in annual Canal payments under the new Treaties which should begin sometime during the 1979 fourth quarter following the October 1 effective date. This is estimated at around $12 million for 1979, roughly a $50 million annual rate, which would include principally the $.30 per ton transit payment, and possibly portions of the $10 million annuity and $10 million annual reimbursement for GOP services. Operating revenues of the installations transferred to the GOP as of October 1, 1979, viz., the railroad and ports, will apparently be retained by the appropriate GOP operating agency.

The GOP routinely spends all of its ordinary revenue on current outlays. Much of this year's revenue increase will be taken up by higher interest and transfer payments, as in the past two years, plus some selected salary increases (Table 3). The higher salaries are mainly for doctors and low paid teachers, in accordance with settlements reached during last year's salary disputes between these groups and the GOP. It leaves little room for increased Ministry operations, once again leading the GOP to label the budget "austere". There has been no growth in ministerial operating outlays, in real terms, since 1975. This pattern was not fully apparent from 1978 expenditure data, however, since much of the GOP's emergency employment program costs in 1978 were buried in the ministerial budgets. Among the Ministries, by far the largest allocation routinely goes to education—21.4 percent in 1979—with 8 percent for health and 3 percent for agriculture. An estimated 4 percent is for defense spending, which as usual comes to around 2 percent of the consolidated budget and less than 1 percent of GDP—an extremely small defense allocation in comparison with other countries.

Interest costs on the public sector debt held by the central government are budgeted to rise again in 1979 from the combination of steadily rising debt and increased rates on the GOP's recent and anticipated new borrowings. However, $98 million for 1979 is probably underestimated since the $77.4 million reported for 1978 appears to exclude roughly $20 million of capitalized interest and $5 million in loan fees shown in GOP debt records. The $20 million increase budgeted for transfer payments reflects some pre-implementation and other startup costs of the new Treaties, such as added personnel and new equipment costs. Other transfer payments cover principally subsidies, directly to both producers (viz., agriculture) and consumers, and indirectly through financial support to certain of the autonomous agencies.

The public sector investment budget was little changed again for 1979—$395 million compared to $402 million expended last year—which means there will be a further decline in real terms (probable 7–9 percent rise in 1979 price level) (Table 4). Public investment in 1979 will be about 30 percent below its 1976 level in 1976 prices. The total includes planned outlays by both the central government and its autonomous agencies. However, a substantial amount ($120 million in 1979) consists of government lending operations, mostly for housing and agricultural credit but also some industrial credit. This item more properly belongs under private sector investment, since the loans are meant to be repaid.

The largest investment allocations are for physical infrastructure—18 percent for electricity (the GOP's major hydro-power program) and 17 percent for transportation (roads, ports, airports). Agriculture receives 15 percent and commerce and industry 8 percent. There has been a tendency in recent years to shift implementing responsibility for public sector investment from the central government to the autonomous agencies. The main purpose ostensibly has been to help put economic sector projects (64 percent of the total) on a paying basis, such as utilities setting rates to cover all costs. However, in practice, self-amortization has been more the exception than the rule.

The bulk of the financing for Panama's public sector investment program comes from foreign borrowing—syndicated Eurocurrency loans, U.S. bank credits, bond issues in Japan, AID/BID/IBRD project type concessional loans, among the more important. Only a minor amount of public savings is generated—current account surpluses of some of the GOP's autonomous agencies. This low tax/low public savings policy has caused a spectacular rise in public sector debt over the past four years when public investment was increased sharply under the GOP's ambitious 1976–80 Development Plan, in part to offset declining private investment. Preliminary data show public sector net borrowing (disbursements less amortization) of $570 millions in 1978, substantially in excess of apparent investment needs. At year-end 1978, the GOP and its agencies owed $2.4 billion—the same as Panama's GDP. Total debt service came to $398 million in 1978, $235 million amortization and $163 interest, while servicing of only the direct debt of central government (excluding autonomous agencies' debt, for which the central government is liable as guarantor) amounted to $190 million or 49 percent of its current revenues. These levels put an enormous strain on the GOP's financial structure. Over four-fifths of Panama's public sector debt is from external sources; however, the distinction between foreign and domestic debt is quite meaningless in Panama's case since its currency is the U.S. dollar and all debts must be serviced with dollars—earned, saved, or borrowed.

Looking ahead, the GOP faces a very difficult fiscal situation over the next few years, stemming primarily from its debt burden which may become even more crushing than at present. Rising interest charges plus treaty implementation costs could easily absorb most of the increased income from the Canal, leaving little room for normal growth in Ministerial operations. The outlook is further clouded by economic and Canal Treaty uncertainties which have major financial implications for Panama. Of primary importance—economic growth must resume in order to bolster Panama's income tax base, which is essential to a rising revenue trend. Neither the timing nor extent of recovery is at all certain, however, even though the GOP looks for a substantial upturn beginning in 1979. This will hinge to an important degree on how well the GOP handles the railroad, ports, and its other treaty responsibilities, as well as on the various political and economic considerations which have been suppressing private investment/economic growth over the past four years. Moreover, the estimated $60–70 million yearly Canal payment to the GOP under the new Treaties rests on the assumption that probable toll increases over the next few years, aggregating upwards of 50 percent above present rates, will not reduce the current level of Canal traffic.

In short, unless there are clear signs fairly soon of easing debt pressure, economic recovery, and a smooth Treaty transition with no reduction in Canal traffic, the GOP will probably have to either raise taxes substantially or undertake a sharp cutback in the level of ministerial operations and/or services and subsidies provided to the general public through GOP autonomous agencies.

REPUBLIC OF PANAMA

TABLE 1.—CONSOLIDATED NATIONAL BUDGET, 1977–79 [1]

[Dollar amounts in millions]

	1977 actual	1978 actual	1979		Percent increase	
			Budget	Percent	1978/77	1979/78
Revenues	343	386	453	(100)	12.5	17.3
1. Direct taxes	130	134	162	(36)	3.2	20.7
2. Indirect taxes	151	187	208	(46)	24.0	10.8
3. Nontax revenues	62	65	83	(18)	4.8	28.8
Expenditures	731	[2] 788	848	(100)	7.7	7.6
1. Current	343	[2] 386	453	(53)	12.5	17.4
(a) Ministries	217	247	275	(32)	13.8	11.2
(b) Transfers	62	61	80	(9)	−1.6	30.5
(c) Interest	64	78	78	(12)	21.9	27.0
2. Capital	388	402	395	(47)	3.6	−1.7
Includes GOP lending operations [3]	(120)	(133)	(120)	(14)	(108)	(−9.6)
(a) Central Government	118	100	106	(13)	−15.2	6.4
(b) Autonomous agencies	270	302	289	(34)	11.8	−4.4
Deficit	−388	−402	−395			
1. Gross borrowing	497	807				
2. Less repayments	−235	−235				
3. Net borrowing	262	572				
4. Other financial sources (estimate) [4]	126					
5. Change in net assets (estimate)						

[1] Central Government budget plus capital outlays of autonomous agencies.

[2] As reported by the GOP; however, excludes $20,000,000 capitalized interest and $5,000,000 loan fees shown in GOP debt records.

[3] Mostly housing and agricultural loans.

[4] Includes some repayments to GOP from its lending operations.

Source: General Controller and Ministry of Planning.

TABLE 2.—CURRENT REVENUES (CENTRAL GOVERNMENT), 1977–79

[Dollar amounts in millions]

	1977 actual	1978 actual	1979		Percent increase	
			Budget	Percent	1978/77	1979/78
Total	343.1	385.9	452.6	(100.0)	12.5	17.3
Tax revenues	281.0	321.4	369.5	(81.6)	14.4	15.0
1. Direct taxes	130.1	134.3	162.1	(35.8)	3.2	20.7
(a) Income	117.7	120.9	135.0	(29.8)	2.7	11.7
(b) Property	12.0	12.7	20.5	(4.5)	5.8	61.4
(c) Other direct	.4	.7	6.6	(1.5)		
2. Indirect taxes	150.9	187.1	207.4	(45.8)	24.0	10.8
(a) Foreign trade	55.3	68.2	78.5	(17.3)	23.3	15.1
(1) Exports	9.8	11.2	15.6	(3.4)	14.3	39.3
(2) Imports	45.5	57.0	62.9	(13.9)	25.3	10.4
(b) Domestic transfers	62.8	68.7	73.9	(16.3)	9.4	7.6
(1) Petroleum	28.4	21.2	26.6	(5.9)	−25.3	25.5
(2) Beverage	12.5	14.9	15.8	(3.5)	19.2	6.0
(3) Stamp taxes	9.9	10.0	12.0	(2.6)	1.0	20.0
(4) Tobacco	7.5	8.2	8.6	(1.9)	9.3	4.9
(5) Other indirect	4.5	14.4	10.9	(2.4)		
(c) Consumer taxes	32.8	50.2	55.0	(12.2)	53.0	9.6
Nontax revenues	62.1	64.5	83.1	(18.4)	3.9	28.8
1. Fees	17.9	24.0	23.7	(5.3)	34.1	−1.2
2. Canal payment	2.3	2.3	[1] 12.5	(.5)		
3. National lottery	29.6	29.3	31.3	(6.6)	−1.0	2.4
4. Transfers	2.9	2.9	3.2	(.7)		10.4
5. Other	9.4	6.0	12.4	(5.3)		

[1] Estimated 4th quarter receipts following Oct. 1, 1979, treaty implementation date.

Source: General Controller and Ministry of Planning.

TABLE 3—CURRENT EXPENDITURES (CENTRAL GOVERNMENT), 1977–79

[Dollar amounts in millions]

	1977 actual	1978 actual	1979		Percent increase	
			Budget	Percent	1978/77	1979/78
Total [1]	343.1	[2] 385.4	452.6	(100.0)	12.3	17.4
Ministry operations	217.6	246.7	274.3	(59.7)	13.4	11.2
1. Education	76.8	82.3	85.0	(18.5)	7.2	3.3
2. Government and justice	40.8	44.6	42.8	(9.3)	9.3	−4.0
3. Health	32.3	34.3	38.3	(8.3)	6.2	11.7
4. Public works	16.6	17.1	17.5	(3.8)	3.0	2.3
5. Agriculture	9.9	10.6	11.8	(2.6)	7.1	11.3
6. Treasury	6.2	7.1	8.1	(1.8)	14.5	14.1
7. Foreign affairs	6.1	7.2	6.8	(1.5)	18.0	−5.5
8. Housing	4.4	4.8	4.9	(1.1)	9.1	2.1
9. Commerce/industries	2.7	3.5	3.7	(.8)	29.6	5.7
10. Other ministries	17.7	30.5	21.5	(4.7)	72.3	−29.5
11. General controller	4.1	4.7	4.7	(1.0)	14.6	0
12. Increase of salaries			29.2	(6.4)		
Transfers	61.7	61.3	[4] 80.0	(17.4)	−.6	30.5
Interest	63.8	[2] 77.4	98.3	(22.0)	21.3	27.0

[1] Excludes amortization of Central Government debt (1977—$36,200,000; 1978—$87,300,000; 1979—($51,900,000).

[2] See table 1, footnote 2.

[3] Includes increased salaries for doctors, teachers, and low-paid employees of all ministries.

[4] Roughly $20,000,000 for pre-treaty and treaty startup costs.

Source: General Controller and Ministry of Planning.

TABLE 4—CAPITAL EXPENDITURES (CENTRAL GOVERNMENT AND AUTONOMOUS AGENCIES) 1977–79

[Dollars amounts in millions]

	1977 actual	1978 actual	1979		Percent increase	
			Budget	Percent	1978/77	1979/78
Total	$388.3	$401.9	$394.9	(100.0)	3.5	−1.7
Central Government	118.4	99.9	106.3	(26.9)	−15.6	6.4
Autonomous agencies	269.9	302.0	288.6	(73.1)	11.9	−4.4
Lending operations	(119.9)	(133.1)	(120.3)	(30.5)	(11.0)	−9.6
Economic sector	274.2	278.4	251.9	(63.8)	1.5	−9.5
Central Government	57.5	79.9	59.2	(15.0)	39.0	−25.9
Autonomous agency	216.7	198.5	192.7	(48.8)	−8.4	−2.9
Lending	(35.8)	(52.4)	(65.6)	(16.6)	(46.4)	25.2
1. Commerce industry	108.2	59.5	31.8	(8.1)	−45.0	−46.5
Central Government	11.9	20.3	.5	(.2)	70.6	−97.5
Autonomous agencies	96.3	39.2	31.3	(7.9)	−59.3	−20.1
Lending	(1.3)	(6.8)	(16.6)	(4.2)		144.1
2. Agriculture	39.8	57.1	60.3	(15.3)	43.5	5.6
Central Government	4.8	11.5	6.6	(1.7)	139.6	−42.6
Autonomous agencies	35.0	45.6	53.7	(13.6)	30.3	17.8
Lending	(34.5)	(45.6)	(49.0)	(12.4)	(30.3)	7.5
3. Electricity	61.4	67.9	72.4	(18.3)	10.6	6.6
Central Government	10.5	7.8			−25.7	
Autonomous agencies	50.9	60.1	72.4	(18.3)	18.1	20.5
4. Transport	58.1	69.9	65.7	(16.6)	20.3	−6.0
Central Government	30.3	40.3	52.1	(13.2)	33.0	29.3
Autonomous agencies	27.8	29.6	13.6	(3.4)	6.5	−54.0
5. Communications: Autonomous agencies	6.7	24.0	21.7	(5.5)		9.6
Social sector	96.4	101.8	97.0	(24.6)	5.6	−4.7
Central Government	51.7	10.9	19.5	(5.0)	−72.9	78.9
Autonomous agencies	44.7	90.9	77.5	(19.6)	103.4	−14.7
Lending	(84.1)	(80.7)	(53.2)	(13.5)	(−4.0)	−34.1
1. Housing	79.4	75.5	47.5	(12.0)	−4.9	−36.7
Central Government	46.4	0				
Autonomous agencies	33.0	75.5	47.5	(12.0)	128.8	−36.7
Lending	(79.4)	(75.5)	(47.5)	(12.0)	(−4.9)	−36.7
2. Health	42.7	117.1	8.2	11.7	25.4	(6.4)
Central Government	2.0	3.5	5.6	(1.4)	75.0	60.0
Autonomous agencies	6.2	8.2	19.8	(5.0)	32.3	141.5
3. Education	8.8	14.6	24.1	(6.2)	65.9	65.1
Central Government	3.3	7.4	13.9	(3.6)	124.2	87.8
Autonomous agnecies	5.5	7.2	10.2	(2.6)	30.9	41.7
Lending	(4.7)	(5.2)	(5.7)	(1.4)	(10.6)	9.6
Other	17.7	21.7	46.0	(11.6)	22.6	112.0
Central Government	9.2	9.1	27.6	(7.0)	−1.1	203.3
Autonomous agencies	8.5	12.6	18.4	(4.6)	48.2	46.0
Lending			(1.5)	(.4)		

Source: General Controller and Ministry of Planning.

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GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Arizona (Mr. Udall).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Addabbo, for today, on account of death in family.

Mr. Pepper (at the request of Mr. Wright), for today, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lewis) to revise and extend their remarks and include extraneous material:)

Mr. Goldwater, for 10 minutes, today.
Mr. Green, for 10 minutes, today.
Mr. Collins of Texas, for 20 minutes, today.
Mr. Grassley, for 10 minutes, today.
Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Danielson) to revise and extend their remarks and include extraneous material:)

Ms. Holtzman, for 5 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. LaFalce, for 10 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Bonker, for 5 minutes, today.
Mr. Fascell, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Reuss, for 10 minutes, today.
Mr. Ashley, for 5 minutes, today.
Mr. Udall, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.
Mr. Swift, for 5 minutes, today.
Mr. Weiss, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Hall of Texas, for 5 minutes, today.
Mr. Harris, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Lundine, for 5 minutes, today.
Mr. Dingell, for 5 minutes, today.
Mr. Dodd, for 5 minutes, today.
Mr. Mikva, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Albosta, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Alexander, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $2,219.

Mr. Hansen, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,062.

Mr. Panetta, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,158.

(The following Members (at the request of Mr. Lewis) and to include extraneous matter:)

Mr. Dougherty.
Mr. Bob Wilson in three instances.
Mr. Green.
Mr. Solomon.
Mr. Paul in four instances.
Mr. Anderson of Illinois.
Mr. Rudd.
Mr. Findley in two instances.
Mr. Lott.
Mr. Gilman in five instances.
Mr. Myers of Indiana.
Mr. Railsback.
Mr. Kemp.
Mr. Ashbrook in two instances.
Mr. Hillis.
Mr. Evans of Delaware.
Mr. Stockman.
Mr. Michel in three instances.
Mr. Gingrich.
Mr. Quayle.
Mr. Coleman.
Mr. Conte.
Mrs. Fenwick.
Mr. Wylie.
Mr. Hagedorn in three instances.
Mr. Hansen in five instances.

(The following Members (at the request of Mr. Danielson) and to include extraneous matter:)

Mr. Guarini.
Mr. Van Deerlin in two instances.
Mr. Edwards of California.
Mr. Garcia.
Mr. Ertel in two instances.
Ms. Mikulski.
Mr. Kildee.
Mr. Ullman.
Mr. Duncan of Oregon.
Mr. Roe.
Mr. Carr.
Mr. Murphy of New York.
Mr. St Germain.
Mr. Fauntroy.
Mr. Dodd.
Mr. Addabbo.
Mr. Hamilton.
Mr. Edgar in two instances.
Mr. Swift.
Mr. LaFalce in two instances.
Mr. John L. Burton.
Mr. Pease.
Mr. Bonker in two instances.
Mr. Jacobs.
Mr. Lowry.
Mr. Nowak.
Mr. Harkin in three instances.
Mr. Sabo.
Mr. Moorhead of Pennsylvania in five instances.
Mr. Shelby.
Mr. White in four instances.
Mr. Traxler in two instances.
Mr. Stump.
Mr. Hanley.
Mr. Gudger.
Mr. Applegate in two instances.
Mr. Akaka.
Mr. Fascell in two instances.
Mr. Weiss.
Mr. Santini.
Mr. Reuss.
Mr. Richmond.
Mr. Roybal.
Mr. Waxman.
Mr. Bennett in two instances.
Mr. Ottinger.
Mr. McDonald in three instances.
Mr. Ambro.
Mr. Wolff.
Mr. Cavanaugh.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 450. An act to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary;

S. 869. An act to amend section 207 of title 18, United States Code; to the Committee on the Judiciary; and

S.J. Res. 61. Joint resolution to authorize the President to issue a proclamation designating the week beginning May 20 through May 26, 1979, as "National Oceans Week"; to the Committee on Post Office and Civil Service.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 9, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 283. Reaffirming the U.S. commitment to the North Atlantic Alliance.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 99 of the 96th Congress, the Chair declares the House adjourned until 12 o'clock noon on Monday, April 23, 1979.

Thereupon (at 5 o'clock and 23 minutes p.m.), pursuant to House Concurrent Resolution 99, the House adjourned until Monday, April 23, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1241. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of April 1, 1979, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 96-95); to the Committee on Appropriations and ordered to be printed.

1242. A letter from the Secretary of Housing and Urban Development, transmitting a report on HUD rehabilitation and homeownership programs, as requested by the conference report on the Housing and Community Development Amendments of 1978; to the Committee on Banking, Finance and Urban Affairs.

1243. A letter from the Acting Administrator, Agency for International Development, Department of State, transmitting the third annual report on the famine prevention and freedom from hunger program, pursuant to section 300 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1244. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Peru, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1245. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1246. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to amend chapter 25 of title 44, United States Code, to provide an authorization for the National Historical Publications and Records Commission programs and for other purposes; to the Committee on Government Operations.

1247. A letter from the Records Officer, Legal Services Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1248. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1249. A letter from the Director, Office of Management Services, Finance Group, U.S. Postal Service, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1250. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket Nos. 182 and 182-A, *The Fort Sill Apache Tribe* v. *The United States;* to the Committee on Interior and Insular Affairs.

1251. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on April 24 and 25, 1979, in Paris, France; to the Committee on Interstate and Foreign Commerce.

1252. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

1253. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to limit the service of civil process by U.S. marshals; to the Committee on the Judiciary.

1254. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1255. A letter from the national secretary-treasurer, Sons of Union Veterans of the Civil War, transmitting the annual report and audit of the organization for the year ended June 30, 1978, pursuant to section 16 of the act of August 20, 1954, and section 3 of Public Law 88-504, respectively; to the Committee on the Judiciary.

1256. A letter from the Secretary of Commerce, transmitting her recommendations on the seventh annual report of the National Advisory Committee on Oceans and Atmosphere, pursuant to section 4(b) of Public Law 95-63, together with a further report on actions taken on the recommendations contained in the committee's sixth annual report, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Merchant Marine and Fisheries.

1257. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the Endangered Species Act of 1973, as amended, through fiscal year 1982; to the Committee on Merchant Marine and Fisheries.

1258. A letter from the Secretary of Transportation, transmitting the eighth annual report on the special bridge replacement program, pursuant to 23 U.S.C. 144; to the Committee on Public Works and Transportation.

1259. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to improve the ability of States and political subdivisions to secure support from absent parents for children receiving AFDC, and in certain cases the parent with whom the child is living, and for other purposes; to the Committee on Ways and Means.

1260. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of OSHA's complaint procedures (HRD-79-48, April 9, 1979); jointly, to the Committees on Government Operations and Education and Labor.

1261. A letter from the Comptroller General of the United States, transmitting a report on the Department of Energy's efforts to develop and commercialize electric vehicles (EMD-79-6, April 9, 1979); jointly, to the Committees on Government Operations, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOORHEAD of Pennsylvania: Committee of conference. Conference report on H.R. 2283 (Rept. No. 96-93). Ordered to be printed.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of the bill (H.R. 1716) to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes, to the Committees on Foreign Affairs, the Judiciary, Post Office and Civil Service, and Merchant Marine and Fisheries extended for an additional period ending not later than April 11, 1979.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 3552. A bill to amend the Electronic Fund Transfer Act to provide that notice given by a consumer to a financial institution regarding an unauthorized electronic fund transfer shall take effect upon the proper dispatch or mailing of such notice and not upon the receipt of such notice, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3553. A bill to amend the Truth in Lending Act to facilitate compliance with such act, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BIAGGI:

H.R. 3554. A bill to amend title IV of the Higher Education Act of 1965 to prevent a decrease in the availability of student loans during periods of high interest rates; to the Committee on Education and Labor.

H.R. 3555. A bill to amend title XIX of the Social Security Act to provide that an individual who is unable to care for his or her personal needs without assistance shall be eligible as a disabled person (even though employable) for the services of a home health aide under the applicable State plan approved under such title; to the Committee on Interstate and Foreign Commerce.

By Mr. BLANCHARD (for himself, Mr. Mineta, and Mr. Jeffords):

H.R. 3556. A bill to provide for an accelerated program to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration and other Federal agencies, of wind energy research, development, and demonstration; to the Committee on Science and Technology.

By Mr. JEFFORDS (for himself, Mr. Blanchard, and Mr. Mineta):

H.R. 3557. A bill to provide for an accelerated program to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration and other Federal agencies, of wind energy research, development, and demonstration; to the Committee on Science and Technology.

By Mr. MINETA (for himself, Mr. Blanchard, and Mr. Jeffords):

H.R. 3558. A bill to provide for an accelerated program to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration and other Federal agencies, of wind energy research, development, and demonstration; to the Committee on Science and Technology.

By Mr. COELHO:

H.R. 3559. A bill to amend the act of May 27, 1930, to expand the emergency authority of the Secretary of Agriculture regarding persons who are lost, seriously ill, injured, or who die within the national forest system, and for other purposes; to the Committee on Agriculture.

By Mr. DELLUMS (for himself, Mr. Bauman, Mr. Kemp, Mr. McKinney, Mr. Fauntroy, Mr. Moffett, Mrs. Holt, Mr. Diggs, Mrs. Spellman, and Mr. Leland):

H.R. 3560. A bill to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on the District of Columbia.

By Mr. DICKS:

H.R. 3561. A bill to amend the Internal Revenue Code of 1954 to waive in certain cases the residency requirements for deductions or exclusions of individuals living abroad; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. AuCoin, Mr. Burgener, Mr. Evans of Delaware, Mr. Harsha, Mr. Horton, Mr. Howard, Mr. La Falce, Mr. Lent, Mr. McHugh, Mr. Nowak, Mr. Patten, and Mr. Rinaldo):

H.R. 3562. A bill to repeal section 3402(q) of the Internal Revenue Code of 1954 which requires, for income tax purposes, amounts to be withheld from certain gambling winnings; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 3563. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. GIBBONS:

H.R. 3564. A bill to require all educational admissions testing conducted through interstate commerce, and all occupational admissions testing (which affects commerce) to be conducted with sufficient notice of test subject matter and test results, and for other purposes; to the Committee on Education and Labor.

By Mr. GUARINI:

H.R. 3565. A bill to amend the Tariff Schedules of the United States to provide a temporary suspension of the duty on certain alloys of cobalt; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 3566. A bill to amend the Saccharin Study and Labeling Act to extend from 18 to 36 months the period during which the Secretary of Health, Education, and Welfare may not take certain action restricting the continued use of saccharin as a food, drug, and cosmetic; to the Committee on Interstate and Foreign Commerce.

By Mr. HALL of Texas (for himself, Mr. Mollohan, Mr. Shelby, Mr. Vander Jagt, Mr. Broyhill, Mr. Moorhead of California, Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Ambro, Mr. Andrews of North Carolina, Mr. Andrews of North Dakota, Mr. Anthony, Mr. Applegate, Mr. Archer, Mr. Ashbrook, Mr. Aspin, Mr. Atkinson, Mr. Badham, Mr. Bafalis, Mr. Bailey, Mr. Barnard, Mr. Bevill, Mr. Biaggi, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Bonker, Mrs. Bouquard, Mr. Bowen, Mr. Breaux, Mr. Brinkley, Mr. Brodhead, Mr. Brooks, Mr. Brown of California, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Campbell, Mr. Carney, Mr. Chappell, Mr. Cheney, Mrs. Chisholm, Mr. Clausen, Mr. Clay, Mr. Clinger, Mr. Coelho, Mr. Collins of Texas, Mr. Conable, Mr. Corcoran, Mr. Coughlin, Mr. Daniel B. Crane, Mr. Robert W. Daniel, Jr., Mr. AuCoin, Mr. Daschle, Mr. Davis of South Carolina, Mr. de la Garza, Mr. Dellums, Mr. Derrick, Mr. Devine, Mr. Dickinson, Mr. Dicks, Mr. Dixon, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Edwards of Alabama, Mr. Emery, Mr. English, Mr. Ertel, Mr. Evans of Georgia, Mr. Evans of Delaware, Mr. Fazio, Ms. Ferraro, Mr. Fish, Mr. Flippo, Mr. Flood, Mr. Florio, Mr. Foley, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fountain, Mr. Fowler, Mr. Frenzel, Mr. Fuqua, Mr. Garcia, Mr. Gaydos, Mr. Gephardt, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Goodling, Mr. Gradison, Mr. Gramm, Mr. Grassley, Mr. Gray, Mr. Grisham, Mr. Gudger, Mr. Guyer, Mr. Hagedorn, Mr. Hamilton, Mr. Hance, Mr. Hanley, Mr. Harkin, Mr. Hawkins, Mr. Hefner, Mr. Hightower, Mr. Hillis, Mr. Hinson, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hutto, Mr. Hyde, Mr. Ichord, Mr. Ireland, Mr. Jeffries, Mr. Jenkins, Mr. Jenrette, Mr. Johnson of California, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Mr. Kazen, Mr. Kelly, Mr. Kemp, Mr. Kildee, Mr. Kindness, Mr. Kramer, Mr. LaFalce, Mr. Latta, Mr. Leach of Louisiana, Mr. Leath of Texas, Mr. Lederer, Mr. Lee, Mr. Lehman, Mr. Leland, Mr. Lent, Mr. Levitas, Mr. Loeffler, Mr. Long of Louisiana, Mr. Lott, Mr. Lowry, Mr. Lujan, Mr. Lundine, Mr. Lungren, Mr. McCloskey, Mr. McCormack, Mr. McDonald, Mr. McEwen, Mr. McHugh, Mr. McKay, Mr. McKinney, Mr. Madigan, Mr. Marks, Mr. Marlenee, Mr. Marriott, Mr. Martin, Mr. Mathis, Mr. Mattox, Mr. Mavroules, Mr. Mazzoli, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moakley, Mr. Montgomery, Mr. Moore, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Murtha, Mr. Myers of Indiana, Mr. Myers of Pennsylvania, Mr. Nedzi, Mr. Nolan, Mr. Nowak, Mr. O'Brien, Mr. Ottinger, Mr. Patten, Mr. Paul, Mr. Pepper, Mr. Perkins, Mr. Peyser, Mr. Pickle, Mr. Price, Mr. Pursell, Mr. Quillen, Mr. Rahall, Mr. Richmond, Mr. Rinaldo, Mr. Roberts, Mr. Robinson, Mr. Roe, Mr. Rose, Mr. Rudd, Mr. Sawyer, Mr. Sebelius, Mr. Sensenbrenner, Mr. Sharp, Mr. Shumway, Mr. Shuster, Mr. Slack, Mr. Solomon, Mrs. Spellman, Mr. Spence, Mr. Stangeland, Mr. Steed, Mr. Stenholm, Mr. Stockman, Mr. Stratton, Mr. Stump, Mr. Symms, Mr. Synar, Mr. Tauke, Mr. Taylor, Mr. Traxler, Mr. Treen, Mr. Trible, Mr. Van Deerlin, Mr. Vento, Mr. Volkmer, Mr. Walker, Mr. Watkins, Mr. Weaver, Mr. White, Mr. Whitehurst, Mr. Whitley, Mr. Whittaker, Mr. Whitten, Mr. Williams of Ohio, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Wright, Mr. Wyatt, Mr. Wylie, Mr. Yatron, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Zeferetti, Mr. Panetta, Mr. Ritter, Mr. Rostenkowski, Mr. Fascell, Mr. Rousselot, Mr. Boner of Tennessee, Mr. Snyder, Mr. Hammerschmidt, and Mr. Coleman):

H.R. 3567. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HILLIS:

H.R. 3568. A bill to establish a commission to review certain regulations relating to aviation for the purpose of insuring that the interests of all persons involved in aviation in the United States are represented in the process of issuing the regulations, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 3569. A bill to amend the Federal Food, Drug, and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act to broaden the discretion of the Secretary of Health, Education, and Welfare and the Secretary of Agriculture regarding certain substances found to induce cancer in animals; jointly, to the Committee on Agriculture and Interstate and Foreign Commerce.

By Mr. HORTON (for himself, Mr. Brooks, Mr. Steed, and Mr. Preyer):

H.R. 3570. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal information management, and for other purposes; to the Committee on Government Operations.

By Mr. JACOBS:

H.R. 3571. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. LLOYD:

H.R. 3572. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income taxes for expenses incurred as a result of an income tax audit, in any case in which the taxpayer is not liable for more taxes as the result of such audit; to the Committee on Ways and Means.

By Mr. LUKEN (for himself and Mr. Mica):

H.R. 3573. A bill to clarify the status of territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products, to protect the environment from adverse effects which would result from the elimination of returnable, refillable bottles, and for other purposes; jointly, to the Committees on the Judiciary, and Interstate and Foreign Commerce.

By Mr. McDONALD:

H.R. 3574. A bill to limit the authority of the Secretary of Health, Education, and Welfare with respect to regulation of vitamin and mineral products for over-the-counter human use; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 3575. A bill to provide the Secretary of Agriculture with flexibility in the imposition of marketing penalties for peanuts; to the Committee on Agriculture.

By Mr. MICA:

H.R. 3576. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on deficiencies of income tax which result from erroneous assistance given by the Internal Revenue Service, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself and Mr. Pritchard):

H.R. 3577. A bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. Addabbo, Mr. Akaka, Mr. Badham, Mr. Biaggi, Mr. Corrada, Mr. Dornan, Mr. Evans of Delaware, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Flood, Mr. Hawkins, Mr. Hughes, Mr. Jenrette, Mr. Lagomarsino, Mr. Madigan, Mr. Patten, Mr. Pepper, Mr. Perkins, Mr. Roe, Mr. Scheuer, Mr. Simon, Mr. Stack, Mr. Winn, and Mr. Zeferetti):

H.R. 3578. A bill to amend Public Law 85–455 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as "National Safe Boating Week"; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.R. 3579. A bill to amend section 1331(c) of title 10, United States Code, to allow certain otherwise ineligible reservists to become eligible for retire pay, and for other purposes; to the Committee on Armed Services.

By Mr. NOLAN (for himself and Mr. Grassley):

H.R. 3580. A bill to provide for establishment and coordination of rural development policy and to extend for 2 years the authorization of appropriations for carrying out title V of the Rural Development Act of 1972; to the Committee on Agriculture.

By Ms. OAKAR:

H.R. 3581. A bill to amend the Atomic Energy Act of 1954 to provide that no licenses for the construction or operation of nuclear reactors at nuclear powerplants shall be issued or renewed until completion of a study of the safety of such plants by the Office of Technology Assessment, and to amend the Energy Reorganization Act of 1974 to provide that the Secretary of Energy shall not construct nuclear waste disposal facilities within or near to densely populated areas; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 3582. A bill respecting the continued use of saccharin as a food additive, drug, and cosmetic; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS (for himself, Mr. Hawkins, and Mr. Jeffords):

H.R. 3583. A bill to amend title II of the Comprehensive Employment and Training Act to provide for the assessment of manpower needs for the full development of domestic energy resources; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 3584. A bill to amend the Federal Meat Inspection Act to allow the interstate movement of all meat food products which are processed by federally inspected establishments and which are derived from meat which has been slaughtered or processed at certain State-inspected establishments; to the Committee on Agriculture.

H.R. 3585. A bill to amend titles XVI and XIX of the Social Security Act to discourage the voluntary divestiture of assets in order to qualify for the supplemental security income program or the medicaid program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ROSTENKOWSKI:

H.R. 3586. A bill to amend the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

By Mr. STAGGERS (by request):

H.R. 3587. A bill to extend provisions of the Noise Control Act of 1972 for 2 years; to the Committee on Interstate and Foreign Commerce.

By Mr. STOKES:

H.R. 3588. A bill to amend title II of the Social Security Act to remove the present ceiling on the contribution and benefit base with a partial exemption from social security taxes for low-income workers, to increase the minimum benefit, to provide full benefits at a reduced age for members of groups with less-than-average life expectancy, to repeal the earnings test, and to make other improvements in the old-age, survivors, and disability insurance programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. SYMMS:

H.R. 3589. A bill to amend title 35, United States Code, to extend the patent term for new drugs and new animal drugs; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 3590. A bill to amend the Controlled Substances Act of 1970 to decriminalize the possession of marihuana, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANDER JAGT:

H.R. 3591. A bill to reduce temporarily the duty on titanium sponge; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 3592. A bill to change the names of a dam and reservoir on the Salt River, Mo., from the "Clarence Cannon Dam and Reservoir" to the "Mark Twain Lake and Clarence Cannon Dam"; to the Committee on Public Works and Transportation.

By Mr. WALKER:

H.R. 3593. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that packaged food bear nutrition labeling; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS:

H.R. 3594. A bill to amend title 28, United States Code, to provide that an annuity under section 375 or 376 of such title shall not terminate by reason of the remarriage of the annuitant after attaining 60 years of age, and to reinstate any annuity which has been terminated under either of such sections by reason of such remarriage; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 3595. A bill to redesignate May 30 of each year as "Memorial Day" and to make such a day a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California:

H.R. 3596. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ASHBROOK:

H.R. 3597. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Ways and Means.

By Mr. ASHLEY:

H.R. 3598. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANDERSON of California:

H.R. 3599. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. AuCOIN (for himself and Mr. Lundine):

H.R. 3600. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BROOKS:

H.R. 3601. A bill to amend title II of the Social Security Act to require that all covered workers be informed annually of their contributions and potential benefit rights (based on their then current wage records); to the Committee on Ways and Means.

By Mr. BURGENER:

H.R. 3602. A bill to extend patent No. 3,113,306 for a period of 10 years; to the Committee on the Judiciary.

By Mr. CAVANAUGH:

H.R. 3603. A bill to establish a Public Service System under which the young people of the United States shall be subject by random selection to induction for civilian, military, or military Reserve service; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Mr. CONYERS (for himself, Mr. Rosenthal, and Mr. Rose):

H.R. 3604. A bill to establish a Federal nonprofit corporation as the importing agent for the crude oil and petroleum products imported into the United States; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. COUGHLIN:

H.R. 3605. A bill to amend the Internal Revenue Code of 1954 to provide a basic $7,500 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. DANIEL B. CRANE:

H.R. 3606. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 3607. A bill to protect the interests and express wishes of the taxpayers of the United States as espoused by the U.S. Senate in its ratification of the Panama Canal Canal Treaty of 1977; to insure domestic harmony; to assist the U.S. Treasury in providing for a balanced Federal budget; to require that all funds used to implement the Panama Canal Treaty of 1977 be expended only with the express consent of the Congress of the United States; and to require that no territory or other property of the United States in the Panama Canal Zone be transferred to the Republic of Panama unless the Congress hereafter enacts legislation which expressly authorizes such transfer; jointly, to the Committees on Merchant Marine and Fisheries and Foreign Affairs.

By Mr. FAUNTROY (for himself Mr. Dellums, and Mr. McKinney):

H.R. 3608. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the payment of revenue bonds issued by the Council of the District of Columbia for the activities of a housing finance authority; to the Committee on the District of Columbia.

By Mrs. FENWICK (for herself, Mr. Mollohan, Mrs. Schroeder, Mr. Goldwater, Mr. Erdahl, Mr. Pritchard, Mr. Fithian, Mr. Cleveland, Mr. Bereuter, Mr. Ginn, Mr. Buchanan, Mr. Lewis, and Mr. Wolpe):

H.R. 3609. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 3610. A bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. McHugh, and Mr. Nolan):

H.R. 3611. A bill to authorize the establishment of a wheat reserve in order to meet emergency food needs in developing countries under the Agricultural Trade Development and Assistance Act of 1954, and for other related purposes; to the Committee on Agriculture.

By Mr. McHUGH (for himself and Mr. Gilman):

H.R. 3612. A bill to authorize the establishment of a wheat reserve in order to meet emergency food needs in developing countries under the Agricultural Trade Development and Assistance Act of 1954, and for other related purposes; to the Committee on Agriculture.

By Mr. GLICKMAN:

H.R. 3613. A bill to reduce Government expenditures for transportation and travel of Federal executive branch employees during fiscal year 1980; to the Committee on Government Operations.

By Mr. GRAY (for himself, Mr. Dougherty, Mr. Edgar, Mr. Florio, Mr. Kostmayer, Mr. Lederer, Mr. Murphy of Pennsylvania, and Mr. Myers of Pennsylvania):

H.R. 3614. A bill to authorize the appropriation of funds for the Benjamin Franklin National Memorial; to the Committee on Interior and Insular Affairs.

By Mr. JENKINS:

H.R. 3615. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. LOTT:

H.R. 3616. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles; and for other purposes; to the Committee on Agriculture.

H.R. 3617. A bill to authorize a project for channel deepening for navigation at Gulfport Harbor, Harrison County, Miss.; to the Committee on Public Works and Transportation.

H.R. 3618. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

H.R. 3619. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

H.R. 3620. A bill to amend the Internal Revenue Code of 1954 (and title II of the Social Security Act) to provide that certain service performed by individuals in the processing and seafood shall not be treated as employment, for purposes of the social security program, the Federal unemployment tax, and income tax withholding; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. Moffett, Mr. Ottinger, Mr. Markey, Mr. Ford of Michigan, Mr. Dodd, Mr. Downey, Mr. Peyser, Mr. Harris, Mrs. Collins of Illinois, Mr. Dellums, Mr. D'Amours, Mr. St Germain, Ms. Oakar, Mr. Bonior of Michigan, Mr. Mottl, Mr. Weiss, Mr. Harsha, Mr. Rosenthal, Mr. Wolpe, Mr. Ratchford, Mr. Conte, Mr. Hall of Ohio, Mr. Matsui, and Mr. Mitchell of Maryland):

H.R. 3621. A bill to extend Federal controls with regard to oil pricing; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 3622. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 3623. A bill to revise the Renegotiation Act of 1951; jointly, to the Committees on Armed Services and Banking, Finance and Urban Affairs.

By Mr. MITCHELL of New York:

H.R. 3624. A bill to amend section 131, title 23, United States Code; to the Committee on Public Works and Transportation.

By Mr. NEAL:

H.R. 3625. A bill to amend the Internal Revenue Code of 1954 to discourage investments by energy companies in fields not related to energy by imposing an excise tax on such investments, and to deny the foreign tax credit for taxes which are attributable to foreign oil and gas extraction income; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 3626. A bill to amend title V of the National Energy Conservation Policy Act relating to Federal employee parking; to the Committee on Public Works and Transportation.

By Mr. PASHAYAN:

H.R. 3627. A bill to establish the Mineral King National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RICHMOND:

H.R. 3628. A bill to amend the Public Health Service Act to provide for grants to hospitals for their provision of certain health care services to undocumented aliens; to the Committee on Interstate and Foreign Commerce.

H.R. 3629. A bill to amend the Public Health Service Act to provide for grants to public and private nonprofit hospitals in imminent danger of closure for their provision of certain health care services; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO:

H.R. 3630. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 3631. A bill to amend the act establishing the Select Commission on Immigration and Refugee Policy (Public Law 95-412); to the Committee on the Judiciary.

By Mr. ROE (for himself and Mr. Young of Missouri):

H.R. 3632. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Waxman, Mr. Satterfield, Mr. Preyer, Mr. Maguire, Mr. Walgren, Ms. Mikulski, Mr. Leland, Mr. Murphy of New York, Mr. Carter, Mr. Lee, and Mr. Fowler):

H.R. 3633. A bill to amend title VIII of the Public Health Service Act to extend for 1 fiscal year the program of assistance for nurse training, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK (for himself and Mr. McKinney):

H.R. 3634. A bill to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize an annual Federal payment to such Authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system, and for other purposes; to the Committee on the District of Columbia.

By Mr. SWIFT:

H.R. 3635. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. Anderson of Illinois):

H.R. 3636. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. VANIK (by request):

H.R. 3637. A bill to carry out the obligations of the United States under the International Coffee Agreement 1976, signed at New York on February 27, 1976, and entered into force for the United States on October 1, 1976, and for other purposes; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 3638. A bill to amend the National Housing Act in order to provide for more efficient and effective service to housing consumers and to the residential home-building, real estate and mortgage lending industries through the residential mortgage loan insurance programs administered by the Federal Housing Administration of the Department of Housing and Urban Development; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3639. A bill to amend the National Housing Act in order to provide for more efficient and effective service to housing consumers and to the residential home-building, real estate and mortgage lending industries through the residential mortgage loan insurance programs administered by the Federal Housing Administration of the Department of Housing and Urban Development; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WAMPLER (for himself and Mr. Pepper):

H.R. 3640. A bill to amend the Higher Education Act of 1965 to provide for grants and studies relating to preretirement education; to the Committee on Education and Labor.

By Mr. WAXMAN (for himself, Mr. Maguire, Mr. Walgren, Ms. Mikulski, Mr. Murphy of New York, and Mr. Carter):

H.R. 3641. A bill to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Walgren, Ms. Mikulski, Mr. Leland, Mr. Murphy of New York, Mr. Carter, and Mr. Lee):

H.R. 3642. A bill to extend for 3 fiscal years the programs under section 789 and title XII of the Public Health Service Act relating to emergency medical services and to authorize assistance for poison control and assistance centers; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 3643. A bill to provide price incentives for production of crude oil from deep stripper wells; to the Committee on Interstate and Foreign Commerce.

By Mr. BURLISON (for himself, and Mr. Stark):

H.J. Res. 299. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DORNAN:

H.J. Res. 300. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life; to the Committee on the Judiciary.

By Mr. LOTT:

H.J. Res. 301. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. FOLEY:

H. Con. Res. 105. Concurrent resolution requiring imposition of charges for congressional parking spaces; to the Committee on House Administration.

By Mr. NEAL:

H. Con. Res. 106. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on Education and Labor, and the Judiciary.

By Mr. GILMAN:

H. Res. 222. Resolution to provide for the prompt submission to Congress of information regarding certain occurrences affecting nuclear reactors, radioactive waste storage facilities, and the transportation of spent fuel from nuclear reactors; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foeign Commerce.

By Mr. LOTT:

H. Res. 223. Resolution amending rule XXVII of the Rules of the House of Representatives to limit the use of suspension of the rules to bills and resolutions costing less than $50 million in any fiscal year; to the Committee on Rules.

By Mr. SANTINI (for himself, Mr. Florio, and Mr. Lee):

H. Res. 224. Resolution to express the sense of the House with respect to equitable application of energy conservation plans and energy resources to the travel and tourism industry, and to insure the compatibility of travel and tourism with other national interests in energy development and conservation; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS (for himself, Mr. Jones of Tennessee, Mr. Broyhill, Mr. Alexander, Mr. McKay, Mr. AuCoin, Mr. Hammerschmidt, Mr. Long of Louisiana, Mr. Nolan, Mr. Andrews of North Carolina, Mr. Hanley, Mr. Skelton, Mr. Hance, Mr. Panetta, Mr. Stenholm, Mr. English, Mr. Coelho, Mr. McCormack, Mr. Symms, Mr. Ichord, Mr. Lott, Mr. Sensenbrenner, Mr. Abdnor, Mr. Leath of Texas, Mr. Hall of Texas, Mr. Fazio, Mr. Rahall, Mr. Stump, Mr. Charles Wilson of Texas, Mr. Davis of Michigan, Mr. Ireland, Mr. Roberts, Mr. Fithian, Mr. Bereuter, Mr. Baldus, Mr. Bedell, Mr. Clausen, Mr. Hubbard, Mr. Leach of Louisiana, Mr. Nichols, Mr. Jeffords, Mr. Breaux, Mr. Fountain, Mr. Kogovsek, Mr. Chappell, Mr. Andrews of North Dakota, Mr. Weaver, Mr. Bowen, Mr. Hopkins, Mr. Hightower, Mr. Erdahl, Mr. Neal, Mr. Whitten, Mr. Jenrette, Mr. Williams of Montana, Mr. Young of Alaska, Mr. Mollohan, Mr. Coleman, Mr. Bevill, Mr. Akaka, Mr. Gudger, Mr. Anthony, Mr. Rose, Mr. Hinson, Mr. Grassley, Mr. Evans of Georgia, Mr. Montgomery, Mr. Boner of Tennessee, Mr. Brinkley, Mr. Hefner, Mr. Foley, Mr. Flippo, Mr. Jones of North Carolina, Mr. Mathis, Mr. Murtha, Mr. Quillen, Mr. Whitley, and Mr. Jenkins):

H. Res. 225. Resolution expressing the sense of the House opposing the transfer of the Forest Service and the Farmers Home Administration business and industry programs from USDA; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

121. By the SPEAKER: A memorial of the Legislature of the State of New York, relative to rates of interest on certain savings; to the Committee on Banking, Finance and Urban Affairs.

122. Also, memorial of the Legislature of the State of Arizona, relative to the termination or suspension of post-World War II security and mutual defense treaties; to the Committee on Foreign Affairs.

123. Also, memorial of the Legislature of the State of Arizona, relative to acreage limitations and residency requirements relating to farmland irrigated with water from Federal reclamation projects; to the Committee on Interior and Insular Affairs.

124. Also, memorial of the Legislature of the State of South Dakota, relative to the wilderness studies program; to the Committee on Interior and Insular Affairs.

125. Also, memorial of the Legislature of the State of Arizona, requesting that Congress propose, or call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring in the absence of a national emergency that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURGENER:

H.R. 3644. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Aurelia Four* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. PHILLIP BURTON:

H.R. 3645. A bill for the relief of Joaquin Rodriguez-Munguia; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.R. 3646. A bill for the relief of the Manhattan Bowery Corp., of New York, N.Y.; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 3647. A bill for the relief of the Orange County Fair Housing Council, Inc.; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 3648. A bill for the relief of Cesar B. Ibanez, II; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 3649. A bill for the relief of the Manhattan Bowery Corp., of New York, N.Y.; to the Committee on the Judiciary.

By Mr. WEISS:

H.R. 3650. A bill for the relief of the Manhattan Bowery Corp., of New York, N.Y.; to the Committee on the Judiciary.

By Mr. WALKER:

H. Res. 226. Resolution expressing the sense of the House that Dr. Harold R. Denton, Director of the Office of Nuclear Reactor Regulation at the Nuclear Regulatory Commission, is to be commended highly for his extraordinary leadership, dedication and hard work in the effort to resolve the problems at Three Mile Island; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Hance.

H.R. 13: Mr. Anderson of Illinois, Mr. Anthony, Mr. Archer, Mr. Badham, Mr. Bafalis, Mr. Beard of Tennessee, Mr. Brown of Ohio, Mr. Buchanan, Mr. Butler, Mr. Cheney, Mr. Cleveland, Mr. Clinger, Mr. Corcoran, Mr. Philip M. Crane, Mr. Dan Daniel, Mr. Devine, Mr. Dornan, Mr. Erdahl, Mr. Erlenborn, Mr. Ertel, Mr. Evans of Delaware, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Goldwater, Mr. Goodling, Mr. Gradison, Mr. Gramm, Mr. Grassley, Mr. Grisham, Mr. Hagedorn, Mr. Harsha, Mr. Hillis, Mr. Horton, Mr. Huckaby, Mr. Hyde, Mr. Kelly, Mr. Kemp, Mr. Kindness, Mr. LaFalce, Mr. Lagomarsino, Mr. Latta, Mr. Leach of Iowa, Mr. Lehman, Mr. Livingston, Mr. Lott, Mr. Madigan, Mr. Marlenee, Mr. Marriott, Mr. Martin, Mr. McClory, Mr. McDonald, Mr. McEwen, Mr. Moorhead of California, Mr. Neal, Mr. O'Brien, Mr. Pashayan, Mr. Patten, Mr. Preyer, Mr. Pritchard, Mr. Regula, Mr. Rousselot, Mr. Rudd, Mr. Sawyer, Mr. Schulze, Mr. Sensenbrenner, Mr. Shumway, Mr. Smith of Iowa, Mrs. Spellman, Mr. Stenholm, Mr. Stockman, Mr. Tauke, Mr. Taylor, Mr. Treen, Mr. Walker, Mr. Whitehurst, and Mr. Young of Alaska.

H.R. 40: Mr. Beilenson, Mr. Weiss, Mr. Richmond, Mr. Mitchell of Maryland, Mr. Edwards of California, Mr. Clay, Mr. Rosenthal, Ms. Holtzman, Mr. Rangel, Mr. Ottinger, Mr. Waxman, Mr. Stark, Mr. Roybal, and Mr. Won Pat.

H.R. 85: Mr. Guarini, Mr. Stokes, and Mr. Carney.

H.R. 272: Mr. Barnes, Mr. Benjamin, Mrs. Bouquard, Mr. Blanchard, Mr. Buchanan, Mr. Corman, Mr. Dodd, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Evans of the Virgin Islands, Ms. Ferraro, Mr. Gudger, Mr. Harris, Mr. Kogovsek, Mr. LaFalce, Mr. Lederer, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Patten, Mr. Pease, Mr. Price, Mr. Rangel, Mr. Roe, Mr. Seiberling, Mr. Solarz, and Mr. Walker.

H.R. 654: Mr. Glickman, Mr. Kelly, Mr. Marks, and Mr. Charles Wilson of Texas.

H.R. 655: Mr. Hyde, and Mr. Zeferetti.

H.R. 806: Mr. Richmond.

H.R. 958: Mr. Bonior of Michigan, Mr. Blanchard, Mr. Wolpe, and Mr. Stark.

H.R. 1050: Mr. Cavanaugh, and Mr. Andrews of North Carolina.

H.R. 1076: Mr. White.

H.R. 1149: Mr. Butler.

H.R. 1307: Mr. Lagomarsino, and Mr. Waxman.

H.R. 1460: Mr. Maguire and Mr. Jeffords.

H.R. 1509: Mr. Lungren, Mr. Cavanaugh, and Mr. Thomas.

H.R. 1603: Mr. Leach of Iowa, Mr. Lee, Mr. Flood, Mr. Leath of Texas, Mr. Kramer, Mr. Stratton, Mr. Rudd, Mr. Jones of Tennessee, Mr. Vander Jagt, Mr. Butler, Mr. Bedell, Mr. Snyder, Mr. Steed, Mr. Howard, Mr. McEwen, and Mr. Hopkins.

H.R. 1644: Mr. Holland, Mr. Udall, Mr. Lloyd, Mr. Ginn, Mr. Lehman, Mr. Walgren, Mr. Lujan, Mr. Pursell, Mr. Andrews of North Dakota, Mr. Mattox, Mr. Stockman, Mr. Evans of the Virgin Islands, and Mr. Fowler.

H.R. 1734: Mr. McKinney.

H.R. 1918: Mr. Jeffords and Mr. Schulze.

H.R. 1921: Mr. Thomas.

H.R. 1980: Mr. Grassley, Mr. Murphy of Pennsylvania, Mr. Whitehurst, Mr. Kindness, Mr. Stangeland, Mr. Lott, Mr. Andrews of North Dakota, Mr. Gray, Mr. Dornan, Mr. Devine, and Mr. Marlenee.

H.R. 2020: Mr. Lloyd, Mr. Stokes, Mr. Madigan, and Mr. Leach of Iowa.

H.R. 2129: Mr. Findley.

H.R. 2140: Mr. Madigan, Mr. Miller of Ohio, Mr. Devine, Mr. Pease, Mr. Ashbrook, Mr. Applegate, Mr. Williams of Ohio, Mr. Stanton, Mr. Guyer, Mr. Latta, Mr. Kindness, Mr. Mottl, Mr. Hyde, Mr. Corcoran, Mr. Regula, Mr. Boland, Mr. Brown of Ohio, Mr. Derwinski, Mr. Bafalis, and Mr. Winn.

H.R. 2209: Mr. Mineta, Mr. Sabo, Mrs. Schroeder, Mr. Stokes, Mr. Weiss, and Mr. Corman.

H.R. 2270: Mr. Lloyd and Mr. McKinney.

H.R. 2295: Mr. Hughes and Mr. Carney.

H.R. 2305: Mr. Harris, Mr. Panetta, Mr. Simon, Mr. Weaver, and Mr. Wirth.

H.R. 2340: Mr. Goodling.

H.R. 2341: Mr. Badham, Mr. Burgener, and Mr. Sabo.

H.R. 2430: Mr. Clay, Mr. Conyers, Mr. Corrada, Mr. D'Amours, Mr. Downey, Ms. Holtzman, Mr. Huckaby, Mr. Hughes, Mr. McHugh, Mr. Mathis, Mr. Miller of California, Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Panetta, Mr. Patten, Mr. Price, Mr. Roe, Mr. Rosenthal, Mrs. Spellman, Mr. Studds, Mr. Vento, Mr. Weiss, Mr. Wirth, and Mr. Wolpe.

H.R. 2519: Mr. Hughes, Mr. Bonker, Mr. Emery, Mr. Dornan, Mr. Bauman, Mr. Stack, Mr. Oberstar, Mr. Evans of the Virgin Islands, Mr. Bowen, Mr. Lent, and Mr. Carney.

H.R. 2520: Mr. Forsythe, Mr. Stack, Mr. Lent, and Mr. Carney.

H.R. 2553: Mr. Buchanan and Mr. Gudger.

H.R. 2600: Mr. Corrada, Mr. Young of Alaska, Mr. Bowen, Mr. Lott, Mr. Hinson, and Mr. Whitten.

H.R. 2602: Mr. Biaggi, Mr. Downey, Mr. Florio, Mr. Hughes, Mr. Drinan, Mr. Russo, Ms. Oakar, Mr. Gudger, Mr. Albosta, Mr. Bevill, Mr. Bingham, Mr. Bonior of Michigan, Mr. Clay, Mr. Conyers, Mr. Corrada, Mr. Dellums, Mr. Diggs, Mr. Dougherty, Mr. Duncan of Oregon, Mr. Edgar, Mr. Edwards of California, Mr. Findley, Mr. Flood, Mr. Ford of Michigan, Mr. Harkin, Mr. Hawkins, Mr. Howard, Mr. Kastenmeier, Mr. Lagomarsino, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, Mr. McCormack, Mr. Mineta, Mr. Moakley, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Myers of Pennsylvania, Mr. Nolan, Mr. Ottinger, Mr. Patten, Mr. Rahall, Mr. Rangel, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. St Germain, Mr. Simon, Mr. Solarz, Mr. Stewart, Mr. Udall, Mr. Vento, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Yatron, and Mr. Zeferetti.

H.R. 2612: Mr. Shumway and Mr. Matsui.

H.R. 2644: Mr. Andrews of North Carolina, Mr. Goodling, and Mr. Neal.

H.R. 2647: Mr. Mavroules, Mr. Gudger, Mr. Walgren, Mr. Holland, Mr. Mazzoli, and Mr. Moorhead of California.

H.R. 2648: Mr. Kindness, Mr. Moorhead of California, Mr. Mavroules, Mr. Gudger, Mr. Walgren, Mr. Holland, and, Mr. Mazzoli.

H.R. 2697: Mr. Buchanan.

H.R. 2762: Mr. Gudger, Mr. Stark, and Mr. Glickman.

H.R. 2977: Mr. Beard of Rhode Island, Mr. Corman, Mr. Gore, Mr. Howard, Mr. Kildee, Mr. Maguire, Mr. Marlenee, Mr. Moakley, Mr. Nolan, Mr. Panetta, Mr. Rangel, Mr. Roybal, Mr. Charles Wilson of Texas, Mr. Wolff, and Mr. Wolpe.

H.R. 2994: Mr. Beard of Rhode Island, Mr. Bowen, Mr. Breaux, Mr. Corrada, Mr. Donnelly, Mr. Dougherty, Mr. Edgar, Ms. Ferraro, Mr. Forsythe, Mr. Ginn, Mr. LaFalce, Mr. Livingston, Mr. Lott, Ms. Mikulski, Mr. Myers of Pennsylvania, Mr. Nowak, Mr. Pannetta, Mr. Patten, Mr. Patterson, Mr. Richmond, Mr. Rinaldo, Mr. Stanton, Mr. Stokes, Mr. Whitehurst, Mr. Bob Wilson, Mr. Won Pat, and Mr. Zeferetti.

H.R. 3019: Mr. Burgener.

H.R. 3064: Mr. Gore and Mr. Stokes.

H.R. 3100: Mr. Nolan.

H.R. 3105: Mr. Badham, Mr. Lott, Mr. Hinson, Mr. Butler, Mr. Ichord, Mr. Charles Wilson of Texas, and Mr. Cleveland.

H.R. 3106: Mr. Railsback, Mr. Barnard, Mr. Rose, Mr. Mineta, Mr. Livingston, Mr. Jones of North Carolina, Mr. Ertel, Mr. Erdahl, Mr. Gaydos, Mr. Quayle, Mr. Evans of Delaware, Mr. Treen, Mr. Lungren, Mr. Jeffords, Mr. Neal, Mr. Roth, and Mr. Kramer.

H.R. 3153: Mr. Vento and Mr. Daschle.

H.R. 3169: Mr. Bedell, Mr. Bonior of Michigan, Mr. Dixon, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Flood, Mr. Mikva, Mr. Stokes, Mr. Vento, Mr. Weaver, and Mr. Weiss.

H.R. 3181: Mr. Annunzio, Mrs. Boggs, Mr. Green, Mr. Nowak, and Mr. Richmond.

H.R. 3246: Mr. Stangeland and Mr. Young of Alaska.

H.R. 3275: Mr. Lewis.

H.R. 3293: Mr. Archer, Mr. Bethune, Mr. Butler, Mr. Carr, Mr. Clinger, Mr. Coelho, Mr. Donnelly, Mr. Edgar, Mr. Jacobs, Mr. Jenrette, Mr. Leach of Louisiana, Mr. Lungren, Mr. Matsui, Mr. McCloskey, Mr. Panetta, Mr. Pease, Mr. Pritchard, Mrs. Schroeder, Mr. Stump, Mr. Weaver, Mr. Whittaker, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Wolpe, Mr. Simon, Mr. Kindness, Mr. Gilman, Mr. Dornan, Mr. Pursell, and Ms. Ferraro.

H.R. 3294: Mr. Archer, Mr. Bethune, Mr. Butler, Mr. Carr, Mr. Clinger, Mr. Coelho, Mr. Donnelly, Mr. Edgar, Mr. Jacobs, Mr. Jenrette, Mr. Leach of Louisiana, Mr. Lungren, Mr. Matsui, Mr. McCloskey, Mr. Panetta, Mr. Pease, Mr. Pritchard, Mrs. Schroeder, Mr. Stump, Mr. Weaver, Mr. Whittaker, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Wolpe, Mr. Dornan, Mr. Pursell, Mr. Simon, and Ms. Ferraro.

H.R. 3295: Mr. Archer, Mr. Bethune, Mr. Butler, Mr. Carr, Mr. Clinger, Mr. Coelho, Mr. Donnelly, Mr. Edgar, Mr. Jacobs, Mr. Jenrette, Mr. Leach of Louisiana, Mr. Lungren, Mr. Matsui, Mr. McCloskey, Mr. Panetta, Mr. Pease, Mr. Pritchard, Mrs. Schroeder, Mr. Stump, Mr. Weaver, Mr. Whittaker, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Wolpe, Mr. Dornan, Mr. Pursell, and Ms. Ferraro.

H.R. 3480: Mr. Clausen, Mrs. Smith of Nebraska, Mr. Taylor, Mr. Bauman, Mr. Symms, Mr. Hansen, Mr. Young of Alaska, Mr. Johnson of Colorado, Mr. Ichord, Mr. Hillis, Mr. Mitchell of New York, Mr. Lloyd, Mr. Wampler, Mr. Myers of Indiana, Mr. Kelly, Mr. Stangeland, Mr. Broyhill, Mr. Evans of Georgia, Mr. Horton, Mr. Archer, Mr. Lujan, Mr. Abdnor, and Mr. Devine.

H.J. Res. 161: Mr. Addabbo, Mr. Akaka, Mr. Clay, Mrs. Collins of Illinois, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Dellums, Mr. Downey, Mr. Evans of Virgin Islands, Mr. Fazio, Mr. Gilman, Mr. Guarini, Mr. Hawkins, Mr. Horton, Mr. Jenrette, Mr. Lagomarsino, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of New York, Mr. Nolan, Ms. Oakar, Mr. Pepper, Mr. Kostmayer, Mr. Rahall, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Vento, Mr. Waxman, Mr. Weiss, Mr. Winn, Mr. Wolff, Mr. Won Pat, and Mr. Young of Alaska.

H.J. Res. 212: Mr. Edwards of California, Mr. Mitchell of Maryland, Mr. Rosenthal, Mr. Drinan, Mrs. Schroeder, Mr. Seiberling, Mr. Bedell, Mr. Harkin, Mr. Kostmayer, Mr. Dellums, Mr. Barnes, Mr. Kastenmeier, Ms. Holtzman, and Mr. Beilenson.

H. Res. 107: Mr. Rudd, Mr. McKinney, Mr. Lott, Mr. Regula, and Mr. Pashayan.

H. Res. 186: Mr. Archer, Mr. Bethune, Mr. Butler, Mr. Carr, Mr. Clinger, Mr. Coehlo, Mr. Donnelly, Mr. Edgar, Mr. Jacobs, Mr. Jenrette, Mr. Leach of Louisiana, Mr. Lungren, Mr. Matsui, Mr. McCloskey, Mr. Panetta, Mr. Pease, Mr. Pritchard, Mrs. Schroeder, Mr. Stump, Mr. Weaver, Mr. Whittaker, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Wolpe, Mr. Dornan, Mr. Pursell, Mr. Kindness, and Ms. Ferraro.

H. Res. 190: Mr. Studds, Mr. Hightower, Mr. Roe, Mr. Leland, Mr. Fazio, Mr. Lujan, Mr. Charles Wilson of Texas, Mr. Mavroules, Mr. Flood, Mr. Campbell, Mr. Luken, Mr. Mattox, Ms. Holtzman, Mr. Stark, and Mr. Ashbrook.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

98. By the SPEAKER: Petition of the Tourist Development Authority, Miami Beach, Fla., relative to tourism between the United States and Cuba; to the Committee on Foreign Affairs.

99. Also, petition of Darleen Allen, Whitehall, Mont., and others, relative to retention of the North Coast Hiawatha passenger train route between Chicago and Seattle; to the Committee on Interstate and Foreign Commerce.

100. Also, petition of the Chautauqua County Legislature, Mayville, N.Y., relative to the storage of nuclear wastes at West Valley, N.Y., jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

EXTENSIONS OF REMARKS

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. SHELBY. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest through the voice of democracy scholarship program. This program was started 32 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as top prizes. The winning speech from Alabama was submitted by Benjamin Cullen Nichols, Jr., 413 Caisson Drive, Selma, Ala. Ben is a senior at Selma High School, where he has shown outstanding leadership and academic ability.

I would like to share with my colleagues Ben's award-winning speech:

If you ask Americans what America means to them, you will more than likely receive a wide variety of answers. One of the most prevalent would probably be freedom. But what is freedom and why is it so important? I agree with Bertrand Russel's idea that "freedom in general may be defined as the absence of obstacles to the realization of desires." For isn't that the real idea behind America, to be able to make your dreams come true. I believe America is a dreamland, a land built on the hopes and dreams of men willing to risk their very lives for a realization of their dreams. All through our past from Pilgrims searching for religious freedom to our astronauts daring to do the seemingly impossible, we have had a history of men struggling to improve themselves and protect themselves and protect their liberties.

I believe it is this dream; this hope for a better tomorrow that has made the United States into the great nation it is. It has been a driving factor behind Americans throughout our history; this promise of a chance that makes Americans the hard workers they are instead of complacent laborers with only a dim future. It is this vision of a better tomorrow that promotes quality in all our endeavors in the unending quest to improve ourselves. And it is this dream that instills in us a well justified pride. I am proud of America because of all she offers her people. No other country can promise a young person today so bright a future in any career he chooses.

America not only promises us a future but she gives us things for today—freedoms and restrictions. Freedom, the one thing so many millions gave their lives for, is offered to us today at such a small price. All we need to give America in return for all our rights and liberties is our love, attention and just a little effort. I believe that in order for Americans to give their support to the United States we must do more than just pay taxes; we must vote in any and all elections and continue to let our elected officials hear our opinions, for with apathy there comes a stagnation of the government with only the opinion of a select few being represented.

Along with our freedom we have been given restrictions. Not restrictions that prevent us from living as we please, but restrictions that preserve our lifestyle. These restrictions or laws are very important for they not only prevent us from infringing on the rights of others, but they also assure us that our rights shall not be deprived. These laws along with a justice system that is designed to give the fairest possible decision combine to protect each and every citizen both as an individual and as a group. It is the restrictions and freedoms that we are given that secure for us the all important hope for the future. Should we lose our freedom or abandon it through neglect it would end our hope for the future. As Woodrow Wilson once said, "America was established not to create wealth but to realize a vision, to realize an ideal—to discover and maintain liberty among men." I believe that by maintaining this liberty of which he speaks we can bring about wealth and happiness. For even in today's society those items that had been restricted to the wealthy can be found in most homes. We are all constantly improving ourselves and it is this promise of a great life today and an even better life tomorrow that makes me care about America. For here I live my life as I choose, not as dictated by an oppressive government. It is this freedom that assures me that there is nothing wrong with dreaming, for in America, my dreams can come true.●

EDUCATIONALLY DEPRIVED CHILDREN

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HARKIN. Mr. Speaker, all of us in the House have become familiar with title I of the Elementary and Secondary Education Act which provides financial assistance to local school districts to develop and operate programs for educationally deprived children.

Recently I had the opportunity of visiting two title I sites in Council Bluffs, Iowa, and I want to express how tremendously proud I am of Council Bluffs and of its title I program and how effectively this program has developed in that area. It is nice to see a program that works and is meeting the needs for which it was established.

Most noteworthy is that Council Bluffs' allocation for its title I program is $673,736; a small percentage of the nationwide title I program, but with this money Council Bluffs has vigorously administered its responsibilities to the children of the area.

For the 1978–79 school year, title I funds are being utilized to serve approximately 960 students in 12 public and 2 nonpublic schools. With a staff of 44 they have provided services to educationally disadvantaged children with two programs; the early childhood education—for preschool 4 year olds—and the reading task force—remedial reading for identified students in kindergarten through grade six. Council Bluffs is rightfully proud of the accomplishments they have achieved under title I.

Realizing that education takes place not only in school, but just as importantly in the home, Council Bluffs has strongly worked for parental involvement. Title I teachers often select a parent of the week, encourages parents to participate in workshops and solicit volunteers for its activities. There is a school parent advisory council at each title I school.

I visited individual classes, observed the children and their activities and talked with teachers about their work. Council Bluffs has made their title I activities work for them and thereby work for all of us. The insight I gained from this visit will be reflected in my support for title I in the coming years.●

SMALL MEATPACKERS BILL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PICKLE. Mr. Speaker, today, I am introducing a bill which I offered last session. This bill is designed to help small businessmen. In this case, small meatpackers would be affected. The bill is in the spirit of other measures we are considering this year, designed to deregulate certain sectors of our economy. My friend, Senator LLOYD BENTSEN has introduced a similar measure in the other Chamber.

This bill would allow State inspected meatpacking plants, which have been certified as being equal to Federal plant standards, to gain the option to sell their product to any federally inspected plant in their State. Smaller plants would get the right to sell partially processed meat to big plants for further processing.

We now have an tirificial limitation on competition, set up by law. The State inspected plants may sell their products to local wholesalers, local retailers, or other State inspected plants. However, they are not allowed to sell to federally inspected plants, for fear State inspected products will be mixed with federally inspected products.

This restriction is unfair, because the State plants now must be certified by the U.S. Department of Agriculture as having standards as strict as the federally inspected plants.

We must recognize the declining number of packing plants, which hurts the cattle industry. We see competition being restricted, because individuals are not able to kill their own beef, to sell to small meatpacking firms in localities across the country. Many of these firms slaughter and process less than a dozen animals a week, but have restrictions placed upon their market areas. As a consequence, many of these small plants have had to close, causing this vital service to dry up in many areas.

We must remove this artificial restriction to expand the market of small meatpacking plants. Otherwise, we could see more plant closings, a concentration of business in the hands of a few large plants, leading to less competition.

The pressures of business and a free marketplace are not responsible for the closings of meatpacking plants. The problem here is simply Government regulation. We must insure the small businessmen who run these plants they have at least an equal shot at competition. The end result will be an expanded marketplace, which will benefit the individual cattleman, the meatpacker and the consumer.●

MEDICAL FOUNDATION OF BUFFALO'S RESEARCH ROLE IS EXPLAINED

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. NOWAK. Mr. Speaker, the Medical Foundation of Buffalo, a unique independent research institute founded in 1956, is located in my district at 73 High Street, Buffalo, N.Y. The staff totaling 50, of whom 20 hold advanced degrees, are involved in basic biomedical research in molecular endocrinology. Their research is of the utmost importance to medical science, as some of the work being carried out in this foundation involves the determination of the exact, three-dimensional configuration of molecules (the smallest active particles) of hormones and drugs related to the control of many important body functions.

This knowledge enables biochemists and biologists to conduct precise studies of the modality of function at the level of the cell. Investigations of this type have been handicapped in the past by the lack of sufficiently precise knowledge of the anatomy of the molecules.

Over the past several years the contributions to the scientific literature by this staff of 50 have been prodigious. For example, in 1976, 114 scientific papers (as well as books and chapters) were published in various major scientific journals. Many honors have also been awarded to the scientists on their staff, such as election to prestigious scientific societies, including the National Academy of Science, American Crystallographic Association, American Physiological Society, and the Endocrine Society. The staff are regularly invited to lecture at major scientific societies and universities throughout the world. Scientists from all over the world visit these laboratories to consult with the staff, learn specialized techniques developed there or to work for specified periods of time.

As the Medical Foundation of Buffalo is so highly regarded throughout the scientific world, I thought it fitting that the Congress and the population at large should be informed of the scientific contributions made by this unique institution. ●

NATIONAL SAFE BOATING WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing legislation to amend Public Law 85–455, which authorizes and requests the President to proclaim annually a 7-day period as "National Safe Boating Week." My amendment would move the proclaimed week from the middle of the boating season in July to its beginning in the first week of June.

The purpose of a "National Safe Boating Week" is to advise the more than 50 million American boaters of boating hazards and of precautions which can be taken to avoid accidents. By educating them in navigational techniques, warnings and rules, we help to avert countless boating fatalities. From rafters in Colorado white water, to motorboaters pulling waterskiers in our inland lakes to yachtsmen skimming through waves in our coastal waters, boaters can benefit from an increased awareness of safety techniques.

Local Coast Guard auxiliaries, active duty Coast Guard personnel and the National Safe Boating Council, a nonprofit group comprised of representatives of government regulatory agencies, manufacturers and private safety groups, coordinate the activities which mark "National Safe Boating Week." Organized on the local level, these groups plan safety seminars, parades, regattas and displays, and disseminate information in the form of posters, brochures and magazine, television and radio advertisements. In addition, courtesy examinations and inspections are offered and lifesaving techniques are demonstrated to local boaters.

The success of boating safety awareness programs can be seen in the Coast Guard's boating statistics. In 1978, 1,321 boating fatalities were reported. Since 1971, fatalities have decreased from a rate of 20.2 per 100,000 boats to 9.4 per 100,000 boats. Those figures are impressive, and I feel that the annual reminders to boaters will help continue the decline in preventable boating tragedies.

For the past 30 years, "National Safe Boating Week" has been scheduled for the week of July 4. Secretary Adams of the Department of Transportation feels—and I agree—that a proclamation for the week beginning June 1 would save lives and property by drawing national attention to boating safety at the beginning of the boating season. The bill I offer today would name the week beginning June 1 "National Safe Boating Week" with the intention that the boating education programs and parades would culminate on the weekend following the Memorial Day celebration, and not overlap with that holiday. I hope that my colleagues will support this legislation and demonstrate the concern of Congress for national boating safety.●

LIVING IN SPLENDID PENURY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PAUL. Mr. Speaker, the American people are rightly concerned with the perks Congressmen enjoy, and with the plans to increase those fringe benefits. The most outrageous recent example is the proposal to give Members an extra $50 per day tax deduction, for being in Washington passing laws that undermine our Constitution, our economy, and our liberties.

We should all recognize the righteous anger of the people, at the high living on Capitol Hill, and make sure that we are not exempt from the inflation, taxation, and regulation we impose on the rest of Americans.

A recent editorial in the Washington Star made the point clearly. I would like to call it to my colleagues' attention.

LIVING IN SPLENDID PENURY

What citizens receive a base salary that puts them among the top 1.5 percent of Americans in income?

What citizens get free offices and allowances that cover almost any conceivable expense connected with carrying out their jobs?

What citizens have one of the country's most liberal pension plans, are exempt from paying Social Security taxes, get free emergency medical care, cheap life insurance policies, government-subsidized health insurance, cut rate haircuts and meals, free parking, free swimming pools, gyms and steam rooms, free plants and flowers, and government-paid junkets over the world?

What citizens are so pampered by staff and fawning followers that one of them, after taking up a different line of work, observed: "I had to find out how to get a driver's license, how to buy tags for the car, how to get from the Cleveland airport to a downtown hotel on my own—and I've taken a great deal of delight in relearning how to live the way ordinary people live."? And another still on the job who said: "Maybe I could and maybe I couldn't make more money in private business, but I do know this: I'd never have my ego fed half so grandly."?

What group, when it wants to add yet another emolument or increase an old one, almost always does it in a manner calculated to maximize suspicion that something devious is going on?

Why, members of Congress, of course.

Members of the Senate had no sooner tossed aside—on short notice and at first without a recorded vote—a Senate regulation that would have limited outside earned income to no more than $8,625 a year before a move was made in the House to give members of Congress a $50-a-day income tax deduction for living expenses while in session.

Members already get a $3,000 deduction to help offset the cost of maintaining two homes, one in their home states and one in Washington. Since Congress is usually in session 270 to 280 days a year, the new proposal could amount to a deduction of up to $14,000 a year. The actual cash saving to members would depend on an individual's income tax bracket, but it has been estimated the average benefit would be $4,600 a year.

The excuse for increasing the deduction is that the cost of living and entertaining is going up. No one disputes that, but when other citizens are being asked to sacrifice—ask the Teamsters how the government is leaning on them to hold the line on wages—what's wrong with a little sacrifice on the part of Congress?

To hear congressmen tell it, they're constantly being asked to buy lunches and dinners for, and otherwise entertain, constituents who visit Washington.

Our guess is that most constituents finding their way to congressional offices wind up with nothing more than a hearty handshake and a ticket to the House and Senate galleries or a government pamphlet, none of which costs congressmen anything. Some members of Congress possibly get more free meals than they buy—paid for by constituents or special interests looking for favors.

Of course the cost-of-living is high in Washington, but it's high everywhere; and most Americans have to make do without special tax deductions and the many other perquisites accruing to membership in the Congress.

If members of Congress are living in penury, it's a penury they volunteer for when they run for office, and which most of them continue to ask for every two or six years.

If members don't believe $57,500 a year is pay enough (and many if not most of them have additional income), why can't they vote to increase salaries instead of continually looking for a backdoor way to increase their income? The fact is, they know that their constituents believe that they are well paid—and the constituents are right.●

NATIONAL EXPLORER GOALS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. LOTT. Mr. Speaker, recently I had the opportunity to become more familiar with the National Explorer program and particularly the National Explorer Presidents' Congress. The Congress established a platform for 1979–80 which highlighted some very worthy goals that I would like to call to your and my colleagues' attention.

Community service: Posts should show their awareness of and become involved in their community.

Leadership development: Properly trained officers are essential to a quality program.

Membership expansion: Continued membership growth, through quality programing, is essential to maintaining the objectives of exploring division, Boy Scouts of America.

Citizen awareness: Explorers should be made aware of the problems facing the handicapped.

Environment: Each post should recognize the value of our natural resources.

Explorer Presidents' Association involvement: A strong council program is dependent upon an active Explorer Presidents' Association which benefits its member posts.

Program planning: Program planning is necessary to maintain membership interest and develop the goals of the exploring program.

Public awareness: A positive awareness program is essential to the expansion, support, and acceptance of the exploring program.

Specialty exploring: The importance of specialty exploring as a part of the overall program shall be stressed.

Recognition programs: Scholarship and award programs are needed to encompass all Explorer interests.●

TAIWAN'S INDEPENDENCE ENDANGERED BY INEPT U.S. DIPLOMACY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GINGRICH. Mr. Speaker, I believe that by breaking our mutual defense agreement with the Government of Taiwan and recognizing the People's Republic of China, President Carter acted unwisely and in bad faith. The "benefits" the United States is alleged to have obtained by all this are at best minimal and at worst nonexistent.

In 1976, candidate Jimmy Carter said he would not act to jeopardize the independence of Taiwan. In 1977, President Jimmy Carter launched his human rights campaign, declaring that the United States should not reward nations who grossly violate basic human freedoms. In 1978, the President's National Security Council head, Mr. Brzezinski, told the Red Chinese that if we deserted Taiwan, the Soviets would step in, offer to guarantee the Taiwanese their independence, and generate even more instability in the world.

President Carter's actions last December appear to contradict all three of these assertions. Taiwan's independence is in jeopardy, we have remained silent about Red China's atrocious violations of human rights while allowing it to come out on top in the recent negotiations, and the administration seems no longer to be worried about Russian overtures to the nervously isolated Taiwanese.

What does our Nation get out of all this? We did not get a commitment from the mainland government to not use force in any campaign to "reunify" Taiwan with the Communist regime. There is confusion about whether the United States even pressed this matter very forcefully in its talks with the Red Chinese. On the matter of each nation's bank assets frozen by the other, we agreed to unfreeze 100 percent of Red China's while they agreed to unfreeze only 41 percent of ours. This was done in a disguised attempt to make both amounts equal and thereby make any actual exchange of money unnecessary. On the matter of trade, what have they got that we want? As a Representative from Georgia, it disturbs me greatly that what they most want to sell us are cheap textiles and clothing. In return, they are eager to have high-technology goods from us. This kind of "trade" is likely to make them stronger and us weaker. A flood of cheap textiles into my section of the country will put more pressure on an already ailing industry.

In bending so far backward to suit the wishes of the Red Chinese, we may not even have gained the intangible "benefit" of making them more "friendly" toward us. What kind of an ally would the United States make for Red China in a confrontation with the Soviet Union when the United States has once again proved that it will disown its allies for less than clear objectives? Our scrapping of the treaty with Taiwan fits this pattern well.

Our strategy has been contradictory; our diplomacy has been awkward; Congress has been ignored until the last minute, when its stamp of approval is needed by the President. None of this promotes our national interests or the cause of representative government.●

TAX RELIEF FOR MANHATTAN BOWERY CORPORATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. WEISS. Mr. Speaker, today I am introducing, simultaneously with Ms. HOLTZMAN and Mr. RANGEL, a private bill on behalf of the Manhattan Bowery Corporation, a not-for-profit organization that provides aid and rehabilitation to homeless alcoholics in New York City.

The purpose of this bill is to provide relief from liability for certain social security taxes and penalties that arose as a result of faulty recordkeeping and administrative practices of the Social Security Administration and the Internal Revenue Service. Payment of the full amount claimed by the Internal Revenue Service is beyond the financial capability of the corporation and could lead to bankruptcy and termination of the corporation's vital services. Therefore, equity and the general welfare demand that this relief be provided.

The corporation paid social security taxes on behalf of its employees from its inception in 1968 to early 1975. At that time a question arose as to whether the corporation had filed the required waiver of its tax-exempt status in order to have its employees covered by social security. The corporation did not have a copy of this waiver in its files. Neither the Social Security Administration nor the Internal Revenue Service could locate the waiver, although the corporation had paid social security taxes consistently throughout this period without any question being raised by either agency.

In order to assure that its employees receive the proper credit for their earnings, the corporation attempted to file a new waiver retroactive to the date of its incorporation. However, this was not possible because of limitations of both the Social Security Administration and the Internal Revenue Service on the retroactive period that could be covered.

On the advice of the Internal Revenue Service, the corporation therefore filed a new waiver on March 31, 1975, covering the period still open to correction and future periods. Consistent with IRS regulations, it asked its employees at the time to state whether they wished to elect social security coverage. For those who wished to be excluded, the corporation filed for a refund of taxes previously paid, as advised to do by the IRS, and it distributed those funds to the affected employees. Later that year, the corporation was advised that it was delinquent in payment of taxes and was asked to repay the amounts previously refunded.

It appears that after the refund of taxes had been made, the Social Security Administration discovered what it claimed to be a waiver of tax exemption filed in 1968. That consisted not of the exemption form itself (form SS-15), but of a listing of employees electing social security coverage in 1968 (form SS-15a). Whether a valid form SS-15 had been filed could not be conclusively established, but the Internal Revenue Service concluded that the SS-15a was evidence that a proper waiver had been filed and that the taxes had to be repaid.

The total amount of taxes due for the period not subject to the statute of limitations, namely, 1973, 1974, and the first quarter of 1975, was $122,745.25. The corporation repaid $62,718.94 of that amount, plus interest amounting to $12,705.50. The amount repaid constituted the approximate equivalent of the employer share of the social security taxes due for that period.

In 1977 the Internal Revenue Service also billed the corporation for social security taxes for those employees who did not elect coverage when the 1975 waiver of tax-exempt status was filed and who were therefore presumed by the corporation not to be covered by social security. The amount due was $38,122.12 plus interest.

Thus, the total amount of taxes that the corporation was asked to repay was $160,867.37. The corporation has repaid $62,718.94 of that amount plus interest. The remaining amount due, excluding additional interest, is $98,148.43. In April 1978, the corporation filed an offer of compromise with the Internal Revenue Service to pay $49,074.26 in satisfaction of this claim. This offer constitutes half of the total amount due, the minimum that an offer must be in order to be considered. This is also the maximum that the corporation can pay without sacrificing its financial viability, and payment of this amount depends upon a contribution from the city of New York.

Under the proposed legislation, the corporation would be relieved of repayment of the employer share of the taxes for the periods involved, plus any interest and penalities. Since the corporation has already refunded its share of the taxes for the earlier period, it would owe only half of the taxes due for 1975-77, or $19,061.06. This is a far more equitable result, and it will assure that the corporation can continue its vital work.

The corporation has acted in good faith throughout this course of events. It filed earnings reports and paid taxes on a timely basis and made every effort to assure that its employees received the social security credits they had earned. It applied for a refund of taxes because it was advised to do so by the IRS and because it believed that the wages on which those taxes had been paid could not be credited to its employees. It has repaid most of the amount due, and is prepared to repay the remainder of the employer share. It is seeking legislative relief only because its has limited assets and cannot afford to repay the entire amount. This is eminently fair and appropriate, and I hope that the bill will have the support of our colleagues in the House.●

H.R. 3300, A BILL TO PROVIDE FOR THE ECONOMIC DIVERSIFICATION OF DEFENSE-DEPENDENT COMMUNITIES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. DODD. Mr. Speaker, recently I introduced a bill designed to help communities which are heavily dependent on defense spending for their economic health diversify their economic foundations. The bill, H.R. 3300, would amend the Public Works and Economic Development Act of 1965 to establish within the Economic Development Administration an Office of Economic Diversification. This office would assist communities to avoid the economic dislocations which are so often associated with the feast or famine nature of defense spending.

Communities which rely heavily on defense contracting are at the economic mercy of the frequent changes in defense spending. One only has to look as far as the recent B-1 bomber cancellation to see how severely affected communities can be when a major defense contract is cut back or terminated. My own congressional district in Connecticut is extraordinarily dependent on military spending. Approximately 22,000 people work at the Electric Boat Co. in Groton, Conn., alone. Its name notwithstanding, the Electric Boat Co. builds Trident and 688 class nuclear submarines. The whole southeastern region of Connecticut is in very large part economically dependent on the fortunes of this one industry. If there is an economic dislocation in the submarine building industry, the State of Connecticut will suffer. Instead of waiting for a potential dislocation, I have long urged that defense-dependent communities like the one I represent look to the future and begin now to diversify.

H.R. 3300 will help communities diversify and thus lessen their extreme economic vulnerability to the all but inevitable shifts in defense procurement.

The Office of Economic Diversification will assist communities by providing technical assistance and advice to localities which seek to reduce their economic vulnerability to defense-related dislocations through diversification. The office would also provide "second chance funding" to defense-dependent communities which qualify to allow them to actually implement their diversification plans. It is "second chance funding" simply because a community would first have to be turned down by another Federal agency which was unable to provide the necessary funding.

The third major function of this new office would be to coordinate a multiagency effort to establish criteria determining the actual extent of economic dependency on defense spending in different areas of the country.

Mr. Speaker, the text of H.R. 3300 follows. I hope that my colleagues will take the time to thoroughly examine the detailed provisions of this bill, as I believe it is a necessary first step to reduce the severe economic impacts that a too heavy reliance on defense contracts can bring to any community.

H.R. 3300

A bill to amend the Publiic Works and Economic Development Act of 1965 to establish an Office of Economic Diversification in the Economic Development Administration of the Department of Commerce, to establish a program to encourage and assist certain defense dependent areas in diversifying their economies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Diversification Act of 1979".

OFFICE OF ECONOMIC DIVERSIFICATION

SEC. 2. (a) Title VI of the Public Works and Economic Development Act of 1965 (53 U.S.C. 3201–3204) is amended by redesignating sections 602, 603, and 604 (including any references thereto) as sections 603, 604, and 605, respectively, and by inserting after section 601 the following new section:

"OFFICE OF ECONOMIC DIVERSIFICATION

"SEC. 602. There is hereby established in the Economic Development Administration of the Department of Commerce an Office of Economic Diversification to be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code, and who shall perform, in accordance with applicable law, such functions as the Secretary shall prescribe in accordance with the provisions of this Act.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(147) Director, Office of Economic Diversification.".

TECHNICAL ASSISTANCE; SECOND CHANCE FUNDING PROGRAM

SEC. 3. The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121–3246h) is amended by adding at the end thereof the following new title:

"TITLE XI—ECONOMIC DIVERSIFICATION PROGRAM

"PURPOSE

"SEC. 1101. It is the purpose of this title to assist State and local areas which have economies that are significantly dependent on one or more defense contracts in developing plans for diversifying the types of commercial and industrial enterprises in such areas and through programs of other Federal departments or agencies in conducting projects which will reduce unemployment in such areas and the dependency of their economies on one or more defense contracts.

"DEFINITIONS

"SEC. 1102. For the purposes of this title, the term—

"(1) 'defense agency' means the Department of Defense (including the military departments), the Department of Energy, and the National Aeronautics and Space Administration;

"(2) 'defense contract' means—

"(A) any agreement or other arrangement made before, on, or after the effective date of this section—

"(i) by a defense agency with any person (including any public or private institution or organization) for the purposes of furnishing a defense material or defense service to such defense agency; or

"(ii) by any foreign country or person acting on behalf of a foreign country with any person for the purpose of furnishing to such country a defense material or defense service subject to control under the Arms Export Control Act or any other law of the United States pertaining to export of a defense material; and

"(B) any subcontract made before, on, or after the effective date of this section in connection with an agreement or other arrangement described in subparagraph (A) of this paragraph;

"(3) 'defense material' means any item of weaponry, munition, or other equipment, or supply intended for use by a defense agency or a foreign country primarily for military or defense purposes;

"(4) 'defense service' means any research, development, production, test, inspection, or repair of a defense material; and

"(5) 'eligible recipient' means a redevelopment area or economic development district established under title IV of this Act, an Indian tribe, a State, a city or other political subdivision of a State, or a consortium of such political subdivisions.

TECHNICAL ASSISTANCE

"SEC. 1103. (a) The Secretary is authorized to provide, to any eligible recipient demonstrating to the satisfaction of the Secretary that the economic well-being of the area in which it is located is significantly dependent on one or more defense contracts, technical assistance which would enable such eligible recipient—

"(1) to develop a plan for diversifying the types of commercial and industrial enterprises in such area and for reducing the level of economic dependency of such area on one or more defense contracts; and

"(2) to conduct studies and develop plans evaluating the needs of, and developing potentialities for, such diversification and reduction.

Such assistance may be provided by the Secretary through the staff of the Office of Economic Diversification, through the payment of funds authorized for this section to any other department or agency of the Federal Government, or through the employment under contracts entered into for such purpose of any private individual, partnership, firm, corporation, or suitable institution, which is selected in consultation with such eligible recipient.

"(b) The Secretary, acting through the Office of Economic Diversification, shall aid any eligible recipient demonstrating to the satisfaction of the Secretary that the economic well-being of the area in which it is located is significantly dependent on one or more defense contracts by furnishing the eligible recipient and interested individuals, communities, industries, and enterprises in such area any assistance, technical information, market research, or other forms of assistance, information, or advice which would be useful in diversifying the types of commercial and industrial enterprises in such area and reducing the level of economic dependency of such area on one or more defense contracts.

"SECOND CHANCE FUNDING

"SEC. 1104. (a)(1) The Secretary, acting through the Office of Economic Diversification, is authorized to provide financial assistance to any eligible recipient submitting an application for such assistance if the provision of such assistance meets the requirements of paragraph (2) of this subsection. Such application shall be in such form and contain such information concerning the project or activity which the eligible recipient proposes to carry out with such assistance and such other information as the Secretary may require by regulation. In addition, such application shall be accompanied by a plan for diversifying the types of commercial and industrial enterprises in the area in which the eligible recipient is located.

"(2) The Secretary may only provide financial assistance under this section with respect to a project or activity contained in an application submitted by an eligible recipient under this section if—

"(A) during the ninety-day period preceding the date of submission of such application, any other department or agency of the Federal Government refused under applicable provisions of law to provide financial assistance to the eligible recipient with respect to such project or activity solely because of the lack of Federal funds;

"(B) the head of such department or agency certifies to the Secretary that the eligible recipient remains qualified under project or activity financial assistance; and

"(C) the Secretary—

"(i) is satisfied that the provision of financial assistance under this section will enable the eligible recipient to carry out such project or activity under such provision of law;

"(ii) determines that the plan accompanying such application is appropriate to accomplish its purposes;

"(iii) determines that the eligible recipient is located in an area which has experienced, or may reasonably be foreseen to be about to experience, a special need to meet an expected rise in unemployment;

"(iv) determines, under regulations issued under section 1105 of this Act, that the eligible recipient is located in an area whose economic well-being is significantly dependent on one or more defense contracts; and

"(v) is satisfied that the conduct of such project or activity under such provisions of law will reduce unemployment in the area in which the eligible recipient is located, will reduce the level of economic dependency of such area on one or more defense contracts, and will assist the eligible recipient in implementing the plan accompanying such application.

"(b) Upon request of the Secretary, the head of any other department or agency of the Federal Government which has refused to provide financial assistance to an eligible recipient—

"(1) shall furnish the Secretary such information concerning the project or activity which would have been carried out if such assistance had been provided and the qualifications of the eligible recipient to receive such assistance as the Secretary determines necessary to carry out the objectives of this section; and

"(2) shall certify to the Secretary whether or not the eligible recipient remains qualified under the provisions of law under which such department or agency made such refusal to receive financial assistance with respect to such project or activity.

"(c) The Secretary may only provide financial assistance with respect to a project or activity under this section through the payment of funds authorized for this section to the department or agency of the Federal Government which refused to provide financial assistance with respect to such project or activity. The provision of such assistance by the head of such department or agency shall be subject to the terms, conditions, and requirements which would apply if such department or agency were providing such assistance under the provisions of law under which it made such refusal, except that the Secretary or head of such department or agency may waive any such term, condition, or requirement if the Secretary or the head of such department or agency determines that imposition of such term, condition, or requirement would defeat the objectives of this section.

"(d)(1) Each eligible recipient which receives financial assistance under this section shall annually during the period such assistance continues make a full and complete report to the Secretary, in such manner as the Secretary shall prescribe, and such report shall contain an evaluation of the effectiveness of the assistance provided under this section in meeting the need it was designed to alleviate and the objectives of this section.

"(2) The Secretary shall provide an annual consolidated report to the Congress, with his recommendations, if any, on the financial assistance authorized under this section in a form which he deems appropriate. The first such report to Congress under this paragraph shall be made not later than January 30, 1983.

"REGULATIONS ESTABLISHING CRITERIA ON DEFENSE DEPENDENCY; CONGRESSIONAL REVIEW

"SEC. 1105. (a) Not later than September 30, 1980, the Secretary, after consulting the Commissioner of Labor Statistics, the Secretary of Defense, the Director of the Census, and the Director of the United States Arms Control and Disarmament Agency and after conducting research and studies, shall issue regulations establishing, for the purpose of section 1104(a)(2)(C)(iv) of this Act, criteria on whether or not the economic well-being of an area is significantly dependent on one or more defense contracts. In issuing such regulations, the Secretary shall consider, among others, the following factors:

"(1)(A) The number of persons who, during any calendar year, reside in the area and are directly employed in connection with any defense contract.

"(B) The ratio of the number of such persons to the total number of persons who, during such calendar year, reside in the area and are employed.

"(C) The number of persons who, during such calendar year, reside in the area and are indirectly employed in connection with any defense contract.

"(2)(A) The total amount of compensation paid persons described in paragraph (1)(A) of this subsection during the calendar year referred to in such paragraph.

"(B) The ratio of such total amount to the total amount of compensation paid all persons who, during such calendar year, reside in the area.

"(3)(A) The total amount of local property taxes which, during any year, is paid with respect to real property used in the area in connection with a defense contract.

"(B) The ratio of such total amount to the total amount of local property taxes which, during such year, is paid with respect to all real property in the area.

"(b) Upon issuance of any regulation under subsection (a) of this section, the Secretary shall transmit such regulations and any amendment or revision thereof to the Congress and such regulation (or amendment or revision) shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the regulation (or amendment or revision) is transmitted to it unless, between the date of transmittal and the end of the sixty-day period, either House passes a resolution stating in substance that that House does not favor such regulation (or amendment or revision).

"(c) For the purpose of subsection (b) of this section—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

"(d) Under provisions contained in a regulation (or amendment or revision), a provision of the regulation (or amendment or revision) may be effective at a time later than the date on which the regulation (or amendment or revision) otherwise is effective.

"(e) A regulation (or amendment or revision) which is effective shall be printed (1) in the Statutes at Large in the same volume as the public laws and (2) in the Federal Register.

"(f) This section (other than subsections (a) and (b)), is enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (g) of this section, and supersedes other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(g) For the purpose of this section, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the   does not favor the regulation numbered   transmitted to Congress by the Secretary of Commerce on
19 .', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(h) A resolution with respect to a regulation described in subsection (g) of this section shall be referred to a committee (and all resolutions with respect to the same regulation shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

"(i)(1) If the committee to which a resolution with respect to a regulation described in subsection (g) of this section has been referred has not reported it at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the regulation which has been referred to the committee.

"(2) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same regulation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same regulation.

"(4) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a regulation described in subsection (g) of this section, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(5) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(6) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a regulation described in subsection (g) of this section, and motions to proceed to the consideration of other business, shall be decided without debate.

"(7) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a regulation described in subsection (g) of this section shall be decided without debate.".

EFFECTIVE DATE

SEC. 4. This Act and the amendments made by this Act shall become effective October 1, 1979, except that the provisions of section 1104 of the Public Works and Economic Development Act of 1965, as added by section 3 of this Act, shall become effective October 1, 1981.●

EXPLANATION OF VOTES MISSED ON APRIL 2 AND 3, 1979

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. EDGAR. Mr. Speaker, on Monday and Tuesday of this week, I had business that required my absence from Washington. I traveled to Long Beach, Calif., to address the Council for Urban Economic Development Conference—CUED. This group brings together city officials and fiscal planners across the Nation who are responsible for implementing the various urban aid programs of the Economic Development Administration. This year, the Economic Development Subcommittee, on which I serve, will be reviewing the EDA program. It is my hope that these urban aid practitioners can assist us in improving these programs and in identifying where there are gaps in Federal urban policies.

Had I been in Washington, I would have voted as follows on those votes I missed:

MONDAY, APRIL 2, 1979

Rollcall No. 70. To suspend the rules and pass House Joint Resolution 199, to amend the Santa Ana Pueblo Indians Act of 1978; "yes";

Rollcall No. 72. The previous question on House Resolution 183, concurring with the Senate amendments to H.R. 2534, to provide for a temporary increase in the public debt limit; "yes"; and

Rollcall No. 73. Final vote on House Resolution 183, see above, No. 72; "yes."

TUESDAY, APRIL 3, 1979

Rollcall No. 74. H.R. 595, Tin Disposal Act, to authorize the Administrator of GSA to dispose of excess tin and to provide for the deposit of moneys received from such sales; "yes."●

WHO IS RESPONSIBLE FOR THE HIGH PRICE OF HEALTH CARE?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. MICHEL. Mr. Speaker, there is an old adage in baseball: keep your eye on the ball. It reminds us that in every endeavor, from sports to government, you have to concentrate on the essential things if you are going to accomplish something desirable. Nowhere, is this more true than in the field of rising health care. We are told by the administration that the hospitals are to blame. But recent studies have shown beyond any doubt, that it is Government itself with its myriad regulations and bureaucratic tyrannies that has brought astronomical costs to health care. The Wall Street Journal recently addressed this topic in its usual clear and informative way.

At this time I wish to include in the RECORD, "Sick Hospitals" from the Wall Street Journal, April 3, 1979.

SICK HOSPITALS

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector-public sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go, Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finance the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some core issues about the American economy and polity.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predations of malpractice lawyers and federal Hill-Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate, is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy. For Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied since 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct costs of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited, that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and bad debts rose to 18.6% of total patient revenues in the 1977 Touche Ross survey, up from 17.9% in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18%, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "overutilization" of hospitals by patients and physicians. It is a massive overlay of federal, state and local regulation that make hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 40 at the federal level. The costs inflicted by these agencies amounted to 25% of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the last 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial costs to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health

Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSROs have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decision-making powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that the cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will slow. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital cost issue is a reflection of a larger problem that we have not yet begun to solve.●

CONGRESSIONAL RANKINGS

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. CARR. Mr. Speaker, due to the inquiries made concerning a study I inserted in the RECORD of March 5, 1979, dealing with the rankings of the 96th Congress House committees by age of members and terms of service of members, I have extended the study for the two previous Congresses. I have also included the Post Office and Civil Service and Standards of Official Conduct Committees which were inadvertently omitted from the earlier study.

The charts are set up in two ways; the first shows all three Congresses set up side by side so you can follow the changes in each committee over time, and the second separates the three Congresses so you can see the changes in ranking more clearly. Although I make no particular interpretations of the data, certain trends in turnover rates of the committees do exist.

For example, while certain committees maintained their positions at either the top or bottom of the rankings for both age and service length, such as Armed Services and Interior respectively, others were not quite so stable. The Judiciary and Merchant Marine and Fisheries Committees increased notably in terms of service, while on the other hand, the Ways and Means and Standards of Official Conduct Committees decreased sharply. It should be noted that the lengths of service are spread out more evenly and do not cluster in the high priority committees as much as they did in earlier Congresses.

For the benefit of the Members and students of Congress I include the chart in the RECORD:

House Committee on—	96th Cong.				95th Cong.				94th Cong.			
	Rankings by mean service length	Rankings by mean age	Member's average age	Member's average length of service (terms)	Rankings by mean service length	Rankings by mean age	Member's average age	Member's average length of service (terms)	Rankings by mean service length	Rankings by mean age	Member's average age	Member's average length of service (terms)
Rules	(1)	4	51.6	5.80	(1)	2	56.18	6.81	(2)	1	57.63	6.78
Appropriations	(2)	1	55.5	5.59	(3)	1	56.92	6.38	(3)	3	54.36	6.25
House Administration	(3)	3	52.6	5.04	(5)	5	53.44	4.92	(6)	5	53.16	4.69
International Relations	(4)	6	50.8	4.97	•(6)	7	51.78	4.46	•(5)	7	51.79	5.34
Armed Services	(5)	9	49.3	4.44	(6)	11	49.16	4.46	(7)	10	50.28	4.08
Merchant Marine and Fisheries	(6)	16	47.1	4.32	(15)	19	47.28	3.25	(14)	18	47.64	3.28
Judiciary	(7)	2	53.9	4.29	(12)	13	49.03	3.50	(15)	15	48.21	3.24
Budget	(8)	•13	47.9	4.28	(4)	6	52.44	5.04	(4)	4	53.80	6.12
Standards of Official Conduct	(9)	11	48.4	4.17	(2)	3	56.00	6.58	(1)	2	57.50	8.42
Small Business	(10)	8	49.4	4.16	(8)	10	49.84	3.86	(9)	9	50.43	3.68
Ways and Means	(11)	7	49.7	4.14	(7)	9	49.86	4.11	(5)	6	52.11	5.38
Government Operations	(12)	13	47.9	4.10	(10)	21	46.51	3.72	(8)	•17	47.86	4.02
District of Columbia	(13)	5	51.0	3.80	(21)	18	47.32	2.34	•(17)	19	47.57	2.95
Education and Labor	(14)	•10	49.0	3.56	(13)	12	49.11	3.47	(10)	13	49.85	3.64
Interstate and Foreign Commerce	(15)	14	47.8	3.40	(9)	14	48.77	3.81	(11)	17	47.86	3.60
Banking, Finance and Urban Affairs	(16)	15	47.5	3.17	(17)	15	47.80	2.54	(12)	11	50.21	3.52
Interior and Insular Affairs	(17)	18	46.4	3.00	(16)	20	46.60	2.58	(13)	8	51.28	3.30
Veteran's Affairs	(18)	•12	48.1	2.97	(14)	4	54.10	3.39	(19)	12	49.93	2.61
Agriculture	•(19)	•17	46.7	2.95	(20)	17	47.48	2.37	(20)	20	46.37	1.98
Post Office and Civil Service	(19)	12	48.1	2.95	(11)	8	50.84	3.60	(16)	14	49.60	2.96
Public Works and Transportation	(20)	10	49.0	2.70	(18)	16	47.58	2.42	(18)	16	47.95	2.82
Science and Technology	(21)	17	46.7	2.54	(19)	22	44.30	2.38	(17)	21	46.05	2.95

95TH CONG.

House Committee on—	Rankings by mean service length	Rankings by mean age	Member's average age	Member's average length of service (terms)
Rules	(1)	2	56.18	6.81
Standards of Official Conduct	(2)	3	56.00	6.58
Appropriations	(3)	1	56.92	6.38
Budget	(4)	6	52.44	5.04
House Administration	(5)	5	53.44	4.92
International Relations	•(6)	7	51.78	4.46
Armed Services	(6)	11	49.16	4.46
Ways and Means	(7)	9	49.86	4.11
Small Business	(8)	10	49.84	3.86
Interstate and Foreign Commerce	(9)	14	48.77	3.81
Government Operations	(10)	21	46.51	3.72
Post Office and Civil Service	(11)	8	50.84	3.60
Judiciary	(12)	13	49.03	3.50
Education and Labor	(13)	12	49.11	3.47
Veteran's Affairs	(14)	4	54.10	3.39
Merchant Marine and Fisheries	(15)	19	47.28	3.25
Interior and Insular Affairs	(16)	20	46.60	2.58
Banking, Finance and Urban Affairs	(17)	15	47.80	2.54
Public Works and Transportation	(18)	16	47.58	2.42
Science and Technology	(19)	22	44.30	2.38
Agriculture	(20)	17	47.48	2.37
District of Columbia	(21)	18	47.32	2.34

•There were some ties in both mean service length and mean age.

94TH CONG.

House Committee on—	Rankings by mean service length	Rankings by mean age	Member's average age	Member's average length of service (terms)
Standards of Official Conduct	(1)	2	57.50	8.42
Rules	(2)	1	57.63	6.75
Appropriations	(3)	3	54.36	6.29
Budget	(4)	4	53.80	6.12
International Relations	•(5)	7	51.79	5.38
Ways and Means	(5)	6	52.11	5.38
House Administration	(6)	5	53.16	4.64
Armed Services	(7)	10	50.28	4.08
Government Operations	(8)	•17	47.86	4.02
Small Business	(9)	9	50.43	3.68
Education and Labor	(10)	13	49.85	3.64
Interstate and Foreign Commerce	(11)	17	47.86	3.60
Banking, Finance and Urban Affairs	(12)	11	50.21	3.52
Interior and Insular Affairs	(13)	8	51.28	3.30
Merchant Marine and Fisheries	(14)	18	47.64	3.28
Judiciary	(15)	15	48.21	3.24
Post Office and Civil Service	(16)	14	49.60	2.96
District of Columbia	•(17)	19	47.57	2.95
Science and Technology	(17)	21	46.05	2.95
Public Works and Transportation	(18)	16	47.95	2.82
Veteran's Affairs	(19)	12	49.93	2.61
Agriculture	(20)	20	46.37	1.58

Note: Average length of service (in terms) may vary because of incomplete terms. Lengths of individual terms of service and seniority may differ because of our inclusion of previous terms of service. ●

THE RISK AT THREE MILE ISLAND

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PAUL. Mr. Speaker, we have heard a great number of scare stories about what happened and what might have happened at the Three Mile Island nuclear power plant in Pennsylvania. I wish to call the attention of my colleagues to a column by Rowland Evans and Robert Novak that appeared in The Washington Post last week on the subject of President Carter's views on nuclear power.

The article follows:

CARTER: BELITTLING THE RISKS

(By Rowland Evans and Robert Novak)

In the privacy of the White House, Jimmy Carter has put the Three Mile Island power plant accident and the surrounding hysteria into proper perspective with blunt language seldom heard from him by the public—and not likely to be heard in connection with nuclear power.

President Carter met with cabinet officers and other advisers Tuesday morning for finishing touches on his energy message, only two days after he had gone to Pennsylvania. He was confident of his facts, and of this conclusion: An airline passenger receives more radiation than the president had in inspecting the plant, but the news media were responsible for whipping up a frenzy. Carter left no doubt he still regards nuclear power as an indispensable energy option.

But the energy speech worked over that morning at the White House contained no such plain talk. It is simply not Carter's style to publicly confront political difficulty, and key political advisers will urge him not to further alienate his party's left wing. Therein may lie much of what is wrong with the Carter presidency.

Actually, Carter always has been ambivalent on nuclear power. On the one hand, the former naval atomic specialist has seen the necessity for a strong nuclear arm to the nation's energy program. On the other hand, the party politician seeking to mollify the Democratic left wing has been chary about offending anti-nuclear activists.

But behind the scenes lately, the president has been resolving these contradictions in favor of the nuclear option. While important aides want to avoid clashing with anti-nuclear activists, Carter demonstrated a much different attitude when he joined his senior associates for the energy meeting at 9 a.m. Tuesday.

Unburdened by the indigestible prose of a committee-written speech, the president used the crisp diction of an engineer with the facts in hand. He had been only 1,000 feet from the disabled core of the Three Mile Island reactor Sunday, said Carter, and had received less than one-third the radiation of a passenger on a commercial jetliner flying through the stratosphere.

What about trade ambassador Robert Strauss, someone asked, flying across the Atlantic on the high-priced Concorde? Even worse, replied Carter, adding that a casual encounter with X-rays in a doctor's office generates far more radiation than his visit to Pennsylvania.

Why, then, all the fuss? The president told his advisers he holds media coverage, particularly television, largely responsible for widespread public anxiety. Among adjectives used Tuesday morning in referring to this coverage were "exaggerated," "irresponsible" and "outrageous." Moreover, the president and cabinet members agree that if the anti-nuclear movement capitalizes on this opportunity, the calamitous effects on energy would dwarf the impact of the Iranian revolution. U.S. nuclear power—on line, under construction and planned—amounts to 5 million barrels of oil a day, the entire production of pre-revolutionary Iran.

The president then turned to his energy speech, which contained little on this subject and referred to energy produced by "fission and fusion," a mouthful difficult for Carter or anybody else to pronounce. It was explained that this was a euphemism for "nuclear," which quickly has become politically taboo. Rather than impose a tongue-twister on the president, the dreaded word "nuclear" was substituted.

The energy message was supposed to include much more than the mere word "nuclear." Secretary of Energy James Schlesinger had made progress on two fronts: first, in convincing the nuclear power industry to drop its insistence on fast breeder reactors and go along with the president on light water reactors; second, in whittling away at the president's political inhibitions over nuclear power.

Even after the Pennsylvania accident, Schlesinger insisted that plans to ease licensing of nuclear power plants must go forward. "That was not very smart," commented a presidential aide, suggesting that Schlesinger once more revealed his political naiveté. One senior White House aide, apparently unaware of the president's views, told us the problem was not exaggeration by TV but cover-up by the power company.

These murmurs reflect the new lease on life the Pennsylvania accident has given Ralph Nader, Jane Fonda and Gov. Edmund G. Brown Jr. in fighting nuclear power. Tim Hagen, the aggressive young Democratic chairman of Cuyahoga County, Ohio (Cleveland), has gone anti-nuclear for the first time. Morley Winograd, the sensible Michigan Democratic chairman, told us he doubts his state party will any longer block anti-nuclear resolutions.

Even nuclear advocates in the administration acknowledge that the president as a party politician, cannot ignore these political currents and probably should tread cautiously. But those currents might well be reversed if Carter were to speak to the public as he did to his advisers. It might even amend the public perception of his leadership.●

HOW I WOULD HAVE VOTED

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ERTEL. Mr. Speaker, on Monday, April 9, 1979, I unavoidably missed five recorded votes. Because my constituents have a right to know my position on matters coming before the House, the following indicates how I would have voted had I been present.

"Yea" on rollcall No. 82, an amendment to H.R. 3324 to prohibit economic aid to Syria unless the President determines and reports to Congress that it is in the national interest of the United States.

"Yea" on rollcall No. 83, an amendment that deleted language from an amendment to H.R. 3324 providing for the President's sending of impartial observers to observe elections in southern Africa and that provided $20 million in aid to Rhodesia after the April 1979 election.

"No" on rollcall No. 84, an amendment that reinstated language in an amendment to H.R. 3324 permitting the President to appoint impartial observers to observe elections in southern Africa and that earmarked $20 million which could be made available to Rhodesia.

"No" on rollcall No. 85, passage of the amendment to provide $20 million to Rhodesia and to permit the President to appoint observers to observe elections in southern Africa.

"No" on rollcall No. 86, an amendment that sought to strike language from H.R. 3324 to establish an Institute for Scientific and Technological Cooperation.●

THE EDUCATION MELTDOWN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. MICHEL. Mr. Speaker, in recent months I have addressed the topic of Federal aid to education. I have inserted in the CONGRESSIONAL RECORD studies, articles, and reports demonstrating the current sorry state of American education. If I were asked to summarize all that I have said I would put it this way: The American taxpayer and American parents are being asked for more and more dollars for education but not getting any results. Federal aid to education has produced an incredible complexity of regulations that hamper education. It has been accompanied by declining test scores and public disenchantment with the public schools.

The Gallup polling organization has added another piece of evidence to show that American education is going through a crisis somewhat similar to that undergone recently at the Three Mile Island plant: There is great danger of an educational "meltdown," an irrevocable loss of faith in public education on the part of parents and children if we do not stop what we are doing and start to "cool down" the overheated rhetoric that marked the Great Society approach to education. That approach was full of golden promises but in fact not able to produce anything but Federal regulations. The Gallup poll shows that the American people are gradually but unmistakeably losing confidence in public education.

And what is the administration's answer to this? The answer given by President Carter is to say we need more of the same kind of Federal approach that has produced this growing problem. He says we need a Department of Education.

Mr. Speaker, the American people need a Department of Education just about as much as the Three Mile Nuclear Plant needed that hydrogen bubble.

At this point, I wish to insert in the RECORD an article that tells of the latest Gallup poll verifying what I have been saying: The article is "Gallup Poll Shows Public Gives Schools Lower Grades," by Casey Banas, Chicago Tribune, April 4, 1979.

GALLUP POLL SHOWS PUBLIC GIVES SCHOOLS LOWER GRADES

(By Casey Banas)

The Illinois educators who are complaining that Gov. Thompson's budget proposal for elementary and high schools is too low have come to expect that education automatically demands the highest priority in cutting up the taxpayers' pie. After all, education is the key unlocking the door to good citizenry and financial success, and certainly everyone would want to support that generously with their pocketbooks.

But there is growing disenchantment across the nation with the public schools and some words of warning are being sounded by an unlikely source, George H. Gallup, the pollster. For 10 years, the Gallup organization has conducted an annual poll on attitudes toward public education. In a book summarizing the polls, Gallup offers some sobering thoughts for the educators.

In the last five years, Gallup has included an item to give public education a report card using the traditional grading system. And the grades are getting lower every year. In 1974, the results were: A, 18 per cent; B, 30 per cent; C, 21 per cent; D, 6 per cent; F, 5 per cent; and don't know or no answer, 20 per cent. There has been slippage every year, with the 1978 poll showing: A, 9 per cent; B, 27 per cent; C, 30 per cent; D, 11 per cent; F, 8 pr cent; and don't know or no answer, 15 per cent. The cost of public education has doubled in the last 10 years, while people learn through the media that some high school students are graduating functionally illiterate, test scores are declining, and schools are having problems with discipline, drug use, and vandalism, Gallup said. Out of this has come the demand for setting minimum competency requirement for graduation coupled with a "back to basics" cry for more structured education.

"The overall effect of these events and forces has been to lessen the public's respect for the public schools," Gallup said.

"Unless measures are taken to alter present trends, a rocky and troubled future can be predicted for the public schools. Education itself has lost some of its appeal. In earlier years it was regarded as the surest way to financial success and social acceptance. Now a skilled worker who did not finish high school can earn as much as many college graduates. Social distinctions of earlier years are disappearing."

The argument offered in the second sentence of this column has lost some of its appeal, Gallup said. Many people without children in the public schools, his poll found, say they shouldn't pay taxes to support the schools. With education costs going—or trying to go—higher and a growing mood of fiscal conservatism sweeping the country, this complaint will be heard more often.

So, Gallup said, the educators better find a more pragmatic approach to win backing for more money. He suggests that the public schools involve more citizens in the schools and the educational process.

"Parents must, in fact, be regarded as part of the teaching team," Gallup said. "A joint and coordinated effort by parents and teachers is essential to deal more successfully with problems of discipline, motivation, and the development of good work habits at home and in school."

One Gallup survey found that 8 out of 10 people questioned want courses for parents to help them assist their children in school. What's needed, he said, is that fathers and mothers meet, under school auspices, to discuss how to deal with the educational problems of children.

Gallup also backed more citizens advisory committees. Some school districts use this mechanism occasionally.

One Gallup survey found heavy support for serving on committees dealing with wide ranging problems, including discipline, student-teacher relationships, career education, and dropouts, to name a few. Active participation of 100 to 200 of the community's citizens, Gallup said, would improve attitudes toward, and support for, the local public schools.

That might well happen, but far more important would be a better education for the kids because Mom and Dad, and other citizens, are assuming a responsible role in the public schools.●

JOE GOREN—A LEADER IN THE MARITIME INDUSTRY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANDERSON of California. Mr. Speaker, the Maritime Trades Department of the Southern California Ports Council, AFL–CIO, was formed in 1958 as the first of its kind on the west coast. It began because of one individual's belief that uniting maritime unions was necessary to increase the bargaining strength of maritime workers. Joe Goren, port agent of the Seafarers International Union, is that individual. His inspiration and dedication created the new department and contributed greatly to its success.

On April 20, 1979, Joe will be honored as "Man of the Year" by his peers in the maritime industry. This brings me a welcome opportunity to tell you why this man, who has been involved in everything from labor negotiations to sponsoring boys and girls softball teams, is so deserving of this recognition.

Born in Victoria, British Columbia, Joe joined the merchant marine at the early age of 17. He celebrated his 18th birthday while in the midst of a trip around the world aboard the S.S. *President Grant*. He quickly proved his capabilities, rapidly working his way up from a messman to become the youngest freighter chief steward on the western coast.

His career in the merchant marine was not without excitement. During the Second World War he was on board the S.S. *Sutherland* when it was ordered to take the first napalm bombs to the South Pacific. The ship made the roundtrip voyage unescorted, but had to make a quick dash to the safety of islands protected by the American Armed Forces when it encountered a Japanese submarine.

Back on the west coast in California, Joe kept up with the spirit of the times by attending a USO dance on San Pedro's Beacon Street. It was at this dance where he met his future wife, the lovely Norma Giaconda Giacopuzzi. They were later married in Olympia, Wash., on September 3, 1942.

Joe's concern for his coworkers, demonstrated by his constant efforts to improve their wages, pensions, and working conditions, is the hallmark of his fine career. While he was often a ship delegate, his drive did not let him stop there. He was instrumental in forming a new Marine Cooks and Stewards Union.

In 1953 he was elected Los Angeles Port Agent of the Marine Cooks and Stewards Union, and continued to serve in that capacity after a merger with the Seafarers International Union. His great effectiveness in this position is best demonstrated by the fact that he has run for reelection unopposed for the last 15 years.

One of Joe's most valuable skills has been his management abilities. He has worked as the Seafarers International Union representative in the southern California membership drive aboard Military Sea Transportation vessels and has coordinated his union's S.S. *Queen Mary* membership drive. He was also administrator of the Don Hotel Training School, a joint program among shipowners, which provides services for union pensioners, while training younger men to work at sea as cooks and stewards.

Joe, a strong believer in the democratic process, has been active in political campaigns for the past 25 years. He was elected as a delegate to the 1974 Mini-Democratic Convention, and is presently serving as vice president of the Los Angeles County Federation of Labor.

Joe has also devoted much of his time, energy and talents toward many worthwhile community activities. He has served on the board of directors of the Catholic Maritime Club, the United Way and the Golden State Boxers Association. He has been active with Mayor Tom Bradley's Labor Advisory Committee, the the Wilmington Industrial Site Committee, the Coro Foundation, the Mazzini Italian Club, and the John Van De Kamp's District Attorney Advisory Committee.

In addition to these accomplishments, Joe displays a personal touch, often taking time from his busy schedule to visit friends, union members, and relatives in the hospital.

Mr. Speaker, individuals like Joe Goren are an asset to all of us, for they contribute so much to our community and our Nation. My wife, Lee, joins me in congratulating Joe for being selected "Man of the Year" by the maritime industry. We wish him, his wife, Norma, and their children Glory and Geri continued success and good fortune in the years to come.●

PERSONAL EXPLANATION

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. WHITE. Mr. Speaker, due to previously scheduled appointments in the

16th District of Texas, I was unable to be on the House floor last Thursday for two recorded votes. If I had been present, I would have recorded my votes as follows:

On rollcall No. 79, April 5, 1979, amendment to H.R. 3324 that sought to eliminate the rice program to Zaire administered by the Government of Zaire, and replace it with a program administered by private voluntary organizations: "no."

On rollcall No. 80, April 5, 1979, adoption of resolution providing funds for the Select Committee on the Outer Continental Shelf: "yes." ●

DEPARTMENT OF EDUCATION ATTRACTS SUPPORT

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ULLMAN. Mr. Speaker, interest in creating a Cabinet-level Department of Education has never been greater. More and more people perceive a need to reorganize the Federal education bureaucracy so that the Federal role of supporting and complementing State, local, and private efforts to provide quality equal educational opportunity can be efficiently administered.

Support for a Cabinet-level Department of Education comes from all across our Nation. To date 83 organizations with more than 12 million members have joined to actively support creation of the new Department. The list of prestigious educational organizations supporting a Cabinet-level Department of Education is impressive. It includes the American Association of University Professors, the Council for Advancement and Support of Education, the National Academy of Educaton, and the National School Boards Association.

The list of noneducation organizations calling for a Cabinet-level Department is equally as impressive. It includes labor unions: the American Federation of Government Employees and the American Federation of State, County, and Municipal Employees; civil rights organizations: The Mexican-American Legal Defense and Education Fund, the National Urban League, and Operation PUSH; farmer Organizations: The National Grange; student organizations: The United States Student Association; and other organizations including the National PTA and Americans for Democratic Action.

I trust my colleagues will find the entire list of endorsing organizations informative and I hope they will join with these organizations in actively supporting the creation of a separate Cabinet-level Department of Education.

The list follows:

ORGANIZATIONS SUPPORTING DEPARTMENT OF EDUCATION

American Alliance for Health, Physical Education and Recreation.
American Association of Colleges of Teacher Education.
American Association of Community and Junior Colleges.
American Association of School Administrators.
American Association of University Professors.
American Association of Workers for the Blind.
American Coalition of Citizens with Disabilities.
American Education Research Association.
American Federation of Government Employees.
American Federation of State, County, and Municipal Employees.
American Library Association.
American Personnel and Guidance Association.
Americans for Democratic Action.
Americans for Indian Opportunity.
American Society for Public Administration.
American Theatre Association.
American Vocational Association.
Association for Supervision and Curriculum Development.
Association of Childhood Education International.
Association of Community College Trustees.
Coalition of American Public Employees.
Coalition of Independent College and University Students.
Council for Advancement and Support of Education.
Council for Educational Development and Research.
Council for Exceptional Children.
Council of Chief State School Officers.
Council of Great City Schools.
Council of State Administrators of Vocational Rehabilitation.
Education Commission of the States.
Home Economics Education Association.
International Council of Fine Arts Deans.
International Reading Association.
Mexican-American Legal Defense and Education Fund.
Music Educators National Conference.
National Academy of Education.
National Advisory Council on Extension and Continuing Education.
National Alliance of Black School Educators.
National Art Education Association.
National Association for Equal Opportunity in Higher Education.
National Association for the Deaf.
National Association of Administrators of State and Federal Education Programs.
National Association of Elementary School Principals.
National Association of Mexican-American Women.
National Association of School Psychologists.
National Association of Schools of Art.
National Association of Schools of Music.
National Association of Secondary School Principals.
National Association of State Boards of Education.
National Association of State Directors of Migrant Education.
National Association of State Directors of Special Education.
National Association of State Directors of Vocational Education.
National Audio-Visual Association.
National Caucus of Black School Board Members.
National Committee for Citizens in Education.
National Congress of Parents and Teachers.
National Council for the Social Studies.
National Council of La Raza.
National Council of State Agencies for the Blind.
National Council of Teachers of English.
National Council of Teachers of Mathematics.
National Education Association.
National Federation of the Blind.
National Governors' Association.
National Grange.
National Guild Community Schools of the Arts.
National Rehabilitation Association.
National School Boards Association.
National School Public Relations Association.
National School Supply and Equipment Association.
National School Volunteer Program.
National Society for Autistic Children.
National Student Educational Fund.
National University Extension Association.
National Urban League.
Overseas Education Association.
People United to Save Humanity (Operation PUSH).
Research for Better Schools.
Speech Communication Association.
State Higher Education Executive Officers.
Student National Education Association.
United States Student Association.
U.S. Catholic Conference Secretariat for the Spanish Speaking.
Young Audiences, Inc. ●

CONGRESSIONAL TESTIMONY BY DR. BEVERLY PAIGEN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. LAFALCE. Mr. Speaker, on March 21 several of my constituents and others from western New York came to Washington to present one of the most tragic stories American society has produced. I refer to the Love Canal and other hazardous waste dump sites which have so graphically and seriously affected human health and the environment, more so in my congressional district than anywhere else.

Dr. Beverly Paigen, a cancer research specialist at world-famed Roswell Park Memorial Institute, was one of these witnesses. She has voluntarily donated her time and expertise to help the residents of the Love Canal area. Her testimony on the health effects of toxic chemicals on the residents ought, I think, to be studied by all of our colleagues, and I would like to share it with you now.

Her testimony follows:

HEALTH HAZARDS AT LOVE CANAL

(By Dr. Beverly Paigen)

INTRODUCTION

My name is Beverly Paigen. I am a cancer research scientist at Roswell Park Memorial Institute in Buffalo, New York. Roswell Park is part of the New York State Department of Health. I have a Ph. D. in biology and my research interest is genetic susceptibility to environmental toxins. I served on the Environmental Protection Agency's Toxic Substances Advisory Committee from 1977–1979. I currently serve on an Environmental Protection Agency group (the Carcinogen Assessment Group) that makes quantitative risk assessments of hazards from cancer-causing chemicals.

SUMMARY OF HEALTH EFFECTS

The studies that I will present concern the health hazards experienced by the people still living from one to five blocks from the

Love Canal dump site. I will present information that leads me to conclude that toxic chemicals are presently migrating through the soil along the paths of old streambeds that once criss-crossed the neighborhood. Families whose homes border these old streambeds show an increase in several health problems including miscarriages, birth defects, nervous breakdowns, asthma and diseases of the urinary system. These studies have led me to conclude that a minimum of 140 additional families should be evacuated immediately and evacuation may need to be extended to as many as 500 more families. In addition, the results raise questions about whether the presently planned remedial construction to prevent further outflow of toxic wastes is adequate.

METHODOLOGY

Originally, the State of New York investigated miscarriages and birth defects in the residents living in rings 1 and 2 immediately surrounding the Love Canal and concluded that both were increased. On the basis of this they declared a health emergency and evacuated 239 families from rings 1 and 2. The residents left behind living in the area from one to five blocks from Love Canal also felt that birth defects and other diseases were higher than should be expected in their neighborhood.

I discussed with area residents how to collect health information in a scientifically acceptable way. They put aside all the information they had gathered and started making a systematic phone survey to each home, collecting information about the number of persons in each family, the length of time they had lived in the Love Canal area, and the health problems experienced by the family. More than 75 percent of the homes cooperated in the survey. This information provided the data base I used. I should point out that this survey suffers from several problems. First, a layperson reported diseases to a layperson and some of the people involved may not understand the true nature of their illnesses. Second, both the people reporting and the people collecting the information have a vested interest in the outcome and there may be over-reporting of disease. And third, I did not have any resources so I could not verify independently the reports of disease with physician records. To overcome these problems I concentrated primarily on those health effects that are diagnosed by a physician and that the layperson knows by name. To correct for over-reporting I used internal controls in the neighborhood.

THE SWALES

The first step was to locate the old stream beds. This was done by examining old aerial photographs and geological survey maps, obtaining photographs from residents' family albums, and talking to older residents. In addition, the State of New York sent interviewers from home to home to determine which houses had been built in historically wet or swampy areas. During this process we discovered that in addition to the streams, there had been a lake and several swamps in the neighborhood. When the area was developed, the streams were filled with building rubble through which water flows easily. The result is that today, even though there is no surface evidence of these old streams, liquid contaminated with toxic chemicals is migrating along them underground. The collection of health data to the west of the canal are still not complete.

It is important to keep in mind that the health effects I will be presenting are probably serious underestimates of the true health effects. One reason is that I don't have a normal control population. I am comparing a heavily exposed population—those in wet homes—to a moderately exposed population—those in dry homes—and I don't have any unexposed population. A second reason is that my data usually do not include the evacuated families who were the most heavily exposed. A third reason is that people with no health problems readily cooperated in the survey, but some families with serious health problems did not wish to participate in a survey conducted by their neighbors.

TOXICITY TO THE VERY YOUNG

One of the most susceptible groups in the general population to the toxic effects of chemicals are the very young. In the Love Canal area, miscarriages, still births, and crib deaths are increased. This table (Table 1) indicates total pregnancies and miscarriages verified by physicians in these women before they moved to the Love Canal and after moving to wet areas in Love Canal. The frequency of miscarriages before moving to Love Canal was 8½% and this increased to 25% for women when living in Love Canal homes in wet areas. This is a risk 3 times greater for women living in the wet areas.

TABLE 1.—MISCARRIAGES IN WOMEN LIVING IN LOVE CANAL AREA

	Pregnancies	Miscarriages	Percent
Before moving to Love Canal	714	61	8.5
After moving to wet area of Love Canal	155	39	25.2
Relative risk			3.0

Note: Chi square 35; probability that difference is due to chance is much less than 0.0005.

A number of women have had multiple miscarriages; these women live in or very near the wet places.

Within the last month, the Environmental Protection Agency halted the use of herbicide containing dioxin (TCDD) after 8 Oregon women wrote that they had 13 miscarriages among them. Two hundred tons of this banned herbicide are buried in Love Canal and the toxic contaminant dioxin has been found in the leachate migrating from the canal.

The presence of birth defects is another sign of chemical toxicity in the very young. Again clustering occurs with more birth defects in those homes in wet areas as compared to homes in dry areas. This table (Table 2) indicates the percentage of birth defects in the official study by the New York State Department of Health. All these have been verified by physician records. Twelve percent of children born in the wet areas had birth defects compared to 5% of children born in dry homes. My own survey includes more birth defects than the official study by the State of New York. My information indicates that 20% of children born in the wet areas have birth defects compared to about 7% of children in the dry areas. I am currently corresponding with the State over the differences, and I believe the true incidence will lie somewhere between the incidence I have and the incidence that the Health Department has.

Some of the birth defects in this survey were minor or easily corrected by surgery, such as webbed toes, an extra toe or extra or unusually spaced teeth. Others, however, were much more serious including a deaf child, 5 children with mental retardation, 6 with kidney abnormalities, and 3 with heart defects.

Most people believe that the flow of chemicals into the neighborhood has gotten worse in the recent past—perhaps because the drums containnig the taxic wastes are rusting through and perhaps because we have had 2 winters of abnormally heavy precipitation. We therefore asked whether there has been a particularly noticeable increase in birth defects among the children born in the last 5 years to women living in wet areas. From 1974–1978, 16 children were born in homes in wet areas: 9 of these children had birth defects (Table 3). This gives an incidence of over 50%, clearly an unacceptable health hazard.

TABLE 2.—BIRTH DEFECTS IN CHILDREN BORN IN LOVE CANAL AREA

	Wet areas	Percent	Dry areas	Percent
Number of children born	120		176	
Number with birth defects (New York Health Department data)	15	12.5	9	5.1
Number with birth defects (residents' data)	24	20.0	12	6.8
Relative risk (residents' data)				2.9

Note: Chi square 12; probability that difference is due to chance is less than 0.001.

TABLE 3.—*Birth defects in children born during last 5 years in wet areas*

Children born	16
Number with birth defects	9
Percentage	56

CENTRAL NERVOUS SYSTEM TOXICITY

In addition to causing birth defects, some of the toxic chemicals found in Love Canal are known central nervous system poisons. Lindane is found in the yards and in 75% of the sump pumps of homes in wet areas. Lindane causes hyperirritability and convulsions. Three other central nervous system poisons have been measured in the air of these homes; tetrachloroethylene, chloroform and trichloroethylene.

Central nervous system poisons can produce convulsions, loss of coordination, headaches, insomnia, hyperirritability and psychological depression. There is strong evidence that symptoms of central nervous system poisoning are occurring in the population surrounding the Love Canal. This table (table 4) shows that almost 9% of adults living in wet areas have had a nervous breakdown compared to 2.2% of adults living in dry areas in the southern section and 0.7 percent of adults living in dry areas in the northern section. The risk of an adult in the wet area having a nervous breakdown is 7 times the risk of all adults in dry areas.

TABLE 4.—NERVOUS BREAKDOWNS

	Adults	Nervous breakdowns	Percent
Living in wet areas	149	13	8.7
Living in dry areas:			
South section	226	5	2.2
North section	284	2	.7
Relative risk wet areas to all dry areas			6.9

Note: Chi square wet/dry south 8; probability that difference is due to chance is less than 0.005.

OTHER HEALTH EFFECTS

Several chemicals in Love Canal are known to be toxic to the kidney and urinary system. This table (Table 5) shows that urinary disease occurs in 7 percent of persons living in homes in the wet areas as compared to 2.5 percent for homes in dry areas. These represent a variety of disease including congenital malformations of the urinary system, loss of kidney function later in life, injured ureters or urethras leading to incontinence and severe, frequent bladder infections. Persons living in wet areas are 2.8 times as likely to have urinary disease as persons in dry areas.

TABLE 5.—URINARY DISEASE IN LOVE CANAL AREA

	People	With disease	Percent
Living in wet areas	314	22	7.0
Living in dry areas	826	21	2.5
Relative risk			2.8

Note: Chi square 13; probability that difference is due to chance is less than 0.0005.

Respiratory disease of all types are common in the neighborhod. This table (Table 6) indicates that persons living in wet areas are 3.8 times as likely to have asthma as persons living in dry areas.

TABLE 6.—ASTHMA IN LOVE CANAL AREA

	People	With asthma	Percent
Living in wet areas	314	14	4.4
Living in dry areas	826	11	1.3
Relative risk			3.8

Note: Chi square 10; probability that difference is due to chance is less than 0.005.

HEALTH HAZARDS FOR WHICH THERE IS PROBABLE EVIDENCE

I would like to turn now to the health hazards that are probably present but for which the data are less certain. My data indicate that the frequency of suicides, convulsive disorders such as epilepsy and hyperactivity in children are elevated. However, I have less confidence in these data due to the small number of cases or due to problems in diagnosis.

For instance, over the past 10 years 6 suicides have occurred in the Love Canal area when 1.7 would be expected for a population this size. Five of these 6 could be related to living in a wet area and the 6th may possibly be related. The 6th suicide occurred in a person who had lived directly along the canal for most of her life but had moved elsewhere in the neighborhood about a year before committing suicide.

I also think it possible that chemicals in the Love Canal neighborhood may be causing convulsive disorders such as epilepsy. Twelve persons with a convulsive disorder live in the neighborhood. These are more likely to live in wet areas (chi square 3, probability that this difference is due to chance is less than 0.1). Of persons living in wet areas 1.9% have epilepsy compared to 0.7% of persons living in dry areas, a relative risk of 2.7.

HEALTH EFFECTS FOR WHICH THERE IS SUGGESTIVE EVIDENCE

In addition to these health effects, there are other health problems in the neighborhood that it has not been possible to evaluate statistically. These require further study. One is a very high frequency of skin disease. Second is a strong suggestion that the chemicals these people are exposed to may be interfering with their body's immune response. Third, there seems to be a definite impairment of the blood clotting system in these people. Fourth, chemicals may be interfering with bone metabolism. Fifth, several carcinogens are in Love Canal and I suspect that cancer is elevated in the area. Sixth, I believe that heart disease may be elevated in the area.

HEALTH STUDIES OF EVACUEES

Epidemiological studies can never prove cause and effect; these studies only show an association of disease with geographical location. To obtain further information on whether these diseases are related to chemicals from Love Canal, we conducted a health survey on the people evacuated from rings 1 and 2 4 and 6 months earlier. I did not know what to expect since studies of people who have lived through disasters show an increased incidence of disease in the years following the disaster as a result of the stress. In addition, many toxic organic chemicals are stored in the body fat and tend to remain in the body for long periods of time.

As a result of these 2 factors, I did not expect much improvement in health after such a short time. One hundred and 1 families were surveyed. I was surprised to find that 67 reported a major improvement in health since moving (Table 7).

TABLE 7.—*Health status of 101 evacuated families*

	Number of families reporting
Improved health	67
No change	34
Poorer health	0

Of the 9 families who reported that frequent ear infections was a major problem while living on the canal, all 9 reported a major improvement in this problem. Of the 50 families who reported that colds, pneumonia, bronchitis and sinus infections were a major problem while living on the canal, 49 reported an improvement. Of 12 asthmatics, 11 reported an improvement; some of these have not had a single attack since moving. Of the 17 families who reported skin rashes as a problem, 14 have experienced improvement since moving. Of the 12 families who reported that severe depression or a nervous condition were health problems, 11 have reported major improvements. Of the 39 families that reported migraine or frequent headaches were a problem, 38 have reported a major improvement.

TABLE 8.—HEALTH STATUS OF EVACUATED FAMILIES

	of Families responding	
Health problem	Improved health	No change
Ear infections	9	0
Upper respiratory infections	49	1
Asthma	11	1
Skin rashes	14	3
Depression	11	1
Headaches	38	1

I believe that even this limited survey of people who have been evacuated indicates a major improvement in the health problems can be achieved by evacuation despite the stress of loss of home and community.

In contrast, the people who have been left behind, particularly those who live in wet areas, are still facing a serious health hazard which they are powerless to correct without governmental action.

RECOMMENDATION

Based on these studies, I have made several recommendations:

(1) The 140 families living in wet areas in the section studied be evacuated immediately.

(2) All women of childbearing age who wish to have more children should be evacuated. They should be advised to wait 6 months to a year before getting pregnant to allow chemicals to be excreted from the body.

(3) Sick people who live in dry areas should be evacuated if they wish to move. There are some homes in dry areas with very high levels of chemical readings in their basement air and there are families in dry areas ill with multiple diseases. We do not know enough about what is occurring underground. Toxic wastes have migrated into the storm sewer system and these storm sewers back up and saturate yard with toxic chemicals.

(4) Detailed studies must be initiated on the west side of the canal where I have not done any health studies. A major swale runs through a housing development known as Griffin Manor. It touches 15 apartments. In fact, the entire Griffin Manor area was once low and swampy. It is possible that the area has been heavily contaminated. If it is, more families would have to be evacuated.

(5) The remedial construction work was planned before the importance of the stream beds was understood. It is important to modify the plan. Otherwise it may be that the construction of drainage ditch parallel to the canal will simply lead to an increased flow of toxic waste down the stream beds.

(6) The stream beds may be so contaminated that they will have to be dug out, contaminated soil on either side removed, and drainage tiles be placed in each one. However, it may be necessary to abandon the entire neighborhood.

(7) Love Canal is as much a disaster as any hurricane, earthquake, or flood. The Federal government has accepted the responsibility of aiding areas hit by natural disasters. In 1977 our area in Western New York suffered a blizzard. Millions of dollars in aid were provided in response to the financial loss and inconvenience involved. Now we have a disaster that involves not only financial loss but also terrible health effects from a catastrophe that was totally beyond the control of the victims. They are trapped in a more serious and long-lasting way than any of us were by the blizzard. Their chemicals won't melt away in springtime. One of the neighborhood residents has expressed it very simply. He said, "I've been through a fire, I've been through a flood. and this is far worse".●

SICK HOSPITALS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PAUL. Mr. Speaker, the administration's attempt to control hospital costs can only harm patients and hospitals, since it takes no cognizance of the fact that inflation is caused only by the Federal Government.

Recently, I testified before the Health Subcommittee of the Committee on Ways and Means, and I would like to take this opportunity to insert my testimony into the Record, along with an excellent article on the same subject from the editorial page of the Wall Street Journal:

Testimony Before the Health Subcommittee, Committee on Ways and Means, March 29, 1979

Mr. Chairman: Thank you for giving me the opportunity to testify on the Hospital Cost Containment Act of 1979. As Representative of the 22nd District of Texas, as a physician, and as a former hospital board member, I have a special interest in this legislation.

With some loopholes, the bill would require most hospitals in the private sector (except HMO hospitals, which could raise prices all they wanted) to hold increases in costs to a figure set by the Secretary of Health, Education, and Welfare. For 1979, that figure would be up to 10.4 percent. The Administration calls this a voluntary limit, but it's voluntary only in the sense that the COWPS guidelines are voluntary—in other words, not voluntary at all. If that threshold were passed, mandatory controls would be triggered at a level of 9.7 percent.

When government pays for a service or

product, it invariably supplies it at no or below-market cost. This always increases demand and creates shortages. With shortages, especially government shortages, the next step is always strict allocation and rationing, combined with efforts to keep costs down. High costs are inevitable, however, due to waste, fraud, inefficiency, and increased demand.

Hospital costs have risen at an alarming pace, although not as fast as coffee, taxes, or first-class mail, and there are five reasons for it:

(1) Inflation. Inflation, an increase in the supply of money and credit, is a direct result of deliberate government policy. A well-known characteristic of inflation is that some areas of the economy suffer from a greater upward movement of prices than others. Hospitals are not responsible for it, and can do nothing about it.

(2) Costly government regulations. The Community Hospital in Freeport, Texas, tells me that complying with Medicare and Medicaid regulations alone have required it to hire 33 additional employees, at a cost of $400,000. This is for a small hospital of only 127 beds. The famous New York hospital association study shows that 25 percent of costs in that state are a direct result of regulations.

(3) Medicare and Medicaid. Between 1946 and 1966, the cost of an average stay in a hospital increased 7.4 percent a year. Since 1966, the increase has been 12.6 percent. The reason: in 1966, demand for medical services was vastly increased by Act of Congress, with Medicare and Medicaid, and prices naturally zoomed.

(4) A better quality of care. Organ transplants, fetal monitoring, intensive care units, cardiac care units, neonatal ICUs, CAT scanners, cardiac pacemakers, open-heart surgery—all are expensive.

(5) Increased costs. The cost of malpractice insurance, energy, and wages (we keep raising the minimum wage) have all increased during the last several years, and hospitals cannot control the increases.

President Carter has deregulated the airlines, with lower prices and more competition as the result. He proposes to do the same to railroads and trucking, and I strongly support these initiatives.

He would be wrong to take the opposite tack with hospitals.

We should take the President at his anti-regulatory word and defeat this bill, for nine reasons:

(1) It would increase the burden of regulation on hospitals, and therefore increase costs.

(2) It would build another bureaucracy in HEW, and therefore increase Federal spending and the taxes or inflation necessary to pay for it.

(3) It would reward the spendthrift and penalize the thrifty. The average hospital stay in Massachusetts costs approximately $2,800; in Texas the bill is $1,400. After five years, hospitals in Senator Kennedy's home-state would have $2040 more per admission than hospitals in Texas, as a result of the bill. A fixed percentage increase helps those who are obese; it hurts the lean. It could be called the Snowbelt's Revenge.

(4) It wouldn't work. State cost control commissions in Massachusetts and other states are held up as examples by HEW. The rate per day has been held down by fiat, but other hospital costs have more than made up the difference. The states with hospital cost commissions, points out the Council of Medical Staffs, have some of the highest rises in total hospital costs in the nation in the years since regulation was imposed. Government regulation raises prices.

(5) It guarantees a price increase of whatever the HEW secretary sets as a maximum, as the COWPS guidelines do in a similar manner. Some efficient hospitals in Utah or Wyoming might not need that much.

(6) It would destroy the Voluntary Effort. This initiative has been a signal success. In the face of Federal inflation and regulation, hospitals have cut the rate of increase in hospital costs by 2.8 percent from 1977 to 1978, beating the industry's goal by 40 percent. The dollar savings has been $1.48 billion.

(7) It would slow the pace of medical innovation. As the Washington Post has pointed out, "it would be . . . desirable to make clear to the citizenry that costs are controlled through a process of elimination." This bill would cause the cutting of muscle as well as fat.

(8) It would ration care. Hospitals would not only be forced to put off needed maintenance and the replacement of obsolescent equipment, they would also have to delay the implementation of new and needed services, penalize patients needing long stays, and cut down on elective surgery.

(9) It would give authority to HEW that bureaucrats must not have. Only one high HEW officials has suggested euthanasia as a means of cutting costs, and he is no longer with the department. But our Constitution does not give HEW power to decide what medical care the people of this nation should have. There are trade-offs in any economic transaction, in medicine or elsewhere, but in the free market, these decisions are made by buyers and sellers, not by bureaucrats.

Price controls are not anti-inflationary, since rising prices are not inflation, but rather the result of it. In fact, controls can actually raise costs by interfering with the pricing adjustments that a free economy raise costs by interfering with the pricing adjustments that a free economy must make.

Price controls—even on an isolated industry—are always disruptive.

Controls on energy and rents have demonstrated how much harm they do, and how they create shortages.

History is filled with examples of controls and their failures. There are no successes. The only result, as Wilhelm Roepke has pointed out, is "repressed inflation": apparent price stability for awhile, with eventual shortages, rationing, waiting lines, and black markets. The same can happen with medical care.

The price mechanism, whether for a product or a service, is the steering device for fair allocation. We cannot preserve a system by destroying its vital nerve.

Controls on prices misdirect production. Capital investment by hospitals will be distorted or halted by controls.

Marginal hospitals could well be wiped out, since they have fewer resources and less resilience. Often, these will be ghetto hospitals serving minority people, and rural hospitals. Patients will have to travel farther to already overburdened county and state hospitals.

Through subsidies to medical education, the building of hospitals, and the expansion of hospital services, the Federal government has caused many of the problems it now proposes to cure with more intervention. The answer is fewer subsidies, less regulation, and no controls.

From 1967 to 1977, hospital charges did rise 194%. But postal rates rose 226%, the Federal budget increased 400%, and the cost of operating Congress zoomed 422%.

We do need cost containment, but not on the victims of inflation—our hospitals, but on the villain—the U.S. government.

[From the Wall Street Journal, Apr. 3, 1979]

Sick Hospitals

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector-public sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go, Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finesse the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some core issues about the American economy and policy.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predation of malpractice lawyers and federal Hill-Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy. For Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied since 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct costs of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited, that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and bad debts rose to 18.6 percent of total patient revenues in the 1977 Touche Ross survey, up from 17.9 percent in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18 percent, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "overutilization" of hospitals by patients and physicians. It is a massive overlay of federal, state and local regulation that makes hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 40 at the federal level. The costs inflicted by these agencies amounted to 25 percent of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the late 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial costs to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSROs have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decisionmaking powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that the cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will slow. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital cost issue is a reflection of a larger problem that we have not yet begun to solve.●

CONGRESS SHOULD END THE INFLATION TAX

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. RUDD. Mr. Speaker, I believe that it is imperative that the Congress address the rampaging inflation which is causing such economic havoc for our citizens.

There are a number of ways in which the Congress can constructively work to eliminate inflation and the disastrous effect which it has on the American taxpayer.

In my view, it is of paramount importance that the Federal budget be balanced. I am a cosponsor of a number of proposals which would establish an amendment to the Constitution to require a balanced Federal budget.

Additionally, I believe that the free-spending mentality of the Congress must be ended. Our Nation simply cannot afford the extravagant spending programs which have been implemented in recent years, and which have done little to solve the problems for which they were initially created.

THE INFLATION TAX

At a time when all U.S. taxpayers are approaching the April 16 deadline for filing Federal income tax returns, and feeling once again the heavy burden of Federal taxation, I think it appropriate to call attention to the vitally needed reform of tax indexing. No aspect of inflation has been so cruel or unjust for working Americans and those with investments as that which pushes taxpayers into higher and higher tax brackets, thus extracting higher income taxes as a consequence of inflation.

Yet real buying power of these higher salaries is not increased. Net income does not even remain stable. Tragically, inflation causes a net decrease in the buying power for countless millions of hardworking American families, despite deceptive wage increases.

Mr. Speaker, I have heard from many Arizonans who are justifiably concerned over this situation. The complaints are exemplified by such statements as:

> I cannot figure where my money is going. I'm making more than ever, but it doesn't seem to go as far as it used to when I made less.

LESS BUYING POWER

It does not take long to assess why their tax dollars are not going as far as they used to. In actuality, they are not.

A family of four with a taxable income of $10,000 owed $450 in Federal income taxes last year. Inflation rose 9 percent again during 1979, and our typical family should be fortunate enough to receive a raise of 9 percent—for a total salary of $10,900—during 1979, they should be as well off as last year. Right? Wrong.

Assuming that the 1979 tax brackets are the same as 1978, the worker will owe $618 in 1979 Federal income taxes, an additional $168 over the previous year before the cost-of-living pay increase.

It must be remembered that the $900 salary increase will not be a net increase. Rather, it will only cover the cost of inflation. In relative terms, the taxpayer has the same level of spendable income before taxes.

Yet inflation will push him into a higher tax bracket, and he will owe an additional $168 to the Federal Government. In essence, he is $168 worse off than he was the year before. Of course, workers who do not receive salary increases are also in bad shape, since their real incomes also declined due to inflation, even though their taxes are the same.

The higher the salary levels, the harder this inflation tax hits. A couple with two children earning $20,000, for instance, owed $2,536 in 1978 taxes, but will owe $2,986 on a 1979 income of $21,800—assuming they receive a 9 percent salary increase. Thus, they will be $450 worse off next year, and so on up and down the tax tables. The inflation tax hits every American wage earner and his family.

ONLY THE TAX MAN BENEFITS

I have often heard the adage that only the tax man benefits from inflation. These figures surely confirm that. As inflated incomes bring in more and more tax revenues, American workers are left with less and less spendable income.

This situation is an outrage which the Congress can and must correct. There is no sound reason why our citizens should be penalized by the inflation tax. Indeed, this situation is the more deplorable since it has been caused by the irresponsible spending policies of the Federal Government. Yet the current situation "rewards" the Federal Government through higher tax revenues. The failure by Congress to correct this situation will continue to result in de facto tax increases for every working American.

ARIZONA'S EXPERIENCE

I am pleased to report, Mr. Speaker, that Arizona has pioneered the way with a tax indexing program in which certain categories have been raised simultaneously with the rate of inflation. To insure that the tax assessment is not increased solely by inflation. I can report that it has been extremely well received by the people of Arizona, who recognize and appreciate the fairness of the indexing system.

The Arizona method is similar to that proposed at the national level. We in Arizona have indexed the standard deductions, personal exemptions, the tax credit for taxpayers over 65, the renters' credit, and the credit for dependents.

The indexing rate is determined by the rate of inflation in the State of Arizona as calculated using the Metropolitan

Phoenix Consumer Price Index developed by the Bureau of Business and Economic Research at Arizona State University.

For example, the standard deductions were raised by 10.1 percent, the Phoenix inflation rate, such that the $500 single/$1,000 married deductions were raised to $551 and $1,101 respectively. The other categories cited above were also raised 10.1 percent.

TAX EQUALIZATION ACT

Over 100 of my colleagues and I have joined in cosponsoring a national indexing plan called the Tax Equalization Act of 1979, introduced by the Honorable BILL GRADISON of Ohio.

This legislation would neutralize the effects of inflation on our tax system by automatically indexing personal tax brackets, personal exemptions, and the zero bracket amounts—formerly the standard deduction to the rate of inflation.

Thus, if inflation during 1979 is 9 percent, all of those figures would be automatically adjusted up 9 percent in calculating 1979 income taxes.

In my earlier example, the taxpayers who earned $10,000 in 1978 owed $450 in taxes. In 1979, he would owe the same $450 on $10,900 of income. His real income would remain stable under this indexing formula. The inflation tax would be eliminated.

While indexing will not insulate taxpayers from the effects of inflation, it will prevent the income tax system from making the situation worse.

I urge my colleagues to support the indexing concept. Congress should act to end the inflation tax and to restore the buying power of the hard-pressed American wage earner. The American people deserve no less.●

NORTHWESTERN STEEL & WIRE CO. CELEBRATES 100TH ANNIVERSARY

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. RAILSBACK. Mr. Speaker, 1979 marks the 100th anniversary of Northwestern Steel & Wire Co. of Sterling, Ill. Knowing the importance of this enterprise to the economic and social life of the community, I would like to take this opportunity to salute the Dillon family for their extensive role in the development of the company and the company's many employees for their years of teamwork and service.

I would particularly like to commend to my colleagues a portion of an article which appeared in the Daily Gazette. This article recounts much of the history of the Dillon family and Northwestern Steel & Wire Co., as told by Gunnar Benson, a local educator and longtime historian. These words tell the story far better than mine, and I would like to submit them for the RECORD at this time:

STERLING-ROCK FALLS HISTORICAL SOCIETY HONORS NSW 100TH ANNIVERSARY

(By Ron Parsons)

Benson told the audience the history of NSW has been filled with "good times and bad times, successes and failures, victories and defeats, but always with the determination and courage to move ahead, led by the Dillon family, which becomes almost synonymous with Northwestern."

Referring to the early history of the Dillon family into the steelmaking business, Benson said it was no accident that Northwestern came to this community, first to Rock Falls, and later to Sterling, and they have continued in the twin cities for 100 years. He explained the Dillon family arrived in America from Northern Ireland in 1740 and they settled in Bucks County, Pa. and for several generations were landowners and successful farmers.

Benson said Moses Dillon, a grandson of the immigrants, born in 1748, was the first member of the Dillon family to become involved in the steel industry, when in 1790, he bought half interest in an iron furnace at Uniontown, in Fayette County, Pa.

According to Benson, in 1805 Moses Dillon moved his family to the Falls at Licking, Pa., and it was here he erected an iron furnace and foundry. The firm was known as "Dillon and Son" and Dillon was recognized as a leader in the steel industry in Ohio. Among his five children was Washington M. Dillon, the father of Paul Dillon, current chairman of the board at NSW.

Benson said the Dillon family moved to Dixon in 1856, attracted to the area by the excellent business possibilities. Washington M. Dillon and his stepbrother, William C. Robinson, moved to Sterling and operated a hardware store unto the 1870's when the development of barbed wire claimed the attention of many enterprising persons.

According to Benson, Dillon and Robinson decided to enter a partnership and on Feb. 28, 1879, filed papers of incorporation with the State of Illinois for the purpose of manufacturing barbed wire. On March 20, 1879, the certificate of incorporation was signed and the new business was launched in room one of the old Industrial Building in Rock Falls.

Benson said this was the beginning of the current-day Northwestern Steel and Wire Company. The NSW company started with 10 employees turning out spools of barbed wire on three machines which were manually operated.

P. W. DILLON

Benson said in 1903, an important change took place when Paul W. Dillon, son of Washington Dillon, was promoted to the post of superintendent of the company. "It was a move which launched a fabulous career of leadership which has continued for more than three-quarters of a century," he added.

P. W. Dillon showed an early interest in the mill according to Benson and "this love for loyalty to the mill has only grown greater through the years. It has often been said, . . . PW is the mill."

Benson said the company expanded its operation in 1912 with the purchase of the Griswold company on the Sterling company of the river for the sum of $65,000 without the water power. It was shortly thereafter, the company geared to more production of barbed wire to serve the needs of the U.S. along with England and France, in the World War II pre-war period.

According to Benson, PW Dillon was absent from Northwestern for a period of military service during World War I. After the war, he returned to NSW and in 1919 was re-elected a director and secretary of the company.

Benson said at the death of Washington Dillon in 1920, after more than 40 years as ahead of the company, Paul W. Dillon was elected president and treasurer in 1921.

In the company's history, according to Benson, one subsidiary was acquired and that was the Parrish Alford Fence and Machine Company which was moved to Rock Falls later. With the acquisition, another Dillon was to enter the business, W. Martin Dillon, a son of PW, who managed the company at the time. The company continues today under the name of Plant 4 of the NSW.

PROBLEM TIMES

Benson said the success story of NSW was not without its problem times which included two majors fires, flood damage and labor problems.

According to Benson, each major disaster was an opportunity for the company to not re-build immediately, but to expand as well. During the two fires and one major flood, employees pitched in to help and there was no work stoppage at the mill.

Benson said in May in 1937, the NW signed agreements labor agreements recognizing the United Steelworkers of America Local 36 and the Parrish Alford branch Local 3720. Earlier the local group had applied for a charter and became the first local to be chartered and is known today as the "Pioneer Local" of the United Steel Workers of America.

According to Benson, through the years a mutual respect has been fostered between the union and management and this was exemplified in December, 1971, when the union presented P. W. Dillon with an honorary membership in the union. Benson added, "he (P. W. Dillon) is the only steel executive ever to be so honored."

STEEL MILL

Benson said one of the major problems of the mill was in becoming independent of its competition in securing the raw materials used in production. After some research, P.W. Dillon decided on a project which included the use of the electric furnace to make steel, this due to recent laws in force under the National Industrial Recovery Act known as the NRA.

According to Benson, the steel mill was built during 1935 and 1936 and the first steel from the electric furnace operation was poured in 1936. And, it was in 1938 the company changed its name from the Northwestern Barb Wire Company to its current name, the Northwestern Steel and Wire Company.

According to Benson, in the early 1950's the company embarked on another major expansion, the building of a new plant west of the original facility to house two new 150-ton electric furnaces, a new 46-blooming mill and 12-inch merchant bar mill. He said a complete 24-inch structural steel mill was added in 1957 and a 250-ton furnace became operational in 1968.

Benson said in 1971, the first heat of steel was tapped from Northwestern's furnace number seven, a 400-ton electric unit which is the largest of its kind in the world today. Later a second 400-ton was added and recently the company announced plans to convert the present 250-ton unit to a 400-ton capacity furnace.

"It's doubtful that Washington Dillon could have envisioned what this little barbed wire factory would grow to become," Benson said and added, today it's a huge steelmaking complex covering over 600 acres along the Rock River and in addition to being the largest employer in the community, has an annual payroll in excess of $96,000,000 during the 1978 fiscal year.

FOURTH GENERATION

Benson said a fourth generation of the Dillon family, Peter W. Dillon, entered the management in 1971 when he was elected a director and he currently serves as vice president in charge of purchasing.

In concluding remarks Benson said, "buildings and equipment do not alone make a company successful . . . people do. And from the original 10 employees to the present work force, Northwestern's people have helped the company reach the ripe old age of one-hundred. And it reflects the faith that these employees have had in the ownership and management of the company by the Dillon family."●

EXECUTION OF FORMER PAKISTANI PRIME MINISTER ALI BHUTTO

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. DUNCAN of Oregon. Mr. Speaker, last week former Pakistani Prime Minister Ali Bhutto was executed. I had planned to participate in a meeting in London to marshal world public opinion against the execution. The following is my statement after the fact of Mr. Bhutto's death.

STATEMENT OF ROBERT B. DUNCAN FOLLOWING EXECUTION OF PAKISTAN'S FORMER PRIME MINISTER ZULFIQAR ALI BHUTTO

The untimely and unfortunate action by the Pakistani government in carrying out the sentence of execution against the former Prime Minister of Pakistan, Zulfiqar Ali Bhutto, makes futile my proposed trip to London. At the request of one of his sons a further effort was to have been made to marshal world public opinion on behalf of clemacy for Mr. Bhutto.

The hope, I suppose, was slim. Similar efforts by President Carter, Soviet President Leonid Brezhnev, the Prime Minister of China, Pope John Paul II, and many others around the globe having proved ineffective. One must do what one can however to advance one's beliefs. My opposition to capital punishment borne of long, agonizing hours waiting for jury verdicts, stimulated my entry into public life and produced the first effort to repeal capital punishment in Oregon in over a quarter of a century. It failed narrowly, but paved the way for repeal a year or two later. I continue to be convinced that it is wrong, that it is ineffective, that it falls unevenly and unfairly on the poor and the friendless, and that the possibility of error, in the best judicial system in the world, is too great for us to run the risk. I am not a sentimentalist and would take a life to save an innocent life were I convinced of its necessity.

The execution of Mr. Bhutto is a strange mixture of the conventional criminal jurisprudence and the violence that accompanies changes in government in countries around the world not heirs to the western, and particularly the Anglo-Saxon, concepts of justice. Indeed, a not dissimilar execution looms in South Africa, in which ordinary criminal jurisprudence is colored with strong political overtones. I have no doubt that tomorrow's papers will carry many other similar news items from many other places around the world. Those who practice such tactics have doubtless learned well the lessons Machiavello taught to "The Prince." I suppose the Nurenberg trials added a certain aura to respectability to such acts. I hope that that precedent does not return some day to haunt us, though I fear it may.

I suppose that an American today ought not to be lecturing another country on this issue, with an execution this weekend pending in our own country, and a strong movement back towards capital punishment replacing the opposite trend so well advanced before some well-meaning soul decided—terribly incorrectly—that capital punishment could be outlawed on a constitutional basis in one fell decision of the Supreme Court. That well-meaning person picked the wrong time in our court's history to make that decision.

I am told that the meeting in London will proceed. I am sorry that other imperatives prevent my attendance after the fact, though they would not have done so were there still hope. I trust and believe that ultimately such meetings will gather weight and that once again man will resume our upward path from the caves.●

H.R. 3476, EMERGENCY NUCLEAR POWERPLANT COMMUNICATIONS AND OPERATIONS ACT

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ERTEL. Mr. Speaker, a week ago today, during the Nation's most serious nuclear power emergency, Three Mile Island was virtually cut off from the outside world. It was cut off because a three-quarters of a billion dollar facility with the potential to poison thousands of people shared a communication system designed to meet the needs of the small towns and farms surrounding it.

We must never again allow an inadequate communications system to hold our people hostage.

On April 5, Congressmen GOODLING, WALKER, and I introduced the Emergency Nuclear Powerplant Communications and Operations Act. This bill is designed to insure that the Three Mile Island communications blackout is never repeated. Our bill will provide the mechanism for the development of an immediate response and full communications system in the event of a nuclear accident.

Under our proposal, sophisticated communications facilities and systems will be required at every nuclear plant. These facilities will allow uninterrupted emergency communications in the future between the nuclear plant, civil defense authorities, regional and national Nuclear Regulatory Commission offices and the Federal Emergency Management Agency.

In addition, this bill aims to eliminate the communications lag experienced during the early hours of March 28. Under the provisions of our bill, the NRC will be required to station a resident inspector at every nuclear plant in the United States.

That the NRC was not notified of the emergency at Three Mile Island for 3 hours after the initial malfunction occurred which caused the emergency is unconscionable to me. I just cannot understand how this can be allowed to happen.

This time lag occurred during the most critical moments of the emergency, when actions might have been taken to minimize the malfunction and spare hundreds of thousands of people the danger of radiation exposure.

We have drawn lines of authority into this bill. It was not clear during the first days of the emergency in Middletown who had the power to make final decisions. The NRC must have this role and our bill clearly delineates this responsibility.

This bill also directs the NRC to develop ways to better disseminate information to the public. One of the major problems during the Three Mile Island emergency has been communication. There was mass confusion over the explanations and terms used by experts who were talking to laymen. It is of little value, in fact it only serves to exacerbate the situation, to put out reports on the emerengy to residents in the surrounding area if they cannot understand what is being said.

Finally, we have provided that the NRC cannot approve any State emergency preparedness plan unless it provides for the stocking of radiation exposure treatment medication, easily accessible for disbursement by State civil defense officials.

During the coming weeks and months, there will be many more issues exposed that will need full investigation. I think one thing is clear already in the analysis of the Three Mile Island emergency. There was serious deficiencies and breakdowns in communications.

We can begin to address this issue now. It is imperative that in the future, and I pray to God a nuclear accident never occurs, that we be ready with plans to deal with it.

It is my hope that this legislation will serve as a further springboard for congressional action. I think this provides a good starting point.

I am pleased to be joined in sponsoring this bill by Congressmen WALKER and GOODLING, who both also know the agony our constitutents have been put through these past 10 days. I am looking forward to working with them in this important area.

Thank you.●

THE MOOD OF THE AMERICAN PEOPLE ON FOREIGN POLICY MATTERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues an article which summarizes a lengthy study by the Chicago Council on Foreign Relations on the American mood on foreign policy issues. The article appeared in the spring 1979, No. 34 issue of Foreign Policy magazine.

The basic conclusions of this study are that Americans are preoccupied with what they see as the diminishing position of the United States in the world and our economic and military insecurity. Because the Soviets are perceived to have increased military power, support for increased defense spending is higher than at any time since the early 1960's. At the same time, Americans are chary of any kind of direct involvement in the affairs of other nations.

Mr. Speaker, we will be assessing the implications of these trends for many months to come. I urge my colleagues to read this article. The article which follows is written by John E. Reilly, president of the Chicago Council on Foreign Relations:

THE AMERICAN MOOD: A FOREIGN POLICY OF SELF-INTEREST

(By John E. Reilly)

Two years after Jimmy Carter took office, both the American public and the country's opinion leaders are preoccupied with what they see as the diminishing position of the United States as the pre-eminent global power. They exhibit economic and military insecurity, worrying over the steep decline in the value of the dollar and a perceived increase in Soviet military power. Their support for defense spending is higher than at any other time since the early 1960s; yet they are wary of the kind of direct involvement in the affairs of other countries that characterized U.S. foreign policy in that decade.

These are the major findings of a new national survey of American public opinion on foreign policy issues. The conclusion that emerges most clearly from the data is that Americans have a heightened feeling of self-interest in their country's behalf. They are far more concerned today about securing an adequate supply of energy and protecting American jobs and business interests than about such altruistic goals as combating world hunger, raising the standard of living in less developed countries, and bringing democracy to other nations. There is a reluctance to make commitments everywhere, but at the same time a growing willingness to honor selective commitments somewhere. Above all, the missionary zeal that seemed to inspire Americans in the 1960s finds no resonance in popular or leadership opinion today.

The survey, which was sponsored by the Chicago Council on Foreign Relations (CCFR), was carried out by the Gallup Organization. During the last two weeks of November 1978, a systematic, stratified national sample of 1,546 American men and women from all walks of life was interviewed in person. In addition, between late November and early January, a "leadership" sample was interviewed by telephone or in person. It included 366 people selected from the Carter administration, Congress, international business, labor, the media, academia, religious institutions, foreign policy organizations, and special interest groups.

This is the second CCFR study of the foreign policy attitudes of Americans. The first one, conducted in December 1974, followed on the heels of Richard Nixon's resignation, the election of the heavily Democratic 94th Congress, and the withdrawal of the last U.S. combat troops from Vietnam. On some issues, the recent results are compared with the earlier ones in order to discern trends.

In any assessment of the attitudes of the American people and their leaders toward foreign policy, one of the first issues to be addressed is what priority is given to foreign policy matters in relation to other public policy questions. If interest expressed in foreign news is a valid indication, attention to foreign affairs has declined in recent years. Almost twice as many people are "very interested" in national or local news (48 and 57 per cent, respectively) as in news about other countries (26 per cent). The declining interest expressed in foreign policy news is consistent with a general decline in interest in public affairs news generally. Since 1974, interest in national news and state news has declined from 56 to 48 per cent and from 47 to 41 per cent, respectively. Meanwhile, interest in news about the local community stayed about the same.

When the respondents were asked to rank their priorities, domestic economic concerns came out on top. A total of 78 per cent of the public and 90 per cent of the leadership sample listed domestic economic issues as the most significant problems that could be addressed by governmental action. Not surprisingly, inflation emerged as the number one problem, with 67 per cent of the public and 85 per cent of the leaders listing it on top. Similarly, when government programs were ranked, those in the area of foreign policy received a lower priority than domestic ones. Comparatively high levels of support were registered by the public for increasing expenditures on education (55 per cent), farm subsidies (30 per cent), and highways (34 per cent). The only area of international endeavor enjoying substantially increased support was defense, with a total of 34 per cent favoring more spending in this area.

International economic issues loom large in the survey, with inflation and the decline of the dollar seen as most important. There is an awareness of the interdependence between overseas events and the lives of individual Americans. U.S. foreign policy is considered to have a major impact on the value of the dollar by 82 per cent of the public and 77 per cent of the leaders. In the public survey, 85 per cent believe it has a major impact on U.S. gasoline prices. 72 per cent on the economy, 64 per cent on food prices, and 51 per cent on unemployment.

UNITED STATES ROLE IN THE WORLD

["Do you think it will be best for the future of the country if we take an active part in world affairs or if we stay out of world affairs?"]

	Public sample (percent)		
	Better if we take an active part	Better if we stay out	Not sure
1978	59	29	12
1974	66	24	10
1956	71	25	4
1947	68	25	7

Note: The data for 1947 and 1956 are from the National Opinion Research Center.

Ninety-four per cent of the public interviewed is aware of the dollar's decline, and 67 per cent of the public and 66 per cent of the leaders feel "great concern over this decline." Among the public, 36 per cent consider the fall of the dollar to be the most important reason for declining U.S. influence in the world, more significant than the growing military power of the Soviet Union. To strengthen the dollar, 51 per cent of the public favors cutting government spending, even if that means curtailing government services. Thirty-one per cent also support raising tariffs. Of the leaders, 77 per cent back reduced government spending, and 51 per cent would raise the price of gasoline by 25 per cent, while 44 per cent would risk higher unemployment to strengthen the dollar. In contrast, 50 per cent of the public is opposed to actions raising gasoline prices by 25 per cent.

In a period when only selective overseas involvement by the United States enjoys support, it is not surprising that the foreign aid programs, both economic and military, continue to decline in public support. From 1974 to 1978, the popular sample supporting economic aid in general dropped from 52 to 46 per cent. Foreign aid continues to be seen as an entering wedge for further involvement, with 25 per cent in the popular poll believing that economic aid gets the United States too involved with other countries. When the question is applied to a specific area such as Africa, 44 per cent of the public favor giving economic aid to black African nations. But the majority (57 per cent) express concern that this aid will lead to U.S. military involvement in the area. Less than half (45 per cent) of the public believe that foreign economic aid helps U.S. national security, prevents the spread of communism (36 per cent), or is beneficial to the American economy (34 per cent).

FOREIGN POLICY GOALS FOR THE UNITED STATES

[In percent]

	Public				Leaders			
	Very important	Somewhat important	Not important	Not sure	Very important	Somewhat important	Not important	Not sure
1. Keeping up the value of the dollar	86	8	2	4	73	25	2	
2. Securing adequate supplies of energy	78	15	2	5	88	12	1	
3. Protecting jobs of American workers	78	15	3	4	34	57	7	2
4. Worldwide arms control	64	23	5	8	81	16	3	
5. Containing Communism	60	24	10	6	45	47	8	1
6. Combating world hunger	59	32	5	5	66	31	2	
7. Defending our allies' security	50	35	7	8	77	21	1	1
8. Strengthening the U.N	47	31	13	8	25	49	25	
9. Protecting interests of American business abroad	45	40	9	6	27	64	9	1
10. Promoting and defending human rights in other countries	39	40	14	7	36	56	8	1
11. Helping to improve the standard of living in less developed countries	35	47	12	6	64	33	3	
12. Protecting weaker nations against foreign aggression	34	47	10	9	30	63	5	2
13. Helping to bring democratic forms of government to other nations	26	44	21	9	15	62	23	1

Support for foreign aid has always been stronger among leadership groups, and 91 percent of the leaders say they favor economic aid. They believe that economic aid helps U.S. national security (71 percent), strengthens the national security of other countries (82 percent), and helps the American economy (63 percent).

Military aid continues to be unpopular, though the actual level of public support has increased somewhat from 22 to 29 percent between 1974 and 1978. The constituency for military aid is not the same as for economic aid. Among the leadership, 91 percent favor economic aid and only 60 percent favor military aid. Among the public, 39 percent of those who favor economic aid are against military aid, with only 19 percent of military aid supporters opposed to economic aid. People who describe themselves as liberals are, not surprisingly, more positive about economic assistance than are those who say they are conservatives, but both groups are strongly opposed to military aid.

The 1978 poll suggests that the principal reason for the increase in support for both defense spending and committing troops in selected areas is the perception of a growing Soviet military threat. Of those who favor greater spending, 69 percent believe the

United States is falling behind the Soviet Union. A clear majority of the public (56 percent) shares this view, and 30 percent regard this development with great concern. Although a smaller percentage of the leadership sample (39 percent) agrees that the United States is falling behind the Soviet Union, 64 percent are worried about the military balance. Yet while the leaders fear growing Soviet military power, they still endorse greater cooperation with the USSR.

Both the public and leadership samples are in favor of limiting nuclear weapons, undertaking joint U.S.-Soviet projects to solve energy problems, and even banning all nuclear weapons. Only a minority of the public and a smaller minority of the leaders endorse restricting trade, and an even smaller group wants to prohibit the exchange of scientists with the Soviet Union. Public euphoria about détente has evaporated, but there remains solid support for specific aspects of that policy.

SENTIMENTS ON DEFENSE SPENDING

[In percent]

	1960	1969	1974	1978
1. Too much	18	52	32	16
2. About right	45	31	47	45
3. Too little	21	8	13	32

Note: The data for 1960 and 1969 are taken from Gallup polls.

U.S. RESPONSE TO CRISIS SITUATIONS

["There has been some discussion about the circumstances that might justify using U.S. troops in other parts of the world. First, would you favor or oppose the use of U.S. troops if: . . . [or] how far [do] you feel the United States should be willing to go"]

	Public (percent)						Leaders (percent)					
	Send troops	Do nothing	Try to negotiate	Refuse to trade	Send military supplies	Don't know	Send troops	Do nothing	Try to negotiate	Refuse to trade	Send military supplies	Don't know
1. Panama closes canal to United States	58	3	22	4	2	11	49	2	32	13	1	3
2. Soviets invade West Europe	54	9	16	2	6	13	92	----------	3	----------	4	1
3. Soviets take West Berlin	48	10	19	3	6	48	77	1	11	4	4	2
4. Soviets invade Japan	42	13	20	3	9	13	81	1	6	1	10	2
5. Arabs cut off oil to United States	36	5	34	12	1	12	30	1	37	27	18	5
6. Rhodesia invaded by Cuban troops supplied by Soviets	25	18	26	5	10	16	10	16	43	7	20	4
7. Arabs invade Israel	22	14	38	3	8	15	31	2	27	2	35	4
8. North Korea invades South Korea	21	24	28	3	9	15	45	6	13	2	30	4
9. China invades Taiwan	20	25	27	5	7	16	18	12	44	5	17	4
10. Soviets invade Yugoslavia	18	26	30	5	6	17	15	13	35	10	22	6
11. Israel invades Arab states	11	19	42	5	5	18	10	5	63	10	7	4

Consistent with greater concern about Soviet power, support for the North Atlantic Treaty Organization (NATO) has grown. Since 1974 there has been a 5 percent increase (from 4 to 9 percent) in public support for intensifying the U.S. commitment to NATO, an 8 percent increase (from 50 to 58 percent) in those who want to keep the commitment as it is, and a 4 percent drop (from 13 to 9 percent) in those wanting to decrease the commitment. Among leaders, the shift has been even sharper. Those who believe that the United States should increase its commitment to NATO has grown from 5 percent in 1974 to 21 percent in 1978, those who would keep the commitment as it is have increased slightly from 62 to 65 percent, and those who would decrease the commitment have dropped from 29 percent in 1974 to 12 percent in 1978. This suggests that, despite the desire in the United States to avoid commitments in certain parts of the world, the American people are prepared to support greater efforts to defend U.S. interests in certain high-priority areas. This includes defending Western Europe against the U.S.S.R. Here Carter has accurately read the mood of the American people by concentrating the proposed increase in defense spending on strengthening U.S. forces in NATO.

In the survey of opinion leaders, an overwhelming majority (92 percent) favor a commitment of American troops if the Soviets invade Western Europe, and a large majority if the Soviets invade West Berlin (77 percent) or Japan (81 percent). The public is less enthusiastic, with 54 percent supporting a response to a Soviet invasion of Western Europe, 48 percent in the case of West Berlin, and 42 percent in the case of Japan.

ROLE OF THE CIA

["In general, do you feel that the CIA should not work inside other countries to try to strengthen those elements that serve the interests of the United States and to weaken those forces that work against the interests of the United States?"]

Should the CIA work inside other countries?	Public (percent)		Leaders (percent)	
	1974	1978	1974	1978
Should	43	59	35	59
Should not	26	21	59	35
Don't know	31	20	6	6

PERCEPTIONS OF U.S. VITAL INTERESTS

"[From this] list of countries, [indicate] whether you feel the United States does or does not have a vital interest [there]"

	Public (percent)			Leaders (percent)		
	Does	Does not	Don't know	Does	Does not	Don't know
Saudi Arabia	80	8	12	95	5	----------
Japan	78	11	11	99	1	----------
Israel	78	8	14	91	8	1
Panama	77	11	12	66	33	1
Egypt	75	10	15	91	9	----------
Soviet Union	74	15	11	95	4	1
People's Republic of China	70	16	14	93	6	1
Canada	69	19	12	95	4	1
West Germany	69	15	16	98	1	1
Iran	67	13	20	92	7	1
Cuba	66	23	11	69	30	1
Great Britain	66	20	14	94	5	1
South Africa	63	22	15	62	37	1
South Korea	61	24	15	70	28	2
Mexico	60	22	18	90	10	----------
France	54	30	16	90	10	----------
Taiwan	53	26	21	55	43	2
Rhodesia	49	26	25	49	48	3
Nigeria	42	29	29	59	38	3
Turkey	39	31	30	75	24	1
Brazil	38	32	30	73	25	2
India	37	33	30	55	43	2
Italy	36	41	23	80	20	----------
Poland	28	45	27	42	55	3

While the gap between popular and leadership opinions on this question remains large, it should be noted that public support for the use of U.S. troops in such situations has increased. In the case of a hypothetical Soviet attack on Western Europe, for example, public support for a U.S. response rose from 39 per cent in 1974 to 54 per cent in 1978. A similar increase in support for troop commitments has occurred among opinion leaders. Their support for sending U.S. troops if Western Europe were invaded increased from 77 per cent in 1974 to 92 per cent in 1978.

Thus, although there are only a limited number of places where the American public and its leaders are prepared to support the commitment of U.S. troops, the willingness to take action in those select high-priority areas is greater among both the leadership and the public than it was four years ago.

As the largest trading area in the world, the European Community continues to grow in significance in an era when international economic considerations increase in importance for the American people in relation to security and political issues. The Council's survey reveals a substantial increase in awareness of the European Community by the American public from 45 per cent in 1973 (when the Gallup Organization last put the question to the public) to 63 per cent in 1978. A total of 31 per cent believe that ties between the United States and Western Europe are closer today than in 1968.

A series of more specialized questions was put only to leaders. Among them, 60 per cent responded that the European Community has been helpful to the United States, with only 5 per cent seeing it as harmful; the European Parliament was viewed favorably by 69 per cent and unfavorably by 16 per cent. Leaders also strongly favored the new European Monetary System by 69 per cent to 19 per cent, and split evenly at 36 per cent on the question of whether ties between the United States and Europe are closer today than they were a decade ago.

ROLE OF DIFFERENT INSTITUTIONS IN THE MAKING OF FOREIGN POLICY, 1978

	"How important a role do you think the following currently play in determining the foreign policy of the United States—a very important role, a somewhat important role, or hardly an important role at all?" (percent "very important")			"Do you feel the role of the following should be more important than they are now, less important than they are now, or should be about as important as they are now?" (percent "more important")		
	Public, 1974	Public, 1978	Leaders, 1978	Public, 1974	Public, 1978	Leaders, 1978
Institutions:						
President	49	72	94	45	44	21
Secretary of State	73	61	63	30	35	28
State Department	38	45	34	39	35	31
Congress	39	45	45	48	43	31
American business	41	41	22	21	27	22
Military	36	40	29	19	29	10
United Nations	28	31	3	41	39	35
CIA	28	29	17	15	18	13
Public opinion	19	26	20	59	62	44
Labor unions	24	25	7	17	17	13
Private foreign policy organizations	NA	12	6	NA	11	25

Consistent with the reduced interest in foreign news and the lower priority given to government programs in the international area, a smaller percentage of both the public and the leadership favor an active U.S. role in world affairs—59 percent, compared with 66 percent in 1974. This is the lowest figure recorded by the Gallup Organization on this question since 1947.

Both the public and the leaders feel a continued anxiety about the esteem in which the United States is held: 56 percent of the public and 47 percent of the leaders believe there has been a decline of regard for the United States in the last 10 years. Yet 47 percent of the leaders believe the United States should play a more important and powerful role 10 years from now. Despite the malaise of the Vietnam years, 66 percent of the public and 87 percent of the leaders believe that the United States has been a "force for good" rather than a "force for evil" since World War II. (Among the public, 9 percent said the country had been a "force for evil." Among the leadership, 4 percent agreed.)

Despite the emphasis placed on the subject by the Carter administration, promoting human rights overseas does not emerge in this poll as a top-ranking foreign policy goal of the American people. When the question was posed in the abstract, 67 percent of the public and 29 percent of the leaders expressed support for "pressuring countries which violate human rights." But in specific cases, a much smaller percentage supported action. For example, 50 percent agreed with the statement that "how the Soviet Union handles the treatment of the Jews or other minority groups is a matter of internal Soviet politics and none of our business," and 42 percent disagreed.

Finally, the public survey indicates that Americans still rely heavily on the president and the media, particularly television news, for their information on foreign policy. The president is considered to be a very reliable source by 32 percent of the public, television news by 30 percent, and newspapers by 26 percent. Although the public wants Congress to play a significant role in the formulation of foreign policy, only 11 percent consider it a very reliable source.●

UNOFFICIAL PUBLIC FINANCING OF (DEMOCRAT) CONGRESSMEN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. MICHEL. Mr. Speaker, the Wall Street Journal recently published a heart-rending article on the woes of the Democrat majority in the House and particularly the troubles faced by the Speaker. Only someone with a heart of stone could read this article unmoved. I am not ashamed to say my eyes were a bit misty and that I had a catch in my throat as I read that Democrats may have to swallow a bitter pill.

They are faced with the outcry from the American public to cut spending. But it is against the very nature of Democrats to cut spending. To ask a Democrat Congressman not to spend tax dollars is to ask a bird not to sing or a rose not to give off its lovely scent.

As the Journal article put it:

> For almost half a century the (Democrat) party has used federal spending as its dry martini, its scotch on the rocks; ever-increasing spending has enabled the party to woo diverse interest groups and cement them into a political alliance.

How true, how true. The Democrats had the martinis and the scotch, so to speak, and the taxpayers got the bills and the hangovers. Now it seems the taxpayers are tired of paying in one way or another for the Democrat's unofficial, but very effective, system of Federal funding for the election of Democrats. The Democrats are faced with the distinct possibility that they may have to—and I shudder for them in saying this—stop spending other people's money.

The thought is too much for many Democrats. There is weeping and gnashing of teeth in the Democrats cloakroom. The distinguished Speaker is quoted by the Journal as saying:

> I didn't become Speaker of the House to dismantle the programs I've fought for all my life.

What a noble sentiment. It reminds me of the words of British Prime Minister Winston Churchill who said, just before the end of World War Two:

> I did not become Prime Minister to preside over the break-up of the British Empire.

We all know what happened to the British empire despite Winston Churchill's brave words.

I know the Speaker is a student of history. I hope he takes comfort in the fact that even a great man like Churchill had to see the thing he loved most in the world dissolve in front of his eyes. I know the Speaker will accept the demise of Democratic wasteful spending with the same stoic calm and imperturbability that Winston Churchill showed when the Sun finally set on the empire. Stiff upper lip, Mr. Speaker.

At this point I wish to insert in the RECORD, "Tip O'Neill's Unpleasant Duty" from the Wall Street Journal, April 5, 1979.

TIP O'NEILL'S UNPLEASANT DUTY

(By Dennis Farney)

WASHINGTON.—Like an Irish bartender contemplating a customer who's had one too many, House Speaker Thomas O'Neill is about to face up to an unpleasant duty. What he has to do in this Congress, jokes a sympathetic colleague, is "get a six-foot, eight-inch drunk to go home."

The drunk in this analogy is the Democratic Party. For almost a half-century the party has used federal spending as its dry martini, its scotch on the rocks; ever-increasing spending has enabled the party to woo diverse interest groups and cement them into a political alliance.

But now the national anti-spending mood is forcing the Democrats on the wagon—or, more accurately, toward the wagon. With growth in the non-defense budget slowing, and with outlays for some programs actually shrinking in real terms, the party is being forced to set priorities among its many client groups. That process began in earnest this week, when the House Budget Committee began haggling over tentative spending ceilings for the fiscal year starting Oct. 1.

The prospect isn't appetizing, least of all for a party leader like Tip O'Neill, whose instincts and political philosophy are the products of a freer-spending era.

"Tight budgets strain all the natural fault lines of the Democratic Party," says Thomas Foley, a politically astute Representative from Washington State who is chairman of the House Democratic Caucus. "The pressures will intensify as we approach the presidential election year and each group starts pressing its claims. You can see it happening already. Holding this team of wild horses together is a job for the most skilled congressional coachman, and Tip fits that description."

UNDERSTANDING AN ENIGMA

In some ways, this House should be easier for Speaker O'Neill to manage than the 1977–78 crowd. There isn't any issue before it that compares in political difficulty to the energy bill of the last session. The new crop of freshmen Democrats contains few mavericks. ("Regulars with a capital 'R,'" says a veteran Democrat happily.) And by now Mr. O'Neill understands that enigma, Jimmy Carter, a good bit better.

"I've learned in the past two years that his silence doesn't mean assent," the Speaker notes wryly. (Mr. Carter is bashful about openly disagreeing with people; Congressmen have often left meetings with him convinced they'd won him over to some scheme or other, when, in fact, they hadn't.)

Yet in other ways—ones bound up with the changing nature of the House and, indeed, of American politics—this Congress poses fascinating challenges, particularly for a man like Tip O'Neill. For he remains a liberal Democrat in a House growing steadily more conservative; a product of old-style ward and neighborhood politics in a House growing steadily less orthodox.

At age 66, a white-maned, shambling bear of a man, he presides over one of the youngest, least-experienced Houses in decades. Of the 433 sitting members, 200 have served in Washington only four years or less. It is also an atomized House, increasingly resistant to leadership.

The power of the committee chairmen has been drastically reduced by internal reforms, even as the power of special-interest groups has been rising. What the combination means, in practical terms, is that even the lowliest freshman is now a power unto himself, often more responsive to his constituents and the interest groups that bankrolled his campaign than to the Speaker or the President of the United States.

It jarred the Speaker when the independent-minded "Watergate class" of 1974 asked at the start of this session to meet with him, in a body, to discuss its collective views and goals. "What surprises me," he grumbled later, "is that a group that's been here four years still can have a caucus, and not be part of the *mainstream*." In his view, the members elected in 1974 should no longer be thinking of themselves as members of a class, but simply as Democrats.

This is a strident, polarized House; if it once had a center, a pivotal group of reasonable, accommodating members who saw things whole, that center is fast disappearing. Its members seem ever more prone to stake out rigid positions geared to fit 30-second television interviews and two-page press releases. The Speaker himself is an instinctively partisan Democrat. But in dealing with his fellow Democrats, his instincts remain those of an earlier time: stay loose, don't lock yourself in, work things out in the back room.

"Make the boys look good," he suggested to President Carter when the President was drawing up his fiscal 1980 budget. Instead of coming in with a $29 billion deficit, why not come in a few billion dollars higher? Give the boys a little elbow room, let *them* cut it down to the $29 billion.

But Jimmy Carter, no Irish pol, didn't cotton to this flexible approach. He stuck with the $29 billion figure, sharpening the already-difficult problem the Speaker and his band of Democrats face. Somehow, the national clamor for budget cuts must be accommodated; Congress will have to come in below the President's deficit figure, Mr. O'Neill acknowledges. The rub is that some of the Speaker's favorite programs—public jobs, for example—are most vulnerable to the cuts that must be made.

"I didn't become Speaker of the House to dismantle the programs I've fought for all my life, or the philosophy I believe in," he declared at the start of this Congress.

This dilemma will become acute in the next few weeks. By May 15, both houses must adopt their first budget resolution, which sets spending and revenue targets for fiscal 1980. The process will set off a blizzard of proposals, by both liberal and conservative House members, to cut this spending program or that one.

To maintain some semblance of control over events, the House Democratic leadership must go into the debate with a consensus budget package that can hold the great majority of House Democrats. (The Democratic leadership can count on almost no Republican votes because House Republicans tend to vote as a bloc on such matters.) And to get that consensus, the leadership will have to confront the problem that Rep. Foley describes: the problem of apportioning a no-longer-growing budget pie among the party's clamoring interest groups.

In facing this problem, the leadership does have some things going for it. Heading the Budget Committee is a trusted veteran, Rep. Robert Giaimo of Connecticut. The Speaker helped Chairman Giaimo beat off a challenge from a younger Democrat when House Democrats organized for this Congress. Heading the crucial Rules Committee is another old O'Neill ally, Rep. Richard Bolling of Missouri.

And in a little-noticed decision before the session, Democrats changed the rules for the coming budget resolution debate. Republicans will no longer be able to propose politically painless across-the-board percentage cuts that apply to the entire budget, but must instead focus on more specific functional areas.

THE CENTRAL QUESTION REMAINS

But even after allowing for a certain amount of legerdemain—cranking some questionable economic assumptions into their revenue estimates, for example—the Democrats still will have to face up to the central question of this Congress. This is the question of how to adjust spending to a domestic budget, that, in real terms, is shrinking.

The House Budget Committee eased the pressure somewhat by voting Tuesday to junk President Carter's $2.5 billion "real wage insurance" proposal and to trim defense outlays by $2 billion (or about 1.6%). But even the relatively liberal committee balked at an additional $430 million in defense cuts the liberals had hoped to make; the more conservative House as a whole may prove even harder going for them.

Regardless of what the committee decides, the real showdown will come in a few weeks on the House floor. There Republicans are expected to unite behind a series of amendments aimed at cutting domestic spending programs—in Tip O'Neill's view, the heart and soul of the Democratic Party. The Speaker's big challenge will be to prevent conservatives and moderate Democrats from defecting to the Republicans on these votes.

"I expect to have a hell of a lot of discussions with my colleagues about the philosophy of the Democratic Party," he vows, "about what this party has stood for."

The fascinating question is whether, in an era when younger Democrats sound increasingly like Republicans, the Speaker's political philosophy still commands a House majority—and whether, in this increasingly uncontrollable House, even backroom talks from a skilled Irish pol will be enough to control events.●

EXPLANATION OF VOTES MISSED ON MARCH 28, 1979

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. EDGAR. Mr. Speaker, on Wednesday, March 28, I had business that required my absence from Washington. That morning I spoke on the issues affecting Vietnam-era veterans at a conference sponsored by the Office of Veterans Affairs of the American Association of Junior and Community Colleges and the American Association of State Colleges and Universities. Later in the afternoon I traveled to Harrisburg to meet with Gov. Richard Thornburg. We discussed several areas of concern for both the Commonwealth of Pennsylvania and the Federal Government. While in Harrisburg I also met with the Secretary of Labor and Industry, Myron Joseph, and the Secretary of Commerce, James Bodine.

Had I been in Washington, I would have voted as follows on those votes missed:

Rollcall No. 62. The Conference Report on H.R. 2479, the United States-Taiwan Relations Act, to help maintain peace, security and stability in the Western Pacific and to promote continued extensive, close and friendly relations between the people of the United States and the people of Taiwan; "yes";

Rollcall No. 63. H.R. 1787, NASA supplemental authorization; "yea";

Rollcall No. 64. An amendment to H.R. 1786, NASA authorization, to reduce the aeronautical research and technology authorization by $22.7 million and prohibit use of any authorized funds for supersonic transport research; "yes"; and

Rollcall No. 65. H.R. 1786, NASA authorization, final passage. For research and development, construction of facilities and research and program management; "yes."●

TRIBUTE TO SAN JOSE, CALIF., DIRECTOR OF PUBLIC WORKS ANTHONY R. "TONY" TURTURICI

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. EDWARDS of California. Mr. Speaker, we want to bring to the attention of our colleagues the outstanding contributions to our community of San Jose, Calif., of Anthony R. "Tony" Turturici, our director of public works. Tony will be honored on April 26, 1979, by the City of Hope Medical and Research Center with the Spirit of Life Award. This award is given to a person who has been instrumental in assisting the City of Hope and who actively contributes to the betterment in the quality of life for their community. Tony Turturici is most deserving of such an award.

His contributions to our community of San Jose are many and varied. With his professional expertise, he has served in an advisory capacity on many local, State and Federal committees. Locally, this has included the Santa Clara County Transit Authority and the League of California Cities Environmental Committee.

Tony's contributions to the social betterment of our community have been an example of selfless giving of time and effort on his part. He has served on the board of directors of the National Conference of Christians and Jews and is a member of Kiwanis and the Men's Club of the Apostleship of the Sea. Formerly, he was a member of the parks and recreation commission. He has worked on numerous fundraising committees for various charities.

Tony's work for the city of San Jose and his professional credentials are outstanding. He holds memberships in numerous State and national professional societies. He is also highly respected in academic fields as well and is currently an executive board member of the Board of Fellows of the University of Santa Clara after previously serving on the Board of Overseers of the School of Engineering.

Our community recognizes the contributions of Tony Turturici. We are honoring him on April 26 with a fund-raising dinner which will establish the Anthony R. Turturici research fund at the City of Hope Medical and Research Center. This fund will symbolize and reflect the leadership and compassion of a great man in our community. We all look forward to many more years of working with Tony to make our community, country, and world a better place to live for all.●

TRIBUTE TO JUDGE J. CLARENCE HERLIHY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. SOLOMON. Mr. Speaker, on April 27, 1979, J. Clarence Herlihy, one of New York State's most respected judges will be honored on his retirement after a distinguished judicial career with the Supreme Court of the State of New York which has spanned the last quarter century. He steps down as the presiding Justice of the Appellate Division of the Supreme Court in the Third Judicial Department.

I wish to congratulate and commend Judge Herlihy for his many contributions to his fellow man during his pursuit of justice.

Mr. Speaker, Justice Herlihy, born on October 1, 1905, in Glens Falls, N.Y., was first elected to the Supreme Court on November 4, 1955, and was reelected on November 4, 1969, and has served on the Appellate Division since March 15, 1958. His inherent fairness and objectivity as a Justice transgressed all partisan political considerations having served on the Appellate Division by designation of both Democratic and Republican Governors. His first appointment as an Associate Justice on that court was by Governor Averill Harriman in 1958, and he was subsequently redesignated for two successive terms by Governor Nelson Rockefeller in 1963 and 1968. Governor Rockefeller appointed him as Presiding Justice of the Appellate Division on September 25, 1969, to succeed Justice James Gibson and he was redesignated Presiding Justice by the Governor on January 1, 1970. As Presiding Justice, Judge Herlihy is the Chief Executive Officer of the court system in the 28 county Third Judicial District and he is also a member of the Judicial Conference of New York State and one of five members of the administrative board, the agency, under the New York constitution, responsible for the administration of the statewide court system.

Mr. Speaker, not only has Justice Herlihy been respected for his long career on the bench, he has also been admired as a family man and productive citizen of his community. He is a lifelong resident of Glens Falls and received his early education at St. Mary's School in that city. He then graduated from Georgetown University in 1928, received his law degree from Albany Law School in 1930 and was admitted to the New York State Bar the same year. After extensive trial experience he served as city attorney of Glens Falls from 1938 to 1940 and was elected to district attorney of Warren County in 1943, a post he held for 13 years until his election to the supreme court.

Justice Herlihy is a member of the Knights of Columbus, the Elks, the Warren County and New York State Bar Associations. He and his wife, the former Regina Doyle, have two married daughters.

Mr. Speaker, it is entirely fitting that Justice Herlihy be recognized for his dedication to the legal profession and the evenhanded administration of justice which has been the hallmark of his service to the judicial system of the Empire State and the Nation. I join with Judge Herlihy's many friends and colleagues in the wish that his retirement years will be graced with good health, the richness of many friendships, the inner warmth and deep satisfaction that comes from the knowledge of having performed honestly and well in the most honored of all professions.●

TWENTY-FIFTH ANNIVERSARY OF AIR FORCE ACADEMY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. YATRON. Mr. Speaker, on April 1, the U.S. Air Force Academy celebrated its 25th anniversary.

Prior to 1954, the Air Force Academy was just an idea in the minds of men like Hap Arnold, William Mitchell, Tooey Spaatz, and Father Guthrie. On April 1, 1954, President Dwight D. Eisenhower signed into law the bill authorizing the establishment of the U.S. Air Force Academy, an institution dedicated to the education and training of career officers for the Air Force.

Beginning with the first class of 1959, more than 12,000 Air Force Academy graduates have served and are serving their country with great distinction. In combat, Air Force Academy graduates have earned every decoration possible, including the Medal of Honor.

Now, as the Academy begins its 26th year, there are more than 8,000 men and women competing for admission.

Mr. Speaker, I invite my colleagues to join with me in recognizing the outstanding achievements, as well as the continuing contributions of the U.S. Air Force Academy toward the maintenance of a strong national defense through leadership and a continuing commitment to excellence.●

GOOD MOVE IN NATO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FINDLEY. Mr. Speaker, I applaud the decision taken by the members of the North Atlantic Alliance to form an arms control group within NATO. The growing interdependence of United States and Western European security make such an arms control planning group vital to the NATO alliance and critical to future arms control efforts.

In a speech I delivered before the North Atlantic Assembly at Lisbon this fall, I stressed this point. An excerpt of my remarks follows as well as the Jim Hoagland article in the Washington Post which reports the establishment of this new group.

My remarks follow:

REMARKS OF PAUL FINDLEY

Although the United States has frequently consulted with its NATO allies on the substance of the current SALT negotiations, it is now time to initiate a more formal approach to factoring into SALT III the concerns and future security needs of the NATO states. This should occur in the near future since SALT II will include an outline of principles for SALT III.

A NATO approach to SALT III is particularly important because of the development of a number of "gray" area weapons systems by the United States and the Soviet Union which do not fit easily within traditional categories of "strategic" or "theater" weapons. Some of the current "gray" area systems are the Backfire bomber, the SS–20 missile, the cruise missile, and the U.S. F bomber squadrons based in England.

Soviet gray area weapons systems are of particular concern to Europe which fears their impact which is unrestrained by a SALT II treaty that sanctions U.S.-U.S.S.R. strategic nuclear parity.

The U.S. and the European approach to the Backfire bomber and the cruise missile have already differed somewhat during the SALT II negotiations. These differences could well grow in the future. Without the support and participation of the U.S.'s NATO allies in SALT III negotiations, however, it will be impossible for the United States to reach agreement with the U.S.S.R. on a mutually acceptable arms control approach to these gray area systems. Arms control efforts could not go forward with the result being a more destabilized world. To leave member nations of NATO outside negotiations which directly affect their security would undermine the cohesiveness of the North Atlantic Alliance.

U.S., ALLIES TO ESTABLISH NATO ARMS CONTROL UNIT

(By Jim Hoagland)

The United States and its West European military allies are expected to agree today to establish an arms control group within NATO. The move represents a cautious first step by the Carter administration to share decision-making powers with the Europeans on the next round of U.S.-Soviet nuclear arms negotiations, diplomatic sources report.

The administration will endorse a West German proposal for an arms control planning group at today's meeting in Brussels of the North Atlantic Council, the treaty organization's political arm, according to the sources.

The most immediate impact of the move will be to provide some political breathing space for West German Chancellor Helmut Schmidt. He faces opposition at home from both left and right over the stationing of a new medium-range nuclear missile and possibly neutron artillery in West Germany once the Carter administration makes final production decisions.

The arms control group to be established today will not present its recommendations on a NATO approach to arms negotiations until the end of the year. Schmidt has already sought to still domestic debate and to avoid the kind of diplomatic impasse with the Carter administration that the 1977 dispute over the neutron bomb brought by saying that the new missile question had to be decided within NATO. However, his proposal has not been made public before.

Schmidt appeared to try to diffuse his domestic criticism last month when he invoked NATO as the final voice on theater nuclear forces in Europe. He declared that Bonn would go along with a NATO decision to modernize the nuclear arsenal stationed in Western Europe if it were a joint decision, and if West Germany were not the only country on whose soil the new nuclear-tipped missiles would be based.

The proposal is expected to be endorsed by all council members with the possible exception of France, which has not yet made its position known. Diplomats predict that President Valery Giscard d'Estaing's government will remain neutral despite some concern in Paris about the impact the new planning group could have on France's proposal for a European Disarmament Conference.

France, which withdrew from NATO's integrated military command in 1966 but whch has continued to participate in NATO at a political level, has also expressed reservations about the position of its nuclear forces in the next round of U.S.-Soviet strategic arms limitation treaty talks. These talks, known as SALT III, will cover nuclear forces stationed in Europe.

The treaty that is expected to emerge shortly from the SALT II negotiations will contain guidelines for the next round of nuclear bargaining, which for the first time will directly involve proposed cuts in U.S. systems based in—and Soviet weapons targeted on—Western Europe.

The West German proposal reportedly is deliberately vague and does not tie the new planning group to SALT III or any other set of negotiations. But Giscard appears to be reluctant to be drawn into any arms control arrangement suggesting a departure from Charles de Gaulle's insistence on complete freedom of action for France in maintaining its own independent nuclear force. Giscard has held to a firm Gaullist position on his nation's nuclear force.●

ASBESTOS DANGER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. BOB WILSON. Mr. Speaker, I would like to insert the following articles concerning the horrors of asbestos-related cancer:

[From the San Diego Union, Apr. 8, 1979]

VICTIM OF ASBESTOS DUST—CANCER VICTIM REFUSES TO GIVE UP

NORTH SMITHFIELD, R.I.—Hints of cancer show in Joe Ruggieri's face and body, but not in his eyes.

In his eyes there is calm and hope that say he plans to live, but his face is colorless, drained. Slowly, the cancer is taking its toll. It is incurable. It also is rare, but becoming more common.

Doctors say it has killed everyone it has ever touched. They have given Joe as little as months to live. Still, Joe feels that, just maybe, he will be one of the first to beat it.

His cancer is called mesothelioma, cancer of the lung lining. It is caused by asbestos.

Joe Ruggieri has known it was in him for a year. The seeds of it have been in him for 30 years. They were planted in 1949, in the Brooklyn Naval yard, in the belly of an aging tanker.

Every day, for four months, a 19-year-old Navy seaman named Ruggieri helped overhaul the Sabine, scraping, painting, cleaning. Above and around him, others tore cover from pipes and sandblasted the hull.

Asbestos dust filled the ship. Day and night, Joe inhaled it. Millions of fibers pierced the soft, moist air sacks in his lungs, and over the decades, turned them to useless leather.

Now he is dying. He is not alone.

Eleven million Americans have been exposed to dangerous doses of asbestos since 1940. That is the estimate of the U.S. Department of Health, Education and Welfare. The exposure was heavy for half—putting them at high risk for mesothelioma.

HEW estimates 67,000 Americans will die from asbestos disease every year for 30 years, the legacy of decades of negligence in the workplace.

The biggest body count will be among veterans. HEW says that 4.5 million were exposed when building ships to fight World War II. Half may die from it. Asbestos may kill eight times more at home than the enemy killed overseas.

Dr. Irving J. Selikoff of New York's Mount Sinai Hospital is the country's leading authority on asbestos disease. He puts the death statistics in more direct terms. It is, he says, "simply a disaster."

Joe Ruggieri is part of that disaster, but not an idle victim. After a life as a quiet, middle-class businessman, Joe became a fighter. He decided to force the Navy to admit it gave him cancer, and to pay for it.

Thousands of other victims, mostly from industry, have sued absestos companies, asking more than $2 billion. Dozens have won.

Joe's fight was lonelier than the legal battles of industrial victims because Joe is a veteran. He challenged the Navy, not an asbestos company. Many have won private claims, but only a handful of veterans have gotten the Navy to pay.

The government has a rule for disability compensation. It demands the illness occur in the service or, at the latest, a year later.

Joe Ruggieri's cancer did not come for 29 years, three decades from the time of his exposure. Joe had to prove the Navy was responsible anyway. He eventually succeeded, although the compensation is limited and small in comparison to what might be awarded in a civil suit. He is seeking now to find the company that supplied the asbestos in the first place.

In August of 1977, when the cancer's symptoms first appeared, he was 47.

Joe made $43,000 in 1977. In 1978, the cancer came. Joe made $10,000.

He began living on Social Security, $800 a month. He dipped into savings. Soon, he feared, he would lose his home. His business was gone. He was slipping away from his family, leaving them without support. He decided to act.

"I don't know how other people face the word terminal," says Joe. "You don't just lie down. You have to face it. I decided to fight city hall."

They knew of no veteran who had disability compensation for asbestos cancer. It didn't matter. Joe decided to be one of the first.

A victory would mean $900 a month—not a windfall, but a wall against disaster. There was more.

On May 2, Joe and his wife, Connie, walked into the Providence Veterans Administration office and filed a claim for 100 percent disability for mesothelioma.

"Without being sarcastic," Joe recalls, "they laughed in my face."

The clerks were used to vets filing for injuries they got in the service. Now a man was blaming them for an illness he got 29 years out. It was almost unprecedented.

Still, Joe was confident. After all, he had letters from doctors drawing definite links between asbestos exposure and his mesothelioma. What more did he need?

On June 6, the local veteran's adjudication board reviewed the case of Joseph Ruggieri. It made a decision. Joe had lost.

"I was mad," says Connie. "I really was mad. Don't they read the newspapers? Couldn't they have said, 'We're looking into it . . . you might have something.' But no, just nothing. Not even an explanation."

Joe and Connie launched a second assault. They called the Disabled American Veterans, a free, private legal service for vets. DAV attorney John Kurbiec, a Vietnam veteran, was interested.

Kurbiec knew it would be tough to prove a claim made 29 years late, but he wanted to try. To do that, he would have to dig out the long-forgotten ship logs of the tanker Sabine. As far as the Navy was concerned, Joe had never inhaled a single fiber of asbestos unless his service records proved it.

The Navy was sorry, but nothing could be found. Joe persisted. Finally, Sen. John H. Chafee reached someone who dug out the Sabine's deck logs. Kurbiec was elated. Until he saw them. The names were blocked out.

Joe asked his congressmen to make one more try for the final puzzle piece: The records of Joe's duties, the proof.

"The Navy told us the records were lost or destroyed," Connie said. "I just said how convenient."

A final time, Joe asked the Navy for his personnel papers. An answer came back. Now the logs existed, but they were classified. They could never be released.

Then Joe got the break he needed. A member of the Veterans Board, sympathetic to Joe's case, made a behind-the-scenes request for the records. This time the request was action. The puzzle came together.

The report gave Kurbiec more ammunition than he ever expected. It said that Seaman Ruggieri helped overhaul the Sabine. Most important, it confirmed the Sabine was an old tanker with one of the highest asbestos levels of any Navy ship.

A day before Christmas 1978, Joe Ruggieri heard the verdict. He had won. The board gave him 100 percent compensation, $900 a month and a paid college education for his children.

The fight hasn't ended for Joe. If he dies, he knows his family's Navy check will drop to $300 a month. He knows they need more to keep the comfort he has given them.

The law forbids a serviceman from suing the military. Joe's only choice is to find the asbestos company which supplied the Sabine. If he does, he will file a $1.5 million damage suit.

[From the San Diego Union, Apr. 7, 1979]

MAKERS OF HAIR DRYERS LIST MODELS WITH ASBESTOS

WASHINGTON.—Manufacturers and retailers of hand-held hair dryers yesterday began telling the Consumer Product Safety Commission which models contain asbestos.

Some models of the dryers have been found to put asbestos fibers, which are considered a potent cause of cancer if breathed, in to the air.

The commission last week ordered the companies to submit data to the agency that will allow it to make up a comprehensive list of hair dryers that were manufactured with asbestos.

Replies received so far, many of them incomplete are:

Conair Corp. said it stopped manufacturing models containing asbestos in 1978. The company said it does not yet have a complete list of models that used asbestos, but said these now-discontinued models are among those that used asbestor: 099I, 140V and a few of the 065 models. Models that never used asbestos were given as: 078, 078A, 099R, 088, AW1, AW2, 124F, 063, 098P, 064, 075, 100, 082, 062, 061, 060, and 080. A toll-free telephone number for consumer questions is 800–631–5391.

General Electric Co. said it recently stopped shipping or manufacturing handheld hair dryers that contain asbestos. GE said it has instructed its service centers to re-fit models that were made with asbestos to eliminate the material. A number for consumer question is 800–241–9992.

Gillette Co. said it no longer sells handheld hair-dryers containing asbestos and is trying to determine which former models used it.

Korvetts Inc. said it still is selling some 1,200-watt and 1,400-watt models that contained asbestos because no health hazard has been demonstrated conclusively. The only three models that "probably have it" were listed as HA–22–M, HA–22–14 and HA–1214–S.

Montgomery Ward & Co. said it has taken all models containing asbestos off its store shelves.

North American Philips Corp. said the HB–1700 (last produced in 1975); the HP–2600, HP–3600 and HP–3600–1, all last produced in 1973; and the HC–1107 hot comb, last made in 1972, contain asbestos.

J. C. Penney Co. said it has suspended sales of three models out of its current 33-model line because they contained asbestos. Some previous models also contained asbestos, the company said.

Schick Inc. said no current models contain asbestos. So far, the company has determined that these former models used asbestos: PD 1001, PD 1001–A and PD 1201.

Sears, Roebuck & Co. said it has suspended sales of models containing asbestos. These models on current merchandise lists contain asbestos: 253.6314, 253.6369, 253.6585, 253.8700, 253.8714, 253.8736, 253.8754, 253.8782, 253.8783. Former models on previous merchandise lists containing asbestos are 253.6374, 253.6377, 253.8704, 320.6350, and 320.8706. All other models on sale do not contain asbestos, the company said.

Sunbeam Corp. said it sold several models with asbestos, but stopped using the material more than two years ago.

Hamilton Beach said it is primarily a manufacturer of food preparation appliances. "Hamilton Beach has never been a significant factor in the personal care field, or the sub-market for portable handheld hair dryers.

Clairol said its appliance division "did use a resin-impregnated asbestos based paper as a decorative element in the rear portion of one of its brands. This decorative element was replaced by a molded plastic component in 1978."

[From the Washington Post, Apr. 7, 1979]

EXCESSIVE AMOUNT OF ASBESTOS FOUND IN CEQ'S BUILDING

(By Donald P. Baker)

The Council on Environmental Quality, the White House agency that looks for cancer-causing substances throughout the nation, has found some in its own building.

Asbestos—the target of a massive detection campaign by the federal government—is dripping from stairwell ceilings in the New Executive Office Building, which houses CEQ and other Presidential departments that are charged with monitoring the environment.

An analysis of a fibrous material that was sprayed on the ceilings for fire protection when the big, red-brick building at 722 Jackson Pl. NW was built in 1965 revealed that it contained 30 times the amount of asbestos now regarded as safe. The material was applied before the dangers of asbestos were so widely recognized and subject to federal safety regulations.

Poole, like Karch, jogged up the steps until he became suspicious of the material, some of which had been knocked from the ceiling, apparently by mops and brooms of cleaning workers. Poole gathered up a sample of the material and gave it to Dr. Joseph Breen of EPA's office of toxic substances, who sent it to a private laboratory in Chicago for analysis.

Robert Costanzo, White House buildings manager for the General Services Administration, said GSA safety inspectors will survey the building next week "just to be safe."

Nathan J. Karch, acting senior staff director for toxic substances at CEQ, has circulated a memo to his coworkers warning that the gray material hanging loosely in the stairways constitutes "a potentially serious health hazard."

Karch, who used to run up five flights of stairs to his office for exercise, now takes the elevator and told his colleagues, "I recommend you do the same."

The first person to be alarmed about the material was Charles Poole, a former CEQ employe who now is a public health specialist for the Environmental Protection Agency.

The sample proved to be 30 percent chrysotile (white) asbestos. Federal standards adopted in 1973 limit the asbestos content in new building material to one percent.

According to a report of the U.S. Surgeon General, exposure to asbestos, a group of fibrous minerals that do not burn and are excellent insulators, significantly increases the risk of four serious diseases, including two kinds of cancer in which it appears to be the only cause.

HEW Secretary Joseph P. Califano Jr. said last year that "the Public Health Service has advised me . . . that any exposure (to asbestos) probably carries some risk of disease." Califano said "asbestos is one of the most dangerous and insidious substances in the workplace" because many individuals affected are unaware of their exposure. Diseases resulting from asbestos are not likely to appear for 15 to 35 years or more, Califano said.

Califano's report last August warned that asbestos that has been sprayed on walls, ceilings and pipes can pose a health threat when it flakes from deterioration or damage. Asbestos breaks up easily and becomes so fine that it cannot be seen, but it can be inhaled and swallowed, and is so durable it can remain in the body for many years, he said.

Karch said he is worried that just avoiding the stairs in his building may not be enough. He said he fears that the dissolved asbestos will filter through the building's ventilation system. Yesterday, he found some chunks of asbestos on the floor of the stairs, and pointed to other spots where it was missing from the ceiling.

Dr. David P. Rall, director of the National Institute of Environmental Sciences in Durham, N.C., recalled seeing the asbestos in the stairwell on a visit to the building.

Rall, who is co-chairman of the HEW public information campaign about the dangers of asbestos, said "I looked at it and thought it was in pretty good shape. But if it is flaking, they should get on it."

Steven D. Jellinek, assistant EPA administrator, used to work in the NEOB and recalled "seeing the stuff hanging there. If it's crumbling or coming off, it's a problem and the people who are in charge of the building should go through the steps we recommended."

Jellinek said EPA recently published a manual that explains in non-technical terms how to deal with asbestos. The program is aimed mainly at schools, because surveys have indicated that 10,000 of the nation's 60,000 schools contain asbestos.

The Prince George's County Board of Education is spending $56,000 to protect 16 schools sprayed with asbestos, and D.C. Mayor Marion Barry last month named a task force to find and protect buildings and schools that are coated with asbestos.

The solutions recommended by EPA are to remove the material, which is expensive and must be done carefully to avoid fumes, or coat it with a sealant, or cover it with a barrier such as a suspended ceiling.

Jellinek said the EPA "isn't ignoring" office buildings, but "the schools were our first target." ●

THE COST FOR CARE AND FEEDING OF FORMER PRESIDENTS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. JACOBS. Mr. Speaker, when it comes to a former head of state, some countries put a price on his head; our country pays a price so be can be well fed.

It would be a happier world if we could split the difference.

I insert the following article in the RECORD:

[From the Washington Post, April 10, 1979]

NIXON, FORD BILLS INCLUDE TV SETS, PLANT WATERING

It is costing American taxpayers more than half a million dollars a year to support former presidents Richard M. Nixon and Gerald R. Ford with pensions, personal staffs and office expenses, a news magazine reports.

In a calculation in its current issue, U.S. News & World Report said Nixon last year spent $163,329 in federal funds above his $85,000 pension including the cost of five color television sets and repairs to his electric golf cart. His eight-member staff received salaries totaling $95,658 in 1978.

Ford received $106,000 in presidential and congressional pension benefits and spent an additional $291,685 in federal funds last year, U.S. News said. It said Ford's expenses included $2,242 for plants in his personal office plus $100 a month for a professional service to water them.

The magazine said office and staff budgets this year total $232,000 for Nixon and $327,000 for Ford. Both are asking Congress for small increases in the next fiscal year, it said.

I shall introduce the following bill:

Be it enacted:

Total annual Government expenditures for the care and feeding of a former President shall not exceed ten times the poverty level for an urban family of four.●

CONGRESSMAN MARTIN FROST OPENS 1979 BASEBALL SEASON FOR THE TEXAS RANGERS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FAUNTROY. Mr. Speaker, when Congressman Martin Frost throws out the first ball at the home opener of the Texas Rangers Baseball Club, Tuesday, April 10, it will be a happy moment for a long-time baseball fan and Rangers supporter.

Martin, who represents the district where the Rangers' park is located, started following baseball as a youngster in Fort Worth, when he would ride the bus from his home on the T.C.U. southside to LaGrave Field to watch the old Fort Worth Cats play in the Texas League.

As he and his family took vacations around the country, they would always go to a baseball game when in a major league city. Martin has counted 10 different major league ballparks where he has seen games, including the old Ebbets Field in Brooklyn, Fenway Park in Boston, and Dodger Stadium in Los Angeles.

When Martin moved to Washington, D.C. in 1965, to work for a magazine and attend law school, he started following the then Washington Senators. Frost moved back to Texas in 1970, and unfortunately for the citizens of Washington, D.C., the Senators followed suit in 1972, locating in Arlington and becoming the Texas Rangers.

Congressman Frost said this morning, "I recall attending Rangers games in 1972, when there were only several thousand people in the ballpark and when the big question that evening was whether the Rangers would get four hits or five hits."

I know Congressman Frost of Texas is extremely pleased to be accorded the honor of throwing out the first ball at a home Texas Rangers game this year. It is the dream of every baseball fan come true.●

HOW MEASURE GROWTH?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PAUL. Mr. Speaker, how do we measure economic growth, or the lack of it? Often, the rule is GNP, but this government statistic has some serious problems. Mr. Leonard E. Read, founder and president of the Foundation for Economic Education in Irvington-on-Hudson, N.Y., and one of the wisest men in America, calls our attention to the fact that objective standards cannot be used to measure subjective judgments. And in a free market, subjective judgments of value reign supreme. I value a bottle of cough medicine more than $2. The druggist would rather have the $2. Millions of these decisions, made every day, determine the use of economic resources. Or rather, they should, if Government did not intervene to distort the market.

I would like to bring to the attention of my colleagues an article written by Mr. Read entitled "How Measure Growth?"

The article follows:

How Measure Growth?

(By Leonard E. Read)

The student of history must avoid that error which the proverb calls measuring other people's corn by one's own bushel.—E. B. Tylor.

A correspondent from Pakistan asked: "How can one tell whether a nation is experiencing economic growth?" A bit of reflection brought this thought: Really, a nation experiences no more than a corn crib; only individuals have experiences. So, if we would measure progress—or regress—it must be with respect to individual human beings, never a nation.

One of the Bicentennials being celebrated in 1976 is Adam Smith's Wealth of Nations. This great moral philosopher should not be blamed for allowing the line of collectivists, tracing through Marx and Keynes, to prolong the myth of national wealth and material income most commonly designated today as the Gross National Product (GNP). But the Bicentennial could well serve as occasion to examine those ideas.

Any individual's economic wealth is generally expressed as his net worth, and changes in net worth show how much he is gaining or losing in wealth.

As to nations, some are more economically advanced than others, and a major reason for the difference is the degree of freedom exercised by individuals to the point that capital is accumulated and put to productive use. Real wages tend to be higher in countries with the most savings invested per worker. But this is most likely to happen where private ownership and control of property is respected and upheld through limited government—where there is freedom to trade in open competition—where prices are free to fluctuate in response to supply and demand in the unhampered market—where the money to facilitate trade is left to the market rather than printed by government to serve political purposes—where charity is personal and private as distinguished from welfare state plundering of the productive to subsidize the wastrels—where entrepreneurial response to change and opportunity is encouraged rather than frustrated and forbidden.

It is true that in a free market economy there is no need for any such measurement as GNP or national wealth or full employment or percent of income taken in taxes. All that is needed is the information freely available to every potential buyer and seller in the form of market prices. Individuals and businesses can act intelligently on the basis of that information. They have no need for and should be free to ignore whatever GNP or other statistics governments want to assemble.

I can't get very excited about the fact that such statistics are gathered and published. But if they are being used in such a way as to interfere with personal choices and actions—which they are—that is serious and should be explained.

In taking this position, I find myself in contention with Hegel, Marx, Comte, and many of our own time, who embrace the notion that only the nation or society is real and that the individual is the abstraction. Today, these socialist sophists have followers by the millions, collectivists who are but copycats of ancient and medieval forms of coercion—those who favor a Charlemagne, Napoleon, Hitler, or in today's terms, the planned economy and the welfare state.

Summarized, the argument is between those who pose society or the nation as the prime unit and those of us who believe that all meaningful comparisons in progress or regress must be made in terms of individual or business units.

Conceded, the problem of measuring growth is partly an accounting problem, but the measurement, to make sense, has to do with the unit in question, be the unit an individual or company. Each unit has different goals, values, aspirations, ambitions. Thus, there can be no single measuring rod for social or national or collective growth.

In the free market each unit does its own calculating. This is known as economic calculation—business accounting—determination of profit or loss. It is this that leaves each unit free to choose what to produce, what and with whom to exchange, and what to buy or consume.

Dr. Ludwig von Mises was the first to demonstrate the impossibility of economic calculation under socialism.[1] Economic calculation is automatically supplied in a system of free competitive pricing. Leading communist "economists" concede his point. Their words, my italics:

"The best methods of producing a given output cannot be chosen [by socialist methods] but are taken from outside the [socialist] system . . . i.e. methods of production used in the past, or so-called "advanced" methods of production, *usually taken from the practice of more advanced countries and used as data for plan-building by the* [socialist] *country under consideration.*"[2]

As more and more countries, including the United States, succumb to socialism, upon what information are the communist "economists"—or anyone, for that matter—to base their plans? Upon the GNP? Wrote Henry Hazlitt of this political fantasy:

"It is impossible . . . to arrive at a precise, scientific, objective, or absolute measurement of the national income in terms of dollars. But the assumption that we *can* do so has led to dangerous policies, *and threatens to lead to even more dangerous policies.*"[3]

It is the catastrophic situation into which an acceptance of GNP leads that warrants—indeed, demands—our examination.

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[1] *Socialism* (New Haven: Yale University Press, 1951), pp. 131–42.

[2] *The Journal of the American Economic Association*, March, 1963.

[3] *The Failure of the "New Economics"* (Princeton: D. Van Nostrand Co., Inc., 1960), p. 415.

The countless little Caesars who man our present socialistic structure have decisions to make. Economic calculation is impossible under socialism. Their single recourse? Statistics! Wrote Murray Rothbard:

"Statistics are, in a crucial sense, critical to all interventionist and socialistic activities of government. . . . Only by statistics can the Federal government make even a *fitful attempt* to plan, regulate, control, or reform various industries—or impose central planning and socialization on the entire economic system." [4]

To the extent that an economy is controlled by government, it is no longer a reflection of freedom of choice and competitive forces but rather of bureaucratic edicts. These edicts decree this or that according to the statistical data which they compile. While numerous data are contrived for their use, the usual statistic for measuring economic growth is gross national product: GNP. Absurd?

If a man divorces his wife and hires her as a cook at $50 a week, the GNP will increase by $2,600 annually.

The dollars paid farmers not to grow crops boost the GNP as do the dollars paid farmers for things produced.

It is useless to give other examples, for the input statistical "guidelines" are forever changing, not only with the passing whims of each dictocrat but also with the whims of the others as they come and go. This explains why there is so little agreement on what GNP really is. I don't know; they don't know!

Only this we know for certain: GNP—always expressed in the monetary unit—enlarges whenever the medium of exchange is diluted; that is, GNP expands in an inflationary period. Contemplate what Germany's GNP was in 1923 when billions of marks wouldn't buy a loaf of bread! GNP reached its peak just before total collapse!

In view of its absurdity, why is GNP employed as a measuring rod? When economic calculation—automatic in competitive pricing—is rejected, errors follow as a consequence. At least, GNP is consistent with the absurd premise of the interventionists: the notion that they can run our lives better than we can. How can they be expected to know there isn't any measuring rod!

Further, interventionists naively believe in the Keynesian notion that increased government expenditures lead to prosperity. Were this true, we should repeal the laws against counterfeiting. The fact? Exploding government expenditures foretell catastrophe, nothing else.

Here is a rarely understood fact: Free market performances do not lend themselves to mathematical analysis any more than do intellectual, moral and spiritual values. This is to say that the economic status of individuals cannot be measured by any objective standard—none whatsoever! Statistics are nonsensical—Achilles' heel, indeed.

National objective standards—devices of the dictocrats—are, of course, erroneous. What then for a free society? *Subjective judgments!* This is not to say that the individual can have no awareness of his own economic improvement; it is only to assert that such growth cannot be reckoned by any objective standard.

For instance, what I want to do is forever changing and what I want in exchange is like a bird on the wing—I don't stay put. More to the point, no two human beings are alike; all of us are in flux, not only as individuals but relative to each other.

It so happens that my highest aspiration is to write and lecture on behalf of the freedom way of life. I prefer this to other employments, even though the other jobs available may pay ever so much more. And in exchange I desire above all else a working acquaintance with the best of freedom thinkers in the world, along with the economic means—food, transportation, and the like—for realization. To me, this is the ultimate in progress. Who has any right to set a standard for me other than these unusual but nonetheless self-chosen goals? No person on this earth!

But here's another fellow who, above all else, prefers to strum a guitar. And in exchange his heart's desire is "a Loaf of Bread . . . A Flask of Wine, a Book of Verse—and Thou." To him this is the ultimate in progress. Where is the superman who has any logical, moral, or ethical basis for decreeing otherwise? No such person exists or ever will!

The above gets at the crux of the matter: evaluation of progress is individual and subjective; gain or loss cannot be objectively measured; that is, neither I nor anyone else can devise a standard that can accurately assess what is or isn't a gain to any other.

What is progress to one individual may very well be regress to another. Examples: There are persons who would prefer an audience with the President of the U.S.A. to $10,000, and vice versa; a hoola hoop to $5, and vice versa; a Ph.D. to $5,000, and vice versa—and so on ad infinitum. Objective standards simply cannot be used to measure subjective judgments! GNP is a fraud, in most instances an innocent one! No freedom devotee should ever refer to it except disapprovingly.

When we discover that each of us is unique and is the best judge and master of his own growth we will try to so structure our society that freedom of choice is maximized—liberty for one and all.●

TESTIMONIAL TO C. PAUL BETTINI

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, C. Paul Bettini is retiring as mayor of San Rafael, Calif., a post he has held for the past 14 years. Prior to that, he served on the San Rafael School Board for 10 years. He continues his public service as president of the Golden Gate Bridge Highway and Transit District, and as an active member of the Redwood Empire Association.

Unlike other elected officials, town council members must pursue paying occupations in addition to their public jobs. Paul has worked in the insurance business for 40 years, making his other contributions to the community even more notable.

To name only a few of these, he was instrumental in the acquisition of open space; in the construction of the San Rafael Recreation Center, which provides facilities for the young, the elderly, and the civic-minded; in the acquisition and restoration of the Falkirk Cultural Center, which is now listed in the National Register of Historic Places. He was chairman of the Redevelopment Agency, an exacting duty, and he took an active part in the celebration of his city's centennial celebration.

It is not often that there is an opportunity to pay tribute to a person who has participated actively in our political and governmental processes for more than 25 years; who has served in the Armed Forces of our country; who has run a successful business and found time for his constituents and family; and who has given much of himself for the good of the community throughout his adult life. I am happy to have that chance.●

CHICAGO TRIBUNE URGES BETTER ALASKA LANDS BILL

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, editorials from newspapers across the Nation have reflected the broad public opinion in support of a sound bill to protect the American people's land treasures in Alaska—and in opposition to the inadequate and badly conceived bill which the Committee on Interior and Insular Affairs has now reported by a single vote.

Chairman UDALL and I, together with more than 150 others of our colleagues have joined in cosponsoring a refined version of the bill which the House passed 277–31 last year. Many concepts of that bill were embodied in the actions taken by the President and Secretary of Interior Cecil Andrus in protecting our Alaska land heritage after the Senate failed to complete action on this matter in the 95th Congress. When legislation on this subject again reaches the House floor in coming weeks, I intend to actively support this approach to this great national conservation issue—an approach supported by the environmental community and the overwhelming majority of the American people.

That position has support across the country—including the support of the Nation's notable newspapers such as the Chicago Tribune, because of their recognition that while "what is conserved now can be 'developed' later, but that what is developed now cannot be conserved later."

For the benefit of all our colleagues, and especially for those from Illinois, I am offering for the RECORD, following these remarks, the Chicago Tribune article entitled "The National Interest in Alaska."

(From the Chicago Tribune, Mar. 19, 1979)

THE NATIONAL INTEREST IN ALASKA

Again, Congress is addressing the subject of national interest lands in Alaska. The House Interior Committee has sent out a bill. Soon the Merchant Marine and Fisheries Committee, which also has jurisdiction, will act. Beyond the committees, of course, are the full House, the Senate, and the President.

In the preceding Congress, the House passed (277 to 31) a compromise bill that was widely acceptable. The Senate, showing excessive courtesy to members from the state especially affected, allowed Sen. Ted Stevens (R., Alaska) decisive influence on the bill that emerged from committee late in the session but that (thanks largely to Sen. Mike Gravel of Alaska) never came to a vote. A

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[4] "Statistics: Achilles' Heel of Government," *The Freeman*, June, 1961.

December deadline for defining national interest lands, unsatisfied by Congress, was met by executive action. President Carter, to the distress of extremist Alaskans, proclaimed extensive new national monuments and wilderness areas.

This year the House Interior Committee, by a vote of 22 to 21, sent out a bill resembling Sen. Stevens' bill in the Senate last year. Conservationists, having lost this battle, hope to win the war—at least to the extent that last year's House compromise was a victory for them.

The basic controversy is over who should define the terms by which land that has always been national property should pass into private ownership. The 300,000 Alaskans tend to think that their wishes should prevail in "their state." Most of the 203 million other Americans, in the lower 48, object to turning an important decision involving a vast and unique national heritage over to Alaska residents alone. The classification of national lands in Alaska should be done in Washington, not Juneau, and by the entire Congress, not by the Alaskan delegation of two senators and one representative.

As Congress decides (1) what portions of federal land in Alaska should be retained in national ownership and under what management policies and (2) what parts should be released to private ownership and profit-seeking enterprise, it should keep in mind that what is conserved now can be "developed" later, but that what is developed now cannot be conserved later. A conservative approach must tilt towards conservation.●

THE CASE FOR TUITION TAX CREDITS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GREEN. Mr. Speaker, as a supporter of tuition tax credits for the parents of private school children, I found the article entitled "Government Neutrality and Separation of Church and State: Tuition Tax Credits" in the January 1979 edition of the Harvard Law Review to be of particular interest (No. 3, Vol. 92).

This article challenges the strict interpretation of the doctrine of Separation of Church and State which was applied in the Nyquist decision, in terms of the broader principles of neutrality and voluntarism which also underlie the first amendment. The article defines neutrality as "the desire to keep religious belief personal" and voluntarism as "the idea that religious belief should flow from personal choice." Most importantly, it illustrates how Nyquist failed to consider fully these two principles when ruling upon tuition tax credits.

The article concludes by stating that:

> In face of the significant burden on individual and institutional religious choice in the educational area, a national tuition tax credit plan should be held a permissible way to balance separation and neutrality values so as to promote the overall goal of religious liberty.

I commend the editors of the Harvard Law Review for their insight and strongly recommend this article to my colleagues when considering this important legislative issue.●

NUCLEAR WASTE MANAGEMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GILMAN. Mr. Speaker, I rise to introduce a resolution to aid in stemming the ugly consequences of the mismanaged nuclear waste programs in our Nation.

On the afternoon of December 2, 1942, a group of scientists headed by Enrico Fermi huddled anxiously around their instruments in a lab underneath the University of Chicago's Stagg Field. Suddenly their anxiety turned to elation: They had achieved the world's first controlled chain reaction and, in so doing, heralded the birth of the nuclear age. Today, some 35 years after their breakthrough, a debate rages over whether it represents the greatest boon in history or the engine of mankind's destruction.

The debate centers around the need for and safety of nuclear power as a major energy source for electrifying our third century, and one of the main bones of contention is the management of radioactive waste materials. Understandably so.

How dangerous are nuclear waste products? How much waste will be generated in the years ahead and how long will it remain radioactive? Where can we store it, and how will we transport it safely to those storage sites? These are questions that need to be addressed as we consider energy alternatives. I am inserting at this point in the Record an appropriate article which recently appeared in Newsweek.

A Flood of Hot Waste

Nuclear power answers many of the world's energy needs. It is reliable, practical and an economic source of electric power. But it also poses an ominous question: how to dispose of the rising flood of radioactive waste?

Worried government scientists realize they must discover a permanent and safe disposal method—and quickly. At present, nearly 5,200 tons of spent fuel from 72 U.S. reactors remain temporarily stockpiled. By 1990, the amount is expected to rise to 37,900 tons. Experts doubt that such a large quantity can continue to be safely stored at nuclear plants. The lack of permanent storage sites may slow down development of nuclear energy or even force reactors to close.

Already, California, Maine, Iowa and Wisconsin have banned construction of nuclear reactors until the government demonstrates a risk-free disposal scheme. But no community wants a radioactive garbage pit—especially the first experimental one—in its own backyard. At least eight states have prohibited permanent nuclear repositories within their borders.

DEEP SALT

In the face of such opposition, the Department of Energy eliminated 35 other potential dumping sites before choosing one in New Mexico. Boring deep into salt beds outside Carlsbad, the Energy Department plans to excavate a chamber, then sink tons of nuclear waste into the cavernous hole. While scientists emphasize the safety of the $450 million "waste isolation pilot plant," many citizens are fearful—and angrily challenging the project. "We are making this fight for our children," says Roxanne Kartchner, 29, pointing out that the buried wastes will remain radioactive for thousands of years. Residents argue that since the government has waited this long to bury nuclear garbage, it should postpone construction until the plant's safety is undisputed.

The issue of nuclear waste has been smoldering for years. To most nuclear scientists and administrators, waste disposal seemed a simple housekeeping matter. As late as 1970, the government devoted only $28 million to the problem. But many proposals, from burying waste in antarctic ice to rocketing it into outer space, were impractical. With a newfound sense of urgency, the Department of Energy will pour $449 million into disposal technology this year. Nuclear wastes take two principal forms. The main waste product from nuclear-power plants is spent fuel rods. They contain uranium and deadly byproducts of fission, most notably plutonium, which remains toxic for a quarter of a million years, and strontium 90 and cesium 137, which retain radioactive potency for centuries. The rods are now stored under water in huge "swimming pools" at reactor sites. Technicians are racking the rods more closely, but there is a limit to how many they can fit in.

WEAPONS

The second type of garbage comes from weapons production. It consists of strontium 90 and cesium 137, the toxic residue of fuel reprocessed to produce plutonium—the stuff of atomic bombs. This waste is stored in tanks underground in solid or liquid form at government installations in Idaho Falls, Idaho, Savannah River, S.C., and the Hanford Military Reservation in Richland, Wash.

Reprocessing has created a corrosive sludge that attacks the metal storage tanks. So far, no one has devised a way to extract the sludge without dissolving the containers. This has led to accidents. At Hanford, for example, 450,000 gallons of waste have seeped 47 feet down into the soil around the storage tanks. Several hundred gallons have escaped in the same way at Savannah River.

Most disposal methods for nuclear waste require chemical treatment. The most advanced commercial method is vitrification—blending wastes into forms of glass known as borosilicates. Such materials resist leaching and are impervious to radioactivity damage. Their chemical structure also can be varied to match the waste's toxicity.

The French Government opened a vitrification plant in the Rhone valley last July. The process converts liquid nuclear wastes to highly radioactive granules, which are combined with molten borosilicate glass. The mixture is drained into steel containers that are sealed and temporarily stored in an air-conditioned mausoleum at the plant site. Eventually, the cannisters will be buried in permanent underground values.

But U.S. scientists believe vitrification has serious drawbacks. It requires liquefaction of intensely poisonous wastes at high temperatures, a tricky process vulnerable to radioactive leaks. And glass is not entirely stable: studies suggest that radioactive cesium and strontium could seep out of buried glass and into the environment. The heat from radioactive elements might also melt the glass and allow radiation to escape. Thus researchers are looking into alternative "wasteforms" for the nuclear garbage. Among the ideas:

Australian geochemist A. E. Ringwood has developed the "synroc" technique, in which wastes are mixed with various mineral oxides. The method has the advantage of heating and crystallizing the wastes in a single step. This reduces the technicians' exposure to radiation.

Swedish researchers are using powerful

presses, like those that make artificial diamonds, to compact hot wastes into rock. This technique avoids the hazards of molten radioactive glass.

A Pennsylvania State University group headed by materials scientist Rustum Roy is exploring means of mixing hot wastes into crystalline materials live ceramics. "In nature, ceramics have lasted for hundreds of millions of years," explains Roy. His point: their crystalline structure should provide even greater stability than glass.

While promising, these new methods are largely designed to handle hot waste from reprocessed fuel. In the U.S., the only waste from such a process comes from weapons manufacture. This leaves the problem of the residue from civilian reactors—spent fuel rods. For those wastes, U.S. experts are studying a simpler solution: encasing the rods themselves in stainless steel containers ready for permanent burial.

But where should the wastes be buried? A burial site should be geologically stable. It should withstand heating caused by radioactive wastes. It also should contain a minimum amount of water, because moisture might corrode the garbage containers or even carry radioactive elements into the water supply.

Many nuclear experts think that salt formations of the type near Carlsbad fulfill those conditions perfectly. The salt was deposited 230 million years ago, explains DOE official Wendell Weart, and shows no evidence of any geological shift. As he puts it: "The chances that it will remain undisturbed for the next 1,000 or 10,000 years are pretty good."

BETTER ROCKS

Salt beds are not the sole option. "There are many better rocks, including granite and basalt," argues Rustum Roy. These formations do not produce corrosive brine, as salt does. But because they are less well understood than salt deposits, developing them will take even longer.

Time is clearly running out. Energy planners are committed to nuclear power, and by 2000, they expect to have 300 reactors producing electricity—and churning out their witch's brew. Even if no new reactors are constructed, the dilemma remains. Mankind must still safely dispose of the wastes already generated during the first three decades of the nuclear age.

The recent tragic accident at the Three Mile Island nuclear power plant in Pennsylvania amply demonstrates the need to exercise much more caution and concern in legislating controls over nuclear power.

There are some who contend that this accident illustrates the successful operation of the many safety devices, which prevented a more serious mishap. And there are others who claim that this event, along with the record of past accidents, is a harbinger of things yet to come.

Today, with the introduction of this resolution, I ask that we begin an intensive dialog of nuclear waste management, but this time with purpose and direction. I ask, additionally, that we enter this task with open minds for fresh ideas and a deeper commitment to this expanding problem. Nuclear energy, for better or worse, is an integral part of our economy and environment, and will continue to be so until we have successfully become self-sufficient either through expanded domestic oil production, the commercialization of solar power, or through the development and utilization of some other alternate source of power.

I wish to insert a copy of the resolution in the RECORD at this point. I urge my colleagues to join me in this effort by cosponsoring the resolution.

H. RES. —

To provide for the prompt submission to Congress of information regarding certain occurrences affecting nuclear reactors, radioactive waste storage facilities, and the transportation of spent fuel from nuclear reactors

Whereas the production of electric power from nuclear energy involves the transportation and disposal of radioactive material;

Whereas the design, engineering, and construction of nuclear reactors is susceptible to mechanical failure endangering the lives and health of persons in the vicinity of the reactor; and

Whereas the public safety and national security are dependent upon the safe operation of nuclear reactors and the safe transportation and disposal of radioactive material resulting from the operation of such reactors: Now, therefore, be it

Resolved, That (a) it is the sense of the House that the Secretary of Transportation should, in carrying out his responsibilities under the Hazardous Materials Transportation Act, carefully monitor all aspects of the transportation of radioactive materials and as promptly as practicable notify the Congress (including specific written notice in reasonable detail to each Member of the House of Representatives whose district is directly affected) of—

(1) any alteration in the procedures, methods, or route used for the transportation of any spent fuel from a nuclear reactor,

(2) any accident which occurs in connection with such transportation, and

(3) any investigation of the cause of such accident and the steps taken to prevent a recurrence.

(b) It is further the sense of the House that the Nuclear Regulatory Commission should, as promptly as practicable, notify the Congress (including specific written notice in reasonable detail to each Member of the House of Representatives whose district is directly affected) of each accident involving radioactive material which is under the jurisdiction of the Commission (or under the jurisdiction of a State pursuant to an agreement under section 274 of the Atomic Energy Act of 1954).

(c) It is further the sense of Congress that the Secretary of Energy should intensify his efforts to develop an adequate nuclear waste management policy to provide for the safe and secure deposit of radioactive waste from nuclear reactors.●

NATIONAL DRAFTING WEEK

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

○ Mr. ST GERMAIN. Mr. Speaker, this week of April 8 through 14 has been designated as National Drafting Week by the American Institute for Design and Drafting.

For the past 6 years, a week such as this has been set aside so that we may honor the more than 360,000 designers and draftpersons in America.

In a society such as ours, which has devoted so much of its energies to technology, the skilled draftperson and designer is of vital importance. They stand as a keystone to the various other fields of technology. The importance of the drafting and design professions and the vast opportunities they make available is well known in Rhode Island and we are fortunate to have an exceptional educational facility, the Hall Institute, located in Providence.

Hall Institute has given hundreds of New Englanders the opportunity to pursue a career in the drafting and design profession. During this week which has been selected to heighten the public's awareness of this vital field, I would like to commend the Hall Institute, as well as the entire drafting profession, and encourage those connected with this profession continue their fine work.●

A JOB WELL DONE

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. AKAKA. Mr. Speaker, it has long been held that the press has a responsibility to the people it serves. At no time is this responsibility more apparent than during a natural disaster.

Recently, the Island of Hawaii was struck by severe storms and flooding. As a Representative for Hawaii, I wish to recognize the Hawaii Tribune-Herald for its outstanding news coverage of this event. The Hawaii Tribune-Herald distinguished itself by providing consistently accurate reports of the storm's progress and the subsequent cleanup operation.

In a disaster of this kind, it is critically important that the public be kept informed of potential danger so that they may act quickly to avoid personal injury or property damage. The editors and reporters of the Hawaii Tribune-Herald acted in the finest tradition of journalism in their timely and effective response to the public need during a time of crisis. The fact that there were no fatalities and only two minor injuries is, in part, attributable to this paper.

By their continuing coverage, the paper also contributed to the success of the disaster relief operation. The public was well informed of the State and Federal assistance available to them, and of the procedures for obtaining it. In way of testimony, I would like to submit the following letter from Mr. Hugh H. Fowler, Federal Coordinating Officer for Disaster Assistance.

FEDERAL COORDINATING OFFICER,
FOR DISASTER ASSISTANCE
March 22, 1979.

Mr. DONALD W. REYNOLDS,
President, Hawaii Tribune-Herald,
Hilo, Hawaii.

DEAR MR. REYNOLDS: As you know, President Carter declared the County of Hawaii to be a major disaster area on March 7, 1979 following the severe storms and flooding that hit the area February 15–26. As a result of the President's action, a Disaster Assistance Center was set up in Hilo to assist citizens affected by the flooding.

The attention focused on federal and state disaster assistance activities by the Hawaii Tribune-Herald was invaluable. Phone calls and other comments by residents indicated that the front-page coverage was well-read, and undoubtedly contributed to the unexpectedly large turnout of applcants.

Although several members of the paper's staff played a role in disaster coverage, I would like to single out the efforts of News Editor Bill Adams. He worked with us several times a day and stayed on top of the story.

The Tribune-Herald's activities were in the best tradition of the newspaper industry's commitment to community service.

Sincerely,

Hugh H. Fowler,
Federal Coordinating Officer.●

NEED TO STIMULATE EXPORTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. BONKER. Mr. Speaker, for the past several weeks the Subcommittee on International Economic Policy and Trade has been holding hearings on the Export Administration Act which is due to expire on September 30, 1979. In our deliberations among the conflicting tendencies we are trying to reconcile is the following: How can we fashion an export control system that protects the national interest and at the same time does not unnecessarily frustrate U.S. exports and lose our business to other countries.

Many argue that we are at a disadvantage in the worldwide economic competition for exports because we have not developed a more coherent and positive export policy.

As a member of the subcommittee and in order to stimulate further thought on our export policy, I would like to recommend to my colleagues an incisive article by Dr. Michael A. Samuels of the Center for Strategic and International Studies of Georgetown University which appeared in the February 15, 1979 Journal of Commerce.

In the article entitled "Stimulation of Exports Urged," Dr. Samuels argues—

> What is required is a reassessment of the ways by which the U.S. government should encourage and at times subsidize U.S. exports, especially to developing countries." He further advocates that . . .
>
> A special look should be taken at an export promotion program in the context of all the needs of the developing countries. . . .
>
> What we need is an assistance policy that both addresses the basic human needs of the world's poor and accepts the fact that, first, governments of developing countries will need to import increasing amounts of industrialized products and, second, there is major competition under way to supply these goods which is not based on equitable ground rules. Other governments are actively facilitating such sales. Why does the United States government lag behind?

The article follows:

STIMULATION OF EXPORTS URGED

(By Michael A. Samuels)

The disappointing news that the December foreign trade deficit reached $2.04 billion, a slight increase from the November figure, should not be taken lightly. The seriousness of this increase, as well as the record $28.5 billion foreign trade deficit for all of 1978, is not sufficiently appreciated in Washington and elsewhere.

Both government and private analysts predict a drop of $3 billion to $6 billion in the overall trade deficit for 1979, depending on the shape of the U.S. economy. Such estimates may be more optimistic than is justified. Account is not taken in such estimates of energy shortages, higher spot prices for oil and possibly much higher OPEC prices for oil resultant from chaos in Iran and strains in Saudi cooperation with the U.S.

DEFICIT "INTOLERABLE"

Even if such optimists are accurate, however, there will still reman a trade deficit of over $20 billion. This is intolerable. The assumption that the devalued dollar will improve the situation meaningfully is wrong. Unless there is major improvement, the protectionist spirit rampant in the land may not be containable. Worse yet—it may be needed.

What is required is a reassessment of the ways by which the U.S. government should encourage and at time subsidize U.S. exports, especially to developing countries. Fortunately several congressional committtees are beginning to show interest in this problem. But this reassessment should also be made part of the review that is taking place of economic assistance programs to the developing world. During the review, a special look should be taken at an export promotion program in the context of all the needs of the developing countries.

The German government proclaims as "aid" each multimillion dollar loan allocated to a developing country for Mercedes buses. The Japanese, the French, the British, the South Koreans, the Indians, the Brazilians and others are actively pursuing new markets for their goods through the collaboration of their government representatives and exporters.

At the same time, the United States is constrained to help within a focus on the "basic human needs" of the people. It is hard to justify buses and many other manufactured items in this context.

The problem, however, is even more fundamental. Because of the traditional distance if not hostility that exists between the United States government and the private sector, the relationship between government and exporters is generally speaking at arm's length. This contrasts significantly with the relationships that exist between many of our fellow OECD members and their exporters, as well as between the governments of new export challengers, the middle-income countries, and their own exporters.

These competitors utilize a series of tax rebates and other incentives, tied AID programs, special credit facilities and close encouragement given by foreign diplomats to exporters from their countries.

NOTICED IN LDC'S

This active export promotion symbiosis is most noticeable in the fastest growing markets, those in the developing countries, and are not matched by United States' efforts.

The importance of these countries is shown by the fact that the United States now sells more than one-third of its exports to the developed countries.

Even some of the few programs where the U.S. government actively aids U.S. exports abroad are rarely considered as export promotion schemes. Such an example is the Security Supporting Assistance Program. In fact, the phrase "export promotion" brings yawns to the private sector and is looked at askance by the average diplomat who has seen export promotion schemes come and go under various administrations, full of sound and fury and signifying nothing. The fact is that, in spite of many schemes, little has stuck.

New programs to stimulate exports are in abeyance due to the impending conclusion of the Multilateral Trade Negotiations and the resultant need for rapid congressional approval, which is far from certain. This delay and the expectation that a successful conclusion of the MTN will significantly improve the current balance of trade position are unfortunate.

STRUCTURAL DILEMMA

It is time to face the fact that the United States has a major structural dilemma in its export policy. Our government exports, such as the Export-Import Bank, DISC, etc., but even some of these programs face opposition in the Congress and the White House. There are even more policies that may discourage such exports, such as environmental regulations, human rights concerns, unilateral penalties on illicit payments, an ambivalent if not critical attitude of the labor movement toward exports and a tax policy on Americans working abroad that will tend to discourage firms from stationing their representatives abroad.

What we need is an assistance policy that both addresses the basic human needs of the world's poor and accepts the fact that, first, governments of developing countries will need to import increasing amounts of industrialized products and, second, there is major competition under way to supply these goods which is not based on equitable ground rules. Other governments are actively facilitating such sales. Why does the United States government lag behind?

The mere existence of programs on the books is not the same thing as actively promoting. The United States must look at what other countries are doing. Then we must respond dynamically, first to retain existing export shares, but soon to increase the American share of the market of trade to the developing countries.

Some time in the future, perhaps, an international agreement to regulate export promotion activities can be negotiated that goes far beyond GATT codes. Until that happens, though, the U.S. government must act vigorously to support its exports and to compete in these growing markets.

Such action could provide the negotiating leverage needed to reduce the incidence of unfair practices that affect potential U.S. export markets and neutralize our comparative advantages.●

TRIBUTE TO GEN. RICHARD F. PETERCHEFF

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. MYERS of Indiana. Mr. Speaker, I rise to pay tribute to Brig. Gen. Richard F. Petercheff, commander of the Indiana Air National Guard, who was killed recently in a training flight accident at Hulman Field in Terre Haute, Ind.

General Petercheff, or General Pete as he was known to his many friends and admirers, had been flying fighter planes since World War II. A dedicated American, fiercely patriotic, General Petercheff was a natural leader. The military honors he earned were many, including those for 100 missions over Korea and flying the Berlin crisis.

The Indiana Air National Guard, indeed the Nation, has lost a great leader and we will miss his guidance and counsel.

At the same time, I want to recognize the new commander of the Indiana Air National Guard, Col. Earl L. Higbie. Colonel Higbie has served his country since 1942. A longtime associate of General Petercheff's the new commander is well qualified to carry on the tradition of excellence that has always marked the Indiana Air National Guard. I salute him and wish him every success in the years ahead.●

PUERTO RICAN PRISONERS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GARCIA. Mr. Speaker, for the past 7 months I have been actively seeking a commutation of sentence for the four Puerto Rican Nationalists that have been incarcerated for over 25 years in Federal penitentiaries. Among the persons who have voiced their support for the release of these prisoners are: several Members of Congress, all former Governors of Puerto Rico, labor unions, civic groups, religious groups and other organizations.

I would like to bring to your attention a letter written by former Resident Commissioner of Puerto Rico, Mr. Jaime Benitez, which I feel expresses the feelings of those of us who maintain this position. The letter was addressed to the editor of the New York Times and reads as follows:

LET THE FOUR PRISONERS BE FREE IN PUERTO RICO

TO THE EDITOR:

Your March 19 editorial "The Prisoners Who Reject Mercy" strikes many of us in Puerto Rico as insensitive and self-righteous. Oscar Collazo, Lolita Lebrón, Rafael Cancel and Irvin Flores have not rejected mercy. They have not asked for it, which is quite different. Your editorial calls for a moral impossibility.

These lifelong prisoners see themselves as servants to a cause, one which to you, to me, to the overwhelming majority of Puerto Ricans seems mistaken and wrongly pursued but which to them seems sacred and as worthy of full devotion as that which turned Nathan Hale into a spy. Like the Christians or the heretics of old, they belong to the kind of people who will go joyfully to the stake or remain in prison forever rather than withdraw one whit from their position. Such persons, fanatics, patriots or martyrs, have no qualms about receiving overextensive earthly punishment.

So let us not ask anything from them. It is for those of us whose laws they have broken to decide whether after 29 and 25 years in jail we want them to die there or take our chances with their liberation.

I remember vividly the attack at Blair House in November 1950 and on the House of Representatives in March 1954. I was chancellor of the University of Puerto Rico then and was very much a target of personal attack and abuse by nationalists and their fellow-travelers before and after those tragic days. I did my duty then as an educator and as a citizen. Nationalism lost.

I believe that now, a quarter of a century later, I honor the same principles by saying to President Carter and to you: Enough is enough. Let these prisoners go. Release them to Puerto Rico. We will take our chances on the side of forgiveness.

JAIME BENITEZ.

SANTURCE, P.R., *March 20, 1979*.●

OIL IMPORTS ACT OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. CONYERS. Mr. Speaker, today I am introducing, along with Representative BENJAMIN ROSENTHAL and Representative CHARLES ROSE, the Oil Imports Act of 1979. This legislation creates a Government nonprofit corporation that will serve as the exclusive oil importing authority for crude oil and petroleum products imported into the United States. The legislation provides for:

The phasing in of the import authority over a 1-year period, including the transfer of the authority to purchase oil for the strategic petroleum reserve from the Department of Energy to the corporation;

Establishment of the American Oil Import Corporation, with a five-member board of directors, appointed by the President, with the concurrence of the Senate, that after 1 year becomes the sole importing agent for cruide oil and petroleum products imported into the United States, and the sole purchasing agent and seller to qualified buyers within the United States;

The Corporation shall have the authority to negotiate directly with oil-producing countries, either through direct purchase or by instituting an auction system by sealed bids; determine the volume of imported crude oil and petroleum products into the United States; and to sell the imported oil products to qualified buyers free on board the point of purchase, by a variety of means in order to keep prices down, maintain a reliable supply, encourage competition within the domestic oil industry, and assure maximum utilization of domestic refining capacity, and

Establishment of an advisory board to the Corporation, consisting of officers from various Federal Departments and agencies, including the Federal Reserve Board, to advise on, and coordinate the purchase and sale of imported oil products in times of emergency, and to safeguard the national interest.

At the present time the United States is importing in excess of 8 million barrels a day of crude and refined oil, which represents more than 44 percent of domestic use. In 1978 the price tag for these imports was $43 billion. This year the projected cost of imported crude oil and petroleum products is $55 billion. The existing system, whereby the several major multinational oil corporations deal with the oil-producing countries to set the quantity and price of imported oil, was created more than two generations ago when oil demand, supply, and prices were fundamentally different from what they are today. There are no real negotiations between the OPEC and non-OPEC oil suppliers, and the buyers, who are literally the handful of multinational oil corporations that buy most of the crude oil in international markets.

To protect their privileged access to oil sources abroad, mainly the OPEC nations, the multinationals, in effect, serve the needs of the supplying nations, rather than the needs of the consumers. These multinationals have no incentive to shop around for oil from other sources, including outside of OPEC, which represents their privileged market. Furthermore, they have no incentive to shop around at the lowest prices since the price of domestic oil, which they control, is increasingly being pegged to imported oil, and the higher the price of the imported oil, the higher the value of the domestic oil they control.

In addition, the multinational oil corporations are reaping in excess of $18 billion annually from the foreign oil tax credits, which represents a loss to the U.S. Treasury of approximately $8 billion a year. These oil tax credits serve to reinforce the spiral of increasing prices for imported oil. In effect, with these credits the multinationals are furnishing to themselves and to the oil-producing countries higher profits, commensurate with the higher prices, since the higher the prices of imported oil, the higher the tax credit, and the higher the share that accrues to the producing nations.

The existing system, whereby a handful of giant multinational corporations, owning loyalties to no single nation, sets quantities of imports, prices, and allocations in complete secrecy and disregard of the costs to, and interests of, consumers, is an archaic, inefficient, and profiteering system, which if it continues will create even more havoc to our balance of payments, our inflationary situation, and the international monetary and economic system, than it has already.

The time has come to break up this privileged and irresponsible system of oil imports, and to establish a new system of accountability in the public interest, in which the U.S. Government can deal with producing countries on an equal footing and negotiate purchases in a way that provides competitive leverage to consumers. A new system of allocations also has to be established that will give all marketers of oil, small-, medium-sized and big, within the United States equal access to imported oil and petroleum products, and that encourages competition within the domestic oil industry and maximum utilization of U.S. domestic refining capacity. The fruits of this new system will be lower prices to consumers, a more equitable distribution of imported oil in the United States, and the capability to plan ahead for imported oil needs as they emerge.

The legislation introduced today by Representatives ROSENTHAL, ROSE, and myself provides for an independent Government corporation, that is both insulated from political and corporate pressures and yet is accountable to the American people, that has the authority to negotiate directly with oil-producing nations, and that has the capability of taking the long view in the purchase and pricing of imported oil.●

THE NEED FOR ADEQUATE TITLE I FUNDING

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. KILDEE. Mr. Speaker, title I of the Elementary and Secondary Education Act provides compensatory education for over 6.5 million disadvantaged schoolchildren. This program is the largest Federal program in elementary and secondary education. It is also a program which, according to a recent National Institute of Education study, is working as Congress intended. Title I is making an important contribution to the educational experience of disadvantaged children and is more effective than any other Federal or State program in increasing local expenditures. The study also concluded that title I was very effective in enhancing the achievement of compensatory education students. For example, first graders in the program made average gains of 12 months in reading and 11 months in mathematics in the 7-month period between spring and fall testing. Third graders in the program gained 8 months in reading and 12 months in mathematics.

Unfortunately, the Carter administration is requesting in its budget message that the regular title I program take, because of inflation, which is in effect a 10-percent cut in funding. I personally believe this is the wrong approach and clearly an example of misplaced priorities. The administration is requesting $2,625,600,000 for the regular title I program in fiscal year 1980. This is the same as last year. This means there must be a cutback in local programs because the rate of inflation is forcing the average cost of providing elementary and secondary education up by 10 percent a year. Clearly, local school districts will not be able to serve as many children as they have in the past.

There is a further important complication one must understand when considering title I appropriations. The title I statute provides that programs operated by the States for handicapped children, neglected and delinquent children, and migrant children must be paid for in full regardless of what level of appropriation is provided for the total program. Those three State agency programs now involve an expenditure of $390.1 million. Next year they are expected to go up to $428.9 million, an increase of 10 percent. The law as presently written will mean that this increase in spending for State agency programs will subtract from local program funding since the overall title I appropriation has been held constant. The end result will be that local school districts not only must take the 10 percent cut caused by inflation, but will face an additional cutback due to the full funding provisions of the State agency programs.

The administration has said in its budget it will request a "freezing" of spending on the State agency programs. However, it would seem unlikely the Congress will enact that provision because the administration was silent on the issue when it was debated during 1977 and 1978 when the Congress decided to retain this guarantee on funding for those programs.

The only increase the administration has requested in the title I program is to fund the new concentration program. The administration is requesting $400 million for this program. This new program was intended, as conveyed to the Congress by the administration last year, as a means of providing school districts heavily impacted with title I children with additional money to serve additional children. Thus, in the terms of the administration's own presentation, its funding cannot be looked upon as a means of offsetting a cutback in regular title I funding.

Even if the administration changes its rationale and says this new money is meant to offset increases in inflation, these additional funds—by their own nature—will not reach all school districts. Only about 1,461 counties qualify for these additional funds. The remaining 1,676 counties receiving title I money may not be helped at all.

Mr. Speaker, the reason I have taken this opportunity is to emphasize my concern with the level of appropriation offered by the administration. How can we ask school districts to take a 10- to 15-percent cutback in funding for their Federal programs to educate the disadvantaged when at the same time the administration proposes an increase in the budget in various other areas? I would ask other Members of the House to consider this serious question, and for a majority of the House to add their support.●

A TRAGIC EXAMPLE OF BUREAUCRATIC RULES AND REGULATIONS AND A LESSON FOR US ALL

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FUQUA. Mr. Speaker, each and every Member of Congress has, on occasion, received correspondence from constituents who have had difficulty obtaining information and/or services from Federal agencies. It is a recognized part of our job to assist our constituents in every way we can to ease their way through the bureaucracy.

Only once in a great while, however, does one have the problems of the Federal bureaucracy so dramatized that they rise to speak on the Floor of the House regarding the matter. I do not believe I have ever done this before in my 17 years of House service but I would like to insert in the RECORD the complete text of a letter I received from Mrs. Patricia Bailey, a resident of Branford, Fla.

I was deeply touched when I read her letter and believe it should be read and pondered by those of us who make policy decisions as well as administrators at all levels of Government. My aim is not to point blame at any individual or agency but, rather, to call to everyone's attention the growing problems she so eloquently describes.

There is no action for an agency or Congress to take at this juncture in the case involving Mrs. Bailey and her husband. She has no axe to grind. She is an individual who faced bureaucracy at its coldest and wrote of her despair. Mrs. Bailey gave me her kind permission to insert her letter into the RECORD and I do so in the hope that somewhere someone will read and understand, and that we will realize that people are what count, and that we in Government work for and with people * * * not just statistics and social security numbers. I commend Mrs. Bailey's letter to you all:

BRANFORD, FLA., *January 30, 1979.*

Hon. DON FUQUA,
House of Representatives,
House Office Building,
Washington, D.C.

SIR: This letter is being written to advise you of and complain of the red tape and humiliation facing the American working man who applies for Social Security Administration disability benefits.

In October of 1977 my husband was diagnosed as having brain tumors. A craniotomy which was performed during that same month revealed that he suffered brain metastases, later determined to be a result of carcinoma of the lung. Subsequently my husband underwent a lobectomy to remove the cancerous lobe in his right lung. The cancer in the lung was successfully removed but that which had spread to the brain through the blood stream could only be treated with cobalt treatments. My husband took 16 such treatments in December, 1977 and was advised in January of 1978, after undergoing another CAT Scan, that at best these treatments had only slowed the cancer down. He was pronounced totally disabled since his last day worked, October 12, 1977, and was told that he would live six to 18 months. This was the diagnosis of the neurologist, neurosurgeon, lung surgeon and the doctor conducting the radiation treatments.

In conjunction with my husband's medical retirement from Ford Motor Company he was required to file an application with the Social Security Administration for disability benefits. In making this application my husband sat for three hours in his weakened condition in a Social Security office. Following that more forms were received by mail requesting answers to questions concerning job descriptions, job duties, hourly wages, etc. for all years back to 1965. Inasmuch as my husband had worked and contributed to the Social Security fund since a very early age and the amount of all contributions should have been on record, this form seemed superfluous. It would seem more unnecessary and even cruel if the form was designed to gather statistical information. How heartless it is to remind a man that he will no longer be what he once was—that he will deteriorate and become no more than a statistic.

On February 9, 1978 my husband was required to submit to a physical examination. This in itself was not unreasonable, the manner in which the examination was set up and carried out is that of which I complain. From the moment we entered the doctor's office my husband and I were both made to feel defensive. The doctor and her staff were all foreigners, believed to be Filipinos. Because of the huge stack of Social Security appointment forms visible on the receptionist's desk, it was obvious that this doctor's practice was at least in part maintained by the American Government through referral of Social Security Administration disability applicants. No matter how lacking in prejudice we consider ourselves to be, it is deflating and lessens our personal and American pride to find that what we are entitled to as Americans and for years of honest work will be determined by someone other than an American, and that this person earns her living in our country making such determinations for many other Americans.

The doctor spoke English only when speaking to my husband. All conversation between herself and her staff was in a foreign language. I was not allowed to accompany my husband during his conference with the doctor or her examination of him, even though it was explained to the doctor that symptoms of my husband's condition were loss of memory and loss of speech. It was very difficult for him to remember facts and relate them in an organized manner.

Another distressing fact about the visit was that the doctor was a cardiovascular specialist and not a neurologist or neurosurgeon. The doctor kept insisting that the cancer had been cured. My husband could not convince her that the brain cancer caused his disability and would eventually take his life. Whether because of a language barrier or my husband's inability to explain the facts, we left the doctor's office with the impression that she did not consider my husband permanently disabled but made a moral judgment as to his honesty and integrity.

Without a doubt this visit to the doctor was one of the most distressing and depressing events of my husband's long illness, even taking into consideration his operations and the fatal news of his terminal condition. This visit caused suffering of a different kind—humiliation and dehumanization. We both felt contempt for the Government we had so long supported and been proud of for subjecting him to such humiliation.

After our visit with this doctor I contacted the Social Security Administration and advised them that they were wrong in seeking to determine the extent of my husband's disability on the basis of his lung condition, but that the brain cancer was the problem. Shortly thereafter we received another letter advising us of an appointment with a neurologist. By that time my husband had taken to bed never to get up again. Then, and only then, did the Social Security Administration seek information on my husband's doctors and hospital records on which to base their determination as to his disability.

My husband's condition continually worsened, causing his confinement to a nursing home on July 2, 1978 and his death on January 12, 1979.

There are other less important complaints I could enumerate here but, in comparison to these I have stated, they seem mundane and hardly worth mentioning.

My comment is that with the future solvency of the Social Security fund a major concern to all those who see it as potential security during a time of disability or old age, it seems unnecessary, illogical and, more importantly, wasteful to base the determination of an applicant's disability on a short one time visit with a doctor who has no knowledge of the applicant's illness other than what he sees in his office during that one visit. If the diagnosing physicians (in our case four) are not considered reputable enough to make such a determination, surely they should not be licensed by the State Government to make for any American a judgment requiring him to submit to something as potentially dangerous as major surgery or cobalt treatments. If, however, an examination of an outside doctor is seen as absolutely necessary, please give Americans the consideration of allowing another American to make the determination as to his eligibility to participate in the benefits of a program he has provided for himself.

This letter will benefit neither my husband nor myself directly, but if it helps one American to be spared the humiliation my husband suffered and/or saves one dollar for use as benefits for those who contribute to the Social Security fund, then my time has been well spent. If not, then I will be sorry that the working man, the backbone of America, has so little say about the administration of a program he, himself created.

Sincerely,

PATRICIA BAILEY.●

CHARLES BELBA—PRESIDENT, CALIFORNIA CONTRACT CITIES ASSOCIATION, 1978–79

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANDERSON of California. Mr. Speaker, changing times have altered the traditional role of the average city council member in California. Today, being a part of a city's top governing body involves many duties that extend way beyond attending weekly council sessions. Because of the growing interrelationships between neighboring jurisdictions and upper levels of government such as the county and the State, these elected officials must become increasingly active in intergovernmental affairs in order to effectively represent the people they were elected to serve.

The California Contract Cities Association is an organization which was formed to assist certain cities and their council members in facing the challenges of these new times. The association is comprised of cities in the State which rely on contract arrangements with the private sector or other governmental jurisdictions to provide city services to its residents. On April 18, 1979, this association will honor Councilman Charles Belba of Lomita for successfully completing what was probably one of the most demanding terms as president of that organization. Mr. Belba's leadership during the postproposition 13 period and his past involvement in the work of the association serves as an admirable example of how city elected officials adapt to the new roles brought on by new responsibilities.

Mr. Belba had his many years of city government experience to draw on during his term as president of the Contract Cities Association. He served as a member of the city planning commission from 1964 to 1968 and has served continuously on the council for the past 10 years. He was chosen mayor in 1970 and 1974, and as vice mayor in 1969, 1973, and currently he is again vice mayor for the 1979–80 term.

He has been an active member of the Contract Cities Association during most of his service on the city council. He became a member of the executive board in 1973 after having served on various committees of the association. In the following years he assumed other officer positions: treasurer, 1974; secretary, 1975; second vice president, 1978; first vice president, 1977; and president in 1978.

Mr. Speaker, the honor that Mr. Belba is to receive on April 18 is one well deserved. The passage of proposition 13 and the reductions it made in local government revenues left cities in a very uncertain position. Charles Belba provided leadership when leadership was greatly needed and he made it possible for the association's member cities to survive in fine form.

My wife, Lee, joins me in congratulating him for his successful term as president of the California Contract Cities Association. His accomplishments during this crucial time will be long remembered and appreciated by those who follow as future presidents of the association. We would like to wish him and his wife, Beverly, continued success and happiness in the years to come.●

CONGRESSIONAL SALUTE TO THE HONORABLE OLGA P. KATZ OF NEW JERSEY OUTSTANDING CITIZEN, DISTINGUISHED LIBRARIAN, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ROE. Mr. Speaker, on Sunday, April 22, residents of Garfield, my congressional district and State of New Jersey will join with the officers and members of the Garfield Public Library in honoring an outstanding citizen and good friend, the Honorable Olga P. Katz, whose dynamic and energetic endeavors as director of the Garfield Free Public Library during this past half-century have truly enriched our community, State, and Nation.

Mr. Speaker, as we commemorate the retirement of Miss Katz from her directorship with the Garfield Public Library, I am pleased to join with her many, many friends in deep appreciation of all of her good works and share great pride in the success of her achievements. With your permission I would like to insert at this point in our historic journal of Congress a resolution unanimously adopted by the General Assembly of the State of New Jersey in testimony to the great respect and esteem we all feel for the quality of her leadership and sincerity of purpose in ever seeking the highest standards of excellence in service to our people. The resolution reads, as follows:

ASSEMBLY RESOLUTION OF THE STATE OF NEW JERSEY

Whereas, Miss Olga Katz, librarian of the Garfield Public Library, will retire on December 31, 1978 after more than 50 years of service; and,

Whereas, Miss Katz joined the library staff as assistant librarian in 1926 when the library was located in a rented store and had less than 2,000 volumes; and,

Whereas, With persistence and dedication she convinced the municipality to build a beautiful new library building in 1966, which now has over 68,000 volumes; and,

Whereas, The library now has a full range of audio and visual programs for children and adults and furthermore, has become, through Miss Katz's untiring effort and skill, one of the most widely used libraries in Bergen County; and,

Whereas, The city of Garfield owes a lasting debt of gratitude to Miss Katz for her more than fifty years of dedicated service to its citizens; now, therefore,

Be It Resolved by the General Assembly of the State of New Jersey:

That this House hereby heartily congratulates Miss Olga Katz upon her retirement, commends her for her many valuable years of service to the municipality of Garfield, and extends best wishes for her future happiness, prosperity and fulfillment; and,

Be It Further Resolved, That a duly authenticated copy of this resolution, signed by the Speaker and attested by the Clerk, be transmitted to Olga Katz.

Mr. Speaker, Miss Katz joined the staff of the Garfield Public Library in 1926 and within 2 years was elevated to the position of director where she served with distinction until her retirement on December 31, 1978. To provide you with a better understanding of her exemplary record of performance at the helm of one of our State's most prestigious public libraries, I would like to call your attention to a chronology of events that highlight the growth and development of this vast depository of knowledge. This history of the organization and expansion of the Garfield Public Library is, as follows:

History of the Library

The inception of the Garfield Public Library can be traced to a group of eighth grade pupils from School No. 2 on Palisade Avenue, who in 1923 inaugurated a movement which led the City Council to pass a library ordinance and appropriate $10,000.00 toward the establishment of a public library.

The first library was opened to the public on June 20, 1923 in a small store on Palisade Avenue near Grand Street. The next year it moved to 66 Belmont Avenue and remained there until 1932, when it was relocated to the second floor of a building on the corner of Palisade and Van Winkle Avenues. In 1935 the library moved into larger quarters occupying two stores at 45 Belmont Avenue, expanding into a third store in 1937.

By a vote of the people in 1941 the Library came under municipal control. A seven member Board of Trustees, with 5 members appointed by the Mayor, the Superintendent of Schools and the Mayor ex-officio run the library.

In 1958 a "Friends of the Library" was organized to promote the idea of a new library building, and in 1966, a Library Bonding Ordinance was unanimously adopted. On May 8, 1967 the present building at 500 Midland Avenue was opened to the public.

Mr. Speaker, in her daily career pursuits Miss Katz has indeed brought an outstanding record of service to the history of the Garfield Public Library which is a credit to her lifetime of dedication, devotion and personal commitment to the needs of our people. She has participated in many civic and community improvement programs. Throughout the years, Olga has been a very active member of the New Jersey Library Association serving as chairman and leading participant of many of its varied educational and cultural projects. She has served as a judge at the high school arts contests and woman's club craft shows. In her search for knowledge of the traditions and cultures of other nations which served her well in the reference and informational endeavors of her directorship with the Garfield Public Library, she has traveled worldwide with Europe, England, the Hawaiian Islands, and the Caribbean among her most noteworthy visits.

Mr. Speaker, it is a pleasure and privilege to seek this national recognition of Olga Katz and all of her good works. Her wealth of compassion, benevolence, and expertise in her lifetime profession as a librarian has made a major contribution to the quality of life and way of life for the residents of Garfield, the State of New Jersey, and the United States of America. We do indeed salute a beloved lady, distinguished librarian, and great American, the Honorable Olga P. Katz.●

NATIONAL HEALTH INSURANCE

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. QUAYLE. Mr. Speaker, in light of the current discussion regarding national health insurance, I have included in the Record the following article by former Secretary of the Treasury William E. Simon, from his book, "A Time for Truth." I believe it is important for my colleagues to read the comments of this distinguish financial expert.

The article follows:

National Health Insurance: A Bitter Pill We Shouldn't Swallow

(By William E. Simon)

Ever since his appointment as Secretary of Health, Education and Welfare (HEW), Joseph A. Califano, Jr., has issued an almost incessant stream of complaints about the system of American health care. It is, he says, "a vast, sprawling, highly expensive and virtually non-competitive industry, commanding an ever-larger share of our nation's resources."

His solution? "National health insurance to protect all Americans from the crushing burden of medical expenses is essential."

Perhaps the first thing to note here is the striking lack of logic. There is little competition in the health-care industry, Califano charges. Therefore, nationalize it. This is like saying that the way to solve the problem of the Imperial Presidency is to establish a monarchy. The concept of the divine right of kings would do little to democratize the White House. Nor would the socialization of health care increase competitiveness. Further, to imply that Americans now burdened with medical bills would be miraculously relieved of those burdens if their bills were first recycled through Washington is not only illogical but downright dishonest.

Fourteen years back, when the economy was booming, we were told that although national health insurance would be expensive, it was necessary because many Americans were receiving inadequate care. Then came Medicare and Medicaid, the problems of equity and access were alleviated, and we were told that we were not getting what we paid for—that the government should exercise control over the quality of care. Now the line has shifted again, from considerations of quality to those of cost, pure and simple: we're being told that we cannot afford not to have a comprehensive medical program.

True, there is a cost problem with our present health system (although medical costs have not kept pace with the rise in costs of other essential services). In 1977, the national bill for medical care came to more than $160 billion. But, as even the President's Council on Wage and Price Stability has admitted, "it is all too apparent that with current reimbursement programs and the ubiquitous and often conflicting morass of regulations, the federal government, instead of being part of the solution, is part of the problem of rising health-care costs." Partial federal intervention is already driving prices skyward; total federal intervention would accelerate the process. According to a 1977 Congressional Budget Office report, a national health-insurance program would cost the government an additional $14 billion to $138 billion annually (depending on the type of plan) by 1982.

But Califano and his planners simply skip around such figures. Many of the estimates cannot be accurate, say the planners, because they do not take into account the cost-cutting theories now espoused by the government.

One such theory involves preventive medicine, and runs this way: if financial barriers are eliminated on the primary level (doctors' offices, clinics, etc.) through health insurance, then minor health problems will be arrested before they develop into major problems, thereby reducing the cost of treatment.

On the face of it, this is an attractive theory. But on reflection it makes little sense, for the vast majority of our health problems are not problems that early care can prevent. Over the past year, how many of us have seen a doctor about a problem that an earlier visit would have prevented? A cracked rib, a cold, a digestive disorder—ailments like these form the bulk of the problems that we take to our doctors. None of them would be prevented by early visits.

There are, of course, extremely effective procedures for early detection and treatment of serious disease, like certain methods of cancer screening, and hypertensive medication for high blood pressure. But cost alone seldom prevents people from seeking such treatment. For many of us, the fact that we procrastinate springs from something infinitely more complex than a physician's fee, and the abolition of that fee would make the prospect of a visit to the doctor no more seductive.

Human nature presents a profound problem for preventive medicine. We cause most of our own basic health problems by eating too much, smoking too much and drinking too much. We drive cars unsafely, ignore seatbelts, refuse to exercise. Change those life-styles, preventive-medicine proponents say, and there will be far fewer health problems. All of which is true. But if advocates of preventive medicine actually believe that a socialized system would compel us to stop smoking simply because we could more easily afford to trot into our doctor's office and be told to do so, their view of human nature is hopelessly muddled.

Moreover, to characterize preventive techniques as "money-saving" is surely to miss an important point—we all die anyhow, and few of us die healthy. Save us from one thing, and we will eventually suffer from and die of another. And a great deal of money may be spent on us in the process. Consider: A man found to have operable prostate cancer at 40 may be saved to enjoy the benefits of a pacemaker at 65. Or a woman whose hypertension problems are brought under control at 60 may at 70 suffer from advanced senility and be placed in a nursing home. This treatment is as it should be, for prolonging life is what American medicine is all about. But here again we run into one of those great reversals of government logic, for a great deal more money will be spent on such patients than would have been spent had the earlier preventive techniques not succeeded.

Closely tied to the theory of preventive medicine is the assault on what has been called runaway medical technology. Federal planners argue that costs at the upper level need to be controlled. Give them the total health-care bill, they say, and they will hold down those costs by refusing to pay for certain "surplus" sophisticated and expensive equipment.

But do we really want that? It might mean, for instance, that a child with a brain tumor would not have access to a brain scanner that could pinpoint the tumor's location, or that the hospital nearest to a heart-attack victim would not have a cardiovascular unit. For, with the government determined not to pay for such equipment, it would not be purchased.

If Califano truly wanted to hold down costs and enhance the quality of care, he would start at the other end and eliminate services on the primary level. This is where health-care expenditures are truly wasted. Doctors are plagued by hordes of patients with self-treatable or transitory afflictions. There is the patient with the scratchy throat, or excessive or inadequate body hair, or a funny feeling in the right shoulder.

As third-party payments increase—and with them the illusion of free medicine—so does the number of patients with such minor complaints. Unlimited access, concludes a Rand Corporation study of national health insurance, would lead to a 75-percent increase in demand for medical services. Even if a national health-insurance plan covered only 75 percent of medical costs, a 30-percent increase in demand for services would occur. These increases would take place precisely where they are needed least and, what's more, would siphon off dollars essential to other health care.

Califano's most basic assertion is that health-care costs are spiraling out of sight. He would have us believe that this cost increase is outstripping the cost increase of all other commodities. But according to the Consumer Price Index (CPI), medical costs over the past decade have not risen nearly as rapidly as the costs of many other essential services. The following list shows what you paid at the end of 1978 for certain products and services that cost only $1 in 1967.

Medical care	$2.23
Auto maintenance & repairs	2.24
Home financing, taxes & insurance charges	2.69
Gas & electricity	2.38
Home maintenance & repairs	2.37
Water & sewer services	2.35
Postal fees (under government supervision)	2.57

Consider, as well, the Social Security tax bite: From 1967 through 1978, the maximum Social Security tax increased approximately twice as much as did health-care costs.

But Califano is not interested in figures that undermine his case—as is especially apparent in his assaults on pharmaceuticals. Among all major industries, pharmaceuticals have been one of the most successful at keeping prices down, and in terms of real dollars we pay considerably less for prescription drugs now than a decade ago. Between 1967 and 1978, according to the Bureau of Labor Statistics, prices for all goods rose 99.3 percent. The price of prescription drugs, however, rose less than 34 percent.

That figure is especially remarkable when you consider the effect of Food and Drug Administration regulations on the drug industry. During the early 1960s, it cost approximately $1.5 million, after basic research had been completed, to develop a new drug and win federal approval to market it. Today, that cost has risen to at least $15 million. Yet in 1978, when all costs were rising 8.3 percent, drug prices rose 7.6 percent.

One wishes, before Califano nationalizes medicine, that he would reassure us all by pointing to just one instance in which government intrusion into the private sector has resulted in a less-expensive product—or for that matter, a product of higher quality. To my knowledge, that has never happened, and it would be highly unlikely to happen in the complex field of health care.

But perhaps we needn't worry. The first target date for national health insurance was late 1977. Now Califano is talking about sometime this year. Meanwhile, the American people, already afflicted by inflation and threatened by a huge new Social Security tax bite, may decide they simply do not want to foot the bill for nationalized medicine. Besides, as most Americans who think about it have come to understand, we already have a comprehensive national health-care system, created by the private sector. And in comparison to the systems of those nations—especially Great Britain—where medicine has been socialized, it doesn't look bad at all.●

SSI AND ASSETS OF THE ELDERLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PICKLE. Mr. Speaker, I am today introducing a bill that is designed to discourage people with substantial resources from divesting themselves of these resources for little or no consideration and then applying for public assistance. The example most often called to my attention has been elderly people who give their assets away to their children in order to make themselves eligible for medicaid and enter a nursing home at the taxpayer's expense.

The major source of current concern stems from an oversight in the preparation of Public Law 92–603 which established the SSI program. As I understand it, a ban on eligibility for individuals who had transferred property was accidentally omitted from a final print of the bill and was never enacted. The SSI program today has no requirement on resource transfers other than that the transfer itself shall be valid under State law.

This problem was brought to my attention by the former director of the Texas Department of Human Resources, Raymond Vowell. Mr. Vowell, an outstanding administrator said that the problem of people pauperizing themselves in order to be eligible for public assistance was becoming a national scandal. Small town lawyers in my district wrote me of the problem that they could see in their own communities. I raised the problem in public hearings last year before the Ways and Means Committee and several other Members agreed that we need to take steps to solve this problem. The administration has also recommended that this be changed.

My bill would deny eligibility for an individual or his spouse, if, within the 12-month period immediately preceding, the person disposed of property of any type which had a value in excess of $1,000 for less than its fair market value, and which if retained by the person would cause the person to be found ineligible for benefits under this act.

This is simple fairness. The taxpayers should not be asked to support those who can easily support themselves.

I am attaching a letter from Mr. Jerome Chapman, the present commissioner of Human Resources in Texas that gives a few case examples to give us an idea of the resources that are being transferred.

The letter follows:

TEXAS DEPARTMENT
OF HUMAN RESOURCES,
Austin Tex., March 27, 1979.

Hon. J. J. (JAKE) PICKLE,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN PICKLE: The Department of Human Resources increasingly has become alarmed at the number of individuals who have transferred resources in order to qualify for Medicaid benefits. The lack of legislation in this area increases both state and federal expenditures for medical care of individuals who have been financially able to provide for all or part of their own needs before the disposal of excess resources to qualify for benefits.

Public Law 92–603 requires states to use the Supplemental Security Income eligibility criteria in determining eligibility for Medicaid benefits. This is mandatory in states such as Texas, where the state elected to cover all SSI recipients for Medicaid coverage rather than utilize a spend-down provision. Title XVI of the Social Security Act establishes eligibility criteria for the SSI Program. Under this law, there is no prohibition to the transfer of property to qualify for federal and state benefits.

An opinion was formally requested from the Department of Health, Education, and Welfare as to whether Texas could prohibit the transfer of property under a State law. Official response from DHEW indicated that a state could not prohibit the transfer of property for the purpose of qualifying for Medicaid benefits because such a prohibition would conflict with the Social Security Act as amended by Public Law 92–603.

Under the state assistance programs, before the implementation of the SSI Program in January 1974, there was a five-year limitation imposed on any transfer of property. If any includible resource had been transferred within five years from the date of application, that transfer would be evaluated to determine if the intent was to attain eligibility for assistance. If this were the determination, assistance was denied.

The SSI Program has no such restrictions. Our staff continually encounters applicants who have excess resources when an application for assistance is filed. Once the applicants are advised that they have excess resources and are ineligible, they transfer the resources and reapply for assistance. The transfer of resources may involve a few dollars or, more commonly, thousands of dollars. The fact that these individuals, who could provide for their own medical needs, are eligible while an individual who has 10 cents over the monthly income limit is ineligible with no resources to rely on, is contrary to the intent of the program to assist those in need.

A few case examples are included below to give you an idea of the resources which are being transferred in order to attain eligibility for the SSI and Medical Assistance Only (MAO) programs:

A client in one county transferred six sections of farm land worth $1,500,000. This transfer left her totally without income so that the state now pays her entire nursing home bill.

A client in another county transferred $165,440 in CD's and an unknown amount of property in Indiana.

One client transferred to her son a $20,000 AT & T Bond that earned $2,000 per year, and another client transferred $33,000 and a homestead to his family.

A client transferred $30,000 cash to relatives, and another client transferred $25,000 cash.

Another client transferred a $50,000 home and furnishings worth at least $25,000 to her son. One oil painting later sold for $17,500.

An individual transferred $101,750 in promissory note and warranty deeds. These resources were producing monthly income.

An applicant transferred $112,000 in stocks and bonds to her son.

These examples represent some of the more glaring transfers. However, contact with the local eligibility staff to obtain case examples indicated that $30,000 and $40,000 transfers are common. We cannot estimate the total dollar impact on the Medicaid program as a direct result of the lack of a transfer of property prohibition.

It can be assumed that the impact is considerable because the Medicaid benefits these individuals receive are costly nursing home care services and other Title XIX benefits.

The lack of an effective mechanism to prohibit the transfer of excess resources for persons to acquire benefits is costing many state and federal dollars. This lack of control is not consistent with the program intent and current efforts to reduce costs.

We understand the desire of people to provide estates for their families, but we do not believe that it is the responsibility of other taxpayers to subsidize inheritances. We, therefore, recommend that Public Law 92-603 be amended to prohibit transfer of property for the purpose of becoming eligible for federal or state medical benefits.

Sincerely,

JEROME CHAPMAN.●

OKLAHOMAN WINNER OF VOICE OF DEMOCRACY CONTEST

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. WATKINS. Mr. Speaker, my home State of Oklahoma is very proud to recognize Robert Lynn Scivally of Marietta, Okla., as the winner of the State Voice of Democracy Contest. The Voice of Democracy scholarship program was started 32 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. Now the Veterans of Foreign Wars assume sole sponsorship responsibility, and more than 250,000 secondary school students participated this year in the contest competing for the five national scholarships which are awarded as top prizes.

Robert Lynn Scivally is a top student at Marietta High School, and has received numerous speaking awards, among his many accomplishments. He is recognized as a leader of his peers, and has aspirations of entering the legal field upon graduation from college. I would like to take this opportunity to bring Bobby's award-winning speech to the attention of our colleagues. It focuses on the contest theme, "Why I Care About America."

The text of the speech follows:

WHY I CARE ABOUT AMERICA

America—a nation born into a world of oppressed people—was committed from the first to being a "people oriented" society where personal freedom and equality were of the highest priority. The written message of independence proclaimed to the world that "all men are created equal" and the Constitution soon followed documenting the rights of every American. The national pledge was concluded with a promise of "liberty and justice for all" and these goals and ideals soon became the dreams of the world as the Statue of Liberty beamed its invitation of "give me your tired, your poor, your huddled masses yearning to breathe free." Yes, America was a nation founded on a promise that every American has the right to be free, yet the implementation of these goals and ideals has not been easy—at times the light of reality has been harsh and brutal. Just as a look at our symbolic liberty bell reveals a crack—so a close look at America's actions reveals flaws. Yet, as a nation, determination to work toward those goals and ideals have never faltered.

Man's "equal protection under the law" with his right to a day in court has moved steadily forward as the chains of poverty, racism, and sex have been systematically cast aside. Man's right to know and understand those rights has been steadily reinforced as students have been legislated out of economic slavery and into the classrooms of the nations.

Man's right to be free from fear has taken many forms. It allows Americans to go to sleep at night secure in the knowledge that they will not be awakened by the hob-nailed boots of a secret police. It allows Americans to roam the nation over, secure in the knowledge that devastating disease and epidemics are not around the next bend in the road. It allows Americans to be free of the fear of repression for speaking what is on their minds. It allows Americans to relax knowing they are free from the fear of want—content in the knowledge that there will be food and medicine available tomorrow. It It allows Americans to be free of the fear of persecution and restriction as they worship the God of their choice in their own way—or if they so choose—not to worship at all. Yes, America provides a freedom from fear in many ways.

But America does even more. She gives us the freedom of choice. We can raise Iowa corn, Idaho potatoes, Kansas wheat, or Florida citrus. We can drill oil in Texas, mine coal in Pennsylvania, build cars in Michigan, or write music in Tennessee. We can live in a small frame house in West Virginia or on the top floor of an apartment building in Los Angeles. We can ski in the Rockies, fish in the Gulf, surf in Hawaii, gamble in Nevada. We can follow the student-laden yellow school buses on their weekly pilgrimages to the local ball games with fingers crossed hoping for that first victory of the season, or we can lean back in our chairs, prop our feet up, and watch John Wayne amble across the television screens knowing that the "good guys" will win. Yes, Americans have the right to choose.

No one laughs when the kid from the wrong side of the track says, "I want to be the next Senator." No one smiles when the millionaire's son decides he is going to be a farmer. No one protests when the middle-aged housewife returns to college. No one objects when the girl next door says she wants to be a movie star. We can wear our hair long and straight, short and cury, flat on top, or shaven off. We can dress up or dress down to go to the supermarket or to church.

In conclusion—

The right to breathe free.

The freedom from fear.

The freedom of choice.

I care for America because wherever I live and whatever I do, however foolish or great it may be, America is home. America cares for me; she lets me be me.●

SEVENTY-FIVE CONGRESSMEN INTRODUCE FULL-TIME RADIO BILL

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FINDLEY. Mr. Speaker, today 74 of my colleagues, including the chairman of the Communications Subcommittee, join me in introducing H.R. 1850, a bill to insure that all Americans receive local nighttime radio service. Today 46 million Americans lose their only source of local AM radio news, weather, community information, and entertainment each evening when the sun goes down. Under Federal Communications Commission regulations, the stations that are forced off the air at sunset are not permitted to begin broadcasting again until sunrise the next morning. During the winter, when the weather is harshest and storms can arise with unpredictable speed and fury, many of these stations must leave the air at 4:30 p.m. and cannot return until 8 a.m. By that time, local weather conditions may have made roads impassable, closed schools and work places, and caused the cancellation of community events. Yet the tens of millions of Americans affected may be unable to learn whether to take the kids to school or go to work themselves until after school or the work hour has already started—all because their local radio station is not permitted on the air until the sun comes up.

Yet the problem is more fundamental than one of dispersing vital information on the weather, school closings, and community activities. At base, the issue is whether tens of millions of Americans should needlessly be discriminated against and denied fair access to the Nation's airwaves. Although the airwaves belong to all Americans, currently those living in small towns and rural areas are denied fair use of them. While those who live in the major metropolitan centers usually have a broad selection of stations to which to listen day and night, Americans living outside of these big cities often have only one daytime station and no local radio service at all. This leads to the anomaly that residents of small towns may be able to learn of traffic conditions on the George Washington

Bridge in New York or the Dan Ryan Expressway in Chicago, but cannot learn whether the roads in their own town are passable. They may be able to listen to a high school basketball game in a distant city but be unable to hear their local team play in the high school gym.

ERA OF THE CRYSTAL SET

The origin of this problem goes back to the early part of this century when radio was still in its infancy. In those days, Government planners assumed the vast electromagnetic frequency spectrum could accommodate a virtually unlimited number of radio stations. Indeed, prior to World War II there was no reason for them to believe otherwise. Large, powerful stations in the Nation's big cities produced and distributed nationwide an extensive variety of news and entertainment that drew the family together around the radio set each evening to listen to programs filled with drama, mystery, suspense, and comedy. Many still remember programs like "The Shadow," "The Lone Ranger," "Our Gal Sunday," and a host of others. Jack Benny, Fred Allen, Arthur Godfrey, and dozens of other personalities became institutions, and their weekly programs were eagerly awaited by everyone. It mattered not at all whether you listened to them over a local station or a distant one, because all network stations carried the same program at the same time. It was live entertainment with a special magic all its own, and that made up for the lack of diversity in programing beyond the limited fare offered by the three networks.

Today, all of that is changed. Virtually all radio programing is now local in nature. Network shows are almost nonexistent, and the only thing distributed nationally is 5 minutes of hourly news. More than 90 percent of all radio programing is planned, originated, produced, and put on the air in 4,500 separate AM radio studios across the Nation. Local service to the community has become the byword of most stations. Public service announcements of community activities, local news and events, local weather, and programing tailored to the likes and dislikes of the hometown community are the mainstay of most broadcasters. With this change in focus, the programs from distant radio stations located in big cities have become less useful to the residents of small towns and rural areas. Metropolitan news and public service information is usually totally inappropriate, and the programing may not reflect the cultural and community preferences which often characterize a vastly different way of life usually found in small towns.

Yet, unaccountably, the regulations governing radio broadcasting have not changed with the times. The Federal Communications Commission still adheres to engineering and spectrum allocations policies adopted in the era of the crystal set. Despite the fact that the Commission has had the power to solve the problem at any time over the last 30 years, it has for no apparent reason chosen a course of inaction, delay, and stall. Incredibly, for more than 30 years the FCC has had two rulemaking proceedings—Docket 6741 and Docket 20642—open to deal with this problem. And after 30 years of trying, the best the Commission could come up with was its proposal in January 1979, to create a maximum of 125 new radio stations. With a total of 2,300 daytime-only stations serving tens of millions of Americans across the country, the FCC proposes only to create 125 new stations. The Commission's proposal is so small as to be virtually meaningless, just as its conduct of Dockets 6741 and 20642 has been meaningless over the past 30 years.

SOLUTIONS ABOUND

One might think that if it takes 30 years for the FCC to come up with a nonsolution to the problem, the issue must be so difficult and complex that it admits of no solution. Indeed, the Commission would have Congress believe just that. In response to one reporter's inquiry, David Landis, acting chief of the FCC's Broadcast Facilities Division, criticized my resolution in the last Congress, saying:

> I think it's very bad for Congress to reach into a highly technical area and try to meat axe a result when surgery is probably indicated. This is the type of problem the Commission was created to resolve.

After more than 30 years under the knife, it is a miracle that the FCC's patient—daytime-only radio—has not died already. Many suspect that the death of its patient would not at all distress the Commission and that is why it is dragging out its proceedings.

The simple fact is that there are several ways (at least) to resolve the problem. While all of them will dramatically increase the number of full-time stations in the country, some are more broadly accepted than others.

MULTIPLE ASSIGNMENTS ON CLEAR CHANNELS

One proposal is to make multiple assignments of radio stations to the 25 channels which currently have only one or two stations on them. While the six class IV radio channels allocated by the FCC to local service have an average of 170 stations apiece on them, 25 channels have only a few full-time stations on them. For example, 600 kHz is assigned only to one station—WNBC—in New York City. No place else in the country is there another full-time station on this channel. Yet its signal cannot be heard with any regularity west of Chicago, and even in parts of Indiana its signal is so weak it can be heard only 50 percent of the time. The vast majority of people living outside the metropolitan New York area listen to other closer stations, of course. The FCC has proposed to protect the signal of WNBC and the other 24 clear channel stations up to 750 miles from their city of license, that is, protect WNBC's signal west of Chicago. This is the meaningless proposal I referred to earlier which will create only an additional 125 new stations, not nearly enough to serve the tens of millions of Americans who are today without full-time local radio service. Without specifically proposing it, the Commission has also suggested the possibility of solving the problem by protecting the signal of the 25 clear channel stations out to 100 miles from their city of license. Under this possibility, WNBC could provide interference-free service to all of the metropolitan New York area, as far north as Hartford, Conn., as far west as Scranton, Pa., and south to Philadelphia. Over 1,000 new stations could be created by using this alternative and permitting multiple full-time assignments on these clear channels.

CONSOLIDATION

A second alternative is for the FCC to consolidate the 25 clear channel stations on 11 channels. Under this proposal, each station would remain in its approximate position on the dial, moving no more than 30 kHz, and generally much less or none at all. By using directional antennas, they would cause no interference to each other and would be able to continue to provide an interference-free signal hundreds, and in some cases thousands of miles distant from their stations. Here is how the plan would work:

CONSOLIDATE 25 CLEAR CHANNELS

New frequency assignments, call letters and location, and 14 frequencies to be reassigned as full-time Class IV locals:

1210 kHz: WOAI San Antonio, Tex.* and WCAU Philadelphia, Pa., 1200 kHz.

1160 kHz: KSL Salt Lake City, Ut.* and WHAM Rochester, N.Y., 1180 kHz.

1120 kHz: KMOX St. Louis, Mo.* and WWWE Cleveland, O., 1100 kHz.

1030 kHz: WBZ Boston, Mass.*, KDKA Pittsburgh, Pa., and WHO Des Moines, Ia., 1020 kHz and 1040 kHz.

880 kHz: WCBS New York City, N.Y.*, WLS Chicago, Ill., and WWL New Orleans, La., 890 kHz and 870 kHz.

830 kHz: WCCO Minneapolis, Minn.*, WGY Schenectady, N.Y. WBAP Ft. Worth, Tex., and WHAS Louisville, Ky., 810 kHz, 820 kHz, and 840 kHz.

760 kHz: WJR Detroit, Mich.*, WABC New York City, N.Y., and WSB Atlanta, Ga., 770 kHz and 750 kHz.

720 kHz: WGN Chicago, Ill.*

700 kHz: WLW Cincinnati, O.*

670 kHz: WMAQ, Chicago, Ill.*

650 kHz: WSM Nashville, Tenn.*, KFI Los Angeles, Calif., and WNBC New York City, N.Y., 640 kHz and 660 kHz.

If this plan were adopted, 14 channels currently occupied by clear channel broadcasters would be freed for any full-time local service. At an average of 170 stations per channel, these 14 channels would make it possible for 2,380 daytime-only stations to begin providing full-time service to the tens of millions of Americans currently denied it. These 14 channels would without question get the job done that needs to be done.

To be sure, some clear channel broadcasters do not favor this approach. They believe that they should be permitted to provide unlimited service in all directions. However, the limitations imposed by the consolidation plan are minor. First, 11 of the stations would not have to change channels. The other 14 stations would remain in the approximate position on the dial they currently occupy, moving between 10 and 30 kHz to their new frequency. No one can argue that they would lose listeners as a result of such a move.

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*Station not required to move from present assignment.

Second, all stations would continue to provide unlimited radio service in all directions during the daytime. The only nighttime limitation on their signal would be in the direction facing another station on the same channel. Yet even this limitation is minor as the chart indicates. Most stations will have only two other stations on the same channel, and some are so widely separated—as are New York and Los Angeles—that there is no effective limitation whatsoever. The closest stations on the same channel are still separated by 500 miles or more. Thus, each of these stations can provide virtually unlimited service in all directions but one, and even in that one direction, they will still be able to provide radio service 250 miles away from their city of license—a distance greater than between New York City and Washington, D.C.

The separation between most stations under this plan is even greater, averaging more than 800 miles, and in some cases it is as much as 1,400, 1,500, 1,700, and 2,400 miles—literally coast to coast.

REDUCE CHANNEL SPACING TO 9 KHZ

Yet a third method of providing more local nighttime radio service is to reduce channel spacing from 10 kilohertz to 9. Currently, there is a radio channel every 10 kilohertz on the AM band, so that the first channel is at 549 kHz, the next at 550, the next at 560, and so on up to 1,600 kHz, for a total of 107 channels in the AM band. In Europe, Asia—in fact the rest of the world except the Americas—radio channels are spaced 9 kilohertz apart. And they operate just as efficiently, in fact, more so. In all other parts of the world, the first station is found at 540 kHz, the next at 549 kHz, the next at 558 kHz, the next at 567, and so forth, so that by the time 1,600 kHz is reached they have 12 more radio channels than we have in the United States, or a total of 119 channels in the AM band. If the United States were to adopt the same system that has proven effective for decades in the rest of the world, we too could have 12 extra channels upon which to assign hundreds of new full-time radio stations. In fact, at an average of 170 stations per channel, these 12 new channels would accommodate 2,040 full-time stations, plenty to allow each daytime-only station in the country which wants to broadcast full-time to do so. This proposal would allow tens of millions of Americans for the first time to have local nighttime radio service.

The 9 kHz plan is fully supported by the Carter administration. On January 10, 1979, Henry Geller, Assistant Secretary of Commerce for Communications and Information, filed a petition with the Federal Communications Commission calling for a reduction in AM channel spacings from 10 kHz to 9 kHz. The National Telecommunications and Information Administration and its prestigious laboratory at Denver, Colo., have concluded that the 9 kHz proposal would not only provide an abundance of additional channels that could be used to provide full-time local service nationwide, but the agency also sees the 9 kHz proposal as one which will improve overall service and eliminate much interference that currently plagues all radio broadcasters worldwide from distant nighttime skywave signals.

Many radio station owners, including some of the clear channel broadcasters, prefer the 9 kHz proposal, because it would cause them the least disruption and little or no additional interference. The clear channel broadcasters prefer it, because it would allow them to remain the sole station assigned to their frequency. Although many stations would have to change their frequencies 1, 2, 3, or 4 kilohertz, no full-time broadcaster would have to move more than 4 kilohertz from his present assignment. No listener would even know that the change had been made, since even a 4-kilohertz move is almost imperceptible on the dial. Here is how the plan would work:

9 KHZ SEPARATION PLAN

New 9 kHz channels to which broadcasters would be assigned	Old 10 kHz channels from which borad-casters would move	12 new channels for full-time use—other comments
539 kHz	540 kHz	
548	550	
557	560	
566	570	
75		New class IV channel for 170 new full-time stations.
584	580	Same—no change.
593	590	
602	600	
611	610	
620	620	
629	620	
638	640	
647	650	
656	660	
665		New class IV channel for 170 new full-time stations.
674	670	Same—no change.
683	680	
692	690	
701	700	
710	710	
719	720	
728	730	
737	740	
746	750	
755		New class IV channel for 170 new full-time stations.
764	760	Same—no change.
773	770	
782	780	
791	790	
800	800	
809	810	
818	820	
827	830	
836	840	
845		New class IV channel for 170 new full-time stations.
854 kHz	850 kHz	Same—No change.
863	860	
872	870	
881	880	
890	890	
899	900	
908	910	
917	920	
926	930	
935		New class IV channel for 170 new full-time stations.
944	940	Same—No change.
953	950	
962	960	
971	970	
980	980	
989	990	
998	1000	
1007	1010	
1016	1020	
1025		New class IV channel for 170 new full-time stations.
1034	1030	Same—No change.
1043	1040	
1052	1050	
1061	1060	
1070	1070	
1079	1080	
1088	1090	
1037	1100	
1106	1110	
1115		New class IV channel for 170 new full-time stations.
1124	1120	Same—No change.
1133	1130	
1142	1140	
1151	1150	
1160	1160	
1169	1170	
1178	1180	
1187	1190	
1196	1200	
1205		New class IV channel for 170 new full-time stations.
1214 kHz	1210 kHz	
1223	1220	
1232	1230*	
1241	1240*	
1250	1250	
1259	1260	
1268	1270	
1277	1280	
1286	1290	
1295		New class IV channel for 170 new full-time stations.
1304	1300	
1313	1310	
1322	1320	
1331	1330	
1340	1340*	
1349	1350	
1358	1360	
1367	1370	
1376	1380	
1385		New class IV channel for 170 new full-time stations.
1394	1390	
1403	1400*	
1412	1410	
1421	1420	
1430	1430	
1439	1440	
1448	1450*	
1457	1460	
1466	1470	
1475		New class IV channel for 170 new full-time stations.
1484 kHz	1480 kHz	Same—No change
1493	1490*	
1502	1500	
1511	1510	
1520	1520	
1529	1530	
1538	1540	
1547	1550	
1556	1560	
1565		New class IV channel for 170 new full-time stations.
1574	1570	
1583	1580	
1592	1590	
1601	1600	

EFFECT OF 9 kHz PLAN ON FULL-TIME STATIONS

[All 2,300 daytime only stations would be required to change channels]

	Number of full-time stations	Percent of all full-time stations	Number of AM channels involved
No change	282	12.89	11
Move 1 kHz	454	20.75	24
Move 2 kHz	598	27.35	24
Move 3 kHz	579	26.46	24
Move 4 kHz	275	12.57	24
Total	2,188	100.00	107

*6 existing class IV local stations, each of which has about 170 stations.

Data from "Broadcasting 1977 Yearbook".

COMBINATIONS OF 9 KHZ, CONSOLIDATION AND MULTIPLE ASSIGNMENT PLANS

Each of the three plans I have mentioned would, by itself, yield a considerable number of new radio assignments that could be used to provide local nighttime radio services for tens of millions of Americans who are currently denied it. Some of the plans would provide for more stations than others and, of course, some would be more acceptable to various classes of broadcasters than other plans. To the extent that some broadcasters do not favor certain aspects of some of the proposals, any problem can in most cases be ameliorated by adopting some combination of two or three of the proposals I have suggested. With a little creativity, the Federal Communications Commission can without question design a new spectrum allocation plan which provides all existing broadcasters the opportunity to provide high quality full-time service to everyone they are currently serving. Such a plan would also provide opportunities for new assignments in unserved areas or for populations—such as minority groups—which have their own individual listening habits.

In addition, there are undoubtedly still other ways to provide additional local broadcast service within the overall framework currently existing in the United States. I have no doubt that the Federal Communications Commission, with its vast experience and expertise, can develop a radio broadcast system that provides an abundance of local service and opportunity for all Americans, no matter where they live, no matter who they are. no matter what programing they prefer.

DAYTIME BROADCASTERS WANT TO PROVIDE FULL-TIME SERVICE

Why the Commission has not provided the opportunity for more local radio service is beyond me. The vast majority of daytime-only broadcasters want to stay on the air longer hours than they are presently permitted. They want to provide their listeners with local community news and weather, emergency information, and local programing and entertainment, no matter what time of day or night it is.

In a recent survey I conducted, I asked daytime-only broadcasters across the country whether they would like to extend their hours of operation beyond those presently permitted. I also asked whether any other station is providing full-time local service, and whether they would be willing to limit their power and change their frequency—to the other end of the dial if necessary—to broadcast full time.

Of the 964 daytime-only broadcasters who responded, all but four told me they would like to broadcast longer hours than they are currently permitted by the FCC.

Those daytime-only stations that are located in a city with no other local radio totaled 558.

And 714 of the daytime-only stations—including the one owned by the chairman of the board of the National Association of Broadcasters—told me they would gladly move anywhere on the dial and limit their power to 1,000 watts if by doing so they could operate full time. The significance of this latter figure is that the listeners to these 714 stations have grown accustomed to finding them at the same place on the dial every day. If the broadcasters move to another spot on the dial, they risk confusion and some loss of listeners. Yet, these broadcasters are so desperate to provide full-time service to their listeners that they are willing to risk anything and move anyplace on the dial to get a full-time assignment. None of the three plans I suggested previously would require any of the existing full-time stations to leave their familiar place on the dial and risk losing their listenership, because none of the plans I have proposed would cause them to move more than an imperceptible amount. Only the daytime-only broadcasters would be asked to move willy-nilly across the dial, yet they are willing to do so if that is what is necessary.

Here is a State-by-State breakdown of my survey:

States	Responses	Would like to extend hours of operation		Our station is the only one in our city		Would be willing to change channels and limit power		Listening audience[1]
		Yes	No	Yes	No	Yes	No	
Alabama	35	35		18	15	21	6	1, 043, 914
Arizona	9	9		4	5	8	1	444, 086
Arkansas	22	22		13	9	15	4	1, 186, 210
California	33	33		16	15	24	2	3, 189, 983
Colorado	11	10		5	3	4	3	1, 443, 883
Connecticut	5	5		4	1	4	1	660, 255
Delaware	3	3		3		3		128, 600
Florida	41	41		14	21	28	5	1, 776, 648
Georgia	50	50		23	22	35	5	2, 317, 742
Idaho	7	6		3	3	4	1	393, 792
Illinois	32	31		24	5	20	6	3, 528, 039
Indiana	27	27		17	10	24	1	1, 720, 534
Iowa	27	27		17	9	20	3	1, 412, 757
Kansas	13	13		11	2	11	1	1, 055, 049
Kentucky	27	27		18	9	20	6	1, 662, 167
Louisiana	25	25	2	19	6	20	3	783, 140
Maine	5	5		5		3	1	446, 025
Maryland	14	14		9	5	10	2	679, 328
Massachusetts	9	9		6	3	7	2	1, 069, 228
Michigan	16	16		10	4	12	1	3, 447, 500
Minnesota	29	29		20	4	22	4	1, 589, 660
Mississippi	22	22		13	9	12	4	1, 178, 830
Missouri	36	35	1	16	12	27	4	1, 461, 528
Montana	3	3			2	3		353, 029
Nebraska	16	15	1	10	6	10	2	646, 142
Nevada	3	3		1	2	3		91, 883
New Hampshire	4	4		2	2	4		112, 167
New Jersey	15	15		13	2	13	1	455, 056
New Mexico	5	5		3	2	2	3	565, 660
New York	41	41		25	15	33	3	679, 100
North Carolina	55	55		24	30	44	7	795, 734
North Dakota	6	6		4	2	5		339, 872
Ohio	38	38		23	15	30	2	1, 291, 253
Oklahoma	15	15		12	3	14	1	448, 739
Oregon	18	18		7	10	13	1	148, 951
Pennsylvania	44	44		27	16	33	8	1, 551, 245
Rhode Island	2	2		1	1	2		205, 596
South Carolina	1	1			1	1		827, 944
South Dakota	8	8		2	6	8		425, 557
Tennessee	34	34		16	19	24	7	527, 294
Texas	65	65		44	21	53	3	1, 522, 809
Utah	5	5		2	3	4	1	142, 137
Vermont	4	4		2	2	3	1	60, 128
Virginia	31	31		19	10	17	5	617, 178
Washington	11	11		3	7	7		454, 505
West Virginia	11	11		6	5	6	5	278, 863
Wisconsin	29	29		20	8	22	1	579, 961
Wyoming	1	1			1	1		198, 361
Miscellaneous	10	10		7	3	6	3	
Total	973	968	4	561	36	715	120	45, 937, 702

[1] Source: Daytime Broadcasters Association.

COMMUNICATIONS REWRITE OFFERS HOPE

Because of the dismal performance of the FCC on this and similar issues, our colleagues, LIONEL VAN DEERLIN, who is chairman of the Communications Subcommittee, JIM COLLINS, the ranking Republican, and JIM BROYHILL, a senior member, have introduced H.R. 3333, a bill to amend the Communications Act of 1934. Section 413 of this bill incorporates fully the text of my bill, H.R. 1850.

Chairman VAN DEERLIN and Congressmen COLLINS and BROYHILL recognize fully the importance of providing tens of millions of Americans with the first local nighttime service they have ever had. They know that there are practical ways to accomplish this goal without impairing existing radio service. Chairman VAN DEERLIN has pledged to me his determination to work for the accomplishment of this goal.

This new legislation, excellent in so many other ways, conveys a stiff message to the Federal Communications Commission—find some way to allow existing daytime-only broadcasters to serve their communities full-time. I hope that the Commission will at long last act to fulfill this worthy goal. But if the FCC does not act, I have no doubt that Congress will.

List of cosponsors follows:

H.R. 1850 COSPONSORS

Joseph P. Addabbo (N.Y.), Bill Alexander (Ark.), Jerome A. Ambro (N.Y.), John B. Anderson (Ill.), Berkley Bedell (Iowa), Tom Bevill (Ala.), Mario Biaggi (N.Y.), Beverly B. Byron (Md.), William Carney (N.Y.), Tom Corcoran (Ill.), Baltasar Corrada (P.R.), Lawrence Coughlin (Pa.), Butler Derrick (S.C.), Thomas J. Downey (N.Y.), Robert F. Drinan (Mass.), John J. Duncan (Tenn.), Robert W. Edgar (Pa.), Billy Lee Evans (Ga.), Paul Findley (Ill.), Daniel J. Flood (Pa.), James T. Florio (N.J.), Edwin B. Forsythe (N.J.), L. H. Fountain (N.C.), Bo Ginn (Ga.), Dan Glickman (Kans.), William H. Gray III (Pa.), and Lamar Gudger (N.C.).

Tennyson Guyer (Ohio), Tom Hagedorn (Minn.), Sam B. Hall, Jr. (Tex.), James J. Howard (N.J.), William J. Hughes (N.J.), Ed Jenkins (Ga.), John W. Jenrette, Jr. (S.C.), Ray Kogovsek (Colo.), Robert J. Lagomarsino (Calif.), Clarence D. Long (Md.), Trent Lott (Miss.), Larry McDonald (Ga.), Robert C. McEwen (N.Y.), Edward R. Madigan (Ill.), Andrew Maguire (N.J.), Dan Marriott (Utah), Dawson Mathis (Ga.), Robert H. Michel (Ill.), Abner J. Mikva (Ill.), Clarence E. Miller (Ohio), G. V. Montgomery (Miss.), Stephen L. Neal (N.C.), Richard Nolan (Minn.), James L. Oberstar (Minn.), Leon E. Panetta (Calif.), and Edward J. Patten (N.J.)

Donald J. Pease (Ohio), Richardson Preyer (N.C.), Melvin Price (Ill.), Charles B. Rangel (N.Y.), Matthew J. Rinaldo (N.J.), Robert A. Roe (N.J.), Charles Rose (N.C.), Fernand St Germain (R.I.), Paul Simon (Ill.), John M. Slack (W. Va.), J. William Stanton (Ohio), Steven D. Symms (Idaho), Lionel Van Deerlin (Calif.), G. William Whitehurst (Va.), Robert Whittaker (Kans.), Jamie L. Whitten (Miss.), Charles Wilson (Tex.), Chalmers P. Wylie (Ohio), Gus Yatron (Pa.), Don Young (Alaska), Robert A. Young (Mo.), and Leo C. Zeferetti (N.Y.).●

THE CRITICAL UNMET NEEDS OF POOR AMERICANS

HON. MICHAEL E. LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. LOWRY. Mr. Speaker, in our budget deliberations this year, I think it is very important to remember the critical unmet needs of poor Americans. As we approach the 1980's, Mr. Speaker, I strongly urge the Congress to rededicate itself to addressing the severe economic problems of many poor citizens. The alternative is to cut or hold the line on social, educational, vocational, housing and health programs—to save some Federal money today at a much greater social cost later. That would be a mistake.

Many poor citizens are cynical of Government now—with a large degree of justification—and they will not passively accept Federal retrenchment or disregard of their pressing, legitimate problems. Vernon Jordan of the National Urban League recently warned of a new rebellion against social injustice on the horizon. I do not think that was an idle threat or a merely political warning, but a realistic assessment of the mood on the streets.

Even in the booming Seattle area, which I represent, there is a large pocket of poverty. High rates of unemployment, lack of housing and inadequate public health care exist right in the shadow of the booming Boeing, Port and tourist industries.

Jerome Page, the highly respected executive director of the Seattle Urban League, summarized the continuing plight of poor Americans and the probable consequences, in a March 12, 1979, speech which I commend to my colleagues.

UNLESS WE ACT NOW

Last year, we met our basic objectives—our program goals were achieved, with the Seattle Urban League staff and board performing very effectively in their respective roles.

For example, our on-the-job training program placed a record number of trainees, and our minority skills bank—an employment for minorities with professional skills—had a successful placement rate of 41 percent. We instituted an OJT program for veterans, and we received a $106,000 grant from the Office of Education to provide desegregation support services. And our state Social Worker of the Year continues to do the impossible—"educate legislators."

We did do a lot last year, and the Seattle Urban League board and staff have reasons to be proud of our accomplishments.

But, looking at the overall picture over the slightly longer period of one decade, the goals and objectives and accomplishments become much more hazy and much less clear.

The unemployment rate among blacks, especially black youths, is as high as ever.

After years of struggle, and after the work of Judge Lindberg, minorities are, for the most part, still locked out of trade unions.

And after two decades of struggle, we still have not yet reached our goal of totally desegregating all of our schools.

And thousands of people are still expected by some government authorities to somehow be able to root and grub and survive on a less-than-poverty level income—an impossible task.

We are kidding ourselves if we simply think that achievement of a few program objectives is somehow the equivalent of solving some of the massive social problems that beset our society.

The Seattle Urban League has been in existence for a long time, trying to put itself out of business by achieving its mission of eliminating racism and discrimination, and providing equality in jobs, in schools, in housing, in health.

The fact remains that we are still in business, and that's not good news In the private corporate sector, it is always good news to hear that "business is booming," or that "business is better than ever."

But in our business, to say that business is booming does nothing more than underline once again the plain fact that despite all of our efforts, the gap between minorities and the poor—and the rest of prosperous Seattle—is continually widening.

We hear on one hand that business is booming in Seattle, and it is. The aerospace industry is going like never before, office buildings are going up, hotels are going up, tourism is increasing. But our business is booming, too, and that's not good news

Every day, we see more people than ever before. People who have been shunted aside, people out of work, people who are unemployed, underemployed, people who don't have the benefit of a good education, or of any education. We see thousands and thousands of people who are out of work and looking for jobs. And work, in our achievement-oriented culture, is much more than a sources of income. Work is the primary source of status and self-esteem, and the psychological impact of being out of work is as devastating as the economic impact.

We have thousands of people out of work, mostly minorities, and most certainly poor. And, on the other hand, we have prosperous Seattle, those who are getting their fair share. And the gap between the two groups is widening, with frightening consequences. We need to build bridges between these two groups, and we need to build bridges now.

We have responded to some bridge problems out here in this part of the country, but the way we've responded points out the very crisis I am talking about—the need to reorder our priorities. Our priorities are all wrong.

The West Seattle Bridge gets hit. It stays up, and the government immediately gets in gear, with influential movers in our government going to great trouble to find ways to immediately bring the bridge back down, or repair it, replace it, or do something with it.

Another bridge gets hit—this time by a windstorm. It goes down, and the same government and same people are there, immediately trying to find ways to bring the bridge back up. No questions asked, no inquiries of any sort, just a matter of priorities. If you're up, the government will bring you down, and if you're down, the government will bring you up.

But we would do well to bear in mind that there are other kinds of bridges needed in our society. These are social bridges, the bridges between people and people, community and community, race and race, and rich and poor. These social bridges are what keep us together, hold us as a society, put us on an entirely different plane from steel and concrete bridges.

And when you destroy these social bridges, or keep them in such disrepair as to cut off the links between people, you destroy the entire society.

Our priorities are all wrong. We take care of our concrete and steel without question. But we take, it seems, forever to develop programs to lessen the gap between the poor and the prosperous.

We had better start building bridges, social bridges. And we had better start building those bridges now, and not keep on pretending that everything is basically fine, and that we have made so much progress in the last ten years that we are just about there. We aren't just about there.

At the same time, however, we should recognize the fact that there are those who are trying to make inroads, who are triyng to reassess priorities, who are trying to deal with the problems. And sometimes we do not always recognize those in government and business and other areas who do respond to our concerns. I am thinking here of three examples in particular.

In one case, the State Board of Education, last spring, received a recommendation to change the number of years of experience required to be a principal from three years . . . to five years. We testified before the State Board of Education. We pointed out that had the five-year requirement been in effect during the past few years, the Seattle schools would now have 25 percent fewer minorities and women in administrative positions, and we pointed out that the proposed change in experience requirements had little, if anything, to do with bettering the quality of educational administration, but had lots to do with postponing job opportunities for minorities and women. To their credit, the State Board of Education, and the Superintendent of Public Instruction, Dr. Frank Brouillet, corrected the matter, rejected the recommendation, and, thus, in my opinion, averted a major threat to Affirmative Action in their system. We can see that there are some agencies and some people who are willing to be responsive to our concerns.

I'm thinking, too, of the police chief selection process that was initiated last year by Mayor Charles Royer. No police chief is magical, and no police chief can change things overnight. But we did get, in my opinion, a good police chief, a police chief who holds great promise for our city, a police chief who will listen to our particular concerns.

The process that Mayor Royer initiated—extensive community hearings, and extensive community involvement through the Police Chief Citizen Selection Committee—was an open and fair process, involving many people representing many different kinds of concerns, resulting, in my opinion, in a good decision by the mayor. Again, we continue to have our concerns—about law enforcement, hiring of minorities, administration of justice, and use of deadly force. The law and justice system must be monitored. But, again, we can also see that there are some agencies and some people who are willing to be responsive to our concerns.

And I'm thinking, too, of the Seattle School Board and their commitment to eliminating racial imbalance in our public schools. This last year, we became the first major city to desegregate its schools voluntarily, without federal court order, the desegregation plan was implemented peacefully, without incident.

As I said, we have been struggling for several decades to end segregation. We are not there, yet. And we have some concerns about the forthcoming year's desegregation plans. But, on balance, our experiences with the Seattle School District during the past few years indicate that here again there are some agencies and some people who are willing to be responsive to our concerns.

And I'm thinking, too, of the many people in the corporate world who have, over the years, exemplified the notion of volunteerism, who have given us their time, their resources, and their energy. We are deeply grateful for, and always mindful of, your support and commitment.

But I would be remiss if I were to assure you that all is well, that we are just about there, that we are just about to complete our task. All is not well, and we have a long ways to go to complete our task and achieve our mission. And we cannot do it by ourselves.

If we were in the business of manufacturing widgets, we would be talking tonight about one set of problems—production costs, labor relations, product design, plant maintenance, and so forth.

But we are not a manufacturing company. We are faced with many of the same problems as any manufacturing company, to be sure, but we are faced with other problems as well.

We are a social service agency, charged with coming up with solutions to major social problems, problems that are almost overwhelming in their scope, intensity and complexity. But, compared to the government and the private sector, we have little more than petty cash with which to solve these immense problems. We cannot do it by ourselves.

If we are to begin, at long last, to make really serious attempts to get at the roots of the social ills besetting our society, we must form a partnership with those having the real resources—government and business. We must reorder our priorities.

And we must end the Alice-in-Wonderland kinds of thinking of those who expect us to do all the work and solve all the social problems, but at the same time expect us to do all of these things with what amounts to petty cash.

That's like asking us to rebuild the Hood Canal Bridge with a Number 3 Erector set—the one without the motor.

We must reorder our priorities. We must put the building of social bridges as the top priority, and put aside as a much lesser priority the building of steel and concrete bridges to middle-class vacationlands. We must build the social bridges—bridges to lessen the gap between the poor and the rest of prosperous Seattle.

If we do not reorder our priorities, the consequences will be frightening and far-reaching. When Vernon Jordan talks of the impending social crisis and social disorder, he is put down by the head-in-the-sand critics such as The Wall Street Journal. But make no mistake about it: Vernon is right—and The Wall Street Journal is wrong.

Unless we do something now, what happened in the '40s and the '60s will happen again in the '80s. And what will happen in the 1980s will make the 1960s seem like a minor skirmish.

The Hood Canal Bridge went down in 30 minutes. Unless we act now, our whole society, in the 1980s, stands the good likelihood of being sunk in the same amount of time.

Unless we act now, another generation will be condemned to second-class citizenship, with no hope . . . with no chance . . . with no stake in the future.

Unless we act now.●

GEORGE KOPPEL, A MAN OF THE WORLD

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PATTERSON. Mr. Speaker, on April 28, George Koppel, an American who is internationally renowned in the field of export trade, will be honored by a distinguished group of labor and management representatives. Mr. Koppel will be honored with a testimonal dinner dance in Los Angeles. The proceeds will go to the establishment of the George Koppel Research Fellowship at the City of Hope Medical Center.

Since 1948 Mr. Koppel has led what started as a small family company specializing in marine surveying and weighing into the demanding marketplace of international commodity trading. His company has built a solid reputation for quality and integrity. Koppel Inc. has port facilities on all the major harbor areas on the west coast.

Besides being involved in several community and charitable organizations, Mr. Koppel has also served as president of the Los Angeles Grain Exchange. More important, however, is the concern Mr. Koppel has shown for his fellow man and his involvement in charitable and community services.

The honor bestowed on George Koppel is hard earned and well deserved. The fellowship being established in his name further signifies his empathy for and desire to help those who suffer.●

TECHNOLOGY LIFTS ABILITY TO FIND GAS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FORD of Tennessee. Mr. Speaker, I rise today to call the attention of my colleagues to an article which appeared in the April 9 issue of the Christian Science Monitor. This article, entitled "Technology Lifts Ability to Find Gas," is further evidence that the supply of natural gas is not in danger and that prices are increasing unnecessarily.

I hope others read this article carefully as I solicit support and additional cosponsors of my bill, the Natural Gas Pricing Amendments Act of 1979.

The article follows:

TECHNOLOGY LIFTS ABILITY TO FIND GAS

(By Jim Brumm)

Advancing technology is increasing the potential of finding natural gas in the United States faster than this premium fuel is being consumed, according to a new estimate of the nation's gas potential.

This projection puts the volume of gas believed to exist in addition to proven reserves—that is, gas not yet discovered by drilling—at 1,019 trillion cubic feet (TCF). That's an increase of 4.7 percent, or 46 TCF, over the previous estimate made two years ago. During that time, the nation has consumed less than 40 TCF of gas.

This estimate was made by the Potential Gas Committee, a group of about 140 industry, government, and academic experts on gas reserves and exploration. They attribute the increased potential to two factors:

An extention of the water depths at which they feel exploration now can be carried out. The limit used to be about 1,500 feet. Now they feel exploration can be done in 1,000 meters (3,281 feet) of water. This reflects the ability of the drilling industry to operate in deeper water.

Optimism about the Overthrust area of the Rocky Mountains following recent, major exploration successes there.

The group went on to estimate that the reserves give the United States enough gas to serve its needs for more than 50 years. They explained that in addition to potential reserves, there are proven reserves of roughly 200 TCF, giving the nation some 1,200 TCF of gas potentially available for future consumption.

reserves in three descending orders of prob-
The committee classified the potential ability:

Probable reserves. An estimated 199 TCF was described as likely to be discovered during the course of further drilling in and adjacent to known fields.

Possible reserves. The report projected that 399 TCF is likely to be found by drilling in areas that are already known to be gas productive.

Speculative reserves. This 421 TCF is expected, by these experts, to be found in frontier basins and provinces that are not yet gas productive or in formations which have not yet been proven productive.

In releasing these estimates, the committee stressed that nearly 60 percent of the projected gas potential occurs in hostile environments where it will be expensive to find, produce, and transport. Nearly a third of this high-cost gas, 18.5 percent of the potential, is estimated to be in Alaska—with 69 percent of that third under the cold, stormy seas off the Alaskan coast.

Another 26 percent of the gas that is yet to be discovered lies under the seas surrounding the lower 48 states. Nearly 24 percent of the potential supplies are expected to be found in very deep formations 15,000 to 30,000 feet under the lower 48 states.●

WINDFALL PROFITS TAX ON OIL INDUSTRY

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. VAN DEERLIN. Mr. Speaker, President Carter's call for a windfall profits tax on the oil industry last Saturday night struck a responsive chord in my district. The voters are fed up with oil company profits increasing at the same time that prices at the pump are skyrocketing.

With no real competition in gasoline sales, consumers rightly resent subsidizing oil company investments which are used for anything other than producing new oil. The windfall profits tax could save the taxpayers as much as $8 billion in the next 3 fiscal years.

Just a few of the letters I have received in support of the President follow; I have received no mail in opposition to the tax as yet:

DEAR REPRESENTATIVE VAN DEERLIN: Please support the President's energy policy including the "windfall profits tax". Contrary to some of my funny friends I think he is a tremendous president.

Sincerely,

PEGGY PETTIT.

BONITA, CALIF.

DEAR REPRESENTATIVE VAN DEERLIN: We favor the windfall profits tax and we hope you will vote for it.

Mr. and Mrs. GEORGE CARPENTER.

SAN DIEGO, CALIF.

MY DEAR MR. VAN DEERLIN: I want to back up President Carter by letting you know that I favor the establishment of a windfall profits tax. Without this important adjunct to the deregulation of gasoline prices, I am convinced that major oil companies would drag their feet in developing new domestic production, thereby limiting the supply in order to continually support higher, escalating prices. Like many of my friends and associates, I think oil companies already have an unfair economic advantage not found in any other industry. This seems inconsistent with the precepts of modern American capitalism.

Please take a courageous stand against the oil lobby by supporting legislation which will establish a windfall profits tax.

Sincerely Yours,

ROBERT BOSTICK.

SAN DIEGO, CALIF.

DEAR SIR: We urge you to give President Carter your full support in obtaining passage of a "windfall profits" tax on oil companies to aid the poor with their fuel bills, upgrade public transit and provide funds for energy research.

Can we count on your assistance in this regard?

Most Sincerely Yours,

HENRY and HARRIET KORKES.

SAN DIEGO, CALIF.

SIR: I have just heard President Carter's address on energy, and am writing to urge you to support the windfall profits tax, and other measures to overcome our terrible situation.

Do something about it! Stand up and be counted as someone who really represents the people. My three sons, 28 to 32, and my seven grandchildren are the ones getting short shrift—and millions like them, while the energy czars continue unchecked.

For too long, the oil, utility, and nuclear power industries have been allowed undue profits, at the expense of the average man. We can no longer allow the profit motive to prevail over human needs.

Sincerely,

SHIRLEY CALLAMER.

SAN DIEGO, CALIF.

REPRESENTATIVE VAN DEERLIN: I am writing to ask you to support the President's Windfall Tax Bill.

Sincerely Yours,

EDWARD G. MCDONNELL.

CHULA VISTA, CALIF.

CONGRESSMAN LIONEL VAN DEERLIN: Favor windfall tax, back President Carter's energy program.

Sincerely,

LORRAINE LYKINS.

LEMON GROVE, CALIF.

DEAR SIR: Please vote FOR the President's new Energy Bills, including the Windfall Profits Tax and other energy proposals.

Thank you,

Mr. and Mrs. JAMES HAVERLY.

SAN DIEGO, CALIF.

CONGRESSMAN VAN DEERLIN: Urge you to pass energy legislation oil windfall profits tax. Re-investment oil profits in USA only.

MARTHA and JOSEPH BROD.

SAN DIEGO, CALIF.

DEAR MR. VAN DEERLIN: Now that the President has approved the deregulation of U.S. produced oil, I strongly urge you to back a punitive windfall profits tax on the U.S. oil companies. Too long has the American consumer been at the mercy of the oil men, and it is time that they paid. The President's proposals that the windfall profit tax be used in efforts to develop new energy sources, mass transit, and to help defray the increased energy costs of deserving poor families meet with my approval. The oil companies must not profit from the President's questionable decision.

I also urge you to vote against any SALT II treaty. . . .

Thank you for your attention,

JAMES SCARBOROUGH.

SAN DIEGO, CALIF.

REPRESENTATIVE LIONEL VAN DEERLIN: We support President Carter's Windfall Profits Tax on oil companies and endorse his Energy Security Fund derived from this tax.

Mr. and Mrs. B. ORNDORFF.

SAN DIEGO, CALIF.

DEAR MR. VAN DEERLIN: I support the President's proposal to impose a Windfall tax, on the huge profits the oil companies will make, and I sincerely hope that for once the Congress will go along, and at least give him one chance.

God knows he has had very few so far.

Thank you,

GENEVIEVE C. KURS.

SPRING VALLEY, CALIF.

REPRESENTATIVE LIONEL VAN DEERLIN: We support President Carter's wildfall profit tax. We hope you will too.

Thank you.

Sincerely,

Mr. and Mrs. P. J. BORDIERI.

SAN DIEGO, CALIF.

DEAR MR. VAN DEERLIN: Please pass the legislation to tax excess profits from oil allowed by the elimination of controls on domestic oil.

Taxes paid foreign nations by our oil companies should be a business expense and not a tax credit due our government.

Any additional taxes on gasoline should be used to balance our federal budget.

Sincerely,

SARAH and H. E. BEEN.

CHULA VISTA, CALIF.

DEAR REPRESENTATIVE VAN DEERLIN: I'm counting on you, as a friend of the average little people, to vote for the windfall bill. Don't let those b------ oil lobbyists buy your soul. I'll be watching the way you vote.

It's been a long time since I visited you in Washington. I liked you then and voted for you ever since.

Sincerely,

JOSEPH CIEPLIS.

SAN DIEGO, CALIF.●

SOFT DRINK ENERGY CONSERVATION AND INTERBRAND COMPETITION ACT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. LUKEN. Mr. Speaker, today my colleague DAN MICA and I are introducing the Soft Drink Energy Conservation and Interbrand Competition Act. The purpose of this bill is to overturn a decision of the Federal Trade Commission involving the soft drink industry which, if allowed to stand, will have serious adverse effects on our environment, our national energy goals, our efforts to combat inflation and hundreds of small business concerns.

Let me briefly describe how the structure of the soft drink industry has developed. Starting with Coca-Cola near the turn of the century, hundreds of independent bottlers have acquired exclusive trademark licenses to manufacture, distribute, and sell the trademarked products within a specified territory. These territories are usually rather small in area, consisting of a municipality and its suburbs, or, in rural areas of the country, a number of counties may comprise a territory. The bottlers purchase syrup or concentrate—Coke, Pepsi, or Seven-Up, and so forth—from national concerns which own the formula and trademark, and complete the processing of the product in their own plants. The bottler franchisee must maintain a large capital investment in plant, package inventory, and production lines, and usually a fleet of trucks to distribute the product. The soft drink franchisee is a manufacturer of the product sold in addition to his role as a distributor. The franchise owned is perpetual and may be bought and sold at current market values, and transferred in accordance with the owner's wishes at death.

The soft drink industry structure described has permitted the development of vigorous competition among the many popular brands, to the benefit of all consumers. There is intensive price advertising competition among brands seeking to increase their market shares. The effectiveness of competition within the industry is proven by the fact that by 1977 the price per ounce of Coke in the 16-ounce returnable bottle had increased less than 3 percent over the 1939 cost of the product, despite a rise in the Consumer Price Index during those years of 344 percent. Nevertheless, in 1971, the FTC filed a complaint against the syrup manufacturers, alleging that the exclusive territorial provisions in the franchise agreements were unlawful because they prevented intrabrand competition among the bottlers.

After many delays and a lengthy 6-week trial, the administrative law judge, in a 91-page initial decision containing 195 detailed findings of fact, upheld the legality of the territorial provisions and dismissed the complaint. Undertaking an extensive rule of reason analysis, the administrative law judge concluded that the effect of the restraint on intrabrand competition is outweighed by its effect on competition in the marketplace as a whole—interbrand competition—and that on balance the challenged territorial restrictions promote competition.

Indeed, the territorial system has helped to promote competition by making it much easier and less expensive for new brands to enter the market. With a readymade system of local manufacturers and distributors in place, promoters of new brands can "piggy-back" by contracting with existing bottlers, instead of having to invest in a complete distribution system of their own.

Unfortunately, the wise and sensible ruling of the administrative law judge was rejected by the FTC in a 2–1 decision. The case is now on appeal to the U.S. Court of Appeals for the District of Columbia.

Virtually everyone with knowledge of the soft drink industry agrees that, if the FTC order is allowed to become effective, there will be a rapid movement to concentration within the industry, resulting in the major markets falling under control of the syrup manufacturers. Pepsi-Cola Co., a subsidiary of the conglomerate PepsiCo., Inc., which manufactures the Pepsi concentrate, now owns Pepsi franchises covering 25 percent of the population. These markets include Boston, New York, Philadelphia, Detroit, Pittsburgh, Dallas, Houston, and Los Angeles. The Coca-Cola Co., U.S.A., owns franchises covering 14 percent of the population. These include Boston, Chicago, San Francisco, and so forth. The FTC decision now permits, and indeed seems to require, the syrup manufacturers to compete with their independent bottler franchisees anywhere in the country. Mindful that these independent bottlers would be forced to compete with their syrup suppliers in the sale to consumers of the processed beverage, the following comments from one of the briefs in the court of appeals address the outrageously unfair competitive situation the bottlers would confront:

> In the absence of the territorial system, the Coca-Cola Company and other major syrup companies would be subject to a variety of economic pressures that would promptly force a significant expansion of syrup company owned bottling and canning operations. Syrup companies would almost certainly accelerate their vertical integration and undertake dual distribution, and the bottling industry would undergo substantial concentration. The enormous power of the companies in their first stage as syrup producers would necessarily be transferred to the second stage (bottling), where they would be able to overwhelm competing independent bottlers.

The inevitable concentrate in the soft drink industry that will rapidly occur under the FTC decision not only will have a ruinous effect on hundreds of small business firms, jeopardizing substantially their entire net worth, but also will lead to the near total disappearance of the returnable, refillable glass bottle in which more than 40 percent of soft drink products are now sold. These bottles will be replaced by a vastly larger quantity of throwaway containers with disastrous adverse effects on the environment. Since each returnable bottle is used, on the average, 20 times, its removal from the stream of commerce requires the addition of 20 throwaway bottles and cans to deliver the same quantity of soft drink.

The addition of this vast new quantity of throwaway containers will tremendously increase our solid litter waste and will impact adversely on our energy conservation goals and our battle with inflation, since the manufacture of the additional containers will require enormous quantities of energy, and the price of soft drinks will increase because of the need to purchase the container.

The current high level use of the returnable, refillable beverage bottle is possible to maintain only with an exclusive territory franchise system. It is profitable to ship returnable bottles only within a relatively short distance from the processing plant, and then only if the bottler can control his own substantial investment in his bottle "float." The present system, in which the bottler delivers the product from the plant to each retail outlet, recovering the returnable bottles in the process, is the only distribution system which will permit the continued use of this most desirable package form.

Even the FTC recognized the need for and desirability of protecting the returnable bottle in its decision by upholding the validity of exclusive territorial rights for its continued use. However, it will be impossible for the small, independent bottler to survive with returnable bottles in competition with his giant syrup supplier who will be able to flood any territory with cans or nonreturnable bottles shipped from large processing plants located at distances many hundreds of miles away. The local bottler will soon lose his best accounts in the territory—the supermarkets—to his syrup manufacturer-bottler. The large supermarket chains strongly prefer cans and nonreturnable bottles which are easier to stock, take up less store space, and avoid problems associated with deposits and refunds.

At present, because of territorial exclusivity, independent bottlers, particularly major brand bottlers, have considerable leverage to encourage the supermarkets to handle returnable bottles despite their aversion to doing so. Since the supermarket has only one bottler to deal with, for a particular brand, it is an essential requirement to accept the bottler's package mix in order to stock his highly desirable product. The removal of exclusive territories will shift this leverage dramatically in favor of the supermarkets. They will then be able to order their requirements in throw away containers from distant suppliers, either large bottlers or sirup manufacturers, who will lack any incentive—indeed the very ability—to supply returnable bottles.

The history of the brewing industry since World War II demonstrates the positive relationship between concentration and the decline of the returnable bottle. In 1945, there were 457 breweries, almost all local and regional firms. Eighty-five percent of beer sold was in the returnable bottle. By 1977, the number of breweries had declined to 47, and the use of returnable bottles was down to 12 percent. In 1947, the five largest breweries controlled only 20 percent of the market, but by 1977 the top five had a 70-percent market share. Miller and Anheuser-Busch serve the entire country mostly with cans and nonreturnable bottles shipped long distances, from a few strategically located plantsites. At present there are 1,833 independent soft drink bottlers. However, PepsiCo and Coca-Cola and now Seven-Up (recently acquired by Phillip Morris, which also owns Miller Beer) are positioned to do the same thing in the soft drink industry under the FTC decision which the large brewers have done in the beer industry.

A recent study done by Franklin Associates, Ltd., research consultants in resource and environmental policy and planning, projects truly alarming consequences from the disappearance of the returnable bottle in the soft drink beverage industry. Remember that returnable bottles are used an average of 20 times so that each one that disappears and is not replaced in kind must be replaced by 20 cans or other nonreturnable package forms to deliver the same amount of soft drink. The Franklin Associates' study projects the effects of the complete disappearance of the returnable bottle, now accounting for 40 percent of the beverage product sold, an eventuality which other industry experts agree is probable. The resulting increase in energy consumption over the first 4 years is expressed in the following equivalencies:

First, the total energy impact equals the supply of electricity for a city of 100,000 persons for 69 years;

Second, an increase in natural gas consumption equal to the amount necessary to heat 100,000 midwestern homes for 4.9 years;

Third, an increase in petroleum consumption equal to the amount of fuel requirements for 100,000 passenger cars (based on 14 miles per gallon and 12,000 miles per year, per car);

Fourth. An increase in coal consumption equal to the amount of coal that could be carried by a train 686 miles long.

The equivalent expressions of the impact of the FTC decision on solid waste generation is equally alarming. The study finds that the increase in solid litter waste, resulting from the replacement of the returnable bottle by cans and other nonreturnable package forms, would fill the Orange Bowl in Miami, Fla., 87 times.

These equivalencies for increased energy consumption and solid waste generation cover only a 4-year period beginning this year and ending in 1982. Other substantial adverse environmental consequences are found in the increased air and water pollution emissions inherent in the manufacturing process of cans and other nonreturnable package forms.

Finally, there is the direct increase in cost to the consumer that will result from the disappearance of the returnable bottle. A study of feature price advertising in 106 markets by the Majers Corp. for the year 1977 reveals that the consumer paid an average 97 percent more per ounce for soft drink products in a 12-ounce can than in the 16-ounce returnable bottle. This is not surprising when you remember that the returnable bottle is used on an average 20 times in contrast to the once only use of the expensive can or nonreturnable bottle.

Many other Members of Congress recognized the need for a legislative approach to avoid the numerous and dangerous consequences of the FTC decision. More than 70 Senators and 161 Members of this House have introduced or cosponsored bills on the subject. We all share a common objective—the protection of small business firms; the preservation of competition and the avoidance of concentration in the soft drink industry; and the maintenance of a manufacturing and distribution system in the industry that permits a continued high level use of the returnable bottle. My bill differs only to the extent that it emphasizes the need for the legislation to protect the environment, to avoid unnecessary energy consumption, and to make the product available in the lowest cost package form. It also represents an unambiguous legislative declaration that nothing in the Federal Trade Commission Act or other antitrust laws shall render invalid the exclusive territorial agreements in the soft drink industry, unless it is found that within a territory there is an absence of generally available competing products, and further found that the elimination of the territorial rights will not adversely affect the quality of the environment, increase energy consumption, inflate the cost of soft drink products, or lead to concentration of economic power in the industry.●

IMPORTANCE OF ENERGY INDEPENDENCE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PEASE. Mr. Speaker, our distinguished colleague, the gentleman from Washington (Mr. BONKER), recently delivered, at a conference in Seattle, a speech which provides many very thoughtful insights into the importance of energy independence not only for the United States but for developing nations around the world. I include his remarks in the RECORD.

ENERGY SPEECH

(By DON BONKER)

I have been asked to give a few remarks, from a Congressional perspective, on what the response of the United States should be to the growing demand of developing nations for energy.

It is one of the most important foreign policy questions that we face. For energy is the politics of the emerging international order.

It is fast becoming the most important currency of exchange between nations. And in such a new world, I believe it should be the policy of the United States, as much as possible, to export energy independence.

You need travel no further than your nearest gas station to realize what a dependence on foreign sources of oil can mean.

We as a nation are still struggling to develop a policy that will bring about energy self-sufficiency. Until we do, it is folly to think that we are really secure within our borders.

Given that fact, we must realize that it is not in our best interests to increase the number of nations that are dependent on the OPEC cartel for oil.

It is not in our best interest politically—for energy, like guns and butter, can be used to bring developing nations within "spheres of influence."

This energy Chess Game is a threat to world stability. It is in everyone's interest if all the chess pieces can stand on their own.

A good example of this is Sudan. Sudan is a nation—half Arab/half African—that would like to be pro-West. It is moderate, and it is of tremendous strategic and geographical importance.

During the President's recent peace initiative at Camp David, Sudan refused to join those Arab radicals who were attacking the Middle East peace efforts.

As a result, they were punished. Sudan is totally dependent for all its oil imports on Iraq—a leader of the opposition against the peace initiatives.

In retaliation for their refusing to join in the attack, Iraq cancelled Sudan's credit, which was used to purchase the imported oil.

Instead, they demanded cash up front. Sudan, a developing nation with severe monetary problems, couldn't pay.

It was up to the Saudi Arabians to provide the money up front for Sudan, which enabled them to continue importing oil.

But as we have seen, the Saudis are no great friends of the recently-signed peace treaty either.

The result is our potential ally—the Sudan—is being forced to sit on its hands in the wake of the peace initiative. They cannot afford to take sides in the diplomatic struggle that is being waged. It is our loss.

This energy dependency of other nations has its economic effect as well. An increase in the number of countries vying for a decreasing supply of fossil fuels, can only serve to drive up the price.

As we have seen this week, that can have a disastrous effect on our economy—it fuels inflation and worsens our balance of payments.

The developing world faces the same choices as the industrialized world in selecting long-term energy strategies that are reliable, efficient and environmentally sound.

But the developing nations face more difficult decisions on how to allocate their scarce financial resources to meet their energy needs.

The high and increasing cost of petroleum will lead to a significant problem if alternatives are not developed soon.

For the developing nations require tremendous and ever-increasing amounts of energy.

They are in the process of growth . . . of building, and creating. In the modern world, that means energy use.

The way these nations seek to acquire the energy they need will have profound implications for the United States.

Recognizing this . . . last year the Congress authorized a set of studies on the energy needs of developing nations. The report was presented last year.

Currently, petroleum-based fuels are the most important commercial energy source in these countries. Oil accounts for about 90 percent of the commerical energy in two-thirds of these nations. And every study we have indicates that the use will increase.

But the vast majority of people, especially the rural poor, are still using noncommercial sources of energy for most of their activities.

That is, they rely on firewood, crop residues, and human and animal power for almost all the energy they consume.

Any satisfactory degree of development, however, requires a sharp increase in the us of inanimate sources of energy. In addition, population pressure is producing severe shortages of firewood as a result of deforestation and soil erosion—severe environmental problems.

As a result of these factors, there will be an increased demand for all types of energy—especially oil—by the developing countries.

A World Bank report this past January found that oil-consumption in this area of the world will rise from 4.33 million barrels a day in 1975 to 7.2 million barrels in 1985.

Translated into dollars, it means the poor will get poorer. These countries paid $14.3 billion for oil imports four years ago.

By 1985, it is projected the dollar figure will be $38.5 billion.

That assumption was based on OPEC crude oil prices of $11.50 a barrel. As you know, this past week OPEC raised the price to $14.45, plus authority to add surcharges. Such assumptions are ill-founded and optimistic.

With the increase in oil prices, the developing countries, those that don't export oil, will have two options:

They can cut back their purchases of oil.

Or they can use greater amounts of scarce foreign exchange to maintain current oil import levels.

The likely outcome for developing countries is a mixture of both policies—with the middle-income countries emphasizing increased debt, and the poor countries conservation.

The Sudan, for instance, has instituted gas rationing in order to compensate for its recent reduction in oil supplies.

The result of all this on a world scale is increased inflation, and reduced growth and development for all countries.

There are, however, things that the United States can do to work on the problem.

There is good potential for at least a moderate increase in fossil fuel production in non-OPEC developing countries by the year 1990.

A detailed survey done by the French Petroleum Institute last August on the oil and gas situation in 70 developing countries concludes that 23 of them have prospects of "high" or "very high" quantities of oil.

Some 15 other developing countries have prospects of locating "fair" quantities of oil.

Moreover, 54 of these 70 countries are in need of geological survey work, according to the World Bank.

For every well drilled in Africa, for instance, 300 wells have been drilled in the United States on geologically similar terrain.

The private sector has long been involved in foreign exploration of oil. Again, I turn to the Sudan as an example of what is being done in the as-yet untapped nations. Chevron has entered into a contract with the Sudanese government, to allow drilling and exploration.

Although the results are not yet known, if oil is found, the next step is to build a refinery. Presumably, some arrangement would be worked out to provide for the domestic oil needs of the Sudanese people—and that would place Sudan a step farther down the road towards energy self-sufficiency.

The United States government, however, has done very little to promote such exploration. That is about to change.

My colleague, Rep. Don Pease of Ohio offered an amendment to the Foreign Aid bill, just passed by the House Foreign Affairs Committee that directs more of the funds requested by the Carter Administration for energy programs in Fiscal Year 1980 be spent on geological surveys and very limited exploration of potential sources of fossil fuel.

The Pease amendment, which I supported, would amount to about $9 million out of some $45 million earmarked for international energy development.

This is not to say the United States should devote all its resources, in an international context, to developing the use of fossil fuels.

Such a policy would be foolhardy in the long run.

We should recognize that energy development cannot be divorced from the social, political and technological environments of the developing nations.

It has been the experience of more than a quarter century of overseas development programs that much of the technology used in industrialized countries is not well-suited to the economies of developing countries.

It is too big. It is too expensive. It does not create the jobs needed to absorb rapidly expanding labor forces in countries which already have an abundance of labor.

It is just not appropriate for use on the very small farms and in the very small business enterprises that make up so much of the economic activity in the developing world.

The Congress recognizes this. As amendment to the foreign aid appropriations bill has now created an Institute for Technological Cooperation.

It is designed to assist developing countries to strengthen their own capacity to generate the technologies necessary for their development.

It would foster the exchange of scientists and other technical experts.

Its primary emphasis is that the developing countries know their needs. And with our assistance, they can develop the technologies that are compatible with those needs.

The field of energy technology is no exception to this. As I said, fossil fuel resources must be exploited. But not exclusively.

We should do our best to implement specific, high-priority projects which would assist developing countries in finding and adapting alternatives to burning wood or buying oil.

To date, this just hasn't been done. Developing countries have within their borders 70 percent of the world's major hydro-electric potential, but only 20 percent of the world's installed capacity.

Other developing countries—most notably India, China and Mozambique—have large, relatively unexploited known reserves of coal.

To realize these potentials, however, will take new and increased programs of investment in energy resources.

The emphasis should be on small-scale, decentralized renewable energy sources for rural areas. These projects would be carried out as an integral part of rural development programs.

I understand the Peace Corps is working on a project to at least survey these potential energy sources at the village-level.

Such programs should be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable . . . require minimum capital investment . . . are most acceptable to and affordable by the people using them . . . are simple and inexpensive to use and maintain . . . and are transferable from one region of the world to another.

The development of these de-centralized energy sources could have an added bonus—many could be potentially useful in the United States.

The developing countries have several natural advantages that would enable them—with sufficient support from the rich countries—to rely more and more on renewable resources.

They do not have the massive petroleum-oriented infrastructures that mark the industrial countries.

Many of them have more sunlight than the industrialized countries, so solar energy is more reliable.

Their climates permit faster growth of vegetation for firewood and biogasification.

Finally, the decentralized nature of renewable energy makes it an ideal energy source for programs of small-scale rural development.

The problem is that we as an industrial nation have the necessary capital and technical skills to implement many of these sources of energy.

But our own house is not in order. At the national level, we haven't figured out our own energy policy. We haven't reached self-sufficiency.

And for every proponent of a particular energy source—there is an equal opponent. For instance:

In many of the developing countries, the potential for solar energy is immense, but it requires major investment in research and development to determine if it can be made economic.

Coal is a major source of potential energy but has transportation and environmental drawbacks.

Nuclear energy requires a high degree of technological sophistication and cadres of professionals.

In addition, nuclear power can pose the danger of the spread of nuclear weapons. It creates waste disposal problems of unknown proportions and it may carry the risk of large-scale adverse effects on the environment.

We as a nation have not yet figured out how to weight the costs and benefits of these various energy sources to come up with a coherent national energy policy.

It is no surprise that we have equally failed to do so on an international level.

But there is a growing awareness in Congress that something must be done. The various departments—the Agency for International Development, the Department of Energy—must work together to fashion a policy that will export energy independence.

All U.S. activities in this area should stress energy planning, increased production, and increased efficiency of energy use.

Particular emphasis should be placed on the optimum use of renewable resources and decentralized energy production, such as biomass conversions, low-cost hydropower, and solar energy.

It is just not in our best interest—at any level—to increase the number of energy-dependent nations around the world.

Thank you. ●

A NEW PERSPECTIVE ON ENERGY SUPPLY AND THE SENIOR CITIZEN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. KEMP. Mr. Speaker, in our desire to reduce energy usage, we must not lose sight of the crucial needs of our older Americans. This important segment of our society is the group which is most likely to suffer financially, physically and emotionally from extreme cold temperatures. Yet, these are for the most part the same people who must lower their home thermostats in direct relation to their rising utility costs.

A constituent of mine, Dr. Harold Brody, professor and chairman of the Department of Anatomical Sciences of the State University of New York at Buffalo, is eminently qualified to speak to the problems experienced by the elderly during the winter season. He has done major research in the critical area of the effect of aging on the human nervous system and recently testified before the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging.

Mr. Speaker, we must not allow the older American, who has notably been the hardest hit already, to suffer declining health, either mentally or physically, or both, because of inadequate heat. I commend Dr. Brody's testimony to you as a challenge to be met in the most expeditious manner possible:

TESTIMONY OF DR. HAROLD BRODY

My name is Harold Brody. I am Professor and Chairman of the Department of Anatomical Sciences of the State University of New York at Buffalo. I am also Acting Director of the Multidisciplinary Center for the Study of Aging at that same institution. I am a member of the National Advisory Council of the National Institute on Aging of the National Institutes of Health and Editor-in-Chief of the Journal of Gerontology. I received a Bachelor of Science degree in Biology from Western Reserve University in 1947, a Ph.D. in Anatomy in 1953 from the University of Minnesota and the medical degree from the University of Buffalo in 1961. I was an Associate Professor of Anatomy at Buffalo from 1959 to 1963 and have been Professor of Anatomy since 1963 and Chairman of the Department since 1971. My major area of research is the effect of aging on the human nervous system.

My honors include being a Fulbright Senior Research Scholar to the Community Hospital in Copenhagen, Denmark in 1963 and receiving the National Institutes of Health travel award to Jerusalem, Israel for the Xth International Congress of Gerontology. I was Chairman of the Biological Science Section of the Gerontological Society from 1969 to 1970, Chairman of the American Biology Research Committee for the IXth Congress of the International Asociation of

Gerontology in Kiev, Russia in 1973 and President of the Gerontological Society from 1974 to 1975. Most recently I have been Chairman of the American Executive Committee and a member of the Program Committee for the XIth Congress of the International Association of Gerontology which was recently held in Tokyo, Japan.

In 1971 I was a member of the Committee for Research and Demonstration for the White House Conference on Aging. I have been a member of site visitings for the National Institutes of Health since 1970 and a member of the National Advisory Council of the National Institute on Aging since 1975. Locally, I am a member of the Advisory Council for Senior Citizens in the Town of Amherst, N.Y. since 1972 and a member of the Advisory Committee of the Western New York Planning Board for the Aging since 1976.

During the past few years the people of this country have had to contend with a series of adverse weather conditions. This was particularly true during the past few winters. At the same time the energy supply has evidently decreased and prices for utilities have risen. While these increases in cost are of great concern to all of us, few are as severely affected as the older person who is trying to manage on a fixed income. It has been my impression that older persons are generally law-abiding individuals who prefer to pay their bills and being impressed by what they may discern to be authority, will forego other necessities in order to pay these utility bills. They are immediately faced with the dilemma of what other necessities have to be by-passed in order to pay for the cost of utilities. With these increasing costs the most obvious necessities to be shunted aside will be food, clothing and medical needs. Additionally, older persons tend to follow instructions and when they are bombarded through newspapers, radio and television with the admonition of dropping their home temperatures into the low sixties, they tend to comply without realizing that exposure to these temperatures may be damaging to their health.

The National Institute of Health has recommended that persons over 65 should not be exposed to room temperatures below 70°F for any extended time period. No one, of course, knows what temperature is best for all individuals though some elderly persons may be comfortable and not at risk in temperatures below 70°F, for the older population in general 70°F or higher is the appropriate temperature range for good health. These older people are at risk in cooler room temperatures because the internal thermostatic control which each of us has become increasingly less efficient and the ability to respond to changes in temperature, or to lower temperatures, diminishes. Inadequate heat is a serious hazard for older persons. If they lower temperatures they expose themselves to a number of dangers. One danger we are just beginning to recognize is accidental hyperthermia. Hyperthermia is defined as the condition existing when body temperature falls below 35°C or 95°F. This is a definition supplied through a British Association memorandum in 1964 and the Royal College of Physicians of London, Committee on Accidental Hyperthermia in 1966. In hyperthermia there is a constriction of blood vessels in the skin causing paleness and sometimes cyanosis (or blueness of the skin) due to a lack of oxygen. There is also a slowing of heart rate and a lowered blood pressure. Reflexes are slowed and shivering, especially in the elderly, abolished. Respiration is also slower than normal for that individual and there may be evidence of damage to the pancreas. These findings have been seen in older persons as well as experimentally in older animals. If the body temperature is reduced for too long, or by too much, the low temperature may damage the tissues of vital organs, such as the brain. If actual structural changes occur in the cells of the brain, recovery may not be possible.

Physiologically, the elderly are particularly susceptible to inadequate heat for the following reasons: (a) Older persons are not always aware that they are getting cold. Their temperature perception is not as functional as that of the younger person; (b) The shivering mechanism is the body's normal response to cold. Shivering brings blood to subcutaneous tissue and peripheral areas of the body and keeps us warm. This response diminishes with age. The elderly do not shiver or at least not as actively as younger persons; (c) Danger increases with immobilizing illnesses with arteriosclerosis (or hardening of the arteries) and with a generally poor circulatory condition; (d) The danger increases with certain drugs such as phenothiazines which are often used to treat anxiety, depression and nausea. These medications are frequently prescribed for elderly patients.

In addition, hypothermia may worsen in existing conditions to the critical point. It may damage vital organs. It may cause cardiovascular collapse and gangrene. It results in a slowing of body functions and it may cause death. There are not many documented cases of accidental hypothermia. It is only now being recognized as the grave hazard it is. From cases of which we are aware it is known that older persons have less sufficient adjustments of their internal thermostats to compensate for changes in temperature.

I have mentioned some factors which increase the risk in individual cases. However, we do not know how prevalent the risk of accidental hypothermia is among older people. In a major study in England about 10% of those 65 and older were classified as potential victims of accidental hypothermia. We think the percentage must be higher in the U.S.—The National Institutes of Health estimates that at least 2.3 million elderly are suspectible—because of the proportion of drug takers in the population and because of the harsher winters. And though we do not completely understand hypothermia, we do know that exposure to even mild cold can be lethal. While accidental hypothermia is believed to kill thousands in Great Britain each year we do not know the numbers that die of this condition in this country. One of the difficulties is the fact that an autopsy may not diagnose from hypothermia because signs of an altered body metabolism are difficult to detect. If structural change occurred the change would probably take place within the central nervous system. We do not even know precisely what signs we are looking for. A medical examiner not specifically looking for hypothermia in a 75 year old woman who died in bed might list heart failure as the official cause of death. Therefore there is good reason to believe that significant numbers of elderly individuals who are considered to have died from other causes may actually have died from hypothermia.

In addition to the possibility of death from hypothermia, another even larger problem is the possible psychological problem effect that a cold temperature may have upon the lifestyle of older individuals. This is a concern which affects a major percentage of elderly persons. These people find it difficult to concentrate on tasks in a cold room, they may put on more clothes in order to keep warm, or in fact as the New York State Energy Office study has shown, some people were going to bed to keep warm. The consequences of spending more time in bed may be quite serious. An individual who is cold and goes to bed for longer periods is not adapted as he or she normally should be. Such inactivity alters circulation and increases the possibility of developing blood clots, or emboli, which may migrate from the lower extremities and terminate in a lung. Staying in bed dissipates body heat and actually has a cyclical effect: the effort to keep warm in this way requires more warmth to stay warm. The relative inactivity in bed also prevents the person from increasing body heat by activity.

The psychological or emotional impact upon an otherwise healthy individual who remains in bed may be catastrophic in terms of isolating that person from others, since we know that isolation and aloneness are particularly damaging to a person's well being. This consequence of being cold deserves our concern.

In the New York State study, 35 percent of the sample reported at least one behavioral impact. Such impact consisted primarily of changes in how and where people spent their time. These changes included elaborate coping mechanisms for dealing with rising energy costs as well as simple adaptations to conditions made necessary by these rising costs. The answer for some was to spend less time in their homes because of the increased costs of utilities and to cut down on cooking and baking, the latter has obvious implications for diet and health. Eventually the worry about being unable to meet the high energy bills and a lack of available money for other necessities may cause depression and have a real psychological impact upon the individual.

I would like to enlarge slightly upon the effect of the denial by older persons of a proper diet in order to pay high energy bills. One obvious problem is poor nutrition, the consequences of which include: (a) a number of vitamin deficiencies; (b) a decrease in ability to withstand disease and infection; there is a direct relationship between the nutritional status of an individual and infection; (c) there is very good evidence that nutrition is a factor in cases of senile dementia where an individual person is forgetful, disoriented, unaware of his environment and of time and people.

Finally, we tend to realize that the processes of not eating, digestion and absorption of food are major factors in the maintenance of proper body temperatures. Physical and chemical activity resulting are not experienced by a person with an inadequate nutrition. We therefore have a cycle created in which an individual sacrifices food in order to pay his bills, and as the bills increase in cost, he deprives himself of food creating a poor nutrition, lowering a body temperature to which he does not react as well because of age, and furthermore, exposing himself to other disease processes to which his bodily defenses are poor.

Elderly persons may not die from being cold, from being increasingly inactive and from diverting money from food to pay gas bills but these are very detrimental to a person's health and well being. If we force the elderly population as a group to lower their thermostats below 70° F., or to divert scarce economic resources to keep thermostats above 70° F. we may, in fact, be risking serious injury to significant numbers of older persons.

We must ask the ultimate question. From all accepted standards of decency, how can we as human beings permit our older people to be placed under additional hardship by allowing further stresses at a time in their lives when they have less mobility, less money, decreasing numbers of friends and deserving of the best treatment which this country and society should be honored to provide for them?

I would like to thank the subcommittee for permitting me to present this testimony.●

H.R. 39 DECISIONS VERSUS U.S.S.R. MINERAL DEVELOPMENT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. SANTINI. Mr. Speaker, as Congress now deliberates on H.R. 39 how many million acres of land to preserve for parks, refuges, and wilderness in Alaska, land that is known to contain immensely valuable deposits of nonfuel minerals as well as oil, gas, and coal, it is fascinating how Alaska's neighbors are taking a more commonsense approach toward land use. While Russia and Canada are preserving certain lands for single use such as parks, they seem somehow to better understand the fundamental importance of mineral development to their economy. We seem presently motivated only toward nondevelopment, to preserve Federal lands against mineral development. I cannot help but wonder how long it will take the United States to learn one all-to-important fact of life that without a strongly functioning economy, an economy that has as its base a strong minerals industry, we would not be able to plan only for no mineral development.

The article that appeared in the April 9 edition of the Washington Post points up the importance that Russia is placing on new coal development in the Neryungri, Siberia, coalfield. Under a long-term contract with Japan, coking coal will be shipped to their Pacific coast over the Baikal-Amur Magistral Railroad now under construction.

This will permit Russia to retire the $450 million loan obtained from Japan for this coal project and will provide the hard currency needed to assist in the development of other mineral deposits that occur elsewhere in this part of Siberia. New developments will add to their present production of coal, lignite, tin, tungsten, gold, diamonds, copper, mica, apatite, molybdenum, mercury, natural gas, lead, zinc, and other minerals in the eastern part of Siberia.

The article follows:

BATTLING PERMAFROST FOR SIBERIAN COAL

(By Kevin Klose)

NERYUNGRI, U.S.S.R.—When the Soviets first turned on the electricity to a mammoth new American-designed coal strip-mine excavator here two years ago, the lights went out all over town—a grimy boom settlement in eastern Siberia.

Last year, the 6,000-volt excavator itself broke down and has sat silent for months while American and Japanese technicians from the company that designed and built it sought to overcome the difficulties. The Russians had ordered 10 such machines for about $4 million apiece.

Elsewhere, 29 huge American-made trucks for hauling coal and rock from the pits stand idle, with nothing heavier than drifted snow in their enormous dump-bodies. The Russians say defective wheels make it impossible to use the vehicles at full capacity and alterations are necessary. They had ordered 85, at $13 million apiece.

Lacking adequate equipment of their own to fill in while these troubles are ironed out, the Soviets have been stymied in starting the massive work of removing millions of tons of frozen rock to get down to the rich coal seam locked beneath in the permafrost. The interruption could eventually prove costly, for mining the seam is crucial to a pioneering multimillion-dollar international venture aimed at speeding exploitation of Siberia's long-neglected mineral riches and providing coking coal for Japan's ravenous steel furnaces.

Despite those woes, there is little doubt that the Soviets eventually will overcome them and succeed in extracting the coal, concentrating it in massive mills, and shipping it south and east over the new Baikal-Amur Magistral (BAM) railroad being cut through wilderness taiga to the Pacific coast for sea shipment to Japan. They have little choice: under terms of an agreement with Japanese, the coal must repay loans of $450 million which financed machinery and technology used to develop the Neryungri deposits, among the richest concentrated coal reserves on earth, but isolated within a harsh continental land mass of summer time swamps thick with mosquitoes and deep winter frosts.

Soviet geologists estimate there are 30 to 40 billion tons of high-quality coal available for strip mining in South Yakutia. About 300 million tons of coking coal and 100 million tons of lower grade coal for heating and electric power plants are in the Neryungri deposit alone. The Russians have contracted to begin shipping 3.5 million tons of coking coal from here to the Japanese beginning in 1983, with deliveries to end in 1998.

Soviet performance on the contract is being closely followed in the West as a possible bellwether of the nation's ability to marshal its notoriously clumsy planned economy for efficient exploitation of the vast natural gas, oil and mineral deposits elsewhere in the one million square mile expanse of Yakutia, where roads, rails, and people are in short supply.

Moscow's own keen interest in the Neryungri effort and other major projects in Siberia arises from its desire to infuse new production sources into an economy whose growth rates this decade have stagnated. Perennially shoddy Soviet manufactured goods have found limited markets in the West, and short of economic reform that could require loosened Communist Party control, the Soviets must rely on sales of natural resources to earn the hard currency needed for future development.

While the Russians have achieved much since work began in earnest here five years ago, the troubles with the 180-ton trucks and excavators are only the latest in a string of cost overruns, bad planning and bureaucratic bungling that has plagued Neryungri almost from inception. The saga of the mighty "240–M Superfront" excavator designed by the Marion Division of Desser Industries of Dallas, Texas, and built under license by Sumitomo of Japan, seems consistent with the short history of this settlement, in the Stanovoy Mountains about 200 miles north of the Soviet-Chinese border.

Signs of high-level Moscow concern abound. In a January newspaper interview, V. Belye, Soviet first deputy coal minister, sharply criticized the project. An original estimate of $1.4 billion to assemble the towns, roads, machinery, machine shops, rail spurs, depots, supply dumps, and open the earth for mining has ballooned to $4.5 billion, he asserted.

The principal planning institute, called Siberian Hydro-Project for Mines, he said, had given the inadequate excuse that South Yakutia is an undeveloped region with severe weather conditions. Harsh conditions here, with attendant higher construction costs, are well-known, Belye said. The 13,000 people at the site are too few to both work the mines and build housing needed to expand the workforce. The planners erroneously calculated that 80 percent of the workforce would be single, when in fact 80 percent are married, causing acute housing problems.

Large rubble heaps from the mines were piled in front of planned rail extensions, and plans for a single central heating boiler to cost five million rubles and employ 70 were ignored, and now 22 temporary boilers costing a total of 66 million rubles and needing 800 workers have been installed, Belye declared.

Asked about these criticisms, Neryungri First Deputy Mayor Eduard A. Krasnov conceded reluctantly there had been massive overruns.

"But these will decline and we will try to keep the cost down," he said, after noting that "the estimate of so big a construction can't be set, there might be change. The increase is caused by the fact that this was one of the first such construction sites with this difficulty."

He said the latest estimate of $4.5 billion will cover all construction costs for an eventual work force of 50,000 by 1983. Of the charge of misplaced rubble heaps, Krasnov replied: "I don't know such facts."

Housing conditions in the Neryungri complex vary from reasonably attractive log dormitories and apartment blocs to ramshackle shanties jumbled amid the clutter of unfinished concrete slab apartments. Indoor plumbing is a rarity throughout Siberia and Neryungri is no exception.

Although pay rates here average about 500 rubles a month ($750), double the European Russian average, and there are many Komsomols (young Communists) who come for what they asserted in private interviews is the "romance" of being part of a brave new project, manpower turnover throughout eastern Siberia remains a perennial problem. Daunted by the isolation, privation, and dullness of life, many young families take their savings and depart for more hospitable parts when their three year contracts are up.

With all these problems, it seems hardly fair that the Soviets should have trouble with the American excavating machine, designed to scoop 20 cubic meters of rock or coal at a time, four times as much as present Russian machines. But they've had trouble by the scoopful.

Five machines have been delivered, laboriously brought inland in parts. Three have been assembled, used briefly, then put out of commission by various problems. The chief woe involves the scoop bucket, which broke down while biting at the rock covering the coal seam.

The Soviets had planned to remove 75 million cubic meters of rock this year, toward a total of 240 million that must be clawed away by 1983, to get at the coal. But Soviet mine officials said the delays mean only 20 million cubic meters can now be removed this year, and are worried that the trouble may result in shortfalls in the coal production schedule.

Yuri A. Zakarov, chief of construction at the Neryungri pit, in a long complaint voiced while he stood near the stricken machine in the—30 degrees Fahrenheit cold of the quiet pit, said the scoop had been misdesigned by Marion, the division of Dresser's. Dresser has been hired by the Soviets to build a $144 million oil drill bit plant to aid oil exploitation in western Siberia. The sale was approved by the White House last year after initially delaying it to study the strategic implications of the sale.

Zakarov said the machine had been badly designed and equipped to withstand intense cold of the site, where it can be below—50 degrees Fahrenheit for days at a time.

But John H. Bailey, a hydraulics specialist working on the machines at Neryungri, said the hydraulics had given no trouble for more than a year of test and use. New teeth for the buckets are scheduled to be installed soon and the machines can get back to work, he said. But he conceded, "the cold has a hell of a lot to do with it."●

NEW YORK EDITORIAL SUPPORT FOR BETTER ALASKA LANDS BILL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. BINGHAM. Mr. Speaker, the RECORD has already included an excellent recent editorial by the New York Times which discussed the shortcomings in the version of Alaska lands legislation which the Committee on Interior and Insular Affairs ordered reported by a one-vote margin.

For the benefit of all our colleagues, and especially those from the State of New York, I am here having reprinted recent editorials from Newsday and from the Boonville Herald which rightly point out just how important this matter is, and why the House should support the substitute that will be offered by Chairman UDALL when the matter reaches the floor:

LOOK BUT DON'T TOUCH IN ALASKA

An Alaskan lands bill came out of the House Interior Committee this week that would permit oil and gas exploration—but not production, it says here—on the Arctic Wildlife Range.

The committee must be kidding. What's the point of drilling to find oil if you can't pump out of the ground? The enormous commercial pressures already brought to bear on Alaskan lands would be nothing compared to the demand to recover the oil if any is discovered.

The committee bill would allow far too much exploitation of public property in Alaska by mining, drilling, lumbering and other commercial interests. Last year the House overwhelmingly passed a responsible bill for the distribution of Alaskan lands. It died in the Senate, but public and administration support for it remains strong. We hope it's strong enough to overcome the predictable lobbying by oil-state congressmen and the would-be exploiters of a unique American heritage.

A PASSIONATE CAUSE

"Wilderness values may not appeal to all Americans. But they make up a passionate cause for millions," wrote Supreme Court Justice William O. Douglas in his book Wilderness Bill of Rights. One of the most passionate of wilderness causes has become the battle to preserve Alaska's wildlands, America's last great frontier. People in all corners of the nation care deeply. They care about the primeval rain forests of Admiralty Island and Misty Fjords, about the fragile tundra of the Arctic and the soaring peaks of Wrangell-St. Elias. They care about preserving the sensitive nesting habitat of the peregrine falcon and the whistling swan, the calving grounds of the wide-ranging Porcupine caribou herd and the forested domain of the brown bear.

People care even though they may never personally see this last frontier. It is enough to know that it exists and will be forever preserved, for wilderness also dwells in the mind and the heart. Because thousands upon thousands upon thousands of citizens have taken the time to express their views and make known their concern for protecting Alaska's wildlands, we are entering 1979 well on the way to realization of our goal. Our elected and appointed officials in Washington are listening and acting in the national interest on what has become the most significant conservation initiative of the century.

President Carter deserves commendation for his bold, decisive and visionary action in establishing 17 new national monuments in Alaska encompassing 56 million acres—spectacularly beautiful and irreplaceable segments of our national heritage. He has also recognized the critical importance of withdrawing another 40 million acres for consideration as national wildlife refuges, and 11 million acres, of national forest land for study and possible wilderness designation. These sweeping measures have ranked him, along with Teddy Roosevelt, as one of our great conservation Presidents.

We must also acknowledge the influential roles played by key Administration officials. Interior Secretary Cecil Andrus has become an effective advocate for conservation and has worked tirelessly to develop a balanced resolution to the Alaska lands issue. Agriculture Secretary Bob Bergland has shown courage and foresight in supporting national monument status for Admiralty Island and Misty Fjords and in withdrawing other areas in the Tongass and Chugach National Forests so they may be seriously studied for wilderness designation. No aspect of the Administration's Alaska lands proposal has withstood as much scrutiny or intense, acrimonious debate as the classification of Southeast's forest lands.

Congress by default threw the Alaska issue into the Administration court when the 95th Congress adjourned in October. The President has responded with major initiatives to ensure lasting protection for a significant portion of Alaska's wildlands, but key areas remain vulnerable and innumerable land classification and management issues are still unresolved. Responsibility for completing this work lies once again with Congress. New legislation must grant wilderness designation to qualified and deserving areas. Conservationists are pushing for 88 million acres in addition to the Wilderness System. Wild and scenic rivers also deserve protection and certain critical lands overlooked in the presidential proclamations should be incorporated in the national park and refuge systems.

We can expect continued heavy opposition from development interests and heated debate on Capitol Hill. We've come far but there is a long way yet to go. People who care must be prepared to say so again in the months ahead.●

NATIONAL VOLUNTEER WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GILMAN. Mr. Speaker, I rise to call to the attention of my colleagues the fact that April 22 through 28 has been designated National Volunteer Week by the National Center for Voluntary Action.

The role of volunteers in contributing to the welfare of our Nation can hardly be overstated. Wherever there are human needs, there are individuals who are willing to give generously of their time and talent to assure that those needs are met. It is estimated that 36 million Americans—1 to 4 persons over the age of 14—contribute significant amount of volunteer time to their communities. The value of their time has been conservatively estimated at $34 billion.

It should be obvious, Mr. Speaker, that without the generous contributions of volunteers, our health, cultural, educational, religious, and other institutions would simply not be able to carry on. Beyond that, the quality of the services rendered by volunteers—their genuine caring—could not be bought at any price.

In my congressional district in Rockland, Orange, and Ulster Counties, N.Y., tens of thousands of individuals participate in volunteer programs. During National Volunteer Week, all Americans should reflect on the unselfish efforts of volunteers and ask themselves how they could follow their example of participating in community service.●

NEW STUDY REVEALS THE PUBLIC'S PERCEPTIONS OF CRIME AND LAW ENFORCEMENT

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. TRAXLER. Mr. Speaker, Decision Making Information, Inc. recently released a new national public opinion survey on the attitudes of the American electorate toward crime and gun control.

This new and comprehensive study assesses the public's views of crime, its causes and potential remedies. Its findings are useful to legislators at all levels of government in the search for solutions to our Nation's crime problem. As the DMI survey shows, Americans are highly concerned about crime, rating it just below inflation and other economic problems. The average citizen feels crime has increased over the past 10 years and expects it to worsen in the coming decade. Perceived causes for this increase include poor economic conditions, moral and social decay and lenient sentencing of criminals. Less than 1 percent attribute the increase in crime to "too lenient gun laws."

To the poor, the elderly, and to the residents of our larger cities, crime is especially threatening. The crimes most feared are, as expected, crimes of violence. For example, the poll found that 65 percent mention murder committed in the course of another crime as one of the three most feared crimes, with robbery/mugging, burglary/theft, and rape the next greatest fears.

It has been apparent long before DMI so extensively researched the issue, that the causes of crime are complex, rooted deep within the social structure. Solutions to such complex problems cannot be found in simplistic proposals as gun control advocates would have us believe.

I urge my colleagues to study the DMI results as an accurate reading of the public pulse on this issue, so that we may develop constructive strategies for combatting crime, compatible with public needs.

The following are excerpts from the DMI poll:

GENERAL PERCEPTIONS OF CRIME AND LAW ENFORCEMENT HELD BY AMERICANS TODAY

This section reports on the answers to questions posed early in the questionnaires before the general nature or focus of the survey was know by the respondent. Because nothing in these questions indicated our particular interest in the issue of gun control, or led respondents towards any other type of answer, the answers received are a solid indicator of the importance of crime and law enforcement in the context of other national problems and of registered voters' beliefs about the fundamental causes of crime.

CRIME CONCERNS IN THE CONTEXT OF OTHER NATIONAL PROBLEMS

Pocketbook issues dominated the concerns of the average American in mid-1978, with inflation the most important problem seen by 34 percent of the electorate; other economic problems were mentioned by 15 percent. Thirteen percent of those interviewed tagged foreign policy, and another 13 percent the "social issue" (crime, drugs, welfare, and moral decay) as the national issues of greatest concern to them. "Big government" and poor government leadership were of most concern to another 13 percent of the sample. Lagging far behind were a perceived need for more government social services (with 6 percent) and the energy crisis (mentioned by only 4 percent).

Two problems often associated with rising crime and weak law enforcement are moral decay and drug abuse; these were cited by 6 and 2 percent, respectively.

The important point of these findings is that, though crime and other social issues have been slipping in relative importance to Americans in recent years as domestic turbulence had died down and the economy and America's position internationally have worsened, crime and law enforcement still remain important concerns to many Americans. In fact, as will be seen later in this section, the average American family sees crime as a big problem in its day-to-day life and crime is seen as getting worse as a problem throughout the 1968–1988 period.

In the following sections we deal with the questions, "Which level of government can best deal with the problem of crime?," "Specifically, to what extent do Americans view crime as a problem to their own families?" "Which types of crime are feared most?," and "What are the perceived causes of crime?"

WHICH LEVEL OF GOVERNMENT CAN BEST DEAL WITH CRIME?

The findings reported can be summarized in a few simple statements: Americans do distinguish between national problems and problems for state and local governments—and, by a three-to-one margin, they view crime as a problem best left to state and local authorities. The "toughening-up" of the courts and police they desire is a responsibility of these lower levels of government.

Americans' general disapproval of Congress' performance amply reported in other surveys, carries over to the specific areas of crime and taxes—only 28 percent approve of the way the Congress has been handling the problem of crime. In the case of crime, this does, however, reflect a gain since 1975, when only 13 percent of a nationwide sample of registered voters gave Congress a positive job performance rating on "solving the crime problem."

CRIME: HOW BIG A PROBLEM FOR AMERICANS AND THEIR FAMILIES?

In America today personal concern about crime remains high. Voters were asked to rate crime on a 1 to 10 scale, from "one of my family's biggest problems in life" to "not a problem at all for us." Crime is viewed as "one of the biggest problems in my life" by a large number of Americans, fully one-third selecting the answer closest to this extreme of the scale. Further, when comparing past, present, and future, the average voter sees crime as having become much worse (2.02 scale points) during the past decade, and thinks it will become an even worse problem during the decade to come (0.86 scale points).

Viewed another way, during the period of 1968 to 1988: 29 percent see crime becoming a very much bigger problem, with its importance going up at least five scale points (an enormous change in perceived importance); 30 percent see crime becoming a bigger problem by three or four scale points; 21 percent see crime becoming a bigger problem, but "only" by one or two scale points; 13 percent see no change occurring in crime's importance as a problem; and 7 percent see crime becoming less of a problem for themselves and their families.

Observing numbers like these, one cannot but expect a period of major national concern about crime in the years to come—if ever the economy and our foreign affairs get straightened out and after the "tax revolt" is settled.

Political leaders should be ready with constructive suggestions on ways to fight crime.

Those to whom crime is especially bothersome are, as expected, senior citizens, the less educated, big city residents and the poor. Affluent adults and, especially, the young are least concerned.

PARTICULAR CRIMES FEARED

Respondents were asked to select the three crimes they most feared from a list of seven. While murder in the course of another crime was a clear first choice, the most often chosen crime was robbery/mugging; other feared crimes were burglary/theft and rape, followed by vandalism. Least often selected were the "white-collar crimes" (fraud/embezzlement/forgery) and "murder by a friend or relative."

How do these findings relate to the issue of gun control?

First, note that the anti-gun argument of reducing "murder by a friend or relative" is not a crime which many fear.

Note that robbery/mugging, rape, and to some extent, "murder in the course of another crime" are crimes which possession of guns by intended victims tends to discourage or prevent—and these are crimes about which the public is very concerned (among non-gunowners these come very close to being the top three concerns).

Finally, note that precisely those crimes most likely to be reduced by gun ownership are those less feared by gunowners.

WHAT ARE THE PERCEIVED CAUSES OF RISING CRIME?

The question, "What would you say is the main reason there is more crime now than in 1963?" was asked of all 2,510 respondents in these surveys. Three general reasons were predominantly in first and second responses:

(1) moral decay (mostly blamed on home and family environments or on society as a whole), which was cited first or second by 38 percent;

(2) lenient laws (34 percent); and

(3) the economy (29 percent).

More specifically, three leading particular causes given were, "lenient laws and light sentences" (31 percent), "poor child rearing and weakening of families" (17 percent), and "moral decay and a lack of respect for others" (15 percent).

When identifying the reasons for the increase in crime since 1963, less than 1 percent of the respondents attributed that increase to "too lenient gun laws."

Different socioeconomic groups relate the increase in crime to different causes. Here are the most important findings:

Economic hardships are most often viewed as the main cause of crime by those living in large central cities and by low-income or racial minority voters, those groups most exposed to both poverty and crime; they are also seen as more important by Northeasterners, younger voters, and men.

Softness and leniency in the treatment of accused and convicted criminals, an oft-cited cause, is more often mentioned by middle-aged suburban, and middle-income voters; men attribute it of more importance than do women. Big city dwellers, minorities, and the poor are much less likely to see this as a cause of crime; they focus on economic causes.

Moral decay, in all its manifestations, was the most mentioned cause of crime. Older (over 55) voters and women were especially apt to see this deterioration as the key long-term force leading to more crime.●

SELECT COMMITTEE ON AGING

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GUDGER. Mr. Speaker, even before I became a member of the Select Committee on Aging at the outset of this 96th Congress, I was impressed by the committee's work under the leadership of my distinguished colleague from Florida, Congressman PEPPER. He, members of the committee and the energetic committee staff have all worked long and hard on behalf of our Nation's senior citizens.

Thus I felt honored at being named to this vital committee and find its challenges doubly meaningful since I represent a district in which nearly 40 percent of the residents are aged 55 or older.

During the early weeks of this Congress, the Select Committee and its members have moved forward in several areas. Among the initial actions was a hearing on "American attitudes toward pensions and retirement" in February at which nationally known pollster Louis Harris testified that, according to a survey just completed, inflation is clearly the No. 1 problem facing retirees as well as the providers of retirement income.

Harris found that, while a majority of employees look forward to retirement, fully 51 percent would prefer to work—either full or part time, at the same job or a less demanding task as an alternative to retirement.

He also noted that only total abolition of mandatory retirement will satisfy public opinion. Eighty-eight percent of current and retiring employees and 67 percent of business leaders believe "nobody should be forced to retire because of age if he wants to continue working and can still do a good job."

Select committee chairman feels—and I agree with him—that this constitutes a mandate from the American people.

Mandatory retirement must be abolished and I have joined with Mr. PEPPER in cosponsoring H.R. 70 which would accomplish this.

There are other concerns for the elderly which the select committee is addressing, including sponsorship of a major package of legislation to answer the most pressing problems of the Nation's 23 million senior citizens. In summary, this package would expand cost-effective health delivery systems, ban all age discrimination from private sector employment, expand medicare to see that it more fully responds to health care needs of the elderly, improve nursing home care by adopting stricter standards, provide greater protection from fraud and abuse in the sale of private health insurance and provide increased financial assistance to the elderly by completely removing the social security earnings test.

Increased tax credit for the elderly and supplemental appropriations for programs under the Older Americans Act are other measures which will come before this Congress.

Inflation is picking the pockets of all Americans but no where does it strike harder than at our Nation's elderly, those who have worked hard all their lives and now want to enjoy their golden years.

Congress cannot sit by and see those golden years tarnished by inaction. I feel it is a privilege to work with Mr. PEPPER and the other members of the Select Committee on Aging toward this end.●

TRIBUTE TO DAV AUXILIARY STATE COMMANDER NORMA L. WIGGINS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of my distinguished colleagues an event which will bear much significance in the State of Ohio.

On the evening of May 12, a testimonial will be held in Ohio by the Disabled American Veterans Auxiliary to honor the services rendered by Norma L. Wiggins, State Commander.

Norma has served as a life member of the DAV Auxiliary as well as being an annual member of the VFW and American Legion Auxiliaries. As the first woman from southeastern Ohio to be elected to the office of Commander of the the Ohio Disabled American Veterans Auxiliary, many Ohioans join with pride in bestowing their sentiments of gratitude and saluting her past accomplishments.

Norma's work has taken her throughout the State to the Ohio Veterans Home, the Ohio Veterans Childrens Home, nursing homes, VA hospitals and various other service units throughout the State.

On the evening of her testimonial, much prose will be written and praises spoken acknowledging the energy and dedication that Norma Wiggins has so generously displayed through the years. On behalf of the 18th Congressional District, I would like to offer my sentiments of appreciation and pride in her efforts and to extend to Mrs. Wiggins my wishes for continued health and success in the years to follow.●

THE 160-ACRE LIMITATION

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. STUMP. Mr. Speaker, the U.S. Congress is addressing an important problem, the 160-acre limitation and residency requirement.

As you know, I have introduced H.R. 160 which would repeal the existing 160 acre limitation and remove the residency requirement from the 1902 Reclamation Act. At this time, there are 45 cosponsors to H.R. 160.

Today, I received Arizona Senate Concurrent Memorial 1003, passed overwhelmingly by each House of the Arizona State Legislature urging the Congress of the United States to amend the 1902 Reclamation Act by eliminating or modifying the acreage limitation and eliminating the residency requirements. Below, please find the whole Senate Concurrent Memorial.

SENATE CONCURRENT MEMORIAL 1003

A concurrent memorial urging the Congress of the United States to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and eliminate residency requirements relating to farmland irrigated with water from federal reclamation projects

Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

Whereas, section five of such Act prescribed a limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

Whereas, reclamation systems on Indian reservations contain no such limitation even though much of such land is under long-term lease to non-Indians; and

Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by Federal investments are now largely obsolete, moot or nugatory; and

Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative lifestyles in reliance on Federal policy; and

Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

Whereas, the appearance of unpredicability of Federal policy may and the application of the proposed regulations would severely effect the marketability of all reclamation lands.

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring prays:

1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.

2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.●

CATHY IRVIS: CHAIRPERSON OF PENNSYLVANIA'S INTERNATIONAL YEAR OF THE CHILD COMMITTEE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

o Mr. MOORHEAD of Pennsylvania. Mr. Speaker, recently I addressed the House to congratulate a constituent of mine, Mrs. Dorothy Johnson, on being named "Grandmother of the Year," in the Miller School area of Pittsburgh.

The award, and its focus on Mrs. Johnson's liaison role between the Pennsylvania Year of the Child Committee and the students of Miller School, was the brainchild of one of the most industrious and dedicated community activists I have ever known, Mrs. Cathy Irvis.

Mrs. Irvis, the wife of the minority leader of the Pennsylvania House, K. Leroy Irvis, has channeled her zeal and dedication into dozens of efforts aimed at improving the quality of life in Pittsburgh's urban neighborhoods and in similar communities outside of our city.

Gov. Richard Thornburgh just reappointed Mrs. Irvis co-chairperson of the Pennsylvania Year of the Child Committee, a post she was first named to by former Gov. Milton Shapp.

Mrs. Irvis currently is hard at work on the committee's mission to improve existing social programs affecting children and to develop new programs in Pennsylvania to respond to legitimate needs of children.

Mrs. Irvis' community interests extend to other areas as well. In addition to her service on the Year of the Child Committee, she has worked on the Governor's Council on the Arts and currently heads the Ad Hoc Committee for Black Performing Arts.

She is on the board of directors of the American Diabetes Association, serves as a member of the Review Committee for the United Way of Allegheny County and organized and chaired the Pittsburgh Opportunities Industrialization Center (OIC) Auxiliary.

In closing, let me extend a tribute to a hard-working woman who has established an enviable record of community service and wish Cathy Irvis much success in her work this year on the Pennsylvania Year of the Child Committee.●

REPEAL OF THE SOCIAL SECURITY OFFSET FOR SPOUSES' BENEFITS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. WYLIE. Mr. Speaker, in the 95th Congress Public Law 95–216 was passed to which was added an amendment known as the "offset provision." This provides that social security benefits payable to spouses or surviving spouses will be reduced dollar-for-dollar by the amount of any public (Federal, State or local) pension retirement benefit available to that spouse. Many who are currently near retirement will soon find themselves denied a monthly benefit on which they had planned to adequately provide for their retirement.

A spouse's benefit was included when the social security system was established because of the presumed dependency of a wife or widow. The female spouse did not have to prove dependent status since the vast majority were housewives and not covered under employment. A male spouse was required to establish dependency until 1977 when the Supreme Court ruled in *Califano, Secretary of Health, Education, and Welfare* v. *Goldfarb*, 430 U.S. 199 (1977), that it is unconstitutional to treat men and women differently for this purpose. Men were no longer required to prove dependency to draw spouse's benefits.

Public Law 95–216 would apply the original standards, that is, the female spouse will not have to prove dependency while a male spouse will, for 5 additional years after which time all Government workers would be covered by the offset provision.

I feel the subject deserves additional consideration so I voted against the bill.

I recommend passage of H.R. 2140 to repeal a poorly conceived amendment to the Social Security Act.●

THE CARTER SELL-OUT OF FREE CHINA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. McDONALD. Mr. Speaker, a recent issue of the Herald of Freedom (March 9, 1979) by Frank Capell discusses President Carter's recognition of Red China. Perhaps his title is a little misleading as I would have entitled it the "Nixon-Carter Sell Out of Free China," but the compelling message is there.

We sold out an ally in favor of a bloody Communist dictatorship. There is no doubt of how the overseas Chinese feel about this as Mr. Capell notes. They favor the Republic of China on Taiwan. And as Mr. Capell notes in the conclusion of his article, the decision as to the constitutionality of President Carter's unilateral abrogation of the treaty is yet to be decided. The article follows:

THE CARTER SELL-OUT OF FREE CHINA

On December 15, 1978 President Jimmy Carter told the world he was tearing up the solemn treaties with the Republic of China on Taiwan. The president's statement follows: (Quote)

The United States of America and the People's Republic of China have agreed to establish diplomatic relations as of January 1, 1979. The United States of America recognizes the government of the People's Republic of China as the sole legal government of China. Within this context, the people of the United States will maintain cultural, commercial and other unofficial relations with the people of Taiwan. The United States of America and the People's Republic of China reaffirm the principles agreed on by the two sides in the Shanghai Communique and emphasize once again that:

Both wish to reduce the danger of international conflict.

Neither should seek hegemony in the Asia-Pacific Region or in any other region of the world, and each is opposed to efforts by any other country or group of countries to establish such hegemony. Neither is prepared to negotiate on behalf of any third party or to enter into agreements or understandings with the other directed at other states.

The government of the United States of America acknowledges the Chinese position that there is but one China, and Taiwan is part of China.

Both believe that normalization of Sino-American relations is not only in the interest of the Chinese and American peoples but also contributes to the cause of peace in Asia and the world.

The United States of America and the People's Republic of China will exchange ambassadors and establish embassies on March 1, 1979 (End of Quote)

On Taiwan there are many thousands of Chinese who escaped from Red China and the free Chinese communities throughout the world are well informed on what has been going on in Communist mainland China. The Federation of Overseas Chinese Associations, located at 28, Chi Nan Road, Section 2, Taipei, Taiwan, Republic of China, consists of more than a hundred different organizations made up of residents of the Chinese communities located in a number of countries in Europe, Africa, Oceania, Asia, the Middle East, Central and South America, in the United States, Canada, Hongkong and Macao.

In a published message to Teng Hsiao Ping on Jan. 29, 1979, the Overseas Chinese stated that they are strongly opposed to the Chinese Communist regime for the following reasons:

1. The Chinese Communists have cruelly killed more than 70 million people on the Chinese mainland. Most are close relatives of overseas Chinese, and this is a crime we shall never forget.
2. They have forcibly and illegally deprived the people on the mainland of their lands and other properties. Directly or indirectly, we too are victims.
3. They suppress religion and compel the people on the mainland to embrace Marxism and Leninism. Our relatives who oppose them face certain death.
4. They have destroyed traditional Chinese morals and culture.
5. The Chinese mainland has no government, only forces of cruelty and brutality.

The Overseas Chinese stated: We give wholehearted support to the constitutional government of the Republic of China on Taiwan, where the people enjoy freedom and democracy and to fulfill the legitimate aspirations of the people on the Chinese mainland, we strongly urge the Chinese Communist leaders to:

1. Forsake Marxism-Leninism and give up world revolution.
2. Get rid of Communist dictatorship and safeguard the rights and freedom of the people on the Chinese mainland.
3. Disband the people's communes and return land and property to the people.

There are 17 million people living on Taiwan, all living in freedom with an economy that most nations in the world would be proud to have. Presenting the opinion of the people in Free China, the China News in its English language edition pleaded their case in an editorial entitled "What Carter Has Wrought." (Quote)

Chinese, Americans and other friends all over the world are tending to ask the same question. Why did President Carter do it? He himself vouchsafed the reason of realism. President Carter has thought—as did Richard Nixon and Gerald Ford—that the Chinese Communists hold power on the Chinese mainland permanently. He has dismissed our aspirations of mainland recovery and national reconstruction as "unrealistic."

If this were correct, he could justify recognition of the Chinese Communists by claiming that they speak for a quarter of the world's population and one of its biggest geographical areas. He could dismiss the denial of human rights by saying that it is enough that the Chinese people of the mainland do not like their northern neighbors and that neither does the United States.

Jimmy Carter has erred, however, with regard to mainland acceptance of the Communist tyranny. It is strange that he—the most ardent defender of human rights in recent world history—could have made such a mistake.

We can understand why Richard Nixon should have gone over to the Chinese Communists. Nixon believed in the usage of power. He above all American presidents understood Teng Hsiao-Ping's remark that he didn't care what color a cat might be so long as it could catch rats. Richard Nixon is not immoral. He is simply amoral. So, when events dictated, he turned against his anti-

Communism and signed the Shanghai Communique with Chou En-lai. Soon Nixon will return to the Chinese mainland for a visit. He should stay there. He and the Chinese Communists understand each other.

President Ford is not a bad man. But he came to the presidency as a nonentity and was never able to transcend his plodding days in the House of Representatives. Jerry Ford simply went on with what Richard Nixon had begun. As the old phrase of William S. Gilbert goes, "he never thought of thinking for himself at all."

Jimmy Carter came to the presidency two years ago as a new broom determined to sweep out the Washington stables. Unable to change much domestically, President Carter turned to international affairs—as many another American chief executive has done. Then even his great triumph of peace in the Middle East came unstuck. Camp David might as well have never happened.

Where to turn? The Soviet Union had its own ideas about SALT II. Southeast Asia had been lost by Nixon and Ford. So Mr. Carter decided to "solve the Chinese problem." He saw in the Republic of China on Taiwan a small embattled part of a big country on which he could work his will.

Ironically, he has talked of bringing peace and stability to East Asia and the Pacific by breaking the U.S. relationship with the Republic of China and embracing the Chinese Communists. He thinks he has done right, not wrong. He has rationalized his decision to the point of believing that the 17 million of Taiwan are protected and preserved in freedom. He has trusted the Chinese Communists, because he had to do that in order to recognize them. President Carter has opened a Pandora's box. He has no idea of what plagues are going to emerge.

Even we find it difficult to envisage the severity of the storm that promises to rage around Jimmy Carter's presidency as a result of his betrayal of the Republic of China. The Congress is up in arms—not only because of the desertion of a friend and ally, but also because it has been insulated and denigrated. Presidents Johnson and Nixon did not go as far as President Carter in spurning the prerogatives of the Senate and House of Representatives.

President Carter promised to consult with the Congress before taking any action affecting the Mutual Defense Treaty between the United States and the Republic of China. He broke that pledge without so much as a "by your leave." Nor did he have the pretense of an emergency involving the national interest of the United States. He acted solely because he wanted to. His authority has been challenged in court. If the decision should go against him, President Carter would have to reinstate the treaty or risk impeachment.

Jimmy Carter is in trouble—not only with regard to the prospect of a second term, but also with respect to the two years that remain of this term. If he doesn't know the extent of the trouble, he will be finding out as soon as the Congress convenes.

President Carter came to the White House with only the experience of the Georgia statehouse. His friends and advisers have little experience in international relations. His performance is as naive as that of Andrew Jackson, a president who once flew into a rage against France because he read the word "demande" (meaning "ask" in French) in an untranslated document. He misconstrued the language as meaning that the French were demanding that their view be accepted.

This country has never demanded that the United States accept our view of China or our solution of the China problem. We have only asked that Americans not prejudice the case against us but wait for the Chinese decision. President Carter has listened only to the "demands" of our enemy. He and many others are going to have to pay a high price for realism that isn't realistic at all. (End of Quote.)

In a plea to the conscience of America, the National Association of Industry & Commerce of the Republic of China placed a large paid advertisement in the Washington Post in which they pointed out that America and Free China have a lot in common. (Quote)

Like. . . . life, liberty, and the pursuit of happiness. In Taiwan, as in America, we hold these truths to be self-evident. We don't take them for granted. We live by them, and we would die for them. We hold them as a shining promise to our children: their own liberty, their own laughter, in their own land. Freedom means present and future.

Like . . . not being born yesterday. If a hostile neighbor said to you, "Give me the deed to your house, and I'll let you keep on living in it," what would you say? You'd laugh at him. You'd tell him you weren't born yesterday. You'd tell him to keep off your property. In Taiwan, as in America, we say the same. We know the English translation for what Peking calls autonomy. It means hand over the deed to our land, to our freedom, to our lives. We know what happened to Tibet. We weren't born yesterday.

Like. . . . the truth. In Taiwan, as in America, we believe our own ears. We trust our own eyes. We have faith in our own memories, and our memories are long. We do not hold with those in some parts of the world who try to rewrite history, who call yesterday's villain today's hero or yesterday's enemy today's friend; who say that the starving were not hungry or that the murdered did not die. In Taiwan, as in America, we call that double-talk, and we are not taken in. We teach our children that truth is always truth, human rights are always human rights, tyranny is always tyranny, and rewriting history will not turn oppression into progress. In Taiwan, as in America, freedom means the God-given rights of the individual. In Taiwan, as in America, we believe in God. (End of Quote)

Just how much notice was given to the Republic of China by the Carter Administration that we were betraying our friend and ally and abrogating treaties? Taiwan's President Chian Ching-kuo was awakened with the news by U.S. Ambassador Leonard Unger at 2 a.m., only eight hours before the joint communique was read in Washington and Peking. Chiang, the son of Chiang-Kai-shek, declared that the U.S. decision to abrogate its 24-year-old defense treaty with Taiwan would have a "tremendous adverse impact upon the entire free world. . . . The government of the United States, alone should bear full responsibility."

And just who is this U.S. Ambassador, Leonard Unger, who woke up the President of the Republic of China at 2 a.m. to announce the U.S. betrayal of her ally? In previous writings we have referred to Leonard Unger as a security risk and the following brief biography will indicate why.

Leonard Unger was born in San Diego on December 17, 1917, the son of Louis Allen and Rachel Seidman Unger. He was educated at Harvard (A.B., 1939) and in December of 1944 he married Anne Axon. Unger worked with the National Resources Planning Board until 1941, when he joined the U.S. Foreign Service as a divisional assistant in the State Department. He became head of a unit in the State Department's Liberation Areas Division in November of 1944. Unger next became assistant division chief of Southeast European Affairs, then acting officer in charge of Italian affairs, and political advisor to the Commander of NATO. He had the following assignments: Council of Foreign Ministers and Commission to Investigate Italo-Yugoslav Boundary, Paris Peace Conference 1946; U.S. political advisor in Trieste 1950–52; with NATO Command, Naples 1952–53; Representative, Trieste negotiations, London 1954; officer in charge of political-military affairs in the European Bureau of the State Department in Washington 1954–1957; National War College 1957–58; Deputy Chief of Mission at American Embassy in Bangkok, Thailand, from 1948–1952; Ambassador to Laos 1962–64; Deputy Assistant Secretary of State for Far Eastern Affairs, Chairman of the Vietnam Coordinating Committee, 1965–67; and Ambassador to Thailand from 1967 until his appointment as Ambassador to the Republic of China in 1974.

Leonard Unger was one of the serious security risks uncovered during an updated investigation of State Department personnel whose files contained derogatory information. The investigation disclosed that Unger was a dues-paying member of the Washington Bookshop Association, officially cited as Communist and subversive. It was more than a bookshop, however; the premises were used for secret Communist Party meetings. The investigation report further disclosed that Unger was a close contact of individuals under investigation for involvement in Communist and espionage activities.

As far back as 1947, one of our intelligence agencies received information from a source deemed reliable concerning the operation of a Soviet-controlled group within the State Department. One of those named as a member of that group was Leonard Unger.

While Leonard Unger was U.S. Ambassador to Laos, a Rightwing military coup collapsed after one day due to U.S. opposition from Unger. He also played a role in the undermining of Prime Minister Thanom Kittikachorn in Thailand, resulting in the fall of his Government.

One of Unger's closest associates both professionally and personally is Robert Barnett, former Assistant Secretary of State for Far Eastern Economic Affairs. Barnett was a contact of Communist agents Frederick V. Field, Harry Dexter White, Alger Hiss, Lauchlin Currie and Virginius Frank Coe. Robert Barnett was among those named to the U.S. intelligence agencies as a member of the same Soviet-controlled group in the State Department as Leonard Unger.

The State Department's own office of security reported Unger as a serious security risk based on reports supplied by agencies of our government. He was nonetheless retained on "higher authority," was repeatedly promoted, and was given important assignments that put him in a position-to subvert anti-Communist policy. Unger was planted in Free China by Henry Kissinger, also named not only as a security risk but as an actual Soviet agent by a source considered reliable by the U.S. intelligence agencies.

As for Teng Hsiao-ping, feted and treated like royalty at the White House, what kind of man is he? It is well known to our intelligence services, and certainly to the Carter Administration, that he has been a Communist for fifty years and that he can change his policy when it suits him. Back in 1960 Teng was as viciously anti-American and pro-Soviet as any foreign leader could get. In the May 24, 1960, Peking Review he is quoted as saying: "The struggle carried out by the Soviet Union, which is directed squarely against U.S. imperialism, is entirely necessary and fully righteous. . . . U.S. imperialism is the No. 1 enemy of world peace. . . . At present, the U.S. imperialists and their accomplices are using every means to cover up their all too evident crimes. . . . Long live the great unity of the Socialist camp headed by the Soviet Union!"

His present views were reported in U.S. News & World Report of Jan. 22, 1979. On China-Taiwan unification: "We cannot commit ourselves to use no other than peaceful means to achieve reunification of the motherland. We cannot tie our hands on this matter. As to the question of a timetable, we Chinese are a very patient people." On the human rights issue: "It is our policy to bring democracy into full play. As for the question of human rights raised by the United States, I hope that we will not discuss it, because each has his own interpretation of the question."

The attitude of the U.S. State Department toward Free China was clearly indicated by a short article in the New York Times of January 31, 1979 which stated: (Quote)

The United States reportedly expelled a Taiwanese official this month of violating general diplomatic practice by publicly criticizing the American decision to sever official ties with the island. Loh I-cheng, who had been in the United States 15 years, criticized American policy in letters to The Daily News of New York on Dec. 26 and The New York Times on Jan. 23 and in a column in The Washington Star on Jan. 10.

Mr. Loh, based in New York as head of the Free China Information Service, accused the Administration of turning its back on a friend and said he could "see why the leaders of Israel are nervous about the value of American promises." In general diplomats are not supposed to criticize host governments. Four State Department officials known to have knowledge of the case all refused to discuss it, apparently on orders. (End of Quote)

The ending of the Taiwan Treaty is definitely not legal. A treaty is a law and the president cannot repeal a law by himself. Sen. E. J. Garn (R-Utah) made this clear in a recent interview in which he stated: "The Constitution clearly says ratification of any treaty requires the advice and consent of the Senate, and that this must be by a two-thirds majority vote. In 1954, the Taiwan treaty was ratified through this procedure. It is my belief that the same process must be followed to end a treaty. After all, a treaty is a law, and the President cannot repeal a law by himself. To do so would violate the Constitution." ●

THE 50TH ANNIVERSARY OF THE GREEK ORTHODOX CHURCH IN MARTINS FERRY, OHIO

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. APPLEGATE. Mr. Speaker, it is an honor for me to bring to the attention of this House and the general public an event of much significance in my congressional district.

The Greek Orthodox Church of the Life-Giving Fountain, located in Martins Ferry, Ohio, will be celebrating its 50th anniversary on Sunday, April 29, 1979. The Church was founded in 1929 by the Reverend Parthenios Kolonis. Its name hails back to a tradition in ancient Byzantium which tells of a blind beggar having his sight restored by the water of the Life-Giving Fountain.

The Martins Ferry Church serves the spiritual needs of the Greek Orthodox worshippers in a 100 square mile area. The Reverend Menelaos Papageorgiou is the current priest of the congregation which numbers 400.

The celebration will be highlighted by the presence of His Eminence, Archbishop Iakoyos, Primate of North and South America of Greek Orthodox Churches.

The church and its congregation has contributed a great deal to Martins Ferry and the 18th Congressional District and for this they are to be commended. On behalf of the 18th district, I want to extend my congratulations to the church on this most celebrated occasion and wish all continued success and happiness in the years to come.●

EXCESS PROFITS TAX

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GILMAN. Mr. Speaker, I ask that a copy of H.R. 3477 be printed in the Record at this point, for the information of my colleagues:

H.R. 3477

A bill to impose an excess profits tax on the income of corporations engaged in the production of petroleum and petroleum products for a limited period.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subtitle A of the Internal Revenue Code of 1954 (relating to income taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 7—EXCESS PROFITS TAX

"Sec 1571. Imposition of tax.
"Sec. 1572. Definitions.
"Sec. 1573. Adjustments to income for years in the emergency period.
"Sec. 1574. Excess profits deduction.
"Sec. 1575. Energy plowback deduction.

"Sec. 1571. Imposition of Tax.

"(a) General Rule.—In addition to the other taxes imposed by this subtitle, there is hereby imposed on the income of every corporation engaged in the production of petroleum products for each taxable year which ends or begins during the emergency period, a tax equal to 25 percent of the excess profits taxable income for such taxable year.

"(b) Taxable Years Partly in the Emergency Period.—In the case of a taxable year which begins before the emergency period or ends after the emergency period, the tax imposed by subsection (a) shall be an amount equal to 25 percent of the excess profits taxable income for the taxable year multiplied by a fraction the enumerator of which is the number of days within the emergency period and the denominator of which is the total number of days in the taxable year.

"Sec. 1572. Definitions.

"(a) Emergency Period. For the purpose of this chapter, the term "emergency period" means the 3-year period beginning on the date of the enactment of this chapter.

"(b) Base Period.—For the purpose of this chapter, the term "base period" means the period beginning January 1, 1976, and ending on December 31, 1977.

"(c) Petroleum and Petroleum Products.—For the purposes of this chapter, the term 'petroleum and petroleum products' means any crude oil, gasoline, kerosene, fuel oil, or home heating oil extracted or produced by any corporation doing business in the United States.

"(d) Excess Profits Taxable Income.—For purposes of this chapter, the term 'excess profits taxable income' means taxable income for the taxable year (computed with the adjustments specified in section 1573) reduced by the sum of—

"(1) the excess profits deduction for the taxable year; plus

"(2) the energy plowback deduction for the taxable year.

"Sec. 1573. Adjustments to Income for Years in the Emergency Period.

"For the purposes of this chapter, in determining the taxable income of a corporation for a taxable year ending or beginning in the emergency period, the following adjustments shall be made:

"(1) Dividends received.—The deduction for dividends received shall apply, without limitation, to all dividends on stock of all corporations, except that no deduction for dividends received shall be allowed with respect to dividends on stock of foreign personal holding companies or dividends on stock which is not a capital asset.

"(2) Gains and losses from sales or exchanges of capital assets.—There shall be excluded gains and losses from sales or exchanges of capital assets.

"(3) Income from retirement or discharge of bonds, etc.—There shall be excluded income derived from the retirement or discharge by the taxpayer of any bond, debenture, note, or certificate or other evidence of indebtedness, if the obligation of the taxpayer has been outstanding for more than 6 months, including in the case the issuance was at a premium, the amount includible in gross income for such year solely because of such retirement or discharge.

"(4) Deductions on account of retirement or discharge of bonds, etc.—If during the taxable year the taxpayer retires or discharges any bond, debenture, note, or certificate or other evidence of indebtedness, if the obligation of the taxpayer has been outstanding for more than 6 months, the following deductions for such taxable year shall not be allowed:

"(A) the deduction allowable under section 162 for expenses paid or incurred in connection with such retirement or discharge;

"(B) the deduction for losses allowable by reason of such discharge or retirement; or

"(C) in case the issuance was at a discount, the amount deductible for such year solely because of such retirement or discharge.

"(5) Recovery of bad debts.—There shall be excluded income attributable to the recovery of a bad debt if the deduction of such debt was allowable from gross income for any taxable year ending before the effective date of this Act or if such debt was properly charged to a reserve for bad debts during any such taxable year.

"Sec. 1574. Excess Profits Deduction.

"(a) Computation.—The excess profits deduction for a taxable year shall be the greater of the following:

"(1) 100 percent of the average base period taxable income, or

"(2) an amount equal to the total of the following amounts:

"(A) 10 percent of the first $20,000,000 of invested capital,

"(B) 9 percent of the next $18,000,000 of invested capital, and

"(C) 8 percent of invested capital exceeding $40,000,000.

"(b) Average Base Period Taxable Income.—The average base period taxable income shall be determined by computing the base period taxable income for each month in the base period, the highest and lowest aggregate of 6 months taxable income shall be dropped and the remaining sum of 24 months shall be divided by 2 to obtain a base year figure for the purposes of this chapter.

"(c) APPLICATION OF CHAPTER.—The provisions of this chapter shall apply to all corporations which were in existence during the entire or any part of the base period or the emergency period as defined in this chapter.

"SEC. 1575. ENERGY PLOWBACK DEDUCTION.

"(a) GENERAL RULE.—For purposes of this chapter, the term 'energy plowback deduction' means the amount paid or incurred by the taxpayer during the taxable year (with respect to areas within the United States or a possession of the United States) for—

"(1) intangible drilling and development costs to which section 263(c) applies or ascertaining the existence, location, extent, or quality of any deposit of crude oil or natural gas,

"(2) the construction, reconstruction, erection, or acquisition of the following items but only if the original use of such items begins with such taxpayer:

"(A) depreciable assets used for—

"(i) the exploration for or the development or production of oil or gas (including development or production from oil shale),

"(ii) converting oil shale, coal, or liquid hydrocarbons into oil or gas, or

"(iii) refining oil or gas (but not beyond the primary product stage),

"(B) pipelines for gathering or transmitting oil or gas, and facilities (such as pumping stations) directly related to the use of such pipelines, or

"(3) secondary or tertiary recovery of oil or gas.

"(b) LIMITATION.—The amount of the energy plowback deduction for any taxable year may not exceed 25 percent of the excess profits taxable income for such year (determined without regard to the energy plowback deduction)."

(b) The table of chapters for such subtitle A is amended by adding at the end thereof the following new item:

"Chapter 7. Excess profits tax.".

(c) The amendments made by this Act shall take effect on the date of the enactment of this Act.●

DEV O'NEILL

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HANLEY. Mr. Speaker, I know that all of us are shocked and saddened by news of the sudden death of our old friend, Dev O'Neill.

As the Democratic photographer of the House of Representatives, Dev was already an institution in the Halls of Congress when I first came to serve here in 1965.

Dev started his work in the House in 1956, and served us faithfully until his much-deserved retirement last year. His reputation as an expert in his field went far beyond the confines of Capitol Hill.

All of us know the rigors that the job of official photographer for this body brings with it. There is rarely a moment of rest from morning 'til night. The pressures associated with trying to please the Members of this body are tremendous. The tensions and frustrations of dealing with a myriad of personalities and time constraints are awesome.

Yet, through it all, Dev never lost his wit nor his warmth nor his outstanding professionalism. When we needed him, he was there. When we asked a favor, he never hesitated.

Dev O'Neill left his mark on all of us who had the good fortune to know him. We shall remember him with great affection.●

TRIBUTE TO REV. PAUL CARNES

HON. ALLAN BYRON SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. SWIFT. Mr. Speaker, with the recent death of the Reverend Paul Carnes, president of the Unitarian-Universalist Association, we have lost a person who was willing to speak out and to act on his beliefs in the civil liberties of all people. I share that sense of loss felt by his friends and by members of the church and insert these remarks by his close friend, the Reverend Peter Raible of Seattle's University Unitarian Church, in the RECORD:

REMARKS ON THE DEATH OF PAUL N. CARNES

On March 17, 1979, the third President of the Unitarian Universalist Association, Paul Nathaniel Carnes, died in Boston. For the position he held, his passing is worthy of note. But far more important, he was a man, courageous beyond belief, who not only lived with but displayed marvelous grace while enduring lymphatic cancer for over fifteen years. His death after less than two years in office and on St. Patrick's Day sent my memory spinning back to the haunting words on now Senator Patrick Moynihan upon the death of John Kennedy. Moynihan said on national television,". . . I don't think there's any point in being Irish if you don't know that the world is going to break your heart eventually. I guess we thought we had a little more time." Moynihan then paused before adding almost inaudibly, "And so did he!"

When Paul was first diagnosed with cancer the prognosis was death in a short period. Many of us grieved and Paul helped us because he accepted and dealt so honestly with his condition. But then he did not die and several years later he told me with rueful humor, "I think my friends and family are disappointed in me. They have all been so nice to me and now they've decided I'm going to live, they have dumped all over me. It's the worst year I've ever spent." Paul had enough adversity in his life, he had spent several years as a German prisoner in World War II, so that his humor had a marvelous gallows quality.

The last pulpit from which Paul Carnes ever spoke was at University Unitarian Church in Seattle. In closing his sermon there, he related the importance of seeking after an Atlantis through all adversity—a goal difficult to reach, perhaps, indeed, ultimately unobtainable. It was an autobiographical statement; his testament to us that whatever may be our condition in life we must live for something. We must be seekers, questers, thrusters into the future.

When Paul came to Seattle there fell on me at a level beyond consciousness the realization that he was dying. The signs were there, for I knew him well and I'm not unacquainted with the trajectory of death. Yet I'd seen Paul fight back against his cancer so often, that there was also denial in me. I did not want to accept what I knew was true. Yet at considerable pain he came to Seattle, because he had promised me long ago that he would come. Even as he knew somewhere in his being that death was at hand, he wanted to say to us all that we cannot meekly give up. We must go seeking the Atlantis never to be found, the perilous places where we would journey for our personal fulness.

I grieve that he will never see fulfilled the promise we expected from his presidency and for the reimpowering of our movement. But now I see anew that we can never buttress our hopes on achievement attained; we must find meaning and purpose in the efforts we undertake. His life declares ever to us all, we exist in what we seek, not in what we achieve. That is his lasting testament.

Paul lived under a death sentence for many years. This gave him a certain joy in each day of life, yet a willingness not to take himself too seriously. He could accept defeats and the perversities within our movement and he did not confuse battles over issues with friendship or truth. He was usually magnanimous and accepting about the major defeats; his upsets arose strangely over tiny matters. In the big issues he was ever marvelous.

Paul lived in the moment, but not the moment cut off from past and future. Because we knew his condition, he was an exemplar to the rest of us. He was grounded in a sense of heritage. He cared where we were going; yet his pinion was ever in the now, for his very existence exemplified that there may be no tomorrow. Paul's residence within the shadow of death for many years gave him a certain reality about himself and a certain verve to get on with what could be done.

He was a living example of grace under pressure. Paul loved and enjoyed power; he frankly said he liked being President of the Unitarian Universalist Association and that he thought he was good at the job. He had a giant ego, as I think any President must have—a sense of one's own import and what one can do. His power, however, never turned to pride, pedantic and puffed in pretense. He carried a humor about himself, humility about his accomplishments, and a certain irony about existence. Paul took criticism even when it hurt. He was open to hearing what others might say, daring to hear correctly even when he disagreed; and he never mistook opposition for personal disloyalty.

We all can develop a seriousness about our days—what we undertake has import, even as we also capture humor—the perverse and ironic even in our most magnificent efforts. There is this paradox to existence; Paul grasped it well.

Paul Carnes in the manner of his life proclaimed the necessity of continuous questing, of never giving up on ourselves. He underlined the import of making our lives count in the present day. He displayed for us all the balance between a healthy striving and accomplishment combined ever with a sense of our own peculiarities and foolishness.

I mourn the loss of our President, the sad loss of a chief executive only twenty months in office. But most of all I grieve my friend; he will not easily be replaced in my life. I hope his memory will remind me of where I've turned aside from battles, because I did not wish to confront the difficulties. I hope it will prick me when I avoid doing what is important at the moment, because seemingly it could be done just as easily next week or next year. I hope his example will allow me to grapple better with balancing the paradox of the serious and the ironic. Most of all, I hope his days will confront me ever again with the simple realization that our days are precious, our decisions are important, and all about us has import, for we seek to have life and to have life more abundantly.●

OPPOSITION TO MONETARY CONTROL BILL OF 1979

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. REUSS. Mr. Speaker, an editorial in the April issue of the Southern Banker questions the American Bankers Association's opposition to the monetary Control Bill of 1979. The editorial, which will be of interest to all Members concerned with this important legislation dealing with the reserve requirements of banks, follows.

HEADS IN THE SAND

(By Richard H. Gamble)

The ABA has let bankers down on an important issue and left us with a murky, somewhat deceptive accounting of what has happened. It is time to set the record straight.

When the ABA convened its Leadership Conference in Washington in mid-February, the stage was set for resolving the troublesome problem of dwindling Fed membership and reserves. After years of sparring and delay, Congressional and Fed leaders had gotten down to serious negotiating and made dramatic progress in developing a compromise plan that looked like it might fly.

There were some significant differences between the bills introduced by the banking committee chairmen, Senator Proxmire and Representative Reuss, and modifications proposed by the Fed, but no one doubted that these differences could be resolved.

This potential compromise was not ideal for the banking industry. One minority group of banks—large state nonmember banks—would have been financially disadvantaged, and banks would have been compelled to keep reserves with the Fed.

But on balance, the plan contained important benefits for banks. Reserve levels would have been substantially reduced and made uniform. Competitive inequities between banks of the same size would have been resolved (although small banks would have enjoyed certain advantages). Every plan under consideration called for a net financial loss to the U.S. Treasury and a net gain for the banking industry.

For years the ABA had been advocating voluntary affiliation with the Fed, reduced reserve levels and interest paid on reserves—solving the problem by taking the "burden" out of membership. And for years this position met with scorn and outright rejection on Capitol Hill because it would have cost the Treasury huge amounts of money.

The ABA remained prudently silent, however, during the Proxmire-Reuss-Fed negotiations. IBAA endorsed the compromise plan, but since the biggest gun in the banking industry had not spoken, there was considerable anticipation as the Leadership Conference met behind closed doors to determine the most crucial position of the banking industry.

When the doors opened and the new policy was announced, it was surprisingly familiar: voluntary affiliation with the Fed, reduced reserve levels and interest paid on reserves.

It was just the kind of position that would antagonize Sen. Proxmire, and within weeks he was widely quoted in the press as calling the proposal "welfare for banks" and denouncing it as "the golden fleece to end all golden fleeces, the rip-off of the year."

The ABA stance was just what would annoy and discourage Rep. Reuss, and within weeks he had cancelled plans to bring a Fed-reserves bill to a vote.

The ABA leadership group had endorsed a plan that could satisfy every banker assembled at the Mayflower, but when they brought it out of that room, it quickly withered. By ignoring cost to the Treasury, banking leaders were sticking their heads in the political sand. By demanding the moon, they made it likely that the status quo would remain. And the status quo is not in the best interest of bankers.

The ABA gave up a good chance for a sizeable reduction in reserve levels that would have boosted the earnings of all Fed-member banks, a good chance to resolve competitive inequities between member and nonmember banks, a good chance to extend reserve requirements to thrifts and thus help to 'level the playing field' between banks and thrifts, and a good chance to bolster the Fed, which has been a strong ally in past battles over political restructuring of banking. It was an inept, politically naive move.

Having thrown a wrench into the machinery for producing a compromise Fed bill, the ABA made matters worse with reports that sound downright deceptive. In his interview with this magazine (p. 20) and in comments published in *American Banker*, Chairman Reuss has made it entirely clear that he cancelled plans to proceed with a Fed bill because he thinks the ABA's position leaves little hope for an acceptable compromise.

Yet the ABA's newsletter, *Perspective*, tells us that the legislative suspension "generally is seen as part of the legislative process, allowing time for further informal discussion of the Fed issue by all parties."

That accounting simply will not do. When such a powerful, influential trade association takes a position that prevents action to alleviate the distress of all Fed-member banks, to eliminate reserve burdens for small banks and to cause a net shift of money from the Treasury to the banking industry, it owes its members a real explanation, not fishy, self-serving reporting.

It is time for the bankers who met behind those closed doors and are responsible for the ABA position to speak out and tell the rest of us what went on in there, why they decided as they did and why they apparently cost us the chance for real progress.●

WELCOME TO NEWLY NATURALIZED AMERICANS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 24 residents of Maryland's Second Congressional District who have chosen to become American citizens with all of the responsibilities as well as freedoms that citizenship entails. Please join me in welcoming these newly naturalized Americans and extending to them our very best wishes for a happy and prosperous life in their new homeland.

The list follows:

LIST OF NEWLY NATURALIZED AMERICANS

Mr. Richard Z. Rzepecki.
Mr. Lan John Gray.
Mr. Venkatraman B. Subramanian.
Mr. Tanakrit Kusakull.
Mr. Crisostoma de Guzman Ocampo.
Mrs. Maria Concetta Byrns.
Miss Irene J. Kopeikin.
Mr. Gouranga D. Bose.
Mr. Uri M. Ben-Or.
Mr. Chong Ho Song.
Mrs. Amalia Vernon.
Mrs. Marcela R. Whitaker.
Sithichai Kusakull.
Dr. Sung Eui Kim.
Mr. Pasquale Amodei.
Mr. Hieronymus Jaeger.
Mr. Mangat R. Agarwal.
Mr. Chuck Nam Lee.
Mrs. Sung Ja Lee.
Mr. Bong Kyung Shin.
Mrs. Rang Shin.
Mrs. Chin Kyong Lee.
Mrs. Maria G. Muffoletto.
Mr. Tommy T. Lu.●

A NATIONAL DEFENSE, AMERICA'S CONTINUING CHALLENGE: A STATEMENT OF PRINCIPLES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ROTH. Mr. Speaker, I have always believed that a strong national defense is the most effective means for maintaining world peace. That is why I am so concerned about the direction that our Nation seems to be taking. The American defense posture is sagging all over the world.

Our NATO forces in western Europe are seriously outmanned and underequipped in comparison to the Warsaw Pact troops.

In South Korea, the President has announced that our ground forces may be withdrawn in the near future, leaving that country ripe for an invasion from the north.

TAIWAN CAST ASIDE

Just recently the administration abrogated our defense treaty with Taiwan; our loyal ally of 3 decades has been cast aside with no renunciation of conquest by the mainland government.

The Soviets and their Cuban surrogates are on the march in Africa and Afghanistan and our response is limited to diplomatic protest.

Sadly, the United States was unable to anticipate or unwilling to prepare for the disastrous turn of events in Iran. Another longtime ally has been lost and once again the United States appears helpless to shape events.

Now the administration tells us that the SALT II negotiations are "98 percent complete" and that this agreement will control the arms race and enhance America's opportunity for lasting peace.

SOVIET STRATEGIC SUPERIORITY

Mr. Speaker, I submit that the SALT II treaty now being negotiated will only serve to legitimize and perpetuate Soviet strategic superiority. SALT II will not, as its proponents claim, provide for parity at 2,250 strategic weapons for each side. This claim is incorrect because:

The Soviet Backfire, Badger and Blinder bombers—which can bomb the United States—are not counted in this ceiling while all U.S. strategic bombers are counted.

Soviet ICBM's carry six times more explosive power than U.S. ICBM's; the Soviets can convert these missiles into a massive superiority with MIRV'd warheads. Yet, SALT II would not permit the United States to build "heavy" missiles as the Soviets have done.

Ground- and sea-launching cruise missiles of over 600 kilometers range are prohibited. Yet, the Soviets could strike more than two-thirds of the U.S. population with such weapons whereas the United States could reach less than 15 percent of the Soviet population with the same type missiles.

The development of new strategic missile systems will be restricted or prohibited. This will prevent the United States from matching the eight new Soviet ICBM's which are in testing or production—compared to none for the United States.

There are no provisions for on-sight inspection. Thus, the Soviets can easily evade verification of their strategic strength.

AFFIRMATIVE DEFENSE STRATEGY

Mr. Speaker, the road to continued security and freedom is not found in a Strategic Arms Limitation Treaty that locks the United States into a position of military inferiority. Rather, the path to these goals means the adoption of an affirmative national defense strategy based on the following principles:

First. Overall goal of military/technological superiority over the Soviet Union.

Second. Rejection of any arms control agreement which jeopardizes the security of the United States or its allies or which inhibits a superior defense.

Third. Superior security and intelligence capabilities.

Fourth. A strategic and civil defense which would protect United States citizens against nuclear war at least as well as the Soviets defend their citizens.

Fifth. Use of positive, nonmilitary means to counter the growth of Communism.

Sixth. A policy of helping our allies and other non-Communist countries to defend themselves against Communist takeover.

Because the United States has not had a positive strategy, we are now facing the most serious threat ever to our survival as a free Nation. Not one of these basic principles is current U.S. policy. The need for America's adherence to these principles is glaringly real. I am confident that the overwhelming majority of the American people would support them.

At present, the currents of world events may be moving against us, but that does not mean it is time for America to pull in its oars. It is our responsibility to turn the tide.

DEFINE VITAL INTERESTS

To accomplish this, we must agree—and soon—on a single coherent foreign policy for the United States. We must determine what role America intends to play in the world. We must define our vital interests precisely and resolve to defend those interests with courage and without apology.

Given the track record of this administration, it comes as no surprise what is said in foreign capitals today that "to be America's enemy is dangerous, but to be her friend may be fatal."

We cannot allow this haunting perception of America to persist. If democracy is to survive and thrive in this world, it must do so largely on the strength of America's example and determination.●

DETROIT NEWS UNDERSTANDS ECONOMICS

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. STOCKMAN. Mr. Speaker, the Iranian oil crisis and our worsening balance of payments and inflation problems have prompted a spate of editorials around the Nation calling for more Government intervention in energy consumption and production. One newspaper has gone against the tide recently, however, and its editorial demonstrates such an unusual grasp of the relationship between oil supply, price, and demand that I wish to share it with my colleagues in the House:

FUEL ECONOMY

The federal government may preach the doctrine of the free market, but it often fails to practice it. The consequences of such hypocrisy can be seen in the effect of federal fuel-economy standards.

Chase Manhattan Bank recently released a report which predicted that, if the present fuel-economy standards are not eased, sales of U.S.-made automobiles will decline by as much as 40 percent.

Among the predicted results: an increase of 2.7 percent for Michigan's 1984 unemployment rate; less competition in the auto industry as Chrysler and American Motors lose out to GM and Ford; a decrease in the U.S. trade balance of $5 billion between 1981 and 1990; a loss of $220 billion in gross national product between 1981 and 1990; an increased federal budget deficit; and disaster for lower-income groups faced with high car prices, high fuel prices and unemployment.

That's a gloomy picture—unnecessarily so. Federal interference in the market in the form of fuel-economy standards is a result of earlier federal intereference in the form of oil price controls. Those controls encouraged an economy based on artificially low fuel prices—a society of big cars, far-flung suburbs, poor public transportation, decrepit railroads, and wasteful industry.

If the federal government insists on maintaining fuel-economy standards, we agree with the Chase Manhattan study that the passenger-car standard to be reached by 1985 should be lowered from a corporate fleetwide average of 27.5 miles per gallon to 26 miles or less per gallon.

Better still, rather than try to force consumers to buy smaller cars—a tactic many are predictably going to resist by switching to used cars, imports, and vans, with a subsequent drop in car sales—why not for once trust the market to do the job?

The best way to reduce demand for scarce fuel is to allow the price of gasoline to rise, perhaps by stages to ease the transitional and inflationary impact. Redistributive schemes, such as windfall profits taxes, could ease the burden for lower-income consumers.

As fuel becomes more expensive, consumers will naturally switch to fuel-economizing transportation, and the auto makers will rush to meet their demands. Competition will breed more fuel economy. Higher oil prices also will encourage oil exploration and exploitation as well as provide an incentive to develop alternative sources of energy.

We agree that fuel economy is one of this nation's top priorities. We just think that fuel-economy standards, besides being costly and inefficient, are the typical response of a government that tries to guide the economy with one hand and to remedy the effects of its inept steering with the other.●

NATIONAL EDUCATION FOR BUSINESS WEEK

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GINN. Mr. Speaker, the week of April 16–22, 1979, has been proclaimed as "National Education for Business Week." This week will emphasize the importance of business education and the need to obtain business skills which will enable our young people to more effectively enter our work force. In hopes that our colleagues will recognize the significance of this week, Mr. FORD of Michigan, Mr. PERKINS of Kentucky, and I have introduced House Joint Resolution 273.

The rationale for the establishment of "National Education for Business Week" has been clearly outlined in the following statement sponsored by the Association of Independent Colleges and Schools and the National Business Education Association. I submit this statement to be reprinted in the CONGRESSIONAL RECORD at this point:

WHY NATIONAL EDUCATION FOR BUSINESS WEEK?

The United States is the most technologically advanced country in the world. The achievements of American scientists and engineers have converted the science fiction fantasies of a generation ago into products so commonplace today that we scarcely give them second thoughts. Computers, lasers, satellites, and many other technological marvels have become as basic as test tubes and electric motors were fifty years ago.

The United States is also the most economically advanced country in the world. The achievements of American entrepreneurs and businessmen have created a system for producing goods and services unparalleled in human history.

Yet; despite the accelerating pace of change in the laboratory and the marketplace, one element of progress has never changed. Trained and educated people are the mainstay—the backbone—of technology, commerce, industry, and government. Without trained people to handle the support functions our businesses require, offices would drown in their own paperwork tomorrow.

The productivity of our technological and commercial world has often seemed on the verge of overwhelming us. When the Sputnik Era arrived, it initiated a trend toward developing a society very well trained in the theory and the engineering of new machines, but which paid little attention to training the people who provide the essential human element to make the machines work, and keep on working. In our headlong rush to develop a nation of theoreticians we neglected some important questions: What jobs will these new theories and this new hardware demand? What skill will be necessary to fill them? Are we prepared to educate people in these skills so we can fill these jobs?

According to a recent Labor Department survey, the vast majority of the 46 million job openings between 1976 and 1985 will require vocational or technical training beyond high school—not theoretical training as much as a specialized kind of instruction in which qualities are taught to begin a career of employment. Bookkeepers, stenographers, laboratory technicians, specialists in marketing and merchandising, computer programmers and operators, and other well-trained persons are becoming ever more vital, and the future need for such skills shows no sign of diminishing. If we are to avoid a serious shortage of skilled people in these fields, the status of office workers and technical specialists of all kinds must be elevated. Their availability and role in society cannot be taken for granted. The proper emphasis must be placed on their educational preparation.

The free enterprise system lies at the heart of our country's success. It has brought the United States to the position of prominence we enjoy today. The American commitment of free enterprise is best exemplified by the entrepreneurial spirit to the business community, which continually rewards innovation and responds to new challenges in the marketplace. Our continued national growth and development depend on the continued support of the business community, not only in its day-to-day activity, but in its commitment to actively preparing people who will enter the world of commerce tomorrow. It is for these people that the nation's attention is drawn to this special week, sponsored by the Association of Independent Colleges and Schools and the National Business Education Association, which underscores the country's need for a strong educational component to secure the business world.

National Education for Business Week has three purposes:

It will focus attention on the shortage of workers whose practical skills are basic to the future of business.

It will help to provide business educators with the recognition they deserve for the support they provide.

It will stimulate interest among young people in vocations and careers that have promising futures in the world of business.

During National Education for Business Week students, teachers, parents, businessmen, and government officials will be reminded that the demand for trained workers exceeds the supply. Business and community leaders will be asked to evaluate the advantages of a business education and the values such an education can offer. Attention will be drawn to the contribution business schools and colleges make to the community. National Education for Business Week will promote open houses for business representatives, strengthen relationships with other schools, sponsor competitions for business students, provide information to the general public about the need for and the value offered by institutions which specialize in preparing students for careers in business.

National attention must be focused on the increasing problem of not having enough trained people to fill the jobs available in business, industry, health-related occupations, and elsewhere. National Education for Business Week does not merely provide a platform from which business educators can toot their own horn. It serves to alert the community to an under-utilized potential.●

PERSONAL EXPLANATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. OTTINGER. Mr. Speaker, on rollcall No. 91 earlier today, passage of the International Development Act, I was unavoidably detained at a conference. Had I been present I would have voted "aye."●

DEV O'NEILL

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HARKIN. Mr. Speaker, I first came to work in the House of Representatives over 10 years ago as an aide to Congressman Neal Smith. One of my responsibilities included meeting with constituents and helping them enjoy their visit to Washington, or to help them visit the proper agencies or committees if they were here on business.

One of the first persons I met when I came to work in the House was the House photographer, Dev O'Neill.

He was full of enthusiasm and energy and helped me to get to know the House, the people in it, and he was just a great teacher in the operation of the House of Representatives. His untimely death on April 2 is noted with a great deal of sadness by those of us who knew and loved Dev O'Neill. He was a warm and friendly human being and one whose passing marks a loss for all of us. Mr. Speaker, I would like to insert an account of Dev O'Neill from Roll Call into the Record:

DEV O'NEILL

On the infrequent occasions when we chose to devote this space to eulogize one of our Congressional family, the subject most likely would be a prominent sitting Member of Congress who had made his mark on the institution.

Today's subject is a photographer. A photographer better known than most of the thousands of Members who have come and gone during the 25 years he spent snapping pictures on Capitol Hill.

The obituaries say that A. Dev O'Neill, 66, died of a massive stroke Monday at Sibley Hospital. Actually, Dev O'Neill died that day in February, 1978, when he severed ties with the Congress. And part of the Congress died with him.

To the capricious Irishman who operated a photo service for Democratic Members from a cluttered hole-in-the-wall office, Congress was life. And he gave life to the Congress.

Feisty, cantankerous, warm, lovable, generous Dev O'Neill held informal court in his little hole-in-the-wall kingdom plastered with photos and heaped high with equipment.

How they found him is a mystery. But the melange of humanity that gathered there daily included luminaries of the arts, off-duty policemen, relaxing legislators, homeless dogs, five Presidents of the United States, pushy P.R. men from New York and Hollywood, an assortment of Congressional staffers, job seekers, lost tourists, messengers, newsmen. corporation heads and vagrants.

Dev O'Neill was their contact with the formidable institution of Congress. His intimate knowledge of its workings, of its people, of its buildings' vast areas and nooks and crannies was at their disposal. He made their Congress real, reducing its complexities, making them feel a part of it, rather than apart from it.

Dev—the Good Samaritan—touched and enriched the lives of thousands of persons who comprised the Congress as well as those who came to visit.

Arthur Dennis Joseph Devouard Daniel Devlin Raphael O'Neill was an Ace Kodaker, as he put it, but his attributes were as plentiful as the string of names his parents bestowed upon him. His cherubic face and his boundless energy belied his advanced years as he scurried from the Capitol steps to a birthday party to a swearing-in or paused to marvel at and record a new angle on a Capitol sight.

Wherever Congress people gathered, ubiquitous Dev would be there, a charismatic leprechaun snapping photos.

He imparted to Congress a joie de vivre, a zest, a humanity, that made it a better place for those who crossed his path to work in and to visit.

We say he was a photographer. He was more than that. He was the closest thing to a P.R. man that Congress ever had. He was a self-appointed ombudsman, a purveyor of good tidings and good humor. He gave color and life to a Congress many felt detached and distant from us.●

KHOMEINI: ONE MORE DEMAGOG

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ASHBROOK. Mr. Speaker. Where are all of those liberal voices now, those great champions of human rights who were denouncing the shah as the leader of a repressive regime? Oh, how they yearned in their heart of hearts to have his reign toppled. Those State Department two-fisted fighters for freedom and right undermined the shah at the right time with their orchestrated White House positions, or should I say lack of positions. Reminiscent of George McGovern's "I'm behind you 1,000 percent."

Now we see what they have wrought. One more people controlled by one more demagog. Executing people for such crimes as "corruption on Earth" and "active membership in Freemasonry" the firing squad brigades have been establishing the tyrant's throne over the fallen bodies of many Iranians who, whatever their faults, probably had more human rights in their left pocket than the Ayatollah has in the gaggle of Communists, radicals, criminals in his band.

Note what this newly crowned—crowned by the media—demagog said on human rights:

> Khomeini, in a television address April 1, clearly stated his backing for the authoritarian system of justice that has produced the death sentences.
>
> "There is no reason why a criminal should be tried in the first place," Khomeini said, referring to officials who he said had been "executioners" along with the shah.
>
> "Human rights dictate that we should have killed the executioners right from the first day, because they were criminals and it was clear they were criminals. It is the accused whose case should be heard, whose claims should be investigated, not the criminals . . .
>
> "All one need do with criminals is to establish their identity, and once this has been established they should be killed straightaway."

Who is supposed to determine this litmus paper test of who lives and who dies. Why, of course, the newly crowned demagog and tyrant of our time, Khomieni. Like the old Roman dictator's thumbs up and thumbs down. Never mind civil or human rights. He makes jails look good. An article from today's Washington Post follows:

Iran's Bloody Purge Continues As Courts Follow Khomeini Rule

(By William Branigin)

Tehran, April 9—The shadowy revolutionary authorities now ruling Iran continued a bloody purge of former associates of the ousted shah today amid increasing disgust among many middle-class and education Iranians at the image being created abroad by the summary executions.

There is still no end in sight to the purge, which has taken the lives of 73 former officials so far, and the revolutionary authorities seem to be running out of former officials to accuse of specific "crimes against the people." As a result, the secret trials now are focusing on past political activities.

Despite the growing concern of many in the middle class, it appears that Ayatollah Ruhollah Khomeini, the religious power behind the government of Prime Minister Mehdi Barzargan, still speaks for most Iranians.

Khomeini, in a television address April 1, clearly stated his backing for the authoritarian system of justice that has produced the death sentences.

"There is no reason why a criminal should be tried in the first place," Khomeini said, referring to officials who he said had been "executioners" along with the shah.

"Human rights dictate that we should have killed the executioners right from the first day, because they were criminals and it was clear they were criminals. It is the accused whose case should be heard, whose claims should be investigated, not the criminals. . . .

"All one need do with criminals is to establish their identity, and once this has been established, they should be killed straightaway."

Khomeini added that he was saddened that "we are afraid lest something should be said in the Western press about us."

He sharply attacked foreign human rights organizations for complaining about his court procedures, saying that many of these were the same people who, along with the United States, supported "the miserable shah."

Early today, Lt. Gen. Amir Hossein Rabii, former air force commander, and Lt. Gen. Ali Mohammed Khajehnoori, former chief of operations and training on the shah's general staff, were gunned down by firing squads here, along with former labor minister Manounchehr Azmoun and a Tehran policeman.

Five other men, all policemen or agents of the disbanded secret police, SAVAK, were executed later in the day in Iran's southern oil-producing region, after being convicted by provincial revolutionary courts.

[In a first sign of leniency, the Associated Press reported, the tribunals issued a one-year sentence to an alleged torturer. Until now, all announced punishments have been death sentences.]

The shootings brought the number of former officials executed since the new government came to power in February to 73. Twenty-four have been killed in the past four days, including former prime minister Amir Abbas Hoveyda. He was machine-gunned by an executioner at Tehran's Qasr Prison Saturday after being convicted on 16 diverse charges including "participation" in unspecified murders, "corruption on earth" and "active membership in the Freemasons.".

The secret trials and death sentences hastily carried out by mysterious revolutionary tribunals—made up largely of mullahs and acting under the authority of Khomeini—are putting the government of Bazargan in an increasingly embarrassing and difficult position.

Bazargan, a prominent human rights activist before Khomeini appointed him premier, threatened last month to resign over the executions and the dominant role of Khomeini's ruling "committee."

At the Bazargan government's insistence, the revolutionary trials and executions were suspended last month while new rules for the proceedings were being drawn up.

The regulations called for open trials, for defendants to be informed of charges against them before they go to court and for the presence of an official government representative.

The trials nonetheless remain effectively closed to the public, defendants still have not been permitted defense attorneys and there is no appeal.

Prominent politicians awaiting trial include former foreign ministers Abbas Ali Khalatbari, 67, and Ali Ardalan, 78, and former parliamentary speaker Abdollah Riazi.

Before his execution early today, Rabii criticized the shah he once served with fierce loyalty.

"I'm unhappy that in ignorance I was obeying someone whom I found to be a foolish man," he said.

Ironically, Rabii was one of a group of officers who wanted to abandon the shah even before he flew into exile Jan. 16.●

TRIBUTE TO AMANDUS "FATHER" WEYTER

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. DOUGHERTY. Mr. Speaker, at this time I would like to recognize a man about whom little has been said in the past—but whose life deserves notice.

That man is Amandus Weyter.

Mr. Weyter is the proprietor of a corner meat market in my district. He has owned and operated this store since 1936. Unfortunately for the people of my district, he is retiring after 43 years of service to the community.

Born in Germany in 1908, Mr. Weyter immigrated to this country in 1927 seeking new opportunities. He arrived at 12th and Market Streets in Philadelphia with a violin in one hand and a boat tag still attached to his coat.

Like many new arrivals, he held a variety of jobs in quick succession. At different times, he was a busboy, baker, violin instructor, and machinist. Finally, he got his start as an apprentice butcher.

Within a few years of his "new beginning" in America, Mr. Weyter became the owner of a corner meat market and grocery store at Third Street and Godfrey Avenue in Philadelphia which he operated with the help of his wife, Tillie. Together they ran this "mom and pop" operation for 43 years. During that time they raised two children, both of whom have gone on to become professional educators.

Over the years, Mr. Weyter has employed numerous "order boys," local youths who fill the shelves and deliver the orders. Many have gone on to become doctors, lawyers, and clergymen. Although none have become Congressmen, I might point out that I worked as a delivery boy for his competitor—only two blocks away.

Throughout his 43 years, Mr. Weyter has earned the respect and friendship of the entire community—so that most address him as "Father." He has prospered by means of hard work and perseverance, qualities that define the American spirit. For these reasons, I offer this tribute.●

CHILDREN SMOKING

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. WAXMAN. Mr. Speaker, our colleague, Representative William Brodhead, has recently brought to my attention a pamphlet, published by the National Education Association, entitled "An Open Letter to Parents About Children and Smoking." I believe that Secretary Califano makes several excellent points regarding smoking and children, and would like to take this opportunity to share the text of his message with my colleagues.

The article follows:

An Open Letter to Parents About Children and Smoking

Dear Parents: One of the nation's most famous young models, herself a healthy, tennis-playing non-smoker, is paid hundreds of thousands of dollars each year to pose for one cigarette manufacturer's ads. She poses holding an unlighted cigarette; artists complete the deception later by retouching the photographs to show a glowing ash and a graceful wisp of smoke.

Such skillful image-peddling is designed to cover up the grim facts about smoking—facts that are well-known and frightening. But the image-making works—even on youngsters. Every day, 4,000 children take up smoking; 100,000 thirteen year olds are regular smokers.

Since 1968, the proportion of young girls age twelve to eighteen who are regular smokers has actually risen. In fact, dramatic increases in smoking among girls have virtually eliminated differences in smoking among the sexes in this age group.

Seventy-five percent of all smokers began the habit before age twenty-one.

Why do young people smoke? Some of them are rebelling against authority. Others are simply bowing to pressure from their friends. All of our children are eager to grow up; to explore, to test, to imitate adult behavior. And half a billion dollars in powerful, omnipresent advertising each year is telling our children that smoking is grown-up—that it is attractive, sophisticated, mature: Photographs of virile cowboys or dazzling young women are expressly calculated to turn attention away from the health dangers of smoking; scenes of verdant forests and peaceful mountain streams are carefully designed to counter the noxious pollution-tinged realities of smoking.

Whatever we think about smoking as a habit for adults, we should be deeply concerned about this problem of smoking among children and teenagers.

Our children, after all, can hardly be said to be making a "free choice" to smoke; they drift into smoking in response to pressures that have nothing to do with free choice or informed consent. But, too often, by the time they discover that smoking is neither adult, nor sophisticated, nor attractive—they are hooked. Smoking is a powerful habit; nicotine is addictive.

The consequences of that addiction are truly appalling.

Last year, more than 320,000 people died prematurely from diseases related to smoking. Smoking contributed to 175,000 deaths from heart diseases, 15,000 deaths from chronic bronchitis and emphysema, and 100,000 deaths from cancer, including lung cancer. And while it is true that not every smoker has been shown to develop lung cancer, it is also true that smokers are roughly ten times more susceptible to lung cancer than nonsmokers.

The dollar cost of medical treatment for all this smoking-related sickness—and of lost productivity due to absenteeism caused by such illness—are staggering: more than $17 billion a year.

These health consequences are closely related, among other things, to the number of years a person smokes: The younger a person starts smoking, the greater is the likelihood of cancer, heart disease, or other illness caused by smoking.

What can we adults, especially parents, do about this problem of youthful smoking?

First of all, we can set an example—and stop smoking. Quitting isn't easy, but it is possible. When the first Surgeon General's Report on the health dangers of smoking was released in 1964, nearly 50 percent of the adults in this country were cigarette smokers. Today that percentage has dropped to 34 percent. The stereotype of teenage rejection of parental customs and beliefs doesn't hold up when it comes to smoking. Research shows that parents who smoke are likely to have children who smoke; teenagers with two smoking parents are twice as likely to smoke as those with non-smoking parents.

Second, we can give our children positive reasons not to smoke. Reminding our children of the documented health dangers of smoking is only half of the story; the benefits of not smoking are the other half. Those benefits include improved performance in sports and a healthier, more attractive appearance—not to mention the allowance money saved by not smoking. A pack-a-day habit costs about $230 a year.

Third, we can help our children resist the blandishments of the cigarette advertisers.

Even a young child can see how absurd much cigarette advertising is. Ask your child if he really believes smoking will make him strong and independent like the famous advertising cowboy, or if she believes that smoking a popular "woman's" cigarette will help her "come a long way, baby." The sales resistance children develop when they question such appeals will make them more intelligent consumers about other products, too.

Finally, we can support vigorously the antismoking efforts of health agencies, schools, and voluntary organizations. These efforts are not, as the tobacco lobbyists claim, attacks on "free choice" or the free enterprise system. They are efforts to save lives. And the public health movement has an uphill battle to fight against hundreds of millions of dollars spent to advertise cigarettes in newspapers, magazines, at sporting events, and on billboards—all portraying smoking as glamorous.

Protecting our children will take the concerted effort of parents, teachers, physicians, health agencies, and governments to develop broad health education programs. It will not be easy. But we must tackle the job if we want to prevent the grief and expense that smoking-related illness and death are causing in America.

I hope you will do your part. Our reward will be measured in numbers of children who never start smoking—and in a healthier, happier future for them and our nation.

Sincerely,

JOSEPH A. CALIFANO, JR.●

LEARNING FROM THE BROOKLYN JEWISH HOSPITAL EXPERIENCE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. RICHMOND. Mr. Speaker, last week the New York State Legislature granted an 11th hour reprieve to the thousands of medically needy residents of central Brooklyn when it approved emergency legislation to keep Brooklyn Jewish Hospital open.

The efforts of New York State Gov. Hugh Carey, State Senate Minority Leader Manfred Ohrenstein, Assembly Speaker Stanley Fink, State Senator Vander L. Beatty, as well as State Senate Majority Leader Warren Anderson should be applauded and long-remembered, for all of these public officials helped to bring Brooklyn Jewish through its darkest hour.

The Brooklyn Jewish Hospital, located on Prospect Place, is an anchor for the economically deprived Crown Heights/Bedford Stuyvesant communities, providing employment for more than 2,000 people as well as a wide range of quality medical care. The history of Brooklyn Jewish is indicative of many hospitals in New York and around the country which are located in transitional neighborhoods.

Ten years ago this excellent facility was thriving, yet, as the patient load changed, with many poor and uninsured patients seeking medical help at Brooklyn Jewish, the hospital ran into severe financial trouble.

Specifically, the Brooklyn Jewish Hospital was annually incurring costs of $5.4 million for health care for those who could not afford coverage, for individuals who were undocumented aliens, or persons who received essential treatment that was not fully covered by Blue Cross, medicaid or medicare.

While payments from the Federal and State reimbursements of medicare and medicaid programs and private insurers continued to flow into Brooklyn Jewish, the financial burden of carrying such an inordinate amount of unredeemable patient expenses was just too much for the hospital to bear. In February, the Brooklyn Jewish Hospital went into Federal Bankruptcy Court and was forced into declaring chapter XI; nevertheless, it continued to provide top quality medical treatment for the community.

New York State's efforts to save this hospital have been laudatory—and, in fact, the 3-month reprieve for Brooklyn Jewish gives us time to develop alternative funding sources. The immediate State relief is in excess of $2 million for Brooklyn Jewish and for financially troubled hospitals elsewhere in New York State, and follows an increase in medicaid reimbursement rates through the emergency reimbursement program.

Now, we must seek long-term solutions to the cash flow problems of Brooklyn Jewish and of other public and private nonprofit hospitals in similar straits. In New York City alone, it is estimated that perhaps as much as $30 million annually is spent on essential hospital services to undocumented aliens. Estimates for the State of California, for example, range as high as $57 million spent in 1976 for essential hospital services for undocumented aliens.

With the Brooklyn Jewish experience vividly before us, I am today introducing two pieces of legislation designed to enable the Federal Government to assist financially strapped public and private nonprofit hospitals which incur operating deficits because of their provision of treatment for the working poor, for undocumented aliens, and for other individuals otherwise unable to pay for essential medical services.

The text of the bills follow:

H.R. —

A bill to amend the Public Health Service Act to provide for grants to hospitals for their provisions of certain health care services to undocumented aliens.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Public Health Service Act is amended by adding after title XVIII the following new title:

"TITLE XIX—HOSPITAL SERVICES PROVIDED TO UNDOCUMENTED ALIENS

"GRANT PROGRAM

"SEC. 1901. (a) The Secretary may make grants to public or private nonprofit hospitals for their provision of health services to undocumented aliens.

"(b) For purposes of this title:

"(1) The term 'health services' means emergency medical care services, nonelective inpatient services, prenatal and obstetrical care, pediatric care, and such other health-related services as the Secretary determines to be appropriate.

"(2) The term 'undocumented alien' means, with respect to any date, an alien who, on that date, is present in the United States in violation of the Immigration and Nationality Act.

"TERMS AND CONDITIONS OF GRANTS

"SEC. 1902. (a) No grant may be made under this title unless an application for such grant is submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"(b) A grant under this title may be made upon such terms and conditions as the Secretary determines to be appropriate.

"(c) The amount of any grant under this title shall be determined by the Secretary, but in no case may it exceed 90 percent of the costs that are reasonable for the health services provided under the grant. Payments under grants under this title may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary. Grantees under this title shall make such reports at such reports at such intervals and containing such information as the Secretary may require.

"(d) In reviewing applications submitted for grants under this title, the Secretary shall—

"(1) give priority to applications of public hospitals;

"(2) give special consideration to the application of a hospital located in a State which provides funds for assistance for the hospital's provision of health services or other medical services to undocumented aliens; and

"(3) consider the relative proportion of the costs of the hospital that are reasonably allocable to health services provided to undocumented aliens.

"AUTHORIZATION OF APPROPRIATION

"SEC. 1904. In order to make grants under this title, there are authorized to be appropriated $56,000,000 for the fiscal year ending September 30, 1980, and $56,000,000 for the fiscal year ending September 30, 1981.".

H.R. —

A bill to amend the Public Health Service Act to provide for grants to public and private nonprofit hospitals in imminent danger of closure for their provision of certain health care services.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Public Health Service Act is amended by adding after title XVIII the following new title:

"TITLE XIX—GRANTS FOR MAINTENANCE OF ESSENTIAL HEALTH SERVICES PROVIDED BY HOSPITALS IN IMMINENT DANGER OF CLOSING

"PURPOSE

"SEC. 1901. (a) Congress finds that the continued availability of vital medical and health services provided by public and private nonprofit hospitals in communities containing a large concentration of low-income persons and suffering a shortage of primary medical care is a matter of grave national concern.

"(b) It is the purpose of this title to provide financial assistance to selected public and private nonprofit hospitals providing essential medical services to persons ineligible for public medical assistance and otherwise unable to pay for such services.

"GRANT PROGRAM

"SEC. 1902. (a) The Secretary may make grants to hospitals for their provision of health services during a one-year period to individuals (including undocumented aliens) who are not eligible for medical assistance under title XIX of the Social Security Act in the State in which the hospital is located and who are not covered by insurance and who are otherwise unable to pay or have payment made for such services.

"(b) A hospital is eligible for a grant under this title only if—

"(1) the hospital is a public or private nonprofit hospital serving predominantly health manpower shortage areas (designated under section 332), a medically underserved areas (designated under section 1302(7)), or both;

"(2) during the three-year period ending on the date application for the grant is submitted at least 60 percent of the total number of visits to the hospital's outpatient department and emergency room have been by persons who were (A) eligible for medical assistance under title XIX of the Social Security Act, (B) undocumented aliens (as defined in subsection (c)(2)), or (C) were not covered by insurance for such visit and were unable to pay the full charge or fee set for such visit by the hospital;

"(3) closing the hospital or terminating its services will have a severe detrimental impact upon the ability of the residents of the area it serves to meet their health care needs;

"(4) in the hospital's provision of health services it has incurred and is incurring operating losses of such magnitude that it will be unable, without such a grant, to continue operations for more than six months from the date of its application for such grant;

"(5) the hospital demonstrates, to the satisfaction of the Secretary, that it has exhausted all remedies available under Federal, State, and local law and regulation which would provide additional sources of revenue or forestall payment of prior incurred debts and that it has undertaken all reasonable cost saving measures which could mitigate the magnitude of the projected operating deficit; and

"(6) the hospital enters into an agreement with the Secretary under which it agrees—

"(A) to conform to any plans developed by the Secretary for the elimination of any excess supply of inpatient hospital services,

"(B) to identify all available payments from third-party payors (including under title XIX of the Social Security Act) for services provided under the grant to ensure maximum reimbursement from such payors and to provide for the collection of amounts due from individuals provided such services in accordance with an existing fee schedule or other fee schedule approved by the Secretary,

"(C) to develop plans for operating the hospital on a sound financial basis,

"(D) to permit the Secretary to review the management of the hospital and to take such reasonable steps to improve its management as may be directed by the Secretary,

"(E) to submit periodic reports, certified as true and accurate by the authorized representatives of the governing board of the hospital, to the Secretary concerning services provided, the financial and managerial condition of the hospital, and such other information as the Secretary may require, and

"(F) to refund to the Federal Government, in accordance with a schedule of repayment approved by the Secretary, any amounts received under the grant which are in excess of the actual cash requirements of the hospital during the period of the grant.

"(c) For purposes of this title:

"(1) The term 'health services' means emergency medical care services, nonelective inpatient services, prenatal and obstetrical care, pediatric care, and such other health-related services as the Secretary determines to be appropriate.

"(2) The term 'undocumented alien' means, with respect to any date, an alien who, on that date, is present in the United States in violation of the Immigration and Nationality Act.

"TERMS AND CONDITIONS OF GRANTS

"SEC. 1903. (a) No grant may be made under this title unless an application for such grant is submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"(b) A grant under this title may be made upon such terms and conditions as the Secretary determines to be appropriate.

"(c) The amount of any grant under this title shall be determined by the Secretary, but in no case may the amount paid with respect to a service provided exceed the amount which could be paid to the hospital under the State plan (if any) approved under title XIX of the Social Security Act if the service were provided to an individual eligible for medical assistance under such plan. Payments under grants under this title may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(d) In reviewing and approving applications submitted for grants under this title, the Secretary shall—

"(1) give special consideration to the application of a hospital located in a State which provides funds for assistance for the hospital's provision of health services or other medical services to individuals described in section 1902(a); and

"(2) consider the relative proportion of the costs of the hospital that are reasonably allocable to health services provided to individuals described in section 1902(a).

"AUTHORIZATION OF APPROPRIATION

"SEC. 1904. In order to make grants under this title, there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1980, and $10,000,000 for the fiscal year ending September 30, 1981." ●

LOG EXPORT CONTROLS ENDORSED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. BONKER. Mr. Speaker, the clamor is growing for further restrictions on the export of unprocessed logs from the United States.

Log exports fuel rising domestic housing costs. Log exports rob American workers of the jobs that could be available in processing our own natural resources. And log exports have a substantially greater impact on domestic timber supply than could ever result from the Forest Service's Rare II wilderness program. It all makes very little sense.

Recently, the Daily Olympian newspaper in Olympia, Wash., editorially endorsed log export restrictions.

The newspaper presents thoughtful arguments on behalf of tightening general log export limitations and wisely gives special emphasis to the need for curbing the export of western red cedar logs, a unique species that will become commercially endangered in but a few short years if current cutting levels continue.

The articles follow:

TIME TO TIGHTEN LOG EXPORT CLAMPS

Four Pacific Northwest congressmen, Don Bonker, Mike Lowry and Al Swift of Washington and Jim Weaver of Oregon, have introduced legislation to close large loopholes in the present law restricting export of logs from federal lands.

"I am convinced that the time is right for serious congressional consideration of the log export issue," Bonker said. The bill would make permanent the annual ban on the export of federal logs. This provision has been added to the Department of Interior appropriations bill each year since 1973.

The measure would also tighten the minimum requirements for processing federal logs for export by banning the shipping of "waney cants," logs that have been sawed on only two sides.

And it would phase out, over a six-year period, the practice of substitution, whereby a firms exports timber which would otherwise supply a local mill, then purchases federal timber as a substitute supply for that mill.

Bonker says the legislation is needed to insure a more stable timber supply for domestic mills and to insulate them from direct competition from high-bidding log exporters.

"Passage would also send a signal to the Japanese that they can no longer count on a virtually unlimited flow of raw logs from the U.S.," Bonker said. "I am confident that they will respond by buying more of our finished wood products."

Bonker says, "It makes no sense to be concerned about the timber impacts of RARE II (forest management plan) with 2.3 billion board feet of timber at stake each year and then be complacent about the 3 billion board feet of logs that the Pacific Northwest exploited in 1978."

The measure will draw opposition by those engaged in the log exporting business and it will also get a long look from those worried about our balance of trade deficit with Japan. Logs and other agricultural products are our chief means of trying to even the balance.

But we cannot continue to ignore the warnings that we are going to face serious lumber shortages before the turn of the century. If we are going to have the lumber we need and still retain wilderness, parks and other areas of preservation, we need to be pretty chary about what we are shipping overseas.

Through short-sighted export policies the Pacific Northwest has been permitted to become a colony of Japan, exchanging our natural resources for manufactured items.

It is a bad deal for us and for future residents of the Northwest. The Bonker-Lowry-Swift-Weaver bill deserves strong support from area residents.

EXPORT OF RED CEDAR LOGS SHOULD CEASE

Western red cedar, prized for the durability of the shakes and shingles made from it, and for the beauty of its exterior uses, is a vanishing species. Some estimate that in nine years all old-growth western red cedar will be gone.

And much of the best western red cedar is going to Japan in the form of logs. The Japanese use it as a substitute for the sugi, a similar species, as they protect their own forests from depletion.

Senators Lowell Peterson, Don Talley, Pat Wanamaker and Larry Vognild have introduced a bill which would stop the export of western red cedar logs from public lands and restrict the purchase of cedar by private timber companies who export cedar from their own lands, thus preventing substitution.

The bill seeks to insure that western red cedar cut from state lands is milled into lumber and plywood in the Pacific Northwest. The Northwest Independent Forest Manufacturers, who are pushing the measure, say its passage would ensure hundreds of jobs for workers in the state, particularly in smaller communities where a cedar processing plant may be the only industry.

Bert Cole's Department of Natural Resources is opposing the measure, as it has opposed any form of a ban on export of logs, citing its responsibility to raise money for schools through sale of timber on public lands. Senate Research Center analysts figure that passage of the bill will cause a net loss of $26 million over a six-year period. DNR also suggests that some 100 of the state's shake and cedar mills are in excess and should be shut down. In any case, they say, the industry will die with the exhaustion of old-growth cedar.

The DNR figures are disputed by a financial analysis firm, Leonard Guss Associates, which was hired by the independent forest manufacturers. They calculated that losses and gains from banning export of cedar logs from public lands would about even out over the six-year period, ending $900,000 to the good.

Confirmed free traders will argue that it would be wrong to put a clamp on export of cedar just to help keep "inefficient" American producers in business.

This argument might be effective if Japan subscribed to theories of free trade, which it does not. The Japanese government protects its industries in a number of ways and shows little sign of yielding to our trade negotiators' pleas for freer international trade.

The issue of export of logs, any logs, is a touchy one, with good arguments and much emotion on each side. But the trend is toward banning export of raw materials which are becoming scarcer in our own country.

Western red cedar is a beautiful wood of increasing scarcity. We need this resource for our own people, for our own industry, for our own jobs.

The bill banning export of ceder logs from state lands should be pushed through the Legislature.●

AN IMPROVED LEWES HARBOR MEANS JOBS FOR DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. EVANS of Delaware. Mr. Speaker, Lewes, Del. is fortunate to have one of the best harbors of refuge on the east coast. Because of this unique situation, I believe Lewes Harbor can become the catalyst for new economic growth in southern Delaware. This development could provide hundreds of needed jobs in my State, without having any adverse effect on our precious natural resources.

All that is needed to spur this growth is the deepening from 9 to 15 feet of the channel at Lewes. On April 5, I appeared before the Appropriations Subcommittee on Energy and Water Development to discuss the tremendous economic potential of the Lewes Harbor. I asked the Congress to further this development by providing $700,000 to deepen the channel at Lewes. This money would be a wise investment in the future of Delaware and the Delmarva peninsula.

The Army Corps of Engineers has informed me that the benefits of this project would be at least eight times its cost. I might point out that the Congress generally funds projects which have a benefit cost ratio of only 2 or 3 to 1.

Coupled with its rail service and good road network, Lewes could be a major port for fishing fleets, oil development companies, recreational boating, and many other industries. I am hopeful that the Appropriations Committee will make room in the Federal budget this year for Lewes Harbor.

Knowing that many of my colleagues will frequent the Delaware coast in the coming months, I insert my remarks before the subcommittee in the RECORD.

REMARKS BY CONGRESSMAN THOMAS B. EVANS, JR.

Mr. Chairman, I appreciate the opportunity to address the Subcommittee on Energy and Water Development Appropriations about a matter of much importance to my State and the Mid-Atlantic Region, the maintenance dredging of the Lewes Harbor of Refuge Channel in Lewes, Delaware by the U.S. Army Corps of Engineers. This project, which requires an appropriation of $700,000.00 would serve as the catalyst for significant new private capital investment in the Delmarva peninsula and provide many full-time unsubsidized jobs in an area where seasonal tourism is the principal source of employment.

The Lewes Harbor of Refuge is located near the City of Lewes, Sussex County, Delaware, at the mouth of the Delaware Bay. Lewes is strategically located along a major shipping lane which provides direct service to Wilmington and Philadelphia and permits access to Baltimore through the Chesapeake and Delaware Canal. I believe that Lewes has the potential to become a major regional port facility servicing the Delmarva Peninsula and southern New Jersey.

The Lewes Harbor of Refuge Project was adopted in 1894 to take advantage of Lewes' strategic position near a major shipping lane as well as the unique physical configuration of Cape Henlopen. The project, which was modified in 1930 and 1935, provided an 8000-feet long stone breakwater, 11 ice piers, a 300-feet long and 15-feet deep channel and turning basin. The project was completed in 1951 at a total cost of $5,162,230.00. The Harbor of Refuge project provided Lewes with a safe, deep water, protected harbor. In the 1950's, the Lewes Harbor of Refuge became the center of the Menhaden Fish industry.

During this period, a major industrial complex was constructed at the Harbor of Refuge site, including piers, terminals, fish processing facilities, storage tanks, residential quarters, and support structures. At its peak, this complex served as the home port for over 100 commercial vessels. Unfortunately, the Menhaden schools began to migrate south in the early 1960's and use of the port facility rapidly declined. The last maintenance dredging of the Lewes Harbor of Refuge channel to the authorized depth of 15 feet occurred during fiscal year 1964 by the U.S. Army Corps of Engineers.

Without the prop wash action of the earlier port traffic, siltation began to clog the channel. A September 1978 survey indicated a mean low water depth in the channel of only nine feet. However, recent developments have greatly enhanced the potential of Lewes once again becoming a major regional port facility. In 1973, most of the predominately vacant industrial complex was acquired by Fischer Enterprises, Inc. of Milford, Delaware. This firm had previously leased a portion of the site for the transport and storage of bulk liquid fertilizer. Fischer Enterprises has now embarked upon a major revitalization program for the port facility which will result in significant new private capital investment in Lewes, and an increase in unsubsidized private sector job opportunities.

However, the future of the port facility depends upon the ability of Fischer Enterprises to attract deep draft vessels to Lewes. Therefore, it is vital that a maintenance dredging be conducted by the U.S. Army Corps of Engineers to restore the Lewes Harbor of Refuge channel to its authorized depth of 15 feet. There are substantial benefits which would accrue as a result of this dredging. Dredging to the authorized depth would permit a significant expansion of the transport and storage of fertilizer in Lewes. These current tenants who deal in bulk nitrogen solutions will benefit substantially from a deeper channel leading into Breakwater Harbor.

Most of the fertilizer brought into Lewes originates from Holland and comes in the form of a 30% nitrogen solution (liquid fertilizer). It is transported to the United States in large cargo ships. These large carriers have deep drafts and are unable to navigate the Harbor of Refuge channel. The shipments must be lightered at ports such as Baltimore, Philadelphia, Norfolk and Moorhead City. Here, the bulk fertilizer is removed from the large carriers and transferred to either barges or to railcars. It is then shipped to Lewes to be stored in large, above-ground tanks. A deeper channel will permit direct shipment to Lewes of liquid fertilizer. Benefits will also accrue from the direct shipment by deep draft vessel of other products such as diammonium phosphate, triple super phosphate, dry fertilizer, and ammonia sulfate which are currently manufactured in either Hopewell, Virginia or Lee Creek, North Carolina.

To substantiate the fact that significant benefits will accrue from the channel dredging, I requested the Philadelphia District of the U.S. Army Corps of Engineers to prepare an economic analysis of the project. A copy of this report is attached. You will note that average annual benefits and costs are $1,153,000.00 and $140,000.00, respectively. This results in a positive benefit-cost ratio of

8.2:1. You will also note that this favorable positive benefit-cost ratio is only based on benefits resulting from the transportation savings of liquid and dry fertilizer brought to the port by ship. However, there are many other potential benefits which the Corps of Engineers did not analyze which would even further increase this positive ratio of 8.2:1.

Commercial fishing and seafood processing is an industry which Lewes expects to attract with deep water facilities. When Congress voted to extend United States territorial waters to 200 miles off shore, the long-term economic forecast for the domestic fishing industry improved dramatically.

The fisheries management program outlined in the Fisheries Conservation and Management Act of 1976 encourages development of new fishing techniques for under utilized species as well as development of support facilities to serve an expanding fishing fleet. Species considered for management include squid, red hake, mackerel, butterfish, lobsters, surf clams, and red crabs.

Domestic fisheries are following the lead of foreign competitors by expanding their fleets and developing the capability to process at sea. To support this increased capacity, a major fishery port is needed in the Mid-Atlantic. The Lewes Harbor of Refuge is an ideal choice. It lies near the center of the Mid-Atlantic fisheries resource; it offers a safe harbor with sufficient area for on-shore development, and it provides good highway and rail access to major population centers.

Representatives of a major clam company have already expressed their desire to consolidate several operations into a single operation based at Lewes, resulting in a fleet of 35 vessels and a need for increased processing facilities. Several of the structures that were part of the old Menhaden processing plant would be refurbished and adequate space on-shore exists to build additional processing plants as well as refrigeration and freezer facilities. An alternative to constructing additional processing facilities that is currently being considered is a self-contained floating process plant anchored in the Harbor of Refuge.

Another possible use of the Lewes Harbor of Refuge is the development of a support base for the exploration and development of natural resources in the Baltimore Canyon.

Offshore oil and gas exploration and production require substantial onshore support in the form of ancillary industries. These firms supply specific operations, equipment, supplies and services needed by the well drilling process. Due to these locational requirements, many of the support industries are likely to cluster, generally near existing ports. In most cases, it is unlikely that these ancillary industries would currently exist in an outer-continental frontier area. New investment, usually made by the oil companies, would be required to develop an existing port into a support base.

The ancillary industries typically locating at a frontier onshore facility include: mud companies, cement companies, drilling tool and equipment companies, well head equipment companies, fishing and rental tool companies, logging and perforating companies, helicopter companies, diving companies, completion and production service companies, and inspection and testing services.

The Lewes Harbor of Refuge has been visited by representatives of several onshore support companies who were very favorably impressed by the unique location of Lewes. I would suggest that Lewes is one of the best locations on the East Coast for servicing offshore exploration/drilling from North Carolina to Rhode Island.

In addition, the Bureau of Land Management Draft Environmental Impact Statement for lease Sale 49 targets Lewes as a major operations base. Should substantial quantities of hydrocarbons be discovered, Lewes would most likely become the major support facility for Baltimore Canyon production.

Another possible use for the Lewes Harbor of Refuge is the storage and distribution of potash. The Potash Corporation of America has expressed a strong interest in Lewes as a major regional storage and distribution center. The handling of approximately 40,000 tons of potash per year is anticipated. It is also anticipated that soy bean oil will be shipped from Salisbury, Maryland to New York City from Lewes. The storage and distribution of salt, grain, as well as lumber from Nova Scotia is currently being analyzed. It is also anticipated that the development of ancillary businesses such as ice suppliers and marine repair shops to serve the increased maritime activity, will make the port attractive as a base for sport fishing and the larger class of recreational boats.

However, I must reiterate that the growth potential I have described will never be realized without a deep water channel in the Lewes Harbor of Refuge. The requested appropriation of $700,000.00 will benefit the entire Delmarva peninsula and serve as a catalyst to promote the economic development of the Mid-Atlantic Region. I must also stress that the Benefit-Cost Ratio prepared for this project is extremely high and analyzes only those benefits which will accrue from the transport and storage of liquid nitrogen and dry fertilizer. Implementation of any of the activities I have discussed will push this ratio even higher. I would urge that this appropriation be included in the budget for fiscal year 1980.●

MARTIN BARAJAS, SANTA ANA BOYS' CLUB 1978 BOY OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PATTERSON. Mr. Speaker, Martin Barajas, son of Jose and Maria Barajas, has recently been named Boy of the Year for 1978 by the Santa Ana Boys' Club of California.

Martin's active participation and involvement in boys' club programs have been an inspiration to the other members of the Santa Ana Club. He has shown outstanding qualities of leadership which have resulted in an appointment as Shop Aide in the Wood Shop. His friendly and outgoing manner has won him the respect and admiration of the younger members of the club.

In addition to Martin's involvement with the boys' club and his responsibility for watching his nine younger brothers and sisters, he is an excellent student at Santa Ana High School. His grade point average is 3.87 for this year even though he skipped his junior year. He moved directly from the 10th grade to the 12th grade this year by attending summer school classes.

Martin's courageous fight against polio and his cheerful, uncomplaining attitude have won the respect of his peers as well as the adults with whom he works.

During this designated "National Boys' Club Week," I urge my colleagues to join me in paying tribute to Martin Barajas—an exceptional young man who is indeed deserving of the Boys' Club of Santa Ana's "Boy of the Year" award for 1978.●

AMERICANS WORKING OVERSEAS

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. DICKS. Mr. Speaker, today I have introduced a bill to insure fair tax treatment to those Americans who chose to work overseas but were forced to return to the United States through no fault of their own.

It has come to my attention that a number of my constituents chose to work in Iran for American corporations there.

They signed up in good faith to work in Iran for a number of years. Under the provisions in the Internal Revenue Code concerning foreign earned income, a person must work in a foreign country for 17 out of 18 months before he or she is entitled to the tax benefits under the act. You may remember that last year we raised the amount eligible for a foreign earned income tax exemption to $20,000. Because these people have agreed to work in Iran for a number of years, the Internal Revenue Service assumed these people would be staying in Iran at least the full 18 months. Therefore, no taxes were withheld from their paychecks until that $20,000 sum was reached.

Through no fault of their own, these people were forced to leave Iran because of the turmoil there. Since they did not complete the requisite number of months, they are not eligible for the credit and must now pay the IRS the full taxable amount of their entire salary. To many, this amounts to a couple of thousand of dollars—a very large, unexpected lump sum.

I do not feel that this is fair play on the part of the U.S. Government. The foreign earned income credit is intended to offset the higher living expenses and provide a modest incentive for Americans to work for American companies in other countries. However, in this case, people went over to Iran in good faith, incurred the higher living expenses and housing for over a year, yet are now unable to take advantage of the tax credit that Congress intended for them in compensation for these higher expenses.

The legislation I have introduced is very similar to legislation recently introduced by Senator RIBICOFF. It will permit the Secretary of the Treasury to waive the 17 out of 18 months provisions in certain specified situations such as the uprising in Iran. The Secretary could grant such a waiver when, after consultation with the Secretary of State, he determines that individuals had to leave a foreign country because of adverse conditions: war, civil unrest, or other dangerous situations that preclude the Americans from continuing business as normal.

The waivers would not be based on the case of individual employees or American companies, but on the conditions in the foreign country that made it impossible for Americans to continue to function as they would otherwise, forcing them to leave.

If the waiver is granted, the American worker could deduct expenses deductible under section 913 attributable to the period that the individual was living and working in the foreign country. If an individual is eligible for a flat exclusion (under section 911) that individual would be entitled to the exclusion prorated for the portion of the calendar year spent in the foreign country.

The legislation would be applicable to taxpayers who are forced to leave a country after September 1, 1978. Therefore, if this legislation is enacted, and the Secretary grants a waiver with respect to Iran, then those workers who otherwise would not have been qualified to take advantage of the foreign earned income tax credit through no fault of their own will be able to do so.

There is no provision in the bill that the waiver be announced by the Secretary prior to the evacuation of the American employees. Certain circumstances may dictate that the decision by the Secretary be delayed until a more prudent moment. As long as the waiver is eventually granted by the Secretary, the taxpayer may take advantage of this law.

Mr. Speaker, this legislation merely corrects a technical oversight in our tax code that I feel needs to be addressed. I do not think Congress intended these people to be penalized in such a manner.

This bill will provide tax relief for those who, through no fault of their own, could not complete the eligibility requirements for the foreign earned income tax credit. For these people, I urge prompt enactment of this bill.●

AIRPORT SYSTEMS PLANNING IN METROPOLITAN AREAS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANDERSON of California. Mr. Speaker, I am introducing a bill today on airport systems planning which has been commended to me by my good friend James Wilson, vice mayor of Long Beach, Calif., and president of the Southern California Association of Governments, and the National Association of Regional Councils of which they are a member.

An airport systems plan presently is under preparation by the Southern California Association of Governments, with Federal Aviation Administration assistance. The association also has responsibility for surface transportation planning. This bill provides that airport system planning be consistent with the planning process adopted in the Surface Transportation Act of 1978.

It is my intention to hold hearings and receive comments on this proposal as a part of hearings on other related Airport and Airways Development Act legislative proposals expected to be before our Aviation Subcommittee this year. ●

EIGHT-CITY HEARINGS TO EXAMINE FEDERAL ANTI-INFLATION BATTLE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ROSENTHAL. Mr. Speaker, because we are gravely concerned over the ability of the Government's present anti-inflation program to protect consumers from rapidly rising prices, the Commerce, Consumer and Monetary Affairs Subcommittee of Government Operations, which I chair, will hold hearings in eight cities across the country this spring to hear from consumers themselves about the impact of inflation and the effectiveness of Government efforts to combat it.

Hearings will be: May 3, Dallas; May 4, San Francisco; May 5, Sacramento; May 7, Chicago; May 11, Detroit; May 18, New York City; May 21, Atlanta; June 1, Boston.

Private citizens, consumer groups, regional Federal officials, Governors, and mayors will be asked to testify. Times and locations will be announced later. The subcommittee has oversight jurisdiction for the Council on Wage and Price Stability (COWPS), the Federal Trade Commission (FTC) and the President's Council of Economic Advisors.

We want to determine what the Federal Government must do at every level to protect consumers and to combat an inflation rate that is now threatening the financial survival of every American family. The FTC, in particular, has a major responsibility in these areas as a principal government antitrust agency.

Three days of hearings by our oversight subcommittee last month convinced me that the administration's voluntary anti-inflation program is failing. It excludes the most inflationary sectors of our economy—energy, food, interest rates, and medical costs—and COWPS has insufficient manpower resources to effectively monitor price increases.

The May hearings are designed to give the Congress and the administration a first-hand view of the effects of inflation on the daily life of the American consumer. We want to hear from the people, not just the politicians and economists. We want to measure the adequacy of Federal, State and local efforts to combat inflation. We want to look at the role assigned to Governors and mayors by the Council on Wage and Price Stability, the recently announced citizens campaign which will recruit consumers to monitor prices, and at the efforts of the FTC to protect and promote competition.

Senior officials of the COWPS will be invited to attend the hearings.

Upon completion of the hearings, a report will be made available promptly to the President and the Congress on the successes and failures of the anti-inflation program.●

JUDGE GERALD SBARBORO ADDRESSES TRITON COLLEGE CAREER WORKSHOP FOR ITALIAN-AMERICAN STUDENTS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANNUNZIO. Mr. Speaker, I rise to call the attention of my colleagues to the speech delivered by Judge Gerald L. Sbarboro, judge of the Circuit Court of Cook County, at the Triton College Career Workshop for Italian-American students which was held in Chicago on March 10, 1979.

Judge Sbarboro is a former vice president of the Chicago Board of Education and for many years has dedicated himself to promoting a better understanding by the young people of America of their system of government. He has always maintained that under our system, despite great odds, there is great opportunity for all of us.

In his speech to the Italo-American students, Judge Sbarboro cogently points out that the stereotyping which young people are facing in their careers is being reenforced by television imagemakers, and this is not a mere coincidence. His speech is an inspiring message of hope, encouragement and direction for young people just embarking on chosen careers.

Judge Sbarboro's speech follows:

ADDRESS BY JUDGE GERALD L. SBARBORO

With your permission, I will this morning, share some of the things which are on my mind and on my heart relative to two perspectives: 1) the challenge of a young person of Italian ancestry in our country's world of work and 2) delineate my agenda for the pursuit of excellence and for a successful path through life. This is a sharing of one man's philosophy which grows out of a deep commitment to the Italian American community. Please know the offering comes with no suggestion of omnipotence. It is rather an effort to pass on to you some concepts which have guided and helped my family and me in life. It is my hope that they may be useful to you in some small way.

In the United States today, perhaps our situation as Americans of Italian ancestry can be paraphrased in the words of Charles Dickins in his classic *Tale of Two Cities*—"It is the best of times and the worst of times."

For as we scale the perilous pyramid of success in our country, we are beginning to be able to clearly see the precipice more fully. We are certainly at the threshold of greater fulfillments and accomplishments than we have ever attained—and yet it is the worst of times for as a people we find that there are so few helping hands above us who hold the levels of power and prominence which can give us that sturdy tug upwards when we need it—or can restrain a slide backwards.

Clearly, the ice of attainment is thin and the water below is cold and deep. But the doors open to you are wider than ever before.

Perhaps, this point is best illustrated by the fact that in recent years we have heard of "ideas whose time have come." This year of 1979—we Americans of Italian derivation are "a people whose time has come."

It is a time when we must begin to dare greatly. It is a time for new optimism, new goals, new dreams and for a unity and cohesiveness as we have never achieved before. It is a time to be positive.

We must see our role in a majestic dimension—as a society we must continue within our organizations such as the Gregorians and JCCIA our positive programs such as this workshop today.

Along with the complicated question of career choices and to choose a path of work in life, there is a special role to be addressed by Americans of Italian ancestry that some others need not have to answer.

When I have asked people who are not of Italian background what comes to mind when they think of Italian-Americans the responses have been standard ones. The same words are repeated with remarkable uniformity; Mafia; pizza and spaghetti; hard hats; blue collar; emotional, jealous; sexy girls; overweight mamas; frightening tough men; pop singers; law and order; pastel-colored houses; and withal, nice, quiet people.

Regrettably, these stereotypes, which you will face in your careers, are too often reinforced by the television image-makers. It's not coincidental.

Godfather and Untouchables re-runs still prevail. On "Happy Days," the Fonz, alias Arthur J. Fonzarelli, snaps his fingers and grunts; on "Laverne and Shirley," Laverne DeFazio acts loud and aggressive. A new show called "Makin It" features Billy Manucci, who can't choose between studying and disco dancing, and older brother Tony Manucci, who postures on the dance floor. Then there's "Flatbush," an upcoming CBS take-off on the brutish Lords of Flatbush—that was the first picture of Sylvester Stallone. And we could go on and on with Vinnie Barbarino, the Stepin Fetchit of Welcome Back Kotter, etc. This is called ethnic "flavor" and don't be deceived, these images cause irreparable harm to the opportunities of advancement of you, our comers.

As Americans of Italian ancestry, we desperately need to develop new responses. We should not again adopt the old attitude of withdrawal. Quiet anger, resentment, and retreat into insularity which were ineffective in the past and would be worse than useless in the future.

We need to educate our young so that some of them may enter vocations of influence and power, including those that deal with the spoken and written word. They will then be in a position to prevent and counteract the repeated portrayal of Italian-Americans as criminal or clown sterotypes. The days when we could or should ignore or compromise with ethnic slurs, insults, slanders and indignities are over.

We should be proud of our ancestry. Our ancestors gave western civilization the longest period of peace it has ever known. They carried Christianity to the four corners of the ancient world. For two thousand years, our people have given the world its largest share of its greatest art, its greatest music and its greatest scholars and culture and law.

Let's take a moment to reflect on our beginnings in this area of my profession, the law.

Chicago has proved to be the place of hope, of which our ancestors heard and dreamt about across the seas.

A place where they and their children could find the opportunity for individual safe betterment and progress as far as their talent would take them.

The late Judge Quilici said of these founders in his superb book on the *Italian Lawyers in Illinois*—that many were born in Italy, arriving here, they had to start learning the language, their first earnings went to repay, more often than not, those who had loaned them the passage money. Many had only a minimum of elementary education. The others were the sons of immigrants—first generation American born. With the loving sacrifices of their parents, and with their own industry and endurance of handicaps they worked their way through schools, and to a law degree. Admitted to the bar they had to compete for law business, with the long established lawyers. There having been no Italian lawyers, the expanding law business of the Italian merchants and industrialists was, of course, handled by non-Italians. It was under these conditions that the pioneers struggled to make a beginning. The political field, also, was pre-empted by others. But the beginnings were made and built upon.

An overall glance of them as individuals indicates they were variously tall and small, lean and heavy, bushy-haired and bald, earnest and light-hearted, sober and fun-loving (and loving a glass of wine or two), affable and ready to leap to the fray, articulate and oratorical. In short, they were human beings. They were competent and zealous of their profession. They had a profound feeling for the mother country, Italy, and were intensely proud and loyal American citizens.

These lawyers are the ones who paved the way for the sons and grandsons in the profession today. I am sure the same can be said of our Gregorian educators and all of our professions.

We should be deeply grateful to these men of vision and not illusions who founded all our professions in the Chicago area, and those who followed them, for their dedication to our values and for the sturdy foundations which they have prepared for us.

It is also blatantly apparent that we cannot win the battle for our rightful place in America's sun, in the mainstream of this economic republic, through the mere use of slogans, wearing a T-shirt that says Italian power is fine, but it does not make power. But in America we can make all things possible. In giving opportunity to the individual, our tradition has been generous, and from this liberality we have prospered and become a pattern to others.

Our job ahead is to produce more and more and more Americans who are ready, willing, and able to do their jobs in an excellent way. Our objective must be to produce more who have planned and prepared to go into the world and conquer it—while realizing full well that the real world is not the world we wish. It just happens to be the only world we have. It is the arena in which we must compete. I kid you not, that arena is complicated, complex, and frequently deceptive. It is fraught with many pitfalls, in order to beat the odds, you, our students, must wear the mark of excellence at all times. They must become so good that no employer, no matter how culture-bound or biased, will be able to overlook us.

Excellence is the result of conscious decision. The achievement of such status will be the end product of hard work, dedication and determination. The price is high, and you must be willing to pay it. But, I guarantee the rewards of excellence are well worth the effort. The important factor of any job or profession is the great feeling that you enjoy your work and "do it well" and then you will have the respect of those you serve.

So, as a group completing our 1st century since the major migrations of our ancestry, our accomplishments have brought us halfway to parity. Our mission, now, is to close the gap and go the other half. This is the reason for my plea for excellence. For, to close this gap—to achieve parity—requires more from us than simply standing pat. Those who have achieved equality may be satisfied with the status quo. It can be retained by simple mediocrity. But, to close the gap requires excellence. In the game of life as in an athletic contest, the team which is behind has to play harder—not just equally. You know the back wheels of a carriage will never catch the front wheels moving at the same pace.

You are young people of destiny. Therefore, we have to expect the very best from you in order that those who follow will have a better chance. You, young people, and your juniors, hold the key to the future of the country. All this is in your hands.

Permit me now to delineate my agenda for the pursuit of excellence. I commend it to you, and offer it with humility:

Do not stop learning because you are being graduated. This is the time to add to the fund of knowledge about your life's work and about the world in which you will do it. Most of you want to change the American system for the better. Good. But, no one is qualified to alter a system he does not understand. Education brings understanding.

Be curious—discover all you can about yourself, your job and ths world. Learn not only from textbooks and teachers, but also from friends and adversaries. And above all, remember that every life experience has something to offer. Be especially curious about our economic and political systems. They control and run our country, and I am thoroughly convinced that these avenues present the best, and perhaps the only strategies to fulfill our aspirations.

Be ready to take advantage of all opportunities—not only when opportunity knocks at your door, but be ready to knock on opportunity's door. For opportunities in time and chance will happen to you all. The secret is to be ready and prepared. For the saddest people I know, are those who grumble "I could have been."

Do not hate—hate is unproductive. It creates nothing of value and has a much more corrosive effect on the hater than the hated. Love is the only antidote to hate.

Harbor no envy—envy, like hate, is self-destructive. It is wise to emulate those who are successful. Strive to be like your models. But, never covet your model's possessions.

Never be vindictive—do not hold a grudge. The only place to hold a grudge is inside one's self where it distorts the beauty of the spirit.

Be proud—never be arrogant. No matter how great your success or your achievements, always treat others with the great dignity due them by reason that they are human beings so endowed by the creator regardless of life station. All achievers are proud people. But, I invite your attention to the fact that all of those who have reached the level of excellence are characterized by the fairness and humility with which they treat those who are subordinate to them. No person has ever attained high position by demeaning another.

Dream great dreams—then plan and work to fulfill them. There are those who belittle dreamers. I don't. For, I know he who never dreamed, never had a dream come true. It is from our dreams, no matter how fragile and distant they may be that we draw our sustenance for advancement.

Make no small plans—continue to develop your mentality of success. You have begun this process. Please pursue it. Establish the highest goals for yourself and strive to achieve them. May I suggest to you that we never exceed our goals. We at times—temporarily—fall short of the high goals. But, over the long haul, we never do better than we set out to do.

Be determined to succeed—do your job—every bit of it—exquisitely. Even do well, the parts of the job you don't like. Some of the immature among us speak of "doing their thing" which I have discovered is doing only that part of their life's work they enjoy. Do your thing—and do it well, but be mindful that the unemployment offices are filled with those who only did "their thing".

Be disciplined—plan, prepare, establish, and meet targets. Be punctual and make regularity an inviolate habit. Keep in mind the important things in life are the things we do all the time—not the "sometime" activity.

Be honest—with yourself and with others at all times. Integrity is an absolute necessity for anyone in the pursuit of excellence.

Always, remember where you came from—remember those who helped you grow and develop, and achieve from early life. Remember those who inculcated and instilled your mentality for success. Remember the schools that helped you acquire the fund of knowledge which has brought you thus far on your way. Don't forget where you learned to think—orderly and disciplined. These processes are the instruments of accomplishment. As you progress, remember—yes, always remember, where you came from. And never fail to reach back and help others as you have been helped. Some call this "paying life's dues." I refer to this identical concept in this way. "Service to others is the rent we pay for the space we occupy on earth."

Have faith in yourself—be a person of worth, and know it.

Have faith in God, and in the goodness of life—members of the greatest fraternity in the world, composed of good men and women of all races, who have given their lives in the quest for truth and in the service of humanity, have known that both life and power come from a supreme being. The eternal law of justice and love governs the universe. Whoever breaks this law succeeds only in breaking himself. Once we lose reverence for God, we lose reverence for man and nature. When this happens, we begin to destroy both. Our very survival on earth depends upon man's reverence for God.

Once again may I remind you that all of you are talented. Some will become famous. And I fervently hope that all will be men and women of integrtiy.

Please remember—

Talent is God-given, treat it with humility:

Fame is man-given, treat it carefully, but

Integrity comes as the result of conscious commitment to the highest principles of life. When you achieve it, guard it with your very life.

These are lofty aspirations which I speak of.

Goals which will not be achieved without hardwork, preservance and devotion from all of us. They are goals which can only be achieved if every day is wrung dry. I would like to conclude my remarks with a short story which I often tell because it helps me to keep a proper perspective.

It is a story of a boy given a globe for his birthday. And he cherishes the globe and takes it every where he goes. One evening he even takes it to bed and falls asleep with it cuddled in his arms. his dad, concerned that he will turn upon it and harm himself, very quietly opens the bedroom door and tiptoes up to the boy and ever so gently takes it from him. Just as he turns to leave the room, his son awakens and a grain of sand in his eye asks: "Daddy, daddy, where are you going with my world." You young people will be the ones who ultimately answer that question. With the help of this valued workshop in your hands, I feel very confident of the future. With all my respect and love to each of you.●

MARCHING GRIFFINS MARCH TO CHERRY BLOSSOM VICTORY

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. COLEMAN. Mr. Speaker, I would like to take this opportunity to express my extreme pride in, and congratulations to, an outstanding group of young musicians from my district in Missouri.

I am speaking of the Winnetonka High School Marching Band, and their fine director, Charles Menghini, who last week took overall honors in the annual Cherry Blossom Festival and Parade. As you know, competition is very stiff just to make it to Washington for the festivities. To represent the district which is home to Winnetonka—the best of the best—makes me very proud.

Some 140 members of the band, a large contingent of parents and school officials arrived in Washington after months of hard work. Their days here were hectic but they were still able to muster friendly smiles for their fellow competitors, and to serve as outstanding good-will ambassadors from north Missouri.

Many of us were fortunate enough to hear the band perform on the steps of the Capitol, and to see the Marching Griffins in the Cherry Blossom Parade.

The Winnetonka High School Band is renowned in the Kansas City area for its musical excellence and marching skills. The Griffins' victory in the Cherry Blossom festivities serves as an outstanding tribute to a terrific group of young men and women.

I ask my colleagues in the House of Representatives to join me in extending this body's wholehearted congratulations to the Winnetonka High School Marching Band.●

POSTAL WORKERS INSTALL OFFICERS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. PATTERSON. Mr. Speaker, the Southwest Coastal Area Local membership of the American Postal Workers Union has been a genuine source of pride for the residents of almost all of Orange County and parts of Los Angeles County, Calif. The members of the Southwest Coastal Area Local have served this area in an efficient and productive manner. On Saturday, April 7, 1979 the Southwest Coastal Area Local installed its general officers and chief stewards at the Buena Park Convention Center Hotel.

Installed as general president of the local was Bonnie Nelson, former general executive vice president and someone who is active in the trade union movement and community affairs. Also installed as general officers were Bobby Donelson as general executive vice president, Bruce Bailey as motor vehicle craft president, Arthur Bell as recording secretary and Helen Labowitz as editor. Chief stewards installed and the area they represent are Walter Nation in Buena Park, Eugene Herbert in Corona Del Mar, Ruth Derigo in Cypress, Richard Blancas in Santa Ana, Edward Henry in Stanton, Elsaline Byers in El Toro, Arthur Ruchti in Garden Grove, Helen Lebowitz in Huntington Beach, Gilbert Compise in La Habra, Lee Luysterborghs in Laguna Beach, C. Chester Udovich in Newport Beach, Pedro Brignoni in La Mirada, and Arthur Bell in Norwalk. Mike Stinson was installed as clerk craft president.

Mr. Speaker, I am pleased to bring to the attention of my colleagues the names of these officers and chief stewards honored by the Southwest Coastal Area Local of the American Postal Workers Union, AFL-CIO.●

AMTRAK PROBLEMS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HILLIS. Mr. Speaker, since the Secretary of Transportation submitted his recommendations for reducing the size of Amtrak, the Interstate and Foreign Commerce Committee, Subcommittee on Transportation and Commerce has been reviewing the current problems associated with the rail system. The Congress has until May 15 to act on the Secretary's recommendations or else they become effective.

We need more time to study the future of Amtrak. As gasoline prices increase and supplies decrease, Amtrak should become more attractive to the public. It will take sometime before the average American's attitude toward Amtrak as an alternative transportation source can be fully assessed. However, the Associated Press reported recently that ridership on Amtrak is increasing. Figures published in Sunday's Chicago Tribune show an 8.6 percent increase in ridership from January of 1978 to January 1979.

For that reason, I have today written to Secretary Brock Adams requesting that he delay implementation of these recommendations until October 1, 1980. A copy of that letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 10, 1979.

Hon. BROCK ADAMS,
Department of Transportation,
Washington, D.C.

DEAR MR. SECRETARY: Since you submitted the Department of Transportation's recommendations for a restructured Amtrak rail passenger system, the Congress has been the focal point of a national debate over the advisability of these recommended actions.

Obviously, you are to be commended for proposing changes in government programs which will save American taxpayers' money. However, saving money cannot be the sole consideration in determining the worthiness of your recommendations. It that were the case, the answer would be to completely close down the entire Amtrak rail system.

The prosperity of our nation and the public's demand for good reliable rail service must be given heavy weight in considering the future of Amtrak. Further, the energy efficiency of the system must receive very close attention before making any decisions.

America's transportation system is in the process of change. The conventional mode of family transportation, the automobile, is becoming less attractive as gasoline prices increase and supplies decrease. These changes will make the Amtrak system a more desirable mode of transportation; hopefully more desirable than the automobile. However, Congress needs the time to determine the public's attitude toward using Amtrak over the automobile. In the meantime, every effort should be made to improve scheduling of trains to further increase the use of Amtrak.

Amtrak was created by Congress in 1970. During its short history, Amtrak has had problems. However, these problems should have been predictable. The equipment problems which have plagued the system were due mostly to the condition of the equipment acquired at its inception. Amtrak has been in the ongoing process of modernizing and improving its equipment. As this process continues, the efficiency of the system should improve. I see this as only one example of why the past record should not be used to predict the future earnings of Amtrak. As equipment improves, patronage will also increase further aiding the system's balance of payments.

I believe the American people want an extensive passenger rail system. It is, nevertheless, obvious that Amtrak has failed to live up to Congressional expectations.

Although the Congress has been reviewing your January recommendations to reduce the system, I feel that more time is needed for Congress to adequately review all the issues involved. Since the May 15th deadline gives Congress only a few more weeks to study your recommendations, I urge you to propose delaying the deadline for Congressional action until October 1, 1980. Certainly, the public's interest would be better served by giving Congress the requisite time to fully comprehend Amtrak's situation and the possible alternatives available. Congress also needs the additional time to review and comprehend the effects of decreasing gasoline supplies and increased prices.

Enclosed please find a copy of a newspaper clipping describing the increased interest in Amtrak. I believe the figures included in this article warrant your review.

With best wishes, I am

Sincerely,

ELWOOD H. HILLIS,
Member of Congress.

[From the Chicago Tribune, Apr. 8, 1979]

LED BY ILLINOIS, AMTRAK ROLLS TO 8.6% RIDERSHIP GAIN

Amtrak has reported that ridership in January increased 8.6 per cent over January, 1978, and that the largest gains were on Illinois trains.

Amtrak said 1,575,552 persons rode its trains in January, up from 1,450,368 a year earlier.

The Chicago-to-Dubuque train, the Blackhawk, had the largest gain in the nation—a 42.4 per cent increase in passengers, from 2,664 to 3,794.

That happened despite the worst ontime record of all of Amtrak's short-distance trains, according to the report issued Friday. The Blackhawk was late about 87 per cent of the time in January.

The Chicago-to-Laredo, Tex., train, the Inter-American, had the second largest ridership gain for the month. It increased from 8,624 passengers in January, 1978, to 12,092 in January, 1979, an increase of 40.2 per cent.

The Inter-American was late more than 96 per cent of the time in January.

"We're not quite sure what is causing the increase this year," said Amtrak spokesman Brian Duff. "The pattern has been to increase ridership every year, a steady climb of 6½ to 7 per cent a year. Now, we seem to be increasing even faster."

Duff said rapidly increasing gasoline prices could be one reason for the increase in train ridership.

The Department of Transportation again has proposed a major reduction in Amtrak service, but Congress has not acted on it.

Amtrak also recorded ridership increases in January on four other short-distance routes out of Chicago—to St. Louis, Milwaukee, Detroit, and Port Huron.

Ridership declined on the Chicago-to-Carbondale route, which includes Champaign, and the Chicago to Quincy train.

Of the 10 long-distance trains through Illinois, six showed an increase in ridership—New York to Kansas City and Chicago to Seattle via the northern route, San Francisco, Los Angeles, New Orleans, Florida, and Laredo.

The southern route to Seattle lost riders, as did the Chicago-to-Houston and Chicago-to-Boston routes.●

CHILD CARE ACT OF 1979

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ROYBAL. Mr. Speaker, I have received numerous requests from my colleagues for information on H.R. 1121, the Child Care Act of 1979. Because of the great amount of interest expressed, I would like to insert in the RECORD a section-by-section analysis of this bill.

I would also like to take this opportunity to inform my colleagues about some of the facts that make this legislation necessary and to suggest some of the costs and benefits that may be associated with the legislation.

The critical need for child care programs is beyond dispute. In 1978, 53 percent of all women and 44 percent of women with children under 6 worked. These figures mean that since 1950 the total number of working mothers has increased 82 percent and the number of working mothers with children under 6 has tripled.

Most of these women work out of economic necessity and must do so even if adequate child care is not available. What happens to their children while they are working? A national survey done by Family Circle magazine found that nearly one-third of children 6 to 13 with working mothers are left home alone. Even more shocking, according to the Census Bureau, at least 20,000 children aged 3 to 6 care for themselves while their mothers work.

The sad fact is that throughout the entire country today, there are only 1.6 million licensed child care openings to serve the 6.4 million children under 6 whose mothers work. Affluent families may be able to purchase a slot in a child care center or nursery school. Or they can hire someone to come into their homes to care for their children. They also benefit from income tax credits that allow 20 percent of child care costs to be deducted.

A fraction of the poorest families can qualify for services under title XX of the Social Security Act. But the majority of families—those in the middle class or among the "working poor"—need some sort of flexible child care that does not entirely eat up the salary earned by a working mother.

Many have asked if we can afford to fund a child care program. I believe that the cost of failing to provide the best for our children is enormous and longlasting. Whatever money we spend now should be viewed not as an expenditure but as a long-term investment in our country's future.

The bill authorizes to be appropriated "such sums as may be necessary" to carry out the purposes of the act. However, I would be prepared to support limited funding levels of $90 million for fiscal year 1980 and $150 million for fiscal year 1981.

The benefits of this legislation are not easy to quantify but are abundantly clear. If adequate child care is available at a low fee, many parents currently on welfare would be freed to work. Consider also some social costs that may result because of unsupervised children. The levels of juvenile alcoholism, delinquency, and vandalism may be reduced by prudent investment in child care programs now.

Finally, we cannot overlook the emotional cost of the lack of support systems, such as child care, for working and single parents. No parent wants to leave a child unattended, but many simply have no choice because they must work and have no access to flexible and affordable child care programs. The number of abused and neglected children also will be reduced once parents receive the kind of support they need.

Mr. Speaker, I know that these are times of fiscal prudence and balanced budgets. But to accomplish these goals at the expense of our youngest citizens is a penny-wise and dollar-foolish approach.

Following is the section-by-section analysis of my bill:

SECTION-BY-SECTION ANALYSIS, H.R. 1121—CHILD CARE ACT OF 1979

Section 1.—Gives the bill title—"Child Care Act of 1979".

Section 2.—Sets forth the findings of Congress making the Act necessary. Among the major findings are: (1) the number of children living with working parents has increased dramatically in the last ten years; (2) the number of licensed child-care openings is far short of the number required for children in need of care; (3) the lack of child care results in many children being left without adequate supervision; (4) many parents cannot afford adequate child-care services; and (5) there is a lack of coordination among existing child-care programs receiving Federal and State assistance.

Sets forth the purposes of the Act, which are to: (1) provide assistance to the States in improving the quality and coordination in child-care programs; (2) assess the need for child-care services in the Nation; (3) provide assistance to families who cannot pay the full cost of child-care services; and (4) strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable facility.

Section 3.—States that nothing in this Act shall be construed to authorize any public agency or private individual or organization to interfere with parental authority.

Section 4.—Requires States to submit a plan to the Secretary of Health, Education, and Welfare in order to participate in the program authorized under this Act. Requires State plans to include provisions regarding: (1) the designation of a responsible State agency; (2) distribution of funds with priority to be given to child-care providers that provide priority for services on the basis of family need; (3) the establishment of fee schedules for services based on family need and size; (4) information and referral services; (5) child-care personnel training; (6) licensing of child-care providers; (7) parental involvement in the planning and evaluating of child-care programs; (8) the setting of maximum administrative costs at no more than 10 percent of the State's funding; and (9) the establishment of a State Advisory Panel to advise the State on child-care matters. The Panel will include parents, child-care providers, and professionals.

Stipulates that the Secretary shall approve any plan that complies with the requirements under this Act. Requires the Secretary to first provide notice and a hearing before disapproving any State plan.

Section 5.—Directs the Secretary to designate an administrative unit and an individual in charge of such unit within the Department of Health, Education, and Welfare to carry out the provision of this Act and to coordinate other child-care activities within such Department.

Provides for the establishment of a National Advisory Panel on Child Care and Services within the Office of the Secretary of Health, Education, and Welfare.

Directs the Secretary, with the assistance of the National Advisory Panel, to develop standards for programs under this Act.

Section 6.—Authorizes the Secretary to make grants to, and enter into contracts with, public and private entities for innovative demonstrative child-care projects.

Section 7.—Directs participating States to submit a report to the Secretary outlining the current status of child-care licensing within the State. Directs the Secretary to develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

Section 8.—Authorizes the Secretary to provide training and technical assistance to the States.

Section 9.—Limits allotments of funds appropriated under this Act to not more than one percent for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. Establishes an allotment priority system for the States based on the number of children living in homes in which (1) both parents are employed; or (2) the child resides with only one parent and that parent is employed.

Section 10.—Provides that payments under the Act may be made in installments, in advance, or as reimbursements.

Section 11.—Authorizes the Secretary, after reasonable notice and opportunity for hearing, to withhold payments to any State where there has been a substantial failure to comply with requirements of such State's plan or other applicable provisions under this Act.

Section 12.—Directs the Secretary to: (1) review and evaluate programs carried out under this Act; and (2) submit a report on national child-care needs to the President and the Congress not later than four years after enactment of this Act.

Section 13.—Defines "child" as any individual under 15 years and "parent" as any natural parent, foster parent, or legal guardian.

Section 14.—Authorizes the appropriation of such sums as may be necessary for Fiscal Years 1980–1984 to carry out the provisions of this Act.●

MILDRED PEPPER, A LOVELY LADY AND A NATURAL LEADER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. BENNETT. Mr. Speaker, as dean of the Florida delegation in Congress it is my sad duty to anounce the death of the wife of our beloved colleague, CLAUDE PEPPER.

Mildred Pepper was a warm and lovely person, interested in people, interested in helping people in a myriad of ways. Her civic interests reaped great results in Miami's parks and beneficial organizations. Her chief quest in life was to secure adequate funding of the health of persons suffering from dread disease and crippling conditions. She was always full of life and enthusiasm; and her passing is not only a tremendous blow to our distinguished colleague, her widower, but to each and everyone of us.

We hope, CLAUDE, that the knowledge that you have of her productive years in serving mankind may be of some comfort to you in your grief.●

RESPONSE TO THE PRESIDENT'S ENERGY PROPOSALS

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. AMBRO. Mr. Speaker, several days before President Carter's scheduled speech to the Nation on our critical energy situation, I took the liberty of writing to him with the suggestion that he seriously consider using his authority to institute direct nation-to-nation purchases of petroleum as a mechanism whereby we could mount a different kind of attack on the ever-worsening energy crisis. I would like to take this opportunity to share that letter with my colleagues here in the House of Representatives.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 3, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As events in this country and around the world conspire to exacerbate our energy crisis, I, in common with all my colleagues in both Houses of the Congress, anxiously anticipate your address outlining the second phase of your comprehensive energy strategy. In the two years that have passed since you challenged us with the "moral equivalent of war" I am sure that you, no less than all of us, have been disappointed with the national response and the apparent retrogression in our attacks against energy profligacy and complacency.

I am sure that I do not tell you anything that you do not know, when I suggest that, apart from the avaricious policies of the OPEC nations and the "seven sisters," the next most serious problem faced by the energy warriors on Capital Hill and in the Administration revolves around the indifference and incredulity of the American people. I would hazard a guess that the continued record profits of the oil companies, the promulgation of DOE regulations allowing these companies to pass on "more of their costs to consumers" in the face of these profits, and statements from the Secretary of Energy about these companies "prudently protecting their inventories" when they decrease allocations to retail outlets, thereby driving up the price have all contributed heavily to this lack of credibility which greets all attempts to solve this critical problem. In short, Mr. President, the American people feel as victimized by their own government and its policies toward the petroleum industry as they do by the producing nations.

I would like to take this opportunity, as you are preparing a major polcy statement, to respectfully suggest that you consider utilization of your authority to institute direct nation-to-nation purchases of petroleum. In this way, the United States would be in a position to negotiate and bargain directly with the governments which have been strangling us since 1973. Once we have set up a government-to-government interface, we will be in a position to begin to use our tremendous leverage and to barter basic necessary commodities for petroleum. For example, OPEC nations want our technology, our food, our telecommunications systems, our defense systems, and myriad other American products—but most of all, they want havens for their Petrodollars, i.e., investment opportunities. The only way the American people will accept entreaties in the direction of conservation and other voluntary programs is if they believe that you are exercising every bit of power you have in their behalf. I hate the word, but the stance, both from the point of view of selling your programs and protecting your Presidency, must be tough. And the price/market orientation that gives rise to Administration policy is not only not tough, it is *not* workable. Deregulation, the goal of the multinationals over the years and the chief nourisher of potential windfall profits, must be avoided at all costs.

As long as the energy crisis is only a crisis for *our* citizens, particularly those in the middle and lower income brackets, while it is a bonanza for the oil companies (which now control almost every alternative energy resources and orchestrate both the availability of the resource and the price), we cannot expect Americans to respond with their characteristic willingness to calls for prudence and sacrifice. In the last five years, their sacrifice has only resulted in higher costs to them and higher profits to the suppliers.

As you frame your program, I urge you to reverse the present trend, which, I believe, can only be done by initiating an entirely different institutional arrangement for international commerce, in the petroleum industry. As one who has supported you in the past in great measure, I mean you only the greatest good, for I believe that yours now approaches a great Presidency. Make it even greater, and all Americans will support you.

With best wishes, I am,
Very truly yours,
JEROME A. AMBRO,
U.S. Congressman.

Of course we all know that the President has chosen an entirely different course of action: Decontrol of oil prices, excess profits legislation, and continued pleas for voluntary conservation.

Was it courage or was it political expediency? There are those that argue vehemently on each side, and some that say that the President's latest proposals on energy were a bit of both.

The oil companies consider the President's plan to expedite deregulation of oil prices a courageous act—as well they should, they stand to reap billions of dollars in a harvest of excess profits.

Consumer groups consider the President's decontrol program a catastrophe, as crass political expediency and a surrender to the oil companies—as well they should since consumers will face increased costs for petroleum products across-the-board: gasoline, home heating oil, goods made from plastics and so forth. Long Islanders are particularly vulnerable. Nassau and Suffolk Counties are considered mass transportation deficient areas. The automobile is vital to the survival of the island's people and its economy. Increased costs of gasoline, to cite but one example, will not result in the diminution of consumption but rather in Long Islanders' reaching into their budgets for food, clothing, housing and all other staples in order to pay the increased costs.

To the middle class, which bears the brunt of everything that the Government funds in this Nation, the added costs of petroleum products as the result of deregulation are, in these inflationary times, totally unacceptable.

What could the President have done? He had a number of options:

First. He could have invoked the standby purchase authority that Congress already gave him, bargain for oil directly with the OPEC nations for the United States, thereby circumventing the "seven sisters" as the multinational oil companies are called. With that bargaining power, he could then have taken a hard-nosed trading stance using every bit of influence he could muster to deal from a position, if not of strength, then at least of equality. Let us remember, the OPEC nations, mostly Arab, want a number of things from the United States. They use their petrodollars to purchase technology, electronics, telecommunications systems, defensive weapons, agricultural products and opportunities to invest in this country. Quid pro quo is the phrase and it should be a part of the Presidential lexicon.

Second. He could have taken the penultimate and courageous step of recommending divesture of the oil companies. Today, these multinational corporations—which means that they are not American companies and owe no allegiance to this Nation—control most of the natural gas, most of the coal, most of the tar sand and oil shale, and are branching out into geothermal, solar and other alternative energy sources. They are openly dubbing themselves energy companies. There is overwhelming evidence to show that they orchestrate the supply of one or another resource in order to manipulate the price. Requiring the oil companies to rid themselves of all but oil endeavors would go far toward stimulating competition in these all but oil endeavors would go far toward stimulating competition in these varied energy areas and competition would bring with it, if traditional economic theory is to be believed, greater supplies and lower prices.

Third. He could have taken the ultimate and most controversial, therefore most courageous, step of recommending the nationalization of the oil companies.

What can Congress do?

The greatest difficulty with the President's pronouncement is that he sets both the framework and the tone of the debate. The media and soon the public will be flailing around the windfall tax issue. But, even though I will certainly support a windfall profits tax, that is neither the issue nor the solution. The windfall profits tax is a red herring. Most Hill observers believe it has little or no chance of passing since the oil company lobbyists have a stranglehold on significant elements of Congress. The fund from a tax would be used for some pursuits which must be carefully examined:

First. The poor would be reimbursed for increased costs of energy that would result from decontrol. The question is who are the poor? Why are they not the already oppressed middle income earners who will be most adversely affected by this legislation? Is the President's plan a scheme to redistribute the wealth in the United States?

Second. Alternative energy sources would receive increased funding under the President's proposal. Commendable even though we, as a nation, are pouring tens of billions of dollars into research and development. But why not set up a crash program for nuclear fusion—a Manhattan project to bring this form of energy on line in the next decade. Fusion, as opposed to present day fission technologies removes the fears we have confronted at the Three Mile Island plant of Metropolitan Edison. The problem of radioactive waste disposal, leaks, plant safety, sabotage, and the weapons grade materials that derive from enriched uranium and plutonium would be obviated.

But none of these points emerge when we are constrained in our debate by the parameters set by the President. Nor have many people discussed the fact that the issue, to repeat, is not windfall profits: it is decontrol.

The Congress could just as easily extend controls and remove the President's authority to deregulate oil company prices as they could pass a windfall profits tax. If we are going to get into a pitched battle with the oil lobby, why not go all the way? The notion that increased price is the best method of enforcing diminished use is foolhardy. The seeking of a national response, based on this Nation's surviving as a great power, as the protector of freedom and the guardian of the balance of power in the world, is necessary.

But to ask our people to continue to subject themselves to OPEC and oil company greed without using every bit of the economic, trade and diplomatic leverage at our command is shortsighted and incredible. Americans will respond willingly and collectively to a well-balanced, strong and courageous effort. But this is not such an effort.

The Congress can (in ascending order):

First. Make the President use his standby purchase authority.

Second. Make him bargain with those things OPEC wants.

Third. Extend controls.

Fourth. Vote for a standby windfall profits tax, in any event, since these windfall profits are being garnered even now and in the absence of decontrol.

Fifth. Seek horizontal and vertical (marketing and retailing) divestiture of the oil companies.

Sixth. Lead the debate on nationalizing the oil companies.

This Nation is in a most troubling period—but the problem, most authoritative observers will agree, is a problem that can be set in a time frame. We need time to reduce our dependence on oil and to shift through research, development and demonstration to alternative sources. We are on the brink of startling breakthroughs—in solar, photovoltaics, ocean gradient, fusion, windpower, coal liquifaction and gasification; in developing an electric vehicle, in alternate fuels for automobiles and in myriad other areas.

We should not be asked to get past this period by shifting the wealth of this Nation to either the foreign oil cartel known as OPEC or to the multinational energy companies.

We should be asked to stand behind a tough and courageous policy—and if we are asked, we shall.●

END THE TAX ON MARRIAGE

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mrs. FENWICK. Mr. Speaker, this week, millions of Americans are filing Federal income tax returns, and millions are paying a tax penalty simply because they are married. Today I am introducing a bill to eliminate this discriminatory tax.

Under present law, a husband and wife who both work generally pay more tax than they would if they were single. The Internal Revenue Service has estimated that more than one-half of all taxpayers are married, and at least one-half of all married couples are two-earner couples. This means that one-quarter of all taxpayers—38 million Americans—may be affected by the "tax on marriage."

This bill provides a simple solution by allowing married two-earner couples the option of filing as if they were single. Either spouse may claim deductions for dependents and the child-care tax credit, but they may not be claimed more than once. This remedy will not create a hardship for any other group of taxpayers, as it will only affect those who are subject to the marriage tax.

The tax is now imposed on a married couple if the income of one spouse exceeds 20 percent of the income of the other. The more equal the two incomes, the larger the tax. For example, if each spouse earns $25,000 a year, they pay $2,674 more in taxes than they would if they were single. The tax is especially difficult for low-income families. If each spouse earns $3,750, they pay a "marriage tax" of $168—130 percent more than they would pay if they were living together without being married.

The law should be changed to reflect changing social conditions. In 1950, only 18 percent of married women living with their husbands worked. That figure had increased to 48 percent by 1977. With inflation, more and more couples are finding that two incomes are necessary to make ends meet.

Under the present law, if the wife decides to work to help support the family, her first dollar of income will be taxed at the same rate as the last dollar earned by her husband. In effect, her income will be taxed at a much higher rate. This, combined with new expenses for child care, housekeeping services, commuting and other work-related expenses, creates a real work disincentive.

The present system is designed so that all married couples with the same total income pay the same tax. But the expenses of one and two-earner couples may be quite different, for example, the dollar income of the one-earner couple does not include the value of the homemaker's services.

Other social changes reinforce the need for the bill. The divorce rate doubled in the last decade. The number of households which were shared by unrelated individuals of the opposite sex also doubled—between 1970 and 1977—increasing by a factor of five for those under age 45. The marriage tax penalty encourages this trend.

This simple change in the law would support the family, and it would end one of the most glaring inequities in our present tax system. I first introduced this legislation in 1975; 73 Members of the House cosponsored the bill in the last Congress, and a similar bill has been introduced by Senator MATHIAS and six cosponsors in the Senate. The Joint Committee on Taxation plans to release a report on the "Tax Treatment of Single and Married Taxpayers" in the near future, and Senator BYRD, the chairman of the Senate Finance Subcommittee on Taxation, has promised to hold hearings on the marriage tax this year.

Eleven States, the District of Columbia and 14 member nations of the Organization of Economic Cooperation and Development now permit or require married taxpayers to file individually. By providing this option to two-earner couples, the bill provides a simple, straightforward solution to a very serious inequity.

The text of the bill follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part I of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to tax on individuals) is amended by redesignating section 5 as section 6 and by inserting before section 6 (as so redesignated) the following new section:

"SEC. 5. ELECTION BY MARRIED INDIVIDUALS TO BE TAXED AS UNMARRIED INDIVIDUALS.

"(a) ALLOWANCE OF ELECTION.—

"(1) IN GENERAL.—Every married individual (as defined in section 143) who does not under section 6013 make a single return jointly with the spouse of such individual shall, at the election of such individual, be treated as an unmarried individual for purposes of this chapter.

"(2) ELECTION.—

"(A) IN GENERAL.—The election under paragraph (1) shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(B) BOTH SPOUSES TREATED AS MAKING ELECTION.—In a case of a married individual (as defined in section 143) who makes the election under paragraph (1) for any taxable year, the spouse of such individual shall be treated as having made such election for the taxable year of such spouse ending in the calendar year in which ends the taxable year of such individual.

"(b) COMMUNITY PROPERTY LAWS DISREGARDED.—For purposes of this chapter, in the case of any individual for whom the election under subsection (a) is in effect for the taxable year, the taxable income of such individual for such year shall be computed without regard to community property laws."

(b) The table of sections for such part I is amended by striking out the item relating to section 5 and inserting in lieu thereof the following:

"Sec. 5. Election by married individuals to be taxed as unmarried individuals.
"Sec. 6. Cross references relating to tax on individuals."

(c) The amendments made by this Act shall apply to taxable years ending after the date of the enactment of this Act.●

PUBLIC FINANCING OF HOUSE CAMPAIGNS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. FISHER. Mr. Speaker, H.R. 1, a bill to provide partial public financing of congressional elections, offers a reasonable, limited system of Government matching funds for congressional campaigns. I am a cosponsor of this legislation because I believe it is imperative that action along this line be taken to restrain the cost of political campaigns and reduce the heavy influence of special interest groups.

The bill would apply only to House general elections and would take effect in 1980. Candidates who participated in the program would have a spending ceiling of $150,000, plus $30,000 for fund raising and $15,000 for one mailing within the district. Before receiving Federal money, candidates would first have to raise $10,000 in contributions of $100 or less, with at least 80 percent of the total from residents of their own State. Funds would be matched in $10,000 increments up to $60,000 of Federal money.

This legislation offers a good basis for discussion of the public financing issue. I believe some constructive changes could be made. For example, I think the extra allowance for fund raising and a district mailing are too high; they should be eliminated or at least reduced. In my three campaigns for the House, I imposed strict limits on campaign contributions; $1,000 for groups and $500 for individuals in the primary and the same in the general election. I would recommend that such limits be specified in any bill. Also, under the bill personal spending by candidates who accept matching funds would be limited to $25,000. I would like to see that limit lowered if possible all the way to $500, the same as for other individuals.

The strongest argument in favor of public financing for congressional campaigns is that it will go a long way toward removing the dependence of candidates, both incumbents and challengers on large contributions from special interest groups whether in business, labor, professions, consumer affairs and elsewhere. I am disturbed by the explosive proliferation of political action committees in the last few years. These committees, frequently concerting with one another, can deploy their considerable funds according to nationwide strategies and thereby exert major influence on election outcomes. Individual voters are then relegated to having a far weaker effect on the outcome than would be desirable. Many candidates in the last congressional election received half or more of their campaign funds from the political action committees of special interest groups.

I am deeply disturbed also by the astronomical increase in spending for House elections. According to an article in the Washington Post of January 22, 1979, 132 candidates spent over $200,000 in their 1978 campaign.

If it is thought that equalizing campaign spending would penalize challengers over incumbents, then permitting challengers to raise an additional 20 percent or so could be considered.

The success of public financing of the 1976 Presidential campaign encourages the introduction of public financing into congressional campaigns.

I hope the House will act favorably on public financing this years.●

PROBLEMS WITH ERISA

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. SABO. Mr. Speaker, since its passage in 1974 the Employee Retirement Income Security Act has greatly increased the soundness of many private pension plans. But, any law as complex and wide ranging as ERISA, is bound to have problems. Recently, John G. Mutschler, of Mutschler and Associates, submitted some testimony to the Human Resources Committee of the U.S. Senate regarding his views of problems with ERISA. I found his testimony very interesting and I believe Members of the House would benefit from hearing the remarks. I insert his testimony into the RECORD:

TESTIMONY

Mr. Chairman and members of the committee, the following comments regarding the Employee Retirement Income Security Act of 1974 are submitted by John G. Mutschler, President of John G. Mutschler and Associates, a Minnesota Corporation engaged in the design and administration of employee pension and profit sharing plans. John G. Mutschler and Associates has been in operation for over twenty years, and currently administers over 350 such plans with assets in excess of $80 million. Mr. Mutschler's comments regarding ERISA are as follows:

With the adoption of the Employee Retirement Income Security Act of 1974, Congress declared that it was in the best interests of employees and their beneficiaries that minimum standards be provided in order to assure the equitable character and financial soundness of employee benefit plans. The history of employee benefit plans prior to ERISA had shown that some kind of standards were needed. Employees were losing benefits, according to section 2 of the Act, because of:

(1) The lack of vesting provisions in such plans,

(2) Adopting minimum funding stand-

(3) Plan terminations.

In ERISA, Congress addressed these three problem areas by:

(1) Adopting vesting requirements,

(2) Adopting minimum funding standards, and

(3) Requiring plan termination insurance for some types of plans.

In addition, provisions prohibiting certain types of transactions involving plan assets were included in ERISA, apparently in an attempt to provide additional protection of employee interests and further assurance of plan financial soundness.

The theory of ERISA apparently was that employee benefit plans are something that employers can afford no matter what restrictions are placed on the use of funds contributed to them, and that what is needed in order to protect employees' interests is simply a comprehensive, air-tight control mechanism which will make certain that plan funds do not disappear. The problem with ERISA is that employers can not in a great many cases afford to contribute money to employee benefit plans unless they can borrow from the plans, and lease property or equipment from the plans. Since ERISA prohibits such transactions between plans and employers, many employers cannot afford to contribute to plans, in spite of the tax deduction available for such contributions. The result of ERISA has been fewer and fewer employee benefit plans, which in turn has meant loss and reduction of employee benefits.

Prior to ERISA, section 503(b) of the Internal Revenue Code denied tax exempt status to an employee benefit plan trust which loaned money to the employer company without adequate security and a reasonable rate of interest, sold property to the employer company for less than adequate consideration, or paid more than adequate consideration for property purchased from the employer company. These code provisions did not prohibit such transactions altogether; but they did impose a severe penalty if the terms of such transactions were not fair to the trust, and this provided some protection of the funds which had been set aside for employee retirement.

The "Prohibited Transactions" provisions of ERISA, however, work in a completely different, and most unfortunate, way. ERISA prohibits altogether the lending of plan funds to employers, and imposes severe restrictions on sales and leases of property to employers and purchases of property from employers by employee benefit plans.

These provisions of ERISA were apparently enacted in order to provide additional protection of funds set aside for employee retirement. But, these provisions do not work because many employers can no longer afford to contribute to employee benefit plans because of them. As a result, the protection is there, but the money isn't, and employees have been hurt by the laws that were supposedly enacted for their benefit.

A typical small business depends for its success not only on demand, but also on its own ability to supply the products and service customers want. Two absolutely critical elements in the operation of a small business are financing and employee performance. Prior to ERISA, the law seemed to recognize the importance of both. Accordingly many small businesses set up employee benefit plans with the idea in mind that the plans would provide important benefits to all the employees, the owners of the business as well as other employees, and would benefit the company as well by serving as a source of funds which could be borrowed by the company as needed for growth or for day to day operation. Employee benefit plans proved to be key elements in the success of many small businesses. The financial security they provided to employees improved morale, helped employment stability, enhanced employer-employee relations and resulted in better employee performance. At the same time, the plans provided employer companies with financing for remodeling and new construction, maintenance and expansion of inventory, the introduction of new products, for advertising, and for additional jobs. The plans thus not only gave employees retirement benefits, but created new jobs and improved job security as well.

Since ERISA, companies are no longer able to borrow from their employee benefit plans. Since their need for financing hasn't changed, many companies have found themselves in the position of having to choose between contributing to the plans on the one hand, and using money for necessary costs of operation on the other. It is not surprising, then, that many employers have reduced their contributions to employee benefit plans or even terminated the plans altogether. After all, even from the point of view of the employees, job security is more important than fringe benefits, and it would be ridiculous for a company to contribute to a retirement plan when to do so would mean that the company would no longer be able to grow and prosper.

Statistics show just how serious things have gotten since ERISA was enacted. Each year more and more employee benefit plans are terminated and fewer new plans are set up. Our experience has been that the number of new plans we set up each year since ERISA is less than one-half of the number of new plans per year prior to ERISA. But it is not only the number of new plans that has been affected. A number of our clients have had to cut back on their contributions to their plans. In addition, the employer companies have suffered. For example, one client of ours planned to open one new store per year prior to ERISA, but has only been able to add one new store in over four years since ERISA was enacted. Obviously there have been negative effects on job security and rates of unemployment.

Congress should eliminate from the ERISA the prohibitions which experience has shown work to the disadvantage of employees. In place of the unsuccessful prohibited transaction sections of ERISA, Congress should provide more workable restrictions which protect employee interests in plan benefits, but do so without unnecessary burdens and restrictions, which discourage the establishment of new employee benefit plans and contributions to existing plans and encourage the termination of plans. Once unnecessary and unworkable restrictions have been removed from the Act, the incentives provided by the Internal Revenue Code for establishing and maintaining employee benefit plans will again be effective in encouraging employers to establish new plans and improve existing plans, thereby strengthening the private retirement system as Congress intended when it enacted ERISA in 1974.

More specifically, Congress should remove from the Act the absolute prohibition of sales, exchanges, leases, loans, and the furnishing of goods, services and facilities when they involve transactions between qualified employee benefit plans and employers of plan participants. These absolute prohibitions should be replaced with provisions which transactions to the extent that plans receive fair and adequate compensation for any property or services sold, leased, loaned, or otherwise provided to employers.

Such transactions are often of mutual benefit to employees and their employer. It is in the best interests of employees to employed by prosperous and successful employer. Employees benefit from an opportunity to invest in a successful employer and receive a reasonable return on their investment. Employees enjoy enhanced job security and opportunity for advancement with an employer which is more successful as a result of such transactions. These benefits are in addition to the benefits provided by the plans for retirement or termination of work for other reasons, benefits which are available only when employers are able to maintain employee benefit plans because they receive some benefit in return. Provisions of ERISA which do not sufficiently reflect mutuality of interests among employers and their employees should be removed.

Congress need not eliminate from the Act any prohibitions or restrictions which have been effective in protecting employee benefits. Only those which are ineffective and harmful should be removed. Accordingly, I recommend that existing provisions of the Act which establish high standards of conduct for benefit plan fiduciaries, and impose personal liability on fiduciaries for losses resulting from breach of fiduciary duty, be retained, I recommend that the present restrictions on investment of plan assets in employer securities also be retained, along with present requirements for bonding and provisions allowing insurance against plan losses and liabilities. I feel that such provisions together with requirements of security, reasonable rates of interest and fair and adequate consideration in transactions between plans and employers will provide all the real protection possible as a practical matter, and that additional restrictions and prohibitions, which may appear to offer additional protection of employee interest, are in fact so discouraging to employers that they result in elimination of the benefits they are supposed to protect.

I strongly encourage the members of this committee to devote much of the time they spend reviewing ERISA to consideration of amendments to the prohibited transaction provisions of the Act for the reasons I have outlined above.

Thank you, Mr. Chairman.●

FINANCING CONGRESSIONAL ELECTIONS

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HAGEDORN. Mr. Speaker, the importance that has been given to a bill designed to force taxpayers to finance congressional election campaigns cannot be overlooked. When the House leadership assigns the number "1" to a bill, it is obvious that a great deal of emphasis will be placed on this piece of legislation.

In the 95th Congress, attempts were made by proponents of the bill to railroad it through the House by the use of certain legislative maneuvers. Fortunately, enough Members of the House were in favor of this type of measure being fully discussed on the floor and these "end run" maneuvers were defeated. The issue is still very much alive in the views of its proponents and efforts are continuing in the 96th Congress. However, now that these supporters have been forced to go through the normal procedure for getting a bill to the floor, difficulties with the new bill have started to appear.

Five days of hearings have been held by the House Administration Committee on the topic of taxpayer funding of House general elections. After hearing from witnesses from the Federal Election Commission, the Department of the Treasury, Members of the House, and other interested parties, it appears that the weaknesses of H.R. 1 are more glaring than ever. For many observers, the present wording of H.R. 1 is such that it will have to be totally scrapped and a new bill written and introduced. For others, the only way to salvage the bill, and retain the present prestige number of H.R. 1, will be to try to work out the difficulties with a series of amendments.

However, I feel that it is important for my colleagues in the House to realize that no series of amendments will cure the ills of H.R. 1. One of the greatest problems would be in the inability of the policing agency, the Federal Election Commission, to adequately perform its job with regard to implementing and administering the public financing scheme—and I do not use the term scheme lightly.

Under the provisions of the bill, the FEC would have a 48-hour, turn-around time for investigation of the accuracy of the data submitted by a House candidate for matching funds and referral of the claims to Treasury for payment to said candidate. FEC would also conduct a random audit of only 10 percent of House candidates' election records to discover errors or fraud.

The track record of the FEC in this area is not an enviable one. The 1976 Presidential election was the first one that was conducted using the established public finance procedure. Only within the past few days has the FEC completed the audit of President Carter's 1976 primary expenses and receipts. This is nearly 3 years after the completion of the primary season. The reason for the delay is because of the problems associated with the Carter campaign bookkeeping practices. I strongly believe that anyone supporting the congressional public financing legislation is deluding himself if he thinks that the books of a publicly financed congressional campaign will be much easier to maintain once the differences of the two types of campaigns are taken into consideration. If it were to take the FEC more than 2 years to audit the congressional campaigns, they will certainly be behind as there will be another 435 to receive and another 10 percent to be chosen and to be audited. On top of all these difficulties facing the FEC, there will be the need to spend about $8 million to handle the auditing and reporting costs and to hire another 200 or so staffers for the increased workload.

These would not be the only costs involved. The funding of the elections is the most expensive part of this proposal. Under H.R. 1, overall spending would be limited to $150,000 plus 20 percent for fundraising and 10 percent for one mailing within the congressional district. Candidates would be prohibited from spending more than $25,000 in personal funds. The bill authorizes payments to candidates from the Public Treasury to match contributions of $100 or less received during the election year. The aggregate of matching fund payments could reach 40 percent of the spending ceiling, or $60,000; 80 percent of the funds used for matching would have to come from persons who reside in the State involved. Because there could conceivably be 435 contested elections, this could cost the Public Treasury $60,000 times the 870 candidates involved.

One of the proponent's principal arguments is that this type of public financing scheme is needed to take the influence of special interest groups out of politics. This bill would not accomplish this. No candidate is forced to accept public financing. If a candidate does wish to accept this money, then he can spend more than the $150,000 spending limit. Besides, I do not believe that the facts and figures warrant such a position. Statistics released by the Federal Election Commission for the contributions to Federal candidates in 1978 show that the source of each contributed dollar was as follows:

Sixty-six cents from individual contributions, 5 cents from labor, 4 cents from corporate political action committees (PAC's), 5 cents from trade/membership/health groups, 1 cent from nonconnected PAC's, 8 cents from candidate loans to campaigns, 5 cents from party contributions, 3 cents from candidate contributions, and 2 cents from other loans.

These figures show that the vast majority of contributions came from individuals and not from so-called special interest groups which in turn receive their money from contributions from individuals.

The proponents of the bill do not talk much about the limits of the public financing program. The bill would only cover general election for the House of Representatives. In many States, the primary is tantamount to election and yet, these elections would not be covered. No mention is made of Senate elections and these should also be covered if this bill is to bring about the so-called election equality that the proponents seek.

Another name for H.R. 1 could be "the Incumbent Protection Act for All Time." Incumbents have a built-in advantage of name and issue recognition, and get to use other benefits of their offices to promote their campaigns. Rarely does a challenger defeat an incumbent unless a great deal more money is spent to overcome the identification of the incumbent that he is already able to build up at the public expense.

No provision of the bill limits the "voluntary" participation of individuals or groups. In many elections this type of contribution is often more valuable than money because it is very effective and inexpensive. Individuals usually do not take the time to do volunteer work on their own. However, it is a fact that many labor unions offer the services of their members for certain candidates. Many challengers would not have the ability to get this type of contribution and would have to spend campaign funds to try to purchase the time and energy of others to do the same kind of work.

The sponsors of this bill feel it will do the intended job by reducing overall campaign expenditures, reducing the impact of special interest contributions, and enhancing election changes for challengers. I believe that H.R. 1 does none of these things. The additional bureaucracy that would be required, the possibility of fraud, the necessary reporting and auditing, and the inequity of the entire proposal do not point in these directions.

One of the most cherished freedoms that many Americans have is the ability to participate in a campaign and election. This participation would be discouraged if the campaign is automatically going to be partially paid for by public funds. The ability of a candidate to generate support through contributions shows a broad basis of support in his community. If a candidate cannot get local financial support to wage a worthy campaign, then there is little reason to believe that he is no more than a frivolous candidate who really has no program to offer the citizens of the particular congressional district.

Americans often complain about their tax dollars being spent by elected Members of Congress on projects that the individual taxpayers do not favor. It is ironic that supporters of H.R. 1 are asking the taxpayer to furnish funds to be used to elect candidates that the taxpayer may not support or wish to see in office. It is bad enough that the majority of the Congress often forces unwanted expensive programs on the citizens of this Nation. It would certainly be a shame to also require that these taxpayers help pay for putting these people into office. If the citizens of this Nation want to participate in the electoral process there are ample ways to do so and the participant has control over how this type of contribution is made.

To me, it is un-American to use General Treasury funds that have not been specifically set aside for this purpose. People of this Nation do not want this type of financing system. The use of checkoff systems that are already on tax forms overwhelmingly show that the taxpayers, the ones who must foot the bill for this type of wasteful scheme, do not want this type of public financing system.

The flaws of H.R. 1 have become more evident as a result of the hearings. Extensive amending will be necessary to give the bill even the remotest chance of being successful. I hope that since the matter has been openly discussed, it will be seen for the disaster it is and that the proposal will be dropped. If there is such a problem with the present method of financing elections, then the proper legislative proposal would be to require that all elections be totally financed from the Public Treasury. There could be no individual or group contributions whatsoever. This would be the most equitable way to conduct such a financing system. As the provisions of H.R. 1 now stand, there are too many inequities, loopholes, special considerations and unanswered questions to warrant my support of such a dubious proposal.●

INEQUALITY OF HIGHER GASOLINE PRICES

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. HARKIN. Mr. Speaker, I know the energy crisis and the resulting confusion from conflicting Government statements and policy affect all of our constituents. I know I receive literally hundreds of letters a week from the elderly, from farmers, and in general from people who live in rural areas, pointing out the inequity of their having to pay higher prices for gasoline. After all, they have no other means of transportation as the people in the cities do. Also, the elderly on fixed incomes cannot increase their wages or salaries to cover the increased cost of gasoline.

Occasionally a letter arrives in my office which portrays this situation in clear and unequivocal terms. I just received such a letter from Mrs. Leeta M. Grap, county recorder for Harrison County, Iowa. I believe Leeta has set out the inequality clearly and concisely, and I want to share her views with my fellow Members. Mrs. Grap's letter follows:

JANUARY 22, 1979.

Representative TOM HARKIN,
Cannon House Office Building,
Washington, D.C.

DEAR TOM: Where do I begin? There have been so many problems that I have hesitated to write because I didn't know how to separate them all, but today I am writing about the Energy Crisis.

I am one of those who cannot accept the fact that there is a shortage but rather a rip-off. I am now paying 81.9 cents for Unleaded gasoline or gasohol, whichever I get. That is a terrible increase since 1973 when we had the first oil scare, and yet, there is no more oil being produced. Now I am threatened with rationing. Tom, how can I drive to work 15 miles one way every day on my allotment? As an officeholder, how am I even going to get around Harrison County to see the electorate or attend public functions or dinners?

It is true that I now drive a 1975 Chevrolet Caprice which is not fuel economical, but I hate to buy a new car with an outlay of over $5,000 to save on gas and the new one would not last as long as this car which already has 67,000 miles on it. My husband is a farmer and the rationing plans do not even call for adequate amounts of gas for farming.

In our area, Persia, there is not a Doctor within 15 miles, or a hospital or a drug store. There is not a cafe within 10 miles. How can people even get necessities or emergency treatment on the allotment planned? How can the economy prosper? This has got to have an adverse effect on the economy, or is that the idea—to slow down spending and have a depression to cure inflation.

I also do not agree with the theory of rationing by high prices. It is not fair to make the working man pay as much as $2.50 for a gallon of gas over and above his allotment—the rich will be able to have gas and the poor do without. Already we have been saddled with only a 6% increase in salary until July 1980, and inflation has risen more than that already. Now every time I get a fuel bill, a utility bill, or drive into a gas station, I have less take home pay than ever before with no way to raise my salary. The farm is no help either. This year we paid on a net income of $4,000, and we used to be the middle class; now we are the poor.

There must be a way to keep the oil companies from robbing the poor and making themselves the rich. We are becoming a country of a few monopolistic super corporations who are running things for their enrichment at the expense of everyone and everything else.

The farm problem is far from solved either, Tom. There is no way one can pay increased taxes, utilities, seed, fertilizer and fuel with $2.10 corn, and borrowing more money is not the answer either. Beef is profitable now but it takes years to pay back what some lost before, and everyone is now into hogs because of cheap corn. We are headed also for a conglomerate corporation holding of land and beef, and then the price of food will really rise.

I feel sorry for you trying to solve these kinds of problems, but I also have confidence in you to look out for us so that we too can share in some of the prosperity of the country and not always give it to the Corporations.

Sincerely,

LEETA M. GRAP,
Harrison County Recorder.●

FOOD SECURITY ACT OF 1979

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. GILMAN. Mr. Speaker, today my colleagues, the gentleman from New York, MATTHEW MCHUGH, and the gentleman from Minnesota, RICHARD NOLAN, and I are introducing the Food Security Act of 1979. This measure amends the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) and is similar to legislation we introduced last year which passed the House Committees on Foreign Affairs and Agriculture.

Under the terms of this measure a 4 million metric ton reserve stock of wheat, the main staple in food aid to developing countries, will be established which may be used when sufficient quantities of agricultural commodities are not otherwise available to carry out our Public Law 480 agreements. Thus, this legislation would help protect against unexpected shortfalls and would in essence provide a Public Law 480 backup. I am hopeful that by plugging this reserve into the existing administrative and institutional framework of Public Law 480 that a wheat reserve for responding to food emergencies can more quickly become a reality than if our task were to establish new and more complicated apparatus to administer such a reserve.

Mr. Speaker, the critical need to provide food security was dramatically underscored during the world food crisis of the early 1970's. At that time, the unavailability of sufficient food supplies exacerbated the already grim plight of the hundreds of millions of the world's hungry and malnourished, and undermined programs to sustain agricultural production and development.

International food aid from developed nations declined precipitously, with food shipments through our own Public Law 480 program dropping from 9.9 million tons in fiscal year 1972 to 3.3 million tons in fiscal year 1974. U.S. shipments of wheat dropped from 6.5 million tons in fiscal year 1972 to 1.4 million tons in fiscal year 1974.

During this period of seriously reduced supplies, the 130 nation World Food Conference met in Rome in 1974. The Conference emphasized the urgent need to increase food security through the international establishment of reserves.

Since the crisis of the early 1970s, we have enjoyed unusually favorable weather around the world allowing us to substantially increase our carryover grain stocks. The Food and Agriculture Organization (FAO) projects that grain carryovers will be 202 million tons or 21 percent of estimated annual consumption for 1978–79—excluding the U.S.S.R. and China—up from the 12 percent experienced during 1974–75. International negotiations convened in 1975 under the auspices of the International Wheat Council and UNCTAD, sought the means to implement the World Food Conference's recommendation to establish emergency reserves while we were still experiencing this period of comparative abundance of agriculture commodities.

However, while the United States and 70 other grain exporting and importing nations made some progress along the lines agreed to among governments at the Conference, these talks collapsed in mid-February of this year. Thus, 5 years after the World Food Conference, we are still without a sorely needed internationally coordinated system of internationally held reserves.

The lack of such an agreement, however, should not prevent concerned nations from seizing the opportunity to create these reserves while abundant stocks exist. Our legislation is aimed at achieving such a goal.

Indeed, the urgent need for establishing an emergency reserve has received widespread official support.

In testimony before the House Committee on International Relations on February 23, 1978, Secretary of Agriculture, Bob Bergland, asserted:

> A priority concern of U.S. policy the past year has been to develop a workable reserves program—one that would avoid any repetition of 1974, when a U.S. crop shortfall caught us with storage bins already depleted by the 1972 world crop failure.

In an April 1977 article entitled "International Food Security: The Issues and the Alternatives," Harry E. Walters.

assistant executive director of the United Nations World Food Council, asserts that:

> For the first time since 1972, the question of grain reserves can be taken up in atmosphere in which the stocks from which reserves must be built exist.

At a recent meeting of the Presidential Commission on World Hunger, of which Congressman NOLAN and I are members, experts stressed that establishing an emergency food reserve is a key priority for building food security and combating hunger and malnutrition. The Commission has dealt extensively with the issue of food reserves and their critical importance in alleviating the problem of insufficient stocks during periods of food crises.

We currently enjoy a propitious opportunity to take deliberate action toward providing food security so that unanticipated shortfalls in the future will not spell the calamity they have in the past.

Mr. Speaker, I urge my colleagues to support our timely and important measure, and I request that the complete text of this legislation be inserted at this point in the RECORD:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Security Act of 1979".

SEC. 2. The Congress hereby declares it to be the policy of the United States to develop a wheat reserve solely to provide for emergency food needs in developing countries.

SEC. 3. In order to carry out the policy and accomplish the objectives set forth in section 2 of this Act, the President shall establish a reserve stock of wheat of up to four million metric tons for the purposes specified in section 5 of this Act.

SEC. 4. Stocks of wheat for such reserve may be acquired (1) through purchases from producers or in the market if the Secretary of Agriculture (hereinafter referred to as the "Secretary") determines that such purchases will not unduly disrupt the market; and (2) by designation by the Secretary of stocks of wheat acquired by the Commodity Credit Corporation.

SEC. 5. Notwithstanding any other provision of law, stocks of wheat designated or acquired for the wheat reserve provided for by this Act may be released by the President to provide on a donation or concession sale basis emergency food assistance to developing countries at any time that the domestic supply of wheat in the United States is so limited that quantities of the commodity cannot be made available under the criteria of section 401(a) of the Agricultural Trade Development and Assistance Act of 1954 for disposition under that Act, except for urgent humanitarian purposes.

SEC. 6. Wheat released from the reserve for the purposes of section 5 shall be made available under the Agricultural Trade Development and Assistance Act of 1954, except that section 401(a) of such Act, with respect to determinations of availability, shall not be applicable thereto.

SEC. 7. The Secretary shall provide for the management of stocks of wheat in the reserve as to location and class of wheat needed to meet emergency situations and for the periodic rotation of stocks of wheat in the reserve to avoid spoilage and deterioration of such stocks, utilizing programs authorized by the Agricultural Trade Development and Assistance Act of 1954 and any other provision of law, but any quantity removed from the wheat reserve for the purposes of this section shall be promptly replaced with an equivalent quantity.

SEC. 8. Stocks of wheat in the reserve shall not be considered a part of the total domestic supply including carryover for the purposes of section 5 or for the purpose of administering the Agricultural Trade Development and Assistance Act of 1954 and shall not be subject to any quantitative limitations on export which may be imposed pursuant to section 3 (2)(A) of the Export Administration Act of 1969.

SEC. 9. (a) The funds and authorities of the Commodity Credit Corporation shall be utilized by the Secretary in carrying out this Act, except that any restrictions applicable to the acquisition, storage, or disposition of Commodity Credit Corporation owned or controlled commodities shall not apply with respect to the acquisition, storage, or disposal of wheat for or in the reserve.

(b) The Commodity Credit Corporation shall be reimbursed from funds made available for carrying out the Agricultural Trade Development and Assistance Act of 1954 for wheat released from the reserve which is made available under such Act, such reimbursement to be made on the basis of actual costs incurred by the Commodity Credit Corporation with respect to such wheat or the export market price of wheat, as determined by the Secretary, as of the time the wheat is released from the reserve for such purpose, whichever is lower. Such reimbursement may be made from funds appropriated for that purpose in subsequent years.

SEC. 10. Any determination by the President or the Secretary under this Act shall be final.●

MANDATORY SENTENCING FOR VIOLENT CRIMES

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ROTH. Mr. Speaker, over the past decade few, if any, subjects have preoccupied the American public more consistently than violent crime and the steps that should be taken by Government, as well as private citizens, to bring it under control. Outraged citizens and public officials at all levels of government are demanding tougher crime control measures, longer prison sentences and an end to unrealistic, lenient parole laws.

Central to that debate is the unending problem that threatens the entire criminal justice system and contributes to growing fear among honest citizens: The system's inability to keep known criminals off the streets.

INCREASE IN VIOLENT CRIMES

Although the FBI's most recent Uniform Crime Index shows an overall decrease in crimes, few Americans can take comfort in this knowledge. Violent crimes—the most physically and emotionally traumatic—rose 3 percent in 1977 and 4 percent in 1978.

Crime statistics also reflect an exceptionally high proportion of crimes committed by repeat offenders, individuals on probation or parole or under suspended sentence from previous similar offenses.

REPEAT OFFENDERS

An FBI study of 256,000 persons arrested between 1970 and 1975 showed that 64 percent had been arrested two times or more. The subject group of offenders had been accused of more than a million crimes. The Institute for Law and Social Justice also conducted a study of serious crimes committed from 1971 to 1975. Only 7 percent of those arrested for violent crimes in Washington, D.C. accounted for 24 percent of all such arrests. Some were arrested as many as 10 times during that period.

This is hardly a commendation of our criminal justice system which exists for the purpose of preventing, controlling and reducing crime. Yet, law enforcement agencies and the courts—troubled with overloaded dockets, limited and crowded facilities and burdensome paperwork—can do little to convince the criminal offender that if arrested, he will be appropriately punished.

Obviously, the criminal justice system is having a hard time coping with criminals, but so are the American people. Studies indicate that more than half the Nation's citizens are afraid to go for an evening walk in their own neighborhoods for fear of being mugged or robbed. Yet, it is the innocent victim who is often overlooked in our zeal to protect the rights of the accused.

It is time to take a hard look at a criminal justice system that allows hardened criminals to go free, only to prey on honest citizens again and again. It is time to develop practical, rather than ideological, solutions to crime. It is time to confirm to the criminal, that, in fact, crime does not pay.

SWIFT AND CERTAIN PUNISHMENT

As a positive first step, criminals must know that their actions will result in swift and certain punishment—that they will face a locked door, not a revolving door. Logically, or efforts must concentrate on the sentencing process—the very heart of the criminal justice system. By imposing mandatory minimum sentences for violent crimes, we could provide law enforcement officers and the courts with the necessary tools to deter potential offenders from criminal conduct while, at the same time, keep violent offenders off the streets.

The Constitution limits Federal legislative activity in the criminal law area. The States, however, have traditionally looked to the Federal Government for statutory guidance in this field. That is why Federal legislation providing for mandatory minimum sentences is needed to assist the States in developing effective law enforcement measures.

MANDATORY PRISON SENTENCES

Today, I am introducing the Domestic Crime Control and Prevention Act which meets this need by requiring mandatory minimum sentences for certain cases of violent crime. Individuals convicted of burglary or aggravated assault, murder in the second degree, robbery, where the victim suffers serious bodily injury, or crimes where a handgun or other dangerous weapon was used, face a minimum of 2 years imprisonment—without the possibility of parole or probation. In addition, the bill imposes a minimum 4-year sentence for those convicted of one of these crimes a second time.

However, if the defendant was under 18 years old, suffering from a mental disorder, acted under duress or was merely an accomplice and not the principal offender, the legislation would waive the mandatory sentence requirement. A post-trial hearing would be held to determine the applicability of these exceptions.

Enactment of this important and long overdue legislation could result in a major reduction in the incidence of violent crime. While there are no simple solutions to this complex and far-reaching problem, continued delays in taking the first step toward development of strong and effective enforcement procedures will leave us with little more than well-meaning rhetoric and a rising crime rate. The American people deserve much more from those who are entrusted with their protection.●

THE AVIATION SAFETY AND NOISE REDUCTION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 10, 1979

● Mr. ANDERSON of California. Mr. Speaker, today I am introducing the Aviation Safety and Noise Reduction Act, a bill dealing with two of the most important problems facing aviation today. Last Congress, the House passed a comprehensive bill on these issues, but we were unable to reach agreement with the Senate in the closing days of the session. The bill I am introducing contains many of the provisions from last year's House bill, modified to take account of recent developments.

Aircraft noise continues to be a critical national problem. Over 6 million people and 900,000 acres of land are exposed to noise levels creating significant annoyance. The President's Council on Wage and Price Stability has estimated that aircraft noise costs taxpayers around airports some $3.25 billion annually in decreased property values.

The Aviation Safety and Noise Reduction Act approaches the aircraft noise problem from two directions: The reduction of noncompatible land uses around airports, and the control of aircraft noise at the source.

Title I is a program to assist airports and surrounding communities in planning and implementing noise control programs. Participation in these programs is voluntary.

Within 6 months from the date of enactment, the Secretary of Transportation is required to establish, after consultation with the EPA Administrator and other Government agencies, a single system for measuring noise and its impact and identifying land uses normally compatible with various noise levels. After these regulations become effective, any airport operator may submit to the Secretary a noise exposure map showing existing noncompatible uses of land, a description of proposed aircraft operations in 1985, and the ways in which these operations will affect the map. After a map is submitted it must be revised if changes in operations create new incompatible uses.

The bill authorizes funding for noise compatibility planning and for implementation of noise compatibility programs. The funding levels are $15 million for noise compatibility planning, $150 million for noise compatibility programs in fiscal 1980, and $250 million for these programs in fiscal 1981.

The measures in a noise compatibility program may include preferential runway systems, restrictions on use of the airport by noisy aircraft, construction of acoustical barriers and the soundproofing of public buildings, changes in flight procedures, and the acquisition of land and interests therein.

Title III of the bill establishes a program for aircraft noise control. The Federal Aviation Administration has already established a program requiring domestic aircraft to comply by 1985 with noise standards first established in 1969 (stage II). Under the FAA program, 50 percent of wide-bodied four-engine aircraft and two- and three-engine aircraft must be in compliance by January 1, 1981, and the remaining 50 percent of these aircraft must be in compliance by January 1, 1983. For four-engine narrow-bodied aircraft, the schedule is 25 percent compliance by January 1, 1981, an additional 25 percent compliance by January 1, 1983, and compliance for the final 50 percent by January 1, 1985. The FAA regulations provide that the 1981 and 1983 compliance dates may be extended if a carrier has submitted a plan for replacement of noncomplying aircraft, with the new aircraft to be delivered no later than January 1, 1985.

In general, I support the concept of compliance by 1985. Without these requirements, carriers will continue operating noncomplying aircraft through 1990, or later. Thus, FAA has estimated that, without any regulations, the fleet in 1990 would include approximately 950 noncomplying aircraft out of a total fleet of approximately 2,400 aircraft. This slow process of noise reduction is unacceptable. On the other hand, the FAA's program of compliance by 1985 would substantially reduce the number of people who are subject to unacceptable levels of noise.

The Aviation Safety and Noise Reduction Act adjusts the FAA's program in several ways. I emphasize that these are preliminary proposals. I would welcome comments on the basic concepts and details of each proposal.

One proposal is designed to encourage the development of stage III aircraft, which meet the standards established in 1978 for aircraft newly designed after that date. Stage III takes advantage of the latest noise reduction technology and provides significantly greater noise reduction than stage II. Stage II designs will also result in greater fuel efficiency.

The design criteria for stage III aircraft are now at a point where within the next few years aircraft manufacturers will be able to produce stage III aircraft extending over a broad spectrum of aircraft sizes and ranges. However, unless a legal prohibition is imposed, some of the manufacturers may continue to produce stage II aircraft indefinitely. My preliminary view is that it is reasonable and technologically feasible to require that no stage II aircraft be produced after January 1, 1983.

I also believe that we need to encourage the airlines to purchase stage III aircraft or to reengine existing aircraft to comply with stage III. As I have discussed, the FAA's noise compliance schedule permits extension of the 1981 and 1983 compliance dates for air carriers who purchase replacement aircraft to be delivered by January 1, 1985. The Aviation Safety and Noise Reduction Act provides that any airline using this option must replace or reengine noncomplying aircraft with aircraft which meets stage III standards. The replacement or reengining must be contracted for by January 1, 1981, and the new or reengined aircraft must be delivered by July 1, 1984.

Although it is desirable to encourage replacement or reengining with the latest technology, we should also recognize that it may not be necessary to require all noncomplying aircraft to be modified or replaced. The annoyance resulting from aircraft noise occurs from both the impact of single events and the cumulative effects of noisy operations throughout the day. Obviously, smaller, less active airports are better able to tolerate the operation of noisy aircraft since the cumulative effect of these operations would be much smaller.

In recognition of this distinction, the Aviation Safety and Noise Reduction Act permits the operation of two-engine noncomplying aircraft so long as these aircraft are used for service to small and medium-sized communities. This approach should benefit small communities by encouraging the airlines to serve small communities with jet aircraft, such as the DC-9 or B-737. The act provides that an airline may continue to operate two-engine noncomplying aircraft so long as at least 60 percent of that airline's domestic service with these aircraft is at airports which are medium hubs or smaller, and at least 30 percent of the airline's service with these aircraft is at airports which are small hubs or smaller.

The bill also provides that foreign-registered civil subsonic turbojet aircraft heavier than 75,000 pounds, cannot operate in the United States after January 1, 1985, unless the aircraft meet Federal noise regulations.

Because of their longer range and the extra fuel required, international flights tend to operate with higher gross weights than domestic flights and utilize long range four-engine aircraft more frequently than domestic flights. All these factors tend to create relatively higher noise levels for international operations than domestic operations. Failure to have foreign flag aircraft comply with part 36 noise standards would significantly downgrade the benefits to be derived from requiring U.S. operated aircraft to meet those standards. If foreign airlines are required to comply with U.S. noise regulations, the Administrator will be able to impose similar requirements on international operations by U.S. carriers.

Other important provisions of the act are designed to meet the safety needs of our national airport system. It is becoming increasingly clear that the fiscal 1980 funding levels authorized by law for the FAA's facilities and equipment program (F&E) and the airport development grant program (ADAP) are inadequate.

Last year, the Aviation Subcommittee of Public Works held hearings on the safety needs of our airport system. The hearings were replete with testimony that needed aviation safety projects were not being carried out because of budgetary constraints.

One of the witnesses taking this position was the Chairman of the National Transportation Safety Board, who pointed to a number of Safety Board recommendations which have not been implemented because sufficient funds are not available. The recommendations not fully implemented include:

First, installation of visual approach slope indicators (VASI's) at runways equipped with instrument landing systems; VASI's are needed to help flight crews make the transition from instrument to visual flight in the critical phase of landing when the runway comes into view; second, grooving runways to prevent hydroplaning accidents; third, increasing safety areas on runways to reduce the hazards of overrun and undershoot accidents; and fourth, installing breakable lighting systems, instead of the rigid systems now used. The NTSB Chairman testified that on June 24, 1975, 112 people were killed when a B-727 struck the rigid approach light structure during an approach to the John F. Kennedy International Airport. The Safety Board determined that the lack of a breakable lighting structure compounded the damage and added to the injuries and fatalities.

Other needed safety programs for fiscal 1980 include installing new radars, with increased reliability and better maintenance efficiency; improving the capacity of the computers used by traffic control centers; improving airport lighting; purchasing fire and rescue equipment, and removing obstructions interfering with takeoff and landings.

A fiscal 1980 program of critical importance is the installation of instrument landing systems at general aviation reliever airports in large metropolitan areas. The tragic San Diego midair collision occurred because there was no instrument landing system at a reliever airport and it was necessary for a small general aviation aircraft to use an air carrier airport for instrument landing training.

If these needed safety programs are to be implemented, we will need all the funding authorized by law, and more. In our 1976 ADAP bill, we directed the preparation of a national airport system plan to survey the development needed at the Nation's airports. The revised NASP was filed in 1978 and recommended development in the following 5 years of $7.4 million to insure the safety and adequacy of our national airport system. This 5-year program contemplated Federal funding of $1.2 billion a year. This is twice the $610 million program authorized by law.

To meet these needs, the Aviation Safety and Noise Reduction Act increases fiscal 1980 ADAP funding to $793 million for air carrier airports and $127 million for general aviation airports. The act also authorizes $300 million for the F. & E. program and provides that the amounts which FAA may spend for operation and maintenance from the trust fund will be reduced by any amount which FAA fails to obligate from the $300 million authorization for F. & E. The act also increases discretionary funds for reliever airports to $20 million.

These safety programs and the noise control programs included in my bill can be fully funded out of the accumulated surplus in the Airport Trust Fund. This surplus was accumulated from taxes paid by users of the airport system, who were assured that the tax revenues would be used to develop a safe and adequate airport system. In fact, the development programs have fallen well behind the funds contributed by the users. It is estimated that the trust fund will have an uncommitted surplus of $2.6 billion by the end of fiscal 1979, and that if the administration's budget is adopted the surplus will increase by $600 million in fiscal 1980. With these huge surpluses available, there is no justification for not doing all we can to insure the safety of the Nation's airline passengers.

Mr. Speaker, the Aviation Noise and Safety Reduction Act develops a comprehensive program to deal with two of the biggest problems facing aviation today. I urge my colleagues and all interested parties to give serious consideration to these proposals.●

HOUSE OF REPRESENTATIVES—*Monday, April 23, 1979*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. PREYER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
April 10, 1979.

I hereby designate the Honorable Richardson Preyer to act as Speaker pro tempore on Monday, April 23, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Heavenly Father, unto You we lift our hearts in thanksgiving and praise for the gift of freedom that is the heritage of our Nation.

We remember how in days past men and women have suffered and died for their beliefs. We recall with gratitude those who have stood against the evils of false prophets and whose lives gave testimony to eternal love and good will even in adversity. We praise You, O Lord, that their witness to freedom and justice continues to shine today to lighten our paths and to guide us in the way of truth.

Teach us to be responsible as guardians of the freedoms that are ours, that we may be faithful in our tasks as stewards of the liberty of Your people. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 447. An act to provide authorization of appropriations for the U.S. Railway Association, and for other purposes.

The message also announced that the Vice President, pursuant to section 1126(c) of title 46, United States Code, appointed Mr. MOYNIHAN as a member, on the part of the Senate, of the Board of Visitors to the U.S. Merchant Marine Academy.

The chairman of the Committee on Commerce, Science, and Transportation (Mr. CANNON), under the above-cited law, appointed Mr. INOUYE and Mr. PRESSLER as members of the same Board of Visitors.

And that the Vice President, pursuant to Public Law 95-45, and upon the recommendation of the majority leader, appointed Mr. RANDOLPH as chairman of the Senate delegation to the Interparliamentary Union spring meeting, to be held in Prague, Czechoslovakia, April 14-22, 1979.

And that the Vice President, pursuant to Public Law 83-420, appointed Mr. LEAHY to be a member of the Board of Directors of Gallaudet College.

And that the Vice President, pursuant

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to section 194(a) of title 14, United States Code, appointed Mr. DURKIN as a member, on the part of the Senate, of the Board of Visitors to the U.S. Coast Guard Academy.

The chairman of the Committee on Commerce, Science, and Transportation (Mr. CANNON), under the above-cited law, appointed Mr. MAGNUSON and Mr. DANFORTH as members of the same Board of Visitors.

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

Mr. RHODES. Mr. Speaker, pursuant to the provisions of section 2(a), Public Law 93-379, I have today appointed as a member of the District of Columbia Law Revision Commission the Honorable Dewitt Stephen Hyde.

SPEAKER O'NEILL AND GOVERNOR CAREY TO BE CONGRATULATED FOR STATEMENTS ON NORTHERN IRELAND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, Speaker O'NEILL and Gov. Hugh Carey are to be congratulated for their excellent statements on Northern Ireland. As chairman of the 128-member Ad Hoc Congressional Committee for Irish Affairs, I consider their statements to be both significant and valuable to our mutual interest, the pursuit of peace for Ireland.

Hopefully their statements will provide the necessary impetus for the administration to undertake an American initiative in Ireland. I especially share the views of the Speaker and the Governor about the culpability of Britain in the prolonged nature of the Irish dispute. The United Kingdom's indifference at a time when an initiative is clearly needed is indefensible.

The fight to help bring peace and justice to Ireland has been a long and bruising one. The Speaker and the Governor with their comments have entered the fray. I hope that their continued outspokenness will serve as a stimulus to peace in that troubled land.

□ 1205

CONFERENCE ON MENTAL HEALTH AND THE ELDERLY

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, this morning, under the leadership of the gentleman from Florida (Mr. PEPPER), the Committee on Aging is hosting a 2-day conference on the problems of mental health of the elderly. Mrs. Rosalynn Carter addressed that committee this morning and out of this committee I hope comes a feeling that we need a comprehensive approach to mental health which overspans the medical field and includes a social and economic stimuli that has shaped the mental well-being of the individual over his or her lifetime.

I hope this conference does not leave the impression that there is an equation between becoming old and mental illness. It would be a grave injustice to the elderly if we did equate mental illness with age. We must be exceedingly careful to insure that no such equation stems from this conference. As a general truth it is not age that impairs mental health it is the condition of life which precedes and accompanies the aging process. To the degree that we center on the elderly in this conference then let us clarify that fact.

Let me report on a comment made by an elderly man participating in the retired senior volunteer program that best states this. He said:

> I live an isolated life of pain and arthritis for 5 days of the week but on Tuesdays and Thursdays when I do my volunteer work my arthritis does not bother me.

THE LATE HONORABLE ROGERS C. B. MORTON

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I have the sad duty to inform the House of the passing of Hon. Rogers C. B. Morton, of Maryland, after a long illness in Easton, Maryland last Thursday, April 19, 1979.

Mr. Speaker, Rog Morton was a big man in every sense, in his physical stature, in his love of people, in his service to the Nation, in his representation of the First District of Maryland. It was my privilege to be associated with him in Maryland politics for more than 20 years.

I am sure all Members will join me in extending our sympathies to his wife, Anne, his children, David and Anne, and his family. The Nation has lost a great leader.

Mr. Speaker, I will take a special order on Thursday, April 26, 1979, and I invite all Members to participate personally to comment upon the life and times of Rog Morton, or, if they wish, to forward their remarks to my office so that I may include them in the RECORD of that proceeding.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding.

It is certainly with great sadness that I rise to pay tribute to our former colleague, Rogers C. B. Morton. I commend the gentleman for taking the special order and hope we will have the opportunity to make our remarks at that time.

Rog Morton was my Congressman for a number of years and, more importantly, he was my friend. In the early stages of my political career he was a source of great encouragement and sound advice. He was always available and always provided wise counsel.

As he progressed from the House of Representatives to Presidential Cabinet positions and other high political posts, he carried with him the traits that made him a respected and loved Member of Congress. He was a fair and honest man who fought hard for what he believed in and recognized the right of others to disagree. He was a man who did not need public office, but rather viewed public service as a responsibility. He was a big man both physically and in his capacity to help others less fortunate than himself.

Though he left Maryland's Eastern Shore, for what some may consider a higher calling, he never strayed far from it. This land, which he resembled in his strength and stability, provided him with release from the pressures of high office. After his retirement from public service, he returned to the Eastern Shore confident that he had made a contribution to a better America.

Each of us will remember Rog Morton for different things. For me, it will be personal memories of a warm, dynamic individual. He has left his mark in many areas, but I will always remember his dedication to conservation and his tireless efforts to preserve Maryland's Chesapeake Bay. Untold future generations will benefit from his efforts and foresight.

Rog Morton will be sorely missed by all who knew him. I extend my deepest sympathy to his wife Anne and his son and daughter.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, a distinguished former colleague, Rogers Clark Ballard Morton, has passed away. He was a figure unique in politics, a descendant of a distinguished family, who moved from his native Kentucky to Maryland's Eastern Shore to carve out a political career that took him into the President's Cabinet on two occasions.

He was a big man in every respect. He was a conservationist who helped preserve Assateague Island seashore, a grower of cattle, and in his later years a boat builder. It was my privilege to serve with him during his 9 years in the House. I valued him as a warm personal friend.

He was a Republican who won in a district in which the registration was largely against him. He was an unceasing booster for the Republican Party and rose to national chairman.

His great love was Chesapeake Bay, and he authored legislation to protect its seafood production, and pushed for a special model of the bay to help the U.S. Army Engineers study its ecology.

He was farsighted on national issues. While chairman of President Ford's Energy Policy Committee, he supported efforts to develop more energy, and predicted the crisis that we face today. He was a strong Secretary of the Interior, and a forceful Secretary of Commerce, where he advocated strengthening of our merchant marine.

He was a man of diverse interests, and contagious enthusiasm, with a folksy manner and lively sense of humor. I treasure the many associations we had during his time in the House, the Cabinet and as head of the Republican Party.

The Nation benefited hugely from his dedicated service. I offer my condolences to his wife Anne, his son and daughter, and to his brother and sister, and share with them a sense of loss at his passing.

SIXTY-FOURTH ANNIVERSARY OF 1915 ARMENIAN GENOCIDE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker and Members, I would like to point out to my colleagues that tomorrow, April 24, 1979, marks the 64th anniversary of the commencement of the Armenian genocide in 1915, a time in which 1.5 million of the then existing less than 3 million people of the Armenian Nation were put to death in the first genocide of the 20th century.

I have asked for and have reserved a special order tomorrow afternoon. Some of my friends may wish to join in it.

☐ 1210

FUROR OVER IRISH AMERICANS

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, as a lifelong resident of the Chicago area, I have developed a keen appreciation of the cultural, social, and political impact of Irish Americans. I especially appreciate their continued interest in and affection for the land of their forebears.

Of course, I will admit to having some distinct advantages in my learning process. Chicago's late Mayor, Richard Daley, made me acutely aware of the rich Irish heritage which permeated the city he so dearly loved. For that reason, I have been particularly zealous in coming to the defense of Irish Americans who somehow become the innocent victims of widespread misunderstanding here at home and abroad.

I realize, Mr. Speaker, it is necessary that Members of the House come to your defense. I am referring, of course, to the furor in the British press over your comments relating to the situation in Northern Ireland. It is obvious that the British press was interested in an issue which would bear on their current national elections and that their treatment of your remarks lacked objectivity and research.

It is obvious that the British press, being aware of your Irish ancestry, assumed that in addition to being Speaker of the U.S. House of Representatives, you were also the leading spokesman for Irish Americans. If they had done any research, they would have known that the distinguished gentleman from New York (Mr. BIAGGI) is far and away the principal spokesman for Irish Americans.

The SPEAKER pro tempore (Mr. ALEXANDER). The time of the gentleman from Illinois (Mr. DERWINSKI) has expired.

Mr. PICKLE. Mr. Speaker, I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I thank the gentleman from Texas for yielding. However, Mr. Speaker, Mr. BIAGGI has been silent in recent weeks. Why, may I ask?

Could it be that he is still in shock at the election of a non-Italian Pope? Or is he embarrassed at the early collapse of the New York Mets? Or could it be the fact that he has suddenly occupied himself with political developments in Italy, the land of his forebears, thus abdicating leadership of the Irish Americans to someone else

Mr. Speaker, I commend you for your consistent, sound, effective role which you have played in implementation of a strong U.S. foreign policy. You are truly a world statesman, towering above the petty political implications currently appearing in the British press.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO FILE REPORT ON H.R. 3236

Mr. PICKLE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight, Monday, April 23, 1979, to file a report, along with any separate or minority views, on the bill (H.R. 3236) to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 1301, INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 203 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 203

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1301) to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

☐ 1215

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Maryland (Mr. BAUMAN), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. DERRICK. Mr. Speaker, House Resolution 203 provides for the consideration of H.R. 1301. This bill would amend title 18 of the United States Code to allow for the transportation or mailing of lottery tickets and materials to a foreign country whose laws authorize a lottery. Current law allows interstate transportation of lottery tickets and lottery material to States who conduct lotteries and have enacted laws authorizing such lotteries. This bill expands this provision to allow for the transportation or mailing of such materials to foreign countries which have legally authorized lotteries. This bill would not, however, change existing laws which prohibit the shipment or transportation of lottery material to or within a State which does not conduct a State lottery.

This is the same bill that was considered under suspension of the rules on March 20. It did not quite receive the necessary two-thirds at that time, but the vote of 270 to 140 indicates a clear majority of the House in support of this legislation. Mr. Speaker, House Resolution 203 is a straightforward open rule, providing for 1 hour of general debate. I urge my colleagues to adopt House Resolution 203 so that we may proceed to the consideration of H.R. 1301.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I was so impressed by the magnificent statement made by the gentleman from South Carolina (Mr. DERRICK) and its content as to the meaning of the rule that I will not even take my 30 minutes. I am sure that meets with the approval of the Chair.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF ADDITIONAL COPIES OF REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ON H.R. 39, ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Mr. UDALL. Mr. Speaker, I send to the desk a resolution (H. Res. 227) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 227

Resolved, That when the report of the Committee on Interior and Insular Affairs accompanying the bill H.R. 39 is printed, additional copies may be printed not to exceed a total cost of $1,200 for the use of the Committee on Interior and Insular Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 18, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith two sealed envelopes from the White House, received in the Clerk's Office at 2:50 p.m. on Wednesday, April 18, 1979, and said to contain messages from the President wherein he transmits the Report of the Director, 1977, on the National Cancer Program, covering the calendar year 1976, and the Report of the National Cancer Advisory Board 1977 which discusses the activities of the Board during calendar year 1976.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT OF NATIONAL CANCER ADVISORY BOARD 1977 FOR CALENDAR YEAR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

As required by Section 410(g), Part A, Title IV, Public Health Service Act, I transmit herewith the Report of the National Cancer Advisory Board 1977 which discusses the activities of the Board during calendar year 1976.

This Report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 18, 1979.*

☐ 1220

REPORT OF THE DIRECTOR, 1977, ON NATIONAL CANCER PROGRAM COVERING CALENDAR YEAR 1976—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid befor the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

As required by Section 410(b), Part A, Title IV, Public Health Service Act, as amended (42 U.S.C. Sec. 286e(b)), I transmit herewith the Report of the Director, 1977, on the National Cancer Program, covering calendar year 1976.

This Report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 18, 1979.*

INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

Mr. DANIELSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1301) to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DANIELSON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1301, with Mr. DERRICK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. DANIELSON) will be recognized for 30 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is the bill, H.R. 1301, which was before the House under suspension of the rules on March 20, at which time it received 270 yea votes and 140 nay votes, a very substantial majority but not two-thirds, and for that reason the bill could not be passed under suspension.

The bill is not changed in any form. We are simply here under a rule which provides for general debate plus the opportunity for amendments. I shall not take my 30 minutes. I would like to state that this bill does very little in the way of changing the law of the United States, but I think it makes a significant and important amendment.

The Committee will recall that a few years ago, at about the time that lotteries became fashionable in our various States as a means of raising revenue—I do not remember which State came first, but there are now some 10 or 15 States which have State lotteries—we did amend the laws of the United States to permit American manufacturers of lottery equipment, such as punch boards, bingo cards, lottery tickets, and the like, to ship their product into those States in which a lottery was lawful, but not into other States. Where a State had decided that they would indulge in lotteries, we made it possible for a manufacturer of lottery tickets, for example, to ship its product into a State where a lottery was a lawful enterprise. At the same time, our law made it possible for foreign manufacturers of the same kinds of tickets and devices to ship their product into the American States in which lotteries were a lawful enterprise.

However, we overlooked and failed to provide a reciprocal benefit to American manufacturers when it comes to foreign commerce. As a result, today, under the present law, existing law, a foreign manufacturer of lottery tickets is permitted to ship them into an American State in which lotteries are lawful, but there is no reciprocity. An American manufacturer of the very same lottery tickets is not permitted—I repeat: not permitted—to ship his product into the foreign country in which lotteries are lawful. Now, this is unfair, manifestly, since Amerdican people have to compete with foreign manufacturers of these products within the United States but they are not entitled to compete with the foreign manufacturer in his home territory, the foreign country.

Our American manufacturers however have demonstrated their usual great American know-how and ingenuity and it happens that American manufacturers of lottery tickets have invented a new process in which they can have what is known as an instant winner.

The ticket is printed and it has some kind of an overlay over the number. I do not play the lottery so you are going to have to just believe what I tell you as being taught to me by someone else.

But on the new type of American manufactured lottery tickets, you buy the ticket and then you can rub the ticket at a certain place and lo and behold, the number of that ticket surfaces. You can read it. You have ticket number 31416 and you just won the jackpot and you are going to be rich from here on out.

Well, this is a fine state of the art. And our American manufacturers are way ahead of the European and other manufacturers. They know how to make these wonderful new style lottery tickets.

This has caused great interest and a great desire in foreign countries to buy American lottery tickets for their foreign lotteries. But they cannot get them because the American manufacturers are not allowed to make them and send them abroad. This puts us in an anomalous situation. Here we are in a country that has business problems. We have unemployment. We need jobs. We need revenue. Our foreign exchange is at an unfavorable balance. We have got a perfectly good opportunity to sell these tickets abroad, but our law says, no, you may not ship those tickets abroad. You can buy tickets from abroad, but you cannot ship them from here to a foreign country.

Now, is that not a ridiculous situation in this time of unemployment and unfavorable trade balance? Here is what the bill does. This bill simply changes the law in one tiny respect only. It provides that an American manufacturer of these devices—lottery tickets, bingo cards, and other such things—is permitted to make them in the United States and to sell them abroad in a country where a lottery is a lawful activity; a country like England, for example. And I understand they love these tickets in Yugoslavia. There are a number of countries over there in Europe and, I guess, in Asia, where they would like to buy our tickets, but we just will not let our manufacturers sell them.

I think we ought to correct that inequity. We ought to tell our American manufacturers, "You thought up a good product. Make it. Sell it. Improve our balance of trade," not enough to offset that oil, of course, but at least a little bit; and every little bit helps in a time like this.

It is not quite so insignificant as this may sound. I am told that this may result in aggregating around $500 million. Now, that is not bad when you are running a deficit of some $24 billion in balance of payments.

Let us pick up that $500 million. Let us pick up the jobs that go along with it. Besides, it is not changing lottery laws in the United States one whit. All it does is say, "American manufacturer, if you can make tickets here in the United States and send them abroad to Europe, and if people want them over there and will pay for them, go ahead and sell them as long as you do it in a country where the lottery is lawful." That is all that this particular bill does.

I would say let us not quibble about it. Let us get on with it. Pass this law and create a few more jobs for American workers. Add a little bit to our own favorable side of the balance of payments and raise some more taxes to help meet our budget deficit.

This is the way we ought to do it and have a forward-moving, vigorous American economy.

I reserve the balance of my time, Mr. Chairman.

□ 1230

Mr. MOORHEAD of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise in opposition to H.R. 1301.

As I stated, when this legislation was debated on March 19, H.R. 1301 is "unnecessary, unwise, and unimportant." The following day, the House wisely refused to suspend the rules and defeated H.R. 1301, 140 to 270. The enactment of this bill would place Congress in the posture of encouraging the development and expansion of the lottery services industry throughout the United States. The Members of this House ought to again carefully consider the wisdom of this policy when they vote on H.R. 1301.

In 1974, with the enactment of Public Law 93-583, Congress recognized the rights of individual States to conduct their own lotteries, unhampered within their borders. Specifically, we removed the barriers present in Federal law which totally prohibited the use of the mails, radio, television, and newspapers to promote these State-run lotteries. But the new law limited these rights carefully, so as to insure that nonlottery States and their citizens would not be unduly imposed upon. For example, it is still unlawful for an individual residing in a nonlottery State to use the mails to play a State-operated lottery (or any other type of lottery, for that matter). Similarly, State lottery agencies are restricted to advertising in nearby newspapers, or through radio and television outlets licensed to a location in that specific State or adjacent States.

But the measure we consider today has nothing to do with facilitating the operations of State-conducted lotteries. Rather, it authorizes the transportation, in foreign commerce, of lottery materials and services produced inside the United States. The aim is to encourage the exportation of lottery tickets, bingo cards, and other gambling paraphernalia. It is argued that the encouragement of this "industry" will create jobs and have a favorable impact on our balance of payments. Certainly, under normal conditions I would support any effort which means more jobs for Americans and greater economic strength for our country. I seriously question, however, whether this segment of our economy will ever be important enough to justify this type of legislation.

So, what are the real implications of this policy change? Does Congress really want to encourage the further expansion and development of an industry based upon games of chance? Congress does not intend to control the locations of these companies and their operations. H.R. 1301 makes no distinction between nonlottery States and lottery States with respect to where these companies operate and could not. Our subcommittee received written testimony from one such company stating that the opening up of foreign markets will "encourage other entries into the business." Is this really what Congress ought to be doing?

Lotteries, Government-run or private, continue to be the subject of considerable debate. Certain studies have shown that persons of lower-income levels and with less education tend to be the most victimized by these fundraising efforts. Legal lotteries have done nothing to stem the tide of illegal wagering, and the accompanying growth of organized crime. Many religious Americans view gambling as a vice—as a destructive and wasteful habit.

For both moral reasons and policy reasons, I feel the House should again reject H.R. 1301.

Mr. DANIELSON. I yield myself such time as I may consume. Mr. Chairman, I wonder if the gentleman from Michigan (Mr. SAWYER) would be kind enough to respond briefly to colloquy. I wonder if the gentleman would respond to a question.

Is it not a fact, I will ask the gentleman from Michigan (Mr. SAWYER) that this bill, the passage of this bill, would neither permit nor prohibit lotteries within the United States in any place where they are not presently existing?

Mr. SAWYER. If the gentleman will yield, yes. It has absolutely nothing to do with the area of where lotteries are permitted in the United States nor where lottery material is manufactured in the United States. In the State of the gentleman from California who just spoke in the well is a big manufacturer of lottery materials, although they do not have a lottery in that State.

Mr. DANIELSON. But is it not a fact that this bill, if passed, if it becomes law, would not permit lotteries to take place where they do not now take place in the United States, nor would it prevent them from taking place if they are presently authorized by law?

Mr. SAWYER. If the gentleman will yield further, he is absolutely correct. It has nothing to do with either permitting lotteries to take place where they do not take place or otherwise within the United States, or anywhere else in the world either. It only allows the shipment of material to lotteries that are already legal in the foreign countries to which the material is shipped.

□ 1235

Mr. DANIELSON. Mr. Chairman, may I ask the gentleman from Michigan (Mr. SAWYER) if it is not also a fact that the lotteries in foreign countries already exist and they can and will have these tickets regardless of whether they are made in the United States? The only difference would be, if this bill becomes law, that they could be manufactured here and sold in the foreign country, but if this bill does not become law the companies which have the art of manufacture will simply have to license a foreign country to manufacture them on its behalf?

Mr. SAWYER. Yes, sir.

Mr. Chairman, if I may just elaborate, I happen to have a manufacturing facility in my district in Michigan that was awarded a large contract for the manufacture of materials from the country of England which has a legal lottery. They designed the lottery material in the United States, but because of this law we had to export $10 million worth of jobs and materials to England to actually run the manufacture of them. That country is in a position now of either providing an additional 200 jobs in my district or in building a facility in England to produce for the British manufacture. When we allow the British manufacturers to ship into legal lotteries in the United States it seems to me this is a ridiculous result for us to pursue.

Mr. DANIELSON. In other words, Mr. Chairman, I believe the gentleman from Michigan favors the adoption of the bill, is that correct?

Mr. SAWYER. Yes, I do.

Mr. DANIELSON. Mr. Chairman, I have no further requests for time.

May I inquire, does the gentleman from California have any other requests for time?

Mr. MOORHEAD of California. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, this bill, H.R. 1301, has no relationship whatever with the social impact of lotteries either in this country or abroad. It proposes to merely allow the export of lottery materials through the mails or otherwise from places in the United States to foreign countries where lotteries are legal.

The decision whether lotteries will be legal or not remains in the hands of the legislative bodies having jurisdiction in those foreign countries.

Soon, Congress will begin to have a debate over the multinational trade bill which is designed to increase exports from this country overseas and to reduce our balance-of-payments deficit which in my opinion is one of the major causes of inflation.

As the gentleman from California (Mr. DANIELSON) and the gentleman from Michigan (Mr. SAWYER) have pointed out in their colloquy, failure to pass this bill merely means that in the case cited by the gentleman from Michigan, 200 jobs which could belong to American workers will be going overseas and $10 million worth of business which belongs in the United States would be going overseas. That is just one instance.

I am certain that further research would develop additional instances of American jobs and business being lost to foreigners.

Granted, the passage of H.R. 1301 is not going to substantially reduce our balance-of-payments deficit, but at the same time we have to look toward every export opportunity which we have and H.R. 1301 does provide additional export opportunities for businessmen in this country.

The entire argument on a morality or lack of morality of lotteries I believe is completely irrelevant to the debate on this bill. This bill is not proposing to legalize a lottery in any jurisdiction where the lottery is illegal. It is leaving that to the local authority that does have jurisdiction. What this bill says is when American ingenuity provides the product which can be sold in a jurisdiction where the lottery is legal, then let us have an American product sold there rather than a foreign-made product.

☐ 1240

Mr. MOORHEAD of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Chairman, I do not want to belabor the issue, which really is a relatively simple, narrow issue. As the gentleman from California (Mr. DANIELSON) so aptly said, this has nothing to do with the outcome of whether somebody is in favor of lotteries or against lotteries. I realize that there are many legitimate, strong feelings both ways. This has nothing to do with that. It only muddies the water when we get into a debate addressing that question.

We now have lotteries legalized in a number of States and we have amended our law to permit the interstate shipment of material manufactured in other States into those States for use in the lotteries of those States.

Now, a number of States that do not have legalized lotteries have equipment manufacturers that manufacture lottery materials; for example, the State of the gentleman from California (Mr. MOORHEAD) is one of those manufacturers; another is the State of Wisconsin; another is the State of Georgia, which do not have legal lotteries, but are major manufacturers of lottery material.

Other States, for example, are Connecticut, Illinois, New York, New Jersey, and Michigan; so that here is a question really of is it moral to say that we can manufacture materials in one State for shipment to other States legal lotteries; that is all right, we already have that, that is law; but to export it to a foreign country that has a legal lottery is illegal, and that is the law.

This is an irreconcilable situation, because we allow foreign manufacturers to ship into or to legal State lotteries.

Now, this may not be an Earth-shaking changer of the balance of payments or an answer in one fell swoop to our problem of inflation or jobs, but it is not insignificant.

Right now it is estimated that the foreign legal market for materials manufactured in the United States is up to one-half a billion dollars a year; $500 million. That spells lots and lots of jobs. That takes a half billion nick out of our imbalance of payments. And our imbalance of payments along with our Federal deficits are one of the big reasons for inflation, because that affects the purchasing power of the dollar abroad and the purchasing power of the dollar abroad ties directly into inflation at home; so it is a step and a step in the right direction.

As I stated in the colloquy with the gentleman from California (Mr. DANIELSON), in my district alone we have a potential of 200 good steady jobs at a manufacturing plant that presently is manufacturing lottery materials legal for the State of Michigan and for other States in the United States. They recently were awarded a large contract with the country of England. It is legal and they wanted the materials. We were able to design them, sell them; but we had to export the jobs and the purchase of materials and what not to England to the tune of over $10 million worth. The tickets were manufactured anyway, delivered to England anyway. All we succeeded in doing was depriving Americans of those jobs and that much balance of payment of income and that much more taxable income within the United States for our Federal revenue purposes.

Now, the problem is that if we do not solve this problem, companies such as the one in my district, instead of exporting those jobs are going to have to take American capital and export it over to England to build their own facility in England providing Englishmen with jobs, materials, and American capital investment to do what we just by muddying the waters and not using common practical judgment are prohibiting them from doing right now.

Mr. Chairman, I urge very much an aye vote on H.R. 1301.

☐ 1245

Mr. DANIELSON. Mr. Chairman, I do not presently have any further requests for time.

Mr. MOORHEAD of California. Mr. Chairman, I have no other requests for time, but I yield myself such time as I may consume.

In closing, Mr. Chairman, I would like to comment and say that the fact that someone else or some other country will provide socially undesirable services is not necessarily an excuse for we ourselves providing those socially undesirable services, even though we can make a dollar on it. I ask for a no vote on the bill.

Mr. Chairman, I have no further requests for time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 1301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 1307 of title 18 of the United States Code is amended by striking out "mailing to addresses within" and all that follows through the end of such subsection (b) and inserting in lieu thereof the following: "mailing—

"(1) to addresses within a State of equipment, tickets, or material concerning a lottery which is conducted by that State acting under the authority of State law; or

"(2) to an addressee within a foreign country of equipment, tickets, or material designed to be used within that foreign country in a lottery which is authorized by the law of that foreign country."

(b) Subsection (c) of section 1307 of title 18 of the United States Code is amended—

(1) by inserting "(1)" after "of this section"; and

(2) by inserting "; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions)" before the period.

SEC. 2. Section 1953 of title 18 of the United States Code is amended—

(1) in subsection (b), by striking out the period at the end of such subsection and inserting in lieu thereof the following: ", or (5) the transportation in foreign commerce to a destination in a foreign country of equipment, tickets, or materials designed to be used within that foreign country in a lottery which is authorized by the laws of that foreign country."; and

(2) by adding at the end the following new subsections:

"(d) For the purposes of this section (1) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions.)

"(e) For the purposes of this section 'lottery' means the pooling of proceeds derived from the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or ticket purchasers. 'Lottery' does not include the placing or accepting of bets or wagers on sporting events or contests.".

The CHAIRMAN. Are there amendments?

If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALEXANDER) having assumed the chair, Mr. DERRICK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill

(H.R. 1301) to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes, pursuant to House Resolution 203, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VOLKMER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b)(1) of rule I, the Chair announces that he will postpone further proceedings today on passing bills on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, April 24, 1979.

The point of no quorum made by the gentleman from Missouri is considered withdrawn.

SUMMARY OF TESTIMONY ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTINATIONAL TRADE NEGOTIATIONS: NO. 1

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, today the Subcommittee on Ways and Means has begun its weeklong public hearings on the implementation of the Tokyo round multilateral trade negotiations (MTN). The MTN is a massive trade agreement, completed in Geneva, Switzerland, on April 12, after over 5 years of hard negotiations.

The MTN agreement, and the legislation required to implement it, covers an enormous range of issues. Therefore, we have invited all committees which have jurisdictional interest in the MTN to participate fully in this week's hearings.

The subcommittee, along with the relevant Senate committees, is currently drafting legislation in cooperation with the administration to implement the MTN. The Trade Act of 1974 provides that once the implementing legislation is introduced later this spring, it must be considered by the House of Representatives within 60 legislative days and it cannot be amended—the decision will be a simple up or down vote.

Because the bill cannot be amended once introduced, our current hearings are particularly important for helping shape the implementing bill. If Members of Congress have district concerns on the MLT, I hope they will make their views known so that we can arrive at a consensus.

In announcing the current hearings, the subcommittee asked for information on the following issues:

First. The advantages and disadvantages, overall and by agreement, of U.S. acceptance of the international codes, and of the other agreements contemplated, which obtain benefits for the United States and grant U.S. concessions (tariff and nontariff);

Second. The treatment the agreements will accord developing countries as signatories and nonsignatories to the codes, the significance of special and differential treatment for developing countries, and the implications of conditional, nondiscriminatory (MFN) treatment for the trading system;

Third. The legal implications of congressional approval of the agreements for future national, State, and local legislative action;

Fourth. The necessary and appropriate statutory criteria which should be included in domestic law relating to U.S. rights and obligations under the international codes and other agreements;

Fifth. The necessary and appropriate statutory procedures for implementing the multilateral trade negotiations, in terms of agency responsibility, timing requirements, burden of proof, judicial review, and so forth;

Sixth. The need for further statutory guidance respecting international dispute settlement procedures under the General Agreement on Tariffs and Trade and the international codes to assure effective pursuit of U.S. rights and to strengthen such international procedures; and

Seventh. The extent to which the results of the negotiations respond to the congressional directives in the Trade Act of 1974, including those specified in: Section 103, overall negotiating objectives; section 104, sector neotiating objectives; and section 121, steps to be taken toward GATT revision.

Because of the importance of the testimony and the need for Members to understand as soon as possible the range of issues in the MTN, I would like to include at this point in the RECORD a staff summary of portions of the testimony received today.

During the rest of the week, I will be asking permission to insert summaries of each day's testimony.

□ 1250

THE 1979 DANTE AWARD GOES TO BILL KURTIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues that Bill Kurtis, Chicago television station WBBM news anchorman, will receive the Eighth Annual Dante Award of the Joint Civic Committee of Italian Americans on May 18, 1979, at a luncheon in his honor at the Como Inn of Chicago. Mr. Kurtis is the executive producer and reporter for the Focus Unit, a special indepth news team that provides major news stories and followup reports, and is the only local anchorman of a station owned by the CBS network to anchor a network broadcast.

Since 1966 when he began his career with WBBM-TV, Bill Kurtis has shown his devotion to the city of Chicago and its people and has upheld the highest standards of integrity in presenting the facts to WBBM viewers. He has made significant and innovative contributions to broadcast journalism in our country, and he richly deserves the Dante Award, because it was Dante Alighieri, in his "Divine Comedy," who said, "Men should never be timid about the truth."

The Dante Award was established by the Joint Civic Committee of Italian Americans, an umbrella organization comprised of more than 40 civic organizations in the Chicago area, to extend recognition annually to an individual in the mass media communication field who has made positive contributions to broadcast journalism.

Bill Kurtis was born in Independence, Kans., graduated in journalism from the University of Kansas, and received a juris doctor degree from Washburn University School of Law in Topeka. While still in school, he earned for Topeka's broadcasting station WIBW a Sigma Delta Chi award for best spot news reporting in his coverage of a 1966 tornado.

During the years 1966–70, Mr. Kurtis anchored and reported the news for WBBM-TV and from 1970–73, he served as a correspondent for the west coast bureau of CBS News. He has received Emmy Awards for his stories on the Vietnam orphan airlift, the Conspiracy Seven trial, the dangers of the Agent Orange herbicide, and tribal violence in Kenya; the Broadcast Media Award from San Francisco State University for a Panama Canal story, the Illinois AP Award for best regularly scheduled news and a special arson investigation, and also has received the Peter Lisagor Award, and awards from the Illinois News Broadcasters Association and the Overseas Press Club of America.

Bill Kurtis' accomplishments thus far in his brilliant career are too numerous to mention, but special notice should be given to his story on the herbicide used in the Vietnam war, which resulted in the establishment of a special screening program in the Veterans' Administration for veterans who may have come in contact with dioxin poisoning. In an act of personal heroism, he rescued a drowning boy from a lagoon while he was covering a story in Marquette Park, and became the well-deserved recipient of the Chicago Medal of Merit. His dedicated research and hard work over a period of years on the story of Iva Toguri D'Aquino, known as Tokyo Rose, led her to publicly credit Mr. Kurtis as being instrumental in the pardon which was granted to her by President Ford.

The Eighth Annual Dante Award luncheon to honor Bill Kurtis will be held at the Como Inn and many political dignitaries, civic leaders, and leaders of the communications industry will be in attendance.

Jerome N. Zurla is the program chairman, John Coughlin is serving as the master of ceremonies, and the invocation will be offered by the Rev. Lawrence Cozzi, C. S. Chairman Zurla and JCCIA President Joseph Tolitano will present the Dante Award to Mr. Kurtis. The John Fischetti Scholarship was established by the JCCIA to further the study of Italian-American students in communications, and is named after the Pulitzer Prize-winning political cartoonist for the Chicago Sun-Times. Mr. Fischetti will award this year's scholarship for $1,500 to Miss JoAnn Eaker, a junior at Columbia College in Chicago, who resides at 5441 North Lynch Avenue in the 11th District I am honored to represent.

Mr. Speaker, I extend my warmest congratulations to Bill Kurtis on this honor, and for the strong and constructive impact he has made on our community. His career, his character, and his splendid record of achievement prove that he is, indeed, a "friend of truth." ●

PANAMA CANAL GIVEAWAY: AFRO-AMERICANS VOICE OPPOSITION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized or 5 minutes.

● Mr. FLOOD. Mr. Speaker since the signing on February 7, 1974, of the Kissinger-Tack agreement establishing the guidelines for the unauthorized 1977–78 Panama Canal giveaway treaties, I have received thousands of communications expressing the overwhelming opposition of the sovereign people of the United States to the projected surrender. They have been far ahead of their government in understanding the crucial issues involved and have stated and are still stating their views in forceful terms

The latest communication received is a mailgram from the Reverend Charles H. Ancrum, pastor of the Timothy Baptist Church of Brooklyn, N.Y., and eminent Afro-American leader. In it, he presents the views not only of Americans in general but particularly other Afro-Americans in our large cities and West Indians who sacrificed their lives during the construction of the Panama Canal.

Mr. Speaker, in order that the indicated message of Reverend Ancrum may be available to the Congress and the Nation at large, I quote it as part of my remarks:

April 9, 1979.

Congressman Daniel J. Flood,
Washington, D.C.:

At a time when inflation is rampant and there is not enough money to solve the problems of our cities and help bring equity to all ethnic groups in America, it would be the height of insult to all Americans in general and to Afro-Americans in our large city in particular for the U.S. to allot our scarce economic resources for the purpose of giving a U.S. canal to Panama. Further the treaties mistakenly approved by the U.S. Senate fail to consider equity for the West Indians of the isthmus who may as a result face Panamanian racial, linguistic, religious, and cultural discrimination. Thousands of West Indians sacrificed their lives to build the Panama Canal for the U.S. not Panama.

I strongly urge Congressional action against any implementation of the ill conceived Panama Canal treaties.

Rev. Charles H. Ancrum,
Pastor, Timothy Baptist Church.●

TESTIMONY BEING RECEIVED ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS: NO. 2

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 15 minutes.

● Mr. VANIK. Mr. Speaker, today, the Subcommittee on Trade of the Committee on Ways and Means has begun its weeklong public hearings on the implementation of the Tokyo round multilateral trade negotiations (MTN). The MTN is a massive trade agreement, completed in Geneva, Switzerland, on April 12, after over 5 years of hard negotiations.

The MTN agreement, and the legislation required to implement it, covers an enormous range of issues. Therefore, we have invited all committees which have jurisdictional interest in the MTN to participate fully in this week's hearings.

The committee, along with the relevant Senate committees, is currently drafting legislation in cooperation with the administration to implement the MTN. The Trade Act of 1974 provides that once the implementing legislation is introduced later this spring, it must be considered by the House of Representatives within 60 legislative days and it cannot be amended—the decision will be a simple up-or-down vote.

Because the bill cannot be amended once introduced, our current hearings are particularly important for helping shape the implementing bill.

In announcing the current hearings, the subcommittee asked for information on the following issues:

First. The advantages and disadvantages, overall and by agreements, of U.S. acceptance of the international codes, and of the other agreements contemplated, which obtain benefits for the United States and grant U.S. concessions, tariff and nontariff.

Second. The treatment the agreements will accord developing countries as signatories and nonsignatories to the codes, the significance of special and differential treatment for developing countries, and the implications of conditional, nondiscriminatory (MFN) treatment for the trading system.

Third. The legal implications of congressional approval of the agreements for future national, State, and local legislative action.

Fourth. The necessary and appropriate statutory criteria which should be included in domestic law relating to U.S. rights and obligations under the international codes and other agreements.

Fifth. The necessary and appropriate statutory procedures for implementing the multilateral trade negotiations, in terms of agency responsibility, timing requirements, burden of proof, judicial review, et cetera.

Sixth. The need for further statutory guidance respecting international dispute settlement procedures under the General Agreement on Tariffs and Trade and the international codes to assure effective pursuit of U.S. rights and to strengthen such international procedures.

Seventh. The extent to which the results of the negotiations respond to the congressional directives in the Trade Act of 1974, including those specified in:

Section 103, overall negotiating objectives;

Section 104, sector negotiating objectives; and

Section 121, steps to be taken toward GATT revision

Because of the importance of the testimony and the need for Members to understand as soon as possible the range of issues in the MTN, during the rest of the week, I will be asking permission to insert summaries of each day's testimony.●

INFLATION AND THE STRUCTURE OF THE ECONOMY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, I include an article which appeared in the April 15, 1979, edition of the Los Angeles Times.

Inflation and the Structure of the Economy

(By Henry S. Reuss)

U.S. fiscal and monetary policies are theoretically on target: tight enough to end inlation, loose enough to vanish unemployment. The Humphrey-Hawkins law requires that we aim to reach 4% unemployment and 3% inflation by 1983. Yet inflation is again in the double-digits and rising, and unemployment persists at almost 6% (and around 40% for minority youths).

Something is wrong here. John Maynard Keynes and Milton Friedman didn't exactly promise us that their fiscal and monetary policies would produce a rose garden, but they never warned us that we would end up among the thorns.

At the risk of sounding like the old friend of the family who told Dustin Hoffman in "The Graduate" that there was one key word (in his case "plastics"), I suggest, in a word, why conventional fiscal and monetary policies aren't working: "structure."

On the unemployment side, at least half of our 6 million unemployed are victims of "structure'—poor training, discrimination, obsolete skills, poverty and discouragement, people stuck in the wrong place where jobs aren't.

The way out, accordingly, is not merely fiscal and monetary stimulus, but tailor-made programs for both business and workers—at least as targeted and as effective as those that we've used in the last 20 years to help refugees from Hungary, Cuba and Vietnam.

On the inflation side, conventional fiscal and monetary methods also are proving inadequate. True, with the economy operating at much closer to capacity than a year ago, fiscal and monetary restraint are necessary. We do need to bring the federal deficit down; the Federal Reserve does need to avoid creating new money at a rate faster than that required for stable growth. But this conventional "cure" for inflation, if it gets out of hand so that it generates unemployment and recession, can be worse than the disease. As demand-pull inflation disappears in the downturn, cost-based inflation steps in, and prices keep going up.

Three sectors where there is strong evidence of structure-based inflation are food, health care and government-regulated transportation.

High food prices are due not so much to domestic excess demand as to a variety of things. Some, like the weather, we can't do much about. Others are the result of past folly by the federal government, as when it sold $1 billion worth of grain at discount prices to the Russians in 1972 and caused the price of bread to escalate at home. The traditional government farm policy of high price supports and acreage limitations hurts the consumer and helps mainly the large corporation farm. Instead, we could avoid excessive price supports and assure the family-sized farmer a fair income by direct payments. It's a program that worked well in World War II to keep milk prices down.

We have added unnecessarily to food costs by fostering an inefficient, overlayered, over-extended network of middle men. A rationalized food distribution system, with retail food cooperatives encouraged by the new National Consumer Cooperative Bank, could help.

Health costs also have been going crazy. Many insurance plans offer better coverage for people while they're in the hospital, thus forcing excessive use of high-cost hospital services. And too many unnecessary diagnostic tests, too much marginal surgery, and too much expensive medical equipment also add to increasing costs. We need, at a minimum, to enact the President's health care cost containment bill.

But our health care inflation problem will not be solved fully until we enact a national health insurance plan that does not build in incentives for physicians to supply costlier health care than health requires.

Transportation prices, except for fuel costs, have not been rising faster than the average rate of inflation. But there is plenty of evidence that they are too high-—that we could get the same services at lower prices, and still have viable profit-making transport industries. When the Civil Aeronautics Board recently allowed the airlines to lower fares, passengers rushed to fill empty seats, and both public and airlines were helped. If we can now move to deregulate and rationalize our truck and rail freight haulers, similar benefits—and lower average inflation—would accrue to the public.

And consider, if you will, how the present irrational import policy of the United States adds to inflation.

Here we are, one of the highest-technology countires in the world. And what are our leading consumer goods imports? Unfortunately, high-priced, capital-intensive items like automobiles, motor bikes, cameras, televisions and home applicances from countries like Japan and Germany. They enter the United States substantially duty-free, and they find a tremendous market made up of the ever-more affluent upper 40 percent of American society. The more we buy, the higher go the yen and the mark, the more expensive become our essential raw material imports, and American inflation is ratcheted higher still.

Meanwhile, low-priced labor-intensive items like clothing and shoes from Southern Europe and Asia, beef from Australia, sugar from the tropics, and vine-ripened tomatoes from Mexico, are kept out of the United States by protectionist import regulation. To make matters worse, the least affluent 40% of American families—those in whose budgets food and clothing bulk the largest—have been losing relative purchasing power to the top 40% for the last decade.

There must be a better way. Rather than endlessly protecting inefficient and low-wage American companies, why not give the rest of the world a chance to supply more of our needs for food and clothing, and cushion the blow by creating vigorous new programs of transfering displaced U.S. workers and companies to more productive activities?

And instead of letting Japan and Germany produce our high-technology consumer goods, why not encourage these countries to set up their technological know-how within our borders, as Volkswagen is doing in Pennsylvania? How about a high-level U.S. office to make foreign capital and technology as welcome here as U.S. firms were welcomed abroad in the heyday of the dollar?

If U.S. workers and firms can thus shift from low-technology and less-productive activities to high-technology and more-productive activities, and developing nations of the world can earn some export dollars from simpler technology exports in the process, won't everyone be better off?

So it's "structure" that ought to be getting the attention of us all. Yet every "structural" reform stirs opposition from some powerful special interest. So the only hope for success lies in an across-the-board approach where the common interest of all is seen to transcend the petty parochial interests.

It will take a generation to straighten out our ramshackle structure. All the more reason to start today.●

PENNSYLVANIA AVENUE NATIONAL HISTORIC SITE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 15 minutes.

● Mr. UDALL. Mr. Speaker, one of the obligations of the Committee on Interior and Insular Affairs is to keep an eye on the store—the store of resources that belong to all Americans, the store of heritage. In meeting this obligation our attention ranges from the mountains, to the prairies, to the oceans white with foam. The Sun never sets on the Interior Committee's responsibilities, sunset laws not to the contrary. And some of those responsibilities are not all that remote.

Right here in Washington we are constrained by the voices of history, the whispers of memory, and loyalty to the past in a way that is unique among America's great cities. For it is to Washington that the American people look for the reassurance of example as well as precept—in historic awareness as well as in law. Progress is our goal, always, but preservation of established values, be they imbedded in a constitution or a work of art or architecture, is an essential ingredient of durable progress. Reasonable minds can, of course, differ on what constitutes the kind of preservation that is compatible with progress.

So it was that when I was asked to consider the imminent destruction of certain buildings within two blocks of the White House, I was persuaded to offer H.R. 3507, a bill to expand the boundaries of the Pennsylvania Avenue national historic site to include these threatened buildings; to wit: The Albee-Keith Theater Building, the National Metropolitan Bank Building, Rhodes Tavern, and the Old Ebbitt Grill located along the ceremonial parade route between the White House and the Capitol.

I might say that in the case of the Rhodes Tavern and Albee-Keith Theater, respectively, we are privileged to see how the architecture of our Capital City turned the two centuries of our history. Jefferson could take a glass at the former; Wilson was a regular patron of the latter.

It is, at least, conjectural whether these edifices deserve historically, or architecturally, to be replaced by structures that will provide maximum rentable space during their 20-year straight line depreciated lifetime when they will presumably give way to the combined restraint of tomorrow's developers and architects. My impression has been that space can be valuable without being rentable.

In any event, to give the Congress time and an opportunity to engage in such conjecture is the purpose of my bill. It is my hope that measures can be taken by all responsible authorities to stay the draconian arc of the wrecking ball until the Nation, through its chosen represenatatives, can determine if that is the wisest course.●

REPORT ON DRUG MISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, in his state of the Union address this past January, President Carter reported on the progress we are making in the United States with respect to drug abuse in our Nation. And there was progress to report. But as the President himself said, there remains much to be done to solve this most serious problem.

Looking to the future, the President singled out an area in which law enforcement activity should be concentrated. He said:

> In 1979 we will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program.

MAKEUP OF TRIP

In addition to members of the Select Committee on Narcotics, the mission included representatives from the House Committees on International Relations, Appropriations, and Banking. I was the representative from the Banking Committee. In addition, the CIA, the White House, the Department of State, the Department of the Treasury, the U.S. Customs Office, the U.S. Coast Guard, the U.S. Army, and the Drug Enforcement Administration of the U.S. Attorney General's office also sent representatives.

PRIOR NOTICE

I wanted to advise all the Members of the Congress of the trip, in advance of the trip, and also all the residents of my congressional district, prior to going there. Hence, on April 4, 1979, I wrote a weekly column which was printed in approximately six newspapers in my congressional district, and gave a speech before the U.S. House of Representatives advising of the drug mission to Colombia and Puerto Rico.

GENERAL REASONS FOR MISSION

Colombia has become the focal point for American antidrug efforts for two very important reasons. First, it is the source for as much as two-thirds of all the marijuana smoked in the United States. The growth of marijuana involves over 70,000 Colombia families, and involves thousands of acres and millions of dollars. Second, the processing and smuggling of cocaine has become a serious problem for both Colombia and the United States. Nearly 70 percent of all the cocaine used in the United States is processed in Colombia, amounting for billions in annual untaxed, unaccounted foreign income in Colombia. By the time the cocaine returns to the streets of American cities, it is often worth up to 50 times that amount. The impact of this illegal commerce on Colombian politics has been severe; charges of corruption run rampant through all levels of government. In the United States, cocaine has suddently become a top national drug problem, surfacing as a widespread phenomenon only in recent years. Colombia, thus, is the source for most of the pot and cocaine used in the United States.

Puerto Rico, on the other hand, is noted for neither its production nor processing of drugs; but it is a major transshipment center for drugs flowing from Latin America to the United States. It is strategically situated on important North-South and East-West trade routes and its status as a U.S. Commonwealth means that entry to Puerto Rico is the same as entering the United States. And finally, customs inspectors there are lax. Once past the customs officials in Puerto Rico, a drug smuggler can pass into the United States without further inspection, and thus the incentive to pass through Puerto Rico on the trip north is very strong.

SPECIFIC REASONS FOR MY PARTICIPATION

First. Western New York's problem: In a study released last November by the New York State government, western New York was found to have the largest problem in terms of casual and chronic drug use among high school age youths in the entire State. Over 56 percent of the 180,000 students aged 12 to 17 surveyed had used marijuana, over 12.5 percent had used dangerous hallucinogens, and nearly 15 percent had used PCP.

Second. My Membership on the House Banking Committee: Three primary areas warranted my special attention: The role of the international financial institutions as a means of financial assistance to farmers who replace drug crops with other agricultural products; the more effective use of the Currency and Foreign Transactions Reporting Act of 1970 (usually referred to as the Bank Secrecy Act) to fight illegal drug traffic; and the impact of the Financial Records Privacy Act of 1978, which I coauthored, on the fight against drugs.

ACTIVITIES IN PUERTO RICO AND COLOMBIA

The mission was probably the busiest that I have undertaken since I have been a Member of Congress.

In Colombia, I had separate and lengthy meetings with the U.S. Ambassador to Colombia, the local representatives of the Drug Enforcement Administration, the U.S. military advisors to Colombia, the President of Colombia, the Minister of Justice of Colombia, the Minister of Foreign Affairs of Colombia, the President of the Colombian Senate, the President of the Colombian House of Representatives, and the heads of the Colombian Army, Navy and Air Force.

In Puerto Rico I met representatives of the Governor, the Department of Drug Addiction Service, the local head of the U.S. Drug Enforcement Administration, the District Director of Customs, and the Commander of the local Coast Guard.

Additionally, I met with a group called ANIF (the National Association of Financial Institutions). This group, the Colombian equivalent of the American Bankers Association in the United States, has been the leading organization calling for the legalization of marijuana within Colombia. About 2 months ago, they sponsored a seminar in Colombia advocating this, and have been promoting this concept steadily ever since. The fact that they are meeting with some success was proven when the President of the Colombian House of Representatives told me he was undecided how he would go on the issue of legalization, in large part because of the arguments advanced by ANIF.

I also spoke before a luncheon meeting of the United States-Colombian Chamber of Commerce, stressing the importance of the drug problem and the seriousness with which the United States views it. I should also point out that it was also the Chamber of Commerce that funded a study of the laundering of drug money which was reported on April 8, 1979, in the St. Petersburg Times.

Additionally, along with the chairman of the Select Committee on Narcotics, Representative LESTER WOLFF, I participated in a joint press conference attended by approximately thirty journalists to discuss each and every aspect of our trip. The press conference lasted almost 1½ hours, and was attended by representatives of UPI and AP.

DANGERS OF MISSION

Prior to embarking on this mission, we had received information that it would be dangerous to proceed because of the terrorist activities that we might expect, and also because drug traffickers were fearful that we would cause an even greater crackdown upon them than had taken place thus far. The mission had tentatively been canceled by the chairman of the Select Committee on Narcotics. However, when the Ambassador of the United States to Colombia learned of this, he advised that it was extremely important that we come to Colombia in order to convince the Colombian Government to continue in its efforts to cope with the serious marihuana and cocaine problem.

We did, but on the condition that we would be given ample protection. The Colombian Government certainly provided us that. Indeed, they gave us 24-hour, around-the-clock, military protection. They were outside our hotel room doors with machine guns every hour of the day; they were at the elevator entrances and exits with machine guns 24 hours per day; they were at every hotel entrance and exit 24 hours a day; they traveled with us wherever we went, whether by bus, car, or on foot. For example, if we were traveling, there would be armed military men on the bus with us, and we would be proceeded and followed by military cars with armed soldiers in each. Additionally, there were motorcycles with two armed soldiers on each motorcycle on either side of the bus. At times I felt too secure.

FINDINGS

Since September of 1978, the Colombian Government has conducted an active campaign to eliminate the growth of marihuana within Colombia. This unusual program was conducted by the Colombian military forces, as opposed to the regular local police. The President and military leaders stressed that this was very unusual, and that they were doing it primarily for the benefit of the United States, saying that drug use is a problem in the United States but not in Colombia. However, a debate is taking place right now as to whether the military campaign against the production of marihuana should continue.

Colombia's President, Julio Cesar Turbay Ayala, former Colombian ambassador to the United States, stressed his desire to continue the campaign, not only to diminish the growth of marihuana but to eradicate it. However, he said he needed financial assistance to conduct the campaign and to encourage his country's farmers to replace marihuana with other crops.

He was especially pleased when I advised him of the interagency agreement for the sharing of information concerning the narcotics-producing regions of the world which was shortly to be signed by the U.S. Departments of State, Treausry, Justice and the Agency for International Development. In fact, this agreement should be announced later this week.

Basically, it will institutionalize a formal reporting system to assure that all agencies are aware of narcotics-growing regions, developmental projects that might help reduce the cultivation of narcotic-producing crops, and the actions being taken by each agency. A draft of the agreement states:

> The United States participates on its own and through international financial institutions or the United Nations in extensive economic assistance and loan programs throughout the world. These programs frequetly involve the financing of agricultural and rural development. It is the sense of the signatories to this agreement that the economic assistance programs are one way of encouraging the substitution of alternative crops for narcotics.

The draft also states:

> The Treasury Department will continue to work closely with multilateral development banks. When supplied with information on the geographic regions within narcotics-producing recipients of multilateral development bank loans and credit, the Treasury Department will review the proposed agricultural and rural development projects with the United States Executive Directors office of the particular MDB before the project comes before the Board of Directors for consideration. If the proposed project is a narcotics-producing region of the borrowing country, consultations with the management and staff will take place to obtain assurance that such funding does not contribute to the production of narcotics and,

where appropriate and feasible, contributes to the substitution of alternative crops.

This agreement is so significant, Mr. Speaker, that I am submitting the entire text of it at the conclusion of my remarks.

The President of Colombia was pleased with the increased emphasis that the United States was going to put on crop replacement within the World Bank and the Inter-American Development Bank. As he said to me:

> The growth of marijuana to a farmer is like a dangerous toy to a child. One can and should take away a dangerous toy from a child. But, one cannot let it go at that. One must replace the dangerous toy with a toy that is not dangerous. The same is true for farmers who grow marijuana. We cannot simply stop their source and livelihood, we must replace it with something else, and we need assistance to do that.

The President of Colombia also said that it would be extremely helpful if he were to receive information from the U.S. financial regulatory agencies about those native Colombians who have bank accounts in the United States, whether it be in Puerto Rico or Florida or any other area where drugs are being imported and the money is being laundered through financial institutions.

The Attorney General of Colombia advised me that he was preparing legislation to submit to the President and to the Colombian Congress that would ratify the illegality of the growth of marihuana within Colombia, give farmers growing marihuana a 1-year period in which to turn to something else, and permit government confiscation of their property if they failed to do so within the 1-year grace period. He also stressed that it would be necessary to assist them grow something else during that 1-year interval. He was therefore equally delighted to learn of the emphasis the United States was putting on crop replacement within the international financial institutions.

MUTUAL ASSISTANCE PACT

The Attorney General also told me that it would be extremely helpful to obtain information from the bank regulatory agencies within the United States that would assist him in the prosecution of drug traffickers in Colombia. Indeed, he and the Minister of Justice will be coming to the United States within the next few months in order to negotiate with our Attorney General, the Treasury Department, the Drug Enforcement Administration, the State Department and other U.S. agencies, a mutual assistance pact which will enable our two countries to consult and cooperate more closely in the mutual fight against drugs.

A LITTLE MONEY CAN GO A LONG WAY

The U.S. Ambassador told us that if Colombia's military campaign against the growth and trafficking in marihuana could be extended for an additional 12 months, he felt they would be able to eradicate marihuana coming from Colombia. I would remind you, Mr. Speaker, that marihuana counts for over two-thirds of the total supply of marihuana coming into the United States. The Ambassador estimated that this might cost the United States up to a maximum of $12 million. Others have said it could be done for about $6 million. Regardless, think of the hundreds of millions that we spend in drug enforcement, the billions spent in the United States on illegal drugs, and the fact that a few million extra dollars could, according to the U.S. Ambassador to Colombia, eliminate marihuana grown in Colombia as a contributing factor in our serious drug abuse problem.

This raises the whole issue of how the United States should spend its money in its war on drugs. Presently, we spend about $800 million annually combating drug abuse. Yet, of that, less than $40 million, or 5 percent, is spent fighting drugs at the source. In my judgment, fighting the problem at its source offers much greater opportunity for effectiveness than any other method. Hence, I strongly believe the United States should reassess its priorities insofar as our drug budget is concerned.

ARGUMENTS OF ANIF

One of the principal arguments ANIF (National Association of Financial Institutions) was using for the legalization of marihuana within Colombia is their belief that the United States is drifting toward legalization. They cited the easing of the penalties for marihuana use in the United States and cited the number of States that had eased their laws. I hastened to point out, however, that they were failing to distinguish between legalization and decriminalization, which was possibly due to the fact that our two legal systems are fundamentally different. While it is true that a number of States had decriminalized the use of a small amount of marihuana, I explained there was no trend toward legalization in any State, much less the entire United States. If Colombia were to adopt a legalization approach on that assumption, they would be in grevious error.

LAUNDERING OF MONEY

The Currency and Foreign Transaction Reporting Act, hereafter referred to as the Bank Secrecy Act, enacted on October 26, 1970, required the maintenance of records and the submission of reports on various kinds of transactions which might mean that laundering of ill-gotten gains was taking place. Evidence provided by these records and reports could be valuable in the prosecution of cases against drug traffickers.

Section 1081 of the Bank Secrecy Act requires every domestic financial institution to record the identity of persons involved in deposits of cash or its equivalent in amounts exceeding $10,000 (deposits by drug dealers or their couriers often exceed $100,000 in a single transaction), and to report to the Internal Revenue Service on form 4789 the details of such transactions within 45 days. These reports may subsequently be used for investigations by IRS and other Federal law enforcement agencies.

However, the Drug Enforcement Administration, which also has authority to investigate narcotics profits laundering cases, has encountered difficulties in their law enforcement efforts because of the inability of the U.S. Government to regulate domestic branches of foreign banks. These banks are required to adhere to the recording requirements of the Bank Secrecy Act, but the Federal Government is not responsible for their monitoring; this is left to State governments. But the States have been unable to coordinate their supervision of multistate foreign banks, so there is no central authority that routinely inspects these banks to insure compliance with Federal recordkeeping requirements.

The second key provision of the Bank Secrecy Act with respect to money laundering is section 1101(a). This section requires an individual to file a report, form 4790, with the Customs Service, if the person knowingly transports monetary instruments of more than $5,000 into or out of the United States.

A problem with this law, as reported by Customs, is that an individual is not in violation of the provision until the individual has actually left the country.

There is obviously a problem with a law that precludes enforcement until the offending party is outside of the jurisdiction of the enforcement body.

Another problem with that section of the law, according to Customs, is that the Customs officials cannot automatically search for unreported currency, as they can for contraband merchandise. According to Customs, section 1105 of the same law requires a search warrant before a person can be searched for unreported currency, and this procedure makes it extremely difficult to investigate drug money laundering.

MISSION FOLLOWUP

As soon as I returned from my trip I met with officials from the Comptroller of the Currency's office, the U.S. Department of the Treasury, and the White House to follow up on the use of financial records as a means of obtaining information to help prosecute drug traffickers. I was dismayed at the lack of knowledge that existed within the agencies, and the lack of attention that have been given to it thus far.

Clearly, the successful laundering of large amounts of money cannot be explained without concluding that law enforcement is not doing its job.

If the disclosure provisions of the Bank Secrecy Act were enforced, this could at least impede the flow of money and increase the risk of money laundering.

There seems to be a low priority given to this method to deal with narcotics trafficking, a situation I hope to reverse.

THE STRATEGY COUNCIL ON DRUG ABUSE

The Carter administration set up a Strategy Council on Drug Abuse some time ago to coordinate the Government's actions across the spectrum in dealing with the drug problem in the United States. The council formed subcommittees, one of which is concerned with using financial records as one way to gain information to help prosecute drug cases. It is entitled, the Subcommittee on Financial Flow Investigations of the President's Strategy Council.

Yet this laudable structure has been allowed to languish. This subcommittee, charged with helping realize the potential that financial records hold in the fight against drug dealing, has met only twice, in May of 1978 and again that September. At that second meeting the subcommittee agreed to meet again in December—it did not. In January the President stressed this very tool in his state of the Union address, yet even that did not prod the subcommittee into further action. This is a poor record and must be corrected at an early date; I intend to do all I can to make sure that the administration's actions come up to the standards set by the President in January.

I would encourage the adoption of a mutual assistance pact between the United States and Colombia, perhaps similar to the one existing between the United States and Switzerland, to assist each country in exchanging and sharing relevant information from financial records.

The DEA, the Department of the Treasury, the bank regulatory agencies, the Criminal Division of the Department of Justice, and all the other agencies belonging to the Subcommittee on Financial Flow Investigations, should get their act together and undertake a coordinated attack on the laundering of narcotics money.

Congress should amend the Bank Secrecy Act to permit law enforcement officials to take action before suspected criminals leave the country with laundered but ill-gotten gains, rather than after; and permit searches where there is probable cause that a crime has been committed or is about to take place. Any exemptions to these new and more stringent rules should be considered only after the most careful scrutiny.

U.S. law presently prevents law enforcement officials from charging violations of the currency exportation laws unless the fact of exportation has taken place. In other words, a courier carrying cash or the equivalent of cash could not be charged with a crime until he had crossed the border, for the money would not actually be exported until that time.

We need to change these laws and permit arrest and prosecution for attempts to violate restrictions on the flow of cash into and out of the United States, so that enforcement agents will no longer be frustrated as they see known couriers carrying laundered currency aboard a plane destined for foreign shores and be unable to take any action to prevent his departure.

We must monitor the actions of the U.S. Directors to the international financial institutions to insure that they make every effort to encourage countries such as Colombia to engage in crop replacement activities.

The U.S. Congress should appropriate the necessary moneys, up to $12 million, to aid the Colombian Government in their fight to eradicate marijuana growth in Colombia and exportation from Colombia.

The U.S. should spend considerably more than 5 percent of its total drug budget fighting drugs at the source. If we spent $80 million, rather than $40 million, out of our total $800 million budget in fighting drugs at their source, we will greatly enhance our effectiveness.

CONCLUSION

Two major facts stand out from the mission from which I have just returned.

One is the abject poverty of the Colombian farmers—people who are innocent victims of the drug traffic system just as much as are addicts or experimenting teenagers in the United States. They and their counterparts in other nations will have to be wooed away from growing illicit crops on their land, but it will have to be done in cooperation with their governments and with great sensitivity and care to insure that they are not even greater victims of the cure than they are of the disease.

The other is the passion with which Colombian officials want to address this problem. Too often in the United States we hear about third world governments which "don't care" or whose rhetoric far surpasses their actions. Not so in Colombia, I have learned first-hand. They really do care and they have already taken effective measures to help eliminate this vicious parasite from their nation, and I came away convinced that their cooperation with us will continue.

Just as they are taking effective steps, so too must the United States take further action on our end. I have outlined a number of the things we should consider, and I hope that we will do so quickly.

Before ending this report, Mr. Speaker, I must also take note of the contribution made by my personal—and most effective—translator during the mission. I refer to my wife, whose great fluency in Spanish gave me much more of an opportunity to learn about the drug problem; meet the people, rich and poor, who live there; and gain mutual understanding of our nations' differing problems and needs.

Her translating services were unofficial, of course, and we paid all of her expenses from our own pocket, but nevertheless she took an active role in the activities undertaken by the delegation and was invaluable to me in my own effort to deal with the many things to be learned on this most serious investigation.

INTERAGENCY AGREEMENT FOR THE SHARING OF INFORMATION CONCERNING THE NARCOTICS PRODUCING REGIONS OF THE WORLD

I. OBJECTIVE

The purpose of this agreement is to improve the availability of information about narcotics growing areas of the world to those agencies and officials of the United States Government who participate in international development loans and projects. It is anticipated that the increased availability of such information will help them to channel economic development for narcotics producing areas into alternative crops and rural development, thus reducing the amount of narcotics available for non-medical drug use.

The United States and other countries throughout the world face a continuing problem of drug abuse and drug addiction. The cost of this problem in human suffering and wasted lives is too high.

One way to attempt to reduce the availability of drugs is to curtail the cultivation of narcotics by promoting measures which would encourage narcotics producers to produce alternative crops.

The United States participates on its own and through international financial institutions or the United Nations in extensive economic assistance and loan programs throughout the world. These programs frequently involve the financing of agricultural and rural development. It is the sense of the signatories to this agreement that the economic assistance programs are one way of encouraging the substitution of alternative crops for narcotics.

This goal is not new, but its full implementation has been hampered by the lack of an institutionalized mechanism to provide the economic assistance and development agencies with the information required to target assistance programs so as to contribute to reducing narcotics cultivation. The purpose of this agreement is to establish such a mechanism to correlate information concerning the narcotics producing regions of the world and actual or potential economic development projects in those areas, making it available to the economic assistance agencies.

The agreement does not require any agency to undertake new or additional responsibilities, but rather, ensures that maximum potential be realized from those functions already being performed through agency cooperation in sharing essential information.

II. RESPONSIBILITIES

A. Collection of data

1. The Drug Enforcement Administration, the Department of State and other appropriate agencies as tasked by the Department of State shall gather current data relating to the locations of narcotics growing regions of the primary and potential source countries. This data shall be forwarded on a regular basis, no less than quarterly, to the Assistant Secretary of State for International Narcotics Matters, Department of State. The agencies shall also identify any developmental assistance programs which may affect narcotics cultivation and report this information in a timely manner.

2. Participating agencies shall report to the Bureau of International Narcotics Matters, Department of State, on a continuing basis, no less than quarterly, any relevant information concerning actual or potential agricultural and rural development projects which could reduce narcotics cultivation, or conversely could encourage it; a listing of all projects and loans involving source countries; and a description of all projects in narcotics growing regions.

B. Dissemination of data

1. The Bureau of International Narcotics Matters, Department of State, shall collect the data provided by the Drug Enforcement Administration, the Department of the Treasury, the Agency for International Development, other appropriate agencies, and other Bureaus within the Department of State and shall, on a semi-annual basis, disseminate data to the Department of the Treasury, the Agency for International Development and other relevant Bureaus within the Department of State concerning:

a. The nature, extent and location of narcotics production in source countries;

b. Political factors and attitudes of the source countries regarding crop substitution and narcotics eradication programs;

c. Lists of assistance programs or loans provided to source countries by the United Nations, the United States, the multilateral development banks, and other countries, including a description of any projects located in the narcotics growing regions of the source countries.

d. Recommendations for actions which might be considered by the various agencies involved.

2. The information detailed in a, c, and d above may also be provided, when appropriate and with appropriate safeguards, to concerned agencies within the United Nations at the direction of the Department of State.

C. Utilization of data

1. The agencies receiving the aforementioned data shall take the data into consideration when reviewing proposed agricultural and rural development projects. In the case of bilateral programs, if the proposed projects are in narcotics producing regions, the agencies involved will take whatever steps are necessary to ensure that such projects do not enhance narcotics cultivation but rather contribute to the substitution of economic alternatives. The results of all actions shall be reported to the Department of State.

2. The Treasury Department will continue to work closely with the multilateral development banks. When supplied with information on the geographic regions within narcotics producing recipients of multilateral development bank loans and credits, the Treasury Department will review the proposed agricultural and rural development projects with the United States Executive Director's Office of the particular MDB before the project comes before the Board of Directors for consideration. If the proposed project is in a narcotics producing region of the borrowing country, consultations with the management and staff will take place to obtain assurances that such lending does not contribute to the production of narcotics and, where appropriate and feasible, contributes to the substitution of alternative crops. In addition, the United States representatives in the multilateral development banks, where appropriate, will strongly support provisions in loan agreements designed to ensure that the proposed projects do not contribute to narcotics production within the project area. The failure to include such provisions in the loan agreements will be taken into consideration along with other factors in determining the appropriate United States position and vote.

3. The Agency for International Development will continue to review its assistance programs in drug producing countries in order to maximize its development efforts in drug producing areas, consistent with development assistance criteria and priorities.

4. The Department of State will exercise appropriate diplomatic initiatives with the United Nations, other nations and relevant international organizations to reduce narcotics cultivation.

5. All parties to this agreement will appropriately safeguard all information gathered or disseminated pursuant to this agreement.●

ALASKA LANDS: THE UDALL-ANDERSON SUBSTITUTES

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. UDALL. Mr. Speaker, today at the appropriate place in the RECORD, I had intended to have printed the full text of the Udall-Anderson substitute version of the Alaska lands bill. This is the Alaska lands bill which Representative JOHN ANDERSON and I, with the active support of numerous other Members, will offer as an amendment in the nature of a substitute when the House considers this issue in the Committee of the Whole. In order to have a printed text that will be more useful to the Members, however, I am reintroducing it as a new bill, H.R. 3651.

Just before the House began its recess 2 weeks ago, JOHN ANDERSON and I introduced the initial draft text of this proposed substitute in bill form, as H.R. 3636. We did so—and notified our colleagues by letter as well as by our statements in the RECORD—in order to assure that all Members would have ready access to our proposed substitute for review and evaluation well in advance of actual floor consideration.

The text of the bill, H.R. 3651, that I introduce today is modified in a few respects from the text of H.R. 3636. I will explain these few changes here.

Before doing so, I do want to briefly summarize why we find it necessary to propose a full substitute for the versions of this legislation emerging from committee.

THE CONSERVATION VOTE OF THE CENTURY

As long as any of us may serve in this House, we will cast no more important conservation votes than the votes on this Alaska lands bill.

The simple fact is that Alaska is our last chance to do it right. It is our last chance to go about the job of conservation—for parks, wildlife refuges, wild rivers, and wilderness—with forethought, before a pattern of development has been fixed across the landscape piecemeal.

Our challenge is to find the correct balance.

Nothing we propose to do in this legislation will deny the American people needed energy resources—oil and gas.

Nothing we propose to do in this legislation will deny the American people timber supplies, or mineral supplies which are needed for our economic wellbeing or our national security.

Nothing we propose to do in this legislation will deny to the State and people of Alaska any rights or entitlements they enjoy as one among our 50 States.

We have accounted very well, through dozens of acts of Congress, for the needs of the State of Alaska, for its Native peoples and other citizens, and for its legitimate development needs. We have likewise accounted well for the needs to develop Alaska's natural resources and bring them to market.

Oil is flowing today from Prudhoe Bay to Valdez, through a trans-Alaska pipeline. Logs and pulp are being shipped from the forests of southeast Alaska—primarily to Japan, hardly at all to our domestic markets. Lands selected by the State of Alaska and by Alaska's Natives—as authorized by Congress—are being transferred on an accelerated basis.

But something is missing from this mix. And that is balance. Today, onshore in Alaska we do not have a single acre of Federal land designated to protect its wilderness values pursuant to the Wilderness Act we passed in 1964. We have not resolved final boundary locations for the "Yellowstones" and the "Yosemites" and the "Great Smokey Mountains" of Alaska—the areas of stupendous national park-caliber natural values and scenic wonders.

We have not taken the steps necessary to assure full protection for Alaska's unparalleled wildlife and its essential habitat.

In short, the present balance in our decisions in Alaska has a strong pro-development tilt. The one element which we have left until last to resolve is the proper protection of the "national interest lands" within our Federal estate in Alaska, after all of our generosity in land grants to the State, its people, and its development industries.

THE "NATIONAL INTEREST LANDS"

After all the lands are transferred to the State of Alaska under our gift of 104 million acres, and after all the 44 million acres to which Alaska's Native peoples are entitled under the settlement we made for their aboriginal land claims, we will still have in Alaska a large remnant of Federal lands. These lands belong to all our people, not solely to Alaskans. On a portion of those remaining Federal lands we have scenic features, natural values, wildlife habitat, wild rivers, and wilderness resources of truely national quality and caliber.

The purpose of any Alaska lands conservation bill worthy of the name is to identify, classify and protect those lands in the strongest possible way, as units of our national park system, our national wildlife refuge system, our national wilderness preservation system, and our wild and scenic rivers system.

The test of a decent, sound Alaska lands conservation bill is not simply in acres—the larger bill is not necessarily the better bill. Rather, the test is in the quality of protection we afford the acres we do classify in these systems.

By that test, the bill the House passed so overwhelmingly a year ago stands as one of the two or three historic landmarks in conservation legislation in our whole history. It was a bill I was proud to have identified with my leadership. Its passage by that 277 to 31 margin swelled my pride in this House and its recognized role of rising to speak with the united voice of the American people.

By that same test, the versions of Alaska lands legislation which have been reported by committee this year are unacceptable.

They are unacceptable to me. They are unacceptable to the administration. They are unacceptable to America's conservation and sporting organizations. And, I believe, they are unacceptable to the people at large.

THE COMMITTEE SUBSTITUTES

One hundred and fifty three Members of the House have joined me this year in cosponsiring H.R. 39, the Alaska National Interest Lands Conservation Act. Many of those are Members who strongly supported the House-passed bill in that 277 to 31 vote a year ago.

Among those 31 who voted against the Alaska lands bill a year ago were the two Members who have taken the lead in producing inadequate, unacceptable substitutes from the committees: the gentlemen from Louisiana, my friends JERRY HUCKABY and JOHN BREAUX.

The Huckaby substitute is an altogether unacceptable Alaska lands bill. It emerged from my Committee on Interior and Insular Affairs by the margin of a single vote.

The Breaux substitute from the Merchant Marine Committee is equally unacceptable—what it appears to do by way of minor improvements in the Huckaby version it more than undoes by severely weakening the protection for key proposed national park system units and for national wildlife refuges across the board. Whether we see these two substitutes separately before the House, or in some merged single vehicle. I oppose them. I will vote against them and I will urge their defeat by the House.

The situation this year is not as it was a year ago. We do not need to have Alaska lands legislation passed, as we did then, simply to gain basic protection for the land involved. The land is now protected, thanks to the historic and courageous work of Jimmy Carter, Cecil Andrus, and Bob Bergland in exercising lawful executive authorities—which this Congress granted to them—to place basic protections over these lands pending final congressional action.

We do not need just any Alaska lands bill. We need a strong bill which confirms and refines the President's work. If we do get such a bill, then no bill is the better alternative. In that case, the Executive protections for the land will remain in place until some later Congress can achieve a superior, final legislative refinement.

If faced with the choice of these unworthy committee substitutes, offered by recorded opponents of the fine Alaska lands bill we passed last year, or no bill at all, then I must advise my colleagues to choose the "no bill" alternative as the best choice for conservation.

THE UDALL-ANDERSON SUBSTITUTE

However, I hope we can avoid that eventually. It is my intention to give the Members of the House a better choice.

JOHN ANDERSON and I, with many of our colleagues, will join in offering the Udall-Anderson substitute as the balanced conservation alternative to the Huckaby-Breaux-Dingell-Don Young approach.

We will offer the House a bill that conservation-minded Members like ourselves can support with enthusiasm.

We will offer the House a bill that those who seek accelerated development of Alaska's natural resources—but who seek it in good balance with protection for parks, refuges, and wilderness—can support with equal enthusiasm.

We will offer a bill that the House can pass with the same sense of pride and historic achievement we had a year ago. We will offer a bill which this Nation's conservation constituency can and does support. We will offer, in the Udall-Anderson substitute, a bill which builds upon and refines the executive protection already in place on the land in Alaska—a bill which the President can, in our opinion, sign because it meets the test of balance and protective quality.

It is my hope that Members will read the text of this amendment with care. I call particular attention to the title which deals with national wildlife refuges. You will find no mining allowed in those lands, and this is a big difference from the Breaux substitute, which compromises wildlife habitat with mining, even though tens of millions of other acres in Alaska of more favorable potential for minerals are available for exploration and mine development if ever mining becomes realistically economic under Alaskan conditions—which it has not been for 40 years.

I also call attention to title XII, which governs oil and gas exploration, development, and production. If you favor responsible and expeditious leasing of appropriate Federal lands in Alaska for energy development—in places such as the national petroleum reserve on the North Slope—then the Udall-Anderson substitute is the bill for you. Our proposal will expedite leasing on such lands, while assuring full wilderness protection for other areas where surface values for wildlife and the subsistence use of rural residents have clearly greater priority.

Opponents of a strong Alaska lands bill are fond of asserting that even if the far greater proportion of the best oil and gas areas are outside conservation units, these units have the effect of blocking access and of forestalling transportation systems, such as oil or gas pipelines. That is false, and I invite my colleagues to examine title VIII and particularly title X of the Udall-Anderson substitute, which provide fully for access rights and for accelerated decisions on any future transportation rights-of-way or corridors which may prove to be needed across national parks or wilderness areas.

The Udall-Anderson substitute, in contrast with the Huckaby-Breaux proposals, is a balanced bill which merits the support of fair-minded Members who are neither prodevelopment to the exclusion of conservation, nor proconservation to the exclusion of development. It is the better choice.

In fact, among the alternatives which will be before the House, recollecting that effective protection of the land in question is now assured by interim executive actions, the Udall-Anderson substitute is the only choice which meets the same tests of soundness and balance which the House endorsed a year ago.

TECHNICAL REVISIONS IN THE SUBSTITUTE

The amendment includes a number of sections which were included in H.R. 3636, but on which the technical drafting had not been completed or which have been somewhat modified in order to include provisions related to fisheries, wilderness, sport hunting and Native concerns which have been agreed to among the various parties concerned, including those who have been working for strong conservation legislation.

In particular, Mr. Secretary, the amendment includes a number of provisions for further improving the implementation of the Alaska Native Claims Settlement Act and for land exchanges—involving Native corporations, the United States, and the State of Alaska—which will make for better land-management on Federal, State, and Native lands in Alaska. Similar provisions were included in the proposals which I supported in the Committee on Interior and Insular Affairs. These provisions are extremely important to Native organizations, but are not included within the inadequate and unacceptable versions of Alaska lands legislation which has been reported by the two committees.

Further, the substitute includes other provisions which refine the language of other proposals to more effectively achieve the policy goals of the legislation. So that my colleagues will be informed as to the detailed specifics involved, I intend to have printed in the RECORD shortly a definitive analysis of the amendment which Mr. ANDERSON and I, along with a number of our colleagues, intend to offer as a substitute when the Alaska lands legislation reaches the House floor.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ERDAHL (at the request of Mr. RHODES), for April 23 and 24, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LUNGREN) to revise and extend their remarks and include extraneous material:)

Mr. HINSON, for 5 minutes, today.

Mr. BAUMAN, for 60 minutes, on Thursday, April 26.

(The following Members (at the request of Mr. BAILEY) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. VANIK, for 15 minutes, today.
Mr. REUSS, for 10 minutes, today.
Mr. UDALL, for 15 minutes, today.
Mr. LAFALCE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. YATES, in three instances and to include extraneous matter.

(The following Members (at the request of Mr. LUNGREN), and to include extraneous matter:)

Mr. MICHEL in two instances.
Mr. FINDLEY.
Mr. SYMMS.
Mr. LENT.
Mrs. FENWICK.

(The following Members (at the request of Mr. BAILEY), and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. COELHO.
Mr. PEASE.
Mr. FISHER.
Ms. MIKULSKI.

Mr. EDWARDS of California.
Mr. OBERSTAR.
Mr. SIMON in three instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 447. An act to provide authorization of appropriations for the United States Railway Association, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p.m.), under its previous order, the House adjourned until Tuesday, April 24, 1979, at 1 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1262. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture.

1263. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

1264. Communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1979 for foreign assistance in support of Turkish economic stabilization and reform (H. Doc. No. 96-96); to the Committee on Appropriations and ordered to be printed.

1265. Communication from the President of the United States, transmitting proposed supplemental appropriations and appropriations language for fiscal year 1979, and budget amendments for fiscal year 1980 (H. Doc. No. 96-97); to the Committee on Appropriations and ordered to be printed.

1266. A letter from the Secretary of the Treasury, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the revised statutes, as amended; to the Committee on Appropriations.

1267. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting notice of the transfer of certain funds appropriated for health care purposes, pursuant to section 851 of Public Law 95-457; to the Committee on Appropriations.

1268. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority reported in the message from the President dated April 4, 1979 (H. Doc. No. 96-88), pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 96-98); to the Committee on Appropriations and ordered to be printed.

1269. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for physicians in the Armed Forces, and for other purposes; to the Committee on Armed Services.

1270. A letter from the Under Secretary of Defense (Research and Engineering), transmitting the fifth annual report on the Defense Industrial Reserve, pursuant to section 809 of Public Law 93-155; to the Committee on Armed Services.

1271. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting the annual report for calendar year 1978 on special pay for duty subject to hostile fire, pursuant to 37 USC 310(d); to the Committee on Armed Services.

1272. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend chapter 61 of title 10, United States Code, to facilitate the transfer of members of the Armed Forces to and from the temporary disability retired list, and for other purposes; to the Committee on Armed Services.

1273. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ended March 31, 1979, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

1274. A letter from the Acting Administrator of General Services, transmitting the statistical supplement to the stockpile report for the 6 months ended September 30, 1978, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

1275. A letter from the Executive Director, Civil Air Patrol, transmitting the annual report of the Civil Air Patrol for calendar year 1978, pursuant to section 7 of the act of July 1, 1946; to the Committee on Armed Services.

1276. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend to Indian tribal government deposits the same amount of deposit insurance and security as provided to other public unit deposits; to the Committee on Banking, Finance and Urban Affairs.

1277. A letter from the Secretary of Housing and Urban Development, transmitting a report on the study of the community development block grant formula, pursuant to section 106(1) of Public Law 93-383; to the Committee on Banking, Finance and Urban Affairs.

1278. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting revisions to the previously-submitted statement (Executive Communication No. 4955, 95th Congress) describing a proposed transaction with British Airways exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1279. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's annual report for calendar year 1978, pursuant to section 17(a) of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

1280. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the 65th annual report of the Board of Governors, covering calendar year 1978, pursuant to section 10 of the Federal Reserve Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1281. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-18, to establish procedures for the conduct and facilitation of voter initiative, referendum and recall, and for other purposes, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1282. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-23, to authorize District supplementation of income of supplemental security income recipients and certain other persons, pursuant to section 602 (c) of Public Law 93-198; to the Committee on the District of Columbia.

1283. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-24, to increase the eligibility standards and payment levels for applicants for and recipients of public assistance, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1284. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-25, to order the closing of a public alley in Square 70, bounded by M Street, 22d Street, Ward Place, and New Hampshire Aveue NW. (S.O. 78-305), pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1285. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-26, to order the closing of a public alley in Square 77, bounded by 21st, 22d, H and I Streets NW. (S.O. 77-3), pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1286. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 3-27, to establish the personal tax rate for tax year 1980, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1287. A letter from the Secretary of Labor, transmitting a report on employees of motion picture theaters exempt from the overtime provisions of the Fair Labor Standards Act, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

1288. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make certain miscellaneous amendments to the Higher Education Act of 1965 and the Middle Income Student Assistance Act; to the Committee on Education and Labor.

1289. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make certain miscellaneous amendments to the Elementary and Secondary Education Act, the Emergency School Aid Act, and act of September 30, 1950, Public Law 93-380 and the Education Amendments of 1978; to the Committee on Education and Labor.

1290. A letter from the Executive Secretary of the Department of Health, Education, and Welfare, transmitting proposed final regulations for the Library Services and Construction Act, as amended by Public Law 95-123, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1291. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed interim final regulations for the National Institute of Education program of research grants on law and Government studies in education, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1292. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles and services sold commercially to the Netherlands (Transmittal No. MC-19-79), pursuant to section 36(c) of the Arms Export

Control Act; to the Committee on Foreign Affairs.

1293. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles and services sold commercially to Jordan (Transmittal No. MC-20-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1294. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Sally A. Shelton and her family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

1295. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1296. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1297. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1298. A letter from the Secretary of Agriculture, transmitting an interim report on the study of the feasibility of establishing a system to monitor foreign direct investment in agricultural, rural, and urban real property, pursuant to section 4(d) of Public Law 94-472, as amended (92 Stat. 726); to the Committee on Foreign Affairs.

1299. A letter from the Secretary of Commerce, transmitting a report on the review of unilateral and multilateral export controls in which the United States participates, pursuant to section 118 of the Export Administration Amendments of 1977; to the Committee on Foreign Affairs.

1300. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Export Administration Act of 1969, as amended, and for other purposes; to the Committee on Foreign Affairs.

1301. A letter from the President, Federal Home Loan Mortgage Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

1302. A letter from the Acting Under Secretary of State for Management, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1303. A letter from the Assistant Secretary of Health, Education, and Welfare for Administration, transmitting notice of a proposed new records system for the Department, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1304. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the Council's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1305. A letter from the Executive Secretary, Board of Regents, Uniformed Services University of the Health Sciences, Department of Defense, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1306. A letter from the Staff Director, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1307. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1308. A letter from the Director, Office of Congressional Affairs, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1309. A letter from the General Counsel, Export-Import Bank of the United States, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1310. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

1311. A letter from the President, Federal Home Loan Mortgage Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1312. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1313. A letter from the Acting Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

1314. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, prusuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1315. A letter from the General Counsel, Inter-American Foundation, transmitting a report on the Foundation's activities under the Government in the Sunshine Act during the calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1316. A letter from the Executive Director of the Board for International Broadcasting, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1317. A letter from the Chairman, United States International Trade Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1318. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

1319. A letter from the Acting General Counsel, Legal Services Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1320. A letter from the resident, Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1321. A letter from the Chairman, National Labor Relations Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1322. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

1323. A letter from the Vice President of Government Affairs, National Railroad Passenger Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1324. A letter from the Chairman, National Science Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1325. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Ace during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1326. A letter from the President, Overseas Private Investment Corporation, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1327. A letter from the Vice Chairman, United States Parole Commission, Department of Justice, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1328. A letter from the Director, Office of Personnel Management, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1329. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1330. A letter from the Members of the Board, Railroad Retirement Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1331. A letter from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting a report on the Foundation's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1332. A letter from the President, United States Railway Association, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1333. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Overseas Private Investment Corporation for fiscal year 1978, pursuant to section 106 of the Government Corporation Control Act, as amended (H. Doc. No. 96-99); to the Committee on Government Operations, and ordered to be printed.

1334. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during March 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

1335. A letter from the Assistant Secretary of Interior, transmitting a draft of proposed legislation to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712); to the Committee on Interior and Insular Affairs.

1336. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting a draft of proposed legislation to amend the act of October 15, 1966, (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

1337. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1978 on the administration of the Public Health Service, pursuant to section 511 of the Public Health Service Act as amended; to the Committee on Interstate and Foreign Commerce.

1338. A letter from the Secretary of Health, Education, and Welfare, transmitting the second annual report on the National Health Service Corps scholarship program, pursuant to section 751(1) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1339. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the direct and affiliated medical residency program, pursuant to section 771(b)(2) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1340. A letter from the Secretary of Health, Education, and Welfare, transmitting the seventh annual report on marihuana and health, pursuant to section 502 of Public Law 91-296, as amended; to the Committee on Interstate and Foreign Commerce.

1341. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Interstate and Foreign Commerce.

1342. A letter from the Under Secretary of Energy, transmitting the annual report covering calendar year 1978 on the program of energy conservation for consumer products other than automobiles, pursuant to section 338 of the Energy Policy and Conservation Act, as amended: to the Committee on Interstate and Foreign Commerce.

1343. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting the 1978 annual report on the weatherization assistance program for low-income persons, pursuant to section 421 of Public Law 94-385; to the Committee on Interstate and Foreign Commerce.

1344. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on April 24 and 25, 1979, in Paris; to the Committee on Interstate and Foreign Commerce.

1345. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting volume two of the second annual report of the Energy Information Administration, pursuant to section 142 of Public Law 94-385; to the Committee on Interstate and Foreign Commerce.

1346. A letter from the Comptroller of the Currency, transmitting the annual report for calendar year 1978 on consumer activities of his office pursuant to section 18(f)(5) of the Federal Trade Commission Act, as amended; to the Committee on Interstate and Foreign Commerce.

1347. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's first annual Line of Business report, covering calendar year 1973; to the Committee on Interstate and Foreign Commerce.

1348. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 17 of the act of July 5, 1946, as amended, entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes; to the Committee on the Judiciary.

1349. A letter from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation to amend the Immigration and Nationality Act to improve the efficiency of the Immigration and Naturalization Service, and for other purposes; to the Committee on the Judiciary.

1350. A letter from the Commissioner, Federal Prison Industries, Inc., Department of Justice, transmitting the annual report of the Board of Directors of the Corporation for fiscal year 1978, pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

1351. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concenring visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1352. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1353. A letter from the chairman and members, U.S. Commission on Civil Rights, transmitting a report on the Federal fair housing enforcement effort, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

1354. A letter from the President, Legal Services Corporation, transmitting a report on the legal problems and problems of access to legal services of veterans, migrant and seasonal farm workers, Native Americans, people with limited English-speaking abilities, and individuals in sparsely populated areas, pursuant to section 1007(h) of the Economic Opportunity Act, as amended; to the Committee on the Judiciary.

1355. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a revised work plan for the previously-submitted East Fork Gadron Creek watershed project, Arkansas (Executive Communication No. 4992, 95th Congress), pursuant to section 5(3) of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Public Works and Transportation.

1356. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1976 on the special economic development and adjustment assistance program, pursuant to section 904(b) of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

1357. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Mississippi River, Cassville, Wis. to mile 300, in final response to two resolutions of the House Committee on Flood Control adopted September 18, 1944, a resolution of the House Committee on Public Works adopted October 19, 1967, and an item included in section 208 of the Flood Control Act of 1965; to the Committee on Public Works and Transportation.

1358. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Binghamton wastewater management study, New York, in partial response to section 235 of Public Law 91-611; to the Committee on Public Works and Transportation.

1359. A letter from the Assistant Secretary of the Army for Civil Works, transmitting a draft of proposed legislation to terminate the authorization for certain water resources development projects; to the Committee on Public Works and Transportation.

1360. A letter from the Administrator of General Services, transmitting a prospectus proposing the purchase of the Food and Drug Administration Building in Boston, Mass., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1361. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the John F. Kennedy Federal Building, Boston, Mass., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1362. A letter from the Chairman, Tennessee Valley Authority, transmitting the 45th annual report of the Board of Directors; to the Committee on Public Works and Transportation.

1363. A letter from the Administrator of Veterans Affairs, transmitting a draft of proposed legislation to eliminate a discharge from an Armed Force under conditions other than honorable on the basis of a continuous absence without authority for 180 days or more as a bar to receipt of benefits under laws administered by the Veterans Administration; to the Committee on Veterans' Affairs.

1364. A letter from the Secretary of the Treasury, transmitting the sixth annual report on the operation and effect of the Domestic International Sales Corporation legislation, pursuant to section 506 of Public Law 92-178; to the Committee on Ways and Means.

1365. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation "Social Security Amendments of 1979"; to the Committee on Ways and Means.

1366. A letter from the Comptroller General of the United States, transmitting a report on the need for additional legislative authority to more effectively protect consumers from illegal and potentially harmful residues in raw meat and poultry (HRD-79-10, April 17, 1979); jointly, to the Committees on Government Operations, Agriculture, and Interstate and Foreign Commerce.

1367. A letter from the Comptroller General of the United States, transmitting a report on the need for new approaches to establishing weapon system coproduction programs involving the United States and certain of its allies (PSAD-79-24, April 12, 1979); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

1368. A letter from the Comptroller General of the United States, transmitting a report on protection of the U.S. diplomatic community from terrorism (ID-79-3, April 18, 1979); jointly, to the Committees on Government Operations and Foreign Affairs, and the Select Committee on Intelligence.

1369. A letter from the Comptroller General of the United States, transmitting a report on serious financial management problems with the system used to collect royalties from entrepreneurs for oil and gas removed from Federal and Indian lands (FGMSD-79-24, April 13, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

1370. A letter from the Comptroller General of the United States, transmitting a report on more emphasis on fluoridation being needed for reducing tooth decay (HRD-79-3, April 13, 1979) jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

1371. A letter from the Comptroller General of the United States, transmitting a report on the need for additional congressional guidance in developing a national airport system (CED-79-17, April 17, 1979); jointly, to the Committees on Government Operations and Public Works and Transportation.

1372. A letter from the Comptroller General of the United States, transmitting a report on State programs for delivering title XX social services to supplemental security income beneficiaries (HRD-79-59, April 11, 1979) jointly, to the Committees on Government Operations and Ways and Means.

1373. A letter from the Comptroller General of the United States, transmitting a report dealing with cash management aspects of unemployment insurance programs which are financed by the Unemployment Trust Fund (FGMSD-79-20, April 17, 1979) jointly, to the Committees on Government Operations and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and references to the proper calendar, as follows:

[*Submitted April 11, 1979*]

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; with amendment (Rept. No. 96-94, pt. I). Ordered to be printed.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; with amendment (Rept. No. 96-94, pt. II). Ordered to be printed.

Mr. HANLEY: Committee on Post Office and Civil Service. H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; with amendment (Rept. No. 96-94, pt. III). Ordered to be printed.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1716. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; with amendment (Rept. No. 96-94, pt. IV). Referred to the Committee on the Whole House on the State of the Union.

[*Submitted April 13, 1979*]

Mr. GIAIMO: Committee on the Budget. House Concurrent Resolution 107. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979 (Rept. No. 96-95). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee on the Budget. Toward a balanced budget: Report pursuant to Public Law 96-5 (Rept. No. 96-96). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted April 18, 1979*]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 39. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; with amendment (Rept. No. 96-97, Pt. I). Ordered to be printed.

[*Submitted April 23, 1979*]

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 39. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; with amendment (Rept. No. 96-97). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 111. A bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977; with amendment (Rept. No. 96-98, Pt. I). Ordered to be printed.

Mr. RODINO: Committee on the Judiciary. H.R. 3303. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes; reported with an amendment, referred to the Committee on Interstate and Foreign Commerce and to the Permanent Select Committee on Intelligence for a period ending not later than May 15, 1979, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of those committees under clause 1(1), rule X and under clause 2, rule XLVIII respectively, and ordered to be printed. (Rept. No. 96-99, Pt. I).

Mr. ULLMAN: Committee on Merchant Marine and Fisheries. H.R. 3236. A bill to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; with amendments (Rept. No. 96-100). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. UDALL (for himself and Mr. ANDERSON of Illinois):

H.R. 3651. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. BINGHAM (by request):

H.R. 3652. A bill to amend the Export Administration Act of 1969, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mr. LAGOMARSINO, and Mr. GILMAN):

H.R. 3653. A bill to authorize appropriations for the fiscal years 1980 and 1981 under the International Investment Survey Act of 1976, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CORMAN:

H.R. 3654. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. DORNAN:

H.R. 3655. A bill to require the Secretary of the Treasury to provide on individual income tax return forms information on Federal revenues and expenditures for the 2 fiscal years preceding the year for which the return is filed; to the Committee on Ways and Means.

By Mr. HANSEN:

H.R. 3656. A bill, the Panama Canal Act of 1979, to protect American taxpayers and consumers; jointly, to the Committees on Merchant Marine and Fisheries, Foreign Affairs, the Judiciary, and Post Office and Civil Service.

By Ms. MIKULSKI:

H.R. 3657. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a refundable tax credit for amounts paid or incurred for television subtitle equipment for use by hearing-impaired individuals; to the Committee on Ways and Means.

By Mr. MYERS of Indiana:

H.R. 3658. A bill to provide for the establishment of a national cemetery in the State of Indiana; to the Committee on Veterans' Affairs.

H.R. 3659. A bill to provide for the establishment of a commission to study revision of the Federal tax laws; to the Committee on Ways and Means.

Mr. STARK (for himself, Mr. CORMAN, and Mr. ROUSSELOT):

H.R. 3660. A bill to amend the Internal Revenue Code of 1954 to allow domestic wines to be used by certain foreign governments, organizations, and individuals without payment of tax in the same manner as imported wines may be so used; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 3661. A bill to increase the authorization of appropriations under the Act of December 22, 1974 (88 Stat. 1712); to the Committee on Interior and Insular Affairs.

By Mr. VAN DEERLIN:

H.R. 3662. A bill to grant a Federal Charter to the Navy Wives Clubs of America; to the Committee on the Judiciary.

By Mr. COELHO:

H.R. 3663. A bill to amend the Land and Water Conservation Fund Act of 1965 to redefine the term "single visit" for purposes of admission into designated units of the National Park System; to the Committee on Interior and Insular Affairs.

By Mr. BREAUX (for himself, Mr. MURPHY of New York, and Mr. FORSYTHE):

H. Con. Res. 108. Concurrent resolution to encourage the conclusion of a Convention for the Establishment of a South Pacific Regional Fisheries Organization to which the United States would become a party; to the Committee on Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

126. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the eligibility of farmers on leasehold lands to qualify for loans under the Farm Ownership Plan of the Farmers Home Administration; to the Committee on Agriculture.

127. Also, memorial of the House of Representatives of the State of Hawaii, relative to the average annual wage limitations for participants under the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

128. Also, memorial of the House of Representatives of the State of Hawaii, relative to supporting the Hawaii coalition of labor organizations in boycotting J. P. Stevens and Company products; to the Committee on Education and Labor.

129. Also, memorial of the Legislature of the State of North Dakota, relative to reimbursing States for all costs incurred in implementing new or expanded Federal programs; to the Committee on Government Operations.

130. Also, memorial of the Legislature of the State of Colorado, relative to retaining and extending the present Amtrak route system in Colorado; to the Committee on Interstate and Foreign Commerce.

131. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to removing certain restrictions on domestic oil production; to the Committee on Interstate and Foreign Commerce.

132. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the need for legislation providing greater control over domestic oil producers; to the Committee on Interstate and Foreign Commerce.

133. Also, memorial of the Legislature of the State of Minnesota, relative to retaining the Amtrak North Coast Hiawatha passenger service; to the Committee on Interstate and Foreign Commerce.

134. Also, memorial of the Legislature of the State of Nevada, relative to proposed weekend closings of gasoline stations; to the Committee on Interstate and Foreign Commerce.

135. Also, memorial of the Legislature of the State of Minnesota; ratifying the proposed amendment to the Constitution of the United States granting voting representation in Congress to the District of Columbia; to the Committee on the Judiciary.

136. Also, memorial of the Legislature of the State of North Dakota; relative to proposing a constitutional amendment with respect to the right to life; to the Committee on the Judiciary.

137. Also, memorial of the Legislature of the State of North Dakota; relative to land acquisitions in connection with the Garrison Diversion Unit in North Dakota; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 3664. A bill for the relief of Mrs. Bessie E. Baldwin; to the Committee on the Judiciary.

By Mr. MATHIS:

H.R. 3665. A bill for the relief of Lt. Col. John N. Hudgens, U.S. Air Force, retired; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 167: Mr. Blanchard, Mr. Oberstar, Mr. Davis of Michigan, Mr. Marriott, and Mr. Glickman.

H.R. 282: Mr. Gilman.

H.R. 1650: Mr. Waxman, Mr. Satterfield, Mr. Leland, Mr. Moorhead of Pennsylvania, Mr. Murphy of New York, Mr. Robinson, Mr. Stark, Mr. Baldus, Mr. Stokes, Mr. Solarz, Mr. Stenholm, Mr. Charles Wilson of Texas, Mr. Kemp, and Mr. Gore.

H.R. 1958: Mr. Buchanan, Mr. Gingrich, Mr. Lewis, Mr. Hinson, Mr. Roth, Mr. Regula, Mr. Brown of Ohio, Mr. Cheney, Mr. Archer, Mr. Flood, Mr. Charles Wilson of Texas, Mr. Watkins, Mr. McClory, Mr. Shelby, Mr. Wyatt, Mr. Bauman, Mr. Charles H. Wilson of California, Mr. Marlenee, Mr. Harsha, Mr. Burgener, Mr. Williams of Ohio, and Mr. Frenzel.

H.R. 1980: Mr. Hamilton, Mr. Spence, Mr. Mr. Erdahl, Mr. Bauman, Mr. Bereuter, Mr. Marriott, and Mr. Nolan.

H.R. 2495: Mr. Duncan of Tennessee, Mr. Stump, Mr. Wolpe, Mr. Chappell, Mr. Russo, Mr. Dougherty, Mr. Evans of Indiana, Mr. Watkins, Mr. Glickman, Mr. Solomon, Mr. Symms, Mr. Ertel, and Mr. Gilman.

H.R. 3390: Mr. Conyers, Mr. Buchanan, Mr. Lagomarsino, Mr. Edwards of California, Mr. Corrada, Mr. Solarz, Mr. Bedell, Mr. Lehman, Mr. Miller of California, Mr. Nolan, Mr. Forsythe, Mr. Bonior of Michigan, Mr. Mitchell of Maryland, Mr. Burgener, Mr. Richmond, Mr. Dornan, Mr. Whitehurst, Mr. Stangeland, Mr. Moakley, Mr. Florio, Mr. Vento, Mr. Patten, Mr. Green, Ms. Ferraro, Mr. Hollenbeck, Mr. Rahall, Mr. Addabbo, Mr. Rangel, Mr. Dellums, Mr. Drinan, Mr. Emery, Mr. Seiberling, Mr. Dixon, Mr. Guyer, Ms. Holtzman, Mr. McHugh, Mr. Matsui, Mr. Hagedorn, Mr. Akaka, Mr. Walgren, Mr. Flood, Mr. Glickman, Mr. Wolpe, Mr. Price, Mrs. Spellman, Mrs. Schroeder, Mr. Scheuer, Mr. Patterson, Mr. Moffett, Mr. Baldus, Mr. Lederer, Mr. Simon, Mr. Barnes, Mr. Gray, Mr. Evans of the Virgin Islands, and Mr. Gilman.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

101. By the SPEAKER: Petition of the board of supervisors, county of Los Angeles, Calif., relative to revising the method of determining the jobless rate of a State; to the Committee on Education and Labor.

102. Also, petition of the council of the city of New York, N.Y., relative to recognizing the city of Jerusalem as the capital of Israel; to the Committee on Foreign Affairs.

103. Also, petition of the North Atlantic Assembly, Brussels, Belgium, relative to transmitting the printed texts of recommendations, resolutions, and orders adopted at the 24th annual session held in Lisbon during November 1978; to the Committee on Foreign Affairs.

104. Also, petition of the town board, town of Hamlin, Monroe County, N.Y., relative to the continuation of Federal revenue sharing; to the Committee on Government Operations.

105. Also, petition of the Board of Supervisors, Placer County, Calif., relative to the Yosemite National Park; to the Committee on Interior and Insular Affairs.

106. Also, petition of Michael J. Lustig, Chicago, Ill., relative to retaining rail service on the North Coast Hiawatha route; to the Committee on Interstate and Foreign Commerce.

107. Also, petition of Demetrios L. Basdekas, Washington, D.C., relative to certain safety issues in connection with the annual report of the U.S. Nuclear Regulatory Commission; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

SENATE—*Monday, April 23, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. Max Baucus, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, ruler of all men and all nations, in this shrine of the patriot's devotion we pause to renew our vows to serve our fellow man and in serving him to serve Thee. May this Capitol, the symbol of freedom and justice, of righteousness and truth be matched by the quality of our common life. Fill our hearts with thankfulness and our minds with wisdom. Make us good workmen, upholding what is right, correcting what is wrong, always striving to advance Thy kingdom. Guide by Thy spirit all whose work is in the Government of this Nation. Mav goodness and mercy abide with us now that we may remain with Thee eternally.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 23, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Max Baucus, a Senator from the State of Montana, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. BAUCUS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve my time, for the moment.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order the minority leader is recognized.

THE SHAH OF IRAN

Mr. BAKER. Mr. President, in this morning's New York Times on the editorial page is a column entitled "A Home for the Shah." I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

A HOME FOR THE SHAH

The dethroned Shah of Iran needs a place to live. The United States, along with most other Western countries, is trying to help him—provided he goes elsewhere.

But the United States is not most other Western countries. It has been a haven for the homeless, especially those who are not likely to become public charges. It should be a haven particularly for diplomatic allies of long standing. And better than most countries, it should be able to manage the awkwardness of sheltering the Shah while seeking good relations with his successors. All this argues for trying to accommodate the fallen emperor and his family provided the national interest permits.

Sentiment alone cannot decide these matters any more than sentiment decided the Shah's price for oil. Nor are we much impressed by Henry Kissinger's charge that President Carter has dishonored America's reputation for hospitality; the former Secretary of State once refused even to lunch with the exiled Aleksandr Solzhenitsyn lest he offend the Soviet leaders.

A fear of offending the new rulers of Iran is said to be one of Mr. Carter's reasons for urging the Shah to stay away. That strikes us as too timid. The fear that Iranians might seize Americans and demand the return of the Shah in exchange is probably more substantial, but a determined Administration should be able to establish some ground rules with Teheran for receiving the Shah. What it would need in exchange, however, is a clear statement of abdication and a pledge that the Shah would not use American soil for any effort to restore himself or to challenge his successors.

Other problems have been cited to the Shah, but they are for him to weigh. His safety would require a circumscribed life. And he may face legal action in connection with his family foundation's assets in the United States. If he chooses to run those risks, the Administration should accept rather than evade the challenge of making his retirement here possible. Americans should welcome the unwanted, proudly.

Mr. BAKER. Mr. President, I do not rise to support the Shah in all his endeavor. We are aware of the charges and allegations made against him and his government in respect to human rights and the administration of his regime. We also observed the turmoil that followed in the wake of his departure and the strife and conflict that still ensues.

So the purpose of these remarks is not to suggest that the Shah of Iran should be alluded to as a great leader and protector of human dignity and human rights, or the ultimate administrator of the public responsibilities of his country, but rather to suggest, Mr. President, that in my judgment we are doing a foolish thing in barring his entrance into the United States. For whatever his faults, the Shah of Iran did, in fact, remain the staunch ally and the willing host of American interests in his country.

Now, as I understand it, he wishes to come to the United States, and the Government of the United States has not seen fit to grant him permission.

It is further my understanding that many concerns are expressed about the safety and security of the American Embassy in Teheran and the people who now occupy it, in the event the Shah was admitted to the United States.

Mr. President, I think that is not an adequate reason for refusing this request of the Shah of Iran to come to the United States. He proposes to do so at his own expense, to provide his own security, and to conduct himself in a manner we would expect of any guest of this country.

Mr. President, I think the administration should reverse its position and grant to the Shah of Iran the permission he requests. I think if we do not, it will call into serious question our willingness to support our friends in their time of trouble.

I wonder, for example, how the leaders of other nations in the Middle East must feel about the reliability of the United States, not only as an ally and friend, but as a possible haven in the event of domestic unrest and civil strife in their own countries.

I wonder what destabilizing effect that will have on our future diplomatic relations with other countries in the Middle East and, indeed, even the future assurance of a fuel supply for the United States from those regions.

So, Mr. President, if for no other reason than selfish motives, if for no other reason than to provide for a coherent foreign policy of the United States, I think it is time that the U.S. Government reversed its present policy and granted the Shah of Iran the request that he has made.

I agree with the summation made in the New York Times today and I call on the President to reconsider that action.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further requirement for my time, I have no requests for it, and I am prepared to yield it back at this point if the majority leader wishes to do likewise.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time, Mr. President.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

VICTORY IN RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, although it is not popular with the American State Department to do so, I am taking the floor today to commend Prime Minister Ian Smith of Rhodesia and his black colleague, Bishop Abel Muzorewa, for the smashing victory they won last week.

Nearly 65 percent of the black population of Rhodesia cast ballots approving the internal settlement between the white government of Ian Smith on the one hand and the representatives of the black population led by Bishop Muzorewa on the other.

Astonishingly the American State Department made every effort to prevent a successful election in Rhodesia. The extremists and zealots at the State Department used the great power of our Government in an effort to force into the transitional government of Smith and Muzorewa, Russian-oriented terrorists, which terrorists made every effort to frustrate the election process.

Prime Minister Smith and Bishop Muzorewa won an astonishing victory. The voter turnout approaching 65 percent is nearly double the percentage of Americans who voted in our November elections last year. The Rhodesian result was accomplished over the determined opposition of both the American and British Governments, and despite the activities of Russian-supplied terrorists operating outside of Rhodesia's borders.

As a result of last week's elections Ian Smith will give up his position as Prime Minister which position he has held for nearly 14 years. He will be succeeded by his black colleague, Bishop Muzorewa.

Rhodesia has complied with virtually every request made on it by the United States, with the one exception of refusing to permit armed terrorists to operate within its borders.

Last week's Rhodesian elections were based on the principle of one-man, one-vote; which the United States sought and to which the Rhodesians agreed. The blacks will soon take over that Government which action the American State Department has long sought. The voter turnout shows that Bishop Muzorewa and his associates have the strong support of the black population of Rhodesia.

So what more does the American State Department want? What more does President Carter want?

The President of the United States is now obligated by legislation enacted by the Congress last year to remove economic sanctions against Rhodesia.

President Carter should move swiftly to remove such sanctions. It is time for Mr. Carter to cease listening to the extremists and the zealots who dominate State Department thinking in regard to southern Africa. In fairness to the people of Rhodesia of which there are 6 million, it is time for the Carter administration to stop playing domestic politics with the issue.

I urge President Carter to act now to remove sanctions against Rhodesia. If he delays beyond a reasonable time, the Congress itself should legislate a lifting of sanctions. At the proper time, I shall introduce legislation to accomplish this purpose, although I would hope that such a course of action would not be necessary.

The American people are a fairminded people. I think more and more Americans are beginning to resent the administration's apparent determination to destroy Rhodesia by turning it over to Russian-oriented terrorists whose support in Rhodesia is totally lacking, as evidenced by last week's vote.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Christian Science Monitor dated April 12, captioned "The Case for Rhodesia's Elections"; an editorial published in the Washington Star of April 18, captioned "Choices in Rhodesia"; and an editorial published in today's Washington Post, captioned "Sanctimony and Rhodesia." The latter editorial points out the hypocrisy of the American position.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Apr. 12, 1979]

THE CASE FOR RHODESIA'S ELECTIONS

(By Donald L. Losman)

It is distressing to see some American scholars recommending that American foreign policy toward Rhodesia be guided by the "realities of power" without regard to any ethical precepts or the efforts of a struggling people. These scholars are correct in maintaining that the black guerrillas are a force to be reckoned with, that they are bleeding Rhodesia, and that the elections this month will not bring peace. However, the goal of the original British sanctions was to prevent independence until progress toward ending racial discrimination and progress toward majority rule were evidenced.

Such progress is being made.

Segregation has been officially abolished. De facto separation will be around for a long time of course. One cannot legislate instant racial harmony. This takes time, as it did and continues to do in the United States. But the legal barriers are down. This is all one can demand.

With regard to elections, the guerrillas have rejected them all along. They want only their kind of solution and boast they will employ all the means necessary to ensure that they will win. It is likely that the lives of most whites and many blacks will be in great jeopardy should they gain control. There have been several instances of white slaughter in Africa. Rhodesians, black and white, are aware of this. Most Rhodesians fear and reject the violent option.

Certainly there are safeguards for whites in the new constitution, safeguards which require that "whichever of the internal black parties wins the election" there must be white cooperation. Cooperation and compromise are the essence of democracy. Patriotic Front leaders Robert Mugabe and Joshua Nkomo have not shown any willingness to compromise, whereas the black leaders in the present government—Muzorewa, Chirau, and Sithole—have made many compromises with Smith, who himself has been forced to make accommodations.

Black-white political forces within Rhodesia, coupled with the tribal constituencies involved, have led the internal black leaders to work with Ian Smith and shun cooperation with Mugabe or Nkomo. The internal black leaders also in all probability have the backing of the majority of Rhodesian blacks, although the allegiances again run along tribal lines.

So the situation and choices are quite clear. The recalcitrant white minority is being eased out of political control. De jure segregation is ended. Free elections are being held. A democratic political process is being installed.

Now the gut issue revolves around American policy. The United States has attempted the ideal solution of getting all parties to agree. This will not and cannot happen. The conflict no longer concerns majority or minority rule, but instead which Africans will rule Zimbabwe and how they will gain power.

What should the US position be? Should it deny support for the current transition to black rule because the government may ultimately be tumbled? Should it continue economic sanctions, just to ensure that the government will fall, to ensure that the white minority is destroyed as an economic and political unit, and to ensure that the new government will be so weak that terrorist power, accompanied by killing of blacks and whites will ultimately win?

"Might makes right" has never been a part of the American tradition. White Rhodesians had attempted to maintain a condition which had neither ethical nor political legitimacy. They failed in that effort and new Rhodesian realities dictate new US policies. The present oligarchy is clearly the government in power. It has traditionally been American practice to recognize the operational government. Further, when that government is attempting racial harmony and majority rule under the most difficult of conditions, it deserves U.S. support.

The embargo should be ended. Economic assistance could be extended. These positive factors could well ensure a peaceful resolution of the Rhodesian crisis and the installation of a government and political process almost uniquely democratic within the context of a continent characterized mainly by dictatorial regimes.

Not only have the main internal political leaders agreed to elections and a constitutional process, but grass-roots support is clearly evident. Roughly 80 percent of the Rhodesian Army consists of black volunteers. While the attraction of a steady paycheck no doubt is present, the involvement in imminent hostilities is also obvious. If, instead of grass-roots support, there was widespread apathy or suoport for the externally based Patriotic Front, enlistments would not be nearly as great and the imminence of armed conflict would serve as a greater deterrent.

In short, a government of the people and by the people is about to be installed. And if any oppose or disagree with the new regime the elections are the appropriate forum for sorting out differences. Under the Patriotic Front, it is unlikely there would ever be elections.

The United States cannot be neutral in the Rhodesian ordeal. We are not presently neutral. To continue our economic warfare and to deny diplomatic legitimacy is to support the guerillas at the expense of a peaceful settlement. There will be bloodshed and slaughter and an anti-Western, anti-democratic regime will emerge.

The time has come for a change in US policy.

[From the Washington Star, Apr. 18, 1979]

CHOICES IN RHODESIA

The voting in Rhodesia this week to fill 72 parliamentary seats is anything but a simple matter of which candidates are chosen to lead the first black-majority government there. Even a massive turnout and a lopsided victory for one party or another will not decide the issue. A pair of guerrilla armies will try to wreck the process. And whatever the election results, the rest of the world will have a say about the subsequent survival of the new Zimbabwe-Rhodesia. The outsiders have not been much help so far.

The turnout is important to back a future claim to international recognition. If the emerging biracial regime can point to a majority mandate from Rhodesians at large, that could be a telling argument to counter the guns of the Patriotic Front, the hostility of black Africa and the past pattern of much Western opinion.

Rhodesia's white voters, with a substantial quota of 28 seats reserved for them, went to the polls last week. The current balloting by blacks probably will put Bishop Abel Muzorewa in line to become the first black prime minister in a coalition with the white contingent led by Prime Minister Ian Smith. Bishop Muzorewa in recent years has had the largest demonstrable following among black Rhodesians.

The procedure is meant to look democratic, and it is essentially that—particularly in contrast with Africa's preponderance of military and one-party regimes. The main departure from one man-one vote in Rhodesia's case is the 10-year guarantee of substantial minority power for the 4 percent white population. This is the bargain the ruling whites obtained in agreeing to cede power to blacks, and it is probably the price for avoiding a precipitate white exit that would devastate a promising economy.

Rival guerrilla leaders Joshua Nkomo and Robert Mugabe are contemptuous of the deal. But they are contemptuous of democracy, too. They care little for the wishes of most black Rhodesians, who are believed to favor the peaceful route to majority rule.

Outsiders have complicated the fate of Zimbabwe-Rhodesia. The "front-line" African states back the Nkomo-Mugabe campaign, untroubled by democratic niceties, white fears or compunctions about violence. British Labor governments have been obsessed with the "illegal" status of Rhodesia since 1965 as a breakaway colony, and the cussedness of Ian Smith. The United States has backed the British stand and sought to solidify relations with black Africa. British-U.S. efforts to promote a Rhodesian transition including the Patriotic Front have failed, partly because the guerrillas won't play.

An impressive display of democratic participation in the Rhodesian elections—even without official observers from London or Washington—could lead to a reconsideration of British and American policies. If the Conservatives win control of the British government next month, they are pledged to end economic sanctions and recognize Zimbabwe-Rhodesia provided the voting there has taken place "in reasonably free and fair conditions and with a reasonable turnout." (The Tories have their own observers on the scene.)

The Carter administration, even guided by Ambassador Andrew Young, will find it hard to ignore a democratic transfer of power to blacks in Salisbury. Congress, where a bid to send election observers was approved in the Senate but beaten in the House, could become restive again under a continued policy of sanctions and nonrecognition. There may be some interesting choices facing U.S. champions of human rights and humane solutions for embattled corners of the world.

[From the Washington Post, Apr. 23, 1979]

SANCTIMONY AND RHODESIA

Saturday the voting ended in Rhodesia. Sunday the talk was all about how free and fair—or unfree and unfair—the balloting had been. But it will be several days, anyway, before both local and international results are in. So this seems as good a moment as any to pause for a few reflections on the way the international community has behaved in relation to the elections. Two words come immediately to mind. One is hypocrisy. The other is arrogance.

On the hypocrisy front the only question is where to begin. One place would be with those African, Third World, Soviet connected and other states whose fastidious concern for democracy in Rhodesia tends to mask the fact that they wouldn't know a free election if they fell over one—and aren't, in any case, in much danger of falling over one, since they wouldn't let free elections go forward anywhere near their own political turf. Another place to begin would be in the Byzantine inner reaches of Anglo-American policy. It is the worst-kept secret in Washington that ambiguity, at best, marks the official U.S. attitude toward these elections. For there is within the administration a powerful strain of feeling that the fairer and more representative these particular Rhodesian elections may be shown to have been, the more politically inconvenient and even destructive they will be to U.S.-British efforts to make a deal with the Rhodesian guerrillas who refused to participate.

Even when policy-makers still entertained some flimsy hope that the Patriotic Front guerrilla forces of Joshua Nkomo and Robert Mugabee would participate in broader internationally sanctioned elections, they were acknowledging that such elections would be a kind of sham, since they conceded that if the guerrillas lost they would not accept the results. Then what has the U.S. government been doing making such a big deal of its concern for the democratic process in Rhodesia? For one thing, establishing a record.

It also happens that under the provisions of a 1978 foreign-aid law, the president, in order to decide whether or not to lift sanctions against Rhodesia, is obliged to decide whether "A government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers." And it is in part this provision which brought the flock of international poll-watchers to Rhodesia.

Reading the accounts of their preliminary findings and impressions in yesterday's papers, we felt we were in the presence of some grotesque, unintended comedy. There was the fine weighing of whether the more than 60 percent of the predominantly black electorate that did participate (against previous predictions) were pushed or forced or deceived or bought or told what to do or . . . well, you know the rest. You know the rest, of course, from intimate familiarity with it at home. A little over a decade ago, when this country had just succeeded, with much conflict, in passing legislation to help black Americans exercise the right to vote and when Richard Daley was still running Chicago and the Watergate election-money-laundry and dirty-campaign-tricks business had yet to get going—way back then observers were sent to South Vietnam to judge whether the wartime elections in that country which had not had a democratic tradition were—well—pure enough for us. This week we are trying to take the same kind of soundings in Rhodesia.

It is possible to understand, if not necessarily to love, the American government's perception of political necessity and U.S. interest in Rhodesia. And it is even possible to see how a black internal-forces voting success in a relatively fair election could work against the best outcome for U.S. policy. But there remains something wholly unattractive in this spectacle of people playing at a concern for free elections. And this is especially true when it is inconceivable that the United States would expect the Patriotic Front, if it won the war, to hold elections of any kind. By any international standard of democratic practice you care to invoke, the Rhodesians did pretty well. But that wasn't really what the argument over who shall rule Rhodesia has been about. The quality of the elections was a fake issue, and democratic values ultimately have to suffer when even their best friends treat them lightly.

COMMUNICATION FROM EXPORT-IMPORT BANK—SINGAPORE AIRLINES LIMITED

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b) (3) (i) of the Export-Import Bank Act, as amended, notifying the Senate of a proposed direct credit of $155 million to assist the export from the United States of five new Boeing 747-200B jet aircraft, four new Boeing 727-200 jet aircraft, and three new McDonnell/Douglas DC-10-30 jet aircraft and related spare engines and parts to Singapore Airlines Limited (SIA), a 99-percent government-owned enterprise. Section 2(b) (3) (i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 42.5 percent of the 727 and DC-10 transactions and 20.7 percent of the 747 transaction. The sales have a total estimated U.S. export value of $524,210,000. The Eximbank credit will bear interest at the rate of 8 percent per annum and be repayable in semiannual installments, as follows: 727's—15 installments beginning February 7, 1980; DC-10's—14 installments beginning August 7, 1980; and 747's—13 installments beginning January 7, 1981.

SIA will purchase seven additional Boeing 747-200B jet aircraft, without an Eximbank credit or guarantee, at an estimated cost of $450 million.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 29, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b) (3) (i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Singapore:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $154,683,400 to Singapore Airlines Limited (SIA). The purpose of the Eximbank financing is to facilitate the purchase in the United States by SIA of five new Boeing 747-200B jet aircraft, four new Boeing 727-200 jet aircraft and three new McDonnell Douglas DC-10-30 jet aircraft and related spare engines and parts. The engines for the Boeing aircraft are Pratt and Whitneys manufactured by United Technologies Corporation and the engines for the McDonnell Douglas aircraft are manufactured by the General Electric Company. The total U.S. export value for this transaction is estimated to be $524,210,000.

2. Identity of the Parties

(a) Singapore Airlines Limited

SIA is the commercial air carrier of Singapore and is 99 percent owned by the Government of Singapore; the remaining shares are held by SIA's employees. In 1971 Singapore and Malaysia agreed to separate Malaysia-Singapore Airlines Ltd. into two national carriers with SIA obtaining most of the predecessor's international routes. In 1972 SIA was incorporated under the laws of Singapore and became the national carrier of Singapore. Eximbank has previously made six loans to SIA or its subsidiaries and repayments have been made on a timely basis. SIA currently flies to 31 cities in 26 countries, mainly in the western Pacific but also in the Middle East and Europe. It will inaugurate in April 1979 passenger service to San Francisco via Honolulu, its first passenger route to the United States.

(b) Government of Singapore

The Government of Singapore will unconditionally guarantee payment of SIA's indebtedness to Eximbank under the direct credit as it has done in the previous six transactions.

3. Nature and use of goods and services

The principal goods to be exported from the United States are 19 commercial jet aircraft, 12 of which are to be financed in part by Eximbank, to be used by SIA on its western Pacific, Middle East and European routes. The airframes for the 727's and 747's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington and the airframes for the DC-10's will be manufactured in Long Beach, California by the Douglas Aircraft Company of McDonnell Douglas Corporation of St. Louis, Missouri. The engines for the Boeing aircraft and the McDonnell Douglas aircraft will be manufactured respectively by the Pratt and Whitney Aircraft Group of United Technologies Corporation in Hartford, Connecticut and the General Electric engines plant in Cincinnati, Ohio. In addition, other U.S. firms will furnish spare parts. An additional $4,800,000 of components for the DC-10 aircraft will be manufactured in Canada by the Douglas Aircraft Company and will not be financed by Eximbank.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank credit of $154,683,400 will facilitate the export of $524,210,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft.

Boeing estimates that the export of its nine aircraft will provide 7.3 million man/hours of work for Boeing and its subcontractors. McDonnell Douglas Corporation estimates that the export of its three aircraft will provide 3.7 million man/hours of work for MDC and its subcontractors. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

It should be pointed out that due to the nature of SIA's routes, where even long distance flights are broken by many intermediate stops, SIA could have purchased the Airbus Industrie's A-300 to accomplish the same purpose and this European made aircraft was seriously considered by SIA for its fleet expansion. Also, the financing terms for the A-300 are usually more generous than those offered by Eximbank; and on occasion the relevant European governments have offered intangible inducements to potential purchasers of the A-300 such as landing rights. SIA currently operates an all U.S. manufactured fleet of aircraft with past Eximbank support having financed many of these aircraft.

SIA is also purchasing seven additional new Boeing 747-200-B jet aircraft and related spares, having an estimated U.S. cost of $450,000,000, without Eximbank financial support. SIA intends to use these seven aircraft on long distance routes on which the A-300 could not be used and Eximbank offered therefore its guarantee and not direct credits to finance the aircraft. SIA decided to finance this purchase without the Eximbank guarantee. Boeing estimates that the export of these seven aircraft will provide 8.4 million man/hours of work for Boeing and its subcontractors.

2. The financing plan

The financing plan for the total U.S. procurement supported by Eximbank, divided according to type of aircraft, is as follows:

(I) for the Boeing 727-200 aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$9,360,000
Private financing (without an Eximbank guarantee)	42.5	26,520,000
Eximbank credit	42.5	26,520,000
Total	100.0	62,400,000

(II) for the McDonnell Douglas DC-10-30 aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$22,471,500
Private financing (without an Eximbank guarantee)	42.5	63,669,250
Eximbank credit	42.5	63,669,250
Total	100.0	149,810,000

(III) for the Boeing 747-200B aircraft and related spares:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$46,800,000
Private financing (without an Eximbank guarantee)	42.5	132,600,000
Refinancing (see explanation below)	21.8	68,106,600
Eximbank credit	20.7	64,493,400
Total	100.0	312,000,000

The Refinancing mentioned above refers to the fact that SIA will sell five older Boeing 747 jet aircraft, financed under past Eximbank credits, and instead of prepaying the past credits. SIA will use the proceeds to pay part of the cost of the new Boeing 747 package. Eximbank will now receive interest at the rate of 8 percent per annum on the unpaid amount of the Refinancing instead of a weighted rate of 6.7 percent per annum on the unpaid amounts of the existing credits.

(a) *Eximbank Charges*

The aggregate Eximbank Credit and the Refinancing will bear interest at the rate of 8 percent per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the aggregate Eximbank Credit.

(b) *Repayment Terms*

I. The financing for the Boeing 727-200 aircraft and spares will be repaid by SIA in 15 semiannual installments beginning February 7, 1980, with the lenders of the Private Financing receiving the early installments and the Eximbank receiving the later installments.

II. The financing for the McDonnell Douglas DC-10-30 aircraft and spares will be repaid by SIA in 14 semiannual installments beginning August 7, 1980, with the lenders of the Private Financing receiving the early installments and Eximbank receiving the later installments.

III. The financing of the Boeing 747-200B aircraft and spares will be repaid by SIA in 13 semiannual installments beginning January 7, 1981, with the lenders of the Private Financing receiving the early installments and Eximbank receiving the later installments repaying disbursements under the Eximbank Credit and the Refinancing mentioned above.

Sincerely,

H. K. ALLEN.

COMMUNICATION FROM EXPORT-IMPORT BANK—"VARIG" S.A.

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act, as amended, notifying the Senate of a proposed direct loan in the amount of $97,500,000 and a financial guarantee in the same amount to assist the export from the United States of jet aircraft, spare parts, equipment and services to "VARIG" S.A., a privately-owned Brazilian airline. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in the amount of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank proposes to extend a direct loan to cover 37.2 percent of the transaction and a guarantee to cover an additional 37.2 percent of the $262,158,000 in total U.S. goods and services to be exported. The Eximbank credit will bear interest at the rate of 8½ percent per annum and be repayable over a 10-year period beginning in July, 1981.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., March 30, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a Statement to the United States Senate with respect to the following transaction involving U.S. exports to Brazil:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to extend a direct credit of $97,500,000 and to issue a guarantee with respect to a credit of $97,500,000 to be extended by a United States private lender to "VARIG" S. A. (Viacao Aerea Rio-Grandense). The purpose of this Eximbank financing is to facilitate the purchase from the United States by VARIG of (i) five DC-10-30 jet aircraft (including engines), related spare parts, ground equipment and services, and (ii) equipment and services to modify four DC-10-30 jet aircraft now owned and in use by VARIG. Total U.S. exports from this transaction are valued at $262,158,000.

2. Identity of the parties

(a) VARIG S. A. (Viacao Aerea Rio-Grandense)

VARIG is a privately-owned Brazilian airline which has been in operation for 52 years. It claims to be the world's largest privately-owned airline outside of the United States. Eximbank's credit experience in financing prior aircraft purchases by VARIG dates from 1956 and has been uniformly satisfactory.

(b) Banco Nacional do Desenvolvimento Economico

VARIG's debt obligations to Eximbank and the private lender guaranteed by Eximbank for the subject transaction will be unconditionally guaranteed by Banco Nacional do Desenvolvimento Economico (BNDE). BNDE is a development bank of the Brazilian government, which has maintained a good earnings record and a sound financial condition over many years and with which Eximbank has had satisfactory credit experience in transactions dating from BNDE's creation in 1952. It has become the Brazilian government's most important instrument for channeling financial resources to key sectors of the Brazilian economy, and, while BNDE's obligations do not carry the full faith and credit of the Brazilian government, there is a strong element of implicit government support due to BNDE's ownership by the government and its importance to the Brazilian economy.

3. Nature and use of goods and services

The principal goods and services to be exported from the United States are five commercial jet aircraft (including engines), related spare parts (including spare engines) and ground equipment, at a total cost of about $259,358,000. In addition, equipment to effect modifications in four aircraft now in service with VARIG will be exported at a cost of about $2,800,000. The airframes will be manufactured in Long Beach, California, by Douglas Aircraft Company of McDonnell Douglas Corporation of St. Louis, Missouri. The engines will be manufactured at the General Electric engines plant in Cincinnati, Ohio. In addition, other U.S. firms will participate in the manufacture of parts for the aircraft. Non-U.S. components for the aircraft of about $8,500,000, in addition to the total of $262,158,000 for U.S. goods and services, will be manufactured in Canada by the Douglas Aircraft Company and are not included in the financing plan set out below.

The aircraft are to be used on routes from Brazil to cities in several other Latin American countries, namely, Argentina, Chile, Colombia, Panama, Peru, Mexico, and Uruguay, as well as to Miami and New York. VARIG's U.S. routes have been in effect for many years.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank credit and guarantee totaling $195,000,000 will result in U.S. exports with a total value of $262,158,000. These U.S. exports will have been achieved in the face of strong competition from the A-300-B4 jet aircraft manufactured by Airbus Industrie. That aircraft was presented to VARIG as a viable alternative with financing support of the French government.

The Eximbank financing appears to have been a decisive factor in winning this sale for U.S. suppliers, a matter of particular significance to the aircraft industry where sales, profits, and employment for U.S. aircraft manufacturers are heavily dependent on exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft.

This sale will have a very favorable impact on income and employment in various geographic areas of the United States, affecting a number of U.S. firms. McDonnell Douglas estimates that this sale will generate a total of 2,900 man years of employment, 53% of which would benefit McDonnell Douglas's employees in Long Beach, California, and 47% of which would benefit U.S. contractors located in 35 States with the principal beneficiaries being California, Ohio, and Texas.

Future benefits that might be expected to flow from this financing are the follow-on exports of spare parts and equipment for modification of the aircraft being financed under this transaction (similar to the modifications being made in this transaction for the four aircraft already in sevice for VARIG).

2. Financing plan

The financing plan for the total U.S. goods and services of $262,158,000 is as follows:

	Percentage of U.S. costs	Totals
Cash payment	15.0	$39,323,700
Eximbank credit (approximate)	37.2	97,500,000
Private loan with Eximbank guarantee (approximate)	37.2	97,500,000
Private loan without Eximbank guarantee (approximate)	10.6	27,834,300
Total	100.0	262,158,000

(a) Eximbank Charges

The Eximbank credit will bear interest at the rate of 8½ percent per annum, payable semiannually; Eximbank will charge commitment fees of one-half of 1 percent per annum on the undisbursed portion of the Eximbank credit and one-eighth of 1 percent per annum on the undisbursed portion of the private loan guaranteed by Eximbank; and Eximbank will charge a guarantee fee of three-fourth of 1 percent per annum on the amount of the private loan guaranteed by Eximbank disbursed and outstanding.

(b) Repayment Terms

The Eximbank credit and the guaranteed and unguaranteed private loans will be repaid by VARIG in two schedules of 20 approximately equal semiannual installments each. Amounts disbursed through December 31, 1980, will be repaid under the first schedule, begining July 10, 1981. Amounts disbursed after December 31, 1980, will be repaid under the second schedule, beginning January 10, 1982. Under each schedule the private loan unguaranteed by Eximbank will be repaid first, the private loan guaranteed by Eximbank next, and the Eximbank credit last.

Sincerely,

H. K. ALLEN.

THE U.S. NATIONAL COMMISSION FOR UNESCO: YET ANOTHER ENDORSEMENT FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, recently I received word from Ms. Sarah Goddard Powers, chairman of the U.S. National Commission for the United Nations Educational, Scientific, and Cultural Organization, of a resolution passed by that Commission urging the Senate to ratify several United Nations human rights treaties, including the Genocide Convention. The U.S. National Commission for UNESCO is a congressionally mandated body, comprised of 100 members, representing educational, scientific, cultural, and communications interests in this country. The Commission acts in an advisory capacity to the U.S. Government on UNESCO matters and facilitates the implementation of UNESCO programs in this country.

Mr. President, the U.S. National Commission for UNESCO is only one of numerous political, religious, civic, and philanthropic organizations that have endorsed the Genocide Convention. The list includes the American Bar Association, virtually every religious denomination, President after President since the time of Truman, successive Attornies General, Secretaries of State, and all of our major allies. There is even an ad hoc committee of 52 labor, civic, religious, and national groups dedicated to its ratification. And I could go on.

Mr. President, for 30 years we have refused to act on the Genocide Convention. Even in the last decade we have witnessed how genocide has occurred under Idi Amin's dictatorial regime. This most brutal and inhumane of crimes is still very much with us.

Mr. President, there are no further reasons for delay. The Senate Foreign Relations Committee has twice recommended that the Senate ratify the treaty. All objections have been conclusively rebutted in the numerous hearings and debates over the treaty's 30-year history. We must move now before we get swarmed under by all the pending legislation that is sure to hit us in the next few weeks.

Mr. President, I urge the Senate to immediately ratify the Genocide Convention.

Mr. President, I ask unanimous consent that a copy of the resolutions of the U.S. National Commission for UNESCO for their 42d meeting, December 11–13, 1978, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF THE U.S. NATIONAL COMMISSION FOR UNESCO

IV. PROGRAM ACTIVITIES

1. Human Rights

A. Ratification of Human Rights Treaties

Recalling with profound satisfaction that President Carter, in commemorating the 30th anniversary of the Universal Declaration of Human Rights declared that "human rights is the soul of our foreign policy;"

Noting with approval President Carter's call for and commitment to the ratification by the United States of the five human rights treaties awaiting the Senate's advice and consent;

Convinced that the failure of the United States to ratify these international agreements greatly impedes the effective implementation of the human rights policies to which the Congress and the President have committed the United States: the U.S. National Commission for UNESCO:

1. Expresses the hope that the Senate will without further delay give its advice and consent to the ratification by the United States of the Convention on the Prevention and Punishment of the Crime of Genocide, which was submitted to the Senate in 1949;

2. Urges the Senate to schedule hearings as soon as possible in order to enable it to give its advice and consent to the United States ratification of the United Nations Covenant on Civil and Political Rights, the United Nations Covenant on Economic, Social and Cultural Rights, the International Convention on the Elimination of All Forms of Racial Discrimination, and the American Convention on Human Rights, which have been signed by the United States and sent to the Senate by President Carter;

3. Believes that the United States should also:

(a) ratify the Optional Protocol to the Covenant on Civil and Political Rights;

(b) recognize the right of individuals to file private complaints under the optional clause of the Racial Convention;

(c) accept the jurisdiction of the Inter-American Court of Human Rights established under the American Convention on Human Rights

4. Calls on the member organizations of the U.S. National Commission for UNESCO to urge their constituents to support United States ratification of the aforementioned human rights treaties;

5. Instructs the Chair of the U.S. National Commission for UNESCO to transmit copies of this resolution to the President and members of the Senate of the United States together with a letter expressing the Commission's strong support for the ratification of these treaties.

A PHANTOM TELEPHONE NUMBER

Mr. EXON. Mr. President, I have been informed by staff that during a check of the telephone lines assigned to my office, it was discovered that one number assigned to me could not be located in our use, but has since been eliminated without explanation. For lack of a better term, I will refer to this as the "phantom" telephone number, 224–5597.

Senators can imagine my surprise, considering all the sophisticaed technology and accounting surrounding the Senate's telephone system, that a telephone line assigned to a Senator could be "lost."

This would appear to me to be a matter which deserves attention, and I am therefore asking the Sergeant at Arms or other appropriate authorities to investigate this situation and report back to me and the entire Senate, if necessary, on the whereabouts of my "phantom" telephone number, where and how it was employed, and by whose directive. This situation may be unique to the junior Senator from Nebraska, Mr. President, or then again, it may not be. I am sure all my colleagues will share my concern for what appears to be an unecessary expense, without proper authority.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. EXON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have been very interested in hearing what the distinguished Senator has said in bringing this matter to the attention of the Senate.

I wonder whether there is any connection between this mysterious happening and the equally mysterious existence of the so-called Senate Steering Committee.

I have made some reference to this shadowy title. It is a rather arcane, mysterious matter, the existence of the Senate Steering Committee, which uses, I believe, the Senate seal. I have seen the calling card of the staff person. The calling card has a seal on it. I believe it is a U.S. Senate seal. It calls itself the Senate Steering Committee.

I know of a steering committee. I know about the Democratic steering committee in the Senate. It is chaired by the majority leader. I assume that if there were a Republican steering committee, it would be chaired by the distinguished minority leader.

I cannot even ascertain whether or not there is a Republican steering committee in the Senate. The telephone directory does give a number for a Republican steering committee, I believe; and if my memory serves me correctly, it is the same number that appeared on the card bearing the mysterious name "Senate Steering Committee."

It may very well be that this is at the root of the Senator's problem, and I hope that the Sergeant at Arms will be able to determine this.

However, to this date, I have been unable to ascertain where the Senate Steering Committee meets, how it derives its authority, and all that. As a matter of fact, if there is a Senate Steering Committee, I should be chairman of it, because as long as the Democrats are in the majority here, they are entitled to the chairmanships of these committees.

If there is a Senate Steering Committee, I feel that I am being somewhat discriminated against in not being the chairman of it. Everybody knows that the chairmen of all the committees here, except the Republican campaign committee, are Democrats: the Finance Committee, the Appropriations Committee, the Veterans' Committee. Democrats are chairmen because the Democrats are in the majority.

Here, lo and behold, is a committee, somewhere—I cannot see it, I do not know where to find it, I do not know its makeup, I do not know what the authority for it is—which calls itself "the Senate Steering Committee."

And, by golly, there is no Democrat who is chairman of it.

I just cannot understand how any committee, a steering committee, could call itself the Senate Steering Committee.

I can understand the Republican steering committee. There is a Democrat steering committee. But how any committee could arrogate to itself the title "Senate Steering Committee" is beyond my comprehension.

I do not conceive of myself as being the Senate leader. I am the Senate Democratic leader. The distinguished Senator from Tennessee (Mr. BAKER) is the distinguished Republican leader, minority leader.

I have no more right to arrogate to myself the title of Senate leader than the distinguished Senator from Tennessee has to arrogate to himself the title of Senate leader. He is the Republican leader. He is the minority. And I am the Democratic leader so chosen by my Democratic colleagues.

So I should think that the Senator may find something very interesting. I hope he will let us know what the result of his findings are and if there is any connection between what his problems seem to be and this shadowy, pseudo Senate Steering Committee that we all should know about.

Mr. BAKER. Mr. President, might I inquire who has the floor so I may ask him to yield?

The ACTING PRESIDENT pro tempore. The Senator from Nebraska has the floor and his time has expired.

Mr. ROBERT C. BYRD. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. EXON. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I ask unanimous consent to proceed for 1 minute, if there is no objection. Are we in the morning hour?

The ACTING PRESIDENT pro tempore. We are in morning business.

Mr. ROBERT C. BYRD. The Senator may get recognition.

Mr. BAKER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, this is on my own time.

One of the disappointments to me is that the CONGRESSIONAL RECORD is not taped, at least audiotaped if not videotaped because sometimes the intonation and the voice inflections convey as much information as the nouns and verbs, and so it is today.

The distinguished majority leader has referred once again to the steering committee, and there is a Democratic steering committee but there is no Republican steering committee. But there is a steering committee which is an aggregation of Members who choose to meet from time to time to talk of their special interests as there is a Wednesday Club which usually meets on Thursday to speak of their mutual interests and concerns. But they are not official organisms of the Senate.

The distinguished Senator from Idaho, I believe is the chairman of the steering committee, and when the distinguished majority leader cast his fly upon the water, I sent word for the Senator from Idaho to turn on his voice box. I hope he is listening in his office so he can come to the Chamber and make his own explanations.

But I really suggest there is nothing sinister or improper about the steering committee. As I say it is an informal group. It has no official status, as I understand it, in the Senate. It refers to itself as the Senate Steering Committee, I suppose, to distinguish it from the House Steering Committee. But in any event there is nothing sinister about it. While I came in after the first few words were uttered on this subject, I suggest to my good friends and colleagues that there is also no great mystery about it. It is, I believe a largely conservative group that meets to discuss matters of genuine interest to them. They contribute their time and their resources to that mutual effort.

But I find nothing out of the ordinary or unusual about it, and I hope that by now the Senator from Idaho has heard this colloquy and can come to the Chamber to add whatever he may wish in that respect.

But I say to my good friend, the majority leader, that the steering committee is certainly not an organism that is calculated to be any challenge to his leadership, and I do not deem it a challenge to my leadership. On the contrary, I think it does good work from time to time and deserves the consideration of the Senate.

Mr. EXON. Mr. President, if I might respond briefly, I wish to emphasize that I made no allegations against any one or any person. I have been very interested in the discussion between the distinguished majority leader and the distinguished minority leader on this, and it may have been that I have touched on a rather sensitive chord.

I do not know whether this phantom telephone number that was assigned to the junior Senator from Nebraska was a Democratic telephone or a Republican telephone or what body was using that line. I made no accusation at all in that regard.

I do think, though, and hope that if either the distinguished majority leader or the minority leader can shed any light on the phantom telephone line that was assigned without authority to the junior Senator from Nebraska I would appreciate their advising the Sergeant-at-Arms, or other authority, so that I can be informed and also could likewise inform my colleagues.

Thank you very much, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I think the distinguished Senator has performed a service and I, like him, am very desirous of understanding more about the mystery with respect to his phantom telephone line.

May I assure my friend from Tennessee that I do not feel threatened in the slightest or challenged or do not feel that my exalted position is endangered in any way. I simply want the so-called Senate Steering Committee to quit calling my Democratic colleagues and pretending or at least leaving the impression—I will not say it is any pretense there—leaving the impression that it might be an official entity within my own party over here seeking to know about their attendance and their positions on rollcalls.

I believe that my Democratic colleagues have been sufficiently warned by what I have said here and informed to the extent that they are put on notice and will quickly give the back of their hand to the next caller from the so-called Senate Steering Committee.

So, I am willing to let the matter rest at that for the time being. I hope the Senate Steering Committee will leave me and my Democratic colleagues alone.

I received a letter from the Senate Steering Committee the other day announcing something. I just put it in file 13, which is the trash basket, and I recommend to my Democratic colleagues on this side of the aisle that they do the same with any communication that comes to them from the so-called Senate Steering Committee, that shadowy phantom name that no one seems to be able to put a finger on around here and which leaves the appearance to the public and to Senators likewise that it is an authoritative committee that has the legitimacy of the Senate stamp on it and, carrying the U.S. Seal, of course, that it has the legitimacy of Government sponsorship.

I hope with that it will be sufficient to alert it and, I hope, others, people inside and out of the Government, who receive any contacts from the so-called Senate Steering Committee, that they will at least be alert to what has been said.

I hope the use of the Great Seal of the United States in connection with the calling card, and so on, is not calculated to convey a false impression of sponsorship or approval by the Government of the United States. I am sure it is not calculated to do that, and I hope it does not convey that.

So I thank the distinguished minority leader for his assurances. I feel even less challenged now, even less threatened, than I did before.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HELMS. Mr. President, I have no desire to prolong the discussion about the Steering Committee. I happen to be vice chairman of that ad hoc group, and I am very proud to be. I want to thank the majority leader for having worked with the committee in months gone by. I know he has forgotten, but on the occasion, for example, of trying to set a time for the final vote on the Panama Canal Treaties I recall working with the distinguished Senator, and he said, "Check with the Steering Committee."

Mr. ROBERT C. BYRD. What was that?

Mr. HELMS. What was what?

Mr. ROBERT C. BYRD. What the Senator said.

Mr. HELMS. I said—and you did, sir— you said, "Will you check with your people on the Steering Committee?"

Mr. ROBERT C. BYRD. Well, I never said anything about a steering committee.

Mr. HELMS. I beg the Senator's pardon, but we will not argue about it. I am saying the Senator has known there was a steering committee.

Mr. ROBERT C. BYRD. The Senator is stating something that is not a fact. I have never acknowledged the existence of a so-called Senate Steering Committee. I have worked with Senators on the Senator's side of the aisle in developing time agreements, and the Senator may have said, "I wil have to talk with my group, with my people." I understand he may be representing other Senators in arranging a time agreement. But——

Mr. HELMS. Mr. President, is my friend's conversation on my time or his?

Mr. ROBERT C. BYRD. The Senator will have plenty of time.

Mr. HELMS. I thank the Senator. I bear him no ill will, and I know how he feels about me. I hold him in great affection and admiration.

Mr. ROBERT C. BYRD. There is no ill will, but I want to say for the Record that any representation that I have dealt with the so-called Senate Steering Committee in the past is an absolute untruth.

I do not assign any intent on the part of the Senator to state something that is not factual. He may be laboring under an impression that I thought that I was dealing with a so-called Senate Steering Committee, but I would nail him right then and there if I had understood he was talking about a so-called Senate Steering Committee.

So it might have been a misunderstanding; but I do not come to this floor today seeking——

Mr. HELMS. I will say there definitely is a misunderstanding.

Mr. ROBERT C. BYRD (continuing). Any illusions or delusions about this matter.

Mr. HELMS. We will not have any words before we fall out about it, Mr. President, because I hold my friend from West Virginia in the highest regard. As I have said so many times proudly on this floor, he was born in the State of North Carolina, a fact to which I also allude to often when I am home.

But whether it is his misunderstanding or my misunderstanding certainly, Mr. President, there has never been the slightest attempt by anybody to mislead anyone about the existence of the so-called Senate Steering Committee or its purpose.

If the majority leader wants to warn his people not to have any contact with the committee or its members, that is fine. But I will say to him that this is an honorable group of Senators who meet to research and discuss the issues before the Senate and to do what we can to have some influence upon the outcome of them.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HELMS. Yes, gladly.

Mr. ROBERT C. BYRD. Well, I certainly do not mean to impute to the group anything that would touch upon dishonor, and I want to make the record very clear.

Mr. HELMS. I appreciate that.

Mr. ROBERT C. BYRD. I am sure it is an honorable group, and I never in anything I have said sought to impugn its motives or impute to it——

Mr. HELMS. I am glad to have the record set straight.

Mr. ROBERT C. BYRD (continuing). Anything other than honor.

My Problem has arisen, and I have sought to do what I could to dispel it, because of the fact that the so-called Senate Steering Committee had contacted Democrats by telephone and by letter from time to time inquiring as to whether or not they were going to be in the city on a certain date and as to what their position would be on certain issues.

Of course, when they received a call from the Senate Steering Committee, they thought it was the Democratic steering committee, the committee which I chair, the sole responsibility of which is to assign Members to committees. It is not the responsibility of that committee to ascertain whether a Senator is going to be present on a given day or what his position is going to be on a given issue.

So I began to receive inquiries from my colleagues as to what this is. "We are getting calls from the Senate Steering Committee." I said, "Well, I know nothing about a Senate Steering Committee. The Democratic steering committee does not have as its role the determination of attendance or of positions." So that was the thing I was concerned about.

Mr. HELMS. I can understand that.

Mr. ROBERT C. BYRD. It was the fact that my colleagues were getting calls from a so-called committee which left them with the impression that it was being done under my authority as majority leader or at my request.

So I have sought to debunk my colleagues of any thought that such a committee has any responsibility, as far as we are concerned, to contact them. Certainly I wanted them to be absolutely aware of the fact that they have no responsibility to respond to such inquiries.

Mr. HELMS. Let me make a bargain with my friend from West Virginia, and I offer in absolutely good faith. I know he knows that I do. If at any time anything is done by the Steering Committee which displeases him or which he thinks is improper, if he will just mention it to Senator McClure, or to me, he will take care of it.

Mr. ROBERT C. BYRD. Well, I will mention it right now. Just have the committee stop calling my Democratic colleagues and asking them what their position is going to be on certain issues.

The ACTING PRESIDENT pro tempore. The time of the Senator from North Carolina has expired.

Mr. ROBERT C. BYRD. May I be recognized for 1 minute?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

The Chair informs the Senator that there is 1 minute remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time be extended 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Chair make it 10 minutes? I have a little bit of business I wish to transact following this discussion.

Mr. ROBERT C. BYRD. Ten minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Along with that call the so-called Senate Steering Committee should make it clear that this is not the Democratic steering committee and it not being done with the approval of the majority leader, not being done at his request, but that it is—tell them what it is, that it is made up of Republicans or whatever it is, and that that group seeks to know where they stand on an issue or whether they will be here. But make it absolutely clear that it is not an entity of this party on this side of the aisle.

Mr. HELMS. Well, we will be glad to call it the Bob Byrd Marching and Chowder Society or whatever would please my friend. I would reiterate that we are just trying to do a job that from our point of view needs doing from our philosophical base. That is all there is to it. That is the sole purpose of the Steering Committee.

I, perhaps, misread the Record when this matter was first discussed. I was not on the floor on that occasion. In any event, I sensed that my friend from West Virginia was awfully upset about the existence of the Steering Committee. And I was frankly puzzled when I read the Record.

Mr. ROBERT C. BYRD. Oh, no, not awfully upset. Your friend from West Virginia very seldom gets awfully upset or even upset, but I can talk to him that way once in a while when I am not.

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. Since the first occasion on which the Senator from West Virginia brought this to the floor of the Senate, I know of no incident in which the staff of the Steering Committee has called Members in regard to their vote on any issue, and I do not know of a repetition of the kind of thing which the Senator from West Virginia objected to then, and again objected to today.

We do not want to mislead anybody, and I suspect what was said last time and what is being said now will put all 100 Members of the Senate on notice that there is any entity which calls itself the Steering Committee, and it is not an official body and does not speak for the Senator from West Virginia or the leadership on either side of the aisle.

Mr. ROBERT C. BYRD. Or the Senate.

Mr. McCLURE. Or the Senate, certainly. And we never pretended to, and I think the discussion is helpful so that all Members may know, if indeed they did not know before, and some perhaps did not, that the activities of the Senate Steering Committee are activities of a number of Members of the Senate acting on their own behalf, and not as an official body of the Senate in the context of having official right to speak for the Senate or for the leadership on either side of the aisle.

It is not our intention to mislead, and I will add to the assurance given by my good friend from North Carolina as vice chairman of that group that if indeed there are any instances in which the activities of the Senate Steering Committee displeased the Senator from West Virginia—and if they did, I am sure, displease the Senator from Tennessee—in terms of the manner in which we conduct our business, we will try to discontinue them, because it is not our intention to do anything other than further the aims of that group in trying to forge good legislation, avoid bad legislation, and do the best we can to represent the people we have the honor to represent here.

I thank the Senator from West Virginia for yielding.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Idaho. I would be interested in knowing the composition of the Senate Steering Committee and the composition of its staff. I think if it is going to be called the Senate Steering Committee, it ought to be made a matter of record, as to the names of the Senators who compose that committee and the names of the staff people.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. I extend to the distinguished majority leader a personal invitation to attend the Senate Steering Committee luncheon on Wednesday next as my guest, and we will be glad to disclose to him any information available to us.

Mr. ROBERT C. BYRD. The Senator is very kind. I usually only take 5 minutes for lunch, if I eat lunch, but I may drop in on his luncheon at some point, because I would like to learn of the activities. I believe someone told me there was a Senator from the Democratic side who attends the committee meetings.

Mr. HELMS. Well, there have been, and there have been representatives of Democratic Senators. Will the able Senator yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. HELMS. The Senate Steering Committee was the focal point of the opposition to the so-called labor reform bill last year. The Senate Steering Committee was the focal point of the opposition to the Panama Canal Treaty last year. Obviously these issues attract Senators on both sides of the aisle, and occasionally both liberals and conservatives, as the case may be. But I would assure the Senator of one thing: There is nothing secret, there is nothing insidious about the Steering Committee. We are trying to work for the good of the country, as we perceive it, just as the Senator from West Virginia is according to his perception. We may differ on issues from time to time, but there is good faith on both sides. I sincerely hope the Senator will regularly attend these meetings; we will welcome him with open arms.

Mr. ROBERT C. BYRD. Well, I guess it was Pope who said, "Hope springs eternal in the human breast."

Mr. HELMS. I did not understand what the Senator said.

Mr. ROBERT C. BYRD. I think it was Alexander Pope who said, "Hope springs"——

Mr. HELMS. Indeed it does.

Mr. ROBERT C. BYRD (continuing). "Eternal in the human breast." He also said, "Thou art my guide, philosopher, and friend." I would say the Senator from North Carolina is my friend, but let not hope spring eternal in his human breast that I will attend his meeting.

Mr. HELMS. In other words, the Senator suggests that I not hold my breath until he comes?

Mr. ROBERT C. BYRD. That is right. The Senator has said there is nothing insidious, and I am sure of that. He has also said there is nothing secret. So I hope he will not object to laying in the Record the names of the members of the staff.

Mr. McCLURE. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I do not want to use up all the time remaining for morning business, so that the Senator from North Carolina cannot conduct the business he desires to conduct.

Mr. ROBERT C. BYRD. That time will be extended.

Mr. McCLURE. I thank the Senator for that assurance. As I said before, there is no formal membership of the Senate Steering Committee; it varies from time to time according to the issue as to who participates.

We bring staff members in from various Senators' offices to give us help, but we do have some staff assigned to coordinate the activities, whatever those activities may be at the time. I will be pleased to inform the Senator from West Virginia of the names and salaries of those people.

Mr. ROBERT C. BYRD. Will the Senator also state the identity of the Senators on whose payrolls those people are being paid?

Mr. McCLURE. Certainly. I will say that is already a matter of public record in the reports filed by the Secretary of the Senate.

Mr. ROBERT C. BYRD. Yes; but one has to go through and link all these threads together, as I have done, in ascertaining the names of the staffs of committees, and I think it is better to lay it out on the record, so that people will not have to spend their time searching through and tying all the threads of this documentary web together in determining the names of the staff. I would be glad to lay it in the record.

Mr. McCLURE. If the Senator wishes to.

Mr. ROBERT C. BYRD. Michael Hammond; is he the general counsel?

Mr. McCLURE. The Senator is correct.

Mr. ROBERT C. BYRD. Margo Carlisle, the executive director?

Mr. McCLURE. The Senator is correct.

Mr. ROBERT C. BYRD. Sylvia Castellanos, resident director?

Mr. McCLURE. The Senator is correct.

Mr. ROBERT C. BYRD. And Mildred Weber, a newly hired secretary?

Mr. McCLURE. The Senator is correct.

Mr. ROBERT C. BYRD. These people are being paid concurrently from the staffs of several Senators?

Mr. McCLURE. The Senator is correct.

Mr. ROBERT C. BYRD. Since this took a little time for me to develop, I think it would be better if the Senator would just lay into the record the information and let it all be a part of the record, so that everybody knows what the Senate Steering Committee is about, who is on the staff, how they are being paid, and so on, and then there will be no more need to discuss it, because my colleagues over here will be perfectly clear as to who is calling them when they receive calls from the so-called Senate Steering Committee.

Mr. McCLURE. Does the Senator from West Virginia yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I will be happy to inform all the Members of the Senate concerning the staff. As we have tried to indicate in the past, we hope all Members of the Senate know that there is this organization, and that it is available to them for whatever we can provide to them, and available for their participation if they desire to participate.

Obviously it has not been too different for the Senator to acquire this information, because he has the information, and he got it from the public records, or perhaps from secret phone calls made to the phone numbers that are listed without identifying the reason why the information was being solicited.

Mr. ROBERT C. BYRD. Oh, no. Oh, no.

Mr. McCLURE. But the information was solicited, and was given.

Mr. ROBERT C. BYRD. Well, it was determined by going through the telephone directory and then tracing the names through the report of the Secretary of the Senate. All of that labor could have been avoided if the distinguished Senator would just have laid it in the Record, because he has all the information at his fingertips and would have saved someone else the trouble of tying those continuous strands of the mysterious record together. If the Senator would just have read the information in the Record, we could have been done with all this discussion.

Mr. McCLURE. Will the Senator yield further?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I am sure the Senator from West Virginia would be happy to be done with it, and I assure the Senator that I would be happy to be done with it. I am sure there are more constructive efforts for both the Senator from West Virginia and the Senator from Idaho.

Again, I will state that we will make that information available to all Members of the Senate. I hope the Senator will not be offended when, as, and if, I contact some Members on the other side of the aisle to tell him this information because he has invited me to do so and I guess, therefore, I have permission to do so.

Mr. ROBERT C. BYRD. Absolutely. If the Senator wishes to call——

The ACTING PRESIDENT pro tempore. Time has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time be extended for 5 minutes and that the Senator from North Carolina be recognized.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. I thank my friend.

Mr. ROBERT C. BYRD. Will the Senator yield me 30 seconds?

Mr. HELMS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I would be delighted if, when the contacts are made of my colleagues that the person on the other end of the line is Senator McClure or Senator Helms and will so state. There will be no problem whatsoever. We even invite the Senator to call, and I invite you to call me and tell me what is going on and come to see me. But I could not extend the same information to a so-called Senate Steering Committee to give me a ring and find out what my position is going to be on a given matter here today.

But Jim McClure, yes, I will be delighted, any time. I will even ask him to eat out of my brown bag. And I extend the same invitation to the Senator from North Carolina.

Mr. EXON. Will the Senator yield?

Mr. HELMS. I yield.

Mr. EXON. Mr. President I did not realize what my inquiry would cause in the Senate I am concerned about this. There seems to be a great number of people who seem to know much more about this than I do.

Does anyone on the Senate floor, or within the sound of my voice, know what, or when telephone number 224–5597 was used and by whose authority?

Mr. McCLURE. Will the Senator yield?

Mr. HELMS. I yield.

Mr. McCLURE. Since this matter was brought to the floor this morning, I checked it with Margo Carlisle, who has been identified as a staff member for the Senate Steering Committee. I inquired of her what had happened on the telephone numbers. She said apparently there was some mixup on the assignment of telephone numbers.

We have not yet had an opportunity, or at least this Senator has not had an opportunity, of checking to find out how that mixup occurred or where it occurred. Apparently there has been some kind of a mixup in the assignment of telephone numbers. I assure the Senator from Nebraska we will work with him in whatever way we can to get that resolved.

Mr. EXON. Is it true, then, that telephone number 224–5597, which I called a phantom telephone, was indeed used by the so-called Senate Steering Committee?

Mr. McCLURE. If the Senator from North Carolina will yield further, I will have to check that. I had no notice that this would occur and I did not have the opportunity to check it since the subject came up. I certainly will, however.

Mr. EXON. I thank the Senator.

MONEY AND INTEGRITY

Mr. HELMS. Mr. President, a scholar for whom I have great respect is Elgin Groseclose, Ph. D., executive director of the Institute for Monetary Research, Inc.

Dr. Groseclose brings to the discussion of monetary matters something almost always overlooked by most economists: The vital, subjective values associated with money. In other words, Dr. Groseclose illuminates the moral aspect of money.

While econometricians can give us an estimate of how certain changes in an economy will affect certain other variables, Dr. Groseclose explains the nonquantifiable, but essential aspect of money in society's value system.

I have learned that last December, a short, but important letter from Dr. Groseclose was rejected by the New York Times. This is unfortunate, for if the economists that write and read the Times would read and understand Dr. Groseclose, economics as a profession would be, deservedly, in higher regard.

Mr. President, I ask unanimous consent that Elgin Groseclose's letter be printed in the Record at this time.

There being no objection, the letter was ordered to be printed in the Record, as follows:

December 15, 1978.

Letters to the Editor,
The New York Times

Dear Sirs: "Good name in man," wrote Shakespeare, "is the immediate jewel of the soul." And indisputably the greatest asset of an individual in the market place is his good name. Integrity opens the door to jobs; it is the first consideration of the lender; it is the coin to command both employment and capital.

Extraordinary therefore that this quality is so ignored in the consideration of the current crisis. The root cause of inflation is a loss of monetary integrity. Prices are not rising because of labor or capital or OPEC, but because no one trusts the dollar. Once the standard of the world, it is today everywhere shunned. At home, the sophisticated prefer real estate, antiques, gold, silver, travel or restaurant fare. Abroad, traders prefer yen, marks, or Swiss francs.

Why is the dollar discredited? Basically because the monetary system rested on a deception that could not last—the euphemism stated in 1913 by Keynes (though not its originator) that "so long as gold is available for payments of international indebtedness at an approximately constant rate in terms of the national currency, it is a *matter of comparative indifference* whether it actually forms the national currency." (Indian *Currency & Finance*. Emphasis supplied.) The Federal Reserve Act permitted the issuance of paper currency convertible into gold to the extent of 2½ times the amount of gold held as security. The Act thus permitted an over-extension of credit that took only 20 years for the collapse to occur in 1933. The System has been bankrupt ever since, if bankruptcy means inability to redeem its obligations.

A second cause of the discredit of the dollar—and with it the government itself—was the repudiation of domestic gold delivery contracts in 1933, both public and private, and the expropriation, without due compensation, of gold held by private citizens. In 1933, approximately $4 billion in gold coin and gold certificates (warehouse receipts) were in the hands of the public and the banks, sequestered by the government and paid for by irredeemable currency—gold that today would be worth to the holders some $40 billion in current paper—an unprincipled gain which the Treasury is now realizing in its gold sales.

A third cause of the discredit of the dollar was the repudiation in 1971 of the government's international obligations. In 1945 the U.S. entered into a mutual compact with members of the International Monetary Fund to maintain dollar convertibility into gold at $35 an ounce—a promise that became the cornerstone of the institution and which made the dollar the universal reserve currency. In 1971, the U.S. shut down the gold window and the dollar was no longer convertible abroad.

A fourth cause of discredit is the government's insistence on the euphemism of a gold standard. By statute, in 1900 the dollar was defined in terms of grains of gold (1/20.67 of an ounce). In 1934 the value was changed to 1/35 ounce; in 1971 to 1/38 ounce; in 1973 at 1/42.22 ounce. However, gold has never been delivered at these latter rates, and the statutory definition remains a fiction and an instance of official hypocrisy.

The discredit of the dollar did not begin last year, or in 1973; it began with the creation of the Federal Reserve System itself, of which Senator Elihu Root prophesied in 1914, "I can see in this bill (the Federal Reserve Act) no influence against the occurrence of those periods of false and delusive prosperity which inevitably end in ruin and suffering. . . . When confidence is lost, you can raise the rate of interest to the roof, but you do not bring the money until you restore confidence . . . my objection to the bill is that it permits a vast inflation of our currency . . ." (Excerpted. *Fifty Years of Managed Money*. p. 117)

A return to a convertible dollar under the fractional reserve system enshrined by the Federal Reserve Act will not restore confidence. The only correct solution is that set forth by the government of India, a hundred years ago, in 1877, to a proposal to demonetize silver:

"A sound system of currency must be automatic and self-regulatory. No civilized government can undertake to determine from time to time how much legal tender should be increased or decreased, nor would it be justified in leaving the community without a fixed metallic standard of value, even for a short time." (Report of the Indian Currency Commission. p. 786)

Sincerely,

Elgin Groseclose.

FOREST FARMERS SAY, "NO" TO A DEPARTMENT OF NATURAL RESOURCES

Mr. HELMS. Mr. President, The Forest Farmers Association, headquartered in Atlanta, Ga., has announced that it "wants no part" of the President's reorganization project, calling it "a sheer political power grab."

I ask unanimous consent that a portion of the association's April 10 newsletter relating to reorganization be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Forest Farmers Association,
Atlanta, Ga., April 10, 1979.

Legislative Letter

Proposed DNR organization chart shows forestry head as staff advisor.

A White House draft proposal on reorganization, dated March 19, has surfaced, which is marked for tentative public release about April 15. In the documents received by Forest Farmers Association with this draft is a proposed organization chart, dated February 1, 1979, for the Department of Natural Resources. It should be noted here that this chart is marked "Tentative Organizational Structure Subject to Further Refinement."

This proposed reorganization chart shows a straight line from the Secretary and Deputy Secretary to the regions/secretary's representatives. Under these region representatives would be all centers, laboratories, parks, reserves, projects and other field units. As best can be determined this is where the field force of the current U.S. Forest Service would be located. Meanwhile, the present Forest Service chief and his staff, would be relegated to staff positions, in an organization designated "National Land and Forest Resources Administration". In other words, the chief forest and land officer would be merely a staff official, without any direct line authority. Authority for running the agency would rest with the Secretary and Deputy Secretary, operating through the regional secretary's representatives. While the chief forest and land official might be a professional forester, he would likely have only an advisory role on forestry and land matters. The Forest Service and associated departments, such as Bureau of Land Management, would report to the region/secretary's representatives and the Secretary and deputy secretary, who almost certainly would be political appointees.

If this constitutes "building around centers of excellence", as the President's Reorganization Project team has repeatedly referred to the Forest Service, Forest Farmers Association wants no part of it. This action is a sheer political power grab, if we ever saw one. This would put virtually all federal lands, rougly one-third of the Nation's land, under one man, the Secretary of the Department of Natural Resources. He would effectively be a land czar—and the prospect is truly frightening.

Forest Farmers Association is not opposed to meaningful reorganization, which shows significant prospects of achieving greater efficiencies in such areas as delivery systems, program coordination, cost effectiveness, etc. However, the reorganization outlined in this program draft and the proposed organization chart in our view is a road map to disaster, which would destroy the very "center of excellence" the reorganization team alleges to want to build around. Forest Farmers Association will vigorously oppose any such proposal.

[Chart not reproduced in the Record.]

NORTH CAROLINA AGRIBUSINESS COUNCIL SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

Mr. HELMS. Mr. President, one of North Carolina's highly respected farm and business leaders has added his voice to the hundreds of other leaders across this land who have asked the Congress to reject the administration's proposed "reorganization" of the Department of Agriculture.

I ask unanimous consent that the full text of the letter received from Mr. Norfleet L. Sugg, executive vice president of the North Carolina Agribusiness Council, Inc., be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

North Carolina Agribusiness
Council Inc.,
Raleigh, N.C., April 2, 1979.

Hon. Herman E. Talmadge,
Chairman, Senate Agriculture Committee,
Senate Office Building, Washington, D.C.

Dear Senator Talmadge: A plan to reorganize certain Departments of the Federal Government, notably the Department of the Interior, is to be presented to Congress in April. The Department of Agriculture would lose the Forest Service to a new Department of Natural Resources. The Department of Agriculture would lose the Rural Development and Business and Industrial Loan Program to the Commerce Department.

The North Carolina Agribusiness Council

hereby expresses its opposition to the transfer of these units out of the Department of Agriculture. Your serious consideration of the rejection of any reorganization plan that includes any dismantlement of the Department of Agriculture is vital.

Although wood may be classified as a natural resource, it is closely allied to agriculture since it is a managed, renewable crop. The Forest Service should keep its visible presence in the Department of Agriculture which understands and promotes the production of food, feed and fiber (including wood for the building and paper products industries). In addition, wood and wood by-products are now becoming increasingly important as a source of energy.

The Forest Service should not lose its identity in a Department of Natural Resources. Wood should not be subject to the same concerns and restrictions as the non-renewable resources which are coming under increased pressure for land management policies, which are aimed toward preservationist goals.

Rejection of the plan for a single Department of Natural Resources is necessary.

With warmest personal regards.

Sincerely,

NORFLEET L. SUGG.

WILDERNESS: HOW MUCH IS ENOUGH?

Mr. HELMS. Mr. President, on April 16 the administration announced its intent to designate an additional 15 million acres of Federal lands as "Wilderness." The Congress now must decide just how much of that acreage should be so designated, and the issue promises to be a controversial one.

"Wilderness" designation means a single-purpose management of our forest, rangeland, mineral, and energy resources. It excludes development and multiple use of any sort. As this country moves into a time of increasing demands on limited resources it is essential that we approach this issue with caution and deliberation.

There is much confusion about what "Wilderness" designation really means. For instance, the Washington Post published an editorial last week entitled "Wilderness for People." Those terms, Mr. President, are mutually exclusive and contradictory. I would urge everyone in the Congress who is concerned about growth and opportunity in this land to be careful of the siren song of many of the armchair preservationists such as appeared in the Post editorial.

In that connection, I have at hand a copy of an address delivered by Mr. John Miller, president of the Boise Cascade Corp. under the auspices of the Duke University School of Forestry in Durham, N.C., last week.

Mr. Miller's address places the "Wilderness" issue in excellent perspective, and raises the very important question of just how much sense it makes to manage vast amounts of Federal lands for single-purpose uses such as "Wilderness." He very carefully differentiates between "Wilderness with a capital W" and "wilderness with a small w."

Because this issue promises to be so controversial, and is likely to give cause for concern to so many of our citizens, I commend the entire text of Mr. Miller's address to every Senator, and ask unanimous consent that it be printed following my remarks.

There being no objection, the ordered to be printed in the RECORD, as follows:

WILDERNESS: HOW MUCH IS ENOUGH?

(Remarks of Jon Miller)

Thank you, Mr. Chairman; Ladies and Gentlemen;

It's a great pleasure for me to have this opportunity to meet with you. I very much appreciate Dean Jayne's invitation to participate in the Maughan Memorial Lecture Series.

This series, on the topic "Wilderness and the Public Lands: The Decision-Making 'Framework," is particularly topic in light of new, comprehensive Federal agency studies and the ongoing debate in Congress over designating portions of our public lands to be used for wilderness, or for a multitude of other uses.

The issue of wilderness preservation is highly important to my company, Boise Cascade Corporation, because in addition to being owners of substantial private timberland we are significant purchasers of timber from these public lands. So naturally, we have an interest in how the wilderness issue is resolved. However, I believe the comments I present here today represent the views of the forest industry in general, not just Boise Cascade.

At the outset, let me emphasize this point. The forest products industry supports wilderness. We supported the concept when it was debated by Congress prior to passage of the 1964 Wilderness Act, and we have supported specific proposals for additions to the wilderness system. We have done so when wilderness, use clearly outweighed other uses and values because of ecological, scientific or aesthetic characteristics of the land. We will continue to support wilderness when that use is most appropriate and best serves citizen needs.

But I must tell you that the wilderness fever has run rampant in recent years. It has taken us to lengths which defy both understanding and logic. Today, more than 316 million acres—that's a land area more than three times the size of the state of California—is either already in the wilderness system, is being studied by Federal agencies for its wilderness suitability or is in proposals pending before Congress for wilderness designation.

But basic questions remain to be answered: How much Federal land should be set aside in wilderness preserves? And, how much Federal land should be managed to provide multiple-use benefits, such as timber, range, minerals, energy resources and general recreation for the American public?

My basic tenet is that wilderness is not essential to human welfare—certainly not to a comparable degree that food, clothing and shelter are essential. Compared to those three basic needs, wilderness is a luxury. Some time and some where, as wilderness conflicts with other values, we must consider and answer the question, how much wilderness is enough?

Civilization in Europe has survived rather well without areas being devoted to wilderness of the kind we have designated and reserved in this country. There may be outdoor enthusiasts in Europe who would like to have a few pieces of our wilderness on their continent. But most Europeans have demonstrated that they can enjoy outdoor experiences, backpacking along forest roads and clearcuts, enjoying vistas and varieties of landscape often specifically made possible by centuries of intensive forest management.

It can be argued they don't have much choice in the matter now, since the use patterns for the land were developed before the outdoor movement began. But the lack of choice does not seem to have hurt them or the thousands of Americans who travel to Europe each year specifically to share that continent's outdoor experience.

Of course, wilderness is not only for hikers. Our U.S. wilderness areas supplement a system of existing natural areas devoted to research. They also have value for biological gene pools and habitat for some rare animal and plant species. But how many acres are needed for those uses? Hardly hundreds of millions.

We sometimes hear the claim that wilderness areas should be envisioned as emergency stockpiles of timber and minerals stored and available for use in times of national emergency. But in practical terms, emergency access requires roads, as well as other improvements, which take time to put in place. In this regard, you should know some history. During World War II, the increased timber harvests required to support our war effort came from private lands, where roads were already in place, not from the undeveloped and unroaded national forests. But now the forest industry's emergency war effort of 30 years ago is overlooked. And the industry is accused of overcutting its lands.

As students of forestry you can appreciate the fact that a managed forest is more productive than an unmanaged one. Therefore, our best emergency stockpile of timber would be in accessible managed forests. Timber rotations are so long and inventories so great relative to annual harvest that, in times of emergency, harvesting could easily be increased for a few years without doing significant damage to the residual forest.

When you get down to it, the pressure to reserve more areas for wilderness is often elitist in origin. It largely originates with those few, often times affluent, people who are able to escape long enough to enjoy the isolated outdoor experience. They easily wax poetic about the renewing effects upon the human spirit of clear babbling mountain streams, singing birds and clear skies. It is easy to romanticize about the outdoors. Yet, Thomas Sprat wrote, "Poetry is the parent of superstitution." And the feeling grows, when listening to the preservationists, that something ominous will befall mankind unless more wilderness areas are created. It is akin to the superstitious feeling a person might get when a black cat appears, 13 sit down to dinner or the salt gets spilled.

We are not a superstitious people. We are pragmatists and we cannot afford to become too poetic or too superstitious about the natural resource base we depend on. We must make our decisions about land use on the most rational and scientific basis possible. We must recognize the wilderness use of land as an American cultural preference, not a necessity. We could continue uncritically to feed that preference by adding to the wilderness system. But there inevitably comes that time when we must answer the question: "How much is enough?" And I believe that question should be asked every time another increment to the system adds further to the total and impinges on other values we desire. I am referring to such values as jobs and affordable houses and general, accessible recreational opportunities.

And I do not believe the preference for wilderness is as strong as we may have been told. When I speak of wilderness today I mean wilderness with a capital W. That is, an area designated under the Wilderness Act of 1964 that created the National Wilderness

Preservation System. According to the Act, a wilderness area is "an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain." It is always Federal land, it is at least five thousand acres in size and generally appears to have been affected primarily by the forces of nature with man's work substantially unnoticeable. There are no roads and the use of motor vehicles is prohibited.

Now, most Americans are unable to distinguish between "big W" and "little w" wilderness areas. They regard wilderness as any woodsy place outside of town where they can hike, camp, picnic, hunt or fish. That includes a place to park their cars and campers or run their trail bikes. The public opinion polls have not adequately distinguished between "big W" and "little w" wilderness areas. The preservationists have exploited this lack of distinction to claim the polls show that the public supports further additions to the National Wilderness Preservation System. However, among those who know something about resource management and the limitations placed on wilderness use, the polls yield somewhat different results. During the summer of 1978, as part of the Forest Service Roadless Area Review and Evaluation, or "RARE II," 62 million acres of national forest lands were studied for possible addition to the wilderness system. The Forest Service received more than 300,000 responses—many with site-specific comments—which supported management and resource development over wilderness by a ratio of 3 to 1.

I said earlier that wilderness is part of the American culture. The forest products industry recognizes its value in natural areas for research and wildlife habitat studies. Being red-blooded Americans, raised on tales of Daniel Boone, cowboys and Indians, we appreciate wilderness as an opportunity to relate to our history, as well as an opportunity for recreation.

And the forest products industry had early assurances from members of Congress in 1964 that the National Wilderness Preservation System would not impinge on industry operations or on our responsibilities to our employees and the consumers who depend on us for forest products. Our initial apprehension and possible opposition was lulled and pacified. Senator Frank Church, who managed the wilderness bill through the Senate, said at that time, and I quote:

"First of all, we undertake to confine the proposed wilderness system to those areas of public land that have already been set aside for recreational use. Thus the system could only include areas already designated as wild areas, wilderness areas, canoe areas, primitive areas in national forests, primitive-type areas in national parks and in the national monuments, and such areas in wildlife refuges and game ranges. That is the maximum possible scope of the wilderness system to be established by the bill." (End quote.)

Congressman Saylor, who managed the bill in the House, said that as far as the national forests were concerned, the bill would effect only "eight percent of the national forest lands comprising the less than 15 million acres already classified for wilderness protection."

But what has happened?

Already the wilderness system contains 19 million acres, of which 15.25 million acres are in the national forests. And its size swells. The RARE II program recommends adding another 15 million acres the national forest land to the system, with as much as an additional 10.8 million acres possibly being added after even further study. In addition, if all of the unroaded areas now being reviewed for possible addition to the wilderness system by the Forest Service, the Park Service, the Fish and Wildlife Service and the Bureau of Land Management, and the unclassified Alaskan lands now in proposals pending before Congress are added to the 19 million acres already in the wilderness system, the total adds up to some 316 million acres which, as I said, is more than three times the area of California. The assurances of 1964 ring hollow for us now.

I must make certain you appreciate how massive these proposed wilderness areas are. If we take only the existing wilderness areas on the national forests and add the RARE II recommended areas and the areas on the national forests now in wilderness proposals before Congress, the total would be 33.5 million acres. That is a land area 7% greater than the state of North Carolina. Even this is hard to appreciate so I want to put it into terms a Duke University student can specifically relate to . . . basketball. 33.5 million acres is equivalent to the area of 310,550,000 basketball courts. If all 220 million Americans were to occupy those 310 million basketball courts at one time you would still have plenty of elbow room for shooting baskets. There would be 1.4 courts per person.

Of course, the wilderness areas would never be so crowded. The Forest Service estimates that in 1978 there were 8,620,000 visitor-days on National Forest wilderness areas. That's an average of 23,616 visits a day. The 15.25 million acres of existing wilderness on the National Forests are equivalent in area to 141,370,000 basketball courts. Which means the wilderness visitor on an average day last year had an area equal to 5,986 courts to play.

As large an area as that may seem, wilderness advocates say it is not enough. They point to the intensive use and crowded conditions in certain areas. They say that even the doubling of national forest wilderness, which would result from the RARE II recommendations, is insufficient. I think this little exercise with the figures, as frivolous as it may seem, shows the crowding problem to be one of distribution of the users, rather than the quantity of wilderness areas.

Perhaps we need to devise some method of allocating wilderness use, both with regard to time and place. The price system is well proved as an effective method of allocation. Perhaps a fee system, with higher prices for those wilderness areas that are the most crowded, would help spread use. There are, of course, problems with the practicality and costs of collecting fees. There would also be cries that a fee system is unfair to the nation's poor, who couldn't afford to pay user fees but, parenthetically, studies show that few of the nation's poor use wilderness areas now. The result of no price or other allocations system is a demand for wilderness that is apparently insatiable.

There is an irony in all of this. One of the key principles of the environmental movement is that polluters should not be allowed free use of our air and water resources and should not be allowed to pass on the social costs of pollution to others. That is, they should pay to clean up their discharges into the environment. But the environmentalists think nothing of the external costs involved when others lose jobs or have to pay higher prices for housing and wood and paper products.

How can we get wilderness users to internalize those social costs of wilderness just as we want industry to internalize the costs of environmental cleanup? Unfortunately, there does not appear to be an easy way of internalizing wilderness costs short of eliminating or curtailing the wilderness system.

Who is bearing the social costs of the wilderness system? While obviously all the problems of the forest industry and the consumers of wood products cannot be blamed on the existence of the wilderness system, I know for a fact that mills have had to close or curtail operations as a result of wilderness withdrawals. Mill employees, as well as mill owners and shareholders, are effected by such withdrawals. Home buyers and other consumers of wood products are affected by the higher prices that result from reduced supplies.

Lumber production in this country has remained relatively constant over the last two decades in spite of rising demands from a growing population. While production has been constant, consumption has been increasing. The difference has been made up by increased imports, so our balance of payments problem has been worsened by our inability as a nation to provide for more of our own lumber requirements. In 1968, imports accounted for only 18% of our consumption of softwood lumber. Last year we imported 11.8 billion board feet, 28% of the softwood lumber we consumed, and paid other countries, primarily Canada, $2.4 billion for those purchases.

The relatively fixed supply of timber in the face of rising demand has raised the price of timber and, in turn, the price of wood products. Between 1970 and the second quarter of 1978, the average price of timber on the national forests rose 470% to $140 per thousand board feet. Between 1970 and December 1978, the wholesale price index for lumber and wood products rose 154%. That compares with a 97% increase in the all commodity index. While there were certainly other factors at work pushing up prices so fast, the impact of wilderness must be included as a causal factor. The national forests are important to present and future timber supply because they contain 51% of the nation's inventory of softwood sawtimber, although they provide only 23% of the annual softwood harvest.

Despite the statements of Senator Church and Congressman Saylor back in the early 1960s, we now know the wilderness system will grossly exceed the acreage expected in 1964 and will continue to impact the forest industry adversely. The industry welcomed the RARE II program and its timely completion because it seemed to provide a means for quickly removing the years of uncertainty that had attended the wilderness withdrawal process. Planning and execution of industry investments and operations are difficult when there is great uncertainty over future raw material suplies. Prior to RARE II, making wilderness withdrawals was like slicing salami—while there may have been severe local losses from each slice, the impact on the nation as a whole was hardly noticeable. RARE II, however, which gave the nation a chance to view the cumulative effects of withdrawals, provided a means for nationwide public discussion of the impacts.

The RARE II recommendation of 15 million acres for addition to national forest wilderness includes 5.7 million acres of commercial forest land. This commercial forest land would be added to the more than seven million acres of forest land with commercial capability already set aside as wilderness. The Forest Service says its RARE II wilderness recommendations will result in a yearly reduction of 1.3 billion board feet in the potential yield from the national forests—enough to build more than 100,000 houses every year. Thus, it is clear that existing wilderness areas and areas proposed for wilderness are not all "ice and rocks," as some wilderness advocates claim they are. Many areas contain valuable timber. Furthermore, many of the non-timbered areas are valuable for their energy resources and minerals.

Not only is the area of the wilderness system exceeding the 1964 estimate of Congressman Saylor, it also threatens to exceed the goals of the Resources Planning Act Program. These goals approved by Congress in 1976, set a target for national forest wilderness at 25 to 30 million acres by the year 2020. But the RARE II recommendations, when added to existing national forest wilderness and areas now in proposals pending before Congress, would put the total area at 33.5 million acres.

In contrast to this, the national forest timber harvest is already below the Congressionally-approved goal for timber—and threatens to fall even further behind as the potential yield is lost to wilderness additions. So while wilderness areas are made inviolate by legislation, the timber base is not inviolate. It is sacrificed. No wonder the forest industry feels like it is on the receiving end of the statement, "What's mine is mine; what's yours is negotiable."

You may ask: "Couldn't timber production be increased sufficiently on the remaining commercial forest lands to offset the loss of some forests to wilderness?" You know from your foresty education that the actual growth of our forests is well below their biological potential and that given the time, the investment funds and the techniques of scientific foresty, forest growth and yields could be sharply increased.

The idea of intensified forestry as an alternative to harvesting in the presently unroaded areas of the national forests was explored in a recently published Forest Service study. The objective was to determine how much additional timber could be grown on the developed areas of selected national forests by using the funds that otherwise would be spent for roadbuilding on the unroaded areas. The study found that because of the environmental restrictions already affecting timber management on the developed areas, the total harvest would drop.

Limitations from roadside and streamside buffer strips, the size and space between clearcut areas and modifications for scenic and wildlife purposes so restrict the flexibility of operations that the timber on the presently unroaded areas is needed to maintain harvest levels—even though those levels are generally below the Forest Service's potential yield or allowable cut levels.

If the environmental extremists could have their way, they would impose restrictions on the very practices that are most useful for increasing production of timber. They continue to rail against clearcutting, even though numerous studies have shown that clearcutting, although sometimes abused in the past, is an ecologically sound method of harvesting and securing regeneration of certain species of timber. One such study was prepared for the Council on Environmental Quality by your own Professor Charles Ralston and the deans of four other forestry schools.

The environmental extremists are critical about the conversion of hardwood sites to softwood, even though the practice often merely returns the site to its original cover type. They are critical of the creation of forest monocultures, although extensive pure stands of timber are fairly common in nature.

These and other forest practices are man's way of simulating natural events. They are suggested by nature and are adopted after observation of nature's ways and man's experiments. Clearcutting and site conversion, for instance, simulate nature's cruel catastrophes, like fire and windstorms. But they are more controllable and less wasteful. he so-called "ecological ethic" of the environmentalist, however, is derived from his personal preference for the way he thinks things should be—and, of course, he thinks nature is always idyllic.

The "ecological ethic" as propounded by environmental extremists seems to me to reflect a pessimism about man's ability to manage his environment in order to increase its productivity for mankind. Forest management, as practiced by most industry companies and some public agencies, is environmentalism based on optimism and confidence. If we practiced agriculture the way the environmental extremist would have us practice silviculture, we would still be a race of hunters and foragers.

Is there some way the perceived wilderness "needs" of the extremists can be satisfied without reducing the area of forest land available for timber management and harvesting? I believe there is, but it will require some public education and perhaps some revisions in our ideas of what a wilderness is or what it can be.

Not all *de facto* wilderness areas are on Federally-owned lands. The actual areas of land devoted to wilderness-type use is much larger than that set aside by statute or regulation from developed uses. Several forest industry companies, for instance, have set aside "pocket wilderness" areas on their lands which contain some unique ecological situations.

There are unknown millions of acres of land in other private ownerships that have been held from timber harvesting just as a matter of owner policy or preference. Some of these lands will eventually be harvested when the lands are acquired by new owners or the present owners suddenly realize how much value in timber they contain. These lands will never show up in the National Wilderness Preservation System because they are not Federally owned and are usually less than five thousand acres in size. But the effect of their owner's policies against management and development is that the area of forest land devoted to wilderness-type use is understated and the area of commercial forest land available for harvesting is overstated in official figures.

The fact that this non-official wilderness is not statutorily protected from development should not make much difference to the general public, which usually cannot differentiate between "big W" and "little w" wilderness anyway. Nor should it make much difference to wilderness proponents. They have already demonstrated their willingness to ease their definition of wilderness so more eastern areas can be added to the wilderness system—including harvested areas and areas that still have old roads and buildings on them.

These situations also demonstrate that the effects of timber harvesting are really not all that permanent and that nature has wonderful recuperative powers. This being the case, perhaps the qualifications for creating and maintaining the National Wilderness Preservation System need not be so inflexible.

Since nature does have recuperative powers and many people would have trouble distinguishing between a virgin forest and one that was once harvested and is again approaching maturity, why can't wilderness use and timber harvesting alternate over time as the dominant uses for some forest land? With low intensity forest management and long rotations of perhaps 100 years or so, roads could be put to bed after harvesting and stand reestablishment on selected areas where intensive management is not practical. After maybe 40 or 50 years most of the qualities sought in a wilderness would be well reestablished and the areas could be registered and made available for wilderness use.

This could take the pressure off some of the wilderness areas that are now so popular that their wilderness character is being diminished by crowding. The owners of private lands involved in this scheme could be given a property tax reduction or some other incentive for maintaining their lands in a novo-wilderness condition and permitting their use by the public. This scheme would not reduce the need to practice intensive forest management wherever practical. I suggest it merely as a means of providing more wilderness opportunities, perhaps to the less discriminating user, without permanently tying up land.

This life cycle approach to alternative land uses could also have application to Federal lands. Since wilderness proponents have already demonstrated a willingness to compromise their standards to get more eastern areas into the wilderness system, and since nature has remarkable recuperative powers, and the fact that trees grow and pick up value whatever the legal designation of the land they are on—we can ask if the permanent designation of wilderness is necessary for Federal land to serve wilderness purposes?

Why couldn't some of the marginal lands on the national forests and some of the areas recommended by the RARE II program be treated in the rotating use pattern I described.

I am not so naive to think that wilderness proponents would readily accept this last proposition. They already have a law on their side, backed by regulation and the Federal bureaucracy that permanently reserves land for their special use. The commodity users have no such protection. It is their salami that is being sliced. But the national forests are public trusts, not to be managed only for the benefit of the few who are able to enjoy them first hand, but for those at the end of the commodity manufacturing and distribution chain as well—the American consumer—all of us who need housing at reasonable prices and a variety of wood and fiber products we use daily.

Conflict between the forest industry and other multiple-use advocates on one hand and the wilderness advocates on the other, will not be resolved in forums like this one today. It will be resolved in Washington, D.C., where economic and ecological considerations will come after political considerations.

It is important for forestry students to understand they practice their art and apply their science only as the politicians allow them. The contenders, therefore, will be trying to build the political support behind their proposals and to educate the uncommitted electorate to their particular points of view. One side will try to convince the electorate that more wilderness (with a capital W) areas are needed and that the costs are minimal. The other side will point to how much land is already designated for that single use, that this designation is not essential for a satisfying outdor experience for most people and that the costs in jobs and prices are too high to pay.

The fact that the controversy exists at all, of course, is evidence that people are already concerned about the amount of land that is devoted to single use for wilderness. They are asking, and rightly, how much wilderness is enough?

I thank you for your hospitality and attention.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION FOR 1980, 1981, AND 1982

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 22, which the clerk will state by title.

The legislative clerk read as follows:

> The concurrent resolution (S. Con. Res. 22) setting forth the recommended congressional budget for the United States Government for fiscal years 1980, 1981, and 1982 and revising the Second Concurrent Resolution on the budget for fiscal year 1979.

The ACTING PRESIDENT pro tempore. Under the law, debate on the concurrent resolution is not to exceed 50 hours, to be equally divided and controlled by the majority and minority leaders or their designees, with 2 hours on any amendment in the first degree and 1 hour on any amendment in the second degree, debatable motion, appeal, or point of order. Who yields time?

The Senator from Maine.

Mr. MUSKIE. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MUSKIE. What is the pending business, Mr. President?

The ACTING PRESIDENT pro tempore. The pending business is Senate Concurrent Resolution 22.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, before the distinguished Senator proceeds, I wonder if the chairman and the ranking member of the committee feel there should be a live quorum before we proceed. This is a very important piece of legislation. I believe we should have the full attendance of Senators, or as many as possible, before we get this debate under way.

Mr. MUSKIE. Mr. President, I agree. I am not sure we would necessarily attract Senators, but it is important that attendance appears to be especially necessary this morning, with the peculiar mandate the Senate gave us concerning this concurrent resolution. I would agree.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator indicate on whose time he wishes the time to be charged?

Mr. ROBERT C. BYRD. The time to be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

CALL OF THE ROLL

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Leg.]

Baker
Baucus
Bellmon
Byrd,
 Robert C.
Jepsen
Muskie

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absentees.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Leg.]

Armstrong
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
 Harry F., Jr.
Cannon
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Morgan
Moynihan
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Weicker
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Alaska (Mr. GRAVEL), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Wisconsin (Mr. NELSON), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Nebraska (Mr. ZORINSKY) are absent on official business.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. GARN), the Senator from New York (Mr. JAVITS), the Senator from Illinois (Mr. PERCY), the Senator from Delaware (Mr. ROTH), the Senator from Wyoming (Mr. WALLOP), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

The PRESIDING OFFICER (Mr. EXON). A quorum is present.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 10 seconds?

Mr. MUSKIE. I yield.

Mr. ROBERT C. BYRD. Mr. President, by virtue of the unusual order that the Senate had entered, requiring the Senate Budget Committee to bring in a balanced budget for fiscal year 1981 and a balanced budget for fiscal year 1982, I felt that the resolution before the Senate acquired an unusual significance and importance that necessitated the live quorum. It was for that reason that I entered the request for a live quorum. I think Senators should be aware of the significance of the measure that is now being taken up.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Maine for yielding. I shall not take very long.

I think the Senate owes a debt of gratitude to the chairman and to the distinguished ranking Republican member, the Senator from Oklahoma, for their dedication to their duty and responsibility under the Senate resolution and under the act in bringing us this resolution in this form at this time, and with what it portends for a balanced budget in the future.

If there is anything on Earth that the country is asking for now, it is the type of fiscal restraint that is described, I believe, in these resolutions.

I take this opportunity to commend both Senators.

Mr. ROBERT C. BYRD. Mr. President, I share the expression of gratitude that has been stated by the distinguished minority leader.

The Budget Committee—the chairman, the ranking minority member, and the other members—have worked hard to fulfill their responsibilities under the order of the Senate. They have brought in a very extensive and voluminous measure. It behooves all Members to give the closest attention to it, because I daresay that the balanced budget figures for fiscal years 1981 and 1982 will bear very close scrutiny on the part of all Senators.

Mr. BAKER. Mr. President, they will indeed, as the majority leader correctly points out, bear the close scrutiny of the Senate. But, in a way, they are a challenge to the Senate, as well, to make sure that we do live within the requirements that will produce the balanced budget. I hope we will, and I now commit myself to do my best to see that that happy day arrives as soon as possible.

Mr. MUSKIE. I thank both my good friends for those words of praise. There may be less praise after the budgets have been scrutinized carefully, but the objective is one we all share.

I hope Senators will give this budget the attention it should be given, not because Senator BELLMON and I and the other members of the Budget Committee have produced it, but because it is an attempt, after arduous labors, to respond to the mood of the country, to the mood of the taxpayers, as well as to the mandate of the Senate—and I will get into that in greater detail.

I see that the distinguished Senator from New Mexico would like me to yield, and I yield to him.

Mr. SCHMITT. I thank the distinguished Senator from Maine.

Mr. President, I join my colleagues in praising the efforts of the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON).

I think that Congress, in spite of our debates and arguments over specific portions of the budgets of this year and the year before, must be recognized as having taken some very significant steps in gradually reducing, significantly reducing, in each stage of the budget, the overall spending levels of the Federal Government. Obviously, that is what has to be done, even though we argue back and forth on how to do it. It is clear that we have met that commitment; we met it last fiscal year. We are making it again this fiscal year, so that now a balanced budget by fiscal 1981 is clearly in sight.

Certainly, by fiscal 1982, if we continue to chop out of the budget the kinds of numbers we have chopped out during the last few years, we can achieve a balanced budget, doing at the same time what is perhaps even more significant, and that is reducing the rate of growth of Federal spending, which in itself is inflationary whether the budget is balanced or not. To have a rate of growth of Federal spending greater than the rate of growth of the Gross National Product is basically an inflationary situation. We must continue to work in the direction that will bring about a balanced budget.

Senator MUSKIE and Senator BELLMON are to be complimented for their effort.

Mr. MUSKIE. I thank my good friend very much for those comments.

Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget and the Congressional Budget Office be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 22: John McEvoy, Karen Williams, Sid Brown, Susan Lepper, George Merrill, Brenda Tremper, John Tillson, Roger Schlickeisen, Ira Tannenbaum, Bob Sneed, Charlie Flickner, Liz Tankersley, Rob Fersh, Lewis Shuster, Cornel Botheral, Jim Capra, Anne Lockwood, Tom Hogarty, Tom Sliter, Allan Mandel, Porter Wheeler, Ann Hadley, Vic Miller, Gail Picker, Rick Brandon, Chuck Renner Shneider, and John Nelson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the use of small electronic calculators be permitted on the Senate floor during the consideration of Senate Concurrent Resolution 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that the following members of the minority staff of the Senate Budget Committee be allowed the privileges of the floor during the debate on the first budget resolution: Robert S. Boyd, Robert Fulton, Gail Shelp, Bob Helm, Becky Davies, Carol Cox, and Barry Kinsey.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield myself such time as I may need to make my opening statement. I warn Senators that it will be lengthier than usual, but we had a more complicated job this time, and I will take the time to try to explain it as clearly as possible.

Mr. President, the Budget Committee recommends a first concurrent resolution on the budget for fiscal years 1980–82 which produces a balanced budget in 1981 and provides for substantial tax cuts beginning in fiscal 1982.

The budget path recommended by the committee will be painful. Fiscal discipline has its price, and the price of accepting a near-term budget balance is measured in program curtailments, and in suspended tax cuts, which none of us is eager to endorse.

But unless we accept such sacrifices—unless we take the heat and tolerate the pain—the ardent demands for a balanced which have recently filled this chamber will not have counted for much.

The recommended fiscal 1980 aggregate totals are as follows: budget authority, $600.6 billion; outlays, $532.4 billion; revenues, $503.6 billion; deficit, $28.8 billion; public debt, $890.7 billion.

Last January, the President's fiscal 1980 budget recommendations were characterized as "lean and austere." But the committee recommends a fiscal 1980 budget which contains a deficit $11.8 billion lower than the President's when the two are estimated on a comparable basis.

Our deficit figure, moreover, is $3.6 billion lower than that proposed by the House committee—again, on a similar basis of comparison.

Mr. President, with those preliminary facts in the forefront, let me briefly summarize the essence of the message I am about to deliver.

First, a balanced Federal budget must be achieved as soon as reasonably possible. Our recommendation responds to that need.

Second, there is a price to be paid for a near-term balance. The committee is convinced that the price must be paid—and that it must be evenly distributed across the wide range of Federal activity.

Third, other committees of the Senate must take cost-saving initiatives recommended by the Budget Committee if we are to reach the end prescribed in our recommendations.

Fourth, our efforts to set a stringent fiscal policy are an indispensible part of the national campaign against inflation. But that campaign will fail without the enlistment of private sector restraints and private sector cooperation.

Fifth, though overall rates of unemployment have fallen, the plight of the structurally unemployed remains desperate. Our efforts to make jobs must focus on the needs of these people.

Sixth, a combined impact of enlightened fiscal and monetary policy can and should be reflected in a moderation of economic expansion and a dampening of inflation.

Seventh, the committee fully realizes that the future course of the economy cannot be predicted with precision. But the 5-year planning we initiated last year is essential to any hope for exerting continuing control over spending, revenues, and the size of a surplus or deficit.

Eighth, while sound fiscal policy will not allow for any immediate general tax cuts, our recommended budget path would include a $55 billion tax cut in fiscal 1982 and larger cuts in the subsequent fiscal years.

Finally, Mr. President, it must be emphasized that the achievement of a balanced budget in fiscal year 1981 is much more than a goal. We have presented a workable plan. And if we are willing to suffer the sacrifices—and I emphasize that—if we are willing to suffer the sacrifices, which must be accepted in order to make it work, we can and will bring it to fruition.

THE PARLIAMENTARY SITUATION

Mr. President, this year, consideration of the first budget resolution will differ from prior years in several respects:

This year for the first time, the Budget Committee has reported and recommends a multiyear first budget resolution. In addition to setting forth the recommended budget for fiscal year 1980, Senate Concurrent Resolution 22 also contains aggregate and functional totals for the following 2 fiscal years, 1981 and 1982.

Under this 3-year plan, the budget will balance in fiscal year 1981. This is the path to balance which the Budget Committee recommends to the Senate.

In addition to the 3-year budget, Senate Concurrent Resolution 22 includes revisions to the second budget resolution for fiscal year 1979. Without these revisions, needed supplemental appropriations cannot be enacted.

The revised budget aggregates and functional spending totals reflect adjustments in revenues, budget authority, and outlays which are necessary to take account of the higher than anticipated interest rates and inflation rates, and program reestimates of a technical nature.

Were it not for these changed conditions, no adjustment to the second budget resolution for 1979 would be necessary, since congressional actions on the fiscal year 1979 budget, in the aggregate, have stayed below the levels estimated in the second budget resolution.

Pursuant to the mandate of the public debt ceiling act, the budget committee has also reported without recommendation an alternative multiyear year budget. I emphasize this to those Senators who may be interested. The alternative budget, Senate Concurrent Resolution 23, is on the Senate calendar and its contents are thoroughly explained in the committee's report. It leads to balance in fiscal year 1982 rather than 1981 and provides for a tax cut beginning in fiscal year 1981 instead of 1982.

If any Senator wishes to offer the alternative budget as a substitute for the pending resolution, he need only move to strike all after the resolving clause in Senate Concurrent Resolution 22 and insert in lieu thereof the text of Senate Concurrent Resolution 23 which would then be a complete substitute for the 3-year aggregate and functional numbers, as well as the revisions to the 1979 resolution.

Thus, Senate Concurrent Resolution 22 contains budget numbers dealing with 4 separate fiscal years, the most complicated budget task the committee has ever undertaken. All of these numbers are open to amendment. And I would urge all Senators who disagree with any of the numbers recommended by the committee in this resolution to debate them here in the Chamber.

Let those who would raise the budget or cut it offer amendments to that budget and get rollcall votes on those amendments. Then and only then can the Senate adopt a first budget resolution which it can support through the summer as we make individual spending and taxing decisions.

SUMMARY

The Budget Committee's recommended restraints on Federal spending will do more than merely pinch. They will hurt. Some programs will be eliminated entirely and others will be drastically curtailed. But a multibillion-dollar deficit cannot be promptly wiped out without inflicting pain.

We cannot achieve a balanced budget without accepting these consequences. But the consequences of forgoing that achievement would be far more distasteful.

Until quite recently, Federal deficits have reflected continued slack in the economy and had little if any impact on inflation. But conditions are changing. The economy is moving toward full capacity. In this situation, deficits could indeed induce additional inflation.

Mr. President, we simply cannot afford that. In this 5th year of economic recovery, a sound fiscal plan must be a restrained plan.

There is no room in a sound economic future for Federal initiatives which contribute needlessly to the fueling of inflation.

Consistent with principles of humane and prudent Government administration, the deficit should be squeezed down and out as soon as possible. In the end, that is in the interest of all Americans.

This year's budget recommendation establishes a watershed in the recent history of fiscal policymaking. A few weeks ago, Congress instructed the Budget Committees of both Houses to prepare two alternative plans—one producing a balanced budget in fiscal 1981, and one producing a balanced budget in fiscal 1982. Your committee has responded aggressively to that mandate. It is now up to Congress as a whole to reciprocate.

Adoption of this plan to achieve a balanced budget could well be the most important step in responsible fiscal management since the adoption of the Budget Act itself.

In recent decades, increasingly higher levels of real Federal spending have been a fixture of American Government. But this first resolution on the budget calls for fiscal 1980 outlays below current law. It allows for no real growth in overall Government spending. It would reduce spending below current law levels by $5.2 billion in each of the fiscal years 1980 and 1981, and by $6 billion in 1982.

Compared to the cost of continuing current Federal policy at levels required to fully offset inflation, this budget reduces outlays by $11.7 billion in fiscal 1980, by $21.6 billion in fiscal 1981, and by $35 billion in fiscal 1982.

The deficit contained in this budget is $28.8 billion. If the budget prepared by the House Budget Committee were restated to reflect the economic and program assumptions of the Senate, their deficit would be $32.4 billion. On the same basis, the President's would be $40.6 billion.

Stated in the President's terms, the committee has recommended a budget which contains a deficit of $19.7 billion in fiscal year 1980. That has been accomplished at a time when many have insisted that a deficit goal of $30 billion was unrealistically low.

We have met that goal and gone further, and we have done so while using the most unflinching and objective economic forecast available. There are no smoke screens or mirrors in this committee's recommendations.

The recommended budget reduces spending proposed by Senate authorizing committees by $14.3 billion.

The budget is $1.1 billion lower than the proposal of the appropriations committee. The appropriation committee proposal would be several billion dollars higher if restated on a basis comparable with the budget committee figures.

In the committee's view, there is little room in the budget for new programs. This budget contemplates allowances for only a few of the new initiatives proposed by the President. Only by reducing or eliminating existing programs can room be made for innovations.

This very stringent budget path has not been easy to construct. It has been necessary to swallow hard before endorsing many of the cuts and restraints which the committee recommends. None of these proposals has been casually considered. The committee is fully aware of the penalties inherent in a disciplined course of fiscal policy; and these recommendations are highly disciplined indeed.

But if these restraints are harsh, it must also be said that they are equitable. The burden is widely distributed. None of the Federal Government's major enterprises is spared a share of the sacrifice.

The report details the extent to which the committee has distributed the weight of responsibility. Let me touch on some items which demonstrate the diversity of restraint.

In the Department of Defense, the committee recommends efficiencies in operations costs totalling a $300 million savings in fiscal 1980. These savings are not achieved in readiness-related operations. Another $100 million is saved in fiscal 1980 by phasing out the commissary subsidy.

For all Federal employees—civilians and military—the committee recommends a cap on pay raises. For retirees, the committee recommends once-yearly cost of living adjustments rather than twice yearly ones. These actions will save $4 billion in 1980.

The committee has found room for restraint in the energy field. Storage levels would decline for the strategic petroleum reserve based on likely fill rates. Savings there will be $1 billion. Funding for breeder reactor programs would be reduced by $200 million, and long term R. & D. would decline in real terms.

In the area of health care, the recommendations would allow for only $200 million of the President's proposed medicaid benefit expansions. No allowance is made for a program of national health insurance. Net savings of $1.8 billion are assumed in medicaid and medicare; and support for medical schools and students is cut back by $100 million.

In the field of transportation, the federal-aid highway program would be reduced by $500 million and restraint in funding for Amtrak would end passenger service in many of our states.

Cuts of $400 million would be made in public welfare programs and reform of the welfare system would have to be delayed until 1982.

Some price supports would be reduced for farmers in future years. And there is no room for the President's proposal to fund all-risk crop insurance.

And in the area of employment, the countercyclical public service jobs program would be phased out entirely by fiscal year 1981—for a reduction in fiscal year 1980 of $1.8 billion—and summer youth jobs would be cut back with fiscal year 1980 savings of $200 million.

There is scarcely a constituency in the United States which will not be touched in some significant way by the imposition of these and other sacrifices.

There is no satisfaction in that with the subcommittee or, I am sure, with the Senate. But neither is there any chance to make good on our duty to manage the public purse in a prudent and responsible manner unless we are willing to pay the price.

Some may ask, if the budget can be balanced in 1981, why not in 1980? That would require a fundamental change in the role of Government in America—or a tax increase of great proportions.

Mr. President, at this point I ask unanimous consent to insert a table in the Record in order to indicate what would be required. Federal outlays would have to be cut by another $38.3 billion—or $43.5 billion below current law in order to achieve a balanced budget in 1980.

When one considers the kinds of cuts I have already described what we have in 1980, pointing to a balance in 1981, Senators may get some faint notion of the enormity of that challenge.

There being no objection, the table was ordered to be printed in the Record, as follows:

IMPLICATIONS OF BALANCING THE BUDGET IN FISCAL YEAR 1980

[In billions of dollars]

	Committee recommendation	Balanced budget total	Balanced budget total compared to committee recommendation
Revenues	503.6	[1] 494.1	−9.5
Outlays	532.4	494.1	−38.3
Deficit	28.8	0	−28.8

[1] The reduction in revenues from the committee recommendation would occur because of reduced economic activity as a result of the cut in Federal outlays.

Mr. MUSKIE. Total outlays would be $491.1 billion, allowing no increase at all over fiscal 1979. That is true despite the fact that increased case loads, spendouts from prior commitments, and inflation adjustments required by law will inevitably drive the totals up.

The free lunch is as scarce in 1979 as it has ever been. And those who demand a stringent spending diet must not forget that the cost of Government can be reduced but not eliminated.

No tax cut would be provided under the recommended budget until fiscal 1982. But there would be a $55 billion cut in that year, to be followed by even more substantial reductions—$75 billion in fiscal 1983, and $100 billion in fiscal 1984.

The reality is that a balanced budget requires attention to both sides of the scales. We cannot achieve that balance solely through Draconian spendings cuts.

On both sides of the ledger—in spending cuts and in tax proposals—the Budget Committee has faced up firmly to the requirements of fiscal integrity. But those commitments will have no value unless they are reflected in the decisions of other congressional committees and in rollcall votes on the floor.

For example, in order to meet the budget resolution targets, other committees must recommend the following changes in existing law to achieve savings or make other cuts of equal magnitude.

The Finance Committee must save nearly $3 billion by recommending changes in existing health and welfare programs.

The Environment and Public Works Committee must produce a rescission of spending authority for the highway program—a rescission of half a billion dollars in each of the next 2 years.

The Appropriations Committee must rescind $1 billion of funds for the strategic petroleum reserve.

The Commerce Committee must approve the President's proposal to reduce Amtrak's support to levels consistent with a 43-percent reduction in passenger route mileage.

The Small Business Committee must terminate SBA disaster loans for crop losses which are eligible for FmHA assistance.

The Veterans' Committee must report legislation requiring private insurers to reimburse the Veterans' Administration for care provided to policyholders who go to VA hospitals.

The Governmental Affairs and Armed Services Committees must provide for once yearly increases in retirement benefits instead of the current twice yearly adjustments.

These will not be easy votes to cast. They were not easy to cast in the Budget Committee. They will not attract an eager flock of enthusiastic supports. Indeed, the Budget Committee's proposals for such sacrifices are anything but gleeful. Unfortunately, our fiscal dilemma is a sobering one.

FISCAL POLICY

In theory, fiscal restraint should be a popular course of action. The public has demonstrated its general support for shrinkage in the size and scope of Government. And the popularity of lower taxes is no recent development.

In reality, however, no meaningful spending cuts will ever be imposed without producing howls of outrage from those who suffer the consequences. Therein lies the challenge to us who make this Nation's fiscal policy—because the budget is a political document as well as a fiscal plan.

But fiscal restraint is made necessary by the overwhelming importance of the fight against inflation.

The success of our past efforts to stimulate the economy has added over 12 million jobs. The gap has been substantially narrowed between what the economy can produce and what it in fact produces.

Serious attention is still required to the plight of the structurally unemployed. But with inflation currently running close to a double-digit rate, the time has come to end general fiscal stimulus.

The Congress can only make a meaningful contribution to the battle against inflation if we approve a budget which avoids excessive strains on our productive capacity.

We must send a signal to the American people. We are not oblivious to the rages of inflation. We must set an example for sacrifices in both the public and private sectors which can bring inflation down.

Weighing the need to support public programs against the need to restrain public spending, a well-contributed budget can play an important role in shrinking inflation and in moving our economy in a more positive direction. The committee has recommended such a budget.

But important though a balanced budget is, it is not enough. Its impact will be blunted if wage settlements continue to break through the bounds of reasonableness.

Its moderating influence will be meaningless unless profit growth is no more than reasonable and prices are held down.

The committee has told the Senate with this budget that government must swallow some inflation if we are ever to return to a healthy balance of wages and prices. But the bitter taste of that sacrifice must also be absorbed in the private sector.

Federal budgets are not the sole source of inflation—far from it. And there are even limits on the impact which our private sector decisionmakers can have. Judgments made in Iran, in Saudi Arabia, and even in Japan or in West Germany can have as big an impact on the course of our inflation as any made here at home.

But Congress cannot dodge its responsibilities by pointing to those who must also contribute. We must carefully evaluate measures that have an inflationary impact by directly adding to the cost and price of goods and services. In a few cases, that may be necessary to accept such measures when overriding needs cry out to be served. But we must be aware of the consequences for inflation. We must be sure that every inflationary cost is balanced by a commensurate benefit.

The establishment of a new inflation monitoring capability at CBO has helped. We have already seen it working. We now know the inflationary implications of every major bill we consider. And those implications must weigh heavily as we make our choices and cast our votes.

UNEMPLOYMENT

During the past 4 years, the national unemployment rate has fallen by 40 percent from 9.1 percent to 5.7 percent. Some 12 million jobs have been created. But those statistics are cold comfort for the men, women, and young people who remain unemployed with scant hope for the future.

At least for the near term, general unemployment rates are likely to rise to 6½ percent.

But the burden of joblessness is not evenly distributed across our society. Employment rates for some labor force groups—professionals and highly skilled workers, for example—are near 100 percent. So we must not dilute Federal remedies for joblessness by spreading them equally across the job market.

Even more importantly, the plight of the structurally unemployed is genuinely appalling. The unskilled, the young, and minorities are particularly victimized. Minority teenagers, for example, are locked into a level of unemployment reaching 30 to 40 percent. A Nation committed to maximum employment, production, and purchasing power is compelled to work to minimize this waste of human potential.

Accordingly, the committee has recommended that programs addressing the needs of the structually unemployed would be expanded. But the countercyclical public service jobs would be phased out.

ECONOMIC GROWTH

The committee recognizes that real economic growth is likely to slow in 1979. The forecast adopted by the committee calls for 1.1 percent during 1979 and for a healthier but still modest pace of 3½ percent in 1980. The dual consequence of higher unemployment and lower inflation is reflected in the committee's assumptions.

It is necessary to make assumptions about the future course of the economy in order to know the cost of programs and the level of revenues. This was a very difficult choice to make this year. There is a considerable divergence of informed opinion and uncertainties are widespread. We chose to adopt the objective and independent CBO forecast after careful deliberation. Mr. President, I ask unanimous consent that a table be printed in the RECORD at this point showing this forecast and comparing it to the President's.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF SENATE BUDGET COMMITTEE AND ADMINISTRATION ECONOMIC ASSUMPTIONS

[Calendar year, dollar amounts in billions]

	1978 actual	1979		1980	
		SBC	Administration	SBC	Administration
Gross national product (GNP):					
Current dollars	2,108	2,352	[1] 2,343	2,585	[1] 2,565
Constant (1972) dollars	1,386	1,428	[1] 1,430	1,460	[1] 1,466
Growth rate [2]	4.4	1.1	2.2	3.6	3.2
Inflation:					
Consumer Price Index (CPI),[3] percent change [2]	9.0	8.2	7.4	7.6	6.3
GNP deflator, percent change [2]	8.3	8.2	7.4	7.5	6.4
Unemployment rate:					
Year average	6.0	6.2	6.0	6.8	6.2
4th quarter	5.8	6.7	6.2	6.8	6.2
Personal income (dollars)	1,708	1,923	1,894	2,115	2,078
Corporate profits (dollars)	202	212	227	233	237
3-mo Treasury bill rate (percent)	7.2	9.1	[4] 8.8	7.6	[4] 7.6

[1] The administration forecast was made before GNP data for the 4th quarter of 1978 were available. The SBC forecast presented here incorporates the preliminary data for the 4th quarter.

[2] 4th quarter to 4th quarter, except for Consumer Price Index for the administration and the 1978 actuals which are on a December to December basis.

[3] SBC and 1978 actual are the CPI for all urban workers. The administration uses the CPI for urban wage earners and clerical workers.

[4] The administration does not forecast interest rates. Rather, it presents interest rate projections based on the assumption that interest rates will decline with the rate of inflation.

Mr. MUSKIE. Mr. President, let me emphasize that we did not adopt these assumptions as a desirable set of short-term policy targets. Rather, we felt it necessary to be realistic about program costs and revenues.

We know that even a mild downturn entails a substantial amount of social distress. Yet an effort on our part to forestall such a downturn would be hazardous.

The effects of fiscal stimulus could easily come too late to stop a downturn and could just as easily sustain a needlessly higher rate of inflation.

Because the committee assumed that the momentum of expansion will resume during fiscal year 1980, and be sustained in subsequent years, we have overwhelmingly approved a budget path which would lead to balance in 1981.

Given a cooperative private sector and congressional determination to avoid cost-raising actions, this budget will help us turn the corner in the war on inflation. It should start us on a path which will lower the inflation rate by almost 1½ percentage points by 1982.

Once that corner has been turned, we can begin to permit more rapid growth and a higher utilization rate of our resources. As part of a plan to lower unemployment and reduce the Federal share of our national income, the committee proposes a sizable tax reduction for fiscal 1982.

The committee is recommending a revenue floor for fiscal 1982 which would accommodate a general $55 billion tax reduction on a full year basis. Assuming that these are to be personal tax reductions, those personal taxes would be cut by more than 17 percent in 1982.

This tax cut is consistent with a balanced budget. The recommended restraint on outlay growth makes it possible. In any other context, this tax cut would be highly inflationary.

But by 1982, inflation will have boosted payroll taxes and intensified fiscal drag. A tax cut will be needed to allow for economic expansion as well as to provide relief to the taxpayer.

COORDINATION OF FISCAL AND MONETARY POLICY

Prospects for renewed and sustained growth in 1980 and 1981 will be greatly enhanced if monetary policy plays a supporting role. An easing of monetary restraint should be made possible by the easing in labor and product markets that is likely to occur over the ensuing months.

Prospects for an easing of monetary policy should be further enhanced by a fiscal policy which shifts, as this budget does, from the recent expansionary role to the recommended posture of restraint.

Reduction and elimination of the deficit will dampen Federal demands in the credit markets while restraint in Federal spending will reduce Government demands for goods and services. The combined effect should permit a lowering of interest rates.

Federal Reserve Chairman Miller testified before this committee and assured us that—given congressional spending restraint—monetary policy would be adjusted to support a moderate economic expansion. This flexible and coordinated approach to the formulation of a policy of stabilization is heartening indeed. We can and must make it work.

SPENDING RECOMMENDATIONS

Let me turn briefly now to an overview of some of the committee's major spending recommendations for fiscal 1980. At this point, I ask unanimous consent to insert in the RECORD a table setting forth the 3-year aggregate totals which are proposed in the committee's recommendation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fiscal 1980 budget totals

	Billion
Budget authority	$600.6
Outlays	532.4
Revenues	503.6
Deficit	28.8
Public debt	890.7

Fiscal 1981 budget totals

Budget authority	637.5
Outlays	575.7
Revenues	576.2
Surplus	0.5
Public debt	921.2

Fiscal 1982 budget totals

Budget authority	687.2
Outlays	614.3
Revenues	615.0
Surplus	0.7
Public debt	959.5

NATIONAL DEFENSE

Mr. MUSKIE. Mr. President, the committee was determined to see that an overall reduction in Government spending was not achieved at the expense of a strong national defense. We have indeed recommended some substantial reductions in various elements of military spending, but we have allowed no reduction in programs which are vital to our security.

The committee recommends $137.8 billion in budget authority and $124.3 billion in outlays for defense programs in fiscal year 1980. For fiscal year 1981, it is $148.1 billion in budget authority and $135.8 billion in outlays. For fiscal year 1982, it is $157.9 billion in budget authority and $147 billion in outlays.

The committee recommendation is a responsible one and fully meets U.S. defense needs. In making its decision, the committee recognized that the growth in total defense funding is a poor measure of improvements in U.S. defense capabilities. The committee was more concerned about where the money was actually being spent. For example, this year, the Budget Committee determined that savings obtainable through 25 percent absorption of the fiscal year 1980 pay raise for civilian and military personnel of the defense department should be transferred to the tactical forces mission. This shift will improve U.S. tactical capabilities. Additionally, the committee fully supported the new initiatives requested by the President for strategic forces.

For the strategic and tactical warfare forces missions the Budget Committee's recommendation provides for real growth of over 5 percent in budget authority for Procurement, Research and Development over the fiscal year 1979 level. Since fiscal year 1978, these two missions will have grown by nearly $12 billion in budget authority.

As a part of an overall effort against inflation, the committee accepted the President's recommendation for a 5.5 percent cap on the anticipated fiscal year 1980 pay raise for civilian and military employees of the Department of Defense and employees of all other government agencies. The committee also recommended a number of management innovations. These would produce greater efficiency in defense operations and maintenance activities. Adjustment of military and civilian retired pay would be made on an annual rather than a semiannual basis. That procedure would bring Federal retirement adjustment procedures into line with the system now employed in social security.

(Mr. PRYOR assumed the chair.)

Mr. MUSKIE. Mr. President, I turn now to international affairs.

Mr. President, for international affairs, the committee recommends $12.0 billion in budget authority and $7.9 billion in outlays in 1980. For fiscal year 1981, it is $13.5 billion in budget authority and $8 billion in outlays. For fiscal year 1982, it is $12.5 billion in budget authority and $7.8 billion in outlays.

In the area of international affairs, the Budget Committee has imposed some reductions which were recommended by Senate authorizing committees.

International development programs represent about 40 percent of the international affairs function. Adjustments in this mission have produced a $1 billion cut in the budget authority figure proposed by the President. Still, this level allows for some increase over fiscal year 1979.

The committee's recommendations permit funding of the President's request for additional aid to Egypt and Israel in support of the Middle East Peace Treaty. Allowance is also made for assistance to other countries with special political or strategic ties to the United States.

In most other international programs, the committee recommends that the impact of inflation be partially absorbed. It is assumed that efficiencies and reductions will be undertaken in low-priority activities in order to keep higher priorities constant in real terms.

HUMAN RESOURCES

Mr. President, for human resources programs, the committee recommends $320.6 billion in budget authority and $287.6 billion in outlays. For fiscal year 1981, the recommendation is $355.0 billion in budget authority and $311.9 billion in outlays. For fiscal year 1982, it is $394.8 billion in budget authority and $338.8 billion in outlays.

This human resources budget, Mr. President, notwithstanding those numbers, is a tight one. It recommends reductions in benefits under such programs as social security, AFDC, veteran's income security, the G.I. bill, medicare, and medicaid.

It recommends phasing out the CETA countercyclical jobs program and the work incentive program, and it calls for reduced assistance to medical schools and students.

These recommendations are painful ones. They have been reached only after an intense effort by the committee to identify areas where unnecessary or duplicative spending could be reduced. It is the committee's perception that the recommended reductions would cause the least hardship to individuals.

While the committee's budget calls for restraint in human resources spending, it also allows for increases to meet some critical human needs.

Among these needed increases are the following:

First, educational assistance for low-income children at the preschool, elementary, and secondary levels;

Second, expansion of health care services for pregnant women, for low-income children, and for other low-income people—and additional health research to augment our present efforts to find cures for disease;

Third, the elimination or elevation of the present statutory ceiling on the food stamp program in order to avoid a reduction in benefits.

Fourth, reform of the Nation's welfare programs. The committee continues to be concerned about inequities, about disincentives to work, and about strains on family life. All of these concerns continue to plague our welfare system. The committee recommends reform beginning in fiscal year 1982.

Fifth, an increase in aid to refugees seeking a haven in this country:

Sixth, a full cost-of-living increase in benefits paid to veterans with service-connected disabilities and an increase in veterans education benefits.

In the CETA amendments enacted last year, Congress established an emphasis on providing employment assistance to those Americans who are structurally unemployed—primary youths and minorities. The committee's recommendations reflect this emphasis.

The committee repeats its concurrence with the concept that Federal programs to put these people to work can have the double benefit of reducing unemployment while minimizing inflationary effects. As a result, the committee recommends continued high levels of funding for such efforts, including a new initiative to enlist the private sector in a campaign to place the structurally unemployed in unsubsidized jobs.

At the same time, the committee sees little justification in continued funding of public service CETA jobs for people temporarily unemployed due to economic downturn. Such assistance was justified during recession but, in this fifth year of sustained recovery, it is the committee's judgment that this temporary assistance should be phased out. The committee recommends that spending under title VI of CETA—for so-called countercyclical public service jobs—be eliminated by the end of fiscal year 1981.

The committee remains concerned about the rapid escalation in health care costs.

Voluntary efforts to curb hospitalization costs have been initiated by the hospital industry itself. Those efforts are gratifying. According to a recent CBO study, this effort was successful in holding down the rise in hospital costs by 1.5 percentage points in 1978. In 1979, CBO estimates that this effort will reduce the increase in costs by 2.9 percentage points.

But that is not good enough. Even with this voluntary effort, hospital costs rose by 12.8 percent in 1978. CBO estimates that they will increase by another 13.9 percent in 1979. Such increases in the cost of a vital service such as health care simply cannot be tolerated.

Therefore, the committee recommends that the Federal Government undertake a strong intiative in controlling hospital costs. The Federal savings to be reaped from such an initiative are reflected in the committee's budget recommendations.

The committee is also concerned about the level of fraud and abuse in domestic assistance programs. The vigorous response of both Congress and the Executive has been gratifying. The committee expects that these efforts will lead to savings in individual health, education, and income security programs totaling $3.6 billion in fiscal year 1980.

Savings can never be properly achieved through across-the-board cuts which eliminate as much substance as fraud and abuse.

The committee recognizes that fraud and abuse in Federal programs cannot be eradicated quickly through simplistic efforts. Rather, they must be fought on a sustained and consistent basis, and the fight must be carried to many fronts. We can expect some modest, immediate payoffs, but the real benefits of improved management will be sustained in future years.

COMMERCE AND COMMUNITY DEVELOPMENT

For programs involving commerce and community development, the committee recommends $51.5 billion in budget authority and $46.5 billion in outlays for fiscal year 1980. For fiscal year 1981, the recommendation is $54.1 billion in budget authority and $49.3 billion in outlays. For fiscal year 1981, it is $54 billion in budget authority and $50.4 billion in outlays.

For commerce and housing credit programs, including the Federal payment to the Postal Service, the committee's recommendation approximates current law funding. An exception allows for possible reductions achieved through implementation of the President's proposal to use recaptured budget authority for GNMA. The recommendation includes no allowances for funding a new home ownership assistance program or for appropriation of a standby Treasury line of credit for the National Credit Union Administration's credit liquidity facility.

In the area of transportation the recommendation would permit small increases in airport development programs funded by the Airport and Airway Trust Fund. But funding for other air transportation programs would be held to current law levels.

Mass transit programs would be funded at the level requested by the President, as would most assistance to rail transportation. The allowance assumed for Amtrak subsidies is held to a level that will be adequate only if Congress approves DOT's proposal to reduce the size and improve the efficiency of the rail passenger system.

In order to provide for an equitable distribution of the budgetary sacrifices expected from the various transportation programs, the committee further recommends that highway funding increases enacted last year be reduced by $500 million in fiscal year 1980 and again in fiscal year 1981.

The committee recommendation continues funding for revenue sharing at current law levels, and provides no allowance for programs of temporary or standby countercyclical fiscal assistance to State and local governments. However, it assumes significant increases in development assistance to distressed areas and communities through full funding of the new EDA development finance program proposed by the President.

The recommendation for disaster programs reflects CBO's estimate of the funding necessary to satisfy demands for assistance. This assumes that the incidence of disaster is consistent with recent historical experience. This funding allowance will be adequate only if the Congress rejects an expected proposal to provide deep interest rate subsidies on SBA disaster loans. Congress must also assure that disaster loans for crop losses are financed solely through the Farmers Home Administration, which has traditionally provided financing for this purpose.

For programs involving administration of justice, the funding recommendations, except for LEAA, generally approximate the administration's request. The committee recommends LEAA funding significantly below current law. In reaching this recommendation, the committee noted its concern about the program's effectiveness. The improved financial condition of State and local governments which benefit from LEAA grants, and the pressing need to reduce Federal expenditures were also factors in this decision.

General Government activities are assumed to be funded at current law levels. This will force both the legislative and executive branches to continually implement new efficiencies or to incur real reductions in program and activity levels.

NATURAL RESOURCES

Mr. President, for natural resources programs, the committee recommends $41.6 billion in budget authority and $29.0 billion in outlays for fiscal year 1980.

For fiscal year 1981, the recommendation is $29 billion in budget authority and $33 billion in outlays. For fiscal year 1982, it is $31.6 billion in budget authority and $33 billion in outlays.

The committee's recommendation would continue funding basic science research at a constant real level through fiscal year 1980. But the level would decline in subsequent years. Civilian space programs would be funded above current law for the next 2 years, as requested by the President. This would assure further development and production of the space shuttle.

For energy, the committee recommends increased borrowing authority for TVA, but allows for reductions below current law for the remainder of the function. Reductions are assumed for strategic petroleum reserve oil purchases, for breeder reactor programs, and for oil exploration activities. Fossil fuel, magnetic fusion and conservation programs would be funded at current law levels. Increases are recommended for solar research and development and for regulatory activities of the Department of Energy.

The committee recommends funding below the current law level for natural resources and environment programs. While water resources projects would be funded at current law, cuts would be made for new park acquisition and for EPA construction grants.

For agriculture, the committee's recommendation allows increases above current law funding. Among these are increased export credit sales of agricultural commodities, and continued support for agricultural research and services at constant real levels.

Mr. President, much further detail regarding each of these individual areas of spending can be found in the committee's report.

REVENUES

A full discussion of the committee's revenue recommendations is also contained in the report. But let me summarize some of the most important features.

The committee recommends a revenue floor of $503.6 billion for fiscal year 1980. This assumes receipts under current law to be $503.5 billion. The floor also assumes enactment of legislation which, on a net basic, would increase fiscal year 1980 revenue collections by $100 million above current law.

In order to attain a balanced budget in fiscal year 1981, the committee assumes that no general tax reductions will be enacted in fiscal year 1980 or in fiscal year 1981. However, the committee recommends a major tax reduction of $55 billion in fiscal year 1982, and total tax reductions would offset the impact of social security tax increases scheduled to occur in the fiscal years 1981–84 period. They would also offset the extent to which inflation otherwise would push taxpayers into higher tax brackets.

The committee revenue floor also assumes additional revenues beginning in fiscal year 1981 derived from administration tax initiatives.

These initiatives could include various presidential cash management proposals or a new general requirement of withholding on interest and dividend payments. Implementation of these proposals would improve the efficiency or our tax collection system, and reduce the Federal budget deficit, just as efficiency initiatives affecting various spending programs would cut outlay levels.

Although these administration tax proposals would significantly increase fiscal year 1981 and fiscal year 1982 revenue collections, they would not require any ultimate increases in tax payments by law abiding persons. Withholding on dividends and interest would generate additional revenues only from persons presently evading tax on interest and dividend income.

The cash management proposals would accelerate payments to the Treasury of amounts already required to be paid, and thus would significantly reduce Federal Treasury borrowing needs. This would reduce the level of payments necessary to service the national public debt.

CONCLUSION

Mr. President, since its inception, the Budget Committee has been faced with the unenviable task of setting a strict fiscal plan and holding the Congress to it. This year, that responsibility has made it necessary to produce fiscal recommendations which are more stringent and demanding than ever before. Our report and our resolution are replete with sacrifices, constraints, and limitations. Such is the tenor of the times.

But we have not abandoned a conception of government as a national institution with a continuing obligation to promote the enhancement of American society. We are convinced that the bitter medicine of fiscal discipline will help meet that obligation. But we are also convinced that some of our needs are too great to be overlooked—even for a while.

In spite of its stringency, this budget recommendation provides for some important new spending initiatives: Economic development, meaningful increases in the delivery of health services to the poor, better veterans education and disability benefits, no cap on funding for food stamps, real growth in national defense.

But the mission of those who shape our fiscal policy for 1980 and beyond is essentially one of restraint. It has become necessary to find a short route to balance in the Federal Government's budget. The budget process has met that challenge in the fairest and most equitable manner possible.

Our proposal for a balanced budget in 1981 is much more than the statement of a goal. It is more than an exercise. It is more than a rhetorical device. It is a serious, honest, and workable plan.

It has been made possible only by the fact that after 4 years of evolution, the budget process has reached a new level of maturity. One year ago, the committee established 5-year budgeting as the basis for its revenue and spending decisions.

This year, that innovation has been joined to a new mandate for producing a balanced budget. The results are presented in the committee's report.

The committee fully recognizes that the future course of the economy cannot be predicted with precision—even in the short term. But the dynamism of multi-year budgeting is a dramatic advancement over the static limits of single-year planning. Multi-year planning alone can allow Congress to exert firm control over spending, revenues, and the size of a deficit or surplus. And multiyear planning alone can bring us into a balanced budget.

The budget process has been on trial since the beginning. But this year, the Senate, too, is on trial. There are those who argue that Congress is unwilling or unable to manage public funds responsibly. There are those who insist that we must alter the fundamental law of the land and deprive the Congress of one of its most vital powers—the power to exercise discretion in determining whether the national interest demands a deficit, surplus, or balance in the Federal Government's budget.

Congressional acceptance of the fiscal plan set forth in our report would lay those arguments to rest.

Our budget recommendations will lead to balance in the shortest practicable time. They are the sound assertive product of a mature and well established process. They are an answer to those who look for some assurance of the Federal Government's determination to put its books in order and to lead this Nation back to a balanced and equitable prosperity.

(The following proceedings occurred earlier and are printed at this point by unanimous consent.)

Mr. MUSKIE. Mr. President, at this point I am happy to yield to my good friend from Nebraska, who is a very valued member of the Budget Committee. He asked for 3 or 4 minutes at this time.

Mr. EXON. Mr. President, I am pleased to rise today in support of Senate Congressional Resolution 22, the first concurrent budget resolution for fiscal year 1980. As a freshman member of the Budget Committee, I am impressed with the hard and thorough work which was exhibited by the committee members in the development of the budget resolution before the Senate today. From my 8 years of experience as Governor, I am well aware of the necessity of hours and hours of detailed and difficult decisionmaking necessary to adequately examine and produce a viable, sound budget document. It is a stiff challenge. Let me assure my colleagues that your Budget Committee has met that challenge.

Mr. President, the American people are demanding fiscal responsibility from the Congress in the form of a balanced Federal budget. Spiraling inflation which is attacking each American household presents ample justification for this demand. Unfortunately, it is much easier to be in verbal support for the "concept" of a balanced budget than to actually balance the budget in fact.

In the last 19 years the Federal budget has been balanced only once. The average annual deficit in fiscal years 1969 through 1977 was $24.7 billion. In 1978 it was $48.8 billion, was reduced to an estimated $36.2 billion for the current year and further reduced to approximately $19.8 billion for fiscal year 1980, if the President's economic assumptions hold. But most importantly in my mind, Mr. President, is that because of the Budget Committee's work we can realistically see the light at the end of the dark tunnel of deficit spending beginning in fiscal year 1981.

The Budget Committee's blueprint for a fiscal 1981 balanced budget was not developed by idle rhetoric and posturing. Nor was it developed by sacrificing the legitimate needs of our country. It was accomplished only by hard work, priority setting, and difficult decisions made on a program by program basis.

Those who call for a constitutional amendment requiring a balanced Federal budget have an opportunity, by supporting the Budget Committee resolution, to provide for a balanced budget in fiscal year 1981. It is not easy, saying no to spending requests, is not easy. It is much easier to tell the American public you are for a balanced budget while still saying yes to all of the favorite spending programs.

Mr. President, the time for this fiscal hypocrisy is over. The Budget Committee has laid before the Senate a blueprint for fiscal responsibility. Time will tell if this body is ready to shoulder this responsibility.

Under the leadership of the distinguished chairman (Mr. MUSKIE) and the distinguished ranking minority member (Mr. BELLMON) I salute both of them for their efforts, their dedication, and their courage. I will be in support of the restrictive budget totals because I know it is what we have to do, and I know that other Senators will have to join those of us who will be supporting this budget.

It is going to take some painful votes, some unpopular votes, but we must maintain the integrity of the balanced budget document. I thank the Senator from Maine.

Mr. MUSKIE. I thank the Senator from Nebraska. The Senator has a very fine attendance record in the Budget Committee meetings, but more than that he has contributed from his knowledge and experience as chief executive of a fine State. I am not using a play on words, but he has balanced benefits against cost in every case.

One must balance benefits against costs in every case. There are thousands of numbers that are involved in order to achieve these totals.

I commend the Senator for his statement, but even more for the work he has contributed to the Budget Committee.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. I am happy to yield to my good friend from New Mexico.

Mr. DOMENICI. I thank the Senator.

Mr. President, I ask unanimous consent that Steve Bell of my staff may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

Mr. MUSKIE. Mr. President, at this time I express my special appreciation to my good friend and long-time and indispensable associate on the Budget Committee, the Senator from Oklahoma (Mr. BELLMON).

No one received with greater regret his announcement of his decision not to run again in the coming election year. I would have said this before he made the decision as well as after. However, in any case, I am delighted that he has been with us in this most challenging of the tasks we have undertaken under the budget system, and I thank him again.

Mr. BELLMON. I yield myself such time as I may require.

Mr. President, I thank my friend, Chairman MUSKIE, for his kind comments. I assure him that my decision not to seek reelection had nothing to do with the work of the Budget Committee. In fact, one thing that made my decision difficult was the fact that I would not see it carried on even further.

Mr. President, the budget resolution which is before the Senate represents an enormous amount of hard work over many long days, and some of those days went into late hours of the evening. The committee attendance was excellent. There was a high level of participation.

Even so, the achievement of this resolution would have been impossible without the leadership of Chairman MUSKIE, and I would like to begin by commending him for the enormous patience he showed and the strong leadership he provided our committee. The chairman exercised his usual cool-headed, even-handed—in this case, sometimes indulgent—techniques. In doing so, he was able to bring about a consensus in many cases in which initially one seemed to be impossible.

This has been a truly monumental task, and it would have been impossible without the leadership of our chairman, who, in every case, was fair and was dedicated to obtaining a result that the committee could support; and he exercised the strong leadership for which he is known.

Chairman MUSKIE deserves the thanks and the commendation of the Senate and of the American people, and he will get their thanks once they understand the importance of this resolution.

Our chairman has described fully and accurately the provisions of the resolution, and I am not going to make any effort to go over the same territory, but I shall add briefly to what he has said.

Mr. President, the first concurrent resolution for fiscal year 1980 is a marked departure from past budgets. Since the economy has been in a state of recovery in recent years, congressional budgets under the 1974 Budget Act have focused on increasing the level of private and governmental demand in the economy. They have been aimed at increasing employment and more fully using idle plant capacity. Control of inflation was given a lesser priority.

In many respects these budgets were appropriate for the economic circumstances of those years. However, economic conditions have changed dramatically during the past 4 years. The economy is now operating at near full capacity.

However, Mr. President, it is unlikely that any Member of the Senate is entirely pleased with the current state of the economy. The rate of inflation is far too high and threatens to slow housing, commercial, and industrial construction producing high unemployment and to bring on another recession. The objective of the resolution is to respond to current economic realities and thus help induce both current and future fiscal stability.

As easy—and appropriate—as it is to be critical of the current state of the economy, there are good features which should be recognized:

First, we are now entering our 50th month of sustained economic growth. This is a new record for peacetime growth for this country.

Second, unemployment has come down from the high of 9.1 percent in May 1975 to 5.7 percent in March 1979.

Third, almost 60 percent of the American population is gainfully employed. The economy has generated 12 million jobs since 1975, 3½ million in the last 12 months.

Fourth, the economy has absorbed the multiple shocks of enviornmental clean up, more stringent health and safety regulations and vastly increased energy costs without rupture.

Now, a different kind of budget, one that is not "demand" oriented, is needed. Many economists inside and outside government are now concerned about "overheating" in the economy and are calling for higher interest rates and other measures to restrain demand. These concerns are directed particularly to the alarmign acceleration in the inflation rate which has accompanied the movement of the economy toward full employment.

The strength of non-Federal demand in the economy and the need to combat inflation have led the Budget Committee to propose a significant shift in fiscal policy in 1980 and subsequent years. The proposed First Concurrent Resolution contains a spending target of $532.4 billion for fiscal year 1980—$11.6 billion below the spending required to maintain current policy, and $5.2 billion below the so-called current law level.

Never before has the Budget Committee recommended a level of spending below current law. In fact, in 2 of the last 4 years the spending totals recommended in the first budget resolutions exceeded the current law levels by about $12 billion. I call the attention of my colleagues to a table which appears on page 335 of the committee report, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In billions of dollars]

Fiscal year	Current law (CL)[1]	First budget resolution	Difference CL vs. 1st resolution
1976	355.0	367.0	+12.0
1977	409.0	413.3	+4.3
1978	455.0	460.95	+5.95
1979	486.4	498.8	+12.4
1980	537.6	532.4	−5.2
1981	580.9	575.7	−5.2
1982	620.3	614.3	−6.0

[1] Fiscal year 1976 and fiscal year 1977 estimated by SBC staff. Other years computed by CBO.

Mr. BELLMON. Mr. President, this chart shows the dramatic turnaround reflected in the Budget Committee's fiscal year 1980 recommendations.

By recommending significant spending reductions, the Budget Committee was able to stay under the President's January budget recommendation of a $29 billion deficit, even though our estimates of program costs and revenues are based on considerably more pessimistic economic assumptions than were used by the President. If the budget estimates in the first resolution were adjusted for the President's economic assumptions of higher economic growth, lower inflation, and lower unemployment, revenues would be $2.6 billion higher, outlays, $6.4 billion lower, and the deficit before us now would be less than $20 billion.

The Budget Committee's proposals also restrain spending in fiscal years 1981 and 1982. The fiscal year 1981 budget authority total is almost $23 billion lower than the projection for that year included in the report on the second budget resolution for fiscal year 1979. Both the fiscal year 1982 budget authority and outlays targets recommended by the Budget Committee as part of Senate Resolution 22 are also well below those projected in our report last fall on the second budget resolution for fiscal year 1979—budget authority about $28 billion lower and outlays about $8 billion lower.

These lower spending levels are responsive to the budget balancing mandates included in the recent Debt Limit Act. These spending targets are also in line with the goals in last year's tax bill of gradually reducing Federal spending as a percentage of GNP. Approval of this budget resolution would provide Federal outlays of about 19.4 percent of GNP in fiscal year 1982, as compared with a goal of 20 percent of GNP in that year as set forth in last year's tax bill.

Mr. President, last year the Senate Budget Committee began budgeting on a multiyear basis by describing in the report of the budget the out-year implications of the current year decisions. Now the inclusion of future year budget targets in the resolution itself—as opposed to their being only in the Budget Committee's reports—is another major step forward in the development of the congressional budget process. Dealing with the budget on a multiyear basis gives Congress a much better opportunity to appraise economic and program tradeoffs.

I am pleased, Mr. President, that the 3-year budget path recommended by the Budget Committee leads to balance in fiscal year 1981 and provides for substantial tax reductions or debt retirement in fiscal year 1982 and beyond. As recently as last September, the earliest year in which budget balance appeared reachable was fiscal year 1982. The 5-year budget path contained in the second budget resolution report for fiscal year 1979 indicated that a balanced budget might not be achieved before fiscal year 1983.

Today the Budget Committee is recommending to the Senate a balanced budget in fiscal year 1981, and this is a substantial improvement for which we should all be appreciative.

This more optimistic outlook results from several developments: The strength which the economy has demonstrated in recent months; the higher revenues produced both by the strong economy and by inflation; and, most important, the increasingly critical look being taken in both the executive branch and Congress at the various Federal programs. Clearly, balancing the Federal budget is both a matter of will and of growing national economic strength.

Mr. President, I am now very optimistic that Congress is on the way to ending the chronic budget deficits of the past 20 years. Congress can and will respond to public demands for a balanced Federal budget. Of course there will be years in which deficits will be necessary and appropriate. But those years must be offset by other years in which the Federal budget is in surplus.

I am convinced, Mr. President, that the achievement of budgets which are balanced over time is not only responsive to the voters, but that is is also "good economics." A review of the successes and shortcomings of fiscal policy in recent years indicates that Congress frequently has fallen short of the economic objectives it sought to achieve through activist fiscal policies—often at the cost of large and cumulative deficits.

In fact, the stimulative policies we have applied in past years have often served to increase economic stability rather than stabilizing the economy as anticipated. Moreover, there are very serious longer term consequences from inflation and the high interest rates that plague the Nation today. For example, the CBO forecast that a recession will occur in the last 1979-early 1980 period is based heavily on the destabilizing effects of inflation and high interest rates on housing, investment, and consumer purchasing.

A recent Data Resources, Inc., study for the Congressional Research Service compares the economic effects of activist fiscal policies to the probable path of the economy in the absence of such policies. This study is entitled "Economic Stabilization Policies: The Historical Record, 1962–1976," and was published in November 1978. The study concludes that:

> . . . the policies were potent as countercyclical devices, achieving at least part of the macroeconomic goals set for them, but that timing, permanent effects on aggregate output, and coordination with monetary measures were often less than desirable.

In other words, the study indicates that past fiscal policies heightened inflation or increased unemployment beyond what would have occurred without such policies, and that the lack of a longrun Federal perspective had negative effects on economic growth and inflation.

Mr. President, this budget is intended to deal with those omissions of past years.

Mr. President, I ask unanimous consent that excerpts from the CRS report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BELLMON. Mr. President, what appears to be required both for "good budgeting" and "good economics" is a less erratic approach to fiscal policy—an approach in which the Federal sector as a share of the overall economy shrinks somewhat and in which Federal budget deficits are offset by surpluses over time. Under this approach, the Federal Government would no longer commit a rapidly growing slice of its budget to interest costs, and it would be free to respond selectively, and in a more timely manner, to cyclical or external shocks to the economy.

The proposed first budget resolution for fiscal year 1980 acknowledges the limits of fiscal policy as a tool for achieving economic objectives. This resolution is also the first congressional budget which aims, as an explicit goal, to achieve balance. I believe that the fiscal year 1980 budget will become the way of the future.

This proposed budget, like all budgets in the past and undoubtedly all future ones, is not totally satisfactory to any of us who have worked on it; nor will it be totally satisfactory to every Member of the Senate. Minority members of the Budget Committee sought deeper cuts than the committee approved. We wanted to provide both a balanced budget and a modest tax cut in fiscal year 1981. We proposed some additional cuts which would have accomplished that goal.

Likewise, I feel that some of the increases endorsed by the committee—such as for Economic Development Administration and Environmental Protection Agency programs—should have been denied or at least reduced. But, on balance, I believe this is as good a budget as we could produce, given the many conflicting perspectives and pressures which surround the congressional budget process.

I want now to expand briefly, Mr. President, on my earlier comments about the need to reduce the Federal share in the economy. A reduced Federal share is essential, in my view, in order for fiscal policy to be effective in helping provide greater economic stability in the future.

Because the growth in Federal spending has generally exceeded the growth in GNP since about 1960, the ratio of Federal outlays to gross national product has increased from 18.5 percent in 1960 to about 21.6 percent in 1979. The first concurrent resolution and the Budget Committee's report project a reduction in the federal share of GNP to 19.4 percent in fiscal year 1982 and to less than 18 percent in fiscal year 1984.

Mr. President, there can be little doubt that the recent recession and current high rate of inflation both have their roots in excessive levels of Federal spending over past years. Beginning with the "gun and butter policies" of the Vietnam war years Federal deficits have totaled $359.8 billion. The inevitable result has been the cheapening of the value of our currency resulting in higher prices. Lacking a sound fiscal policy, it became necessary for interest rates to be raised. The result was a sharp decline in construction and an increase in unemployment. It should not be necessary to repeat these mistakes of the past.

This budget resolution, which sets spending patterns for the next 3 years and which produces a balance in fiscal year 1981 and a surplus in 1982, is intended as a major step toward economic stability. However, Members should not be misled into believing that achieving a balanced budget will automatically and immediately stop inflation.

There are many forces which feed inflation. Mr. Walter Hoadley, executive vice president and senior economist of Bank America, stated in testimony before the Budget Committee, almost half of the economy currently is indexed. Through either explicit cost-of-living escalators or implicit wage policy, many Americans are held harmless for inflation. A second cause of inflation is the loss of productivity and efficiency in the American economy. We also have had structural changes in our economy and rising costs in the basic resources we use. For example, increased food, energy and other material prices have contributed to inflation. The decline in the value of the dollar as a result of recent fiscal and energy policies also has pushed up the inflation rate. Finally, there is some feeling that fear of mandatory controls currently is adding to price increases in the industrial sector. A balanced Federal budget will not alleviate these diverse and important sources of inflation, but it is a first step toward bringing inflation under control.

Therefore, Mr. President, while the budget is a necessary first step, let the Senate understand that the battle against inflation will be long and difficult. It took a decade of deficit spending combined with an energy crisis to bring on the current high rates of inflation. It will take many years of fiscal restraint plus implementation of policies to assure far greater energy self-sufficiency to reduce inflation to historic levels.

I am pleased that the Budget Committee has recommended a fiscal policy path that is generally in tune with today's realities. Let me point to a few examples in which the Budget Committee has recommended restraint and retargetting of Federal activity:

The Budget Committee recommends a major reduction in the countercyclical jobs program under CETA (title VI) in fiscal year 1980, followed by complete phase-out of the program in fiscal year 1981, because there is little justification for this program in the economic climate that now exists. The committee's recommendations, however, assume that there will be no cuts in employment and training programs directed toward alleviating structural unemployment.

The Budget Committee also recommends a reduction in budget authority for housing assistance programs, amounting to about $9 billion below the current law level and $12 billion below the level recommended by the Banking Committee. This recommendation reflects the committee's concern about both design problems in current Federal housing programs, and about inflationary pressures in the housing construction industry, which receives over $65 billion annually in Federal support through loan guarantees, direct program activity, off-budget agency activity and mortgage interest tax expenditures.

The Budget Committee also recommends about $2 billion in cost savings in medicare and medicaid programs to be achieved through a variety of legislative changes in reimbursement policies, improved administrative practices, and the increased introduction of competitive techniques into the purchase of health care services.

It is my opinion that this is a more effective approach to reducing the rate of inflation in medical services than the enactment of complex cost containment legislation which I am convinced would be difficult if not impossible to administer.

The Budget Committee's recommendations for function 270—energy—assume a cut in the strategic petroleum reserve program that will save $1 billion in outlays below the level recommended by the President. This reduction recognizes both the problems the strategic reserve program has encountered and the misgivings about the desirability of buying oil during a period in which it would exacerbate shortages and price pressures.

For function 400—transportation—the Budget Committee's recommendations assume savings totaling $1.5 billion in budget authority in fiscal year 1980 and $0.6 billion in outlays in highway and rail programs. Many of us wish these cuts were not necessary, but there is no way we can hold spending down unless we cut popular programs.

In function 750—administration of justice—the Budget Committee assumes a cut of $300 million in budget authority in fiscal year 1980. This is an example of a relatively small savings in fiscal year 1980 that will add up to a savings of over $1 billion over the next 5 years. Some of us felt the track record of the LEAA called for an even deeper cut—or even elimination of the program. The Budget Committee's recommendation is a reasonable compromise.

These and other Budget Committee recommendations are steps toward greater fiscal responsibility and more efficient use of the Nation's resources. In many instances they will be difficult to achieve. However, the Congress has received a clear public mandate to reduce Federal spending, to balance the Federal budget, and to alter the mix of Federal spending to address public needs more effectively while helping reduce inflation. The first concurrent resolution addresses each of these concerns and represents a thoughtful compromise among the various views in the Senate as to how this mandate should be executed. I urge my colleagues to support this resolution.

Again I commend our chairman for the extraordinary efforts he put forth, and the great leadership he displayed in making it possible for a consensus of the Members to be reached, which made it possible to bring this resolution to the floor.

I also would like to compliment and commend the staff of the Budget Committee which put forth almost superhuman effort to prepare the markup materials, to prepare the report, and to provide the enormous amount of factual backup needed by the members of the committee as various decisions were reached.

The majority staff, led by Director John McEvoy, Sid Brown, and Karen Williams, the minority staff, led by Bob Boyd and Bob Fulton, certainly showed that they are able to work together in the highest meaning of the term "professional" and they gave both majority and minority members of the committee the kind of support that was absolutely essential in this endeavor.

[EXHIBIT 1]

FISCAL POLICY: THE SCORECARD BETWEEN 1962 AND 1976

A study prepared for the Committee on the Budget of the U.S. House of Representatives, the Joint Economic Committee, and the Congressional Research Service

(by Data Resources, Inc.[*])

AUGUST, 1978.

The decade-and-a-half between the inaugurations of President Kennedy and President Carter witnessed a dramatic array of modern stabilization policies. Measures ranged from traditional shifts in tax rates to liberalized depreciation allowances, an investment tax credit, and the unprecedented peacetime use of wage and price controls. Monetary measures were also far from dormant. Such an active pursuit of balanced growth, combined with the lingering fallout of the economic events of recent years, has long kept public debate over the efficacy of stabilizatian policies at center stage.

Traditional stabilization theory views economic fluctuations as inherent to the private, capitalist economy, and focuses on measures to counteract them. One is to believe that without such measures the economy would be far less stable.

The opposite view sees the government as a major source of instability. The private sector is presumed to settle on a stable growth path only if there is a stable fiscal-monetary framework.

Each diagnosis carries with it different implications. The following study evaluates these conclusions for selected major Federal fiscal policies implemented between 1962 and 1976, in particular: the 1964 Tax Reduction Act, the 1968 Tax Surcharge, the 1975 Tax Reduction Act, and a set of expenditure programs enacted in the early 1960s, including the Housing Act of 1961, the Public Works Acceleration Act of 1962, and the increase in Social Security benefits in 1965. This is done through simulations of the Data Resources Model of the U.S. Economy. Each episode is analyzed from two perspectives. First, what would have resulted if the particular policy had not occurred? Second, how does the given policy episode compare with one in which all policy parameters followed a stable path?[1]

The results show that policies were potent as countercyclical devices, achieving at least part of the macroeconomic goals set for them, but that timing, permanent effects on aggregate output, and coordination with monetary measures were often less than desirable.

The 1964 tax cut helped to restore the economy to full employment in less than a year-and-a-half with only a moderate rise in prices. One year after enactment, real GNP was up 1.3 percent over what would have been the case without the cut, and 1.4 percent after two years. Increases in consumer prices averaged an extra 0.3 percent by the end of 1965. The fiscal drag of $10 billion full-employment budget surplus in late 1963 was thus eliminated by late 1964.

The acceleration in nondefense spending between 1962 and 1965 helped ease the impact of a slowdown in other Federal expenditures. The net result was a mildly stimulative effect, with the rate of growth of real GNP up 0.6 percent in 1962 over what would have occurred had spending growth continued at trend rates, and an average 0.1 percent between 1963 and 1965. The unemployment rate would have been an average 0.3 percent point higher over the period without the expenditure buildup.

The 1968 surcharge helped to restrain excess demand pressures, though by less than was expected. The impact on consumer and business spending was particularly disappointing, with the rate of growth of real consumption lower by 1.1 percent after the first year compared to a path without the surcharge; business fixed investment was slowed by 0.9 percent after one year. The belated enactment of the program and eased credit conditions in the second half of 1968 did not help.

The 1975 tax cut helped to speed the recent recovery, raising real GNP by 1.0 percent in the first year over a no-tax-cut case, and an average 1.2 percent through 1977. The temporary nature of the largest single element of the cut, a rebate on personal tax liabilities, proved effective, contrary to the warnings of permanent income and life-cycle critics.

Comparing results with stable framework policies, however, shows that serious miscalculations were made. The long over-expansionary posture of fiscal policy after the 1964 tax cut contributed to the excess demand pressures of the mid-1960s: under the stable framework path, the unemployment rate dips below its full-employment equivalent between 1966 and 1968, but the drop is smaller than actually occurred. The excessively restrictive fiscal and monetary policies in the late 1960s were also a costly mistake: the run-up in the unemployment rate in the 1970 recession is less severe under stable framework policies. Finally, the 1974–1975 recession would not have been as painful had policy neutralized the inflation-induced surges in effective personal and corporate tax rates. The unemployment rate would have peaked at 7.2 percent compared to the actual peak of 8.8 percent.

The implications of the findings are clear. While most of the policies produced desirable short-term effects, a long-run perspective was lacking. Countercyclical stabilization policies have a role to play in maintaining an orderly macroeconomic environment. However, developing successful policies involves more than meeting traditional short-run criteria. It involves coordination of policies and a greater eye toward the long-term. Not to recognize these requirements is naive policies to brush-fire tools. The opposite view that the economy is better off left to its own, is equally naive, and not supported by the present evidence. The stable framework path suggests that economic instability will not be solved by simply stabilizing the government sector.

Mr. BELLMON. Mr. President, I yield 5 minutes to the Senator from New Mexico.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from New Mexico yield for a unanimous-consent request?

Mr. DOMENICI. I yield.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that John I. Brooks of my staff be accorded the privilege of the floor during the consideration of the Budget Resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am not going to take a lot of time, and I hope that Chairman MUSKIE and Senator BELLMON, the ranking Republican member, do not think that because I am going to take 5 minutes here to express my views, I am not in accord with what has been said here today regarding the tremendous effort in behalf of the American people and the economic system of our country that this budget process represents, or, in particular, that I do not appreciate the efforts Senator MUSKIE, our chairman, and Senator BELLMON, our ranking Republican member, have put forth to try to make sense out of a national budgetary process that basically, for years, until this process called the Congressional Budget Act came into being, was really without much sense at all.

First of all, while I did not vote for the final resolution, I join with those who compliment the Budget Committee, its chairman, and its ranking Republican member for their tremendous efforts. I have been on the Budget Committee, starting in its second year, right up until now, and I can say in all honesty that there was more participation by members, more involvement by members, and a better exchange of views, philosophies, and specifics than I have previously seen in the years I have been on it.

I think that is as it should be, because I believe the American people now see this process, the budget, fiscal considerations and tax considerations, as originating basically in the Budget Committee, set in a kind of framework in the Budget Committee, and they are demanding that its members be involved and understand the importance of this process to the American people.

Secondly, I would make two observations that have to do with my not signing the final report.

First, I think it is getting more and more difficult for this committee to direct its attention to entitlements or so-called programs that we can do little about.

Second, when the authorizing committees of the Senate, in a year when the American people are indicating that we need fiscal constraint, send to us recommendations totaling $38 billion more than the President's budget, then this Budget Committee has had a very difficult time and will have a very difficult time in meeting its responsibility of a balanced budget in 1981, and doing the best it can with 1980.

Having said that, there are really only a couple of reasons that have caused me, in the macroeconomic sense, not to support the budget resolution.

First, I am absolutely certain that the Senate and the House of Representatives, the Congress of the United States, will significantly cut taxes no later than fiscal year 1981. Since I believe that, and because about $59 billion in tax increases are built into this budget——

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[1] See Appendix A.

[*] This study was carried out by Dr. Robert A. Gough, Jr., Associate Director, National Economic Forecasting, Rosemary D. Marcuss, Managing Consultant, Washington Consulting Office, Stephen H. Brooks, Senior Economist, National Economic Forecasting, and Sarah M. Cleaver, Consultant, Washington Consulting Office.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. I yield the Senator an additional 5 minutes.

Mr. DOMENICI. I thank the Senator.

Since roughly $59 billion in tax increases are built into the 1980 and 1981 budgets, the order to arrive at balance in 1981 appears to me to be unrealistic. Therefore, we should not be suggesting that that is the way we are going to get there, when that would mean that in 1979, 1980, and 1981 there would be no significant tax cut in America, with this roughly $59 billion built-in increase.

Let me tell you where the increase comes from. In 1980, a rather significant increase in social security. Since we do not have indexing of Federal income taxes, with major inflation there will be this rather significant new bite that will come from the "bracket creep," as it is commonly called, which basically taxes Americans more because of inflation, and does not leave them with as much in their pockets. So that is a tax increase.

Thirdly, the real growth in the economy is taxed at an increased rate. So when you add them together, it is roughly $59 billion more. It seems to me we should have balanced that with a tax cut at least in 1981.

Moreover, I believe from the standpoint of what this country deserves, it deserves more of a ratcheting down of expenditures in 1980, so as to provide for a tax cut, which, I have indicated, we are going to get. It is not that the American people are going to get that because it is historically the thing to do, but rather because our economic times demand it.

Since that is the case, on those two grounds I did not support the report. That is not to say I do not think an admirable job has taken place in terms of the principal ingredients of this budget. Incidentally, I commend the committee because they have provided adequately for America's defense. They have basically responded to our President, who, when he ran for office, inexperienced in the world around us and in international affairs, thought we could cut the military, but who now is asking us for maybe a 2.5 or 2.6 percent increase, and we have almost gone along with him, though not quite.

I think that bodes well for our committee in terms of its responsibility in budget-making, our responsibility to provide adequately for our defense, and America's responsibility in the world.

In most other areas, we have cut where we could cut. We have cut back on programs are growing in budget authority and in outyears would cost a good deal more. Each of the categories seems to have been ratcheted back as far as we could. There are special emphases here in research and development and in basic science; those have been increased a little bit. I think that is good, because increasing those might ultimately increase our productivity and provide a real chance for America to do more for its people, and yet do that within the constraints of a balanced budget.

So I close as I began, by commending the distinguished chairman (Mr. MUSKIE) and the distinguished ranking Republican member (Mr. BELLMON) for their work on this budget. This has not been an easy budget to come up with; the work is detailed and tedious, and sometimes, with the political heat on the committee, very difficult. I think all in all they have done a tremendous job, so I commend them and the committee for their work.

I thank the Senator from Oklahoma for yielding me time.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, as Members study the report of the committee, they may be surprised and even distressed as I was to find on page VII, lines 10 through 12, a chart which shows that even though we do project a balanced budget for fiscal year 1981 and a substantial surplus or room for either a tax cut or debt retirement in 1982, that in each year, fiscal year 1980, 1981, and 1982, the amount of the public debt goes up.

Even under conditions of a declining or balanced budget, the Federal debt does rise. This is the result of off-budget agency financing and surpluses in Federal trust funds. Even if we were to gain complete control over off-budget agencies, Federal trust fund surpluses would continue to raise the public debt subject to limit. The reason for this is that under present budgeting techniques, we account for trust fund revenues as part of general revenues, even though they are earmarked for certain special uses. Because these trust fund revenues exceed trust fund outlays, they serve to reduce our deficit somewhat artificially on a unified budget basis when compared to the higher Federal funds deficit.

This term, Federal funds deficit, is an accounting measure which nets out the effects of Federal trust fund revenues and outlays and compares general revenues to general purpose outlays. It is analogous to an "operating" deficit.

In the first resolution for fiscal year 1980, the Federal funds deficit is $44.8 billion compared to a unified budget deficit of $28.8 billion. The Federal funds deficit, which is $166 billion higher than the deficit shown in the resolution is the amount which the Treasury must finance and which is included in the ceiling on the public debt. Until all off-budget agencies' activities are fiscally in balance and until the Federal funds deficit is eliminated, the public debt will continue to rise.

Mr. President, let me make one final point which I am not sure is clear to some of my colleagues. Increases in the public debt subject to the limit of the debt ceiling is not the same as Federal debt that is held by the public. Federal trust funds are required to invest their surpluses in Treasury securities. For this reason, Treasury debt financed in the public security markets is the sum only of the unified budget and off-budget deficits. The Federal trust funds, in effect, absorb the additional $16 billion in their investment portfolios.

Mr. President, I again want to point out, as I did in connection with the fact that if we balance the budget we do not immediately stop the inflation unless other factors are also brought under restraints, neither do we stop adding to the public debt when we balance the budget because of the matters I just mentioned. As I mentioned earlier, this chart appears on page VII in our budget report. I direct the attention of Members who are concerned about the size of our Federal debt to this chart.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I understand there are other Senators who are waiting to speak to the resolution generally. I do not see them in the Chamber. I understand Senator MOYNIHAN is on his way. May I suggest the absence of a quorum?

The PRESIDING OFFICER. On whose time?

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair will again inquire, on whose time?

Mr. MUSKIE. To be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield 20 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I thank the always gracious chairman of our committee and his associate, the Senator from Oklahoma.

Mr. President, I rise to make some very general observations about the first concurrent resolution on the fiscal 1980 budget.

I want to say at the outset that I believe the committee has carried forward the mandate, offered by Senator LONG, the chairman of the Finance Committee, and others, which proposed that a balanced budget should be considered in the fiscal year 1981.

We have done this and at no small cost to the programs and policies that had previously been endorsed by the Senate, by the Congress, and by the President as well. The excellent summary of these matters is found in a new publication of the Democratic Policy Committee, "Democratic Legislative Bulletin No. 1," which notes a series of important reductions which have been made and that will be made in consequence of this amendment.

In particular, I call attention to two which are of very large consequence. The

Finance Committee will have to report legislation to save nearly $3 billion in existing Health and Welfare Department programs; the Committee on Environment and Public Works, of which I am also a member, will have to rescind spending for highway programs by a half billion dollars each in the next 2 years. There is a series of comparable concerns throughout the budget process.

The task given the committee was not an easy one and in the main, it was carried out with as much balance and perspective as we could summon. Certainly, it was done in a spirit of comity. Certainly, it is a tribute to the leadership of the committee that we were, in the main, in agreement on this pattern of restraint and this pattern of reduction.

I should like, for my part, however, to make clear that I associate myself with this exercise only because it was the clear intentiion of the Senate; and that the process, in consequence, should be a cooperative effort. It was clear at the end of the last Congress that our committee would be expected to exercise discipline and present a prudent budget, and I accepted this tacit obligation and voted with the committee on many matters. However, I rise to state the reservations and concerns which I have as a member about what we have done. I have stated these in detail in my additional views, which are appended to the committee report, and I summarize them at this point.

The first and most significant statement I make is that, in the past year in this country, we have seen an extraordinary neglect of the complexity of that has informed the budgetmaking process and the economic policymaking process of the U.S. Government since the enactment of the Employment Act of 1946, which was the institutionalization of the idea that economic knowledge was the generator of a conscious set of choices Government made, directed toward a set of agreed purposes—namely, the proposition of the Employment Act that it was the policy of the U.S. Government to maximize employment and production in these United States. This involved, over the years, the conscious use of fiscal policy to compensate for a slack performance of the economy, and the notion that when the economy was overheating, the Federal budget ought to be an instrument for restraining expansion.

We learned a very great deal; indeed, over a time, perhaps what we learned the most was the limits of knowledge. Economics is not an exact science. The emergence in recent years, not just in our economy but in industrial economies of Europe, of the phenomenon of inflation associated simultaneously with underutilization of resources baffles the economists, except it is safe to say they recognize their bafflement. Nobody advances without that kind of intermittent difficulty in any field of inquiry. But, somehow, these events have led in some segments of American opinion to a response that rejects even the notion of knowledge and inquiry, much less the limits of knowledge. We find ourselves in a period of what I could only describe as bumper sticker economics: whatever you needed to know about the most complex industrial economy in the world could be summarized in the slogans of two or three words, with a confidence that really is not becoming to a society that once committed itself to complexity and to the acknowledgement of difficulty and of ignorance.

There was a saying in 19th century America that I have always thought useful, which is that, "It is not ignorance which hurts so much as knowing all those things which ain't so." In the last years, the number of things "which ain't so" which an extraordinary number of people profess knowledge about is one growth in the industry in the whole economy.

One of the things which is not so which an increasing number of people insist upon is that the Federal deficit of recent years has been the principal cause of economic difficulties, and in particular, of inflation. This is not so. The Government sector of the American economy has been in surplus the last 4 quarters. If you include the State and local portions of that surplus—and you must do that if you are going to make any meaningful statement about the impact of the public sector—the amounts of the Federal deficit are simply not that significant in a $2.2 trillion economy. Yet I suppose there is no alternative but to go through this exercise in order to establish that fact.

There is no arguing, in my view, that this far into the longest economic expansion in the post-war period, the time has come to balance our budget. This budget resolution provides that we shall do that in a time about 18 months from here, and it is time enough indeed. But let no one suppose that the supply shocks that have basically changed the price relations of the last 5 years in this country are the result of our spending money on manpower programs.

They are, as economists say, in large measure, exogenous, and if any one in particular is to be identified, it is the absolutely supine acquiescense of the United States and, for that matter, its trading partners in the OPEC oil cartel, an acquiescence that we would never tolerate within the United States itself, and which we would never accept among our trading partners. But for complex reasons of ideology, an inattention and a certain lack of energy in the Nation itself, we have accepted the circumstance which is the basic source of this trouble, and which will not go away whilst we continue to accept it.

Having said that, I should like to make a point about what this budget does not do; that is, it does not address the question of the regional inequity of expenditure in the Federal budget. Early in our deliberations in the committee, we found that under one of the early budget functions, it was proposed that the mission of the Federal budget was to redistribute wealth from different regions of the country, from and to, between sectors of the economy, and between persons in different circumstances.

When we were debating the consensus amendment of my good friend and distinguished chairman of the Committee on Finance, I was struck by a curious enthusiasm for the balancing of Federal expenditures from those States and those parts of the country for whom Federal expenditures provide a very considerable and palpable transfer of wealth, a positive transfer. For the Federal budget is a bargain for those States.

As some Members will recall, thinking this ironic, or perhaps thinking this as having too much of your own way, I introduced an amendment which suggested that if the budget was to be reduced and balanced it ought to be done on the basis of equal sacrifice, such that, as near as may be possible, the balanced budget would provide for equal per capital expenditure in each of the States, adjusted for statewide cost of with the exception of Alaska and Hawaii, which are understood exceptions.

There was, indeed, a remarkable response to that proposal because the votes of the Senate indicated an understanding of this phenomenon of transfer that has often been absent from the public pronouncements, because with a single exception every State from Maine through Minnesota voted for equal sacrifice, and with the exception of four votes in other parts of the country, all other parts of the country voted against the amendment. The issue was that simple.

It seemed to me that never before in the Senate's deliberations had there been so explicit a recognition of the disparity in Federal aid between this Nation's regions.

Indeed, on the day the Senate Budget Committee began its deliberations an article appeared on the op-ed page of the New York Times entitled "Pentagon Tax." It described the extraordinary impact of the defense budget in its transfer of resources from the cities, in the main, the northeastern sector of the country, to other parts.

Because defense is a national issue—not a regional one—and because I support the President's defense budget, I called the office of the Secretary of Defense and asked if I could have some information that might soften the implications of that article in the New York Times on the day I, as a New York Senator, would be voting contrary to its obvious policy implications.

I received from the Secretary of Defense a letter which I would not describe as satisfactory. In a very quick sequence, if I read the Secretary correctly, he said that the assertion of an imbalance was not so, or if it was so, it did not matter, or if it did matter we should not pay much attention to it.

It happened that the day I received the letter from the Secretary, I also received the latest addition of the Community Services annual report on distribution of Federal funds, this for the fiscal year 1968.

I speak of my State because that was the subject of my inquiry, and in fiscal year 1968 the State of New York received 5.4 percent of defense expenditures while California received 16.6 percent. The difference is $12 billion—$12 billion. There was a time when that was thought to be a considerable amount of money, and I think it still is.

In the fiscal year 1978, when the State of New York barely went into solvency in its budget matters, California had a surplus of $5.7 billion, and the thought that these are unconnected phenomena does not persuade me.

As I say in my additional remarks, it seems to me to be time for more candor in this matter than we have so far had.

I would like to record that the Budget Committee, under the careful and open leadership of the Senator from Maine and the Senator from Oklahoma, acknowledged that this question of regional transfer was a legitimate one. The executive branch has avoided it with uncommon tenacity over recent years, a tenacity that suggests a concern about what would be the implications if more were known. It is as if the official policy is not to know what the facts are.

But the time is at hand for us to know what we are doing when we adopt a budget such as this one.

I am happy to say that the committee has agreed that we will inquire into this regional matter and that, as future budget resolutions come along, we shall have something of import to say.

I think this is a tribute to the openness with which the committee is led, by the Senator from Maine and the Senator from Oklahoma. I would like to thank them for this.

I would express less gratitude, however, for the implications——

The PRESIDING OFFICER. The Chair advises the Senator that his time has expired.

Mr. MOYNIHAN. Would the Senator from Oklahoma allow me 10 more minutes?

Mr. BELLMON. I yield 10 additional minutes to the Senator.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair and I thank the Senator.

Mr. President, a final action of the committee, not binding on the Senate and only set forth in advisory terms in the resolution, calls for a series of budgets over the next 5 years that would effectively annihilate social policy in this period.

It is one thing to ask that the Federal finances be brought into some order. They need to be. They can be, as was illustrated in our ability to project a balanced budget just 18 months from now.

It is an altogether different thing to take this instrument of a needed and wholesome discipline to annihilate social policy, to decide that there shall be no further distribution of the increase of wealth and consequent increase of revenues of the Federal budget.

We have proposed a period of social sterility which has had no counterpart in the modern American Government. We propose a flat budget through half of the next decade. We have proposed to reduce the proportion of Federal expenditures to GNP to a level of the Eisenhower Presidency and even below that with respect to many of the years in the 1950's.

The public sector of the American economy has grown as a component of the growth of the private sector. If you suppose that you could have an expanding trucking industry without an expanding highway network, you suppose that which, at the very least, has not been demonstrated. When we proposed to reduce and cut, that, in large measure, is what we are doing, even if now we do not acknowledge it.

It was the counsel of fear which led us to this proposal. I would like it recorded—as I know the Senator from Maine feels—that in no sense do we consider the committee to have accepted this as a formal expectation of what policy will be. I cannot imagine that the Senate will wish to do either when it commences to understand the full implications.

Finally, Mr. President, I call attention, in a quiet way, to a matter which has concerned me and which I think in time should concern more of us, which I think will, as we begin to understand it somewhat better. It is the problem of the increasing growth of the legislative branch itself.

Not long ago, Prof. Arthur S. Link, of Princeton University, the biographer of Woodrow Wilson, gave an interview in which he contrasted the Presidency of Wilson with that of President Carter, the incumbent President.

I was struck by the central significance that Link gave to the growth of the White House staff. He asked why the President seems to have difficulty establishing a relationship with Congress, making a specific impression upon the Nation, and doing the things that Wilson was so dramatically successful in doing. It is simple: Wilson did everything himself, wrote his own speeches, dealt with the persons he was seeking to influence; whereas, the President today has a staff of 450 people and of necessity spends his time managing that staff. Then the staff does for him what it cannot do nearly so well but which its very existence requires that it does.

Increasingly, the Senate is in the same condition.

I will read a passage in which Link describes the difference between the relationship with Congress that Wilson had and President Carter has:

> The answer is complicated, but one main reason is the enormous White House staff, which has been a buffer in recent years between the President and Congress, and the people, too, and the heads of governmental departments. The President now has so many assistants of one kind and another that he spends his time running the staff, and the staff runs the country, or tries to. That was definitely not true in Wilson's time . . .
>
> It's axiomatic today that the President has to have a battery of speechwriters. This began with FDR, and it's been assumed ever since that a President hasn't the time—or the capacity!—to write his own speeches. The whole office of the presidency has become so bureaucratized and overstaffed that there isn't time for the President to perform a leadership role.

I stress the phrase "there isn't time," because invariably, the efforts to increase the staff in the legislative branch, the executive branch, and the judicial branch are efforts brought about by people who want to get more work done, not less, but just as invariably the efforts are self-defeating.

The staff in the Senate is incomparable in its qualities. No two cadres of young people work harder in this Nation than the staffs of the White House and of the U.S. Congress—probably the staff of the Supreme Court as well. I say "No two cadres of young people," because people who are not young cannot stand it.

Yet, in the end, the institution changes, and functions which are constitutional and can inhere only in the individual officeholder become bureaucratized. The staff of the committee deals with the staff of the President, and you get the phenomenon that Governor Evans called the iron triangle in Congress, of the committee staff and the staff of the executive department or agency involved and the lobbies involved. More and more, Government does not respond to the purposes the Constitution sets forth. More and more, we become the engine of expanding Government for the purpose only of justifying the existence of the machinery. More and more, legislation takes on the quality not of lawmaking but of rulemaking. More and more, the actual content of legislation is contained in a language that is inaccessible to the average Member of Congress, must less the layman.

I dare say that there is not one bill in 10 that passes the Senate that could be read and interpreted freely by the Members herein. We require staff; we require translators. We are dependent.

I suggested in the course of our debate that we might reduce the legislative function by one-tenth. This was thought too much. I withdrew the resolution and accepted instead—and was happy to accept—a statement in the resolution: That the committee believes the time is at hand to consider the growth of staff and the question of whether the size of the legislative branch should have a ceiling.

I make the simple point that is in my supplementary remarks, that the size has been accelerated. From 1945, when the legislation was passed providing staff, it took 25 years to reach the point which was thereupon double that of the 14 years, and we are doubling in 10 years.

I would like to leave the matter, save for an expression of thanks once again for the courtesy of the chairman and the ranking minority member, for having accepted this point, which I believe will bear some fruit over time, a better understanding of the situation we have created for ourselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, I appreciate the point which has been raised by the Senator from New York. I am as concerned as he is that Federal dollars be distributed as equitably as possible among the various geographic areas of the country.

As the Senator from New York knows, and as other Members also may be aware, the Library of Congress did a study on the regional distribution of Federal appropriations. This study was published some months ago. It showed, in a general way, that the Congress appropriates according to the various functional needs.

In some areas, as the Senator from New York has mentioned——for example, defense—we have a tendency to send the money to certain regions of the country. However in other areas—for example, some of the social programs—other sections may benefit more from Federal spending.

I might take just a moment to read from page 9 of the interpretations and highlights of this publication which is called "Patterns of Regional Change." The summary says:

> Available data do not support the idea of a bias in Federal policies that favors one region over another. The regions have been changing in response to a wide array of influences—new technologies, availability of natural resources, and international developments. Federal regional policy is a very small element in these influences, as may be seen, for example, in Federal efforts to assist the depressed Appalachian region. The region's economic turn-around has come from the increased demand for coal, rather than as a result of Federal programs to assist the region.
>
> All four regions of the country have been growing in *absolute* terms—in population, per capita income, employment—but variations in their rates of growth have resulted in shifts in the proportions of the Nation's population, income, and employment in each region. There is no evidence that the growth of any region is associated with declines in others. However, in a given region, and every region—even those with the highest rates of growth—there are one or more States registering decline in some sector of the economy.
>
> Although the regions are converging toward the national average in many measures of growth and economic activity, it may be unreasonable to expect to attain and maintain an economy in which there is no regional diversity. Many economists would contend that regional deviations from the national average are inevitable and that governmental policies might more properly be designed to reconcile national development policies with specific characteristics of the regions.
>
> The basic themes appearing from a review of the Essays are:
>
> 1. The regions are moving toward the national average in most areas of economic activity.
> 2. The "decline" of some regions is relative rather than absolute.
> 3. The Federal role impact currently is small compared to other elements affecting regional change, and available data do not indicate changes in Federal impact on the respective regions.
> 4. The variation of growth rates among the States is greater than among the regions, and there are instances where State growth (or decline) is counter to regional trends.

So. Mr. President, the Senator from New York has raised a valid point. We need to be aware of the regional impact of the decisions we make. But at the present time, if we can believe the study which our own Library of Congress has made, Congress is not guilty of deliberately dividing up funds in such a way that it works a great handicap on one region or that provides a notable advantage to other regions as a result of our Federal spending.

Mr. MOYNIHAN. Mr. President, may I have 5 minutes yielded to me?

Mr. MUSKIE. Yes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MOYNIHAN. Mr. President, I wish to respond.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. The Senator from Maine yields me 5 minutes.

Mr. President, I wish to respond to the characteristically gracious and thoughtful remarks of the ranking minority member of the committee by saying several things of which first is I do not think one needs to say that the question is whether or not Congress is guilty of a regional imbalance in expenditure.

If anyone had asked me 18 years ago when I came to Washington, with the administration of President Kennedy, did the Federal budget redistribute wealth as between regions, I would have said and I think members of our administration would have said, "Yes, it does, but not sufficiently." There was a conscious effort to redistribute wealth from the Northeast to other regions of the country.

President Carter when he came to office said he hoped that his administration might do for the Northeast what the New Deal had done for his Southern region.

I take this kind of redistribution to be a wholly legitimate function of government among regions, sectors of the economy, and groups in the society.

But I ask that there be some consideration for the fact that the transfer from the North to the South and West is no longer appropriate.

Second, I ask that those regions which are the great beneficiaries of this transfer acknowledge the transfer.

That is why I introduced that equal sacrifice amendment. Though the Library of Congress says there is no disparity, there certainly was a singular regional pattern to the voting as between those States that would have welcomed equal expenditures and those who would not. Furthermore, those that would not welcome it were exactly the ones demanding a reduction in Federal expenditures.

Anyone who can contrive to have things as much their way as that must be congratulated, but they cannot object to our taking note of it.

This now seems to me to warrant some revision in the light of the plainly depleted resources of those regions which in the past have provided most of the income to those being redistributed.

I wish simply to close by thanking the chairman and the ranking minority member for being so good as to say the Budget Committee will inquire into this matter and regionalism will be in the future an aspect of our report to the Senate. We have no fear of inquiry. If it turns out that the positions we take are not really valid and cannot be sustained, fine, but at least we will remove from our political debate an area which I would caution is more heated in my part of the country than others may realize.

In any event, I thank the Senator from Oklahoma and the Senator from Maine, and I say this inquiry makes sense; there are areas where knowledge produces agreement and consensus more readily than others. I think this may be one.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MOYNIAN. I am happy to yield.

Mr. MUSKIE. Mr. President, speaking not as chairman of the Budget Committee, but as a Senator from the region of the Northeast for which the Senator speaks, I can only echo what he says.

The most recent evidence of this trend is reflected in the base closings just announced by the Department of Defense.

Mr. MOYNIHAN. Yes.

Mr. MUSKIE. The Midwest-Northeast portion of the country, while containing 45 percent of the population, suffered 65 percent of the base closings.

Mr. MOYNIHAN. Yes.

Mr. MUSKIE. And if you examine the payrolls which were lost, the disproportion is very close to that, if not worse.

Mr. MOYNIHAN. Sixty-five percent of the closings on a base that was much less than 45 percent to begin with.

Mr. MUSKIE. Exactly.

Mr. MOYNIHAN. I am surprised that one can find 65 percent in what is there now.

Mr. MUSKIE. One of the noticeable things about it was the rationale used in many instances. For instance, the Loring Air Force Base, a SAC base, whose value the Air Force continues to assert, would be reduced 80 to 90 percent, and one of the three reasons cited by the Air Force for reducing the base is that interesting word "climatology." Apparently there is the feeling in the Air Force that future wars are going to be fought at Miami Beach or that fliers with a tan are somehow more efficient than fliers not so blessed.

But the Loring Air Force Base is the closest SAC base in the United States for our major defense contingency associated with a NATO conflict. It was built there for that reason. There was nothing there in northeastern Maine before Loring was built. And the infrastructure of community services, businesses, and so on, was built up around this base where there was nothing before. Now, because of climate, the Air Force wants to retain the base as a forward operating base but remove 90 percent of its economic value to the region and ask the region to bear the cost. The Air Force is moving South.

The second reason they give for reducing Loring is that they need support for fighter training missions from the tankers that would be based at Loring, and most of those fighter training bases are where? The South.

Mr. MOYNIHAN. Yes.

Mr. MUSKIE. I suppose it was climatology that prompted the decision to put those fighter bases in the South. With that kind of rationale, that kind of trend, I foresee the day when all active bases are south of the Mason-Dixon line and every area north of it would be undefended and unremunerated economically by the vast Defense Establishment.

So I think there is a trend. I do not pretend that that is necessarily a comprehensive measurement of the total trend which has occupied the attention of my good friend from New York, but I think he does our region a great service in raising this issue and persisting in it and in probing for ways to deal with it. He will find me by his side as he does so.

Mr. MOYNIHAN. I thank my chairman.

Mr. MUSKIE. Mr. President, I understood that Senator McGOVERN was to offer an amendment at 4 o'clock. Does the policy staff have anything to tell me about it?

I understand that Senator McGOVERN has been delayed.

Does any other Senator wish recognition?

Mr. RIEGLE. Yes. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Will the Senator from Maine yield time to the Senator from Michigan?

Mr. MUSKIE. How much time does the Senator desire?

Mr. RIEGLE. Ten minutes.

Mr. MUSKIE. I yield 10 minutes.

Mr. RIEGLE. I thank the Senator for yielding.

I know Senator STENNIS was about and wanted to be here. I would certainly share with him what I say if he is not on the floor as I am speaking. My comments will relate to the Iranian ships and PAT MOYNIHAN is shaking his head.

Let me say at the outset that, as a new member of the Budget Committee, I have enjoyed very much serving on the committee. I have great respect and affection for the chairman and for the ranking Republican member and, for that matter, for all the members of the committee. I have enjoyed very much this first effort to produce the budget that is before us.

We have got one major point of controversy. I want to raise it early today so that everybody is altered to it. I raise it in the nicest way I can. I am not looking for a quarrel with anybody. I just want to state clearly a problem we have with the budget resolution before us.

As members of the committee and the staff will recall, we had a long, difficult debate on the question of Iranian ships. I guess it is fair to say I took the lead in trying to delete from the budget, from the supplemental for 1979, budget authority and outlays for the U.S. Navy to purchase four ships that had been ordered by the Shah of Iran back in 1974. These four ships are under construction today in the Litton/Ingalls shipyard down in Mississippi.

We have a long committee record that relates to this. I will get into parts of it, if not today then tomorrow. Presumably, the Senate will have an opportunity to vote on this matter.

But after long debate the Budget Committee finally voted on a motion that I had put forward to delete all money from the supplemental for those Iranian ships. As I have read and reread the transcript, it is clear that my motion addressed all four ships. The figure of about $1.3 billion in budget authority was mentioned by me and by other Senators several times in the course of the discussions.

Well, my motion carried by a vote of 11 to 9. So I and, I think, most of the Members who voted with me, left with the feeling that we had managed to delete from the supplemental any money whatsoever for Iranian ships.

I should say, parenthetically, that I understood that the Budget Committee is not a line item committee. We make operating assumptions, we state what those are, we cast our votes, and ultimately the Appropriations Committee will make a separate and independent judgment, so we all know that going in.

But clearly our action, as I understood it in the committee, was to delete any budget authority for those ships that is to reduce the budget authority by about $1.3 billion and the outlays by about $0.7 billion.

Lo and behold when the Budget Committee report came out, I found that the funds for four ships were not deleted, unbeknownst to me, funds for only two ships had been subtracted, despite the thrust of my amendment and of all the argumentation I had offered, and of the discussion of most of those who had spoken with me in the committee. The error is substantial. If only two ships are being deleted rather than four, in fiscal year 1979 the budget rises by $0.7 billion in budget authority and $0.3 billion in outlays. Outlays are also too high by $0.3 billion in fiscal year 1980, by $0.1 billion in fiscal year 1981 and by a smaller amount in fiscal year 1982.

I have talked briefly with Senator MUSKIE about this error. We both have been in our home States over the last week and last weekend, so it was not possible for us to talk about it directly until this morning. It is very difficult for us now to go back and reconstruct step by step what happened. But I have reviewed the transcript to do just that.

I am convinced the record is very clear on this matter. And if a technical amendment to correct the error will not be accepted, I will have to take steps to delete the amount of mney for the extra two ships. I hope the issue can be quickly resolved right now.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield to the Senator from New York.

Mr. MOYNIHAN. Things do not always turn out as badly as they seem at the moment. As the Senator will recall, I am one of those who made the mistake of thinking we had not voted to strike the Iranian ships. The Senator will recall the scene. It was a crowded room, and I counted the votes in my head, and I miscounted, and then was distracted for a moment when the vote was announced. I had thought that the vote was 11 nays and 9 yeas, whereas it was just the other way around.

So I proceeded to say in stronger terms—and it may have been inappropriate, but it was one of those moments—that I thought it was deplorable that those of us who had voted to increase the defense budget day after day, while we voted to cut programs we needed in our own States, were rewarded by this caricature of military men thinking that more military means are necessary but somehow never finally sufficient.

The Senator will recall the exchange that took place after my little intervention. Senator HOLLINGS asked me:

> What are you all stirred up about?

Our distinguished chairman said at that point:

> Pat, you just won a victory.

Whereupon Senator HOLLINGS said:

> You just gave——

I regret to put this in the RECORD—well, I will do it, because there are his characterizations not mine—

> You just gave the Chief of Naval Operations a boot in the behind. You just knocked out the ships by the vote.

There was no question of what we had done. But I would like to say, as a sometime gunnery officer of the U.S. Ship *Quirinus*, an RL 39, that I did not then and do not now associate myself with anything but the most respectful posture toward the Chief of Naval Operations. Nonetheless, I believe we knocked out those ships.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. Yes.

Mr. METZENBAUM assumed the chair.

Mr. MUSKIE. The Senator from New York, in what he has just said, has put the key question to us. It has been knocked out from what? What was before us?

What was before us was not the defense defense authorization bill. What was before us was not an appropriations bill with provision for four ships.

What was before us was the budget resolution. The 1979 second budget resolution as proposed to be amended. The mark that was before us was that offered by Senator DOMENICI, and that was the President's mark: $2.2 billion in budget authority.

That contained only two Iranian ships. Only two. The President to this day only wants two in fiscal year 1979.

The President had asked for a lot of other items that the Armed Services Committee had knocked out in order to make room for four Iranian ships in the 1979 supplemental authorization. But that was not the mark before us. The mark before us had only two Iranian ships in it, because it was the President's mark. If we had knocked out the amounts that would have had to be provided for four Iranian ships, we in effect would have been rejecting other items that the President had requested in his supplemental.

The motion that the distinguished Senator from Michigan put was this. After some discussion as to whether or not we had a motion, and what it was, he stated:

> The motion that I made the other day was to delete all the other moneys from the supplemental, and that is the issue on which I would like to have a vote.

What supplemental was before us? The President's. Not the defense authorization supplemental, but the President's supplemental. There are only two ships in it.

Now, with respect to the debate, yes, there is no question, but what the Senator from Michigan was opposed to the whole program of four ships. But not all four ships were before us in the document upon which we were working. In order to get all four ships—indeed, in order to get the two ships—you would have to wait until the supplemental authorization bill hits this floor, and seek to kill the authorization. Budget resolutions are not line item resolutions, as both Senators know. They are not line item resolutions.

If we had deducted $1.3 billion from the President's supplemental, that would not have had the effect of knocking out these ships. The amount left could still be used; if other things were deemed less important, they could still have been used for ships. We could have knocked out the whole $2.2 billion, and that would not have had the effect, necessarily, of killing those destroyers.

So what the staff did was what it always does: It takes the transcript—and I have it right here. I just read from the transcript the motion made by the distinguished Senator from Michigan. So far as that transcript is concerned, what he was trying to do was get that part of the four ships, all of which he did not like, so much of the four ships as was in the document before us.

I think that was a reasonable interpretation by the staff. The staff has never misled me in the 5 years I have been on the Budget Committee, and has never misled, so far as I know, any member of the committee. So I think the decision taken by the staff was reasonable, based upon the transcript, and I say so to the distinguished Senator from Michigan.

As to what the objective of the distinguished Senator was, nobody who was in that debate could have had any doubt about what he wanted to do. But whether or not he thought he could achieve it all from the supplemental was not even discussed.

Mr. RIEGLE. Well——

Mr. MUSKIE. Specifically enough to provide a clear record to support the Senator's present assertion.

Mr. RIEGLE. Mr. President, let me, if I may, respond to what has just been said, and then I will yield again to my friend from New York.

We have gone through the transcript with some care, because it is important, I think, to follow the sequence of arguments and points that were made, that relate to the justification offered here by the staff.

The PRESIDING OFFICER. The time allotted to the Senator from Michigan has expired.

Mr. RIEGLE. Will the Senator yield me 5 additional minutes?

Mr. MUSKIE. Yes.

Mr. RIEGLE. Thank you. On April 4, when we reconvened, Mr. Chairman, you are quoted in the transcript to the following effect:

> The pending issue before us is the 1979 weapons supplemental reported by the Armed Services Committee, and its implications for the figures which we approved for the 1980 defense function.

We go on in that fashion. Then later on that same day:

> The question is as to what we are working from. In other words, what is our base document?

Here again, the chairman is quoted as saying:

> We have not yet acted on a Third Concurrent Budget Resolution for 1979 at all.

That is page 278 of the transcript. Later on the same day—this is again the chairman speaking—we are talking about these four ships, and the chairman is quoted as saying, on page 303:

> That is clearly the administration's intent, to acquire all four ships. So the question is whether we split them up in 1979 or 1980, or approve none or approve some. There is the option.

Mr. MUSKIE. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. MUSKIE. What I was saying is that that was the issue. I was not stating the parliamentary situation. If you look at page 302 of the transcript, it reads:

> Senator PACKWOOD. You are talking about cutting the money out for all four of the ships?
>
> Senator MUSKIE. There is no motion before us at this point, at this time.

The motion was as I have quoted it to you earlier. I concede it was a heated debate, with a lot of emotion on both sides and a lot of interruptions. So what the staff has gleaned out from all that is the transcript providing our quotes. The authorization bill was not before us, there was no appropriation bill before us, there was a mark before us, and the mark was the President's mark, with two ships in it.

Mr. RIEGLE. Well, Mr. Chairman, if I may, you have been on this committee a lot longer than I have, and I am very respectful of that fact, and have enormous fondness for you, so I do not like to be in a situation where we disagree. But I would like to make this point clearly: That is that I would hope that the staff works for the Senators on the committee, and not vice versa, and if the Senator who is offering an amendment makes it very clear, not once or twice but several times over the course of several days, what the intent of the amendment is, that ought to be respected.

Mr. MUSKIE. What is the intent, Senator, if we knock out other portions of the President's supplemental defense request? You never mentioned anything else other than the President's proposal for four ships that you wanted to cut, and he did not have four ships in his proposal.

Mr. RIEGLE. My proposal was to delete $1.3 billion, to delete four Iranian ships.

Mr. MUSKIE. That was not in the President's proposal.

Mr. RIEGLE. I understand it was not in the President's budget, but that was my intention.

Mr. MUSKIE. That was not before us.

Mr. RIEGLE. The question was whether anything was before us as a base line from which to work.

Mr. MUSKIE. We had adopted the previous Wednesday morning—the Domenici proposal, which was the President's budget mark.

Mr. RIEGLE. I have to disagree. Your own words do not say that at all. As you stated, we had not acted on the 1979 supplemental at all.

Mr. MUSKIE. Of course, we had not acted on the 1979 supplemental. That was true from the first day.

Mr. RIEGLE. But if the committee functions on the basis that the staff can change the meaning of my amendment, I say that is not the way the committee ought to operate.

Mr. MUSKIE. That is not my impression of what they did. I have read the transcript. I came in this morning with a lot of other things to attend to when I heard about your issue for the first time. Nevertheless, I have gone through the transcript, and I have examined the committee staff. They know very well that their function is to serve the Senators, as you put it, and not the reverse. This is an unfortunate situation, but may I say the facts are as strongly in support of what I have said here on the floor as they are in support of yours.

(Mr. BAUCUS assumed the chair.)

Mr. MUSKIE. I do not challenge at all what the Senator is trying to do, but it was not addressed to the parliamentary situation before us, in my judgment. I will say nothing further about it.

Mr. METZENBAUM. Will the Senator from Maine yield me 5 minutes?

Mr. MUSKIE. Yes.

Mr. METZENBAUM. This is my first experience serving on the Budget Committee. It is the first experience of the Senator from Michigan, the first experience of the Senator from New York, and of a number of other Members. I must confess that it was an edifying experience, it was a confusing experience, and one for which I am very grateful. It is a privilege to serve on that committee under the distinguished leadership of the Senator from Maine who works very arduously, very zealously.

It is very confusing at times for newcomers to understand some of the terminology.

I rise to support the interpretation of the Senator from Michigan, because with no exception every member of that committee was talking about four Iranian ships.

I notice my good friend, the chairman of the Armed Services Committee, is here undoubtedly to address himself to this question. I respect him extremely well.

As I see this issue, it does not really have to do with the question of whether there ought to be two Iranian ships eliminated or four Iranian ships eliminated. I address myself to the question of what all the members of the committee thought they were voting upon. They thought they were voting to eliminate four Iranian ships.

If the staff looked at the language and the terminology——

Mr. MUSKIE. Will the Senator yield for a question? Has the Senator polled the members of the committee? Does he know what they thought?

Mr. METZENBAUM. No, I do not know what they thought.

Mr. MUSKIE. But the Senator just made that kind of a statement.

Mr. METZENBAUM. I am saying to the Senator from Maine that the Members were talking about four Iranian ships and there was no talk that I heard of two Iranian ships. So I am willing to assume that that is what they all thought they were voting on.

Mr. MUSKIE. If the Senator will yield, there is a difference. I know they were talking about four Iranian ships. I have said so.

Mr. METZENBAUM. All right.

Mr. MUSKIE. But what we were voting on is a separate question.

Mr. METZENBAUM. All right.

Mr. MUSKIE. The Senator said they thought they were voting on the specific question. I just wanted to know what the basis for that was.

Mr. METZENBAUM. The Senator is well aware of the fact that I have not polled the committee, but I do know that all the conversation had to do with four Iranian ships.

If the staff concluded on the basis of its determination that only two Iranian ships were to be eliminated, and it is to this point that I address myself, then I think the maker of the motion was entitled to a telephone call, to a discussion prior to the report being prepared and sent to the floor and to all of the Members. Then I think there would have been an opportunity to discuss this subject. But now we are facing the fact that the report comes in with only two Iranian ships eliminated and the order to eliminate the other two would require a floor amendment.

I would like to say to the Senator from Maine—and I will wait until such time as I can get his attention—I would like to say to the Senator from Maine that as he stated, and there is no Member of this body who has a reputation for higher integrity than the Senator from Maine, it is a fact we were talking about four Iranian ships, and it is probably correct that technically the amendment as it was submitted only affected the two Iranian ships. But certainly I think the Senator from Maine would agree that those who were voting thought they were voting on four Iranian ships. I do not know what their intent was, but I think they thought they were voting on four Iranian ships. If that be the case——

Mr. MUSKIE. If I may say to the Senator, in trying to translate what rests in any Senator's mind in the course of marking up a Senate resolution—and putting that into its proper text—would tax the genius of Demosthenes. I know what was before us. Sure, I have the advantage of being on the Budget Committee for 4 or 5 years. But let me add another point. This report was given to Senator RIEGLE's staff, as I am told by my staff, with the numbers in the budget resolution now before us in it. No question was raised until it was raised by Senator RIEGLE himself recently. Every mark that is before us, and the Senator has been a diligent attendant of the committee, has to relate to particular numbers which we are considering. We cannot be subtracting ships from a defense authorization bill that is not even before us. There were only two ships in the supplemental.

Mr. METZENBAUM. Everything the Senator says is technically correct.

Mr. MUSKIE. It is not. It is substantively correct.

Mr. RIEGLE. One thing the Senator said just now is not correct.

Mr. MUSKIE. Then I will ask the staff to confront each other and determine who is telling the truth. There is something funny going on here and I do not like it.

Mr. RIEGLE. I do not either, and the last thing I want to do is to find us pitted against each other on this issue.

Mr. MUSKIE. I did not raise it.

Mr. RIEGLE. I understand. I am forced to raise it. I thought we settled it in the committee. I feel no need to be on the defensive, because I am speaking here on behalf of 11 Senators on this issue. The Budget Committee did vote to strike the ships.

Mr. MUSKIE. I am saying to the Senator if he had stricken $1.2 billion he would not have stricken four ships but he would have stricken two ships and other items which were not even discussed. That is the point.

Mr. RIEGLE. Well, we disagree on that. The Senator is making a reference now to the President's budget.

Mr. MUSKIE. Which was before us.

Mr. RIEGLE. When we started debate on this issue in committee, the Budget Committee staff provided a table that showed the fiscal year 1979 supplemental as revised by the Armed Services Committee. On this particular the numbers reflect four ships. Here is the document right here. Throughout the entire debate I, and other members of the committee. referred to this document. It was no mystery. It was available to the staff—in fact, it was provided by the staff for use in the meeting.

Mr. MUSKIE. The paper the Senator is holding in his hands is a paper produced by the Armed Services Committee staff and not our staff.

Mr. RIEGLE. But the point is it was given to me by our core staff.

Mr. MUSKIE. The Armed Services Committee surely was not describing the parliamentary situation before us. How could the committee know the parliamentary situation? It was describing what was in its version of the defense supplemental authorization bill.

Mr. RIEGLE. I want to make two points. First of all, it was not pointed out to me or to my staff that the budget totals had been changed to reflect the removal of only two ships rather than four ships. Any suggestion by anybody that we were so notified is just incorrect.

Mr. MUSKIE. Nobody has suggested that, but it has been suggested to me, and I have said the following at least three times. The staff undertook to strike out all money for these ships that were in the numbers before us. That was two ships. Senator BELLMON has just shown me several quotes of his in the transcript in which he referred to $700 million as representing the amount that was involved.

Mr. RIEGLE. That is the outlay figure, if I am not mistaken. I would urge the Senator to check that. I think the record shows Senator BELLMON was referring to $700 million in outlays. That is the level of first year outlays resulting from the procurement of four ships. If the Senator were referring to only two ships, the figures would have been about $600 million in budget authority and only about $40 million in outlays.

I ask unanimous consent to insert at this point in the RECORD the transcript of the committee debate on this item so that people can read it and draw their own interpretation.

Mr. MUSKIE. I have no objection.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF SENATE BUDGET COMMITTEE DEBATE ON IRANIAN SHIPS

WEDNESDAY MORNING, APRIL 4

First mention of move to strike ships

As the Committee considered the Defense functional totals, Senator Riegle pointed out the Iranian ships item: "*I would like to move to strike these out . . .*" (Transcript p. 267)

As the lunch break neared, it was clear that the FY 1979 supplemental, which included the Iranian ships, was too controversial to be resolved in a few minutes. Chairman Muskie—"We agreed to break at 12. *Could we get to a vote on the functional totals for 1980 and take up this other question when we come back at 1:30?*" Muskie determined that the FY 1980 amounts included some outlays from the FY 1979 supplemental, and that the supplemental would require a third budget resolution.

Muskie: "Are those outlays included in these [1980] numbers?"

Brown: "That is correct."

Muskie: "*I don't think we can vote on it.*"

Riegle: "I want to hear from Fritz and Gary and the others who are the insiders on the defense business as to how these ships suddenly came out of nowhere to become urgent."

Muskie: "Could we take a vote on the functional totals *subject to revision after consideration of the 1979 total?*"

The functional totals for FY 1980 were passed—9 ayes, 6 nays. (Transcript p. 270)

WEDNESDAY AFTERNOON, APRIL 4

The issue was removal of four Iranian ships at $1.3 billion from armed services supplemental

Committee reconvened at 1:25. Muskie: "*The pending issue before us is the 1979 weapons supplemental reported by the Armed Services Committee and its implications for the figures which we approved for the 1980 defense function.*" Mr. Sneed explained how that supplemental differed from that submitted earlier by the President. "With an addition of the two [ships] in the supplemental and the deletion of F-16 aircraft and some missile programs, the outlay totals that we had in our mark would be adjusted slightly." . . .

Muskie: "That changes the overall figure?"

Sneed: "That is correct. The tactical figure for '80 would be $85 billion in budget authority and $76.2 billion in outlays rather than $76.4 billion in outlays which the committee discussed this morning." (Transcript pp. 271–272)

On two other occasions, Muskie stated the subject before the Committee was the FY 1979 supplemental as reported by the Armed Services Committee (Transcript pp. 273, 274). Senator Domenici asked why the Armed Services Committee's supplemental was the subject of debate since his motion in the morning assumed the President's supplemental. He asked if he was mistaken.

Brown: "No, sir. You were not wrong. I asked the question this morning to make sure that was clear. Your motion assumed the supplemental as proposed by the President, the 2.2 in budget authority and $1.1 billion in outlays for fiscal 79 with a further $800 million in outlays for fiscal '80 and the final $300 million in outlays in '81. *However, at the end of this session this morning the whole question of the supplemental was left to further discussion.*" (Transcript p. 276)

Muskie: "*We have not yet acted on a third concurrent resolution for 1979 at all . . .*" (Transcript p. 278)

Riegle: "I would like to raise the issue of the Iranian ships. *I want to propose an amendment that we delete that item. . . .* These *four ships* that are under construction at various stages of construction . . . with the Iranian contract falling through we are stuck with these *four ships.*" (Transcript p. 280)

Riegle had before him a table that was supplied by the Budget Committee core staff showing the FY 1979 weapons supplemental as reported by the Armed Services Committee including four Iranian ships. "I suggest we *delete the Iran ships,* and if I understand the mathematics on this sheet *it is roughly $1.3 billion that is shown here.*" (Transcript p. 284)

Hart: *"We are talking in terms of $1.3 billion for four ships in budget authority* and I don't know what the outlay figures are but is a big chunk now for the *four ships of the second revised supplemental."* (Transcript p. 288)

Sneed (or Hollings): "The *four ships sold to the Iranian government,* [DDG 993, 994, 995, 996]—*that is what we are talking about.*" (Transcript p. 292)

Packwood: "You are talking about cutting the money out for all four of the ships?"

Muskie: "There is no motion before us at this point of any kind."

Packwood: *"Don is talking about cutting out all four.* The Armed Services added two, the President asked for two in addition to get the additional two."

Hart: "Armed Services put in four." (Transcript p. 302)

Muskie: "I am told it is the Administration's desire or intent to acquire *all four of these ships* either into 1979 or 1980; is that information correct?"

Brown: "Yes . . . What they may prefer to do is get additional budget authority from the Congress to procure *these four ships* rather than finding some ways to reprogram existing authorizations or existing FY 1980 authorizations to buy the ship."

Muskie: "That is clearly the Administration's intent, to acquire *all four ships.* So *the question is whether to split them up in 1979 or 1980 or approve none or approve some. There is the option.* (Transcript p. 303)

Domenici moved to table the motion until Friday morning. (10 ayes, 7 nays)

MONDAY EVENING, APRIL 9

Vote "to delete all the monies for the Iranian ships from the supplemental"

Riegle (DWR): ". . . how in the world we can justify an item of *$1.2 billion on an urgent supplemental basis for four ships* that the Defense Department in the past has never indicated the slightest interest in . . ." (Transcript p. 1226)

DWR: "Is there an urgent need for ships of this kind?"

Tillson (group director): "No, *I don't believe we could argue there is an urgent need for which a supplemental is generally supported* but there is a valid use of (sic) the United States Navy would have for these ships." (Transcript p. 1228)

DWR: "I think *anyone who wants to vote $1.2 billion for four Iranian ships when* our own Armed Services Committee voted we did[n't] need them, you have an awfully difficult time talking about economy, at least on the same day." (Transcript p. 1234)

Metzenbaum: "What we are *going to do is waste something in the area of $1.2 billion.*" (Transcript p. 1234)

Bellmon: ". . . we come in with *this large supplemental of which $1.2 billion is for four Iranian ships.* It seems if we approve it, we could reduce the outlay by a similar amount if the Navy wants them, which I am convinced they do want them and they are good ships and I am convinced they are, *why can't we take out $1.3 billion in their* FY 1980 budget?"

Hollings: "I would like to know the answer to that myself."

Sneed (staff): "If you wanted to reduce the 1980 outlay, I think the number is $0.1 billion in outlays."

Bellmon: *"We have $1.53."* [*actually 1.353*]

Sneed: *"That is the budget authority associated just with the cost of ships.* The outlays in 1979 associated with those ships are about $700 million." (Transcript pp. 1236–1237)

Iranian ships could not be accommodated by substituting them for other procurement items

Bellmon: ". . . suddenly we come along and give them two bonus ships. If they want these ships . . . we should take that into account in dealing with their budget."

Tillson. "The one problem there is you can reduce budget authority . . . [but] a large portion of the outlays for *these four ships* have already been paid. . . . The Iranian Government has paid for them. If we procure them in 1979, we will immediately catch up with all those funds that have been spent to date. . . . Whereas, if you reduce the shipbuilding program in the 1980 budget, that is based on an outlay flow which is much slower. In the first year, for instance, in ship building you have only about 4 percent outlay. *For this $1.3 billion supplemental for the four Iranian ships you are going to outlay approximately 50 percent in FY 1979."*

Sneed. "For instance, in 1980 the shipbuilding item is $6.2 billion, the first year outlays associated with the $6 billion is only $250 million, sir." (Transcript pp. 1238–1239)

Exon. "This committee is *about to spend this billion dollars, two or three,* if we do what you suggested, Senator Bellmon, out of the 1980 budget. I think it would probably cripple some needed thing in the Navy. It might be a thing, but *I am a member of the Armed Services Committee and this is not a priority item* . . . how much will we save the Iranian Government out of the trust fund. . . .?"

Tillson. *"How much would we save the Iranian Government?"*

Exon. "Yes."

Tillson. *"$450 million."* [CBO estimate related to for ships]

Exon. "That is the end of my question." (Transcript pp. 1239–1240)

Muskie. "What happens to the money if we pick up the vessels."

Tillson. *"$450 million of that will flow through the trust fund back to the Iranian Government.* That is the agreement that this government has with the Iranian Government, that if we pick it up they will reimburse." (Transcript p. 1240)

Motion to strike the ships

Bellmon. "I fully intend to find some way, if this passes, to take $700 million out of the FY 1980 outlay figure. If they want the ships . . . they ought to be willing to figure out some way of getting them into their 1980 numbers." (Transcript p. 1259)

DWR. "The motion that I made the other day was to delete all the monies for the Iranian ships from the supplemental and that is the issue upon which I would like to have a vote. If somebody wants to offer a substitute they are certainly open to do so."

* * * * *

Bellmon: "I would offer a substitute motion that the supplemental be approved with the provision that FY 1980 defense outlay figure be reduced by $700 million."

Muskie. "I see we have triggered another debate."

Hart: "It won't work."

* * * * *

Bellmon: "I will withdraw the motion . . ."

* * * * *

Muskie: "The clerk will call the roll."

Johnston: "This is what?"

DWR: "To strike the money for the Iranian ships." (11 ayes, 9 nays) (Transcript p. 1259–1263)

Bellmon: "Now I would like to make my motion that we approve the supplemental but delete $750 million out.

Tillson: "Senator, you have just done that. You have taken out $750 million from the defense budget." (Transcript p. 1262)

Moynihan gave a speech deploring the Navy's position on the Iranian ships.

Hollings: "What are you all stirred up about?"

Muskie: "Pat, you just won a victory."

Hollings: "You just gave the Chief of Naval Operations a boot in the behind. You just knocked out the ships by the vote."

TUESDAY, APRIL 10, 1979 CONVENED AT 10:30

Criteria for including language in the report

McEvoy: "Senator Johnston raised one question about report language and, unfortunately, he is not here now. He asked me a question. I thought he was asking how do you get the language into the report. He may have been asking the question others have asked me and that is, what do we put in the report about programs, if anything at all?

What this committee staff tries to do—and you and your staff will want to capsulize by function—is explain what the committee's numbers meant when it was moved according to the undisputed comments of the mover of the motion. If somebody says, 'I think we should remove the cap from food stamps,' and the committee votes a billion dollars more money, it means that is what we say unless the committee voted not to. You will see some programmatic judgments expressed in the report which is what the staff understood from the record to be the position of the committee when it voted certain numbers. Otherwise, we do not explain deviations up or down.

I would say to members if you have a disagreement, let us know. We will check the record and live by it."

TUESDAY, APRIL 3, 1979

Senator Biden. Why don't you add that one and add one more. We are talking about cutting. I agree the commissary hasn't flown before. There are a lot of things that have not flown before 18 months ago that we sat in here and would not even consider the prospect of cutting and getting any support.

The mood has really changed out there as everyone has pointed out. Our constituency has not moved from any State to any other State. They are still mobilized but the countervailing force that can be brought to bear is much different.

If we don't keep banging at it every year, if we all implicitly agree it does not make much sense to do it that way, it would be a mistake.

I would like to add one other thing if I may. I would like to ask the question and make the suggestion. It seems to me that the large supplemental that is included in here, the discretionary supplemental disrupts really basically good budgeting practices. It makes the 1980 artificially low by adding new programs in 1979. I think we should discourage this kind of budgeting. Why don't we add—and we are talking essentially about the MX program, the Iranian destroyers—at any rate, and I am not suggesting that we eliminate them.

What I am suggesting is that we are talkinb about the case of the supplemental for the MX and cruise missile or $400 million as requested in '79 by '84, $100 million of that will not be spent out of the $400 million.

Since the '79 supplemental appropriation won't be adopted until June or July and since the '80 budget is affected three months later in October, can't we wait three months to budget the funds? That will make this a more sensible budget approach and especially since there is a lot of controversy surrounding some of these items that are not going to pass very rapidly on the Floor.

There will be significant debate on them.

I am not suggesting we eliminate or cripple the program and this is a question of staff.

Can we maintain that in budget authority, what is now that supplemental number over $2 billion?

Mr. SNEED. $2.2 billion.

Senator BIDEN. Doesn't it make sense to include that in budget authority for 1980 and eliminate it from outlays in '80 and put it in outlays—do you understand what I am trying to get at?

Mr. SNEED. With the program content of the supplemental, I don't think it would be possible.

Senator BIDEN. Why not?

Mr. SNEED. Because there are several programs associated with Iranian cancellation. If we accept budgetary authority for those, I think there will have to be immediate payoffs with those programs.

Senator BIDEN. What does that mean?

Mr. SNEED. I will give you an example. There are four ships involved. The normal first-year spending associated with shipbuilding is like three to four percent. In the case of the supplemental which we have is $2.3 billion if I understand all four ships are in that supplemental now. The first-year spending would probably be close. It would probably come close to $900 million just for those four ships. We would be assuming the cost for those. The Iranians have paid into the trust fund——

Senator BIDEN. Are you suggesting I move to cut it completely then? My staff just handed me a note "Can't we reprogram the existing funds to carry over to October 1st?"

Mr. SNEED. You can just slide the consideration of the supplemental into consideration with FY 1980 defense fund.

Senator BIDEN. Doesn't that make more sense really in terms of what the reflection of our budget is, a more honest reflection of what the budget is?

Mr. BROWN. It could well be. If you look at the figures we have for fiscal 1979, you see $2.2 billion in budget authority and $1.1 billion in outlays. The fiscal 1980 further outlays associates with that stuff as shown in this book is $600 million. If you merely shifted it one year, that certainly is an option, but presumably you would shift out that $800 million and shift in a billion dollars. Outlays would probably go up in 1980 from what we are now showing in these materials if you assume that the supplemental slips. That may be a very good assumption.

Last year, I believe the big supplemental got signed in September and the year before it was June or July. There is no question the supplemental will come late. One could shift it.

The only point I wanted to make is if you shift it into the '80 and assume it, you will still have significant outlays.

Senator RIEGLE. I have been trying to figure out how the urgent supplemental and I stress the word "urgent" supplemental got changed and arranged for these four Iranian ships. I must say I don't understand at least in conventional terms how the urgent supplemental got turned upside down and suddenly these Iranian ships are hot items. I understand they are built in Mississippi and this may trouble some, but I think it is really kind of outrageous that something that is built as an urgent supplemental item can't wait and we can't take it in the context of the next budget. Lo and behold, we have a situation change in Iran. Here is a socialized power. I thought it was two, but we have four very specialized ships being built down there. The Iranians bail out on these things, and all of a sudden we are being asked basically without any kind of careful consideration to finance these things. I really think it is outrageous.

I would think the Administration would be embarrassed to make that request. I think we would look like fools if we honored it.

If there is some compelling strategic reason—and I like John Stennis as well as anybody—the fact that this is in the Chairman district, I would like to know what it is. If there isn't such a justification, I would like the record to be clear as to why we are prepared to spend this sum of money basically just to keep this project going.

I say to my friend from Florida and others here who are really out front on this cost-saving charge in the Congress, if we are not going to blow the whistle on this kind of thing and we are going to concentrate on picking around the edges on CETA and senior citizen lunches and so forth, you have close to a billion dollars here. I mean we are just going to look absurd. We are not fooling anybody.

Senator METZENBAUM. Since we are on the Iranian ships, I suppose we should finish that. If they want to talk on that, sharing views, I will wait.

Senator DOMENICI. I don't want to talk about ships, and I don't want to preclude my good friend from offering an amendment.

I move that the committee accept as a substitute for the Bellmon proposal the President's mark in BA and outlays indicating, however, that it is our intention that there be a 25 percent absorption and a switch to once-a-year cost-of-living, and to the extent that those two cause a savings that such savings be transferred to procurement, to hardware procurement in the budget.

Senator JOHNSTON. Do you have the CBO re-estimate of the government?

Senator DOMENICI. Yes.

Chairman MUSKIE. Senator Metzenbaum.

Senator METZENBAUM. It seems we are getting confused about whether we are talking about the supplemental.

Senator BIDEN. They are both the same. The supplemental is included in the President's mark re-estimated by CBO. It is not an inconsequential figure. That is the whole point I was trying to make. I thought I yielded for a question or comment, and I was prepared to make a motion to eliminate that entire supplemental from the budget. A guy who knows a lot more about it than I do is Senator Hart.

Chairman MUSKIE. Senator Metzenbaum.

* * * * *

Senator DOMENICI. How much difference can there be? Aren't we all in accord?

Chairman MUSKIE. You don't have all of the amendments.

Senator RIEGLE. I don't think you have seen all of the proposals that are to be offered.

Senator BELLMON. Let's vote on mission 1.

Senator DOMENICI. I move the President's recommendation on mission one on the basis this does not relieve my substitute motion to the Bellmon amendment on the remaining missions.

Mr. BROWN. Mr. Chairman, I do not know the numbers for the odd years on mission 1.

Senator DOMENICI. They are on the board behind you.

Mr. BROWN. The technicians tell us that is not true.

Senator DOMENICI. Let's clarify this.

How are we as senators going to be able to propose anything? Do we have to have a recess and have you prepare out-year substitutes? We can't prepare those years.

Chairman MUSKIE. We did pretty well last year.

Mr. BROWN. CBO tells me they have the numbers for your version, Senator, but it is different from Senator Bellmon's. We have them both. This is just on mission 1.

Senator DOMENICI. What is different about them?

Mr. CAPRA [CBO]. The difference is when you made the statement you wanted to spread the savings from 25 percent absorption and from the retired once a year to procurement. That mission, strategic warfare forces has a good deal of procurement. In fact, the ratio of the $700 million savings is $500 million for mission in budget authority, $500 million for mission 2 and $200 million for mission 1.

You could, if you like, specify all those go into mission 2, all of those savings, but that is not the way the substitute was phrased.

Senator DOMENICI. I would so amend mine that they all go to mission 2 so we can vote on mission 1.

Mr. BROWN. Then you are talking about the numbers on the board for mission 1.

Chairman MUSKIE. Yes. Senator Hatch.

Senator HATCH. As you know, I am concerned about AMX hardware design which would allow earlier and better testing. So, we suggested that you add another $200 million for that at $200 million in budget authority and $160 outlay for each.

It is my understanding that if you add that budget authority in the outlay figure that you would be able to reach a testing

Do you agree with that or disagree?

Mr. TILLSON. On the MX missile, I can't answer that. The existing program is a very complex one which the Air Force has been working on for quite some time. One might imagine that you could go to testing more quickly, but there are certain points that have to be met on the schedule. I don't know that putting more money into the program would in fact accelerate our development. I just don't know the answer.

Senator HATCH. That is a problem, and I would want to move those figures be added into mission 1, the budget authority of $200.2 million for the MX with the outlay of $200.16 and the same for SLCM. I think we just have to do this.

Mr. TILLSON. You have the same amount for both.

Senator HATCH. You will find we will reach the testing phase much more quickly if we have that additional money, and it is crucial that we do that.

Senator HART. Mr. Chairman, the Armed Services Committee spent a number of weeks on the supplemental request of the Administration, and I am not sure the record comports with what the Senator from Utah indicated.

I think it would be important before we accepted that to know what the Administration's position is.

As you know, this is a very vital program and a very complex one, and we have to proceed, I think, methodically on it because we are, in fact, in the closing stages of the SALT agreement. I would hope this committee would not take any steps on a program such as this particularly at four minutes of six when I am sure the Senators did not hear the argument of the Senator from Utah. If we are going to discuss hundreds of millions of dollars in the AMX program——

Chairman MUSKIE. The Chairman concludes it is not as simple to approve mission 1. As a consequence, we shall recess at this time and reconvene at 9:30 tomorrow morning.

[Whereupon, the committee was recessed at 5:56 to reconvene at 9:30 a.m., Wednesday, April 4, 1979.]

The CLERK. Mr. Moynihan.

Senator MOYNIHAN. No.

The CLERK. Mr. Domenici.

Senator DOMENICI. No.

The CLERK. Mr. Packwood.

Senator PACKWOOD. Aye.

The CLERK. Mr. Armstrong.

Senator Armstrong. Aye.

The Clerk. Mrs. Kassebaum.

Senator Kassebaum. No.

The Clerk. Mr. Hatch.

Senator Hatch. Aye.

The Clerk. Mr. Pressler.

Senator Pressler. No.

The Clerk. Mr. Chairman.

Chairman Muskie. No.

The Clerk. Mr. Riegle.

Senator Riegle. No.

The Clerk. Nine ayes, six nays.

Chairman Muskie. The amendment is agreed to.

Senator Bellmon. Before we leave this——

Chairman Muskie. We have to have a final vote.

Senator Bellmon. I would like to offer another one.

I am informed the list of programs included in the 1979 supplemental, there are 75 items altogether. The total amount comes to $2.9 billion, if my figures are right.

Those are all outlays, I assume.

Mr. Sneed. Are you talking about the weapons supplemental?

Senator Bellmon. It all appears to be for weapons for such things as Iranian items, MX basing operations, Trident——

Mr. Sneed. $2.2 billion is for the weapons supplemental.

Senator Bellmon. On the back it says $700 million.

There appears not too many emergencies here. It looks like the military coming in the back door which they could have done through the right process.

I move to reduce this.

Mr. Sneed. The items on the second page were deleted from the initial weapons supplemental submitted by the President when the Iranian situation arose. The total in the supplemental is before the Congress and is $2.2 billion.

The second page or items deleted from the original supplemental submittal——

Senator Bellmon. If that is the case, then the President has done what I proposed to do.

Senator Riegle. Mr. Chairman, can I inquire a little bit here? Do I understand the items on this page are the ones that the Iranian ships replace?

Aren't these the items that were originally asked for and now are being dumped overboard?

Mr. Sneed. The $700 million, that is correct, Senator.

Senator Riegle. I want to be sure we are clear on this. These are the items the President initially said were the urgent supplemental items. Then the Iranian ship problem developed and we decided nobody asked for these kinds of ships and these would be the urgent items we would finance and those are now taking place.

Is this a fair statement of the facts?

Mr. Sneed. That is right.

Senator Riegle. I would like to ask my friends here, if I may, Mr. Chairman, who are on the Armed Services Committee and those of us who are not, of course, don't have the same flow of information that they have.

But, on the fact of it, this looks very fishy. All of a sudden we have these items the administration felt were urgently needed, but suddenly the Iranian ships cancelled the order and are sitting down there partially under construction, everybody is sort of jumping aboard and are saying that we need these ships which nobody asked for before.

This looks like the classical situation where we are bailing out. I don't know whether it is the Senators from those States or the defense contractor.

If we do this, this makes trying to cut the budget a problem.

I would like to move to strike these out, but I am open to reason if somebody can tell me why it is three months ago this was not anything on anybody's agenda to discuss and now suddenly it is such a hot item we have to finance it in the tail-end of the current fiscal year.

Is there anybody here who is prepared to defend that kind of urgency?

Chairman Muskie. We agreed to break at 12.

Could we get to a vote on the functional totals for 1980 and take up this other question when we come back at 1:30?

Does the 986 number include the supplemental?

Mr. Sneed. It includes $780 million in outlays.

Chairman Muskie. But the '79 supplemental would require a third concurrent resolution; wouldn't it?

Mr. Brown. It will add to the problem on outlays. Any supplemental will because there is already an outlay overage.

Chairman Muskie. Are those outlays included in these numbers?

Mr. Brown. That is correct.

Chairman Muskie. I don't think we can vote on it.

Senator Riegle. I want to hear from Fritz and Gary and the others who are the insiders on the defense business as to how these ships suddenly came out of nowhere to become urgent.

The Clerk. Mr. Packwood.

Senator Packwood. Aye.

The Clerk. Mr. Armstrong.

Senator Armstrong. No.

The Clerk. Mrs. Kassebaum.

Senator Kassebaum. Aye.

The Clerk. Mr. Hatch.

Senator Hatch. Aye.

The Clerk. Mr. Pressler.

Senator Pressler. No.

The Clerk. Mr. Hart.

Senator Hart. No.

The Clerk. Nine ayes, six nays.

Chairman Muskie. May I remind members we will reconvene at 1:30, break at 6 p.m., return at 7 and work until 10.

[Whereupon, at 12:05 p.m., the committee recessed to reconvene at 1:30 p.m. the same day.]

Chairman Muskie. Could we take a vote on the functional totals subject to revision after consideration of the 1979 total?

Does everyone understand?

Let's have a roll call vote.

First, would the staff tell us these functions? They are on the board.

This is on the functional totals.

The Clerk. Mr. Hollings.

Senator Hollings. Aye.

The Clerk. Mr. Chiles.

Senator Chiles. Aye.

The Clerk. Mr. Johnston.

Senator Johnston. Aye.

The Clerk. Mr. Sasser.

Senator Sasser. Mr. Hart.

Senator Hart. Pass.

The Clerk. Mr. Riegle.

Senator Riegle. No.

The Clerk. Mr. Moynihan.

Senator Moynihan. Aye.

The Clerk. Mr. Bellmon.

Senator Bellmon. Aye.

The Clerk. Mr. Domenici.

Senator Domenici. Aye.

WEDNESDAY, APRIL 4—AFTER RECESS

[The committee reconvened at 1:25 p.m., Hon. Edmund S. Muskie presiding.]

Chairman Muskie. The pending issue before us is the 1979 weapons supplemental reported by the Armed Services Committee and its implications for the figures which we approved for the 1980 defense function.

I will ask the staff now to present the facts with respect to the supplemental that we reported out and what its implications are for fiscal 1980.

Mr. Sneed. Senator, the supplemental, out total assumed '79, amounted to $2.1 billion in the budget authority, $1.1 billion in outlays. The '80 outlay impact on that supplemental had been $800 million. The '81 impact had been $300 million.

With an addition of the two shifts in the supplemental and the deletion of F–16 aircraft and some missile programs, the outlay totals that we had in our mark would be adjusted slightly.

The impact in 1980 would be outlays of $200 million less. All these numbers are in the tactical mission, mission 2.

Before, we had counted on $600 million in tactical for '80 outlay impact on the sub. It would now be $400 million. There would be—our '81 number did not change.

Chairman Muskie. That changes the overall figure?

Mr. Sneed. That is correct. The tactical figure for '80 would be $85 billion in budget authority and $76.2 billion in outlays rather than $76.4 billion in outlays which the committee discussed this morning.

Chairman Muskie. For the bottom line, what does that read? How does that read?

Mr. Sneed. 124.7 rather than 124.9.

Senator Domenici. If we did what?

Chairman Muskie. If we make room for the entire supplemental reported out by the Armed Services Committee.

Senator Domenici. $100 million is all the impact on outlays?

Chairman Muskie. No, $1.3 billion in fiscal year '79 and $600 million in fiscal year 1980.

Mr. Sneed. They made adjustments. They kept the top line at $2.2 billion. Actually only 2.1 of the 2.2 has to be authorized so they were looking at $2.2 billion. They passed that total but they made programatic shift. They added two shifts into the supplemental and deducted things in order to stay within that overall ceiling.

Our best estimate at this time on the outlay impact resulting from those changes; would be to add $200 million in 1979 above our previous estimate for supplemental budget 1980. There is a $200 million decrease.

Senator Domenici. Mr. Chairman, I don't want to——

Chairman Muskie. Let me put it this way. The numbers we approved for '80 this morning included assumptions with respect to the 1980 implications of adopting the supplemental as reported by the Armed Services Committee. Those assumptions this morning totaled $800 million.

The reestimate shows that the '80 impact in outlays is $600 million, so, consistent with what we did this morning we can reduce outlays in '80 by $200 million and still cover the supplemental reported out by the Armed Services Committee.

Now, whether or not this committee wants to endorse the full supplemental is the issue before us, but the first facts that I wanted to get on the table are the 1980 implications.

We still need to act on the military weapons component of the third concurrent resolution. That is these figures.

Have you distributed those figures?

Mr. Sneed. We can distribute them.

Mr. Brown. They are up on the board, including the $200 million change which was just mentioned. Notice the mission 2, fiscal 79 on the right, the 1.2 billion in outlays, .13 and the budget authority is 2.2.

2.2 and 1.3. There is your $200 million reduction in 1980.

Chairman Muskie. Do you have the mission totals up there accurately?

Mr. Brown. Yes, sir.

The Chairman. They seem to differ from what I have before me. I have a number for defense wide.

Which mission is that?

Mr. Sneed. There is no adjustment. It is only $30 million so that is absorbed in the rounding process.

Chairman Muskie. So, essentially you have the two items, M–1 and M–2.

Senator Domenici. What do we plan to do with the '79 supplemental?

Chairman Muskie. The assumption——

Senator Domenici. This assumption is we take it off.

Chairman Muskie. There is no assumption made if the committee has not made an assumption yet. All we are doing is presenting what the budget implications of the bill reported out by the Armed Services Committee this morning would be.

Whether or not this committee wants to make that much room in the 1979 third concurrent resolution is the question now before us as requested by Senator Domenici. We could make it less or more and subsequently the Appropriations Committee will act before this session is over.

Senator Magnuson. I apologize for not being here but I have been in the Appropriations Committee. This is a little confusing. There are several items on the supplemental that don't need authorization. We will have that supplemental, I suppose, in the next 60 days from the Defense Department and the other supplementals. The authorizations are not necessarily going to be sent up by the budget downtown for a supplemental. You are assuming here that the authorization for defense will be sent up by the OMB for full funding.

That is not correct. There are a lot of supplemental items that come up before the committee that don't need authorizations. They are already authorized and we take them or leave them.

Mr. Sneed. This supplemental deals with 2.2 billion and the $2.2 billion does require authorization and the Armed Services Committee did report yesterday the $2.1 billion total.

Senator Magnuson. I have no objection to the way you are going at this but I wanted to point out the differentiation that there are a lot of supplementals that come up that don't need authorization. That makes a great deal of difference.

Chairman Muskie. There are two documents that we would trigger here.

One is a waiver resolution for the authorization bill. That is going to be required.

Secondly, a third concurrent resolution is going to be required because, combined with the spending that Congress authorized for this fiscal year, this supplemental and others will reach the ceilings of the second concurrent resolution for other reasons so we will need two documents to cover this defense supplemental bill which has been reported out by the Armed Services Committee and then you, of course, will decide how much.

Senator Magnuson. The Appropriations Committee will not appropriate any money that has been authorized and we have lived up to that rule pretty strictly.

Senator Bellmon. The Chairman is right.

Senator Domenici. I don't want to belabor the point and maybe I am just dense, but I still don't understand why we had any recalculating anything. I understood my proposal as a substitute for Senator Bellmon's, including what was required by the 1979 supplemental. I thought that was over with. If we were going to have something on the supplemental or a third concurrent resolution, that is another matter but I thought we had accepted Mark's subject to a question about the Iranian vessels. That included everything required in BA and outlays for the 1979 supplemental to be carried over into the '80.

Was I wrong in that? I think the record says that.

Mr. Brown. No, sir. You were not wrong. I asked the question this morning to make sure that was clear. Your motion assumed the supplemental as proposed by the President, the 2.2 in budget authority and $1.1 billion in outlays for fiscal 79 with a further $800 million in outlays for fiscal '80 and the final $300 million in outlays in '81.

However, at the end of the session this morning the whole question of the supplemental was left to further discussion.

All we are saying here now is that as you begin to discuss this whole question of the supplemental, there is a new fact, namely what the authorizing committee did that you should take into account and should understand. It has no difference in the total. It is a slight adjustment in the mix between '79 and '80 outlook.

Now, you can decide what you want to do.

Chairman Muskie. There is $200 million deducted from '80 but $200 million added in '79 in the spent-out estimate.

Senator Domenici. That is because somebody reestimated.

Mr. Sneed. They changed the mix of the program which caused the outlay to change.

Senator Domenici. Who is they?

Mr. Sneed. The authorizing committee, Senate Armed Services Committee, from the President's budget to a supplemental request.

Senator Domenici. What did we have before us when we started this debate? Did we just have the President's?

Mr. Sneed. Yes.

Senator Domenici. The authorizer did something yesterday and we got it today?

Mr. Sneed. BA is the same but the composition has changed.

Senator Domenici. What did the House do with reference to the President's supplemental and do they have an urgent authorization?

Mr. Sneed. They cut the programs significantly from the Senate level. I don't have the complete——

Senator Domenici. To put it another way, did they take into consideration——

Mr. Sneed. The House Budget Committee rejected the supplemental. I think Chairman Giaimo's position is that it be taken up on the Floor of the House. If the House wants to vote up or down on it, it will be done at that time.

Senator Domenici. They did not push it over into the '80's and won't unless the House votes in the supplemental and only to the extent that it impacts will they move it over.

Mr. Sneed. That is my understanding.

Chairman Muskie. We have not yet acted on a third concurrent budget resolution for 1979 at all, and it is conceivable although I don't think so, given this morning's vote that this committee may vote something less or could, at least, has that option. If that happens, the '80 impact will change again.

Senator Riegle. If I may inquire, Mr. Chairman, I would assume if we made any adjustment to reduce the supplemental any amount that may help us, in fact, in getting to a balanced budget in subsequent years. I gather the bulk of the money is spent quite quickly but apparently there is some '80 or '81 impact, which is minor and we will spell it out as we go along but I guess that would be the adjustment you are inquiring about.

To the extent we took that step, there might be some saving there.

Chairman Muskie. If we rejected the Iranian ships, it could have a significant difference in the changes in numbers for spend-out in '80 and '81.

Is it the pleasure of the committee to move to the third concurrent resolution?

Senator Domenici. Do I understand that there isn't any need for us to change the resolution which we arrived at just before noon, but if we want to we would be doing it at this point based upon somebody wanting to change the supplemental and its impact on '80; is that correct?

Mr. Tillson. That is right. The only change you would make is a change as a result of the FY '79 supplemental which was assumed in your numbers.

Senator Riegle. If there is no objection, I would like to raise the issue of the Iranian ships. I want to propose an amendment that we delete that item.

Is there any objection to that?

Senator Magnuson. Go ahead.

Senator Riegle. There may be other colleagues who are relatively new to this issue as I am. I think those of us on the committee who have served on the Armed Services Committee are much more familiar with this since they have just been through this, but I would appeal to my friends to keep an open mind because this may be one area where we can save some money and not impair defense.

In fact, we might improve our defense by striking out these ships.

As I understand it—and I would like the staff to respond after I have had a chance to lay out my understanding as to whether or not this is accurate or if I have omitted anything.

These four ships that are under construction at various stages of construction, ordered by Iran, are of a very particular type. They are designed according to their specifications for use in that particular theater of the world and so forth, and they are ships of a type that our defense establishment has not previously asked for ourselves for any American operating need prior to this time and there was no request in 1979 or 1980, and, in fact, I am told in terms of the 5-year plan that has been put forward by the Department of Defense that there was not a hint of a requirement for a sense for needing this kind of a particular ship.

I gather what has happened here is with the Iranian contract falling through we are stuck with these four ships under partial construction and there is some sensitivity about the fact that—I assume it is no secret that the chairman of the defense committee comes from Mississippi where these are being built and wants to salvage this work project.

I think we all understand that kind of a situation, but the question is do we really need these ships. If we do, do we need them in terms of this urgent supplemental umbrella under which they travel because originally the requests for the defense monies was an entirely different list of items.

I am not proposing to touch any of the other items in the supplementals such as the MX and I would propose we leave them intact. I suggest we delete the Iranian ships, and if I understand the mathematics on this sheet it is roughly $1.3 billion that is shown here.

I am also told if the Defense Department in fiscal year '80 or beyond decides that they want to take and do some reprogramming that they can actually pay some amount of future authorizations for a different kind of ship and they can rebuild these ships.

Apparently they can start at the point where they are presently and put a different kind of configuration on top of it and actually end up with a ship they have told us they want and which we apparently acquiesced and said we would be prepared to advance.

There is another way for them out of this box without coming in at the last minute and somehow saying this is an urgent requirement.

Senator Magnuson. We would have to submit to the Appropriations Committee a reprogram. They could approve it or not approve it.

Senator Riegle. If that happened, they would have to go through an authentic military and strategic justification for these ships either in the Iranian form or some type of hybrid, rebuilt Americanized form which would somehow fit what the Defense Department people need.

This seems to me to be a classic case of a situation that is a masquerade. This is no more an urgent supplemental matter than the man in the moon. They got stuck with these ships under construction and obviously I think somebody has to put some leverage on the Defense Department to come forward and say they would like to have them but there is not a hint they said before they wanted them or in fact that they do want them.

I would hope what we could do here is this, and I think this sticks out like a sore thumb, we vote to delay it. It does give us help in '80 and '81 and I am sure the committee staff can give us those numbers.

If the Defense Department in the normal sense wants to make a serious rationale for these kinds of ships they can do it in the normal process. There is a way out in salvaging whatever ship building has gone on and they can do some reprogramming and build a different type of ship from what is proposed here.

I would hope the committee would delete these items and in light of earlier steps provide a very strong defense for the country. All of the amendments of the Senator from New Mexico which were put forward to be for the defense budget were accepted, so, I think to take and put an item aside and let it meet the main test that every other serious defense equipment has to meet would really be the proper course.

Let me also say I asked earlier before the lunch break if Gary Hart or Jim Exon, who serve on the Defense Committee and have gone through this exercise in the Defense Committee could shed further light.

Senator Metzenbaum. How far along are those ships as far as their being built are concerned Are they way down the road or are they just started.

Senator Hart. Two are advanced construction stage and two are behind. They are not ready for trials yet.

Senator Metzenbaum. Isn't the keel to be laid for one of them in May?

Mr. Tillson. The first ship is 30 percent completed. The second, 17 percent completed and the last two are 10 percent complete, from this note.

Senator Hatch. That is planning and construction up to now?

Mr. Tillson. Yes.

Senator Muskie. Senator Hart had asked to be recognized.

Senator Hart. I just want a walk through of what happened here.

Senator Johnston. I think there is a cozy relationship between the Government and contractor. I think it is officially a cozy relationship in that foreign military sales are sort of made by the Government as a patron and sponsor and there is almost a guaranteed relationship with the contractor unlike, for example, down in New Orleans a developer is building a bank down there which is Iranian. He knew he had to protect himself so he put the money in a New York bank.

It is my understanding on the foreign military sales they look to the Government to protect them. I think the question here is what kind of obligation does the Government have to the contractor and can it meet that obligation other than by, in effect, buying these ships for the Government, because I think the Government must fulfill its obligation, expressed or implied, to make the contractor whole.

Can someone tell us whether or not there is this implied obligation and if so to what extent there is an obligation and how can that obligation be satisfied other than by buying boats?

Mr. Tillson. I think the fairest answer to your question is there are termination costs negotiated into every procurement contract so the Government would be fully within its responsibility to the contractor were it to terminate the contract according to the terms of the termination agreement. That would potentially cause harm to the contractor if it left him with production capacity unused but certainly it would be within the Government's right to terminate.

Senator Exon. Let's clarify and then I will let my senior colleague on the committee talk about it.

You are right but there are funds of the government of Iran which we can use to negotiate down if those are cancelled. The information which has been furnished to us, which I think is entirely accurate, is we could be facing a loss of $200 million in tax payers funds.

Gary, is that correct data?

Senator Hart. I can't vouch for it.

Senator Exon. Maybe you were not there all the time but that is part of what came out of it.

Mr. Tillson. The destroyers were purchased according to foreign military sales agreements that we enter into with foreign countries and producing countries. The United States becomes a party to the contract, actually makes the contract, in this case Litton and the shipbuilding firm at Pascagoula.

The United States Government enters into a contract with the government of Iran for these four ships so that the U.S. Government pays the contractor and the Iranian government pays the United States.

Now, the government of Iran terminated the practice of its contracts within the United States and there are certain functions in there to pay contract termination costs.

The administration has had great difficulty in deciding exactly where the funds were, whether there were sufficient funds to terminate all programs just to see what the impact would be on the Government if all or some of them were eliminated.

They recently provided an estimate for the Armed Services Committee, subject to error, but now it is very difficult for the administration to determine where we are with respect to the total Iranian problem.

Senator Exon. The latest information we received was if all of the programs were terminated the funds, by the latest estimates would be short by some $200 million and we assume the Iranian government will not make it up.

I would like to have the Chair recognize Senator Hart but I would point out that we recognize if we pick up these ships we are doing a considerable service in Iran and that was one of the considerations discussed in the Armed Services Committee.

Senator Hart. Mr. Chairman, shortly after the Congress convened, a supplemental request of just over $2 billion was set up which by and large was a grab bag for all the Services and represented a variety of things they felt they needed. There was a real question at that time, to address myself to what Senator Bellmon said earlier about the urgency of these items but, nevertheless, there they were.

In the course of the committee's efforts to undertake this supplemental we were taken by two elements. We had the original request which did not take these requests into account and then we had a request to consider what was ordered on the open market.

After we had begun that we had a Middle-East peace agreement and all of a sudden the possibility came up that we might be able to buy some weapons from the Shah of Iran or pick up some he had ordered and meet some obligations to lease them to the Israelis and Egyptians.

Now what you have is a can of worms. We had prior commitment to the Israelis and discussed commitments to the Egyptians. We had a peace agreement which expanded those commitments, presumably to include the Egyptians and we had a bunch of weapons sitting around that the Iranian government did not want.

Here came the administration at separate times, but mostly after the peace agreement with the amended supplemental which tried to take into account all of these events.

The fundamental question is where does this lead?

It is my understanding that supplementals would only lie with the Congress if there were some degree of immediacy or urgency. If not, you took it up in the normal authorization cycle.

There has been a great deal of confusion in the Armed Services Committee about this. It seems to be the only urgency is some of the contractors for these weapons systems feel very insecure, and that seems to be the degree of urgency as far as the ships are concerned.

We are talking in terms of $1.3 billion for four ships in budget authority and I don't know what the outlay figures are but it is a big chunk now for the four ships of the second revised supplemental.

Essentially, the facts, as Senator Riegle presented them, are correct. A lot of questions were asked on the record whether these ships had ever been requested by the Navy. It is my understanding the answer is, no. The 5-year plan did not have plans of this type.

There seems to be some reference by the Navy to ships of this type for the year 2000. They do contain equipment the Navy has never wanted or needed on our ships.

The principal weapons systems on these ships is target standard system which in the view of the Navy is outdated the minute it goes to sea by counter response measures the Soviets produce.

Without burdening everyone with too much detail, the Armed Services Committee rejected a Navy request for a cruiser staff which would contain the missile system on it on the grounds that the system was outdated then. This is three years ago.

So, the principal issue for this staff is a weapons system which is already duplicated by carrier nets and this was seen by our committee to be essentially outdated.

So, the real question is, is this urgent and even if it is urgent, are these kinds of ships necessary?

This was voted out 5 to 9 for these ships.

Phoenix missiles, Hawk missiles and standard missiles all of which were manufactured for the Iranian are involved here.

On the contractor's liability, the Defense Department and nobody else has pursued the European market for these ships. It is not a question of will the United States end up with them or will the Iranian government end up with them. There are a number of possible buyers—maybe the French or Germans want these destroyers.

Senator Packwood. The original contract is between Pascagoula and the United States Government?

Senator Hart. Yes.

Senator Packwood. But we don't expect to get the termination money from Iran.

If we do terminate we have the money to terminate.

Senator Hart. Some money. Not enough.

Senator Packwood. I don't know how many ways a shipyard has but, do they have four ships on the waves now?

Senator Hart. Yes. This is a new construction method at the Pascagoula yards.

Senator Packwood. Will we halt construction or what?

I remember the cruiser shipyards but that is the extent of my knowledge.

If there is the money, even reasonably enough money in the Iranian account to pay us the termination costs, we lose not much. I have no idea what the costs might be and what we might have to pay the contractor.

The other thing I am intrigued with, Mr. Chairman, we are all familiar with the fights between this committee and the Finance Committee on specific things. Armed Services has studied these things and we could not be talking about anything more than these things. We are second-guessing the judgment of the Armed Services Committee.

Senator MAGNUSON. The '79 supplemental has been revised to provide $628 million to buy two of the four destroyers which Iran ordered. We understand down in Appropriations the fiscal 1980 supplemental will request $723 million to buy the other two ships. So, they have zeroed in on this.

Senator EXON. They added two more, Senator Magnuson. They came up with a 13 to 5 vote. The Armed Services Committee decided to buy all four of the ships rather than the two.

Senator MAGNUSON. That is what they have changed.

Senator HOLLINGS. I would like to learn from the military advisors here of the utility of these ships to the U.S. Navy. The statement has been made that it has equipment that three years ago the military found obsolete and out of date and nobody wants to vote for a missile that the Navy will not move.

Under these proposals this has been included. That is what the President asked for; that was part of the Domenici amendment. The Budget Committee has adopted two ships and not four.

Mr. SNEED. The supplemental considered this morning included two ships. The one submitted by the President included two ships. We had not bought the four. I know the Armed Services had but it seems to me under the circumstances if they are of value—from what I have just heard described everybody has not heard much about these ships.

But as we all know, this year we did not have the complete presentation of the defense budget with respect to mission controls.

In past years we have sat around at a table and gone into each section on a mission control basis.

You would get to the Naval power and see control and you would project in the outlays the construction effort.

As a member of this committee, I remember a Navy of 600 vessels, a 500-vessel Navy and we got down to 300. We are trying to get it built up.

I understand these vessels are a similar type. On the one hand adapting them to have a capability that these vessels have or some of these kinds of vessels have that had been planned in the out years so if we had a situation of a need to terminate we would try to fill down the road, namely '85 or '86, whatever it is, with the Iranian predicament we should hold up on some of this.

The Navy could work out a couple of proposals and later down the road to make these an additional supplemental.

Are these any good? Should we go to Europe and see if they are interested in them?

We did not say there was no need of the ship. I think that is a slight exaggeration. There have been hearings right here in the Budget Committee that we need some alternate vehicles in the Mid-east.

We start with the type of destroyer bought several years ago. The last number is 963. That is the whole number of the ships.

The four ships sold to the Iranian government, 993, 993, 45—that is what we are talking about.

In 1978 the Congress authorizes a 99.7 which is the last of the class authorized today.

However, in addition to those ships, DCC class ships, the Government is procuring DDG–47 Class ships which are the Aegis ships which have the more modern air defense ability.

These ships have essentially the same haul as the 930 Class ships, so the DGB ship in the 1980 budget will be the same as the 993 Class ships that the Iranian government has decided not to procure and exactly the same as the 997 Class ship which the Congress authorized the administration in the Navy to apply in FY 1978.

These are ships we expect to but in the out years.

Senator HOLLINGS. So there were some ships they were going to buy in the outyears.

What was the reprogramming done by the Navy order to get this supplemental before Senator Magnuson and the Approps Committee?

Mr. SNEED. They did not have to program for anything. What they planned to do was take the other two, indicating they no longer made it necessary to make adjustments in the 1980 shipbuilding program to keep SCB level out deleting a couple of other ships.

Senator HART. It is the weapons system on board that is important here. The Navy has been requested by the Armed Services Committee, essentially the DGG–47, which is the AEGIS ship, same hull but a much more advanced, modern weapons system on board.

They have not made this request of our committee. I think that this is the principal point here. If we buy these ships, it will delay the types the Navy wanted because it takes up that money.

That is what is important.

Senator HOLLINGS. Are they planning to buy these?

Senator HART. The whole record is toward the AEGIS system.

Senator HOLLINGS. I can't see the Armed Services Committee voting that down.

Senator HART. The whole record is toward the AEGIS system.

Senator HOLLINGS. I can't see the Armed Services Committee voting that down.

Senator HART. You get them cheap.

Senator Hart. That is the argument. They are cheap.

Senator DOMENICI. I appreciate Senator Hart bringing me up to speed on the difficulty that surrounds either two or four. I had no idea, to be honest with you, that it was this complicated yesterday when I looked at the so-called urgent supplemental.

I appreciate your bringing this Senator current on the problem. If we take out the two requests in President Carter's amended request, we let out the four which is what this committee had in mind. They buy this or that or none.

We take them out and they buy them and then we are stuck. Those of us who thought we were supplying other things to the military, we are stuck with using the money we thought was going to these ships.

If there is some way to unequivocally delay action on the ship by delaying money—the supplemental is not a line item.

Senator JOHNSTON. Does the Senator understand why this is going to be in the third supplemental for 1979, why it is in the budget?

I never have understood that and I missed something.

Senator DOMENICI. What is your question?

Senator JOHNSTON. Why is this supplemental in this budget as opposed to the third supplemental.

Chairman MUSKIE. I thought I tried to make that clear. Number one, we face the need for a third concurrent budget resolution for fiscal year 1979 not just for this reason but because inflation and unexpected inflation since the second budget resolution and higher interest rates because of the declining dollar and the need to act have put over the outlay targets for fiscal year 1979.

I think we were over that by about $3 billion in outlays independent of this particular supplemental and the effect of an inflation rate three points higher than at the time we approved the second budget resolution has increased the cost of resolution.

Because we have the need for that third concurrent resolution, and this other item came down a parallel track—if the authorizing committees act as they have and if the Appropriations Committee needs some room—the Appropriations Committee has not yet dealt with it—needs some room for these items or part of it, then we have to consider whether or not we want to respond in the third concurrent budget resolution in 1979 in order to make use of them.

This has not affected 1980 because if we approve these ships for 1979, then there is a spend out rate as there is for all ships that is reflected in 1980 and 1981 which affects the 1980 budget.

We got at it because of the spend out rate because we had not had the details of the authorizing committee so we began in 1980.

Let me get at this business of line items. We are not a line-item committee, but the fact that we consider particular programs especially big ones is certainly no mystery to those of us—how else do you arrive at an estimate until you consider what programs are decided in the function.

We don't decide them. We just decide what total resources available to the government should be made available in that function given to us from the authorizing committee on March 15, the President's budget and so on, so inevitably you are driven to the discussion of major items.

We tried to discuss it in missions, to separate ourselves specifically from line-item decisions but for something like that which comes up due to economic circumstances not anticipated last October, we have no choice but to look at the justification for providing additional resources for this function in fiscal year 1979.

The fact that we make room for it, if we decide to, does not mean we will provide the Appropriations Committee. That is a decision for Senator Magnuson and the others.

The budget process is this committee, the authorizing committees, the Appropriations Committee, the Senate as a whole and House—we take into consideration what the overall should be, taking into account the overall of these functions, so occasionally we appear to be deliberating as a line-item committee.

We don't have a way and I don't think we should have a way of vetoing such a system, and only to the extent the amount of money we have influence over do we affect that decision.

Now, if the Appropriations Committee, after it has been adopted by both Houses, should decide the money available in a function should be spent in a different way than we assume, that is the Appropriations Committee prerogative; it is not ours to veto.

Senator RIEGLE. We are well down the line in fiscal 1979 and we have sort of a tail-end item that has come up in the last minute.

Because of its immediacy, it seems to me you are compelled to look at details. It seems to me as you get down to the tail end of our budget year you really cut the whole heart out of the budget process if things are brought in at the last minute that look questionable or flimsy because it undoes everything you have tried to do later on.

I would say the late-arriving ones we should be concerned about and there should be compelling justifications.

Otherwise, we say even though we make these judgments early in the budget year, if you get in a bind at the end of the year, you could come in and do other things——

Chairman MUSKIE. This is markup and people differ as to what is urgent.

Senator HART. Mr. Chairman, can I try to answer a question which the Senator from South Carolina asked?

The question was raised as to why we would buy ships without regard to weapons systems when in fact what the Navy wants is more modern systems.

It is our understanding weapons systems for ships one, two and three have been purchased, and in any respect would not be debated, at an additional cost of 400 million, which would be the cost of the AEGIS system, but one, two and three are foregone.

Chairman Muskie. Senator Hollings.

Senator Hollings. I guess this is the reason you have an Appropriations Committee and not a budget.

I go to experts and I find four ships are being built on sort of an assembly line. One is 30 percent completed and the last ones are mainly housed there. It is true, as Senator Hart said, the guns and weaponry have already been ordered delivered. We can't change that, but that does not mean the hulls can be changed to come into the DA-3 system.

If I know I would be going to the AEGIS class, I would not want to delay my modernization plant, which you mentioned a little while ago, and I would not have anybody I wanted to buy the weaponry.

That is sort of ex post facto. That is on the side of the vessel, leave it there and not on the dock, but I understand the hulls could then be used and in a sense we would not be slowing down but speeding up some of the Navy procurement by not buying archaic equipment.

I don't know how you do this other than by sticking to the Domenici proposal. We have four of us right here who feel let's take those hulls and use them for better things.

Senator Domenici. Has the AEGIS system been paid for?

Senator Hollings. I am only parrotting. There is a cost of $200 million to install but the best round figure is $350 million for an AEGIS system.

Senator Hart. The Secretary of the Navy and CNO developed ships one, two and three cannot be converted to AEGIS. That is a technological judgment. I can't answer why.

Senator Hollings. All three here agreed they could.

Senator Hart. AEGIS systems have not been ordered. They have hulls sitting there for years since AEGIS systems were built.

Senator Magnuson. The Appropriations Committee has funding for two or three ships.

We have now before us a budget request for two of these three ships. We said we were going to have them go ahead with the new ships. We may not.

We are going to take a good, hard look at this. If they want to change it, they have to come before the Appropriations Committee by law and ask for a reprogramming for this particular month.

Whether you want to provide room for the Appropriations Committee to make a decision on this, that is all that is in front of this committee, I think.

Senator Moynihan. Mr. Chairman, I am sure it is a matter of my intentions and experience but I was not aware this morning we approved any supplemental for fiscal year 1979.

Senator Hart. I only heard us discussing fiscal year 1980. If I am wrong in that, would you explain it to me?

Chairman Muskie. There was clearly stated, at least it was clear up here, that the '80 numbers proposed by Senator Bellmon and Senator Domenici specifically included an assumption that in 1980 we would pay some costs on the order of $800 million in outlays, relating from the defense supplemental under consideration in the Armed Services Committee and $800 million was included as an assumption that is not the same thing as with all the supplemental, but it assumed or made room for that in the event we should approve this.

Senator Moynihan. Was that a decision on '79?

Chairman Muskie. No. I don't recall it as such.

Senator Domenici. Specifically, the '80 figures both Senator Bellmon used and which I prescribed as substitutes referred to the amendment supplemental of the President because that came to us yesterday.

The authorization committee hasn't seen it and we said to the extent the department's supplemental becomes law what will be carried over we accept this and it apparently was contained in this supplemental request.

We took two he requested. It certainly does not mean they are going to take three or four. We either had to prescribe for the eventuality or leave all of it out.

Chairman Muskie. Senator Packwood.

Senator Packwood. You are talking about cutting the money out for all four of the ships?

Chairman Muskie. There is no motion before us at this point of any kind.

Senator Packwood. Don is talking about cutting out all four. The Armed Services added two, the President asked for two in addition to get the additional two.

Senator Hart. Armed Services put in four.

Senator Packwood. In order to get the extra two, they would cut out $450 billion in here.

Was it for Iran only?

Senator Hart. We found out the F-16's were authorized and now we are shipping them to Israel.

Senator Packwood. I don't find these ships urgent and I find some of the things that were set out in order to make up for the two ships a more timely expenditure, if that is the term, for the two ships, and then I don't understand why we want to continue with these and you can correct me, if I am wrong, Mr. Chairman, why can't the President come back and ask for these as increases in the fiscal 1980 budget rather than an urgent supplemental now.

Chairman Muskie. I would like to join in your question this way: I am told it is the administration's desire or intent—it may not be desire but intent—to acquire all four of these ships either into 1979 or 1980; is that information correct?

Mr. Brown. Yes, that is correct.

What they would prefer to do is get additional budget authority from the Congress to procure these four ships rather than finding some ways to reprogram existing authorizations or existing FY-1980 authorizations to buy the ship.

Chairman Muskie. That is clearly the administration's intent, to acquire all four ships.

So, the question is whether to split them up in 1979 or 1980 or approve none or approve some. There is the option.

Mr. Tillson. There is one other potential option, if I might. The 997 authorized in FY 1978, to my information, has not been started under construction yet, and there are funds in the budget, in the 1978 budget, which could potentially be reprogrammed to cover these four ships until funds from 1980 would become available.

Senator Riegle. This addresses the point that Pete Domenici made and others have made about the Defense Appropriations Subcommittee dealing with this issue.

You have a very strange situation here which at least we all recognize and that is the chairman of the full defense committee, John Stennis, who all of us have the warmest feeling about, happens also to be the chairman of the Defense Appropriations Subcommittee.

These four ships are in his State. This is basically his home-State problem and we are all familiar with those problems of life.

I think it is a peculiarly awkward situation to expect that somehow the Defense Appropriations Subcommittee could take the kind of detached measured view of this in light of that obvious sort of built-in conflict.

In addition to that—well, let me just leave it at that. It seems to me that that problem makes it very difficult for us to assume that it is going to get sort of a dispassionate consideration there.

Maybe this is the point where the Budget Committee ought to maybe face its responsibilities.

The other thing I would say is this: As I understand the vote in the Defense Committee, it was 13 to 5. I would say the fact that there was even divided opinion that five members would feel strongly enough about this to cast what was obviously a painful vote——

Chairman Muskie. May I suggest facetiously our votes today might suggest chairmen are not all that powerful.

Senator Riegle. It seems to me if the vote was 13 to 5 and there was a legitimate difference of opinion in the committee, that the fact that there were five dissenters would suggest to me more people have skepticism and they just decided they did not want to get crossways with the Chairman.

That is just the way the situation exists.

Senator Domenici. The Chairman might have been in the minority like ours.

Senator Magnuson. Is the Senator from Michigan assuming because Stennis is the chairman that the full committee of Appropriations would accept word for word what he says, what he wants. I would resent that.

Senator Riegle. I know the chairman of the Appropriations Committee and my former chairman on Commerce too well to know that. The point is when it gets looked at within the Defense Subcommittee obviously the Chairman of the full committee certainly has some considerable influence at that point.

I don't know what position the full Appropriations Committee will make. All of that is aside but that does not relieve us of of our responsibility.

Senator Magnuson. The House has to act on this.

Senator Riegle. We have to act on it too, and this is a budget item. I think we ought to look at square in the eye.

Chairman Muskie. Senator Bellmon.

Senator Bellmon. I would like to ask a question or two of the staff of my own enlightenment, and the question is this: Are we asked to buy these ships because we are bailing out a shipyard, the Government of Iran, because we are trying to keep some shipyard workers from losing their jobs.

If they had four yachts on the way somewhere, we would not have fought those to keep the ship from losing money on a contract. I think we have to find out whether or not these ships are really something the Navy wants. I don't think anybody has said that here and I don't think anyone knows.

I would like to suggest we pass this item over for the time being and ask our staff to get objective information from the Navy as to whether they wanted to buy the ships or use this money in some other way.

Senator Exon. Let's not delay this. The Navy testified that they want these ships.

Senator Bellmon. It is strange they did not want them last year.

Senator Exon. That is exactly the point.

Senator Hart. The record is replete with Navy testimony that they want the ships.

Senator Exon. If you ask them, they are going to say yes, they want the ships. I don't think that is critical to our decision here.

Senator Chiles. I think Henry has a good idea. Maybe we ought to find out very definitively if these hulls can be used to put AEGIS on even though it is going to mean a loss of money of the launchers and the weapons that were ordered for these hulls to start with.

If it is clear that this is delaying the conversion process or getting the newer ships and somebody has told us today they are actually cutting back on ships in '80 or '81 of the four converted ships to provide these, if that is clear, I want to find out is there anyway you can just go ahead and say, "All right, we will build the hulls, but we won't let you put AEGIS on it because it would cost more money or say starting off in '81 for AEGIS.

It has to cost more money if they are the same kinds of hulls. It seems to me we can get that and then we will be here through the recess if we don't get some of those answers.

Chairman Muskie. Maybe it is answered in the testimony, but if it is we have not had access to the testimony. Two very articulate and knowledgeable members of the committee—I want to add my appreciation to Senator Hart and Senator Exon for that, but I want to know what impact will the aquisition of these four ships have on our ongoing shipbuilding program. What will it do to the ships that have previously been programed and requested by the Navy, the pace at which they will be developed? Are these going to be substituted for something else and, if so, what? Is there a chance these will be converted? If so, in what way?

I have a lot of curiosity about questions of that kind. I happen to believe that we need to build up the Navy. We need to keep the sea lanes open and I would like to know to what extent acquiring these ships that were dropped in our laps by events largely unanticipated by us, what it is going to do to a program that has already had a lot of thought in the Department of Defense, in the Congress, in the Armed Services Committee, in the Appropriations Committees.

What is the impact? Are other ships going to be dropped? If so, and why and what will that do to our posture and to our objectives, objectives I assume are the result of long, careful and rational thought. We have not heard that part of it discussed at all and I would like to hear it discussed.

So, I think there is some merit to Senator Bellmon's proposals and I am moved also by the fact, gentlemen, that we are now almost two days into our markup and we have not finished a single function.

Now, I enjoy these debates and I get a lot of education out of them, not always the kind I would like, but I get it and it does me no harm if I get it, but it seems to me in this issue we have raised more questions, a lot of them answered, but the answers to which we are not yet fully assimilated to our satisfaction.

I would like to get some momentum behind the building of this budget.

Senator Riegle. Mr. Chairman, I raised this issue, and I would like to resolve it, too. So, I would like to make a motion at this time and it is to the following effect:

I would like to move we accept all of the '79 supplemental with the exception of the ship money. I would like to take it out and its future year impact and have us vote on that proposal. If that proposal carries, we will have voted for the supplemental portion of this area of the budget, the defense area of the budget. If somebody wants to come along in a day or two or three or four and has a case to make which nobody here has been able to make and I frankly don't think it exists—if you give somebody three or four days, they may be able to construct a case—that is a different ball of wax.

We all know that is how it works. I want to put the burden on the people who make this urgent recommendation and last minute turn around in recomposing this list of requests. I would like to have us vote on it. I would like to make the motion we delete it. We are entirely free if there is a compelling justification that comes along in the next few days, we can reconsider it. I suggest that is not the best way to proceed. The facts as we are likely to have them are pretty much present.

I would like to bring to the head the issue that we act on the supplemental with the exception of the four ships and that those be taken out.

Senator Domenici. Mr. Chairman, I move that that motion be tabled until Friday morning, so that they will have adequate time to become better informed on the matter.

Senator Hollings. You can't look it square in the eye.

Chairman Muskie. A motion to table is——

The Clerk. Mr. Magnuson.

Senator Magnuson. Aye.

The Clerk. Mr. Hollings.

Senator Hollings. Aye.

The Clerk. Mr. Chiles.

Senator Chiles. Aye.

The Clerk. Mr. Johnston.

Senator Johnston. Aye.

The Clerk. Mr. Hart.

Senator Hart. No.

The Clerk. Mr. Metzenbaum.

Senator Metzenbaum. No.

The Clerk. Mr. Riegle.

Senator Riegle. No.

The Clerk. Mr. Moynihan.

Senator Moynihan. No.

The Clerk. Mr. Exon.

Senator Exon. No.

The Clerk. Mr. Bellmon.

Senator Bellmon. Aye.

The Clerk. Mr. Domenici.

Senator Domenici. Aye.

The Clerk. Mr. Packwood.

Senator Packwood. No.

The Clerk. Mr. Armstrong.

Senator Armstrong. Aye.

The Clerk. Mrs. Kassebaum.

Senator Kassebaum. Aye.

The Clerk. Mr. Boschwitz.

Senator Boschwitz. Aye.

The Clerk. Mr. Pressler.

Senator Pressler. No.

The Clerk. Mr. Chairman.

Chairman Muskie. Aye.

The Clerk. 10 ayes, 7 nays.

Senator Riegle. Will this be the first item on the agenda for Friday morning?

Chairman Muskie. Yes. We will deal with it one way or the other.

Senator Metzenbaum. Mr. Chairman, I am going to impose upon the committee's time for not more than ten minutes, but I do believe it is an important subject that I would like to take it up having to do with the Department of Defense procurement policies.

Back in December, six members of the Senate addressed a letter to the head of the OMB, McIntyre, talking about the cost of overruns, cost of productivity, cutting off contractors with poor records of past performance and expanding use of competitive bidding.

MONDAY, APRIL 9—AFTER RECESS

(The committee reconvened at 7:10 p.m., Hon. Edmund S. Muskie, chairman of the committee, presiding.)

Chairman Muskie. We have a working quorum. I hope that other Senators will assemble quickly so we can get moving.

The first order of business, I take it, is the Iranian ship issue as to which we had an agreement for 30 minutes debate, 15 on each side.

I would like to announce before we begin that, and I would like to wait a few more minutes to give other Senators a chance to be here, but I have a package proposal to offer.

What it will do, and I am prepared to distribute this at the right time when we finish the Iranian ship deal—what it will do is cut what we have already done in a minimal way with respect to any particular function, but it will produce spending cuts across the board for each year 1980, 1981 and 1982. It will reduce our deficit on our economic assumptions to 28.6 for 1980.

On the President's economic assumptions it will produce a deficit under $20 billion. It will produce a half-billion-dollar surplus in 1981 and a $46.9 billion surplus in 1982.

Senator Bellmon. Mr. Chairman, I also have a proposal to offer. Mine is a little deeper in cuts.

Chairman Muskie. I suspect on the basis of this afternoon's very much interrupted discussion that may be the only practical way to get a final decision.

In any case, we will have ample opportunity to debate the proposal. I think perhaps we are in a position now to begin the debate on the Iranian ship matter.

Senator Hart is the one missing Senator who has been involved in this debate up to this point. I assume he will be here shortly. Is there any reason why we couldn't begin?

Senator Riegle. I don't think so.

Senator Domenici. Procedurally as soon as we are finished with the Iran ship, you are going to present a package and I understand Senator Bellmon has a package. Do you think we might take those up tonight?

Chairman Muskie. I would hope one or the other of these packages will generate the support necessary to complete the markup on the spending side and maybe reduce the debate on the revenue side so that we might even conclude, but that depends on a strain on all our lives to conduct our arguments to the essential minimums. Every controversy of which I am aware has had debate and not much more by way of arguments can be advanced. That is not to say we ought not have any debate, but we should have restraint on debate.

I would hope we could at least finish the spending side. It is then the pleasure of the committee to come back tomorrow fresh to consider the revenue side. If this be your desire, I have no objection to that. We ought to plan to come in early in the morning, if we come back tomorrow at all. If we get through unbroken hours of debate, if we can get through the spending side, we will be a long way toward a final resolution on this job.

Senator Riegle is the proponent of this issue.

Senator Riegle. We are starting at quarter after and I will not talk at length now because I want to conserve some of my time.

Chairman Muskie. How much time will you use?

Senator Riegle. I will try to stay well within five minutes.

To refresh everybody on the issue here, and I don't serve on the Armed Services Committee, so I can't speak with quite the same degree of knowledge as others who do serve on that committee can bring.

My sense for this issue is that we had an urgent supplemental composed of a grab-bag of things and a mixed bag of defense items. In the unusual supplemental there was no mention or hint or desire to pick up these two now expanded to four ships, which it turns out are under construction in the State of Mississippi that were under contract to Iran.

It appears as much as one can gather, when the Iranian situation changed and suddenly that contract was up in the air, the items that the Defense Department said that it earlier wanted, it suddenly changed its mind and decided those items were not too urgent after all and what they really wanted were these Iranian ships which previously they had never requested in any approximate or similar form.

If one goes back and tries to reconstruct the arguments in the past on this kind of ship, and I can cite this data—I would just as soon have Gary Hart make that point as make it myself. Later in my time, if he is not here, I will do it.

Back three years ago ships of this same general sort, both the bottom and the configuration on top, were thought by the Defense Department to be obsolete in terms of U.S. needs and, therefore, we had decided against incorporating these kinds of ships into our own naval operations in those three years.

What this situation has the earmarks of is a situation where suddenly because of the situation in Iran these ships become very much up in the air in terms of completing them. I think it is basically sort of a public works project for the State of Mississippi. I mean by that no disrespect to anybody because we all know how the system works around here. But it is obvious from everything I can gather that the Defense Department was persuaded they had better need these ships in place of other things on the supplemental list.

But the problem it poses for this committee is how, in light of all of the work and effort and all of the speeches that have been made and all of the argumentation that has been made with respect to cost-cutting and eliminating and working down the deficit and stopping waste in government, how in the world we can justify an item of $1.2 billion on an urgent supplemental basis for four ships that the Defense Department in the past has never indicated the slightest interest in and whatever work one could do would suggest these are not things we need in our own Armed Services.

Two avenues have been suggested as better alternative routes for us to take at this point. Apparently in contracts of this sort the Iranian Government has to put up a certain amount of money in the beginning so there is money sitting in a bank account somewhere. If they cancel these ships, there would be a workout to cover a substantial portion of the costs, but that is not all of it.

That is one route and presumably you firesale or do whatever you can do to find another buyer for these ships. I am told while these ships are not suited to the U.S. naval operations as it is foreseen, it would be suitable to other international buyers if any efforts were made in an effort to try to find one.

I think this is a classic case where the situation is it falls in the home State of the chairman of the committee, who is a dear friend of all of us, and I mean no disrespect when I point it up, but I really think in light of all this pressure on all these other issues and talk of saving money to ante up to buy four ships, there has never been a shred of evidence we ever wanted these, is the essence of kind of a pork barrel and poor priority decision that really flies right in the face of everything else you are trying to do here.

I would be delighted, by the way, to invite the professional staff—if I said anything that is in error or if what I have said is substantially correct on my own time in a minute of two additional time, I would be very happy to have the professional staff comment on it one way or the other.

Chairman Muskie. How much time would you like them to have?

Senator Riegle. Two minutes.

Mr. Tillson. You would like us to comment?

Senator Riegle. I guess I would the assessment of the professional staff of whether the case facts I have laid out here are correct or, if not, if there is some major compelling fact we should consider for or against the shift.

Mr. Tillson. The real question in my mind, Senator, is whether the United States Navy can make effective use of these ships.

Granting the fact that the Armed Service Committee a number of years ago said that the nuclear cruiser with this same weapons system was obsolete, there are, I believe, some roles where the Navy ships could be used and could be useful. They are very competent carrier escorts in every mission except for the situation where the United States Navy is going into the brunt of a Soviet backfire cruise missile attack; in other words, for what you need an Aegis ship.

Senator Riegle. Is there an urgent need for ships of this kind?

Mr. Tillson. No, I don't believe we could argue there is an urgent need for which a supplemental is generally supported, but there is a valid use of the United States Navy would have for these ships.

Senator Riegle. I would like to reserve the balance of my time.

Senator Domenici. I was going to ask a couple of questions, but I think you ought to go ahead, Senator Hollings.

Senator Hollings. I would like to use a couple of minutes.

I was disturbed when I heard just those kinds of expressions that we heard a little bit earlier the other night.

Since we have pork barrel for the State of Mississippi and there is no urgent need and no one has ever expressed the slightest idea about how this kind of ship can be used, the fact of the matter is, the next morning I was talking to my colleague from Florida.

I said I was not going to vote for any pork barrel. More specifically, we really wanted to know whether it was obsolete. I had heard that word "obsolete" used. I met with Secretary Claytor and asked him and cross-examined him pretty thoroughly and I asked him if he wrote the chairman a letter, of which I am sure he had a copy, would he outline the need. I have so many papers in front of me I don't see that particular letter, but we did receive a letter from Graham Claytor. I have a great regard for his business judgment. I knew him when he ran the Southern Railroad down in our backyard when all the other railroads were going broke.

I asked him if this is a sop or pullout, and then I asked him when he went over it to write you a letter and send copies to the other members.

No. 1, this is not the first time, Don, the Navy heard of this. On the contrary, Claytor tells you and me and everybody else that he talked about having these kinds of vessels and submitted the request and was cut back some months ago. Secretary Brown and the Navy had requested, "We also requested a ship identical to the 993 in FY 1979 supplemental request, the DDG–998, going back a bit more to fiscal year 1978. Dr. Brown and I testified in support of partially filling our AAW requirements with four additional Virginia class nuclear power cruisers equipped with Aegis, but these were deleted because of fiscal constraints.

"However, as can be seen from the attached comparison, the Iranian 993's have the same combat capability as our Virginia class without nuclear power."

This is not out of the clear, blue sky that all of a sudden they find some use in public works for the State of Mississippi. He testified a long time.

The Clerk. Your time has expired.

Senator Hollings. Throw that thing away for a while.

Chairman Muskie. Keep time and turn off the mikes.

Senator Hollings. The shipbuilding people in the justification which was submitted along with this budget in November of this past year asked for this identical vessel. That is the record and this is the actual picture of that request in November when everybody was backing the Shah and everybody else—nobody was thinking of public works for the State of Mississippi. That is just extreme irresponsible talk because you can find out by asking, like I did, so there is the exact request made.

They put it into the supplemental vessels and when they found they had four, they would like to get the four available and perhaps change the one to Aegis equipment.

No. 1, the vessels were asked for in 1978. They were thinking of several of them at that particular time. One was asked for in the supplemental, submitted by the Department of Defense in November this past year. The question was, was it obsolete?

I heard from Senator Hart that the 2-D system was obsolete. That is not the case. Now we have the original secret classified testimony where they answered that to Senator Hart when he asked the question. It was not obsolete. He made that point in the Armed Services Committee and the majority of the Armed Services Committee set it down. I asked for the other particular point if we go with this buy, does it set with the Navy procurement payment program in the outlays that we so carefully planned?

I have another letter from the Secretary of the Navy and the Navy Department. This does not disturb in any wise the actual construction program. It was approved by the Congress when we started rebuilding the Navy and it was approved when we started rebuilding the Navy last year.

I will yield back to Senator Domenici. If he can't support me on those three points and they were obsolete, I was not going to buy them. But they are wrong on all three points.

Senator Riegle. Let me say on my own time to Fritz Hollings with whom I hate to do trial, he is such a good trial lawyer, he makes a good case when he has a bad argument.

I understand the Navy put in the supplemental when there were Iranian problems. They were sounding the alarm they might have to eat these ships. It was a Trojan horse type of thing.

Senator Hollings. You are the trial lawyer, not me. They never heard anything until Iran fell and never heard about it and asked for them in February.

Senator Riegle. There was no request for four.

Was there a request for four?

Senator Riegle. That is part of the question I think we have to answer, how all of a sudden this became that urgent.

Senator Hollings. Obviously the Iranian thing made it urgent and more important.

Senator Riegle. The basic question of whether it is worthwhile to spend this much money, it turns out the fellow you cite here, Mr. Clayton, has answered this question himself.

Let me cite some of the testimony verbatim from him. This is what he said: "One of the things that I think has not been made sufficiently clear that the Virginia class CGN, the Virginia, the Mississippi, the Arkansas, the Texas, which are our most capable existing cruisers, are identical almost down to the last jot and title from the DDG–993 class that we can now get from the standpoint of armament. They have the same armament, the same guns, the same ASW, the same everything."

He goes on and I end the quote.

In 1975, which is four years ago, the Armed Services Committee now—and we are not talking about Claytor, but the Armed Services Committee—was faced with a budget request from the Navy which included an additional cruiser of the Virginia class, which is this very class to which Mr. Claytor refers, but the Armed Services Committee in 1975 denied the Navy's request for the ship and in so doing this is what it said in its report, and I quote from the Armed Services Committee in 1975:

"The committee has carefully considered this request and believes it inappropriate to build any ship and especially a nuclear ship with a weapons system that is clearly inadequate to meet the projected threat within a relatively short period of time after delivery of the ship."

That was 1975. I don't know how a ship that the Armed Services Committee found to be obsolete in that fashion four years ago is suddenly such a hot ticket that they are asking for four of these things. It just does not make sense.

I think I would have to rely more on what the Armed Services Committee itself found to be the case sometime before. I have been told, and you can tell me if this is wrong or not, that we normally have four of these cruiser ships that accompany a carrier. We have 12 carriers now, so that would be 48. I understand we have approximately 60 ships that are functional that are in this same general class.

So why we would need to be adding four more even if we did not have this record, saying this was the kind of ship we did not want to build any more of, we would still have the question of why suddenly this has become such a key item.

If we were talking about a minimal number of dollars, that would be something else again. That is sort of how the systems works around here. It is inconceivable that somebody from the Defense Department is going to give you the case against this just the way the cards sit. I would not imagine you would expect it. I would not expect it and it did not happen.

I think anyone who wants to vote $1.2 billion for four Iranian ships when our own Armed Services Committee voted we did need them, you have an awfully difficult time talking about economy, at least on the same day.

Chairman **Muskie**. What times have elapsed?

The **Clerk**. Mr. Riegle has four and Senator Hollings has used six minutes.

Senator **Riegle**. I yield two minutes to the gentleman from Ohio.

Senator **Metzenbaum**. This amendment ought to be known as the "you got to be kidding" amendment, because only one with a sense of humor could be advocating the four Iranian ships. They were not part of the request. When Claytor was testifying before the Armed Services Committee, he said, "I would certainly agree with Dr. Perry the ships would have been requested had I known they were available. We did ask in the original supplemental at a cost of well over $500 million."

Really what happened in this committee is the following: Last week when this issue was before the committee, the committee was aghast about the four Iranian ships. We were ready to eliminate them. We did not think it made good sense.

Now there has been some work done, and the work that has been done has been very persuasive. What we are going to do is waste something in the area of $1.2 billion. That is the way it is with military appropriations around here at the moment. This committee did not cut the Defense Department appropriations. This one makes no sense at all. This one is illogical. It does not have any basis or reason at all, but we will sit here this evening and take money out of the mouths of people who need to eat, using food stamps, and we did take money away from the CETA program for unemployed young adults and young blacks who need jobs.

We are going to take money away from those who are an aid to families with dependent children and we will probably do something with respect to kids who are in college. But with respect to four Iranian ships we don't have the timerity or backbone to stand up and say the Navy did not want them, they did not fight for them and now they are stuck with four Iranian ships which Iran could well pay for. If not, we cancel them, take our loss and that is the end of it.

We don't buy ships we don't need. It does not make any good sense and I think we are making a major mistake.

Senator **Bellmon**. I will be very brief. I was undecided about this matter when we met the other day, but since then I have talked to the Chief of Naval Operations, which is the place to get information, but I think he was leveling with me. He says that he considers that these Iranian ships are superior to many ships we now have in the fleet. He mentioned one called U.S. 963. He said the Iranian ships were much better than what we will be using many years in the future. It was not concluded they would put this Aegis system on all ships, but just a small number. Apparently it can provide fire control for other ships other than the one on which the system has been installed.

Also he claims it will be possible to put the new missiles on these ships when they are brought in for major overhaul.

In FY 1979 the Defense budget was $113.9 billion and in FY 1980 the President had it for $125.4 billion and I am going to vote to see he gets most of it. In between we come in with this large supplemental of which $1.2 billion is for four Iranian ships. It seems if we approve it, we could reduce the outlay by a similar amount if the Navy wants them, which I am convinced they do want them, and they are good ships and I am convinced they are, why can't we take out $1.3 billion in their FY 1980 budget?

Senator **Hollings**. I would like to know the answer to that myself.

Mr. **Sneed**. If you wanted to reduce the 1980 outlay, I think the number is 0.1 billion in outlays.

Senator **Bellmon**. We have 1.53.

Mr. **Sneed**. That is the budget authority associated just with the cost of ships.

The outlays in 1979 associated with those ships are about $700 million.

Senator **Bellmon**. I will amend my question and ask could we not take $700 million out of the FY 1980 military budget?

Mr. **Sneed**. If you wanted to take $700 million out of the 1980 budget, it would depend on how you want to do it. If you want to do it with procurement money, you would have to take a very sizable amount of procurement dollars because the first year spending associated with procurement is so small.

Senator **Hollings**. This should be on committee time.

I can withhold the question.

Senator **Riegle**. I would like to hear the answer, too. Let's get it on committee time.

Chairman **Muskie**. We did not provide for that in the unanimous consent agreement, but I have no objection to that if no member of the committee does.

Does any member of the committee have objection to excluding staff responses from the amount allowed for debate?

There is no objection.

Mr. **Sneed**. You could reduce the budget by $2.3 billion. You would have to specify it was so we could figure out what the outlays associated with that were.

Senator **Bellmon**. Could you produce the outlays?

Mr. **Sneed**. You would have to identify whether they were operating accounts, procurement or R&D.

Senator **Bellmon**. Since this is for procurement of ships, why can't it be taken out of the ship procurement program?

Senator **Moynihan**. Does the Chief of Naval Operations think that is a good idea?

Senator **Bellmon**. I did not ask him, but I think I can anticipate his answer.

Mr. **Tillson**. None of this has assumed the naval shipbuilding program in 1980 would be reduced at all. I am sure that the Chief of Naval Operations would be against that.

Senator **Bellmon**. Certainly, but here after having been satisfied with these outlays for 1980, suddenly we come along and give them two bonus ships. If they want these ships and they are good, and I think they are, we should take that into account in dealing with their budget.

Mr. **Tillson**. The one problem there, Senator, is you can reduce budget authority. That is true in the same way. The problem without outlays is that a large portion of the outlays for these four ships have already been paid. The ships were contracted for in 1977 and 1978, so that we have already paid a large portion of the outlays.

The Iranian Government has paid for them. If we procure them in 1979, we will immediately catch up with all those funds that have been spent to date. That is a large outlay number. Whereas, if you reduce the shipbuilding program in the 1980 budget, that is based on an outlay flow which is much slower.

In the first year, for instance, in shipbuilding you have only about 4 percent outlay. For this $1.3 billion supplemental for the four Iranian ships you are going to outlay approximately 50 percent in FY 1979.

Mr. **Sneed**. For instance, in 1980 the shipbuilding item is $6.2 billion, the first year outlays associated with the $6 billion is only $250 million, sir.

Senator **Metzenbaum**. That was Iranian money, not our money in 1977. It does not have any relevance, does it?

Mr. **Tillson**. If we were to take over the account, it would be where it is today. That means we would repay the trust fund for the moneys that have been expended to date.

Senator **Metzenbaum**. We give the money back to the Iranians?

Mr. **Tillson**. Not necessarily. It goes into the trust which, which is 150.

Senator **Exon**. Could I ask the staff a question?

I will preface it with this remark. This committee is about to spend this billion dollars, two or three, if we do what you suggested, Senator **Bellmon**, out of the 1980 budget, I think it would probably cripple some needed thing in the Navy. It might be a thing, but I am a member of the Armed Services Committee and this is not a priority item. If we do what we are about to do, how much will we save the Iranian Government out of the trust fund that comes from the American taxpayers and probably at a sacrifice of more needed expenditures for the United States Navy.

Did we save $300 million or $500 million?

Mr. **Tillson**. How much would we save the Iranian Government?

Senator **Exon**. Yes.

Mr. **Tillson**. $450 million.

Senator **Exon**. That is the end of my question.

Chairman **Muskie**. May I ask the staff is the implication of that if we kept it in the 1979 supplemental, we get the benefit of what has been paid on the vessel?

Mr. **Tillson**. No, Senator. We would pay it one way or the other.

Chairman **Muskie**. Something has been paid on the vessels up to now.

Mr. **Tillson**. That is true.

Chairman **Muskie**. What happens to the money if we pick up the vessels?

Mr. **Tillson**. $450 million of that will flow through the trust fund back to the Iranian Government. That is the agreement that this government has with the Iranian Government, that if we pick it up, they will reimburse.

Chairman **Muskie**. The argument has been made as to this question that we can get these vessels cheaper than we could if we ordered them today.

Mr. **Tillson**. That is true, Senator. The Navy's estimates that these ships procured in the 1980 budget would cost about $450 million apiece.

Chairman Muskie. What do these cost?

Mr. Tillson. $340 million, so it is roughly a $200 million difference because the ships were bought several years ago.

The Clerk. Mr. Riegle has two minutes left and Mr. Hollings has six.

Senator Hollings. The Secretary testified, as the staff has just reported, that the new one would cost 543 and two DDG's are available for 314 each, a saving of over $200 million per ship. We are getting these two ships for 628, which is $109 million less than the amount in the original supplemental request for one ship. You see, they already asked for that one.

We are also getting delivery in June and September of 1981 instead of 1984. Frankly, when I first faced the problem of buying ships, I was appalled at the extent to which you are spending money for future inflation.

There is no use in going into this, but actually we could buy that class today for 1981 delivery at a cost of about $1 billion instead of $1.7 billion if we authorize it this year. That is the situation we have in ships. It is a tremendous saving because of inflation.

The Navy says there would be no impact on the production schedule or contract pricing of other ships in the current five-year shipbuilding program due to the procurement of the four Iranian ships as an addition to the Navy's existing program. The procurement of these ships would not adversely affect the scheduled introduction of the Aegis ships to the fleet.

I think that is what the Senator from Florida was interested in just as I am.

I am not committed at this minute to John Stennis. He saw me on the floor and thanked me. I want to find out from the Navy. I might vote against those vessels. I would like Senator Bellmon and others on the committee, when they said they only heard of the ship at the fall of Iran, when they say you have obsolete equipment and might disrupt the future shipbuilding program of the Navy—when I verified those things were inaccurate, namely, it was not obsolete, it is a ship they have been asking for, the ships are desired at a bargain price and it would not disrupt the shipbuilding programs and taking money out of babies' mouths and all that sort of nonsense.

Those are the real records for those who have not gone to the record to find out what the facts are.

Senator Riegle. Were you aware of the fact that when the Navy submitted—the Defense Department submitted its five-year plan in January of this year, they included not a single ship of this sort in their five-year forward planning.

Senator Hollings. They put in these other vessels they asked for in 1978. It is the same type. It is the Virginia class DDG. The Aegis system—there is a big argument about the Aegis system and it costs $450 million——

Senator Exon. That is not true, Senator. I know you are a senior member here and you can say anything you want, but the $450 million, let me make that clear—the $450 million is money that would otherwise be paid by the Iranian Government if we canceled these. If we pick these up, it is coming out of our taxpayers' pockets, so don't confuse that issue please.

Chairman Muskie. Can I ask a question of the staff on this point? I have been told the Aegis system adds $450 million to the cost.

Senator Exon. That is not the $450 million I am talking about.

Mr. Tillson. Yes, that is true. It would be $450 million additional to turn one of these ships into an Aegis ship.

Chairman Muskie. Whether these ships are involved or not, the difference between this type ship and an Aegis ship is $450 million?

Mr. Tillson. That is correct.

Senator Hollings. The Secretary said, "I would like to see it done," but there is no money, Senator Riegle—there is no money he could make available out of a portion allocated to it in a supplemental because the Navy does not have that much in a supplemental unless an additional $450 million is added to the supplemental, I don't think it could be done.

Senator Riegle. It is my understanding to get this Aegis gear go on the top to make the switch, it is too late for the first three ships, so it is an academic exercise anyway. At least the first three can't be made into the ship you want.

Senator Boschwitz. May I ask a very basic question?

Iran was able to cancel a contract they had with us and get their money back. What happens if we decide not to take the ship, who bears the cost?

Chairman Muskie. The relationship between the U.S. Government, Iran and the shipbuilder was described the other day. I will ask the staff to describe it again.

Mr. Tillson. The Government of Iran will take the loss if the equipment is not purchased by the U.S. Government or some other government.

Senator Boschwitz. What will the loss be to the shipbuilding company or the U.S. Government and Iran if we just discontinue?

Mr. Tillson. I don't think we know that number, Senator. There are a number of different losses involved. The Government of Iran would take the loss we just talked about.

The shipbuilding company would have four partially built ships that they would probably not be able to sell, but they would be at least in part—at least a portion of their loss would be taken care of by the contract termination funds which are moneys in the trust funds, moneys that belong to the Government of Iran.

The additional cost to the U.S. Government is uncertain. At least there would be an additional cost in other ships that are procured at that shipyard because the overhead costs, which are spread over X number of ships, would be spread over a smaller number of ships.

Senator Boschwitz. You don't know those numbers?

Mr. Tillson. We don't know those numbers. I just don't know how large those funds would be.

Senator Hatch. Have we indemnified the shipbuilding company? Indemnify. Do we have to pick it up?

Mr. Tillson. The U.S. Government is not obligated to indemnify the shipbuilding company beyond the terms of the contract. There are termination terms built into the contract.

Senator Hatch. But we may to a certain extent have to indemnify the shipbuilding company as a result of the broken contract.

Mr. Tillson. Yes.

Senator Metzenbaum. You just said Iran is to take the loss. You said Iran pays the loss if there is a breaking of the contract.

Mr. Tillson. Iran pays for the breaking of the contract. It is unclear what we would have to pay. I don't think anybody in the U.S. Government knows that. There are sufficient funds remaining in the trust fund to pay all termination costs.

Senator Hatch. I thought you said Iran's only obligation would be the $450 million. Do they have an obligation beyond that pursuant to this contract?

Senator Boschwitz. Is there Iranian money in the trust funds?

Mr. Tillson. There is still Iranian money in the trust fund. It is being paid out this week to pay progress costs on these four ships.

Senator Boschwitz. In addition to the $450 million of Iranian money in the trust fund?

Mr. Tillson. Yes. There is about $350 million left.

Senator Boschwitz. $750 in total.

Mr. Tillson. $450 has been spent. The $350 remains in the trust fund. The reason for the confusion is there are so many Iranian programs, the accounting has been very difficult. The administration has found difficulty finding just where it was with regard to these individual programs.

Senator Boschwitz. As I recall, you said in your previous testimony that one ship was 30 percent built, one 17 percent built and two were 10 percent built.

Mr. Tillson. That is correct.

Senator Boschwitz. The total bill is about $1.2 billion?

Mr. Tillson. It is more than just planning. All of the Government-built equipment, the weapons systems, the five-inch guns, that has already been built. It is in Pascagoula ready to be placed on the ships as they are constructed.

Senator Metzenbaum. Isn't it a fact even if there was not money in the trust fund Iran is collectible and they are paying whatever the damages are? Isn't that the fact?

Mr. Tillson. I don't think that is true.

Senator Riegle. I don't understand the $450 million.

Senator Exon. Isn't it fair to say there are $300 million left in the trust fund and if we do what some wanted to do here, there will be $750 million in the trust fund?

Senator Hatch. They are offsetting other items.

Senator Exon. Did you hear what I said? There are $300 million in the trust fund. If we buy these ships, there will be $750 million in the trust fund.

Mr. Tillson. That's right. In other words, those extra funds will be available to handle other portions of the Iranian shipbuilding contract beyond the ships.

Senator Magnuson. Have the Iranians canceled these?

Mr. Tillson. Yes, sir.

Senator Magnuson. When did they do it?

Mr. Tillson. They did it in two different phases. The interim government canceled the first two and then when the Ayatollah government came into power, they canceled the last two. That last cancellation was done just recently.

Senator Exon. They canceled it at the time they raised the price of oil to $19 a barrel for oil.

Senator Hatch. We would use the full $750 million to offset other broken contracts with Iran as well so we are not losing the $750 million if we purchase these four ships?

Mr. Tillson. I don't believe the U.S. Government would lose anything. The moneys would go into the trust fund in 505.

Senator Hatch. We are purchasing these at $200 million less than they would cost us in the future, so we would be saving $800 million if we bought them now rather than deferring them.

Mr. Tillson. Assuming we bought them in the future.

Senator Riegle. Bear in mind there are none in the five-year plan.

Senator Boschwitz. Then the $750 million goes back to Iran?

Mr. Tillson. Only when everything is netted out. When all Iranian obligations to the United States have been paid, then anything that is in excess to that would be returned to the Iranian Government.

Senator Hatch. And it does not look like there will be any excess.

Mr. Tillson. I don't know. There are many programs the Iranian Government had with this government, and the bulk of them have been canceled.

Senator Boschwitz. Are there other trust funds?

Mr. Tillson. They have all been part of the same trust fund. The funds got commingled and it is difficult to identify——

Senator Boschwitz. The total amount we——

Mr. Tillson. $300 million in the trust fund.

Senator Boschwitz. For all contracts, besides these four ships?

Mr. Tillson. Yes.

Senator Hatch. Is it your opinion we will offset their broken contracts to the full tune of the $750 million?

Mr. Tillson. I just don't know that, Senator.

Senator Hatch. I have heard that that is so.

Senator Metzenbaum. Mr. Chairman, is there any question that we need some additional ships of some type if carriers' escorts are to remain part of the fleet?

Mr. Tillson. That is an opinion, Senator. I think that you can make an equally good argument either way.

Senator Riegle. The heat is on. What can he say?

Chairman Muskie. How much Hollings time is left? Mr. Riegle has three minutes, Mr. Hollings has a minute and 30 seconds.

Senator Domenici. I thought maybe in a couple of days we would have this understood, but it seems to me it is more confused than ever.

What would happen if Iran just canceled this out and tell me once more so I will understand, and there was no one around to bail them out? How much would they lose?

Mr. Tillson. They would lose whatever they put into the contract plus whatever else was aavilable in the trust fund to pay termination costs.

Senator Domenici. How much is that?

Mr. Tillson. $300 million is in the trust fund. We really don't know what the termination costs would be, Senator. They are negotiable according to the contract.

Senator Domenici. Who has the contract with Iran?

Mr. Tillson. The U.S. Government has a contract with Iran and with the shipbuilder and the funds are transferred through the U.S. Department of the Navy.

Senator Domenici. So the emergency has arisen is that Iran has indicated they are going to terminate a contract to purchase these four ships. That is the emergency that the United States Navy is addressing, is that correct?

Mr. Tillson. Yes.

Senator Domenici. They were not going to buy them, but now they have an emergency at some stage of construction and a termination order on record, is that correct?

Mr. Tillson. Yes.

Senator Domenici. They are addressing that state of emergency in the supplemental, is that right?

Mr. Tillson. That's right.

Senator Domenici. In the opinion of the Navy whether or not we had them planned for next year or the year after, we are now taking a look at that state of emergency, is that correct?

Mr. Tillson. Yes.

Senator Domenici. Under that case they are saying we should buy them. Isn't that right?

Mr. Tillson. Yes.

Senator Domenici. They are not saying we would have bought them except for that contract termination, but they are there, is that correct?

Mr. Tillson. That is true, yes, sir.

Senator Domenici. Neither are they saying if this event had not occurred, that they would have had them in a five-year program. That is what Senator Riegle is saying?

Mr. Tillson. That is true.

Senator Domenici. Are they officially saying to us, first, that they can use these kinds of ships and that this is a good use of Navy ship acquisition money? Have they told us that?

Mr. Tillson. That is what they told us, yes, sir.

Senator Domenici. As I understand it, they do not prefer these over other things in their budget, but rather, are saying it is a good deal under these circumstances so we ought to buy them, is that correct?

Mr. Tillson. Yes.

Senator Domenici. That is why we don't find them taking things out because other things might be needed more, but they are not there under this state of emergency, is that correct?

Mr. Tillson. That is correct.

Senator Domenici. That is the answer to to Senator Bellmon's question if one wants to accept the Navy's position, is that right?

Mr. Tillson. Yes.

Senator Domenici. I don't know what we are going to do, but I really don't think while the case may not be made to buy them, I don't think the case has been made that John Stennis is trying to bail out Mississippi. I just don't believe we ought to be acting on that kind of premise.

Let me tell you why. First of all, I don't believe anybody believes he is that kind of Senator. But I think that is an insult to a whole bunch of Senators because 13 or 14 of them on the Armed Services Committee voted for them and I don't think they are about to bail out John Stennis.

Then I think it has to come over here to the double chairman, as Senator Biden called him. Don't you have to approve this in appropriations?

Senator Magnuson. We have to approve the supplemental.

Senator Domenici. It seems to me there is a whole group of Senators on Appropriations with all kinds of interests around this country, who have to vote "yes" or "no" on that appropriation. To say John Stennis, filtered that all down to bail out the State of Mississippi does not make sense and we should not buy it.

Senator Exon. If there had been a trifle statement made around the table tonight, it is the one you just made and I appreciate what you said. I think Senator Stennis would be providing these four ships if they were being put together in Nebraska. I think any thought we have as to any improper motive on the part of Senator Stennis is improper. I think that is a good point you made.

Senator Riegle. Mr. Chairman, I don't want this vote to be twisted around to be a vote for or againt John Stennis. That is not at issue.

What is at issue here is the reputation of the Budget Committee. We have been in here today and tonight for weeks trying to squeeze out nickles, dimes, thousands of billions. We are talking about ships that are not in the five-year plan. It is a bailout.

I don't know if it is for a State or the Defense Department or Iran, but it is a waste of money. If we don't need these ships, I think there are probably other things in the Defense budget we do need and let's spend the money on things we do need. If we don't need that money for other things in the Defense budget, then I know other areas of the overall budget that do need the money. But let's not debase ourselves as a budget committee to come in here and try to save a million dollars here and there and take a walk on $1.2 billion. We are the ones who are going to look like fools. This is not a vote on any other member of the Senate. It means does this process mean anything?

I am sure we can find other ships that may also be in difficulty that we can buy three we don't need, but I think that is the issue.

Chairman Muskie. I know that rhetoric has a way of getting heated around here and I have contributed my own share of heat from time to time. With due respect, Don, I don't buy that argument either.

I sat in this chair for five years now listening to different members of the Budget Committee passionately argue for their priorities and their points of view. I think that the whole process is a credit to the committee and to the Congress because we have made it work. I never regarded the Senator's vote against something I regard as important as debasing the Budget Committee. I make my case and I lose, but I think this committee is made up of Senators on both sides who are honestly trying to serve the national interests as they see it.

I would hope that with regard to whatever the decision is and I don't have the faintest notion how this committee votes and I see a lot of puzzled faces around the table. I don't have the faintest notion how it is coming out. I thought I knew how it was coming out when this debate started this evening. Now I am not sure.

Senator Boschwitz. Do you know how much it would cost the U.S. Government if we did not buy the ships? I have not seen the contracts. Contracts that complicated in nature usually have penalties involved. I am not sure we are not getting off scott free. What is the penalty if we don't buy the boat?

Mr. Tillson. It is not clear it will cost us anything. The $300 million remaining in the trust fund, if that is sufficient to pay the termination costs, there would be no costs to the U.S. Government.

Senator Boschwitz. You alluded to perhaps other contracts that Iran has with this country. None of those other contracts have come to the attention of this committee. Are here any other substantial contracts for that $300 million?

Mr. Tillson. There are many substantial contracts. The Iranians had a contract for F–16 airplanes.

Senator Boschwitz. That is a saleable item. Any other nonsaleable items or more difficult items like these ships?

Mr. Sneed. There were the Phoenix missiles, Harmon missiles.

Senator Exon. We are providing buying most of those, too.

Senator Boschwitz. Are those saleable items, too?

Senator Exon. In the opinion of our Defense Department.

Senator Boschwitz. Is this the only problematical contract? It will probably cost the American Government nothing if we say we are not going to buy the ships.

Senator Riegle. It is only going to cost us something if we buy the ships.

Chairman Muskie. May I say 15 seconds of time is left for Senator Hollings.

Senator Biden. Can I have three seconds? I just wanted to get it clear. Earlier we mentioned Ayatollah, the one in Africa or the one in the Middle East are we talking about?

You are all dull tonight. I thought that was funny.

Senator Hollings. Mr. Chairman, it costs— I am quoting again, and everybody is supposed to get a copy of this letter, "the costs of the ships contained in the 1980–1984 shipbuilding program are predicated on the assumption these four 993 ships would be built at Engles. If they are not to be built, the cost of other work in the yard current and prospective would clearly increase, although the precise amount is difficult to determine. The ships currently under contract DD–982, 992–L, HA–4 and 5, DDG–7, in summary these ships are under construction and in a business and military sense it is advantageous for us to obtain the ships."

First, we can avoid the penalty. I want to know the answer down there, too. I hate to disturb you—she is a lot more delightful. First we avoid the penalties to other programs incurred by terminating the contract.

When you ask the gentleman if there is a penalty, he tells about another fund. It is a penalty. I would like to know the amount. I came in like Senator Chiles, Senator Bellmon and everybody else with no commitment other than to try to do the right thing.

I am not senior. But, whether my facts are senior to this, I knew nothing about this when Don Riegle mentioned it, but it is incumbent upon us to go back and try to find out as best you can. If the chairman would permit me, you are missing something if you don't know John Stennis better. He is just one of the finest fellows you would ever meet. He protects his State. When he had enlisted men's allowances I opposed him in Appropriations, on the floor.

Senator, you were the one who raised the Stennis and porkbarrel proposition and not us, and then you say you hope——

Senator Riegle. I am not saying that. You are over your time. I think it will have exactly that effect. That is the way it will be interpreted by the people of the country because that is the way it looks.

I don't think you could put another construction on it. I think it is unfortunate that way because it sort of puts the whole thing in a bad light and it will damage everyone who goes along with this deal.

Then these ships are not in the five-year plan, and this whole thing gets very rigged after the fact and Iran gets bailed out and gets $450 million that they would otherwise not get from this government of ours, as I understand the logic here—I mean, I just don't think that is what the American people want us doing.

We may go ahead and do it. We may do it for reasons of Claytor's letter, as compelling as it may seem to you or any other mystical reasons we have, but we are going to have to vote on it.

It is probably time that we do that.

Chairman Muskie. We have one out of town. It is the measure of the mighty to add to the time of debate.

Senator Bellmon. I would like one minute to explain my vote before we do this, if I could.

If it is going to start something, I won't ask for it.

Chairman Muskie. I can't promise the latter.

Senator Bellmon. The Navy did not expect to get this double bit when this whole process began. If we vote this, we are going to give it to them.

I fully intend to find some way, if this passes, to take $700 million out of the FY outlay figure. If they want the ships and if they are good ships and I am convinced that is true, then they ought to be willing to figure out some way of fitting them into their 1980 numbers.

I don't see anything that would be difficult about that despite what the staff said.

Senator Biden. Would you amend this proposal and at the same time we deduct $750 million?

Senator Bellmon. I would.

Senator Biden. I would second that and say let's get on with it.

Chairman Muskie. We are on the '79 supplemental.

Senator Riegle. The motion that I made the other day was to delete all the monies for the Iranian ships from the supplemental and that is the issue upon which I would like to have a vote.

If somebody wants to offer a substitute, they are certainly open to do so.

Senator Magnuson. We have not passed a supplemental. This matter has to come before the Appropriations Committee.

Senator Riegle. We are not trying to interfere. The question is whether we want to budget the item in the supplemental.

Senator Magnuson. Whether we want to consider it.

Senator Bellmon. I would offer a substitute motion that the supplemental be approved with the provision that FY 1980 defense outlay figure be reduced by $700 million.

Chairman Muskie. I see we have triggered another debate.

Senator Hart. It won't work.

Chairman Muskie. It is the pleasure of the committee——

Senator Bellmon. I will withdraw the motion. I don't want to start another debate. That is the last thing I want.

Chairman Muskie. I would say to the committee the time for debate has ended. It is time to vote unless it is the pleasure of the committee to add to the time of debate. That is your decision to make.

[Chorus of ayes.]

Chairman Muskie. The Clerk will call the roll.

Senator Johnston. This is what?

Senator Riegle. To strike the money for the Iranian ships.

The Clerk. Mr. Magnuson.

Senator Magnuson. No.

The Clerk. Mr. Hollings.

Senator Hollings. No.

The Clerk. Mr. Chiles.

Senator Chiles. No.

The Clerk. Mr. Biden.

Senator Biden. Aye.

The Clerk. Mr. Johnston.

Senator Johnston. No.

The Clerk. Mr. Sasser.

Senator Sasser. No.

The Clerk. Mr. Hart.

Senator Hart. Aye.

The Clerk. Mr. Metzenbaum.

Senator Metzenbaum. Aye.

The Clerk. Mr. Riegle.

Senator Riegle. Aye.

The Clerk. Mr. Moynihan.

Senator Moynihan. Aye.

The Clerk. Mr. Exon.

Senator Exon. Aye.

The Clerk. Mr. Bellmon.

Senator Bellmon. Aye.

The Clerk. Mr. Domenici.

Senator Domenici. No.

The Clerk. Mr. Packwood.

Senator Packwood. Aye.

The Clerk. Mr. Armstrong.

Senator Armstrong. No.

The Clerk. Mrs. Kassebaum.

Senator Kassebaum. Aye.

The Clerk. Mr. Boschwitz.

Senator Boschwitz. Aye.

The Clerk. Mr. Hatch.

Senator Hatch. No.

The Clerk. Mr. Pressler.

Senator Pressler. Aye.

The Clerk. Mr. Chairman.

Chairman Muskie. No.

The Clerk. Eleven ayes, 9 nays.

Chairman Muskie. With that, the motion prevails.

Senator Bellmon. Now I would like to make my motion that we approve the supplemental but delete $750 million out.

Mr. Tillson. Senator, you have just done that. You have taken out $750 million from the defense budget.

Chairman Muskie. I had indicated earlier that I had a package of deductions to suggest. I will ask the staff to distribute them.

Senator Moynihan. Mr. Chairman, may I make one statement?

Mr. Chairman, there are those of us who have sat through five days of this markup under very distinguished and thoughtful leadership.

We have reported an increase in the defense budget knowing we were cutting the jobs and the income out of poor persons and responsible purposes all across this budget. We did it because we thought the President had a case and we thought the Armed Services have a case.

Now we have seen the chief of Naval operations in a caricature of military mindlessness, have us bail out the Shah of Iran.

Mr. Chairman, I cease at this moment to support to increase the defense budget any more in this budget. If the Defense Department is going to become the worst enemy of defense, then God help us all.

I would think the chief of Naval operations would be ashamed. I am sorry, Mr. Chairman, but I feel that strongly.

Chairman Muskie. This is the place to express your feelings.

Senator Hollings. What are you all stirred up about?

Chairman Muskie. Pat, you just won a victory.

Senator Hollings. You just gave the chief of Naval operations a boot in the behind. You just knocked out the ships by the vote.

Senator Moynihan. I am glad I made that speech afterwards.

Senator Biden. Mr. Chairman, I was hoping no one would tell him.

Senator Boschwitz. Maybe Mr. Biden would tell us about the Ayatollah in Africa now.

Chairman Muskie. Pat, I was delighted to hear the speech. You are always so civilized, it was good to hear you.

Senator Hatch. Uncivilized.

Senator Moynihan. I withdraw my remark.

Chairman Muskie. You shouldn't. It should be part of the permanent record.

I talked to several of you while we were on the Floor about the need for someone to put together a package. Have you distributed this, Sid?

Mr. Brown. Yes, sir.

Chairman Muskie. That would enable us perhaps to see at a glance—you will have to take four glances at this—a proposal for additional cuts that would reduce the deficit in 1983, give us a balanced budget in '81, as had been mandated, as well as a balanced budget in '82.

These proposed cuts do that. They do not take big chunks out of anything, I don't think, although I may have read it wrong.

Mr. MOYNIHAN. May I have the chairman's attention for one moment? I just want to make clear that as far as I can see there is not a scintilla of suggestion of any wrongdoing or subterfuge by anyone, certainly not by our staff, which is superb. The men and women possess total loyalty and a formidable capacity for work.

I think we are dealing with the question——

Mr. MUSKIE. I hope that they can read this record and come out of it feeling that way about this situation.

Mr. MOYNIHAN. Still, sir, we are grateful for the quality of their work.

Mr. RIEGLE. If I may say to the Senator from New York, I cannot dissent from that. I saw the Budget Committee staff do exceptional work. I find only one problem, but it is a rather remarkable one. It relates to these Iranian ships.

As long as the issue has been raised, let me make just one other observation. If the Senator will look at page 267 of the Budget Committee document, he will find that, in addition to the fact that the numbers do not reflect the committee vote, the description of the committee recommendation for function 050, national defense, is seven lines long. There is no hint that the committee even discussed Iranian ships, let alone took a vote to remove hundreds of millions of dollars for them from the budget. Absolutely not a word. It is a remarkable omission, a remarkable omission.

That would not be such a big deal if the numbers were right. But when the numbers are wrong, then the report's silence on the issue raises a big question. It certainly should to those of us who voted in the majority on this issue.

It is astonishing to me that we could

debate an issue for a full hour-and-a-half, spread over several days, and find not one word about the concerns of committee members in the report. Remarkable.

Well, I will not delay the Senate any longer at this time. Clearly, it was my purpose to delete the $1.3 billion. I think the committee record will bear out that interpretation.

In any case, I do think it is important that this matter be brought to the attention of the Senate. I would not want my silence to be considered acquiescence to the numbers as they have been presented on this single issue in the Budget Committee report.

Mr. MUSKIE. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. MUSKIE. I ask unanimous consent, Mr. President, to have printed in the RECORD at this point, the President's supplemental request. The Senators may then see for themselves, that had the full amount sought to have been stricken by the distinguished Senator from Michigan been stricken, what Presidential requests would have been deleted from the supplemental without ever having been discussed in the Budget Committee. Mr. President, I ask unanimous consent that that supplemental request be printed in the RECORD at this point.

There being no objection, the supplemental request was ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1979 PROGRAM SUPPLEMENTAL REVISIONS SUBMITTED BY THE PRESIDENT

[In millions of dollars]

Item	In current supplemental	Retain	Delete	Add	Revised supplemental
IRANIAN ITEMS					
DDG-993 (CG 993)	543.0	543.0		85.0	628.0
F-16				460.0	460.0
Phoenix missile				77.1	77.1
Harpoon missile				116.9	116.9
Standard missile				25.9	25.9
Subtotal	543.0	543.0		764.9	1,307.9
OTHER ITEMS					
M-X	190.0	190.0			190.0
M-X basing options	75.0	75.0			75.0
Trident II	20.0	20.0			20.0
Ammunition upload construction	26.2	13.4	12.8		13.4
Transportation (POMCUS)	35.4	18.0	17.4		18.0
Newport news claims	97.7	97.7			97.7
NATO AWACS	85.1	85.1			85.1
Panama Canal	36.9	36.9			36.9
Shipboard asbestos correction	36.0	36.0			36.0
ALCM (B-52 integration)	33.0	33.0			33.0
Hawk spares	25.0	25.0			25.0
CTB (DARPA)	24.0	24.0			24.0
B-52 (ODS, FRODS/test resources)	22.0	22.0			22.0
B-52 (SRAM/ALCM test set)	19.0	19.0			19.0
Combat service support equipment (CSSE)	16.9	16.9			16.9
Force training, Korea	15.8	15.8			15.8
NATO antitank cooperative development	18.7	18.7			18.7
MEECN VLF improvements	8.8	8.8			8.8
Turkish bases	8.4	8.4			8.4
SWATH	3.0	3.0			3.0
Vertical obstruction file (DMA)	2.8	2.8			2.8
Sea pay	7.9	7.9			7.9
CRAF	21.0	21.0			21.0
Pershing II	42.0	42.0			42.0
2d generation ALCM	10.0	10.0			10.0
Intelligence program	2.5	2.1	.4		2.1
All other	734.3		734.3		
Total	2,160.4	1,395.5	764.9	764.9	2,160.4

Mr. RIEGLE. Mr. President, I also ask unanimous consent to have printed in the RECORD a document which was prepared by the Armed Services Committee. It was given to me on the day in question by the core staff of the Budget Committee. It was the document I was working from. It contains the dollar amounts to which, time and again, I made reference. Dollar amounts which people will find in the transcript on the day of the vote in question.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

AMENDED FISCAL YEAR SUPPLEMENTAL AUTHORIZATION REQUEST DEFENSE PROCUREMENT, RESEARCH AND DEVELOPMENT, AND MILITARY CONSTRUCTION

[Dollar amounts in millions]

	Quantity	Amended request	Committee alternative
S. 429 AS AMENDED BY LEGISLATIVE PROPOSAL DATED FEB. 28, 1979			
Strategic:			
Research and development		$401.8	$383.0
1. M-X missile		190.0	190.0
2. M-X basing options		75.0	75.0
3. Advanced air launched cruise missile		10.0	
4. Air launched cruise missile (B-52 integration)		33.0	33.0
5. B-52 (SRAM/ALCM test set)		19.0	19.0
6. B-52 (ODS, FRODS/test resources)		22.0	22.0
7. Command and control VLF improvements		8.8	
8. Trident II missile		20.0	20.0
9. Comprehensive test ban (DARPA)		24.0	24.0
Navy shipbuilding:			
Research and development		3.0	3.0
10. SWATH (experimental ship design)		3.0	3.0
Procurement		725.7	1,450.7
11. DDG-993 (Iranian item)	2	628.0	4/1,353.0
12. Newport News Shipbuilding claims		97.7	97.7
Other:			
Research and development		60.7	55.7
13. NATO antitank cooperative development		18.7	13.7
14. Pershing II		42.0	42.0
14A. CEW			4.5
Procurement		$811.0	$207.0
15. F-16 aircraft and spares (Iranian item)	55	460.0	
16. Phoenix (A) missile (Iranian item)	150	77.1	
17. Harpoon missile (Iranian item)	208	116.9	59.0
18. Standard missile (Iranian item)	258	25.9	25.9
19. Hawk missile spares		25.0	
20. NATO AWACS		85.1	80.1
21. NATO AWACS—statutory language			
22. Civilian Reserve Air Fleet (CRAF)		21.0	
23. F-100 engine modules		0	42.0
Subtotal, procurement and research and development		2,002.2	2,099.4
LEGISLATIVE PROPOSAL DATED FEB. 1, 1979, AMENDED BY LEGISLATIVE PROPOSAL DATED FEB. 28, 1979			
Military construction		147.5	0
24. Panama Canal Treaty		29.7	
25. Ammunition upload construction		13.4	
26. Dollar revaluation		45.2	
27. Family housing, defense		50.5	
28. Family housing pay supplemental		8.6	
Subtotal, military construction		147.5	0
Total		2,149.7	2,099.4
A. CEW			4.5
Total			3,103.9

Mr. RIEGLE. I thank the chairman for yielding the time.

Mr. MUSKIE. Mr. President, I should like to make note of the fact that the document just asked to be printed in the RECORD was indeed a document of the Armed Services Committee staff. It is entitled "Amended Fiscal Year 1979 Supplemental Authorization Request for Defense Procurement, Research and Development, and Military Construction, S. 429 as Amended by Legislative Proposal Dated February 28, 1979."

This is a description of the authorization bill, S. 429, as reported out by the Armed Service Committee, which contained four ships. That legislation was not before us. We had no authority to strike four ships from that document. It was not before us.

What was before us was a markup that reflected the President's request, that included two ships and other items that the Armed Services Committee did not approve. Some of these items were set aside to make room for the ships, as I understand it. I think that ought to be understood about that document.

Mr. RIEGLE. Mr. President, if he will yield for just 30 seconds additional, I want to note one point in the committee record. On Wednesday, April 4, the Senator from Maine speaking, saying the following:

> The pending issue before us is the 1979 weapons supplemental reported by the Armed Services Committee and its implications for the figures which we approved for the 1980 defense functions.

That would seem to make it very clear what supplemental was being discussed. I am not quoting myself here.

Mr. MUSKIE. The Senator has quoted, and I have to try from memory, to interpret these words. The Senator read some words like, "Its implications for what is before us."

Some of the armed services supplemental was before us, but not all of it. It was before us because parts of the armed services supplemental and the President's supplemental were identical. Nothing I said could put all of the armed services supplemental before us. The defense authorization bill was not before us. Whatever I said, it could not be before us.

Mr. RIEGLE. Well, just to go on from the quote that I read, this is the Senator from Maine speaking on that date. He was saying:

> I will ask the staff now to present the facts with respect to the supplemental that we reported out and what its implications are for fiscal 1980.

I guess the only way to settle the matter, is to let people read the record for themselves. It is a big issue involving $1.3 billion in taxpayers money. That involves $700 million in outlays just in this fiscal year alone.

I do not want to have disagreement with the Senator.

Mr. MUSKIE. The Senator has made that clear. He has avoided disagreement all afternoon.

The fact is, of course, that the full supplemental was a proper subject for discussion. The Senator was talking about four ships that were not before us. I did not challenge that. The full supplemental is a proper subject for discussion. But that is something different from the parliamentary question on which we were voting.

Mr. RIEGLE. There is a difference of opinion, not just between the chairman and myself but with some of the other committee members that have been here today. We had one record vote. And, obviously, we shall have to have another one.

If this were a small item, it might be of less consequence. It is not small. I think it deserves the time that we must spend on it here.

I thank the chairman for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. I yield to the Senator from New Mexico.

Mr. DOMENICI. I need no more than 5 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to try to clarify as best I can what I understood the situation was—and I say this to my good friend from Michigan—after the Domenici mark had been accepted, immediately after acceptance of this, what I understood the situation to be in terms of function 050.

When I proposed my mark, my recollection is that I was submitting the President's mark with some internal adjustments to differentiate between the missions, but that I accepted the President's mark, that we voted on that and it was approved, and then thereafter a modification of it was sought.

I think that format is necessary to understand what I had in mind and where we were.

At that point in time it was necessary that we take into consideration whatever was in a supplemental that the President was including in his mark because the supplemental came in my mark, yet there was something that had to be done in terms of supplemental that I was including.

So, to put it another way, I contemplated a supplemental that the President had recommended when I moved his mark.

As I review the transcript, it appears to me that sequencewise the authorizing committee, in response, apparently, to our chairman's request that they give us their best advice, had, after the President's supplemental, considered a different mix which included four Iranian ships instead of the two that were in the President's mark.

Now, I am not going to pass judgment on what somebody coming forth after the mark with a motion to delete moneys for Iranian ships had in mind, but I am going to read from page 276 of the transcript of April 4, at the bottom of the page.

I asked the question:

> Was I wrong in that? I think the record says that.

Sid Brown, who was advising us on technical matters says:

> No, sir, you were not wrong. I asked the question this morning to make sure that was clear. Your motion assumed the supplemental as proposed by the President.

It continues on. I am not going to read the rest.

Mr. RIEGLE. Would the Senator just continue on, because if he does not go down three more lines to the point where Brown says:

> However, at the end of the session this morning the whole question of the supplemental was left to further discussion.

Mr. DOMENICI. That is correct.

I am not trying to leave anything out. I would not do that.

Mr. RIEGLE. I want to help the Senator and make sure he does not.

Mr. DOMENICI. I thank the Senator very much.

Mr. RIEGLE. That is a key item.

Mr. DOMENICI. The Senator is kind here, as he was for 5 days in the committee, and I greatly appreciate it.

I will get back and read that, on page 277, so we will all have it in front of us.

This is our chief staff man. He indicates there is a new fact, namely, the authorizing committee. What the authorizing committee did that we should take into account and understand, and, as I understand it, what he was talking about was the recommendation of a different mix by the authorizing committee, different from the mix that the Presidents' supplemental had submitted and which I included in my mark. Whether or not we then were talking about the authorizing committee's mix or the President's mix, I guess, can be clarified here on the floor, but I clearly understood once we voted on my recommended mark that the total dollar figure was to include whatever was needed in 1980 to carry forth the President's supplemental.

That is what I understood, and I think Sid Brown is confirming that by then saying, however, that the authorizing committee is recommending something different.

Now, that is the best of my recollection. I will be glad to read the bottom of page 276 if the Senator from Michigan wants me to.

Mr. RIEGLE. Mr. President, will the Senator yield?

Continuing from where the Senator just quoted, and coming to page 278, I think he will find the chairman saying:

> We have not yet acted on a third concurrent budget resolution for 1979 at all, and it is conceivable although I don't think so, given this morning's vote that this committee may vote something less or could, at least, has that option. If that happens, the '80 impact will change again.

I then go on to ask about that. We had not taken any action with respect to the supplemental; and my concern was that if we did, it would have an impact on 1980 and 1981. So we nailed that down.

I think this record makes it clear that we were bound in no way on fiscal 1979 at that point.

Mr. DOMENICI. I just want to say that from my standpoint—and I have reviewed the record and I think it is clear—that my mark did not anticipate four ships. If you are going to take out four, you are taking out two more than were anticipated by my mark. The Senate can add up the figure for four and take it out of this budget, if it desires; but I think the staff, in arriving at the figure, followed through with what I had in mind, which was the supplemental as recommended by the President. If you readjust it, you might provide for four ships or six, but there were only two in it when I took the mark. That is the point I wanted to make, and that is the reason why I came to the floor.

Mr. RIEGLE. When did the committee adopt the mark of the Senator from New Mexico? Can he show me that in the record?

Mr. DOMENICI. It is my recollection that we voted on a Wednesday.

Mr. RIEGLE. Can the Senator point out in the record where we adopted the Domenici mark for 1979?

Mr. DOMENICI. I will have to find it for the Senator.

Mr. RIEGLE. I cannot find it, and I am not sure it is there.

Mr. DOMENICI. I think we voted on it.

Mr. RIEGLE. The reason I question it is that the chairman, after the Senator assumes a 1979 mark was accepted by the committee, made it clear time after time that the committee had not bound itself in any way with respect to fiscal 1979.

Mr. DOMENICI. We did not bind ourselves until the end of 1979.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. MUSKIE. As we were going through the 1980 to 1984 budget, it was made very clear that we were assuming the 1979 numbers as we went along, subject to change when we got back to 1979 specifically.

Mr. DOMENICI. Absolutely.

Mr. RIEGLE. That is exactly my point.

Mr. MUSKIE. But at that point, when you got back to 1979, you had the mark that was in it.

Mr. RIEGLE. But, as you said at the time, we had taken no action on 1979 at all. We had deferred that. We had not locked anybody's mark in as an action of the committee.

Mr. MUSKIE. We had not deferred it. We had assumed the mark in the 1979 supplemental in order to write the 1980–84 numbers as we went through the 1980–84 budgets and projections. But it also was clear that we could go back and change the assumptions in the 1979 budget, and one of those was the defense supplemental. We could change it, and we did change it. But you cannot change it by eliminating from it something that was never there in the first place.

Mr. DOMENICI. Will the chairman agree that if you are going to change it with reference to something that was not in it or that might be considered in it, then to the extent that is different from the original assumption, you have to change everything?

Mr. MUSKIE. That is right. You would have to specifically eliminate the other items.

Mr. RIEGLE. At no time did we lock in, detail 1979 supplemental assumptions. It is my clear understanding—and I think the record bears it out—that we held off on that until the Iranian ships could be considered. We decided to start that debate after we broke for lunch. We did not get back to vote on the supplemental until several days later. That happened because the chairman and others asked that we put aside the debate on the Iranian ships so a decision could be made on the fiscal year 1980 numbers only.

Mr. MUSKIE. Of course, but whether or not putting it aside changed the parliamentary situation from two to four ships is a different question. I say to the Senator that it is my job as chairman to stay on top of the parliamentary situation in order to be fair, and I am convinced that I was in this case. I am not convinced that I was understood. The Senator from Michigan has made that clear this afternoon. I do not think I pulled the wool over anybody's eyes on this subject.

Mr. RIEGLE. I think not. I think the chairman was most forthright in the record. Time and time again he is quoted as saying that we were not locked in at all.

Mr. MUSKIE. I say that again. You can go back and change it. But if you do, you have to change items other than the two destroyers already in it if you want to eliminate a total of four destroyers.

Mr. RIEGLE. But as the Senator from Maine has made clear on many occasions, the Budget Committee is not a line item committee. Members can offer an amendment to strike out an amount of money for a particular activity or function, and that does not lock anybody into details.

Mr. MUSKIE. But the Senator from Michigan is proposing to eliminate something that was not there.

Mr. RIEGLE. It depends upon what piece of paper you are looking at. If you are looking at the request from the Armed Services that was the subject of all the debate, during the committee meeting, the four ships certainly were there—$1.35 billion worth of them.

Mr. MUSKIE. That was not before us. Nobody offered it. It was not adopted.

Mr. RIEGLE. One was before me, because one was placed before me, on my desk by the case staff of the Budget Committee.

Mr. MUSKIE. That amounts to the committee adopting it?

Mr. RIEGLE. No. I do not think the committee adopted any.

Mr. MUSKIE. There, the Senator from Michigan and I disagree. I see no reason for starting discussion on that issue again.

Mr. DOMENICI. Mr. President, I want to answer the question so that we have it in the record.

In the morning session of Wednesday, April 4, at page 249, the vote is announced. It says the amendment does not carry; therefore, the vote recurs on the Domenici amendment, and the Domenici amendment was voted on.

On page 279 of the first concurrent resolution on the budget, prepared as a report by the committee, it says:

> Item No. 6, Domenici motion to set function 050 (Defense) totals in Mission 2 (Tactical Warfare Forces) at:

There was a vote, and the votes were all yeas, with the exception of three nays, the three nays being RIEGLE, HART, and the chairman.

In that mark there is the last item, discretionary supplemental, and it is stated, "BA 1.8 outlays 1.0," in billions.

That is identical in BA and outlays with what would be affected on the 1980 budget by the President's 1979 supplemental. They are identical figures. That is all I am saying. That is what I proposed; that is what we voted on.

Beyond that, the mix that is within it, if somebody wanted to cut from that supplemental and thus affect 1980 in a different way, I think it is up to them to pick the earlier figure in BA and outlays that they want to cut. If it is two ships, in dollars, they can make it that. If it is four ships in dollars, that figure was known. I think that can be decided in another way. But I make the point that the supplemental was adopted perhaps in a wrong manner, in that we assumed it in adopting 1980, subject to our chairman's constantly saying, "You can go back and adjust the supplemental if you don't like it."

Did we not in some other function reduce and adopt the entire supplemental, which is further indication, and went back and changed 1980?

Mr. MUSKIE. The Senator is correct.

Mr. DOMENICI. To me, that indicates the course that was open to anyone who wanted to change this.

Mr. MUSKIE. Absolutely.

Mr. RIEGLE. I think that is exactly the course I took. I was as explicit as I could be with the English language in saying that I wanted to strike the money for four ships, and I used the numbers time and again.

Mr. MUSKIE. But there were not four ships in it. We are back where we started.

Mr. RIEGLE. It appears that there are two ships in there now, and that is disturbing to me.

Mr. MUSKIE. No, there are not two ships in there. It is not a line item situation. If two ships are funded by the Appropriations Committee, it will be because the Appropriations Committees of the two Houses, between them, knock out other items from the supplemental. There are not two ships in here, and the Senator has read from the report that it is blank on that subject. There is nothing in the report that says there are two ships in there.

All the Senator is doing is anticipating the possibility that the Senate and the House may approve the authorization bill in full for four ships and, second, that the appropriations bills would fund it. But it is not in this resolution.

Mr. RIEGLE. In anticipation of that, I move to strike the money, the figure of $1.3 billion was mentioned time and again. But, mysteriously, only half of that money was taken out.

Mr. MUSKIE. That was the anticipation of the Senator from Michigan. He did not question it, so far as I know.

Mr. RIEGLE. I mentioned it only a dozen times or more during the debate—four ships and $1.3 billion.

Mr. MUSKIE. But not the items that would be deleted elsewhere in the supplemental if the Senator's anticipation for deleting four ships came to pass. He was assuming there were four ships in the document before us to knock out, and there were not. There were two ships.

Mr. RIEGLE. I think I should state my own assumptions.

I knew the effort was to procure four ships, and I wanted the Budget Committee not to assume one dime for any of the four ships. I thought that is what we voted not to do.

Mr. MUSKIE. There was no way for the Budget Committee to do that, as the Senator should know by now.

Mr. RIEGLE. Our vote came as close as we can come within the Budget Committee.

Mr. MUSKIE. There was the parliamentary situation before us and we do not line item our budget resolutions.

Mr. RIEGLE. But half the money got back in.

Mr. MUSKIE. It is not in there. It is in there for other items, I say to the Senator.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator for yielding.

Mr. President, I really think we have had a helpful discussion here on this matter. The Senator's committee is not the only one that found it to be a difficult problem, because it is such an unusual situation. I will have a chance tomorrow to be heard more at length. But I think now we should point out what the alternatives are because regardless of the situation here on what was before the Budget Committee. The whole problem of the Navy ships in the fiscal year 1980 budget, as well as the supplemental bill, is a matter that has to be handled right here in this Chamber by this membership.

So far as the so-called Iranian four ships are concerned, I just rather that this thing had not happened. It is something, though, that is absolutely a must and we have no choice. Something must be done about those four ships. Otherwise, we face a situation like this. They are the most modern destroyers in that class that are being built. They have been fully proven in many ways by prior ships and the Navy grades them as excellent. They are the very type ships that we most need now to meet this developing situation that we have.

For instance, we sent a carrier for the first time to spend some time in the Indian Ocean, and with that carrier destroyers had to go. They are part of its support force. And that is the very kind of ships that we are talking about now, these four Iranian ships are that modern type, which are proven to be highly effective.

So on each one of those, if we do nothing but just let them sit there as they are now unfinished, we will lose. We will pass by a chance to save $200 million on each of those four ships. Just as certain as night follows day, we are going to have to build these kinds of ships or something to take their place.

As they sit there now in various stages of completion, none are close enough to be serviceable now. We will be passing up a chance to save $180 million to the U.S. Treasury. Talk about unbalanced budget. The budget can be balanced by these savings as well as by other ways.

In addition thereto, under the terms of the contract the termination cost will have to be paid if we leave these four ships there unbuilt, and that comes to $200 million.

So add it to the $800 million and we have $1 billion in this matter that is within reach of this Congress to go on and authorize the disposing of those ships in a way that is most appropriate for us, the U.S.A. We can meet our needs to modernize, supplement and strengthen our Navy.

So that is what we were confronted with in the Armed Services Committee. I made the point, and I am not driving here to try to get a gain here for Mississippi ships or shipbuilding. I do not see how they are going to gain anything anyway But it is a question of what are we going to lose that is a major point here. This is the only way to clear it up and get it out of the way so we can save the money and also avoid termination costs and also avoid entanglements with the fiscal 1980 budget, which is the big bill, will take it all in one bite, $1 billion is at stake. And that is why the majority of our committee voted to put them in the supplemental bill. There was room in there. Since there was room, we put them in there.

One other point: This whole supplemental idea came from last year's incompleted ship bill. In that part of the bill relating to ships there was an item coming to nearly $2 billion that was taken out right at the last when there was the veto on the carrier. I am not criticizing the veto. But that is why we are trying to get them back in here in the supplemental bill and agree to it.

So, in spite of all the good faith of this committee, they had only a short time to pass on these matters. I think the time was too short. Someone said they had less than 2 days to hold hearings on this entire defense program. It is a monstrous thing. It takes us months and months to get it in. I think that they worked hard in overtime. Through no fault of their own, it might not have been clearly and fully gotten into as to what were the facts.

Now there is no doubt about it. The Department of Defense has the need and the Navy has the need. At OMB they asked for two of these ships and OMB said that the Navy can try to get them in fiscal year 1980. I strongly advise against going into fiscal year 1980. You are going to run right into the proposition of the frigates program. It is going to affect other items that are needed and essential that should not be disturbed, in my humble opinion, in the fiscal 1980 program, and still leave those ships sitting there. It is either to disturb fiscal 1980 or leave those ships sitting there on the building ways to rot and rust out. It is inconceivable that we would do that.

So let us just meet this thing head-on and now, with great deference to the committee that I respect very highly. I have supported the committee with one exception, when our committee was a victim of that in the early days. I hope that I can support them on most things this time.

So I wanted to state that in the Record here, and tomorrow when this matter comes up for action, I hope we can have some figures that will be more convincing than these that I have referred to here now.

I thank the Senator very much for yielding to me.

Mr. PROXMIRE addressed the Chair.

Mr. MUSKIE. I thank the distinguished Senator from Mississippi for that statement and I am sure we will hear more about it.

UP AMENDMENT NO. 82

(Subsequently Numbered Amendment No. 151)

(Purpose: To provide a balanced budget for fiscal year 1980)

Mr. PROXMIRE. Mr. President, I have an amendment at the desk and I ask that it be called up for consideration.

The PRESIDING OFFICER (Mr. Bumpers). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire) proposes an unprinted amendment numbered 82:

On page 2, line 24, strike out "$532,400,000,000" and insert in lieu thereof "$503,600,000,000".

On page 3, line 5, strike out "$28,800,000,000" and insert in lieu thereof "$0".

Mr. PROXMIRE. Mr. President, this amendment would require that the budget the Congress will act on this year for the 1980 fiscal year will be in balance. It would do so by reducing the spending recommended by the Senate Budget Committee to the level of estimated revenue.

Simply put my amendment amends the budget resolution by reducing outlays from $532.4 billion to $503.6 billion, which is the estimated figure for receipts. By providing that outlays and receipts equal each other it provides for a balanced budget.

The amendment calls for a cut in expenditures for fiscal year 1980 of $28.8 billion or 5.4 percent overall, below the amount recommended by the Senate Budget Committee.

This amendment, if adopted by Congress, will require some very tough discipline, will require the most painful kind of cutbacks in many areas, where support is strong. It will disappoint many who have worked for and are counting on substantial Federal expenditures.

But, Mr. President, it gives Congress the opportunity to make the right decision in this year in which the overwhelming economic problem that confronts this country is inflation. Inflation is not a problem for a few; it is a serious problem for all of us, and it is especially heartbreaking for the poor and modest income people in our society.

Consider the facts on inflation: Whatever statistics you prefer, the Consumer Price Index, GNP deflator, the Producer Price Index, they all show inflation at rates of 10 percent or more currently.

Mr. President, the worst may still be to come. Raw material prices and prices of intermediate goods have been climbing even faster and maybe foreshadow rising rates of inflation the rest of the year. The administration argues that inflation may ease later in the year. But even their rosiest expectation is that inflation will be near record levels for 1979. And in spite of the efforts by President Carter and his administration there is every indication that inflation will continue for years to come at high rates. Every responsible economic spokesman—in and out of the administration assures us that the fight against inflation will be long—years long.

NOW IS THE TIME FOR BALANCED BUDGET

Now consider the present economic situation. We are operating at close to the highest levels of capacity operation that we have in recent years, that is, at about 86 percent of capacity. At this level any increase in demand is likely to be met in many industries by bringing into production less efficient and, therefore, more costly production facilities which means, of course, at a higher price.

Consider the present economic situation. We are operating close to the highest level of capacity operation in recent years. That is at about 86 percent of capacity. At this level any increase in demand is likely to be met by bringing into production less efficient and therefore more costly production facilities which means, of course, at a higher price.

Unemployment is not low by historical measurement, but it is far lower than a few years ago. It has dropped since 1975 from 9 to 5.7 percent.

Mr. President, employment, the addition of jobs to our economy, employment, has virtually exploded. We have added more than 6 million jobs in the past 2 years, which is very near a record; 3 million in the past year alone, and a solid million—it is continuing, a solid million—new jobs in the first 3 months of this year, 1979.

For the first time in our history we have 60 percent of the adult population of this country working. That is a higher percentage employed in any year in history, including the height of World War II.

I know that other statistics can and will be cited to show the situation is not perfect, and that is right. It could be better. But overall we are still in the period of expansion.

Dr. Janet Norwood, the Commissioner of Labor Statistics has told our Joint Economic Committee that we are, as of right now, enjoying a steady and solid economic expansion.

Both the President and the Budget Committee assume that real GNP growth in fiscal 1980 will be about 3 percent. I say about because the estimates are for calendar 1979 and calendar 1980, but a calculation suggests that both estimate we will have real growth, allowing fully for inflation of about 3 percent.

Mr. President, that has been the average rate of growth historically for this country. Certainly with this historically astronomical inflation rate on top of 3 percent real growth we should balance the budget.

There are always alibis justifying a deficit. That is why we have a virtually unbroken record of deficits year after year. It is always hard to balance the budget. It is going to be just tough to bring the budget into balance and maybe tougher—in 1981—than it is today.

But if there was ever time when we should balance the budget that time is now. Consider the record. In the 17 years since 1962 we have had 16 deficits and only one small surplus.

Mr. President, the psychological effect on this country of a decision by Congress to balance the budget would be tremendously favorable, and much of economic success or failure is psychological. The economy depends on human decisions. Decisions are based on faith or lack of it by businessmen and consumers. The one clear unmistakable signal that this Government means business about inflation would be a firm decision to balance the budget.

I have said that balancing the budget is painful but it is doable. I have a few areas here that could help us achieve it. My list may not coincide with the list of other Senators. Everyone has his own preferences as to where the cuts will be, and Congress can and will work its will.

Mr. President, I ask unanimous consent that examples of reductions in spending that could speed us on the way to a balanced budget be included at this point in the RECORD.

Mr. President, that record is a disgrace. That record took place during one of the longest periods of economic expansion in our economic history, and we should stop that series of deficits right now. After all the 1980 fiscal year will be the fifth year of economic recovery from the 1974–1975 recession.

We have been told by the Budget Committee and others "No, we cannot balance the budget this year. Maybe next year." It is never today, it is always tomorrow, always manana, but manana never comes.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED CUTS IN FISCAL YEAR 1980
DEFENSE BUDGET

	Billions	Outlays
1. Cut 50,000 civilians out of 1,000,000	0.75	0.72
2. Reduce grade creep military and civilian to fiscal year 1964 levels	1.1	1.06
3. Full program of postponed base closures	.5	.43
4. B–1 R. & D.	.05	.035
5. Recission of unrequested aircraft from fiscal year 1979	1.0	1.0
6. MX slow down ($670,000,000 in R. & D.)	.2	.14
7. Consolidation of helicopter and some fixed wing training facilities	.2	.017
8. Newport News shipbuilding claim	.1	.1
9. Greater utilization of women	.1	.1
10. Cut in I. R. & D.	.2	.2
11. Recover full FMS costs	.2	.2
12. Enhanced use of fast payback productivity capital improvement equipment	.2	.2
13. Deletion of advanced attack helicopter	.176	.12
14. Deletion of SAM–D	.57	.08
15. C5–A wing modifications	.1	.1
16. Civil Reserve air fleet modifications	.07	.07
17. NATO AWACS—U.S. costs	.25	.25
18. New small conventional aircraft carrier	1.6	.22
Total	7.4	5.04

SPECIFIC CUTS

Military: I propose 18 specific cuts in manpower, B–1 bomber research, C–5A wing modifications, shipbuilding claims, etc., which total $5.04 billion. By changing the law to require competitive bidding on procurement contracts instead of negotiated bids or sole source contracts, another $1 billion could be saved. Total, $6.04 billion.

Revenue Sharing: The federal government has no revenue to share. State and local governments are in surplus. Those who spend money should have to raise it. Cut it out. Savings, $6.8 billion.

Foreign Aid: We could save $1.3 billion by holding to last year's levels. While the people to people programs are fine, big project foreign aid is mostly an extension of the public works and highway lobby abroad.

Housing and Urban Development: By reducing the number of persons eligible for housing subsidies (now the lower 40% of income groups are eligible) and increasing rents to 30 rather than 25% of income, we could save $150 million. Cuts in Urban Development Action Grants ($400 million) and the proposed National Development Bank ($275 million) would save money in later years but not this coming year. That would also be true of shifting Section 8 housing from a ratio of two-thirds new construction one-third existing housing to 50–50.

Travel: The government travel budget is $7.9 billion. We could cut $2 billion through less travel, subsituting less expensive travel, greater use of car pools, and ending the outrageous practice of driving government big shots to and from home.

LEAA: The Law Enforcement Assistance Administration was established to promote innovation. Now it pays routine operating expenses. A big chunk—$300 million—of its $621 million outlays for fiscal year 1980 could be saved if we abolished it.

Small Business Administration: This agency has been beset by patronage and scandals. Virtually all of its functions can now be performed by the private sector. Half or more of its $694 million proposed outlays could be saved in the first year by abolishing it.

Public Relations: The government-wide public relations budget is estimated at $1 billion and includes 20,000 public information officers. A cut in half would save $500 million.

Space: Delaying the space telescope and Galileo-Jupiter probe could save $200 million in outlays next year.

CETA: The use of Comprehensive Employment Training Funds to protect existing employees rather than to add jobs for the needy is a key fault of the program. About $1.5 billion in cuts could be made.

EPA: This agency has been unable to obligate its funds as fast as they claim. They will spend about $200 million less this year than proposed because of this fact.

Legislative Branch: The increase from $85 million to $135 million for the third (Hart) Senate Office Building should be voted down.

Health: The National Health Institutes have been stuffed with money and have shown relatively poor results. Shifting priorities at the Institutes and slowing the rate of growth of the health programs most heavily criticized by the General Accounting Office could save $500 million.

Education: As the money for education has gone up the scores on tests of learning have gone down. By targeting grants for the truly disadvantaged, cutting the bilingual program, and some higher education programs we could save $500 million.

Food Stamps: We could save $738 million by holding the Food Stamp Program at the current level.

Highways: With the energy shortage we should reduce our massive outlays on highways. While this would take legislation to accomplish we should cut back from the $7 billion to at least the $6 billion level.

National Science Foundation: While funds for basic research should continue, we could hold the NSF budget to last year's level by cutting back on behavioral and social science applied studies, many of which are questionable indeed. Savings, $50 million.

Public Works: There is more waste here

than in almost any other area. But because of long lead times, cuts this year do not take effect for two or three years ahead. Savings of about $450 million could be made this year by cutting eight specific projects where costs greatly exceed benefits.

Fraud and Waste: The General Accounting Office has reported that "... waste, fraud, and abuse" in the federal government "... are of mammoth proportions." The Justice Department testified that wherever they have looked for fraud, they have found it. They also tell us it amounts to up to 10 percent of the $250 billion in federal grants. A tough, hard-hitting program to root out the fraud and abuse should be able to save $5 million of this $25 billion total.

Shortfalls: Every year in recent years the government has spent between $5 and $10 billion less than it has expected. Further, most agencies deliberately spend as much as they can and as fast as they can at the end of the year in order to justify their programs. A $2 billion reduction in spending for these reasons is not out of line for next year.

Mr. PROXMIRE. Mr. President, this is just a partial list of the cuts that I have to suggest. I testified to the Budget Committee on reducing expenditures, and at that time I documented the expenditures specifically that I would cut. I have since then sent the Budget Committee additional material indicating where, in my judgment, cuts could be made. As I say, other Senators may choose other areas for reduction, and the Senate, as a whole, may make the decision if it is forced to do so.

Any Senator who says we can not cut even 5 percent of the bloated more than half trillion Federal budget—and that is all I am asking—is not even trying. Five percent. That is all we need to achieve a balanced budget in 1980.

OVERWHELMING POPULAR SUPPORT FOR BALANCED BUDGET NOW

Mr. President, this is a democracy. Does anyone seriously doubt that this amendment is what an overwhelming majority of Americans want us to do? The biggest State in the Union overwhelmingly passed a proposition 13 that required a mammoth cut in spending in California. They passed it by a resounding margin over the opposition of virtually the entire California establishment, over the opposition of the Governor, the opposition of the media, the opposition of the big corporations, the opposition of the labor unions. There was no substantial organized group that favored proposition 13. It did not squeak through, it passed overwhelmingly.

The proposal to mandate the Congress to balance the budget by a constitutional convention is so immensely popular that it has already swept through some 30 legislatures in spite of the concern that legislators have that it will cost their States greatly in Federal assistance.

I think the constitutional convention is a dangerous and badly mistaken idea. It could threaten our great Constitution, and certainly a balanced budget should not be rigidified and riveted into our Constitution.

But how are we to effectively counteract that swelling national movement? What better way to stop it than to balance the budget now this coming year. If we fail to pass my amendment now for a balanced budget in 1980, the argument for a constitutional amendment becomes far more powerful. If we do balance the budget this year, we have given an answer. We cannot and should not try to legislate for all future generations or even mandate a balacend budget for the next 5 years, or even promise, if we cannot tell what the situation is going to be in 1981, that we will balance the budget not this time but tomorrow, manana.

If a Senator truly believes in fiscal responsibility, now is the time to take the painful steps necessary to balance the budget.

Yes, indeed, these steps are painful. All, and I mean all, the specific pressure is to spend. None of the pressure is not to spend on specific projects.

I just talked with a delegation from the National Homebuilders Association in the Banking Committee room. They wanted more money for housing. This morning three other groups called on me in my office. I was not able to be there, but my staff tells me every one of them wanted more money. I am waiting for somebody to come in on the other side.

Who comes to Washington to ask us to cut a particular program? You will wait a long time for an answer. Who comes? No one. Not ever. But hundreds come purporting to represent millions asking us to increase spending for programs. Businessmen who come here from our States are never asking us to cut a particular program but asking for spending for defense contracts or homebuilding or public works programs in their hometowns. Farmers never ride their tractors into town pleading for cutting anything. They come here asking for more price supports. Labor unions represent workers who suffer severely from inflation and Government waste. But like business they come here to ask us to increase Government spending. Governors and mayors often make great fiscal responsibility speeches and blame the squandermania of the Federal Government, but when they come here it is always, and I mean always, for more spending for them.

The distinguished Governor of New York, a very able man, Gov. Hugh Carey, in his inaugural address, said:

> The Federal Government should look at New York and see what a great job we are doing in holding down spending. Government is no longer a growth industry in New York.

Of course, New York has had its hand out more than any other State. They received more Federal aid last year than any other State, on a per capita basis and an absolute basis. New York City is the only city ever bailed out by the Federal Government, and they have been bailed out twice.

But even there, the Governor has recognized that sentiment is overwhelming for holding down Federal spending. So they tell us we should hold it down, even though not as far as the benefits we provide them are concerned.

Yes, it is far more of a political risk to say no to spending programs than to go along with them as we have so generously done in the past.

I ask any Senator to tell me when was the last time he got a campaign contribution for not spending money on a particular program, that is, for not spending for a defense program or not spending for a housing program or for not supporting a public works program, and consider how many campaign contributions are based on rewarding or hoping that you will support spending for what the contributor wants.

BIG FEDERAL DEFICITS FORCE HIGH INTEREST RATES

Inflation is only one fearsome price we have to pay for the big increases in spending we have endured and the huge deficits we have suffered. High interest rates are another painful price. Mr. President, without question a principal force in driving up and keeping up high interest rates is our immense deficits.

In the first place the deficit feeds inflation. And inflation makes the lender unwilling to make a loan with a lower rate of interest than the anticipated inflation rate. If interest is below inflation the lender gets back less in real purchasing power than he loaned. So inflation is one major force in driving up interest rates and slowing the private sector in the process.

By that I mean if the inflation rate is 10 percent, the lender who lends at 9 percent or 7 percent will get back less than he loaned, so the lenders are going to resist that, and insist, whenever they can do it—and they can do it, as they are demonstrating right now—that they get paid back an interest rate that is higher than the inflation rate. The connection is very vivid and very clear, as we have been reminded again and again by witnesses before the Banking Committee, the Joint Economic Committee, and others. The principal cause of high interest rates is inflation.

The second factor is the demand for available credit. Obviously the greater the demand for credit, the higher the price. And who is the biggest, the numero uno borrower? That is right, Uncle Sam. And when the Federal Government borrows $28 billion more in a year which it does with a deficit of the size we are contemplating here the result is an increase in the demand for credit, and the price of credit is the interest rate. This is a sure and certain and absolutely predictable result. Big deficits spell higher rates of interest.

So in two ways—not one but two the big deficit the Congress would provide for 1980 if we follow the recommendation of the Budget Committee will continue to push up interest rates. First, it will tend to increase inflationary pressure and inflation is a central reason for high interest rates. Second, the deficit massively increases the demand for funds and that drives up rates of interest.

BALANCED BUDGET WILL PERMIT EASIER MONETARY POLICY

There is a third element too that gives the Congress a chance to reduce interest rate pressure by balancing the budget. Chairman William Miller of the Federal

Reserve Board has testified before the Banking Committee repeatedly that he can and would ease monetary policy if fiscal policy were more restrained.

The Chairman of the Federal Reserve has always indicated that, whether it was Miller, whether it was Arthur Burns, or whether it was William McChesney Martin. It is an intelligent position, and it makes sense. The Federal Government is strapped by these continuous deficits. If the Federal Government is going to fight inflation effectively, they have to do it with tight money, and that means high rates of interest.

Mr. President, by far the most sure and responsible way for the Congress to bring interest rates down is to eliminate the deficit and balance the budget. It should be hard for a Senator to look a small businessman or a farmer or a home buyer in the eye if that Senator votes against this amendment. All of these Americans are clobbered by high interest rates. A big deficit in 1980 spells high interest rates just as surely as someone who consistently overeats will get fat.

BALANCING BUDGET WILL HELP NOT HURT PRIME SECTOR

How about the argument that cutting spending so severely and balancing the budget will push us quickly into a recession that will hurt economic expansion? Mr. President, I think exactly the opposite is true. It could do precisely the reverse. This may surprise some Senators. But consider the facts. By reducing Federal spending and balancing the budget, we may be providing more effective but more gradual economic stimulus that could in the long run provide more jobs, certainly more jobs in the private sector. Doubt it? Here is why:

Lower interest rates could be a boon to business particularly housing. High interest rates this year are expected to slow housing starts perhaps by 500,000 units, that means we lose 1 million private sector jobs right there. We might save most of those starts and jobs with a balanced budget, because the reduced deficit will mean reduced interest rates and reduced interest rates could revive housing. Business too would pick up sharply with lower interest rates.

In addition to the benefits to business of lower interest rates a balanced budget could help restore business confidence. In fact, I challenge any Senator to tell me any other action the Congress could take that would do more to restore business confidence than balancing the budget. And there is a particular economic factor that balanced budget would foster the economy. Economists call business investment in plant and equipment—the accelerator, because it helps spur other investment as well as increase productivity. Lower rates of interest make investment in plant and equipment that might otherwise be too costly more acceptable.

Opponents of this amendment may scoff at the argument that the elimination of this fat deficit would be good for the private sector. Well, the scoffers are wrong. You doubt it? Why not give a balanced budget a chance? For decades we have followed a policy of trying to spend our way to economic stability. It has not worked. It has not given us low levels of unemployment and it has given us murderous inflation. Why not give the free sector a chance? In this worst year of our peace time inflation, the decision should be easy.

Mr. President, if we had a slow growth rate, if we had a low level of employment, then I think you could make a strong argument against balancing the budget. I would agree with those who would say that in periods of stagnation, slow growth, and recession, we should not try to balance the budget, that it is counterproductive.

But when we are told by the members of the Budget Committee that they expect real growth during fiscal 1980 to be about 3 percent, when we know we will have inflation historically very high—probably at least 7 percent, maybe as high as 10 percent—that under such circumstances we cannot balance the budget. Difficult as it is, that argument seems to me to be wrong.

I know there will be all kinds of arguments against this amendment. First of all we will hear the stock argument that now is not the time and this is not the place.

But we are told that every year. For 16 of the last 17 years we have had deficits. But in well over half those years the economy has grown at or greater than its long-term historical potential. Yet we had deficits and deficits and deficits.

But now is the time—during the argument on the first budget resolution. This is the time we set our goals. This gives the authorizing and budget committees both the opportunity to determine where the cuts can be made so that when we reach the final resolution we are clear as to our actions.

I know that if I failed to bring up this amendment on this resolution and waited until the second resolution we would be asked "Why didn't you bring it up before?" So now is the time and this is the place and we should make the decision at this time on this bill.

NOT TOO BIG A CUT

It will also be argued that cutting $28.8 billion in fiscal year 1980 is too harsh and might bring on a recession. As I have pointed out this cut is only 5 percent of the budget and 1 percent of the GNP.

It is an amount which an OPEC oil increase can exceed. It is an amount which a small shift in monetary policy would overcome. It is an amount which a failure in a rice crop or a drought somewhere in the world would equal.

I do not see why we cannot take deliberate, constructive action to offset the inflationary spiral and the inflation psychology which is equal to or smaller than a vast host of fortuitous forces which almost daily affect our economic lives.

Furthermore, any one in this body who has ever worked through the budgets of any agency knows that if the cuts are made properly and intelligently that there is almost no program that could not be carried out more efficiently and serve its purpose better if a 5 percent cut were made.

CATCH 22

We will also no doubt be confronted with a "Catch 22" situation. Last year when I proposed first a $25 billion and then a $5 billion overall cut in the budget resolution, I was opposed on grounds that I failed to offer specific cuts.

Mr. President, I have indicated a series of areas where these cuts can be made. This is what I would prefer. But I am not going to tie that into this particular amendment, because I think that is something that should be determined subsequently by the Senate as a whole, by recommendations by the Budget Committee, and by the authorizing committees.

However, when the Senator from Delaware (Mr. ROTH) offered an amendment dealing with specific areas to cut he was opposed on grounds that this was not the time and these were not the programs or places to cut.

No matter what one does, it is a "Catch 22."

But I believe the best thing to do in proposing a budget is to first propose a ceiling. That forces the individual programs to stay within it.

That is how any efficient business organizes its budget. That is the way we should do it.

If the Budget Committee does not like where I would cut the budget, I would support them in any responsible effort to cut the budget, including programs over which I have jurisdiction in the Appropriations Subcommittee which I chair.

So we should set a limit on total outlays first. That is why I am proposing my amendment and that is why I urge its passage.

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, the distinguished Senator from Wisconsin, to my regret, apparently feels he is the only Senator interested in cutting the budget and holding down spending. At least, that is the implication of most of what he has said today.

I think the record I have already made today indicates that the Budget Committee has, in a responsible way, made deep cuts in programs in 1980 and especially deep cuts in 1981.

Second, he makes the argument that since his cut is only 5 percent it should not hurt anybody very much. Then I suppose one could argue that after one reaches his outlay level one could cut another 5 percent—after all it is only 5 percent—and that should not hurt anyone.

Then after arriving at that level, why not cut another 5 percent?

In other words, as long as we do it only 5 percent at a time we can cut as deeply as we wish and not hurt anyone. That seems to be the crux of that argument.

But then there is the question of how much of a cut the distinguished Senator from Wisconsin proposes.

He said it is 5 percent below the committee. Well, our calculator shows it is 5.4 percent in absolute terms, and in terms of current policy it is 7.4 percent. In terms of current law it is 6.3 percent.

But then there is another point about it all which the Senator ignores, and he is a good economist. If we cut just $28.8 billion, which is the amount of the Budget Committee's recommended 1980 budget deficit, we will not get a balance, because the reduction in outlays will result in an increase in unemployment. What we actually end up with when we cut outlays deep enough to balance the budget is a reduction in revenues, from $503.6 to $494.1.

That means that you have a $9.5 billion reduction in revenues below the level in the committee's 1980 budget recommendation.

In other words, the Senator from Wisconsin would cut the committee's outlays and insist that we can still have the same revenues that the Budget Committee projects. That simply is not the case. You would have $9.5 billion less in revenues.

That means that you would have to cut outlays by $38.3 billion in order to get to a zero deficit or a balanced budget in 1980.

If we take that figure, that amounts to a 7.4-percent cut in outlays in the committee's budget, a 9.2-percent cut under current policy, and an 8.1-percent cut in current law.

Those are not insignificant cuts. I recommend to the Senator that he should have been at the markup session when we reduced the 1981 budget to balance. After we had gone through the budget functions and cut wherever we could, and we have some pretty conservative members on the Budget Committee, we were still almost $9 billion short of our goal. We had to cut deeply into programs before we could get that 1981 balance. We had to exclude any tax cut at all to compensate for the increase in social security taxes and for fiscal drag. It was really tough reaching balance in 1981.

The Senator from Wisconsin said we were not trying. He says all you have to do is take another 5 percent off. You do not have to worry about where it comes from. After PROXMIRE passes his amendment, then you in the Budget Committee have to cut another $38 billion from the 1980 budget.

Well, I have asked the staff to put together a list of cuts that would total $38 billion. I do not have the Senator's list. He does not want me to have it, because if I have his list, then I shall notify people who have a particular interest in a particular program. He knows if I do that, I shall begin to erode the support for his amendment. He does not want that. It is so much easier to take this across-the-board cut. Then nobody knows where it is going to hit.

It is always easy to vote to require somebody else to cut. It is when you have to make actual cuts that it becomes tough. So he knows very well—that is why he has not submitted his list to me—that if he specifies the functions in which the cuts ought to be made, he begins to lose votes right and left, and justifiably so.

I have a possible allocation by functions of the $38.3 billion that we actually have to cut in order to reach his balanced budget goal in 1980. It shows national defense cut by $9.4 billion. There are not many places in the budget where you can cut $9.4 billion.

The list shows $13.8 billion cut in income security. There are not many budget functions that are that large. So you do not have much choice but to cut something like $13.8 billion in income security.

We have a $4 billion cut in health. There are not many places you can cut $4 billion. So I think this list that I have is a pretty realistic list of the places where you would have to find that $38 billion in cuts in order to get at that balanced budget in 1980.

I ask unanimous consent that that table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

IMPLICATIONS OF BALANCING THE BUDGET IN FISCAL YEAR 1980

[In billions of dollars]

	Committee recommendation	Balanced budget total	Balanced budget total compared to committee recommendation
Revenues	503.6	[1] 494.1	−9.5
Outlays	532.4	494.1	−38.3
Deficit	28.8	0	−28.8
Outlays by function:[2]			
050 National defense	124.3	114.9	−9.4
150 International affairs	7.9	7.3	−.6
250 General science, space, and technology	5.5	5.1	−.4
270 Energy	6.4	5.9	−.5
300 Natural resources and environment	11.7	10.8	−.9
350 Agriculture	5.4	5.0	−.4
370 Commerce and housing credit	3.2	3.0	−.2
400 Transportation	18.2	16.8	−1.4
450 Community and regional development	8.0	7.4	−.6
500 Education, training, employment and social services	29.8	27.6	−2.2
550 Health	53.6	49.6	−4.0
600 Income security	183.7	169.9	−13.8
700 Veterans benefits and services	20.5	19.0	−1.5
750 Administration of justice	4.4	4.1	−.3
800 General Government	4.2	3.9	−.3
850 General purpose fiscal assistance	8.5	7.9	−.6
900 Interest	56.0	54.9	−1.1
920 Allowances	.8	.7	−.1
950 Undistributed offsetting receipts	−19.7	−19.7	

[1] The reduction in revenues from the committee recommendation would occur because of reduced economic activity as a result of the cut in Federal outlays.

[2] The balanced budget column represents an equal percentage cut from the committee recommendation in each function except function 950 where no cut is possible and function 900 where only a small cut is possible based on the lower aggregate totals.

Mr. MUSKIE. I do not pretend that this is the only mix we do have. We could have many of them. But if we look at the big items in the budget, there are national defense; education, training, employment, and social services, $29 billion; health, $53 billion; income security, $183 billion; interest, $56 billion, which we cannot very well cut because it is a contractual obligation. There will be some reduction in interest payments if we reduce spending by $38 billion, but that is only $1.1 billion.

So we have to cut in those big items I have mentioned, then spread a lot of cuts through a lot of small items. There is no other way to do it.

If you do not think those will hurt, you ought to read some of the letters I am getting from committee chairmen about some of the cuts we have already made in 1980, about some of the impossible hardships we are imposing upon people whose needs ought to be looked at at a time of high structural unemployment in the economy and the energy crisis. All of that, we ignore. All we háve to do is cut $38 billion more than the committee has cut.

We have cut $14 billion from the authorizing committee requests. So what the Senator from Wisconsin is talking about is over $50 billion below what the authorizing committees have requested in order to balance the budget. It may or may not be possible, from a program point of view, without creating very real and conscience-striking cuts that are going to hurt people.

I do not mean hurt the rich. I am talking about hurting people who have nothing else except what they get through the Federal budget. If you do not think that will happen, you ought to sit through a full markup session of the Budget Committee and get the facts.

The next point made is the Senator says it would have no countercyclical effect. I would not want to take that chance. I am no economist, although I have listened to economists for 5 years. I have not heard any economist who says you can take that kind of cut without taking very high risks of a much deeper recession than some of them already predict.

The Senator from Wisconsin may, maybe because he does not believe he is going to carry the vote. But if you carry the responsibility for recommending to the Senate a fiscal policy and monetary policy that will slow down the economy in order to wash away some part of inflation without pushing the economy into a deep recession, which would unbalance the budget in very short order, you do not support his amendment. The precipitous cuts the Senator from Wisconsin recommends could indeed precipitate a deep recession, according to the testimony of distinguished economists.

The Senator from Wisconsin may be right. There is only one way, I guess, to prove him wrong. That is to let him have his way. But I am afraid I do not have the courage to let him have his way. I cannot influence his vote. He has already made up his mind.

Is the Senator looking for a vote tonight?

Mr. PROXMIRE. No, it will be fine with me if we vote tomorrow. I would like a rollcall on the amendment, but we can do that tomorrow.

Mr. MUSKIE. Let me just summarize. The cut proposed by the Senator from Wisconsin is an inadequate cut to balance the budget because reducing outlays reduces GNP and, in turn, reduces revenues. It could be necessary to cut outlays by $38.3 billion to balance the budget in fiscal 1980, as I said in my opening statement.

Second, balancing the budget in fiscal year 1980 would raise unemployment by .4 percentage points to 7.2 in fiscal year 1980. This would add $2 billion to unemployment compensation and other unemployment-related outlays. This .4 percentage point increase in unemployment amounts to 400,000 to 410,000 fewer jobs.

Three, the unemployment and job loss would persist in fiscal year 1981. Furthermore, an additional cut of $8.4 billion in outlays from the committee recommendation for fiscal year 1981 would be required to balance the budget in that year. I have already described how difficult it was to cut the last $8 billion or $9 billion in 1981 in order to get to a balanced budget in 1981. This would add another $8.4 billion cut in that fiscal year.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with Mr. MUSKIE and Mr. BELLMON and with Mr. PROXMIRE. I ask unanimous consent that the vote in relation to this amendment occur tomorrow morning at 11 o'clock and that the debate on the amendment resume at 10:30 a.m., with the 30 minutes to be equally divided between the manager of the resolution and the author of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. JOHNSTON. Mr. President, for 4 years the Congress has been working with new budget procedures established by the Budget Impoundment and Control Act. Each year this process has become more refined and has resulted in increased fiscal discipline. This year a landmark in the congressional budget process was achieved. For the first time, the Budget Committee recommended to the Senate a budget which will balance within 2 years. In addition, the committee's recommended budget path allows room for a $55 billion tax cut in fiscal year 1982 while maintaining a balanced budget. I believe the plan the committee overwhelmingly recommended is responsible and workable and I sincerely hope the Senate will approve it.

Many painful choices were made during the Budget Committee's lengthy and often heated markup sessions. If I learned anything during these sessions, it is that balancing the budget necessarily means pinching a few toes. Some of my favorite toes are unfortunately feeling the squeeze, but I am relieved to say that the committee's work leaves them all intact. A close look at our recommendations will show that we trimmed the budget carefully and did not use a meat axe to shape what I believe is a rational and responsible fiscal plan.

The committee's recommended budget outlays for fiscal year 1980 are 0.2 percent less than the projected rate of inflation, or over $5 billion below current law. In contrast, congressional budgets for fiscal years 1977, 1978, and 1979 all contained spending limits well above current law. This spending decrease comes primarily from real, achievable program reductions, not from cheap fiscal gimmicks or unrealistic, unachievable savings. Moreover, our spending levels for outyears put authorizing committees on notice that legislative changes will be necessary, and our recommendations allow those committees sufficient time to weigh the alternatives, as our legislative process requires.

Second, outlays as a percent of GNP decline considerably in the committee's recommended budget over the next 5 years, further demonstrating a firm commitment to scaling down the Federal sector. In my view, this is one of the more significant implications of the committee's decision and is a clear signal to the American people that their message has been both heard and heeded.

Some of my colleagues will, no doubt, be concerned that no tax reduction was recommended for the next 2 years. In my view, we squeezed spending as much as we could during committee debate given the necessity of making realistic assessments of the possibilities for legislative changes passing which will result in substantial savings. I personally hope that some of our assessments will turn out to be wrong and that more savings will in fact be achieved. I also hope that the President's more optimistic economic assumptions will be closer to the mark than those assumptions we adopted. However, I believe firmly and unequivocally that the committee made the right decision in opting for a more conservative path and by adopting in many instances the more pessimistic assessment. If the optimistic assessments do materialize, then we can responsibly enact tax reductions—and not give false hope to the American people that we can both balance the budget and allow a tax cut in 2 years. I believe that the American people would rather have the hard but honest truth and this is precisely what I believe the Budget Committee has given them. If we did not do this, then we would be doing a great disservice not only to our colleagues but also to our constituents.

The committee faced up to an exceedingly difficult task. Over 75 percent of the total budget is relatively uncontrollable in any 1 year. Hence, to find spending cuts requires reductions in the remaining quarter of the budget. This means that deep cuts have to be made in relatively few programs to achieve substantial savings in any 1 year. In my view, to try to do much more than we did in one year could cause real hardship for those who in most cases need assistance the most. I do not believe this is the mandate we received. Rather, I think responsible phase-outs and gradual braking is what the American people want. This is precisely what we have achieved.

Finally, I would remind my colleagues who want more room to avoid any pinch that 28 States have already sent the Congress a clear message that deficits will not longer be tolerated and that they are prepared to force new procedures on the Congress to assure that our pattern of spending beyond our limited revenue sources is reversed. I believe the Budget Committee met this challenge honestly and straightforwardly. We have given the States and the American people tangible evidence that we have the will to balance the budget with pinching toes but without fiscal handcuffs. I believe it is now up to the Senate to demonstrate that we can and will balance the budget on our own and I hope that we can all live with a little pinch to avoid more the more enduring pain which I believe is inevitable if we do not.●

Mr. ROBERT C. BYRD. There will be no rollcall votes then tonight.

I thank all Senators.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum with the time equally divided.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT CARTER IS DENYING SELF-DETERMINATION TO THE PEOPLE OF TAIWAN

Mr. GOLDWATER. Mr. President, this afternoon I and 25 other Members of Congress are asking a Federal court to rule that President Carter is illegally violating human rights by denying self-determination to the people of Taiwan. We are arguing in this 50-page brief which has been filed with the district court, arguing that President Carter and Secretary Vance have—

Intervened in the internal affairs of the Taiwanese people by declaring in a joint communique with Peking that Taiwan belongs to the People's Republic of China.

Blundered in dropping Taiwan as an ally after being informed that Deputy Prime Minister Deng did not regard settlement of the "Taiwan question" as necessary to improve relations with Peking.

Mr. President, I do not know how many times I have stood right at this point on the floor of the Senate and emphasized the fact that Secretary Kissinger, President Nixon, President Ford all told me time and again that never in any conversation with the officials of Red China was there discussed the possibility or the need of abrogating the treaty with Taiwan.

The closest they ever came to it was a remark that Kissinger made to me, once or twice at the end of the conversation, that he, Kissinger, would bring up to Deng or others Taiwan, and their remarks were generally, "Well, it is of no great importance to us."

We went further this afternoon to charge that——

Never asked and therefore did not know what the Chinese reaction would be should the administration seek congressional approval before terminating our Mutual Defense Treaty with Taiwan.

Are guilty of taking the law into their own hands by attempting to abrogate the defense treaty without prior consultation with or authority from Congress.

Mr. President, I know that not much attention is paid to the thing that I bring up on this floor, which does not bother me a lot, but this is a great disturbing thing to me because it means our President is acting outside the law; Secretary Vance has lied to the American Congress and the American people when they both said that it was necessary to abrogate this treaty in order to recognize Red China.

I have, and I am going to ask that it be put in the Record by unanimous consent, a statement by Eugene V. Rostow, who is currently Sterling Professor of Law at Yale University Law School in New Haven. I will read it.

Declaration of Eugene V. Rostow

I am currently Sterling Professor of Law at the Yale University Law School in New Haven, Connecticut, and am serving as "of counsel" to the Plaintiffs in the above-captioned case without fee.

Between September 1966 and January 20, 1969, I was Undersecretary of State for Political Affairs under President Johnson.

In the summer of 1978, I visited the People's Republic of China at the invitation of the Chinese Peoples' Institute of Foreign Affairs. During my visit, I had a lengthy meeting with Vice Premier Deng Xiaoping in Peking on or about June 22, 1978 to discuss world affairs in general including the relations between the United States and the People's Republic of China.

In the course of our conversation, during which copious notes were taken, the Vice-Premier stated that "the organization of strategic and economic cooperation between our two countries did not have to wait on the final resolution of the Taiwan question." The Vice-Premier stated that it would be preferable if the United States accepted the Chinese terms for normalization, including the Taiwan issue which involved the "end" of the Mutual Defense Treaty, but did not insist on that point, unlike the lower level officials I had met earlier.

Upon returning to the United States in early July, I sent to Secretary Vance this and other information and made available to him approximately 50-pages of notes from my meeting with the Vice-Premier, which he requested. The substance of my meeting is referred to in the UPI Press Report attached hereto as Exhibit 1.

He goes on to say:

In my opinion, military, political, and economic cooperation between the United States and the People's Republic of China could have developed rapidly without accepting the Chinese formula for relations between Taiwan and the United States. In fact, trade between the two countries grew significantly in 1978; many investment contracts with American firms were made or were under negotiation; and Chinese students and scholars had begun to visit the United States.

Then he concludes:

In any event, it is my opinion that, absent major breach by the other party, the President is without the power to terminate unilaterally the Mutual Defense Treaty since the termination of a treaty is a legislative rather than solely an executive function.

His last paragraph:

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Mr. President, I ask unanimous consent, for better clarification, that this statement of Eugene Rostow be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Declaration of Eugene V. Rostow

1. I am currently Sterling Professor of Law at the Yale University Law School in New Haven, Connecticut, and am serving as "of counsel" to the Plaintiffs in the above-captioned case without fee.

2. Between September 1966 and January 20, 1969, I was Undersecretary of State for Political Affairs under President Johnson.

3. In the summer of 1978, I visited the People's Republic of China at the invitation of the Chinese Peoples' Institute of Foreign Affairs. During my visit, I had a lengthy meeting with Vice Premier Deng Xiaoping in Peking on or about June 22, 1978 to discuss world affairs in general including the relations between the United States and the People's Republic of China.

4. In the course of our conversation, during which copious notes were taken, the Vice-Premier stated that "the organization of strategic and economic cooperation between our two countries did not have to wait on the final resolution of the Taiwan question." The Vice-Premier stated that it would be preferable if the United States accepted the Chinese terms for normalization, including the Taiwan issue which involved the "end" of the Mutual Defense Treaty, but did not insist on that point, unlike the lower level officials I had met earlier.

5. Upon returning to the United States in early July, I sent to Secretary Vance this and other information and made available to him approximately 50-pages of notes from my meeting with the Vice-Premier, which he requested.

6. The substance of my meeting is referred to in the UPI Press Report attached hereto as Exhibit 1.

7. In my opinion, military, political, and economic cooperation between the United States and the People's Republic of China could have developed rapidly without accepting the Chinese formula for relations between Taiwan and the United States. In fact, trade between the two countries grew significantly in 1978; many investment contracts with American firms were made or were under negotiation; and Chinese students and scholars had begun to visit the United States.

8. In any event, it is my opinion that, absent major breach by the other party, the President is without the power to terminate unilaterally the Mutual Defense Treaty since the termination of a treaty is a legislative rather than solely an executive function.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on April 22, 1979.

Eugene V. Rostow.

Mr. GOLDWATER. Mr. President, this matter is before the court, and naturally those of us who have entered court proceedings hope that the court will listen to this matter. I might say that for the first time in the 200-year history of our country, hearings were had on this matter before the Foreign Relations Committee, and not one word appeared in the Washington or New York newspapers about these hearings. Excellent statements from deans of law schools all over this country, both for and against it, were made, but as far as the people on the eastern seaboard are concerned, they remain in virtual ignorance of what happened.

I hope the people of our country will be given the truth on this matter, because I maintain that if our President has the power to violate the law and abrogate any treaty or law that he wants to, we have taken the final step toward the end of our democracy.

WOOD-BURNING STOVES, AN ENERGY ALTERNATIVE

Mr. DURKIN. Mr. President, I noticed the Senator from Vermont was here. The statement I am about to make has a tremendous impact in northern New England and all across the northern tier and in many other areas of the country.

Mr. President, for several years the people of New Hampshire and New England, and people all across the country, have been turning to wood stoves for heating their homes. Many times, at great expense, this Nation's citizens have installed wood-burning stoves in their homes to attempt to cope with the incredibly high costs of home heating oil, electricity, and other alternatives.

I strongly support this move, and was proud to be a cosponsor of a measure which passed the Senate last year which allows the Secretary of the Treasury to include wood stoves as items for the maximum $2,200 credit provided for solar equipment. Unfortunately, the Secretary has refused to use his authority, so several colleagues and I have introduced legislation this session to make the tax credit eligibility mandatory rather than leaving it to the discretion of the Secretary.

President Carter announced during his recent energy speech that he will make wood stoves eligible for tax credits, but only if the windfall profits tax on oil companies is passed. We need a windfall profits tax, and I will support it, but its future is uncertain. Making the wood stove tax credit contingent on passage of the windfall profits tax is not really saying much at all. Therefore, I will continue to push for passage of my legislation.

Evidence about the value of wood stoves is growing. I am today introducing into the Record a study commissioned by the Department of Energy that strengthens the case for the wood stove tax credit. For the first time, an independent outside group, the consulting firm of Booz, Allen & Hamilton, has analyzed the impact of a wood stove tax credit. The findings of this inquiry are extremely favorable.

Today, over a million homes in the United States use wood as the primary source of energy. Since 1972, the sale of residential wood stoves has increased by a factor of five. In Northern New England, wood represents a major indigenous energy resource, the greater use of which is imperative if we are ever to get out from under the mounting burden of oil prices. Study after study performed by private researchers has confirmed this simple fact: Wood is a major, environmentally benign, low-cost, renewable energy resource for major parts of the Nation, especially the Northern tier and the Southeast.

Today for the first time the Department of Energy and the administration have admitted this fact. Last year, during consideration of the Energy Tax Act, the Senate had the wisdom to make wood stoves eligible for the renewable energy tax credit. Unfortunately, the administration opposed this tax credit in conference and as a result no mandatory wood stove tax credit was passed into law. In opposing this tax credit, the administration made two claims, both of which are decisively refuted by the DOE study on the wood stove tax credit.

First, the administration claimed that the wood stove tax credit would provide no significant additional incentive for the purchase of wood stoves by consumers. After analyzing a wealth of data, the Booz, Allen, & Hamilton study concluded:

> Research on incentives indicates that tax credits for wood burning equipment are expected to result in a sales increase approximately equal to the tax credit level.

That means a 30-percent tax credit will increase usage by approximately 30 percent.

The study further concludes:

> Since the first cost of a wood stove is much cheaper than for any type of solar heating system, wood heating equipment tax credits offer low and moderate income persons access to energy tax credits that they might otherwise not be able to gain.

In other words, wood stoves are available not just to the wealthy.

Second, the study laid to rest for good the notion advanced by the administration last year that a wood stove tax credit would cost the Treasury more than it would be worth in oil savings. The study deals directly with this question in some detail and concludes:

> Over the lifetime of a wood stove furnace, the dollar value energy savings when converted to barrels of oil far exceed the initial purchase price." The study went even further to argue that . . . "tax credits on wood burning equipment result in government cost per private barrel of oil savings that are somewhat . . . lower than solar tax credits.

It is time for the administration to follow this wisdom of their own study. It is time for the administration to actively support a wood stove tax credit. The administration has the power to declare wood stoves to be energy-conserving devices, which they are, thus making them eligible for a tax credit today.

This can be done now by the Secretary of the Treasury if only the decision will be made.

I hope this study I am today releasing will finally convince the administration actively to join with millions of Americans who are trying to reduce oil dependence by burning wood.

What I have referred to is a study by the Department of Energy that was commissioned at the request of my then senior colleague, Tom McIntyre, asking that they study the impact of wood stove tax credit. Well, I have just obtained a bootlegged copy of the report that the Department of Energy has yet to release. It concludes that the wood stove tax credit would have a major impact, not just in Maine, New Hampshire, Vermont, and New England but in all the Northern Tier States and in the Southeastern States. I notice the Presiding Officer from the State of Arkansas. It would have an impact in his State as well.

Wood is a benign, environmentally safe and sound way and it is the shortest alternative to home heating oil. It is cheaper than electric heat; it is competitive with the heat pump. For the first time, we have an independent study, commissioned by the Department of Energy at the request of Senator McIntyre, which lays to rest the arguments of the Treasury Department that it would not have any incentive effect and the wood stove tax credit would not save energy and would not save the dollars of the hard-pressed energy consumers, not just in my area of the country but all around the country.

Mr. President, I ask unanimous consent that the executive summary of the Department of Energy study conducted by Booz, Allen & Hamilton be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Executive Summary

The final version of the National Energy Act (passed October 15, 1978) did not include tax credits for residential wood burning equipment. However, earlier versions did provide eligibility for wood stoves. In response to a high level of public and congressional interest in wood energy, Secretary James Schlesinger, in a letter to Senator McIntyre, committed the Department of Energy to conduct a policy review of whether tax credits should be provided under the Energy Tax Act of 1978 to individuals who purchase wood burning equipment for home heating. Under the NEA legislation, DOE can recommend to the Internal Revenue Service (IRS) additional items of equipment for conservation and renewable energy tax credits.

To assist in this review, DOE requested Booz, Allen & Hamilton Inc., to prepare a comprehensive analysis study which could be used as a basis for a DOE policy recommendation. This report summarizes the key findings of this analysis.

1. APPROACH AND ORGANIZATION OF THE REPORT

A wide variety of issues have been raised regarding the eligibility of residential wood burning equipment for tax credits. This study specifically addressed the following major issues:

Historical Sales and Market Trends (Chapter II).

Oil Savings Versus Tax Revenue Loss (Chapter III).

Performance and Safety Standards (Chapter IV).

Environmental Impacts (Chapter V).

Resource Availability (Chapter VI).

Balance of Payments Impacts (Chapter VII).

Consumer Economics (Chapter VIII).

Employment and Other Social Impacts (Chapter IX).

The study concludes with a chapter which identifies the pros and cons of various DOE policy options.

2. MAJOR FINDINGS AND CONCLUSIONS

The major findings and conclusions of the report are summarized in this section.

(1) *Historical sales and market trends*

There are four major types of wood burning equipment on the market:

Stoves—including airtight circulators, radiant heaters, franklins, box, parlor and cooking types.

Boilers and furnaces—including dual fuel units and add on styles.

Fireplaces—including masonry, zero clearance and free standing units.

Sales of residential wood burning equipment have grown fivefold since 1972:

In 1978 stove sales were approximately 1.1 million, furnaces and boilers 50 thousand, and fireplaces 700 thousand units.

Equipment sales, not including installation cost were approximately $1 billion at the retail level.

Domestic production accounts for 65 percent of stove, furnace and boiler sales; the balance are imported. Almost all fireplaces are domestically produced.

Wood fuel is now used in upwards of five percent of U.S. households for part or all of the space heating requirements:

About one million homes currently use wood as a primary fuel.

An additional three million homes may be using wood for supplemental heat.

The potential market for wood fuel usage appears to be in the range of 10 to 15 million homes by 1985.

(2) *Consumer economics*

Based on current wood fuel costs, wood heating is slightly cheaper than oil or electric heat pump heating:

At typical market prices of $60/cord, wood heating competes with oil at 50¢/gal. and electric heat pumps at 4¢/kWh.

Wood heating can not generally compete with natural gas but is much more economical than electric resistance heat.

When equipment amortization costs and maintenance are included, wood heating becomes more expensive and is generally uneconomic compared to conventional fuels:

Equipment costs add 10 to 20 percent to the cost of wood fuel.

Required maintenance, primarily chimney cleaning, adds another 5 to 10 percent.

In terms of the overall effect on wood heating economics, equipment tax credits will have a small but beneficial impact on annual wood heating costs:

Tax credits will reduce the annualized heating costs by less than 5 percent.

Tax credits do have a significant effect on a taxpayers cash flow and on reducing equipment payback period.

Where people cut their own wood supply, (and this is the case for about 50 percent of wood burners), tax credits will have a relatively greater impact since the prime economic consideration here is on equipment not fuel costs.

Tax credits will likely have a considerable promotional value.

(3) Oil savings versus tax revenue loss

The potential incremental oil savings from tax credits is about 10 million bbl oil equivalent per year but this depends on the level of the incentive and the type of eligible equipment (See Exhibit 1):

Two levels of tax credits were considered in the analysis—30 percent renewable energy credits and 15 percent conservation credits. These two types of credits are part of the NEA and expire in 1985.

Research on incentives indicates that tax credits for wood burning equipment are expected to result in a sales increase approximately equal to the tax credit level.*

The 15 percent tax credit results in a public oil savings of 160 million bbl cumulative through 2005 if eligibility is limited to airtight stoves and furnaces; oil savings doubles for solar tax credits.

Eligibility of all other stoves increases oil savings by 38 and 75 million bbl respectively.

Eligibility of fireplaces increases oil savings by 12 and 24 million bbl respectively.

EXHIBIT 1.—OIL SAVINGS VERSUS TAX REVENUE LOSS FOR SELECTED DOE POLICY OPTION COMBINATIONS

Code	Policy options	Bale sales 979-85 (million units)	Incremental sales (million units)	Incremental equivalent oil savings through 2005 (million barrels)	Total sales (million units)	Tax revenue loss 1979-85 (million)	Present value of cumulative tax revenue loss 1979-85 (million)	Present value of tax revenue loss per barrel oil saved (per barrel)
I.A.2.a	Solar tax credit for airtight stoves only	4.0	1.2	240	5.2	$944	$689	$2.87
I.A+C.2.a	Solar tax credit for airtight stoves and furnaces	4.7	1.4	320	6.1	1,597	1,166	3.64
I.A+B+C.2.a	Solar tax credit for all stoves and furnaces	8.1	2.4	395	10.5	2,076	1,516	3.84
I.A+B+C+D.2.a	Solar tax credit for all stoves, furnaces, and fireplaces	12.0	3.6	419	15.6	3,927	2,867	6.84
I.A+B+C+D+E.2.a	Solar tax credit for all stoves, furnaces, fireplaces, and chimneys.	12.0	3.6	419	15.6	6,987	5,101	12.17
II.A.2.a	Conservation tax credit for airtight stoves only	4.0	.6	120	4.6	417	304	2.53
II.A+C.2.a	Conservation tax credit for airtight stoves and furnaces	4.7	.7	160	5.4	707	516	3.23
II.A+B+C.2.a	Conservation tax credit for all stoves and furnaces	8.1	1.2	198	9.3	919	671	3.39
II.A+B+C+D.2.a	Conservation tax credit for all stoves, furnaces, and fireplaces.	12.0	1.8	210	13.8	1,736	1,267	6.03
II.A+B+C+D+E.2.a	Conservation tax credit for all stoves, furnaces, fireplaces, and chimneys.	12.0	1.8	210	13.8	3,370	2,460	11.71
I.A+C.1.a	Retroactive solar tax credit for airtight stoves and furnaces	5.5	1.4	320	6.9	1,797	1,312	4.10
I.A+C.3.a	Delayed solar tax credit for airtight stoves and furnaces	4.0	1.2	280	5.2	1,434	1,947	3.74
	Insulation tax credit comparison	16.0	7.8	890	23.8	2,804	2,100	2.42
	Solar home tax credit comparison	.5	.3	23	.8	179	262	11.28

NOTES

1. Solar (i.e., renewable energy source) tax credits of 30 percent of initial cost or conservation tax credits on 15 percent assumed as noted. Tax credit eligibility period of Jan. 1, 1979, through Dec. 1, 1985, assumed except as noted. No safety, efficiency, or emission standards assumed.

2. Assumed equipment prices for 1979 are: Efficient stoves $500 (chimney $300); central furnaces and boilers $2,000 (chimney $500); all other stoves $300 (chimney $300); fireplaces $1,000 (chimney $1,000).

3. Equipment prices assumed to escalate at 6 percent per year.

4. Incremental sales increases based on demand elasticity factor of 1.0.

5. Incremental oil savings based on: Efficient stoves save 10 barrels per year over 20-yr lifetime (based on 20,000,000 Btu/cord, 4 cords/yr and 50 percent wood combustion efficiency); furnaces save barrels per year over 20-yr lifetime (based on 8 cords/yr and 50 percent efficiency). All other stoves save an average of 5 barrels per year over 15-yr lifetime (based on 4 cords/yr and 25 percent efficiency); fireplaces save only 1 barrel per year over 20-yr lifetime because energy efficiency is normally low and most wood is burned for esthetic purposes (based on 1 cord/yr and 20 percen efficiency).

6. Present value calculations based on 10 percent nominal discount rate.

7. Insulation and solar home tax credit comparison based on "President Carter's Energy Proposals: A Perspective," Congressional Budget Office Staff Working Paper, June 1977. Note that the oil savings and revenue loss estimates were based on a tax credit eligibility period of 1977–84 and on slightly different tax credit percentages.

8. Base sales projections for stoves, furnaces and fireplaces are Booz, Allen estimates based on conversations with government and industry sources. The figures include only equipment installed in primary residences. Sales to vacation homes are excluded.

9. Period ot tax credit availability and tax revenue loss assumed to be Jan. 1, 1979, to Dec. 31, 1985, when the NEA tax credit program ends, except as noted.

The government tax revenue loss resulting from the tax credits is in the range of $500 million to $1.2 billion but also depends on the level of the incentive and the type of equipment eligible:

The 15 percent tax credit results in a direct federal tax revenue loss of $500 million cumulative through 1985 if eligibility is limited to airtight stoves and furnaces; revenue loss for solar tax credits is $1.2 billion.

Eligibility of less efficient stoves increases revenue loss by $200 million and $400 million respectively.

Eligibility of fireplaces increases revenue loss by $.6 billion and $1.2 billion respectively.

Chimneys add another $1.2 to 2.5 billion of tax revenue loss.

With the exception of fireplaces, tax credits on wood burning equipment result in a government cost per private barrel of oil savings that are somewhat higher than home insulation tax credits but lower than solar home tax credits:

Tax revenue loss per bbl oil ranges from $3 to $6 for airtight stoves, furnaces, and all other stoves.

This compares to home insulation tax credits costing $2.50 per bbl.

Solar home tax credits cost more at $11 per bbl.

Fireplaces are expensive and save little oil. Government cost per bbl oil saved is over $50 for this option.

(4) Performance and safety standards

Underwriters Laboratory (UL), in cooperation with the wood burning industry, has developed four equipment safety standards for wood stoves:

Three of these standards have been in place for at least several years and the fourth will be adopted in early 1979.

UL and industry representatives expect compliance with the standards to be high.

Although suitable equipment standards are available a significant effort is needed to educate consumers on proper operation and maintenance:

Proposed UL standards are designed to primarily alleviate equipment related safety problems.

Approximately 77 percent of wood burning related fires are due to consumer misuse or improper installation rather than equipment inadequacy.

Industry and government have made considerable progress in developing wood burning equipment efficiency standards, but final performance standards are not yet available.

Development work in efficiency testing procedures is well underway and a first proposed standard is nearly ready.

It will likely be several years before the over 1,000 models of equipment on the market can be laboratory tested according to these standards.

(5) Environmental impacts

Increased wood harvesting has potential negative environmental impacts but these appear to be controllable:

Increased wood cutting and logging activities pose a threat to the quality of nearby water bodies as well as the overall forest environment especially for large operations.

Many of these negative impacts can be avoided or controlled through the application of sound forest management practices.

Increased wood harvesting can result in positive impacts on wildlife habitat and forest productivity.

Increased wood burning may cause limited air pollution problems primarily in valleys and near urban areas:

Major air pollutants of concern resulting from wood burning are particulates and chemicals.

Sulphur dioxides, nitrogen oxides, and hydrocarbon emissions from wood burning do not appear to pose air pollution threats.

Air pollution impacts will be localized and will vary in severity depending on such factors as atmospheric conditions, residential density, and wood burning techniques.

(6) Resource availability

Potential supplies of fuelwood in this country are vast and with proper management appear capable of meeting the probable increases in residential demand for wood as an energy source;

The existing wood supply is sufficient to meet very large increases in demand solely by relying on excess growth and residues from commercial forestry operations.

A vast potential also can be realized through enhanced forest management.

Because the distribution systems for fuel wood are not fully developed, spot shortages may occur in some regions.

(7) Balance of payments

Tax credits for wood heating equipment are not expected to significantly increase the ratio of imported to domestic sales:

There is substantial excess plant capacity in the U.S. for cast iron stoves; capacity for other types of equipment can be added in a matter of months.

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* Based on a review of the available literature, it was determined that a long term demand elasticity of 1.0 was reasonable for this type of equipment. However, conversations with a number of manufacturers indicated that the existence of a tax credit was the prime factor in increasing sales, rather than the level of the credit.

Rigorous safety and performance standards would exclude many of the current models of imported units from tax credit eligibility.

Reduced foreign oil imports are expected to outweigh imported wood heating equipment in terms of balance of payments:

Over the lifetime of a wood stove or furnace, the dollar value energy savings when converted to barrels of oil will far exceed the initial purchase price.

Thus, even if sales of imported equipment does rise during the next few years due to a tax credit program, the reduction in imported oil will soon catch up.*

(8) Employment and social impacts

Tax credits will likely have benefits for low and moderate income persons, especially in rural areas:

Since the first cost of a wood stove is much cheaper than for any type of solar heating system, wood heating equipment tax credits offer low and moderate income persons access to energy tax credits that they might otherwise not be able to gain.

Many low income persons live in rural areas of the country and are in proximity to moderate priced or even free supplies of wood. Tax credits will help make equipment, the prime cost factor in this case, more affordable.

Increase utilization of firewood may have additional social benefits:

A recent study by Brookhaven National Laboratory concluded that greater wood usage would benefit economies and employment primarily by increased demand for cord wood.

Wood heating offers a degree of independence and self reliance desired by many people in rural areas.

(9) There are a large number of policy options and alternatives that need to be considered in the decision of whether or not to include residential wood burning equipment in the energy tax credit program

Level of incentive:

Option 0: No tax credit.

Option I: Renewable energy source tax credit (30 percent).

Option II: Conservation tax credit (15 percent).

Equipment type:

Suboption A: Airtight stoves only.

Suboption B: All other stoves.

Suboption C: Furnaces and boilers.

Suboption D: Fireplaces.

Suboption E: Chimneys and auxiliary equipment.

Eligibility date:

Suboption 1: Retroactive to April 20, 1977.

Suboption 2: Immediate eligibilty (i.e., January 1, 1979).

Suboption 3: Delayed eligibility (i.e., January 1, 1980).

Safety, efficiency and emissions standards.

Suboption a: No mandatory federal standards.

Suboption b. Safety standards.

Suboption c: Efficiency standards.

Suboption d: Emissions standards.

The pros and cons of each of these options and combinations of options are presented in detail in Chapter X.

* * * * *

This Executive Summary has presented the key conclusions from a comprehensive review of issues influencing whether or not residential wood burning equipment should be included in the Energy Tax Act of 1978 tax credit program for individuals. For a complete discussion of the background information and analysis, refer to the body of this report which follows.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of April 10, 1979, the Secretary of the Senate, on April 12, April 13, and April 18, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on April 12, April 13, and April 18, 1979, are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL CANCER ADVISORY BOARD—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 56

Under authority of the order of the Senate of April 10, 1979, the Secretary of the Senate, on April 18, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

As required by Section 410(g), Part A, Title IV, Public Health Service Act, I transmit herewith the Report of the National Cancer Advisory Board 1977 which discusses the activities of the Board during calendar year 1976.

This Report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 18, 1979.*

REPORT OF THE DIRECTOR OF THE NATIONAL CANCER PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 57

Under authority of the order of the Senate of April 10, 1979, the Secretary of the Senate, on April 18, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

As required by Section 410(b), Part A, Title IV, Public Health Service Act, as amended (42 U.S.C. Sec. 286e(b)), I transmit herewith the Report of the Director, 1977, on the National Cancer Program, covering calendar year 1976.

This Report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 18, 1979.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT—PM 58

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

There is no more important responsibility for me as President than ensuring the safety and security of our nation. Like Presidents before me, I am meeting this responsibility: (1) by maintaining sufficient military forces to protect ourselves and our Allies; and (2) by seeking equitable and verifiable arms control measures to reduce the risk of war. The attached report is a summary of the actions taken through the U.S. Arms Control and Disarmament Agency in 1978 toward this latter goal.

The SALT process, which has been carried forward by four Administrations since 1967, is the most fundamental of our arms control efforts. A SALT II agreement to limit strategic offensive weapons will serve as the linchpin of all of our other arms control efforts, including: SALT III, where we hope to achieve further strategic arms limitations; a ban on tests of nuclear explosives; mutual and balanced force reductions in Europe; limitations on antisatellite capabilities, chemical weaponry, and conventional arms transfers; and prevention of nuclear weapons proliferation.

To prevent war—and to redirect the resources of nations from arsenals of war to human needs—will be a formidable challenge to all mankind in this last quarter of the 20th Century. It is a challenge that I am determined to meet.

JIMMY CARTER.

THE WHITE HOUSE, *April 23, 1979.*

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 3324. An act to authorize appropriations for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of April 10, 1979, the following reports of committees were submitted on April 12, 1979:

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*For the purpose of this type of policy analysis, DOE assumes that energy savings anywhere in the U.S., will reduce imported oil consumption.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 448. A bill to authorize further appropriations for the Office of Rail Public Counsel (Rept. No. 96-67).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Con. Res. 22. An original concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 and revising the Second Congressional Resolution on the budget for fiscal year 1979 (together with additional and minority views) (Rept. No. 96-68).

S. Con. Res. 23. An original concurrent resolution setting forth an alternative congressional budget for the United States Government for the fiscal years 1980, 1981 and 1982 and revising the Second Concurrent Resolution on the budget for fiscal year 1979 (together with additional and minority views) (Rept. No. 96-68).

Under authority of the order of the Senate of April 10, 1979, the following reports of committees were submitted on April 18, 1979:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment, and with a preamble:

S. Res. 139. An original resolution to disapprove the contingency plan numbered one (conservation plan relating to weekend gasoline sales restrictions) submitted to Congress on March 1, 1979 (Rept. No. 96-69).

By Mr. PRYOR, from the Committee on Governmental Affairs, with an amendment:

S. 532. A bill to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes (together with additional views) (Rept. No. 96-70).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 128. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 429.

By Mr. BAYH, from the Select Committee on Intelligence, without amendment:

S. 975. An original bill to authorize appropriations for fiscal year 1980 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 96-71).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 917. A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes (Rept. No. 96-72).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary:

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Robert M. Parker, of Texas, to be U.S. district judge for the eastern district of Texas.

Mary Lou Robinson, of Texas, to be U.S. district judge for the northern district of Texas.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire.

ORDER FOR STAR PRINT—S. 912

Mr. BURDICK. Mr. President, the administration's bill to reauthorize the Appalachian Regional Commission and the title V commissions and to create a nationwide system of multi-State regional development commissions was introduced by me on request on April 5. Inadvertently, the bill, S. 912, that was sent to me by the administration was not the authorized version.

I ask unanimous consent that a star print of S. 912, the authorized version, be made. Ordinarily, I would offer another bill, but S. 912 is already nationally known as the long-awaited regional commission legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEQUENTIAL REFERRAL OF S. 975

Mr. NUNN. Mr. President, the Intelligence Committee has reported to the Senate, S. 975, a bill authorizing appropriations for the Central Intelligence Agency and other intelligence activities for fiscal year 1979.

Section 3(b) of Senate Resolution 400, which established the Senate Select Committee on Intelligence, provides that if that committee reports legislation containing any matter otherwise within the jurisdiction of any standing committee, that bill may, at the request of the chairman of that standing committee, be referred to it for consideration for a period not to exceed 30 days.

Mr. President, since this bill contains authorization of appropriations for intelligence activities of the Department of Defense, it falls within the long-standing jurisdiction of the Committee on Armed Services. Senator STENNIS, chairman of the committee, has asked me to act for the full committee on this matter. I therefore request that the bill be referred to the Armed Services Committee for 30 days.

The PRESIDING OFFICER. The bill will be so referred.

SENATE RESOLUTION 139 REFERRED

The resolution (S. Res. 139) to disapprove the contingency plan numbered 1 (conservation plan relating to weekend gasoline sales restrictions) submitted to Congress on March 1, 1979, was referred to the Committee on Energy and Natural Resources, pursuant to Public Law 94-163.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAYH (from the Select Committee on Intelligence, reported on April 18, 1979):

S. 975. A bill to authorize appropriations for fiscal year 1980 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes. Original bill reported and placed on the calendar.

By Mr. PROXMIRE (by request):

S. 976. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Banking, Housing, and Urban Affairs.

S. 977. A bill to amend the Export Administration Act of 1969, as amended, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOSCHWITZ:

S. 978. A bill for the relief of William Greerson; to the Committee on the Judiciary.

S. 979. A bill for the relief of Eleazar Briones, M.D.; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. JAVITS, Mr. THURMOND, Mr. INOUYE, Mr. LAXALT, Mr. MOYNIHAN, Mr. HATCH, Mr. DOLE, Mr. COCHRAN, Mr. SIMPSON, Mr. DOMENICI, Mr. RIBICOFF, and Mr. NUNN):

S. 980. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary:

By Mr. LAXALT:

S. 981. A bill for the relief of Kuan Sheng Fong a/k/a Pete K. S. Fong; and Shyr Yuh-Yu Fong a/k/a Nancy Fong, his wife; and Suen Wei Fong, a/k/a Sylvia Fong, his daughter, and I. Chun Fong, a/k/a Victor Fong, his son; to the Committee on the Judiciary.

By Mr. LUGAR:

S. 982. A bill to amend the Food Stamp Act of 1977 to authorize the Secretary of Agriculture to make fair and equitable reductions in food stamp benefits when insufficient funding is available; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATHIAS:

S. 983. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on Finance.

By Mr. TALMADGE (for himself, Mr. BENTSEN, Mr. BOREN, Mr. HELMS, Mr. MORGAN, Mr. STEWART, Mr. STONE, Mr. TOWER, and Mr. WARNER):

S. 984. A bill to provide for the waiver or reduction of peanut marketing penalties in certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TALMADGE (by request):

S. 985. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McGOVERN:

S. 986. A bill for the relief of Deirdre McStravick; to the Committee on the Judiciary.

By Mr. LEAHY (for himself and Mr. STAFFORD):

S. 987. A bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS, and Mr. JAVITS):

S. 988. A bill entitled the "Health Science Promotion Act of 1979"; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (by request):

S. 976. A bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, at the request of the administration, I introduce for appropriate reference a bill to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981.

By Mr. PROXMIRE (by request):

S. 977. A bill to amend the Export Administration Act of 1969, as amended, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, I introduce, by request, for appropriate reference, the administration's bill to revise and extend the Export Administration Act of 1969, as amended. The Committee on Banking, Housing, and Urban Affairs, which has jurisdiction over export controls, will mark up legislation on this subject at 10 a.m. on Monday, May 7, in room 5302 of the Dirksen Senate Office Building.

Mr. President, I ask unanimous consent that the bill and the accompanying statement of purpose and need submitted by the administration be printed in the Record.

There being no objection, the bill and statement were ordered to be printed in the Record, as follows:

S. 977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2401), is further amended by:

(a) revising subsection (2) to read as follows:

"The export of goods or technology without regard to whether it makes a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States.";

(b) revising subsection (3) to read as follows:

"The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries."; and

(c) adding at the end thereof the following two new subsections:

"(6) Exports are important to the economic well-being of the United States.

(7) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.".

Sec. 2. Section 3 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2402) is further amended by:

(a) revising subsection (2) to read as follows:

"It is the policy of the United States to use export controls to the extent necessary to restrict the export of (A) goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States; (B) goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; and (C) goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.";

(b) deleting in subsection (5) "articles, materials, supplies, or information" and inserting in lieu thereof, "goods, technical data or other information";

(c) deleting in subsection (6) "articles, materials, or supplies, including technical data or other information," and inserting in lieu thereof, "goods, technical data or other information"; and

(d) adding at the end thereof the following new subsection:

"(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technical data which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.".

Sec. 3. Section 4 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2403), is further amended by:

(a) deleting "nations with which the United States is engaged in trade" in subsection (a), paragraph (1), and inserting in lieu thereof "countries with which the United States has diplomatic or trading relations";

(b) deleting "articles, materials, or supplies, including technical data or other information," in subsection (a), paragraph (1), and inserting in lieu thereof "goods and technical data";

(c) deleting the last sentence of subsection (a), paragraph (1);

(d) revising subsection (b), paragraph (1) to read as follows:

"To the extent necessary to carry out the policies set forth in section 3 of this Act, the President, by rule or regulation, may prohibit or curtail the export of any goods, technology, or any other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. In curtailing exports to carry out the policy set forth in section 3(2)(C) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.";

(e) deleting "C" in subparagraph (A), paragraph (2), subsection (b), and inserting in lieu thereof "A," and by deleting the last sentence of that subparagraph;

(f) Deleting "articles, materials, or supplies, including technical data or other information" in subparagraph (B), paragraph (2), subsection (b) and inserting in lieu thereof "goods, technical data or any other information," and adding the following sentence at the end of that subparagraph: "In administering export controls for foreign policy purposes, weight will be given to whether the goods or technology in question are also available from countries other than the United States.";

(g) deleting "(A)" in paragraph (1), subsection (c), and inserting in lieu thereof "(C)";

(h) deleting "(C)" in paragraph (1), subsection (f), and inserting in lieu thereof "(A)";

(i) deleting "(A)" in paragraph (3), subsection (f), and inserting in lieu thereof "(C)";

(j) inserting after the words "national security" in the first sentence of subparagraph (A), paragraph (2), subsection (g), the words "and foreign policy";

(k) deleting "(A)" as it appears in subsection (i) and inserting in lieu thereof "(C)";

(l) relettering that subsection (m) which begins with the words, "No article, material, or supply," as subsection (n);

(m) deleting "article, material, or supply, including technical data or other information," in relettered subsection (n) and inserting in lieu thereof "goods, technical data or any other information,"; and

(n) adding at the end thereof the following two new subsections:

"(o)(1) Any United States firm, enterprise, or other non-Governmental entity which, for commercial purposes, enters into an agreement with an agency of a government in another country to which exports are restricted for national security purposes, which agreement cites an inter-governmental agreement calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United State origin, shall report such agreement to the Secretary of Commerce.

(2) The provisions of this subsection shall not apply to colleges, universities, or other educational institutions.

(3) The Secretary of Commerce is authorized to issue such rules and regulations as are necessary to implement the provisions of this subsection.

(p) The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for negotiations with other countries regarding their cooperation in restricting the export of goods and technologies whose export should be restricted pursuant to Section 3(9) of this Act, as authorized under Section 4(b)(1) of this Act, including negotiations on the basis of approved Administration positions as to which goods and technologies should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.".

Sec. 4. Section 5 of the Export Administration Act of 1969, as amended (50 U.S.C App. 2404), is further amended by:

(a) deleting "Federal Energy Administration" in subsection (a) and inserting in lieu thereof "Department of Energy";

(b) deleting "article, material, or supply" in paragraph (2), subsection (b) and inserting in lieu thereof "goods";

(c) deleting "(A)" in paragraph (2), subsection (b) and inserting in lieu thereof "(C)";

(d) deleting "articles, materials, and supplies, including technical data and other information" each time it appears in paragraph (1), subsection (c) and inserting in lieu thereof "goods and technical data";

(e) deleting from paragraph (2), subsection (c) "articles, materials, and supplies, including technical data or other information" and inserting in lieu thereof, "goods and technical data";

(f) deleting the following sentence from paragraph (2) subsection (c):

"The Secretary shall include in each semiannual report required by section 10 of this Act an accounting of the consultation undertaken pursuant to this paragraph, the use made of the advice rendered by the technical advisory committees pursuant to this paragraph, and the contributions of the technical advisory committees in carrying out the policies of this Act."; and

(g) deleting from paragraph (5), subsection (c), "articles, materials, and supplies" and inserting in lieu thereof "goods and technical data".

Sec. 5. Section 6 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2405) is further amended by:

(a) revising subsection (a) to read as follows:

"Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both.";

(b) revising subsection (b) to read as follows:

"Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned not more than ten years, or both."; and

(c) deleting "articles, materials, supplies, or technical data or other information" from subparagraph (A), paragraph (2), subsection (c) and inserting in lieu thereof, "goods, technical data or any other information".

Sec. 6. Section 7 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2406) is further amended by:

(a) revising subsection (c) to read as follows:

"Except as otherwise provided by the third sentence of Section 4A(b)(2) and by section 6(c)(2)(C) of this Act, information obtained under this Act which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall be exempt from disclosure under 5 U.S.C. 552(b)(3)(B), and such information shall not be published or disclosed unless the Secretary of Commerce determines that the withholding thereof is contrary to the national interest. Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under Section 4(b), shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.";

(b) deleting the last sentence of subsection (d); and

(c) deleting subsection (e).

Sec. 7. Section 9 of the Export Administration Act of 1967, as amended (50 U.S.C. App. 2408), is repealed.

Sec. 8. Section 10 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2409) is revised to read as follows:

"REPORT

Sec. 9. (a) The Secretary of Commerce shall make an annual report to the President and to the Congress on the implementation of this Act.

(b) Each annual report shall include an accounting of—

(1) actions taken by the President and the Secretary of Commerce to effect the antiboycott policies set forth in section 3(5) of this Act;

(2) organizational and procedural changes instituted and any reviews undertaken in furtherance of the policies set forth in this Act;

(3) efforts to keep the business sector of the Nation informed about policies and procedures adopted under this Act;

(4) any changes in the exercise of the authorities of section 4(b) of this Act;

(5) the results of review of United States policy toward individual countries called for in section 4(b)(2)(A);

(6) evidence demonstrating a need to impose export controls for national security purposes in the face of foreign availability as set forth in section.

(7) the information contained in the reports required by section 4(c)(2) of this Act, together with an analysis of:

(A) the impact on the economy and world trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;

(B) the worldwide supply of such commodities; and

(C) actions being taken by other nations in response to such shortages or increased prices;

(8) delegations of authority by the President as provided for under section 4(e) of this Act;

(9) the number and disposition of export license applications taking more than 90 days to process pursuant to section 4(g) of this Act;

(10) consultations undertaken with technical advisory committees pursuant to section 5(c) of this Act, the use made of advice given, and the contributions such committees made in carrying out the policies of this Act;

(11) violations of the provisions of this Act and penalties imposed pursuant to this Act; and

(12) any revisions to reporting requirements prescribed in section 7(d).

(c) The heads of other involved departments and agencies shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce to complete the annual reports.".

Sec. 9. Section 11 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2410), as renumbered as Sec. 10.

Sec. 10. Section 12 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2411) is amended by:

(a) renumbering it as Sec. 11; and

(b) deleting "section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934)." in subsection (b) and inserting in lieu thereof "section 38 of the Arms Export Control Act (22 U.S.C. 2778).".

Sec. 11. Section 13 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2411a) is further amended by:

(a) renumbering it as Sec. 12;

(b) revising subsection (a) to read as follows:

"(a) For fiscal years commencing on or after October 1, 1979, there are hereby authorized to be appropriated to the Department of Commerce such sums as may be necessary to carry out the purposes of this Act."; and

(c) adding at the end thereof the following new subsection:

"(c) For fiscal years commencing on or after October 1, 1979, there are hereby authorized to be appropriated to the Department of State such sums as may be necessary to implement the provisions of Sections 3(9) and 4(p) of this Act.".

Sec. 12. Section 15 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2413), is further amended by deleting "1979" and inserting in lieu thereof "1983".

Sec. 13. Sections 14 and 15 of the Export Administration Act of 1969, as amended (50 U.S.C. App. 2412 and 2413), are renumbered as Sec. 13 and Sec. 14 respectively.

Sec. 14. As of October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (22 U.S.C. 1611-1613d), is superseded.

STATEMENT OF PURPOSE AND NEED

Section 1. This section amends section 2 (Congressional Findings) of the Export Administration Act, as amended ("the Act") to emphasize two important concerns about United States export control policy: (1) the need to give explicit recognition to the importance of exports to the economic well-being of the United States and (2) the need to emphasize control of (i) certain technologies which could make a significant contribution to the military capability of potential adversaries and (ii) corresponding products that could contribute significantly to the transfer of such technologies.

The President's announcement of the National Export Policy (NEXPO) stressed the need to promote and increase exports in order to strengthen the trade and monetary position of the United States. There is growing concern in numerous quarters that export control policy places too much emphasis on restraining rather than promoting exports.

Two provisions (a revision in the wording of subsection (3) and the addition of a new subsection (6)) are designed to sharpen the Act's emphasis on the need to promote and expand exports. They would give recognition to the fact that export restrictions may adversely affect our domestic employment as well as our balance of payments and give explicit recognition to the role that exports play in America's economic well-being.

Another provision (a new subsection (7)) makes explicit the philosophy which governs United States national security export controls, viz., that the export of technologies having significant military applications and the export of products which could contribute significantly to the transfer of such technologies should be closely controlled. The purpose of articulating this philosophy in the Act is to make it clear that export controls imposed for national security purposes should emphasize the control of technologies which could contribute significantly to a potential adversary's military potential as well as products which contribute significantly to the transfer of such technologies.

Other changes are offered to eliminate redundancy and to clarify the provisions of Section 2 of the Act.

Section 2. This section amends section 3 (Declaration of Policy) of the Act to (1) reorder more logically in subsection (2) the three purposes for export controls (i.e., national security, foreign policy and short supply) and (2) incorporate in a new subsection (9) the basic authority contained in the Mutual Defense Assistance Control Act of 1951 (the "Battle Act") for United States participation in the multilateral organization known as COCOM with such revisions as are necessary to bring that authority up to date. (COCOM is the organization in which the national export controls of the NATO countries, excluding Iceland, plus Japan, are coordinated.) The other provisions of the Battle Act are now obsolete. Those provisions pertaining to United States participation in COCOM remain relevant and necessary and are incorporated as new subsections 3(9) and 4(p) in the Act.

Other changes are offered to eliminate

redundancy and to clarify and streamline the provisions of section 3 of the Act.

Section 3. This section amends section 4 (Authority) of the Act to (1) emphasize that weight is to be given to the existence of foreign availability in administering export controls for foreign policy purposes; (2) expand the Act's existing protection of the confidentiality of information pertaining to national security to cover information pertaining to foreign policy as well; (3) require that certain commercial agreements which are intended to result in the export of unpublished technical data of United States origin to countries to which exports are restricted for national security purposes be reported to the Secretary of Commerce; and (4) incorporate into the Act authority now in the Battle Act for the Secretary of State to continue to act as the administrator for United States participation in COCOM.

At present the United States imposes some controls for foreign policy purposes on goods which may be readily available from suppliers in other countries. This has led to complaints from the United States business community that the United States Government denies it sales without preventing the target country's acquisition of similar goods from other sources. In his National Export Policy statement of 26 September 1978, the President directed that weight be given to foreign availability in applying export controls for foreign policy purposes.

The amendment to 4(g) (2) (A) would make it clear that the Government can protect sensitive foreign policy information when supplying information to an applicant whose export license has not been acted on finally within 90 days of its receipt.

At present, the Act expressly authorizes the protection of the confidentiality of information bearing on national security only. Some information, however, might require protection for foreign policy reasons only. The amendment would make it clear that information may be withheld for such purposes.

Proposed new subsection 4(o) would require reporting to the Secretary of Commerce of commercial science and technology cooperation agreements between United States firms and organizations (except for colleges, universities, or other educational institutions) and agencies of a government in another country to which exports are restricted for national security purposes where those agreements cite an intergovernmental agreement calling for the encouragement of technical cooperation and are intended to result in the export from the United States to the other party of unpublished technical data of United States origin. This would enable the United States Government to know when, with whom and on what subjects such agreements have been concluded.

A new subsection 4(p) would incorporate authority for the Secretary of State to continue to act as the administrator for United States participation in COCOM. The Department of State should continue to be responsible for these functions, because they are part of State's overall responsibility for the conduct of foreign relations. This amendment is consistent with the amendments in other sections of the bill to supersede the Battle Act and incorporate its provisions pertaining to United States participation in COCOM into the Export Administration Act.

Other amendments to section 4 would clarify language, correct citations and consolidate reporting requirements.

Section 4. This section amends section 5 (Consultation and Standards) of the Act to clarify language, correct terminology and delete reporting requirements so as to consolidate them in a later section.

Section 5. This section amends section 7 (Enforcement) of the Act to (1) eliminate the differences in penalties currently prescribed in subsection (a) for first and second offenses and (2) increase the potential prison sentences and criminal fines for violations.

At present, subsection (a) provides a distinction between first and second violations of the Export Administration Act or its regulations. We believe that there is no valid reason for this distinction, and it should, therefore, be eliminated.

Moreover, we believe that potential prison sentences which may be imposed at present are insufficient to deter criminal violations and do not adequately punish offenders for violations which may be highly injurious to our national security, foreign policy, or domestic economy. The proposed bill stresses the importance of exports. Increasing potential penalties will serve to indicate that violations of the Export Administration Act are, nonetheless, a serious concern. We believe that potential jail sentences of 5 years in cases of violations not involving nations to which exports are restricted for national security or foreign policy purposes and 10 years in all other cases would accomplish these objectives.

In addition, under subsection (b), the proposed amendment would increase to $100,000 from $50,000 the maximum monetary penalty for willfully exporting anything controlled by the Act with knowledge that the export will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes. This would then be identical to the maximum monetary penalty in an analogous statute, the Arms Export Control Act, for violations of controls on exports of defense articles and services.

Section 6. This section amends section 7 (Enforcement of the Act) relating to the confidentiality provisions of subsection 7(c).

During consideration in the last Congress of bills to extend the Export Administration Act, the Department of Commerce noted that due to amendments to the Freedom of Information Act made by the Government in the Sunshine Act, it was unclear whether Section 7(c) of the Export Administration Act would continue to afford complete confidentiality for information obtained under its provisions. The Department of Commerce recommended legislation to clarify that Section 7(c) was and would continue to be a statute falling under exemption three of the Freedom of Information Act, as amended.

Congress did not enact the proposed legislation. In its report, the House Committee on International Relations indicated that it believed that section 7(c), together with the other exemptions of the Freedom of Information Act, was sufficient to protect the confidentiality of the information in question.

Since enactment of the 1977 amendments, the Commerce Department has been continuously involved in major litigation on the scope of section 7(c). In one case, the District Court for the District of Columbia held that section 7(c) was a statute falling within exemption three of the amended Freedom of Information Act. However, in another case, the Court of Appeals for the District of Columbia held that section 7(c) was not an exemption three statute under the amended Freedom of Information Act. This and three other similar cases (one involving Shipper's Export Declarations filed with the Census Bureau) are still under active consideration by the courts.

The proposed amendment would clarify the status of Section 7(c) and provide confidentiality for all information received under the Export Administration Act both prior to and subsequent to the enactment of the proposed amendment. In this regard, it should be noted that for the last 30 years exporters have provided this information to the Department on the basis of the express pledge of confidentiality contained in the Export Administration Act.

While it is true that certain exemptions in the Freedom of Information Act other than exemption three might apply to some information obtained under the Act, it is unlikely that all the sensitive information the Department of Commerce receives in administering that Act could be protected. For instance, it is unclear whether these other exemptions would protect either the names of exporters or their consignees, very sensitive pieces of trade information. Release of this information, when analyzed with other pertinent data regularly released publicly by the Department (such as a general description of the commodity, value, and country of destination of exports) would convey vital information about a company's trade and commercial position. This would damage exporters, particularly those in the process of developing overseas markets.

The problem is exacerbated by the fact that the sensitive information involved is required to be submitted by law. Thus, it is only fair to the reporting entity that the Government provide adequate statutory assurances of confidentiality concerning disclosure of the data.

Further, if the courts ultimately determine that with respect to all types of information the present Section 7(c) is not a statute falling under exemption three of the Freedom of Information Act, the Department of Commerce will be faced with a tremendous administrative burden. Each Freedom of Information Act request for information obtained under the Export Administration Act would thenceforth require Departmental employees to review each responsive document on a line-by-line basis to determine if the information could be withheld under other Freedom of Information Act exemptions. At present, Section 7(c) allows the withholding of entire documents without reviewing them on a line-by-line basis. The Department of Commerce is currently receiving approximately 77,000 export license applications a year, each of which has numerous pages of supporting documentation. If Section 7(c) were determined not to be an exemption three statute, the administrative burden would be staggering.

The proposed amendment is not intended to take information received under the Export Administration Act out of the FOIA process. Rather, it is intended to clarify that Section 7(c) retains viability under exemption three of the existing Freedom of Information Act. In fact, any other result would essentially render a nullity the action Congress took in the Export Administration Amendments of 1977 (P.L. 95-52) to amend and extend Section 7(c).

The proposed amendment would also make explicit the right of Congress to receive information obtained under the Export Administration Act prior to June 22, 1977, without the need for the Secretary of Commerce to make a "national interest" determination. Since enactment of P.L. 95-52, which amended Section 7(c) to give appropriate committees of Congress the right to receive information obtained under the Export Administration Act, several Congressional requests have been received for information submitted to the Department of Commerce prior to June 22, 1977. Because of the general rule of statutory construction that statutes are to be applied prospectively only unless they explicitly provide otherwise, the Secretary of Commerce has continued to make "national interest" determinations before providing information received prior to enactment of the 1977 amendments. This has resulted in delays in responding.

The proposed amendment would make it clear that a Secretarial determination is no longer required in order to accede to any appropriate Congressional request, provided that the other provisions in section 7(c) regarding disclosure of information to the Congress are satisfied.

Other amendments under this section would delete reporting requirements from section 7 of the Act in order to consolidate them into a new section.

Section 7. This section would repeal section 9 (Information to Exporters) of the Act, because section 9 is redundant with section 4(g) of the Act.

Section 8. This section completely revises section 10 (Reports) of the Act in order to consolidate in a single section the numerous reporting requirements currently scattered throughout the Act.

In addition, the report of the Secretary of Commerce to the Congress on implementation of the Act would be placed on an annual rather than a semiannual basis. An annual rather than semiannual report requirement would reduce an administrative and paperwork burden while still providing Congress with ample information and opportunity to exercise properly its oversight responsibility.

Section 9. This section amends section 11 (Definitions) of the Act by renumbering it as section 10 to take into account the repeal of section 9.

Section 10. This section amends section 12 (Effects on Other Acts) to correct the citation to the Arms Export Control Act.

Section 11. This section amends section 13 (Authorization of Appropriations) of the Act to incorporate the necessary authorization for funds to implement the Act. The proposed provisions would authorize appropriations for the Departments of State and Commerce "for such sums as may be necessary for carrying out the purposes of the Act." (The inclusion of an authorization for the Department of State is necessitated by the incorporation into the Act of the Battle Act provisions relating to the United States participation in COCOM. The Department of State represents the United States in COCOM.)

The present requirement for the specification of a particular sum would be eliminated in order to obviate the need for Congress to consider budgetary requests for the export administrative program twice—once as part of an authorization process and later as part of the appropriation process.

Section 12. This section amends section 15 (Termination Date) of the Act to extend the expiration date of the Act to September 30, 1983. The Act is the basic statutory authority for controlling the export of goods and technical data. By its terms, it will expire on September 30, 1979, unless appropriately extended. Without the authority provided by the Act, many exports from the United States could take place without restriction, with potential serious detrimental effects on our national security, foreign policy and domestic economy.

Section 13. This section renumbers Sections 14 and 15 of the Act as 13 and 14, respectively, to take into account the repeal of section 9.

Section 14. This section supersedes, as of October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (the "Battle Act"), in accordance with the overall purpose of incorporating its relevant features into the Act. With the incorporation elsewhere in this bill of the Battle Act's provisions relating to United States participation in COCOM, the Battle Act becomes superfluous.

By Mr. LUGAR:

S. 982. A bill to amend the Food Stamp Act of 1977 to authorize the Secretary of Agriculture to make fair and equitable reductions in food stamp benefits when insufficient funding is available; to the Committee on Agriculture, Nutrition, and Forestry.

AMENDMENT OF THE 1977 FOOD STAMP ACT

● Mr. LUGAR. Mr. President, as most of my colleagues know, the 1977 Food Stamp Act completely revised the food stamp program. When this law was enacted, it was clearly the intent of Congress to retain budgetary control over the program through the use of an appropriation ceiling for each year in which the program was authorized. Congress set the appropriations ceilings for fiscal years 1979 and 1980 at $6.159 billion and $6.188 billion, respectively. These appropriation ceilings mandated by Congress are the only effective control over the costs of this program since benefits are automatically adjusted to changes in food prices and the number of eligible recipients depends on the level of unemployment.

The growth of the food stamp program has been phenomenal. It started out as an experimental program in the early 1960's with less than 500,000 participants and a cost of several million dollars. Today there are in excess of 17 million people receiving food stamps. The Office of Management and Budget estimates that in fiscal year 1980, if the appropriations ceiling of $6.188 was not in effect, food stamp outlays would exceed $6.9 billion. The Congressional Budget Office currently estimates that the cost of the program would rise above $7.5 billion in fiscal year 1980, if the ceiling was not in effect.

In recent weeks it has become apparent that the food stamp program is even in danger of exceeding the 1979 authorization ceiling of $6.159 billion. In January alone, 1.7 million people came onto the program with the elimination of the purchase requirement mandated by Congress in 1977. No one yet knows how many people have come into the program since January. While it is true that Congress anticipated some increase in the number of food stamp recipients with the elimination of the purchase requirement, the fact remains that the only effective control that Congress has over the cost of this program is the appropriation ceilings mandated by Congress.

The President has proposed the repeal of the appropriation ceilings in effect under the 1977 Food Stamp Act. This would add $720 million to $1.4 billion to the cost of the food stamp program in fiscal year 1980, depending on whether you believe the latest OMB or the CBO estimate. The fact is that no one, not even OMB or CBO, really knows what the food stamp program will cost in fiscal year 1980. Prior projections of food stamp costs provide ample evidence of that. The lifting of the appropriations ceiling would, in effect, issue a blank check to the food stamp program.

I believe that Congress must maintain control over the cost of this program. If increases in benefits or total expenditures are needed at a particular time due to changing economic conditions, then Congress can take necessary legislative action.

When the Agriculture Committee met on March 6 to discuss its recommendations to the Budget Committee for the fiscal year 1980 USDA budget, I moved to reduce the President's budget request of $6.9 billion, which assumed repeal of the ceiling, down to the fiscal year 1980 appropriation ceiling of $6,188 million. Although my motion failed, the 9-to-8 vote demonstrated substantial support for the retention of firm congressional control over the costs of the food stamp program. I will continue to oppose any attempts to lift either the fiscal year 1979 or fiscal year 1980 appropriation ceilings.

I do not, nor does any other Senator or taxpayer, wish to have the truly poor people of this country suffer unjustly because of congressional budget action on the food stamp program. I am convinced that there are changes that could be made within this program that would save substantial sums of money that could be passed on to the truly needy.

The error rate of the food stamp program is currently 12 percent, which translates into about $700 million worth of benefits issued in error. This error rate includes underissue as well as overissue of benefits which further underscores the necessity of bringing this error rate down. A recent Government Accounting Office (GAO) report charged that $500 million was lost annually due to overissuance of benefits. The error rates for the food stamp program vary greatly from State to State. This results in the taxpayers in low error rate States subsidizing taxpayers and food stamp recipients in high error rate States. USDA has proposed the issuance of penalties to States with unacceptably high error rates. This would result in a projected savings of $132 million in fiscal year 1980. I applaud USDA in these efforts, but I am inclined to believe that more can be done to cut down on the error rate.

CBO estimates that recoupment of benefits issued to temporary recipients of food stamps whose annual adjusted gross income exceeds twice the applicable poverty level would result in potential savings of between $124 and $162 million. For example, a person earning $20,000 a year that loses his job and then obtains another job at comparable pay, would be forced to pay back the value of his food stamps under a recoupment program.

Another potential method of cutting food stamp expenditures would be to reduce or eliminate the overlap of the food stamp program with other domestic food assistance programs. CBO estimates that the saving from doing this would be from $100 million to $200 million annually. Some people believe that the savings might even be substantially greater than that.

There is no doubt that a great many changes could be implemented to save money in the food stamp program. The possible changes that I have just alluded to are not originally mine. They have been discussed before and I am not advocating that they are the best avenues that could be followed in cutting expenditures so that appropriation ceilings are not exceeded. The point I am making is that retaining the appropriation ceiling would send a message to USDA that the food stamp program must be administered within limited resources. Once that message is clearly received, I am sure that USDA will propose changes in the program to administer it more efficiently thus saving taxpayers money and insuring that food stamp benefits are distributed in the best possible manner.

The Carter administration has asked that the ceiling be lifted. To do anything else, they argue, would be to reduce benefits to all food stamp recipients. The Department of Agriculture interprets the existing language of section 18(b) of the 1977 Food Stamp Act in combination with the other provisions of the act, to require the Secretary of Agriculture to make food stamp allotment reductions on a "pro rata basis" for all recipients when necessary to keep food stamp costs within the appropriation ceilings established in the act. Pro rata reductions, in this case, mean equal percentage reductions in all recipients' benefits; that is, in the case of a 10-percent pro rata reduction, a household with a $100 benefit would experience a $10 loss and a household with a $20 benefit would experience a $2 loss.

In response to a request for an opinion on the "pro rata" issue from Senator Muskie, chairman of the Senate Budget Committee, the General Accounting Office concurred with USDA's opinion that any food stamp benefit reductions necessary to keep food stamp costs under the appropriation ceilings must be on a "pro rata basis."

This pro rata reduction is unreasonable since it forces equal percentage reductions on the neediest and least needy recipients and produces larger reductions in abosolute dollar terms to the more needy. This is a cruel method of reducing benefits and no doubt is unacceptable to most Americans. Many Members of the Senate I am sure would oppose retaining the existing appropriation ceilings because under the prevalent interpretation of the law, the poorest of the poor would be unjustly forced to bear the biggest relative burden. A more reasonable approach to implementing section 18(b) benefit reductions would be to vary the extent of benefit reductions so that needier households would have benefits reduced less than the less needy households.

Since I feel it is important to retain the appropriation ceiling on the food stamp program, and no Senator, Congressman, or taxpayer wishes to place an unjust burden on the truly poor food stamp recipients, I am introducing legislation today to correct this deficiency in the 1977 Food Stamp Act so that in the event that the Secretary must reduce food stamp benefits in order to keep costs under the appropriation ceilings, the benfit reductions could be varied so that benefits to needier households would be reduced less than those to less needy households. In fact, regardless of what level of spending for the food stamp program Congress finally agrees upon, my amendment is necessary in order to preclude the Secretary from ever having to undertake unfair pro rata benefit reductions in order to keep costs under an appropriation ceiling.

The first part of S. 982—adding a "notwithstanding any other provision of this act" clause to section 18(b)—permits the Secretary to implement section 18 benefit reductions without regard to other provisions of the act (especially the standard benefit reduction rate) which require uniform treatment of all recipients. This, in effect, opens the door to a benefit reduction system that would reduce benefits less (proportionally) for needier households and allow benefit reductions to take into account allotment and income variations by household size. The provision of section 18(b) that calls for benefit reductions to eligible households would, however, be retained, thus, making clear that benefits are to be reduced, not households made ineligible.

The second part of S. 982 gives general direction to the Secretary as to the manner in which any necessary benefit reductions shall be designed. When the extent of the allotment (benefit) reductions necessary to keep costs within the appropriations ceiling are determined, the Secretary would be required to implement any necessary reductions in a manner that: First, gives the lowest necessary percentage reductions in benefits to households with the lowest net incomes (after deductions and exclusions); and second, in doing so, adjusts such reductions for household size differences in allotments and income levels.

This would be achieved by varying the percentage by which benefits would be reduced according to the relationship between a household's net income and the income eligibility standards for that size household. Within each household size category, the lower net income households would receive a smaller percentage reduction in benefits than higher net income households. So-called zero net income households would receive no benefit reduction, and households whose net income is at or very close to the maximum allowable net income for eligibility could be reduced at either a maximum rate set by the Secretary, or reduced to a minimum benefit level set by the Secretary, for each household size.

If practical, the Secretary could set differing allotment reduction percentages for each household income level within a household size category. However, the Secretary could also divide each household size category into reasonable income classes, each with a different section 18 allotment reduction percentage, if this were administratively easier.

The intent of the new section 18(c) provision for varying reduction percentages is to mandate that the Secretary vary any necessary benefit reductions under section 18 by net household income and, in doing so, not unduly penalize households whose allotments are higher simply because they are larger. The easiest way to do this would be to use the relationship between the household's already known net income and maximum allowable income as the guide for determining needier versus less needy and to take household size differences into account by using the relationship between household net income and maximum allowable income for each household size category.

The bill also authorizes the Secretary to prescribe separate provisions for the elderly, disabled, and handicapped, in recognition of the special needs of these recipients.

In recognition of the fact that it would be administratively senseless to provide households extremely small allotments as a result of reductions under section 18, the bill authorizes the Secretary to prescribe minimum allotments that will be available to households after the reductions have been accomplished.

Whenever the Secretary has reason to believe that allotment reductions are necessary because of the unavailability of sufficient program funding, the bill requires the Secretary to provide the congressional agriculture committees with a statement setting forth the basis of the Secretary's belief and a description of the manner in which the allotments will be reduced. There is precedent in the Food Stamp Act of 1977 for such a reporting provision. Section 4(c) requires the Secretary to provide the agriculture committees a copy of any food stamp regulation, together with a detailed statement justifying the regulation, prior to issuing such a regulation.

I believe that this bill offers a responsible approach to allocating food stamp benefits among recipients when it becomes necessary to reduce food stamp benefits in order to keep food stamp costs under an appropriations ceiling. I am very hopeful that this type of legislative approach to reducing benefits will persuade some of my colleagues to join me in my effort to retain both the 1979 and 1980 existing appropriations ceilings. If USDA gets the message that the food stamp program must be operated within limited resources, I firmly believe that the food stamp program will be operated more efficiently and both taxpayers and food stamp recipients will benefit.

Mr. President, I ask unanimous consent that the text of S. 982 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 18 of the Food Stamp Act of 1977 is amended by—

(1) striking out "If" in the second sentence of subsection (b) and inserting in lieu thereof "Notwithstanding any other provision of this Act, if"; and

(2) adding at the end thereof new subsections (c) and (d) as follows:

"(c) In prescribing the manner in which allotments shall be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, as determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, as prescribed under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced under this section, prescribe (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions have been prescribed under this section.

"(d) Whenever the Secretary has reason to believe that reductions in the value of allotments to be issued to households certified as eligible to participate in the food stamp program will be necessary under this section, the Secretary shall promptly provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth the basis of the Secretary's belief and a description of the manner in which such allotments will be reduced.".●

By Mr. MATHIAS:

S. 983. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on Finance.

INTERSTATE TAXATION ACT OF 1979

● Mr. MATHIAS. Mr. President, I am today introducing the Interstate Taxation Act of 1979.

In 1789, the Founding Fathers replaced the Articles of Confederation with our Constitution. In large measure, they did so because commerce and trade—so vital to the security and prosperity of every American—could not flourish in the confusion of multiple and often conflicting local laws.

Our Constitution was written as a compact between States willing to trade shortrun gains for long-term progress in an orderly federal system of free-flowing commerce.

Today that system is not functioning as efficiently as it should. A major obstacle to interstate commerce lies in the complex and often conflicting State and local tax rules that confront firms in interstate commerce. These rules harm both business and our State and local governments—and, in the end, deprive all our citizens of the efficiency that leads to lower prices and the tax revenue that finances government services.

I have been deeply concerned with this problem since I served on the House Special Committee on State Taxation of Interstate Commerce. In 1964 we issued a report based on an extensive study of this problem. We found that sales and use taxes were levied by approximately 2,300 State and local units. That number has increased by 250 percent since the 1964 report. In addition, there are corporate income tax laws in all but five States of the Union.

Businesses now have such a complex set of rules to comply with that they often fail to pay tax liabilities simply because they are unaware of them. Some States have laws that are effectively useless because companies having ephemeral contacts with these States are not familiar with the particular idiosyncracies of these laws. There are no uniform accounting principles by which businesses can compute their liability if they do business in varying amounts in a number of different States. It has long been obvious that the burden of even attempting to comply with the multiplicity of State and local laws is particularly onerous for small business. My bill will put all businesses on notice that those States in which they operate to such an extent that they come within the Federal guidelines can impose and collect taxes on their sales and income.

Over the years of my service in both the House and Senate, I have introduced a series of bills which would address this problem. These bills have incorporated the ideas of representatives of State and local government and business groups. The bill I introduce today, like my earlier bills, will regularize the jurisdictional principles by which States impose sales, use, income and gross receipts taxes.

In the 90th and 91st Congresses, the House passed, by overwhelming majorities, State taxation legislation similar in thrust to my bill. The Senate Finance Committee created a Subcommittee on Interstate Taxation in the 93d Congress to hold hearings and give serious consideration to the problem. Vice President MONDALE, then Senator MONDALE, who chaired the subcommittee, said that its purposes were to—

> examine the problems posed for interstate income businesses by the multifarious corporate income and sales and use taxes imposed by the different states. . . . [F]urther House action now appears unlikely unless the Senate acts first and, in an effort to begin Senate action, the subcommittee is holding hearings.

Other business has kept the Finance Committee from taking action on the findings of these hearings.

The basic objectives of this bill are the same as legislation which I have introduced in the past, including S. 2080 in the 94th Congress and S. 2173 in the 95th. However, there are several major differences between this bill and its predecessors.

Many of these changes are the result of testimony before the Judiciary Committee in the 95th Congress. I was authorized by the chairman, Senator Eastland, to conduct hearings on S. 2173 in Biloxi, Miss.; Charleston, S.C.; Columbus, Ohio; and San Francisco, Calif.

The hearings went very well, and I think we have built a solid record that sets the scene for action this year in the Senate Finance Committee. Senator HARRY BYRD, chairman of the Finance Committee's Subcommittee on Taxation and Debt Management, assures me that hearings will be held in the near future. We had tentatively set in March 30, but I asked Senator BYRD to postpone the hearing until May, so that State tax authorities will have ample time to study my proposal. And, I hope, to become convinced that it makes sense.

Action on interstate taxation in the 95th Congress was not limited to the Senate. The House Ways and Means Committee directed the General Accounting Office to study State and Federal approaches to the taxation of multistate and multinational corporations. Chairman ULLMAN listed several issues he wanted GAO to study, including:

Whether State apportionment formulae are rationally based in economic theory, are equitable, or are an administrative burden;

The feasibility of all States using the same apportionment methods;

The effect on the States of being required to use the arm's length method in taxing multinational corporations; and

Whether the Internal Revenue Service is having difficulties in administering section 482, which provides for the arm's length method, and, if so, whether the cause is poor management, a flawed conception, or both.

We all await the GAO report with great interest.

During the Senate debate on the United States-United Kingdom Tax Treaty, many House members spoke with me about the possibility of substituting my bill for article 9(4) of the treaty. They wanted a chance to address the issues raised by article 9(4), which would have barred unitary taxing States from including the income of British parent companies in their assessment of income tax on the in-state subsidiary. A legislative approach to the problem would have given them that chance. The treaty approach, however, left the House of Representatives out in the cold.

It may be too early to designate 1978 as a watershed year, but I think we can see certain patterns emerging. The American taxpayer has blown the whistle on Government waste and inefficiency and the mounting toll they take in taxes. In the name of efficiency and commonsense, the taxpayer wants something new.

As all of you know, businesses want something new, too. They want uniformity in interstate taxation to reduce their paperwork burden and to increase their efficiency. They want long-term certainty and predictability in tax liability. And they want to pay no more than their fair share of the tax burden so they can remain competitive.

State authorities, on the other hand, want business to pay its fair share of the tax burden, and they want to protect local business from unfair competition from out of State. And they want to keep their enforcement costs to a minimum.

These are legitimate concerns on both sides. To meet them, I have redrafted my bill, taking into account the testimony at the hearings. As an indication that the day of reckoning is at hand, I understand that both the State representatives and the business representatives are now considering other compromise bills. I haven't seen them yet, but I am pleased that there appears to be some movement away from the irreconcilable poles of only a few years ago and toward middle ground. I expect that the bill I introduce today will be only a starting point, a vehicle to start the debate. The bill that finally emerges from the legislative process will be one all parties can live with.

Others too are pressing for legislative solutions. Last summer, the Supreme Court, in Moorman Manufacturing against Bair, stated:

> [T]he prevention of duplicative taxation . . . would require national uniform rules for the division of income.

The Court then pointed out:

> While the freedom of the states to formulate the independent policy in this area may have to yield to an overriding national interest in uniformity, the content of any uniform rules to which they must subscribe should be determined only after due consideration is given to the interests of all affected states. It is clear that the legislative power granted to Congress by the Commerce Clause of the Constitution would amply justify the enactment of legislation requiring all states to adhere to uniform rules for the division of income. It is to that body, and not this court, that the Constitution has committed such policy decisions.

In the wake of that decision, which gave the States carte blanche to adopt discriminatory tax formulae, Illinois is now considering an amendment to its tax code that would help the in-State manufacturers. The District of Columbia, as well as Minnesota, is contemplating similar amendments. Obviously, the time has come to act before these protectionist efforts get out of hand.

Let me briefly outline the new bill. In the income tax title, changes are primarily technical. Basically, the bill still provides an optional three-factor formula for apportioning the income of interstate corporations. This three-factor approach, which considers sales, property, and payroll, would divide taxes fairly between the various jurisdictions. While a taxpayer could use the formula provided in the State law, the three-factor formula and other provisions of title III would determine the maximum tax liability that could be imposed. I should add to this three-factor test is already used in most of the States, so it would not revolutionize State tax collection.

I have revised last year's version to accommodate the two most common criticisms made at the field hearings. One change makes it clear that the taxpayer should not have the option of electing world-wide combination while the State would be prohibited from requiring such combination. The other change clears up some confusion in the treatment of foreign source income in section 358.

Unlike the income tax title, the sales and use title has undergone major revision in the direction of compromise.

The proposed changes will relieve small business of a lot of paperwork. They include an innovative "buyer certification plan" which would greatly reduce the burden on those businesses without a business location within the taxing State. At the same time, the revision assures, to a large extent, the rights of the States to collect sales and use tax revenues. Large businesses, which generally have the resources to comply with existing law, are excluded from the buyer certification election under two provisions. First, they ordinarily have a business location within the taxing State and, second, buyer certification is permitted only for those firms that have less than $100,000 in taxable sales within the taxing State. That jurisdictional trigger is based on the previous year's sales.

The buyer certification procedure allows a purchaser to certify the rate and amount of local and State sales or use tax to the buyer. This certification could be included on the purchase order. Sellers would collect the certified amount and remit that directly to the State without accounting for destinations within the State. If a buyer refused to certify, the seller would collect the maximum combined State and local tax applicable in the State.

The U.S. Secretary of Commerce would be involved in three minor ways: First, the Secretary would prescribe a standard form; second, a return filed with the Secretary would suffice as a return filed with any State; and third, each State would certify to the Secretary the maximum combined State and local rate within that State.

In addition, persons with taxable sales of less than $20,000 in a State would be exempt from filing returns except to the extent that they had collected a tax from their buyer. Again, qualification for this exemption would be based on the previous year's sales.

Finally, the requirements for exemption certificates on exempt sales have been tightened up. The provision in the draft bill is essentially identical to the one found in S. 2080, which I introduced in the 94th Congress. Also, I have deleted the household goods exemption, which was often criticized by State authorities.

On the gross receipts side, I have added the phrase:

> Nothing herein shall affect the power of a state or political subdivision to impose a gross receipts tax on intra-state activities, including a tax levied on the extraction of oil, coal or minerals.

This addition should put to rest many of the fears expressed by West Virginia and the other gross receipts States.

I think this draft takes a significant step toward uniformity—which business needs—and full accountability—which the States rightfully demand. To the extent there is some tax and administrative relief, such relief is focused narrowly on the small firm trying to extend its sales beyond its home State.

Obviously, one of our big jobs is to allay the fears of State and local authorities and to help them see that they have a mutuality of interest with business on this issue.

I am convinced that if we work toward an efficient tax collection system, our industries will be at less of a disadvantage in the international market than they are now.

This is important. The United States no longer dominates the world marketplace completely. We have to compete with other economies whose efficiency is nearly legend. The examples that leap to mind, of course, are Germany and Japan.

Our competitors overseas are concerned with efficiency. They put great value on insuring that commerce flows freely—both domestically and internationally—without unnecessary and inefficient impediments. And an efficient economy includes efficient government and the efficient collection of taxes.

A tax system that creates headaches and uncertainties destroys efficiency.

Business, as we all know, must weigh a multitude of essentially unquantifiable and uncontrollable factors—supply, demand, weather, mood, competition—and it is the brilliant business executive who spots trends and makes sound decisions. In the face of all this necessary uncertainty, I find it ironic that taxation—a factor we have the power to control completely, a factor that could be simple, straightforward and predictable—is kept complex, fraught with uncertainty, and in a constant state of flux.

We must admit to ourselves that by tolerating such an irrational system, we cripple our businesses in the world of foreign trade. And we cost the American consumer a great deal of money.

Businesses in West Germany and Japan are not saddled with the additional expense of complying with unnecessarily complicated tax laws. Their executives and merchants do not waste valuable time and energy filling our forms and worrying about noncompliance. They are free to think creatively about the things they should be thinking about; namely, making better products, providing better service, and making more money. The consumer—Japanese, German, or American for that matter— is the ultimate beneficiary.

Napoleon III took great pride in pulling out his pocket watch and telling foreign dignitaries that at that precise moment every 12-year-old French child was hearing a lecture, for example, on the role Louis XIV played in the War of the Spanish Succession. We have done well without that kind of national uniformity, but, in the field of taxation, diversity is expensive, and has no apparent offsetting virtues. It creates no useful tension; it simply creates headaches that ultimately raise costs for the consumer.

We cannot wait any longer for reform. We must act now. For too long, the debate has been bogged down in the technical language of the experts. We have passively adopted their terms of reference and conducted the debate at the wrong level. We must raise the level of the debate and talk frankly about the larger issues—about jobs, the national interest, and economic survival.

My point is simple—if rational people were to sit down to devise a rational tax system, they would not devise a system anything like ours. Japan and Germany had the advantage of starting out with clean slates after the war. I hope it will not take a similar cataclysm to show us the error of our ways.

We cannot afford antagonism between business and State governments. What we need, what we must have, and what this bill will help to bring about, is an era of cooperation between government and business that will give a major boost to the American economy.

This bill is a first step toward a more efficient and more equitable system of taxation. I am encouraged by the progress we have made in the 95th Congress, and I am convinced that finally, after 18 years, we will be able to bring this project to fruition in the 96th Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 983

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interstate Taxation Act of 1979".

TITLE I—SALES AND USE TAXES

Part A—Jurisdiction and Administration

Sec. 101. Uniform Jurisdictional Standards.

(a) State Standard.—No State shall have power to require a person to collect a sales or use tax with respect to a sale or use of tangible personal property unless that person—

(1) has a business location in that State, or

(2) regularly solicits orders for the sale of tangible personal property by means of salesmen, solicitors, or representatives in that State, unless his activity in that State consists solely of solicitation by direct mail or advertising by means of printed periodicals, radio, or television, or

(3) regularly engages in the delivery of tangible personal property in that State other than by common carrier or United States Postal Service.

(b) Political Subdivision Standard.—No political subdivision of a State shall have power to require a person to collect a sales or use tax with respect to a sale or use of tangible personal property unless that person—

(1) has a business location in that political subdivision, or

(2) regularly solicits orders for the sale of tangible personal property by means of salesmen, solicitors, or representatives in that political subdivision, unless his activity in that political subdivision consists solely of solicitation by direct mail or advertising by means of printed periodicals, radio, or television, or

(3) regularly engages in the delivery of tangible personal property in that political subdivision other than by common carrier or United States Postal Service.

(c) Freight Charges Incident to Interstate Sales.—Where the freight and other charges for transporting tangible personal property to a purchaser incident to an interstate sale are not included in the purchase price but are stated separately by the seller, no State or political subdivision thereof shall have power to include such charges in the measure of a sales or use tax imposed with respect to the sale or use of such property.

Sec. 102. Reduction of Multiple Taxation.

(a) Destination in State; Cooperative Agreements Between States.—A State may impose a sales tax or require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property only if the destination of the sale is —

(1) in that State, or

(2) in a State or political subdivision for which the tax is required to be collected by an agreement between the State of destination and the State requiring such collection, and the seller has a business location in the State requiring such collection.

(b) Destination in Political Subdivision.—A political subdivision of a State may impose a sales tax or require a seller to collect a sales or use tax with respect to an interstate sale of tangible personal property only if the destination of the sale is in that political subdivision.

(c) Limitation.—Not withstanding section 101 and subsections (a) and (b) of this section, no State or political subdivision thereof shall have power to require an out-of-State seller to collect a sales or use tax with respect to an interstate sale of tangible personal property with a destination in that State if such seller's annual receipts from taxable retail sales of tangible personal property with a destination in that State are less than $20,000, except that this limitation shall not be effective to the extent that such seller has, in fact, collected a separately stated sales or use tax from the purchaser. In determining whether the foregoing limitation applies, an out-of-State seller shall be deemed to have less than $20,000 in annual receipts from taxable retail sales or tangible personal property with a destination in a State if such seller's receipts from such sales during the preceding calendar year did not exceed $20,000.

(d) Credit for Prior Taxes.—The amount of any use tax imposed by a State or political subdivision thereof with respect to tangible personal property shall be reduced by the amount of any sales or use tax previously paid by the taxpayer with respect to the same property on account of liability to another State or political subdivision thereof.

(e) Refunds.—A person who pays a use tax imposed with respect to tangible personal property shall be entitled to a refund from the State or political subdivision thereof imposing the tax, up to the amount of the tax so paid, for any sales or use tax subsequently paid to the seller with respect to the same property on account of prior liability to another State or political subdivision thereof.

(f) Vehicles, Boats and Motor Fuels.—

(1) Vehicles and Boats.—Nothing in subsection (a) or (b) shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to motor vehicles and boats registered in that State.

(2) Fuels.—Nothing in this section shall affect the power of a State or political subdivision thereof to impose or require the collection of a sales or use tax with respect to motor fuels consumed in that State.

Sec. 103. Sales to Registered Business Purchaser; Exempt Sales Certified As Such by Purchaser.

No seller shall be liable for the collection or payment of a sales or use tax with respect to an interstate sale of tangible personal property if the purchaser of such property furnishes or has furnished to the seller—

(1) a statement indicating that the purchaser is registered with the jurisdiction imposing the tax to collect or pay such tax, or

(2) a certificate or other form of evidence indicating the basis for exemption or other reason the seller is not required to collect or pay such tax.

Any statement, certificate or other form of evidence furnished for purposes of paragraph (1) or (2) shall be in writing, shall give the name and address of the purchaser and his registration number, if any, and shall be signed by the purchaser or his representative. Nothing in this section shall limit the liability of a seller who, at the time of receipt of a statement, certificate or other form of evidence furnished by a purchaser for purposes of paragraph (1) or (2), has actual knowledge that such document is false or inaccurate.

Sec. 104. Sales by Certain Out-of-State Sellers.

(a) Election To Collect Tax Certified by Purchaser.—With respect to any calendar year, an out-of-State seller who has less than $100,000 annually in taxable sales of tangible personal property with a destination in a State may in lieu of collecting any sales or use tax which that State or a political subdivision thereof may require to be collected under sections 101 and 102, elect to collect and remit to that State a combined State and local sales or use tax at a rate or in an amount which shall be certified to such seller by the purchaser as being the correct rate or amount applicable to the sale. Any such certification shall be in writing, shall give the name and address of the purchaser and his registration number, if any, and shall be signed by the purchaser or his representative. Nothing in this section shall limit the liability of an out-of-State seller who has made an election under this subsection and who, at the time of receipt of a purchaser's certification of the correct rate or amount tax applicable to an interstate sale with a destination in a State to which such election applies, has actual knowledge that such certification is false or inaccurate.

(b) Failure of Purchaser To Certify Correct Rate or Amount of Tax.—If an election under subsection (a) is in effect with respect to a State, and a purchaser in that State who purchases tangible personal property from the electing out-of-State seller fails or refuses to certify to such seller the correct rate or amount of sales or use tax applicable to the sale, such seller shall collect and remit the highest combined State and local sales or use tax which could imposed with respect to any interstate sale having a destination in that State and shall in no way be liable to such purchaser for any excess of the tax so collected over the correct amount of tax applicable to the sale.

(c) Determination of Annual Taxable Sales in a State.—For purposes of determining whether an out-of-State seller is eligible to make an election under subsection (a) with respect to any calendar year, such seller shall be deemed to have less than $100,000 annually in taxable sales of tangible personal property with a destination in a State if such seller's receipts from such sales during the preceding calendar year did not exceed $100,000.

(d) Administration.—No State may require an out-of-State seller who elects under subsection (a) to collect combined State and local sales and use taxes pursuant to purchasers' certifications of the correct rates or amounts of such taxes to remit the taxes so collected more frequently than once each calendar quarter. A State may require such a seller to maintain such records, certifications and other information as may be necessary for the proper administration of such taxes, but may not require such a seller to classify or otherwise account for the sales to which such taxes relate according to geographic areas of that State in any manner whatsoever, including classification by political subdivision.

(e) Standard Form of Return.—The Secretary of Commerce of the United States shall prescribe a standard form of return for the combined State and local sales and use taxes collected by an out-of-State seller who has made an election under subsection (a), and no State or political subdivision thereof may require such seller to file, with respect to such taxes, a form of return other than such standard form. The filing of a certified duplicate copy of such standard form incorporating the information required for all States with respect to which such seller has made an election under subsection (a) shall be accepted in lieu of the filing of a separate return for each such State.

Sec. 105. Accounting for Local Taxes.

No seller shall be required by a State or political subdivision thereof to classify interstate sales for sales or use tax accounting purposes according to geographic areas of that State in any manner other than to account for interstate sales with destinations in political subdivisions in which the seller has a business location or regularly makes household deliveries.

Sec. 106. Savings Provisions.

(a) Use Taxes.—Nothing in this Act shall prohibit a State or political subdivision thereof from imposing and collecting a use tax from a purchaser or user with respect to the use in that State or political subdivision of tangible personal property—

(1) acquired in an interstate sale from an out-of-State seller who is not required to collect such a tax with respect to such sale, or

(2) acquired outside that State or political subdivision and brought into that State or political subdivision by such purchaser or user.

(b) CORRECT TAX NOT COLLECTED.—Nothing in this Act shall prohibit a State or political subdivision thereof from collecting a sales or use tax from a person who purchases tangible personal property in an interstate sale if for any reason, including an incorrect or invalid certification or representation made by such purchaser with respect to the tax-exempt status of such sale or, in the case of a purchase from an out-of-State seller having made an election under section 104(a), with respect to the correct rate or amount of tax applicable to such sale, the seller has not collected the correct amount of sales or use tax from such purchaser. This subsection shall not apply if the seller has collected the correct amount of tax from the purchaser but has failed to remit such tax to the State.

(c) CERTAIN ADVANCE PAYMENTS.—Nothing in this Act shall prohibit a State or political subdivision thereof from requiring a purchaser of tangible personal property for resale to make an advance payment of a sales or use tax to the seller of such property, or from requiring such seller to act as agent for such State or political subdivision and in that capacity to collect and remit such advance payment, provided that credit for such advance payment is allowed in determining the sales or use tax liability of the purchaser and provided that all the foregoing requirements are imposed pursuant to laws of such State or political subdivision which were in effect in December 31, 1974.

SEC. 107. LIABILITY WITH RESPECT TO UNASSESSED TAXES.

(a) PERIODS ENDING PRIOR TO ENACTMENT DATE.—No State or political subdivision thereof shall have the power, after the date of the enactment of this Act, to assess against any person for any period ending on or before such date in or for which that person became liable for the tax involved, a sales or use tax with respect to tangible personal property, unless during such period that person—

(1) had a business location in that State, or

(2) regularly solicited orders for the sale of tangible personal property by means of employees present in that State, unless his activity in that State consisted solely of solicitation by direct mail or advertising by means of printed periodicals, radio, or television, or

(3) regularly engaged in the delivery of tangible personal property in that State other than by common carrier or United States Postal Service.

(b) CERTAIN PRIOR ASSESSMENTS AND COLLECTIONS.—The provisions of subsection (a) shall not be construed—

(1) to invalidate the collection of a tax prior to the time assessment became barred under subsection (a), or

(2) to prohibit the collection of a tax at or after the time assessment became barred under subsection (a), if the tax was assessed prior to such time.

PART B—DEFINITIONS AND RULES

SEC. 151. SALES TAX; SALES PRICE.

A "sales tax" is any tax imposed with respect to, and measured by the sales price of, the sale of tangible personal property or services with respect to such a sale, and which tax is required by State law to be stated separately from the sales price by the seller or is customarily stated separately from the sales price. The term "sale" includes any lease or rental of tangible personal property and the term "sales price" includes receipts from any such lease or rental.

SEC. 152. USE TAX.

A "use tax" is any nonrecurring tax, other than a sales tax, which is imposed on or with respect to the exercise or enjoyment of any right or power over tangible personal property incident to the ownership of that property or the leasing of that property from another, including any consumption, keeping, retention, or other use of tangible personal property.

SEC. 153. INTERSTATE SALE.

An "interstate sale" means a sale in which the tangible personal property sold is shipped or delivered to the purchaser in a State from a point outside that State.

SEC. 154. STATE.

The term "State" wherever used in this Act means the District of Columbia or any of the fifty States of the United States.

SEC. 155. DESTINATION.

The "destination" of a sale is in the State or political subdivision in which possession of the property is physically transferred to the purchaser, or to which the property is shipped to the purchaser regardless of the free on board point or other conditions of the sale.

SEC. 156. OUT-OF-STATE SELLER.

An "out-of-State seller" with respect to any State is a seller who does not have a business location in that State.

SEC. 157. BUSINESS LOCATION.

A person shall be considered to have a "business location" within a State only if that person—

(1) owns or leases real property within that State, or

(2) has one or more employees located in that State, or

(3) regularly maintains a stock of tangible personal property in that State for sale in the ordinary course of his business.

For purposes of paragraph (3), property which is on consignment in the hands of a consignee and is offered for sale by such consignee shall not be considered as stock maintained by the consignor, and property which is in the hands of a purchaser under a sale or return arrangement shall not be considered as stock maintained by the seller.

SEC. 158. LOCATION OF PROPERTY

Property shall be considered to be located in a State if it is physically present in that State.

SEC. 159. LOCATION OF EMPLOYEE.

(a) GENERAL RULE.—An employee shall be considered to be located in a State if—

(1) the service of such employee is localized in that State, or

(2) the service of such employee is not localized in any State but some of such service is performed in that State and such employee's base of operations is in that State.

(b) LOCALIZATION OF SERVICE.—An employee's service shall be considered to be localized in a State if—

(1) such service is performed entirely within that State, or

(2) such service is performed both within and without that State, but the service performed without that State is incidental to the service performed within that State.

(c) BASE OF OPERATIONS.—An employee's base of operations is that single place of business, having a permanent location, which is maintained by his employer, and from which he regularly commences ihs activities and to which he regularly returns in order to perform the functions necessary to the exercise of his trade or profession.

(d) CONTINUATION OF MINIMUM JURISDICTIONAL STANDARD.—An employee shall not be considered to be located in a State if his business activities within that State on behalf of his employer are limited to any one or more of the following:

(1) The solicitation of orders for sales of tangible personal property, which orders are sent outside that State for approval or rejection and (if approved) are filled by shipment or delivery from a point outside the State.

(2) The solicitation of orders for sales of or for the benefit of a prospective customer of his employer, if orders by such customer to such employer to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(3) The installing or repairing of tangible personal property which is the subject of an interstate sale by the employer, if such installation or repair is incidental to the sale.

This subsection shall not apply with respect to business activities carried on by one or more employees within a State if the employer (without regard to those employees) has a business location in that State.

(e) EMPLOYEES OF CONTRACTORS AND EXTRACTORS.—If the employer is engaged in the performance of a contract for the construction of improvements on or to real property in a State or of a contract for the extraction of natural resources located in a State, an employee whose services in that State are related primarily to the performance of such contract shall be presumed to be located in that State. This subsection shall not apply with respect to services performed in installing or repairing tangible property which is the subject of an interstate sale by the employer, if such installation or repair is incidental to the sale.

(f) EMPLOYEE.—No person shall be considered an employee of an employer unless such person is an employee of such employer for purposes of Federal income tax withholding under chapter 24 of the Internal Revenue Code of 1954, as amended.

SEC. 160. HOUSEHOLD DELIVERIES.

A seller makes household deliveries in a State or political subdivision if he delivers goods, otherwise than by common carrier or United States Postal Service, to the dwelling place of his purchasers located in that State or political subdivision.

SEC. 161. LIMITATION ON APPLICABILITY.

Except as otherwise expressly provided in this Act, the definitions and rules set forth in this part shall apply only for purposes of this title.

TITLE II—GROSS RECEIPTS TAXES

PART A—JURISDICTION

SEC. 201. UNIFORM JURISDICTIONAL STANDARDS.

No State or political subdivision thereof shall have power to impose a gross receipts tax with respect to the interstate sale of tangible personal property unless the sale is solicited directly through a business office of the seller in the State or political subdivision.

SEC. 202. SAVINGS PROVISION.

Nothing in this Act shall prohibit a State or political subdivision thereof from imposing and collecting a gross receipts tax on activities occurring entirely within that State or political subdivision, includng any tax imposed with respect to the extraction of oil, coal, minerals or other natural resources located within that State or political subdivision.

PART B—DEFINITIONS

SEC. 251. GROSS RECEIPTS TAX.

For purposes of this title, a "gross receipts tax" is any tax, other than a sales tax, which is imposed on or measured by the gross volume of business (whether in terms of gross receipts or in other terms), which is applicable to commercial or manufacturing business in general, and in the determination of which no deduction is allowed which would constitute the tax a net income tax.

SEC. 252. BUSINESS OFFICE.

For purposes of this title, a seller shall be considered to have a "business office" in a

State or political subdivision only if that seller—

(1) owns or leases real property within that State or political subdivision, or

(2) regularly maintains a stock of tangible personal property in that State or political subdivision for sale in the ordinary course of his business.

For purposes of paragraph (1), a seller shall not be considered as owning or leasing real property which is owned or leased by that seller's employee, unless that seller pays the costs of owning or leasing such property.

For purposes of paragraph (2), property which is on consignment in the hands of a consignee and is offered for sale by such consignee on his own account shall not be considered as stock maintained by the consignor, and property which is in the hands of a purchaser under a sale or return arrangement shall not be considered as stock maintained by the seller.

SEC. 253. OTHER DEFINITIONS.

For purposes of this title, the terms "sales tax", "State", and "interstate sale" have the same meaning as such terms have for purposes of title I of this Act, and the term "net income tax" has the same meaning as such term has for purposes of title III of this Act.

TITLE III—NET INCOME TAXES

PART A—APPORTIONABLE AND ALLOCABLE INCOME

SEC. 301. OPTIONAL THREE-FACTOR FORMULA.

A State or political subdivision thereof may not impose for any taxable year on a corporation taxable in more than one State, other than an excluded corporation, a net income tax measured by an amount of net income in excess of the amount determined by (1) multiplying the corporation's base by an apportionment fraction which is the average of the corporation's equally-weighted property, payroll and sales factors for that State for the taxable year and (2) adding to the amount determined under clause (1) the amount of income allocable to that State for the taxable year. For this purpose the base to which the apportionment fraction is applied shall be the corporation's apportionable income as defined in this title for that taxable year. No State shall, by reason of not including dividends or foreign source income in apportionable income, make any offsetting adjustment of an otherwise allowable deduction which is unrelated to such excluded dividends or foreign source income.

SEC. 302. INCOME ALLOCABLE TO A STATE; EXCLUSIONS FROM APPORTIONABLE AND ALLOCABLE INCOMES.

Dividends received from corporations in which the taxpaying corporation owns less than 50 percent of the voting stock, other than dividends which constitute foreign source income, are income allocable to the State of commercial domicile of such taxpaying corporation and are not apportionable or allocable to any other State. No dividends received from corporations in which the taxpaying corporation owns 50 percent or more of the voting stock and no foreign source income of such taxpaying corporation shall be apportionable or allocable to any State.

SEC. 303. COMBINED OR CONSOLIDATED REPORTING.

(a) Except as otherwise provided in subsection (b), a State may require, or a corporation may elect, that the taxable income of the corporation be determined by reference to the combined or consolidated net income and the combined or consolidated apportionment factors of all affiliated corporations in the affiliated group of which the corporation is a member.

(b) For purposes of subsection (a), no State may require, and no corporation may elect, that a combination or consolidation of an affiliated group include—

(1) any excluded corporation, or

(2) any corporation, substantially all the income of which is derived from sources without the United States.

For purposes of paragraph (2), substantially all the income of a corporation (whether a domestic or a foreign corporation) shall be deemed to be derived from sources without the United States if 80 percent or more of its gross income is derived from sources without the United States in the current taxable year and in each of the two preceding taxable years (excluding any period during which such corporation was not in existence).

(c) Nothing in this title shall preclude the determination of combined or consolidated income on a basis acceptable to both the State and the taxpaying corporation.

PART B—DEFINITIONS AND RULES

SEC. 351. NET INCOME TAX.

A "net income tax" is a tax which is imposed on or measured by net income.

SEC. 352. EXCLUDED CORPORATION.

An "excluded corporation" is any of the following:

(1) Any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, small loan association, credit union, cooperative bank, small loan company, sales finance company, or investment company, or any type of insurance company, or any corporation which derives 90 percent or more of its gross income from interest (including discount).

(2) Any corporation more than 50 percent of the ordinary gross income of which for the taxable year is derived from regularly carrying on any one or more of the following business activities:

(A) the transportation for hire of property or passengers, including the rendering by the transporter of services incidental to such transportation;

(B) the sale of electrical energy or water; or

(C) the furnishing of public telegraph or intrastate telephone services.

SEC. 353. AFFILIATED CORPORATIONS.

Two or more corporations are "affiliated" if they are members of the same groups comprised of one or more corporate members connected through stock ownership with a common owner, which may be either corporate or noncorporate, in the following manner:

(1) more than 50 percent of the voting stock of each member other than the common owner directly by one or more of the other members; and

(2) more than 50 percent of the voting stock of at least one of the members other than the common owner is owned directly by the common owner.

SEC. 354. APPORTIONABLE INCOME.

Except to the extent otherwise provided in section 301 or section 302, the "apportionable income" of a corporation means its net income subject to apportionment as determined under the laws of the taxing State.

SEC. 355. PROPERTY FACTOR.

(a) IN GENERAL.—A corporation's property factor for any State is a fraction, the numerator of which is the average value of the corporation's real and tangible personal property owned and used or rented and used during the taxable year and located in that State and the demoninator of which is the average value of all the corporation's real and tangible personal property owned and used or rented and used during the taxable year and located everywhere, except that such denominator shall not include any property which the State or the corporation determines to exclude pursuant to section 358(c).

(b) STANDARDS FOR VALUING PROPERTY IN PROPERTY FACTOR.—

(1) OWNED PROPERTY.—Property owned by the corporation shall be valued at its original cost.

(2) RENTED PROPERTY.—Property rented to the corporation shall be valued at eight times the net rents payable by the corporation during the taxable year. Net rent is the gross rent payable by the corporation less rent received by the corporation from subrentals.

SEC. 356. PAYROLL FACTOR.

(a) IN GENERAL.—A corporation's payroll factor for a State is a fraction, the numerator of which is the amount of wages paid or accrued during the taxable year by the corporation to employees located in that State and the denominator of which is the total amount of wages paid or accrued during the taxable year by the corporation to all employees located everywhere, except that such denominator shall not include any wages which the State or the corporation determines to exclude pursuant to section 358(c).

(b) DEFINITION OF WAGES.—The term "wages" means wages as defined for purposes of the Federal Unemployment Tax Act in section 3306(b) of the Internal Revenue Code of 1954, as amended, determined without regard to the limitation of section 3306 (b)(1) on the amount of wages.

SEC. 357. SALES FACTOR.

(a) IN GENERAL.—A corporation's sales factor for a State is a fraction, the numerator of which is the total sales of the corporation in that State during the taxable year and the denominator of which is the total sales of the corporation everywhere during the taxable year, except that such denominator shall not include any sales which the State or the corporation determines to exclude pursuant to section 358(c).

(b) SALES INCLUDED.—

(1) Sales of tangible personal property are in a State if such property is received in that State by the purchaser. In the case of delivery by common carrier or by other means of transportation, the place at which such property is ultimately received after all transportation has been completed shall be considered as the place at which such property is received by the purchaser. Direct delivery in a State, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in that State and direct delivery outside a State to a person or firm designated by a purchaser does not constitute delivery to the purchaser in that State, regardless of where title passes or other conditions of sale.

(2) Sales, other than sales of tangible property, are in a State if—

(A) the income-producing activity is performed in that State, or

(B) the income-producing activity is performed both in and outside that State and a greater proportion of the income-producing activity is performed in that State than in any other State, based on costs of performance.

(c) LOCATION OF CERTAIN OTHER SALES.—

(1) Sales of services shall be included in the numerator of the sales factor for the State in which the service is performed. Sales of services rendered in two or more States shall, for the purpose of the numerator of the sales factor, be divided between those States in proportion to the direct costs of performance incurred in each such State by the corporation in rendering the services.

(2) Sales of real property, if the corporation is engaged primarily in the business of selling real property, are included in the numerator of the sales factor for the State in which the property is located.

(3) Sales which consist of receipts from

the rental of tangible personal property shall be included in the numerator of the sales factor for the State in which the property is located.

(d) All Other Sales.—All gross receipts from sales, other than from sales described in subsections (b) and (c), shall be excluded from both the numerator and the denominator of the sales factor.

Sec. 358. Foreign Source Income.

(a) Definition.—The term "foreign source income" means—

(1) interest other than interest derived from sources within the United States;

(2) dividends other than dividends derived from sources within the United States;

(3) rents, royalties, license and technical fees from property located or services performed without the United States or from any interest in such property, including rents, royalties or fees for the use of or the privilege of using without the United States any patents, copyrights, secret processes and formulas, good will, trademarks, trade brands, franchises, and other like properties; and

(4) gains, profits, or other income from the sale of intangible or real property located without the United States.

(b) Determination of Source of Income by Reference to Provisions of the Internal Revenue Code of 1954.—In determining the source of income for purposes of this section and section 303(b), the provisions of sections 861, 862 and 863 of the Internal Revenue Code of 1954, as amended, shall be applied.

(c) Adjustment of Property, Payroll, or Sales Force.—If foreign source income as defined for purposes of this title is derived from property, wages or sales which are otherwise includable in the denominator of a factor described in section 355, 356 or 357, either the State or the corporation may determine that the property, wages or sales from which such foreign source income is derived shall be excluded from such denominator.

Sec. 359. Dividends.

The term "dividends" shall have the same meaning as that term has under the Internal Revenue Code of 1954, as amended, including any sum treated as a dividend under section 78 of such Code.

Sec. 360. United States.

The term "United States" wherever used in this Act shall include only the fifty States and the District of Columbia.

Sec. 361. Limitation on Applicability.

Except as otherwise expressly provided in this Act, the definitions and rules set forth in this part shall apply only for purposes of this title.

TITLE IV—JURISDICTION OF FEDERAL COURTS

Sec. 401. Judicial Review.

Notwithstanding section 1251(a) of title 28, United States Code, the United States Court of Claims shall have jurisdiction to review de novo any issues relating to a dispute arising under this Act or under the provisions of Public Law 86-272, as amended. Within 90 days of the decision of a State administrative body from which the only appeal is to a court, any party to the determination may petition the Court of Claims for a review de novo of any such issues. For purposes of such review, the findings of fact by the State administrative body shall be considered with other evidence of the facts. The judgment of the Court of Claims shall be subject to review by the Supreme Court of the United States as provided in section 1255 of title 28, United States Code, as amended.

Sec. 402. Effect of Federal Determination.

Any judicial determination made pursuant to section 401 shall be binding for the taxable years involved on any State given notice thereof or appearing as a party thereto, notwithstanding any prior determinations of the courts or administrative bodies of that State completed after notice to that State. No statute of limitations shall bar the right of a State or a taxpayer to an amount of tax increased or decreased in accordance with such determination, provided action to recover such amount is instituted within one year after such determination has become final.

Sec. 403. Conforming Amendment to Title 28, United States Code.

Title 28, United States Code, is hereby amended by adding after section 1507 the following new section:

"Sec. 1508. Jurisdiction to review certain disputes involving state taxation of interstate commerce.

"The Court of Claims shall have jurisdiction to render judgment upon any petition for review under section 401 of the Interstate Taxation Act of 1979."

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Prohibition Against Out-of-State Audit Charges.

No charge may be imposed by a State or political subdivision thereof to cover any part of the cost of conducting outside that State an audit for a tax to which this Act applies.●

By Mr. TALMADGE (for himself, Mr. Bentsen, Mr. Boren, Mr. Helms, Mr. Morgan, Mr. Stewart, Mr. Stone, Mr. Tower, and Mr. Warner):

S. 984. A bill to provide for the waiver or reduction of peanut marketing penalties in certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

REDUCTION OF PEANUT MARKETING PENALTIES

● Mr. TALMADGE. Mr. President, on behalf of myself and a number of other Senators, I am today introducing legislation to permit the waiver or reduction of peanut marketing penalties in certain circumstances.

The bill is intended to correct a serious technical deficiency that has come to light in the new peanut program that Congress enacted as part of the Food and Agriculture Act of 1977. Unless corrected, this defect will subject hundreds of producers throughout the nine-State peanut belt to overmarketing penalties totaling several hundred thousand dollars resulting from unintentional recordkeeping errors.

The problem arises because the new law gives the Department of Agriculture no authority to reduce or waive penalties that the statute requires to be levied where peanuts are marketed in excess of the farm poundage quota. The penalty is required by law no matter how the overmarketing may have occurred or whatever the circumstances.

The 1978 peanut crop was the first to be produced and marketed under the new two-tier program. The program requires extensive recordkeeping and separate accounting for quota and nonquota (additional) peanuts produced on the same farm.

The Department of Agriculture advises me that numerous recordkeeping errors were made at buying points in the marketing of the peanut crop last fall. The errors were made either by clerical staff of the handler or by growers who failed to present the correct marketing card for each load of peanuts.

In a substantial number of cases, the errors resulted in farmers exceeding their farm poundage quotas, thereby making them liable for the penalty on the quantity of peanuts thus overmarketed computed at 120 percent of the price support level—about 25 cents per pound for quota peanuts.

In a great many cases, the errors were undetected until long after the peanuts were marketed and were discovered only recently through the USDA's reconciliation of last year's marketing data for each peanut allotment farm. I am advised that the penalties range from a few dollars to several thousand dollars.

Mr. President, I have investigated this matter thoroughly and have discussed it with several producers and handlers and with USDA officials at the Washington, State and county levels. I am convinced that the great majority of the errors made were honest and unintentional.

They resulted largely from the newness of the program and the unfamiliarity by producers and handlers with the additional reporting requirements, coupled with the normal confusion and haste that accompanies the marketing of this perishable commodity within an extremely short time frame.

Despite the extenuating circumstances, Department of Agriculture Attorneys have concluded that the law ties the Secretary's hands. They feel he has no choice but to levy the penalty against both the producer and the handler in every overmarketing case and to hold them jointly and severally responsible for payment.

As chairman of the committee that handled the legislation in this body, I can assure the Senate that there was no thought of requiring the collection of such a harsh penalty in instances of honest, unintentional, human errors. Authorizing the Secretary to waive or reduce the penalty in justified cases will in no way weaken the Department's ability to administer the peanut program efficiently. Nor will it result in any additional cost to the Government. The bill simply will give the Secretary the flexibility to administer the program fairly and justly, which, after all, should be the proper objective of any law.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for the 1978 through 1981 crops of peanuts, section 359(a) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1359(a)), is amended by inserting after the second sentence a new sentence as follows: "The penalty assessed against any producer under this section with respect to the marketing of any peanuts from a farm may be waived or reduced, in accordance with regulations established by the Secretary, to the extent deemed desirable in order to provide fair and equitable treatment to producers, when it is determined that the marketing that resulted in the assessment of such penalty was unintentional or inadvertent.".●

S. 984 RECTIFIES UNFAIR PENALTIES ON PEANUT FARMERS

● Mr. HELMS. Mr. President, it is my pleasure to join the distinguished chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, Mr. Talmadge, in sponsoring legislation to rectify an unfortunate situation that could otherwise cause peanut farmers to be assessed penalties for marketing excess peanuts in the 1978 crop year.

The bill we introduce today is merely a technical amendment to peanut legislation enacted last year. The bill authorizes the Secretary of Agriculture to reduce or waive any penalty for farmers and processors who may have unintentionally and unknowingly marketed more peanuts than they were permitted by their allotment.

Apparently, Mr. President, certain errors were made in recording the exact number of pounds marketed at the time of sale. Because the figures were not complete, many farmers continued to market their crop in good faith even though they may have already reached their allotted poundage. A recent audit of the marketing cards by the ASCS brought the mistakes to light, and under the provisions of the Agricultural Adjustment Act, the Secretary is required to assess a penalty of 120 percent of the price support for each excess ton marketed—which comes to 25.2 cents per pound. For many farmers such penalties could be large and burdensome.

I would emphasize two points, Mr. President. First, this amendment will have no budgetary impact whatsoever. The penalties are not revenue which the Government had anticipated, and are not levied for any revenue purpose. They are provided for so as to give means of enforcement to the peanut program.

Second, it is not the intent of this amendment to excuse or lighten the burden of any person who intentionally or knowingly marketed peanuts in excess of his poundage allotment. The strict enforcement of the program by the ASCS is essential to its sound operation and its effectiveness, and vigilance in that regard is most desirable and essential.

This bill has the support of the North Carolina Farm Bureau Federation, the North Carolina Grange, the North Carolina Peanut Growers Association, and others who are interested in soundness and fairness in the administration of our agricultural programs.●

By Mr. TALMADGE (by request):

S. 985. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

● Mr. TALMADGE. Mr. President, I am introducing today, at the request of the administration, a bill to amend the Consolidated Farm and Rural Development Act.

This bill would satisfy the requirement set forth in section 346 of the Consolidated Farm and Rural Development Act, which was added to the law by the Agricultural Credit Act of 1978. Section 346 provides that, beginning October 1, 1979, overall lending limits must be established for the programs authorized under each subtitle of the Consolidated Farm and Rural Development Act during each 3-year period thereafter. Under such programs, the Farmers Home Administration makes real estate, operating, and natural disaster loans to farmers and water and sewer facility, industrial development, and community facility loans for rural development.

The administration bill provides loan levels for the programs for the initial 3-year period—fiscal years 1980 through 1982.

Tomorrow, the Subcommittee on Agricultural Credit and Rural Electrification, which is chaired by Senator Zorinsky, will hold hearings on what the appropriate lending levels should be for the various programs.

I ask unanimous consent that there be printed in the Record the text of the bill and the letter from the Secretary of Agriculture transmitting the bill.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 985

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended by inserting "(a)" after "Sec. 346." and adding a new subsection (b) as follows:

"(b) (1) Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed, under the Agricultural Credit Insurance Fund as follows:

"(A) real estate loans, $879,600,000, including $800,000,000 for farm ownership loans of which $750,000,000 may be for insured loans and $50,000,000 may be for guaranteed loans with authority to transfer amounts between such categories and $60,500,000 for water development, use, and conservation loans of which $54,500,000 may be for insured loans and $6,000,000 may be for guaranteed loans with authority to transfer amounts between such categories;

"(B) operating loans, $700,000,000, of which $675,000,000 may be for insured loans and $25,000,000 may be for guaranteed loans with authority to transfer amounts between such categories; and

"(C) emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters.

"(2) Loans for each of the fiscal years 1980, 1981, and 1982 are authorized to be insured, or made to be sold and insured, or guaranteed, under the Rural Development Insurance Fund as follows:

"(A) insured water and sewer facility loans, $700,000,000;

"(B) industrial development loans, $1,000,000,000, of which $50,000,000 may be for insured loans and $950,000,000 may be for guaranteed loans with authority to transfer amounts between such categories; and

"(C) insured community facility loans, $250,000,000.".

Washington, D.C.,
April 16, 1979.

Hon. Walter F. Mondale,
President, U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed for the consideration of the Congress is a draft bill "To amend the Consolidated Farm and Rural Development Act." This bill would fulfill the requirement set forth in Section 346 of the Consolidated Farm and Rural Development Act. This provision provides that "Effective October 1, 1979, the aggregate principal amount of loans under the programs authorized under each subtitle of this title during each three-year period thereafter shall not exceed such amounts as may be authorized by law after the date of enactment of this section."

The loan levels set forth in this proposal reflect program levels shown in the fiscal year 1980 Budget.

The Department of Agriculture recommends that the draft bill be enacted.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

Bob Bergland,
Secretary.●

By Mr. LEAHY (for himself and Mr. Stafford):

S. 987. A bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes; to the Committee on Finance.

● Mr. LEAHY. Mr. President, today I wish to join my distinguished senior colleague from Vermont, Mr. Stafford, in introducing legislation that would provide a fair and just solution to the ongoing dispute between the IRS and the timber industry as to the employment status of certain individuals in that industry.

In recent years the IRS has without justification, and contrary to the congressional mandate of the Tax Reform Act of 1976, defined as "employees" loggers who for some 200 years had been considered independent contractors.

Last year, a provision in the Revenue Act of 1978 provided an interim solution to this problem, and pardoned many of these timbermen who, as a result of IRS initiatives, had been unfairly assessed retroactive employee withholding taxes of staggering proportions.

I join in the introduction of this legislation today, because I want to make sure that any permanent solution to the independent contractor dispute deals fairly with the specific problems faced by the timber industry.

I want to emphasize that in no way do I intend for this legislation to enable unscrupulous employers to evade taxation, or to deny workers who are by all rights employees the basic benefits and privileges that should be available to them.

I only seek to address what I perceive to be a grave and fundamental wrong. The outrageous IRS assessments of recent years have disrupted a vital, traditionally strong, and independent sector of our rural economy, the lumber industry.

This bill will, I hope, insure that the ultimate solution to this problem will take into full account the problems which are unique to the timber industry. A mechanism must be provided to insure that individuals who fairly meet the "common test" of independent contractor status, are not unfairly and arbitrarily penalized by the IRS.●

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, Mr. WILLIAMS and Mr. JAVITS):

S. 988. A bill entitled the "Health Science Promotion Act of 1979"; to the Committee on Labor and Human Resources.

HEALTH SCIENCE PROMOTION ACT OF 1979

● Mr. KENNEDY. Mr. President, I am today introducing, on behalf of myself and Senators SCHWEIKER and WILLIAMS, the Health Sciences and Promotion Act of 1979. As the title clearly indicates, this legislation has the primary purpose of promoting the effectiveness and productivity of this country's substantial investment in research related to health and the delivery of health care. I would like to take this opportunity to explain in general terms the genesis of this legislation, its purposes and its provisions.

Over the last 2 years, Mr. President, the Subcommittee on Health and Scientific Research has held 10 days of hearings as part of a continuing program of oversight of our Federal investment in the health sciences. During that same period, I have personally visited not only the National Institutes of Health, but also health research centers across this country—in Boston, Miami, Houston, Denver, San Francisco, Los Angeles, and Salt Lake City. This has been a fascinating experience for myself and the other members of the subcommittee. It was an exercise that, in my opinion, was long overdue. When we began our intensive program of oversight, it had been a full 10 years since comparable hearings were held by a committee of this Congress.

What we have learned, Mr. President, is that the health sciences in this country have made and continue to make valuable progress in providing the tools necessary to improve the health of Americans. We have found that, as a result of the work of health science researchers, our country's physicians and hospitals have accomplished therapeutic triumphs which would have been impossible, perhaps inconceivable, 25 years ago. We have been convinced anew that our country's investment in the health sciences is the bedrock upon which our health care system rests, and that a strong, stable, and continuing commitment to the health sciences must remain a fundamental tenet of national health policy.

It has become fashionable in some quarters, Mr. President, to question the contribution of research to the health of our people. It is argued, for example, that the connection between research expenditures and improved health outcomes is difficult to document. In addition, some critics contend that what progress we have made in improving the health of our citizens has derived from improvements in our country's standard of living and from the adoption of more healthy behavior on the part of many of our citizens. These latter developments, it is said, owe little to health science research.

Mr. President, the investigations of our subcommittee do not support this skepticism about the value of health science research. We have accumulated countless examples of research products which have made direct, incontrovertible contributions to our struggle to deal with the country's major killers and cripplers. Take, for example, open heart surgery, or kidney dialysis and transplantation. Or take our new pneumonia vaccine, the advent of coronary care units and cardiac pacemakers. Take the tremendous inroads we have made in curing childhood cancers. Take our many new antibiotics, the development of anticoagulation for dealing with pulmonary embolus, or our new treatments for Parkinson's disease. And I could go on.

What is more, Mr. President, while I do not for a moment question the importance of living standards or lifestyle changes in improving our people's health, I would ask one simple question. How, Mr. President, have our people come to know what behavior changes could contribute to their health? How did we detect and confirm the relationship between cigarette smoking and cancer, between cholesterol and heart disease, between exercise and atherosclerosis? And how did we confirm, retrospectively, the role which improved living standards have played in improving our Nation's health? How, in other words, have we come to know what we now understand about what diseases are preventable, and how to prevent them? Through health science research, of course. And if we are to continue to improve our ability to prevent disease and promote good health, then our investment in the relevant health sciences must continue and expand.

Mr. President, I think the evidence clearly shows that our investment in the health sciences has paid ample dividends, but my response to skeptics includes one additional point. I think the burden is on those who question our society's investment in the health sciences to show the American people another avenue through which aspirations for better health can be realized. Our commitment to research admittedly rests somewhat on the faith that science is the route to progress in health. But do the critics of health science research propose an alternative? Do they know of some method for conquering illness other than the systematic application of talent and intelligence to understanding how disease comes about and how to overcome it?

Mr. President, take away the American people's commitment to the health sciences, and we take away our hope that our lives can be better in the future than they are today.

I do not mean to suggest that there is not room for improvement in the way our country has conducted its programs of health-related research. While I believe our health science programs and institutions are fundamentally sound, our oversight of the Federal investment in health science research has documented a number of problems which need to be addressed if our country is to continue to take full advantage of its considerable investment in health research. The aim of the Health Sciences Promotion Act of 1979 is to address those difficulties so that, as we enter the 1980's, we can be confident that we have a streamlined, productive and efficient Federal program for the conduct and support of research in the health sciences.

Before I elaborate more fully on the provisions of the Health Sciences Promotion Act, Mr. President, let me make one additional point. This bill is not the full or final answer to all that ails our Federal health research institutions. Supporting the health sciences with Federal expenditures is a complex, subtle, and difficult task. It involves intricate interrelationships with our universities and medical schools, with our hospitals and medical manufacturers, with other Federal statutes supporting manpower training and health care delivery programs. Clearly, public policy proposals aimed at reforming our health science programs need careful scrutiny and full and vigorous discussion before they are adopted. In putting forth the Health Sciences Promotion Act of 1979, I hope to initiate the kind of wide-ranging debate which can produce wise and constructive legislation.

The bill we introduce today is a first step toward consolidating the gains we have made over the first 30 years in crafting health science policy. I hope those who share our commitment to improving the health of Americans will come forward with suggestions for revising and improving these initial proposals.

The Health Sciences Promotion Act of 1979 has three titles. Each addresses a problem or cluster of related problems in the governance of our Federal health science institutions.

First, title I addresses the need to improve the planning of our investment in the health sciences so as to increase the continuity, stability, and predictability of Federal support for health-related research.

Second, title II proposes certain administrative and organizational modifications in the structure of the National Institutes of Health in order to promote the continued development of that institution as the Nation's major instrument of support for the biomedical sciences. This title also contains reauthorizations for certain programs which will expire in 1980, including the National Cancer Act and the National Heart, Lung and Blood Act, which received only 2-year extensions during the last session of Congress.

Third, title III of the act proposes certain experimental initiatives aimed at reducing the burden of paperwork affecting researchers supported by our largest health science institution, the National Institutes of Health.

Mr. President, I will discuss very briefly each of these titles and their major provisions.

I think, Mr. President, that the problems addressed by title I of the act—the need for improved planning in the allocation of health science dollars—is one of the major lessons of our oversight effort, and is clearly apparent to anyone who traces recent developments in Federal support of the health sciences. In recent years, we have seen a series of confusing swings in research priorities and research funding at the Federal level. These upheavals are unfair to scientists, who have dedicated themselves in good faith to the directions mandated by the Federal Government only to have the directions change because the mind of the Federal Government changes.

I would point out that Congress bears a measure of responsibility for this situation. During the past decade alone, we have enacted the National Heart, Lung and Blood Act, the National Cancer Act, the National Diabetes Research and Education Act, and the National Arthritis Act.

We also launched specific research programs for sudden infant death syndrome, hemophilia, sickle cell anemia, and other genetic diseases.

It is no wonder that, so far as health legislation is concerned, Congress is now called the "Disease of the Month" club.

It is fair to say that each of the programs I have mentioned has made valuable contributions to science and human health. I am proud to have been involved in creating many of them.

But I think we must recognize the biomedical research community needs clearer signals from the Congress and the administration if we are to get maximum benefit from our health science expenditures. Shifting priorities and unpredictable budgets generate needless inefficiency and undermine the faith of our young scientists in the reliability of the Federal Government as a partner in the research enterprise. Laboratories get set up in response to short term Federal priorities, only to find that support is suddenly unavailable. Young investigators plan their training around a given direction in health science policy only to find that the talents they nurtured are no longer valued by the Federal Government.

While our health science budgets were growing in the 1950's and 1960's, the disease-by-disease approach to funding health science research worked well enough, for budgets never got smaller. The only issue was where the health science investment would increase next. But especially in times of tight Federal spending, it is essential to provide some predictability and continuity to our support of health-related research.

The administration has begun to address this problem through the creation of a 5-year plan for health science research supported by the Department of Health, Education, and Welfare. In a recent review of that exercise, the Institute of Medicine of the National Academy of Sciences endorsed the principle of long-range planning in the health sciences, but suggested the need for a continuous planning process with more permanence than the ad hoc procedure which the administration is currently following.

To quote the Institute of Medicine report:

> We believe that health research planning, when well-performed, will prove to be a valuable mechanism for developing sound and productive national health research policy. Well conceived and executed planning is the nation's best assurance that there will be optimal allocation of resources for health research, and that precious resources will be utilized efficiently.

The report continues:

> We . . . urge that this planning effort lead to the development of a permanent planning mechanism as an important instrument for the determination of a national health science policy. Such a mechanism will be needed at a minimum for the regular review and revision of this current plan in an orderly, efficient way. More generally, a permanent capability for long-term planning will provide a view of research support that extends beyond yearly budget cycles or current political pressures . . .

It is to achieve this goal of a permanent, institutionalized planning process—a process open to the public eye, with full and free input from all interested parties, lay and scientific alike—that we have proposed the creation of a President's Council on the Health Sciences. This body would bring together a distinguished group of scientists and laymen for the purpose of setting priorities in the health sciences and outlining a proposed 5-year budget.

If, as is currently the case, the executive branch is supportive of planning in health research, this new body would provide the advantage of continuing, independent advice, and review in the development of the administration's plan. If the administration should lose interest at some future time in the planning process, then the Council would provide Congress the advantage of a continuing source of expert advice concerning the optimal allocation of health science dollars.

We are aware of the novelty of planning for the health research enterprise, and with that in mind, we have limited the mandate of the Council to planning for the health science activities of the Department of Health, Education, and Welfare. That is more than enough to bite off for a first exercise with this novel concept.

We have also made it clear that the proposed priorities and allocations of the Council will be binding on neither the administration nor the Congress. The aim is simply to make certain that, when the time comes for decisions concerning budgeting and priority-setting, the Congress and the administration have the benefit of the best possible scientific advice, tempered by the concern and wisdom of interested laypersons.

It is our hope that the 5-year plans set forth by the Council will help the administration and the Congress to achieve more consistency and predictability in the allocation of health science dollars. It is also our hope that, in its systematic review of the health sciences, the Council will alert the Federal Government to areas of relative underfunding and overfunding and to areas of science that need nurturing to improve the state of the art.

I also would note that this new body will replace the Surgeon General's Advisory Health Council, a group which has existed in law for some time, but has ceased effective function. Thus the number of authorized, statutory advisory groups relating to the Department of Health, Education, and Welfare will remain unchanged.

Let me now move on, Mr. President, to a brief review of the purposes and provisions of title II of the Health Sciences Promotion Act.

This title contains provisions aimed at consolidating the administrative structure at the National Institutes of Health and improving that agency's ability to function efficiently and effectively. Title II also makes certain technical changes in title IV of the Public Health Service Act aimed at making more uniform the statutes of the various NIH institutes.

Mr. President, because this portion of the bill is long, complex, and technical, I will restrict my comments to a few of the title's more important provisions.

To begin with, Mr. President, title II of the Health Sciences Promotion Act creates the National Institutes of Health in law for the first time and provides a distinct mission statement for that organization.

Second, the title contains certain provisions aimed at strengthening the office of the Director of NIH. It has long seemed peculiar to me, Mr. President, that the Director of our Nation's foremost health science research institution has never had any statutory authority, and has never possessed the statutory tools or mandate to coordinate the activities of the 11 NIH institutes and divisions.

We recognize that the independence of the various subdivisions of the NIH is important to maintaining the creativity and pluralism of the science enterprise. At the same time, however, we feel that a few modest measures aimed at strengthening the Director's role could yield important dividends by giving the NIH more structure and coherence, and enabling it to respond more quickly and effectively to unanticipated problems and new health science needs.

A third provision of title II, Mr. President, would require that, in any given year, the NIH spend no less than 45 percent of its entire funds on so-called investigator-initiated research. This is the portion of the research budget which supports the innate creativity of American scientists by encouraging them to come forward with their own, unsolicited proposals for attacking unsolved research problems. Investigator-initiated research also constitutes the great bulk of the basic research done by the institutes. Our main in setting a floor under this portion of our research investment is to make clear that, whatever the immediate demands of politics or policy, the Congress is committed to supporting basic research in the health sciences and recognizes that the work of the individual scientists is the creative force which is the key to progress in our fight against disease.

A fourth provision of title II of the Health Sciences Promotion Act of 1979 concerns the peer review system. Mr. President, the use of peer review in selecting grant proposals for funding is an essential and important feature of our health science institutions. I have no intention of endrosing any proposal which would undermine the current peer review system. Nevertheless, precisely because I value that process so highly, I think it is essential that we remain continually alert to opportunities to improve it. For that reason, the act would require the Director of the NIH to undertake certain experiments with the peer review system for the purpose of perfecting its functioning.

One specific proposal would require that the Director include nonbiomedical scientists on selected peer review groups. This is consistent with recommendations of a panel which recently completed a comprehensive review of the NIH's peer review system. We are also directing that, on an experimental basis, lay members be included in five peer review committees. Our hope is that this latter initiative will shed some light on the continuing controversy concerning whether such lay input would be useful at the level of initial grant review.

In relation to peer review, I would like to make one additional point. It is a matter of intense concern to me and many of my colleagues that the number and size of initial review groups at the NIH has remained almost unchanged over the last several years despite an effective doubling in the workload of those groups. This erosion of the capacity of our peer review system must not be permitted to continue. We have provided the NIH Director with authority to appoint advisory councils, and we have done so with precisely this problem in mind. It is our specific intent that he use this authority to help bolster the peer review system by appointing new groups as the need arises.

A fifth aspect of title II is an attempt to simplify and make more uniform existing statutes authorizing the various Institutes of the NIH, and to create in law those that have no statutory base. The goal here is to simplify title IV of the Public Health Service Act, which has become a jumble of related but inconsistent authorities creating some of the existing Institutes but ignoring several of the important ones. We are not attempting here to make any major changes in the way the Institutes operate. Rather, the proposed provisions would simply express the basic similarities of the various research agencies housed at the NIH, while permitting each to retain its unique features.

In the course of this technical revision, title II also proposes reauthorizations for the years 1981 to 1983 for the National Heart, Lung and Blood Institute, the National Cancer Institute, and several other disease-related programs in the areas of diabetes and arthritis. The proposed reauthorizations for the National Cancer Institute during fiscal years 1981 to 1983 are $1.019 billion, $1.172 billion, and $1.348 billion for the research programs of the Institute, and $113 million, $124 million, and $137 million for the retitled prevention, education, and control program. The proposed reauthorization for the National Heart, Lung and Blood Institute for fiscal years 1981 to 1983 are $592 million, $680 million, and $782 million for the research programs of the Institutes, and $50 million, $55 million, and $60 million for the NHLBI's prevention, education, and control program.

As part of our reauthorization of the National Cancer Institute, we have eliminated the budget bypass authority provided that agency. This amendment is proposed for the purposes of discussion, and we welcome comments on its potential effects on the national cancer program. Clearly, the President's Council for the Health Sciences will have to take into account the budget proposals of the NCI in setting its plans and priorities for a 5-year period. Therefore, maintaining the bypass authority may make more difficult the work of the Council. However, we recognize that an alternative arrangement would be to have the budget of the NCI forwarded both to the Council and to the President. This may have certain advantages during the period during which the Council is developing its capacity to plan and set budget policy. We look forward to hearing the research community's assessment of this and other alternative proposals.

Mr. President, there are a number of other important proposals contained in title II of the Health Sciences Promotion Act, but I will comment on just one more. We have included a provision which would require the Congress to renew periodically the authority of each Institute at the National Institutes of Health. While we have not specified authorizations in dollars, we have included what amounts to a sunset provision for the various Institutes. The rationale for this is simple. It is consistent with the general trend toward requiring Federal institutions to justify themselves to the Congress and the American people on a periodic and regular basis. I find it inconceivable that the Congress would ever fail to renew the mandates of these essential health care facilities. However, I think the requirement for periodic congressional and administrative oversight is healthy and necessary, and is in keeping with the general mood of the country at this time.

Before concluding, Mr. President, I would like to mention very briefly the contents of title III of the Health Sciences Promotion Act. The provisions of the title aim at addressing a situation which, in my opiion, seriously threatens the productivity of our research enterprise. I refer to the proliferation of reporting and paperwork burdens which our health science investigators now face when they receive Federal dollars.

Mr. President, the subcommittee has heard a chorus of complaints in recent days concerning the inefficiencies caused by reporting requirements which are now imposed by Federal agencies. No one disputes that the taxpayer should be assured that his dollar is being appropriately utilized by the beneficiaries of Federal largesse. But at the same time, we must consider whether requirements aimed at assuring the accountability of expenditures are defeating the very purpose of those expenditures. We are told by some investigators that they now spend 25 percent of their time filling out forms and performing the various administrative chores necessary to keep their labs in operation. We hear of investigators spending 5 to 10 percent of their grant funds paying for the preparations necessary to justify their work to site visit teams from Federal research agencies. We see the sadness, anger, and bitterness of many honest, well intentioned health researchers who feel that an atmosphere of distrust and hostility has developed between Federal agencies and researchers as a result of the tightening web of accountability requirements.

I think it is time that we give serious thought to finding ways to reduce the paperwork burdens on our researchers while maintaining adequate accountability. Title III directs the NIH to undertake experiments in this area with specific emphasis on developing better ways to monitor the outputs of research rather than the process through which the research is undertaken. The main point is this: The public is undoubtedly more concerned with knowing that it is getting value for money in supporting research than with knowing that each penny is spent according to some precise, ad hoc plan. Research, after all, is an inherently unpredictable exercise. Flexibility is essential in taking advantage of unanticipated developments. Researchers should ultimately be judged on whether or not they produce an adequate research product. That is the bottom line. Whether it is possible to develop a realistic monitoring system with that orientation remains to be seen. But it certainly seems worth trying on an experimental basis.

Mr. President, this is a brief overview of the provisions of the Health Sciences Promotion Act of 1979. As I said earlier, this is a complex and important piece of legislation, and we welcome comments and suggestions on ways it can be improved. We will be holding hearings on the bill on April 26 and 27, and look forward to responses at that time from the administration and the affected health science community.

For now let me just say that, as we look toward the 1980's, it is essential that we move forward with confidence that our health science institutions are prepared to handle the challenges and opportunities that they face during that decade. It is our hope that the legislation we introduce today will further that goal.

Mr. President, I ask unanimous consent that a summary of the Health Sciences Promotion Act, and the bill be printed in the Record.

There being no objection, the bill and summary were ordered to be printed in the Record, as follows:

S. 988

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Health Science Promotion Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—PRESIDENT'S COUNCIL ON THE HEALTH SCIENCES

PRESIDENT'S COUNCIL FOR THE HEALTH SCIENCES

Sec. 101. (a) Title IV is amended by adding at the end thereof the following new sections:

"ESTABLISHMENT OF PRESIDENT'S COUNCIL FOR THE HEALTH SCIENCES

"SEC. 491. (a) (1) There is established the President's Council for the Health Sciences (hereinafter in this section and sections 492, 493, 494, 495, and 496 referred to as the "Council") which shall be composed of fifteen members appointed by the President. The members of the Council shall be appointed as follows:

"(A) Three of the members shall be appointed from among individuals who are distinguished in the biomedical sciences.

"(B) Three of the members shall be appointed from among individuals who are distinguished in the behavioral sciences.

"(C) Three of the members shall be appointed from among individuals who are distinguished in the social sciences.

"(D) Six of the members shall be individuals appointed from the general public who by virtue of their training, experience, and background are especially qualified to serve on the Council.

"(2) No individual who is a full-time officer or employee of the United States may be appointed as a member of the Council. The Secretary of Health, Education, and Welfare, the Secretary of Defense, the Secretary of Energy, the Secretary of Agriculture, the Director of the Office of Science and Technology Policy, the Administrator of Veterans' Affairs, the Director of the National Science Foundation, the Assistant Secretary for Health of the Department of Health, Education, and Welfare, the Director of the Alcohol, Drug Abuse, and Mental Health Administration, the Director of the National Institutes of Health, and the Administrator of the Health Care Financing Administration (or their designees) shall serve as nonvoting ex officio members of the Council.

"(3) No individual may be appointed to serve as a member of the Council if the individual has served for two complete terms.

"(4) A vacancy in the Council shall be filled in the manner in which the original appointment was made.

"(b) (1) Except as provided in paragraphs (2) and (3), members shall be appointed for terms of four years.

"(2) Of the members first appointed—

"(A) four shall be appointed for terms of three years, and

"(B) three shall be appointed for terms of two years.

as designated by the President at the time of appointment.

"(3) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed within 90 days of the date the vacancy first occurred, and the appointment shall be only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

"(c) The Chairman of the Council shall be appointed by the President, by and with the advice and consent of the Senate, from among the members of the Council appointed pursuant to paragraph (D) of subsection (a).

"(d) (1) Eight members of the Council shall constitute a quorum except that fewer members, as determined by the Chairman, may conduct hearings.

"(2) The Council shall meet at the call of the Chairman or at the call of a majority of the members.

"(e) (1) Each member of the Council shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule (including traveltime) for each day they are engaged in the actual performance of duties vested in the Council.

"(2) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5 of the United States Code.

"DUTIES OF THE COUNCIL

"SEC. 492. (a) The Council shall, after consultation with the Secretary, and the Assistant Secretary of Health, prepare a National Health Sciences Plan (hereinafter referred to in this section as the 'Plan'), to be simultaneously transmitted to the President, the Secretary, and the Congress, no later than November 30 of each year.

"(b) (1) The Plan shall set forth a recommended budget for health sciences research within the Department of Health, Education, and Welfare for the coming fiscal year, and priorities for spending for such research for the subsequent four fiscal years. In formulating such budget and spending priorities, the Council shall—

"(A) take into consideration at least the following:

"(i) the mortality and morbidity rates of the diseases and other health problems on which such research may be conducted;

"(ii) the areas of research that show promise of making valuable contributions to human knowledge with respect to the cause, prevention, or methods of diagnosis and treatment of diseases and other health problems;

"(iii) the past and proposed levels of spending for health sciences research by Federal agencies other than the Department of Health, Education, and Welfare; and

"(iv) the level of public concern for particular diseases and other health problems; and

"(B) specify recommended spending levels for—

"(i) research directly relevant to the primary and secondary prevention of disease and disability;

"(ii) research directly relevant to the treatment and cure of disease and disability;

"(iii) research directly relevant to the rehabilitation of victims of disease and disability; and

"(iv) research within the Department of Health, Education, and Welfare in support of regulatory agencies both within the Department of Health, Education, and Welfare, and within other Federal agencies;

"(2) In addition to the requirements of paragraph (1), the Plan shall specify which areas of health sciences research have been relatively underfunded or underdeveloped and identify measures to promote research in such areas. In at least the first three years in which the Plan is formulated, epidemiology, the behavioral sciences related to health, and the environmental health sciences shall be deemed relatively underfunded or underdeveloped.

"RESPONSE TO PLAN

"SEC. 493. At the time that the President's budget is submitted to the Congress for the coming fiscal year, the Secretary shall simultaneously transmit to the Council and the Congress a response to the Plan, including an explanation of the differences, if any, between the Plan and the President's budget, and disagreements, if any, with the spending priorities as set forth in the Plan for subsequent fiscal years.

"ADMINISTRATIVE PROVISIONS

"SEC. 494. (a) the Council may, for the purpose of carrying out its duties, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council may deem advisable.

"(b) (1) The Council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"(3) Upon request of the Council, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist it in carrying out its duties under this title.

"(4) Any Federal employee subject to the civil service laws, rules, and regulations may be detailed to the Council, and such detail shall be without interuption or loss of civil service status or privilege.

"(c) The Council, to assist it in performing its duties and functions, may enter into contracts with appropritae public or nonprofit private entities. The authority of the Council to enter into such contracts is effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriations Acts.

"(d) (1) The Council may secure directly from any Federal agency information necessary to enable it to carry out its duties. Upon request of the Chairman of the Council, the head of such agency shall furnish such information to the Council.

"(2) (A) The Council shall promptly arrange for such security clearances for its members and staff as are necessary to obtain access to classified information needed to carry out its duties.

"(B) Any classified information obtained under subparagraph (A) may be excluded from public reports.

"(3) The Council shall not disclose any information reported to or otherwise obtained by the Council which is exempt from disclosure under subsection (a) of section 522 of title 5, United States Code, by reason of paragraphs (4) and (6) of subsection (b) of such section.

"(e) The Council is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Council in such amounts as may be agreed upon by the Chairman and the Administrator of General Services.

"(f) The Council may at any time publish and disseminate to the public reports respecting its activities.

"(g) For purposes of this section, the term 'agency' means an executive agency (within the meaning of section 105 of title 5, United States Code) or unit thereof.

"AUTHORIZATION OF APPROPRIATIONS; TERMINATION OF COUNCIL

"SEC. 495. (a) There are authorized to be appropriated to carry out this part, $1,000,000 for the fiscal year ending September 30, 1981, $1,000,000 for the fiscal year ending September 30, 1982, $1,000,000 for the fiscal year ending September 30, 1983, $1,000,000 for the fiscal year ending September 30, 1984, and $1,000,000 for the fiscal year ending September 30, 1985.

"(b) The Council shall terminate on December 31, 1985.

"RESEARCH EVALUATION

"SEC. 496. (a) The Secretary shall undertake or support (through grant or contract) activities approved by the Council, designed to—

"(1) improve the methodology of evaluating the results of health sciences research;

"(2) improve the methodology of allocating resources for health sciences research;

"(3) improve the methodology of measuring the burden of disease;

"(4) evaluate public attitude toward disease, and

"(5) evaluate the research undertaken or supported by the Department of Health, Education, and Welfare.

(b) To support the activities described in subsection (a), the Secretary may expend annually, no more than one-half of the funds made available under section 513 for evaluation of programs authorized by title IV.".

ADVISORY COUNCILS

SEC. 102. (a) Section 217(a) is amended to read as follows: "The National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism shall each consist of the Surgeon General, who shall be chairman, the chief medical officer of the Veterans' Administration or his representative and a medical officer designated by the Secretary of Defense, who shall be ex officio members, and twelve members appointed without regard to the civil service laws by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare. The twelve appointed members of each such council shall be leaders in the fields of fundamental sciences, medical sciences, or public affairs, and six of such twelve shall be selected from among the leading medical or scientific authorities who, in the case of the National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism, are outstanding in the study, diagnosis, or treatment of psychiatric disorders and alcohol abuse and alcoholism, respectively. Each appointed member of each such council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the terms for which his predecessor was appointed shall be appointed for the remainder of such term.".

(b) Strike out subsection (b) of section 217.

(c) Subsections (c), (d), (e), and (g) are redesignated as (b), (c), (d), and (e), respectively.

TITLE II—NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTES OF HEALTH

SEC. 201. (a) The heading of title IV is amended to read as follows:

"TITLE IV—NATIONAL INSTITUTES OF HEALTH".

(b) The heading of part A of title IV is amended to read as follows:

"PART A—ESTABLISHMENT OF NATIONAL INSTITUTES OF HEALTH".

(c) Section 400 is amended to read as follows:

"SEC. 400. (a) There is established in the Public Health Service the National Institutes of Health (hereinafter referred to in this title as the 'Institutes').

"(b) In carrying out the purposes of sections 301 and 307 of this title, the Secretary, acting through the Institutes, shall endeavor to improve the health of the people of the United States through the support of research and development and training in the health sciences concerning—

"(1) the processes underlying human health, disability, disorder, and disease,

"(2) the normal and pathological functioning of the body and its organ systems,

"(3) the interaction between the human organism and the environment,

"(4) improved methods of detecting, diagnosing and treating disease, and

"(5) improved methods for the prevention of disease and the maintenance of good health, to which the highest priority shall be given.

"(c) In order to meet the goals of subsection (b), the Secretary, acting through the Institutes, shall—

"(1) encourage, conduct and support efforts to expand the base of scientific knowledge through research in the health sciences;

"(2) encourage, conduct, and support the development and maintenance of research resources;

"(3) identify research advances which have significant potential for clinical and technological application;

"(4) encourage, conduct, and support research and demonstrations concerning new and existing health care technologies, in a manner consistent with the policies and procedures of the National Center for Health Care Technology;

"(5) facilitate the transfer of new health care technologies into practice in a manner consistent with the policies and procedures of the National Center for Health Care Technology, and in collaboration with other government agencies, educational institutions, and professional and voluntary organizations;

"(6) foster the dissemination and exchange of scientific and technical information in medicine, health, and related fields:

"(7) participate with governmental agencies, educational institutions, private and voluntary organizations, other countries and international organizations in cooperative endeavors in biomedical research, training, resource development, and communications;

"(8) develop and disseminate policy recommendations related to the support of health sciences research and development; and

"(9) cooperate with and assist other Federal Agencies charged with protecting the public health in conducting research, demonstrations, and evaluations.

"DIRECTOR

"SEC. 400A. (a) The Director of the National Institutes of Health shall be appointed by the President by and with the advice and consent of the Senate.

"(b) The Director of the Institutes in carrying out his functions is authorized—

"(1) to obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service), the services of not more than three hundred experts or consultants who have scientific or professional qualifications;

"(2) to acquire, construct, improve, repair, operate, and maintain centers, laboratories, research, and other necessary facilities and equipment, and related accommodations as may be necessary, and such other real or personal property (including patents) as the Director deems necessary; to acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed 10 years;

"(3) to appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions;

"(5) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor:

"(6) to accept voluntary and uncompensated services;

"(7) to accept unconditional gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible;

"(8) to enter into such contracts, leases, cooperative agreements, or other transactions, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5), as may be necessary in the conduct of his functions, with any public agency, or with any person, firm, association, corporation, or educational institution; and

"(9) to insure that all channels for the dissemination and exchange of scientific knowledge and information are maintained between the Institute and the other scientific, medical, and biomedical disciplines and organizations nationally and internationally.

"(c) The Director may expend annually no more than one-half of the funds made available under section 513 for evaluation of programs authorized by title IV to award grants and enter into contracts for—

"(1) research in areas of the health sciences determined to be relatively underfunded or underdeveloped by the President's Council for the Health Sciences;

"(2) research which is distinguished by its innovative or unconventional character; and

"(3) multidisciplinary research concerning more than two diseases.

"(d) The Director shall assure that, in any given year, not less than forty-five percent of all funds expended by the Institutes shall be used to support research by individual investigators who are not full-time employees of the Institutes and whose applications for such grants were unsolicited.

"(e) All grants and contracts funded under this section shall be subject to peer review as provided in section 485.

"(f) The Director shall establish an appeals process for individuals and institutions whose applications for grants under this title have been denied.

"(g) The Director shall establish a program of demonstrations and experimentations with alternative methods for conducting peer review of applications for research grants. Such program shall provide for, as a minimum—

"(1) the inclusion in selected peer review groups of social scientists and other individuals whose expertise is not in the biomedical sciences, and

"(2) the inclusion of lay persons on at least five peer review study groups.

"DEFINITIONS

"SEC. 400B. For purposes of this title, the term—

"(1) 'primary prevention' means the prevention of the development of a disease in healthy individuals, and

"(2) 'secondary prevention' means the early detection, referral for diagnosis and treatment of disease in asymptomatic individuals.".

REDESIGNATION

SEC. 202. (a) Title IV is amended by redesignating parts B, C, D, E, F, G, and H as parts C, D, E, F, G, H, and I, respectively.

(b) Title IV is amended—

(1) by redesignating part I as part M,

(2) by redesignating sections 472, 473, 474, 475, 477, 478 and 479 as sections 482, 483, 484, 485, 486, 487, 488, and 489, respectively, and

(3) by striking section 471.

NATIONAL CANCER INSTITUTE

SEC. 203. (a) Title IV is amended by adding the following heading before "Sec. 401.":

"PART B—NATIONAL CANCER INSTITUTE

(b) Section 401 is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c);

(2) by adding the following after "Sec. 401.":

"(a) There is established in the National Institutes of Health the National Cancer Institute (hereinafter in this part referred to as the 'Institute').";

(3) by striking "(b)" in subsection (b) (as redesignated by paragraph (1)) and substituting "(c)"; and

(4) by striking "(a)" in subsection (c) (as

redesignated by paragraph (1)) and substituting "(b)".

(c) The heading to section 403 is amended to read as follows:

"CANCER PREVENTION, EDUCATION, AND CONTROL PROGRAMS".

(d) Section 403 is amended—

(1) by amending paragraph (2) to read as follows:

"(2) the demonstration of, evaluation of, and testing of, and the education of health professionals in—

"(A) effective methods for the primary prevention of cancer;

"(B) effective methods for the secondary prevention of cancer, including the early detection of cancer and the identification of individuals wtih a high risk of developing cancer; and

"(C) improved methods of patient referral to appropriate centers for early diagnosis and treatment of cancer; and"; and

(2) by striking "the early detection" in paragraph (3) and substituting "the prevention, especially the primary and secondary prevention, and the treatment of cancer".

(e) Section 404 (a) is amended—

(1) by striking paragraph (8);

(2) by adding "and" at the end of paragraph (7); and

(3) by renumbering paragraph (9) as paragraph (8).

(f) Subsection (b) of section 405 is amended by striking "$35,000" each place it appears and substituting "$50,000".

(g) Section 407 (a) is amended—

(1) by striking "President" in paragraph (1) (B) and substituting "Secretary";

(2) by amending paragraph (2) (A) to read as follows:

"(2) (A) Appointed members shall be appointed for four-year terms.";

(3) by adding at the end of paragraph (2) (B) the following: "The Secretary shall, within 90 days of the expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.";

(4) by striking "President" in paragraph (3) and substituting "Secretary";

(5) by striking paragraph (7) and renumbering paragraphs (8) and (9) as (7) and (8), respectively; and

(6) by inserting "and shall conduct a formal orientation program and training sessions for new members of the Board in order to provide such new members with the necessary information and training for effective participation on the Board" before the period at the end of paragraph (8) (as renumbered by this Act).

(h) Paragraph (1) of section 408(a) is amended by adding at the end thereof the following: "At least one of the members of the Panel shall be a member of the National Cancer Advisory Board.".

(i) Section 410(a) is amended—

(1) by striking "and" after "1979;" and

(2) by adding before the period at the end thereof the following: "; $1,019,700,000 for the fiscal year ending September 30, 1981; $1,172,655,000 for the fiscal year ending September 30, 1982; and $1,348,555,800 for the fiscal year ending September 30, 1983".

(j) section 410(b) is amended—

(1) by striking "and" after "1979;" and

(2) by adding before the period at the end thereof the following: "; $113,300,000 for the fiscal year ending September 30, 1981; $124,630,000 for the fiscal year ending September 30, 1982; and $137,093,000 for the fiscal year ending September 30, 1983".

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

SEC. 204. (a) Section 411 is amended by—

(1) striking "hereby"; and

(2) striking "Public Health Service" and substituting "National Institutes of Health".

(b) Paragraph (1) of section 412 is amended by striking "researches" and substituting "research".

(c) Section 413(d) is amended by inserting before the period ", including appropriate emphasis on these lifestyle factors as they affect the present and future health of children".

(d) Section 414(b) is amended—

(1) by striking "and" after "1979,", and

(2) by inserting before the period the following: ", $50,000,000 for the fiscal year ending September 30, 1981, $55,000,000 for the fiscal year ending September 30, 1982, and $60,000,000 for the fiscal year ending September 30, 1983".

(e) Section 417 (a) is amended—

(1) by striking "two" after "diseases of the heart, blood vessels, lungs, and blood;" and substituting "one", and

(2) by striking "five" after "lung or blood diseases; and" and substituting "six".

(f) Section 417 (b) is amended—

(1) by adding at the end of paragraph (1) the following: "The Secretary shall, within 90 days of an expired term or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.";

(2) by striking paragraph (3); and

(3) by redesigating paragraph (4) as paragraph (3).

(g) Section 417 (c) is amended to read as follows:

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.".

(h) Section 417 (d) is amended—

(1) by striking "and" after "Secretary of the Council,", and

(2) by inserting before the period the following: ", and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council".

(i) Section 418 (b) is amended—

(1) striking "hereby"; and

(2) by striking paragraph (2).

(j) Section 419A (c) is amended by striking "$35,000" each place it appears and substituting "$50,000".

(k) Section 419B is amended—

(1) by striking "and" after "1979,", and

(2) by inserting before the period the following: "$592,000,000 for the fiscal year ending September 30, 1981, $680,800,000 for the fiscal year ending September 30, 1982, and $782,000,000 for the fiscal year ending September 30, 1983".

NATIONAL INSTITUTE OF DENTAL RESEARCH

SEC. 205. (a) Section 421 is amended by—

(1) striking "hereby"; and

(2) striking "Public Health Service" and substituting "National Institutes of Health".

(b) (1) Sections 422 and 424 are amended by striking "Surgeon General" each place it appears and substituting "Secretary".

(2) Section 423 (a) is amended to read as follows—

"In carrying out the provisions of section 422, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.".

(3) Section 423 (b) is amended by striking out "Surgeon General" and substituting "Director of the Institute".

(c) Section 422 is amended—

(1) by striking "National Advisory Dental Research Council (hereinafter in this part referred to as the 'Council') and substituting "National Dental Research Advisory Council", and

(2) by striking "researches" each place it appears and substiuting "research".

(d) Section 423 is amended by adding at the end thereof the following new subsections:

"(c) (1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Dental Research Advisory Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of dental disease,

"(ii) secondary prevention of dental disease, and

"(iii) treatment and cure of dental disease.

"(2) The Director of the Institute shall also provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research and training in dental diseases after appropriate review for scientific merit. If the direct costs of a grant for such research and training will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Dental Research Advisory Council.".

(e) Part D of title IV, as redesignated in this Act, is amended by adding after section 423 the following:

"NATIONAL DENTAL RESEARCH ADVISORY COUNCIL

"SEC. 423A. (a) There is established in the Institute a National Dental Research Advisory Council (hereinafter in this part referred to as the 'Council') to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to dental diseases, and six of the appointed members shall be selected from the general public.

"(b) (1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not

officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 425. The Institute and the Council shall cease to exist on September 30, 1983.".

NATIONAL INSTITUTE ON ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

SEC. 206. (a) Strike sections 431, 432, and 433.

(b) Section 434 is amended to read as follows:

"SEC. 434. There is established in the National Institutes of Health a National Institute of Arthritis, Metabolism, and Digestive Diseases (hereinafter in this part referred to as the 'Institute').".

(c) Part E of title IV, as redesignated by this Act, is amended by inserting the following after section 434:

"ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES RESEARCH AND TRAINING

"SEC. 434A. In carrying out the purposes of section 301 with respect to arthritis, metabolism, and digestive diseases, the Secretary, through the Institute and its associate directors for Arthritis and Related Musculoskeletal Diseases; Diabetes; and Digestive Diseases, and in cooperation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council (hereinafter referred to in this part as the 'Council') shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases.

"ADMINISTRATION

"SEC. 434B. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into the cause, prevention or methods of diagnosis or treatment of arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases, or for the acquisition of grounds or equipment, or for the construction, or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c)(1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309 (h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of funds appropriated for the Institute which support research concerning—

"(i) primary prevention of disease,

"(ii) secondary prevention of disease, and

"(iii) treatment and cure of disease.

"(2) The Director of the Institute shall provide a plan to the President's Council on the Health Sciences for the activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this act for research and training in arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases after appropriate review for scientific merit. If the direct costs of a grant for such research and training will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.".

"(e) The director of the Institute, acting through the Associate Director for Digestive Diseases, shall (1) carry out, at the facilities of the Institute, a program of research in the diagnosis, prevention, and treatment of digestive diseases; and (2) carry out programs of support for research and training (other than research training for which National Research Service Awards may be made under sections 482) in the diagnosis, prevention, and treatment of digestive diseases, including support for training in medical schools, graduate clinical training, epidemiology studies, clinical trials, and interdisciplinary research programs.

"(f) The Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, working through the Associate Director for Diabetes (if that position is established), shall (1) carry out programs of support for research and training in the diagnosis, prevention, and treatment of diabetes mellitus and related endocrine and metabolic diseases, and (2) establish programs of evaluation, planning and dissemination of knowledge related to research and training in diabetes mellitus and related endocrine and metabolic diseases.

"(g) There is established within the Institute the position of Associate Director for Arthritis and Related Musculoskeletal Disease (hereinafter in this part referred to as the 'Associate Director'), who shall report directly to the Director of such Institute and who, under the supervision of the Director of such Institute, shall be responsible for programs regarding arthritis within such Institute.

"(h) The Director of the Institute shall, as soon as practicable, but not later than sixty days, after the end of each fiscal year, prepare, in consultation with the National Advisory Council, and submit to the President and to the Congress a report. Such report shall include (1) a proposal for the Institute's activities under the Arthritis Plan formulated under the National Arthritis Act of 1974 and activities under other provisions of law during the next five years, with an estimate for such additional staff positions and appropriations as may be required to pursue such activities, and (2) a program evaluation section, wherein the activities and accomplishments of the Institute during the preceding fiscal year shall be measured against the Director's proposal for that year for activities under the Arthritis Plan.

"NATIONAL ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES ADVISORY COUNCIL

"SEC. 434C. (a) There is established in the Institute a National Arthritis, Metabolism, and Digestive Diseases Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to arthritis, metabolism and digestive diseases, and six of the appointed members shall be selected from the general public.

"(b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"SEC. 434D. (a) The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council, relating to the study of the cause, prevention, and methods of diagnosis and treatment of arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to the cause, prevention, or methods of diagnosis and treatment of arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases, by correspondence or by personal investigation of such studies, and with the approval of the Secretary, make available such information through appropriate publications for the benefit of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) (A) review applications from any public or other nonprofit institution for grants-in-aid for training, instruction, and traineeships relating to the diagnosis, prevention, and treatment of arthritis, digestive diseases, diabetes mellitus and related endocrine and metabolic diseases, and

"(B) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"(b) There is established within the Council a committee to advise the Director of the Institute respecting the activities of the Institute concerning digestive diseases. The committee shall be composed of those members of the Council who are outstanding in the diagnosis, prevention, and treatment of digestive diseases. The committee shall review applications made to the Director for grants for research projects relating to the diagnosis, prevention and treatment of digestive diseases and shall recommend approval to the Director of those applications and contracts that the committee determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 434E. The Institute and the Council shall cease to exist on September 30, 1983.".

(d) (1) Section 435 (c) is amended—

(A) by striking "and" after "1979"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

(2) Section 436A(k) is amended—

(A) by striking "and" after "1979,"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

(3) Section 436A(l) is amended by striking "1980" and substituting "1983".

(4) Paragraph (2) of section 438(d) is amended—

(A) by striking "and" after "1979,"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

(5) Paragraph (3) of section 438(d) is amended—

(A) by striking "and" after "1979,"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

(6) Section 439(g) is amended—

(A) by striking "and" after "1979,"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

(7) Section 440(k) is amended—

(A) by striking "and" after "1979,"; and

(B) by inserting before the period the following: "and for each of the next three fiscal years".

NATIONAL INSTITUTES OF CHILD HEALTH AND HUMAN DEVELOPMENT AND GENERAL MEDICAL SCIENCES

SEC. 207. (a) Part F (as redesignated by this Act) is amended to read as follows:

"PART F—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT/NATIONAL INSTITUTE FOR THE GENERAL MEDICAL SCIENCES

"SUBPART I—NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

"ESTABLISHMENT OF NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

"SEC. 441. There is established in the National Institutes of Health the National Institute of Child Health and Human Development (hereinafter in this subpart referred to as the 'Institute').

"RESEARCH ON CHILD HEALTH AND HUMAN DEVELOPMENT

"SEC. 442. In carrying out the purposes of section 301, with respect to child health and human development, the Secretary, through the Institute and in cooperation with the Child Health and Human Development Advisory Council (hereinafter in this subpart referred to as the 'Council'), shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to maternal health, child health, and human development, including the special health problems and requirements of mothers and children, and in the basic sciences relating to the process of human growth and development, including prenatal development;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in child health and human development.

"ADMINISTRATION

"SEC. 443. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into child health and human development, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c) (1) The director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of diseases and disorders affecting mothers and children,

"(ii) secondary prevention of diseases and disorders affecting mothers and children, and

(iii) treatment and cure of diseases and disorders affecting mothers and children.

"(2) The Director of the Institute shall provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research in child health and human development after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.

"NATIONAL CHILD HEALTH AND HUMAN DEVELOPMENT ADVISORY COUNCIL

"SEC. 444. (a) There is established in the Institute a National Child Health and Human Development Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to maternal health, child health, and human development, and six of the appointed members shall be selected from the general public.

"(b) (1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"Sec. 445. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by it relating to the study of maternal health, child health, and human development, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to maternal health, child health, and human development, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefits of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to maternal health, child health, and human development, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"SUDDEN INFANT DEATH SYNDROME

"Sec. 446. The Secretary shall carry out through the National Institute of Child Health and Human Development the purpose of section 301 with respect to the conduct and support of research which specifically relates to sudden infant death syndrome.

"EXPIRATION OF INSTITUTE AND COUNCIL

"Sec. 446A. The Institute and the Council shall cease to exist on September 30, 1983.

"Subpart II—National Institute of General Medical Sciences

"NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

"Sec. 447. There is established in the National Institutes of Health a National Institute of General Medical Sciences (hereinafter in this subpart referred to as the 'Institute').".

"RESEARCH IN THE GENERAL MEDICAL SCIENCES

"Sec. 448. In carrying out the purposes of section 301 with respect to general medical sciences the Secretary, through the Institute, and in cooperation with the General Medical Sciences Advisory Council (hereinafter in this subpart referred to as the 'Council'), shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to the general or basic medical sciences and related natural or behavioral sciences, which have significance for two or more other institutes within the National Institutes of Health, or are outside the general area of responsibility of any other institute within the National Institutes of Health;

"(b) promote the coordination of research conducted by the Institute and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in the general medical sciences.

"ADMINISTRATION

"Sec. 449. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into the general medical sciences, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c)(1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and an assessment of the relative portion of the funds of the Institute which are committed, respectively, to research concerning—

"(i) primary prevention of disease,

"(ii) secondary prevention of disease, and

"(iii) treatment and cure of disease.

"(2) The Director of the Institue shall provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research in general medical sciences after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.".

"NATIONAL GENERAL MEDICAL SCIENCES ADVISORY COUNCIL

"Sec. 449A. (a) There is established in the Institute a National General Medical Sciences Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are in the general medical sciences, and six of the appointed members shall be selected from the general public.

"b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime, and all members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"Sec. 449B. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council relating to the study of the general medical sciences, and certify its approval to the Secretary of any such projects that it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to the general medical sciences, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefit of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to the general medical sciences, and certify to the Secretary, its approval of such projects which show promise of making valuable contributions to human knowledge with respect to the general medical sciences;

"(4) recommend to the Secretary acceptance of conditional gifts pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary its approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 449C. The Institute and the Council shall cease to exist on September 30, 1983.

"PRESERVATION OF EXISTING AUTHORITY

"SEC. 449D. Nothing in this part shall be construed as affecting the authority of the Secretary under section 2 of the Act of April 9, 1912 (42 U.S.C. 192), or title V of the Social Security Act (42 U.S.C., ch. 7, subch. V), or as affecting the authority of the Surgeon General to utilize institutes established under other provisions of this Act for research or training activities relating to maternal health, child health, and human development or to the general medical sciences and related sciences.".

NATIONAL EYE INSTITUTE

SEC. 208. Part G of title IV, as redesignated by this Act, is amended to read as follows:

"PART G—NATIONAL EYE INSTITUTE

"ESTABLISHMENT OF NATIONAL EYE INSTITUTE

"SEC. 451. There is established in the National Institutes of Health the National Eye Institute (hereinafter in this part referred to as the 'Institute').

"EYE RESEARCH

"SEC. 452. In carrying out the purposes of section 301, with respect to blinding eye diseases and visual disorders, the Secretary, through the Institute and in cooperation with the National Eye Advisory Council (hereinafter in this part referred to as the 'Council'), shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to blinding eye diseases and visual disorders, including the special health problems and requirements of the blind, and in the basic and clinical sciences relating to the mechanism of the visual function and preservation of sight;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in blinding eye diseases and visual disorders.

"ADMINISTRATION

"SEC. 453. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into blinding eye diseases and visual disorders, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c) (1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and an assessment of the relative portion of the funds of the Institute which are committed, respectively, to research concerning—

"(i) primary prevention of eye disease,

"(ii) secondary prevention of eye disease, and

"(iii) treatment and cure of eye disease.

"(2) The Director of the Institute shall provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research in blinding eye diseases and visual disorders after appropriate review for scientific merit. If the direct costs of a grant for research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.".

"NATIONAL EYE ADVISORY COUNCIL

"SEC. 454. (a) There is established in the Institute a National Eye Advisory Council (hereinafter referred to as the 'Council') to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to blinding eye diseases and visual disorders, including the special health problems and requirements of the blind, and in the basic and clinical sciences relating to the mechanism of the visual function and preservation of sight, and six of the appointed members shall be selected from the general public.

"(b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"SEC. 454A. The Council is authorized to—

"(1) review research projects and programs submitted to, or intiated by, such Council, relating to the study of blinding eye diseases and visual disorders, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to the blinding eye diseases and visual disorders, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefits of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to blinding eye diseases and visual disorders, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 454B. The Institute and the Council shall cease to exist on September 30, 1983.".

NATIONAL INSTITUTE ON AGING

SEC. 209. Part I of title IV, as redesignated by this Act, is amended to read as follows:

"PART I—NATIONAL INSTITUTE ON AGING

"ESTABLISHMENT OF NATIONAL INSTITUTE ON AGING

"SEC. 461. There is established in the National Institutes of Health the National Institute on Aging (hereinafter in this part referred to as the 'Institute').

"RESEARCH ON AGING

"SEC. 462. In carrying out the purposes of section 301, with respect to aging, the Secretary, through the Institute and in cooperation with the National Aging Advisory Council (hereinafter in this part referred to as the 'Council') shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to the aging process, and the diseases and other special problems and needs of the aged;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in aging and research on aging.

"ADMINISTRATION

"SEC. 463. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into aging, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or eouipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c) (1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to Congress. Such report shall account the activities, accomplishments, and progress of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309 (h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of diseases and other health problems associated with aging,

"(ii) secondary prevention of diseases and other health problems associated with aging, and

"(iii) treatment and cure of diseases and other health problems associated with aging.

(2) The Director of the Institute shall provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research on aging, after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.

"NATIONAL AGING ADVISORY COUNCIL

"SEC. 464. (a) There is established in the Institute a National Aging Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to the aging process and the diseases and other special problems and the needs of the aged, and six of the appointed members shall be selected from the general public.

"(b) (1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"SEC. 465. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council, relating to the study of aging, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to aging, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefits of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to aging, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 466. The Institute and the Council shall cease to exist on September 30, 1983.".

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES/NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES/NATIONAL INSTITUTE OF NEUROLOGICAL, COMMUNICATIVE DISORDERS, AND STROKE

SEC. 210. Title IV is amended by adding the following new parts immediately after part I (as redesignated by this Act):

"PART J—NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

"ESTABLISHMENT OF INSTITUTE

"SEC. 471. There is established in the National Institutes of Health a National Institute of Allergy and Infectious Diseases (hereinafter referred to in this part as the 'Institute').

"ALLERGY AND INFECTIOUS DISEASES RESEARCH

"SEC. 472. In carrying out the purposes of section 301 with respect to allergy and infectious diseases, the Secretary, through the Institute, and in cooperation with the National Allergy and Infectious Diseases Advisory Council (hereinafter referred to in this part as the 'Council') shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to allergy and infectious diseases;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in allergy and infectious diseases.

"ADMINISTRATION

"SEC. 473. (a) In carrying out the provisions of this part, appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into allergy and infectious diseases, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c) (1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of allergy and infectious diseases,

"(ii) secondary prevention of allergy and infectious diseases, and

"(iii) treatment and cure of allergy and infectious diseases.

"(2) The Director of the Institute shall also provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research in dental diseases after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Advisory Council.

"NATIONAL ALLERGY AND INFECTIOUS DISEASES ADVISORY COUNCIL

"SEC. 474. (a) There is established in the Institute a National Allergy and Infectious Diseases Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to allergy and infectious diseases, and six of the appointed members shall be selected from the general public.

"(b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime. All Members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the government service employed intermittently.

"(c) the Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"SEC. 475. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council relating to the study of allergy and infectious diseases, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to allergy and infectious diseases, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefit of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to allergy and infectious diseases, and certify to the Secretary its approval of such projects that show promise of making valuable contributions to human knowledge with respect to the cause, prevention, or methods of diagnosis or treatment of allergy and infectious diseases;

"(4) recommend to the Secretary acceptance of conditional gifts pursuant to section 501, for carrying out the purposes of this part:

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 475A. The Institute and the Council shall cease to exist on September 30, 1983.

"PART K—NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

"ESTABLISHMENT OF INSTITUTE

"SEC. 476. There is established in the National Institutes of Health a National Institute of Environmental Health Sciences (hereinafter referred to in this part as the 'Institute').

"ENVIRONMENTAL HEALTH SCIENCES RESEARCH

"SEC. 477. In carrying out the purposes of section 301, with respect to environmental health sciences, the Secretary, through the Institute and in cooperation with the National Environmental Health Sciences Advisory Council (hereinafter in this part referred to as the 'Council') shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to the environmental health sciences;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in the environmental health sciences.

"ADMINISTRATION

"SEC. 478. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into the environmental health sciences, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c)(1) The Director of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30 of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309(h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of diseases linked to environmental factors,

"(ii) secondary prevention of diseases linked to environmental factors, and

"(iii) treatment and cure of diseases linked to environmental factors.

"(2) The Director of the Institute shall also provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research in environmental health sciences after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.

"NATIONAL ENVIRONMENTAL HEALTH SCIENCES ADVISORY COUNCIL

"SEC. 479. (a) There is established in the Institute a National Environmental Health Sciences Advisory Council (hereinafter referred to as the 'Council') to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the environmental health sciences, and six of the appointed members shall be selected from the general public.

"(b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

SEC. 479A. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council, relating to the study of environmental health sciences, and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to the environmental health sciences, by correspondence or by personal investigation of such studies, and with the approval of the Secretary, make available such information through appropriate publications for the benefit of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to the environmental health sciences, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"Sec. 479B. The Institute and the Council shall cease to exist on September 30, 1983.

"PART L—NATIONAL INSTITUTE OF NEUROLOGICAL, COMMUNICATIVE DISORDERS, AND STROKE.

"ESTABLISHMENT OF NATIONAL INSTITUTE OF NEUROLOGICAL, COMMUNICATIVE DISORDERS, AND STROKE

"SEC. 481. There is established in the National Institute of Neurological, Communicative Disorders, and Stroke (hereinafter in this part referred to as the 'Institute').

RESEARCH ON NEUROLOGICAL, COMMUNICATIVE DISORDERS, AND STROKE 102

"SEC. 481A. In carrying out the purposes of section 301, with respect to neurological communicative disorders and stroke, the Secretary, through the Institute and in cooperation with the Neurological, Communicative Disorders, and Stroke Advisory Council (hereinafter in this part referred to as the 'Council'), shall—

"(a) conduct, assist, and foster research, investigations, experiments, and studies relating to neurological, communicative disorders, and stroke, including the special health problems and requirements of victims of neurological, communicative disorders, and stroke, and relating to the basic and clinical sciences regarding neurological, communicative disorders, and stroke;

"(b) promote the coordination of research conducted by the Institute, and similar research conducted by other agencies, organizations, and individuals; and

"(c) secure for the Institute consultation services and advice of persons from the United States or abroad who are experts in neurological, communicative disorders, and stroke.

"ADMINISTRATION

"SEC. 481B. (a) In carrying out the provisions of this part, all appropriate provisions of section 301 shall be applicable to the authority of the Secretary.

"(b) The Director of the Institute shall recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, for study, investigation, or research into neurological, communicative disorders, and stroke, or for the acquisition of grounds or equipment, or for the construction or maintenance of premises, buildings, or equipment of the Institute. Donations of $50,000 or more to carry out the purposes of this part may be acknowledged by the establishment within the Institute of suitable memorials to the donors.

"(c)(1) The Directors of the Institute shall, as soon as practicable after the end of each fiscal year, prepare a report in consultation with the Council, and submit such report to the Secretary, for simultaneous transmittal not later than November 30, of each year to the President and to the Congress. Such report shall account the activities, progress, and accomplishments of the Institute during the preceding fiscal year, and shall include a listing of—

"(A) all health care technologies (as defined in section 309 (h)) under development through activities supported or undertaken by the Institute which, in the view of the Director and the Council, are ready for incorporation into medical practice, and

"(B) all activities of the Institute supported or undertaken by the Institute relevant to the prevention of disease, and a statement of the proportion of the funds appropriated for the Institute which support research concerning—

"(i) primary prevention of neurological, communicative disorders, and stroke,

"(ii) secondary prevention of neurological communicative disorders, and stroke, and

"(iii) treatment and cure of neurological, and communicative disorders, and stroke.

The Director of the Institute shall also provide a plan to the President's Council on the Health Sciences for the proposed activities of the Institute for the next five years.

"(d) Under procedures approved by the Director of the National Institutes of Health, the Director of the Institute may approve grants under this Act for research on neurological, communicative disorders, and stroke after appropriate review for scientific merit. If the direct costs of a grant for such research will exceed $50,000, the Director may approve such grant only after appropriate review for scientific merit and recommendation for approval by the Council.

"NATIONAL NEUROLOGICAL, COMMUNICATIVE DISORDERS, AND STROKE ADVISORY COUNCIL

"SEC. 481C. (a) These is established in the Institute a National Child Health and Human Development Advisory Council to be composed of twenty members as follows:

"(1) The Secretary and the Director of the National Institutes of Health (or their designees) shall be ex officio members of the Council.

"(2) Eighteen members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities who are skilled in the sciences relating to neurological, communicative disorders, and stroke, including the special health problems and requirements of victims of neurological, communicative disorders, and stroke, and the basic and clinical sciences relating to the neurological, communicative disorders, and stroke, and six of the appointed members shall be selected from the general public.

"(b)(1) Each appointed member of the Council shall be appointed for a term of four years, except that—

"(A) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

"(B) of the members first appointed after the effective date of this section, five shall be appointed for a term of four years, five shall be appointed for a term of three years, five shall be appointed for a term of two years, and three shall be appointed for a term of one year, as designated by the Secretary at the time of appointment.

Appointed members may serve after the expiration of their terms until their successors have taken office. The Secretary shall, within 90 days of an expired term, or a vacancy occurring for any other reason, appoint a successor to fill such vacancy.

"(2) A vacancy in the Council shall not affect its activities, and twelve members of the Council shall constitute a quorum.

"(3) Members of the Council who are not officers or employees of the United States shall receive, for each day they are engaged in the performance of the functions of the Council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule, including traveltime. All members, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) The Secretary shall designate one of the appointed members to serve as Chairman for a term of two years.

"(d) The Director of the Institute shall—

"(1) designate a member of the staff of the Institute to act as Executive Secretary of the Council,

"(2) make available to the Council such staff assistance, information, and other assistance as it may require to carry out its functions, and

"(3) conduct a formal orientation program and training sessions for new members of the Council in order to provide such new members with the necessary information and training for effective participation on the Council.

"(e) The Council shall meet at the call of the Chairman, but not less often than four times a year.

"FUNCTIONS OF THE COUNCIL

"SEC. 481D. The Council is authorized to—

"(1) review research projects and programs submitted to, or initiated by, such Council, relating to the study of neurological, communicative disorders, and stroke and certify its approval to the Secretary of any such projects which it believes show promise of making valuable contributions to human knowledge with respect to such areas of study;

"(2) collect information as to studies which are being conducted in the United States or any other country with regard to neurological, communicative disorders, and stroke, by correspondence or by personal investigation of such studies, and, with the approval of the Secretary, make available such information through appropriate publications for the benefits of health agencies and organizations (public or private), physicians, dentists, or any other scientists, and for the general public;

"(3) review applications for grants-in-aid for research projects relating to neurological, communicative disorders, and stroke, and certify to the Secretary, its approval of such projects that show promise of making valuable contributions to human knowledge with respect to such areas of research;

"(4) recommend to the Secretary acceptance of conditional gifts, pursuant to section 501, to carry out the purposes of this part;

"(5) make recommendations to the Secretary with respect to carrying out the provisions of this part; and

"(6) certify to the Secretary the Council's approval of such applications for grants-in-aid as it determines will best carry out the purposes of this part.

"EXPIRATION OF INSTITUTE AND COUNCIL

"SEC. 481E. The Institute and the Council shall cease to exist on September 30, 1983."

TITLE III—PAPERWORK

REDUCTION OF PAPERWORK

SEC. 301. (a) In order to increase the productivity of research undertaken and supported by the Department of Health, Education, and Welfare, while at the same time maintaining adequate accountability for the funds expended for such research, the Director of the Institutes shall conduct experimental programs to reduce paperwork associated with the application for, and administration of, research grants. Such experimental program may include—

(1) the elimination or modification of effort reporting by investigators for selected grants and the utilization of alternative indicators of work performance, including—

(A) periodic peer review to determine the extent to which research projects have achieved their intended purpose;

(B) audit of individual grants, on a random basis, to assure that grant funds were expended appropriately;

(2) the delegation, to non-profit and public entities engaged in health sciences research of authority to approve—

(A) the carrying over of not more than fifteen percent of the grant award for a given year to the next year of the grant;

(B) the transfer of not more than ten percent of grant funds from one grant to another grant, but only if—

(i) the principal investigators on both grants are the same;

(ii) the purposes of the grants are closely related; and

(iii) the transfer does not alter the purpose of any individual grant of impair successful completion of research work undertaken through any grant; and

(3) the development of alternative methods to document compliance with any requirements for cost sharing;

(4) the elimination of any obligation of recipients of grant funds to account for nonexpended equipment when the original cost of the equipment was less than $1,000; and

(5) the elimination of all reporting requirements, other than a final report, for individual investigators for grants the applications for which were unsolicited.

(b) The aggregate total of all the awards for grants under subsection (a)(5) shall in any year be no more than one-half of one percent of all funds expended by the Institutes. In order to assure adequate accountability for the funds expended to support such grants, the requirements of subparagraphs (A) and (B) of subsection (a)(1) shall apply to such grants.

BILL SUMMARY, S. 988, HEALTH SCIENCE PROMOTION ACT OF 1979

The bill will amend Title IV of the Public Health Service Act to establish a President's Council for the Health Sciences. The Council will be composed of 15 members appointed by the President. Its composition will be as follows:

Three members distinguished in the biomedical sciences;

Three members distinguished in the behavioral sciences;

Three members distinguished in the social sciences; and

Six members from the general public qualified to serve on the Council.

The following Federal agency administrators or their designees will serve as nonvoting, ex-offico members of the Council:

The Secretary of Health, Education, and Welfare;

The Assistant Secretary for Health of the Department of Health Education and Welfare;

The Secretary of Defense;

The Secretary of Energy;

The Secretary of Agriculture;

The Director, Office of Science and Technology Policy;

The Administrator of Veterans' Affairs;

The Director of the National Science Foundation;

The Director of the Alcohol, Drug Abuse, and Mental Health Administration;

The Director of the National Institutes of Health; and

The Administrator of the Health Care Financing Administration.

Ater consultation with the Secretary and the Assistant Secretary of Health, the Council will prepare a National Health Sciences Plan to be simultaneously transmitted to the President, the Secretary, and the Congress no later than November 30 of each year. The Plan will set forth a recommended budget for health sciences research within the Department of Health, Education, and Welfare for the coming fiscal year along with priorities for spending for such research in the subsequent four fiscal years. The plan will take into account the following:

The mortality and morbidity rates of the diseases and other health problems on which research may be conducted;

The areas of research that show promise of making valuable contributions to human knowledge with respect to cause, prevention, or methods of diagnosis and treatment of disease and other health problems;

The past and proposed levels of spending for biomedical and behavioral research by Federal agencies other than the Department of Health, Education, and Welfare; and

The level of public concern for particular diseases and other health problems.

Recommended spending levels will be specified for:

Research directly relevant to the primary and secondary prevention of disease;

Research directly relevant to the treatment and cure of disease;

Research directly relevant to the rehabilitation of victims of disease; and

Research within the Department of Health, Education, and Welfare in support of regulatory agencies both within the Department of Health, Education, and Welfare, and within other Federal agencies.

In addition to the above, the Plan will specify which areas of health sciences research have been underfunded and underdeveloped and identify measures to promote research in such areas. During the first three years in which the Plan is being formulated, epidemiology, the behavioral sciences related to health, and the environmental health sciences will be considered to be underfunded and underdeveloped.

There are authorized to be appropriated for the Council: $1,000,000 for the fiscal years ending September 30, 1981, 1982, 1983, 1984, and 1985.

The council will be terminated on December 31, 1985.

The Secretary will undertake or support activities approved by the Council to:

Improve the methodology of evaluating the results of health sciences research;

Improve the methodology of allocating resources for health sciences research;

Improve the methodology of measuring the burden of disease;

Evaluate public attitude toward disease; and

Evaluate the research undertaken by the Department of Health, Education, and Welfare.

Title IV of the Public Health Service Act is further amended with respect to the missions of the National Institutes of Health. The Secretary, acting through the Institutes, will endeavor to improve the health of the people of the United States through support of research and development in the health sciences concerning:

The processes underlying human health, disability, disorder, and disease;

The normal and pathological functioning of the body and its organ systems;

The interaction between the human organism and the environment;

Improved methods of detecting, diagnosing, and treating disease; and

Improved methods for the prevention of disease and the maintenance of good health, to which the highest priority will be given.

In order to meet these goals the Secretary, acting through the Institutes, will:

Encourage, conduct and support efforts to expand the base of scientific knowledge through research in the health sciences;

Encourage, conduct and support the development and maintenance of research resources;

Identify research advances which have significant potential for clinical and technological application;

Encourage, conduct and support research and demonstrations concerning new and existing health care technologies, in a manner consistent with the policies and procedures of the National Center for Health Technology;

Facilitate the transfer of new health care technologies into practice in a manner consistent with the policies and procedures of the National Center for Health Care Technology, and in collaboration with other government agencies, educational institutions, and professional and voluntary organizations;

Foster the dissemination and exchange of scientific and technical information in medicine, health and related fields;

Participate with governmental agencies, educational institutions, private and voluntary organizations, other countries and international organizations in cooperative endeavors in biomedical research, training, resource development and communications;

Develop and disseminate policy recommendations related to the conduct and support of health sciences research and development; and

Cooperate with and assist other Federal agencies charged with protecting the public health in conducting research, demonstrations and evaluations.

The legislation provides that the Director of the National Institutes of Health shall be appointed by the President with the advice and consent of the Senate. The bill further provides that the Director of the Institutes will be authorized to:

Obtain the services of not more than three hundred experts or consultants;

Acquire, construct, improve, repair, operate and maintain research facilities;

Appoint one or more advisory committees;

Utilize the services, equipment, personnel and information of other public agencies;

Accept voluntary and uncompensated services;

Accept unconditional gifts or donations;

Enter into contracts, leases cooperative agreements and other transactions as necessary to perform his functions;

Insure that all channels for dissemination and exchange of scientific information and knowledge are maintained between the institute and other scientific, medical and biomedical organizations.

The Director is authorized to expend no more than one half of the funds made available under section 513 for evaluation of programs authorized by title IV to award grants and enter into contracts for:

Research in areas of the health sciences determined to be relatively underfunded or underdeveloped by the President's Council for the Health Sciences;

Research which is distinguished for its unconventional or innovative character;

Multidisciplinary research concerning more than two diseases. The Director is required to assure that in any given year not less than 45 percent of all funds expended by the Institutes shall be used to support research by individual investigators who are not full time employees of the Institutes and whose applications for such grants were unsolicited.

The Director is mandated to begin a program of experimentation and demonstrations with alternative methods of conducting peer review of application for research grants.

The bill redesignates and technically amends those sections of the Public Health Service Act under title IV dealing with the categorical Institutes of the National Institutes of Health, including:

The National Cancer Institute;

The National Heart, Lung, and Blood Institute;

The National Institute of Dental Research;

The National Institute on Arthritis, Metabolism and Digestive Diseases;

The National Institute of Child Health and Human Development;

The National Institute of General Medical Sciences;

The National Eye Institute;

The National Institute on Aging;

The National Institute of Allergy and Infectious Diseases;

The National Institute of Environmental Health Sciences; and

The National Institute of Neurological Diseases and Stroke.

Under each of the above Institutes, except the National Cancer Institute and the National Heart, Lung, and Blood Institute, will be formed the following Advisory Councils:

National Dental Research Advisory Council;

National Arthritis, Metabolism, and Digestive Diseases Advisory Council;

National Child Health and Human Development Advisory Council;

National General Medical Sciences Advisory Council;

National Eye Advisory Council;

National Aging Advisory Council;

National Allergy and Infectious Diseases Advisory Council;

National Environmental Health Sciences Advisory Council; and

National Neurological, Communicative Disorders, and Stroke Advisory Council.

On each of the Advisory Councils, there will be 18 members appointed by the Secretary. Twelve of the appointed members shall be selected from among the leading medical or scientific authorities in relevant fields and six shall be selected from the general public.

The functions of each of the Advisory Councils will be as follows:

Review of research projects and programs submitted to or initiated by a Council relating to studies under its jurisdiction;

Certification of approval to the Secretary of any projects believed to show promise in making valuable contributions to human knowledge;

Collection of information on studies being conducted domestically or in foreign countries of relevance to a Council project;

Review of applications for grants-in-aid from public or non-profit institutions for relevant research projects or training;

Certification to the Secretary of a Council's approval of such applications grants-in-aid as determined will best carry out the purposes of a Council

Each Institute and Advisory Council will be terminated on September 30, 1983.

Finally, the bill contains a provision to increase the productivity of research undertaken and supported by the Department of Health, Education, and Welfare while at the same time maintaining adequate accountability for funds expended for such research. Accordingly, the Director of the National Institutes of Health will conduct experimental programs to reduce paperwork associated with the application for and administration of research grants.●

● Mr. SCHWEIKER. Mr. President, I join Senators KENNEDY and WILLIAMS in the introduction of the Health Science Promotion Act of 1979. This bill will provide significant health benefits to the citizens of our own and other countries through improvement of the health research enterprise.

The scope of health research presently encompasses a wide range of disciplines from fundamental biomedical research, where the mission is the discovery of new knowledge concerning life and disease, to health services research where the goals include the development and testing of methods to structure, deliver and finance health care. These health sciences have become enormously complex and the cost of health research has increased to a point where the budget for the National Institutes of Health alone exceeds $3 billion. The research payoff in terms of health and quality of life for our citizens has more than justified the effort and expense, but if we are to continue to realize these benefits in a cost-effective fashion we must develop a national policy and a long-range plan for health research to better guide the setting of priorities and expenditure of public funds. This bill provides a mechanism, through a Presidential Council for the Health Sciences, for a cooperative public-private effort to formulate health science policy and long-range plans for the Department of Health, Education, and Welfare components that perform or support health research. This Research Planning Council will provide the Congress with scientific expertise, advice, and rational long-range guidelines that will aid Congress in the difficult yearly decisionmaking process for health research budget allocations.

I would like to direct my colleagues' attention to a second important feature of this bill that provides an initial approach to the deregulation of biomedical research institutions. We will authorize trial programs designed to maintain fiscal accountability, but reduce the oppressive paperwork burden that current regulations impose on biomedical investigators and laboratories. Finally, we provide new authorities for the Director of the National Institutes of Health. These in turn will permit the further improvement of NIH's intramural and extramural research activities and the preservation of the NIH role as the world leader in biomedical research.●

ADDITIONAL COSPONSORS

S. 100

At the request of Mr. PACKWOOD, the Senator from Indiana (Mr. LUGAR), the Senator from California (Mr. CRANSTON), the Senators from Colorado (Mr. HART and Mr. ARMSTRONG), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 100, to amend the Internal Revenue Code to provide a reduction for expenses incurred for reforestation, and for other purposes.

S. 119

At the request of Mr. BELLMON, the Senator from Arizona (Mr. GOLDWATER) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 119, the Business Reporting Reform Act of 1979.

S. 195

At the request of Mr. BUMPERS, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 195, a bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital.

S. 219

At the request of Mr. MOYNIHAN, the Senator from Florida (Mr. STONE) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

At the request of Mr. Packwood, the Senator from Utah, (Mr. Hatch) was added as a cosponsor of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 333

At the request of Mr. Ribicoff, the Senator from Michigan (Mr. Levin) was added as a cosponsor to S. 333, the Omnibus Antiterrorism Act of 1979.

S. 356

At the request of Mr. Bellmon, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 356, a bill to encourage the establishment of an International Grain Exporting Stabilization Commission.

S. 390

At the request of Mr. Metzenbaum, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 390, the Antitrust Procedural Improvements Act of 1979.

S. 451

At the request of Mr. Schweiker, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 451, the Diabetes Research and Training Amendments and the National Diabetes Advisory Board Extension Act of 1979.

S. 489

At the request of Mr. Packwood, the Senator from Vermont (Mr. Stafford) and the Senator from Mississippi (Mr. Cochran) were added as a cosponsor of S. 489, a bill to amend title XVIII of the Social Security Act to eliminate certain restrictions and limitations imposed for the receipt of home health services and to make more accessible home health services to those in need, and for other purposes.

S. 506

At the request of Mr. Mathias, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of S. 506, relating to discrimination in housing.

S. 535

At the request of Mr. Schmitt, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act of 1979.

S. 664

At the request of Mr. Schweiker, the Senator from Utah (Mr. Hatch) was added as a cosponsor of S. 664, a bill to amend the Health Programs Extension Act of 1973 to provide for unbiased consideration of applicants to federally supported health professional schools.

S. 736

At the request of Mr. Dole, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 736, a bill to amend the Internal Revenue Code to clarify standards to determine whether an individual is an employee for purposes of the employer tax.

S. 917

At the request of Mr. Magnuson, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 917, a bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 for fiscal years 1980, 1981, and 1982, and for other purposes.

S. 928

At the request of Mr. Stone, the Senator from Kentucky (Mr. Huddleston), the Senator from Montana (Mr. Melcher), and the Senator from Michigan (Mr. Levin) were added as cosponsors of S. 928, a bill to amend the Food Stamp Act of 1977.

SENATE JOINT RESOLUTION 4

At the request of Mr. Lugar, the Senator from Mississippi (Mr. Cochran) and the Senator from Utah (Mr. Garn) were added as cosponsors of Senate Joint Resolution 4, proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE RESOLUTION 140—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF REORGANIZATION PLAN NO. 2

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. Res. 140

Resolved, That the Senate does not favor the reorganization plan numbered 2 transmitted to the Congress by the President on April 10, 1979.

● Mr. RIBICOFF. Mr. President, I ask unanimous consent that the text of Reorganization Plan No. 2 of 1979 be printed in the Record.

There being no objection, the text was ordered to be printed in the Record, as follows:

REORGANIZATION PLAN NO. 2 OF 1979

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 10, 1979, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Section 1. Establishment of the United States International Development Cooperation Agency

There is hereby established in the executive branch an independent agency to be known as the United States International Development Cooperation Agency (hereinafter referred to as the "Agency").

Section 2. Director

The Agency shall be headed by the Director of the International Development Cooperation Agency (hereinafter referred to as the "Director"), who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate prescribed by law for Level II of the Executive Schedule. Under the guidance of the President, the Director shall have primary responsibility for setting overall development assistance policy and coordinating international development activities supported by the United States. The Director shall serve as the principal advisor to the President and the Secretary of State on international development matters and shall report to the President and the Secretary of State. The responsibility of the Director for the exercise of the functions and authorities vested in or delegated to the Director or the Agency shall be subject to the guidance of the Secretary of State as to the foreign policy of the United States. The Director shall designate the order in which other officials shall act for and exercise the powers of the Director during the absence or disability of the Director and the Deputy Director or in the event of vacancies in both such offices.

Section 3. Deputy Director

The President, by and with the advice and consent of the Senate, may appoint a Deputy Director of the Agency, who shall receive compensation at the rate prescribed by law for Level III of the Executive Schedule. The Deputy Director shall perform such duties and exercise such powers as the Director may from time to time prescribe and, in addition, shall act for and exercise the powers of the Director during the absence or disability of the Director or during a vacancy in such office.

Section 4. Associate Directors

The President, by and with the advice and consent of the Senate, may appoint two Associate Directors of the Agency, who shall perform such duties and exercise such powers as the Director may from time to time prescribe and who shall receive compensation at the rate prescribed by law for Level IV of the Executive Schedule.

Section 5. Performance of functions

The Director may from time to time establish, alter, consolidate, or discontinue organizational units within the Agency, and delegate responsibility for carrying out any function or authority of the Director or the Agency to any officer, employee or unit of the Agency or any other officer or agency of the executive branch

Section 6. Transfers of functions

(a) There are hereby transferred to the Director all functions and authorities vested in the Agency for International Development or in its Administrator pursuant to the following:

(1) sections 233(b), 296(e), 297(d), 298(c)(6), 299(d), 601 (a) through (d), and 624(f)(2)(C) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b), 2220a(e), 2220b(d), 2220c(c)(6), 2220d(d), 2351 (a) through (d), and 2384(f)(2)(C));

(2) section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a); and

(3) section 706 of the Foreign Relation Authorization Act, Fiscal Year 1979 (49 U.S.C. 1518).

(b) There are hereby transferred to the Director all functions and authorities vested in the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 or in its Administrator pursuant to sections 101(b), 119, 125, 531(a)(2), 601(e)(2), and 640B of such Act (22 U.S.C. 2151(b), 2151q, 2151w, 2346(a)(2), 2351(e)(2), and 2399c).

(c) There are hereby transferred to the Director all functions and authorities vested in the Secretary of State pursuant to the following:

(1) section 622(c) of the Foreign Assistance Act of 1961, insofar as it relates to development assistance (22 U.S.C. 2382(c)); and

(2) section 901 of Public Law 95–118 (22 U.S.C. 262g).

Section 7. Abolition

One of the positions that the President may appoint under section 624(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2384(a), 5 U.S.C. 5315(5)) is hereby abolished.

Section 8. Other transfers; interim officers

(a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions and authorities affected by the establishment of the Agency, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate agency or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for terminating the affairs of any agency abolished herein and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this reorganization plan.

(b) Pending the initial appointment of the Director, Deputy Director, and Associate Directors of the Agency, their functions and authorities may be performed, for up to 60 days after section 1 of this reorganization plan becomes effective, by such individuals as the President may designate. Any individual so designated shall be compensated at the rate provided herein for the position whose functions and authorities such individual performs.

Section 9. Effective date

This reorganization plan shall become effective on July 1, 1980, or at such earlier time or times as the President shall specify, but not sooner than the earliest time allowable under section 906 of title 5 of the United States Code.●

SENATE CONCURRENT RESOLUTION 24—SUBMISSION OF A CONCURRENT RESOLUTION ON THE NONENFORCEMENT OF SANCTIONS AGAINST ZIMBABWE RHODESIA

Mr. SCHWEIKER (for himself, Mr. DECONCINI, Mr. HUMPHREY, Mr. SCHMITT, Mr. THURMOND, and Mr. YOUNG) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 24

Whereas section 27 of the International Security Assistance Act of 1978 provides for the nonenforcement of sanctions against Zimbabwe Rhodesia contingent upon a Presidential determination that the Government of Zimbabwe Rhodesia has demonstrated its willingness to participate in, and negotiate in good faith at, an all-parties conference and that a government has been installed chosen by free elections;

Whereas the Transitional Government of Zimbabwe Rhodesia has unanimously agreed to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues;

Whereas the leaders of the Patriotic Front have rejected all invitations extended by the United States and Great Britain to participate in any such conference;

Whereas the Transitional Government of Zimbabwe Rhodesia has successfully conducted free elections in which all political and population groups were invited to participate freely, after having invited the presence of impartial outside observers to monitor such elections and despite the Patriotic Front's publicly declared intention and attempts to disrupt such elections by intimidation, terrorism or military attack;

Whereas international observers and news media have monitored such elections and reported on their validity; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) the Congress finds and declares that—

(1) the Government of Zimbabwe Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and

(2) Zimbabwe Rhodesians have approved through free elections the transfer of power to a black majority government.

(b) It is the sense of the Congress that the President, not later than ten days after the installation of the black majority government pursuant to such elections, should determine that the provisions of paragraph (2) of section 27 of the International Security Assistance Act of 1978 have been substantially complied with and should not enforce sanctions against Zimbabwe Rhodesia.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

● Mr. SCHWEIKER. Mr. President, I am today submitting with the Senator from Arizona, Mr. DECONCINI, a concurrent resolution calling on the President to stop enforcement of sanctions against Zimbabwe-Rhodesia within 10 days after installation of the black majority government chosen at the highly successful free elections just completed. Our resolution is an updated version of Senate Concurrent Resolution 7 which we submitted on February 9.

The goal of a government in Zimbabwe-Rhodesia based on black majority rule has long commanded the interest of the international community. Despite past frustrations in attempts to achieve this objective, installation of a black majority government chosen by free elections is nearing realization. These elections have just been completed in accordance with the mandate of the Salisbury Agreement to transfer power to the black majority within a constitutional framework. Nowithstanding the attempts of the guerrilla Patriotic Front to disrupt the electoral process and prevent development of the democratic concept in Zimbabwe-Rhodesia, nearly 65 percent of all eligible voters cast ballots in a manifest display of support for the constitutional settlement.

The United States originally imposed sanctions against Rhodesia (which I supported) to symbolize our aversion to that nation's governmental structure. The lifting of these sanctions has been made conditional upon the transition to a black majority government, steps toward which have already successfully been taken and whose culmination awaits the formal installation of the new government.

In Section 27 of the International Security Assistance Act of 1978 Congress directed that sanctions against Zimbabwe-Rhodesia shall not be enforced upon a Presidential determination that (a) the Transitional Government of Zimbabwe-Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues and (b) a government has been installed in Zimbabwe-Rhodesia chosen by free elections in which all political and population groups have been allowed to participate freely, and attended by impartial, outside observers.

The resolution we have submitted declares the finding of Congress that the Transitional Government has compiled with the first precondition set forth in section 27 and calls upon the President to make a determination of substantial compliance with the second precondition and to lift sanctions against Zimbabwe-Rhodesia no later than 10 days after the installation of the black majority government.

It is worth recalling that the Senate in March voted 66 to 27 to send a team of impartial, professional observers to monitor the elections. Unfortunately, the measure was rendered void by the House Foreign Affairs Subcommittee's unanimous rejection of the McGovern-Hayakawa resolution.

Despite the failure of these efforts in Congress and the administration's refusal to respond positively to the Transitional Government's invitation to send observers, the validity of the elections was amply reported on by international observers and news media with considerable poll-watching experience. An observer delegation from Freedom House, a highly respected human rights organization, whose members included black civil rights activist Bayard Rustin, declared in an interim report that Zimbabwe-Rhodesia "has never had so inclusive and free an election * * *. The elections in most underdeveloped countries are less free. In a world in which peaceful change does not and cannot occur all at once, this election is a useful and creditable step toward the establishment of a free society in Zimbabwe-Rhodesia," and represents a "significant advance toward majority rule in Zimbabwe-Rhodesia."

Prompt passage of the resolution is intended to convey now to all parties concerned our continued abiding interest in the development of a democratic Zimbabwe-Rhodesia and to reassure the members of the Transitional Government that the efforts they have made—and must still make—and the risks accepted are fully justified, and their perseverance warranted. Given the unyielding opposition of the Patriotic Front to any solution not based on its own terms, the present formula offers the best hope for the development and survival of constitutional democracy in Zimbabwe. It is the most efficacious means for justly achieving majority rule while protecting and promoting minority rights.

Indeed, with the successful completion of democratic elections, it is fair to ask, within the context of section 27, what more the Transitional Government can do to prove its adherence to the preconditions set forth? What is instead needed most is a demonstration of statesmanship by the administration, an ability heretofore lacking, to examine the available evidence of compliance in proper detachment, to stand in fair judgment of Zimbabwe-Rhodesia, and not to arbitrarily demand additional proof of compliance.

It would be especially tragic if the United States were to give less than full support to a fledgling constitutional democracy, on a continent where individual national governments are predominantly autocratic, and where tribal rivalries and foundering postcolonial societies are ripe for exploitation by antidemocratic forces.

If efforts to achieve a constitutional democracy incorporating black majority rule fail now, or are permitted to flounder because the United States did not actively support this experiment with the timely lifting of sanctions after all preconditions had been met, the probability is strong that Zimbabwe-Rhodesia would ultimately be ruled by forces hostile to the West and to the concept of democratic government.

For these reasons, I believe our resolution merits the support of Congress and the approval of the President in our mutual quest to promote a Zimbabwe-Rhodesia consistent with our values and compatible with our interests.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF EDUCATION—S. 210

AMENDMENTS NOS. 146 THROUGH 148

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA submitted three amendments intended to be proposed by him to S. 210, a bill to establish a Department of Education.

ANTITRUST LAW ENFORCEMENT—S. 300

AMENDMENT NO. 149

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. MATHIAS (for himself, Mr. JAVITS, Mr. THURMOND, Mr. INOUYE, Mr. LAXALT, Mr. MOYNIHAN, Mr. HATCH, Mr. DOLE, Mr. COCHRAN, Mr. SIMPSON, Mr. DOMENICI, and Mr. NUNN) submitted an amendment intended to be proposed by them to S. 300, a bill to restore fair and effective enforcement of the antitrust laws.

● Mr. MATHIAS. Mr. President, the Judiciary Committee has begun its consideration of S. 300, the so-called Illinois Brick bill, which as we all know seeks to overturn a 1977 Supreme Court decision. Today, I am submitting an amendment to S. 300 in response to another recent Supreme Court decision affecting the application of the Clayton Act—the Supreme Court's decision in *Pfizer* v. *India*, 438 U.S. 308. The Pfizer decision held, by a closely divided court and over vigorous dissent, that a foreign sovereign government is a "person" under section 4 of the Clayton Act, 15 U.S.C. 15. As a result of the Pfizer decision approximately 150 foreign nations may now sue Americans for treble damages, in our courts, for violations of our antitrust laws. The decision mandates this result even though—

First. The Government of the United States is limited to actual damages under section 4A of the Clayton Act;

Second. Americans can be sued by foreign nations for acts which we alone consider illegal, without any reciprocity or equal access to their courts;

Third. Some of the foreign plaintiffs in pending section 4 litigation are participants in other anticompetitive practices causing injury to American citizens and businesses;

Fourth. Many of these present and potential foreign nation plaintiffs participate in practices designed to prevent Americans access to their commercial markets and to undermine the competitive position of American businesses in international commerce; and

Fifth. Many of these foreign nations participate in such anticompetitive activities as sovereigns and through their governmental agencies and wholly or partially owned corporations.

Many of my colleagues in the Congress share my concern over the anomalous situation this Supreme Court decision has created. During consideration or Illinois Brick legislation in the last Congress, both the House and Senate Judiciary Committees adopted amendments to also reverse or modify the Pfizer against India ruling. While the House bill incorporated the Wiggins amendment prohibiting any such antitrust suits by foreign governments, the Senate Judiciary Committee adopted an amendment that limited recoveries by foreign governmental plaintiffs to actual damages and conditioned such suits upon a certification by the Attorney General or a court finding that such nations have laws prohibiting "restrictive practices" and permitting Americans access to their courts.

Unfortunately, when Illinois Brick legislation was reintroduced earlier this year, the provisions regarding suits by foreign sovereigns were deleted. I believe a clarification of the intent of Congress on this issue is essential to the fair and equitable enforcement of our antitrust statutes. To allow the Supreme Court's ruling to stand would certainly eliminate any incentive for foreign nations to adopt laws prohibiting anticompetitive activities since they could continue to enjoy the benefits of American laws while retaining the fruits of their own restrictive trade practices. On the other hand, to prohibit all suits by foreign sovereigns could undermine our commitment to the strictest enforcement or our antitrust statutes and would penalize those nations that have or may in the future adopt comparable laws.

I believe the amendment I am introducing today offers a fair and practical solution to these problems. It is quite similar to the amendment adopted by the Senate Judiciary Committee last year. It would limit suits by foreign sovereigns to actual damages and the cost of litigation, thereby according such governments status comparable to that enjoyed by our own Government under section 4A. At the same time, a foreign nation's standing to sue would be conditioned on a court finding that:

First. The foreign nation plaintiff has laws prohibiting the same anticompetitive acts complained of in its section 4A suit; and

Second. That the foreign nation plaintiff allows the United States, its citizens, and other persons access to its courts to recover damages under its laws; and

Third. That such laws prohibiting anticompetitive behavior are enforced against persons engaged in commerce within the territory of such foreign nation plaintiff.

This amendment removes the Attorney General certification provided by the amendment adopted last year and adopts a requirement of reciprocity that is more precise and ascertainable. It should be noted that my amendment does not require that the laws of a foreign nations prohibiting anticompetitive activities be coextensive with our own antitrust laws. It only requires that such laws prohibit the same conduct they complain of in their suits brought under our laws.

As I indicated earlier, the amendment I am proposing represents a fair and practical solution to the inequities inherent in the Pfizer against India decision. It will insure the strict enforcement of our antitrust statutes in international trade and promote the adoption of comparable laws by other nations. At the same time it will protect Americans from costly litigation brought by governments which do not share our commitment to free competition and seek only to gain from the benefits of our laws and the protections of our judicial system.

I sincerely hope my colleagues will join with me in support of this important amendment.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD as follows:

On page 3, line 3, insert the following new section 4, and redesignate current section 4 as section 5.

SEC. 4. The Clayton Act is amended by inserting immediately after the end of the text of section 4 and before the period, the following:

"; *Provided, however*, That no foreign sovereign government, including a department or agency thereof or a government-owned corporation or entity, may maintain any action under this section unless its laws would have forbidden the conduct on which the action is based if that conduct had occurred within the territory of such foreign sovereign, and unless such laws are enforced against persons doing business within such territory, and unless the laws of such foreign sovereign authorize any person, including the government and citizens of the United States, injured by such conduct to recover damages in the courts of that foreign state; *And further provided*, That any foreign sovereign government entitled to maintain an action under this section shall be limited to the actual damages by it sustained and the cost of suit"●

FIRST CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 22

AMENDMENT NO. 150

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 22, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982 and revising the second concurrent resolution on the budget for fiscal year 1979.

● Mr. LUGAR. Mr President, today I am submitting an amendment to the first concurrent resolution on the fiscal year 1980 budget to hold the food stamp program funding level at the existing statutory appropriations ceiling of $6.1886 billion. This is approximately $1 billion less than the $7.2 billion voted by the Budget Committee in the first concurrent resolution. The first concurrent resolution assumes that Congress will repeal the appropriations ceiling that is in effect under existing law.

As you know, the 1977 Food Stamp Act completely revised the food stamp program. When this law was enacted, it was clearly the intent of Congress to retain budgetary control over the program through the use of an appropriation ceiling for each year in which the program was authorized. Congress set the appropriations ceilings for fiscal year 1980 at $6.1886 billion. This appropriation ceiling mandated by Congress is the only effective control of the cost of this program since benefits are automatically adjusted to changes in food prices and the number of eligible recipients depends on the level of unemployment.

The growth of the food stamp program has been phenomenal. It started out as an experimental program in the early 1960's with less than 500,000 participants and a cost of several million dollars. Today there are in excess of 17 million people receiving food stamps. The Office of Management and Budget estimates in fiscal year 1980, if the appropriations ceiling of $6.1886 billion was not in effect, food stamp outlays would exceed $6.9 billion. The Congressional Budget Office currently estimates that the cost of the program would rise above $7.5 billion in fiscal year 1980, if the ceiling was not in effect. Some people believe that without an appropriations ceiling the food stamp program could cost anywhere from $8 to $9 billion. In January alone, 1.7 million additional people came onto the program. USDA has not yet shared with me their February figures, but I understand that preliminary data indicate that in February approximately 1 million more people came into the program. While it is true that Congress anticipated an increase in the number of food stamp recipients with the elimination of the purchase requirement, the truth of the matter is, that without a maximum authorization ceiling, no one really knows how high the actual cost of this program could go.

The President and now apparently the Budget Committee, have expressed their desire to have the appropriations ceiling lifted. The lifting of the ceiling would, in effect, issue a blank check to the food stamp program. Congress has a responsibility to retain effective budgetary control over the food stamp program and every other program that it authorizes.

Abandonment of the ceiling would be a clear violation of this principle.

I do not, nor does any other Senator or taxpayer, wish to have the truly poor people of this country suffer unjustly because of congressional budget action on the food stamp program. I am convinced that there are changes that could be made within this program that would save substantial sums of money. Retention of the appropriations ceiling will send a message sage to USDA that the program must be administered within limited resources. I am certain that once USDA gets that message, they will propose changes in the program so that the program can be administered more efficiently, thus saving taxpayers money and insuring that food stamp benefits are spent in the best possible manner.

Several potential methods of cutting food stamp benefits have been discussed before by Members of Congress. Reduction of error rates, recoupment of benefits issued to temporarily eligible recipients, and reducing the overlap of the food stamp program with other domestic food assistance programs are several areas that should be looked into by USDA and the Congress.

USDA argues that to do anything but lift the ceiling would result in a drastic reduction of benefits to all food stamp recipients. They interpret the Food Stamp Act to require the Secretary of Agriculture to make "pro rata" food stamp benefit reductions to all recipients when food stamp program costs exceed the appropriations ceilings established in the act. The General Accounting Office recently concurred with USDA's interpretation of the law.

This pro rata reduction is unreasonable since it forces equal percentage reductions on the neediest and least needy. This is an unnecessarily harsh method.

I have introduced legislation to remedy this situation by providing that, in the event of benefit reductions, the least needy recipients will bear the greatest share of the cuts. I ask for the support of my colleagues in my endeavors to pass this legislation. I believe it is a reasonable approach to take when food stamp benefits must be reduced in order to keep program costs from exceeding the appropriations ceiling.

In the meantime, I ask my colleagues to support my amendment to the first concurrent budget resolution for fiscal year 1980 to retain the food stamp program funding level at the existing statutory appropriations ceiling of $6.1886 billion.

Mr. President, I ask unanimous consent that the text of amendment No. 150 be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 8, line 16, strike out $212,400,000,000" and insert in lieu thereof $211,362,000,000".

On page 8, line 17, strike out "$183,700,000,000" and insert in lieu thereof "$182,724,000,000".●

AMENDMENT NO. 151

(Ordered to be printed.)

Mr. **PROXMIRE** proposed an amendment to Senate Concurrent Resolution 22, supra.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. TALMADGE. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled a meeting to consider the nomination of Read P. Dunn to be a Commissioner of the Commodity Futures Trading Commission. Mr. Dunn has served as a Commissioner of the CFTC since 1975 when he was appointed by President Ford. Currently, he is nominated to fill out the unexpired term of William Bagley who resigned in November. If approved, Mr. Dunn will serve until April 13, 1980.

The committee will meet Wednesday, April 25 at 10 a.m. in room 324 Russell. Anyone wishing to submit testimony on Mr. Dunn's nomination should contact Denise Alexander of the committee staff at 224–0014.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold a public hearing on legislation required to implement the Procurement Code of the Multilateral Trade Negotiations on Thursday, April 26, 1979 at 2:30 p.m. in room 3302, Dirksen Senate Office Building.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs will hold a hearing on April 24, 1979, on the Congressional Award Program Act. The hearing will begin at 10 a.m. in room 357 of the Russell Senate Office Building.

The subcommittee would be pleased to receive written statements from those persons or organizations who wish to submit them for the record. Statements for inclusion in the record should be mailed to Lucinda Dennis, chief clerk, Subcommittee on Intergovernmental Relations, 507 Carroll Arms, 301 First Street NE., Washington, D.C. 20501.●

SUBCOMMITTEE ON ECONOMIC STABILIZATION

● Mr. RIEGLE. Mr. President, the Subcommittee on Economic Stabilization of the Committee on Banking, Housing, and Urban Affairs is about to begin hearings on several aspects of the problem of inflation.

On Wednesday, April 25, we will hear from a distinguished panel of experts on the subject of the relationship between fiscal policy and inflation—its economic impact, the potential for rendering fiscal policy more flexible, the desirability of imposing budget balancing or expenditure restriction rules, the possible benefits of an indexed tax system and the like.

The witnesses for this hearing are: Dr. Alice M. Rivlin, Director, Congressional Budget Office; Dr. William J. Fellner, Senior Fellow of the American Enterprise Institute; and Dr. George Perry, Senior Fellow at the Brookings Institution.

This hearing could not be more timely. Last week we learned that real GNP had increased at a meager annual rate of 0.7 percent in the first quarter of this year following a booming rate of 6.7 percent in the last quarter of 1978. Had it not been for an increase in the level of inventory accumulation, real GNP would actually have declined.

Meanwhile, inflation has been accelerating rapidly with the implicit price deflator for GNP steaming along at a rate of 8.7 percent in the first quarter compared with a rate of 8.2 percent in the fourth quarter. Stagflation is clearly getting worse, and we are hopeful that the distinguished panel we have assembled will help to shed light on the nature of the disease and what to do about it.

On April 26 we will utilize the automobile industry as a case study of an industry in which it has been charged that conflicting environmental, fuel economy, and safety regulations have combined to heap large capital costs onto the industry, forcing rapid price increases, and threatening the survival of some firms in the industry.

The format for this hearing is a set of two panels. The first panel will consist of a set of executives from the four major automobile manufacturers. These witnesses are Mr. Fred C. Secrest (Ford), Roger Smith (GMC), Sidney L. Terry (Chrysler), and Frederick A. Stewart (AMC). This panel will be followed by a panel of representatives of government officials from agencies and organizations responsible for setting and coordinating government regulations. This panel will include Mr. John O'Leary (DOE), Mr. John B. White (OMB), Mr. Peter Petkas (U.S. Regulatory Council), Mr. Howard Dugoff (DOT), and Mr. David Hawkins (EPA).

On April 27 the subcommittee will broaden its focus and investigate the broad range of microeconomic actions by the Federal Government that affect the overall price level, and therefore contribute to the difficulty of containing inflation. Starting with the cost of government regulation, this will also include the inflation costs of energy price deregulation, annual increases in minimum wages and social and other payroll taxes, restrictive trade practices, agricultural policies and others.

The witnesses at this hearing are Mr. Jack Post of the Business Roundtable, Mr. Jerry Walker of Arthur Anderson, Inc., Drs. Robert Russell and Thomas D. Hopkins of the Council on Wage Price Stability, Dr. Louis Perl of the National Economic Research Association, and Mr. Robert A. Georgine of the Building and Construction Trades Department of the AFL-CIO.

All hearings will be held in room 5302 of the Dirksen Senate Office Building. The hearing of Wednesday April 25 will begin at 10 a.m. The hearings of Thursday April 26 and Friday April 27 begin at 9:30 a.m.

Questions about the hearings of April 25 and 27 may be addressed to Tom Dernburg (224-3608), while questions concerning the hearings of April 26 should be addresed to Steve Harris (224-3773).●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Judiciary, Subcommittee on Antitrust, Monopoly and Business Rights will hold hearings on S. 600, the Small and Independent Business Protection Act, on April 25 and 26, 1979. On April 25, the hearing will begin at 9:30 a.m. in room 1224 Dirksen Senate Office Building, on April 26, the hearing will begin at 9 a.m. in 457 Russell Senate Office Building.●

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. GLENN. Mr. President, the Subcommittee on Intergovernmental relations of the Senate Committee on Governmental Affairs will hold hearings on April 26 and May 4, on S. 252, the Anti-Arson Act of 1979. The hearings will begin at 9:30 in room 6202 of the Dirksen Senate Office Building.

The subcommittee would be pleased to receive written statements from those persons or organizations who wish to submit them for the record. Statements for inclusion in the record should be mailed to Lucinda Dennis, chief clerk, subcommittee on Intergovernmental Relations, 507 Carroll Arms, 301 First Street, N.E., Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PARKS AND RECREATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Parks and Recreation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today—beginning at 2 p.m.—to conduct oversight of the National Park Service concession policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, April 25, to consider the Department of Energy operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to hold a closed session beginning at 1:30 p.m. for a briefing by Ambassador Strauss to be followed by an open hearing beginning at 2:30 p.m. on legislation to implement the procurement code of the multilateral trade negotiations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized to meet during the session of the Senate on Tuesday, April 24, to consider disaster assistance legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a markup session on judicial nominations in addition to several legislative matters including the Magistrates Act, Antitrust Enforcement Act, and the Justice System Improvement Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONGRESSIONAL SERVICE LIMITATION

Mr. MOYNIHAN. Mr. President, a recurrent proposal to limit the terms of congressional service through constitutional amendment will face us once again. A measure has been introduced which would limit Senators to two 6-year terms and House Members to six 2-year terms.

In the March issue of the American Legion magazine, two of my distinguished colleagues presented pro and con arguments on this issue. Senators JACK DANFORTH, Republican of Missouri, and JENNINGS RANDOLPH, Democrat of West Virginia, have provided some cogent points of debate that deserve closer examination. I ask that the presentations of my two colleagues be printed in the RECORD.

The material follows:

SHOULD CONGRESSIONAL TERMS BE LIMITED TO 12 YEARS?

Senator Jack Danforth: Yes. One of the problems with Congress is that its members almost never seem to know when to step aside. Congressional service is exciting and challenging. There's a great temptation to stay in office forever.

Our founding fathers never intended it to be this way. They had the idea that congressmen would be private citizens on leave to their government. A congressman who serves for life really is not "of the people."

But many congressmen spend the better part of their adult life here in Washington. The sad results are obvious. First, Congress has grown more distant from the American people. Second, the growth and cost of government has skyrocketed as congressmen say anything, do anything and spend anything to get themselves re-elected.

Early in the 95th Congress, together with six other senators, I proposed a constitution amendment which would limit senators to two six-year terms and House members to six two-year terms. Hearings were held in 1978, but chances for early passage are very slim. That is to be expected. I plan to reintroduce the amendment in the 96th Congress. I think it's important that this debate continue.

Limiting congressional terms will force turnover, bring in new people, generate fresh ideas and insure close communication between the people and their elected representatives. Furthermore, by limiting terms, the power that lifetime legislators accumulate will be restrained. The advantages of incumbency will not go on forever. Perhaps most important, a limited terms amendment would say to congressmen that their days in Washington are numbered and that they had better make the very best of their time. It also would say to them that there is a day of reckoning—that is, a day when they must return home and live with the laws they enacted in Washington.

Public pressure forced a limitation on the number of terms a president can serve. If Congressional terms are to be limited, public pressure will be the catalyst. Congress will not limit the tenure of its members unless and until the people demand it. A Gallup Poll early last year showed that 60 percent of the American people would support a limit on congressional tenure. If they believe that strongly, limits can and should become part of our Constitution.

Senator Jennings Randolph:

No. Limitation of Congressional service is firmly embodied in the Constitution of the United States. It is the absolute requirement that each member of the House of Representatives must stand for re-election every two years, and each senator must place his or her record before constituents every six years and receive their judgement on his or her abilities and performance.

The framers of the Constitution wisely incorporated this self-limiting principle as a positive assurance that no legislator can safely ignore the need and desires of the voters he or she is elected to represent.

As one who is now entering his 21st year as a United States Senator, and with a total of 34 years of legislative service, I can honestly say that I have never considered any election as assured. In fact, given the current mood of the voting public, voluntary retirements, and the rising trend toward single-issue politics, the Congress in recent years has undergone a startling change in cast. The 1978 general election produced new faces in the Senate alone.

It is specious, I believe, to argue that any congressman who has served 12 years in the House is unfit to be a senator, or vice versa. The sole performance test of a legislator should be his or her ability, integrity and effectiveness. In most cases, the latter characteristic is acquired by experience.

I can only conclude that any proposal calculated to impose a restriction of service in the legislative branch is offered on the basis of age. Chronological age alone is a poor indicator of ability to perform on the job. Mandatory retirement at a fixed age or an arbitrary length of service does not take into account a person's abilities and capacities, which vary sharply from individual to individual.

Among the key findings of a Harris Poll conducted for the National Council on Aging last year was the fact that 86 percent of the American public agreed with the statement: "Nobody should be forced to retire because of age, if he wants to continue working and is still able to do a good job."

In our democratic election process, Congress is being continually infused with new blood and new ideas. It has been my experience, however, that activity and innovation are not unique to any segment of our society, certainly not on the basis of age or length of service.

TRIBUTE TO ROGERS C. B. MORTON

Mr. DOLE. Mr. President, I learned with great sadness Thursday the news of Rogers Morton's death. The fact of his passing struck with cruel immediacy. For all of us who believe in politics as an honorable calling, his death is a shock and a setback.

"Rog" was more than a distinguished Congressman, Cabinet Secretary, and Republican National Chairman. He was a man of enormous civility, who knew that political debate could have meaning only as long as it uplifted men's minds. He never lost sight of this fact, and he brought both dignity and candor to a profession not always noted for either.

He was a partisan, in the best sense of the word. In the words of the late Adlai Stevenson:

> Thank God for partisanship, for partisanship is the lifeblood of a democracy.

That is the kind of man Rog Morton was. In everything he did, in all that he said and wrote and inspired in others, there was a love of vigorous and intelligent debate, and a conviction that America was great, because she was built on such diversity of thought.

He was a close friend, a political ally, and a mentor in the days when I succeeded to his position at the RNC. It is not alone his friends, nor his party, who have lost a sustaining influence for good; America will not replace him easily.

I extend my deepest sympathy to his wife, Anne, and his family, and to all his friends for whom his example remains bright and vivid. It is that example that survives, to inspire countless others who will follow in his path.

STATE REGULATION OF INSURANCE

Mr. GOLDWATER. Mr. President, recently, officials of the Federal Government have publicly, although unofficially, recommended amendments to the McCarran-Ferguson Act which would limit State regulation of the insurance business. The idea would be to subject the industry to application of the Federal anti-trust laws and reduce the amount of State regulation. It is generaly believed that the intrusion of Federal regulations into this industry would damage its competitive structure and do nothing but add to the mountain of Federal rules which already hamper the American business community.

Recently, the Arizona State House of Representatives adopted a memorial resolution urging the Congress to reject all proposed amendments to the McCarran-Ferguson Act which would limit State regulations of insurance.

Mr. President, I ask that this memorial resolution be printed in the Record.

The memorial resolution follows:

House Memorial 2002

Whereas, in 1945 the McCarran-Ferguson Act (Title 15, United States Code, Sections 1011 through 1015) was enacted into law and in that Act it was stated that "Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

Whereas, in the course of such regulation, the several States have encouraged and required continued improvements in insuranue coverages and the provision of insurance at reasonable rates; and

Whereas, the several States have continually reviewed, experimented with and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

Whereas, the business of insurance has developed a competitive structure; and

Whereas, the public has benefited from the competitive structure of the insurance industry including at the retail level a wide variety of organizations, often small businesses, intensely competing, and from regulation of the industry by the several States; and

Whereas, federal regulation has repeatedly been shown not to be a panacea; and

Whereas, it is becoming increasingly clear that the establishment of federal regulation increases the cost of government, often increases the cost of products and services to the consumer, and often without providing offsetting benefits to the public; and

Whereas, federal regulation often adds confusion and delay; and

Whereas, there has been no showing that the several States cannot continue to regulate the insurance industry; and

REMARKS OF PROFESSOR NEF ON THE OCCASION OF PROFESSOR SHILS' JEFFERSON LECTURE

Mr. MOYNIHAN. Mr. President, on Monday, April 9, Prof. Edward Shils delivered the Eighth Annual Jefferson Lecture, which is the most prestigious lectureship within the gift of the U.S. Government. I had the honor, in conjunction with Chairman Joseph Duffey of the National Endowment for the Humanities and Congressman Sidney R. Yates, of hosting a luncheon for Professor Shils that afternoon. Several of us offered brief remarks about our distinguished guest. One such commentary deserves wider notice and preservation, for it was delivered by Dr. John Ulric Nef, professor emeritus at the University of Chicago, founder of that institution's renowned Committee on Social Thought, author of a number of profoundly important books in economic, social and cultural history and—most significant of all in this context—teacher, mentor, and colleague of Edward Shils. I ask that Professor Nef's remarks upon the occasion of Professor Shil's Jefferson Lecture be printed in full in the Record.

The remarks follow:

Remarks of Dr. John Ulric Nef

It is almost half a century since I became a follower of Edward Shils' remarkable evolution.

I was appointed to the faculty of the University of Chicago in 1928 and began in 1929 to give courses in history as part of the program of the department of economics. Soon afterward I became aware of an ubiquitous presence in these courses. Who could this man be who started to enrich the class discussions before I knew his name? After I learned that, his contributions to these discussions multiplied. It was hardly possible to borrow a good book on any important subject from the library without finding his name on it, for Shils invariably got there first. Thus from the outset of my university career I profited from the widening range of Shils' vision.

Some time after I discovered his name, I learned that he came from Philadelphia. Therefore it is appropriate to link his career not only with Jefferson (as his selection for these lectures does) but also with Franklin, after Jefferson the most broadly cultivated and widely traveled among the founding fathers of the United States.

Long before Shils went to England, long, long before he became one of the world's most widely and intelligently traveled citizens, we became friends to my great advantage. We began to exchange visits in each other's homes in the University of Chicago neighborhood. From that time on he participated still more actively in my education and in that of my first wife who died in 1953.

While he was rethinking Max Weber and recognizing the significance for contemporary history of Sorel's "Reflections on Violence," which is to say during the late 1930's on the eve of the second world war, his widening cultural and territorial interests were focused on the world and on humanity as a whole. He concerned himself increasingly with many sides of history, for example with the interrelations between industry and government and he took a growing interest in the contrasting influence of French and English economic development upon the political policies adopted in Jefferson's time by the emerging United States. All this was against the trends in graduate education, which were pulling strongly in the direction of increasing specialization in increasingly numerous subjects and towards the application of scientific methods in the study of human subjects.

II

"Render unto Caesar the things that are Caesar's." The subject of this Jefferson Lecture carries me back still farther, to 1630, when a man named Weston was appointed King Charles I's Lord Treasurer. At one of his first meetings as a member of the English Privy Council, Weston's attention was drawn to an octagenerian servant of the Crown who was in dire distress. His name was Julius Caesar. This Caesar had been granted a pension by Queen Elizabeth in 1600 but now in 1630 inflation had reduced its purchasing power by about two-thirds. Something must be done for Caesar, Weston's colleague told him. Weston took note of the matter by scribbling the words "Remember Caesar" on a piece of paper which he stuck in his pants' pocket as a reminder. But, on reaching home, he changed his trousers and it was not for several weeks that he again put on those he had worn at the council meeting. By that time he had forgotten about the poor pensioner. "What could the reminder mean?" he asked himself. With a shock he realized March was upon him. His predecessor, Buckingham, had been assassinated. So Weston took fright and posted a guard around his house.

March is behind us as Shils embarks tonight on these Jefferson Lectures. But we should recognize that April now has (like all months) hazards graver than any of the 17th century presented. For with so-called progress violence has outgrown whatever small value it may once have had as a means of settling major disputes.

The widening range of Shils' interests during the past half century has put him in a unique position to appreciate the breadth of Thomas Jefferson. In mind and spirit Jefferson is perhaps the most complete American who ever lived and his counsel therefore is of enormous moment. "Peace is our passion," he said in one of his policy speeches as President of the United States. And with his extraordinary knowledge and experience he saw then, as some of us see now, that peace is not to be divorced from all the other matters concerning government, and that the claims of Caesar must be limited. We need more than ever before a breadth of view and a faith in the value of humankind that is not always conspicuous, for we have very much more to fear than the assassination of individuals. The entire human race stands in need of protection for the meaning of war has been transformed by the revolution in technology. Peace, of which Jefferson spoke so movingly as a passion, has become for the future of every nation, of every class, of every creed a necessity.

ROGERS C. B. MORTON

Mr. MATHIAS. Mr. President, the achievement that Rogers Morton leaves behind him reveals the contours but barely hints at the true dimensions of his life. Rog Morton's life, though short by normal standards, was as broad as his wide embrace of the world he loved. And it was as deep as the spiritual wells that fed his prodigious humanity.

Both Mrs. Mathias and I are deeply grieved by Rog Morton's death. When such an extraordinary human being dies untimely, it is well to consider not how long he lived, but how he lived. And when we think about how Rog Morton lived, there is much cause for rejoicing. Mrs. Mathias and I rejoice in our many years of friendship with Rog and Anne Morton. We rejoice in times spent together and in endeavors, both great and small, pursued together. But most of all, we rejoice in the quality of Rog Morton's life.

Rog Morton wanted passionately to conserve the good things of America. But conservation for him was not just a practical, expedient way of organizing our resources to withstand increasing strains. It was the tangible expression of a deeply felt spiritual commitment. Rog Morton did not talk much about the moral aspect of his concern for conservation, but anyone who knew him could sense it.

Rog Morton was touched by the wonder of the universe. He was moved by the miracle of creation and, because he was essentially a practical man, he took practical measures to protect the wonders he saw and felt around him.

There was a kind of reverence to Rog Morton's brand of conservationism, mixed with a fair measure of evangelism. He wanted all America to adopt a conservation ethic because he truly understood that a conservation ethic is just a sense of being careful about the world we live in and saving what we can of the good things of the Earth. In Maryland we owe him a tremendous debt for his determination to restore and preserve the quality of the Chesapeake Bay. To the extent that the quality of the Bay is better today than it was before he began to work, that really is a monument to Rog Morton.

He brought a very welcome human dimension to public life both as a Member of Congress, as a member of the President's Cabinet and as chairman of the Republican National Committee. It was a great pleasure to barnstorm around Maryland with Rog. On occasion just the two of us would fly in his plane, a single engine plane, up and down the Eastern Shore. Incidentally, that was the measure of the confidence that I had in him. When we would land in one of the towns on the Eastern Shore you could see the faces of the people light up when his huge frame hove into view, when they would hear his laugh, see the twinkle in his eye, the kind of joy in life that was Rog Morton would be reflected in their faces. He was so human that he made Government itself seem human to people.

There are not too many people to whom we could apply Shakespeare's words but I think Rog Morton is one of the few because he was one of those whose "life was gentle, and the elements so mix'd in him that Nature might stand up and say to all the world, 'This Was a Man!' "

Mrs. Mathias and I extend our sympathy to Mrs. Morton and to their children and to all that wide circle of Marylanders who could call Rog Morton a friend.

Mr. President, I ask that the eloquent and richly deserved tribute to Rog Morton be printed on the editorial page of the Washington Post, April 21, 1979, be printed in the Record.

The editorial follows:

Rogers C. B. Morton

Reflections about Rogers C. B. Morton really have to start with his size. He was a towering man, white-haired, easy to spot in a tumultuous Republican convention or on the floor of the House. But Mr. Morton, who died of cancer in Easton Thursday, stood out more because he was so genial, warmhearted and easy to like. He enjoyed politics, the combat and the camaraderie. With a seemingly inexhaustible store of friends and stories, he was a masterful campaigner, an effective persuader and a superb storyteller.

Politically, Mr. Morton combined a businessman's economic caution with the conservationist instincts of a farmer, the easygoing style of a patrician and a gentleman's sense of integrity. That reflected his heritage, as did his middle names—Clark, after Revolutionary War hero and outdoorsman George Rogers Clark, and Ballard, for the side of his family that had prospered in the food-processing field. But Mr. Morton often said his middle initials stool for "Chesapeake Bay," and he was so at home with the nature and people of the Eastern Shore that it was easy to forget that he had moved there from Kentucky at the age of 38.

In terms of laws and programs, Mr. Morton's best legacy was to the Bay country, which he served in Congress for nine years. His efforts were crucial in establishing the Assateague Island National Seashore and launching the Corps of Engineers' huge research model of Chesapeake Bay.

On the national stage, Mr. Morton served creditably as secretary of the interior and commerce and as a White House counselor under Presidents Nixon and Ford. In those roles he had some success in promoting energy development and injecting environmental safeguards into projects such as the Alaska pipeline and offshore oil exploration.

Mr. Morton's most impressive work was as a Republican party leader and strategist. In times of political turmoil and nastiness—in 1964 as well as 1974—he was a sturdy voice against deviousness and distrust. He tried doggedly to make the GOP more open, more tolerant of dissenters and more appealing to a wide swath of the electorate. If he had been younger, healthier, more ambitious, less loyal or more inclined to play the moral censor's role, he might have come into public view more clearly as a champion of political integrity. Even so, his spirit and doggedness helped bolster other Republicans and rehabilitate the party after Watergate. Then, as always, Rogers Morton stood as proof that politics can be decent, compassionate and fun.

REMARKS OF SENATOR HEINZ BEFORE AMERICAN FOOTWEAR INDUSTRIES ASSOCIATION

Mr. MOYNIHAN. Mr. President, on March 26, Senator Heinz spoke on the subject of trade to the American Footwear Industries Association. The Senator from Pennsylvania has long had a deep interest in the subject, and his remarks on the value of free trade and of the multilateral trade agreement are well worth our attention. No less significant, however, are his insistence that the United States vigorously enforce its own trade laws, and improve its trade procedures by establishing a new Depart of Trade.

I ask that Senator Heinz' speech be printed in the Record.

The speech follows:

Remarks by Senator John Heinz

I want to begin by asking a question many of us in the Congress have been asking and one everyone here ought to be able to answer—what's wrong with our present trade laws?

The answer lies as close to home as in the recent history of our industry. The ITC recommendation for relief was ignored. The negotiation of orderly marketing agreements that have failed to restrain imports, encouraged product shifts, and allowed new countries to take the place of the old exporting nations.

The answer also lies in other industries: in color television, for example. Another OMA that leaks. $40 million in uncollected dumping duties that are 6 to 8 years old. An administration that will not act. An industry threatened with the same virtual extinction as its predecessor, the black and white television industry.

These cases make a simple point. Our trade laws are either unenforced or unenforceable. They either don't work or haven't been made to work.

Because of that failure, 1979 has become the year of trade. This year the Congress faces:

A major overhaul of our trade laws to make them enforceable as we consider the multilateral Trade Negotiations.

A strong movement to create a Department of International Trade and investment to consolidate many diffuse and uncoordinated agencies and to ensure trade law enforcement.

A major expansion and extension of the Trade Adjustment Assistance Program for business and labor.

A major revision of the Export Administration Act, with an emphasis on reducing export controls and increasing export promotion.

The appearance of these initiatives at this time is no coincidence. To anyone who has carefully looked at trade figures over the past few years it is clear that an omnious trend has developed. January's $3.1 billion adjusted deficit is the 32nd monthly loss in a row. Last year's total trade deficit was $34.1 billion, $3 billion more than the 1977 deficit.

It is also clear that this trend is neither a cyclical downswing related to our domestic economic problems nor caused entirely by oil imports. The deficit has been increasing whether the domestic economy has grown or not. Oil alone is no longer the only factor in the deficit, $7.5 billion of it being due to non-petroleum, non-agricultural imports, mostly manufactured items and primary products. I believe instead that we are experiencing a fundamental, long term alteration in the international terms of trade and other nation's trading practices that will be increasing harmful unless we act promptly and decisively.

We are worldwide in the midst of growing political and social instability caused in part by a serious decline in American prestige and influence: (1) Nations are turning inward and concentrating on their own problems; (2) International cooperation is suddenly less important; (3) International law is losing whatever force it had; Domestic problems are at the top of every government's list, and some have discovered—or remembered—that those problems can be exported through trade policy—in particular:

Non-tariff barriers to keep our goods out . . . and

Subsidies to keep their goods coming here at artificially low prices.

These practices simply help preserve jobs elsewhere at the expense of jobs here. And as you yourselves well know, in import-sensitive industries, such as footwear, textiles, apparel, steel, and electronic parts. Will be, and are, particularly hurt.

Foreign government subsidies, for example, do nothing less than destroy the free market system and prevent our products from competing on an equal basis.

Such subsidies range from simple government handouts to cover sustained losses, as in the case of British steel, to sophisticated deferred payment subsidy schemes used by the Colombians and complicated stock purchase plans which help disguise the fact of government ownership.

The worst case, of course, is probably Japan, where the relationship between government, banks and industry is often so close as to make it difficult to tell them apart. The most recent example of Japanese activity is the High Yen Measures Law, a neat device designed to protect selected industries from the impact of the appreciation of the yen. Of course this kind of subsidy only helps ensure the Japanese trade surplus will continue to be too high. In these situations we are not seeing better products, or foreign firms with better technology, or better marketing methods, but rather products sold cheaper either through subsidies or as in the case of Korean or Taiwanese shoe workers, inhumanly low labor costs.

Imports, of course, are only part of the story. There are also our export problems. Even as other nations complain about American actions on quotas, countervailing duties, and other import restraints—modest as they are—American businessmen encounter increasing trade barriers in foreign countries against both our exports and our business activities. These tactics include local ownership requirements, labor regulations, import restrictions, price and tax controls, local requirements, licensing and inspection standards and many others.

Perhaps the most outrageous case occurred in Japan where an American businessman was arrested, jailed, convicted and fined $77,000 for allegedly evading customs duties, largely because he had successfully penetrated the murky world of Japanese trading and distribution companies and was succeeding in selling his own product directly on the market. The Japanese seem to have found a new non-tariff barrier—namely jail.

The problems I've touched on have become particularly difficult since the completion of the Kennedy Round in 1967. We have not been successful in finding ready solutions. Unilateral action, for example, invites retaliation, and we can find ourselves saving one industry from imports at the expense of another that depends on exports for its survival.

MULTILATERAL TRADE NEGOTIATIONS

The MTN, the Multilateral Trade Negotiations, however, present us with both an opportunity and a challenge: An opportunity to restore some order to international trade; a challenge to do it in a way that will protect and preserve our interests.

One of the difficulties for the United States is that we have consistently played the international trading game by our own democratic, transparent, free enterprise rules. We have done this because it is our system, and we believe free market forces—unimpeded by government intervention—lead to the most efficient allocation of scarce world resources. It is this proposition that, over a span of two centuries, has made our economic system, and therefore our Nation, the world's greatest power.

Other nations have not been equally dedicated. The result has been international trading chaos, characterized by the rapid expansion of subsidies and non-tariff barriers.

The MTN offers us an opportunity—

To develop one set of rules for everybody;

To regularize international trade; and

To break down illegal and unfair barriers.

Whether we make the most of this opportunity depends on the success Congress has in writing legislation to implement the MTN codes, especially the rules against subsidies and dumping. The story will soon be told in our Finance Committee, and in Ways and Means:

Although the law provides that the MTN implementing bill will be submitted by the President and may not be amended by the Congress; in fact, Senate and House Committee members are writing the bill through extensive meetings with Administration officials. In these negotiating sessions, we are trying to insure:

1. A standard of injury that American firms can easily meet.
2. Definitions of unfair trade practices that are broad and include both export and domestic subsidies.
3. Short time limits on investigations of unfair practices.
4. Payment of penalties and duties early in the investigation instead of at the end.
5. Increased transparency so American complainants will have full knowledge of the other side's case, and most importantly
6. The creation of a Department of Trade and Commerce which will consolidate the many different trade-related agencies and take administration of unfair trade investigations out of the hands of the Treasury Department, where it has been so badly handled.

The Treasury Department has been egregious in its handling of cases. For example, of the 27 countervailing duty cases in 1978, Treasury was late in its preliminary determination in 26 of the 27. Some delays have been as long as 11 months. And Treasury has also used some of the most tortured calculations imaginable to determine the amount of subsidy. In a case involving Colombian handbags, first, Treasury subtracted from the subsidy, the inflation that had occurred between the time a subsidy certificate was received and the time it was paid, even though the certificate may have been sold in the interim. And, second, Treasury subtracted the discount paid by certificate holders when it was traded on the Bogota stock exchange. Like a big winner on the daily double concerned about the IRS, it's almost as though someone in Treasury decides that a large subsidy determination may be too embarrassing to the foreign entity and has to find new ways to get it down to some "acceptable" number.

DEPARTMENT OF TRADE AND COMMERCE

Right now we are one of the few countries in the world without a trade Ministry, and the sad result is that we have no one who can effectively speak out for our free enterprise system. This is why so many of us want to take, among other things, trade law enforcement from Treasury, State or whereever else and concentrate these powers in, say, the Commerce Department.

There are a number of different Department of Trade or Commerce type proposals, and the details will no doubt be debated at length. The principle, however, is incontestable. Our exporters, our importers, and our domestic industries threatened by imports need a single, strong institutional voice that will put American interests at the top—first, last and always.

With respect to the other essential elements of a strong MTN bill, I can report to you today that after extensive Senate Finance Committee meetings, we are achieving a number of our goals, particularly with respect to the injury test, subsidy definition and calculation, and more stringent penalties and tighter time frames.

If these changes had been part of present law, there never would have been a color TV scandal, because the duties would have been paid up front. There wouldn't be a subsidized steel problem because we'd be countervailing against them. We would have been collecting duty in cases like the Colombian handbag example instead of finding ways to make the subsidy too small to worry about.

Whether the final product will be acceptable remains to be seen, but I can assure you I have no intention of supporting one that isn't. We are, however, moving in the right direction, and the Congress is certainly capable of writing legislation that will meet the challenge the MTN provides.

All these steps represent progress. But there is also a need for progress in America's understanding of the problem.

We have to move away from the simplistic view that developing trade policy is a fight between free traders and protectionists.

In fact, these terms don't have much meaning in the world outside ivory towers. World trade is not "free" now; it never was in the first place.. But no one is advocating a return to the cutthroat days of the Smoot-Hawley Tariff either. The so-called free traders fail to understand that the removal of trade barriers—tariff and non-tariff—is a two way street, not something we can achieve on our own. Likewise, the diehard protectionists fail to understand that the law of comparative advantage cannot be repealed: ultimately free market principles will prevail; although admittedly they might keep the patient alive a bit longer, tariffs or subsidies alone cannot make a sick industry well.

To get away from this artificial and misleading controversy, we should instead focus on the real problem—that of bringing free competition to the international market. On our part that means we should focus on the unfair trade practices of other nations and recognize that competition may well bring economic change in our own country as well. We have to learn to recognize and deal with those cases where are are no longer competitive. Economies evolve, and we have neither the right nor the desire to expect ours to stay static.

There is no reason though, for those in the affected industries to bear the total burden of change. We need to have an adjustment assistance program that works—for both business and labor—and we need to have one that emphasizes adjustment, not maintenance. Last year several of us almost succeeded in enacting legislation to clean up many of the inadequacies in the present program. We will try again this year and expect to succeed. I note the House Ways and Means Committee approved a bill last week.

Other nations, for their part, must be persuaded to devote their full attention to the international rules of the game—the creation of fair rules and their subsequent full enforcement. There is today the likelihood that many nations, particularly the lesser developed ones, will choose not to sign the subsidies code developed in the MTN. In order to help persuade them to participate, it is vital that we put in law the principle that non-signers will be treated less favorably than signers of the code. Specifically that means we should continue not to employ an injury test with respect to non-signatories. To put it another way, we are participating in the MTN at some risk to ourselves. That risk is unacceptable if other nations can receive the MTN's benefits without taking on any of its responsibilities. We can decrease the risk of that happening if we make clear that non-participants forfeit full access to the American market.

Finally, we should understand that this debate over trade policy is part of a larger issue—the ability of the American free enterprise system to be competitive and to survive. Our industries are being increasingly burdened by regulations and restrictions—health and safety rules from OSHA, environmental standards from EPA, strict and unrealistically long useful life from the Treasury, antitrust restraints from the Justice Department. Retaining that competitive edge is becoming increasingly difficult. Particularly when we compete with countries that don't maintain these high standards and instead provide subsidies and other encouragements to their industries.

Let us recognize that we have a domestic job to do in streamlining these regulations, in redressing these burdens and handicaps. But let us not forget the international job that I've described. Our trade deficit alone is graphic evidence of the increasing importance of trade in our economy. We must fashion the MTN into an effective instrument to normalize trade on free market terms. Just as isolationism is no longer a viable political philosophy; neither can it be an economic philosophy. Our participation in the world economy is already mandated. Our challenge is to make sure that all countries participate freely and fairly. It can be achieved with your understanding and your continued participation and concern.

ARIZONA ASSOCIATION OF CHIEFS OF POLICE SUPPORTS IACP

Mr. GOLDWATER. Mr. President, the International Association of Chiefs of Police is an organization which represents a vast majority of professional police administrators in this country. Recently, the IACP has been criticized by people who claim that it does not accurately represent its members and promote the most beneficial program for the criminal judicial system. Because of this, the Arizona Association of Chiefs of Police sees a need to display solidarity in support of the IACP. Accordingly, the Arizona group has adopted a resolution which I ask to have printed in the Record.

The resolution follows:

Resolution

Whereas, the International Association of Chiefs of Police, hereafter referred to as the I.A.C.P., is the organization which represents the vast majority of professional police administrators; and

Whereas, the I.A.C.P. has recently been criticized in its endeavors to adequately represent its membership and promote the most beneficial programs and laws for the Criminal Justic System; and

Whereas, these criticisms have indicated the need to display our solidarity of support for the I.A.C.P.; be it therefore

Resolved that the Arizona Association of Chiefs of Polic hereby unanimously endorses the I.A.C.P. as our singular voice and representative in matters concerning the advancement of law enforcement.

John A. Richardson,
President, Chiefs of Police Association of Arizona.

BARNARD FLAXMAN

Mr. RIBICOFF. Mr. President, recently Connecticut lost one of its prominent citizens, Mr. Barnard Flaxman of Hartford, Conn., a man of great character and ability. He was active in the civic affairs of the community. He was one of the outstanding insurance executives of our country. He was a close personal friend of many years. An obituary in the Hartford Courant of April 12, 1979, sets out his career and full life. I ask that the following article be printed in the Record.

Barnard Flaxman Dies; Was Insurer

Barnard Flaxman of 31 Woodland St., Hartford, and 2505 S. Ocean Blvd., Palm Beach, Fla., former vice president and chairman of the finance committee of the Hartford Insurance Group, died Wednesday at John F. Kennedy Memorial Hospital, Atlantis, Fla. He was 79.

Flaxman was a native of Hartford and a 1917 graduate of Hartford Public High School. He was a 1922 graduate of the University of Syracuse and began his business career in New York City with Standard Statistics, now Standard & Poor.

He joined the Hartford Insurance Group in 1924 in the investment department and became an assistant secretary in 1937 and a vice president in 1952. He was elected chairman of the finance committee in 1963 and retired in 1967.

Flaxman continued as a director of the Hartford Insurance Group until 1975. Upon his retirement from the board, former Chairman Harry V. Williams said: "He developed the investment function of The Hartford and gave to it a thoroughness and dedication that continue to be reflected in its activities today."

Another former associate said: "He has the gift of inspiring people to do their best."

Flaxman was viewed in the insurance industry as one of the nation's top investment authorities. He was one of the first to use in-depth research to forecast the earnings of corporations he was considering for investment purposes.

He also studied social and political trends as part of his research. As he once explained: "Social and political trends are very important. They determine financial trends."

In 1967, Flaxman was awarded the annual civic award of the Greater Hartford Board of Realtors for his leadership in redeveloping Hartford.

He was a director of the Hartford National Bank & Trust Co., the Rogers Corp., and the Connecticut Spring Corp. He was a trustee of the Mechanics Savings Bank, the Institute of Living, the University of Syracuse and Temple Beth Israel.

He leaves his wife, Bessie Aaron Flaxman; two sons, Robert A. Flaxman of Deerfield, Ill., and Donald H. Flaxman of Palo Alto, Calif.; a daughter, Doris Gould of Westwood, Mass.; two sisters, Mrs. William Riberdy of Worcester, Mass., and Mrs. George Silverfarb of Stratford, and five grandchildren.

The funeral is Friday, 2:30 p.m., in the chapel of the Weinstein Mortuary, 640 Farmington Ave., Hartford. Burial is in Beth Israel Cemetery. Memorial contributions may be made to a charity of the donor's choice.

RESOLUTION OF ARIZONA LEGISLATURE ON AMTRAK FUNDS AND SERVICES REDUCTION

Mr. GOLDWATER. Mr. President, the people in my State of Arizona are understandably upset by the Administration's plans to reduce Amtrak services in our State. And I agree that in the absence of a national transportation policy the projected alteration of the Amtrak system makes no sense at all. It would seriously affect the ability of Arizonans to move and would cause a great deal of inconvenience and even hardship.

Because of this, the Arizona State Senate has passed a memorial urging the Congress to prevent the reduction of Amtank funds and services at least until hearings are held in both Arizona and New Mexico and the Department of Transportation comes up with a justification and the plan rerouted.

I ask that this memorial be printed in the Record.

The memorial follows:

Senate Memorial 1003

A memorial urging the Congress of the United States to prevent the reduction of Amtrak funds and service

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, the United States Department of Transportation preliminary report to Congress on Amtrak Route System recommended,

1. The Southwest Limited remain unchanged as to route and service-routed Chicago-Kansas City-Albuquerque-Flagstaff-Los Angeles;

2. The Sunset Limited receive increased frequency (daily service) over the current route of New Orleans-El Paso-Tucson-Phoenix-Los Angeles; and

Whereas, the United States Department of Transportation final report to Congress on the Amtrak Route System drastically deviated from the preliminary report and recommended a route change to the Southwest Limited that would eliminate rail passenger service from northern Arizona and recommended continuing triweekly service on the Sunset Limited; and

Whereas, the Southwest Limited was the nineteenth best performer of all Amtrak routes in fiscal year 1978; and

Whereas, Arizona and New Mexico were treated in a grossly unjust manner in respect to the public input and hearing process; and

Whereas, tourism being one of Arizona's major industries and that a good transportation system availability being important to that industry. Wherefore your memorialist, the Senate of the State of Arizona, prays:

1. That the Congress of the United States take action to delay acceptance of the final report until United States Department of Transportation holds hearings in both New Mexico and Arizona, and furnishes both states with complete cost/benefit analysis and the United States Department of Transportation's justification for rerouting the Southwest Limited and for not recommending daily service for the Sunset Limited.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation, the United States Department of Transportation and to Amtrak.

Passed the Senate March 16, 1979, by the following vote: 22 Ayes, 3 nays, 5 not voting.

Received by the Secretary of State March 16, 1979.

DEFENSE SPENDING AND THE BUDGET

Mr. MOYNIHAN. Mr. President, in our debates over the Federal budget, I have sometimes contended that those who would bind us to a balanced budget give little assurance that their balance is not to be achieved at the expense of certain regions of the country and certain groups in our society. I have warned that a rigid dedication to budget balancing will quite probably foster social and political conflict that will strain our domestic polity and weaken our capacity to maintain our Nation's defenses.

I recently came upon a column by Mr. Bayard Rustin, the president of the A. Philip Randolph Institute, which addresses this very concern. I was especially gratified to note that not only does Mr. Rustin share my worry about the reaction that the budget-balancing fever is producing in some quarters. He goes on to argue that those who most require the help of Government must not be drawn into a misconceived attack on defense spending as a way of sustaining programs which they need at home.

Mr. President, I commend Bayard Rustin's statement to you as an example of integrity, responsibility, and even, in no small sense, political courage. I would hope that it might give example to all of us here as we carry on our own debate on these important matters. I ask that it be printed in the RECORD.

The material follows:

DEFENSE SPENDING AND THE BUDGET

(By Bayard Rustin)

When I began working with the civil rights movement many years ago, I soon learned that the effective leader needs one especially important talent, the ability to clearly identify real—as opposed to imaginary—causes of social, economic and political problems. Without this talent for discernment, it is all too easy to waste precious time and resources fighting mirages while allowing the real enemy to slip by.

This all comes to mind because a liberal friend of mine recently asserted that President Carter's proposed budget cuts are tied directly to increases in defense spending. Every dollar spent by the Pentagon, he said, comes from the education budget, the housing budget or the health care budget. Furthermore, he noted that the United States now spends more on weapons than ever before.

If all this were true, then, the proper strategy for challenging President Carter's austerity budget would be to attack military spending, and call for the transfer of a large portion of the defense budget to social welfare programs. At first glance, this seems like an attractive suggestion, but before adopting such a strategy, we must answer a key question: Are increases in the defense budget the real reason for President Carter's proposed cutbacks in social spending? The answer, I believe, is "no."

While it is certainly true that President Carter's "austerity" budget includes an increase in defense spending over and above the current inflation rate, the size of the increase and the magnitude of the current defense budget have been vastly exaggerated in the minds of many people.

Allow me to illustrate my point. According to my old friend, President Carter's proposed defense budget has increased enormously. But upon checking the facts, I discovered that the proposed increases amount to only 3% after accounting for inflation. Furthermore, while thumbing through a report from the Congressional Budget Office, I found that defense spending has become a relatively minor component in terms of our overall economy. Back in 1968, for instance, the military consumed 44 cents of every federal dollar; in 1980, however, it will consume 24 cents. Twelve years ago, we spent 9.5% of our Gross National Product on the military, whereas in 1980 we will spend about 5%. By contrast, the Soviet Union currently spends between 11% and 13% of its GNP on military hardware.

In pointing to these facts I am not saying that the defense budget is inconsequential or too small. Rather, I am arguing that it is highly dangerous—indeed suicidal—to plunge into the fray over the budget with a warped view of basic realities. And the most basic reality, as I see it, that President Carter did not slash social spending in order to bolster the military; he slashed social spending because he sincerely believes that fiscal conservatism is the solution to inflation and economic instability. Therefore, a campaign against military spending is directed against the mirage, a pseudoproblem, while, the root cause—an antiquated form of economic conservatism—passes unchallenged, perhaps even un-noticed.

An anti-defense approach has other serious pitfalls, the most dangerous being the advantage it gives conservatives. If we succumb to the false notion that there is a direct dollar-for-dollar relationship between defense and social spending, pro-austerity forces will have an especially powerful argument. For the conservatives, the need for increases in military spending—increases which the majority of Americans, myself included, favor—will serve as a convenient and convincing excuse for cutting social programs. To put it more bluntly, if we allow the budget debate to be framed in terms of the old "guns vs. butter" trade-off, I fear that most Americans, including those who support and benefit from social programs, will opt for guns.

How do we escape this disastrous predicament? In my view, there is only one alternative strategy, and that is to justify our anti-cutback position on the merits of individual social programs and needs. In other words, when we call for a restoration of $3.1 billion in CETA funds, $2.3 billion in medicare funds, and other billions in education and health care funds, we must make our case irrespective of the defense budget. Moreover, if we attempt to simply re-funnel defense funds to social programs, we will be conceding that federal spending, rather than other key factors, is the main source of inflation.

TRIBUTE TO A MAN OF THE SEA

Mr. WEICKER. Mr. President, I would like to take a moment to offer a tribute to a great American and man of the sea.

Dr. Lionel A. Walford passed away April 9, but not out of the hearts of many people who, like himself, love and understand the sea.

Dr. Walford was one of this country's most eminent marine scientists. His work and scientific discoveries are recognized worldwide. Beside authoring numerous papers and books including such classics as "Marine Game Fishes of the Pacific" and "Living Resources of the Sea," he served the U.S. Government brilliantly for over 35 years. He was chief of research for the old Bureau of Commercial Fisheries and was responsible for starting and directing the Sandy Hook Marine Laboratory in New Jersey. He was also indirectly involved in advancing this Nation's manned undersea science. In the early sixties, with great foresight, he envisioned the need to study the oceans firsthand even though he himself was not a diver.

Dr. Walford was equally a great educator and humanitarian who touched thousands of young people and was personally responsible for guiding the careers of many marine scientists.

Last year I had the good fortune of meeting Dr. Walford. Although our meeting was only for a few minutes, the strength and character of the man was immediately visible to me.

Mr. President, this Nation owes Dr. Lionel A. Walford a posthumous vote of thanks for a job well done.

He will be sorely missed, but his inspiration will live on, and his life will serve as a benchmark for all good men of the oceans to follow.

SLEP, THE GAO AND NATIONAL DEFENSE

Mr. BRADLEY. Mr. President, as you know, the Department of the Navy plans to undertake a program to extend for 15 years the service lives of at least four aircraft carriers. The program, known as the service life extension program, or SLEP, is scheduled to begin with life extension work on the U.S.S. *Saratoga*.

The Navy anticipated that work on the *Saratoga* would commence in October of this year and continue for some 28 months to completion. Its sister ships would follow on. It is important that the Navy be able to meet its schedule, first, because the *Saratoga* is in a shabby state of disrepair, but more importantly, because a bottleneck in SLEP work would seriously reduce the number of aircraft carriers on line for military duty. The Navy can ill afford such an impairment of its readiness. Unfortunately, a rider introduced in the Senate Armed Services Committee threatens to reverse the decision by the Department of Defense to award the *Saratoga* contract to the Philadelphia Naval Shipyard, and thereby to produce an unnecessary and disruptive delay.

Moreover, the rider harbors an even greater peril than wasteful delay. It is this peril that most disquiets me. The rider would establish imprudent precedents on decisions pertaining to the defense capability of this country. It dictates the decisions of the Secretary of Defense on misleading and insufficient information. It carelessly shifts a defense decision from the jurisdiction of the Secretary of Defense to that of the Comptroller General. Clearly, this sort of precedent, if allowed to stand, is one which this body will repeatedly have reason to regret.

The amendment at issue is attached to the Supplemental Defense Authorization bill of 1979. It requires that the Secretary of the Navy award the SLEP contract for the *Saratoga* solely on the basis of cost as determined by a single study, a study prepared by the General Accounting Office. In questioning the wisdom of resting a military decision on a GAO study, I mean no slur on the value or significance of the work of the GAO to Congress. Each of us has found its studies extremely helpful in pointing to administrative waste and inefficiency. But that is not to say that either the Congress, or the President, or the Department secretaries, should defer their judgment to that of the Comptroller General. On policy questions, the GAO opinions must defer to the judgments of Congress and the Executive officials who have the major responsibility for those policies.

So it is here. Responsibility for national defense lies with Congress, the President, and the Secretary of Defense. It is unprecedented and unheard of to direct the Secretary and the President to make decisions as complex as those involving national defense on the basis of one study, much less one study by an institution which is not publicly or politically responsible for national defense.

This amendment would result in reversing a Navy decision that has been reaffirmed again and again, in favor of the Philadelphia shipyard—a public yard. Instead it would send the *Saratoga* to the Newport News Shipyard in Virginia—a private yard. The effect of the amendment would be to legislate the awarding of a defense contract, clearly a dubious legislative practice and a very poor contract-awarding procedure. This is also an unprecedented step and again one which this body will repeatedly have cause to regret.

Thus this bill breaks new legislative ground in two extraordinary and unwise ways—it legislatively chooses one contractor over another, and it creates a new Super-Secretary of Defense in the person of the Comptroller General. Considering the 200-year history of this body, this is no small achievement for a scant 65 words.

While I bow to no one in my desire to eliminate unnecessary costs of Government, and while I agree that costs are an important factor in this and all defense programs, clearly the decision on the *Saratoga* is not simply a cost decision: It is a decision about how this Nation chooses to develop its resources in the service of our national defense.

It is a decision about how we can best provide for preparedness in times of national emergency.

It is a decision about what priority we will give to our defense profile for the future.

Accordingly, it would be folly to rest this decision on cost factors alone.

If we are to remain a prepared Nation we cannot afford to allow our warship revitalization capabilities in the public sector to lapse. SLEP expertise and facilities must remain strong and ready to respond to the demands of a swift mobilization. In public yards, the demands of the national interest take immediate priority over commercial considerations. There are no competing business priorities, and that is as it should be. The capabilities of private yards are surely a welcome supplement to our public resources, but they should not be allowed to destroy the long-term viability of public yards for the dubious promise of short-term dollar gains. This would be a false economy as well as an irresponsible defense policy.

These reasons of national security alone dictate that we not jeopardize the strength of our public yards. But there are still other reasons to choose the public yard in Philadelphia for the *Saratoga* SLEP, reasons which bear on the value received by American citizens for their tax dollar as much or more than do conventional types of cost estimates. The public yard in Philadelphia has a superior performance record, and performance superiority translates into more efficient and effective expenditures of the dollar.

Philadelphia has an outstanding record of on-time delivery and of staying within the prescribed budget. The private yard alternative cannot make a comparable boast. It has run an average of 21 months late for the last several years and submitted more than $870 million in cost overruns since 1973.

Philadelphia also has one of the best facilities for service extension work and lengthy experience in the repair and maintenance of ships. It has a strikingly admirable safety record and a history of excellent labor relations. There have been no recent disruptive labor disputes which, if they should occur during SLEP, would have a serious detrimental effect on the return of the *Saratoga* to service. Time extensions, cost overruns, hazards and labor troubles are not included in initial cost estimates, but they take their toll in the final tally.

It would be negligent to pay no heed to the requirements of national security and to the requirements for superior performance even if we had available to us sound and reliable cost studies on which to base a least-cost decision. But the plain fact is that despite all the injunctions to pursue the path of least cost, we simply do not have a dependable cost study. This is a point on which all authorities, including the GAO, agree. The GAO study which the amendment would grant the power to assign defense contracts work for the *Saratoga* is only one among many cost studies on SLEP. It is one blemished by highly uncertain cost estimates and an inappropriate cost-accounting methodology. The GAO has characterized its own cost estimates as lacking "any degree of accuracy at this time" and it acknowledges that they "could be off by millions." Other authorities have been more harsh in their assessment of the GAO study and of any cost figures generated to date.

In addition to the GAO study, there have been two cost studies by the Navy, a third by the Wharton School of Business of the University of Pennsylvania, and a review of the Navy and GAO studies by the accounting firm of Price Waterhouse & Co. All of these reports agree that the cost estimates used in the Navy and GAO studies are extremely unreliable because there was no certain knowledge of the actual work to be done in a SLEP undertaking and because it was impossible to impute confidently labor and overhead costs at the time of the studies.

The margin for error in the study is enormous, more than enough to extinguish completely the possibility of arriving at a defensible cost determination. The total cost of SLEP work on the *Saratoga* is estimated at about $500 million, but the possible margin for error is in the range of $100 million to $200 million. There are also numerous misleading assumptions in the GAO study—for example, there is no basis for assuming a 15–20 percent productivity advantage for Newport News; the study incorrectly assumes that the work at Newport News would yield additional tax revenues to Treasury; and it unrealistically assumes large numbers of Navy personnel will participate in the SLEP work in Newport News.

Perhaps the most important defect in the GAO study is that they did it wrong. In estimating the costs of the SLEP program at the Philadelphia public yard, they included much of the fixed overhead costs of the yard and allocated those costs to the renovation of the *Saratoga*. These added costs are ones which the public yard has whether or not the *Saratoga* goes there. They are costs which the public pays in any case. By including those costs, GAO ran the total up higher than it properly should have done.

On the other hand, it would not be proper to include only the incremental costs in calculating the total for work done at a private yard. That is because the private yard operates to make a profit, and it must allocate its fixed, overhead costs among each of the contracts it receives. By misconceiving the actual cost comparisons between the two alternative yards, and the fundamental cost differentials between public and private facilities, GAO made a cardinal error.

And, in doing so, GAO violates a basic precept of government cost accounting required by OMB in its circular A-76, the method dictated for assessing the costs of government spending in these circumstances. On this basis, if on none other, the report is an uncertain reed upon which to rely.

Permitting the amendment which assigns an important Navy contract on the basis of a single suspect study to stand unmodified will do a grave disservice to the security interests of this country. It partakes of a parochial spirit that is clearly contrary to the spirit of national interest which should guide our decisions on our Nation's defense.

If accepted as it is, it will prove a legislative embarrassment. Therefore, I call on my colleagues to join me in assuring that the Secretary of Defense will be permitted to make his decision taking into account all considerations bearing on the national interest, including those of national security and national cost.

Mr. President, I request that a letter and documents prepared by Price Waterhouse & Co. be printed in the Record.

The material follows:

Price Waterhouse & Co.,
Philadelphia, Pa., March 6, 1979.

Mr. Thatcher Longsworth,
President, The Penjerdel Corporation,
1617 JFK Boulevard,
Philadelphia, Pa.

Dear Mr. Longstreth: In accordance with your request, we have read certain documents relating to the allocation of work to be performed under the U.S. Navy's Aircraft Carrier Service Life Extension Program (SLEP). These documents are listed in the accompanying index. We did not have the opportunity to examine the supporting data underlying these documents, and, accordingly, we are not in a position to comment upon the propriety of the data and accuracy of the compilation of the information presented. Furthermore, because the cost comparisons are based upon assumptions and estimates, the reliability of which are dependent upon future events and transactions, we, as independent accountants, can express no opinion upon the fairness of the cost comparisons.

However, we observed two matters of overriding significance which must be considered in attempting to draw a conclusion from the differing opinions presented in the several documents listed. The first of these is that the estimates of the costs of the work at this point in time are highly uncertain and, therefore, of very limited value. Secondly, the methodology employed in preparing the estimates is not appropriate for the purpose of measuring the effect on the government budget of the alternative decisions to allocate the SLEP work.

The many comments on the uncertainty of the cost estimates including (1) the very tentative nature of the preliminary evaluation of work content, (2) the uncertainty of manpower requirements, (3) difficulties in measuring productivity differences, and (4) the problems of predicting future labor rates and other costs, in the aggregate constitute a set of circumstances which make current attempts at estimating with precision impossible. While the degree of error in the present estimates cannot now be determined, it appears that the possible range of errors far exceeds the difference between the estimated costs in the two locations. Given the significance of these uncertainties, it appears that the attempts which have been made to refine certain aspects of the estimates to a high degree are of little or no practical value in supporting a decision.

In our opinion, the methodology employed in preparing the comparative estimates is inappropriate for the purpose of measuring the relative cost advantage to the government of the alternative allocation decision. The cost estimates follow the principle of full costing or fully distributed cost. The effect upon the defense budget will be measured by spending, not by cost accounting. The allocation decision will result in an incremental cost to the government, that is to say, an additional cost over and above those costs already expected to be incurred by the government. No attempt has been made to estimate the incremental costs involved in the allocation decision, and the general relationship of shipyard fixed and semi-variable overheads to labor costs indicates that such an approach could produce a significantly different set of estimates from those now being reviewed. Furthermore, it appears that the analysis prepared by the Navy and reviewed by the GAO does not follow the requirements of currently effective OMB Circular A-76 which requires the use of incremental costing techniques.

In summary, the several cost estimates prepared by the Navy and reviewed by the General Accounting Office are highly uncertain, subject to a very wide possible range of error, and more important, do not provide a comparison of the difference in government spending that would result from the allocation decision. Furthermore, the data presented in the several studies is insufficient for the purpose of estimating the incremental costs which represent government spending. If any analysis were to be prepared on a sound incremental cost basis, without altering other aspects of the Navy estimates, it could be expected that the estimated costs in the Philadelphia Naval Shipyard would be substantially reduced because of the relative large amounts of fixed overheads which are included in its' estimated costs. The preparation of comparative cost estimates using incremental cost analysis techniques would require more information than that set forth in the existing studies. This information may not be readily available. Given the time constraints, therefore, it appears that if an allocation decision on the SLEP work is to be made at this time, the decision may have to be based on factors other than cost. The attached memorandum sets forth in more detail background information and selected comments from the various documents.

Yours very truly,
Price Waterhouse Co.

Index of Documents Reviewed

a. Original U.S. Navy Report, CV (Aircraft Carrier) Service Life Extension Program (FY-81 Program) Cost Comparison Ratios (Public Yard Cost/Private Yard Cost), undated.

b. Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?—Report by the Comptroller General, U.S. General Accounting Office, September 22, 1978.

c. William N. Lamen, Wharton School of Business, University of Pennsylvania, A Critique of the GAO Report "Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?", January 3, 1979.

d. City of Philadelphia, Summary and Analysis of GAO Report, undated.

e. City of Philadelphia, Briefing Paper for U.S.S. Saratoga Modernization Meeting, undated.

f. Wharton Econometric Forecasting Associates, Inc., SLEP Multiplier Analysis with the Philadelphia Quarterly Econometric Model, November 30, 1978.

g. W. N. Lamen, Data Required to Assess the Limitations of the GAO Report, January 77, 1979.

h. U.S. Navy, CV Service Life Extension Program (SLEP) Least-Cost Approach Study, January 23, 1979.

Comments on Cost Comparison Studies for the U.S. Navy Aircraft Carrier Service Life Extension Program

UNCERTAINTY OF COST ESTIMATES

The uncertainties in the cost studies may be classified into four types, as follows:

1. Uncertainty of the exact work to be done.

2. Uncertainty in the amount of labor required to accomplish the work at each shipyard where productivity differences may result in different amounts of required labor.

3. Uncertainty as to future values of the labor rates at each shipyard where, again, there may be differences.

4. Uncertainty as to the future value of other relevant cost factors where there are differences in the two shipyards.

One may be inclined to discard item 1. above on the assumption that the total level of work to be done (before considering productivity differences) does not differ between the two shipyards and, therefore, this can be excluded from the analysis. The total level of work, however, is relevant to the alternatives analysis, because other relevant cost factors are related to the total level of effort.

The four types of uncertainties listed above form a chain which possesses a multiplier effect. If, for example, a confidence level of eighty percent is associated with each of the four types of uncertainties, the resultant confidence level in the total cost differences is the product of the confidence levels of the four types, or approximately forty percent. This is not to suggest that these numbers are the actual confidence levels associated with any cost estimates, this is intended for illustrative purposes only.

If, however, one were to assume that eighty percent was a reasonable confidence level to use for each type of cost above, the total estimated cost could be off by as much as plus or minus $200 million, or a range of $400 million around an estimate of $500 million. Recall that the level is important to the value of other relevant costs.

More importantly, the uncertainty associated with the estimated differences between the two shipyards in productivity or wage rates could result in a substantial uncertainty associated with the estimate of the total differences, again by a multiplier effect.

QUOTES ON THE UNCERTAINTY OF THE COST ESTIMATES

Selected comments on the uncertainties of the cost estimates, taken from the study reports and from testimony before Congress, are provided below.

1. "The above estimates and resulting ratios were developed by the Navy not by the two industrial sources being compared. The indicated differences in cost are not within the accuracy of the current class F quality estimates. A class C budget quality estimate for the first CV SLEP will be available for the fiscal year 1981 budget submission to the Congress. A budget quality cost estimate is dependent upon physical inspection of the ship and development of detailed work packages. In this matter, the scope of both the modernization and extensive overhaul work packages will become more accurately defined. This in turn will permit more accurate pricing of the labor and material requirements than is currently possible." (Source: Original Navy cost study, page 1.)

2. "Total costs cannot be determined with any degree of accuracy at this time and could be off by millions. (Source: GAO Report, page 11.)

3. ". . . actual costs for the service life, extension program could vary considerably from the Navy's estimates." (Source: GAO Report, page 2.)

4. "The work to be performed in the SLEP is difficult to plan and project; the exact scope cannot be determined until actual systems are removed and examined during the overhaul. For this reason, projected SLEP costs would have to be considered "soft" estimates." (Source: Deputy Secretary of Defense Duncan's transmittal letter of the revised Navy cost study, 1-25-79, p. 1.)

5. ". . . The estimated cost advantage at

Newport News . . ., however, is very soft. This is true not only because the work package at this time is necessarily poorly defined, but also because determination and quantification of the productivity advantage at Newport News over Philadelphia is uncertain and there may be additional dollar savings at Philadelphia over those at Newport News in cost avoidance due to broader allocation of overhead." (Source: Secretary of the Navy Claytor's transmittal letter of the revised Navy cost study, 1–25–79, p. 1.)

6. "The work package is being developed and is not sufficiently well-defined for shipyards to bid. The estimates used in this revised study remain primarily class F quality based on an incompletely defined work package. A more definitized work package will not be available until May 1979; however, the relative cost difference between the shipyards is not expected to change." (Source: Chief of Naval Operations Haywood's transmittal of revised Navy cost study, 1–25–79, p. 1.)

7. "As pointed out in the basic correspondence, fee estimates are class F in quality." (Source: Headquarters Naval Material Command transmittal of revised Navy cost study, 11–27–78, p. 1.)

8. "A 3 million nominal allowance for CV SLEP-related facilities and other related one-time costs at Newport News has been included. This is based on the Newport News estimate provided to GAO of $2.5 million in 1978. This figure has not been validated." (Source: Naval Sea Systems Command CV LEP Least Cost Approach Study, 1–15–79, Enclosure 2, p. 2.)

9. "The basis of these estimates is clearly not rigorous." (Source: Naval Sea Systems Command CV LEP Least Cost Approach Study, 1–15–69, Enclosure 5.)

10. "It should be recognized that the amount of projected cost impact is extremely sensitive to future workloads which seems to always change considerably from the initially forecasted levels." (Source: Naval Sea Systems Command CV LEP Least Cost Approach Study, 1–15–79, Enclosure 7.)

11. "The estimates of both yards are soft because of unreasonable uncertainties that we cannot rely on them alone." (Source: Secretary of the Navy Claytor's testimony before the Senate Armed Services Committee, 2–9–79.)

INCREMENTAL VS. FULL COSTING

Full costing or fully distributed costing refers to the identification and measurement of all costs, including fixed costs, variable costs, and costs which are a mix of the two.

Incremental costing is the identification and measurement of costs which vary with volume or costs which are different under two alternatives.

Full costing is appropriate in private industry, in financial reporting in pricing, and in budgeting. In government full costing is appropriate in the same areas, but is used primarily in budgeting and in estimating the cost of some action or program.

Incremental costing is appropriate in private and public sectors in alternatives analysis i.e., choosing between competing alternatives.

The objective of any cost analysis must be clearly defined. Usually it is to estimate a cost or to choose between competing alternatives. The objective determines the appropriate cost method. Too often, it is easy to attempt to use full costing for both cost estimating and alternative analysis. If done, this approach fails to recognize that there may be some costs which will be incurred regardless of the alternative chosen. These must be excluded to avoid the incorrect assumption that these costs will be avoided if the particular alternative is not chosen.

Non-avoidable costs in a shipyard alternatives decision consist primarily of fixed costs can be subdivided into three broad categories: (1) physical capacity, represented by buildings, machinery, furniture, etc., (2) organizational capacity, represented by management, supervisory, and staff personnel, and (3) financial capacity, represented by working capital and other financial resources.

The Navy-commissioned 1972 Booz Allen "Study of the Relative Costs of Ship Construction, Conversion, Alteration, and Repair in Naval and Private Shipyards" (this study was cited by Comptroller General Staats in his statement before the Senate Armed Services Committee) states:

"It can be shown that, when the true incremental cost of performing a specific type and amount of ship work in a Naval Shipyard, taking account of transition costs and a realistic work-load pattern, is less than the projected total private shipyard price for the same work, the greater economic benefit to the government will probably result from the assignment of the work to the Naval Shipyard."

Given that the objective of all of the studies is to compare the effect upon the defense budget of performing the Saratoga SLEP work either in Newport News or at the Philadelphia Naval Shipyard, then a proper cost comparison would measure the difference between the Newport News contract price and the incremental cost which would be incurred if the Philadelphia Naval Shipyard is chosen.

The Newport News contract price will include direct materials, direct labor, overhead, and profit. The Philadelphia Naval Shipyard will incur direct material, direct labor, and some increase in variable overhead. The fixed overheads of the Philadelphia Naval Shipyard are already committed in defense budgets. The level of variable overhead spending in other Naval Shipyards may be affected by the allocation of Naval work.

The overhead costs are significant in the cost comparisons. The Newport News overhead rate is estimated to approximate 90 to 100 percent of direct labor. The Philadelphia rate is probably higher because of the classification of certain supervisory costs as overhead (which appropriately reflects the Navy's ongoing commitment to maintain adequate supervisory strengths for emergency situations).

The Navy and GAO studies fail to deal properly with the comparison of overhead costs because they fail to distinguish between the accounting technique of full cost allocation and actual spending.

TRIBUTE TO LARRY BIRD

Mr. LUGAR. Mr. President, on this coming Friday, April 27, 1979, the people of Terre Haute, Ind., will honor Larry Bird at a recognition dinner, to be held on the Indiana State University campus. The proceeds from ticket sales for this community event will be used to establish a university scholarship in Larry Bird's name, and to provide funds for the Springs Valley athletic program where Larry played high school basketball.

My responsibilities in the Senate will make it impossible for me to attend this event, but I am grateful for this opportunity to express my congratulations and continued best wishes to Larry Bird as he prepares to leave Indiana State University.

The press has well documented Larry's athletic ability but the thousands of basketball fans who have witnessed his play know that no mere words can describe it. He is truly one of the greatest college basketball players ever.

I will not take the Senate's time to list his many records and achievements, or to compare him to other basketball greats. Rather, let me observe that Larry Bird has used his talents and gifts to the very best of his ability, that he has reminded us of the value of teamwork by playing with unselfishness and respect for his fellow players, that he has played basketball with heart and with courage, and that in the midst of great success, he has conducted himself with humility.

Joining the many who will honor Larry Bird at the dinner this Friday, I congratulate Larry on his success as a player, and, more importantly, pay tribute to him for his conduct as a man. I know that I speak for many in hoping that Larry's example will continue to enrich the lives of those who will follow his career.

GOLD AND MONEY—THE CONNECTION THAT WON'T GO AWAY

Mr. HELMS. Mr. President, this past Wednesday, the Treasury Department announced that sales of gold from U.S. stockpiles would be halved. A spokesman said the reduction was because the dollar is strong and gold sales are no longer needed.

I was reminded of former Senator George Aiken's comment on the war in Vietnam. He said we should declare we won and withdraw. So the Treasury seems to be saying, "The dollar is strong so we don't have to sell as much gold."

Treasury was selling gold, not to help the dollar substantively, but to hold down the price of gold—the biggest indicator of dollar weakness.

If there was any justification for the selling of U.S. gold it was psychological. It told foreign financiers that the United States was putting up large quantities of its only—and I emphasize, only—monetary reserve. Clearly, the time for psychological impact is gone—and with it, the sole rational excuse for dumping our gold.

More importantly, the gold-selling lesson has taught the world that the U.S. Treasury view of gold as a nonmonetary commodity is Keynesian delusion. In fact when push came to shove, and the American President was told he had to take substantive action and had to take an important psychological step, the "demonetization" of gold went out the window.

I have heard reports that the decision last November was traumatic for our Treasury Department. It posed the mid-level bureaucrats against the Secretary of the Treasury and the President. It posed the Keynesian ideologues against the public policymakers responsible to the people.

According to the Washington Post, as a result of gold sales, "the 'inverse' relationship between gold and dollar prices has been broken."

In other words, the Treasury seems to be saying that gold will not go up when the dollar goes down. Nonsense. The price of gold in terms of dollars will always reflect the supply of gold and the supply of dollars. When the Treasury increases the supply of gold (by selling 1.5 million ounces per month) and reduces the supply of dollars (by restraint in monetary policy and proper international exchange mechanisms), then the dollar price of gold is going to reflect it.

The "inverse" relationship of any commodity price and the price of dollars is never going to be "broken." The Government of the United States for all its public relations capacity is not going to void the laws of the marketplace.

Respectable, establishmentarian thought in every nation of the world except the United States of America has never given much serious attention to the antigold disposition of the U.S. Treasury. That more and more academic attention is being given in America to the stabilizing role of gold in a monetary system is exciting and encouraging.

The long-range stability of gold seems indisputable: Particularly when compared to a money system like ours which is juggled by politicians for political goals. In our system the politicians have Ph. D.'s in economics and the political goals are justified in economist's terms.

The case for gold has been made more convincing since the publication of an outstanding book by Roy W. Jastram. A little over a year ago, Professor Jastram's book was reviewed by Jude Wanniski in the Wall Street Journal. The review pointed out not only that price stability and gold go hand in hand in a monetary system, but that Dr. Jastram was skeptical of the workability of a gold-related money system.

Most recently, Professor Jastram offered a commentary on the same editorial page of the Wall Street Journal in which he documents gold's characteristic as a long-lasting store of value.

In what may be a modification of his views as represented in his book, Professor Jastram concludes "Is there something about gold which allows it in the long run to retain its purchasing power whether or not governments interfere? Curious."

It is in some respects more curious that the truth of that relationship is lost on people who are managing the U.S. monetary system.

Mr. President, I request that two articles entitled, "Barbaric Metal or Golden Anchor?" and "Golden Constant: Yellow Metal and Inflation," be printed in the RECORD.

The articles follow:

[From the Wall Street Journal, Mar. 15, 1978]

BARBARIC METAL OR GOLDEN ANCHOR?

(By Jude Wanniski)

Remember the good old days, when your breakfast news was not cluttered with routine reports on the price of gold and nervous items about plunging dollars and soaring yen? Well, Roy W. Jastram, a professor of business administration at Berkeley, has written a book about the good old days. "The Golden Constant: The English and American Experience, 1560–1976."

True, it is considered impolite to discuss the gold standard in front of children or modern economists. Children might ask embarrassing questions. Modern economists might be embarrassed, at least those who advised us that inconvertible currencies and floating exchange rates would do wonders for us all. But they can leave the room.

It's still a safe bet that when President Carter asks his viziers how to keep the U.S. dollar from floating further into the abyss, not one will suggest the golden constant, the golden anchor. Here is one thing the economists of Brookings and the economists of the American Enterprise Institute—viziers left and right—will agree upon. Gold is a barbaric metal. It just isn't modern. It's not nice.

Mr. Jastram makes a terrific case for gold in his statistical data which he began collecting in 1936. But alas, he too succumbs to the pressures of the Viziers Union and proclaims that while gold worked wonderfully for 400 years, times have changed, We can't, he says, be "nostalgic." For this reason, his book is not necessarily one we should smuggle to the President (that he might read under the covers, by flashlight).

The essence of Mr. Jastram's book, though, is not his political or economic analysis. His contribution is the construction of an original wholesale price index for Great Britain between 1560 and 1976. The bulk of the effort went into computerizing several centuries of wage and price data compiled by Lord Beveridge in 1939. Against this series Mr. Jastram sets an index of the price of gold and then derives an index of the purchasing power of gold over the period. He does the same for the United States from 1800 using the existing wholesale index.

A FATEFUL DAY IN 1717

The results are entertaining. Having set the base year for his wholesale commodity price index at 1930 equals 100, Mr. Jastram can trace backwards in time along his table and find the WPI again and again crossing 100. It does so in 1914–15, in 1874–75, several times between 1821–1860, and several times in the 18th Century. The earliest point the index hits 100 is in 1718–19. And December 22, 1717, just happens to be the day Sir Isaac Newton, Master of the Mint, unwittingly put Britain on a gold standard of 3 pounds, 17 shillings, 10.5 pence per ounce.

Convertibility at this price was interrupted only during the Napoleonic wars and World War I. The index, meanwhile, went as high as 182.5 in 1813 and 258.8 in 1920. Going back further than 1717, we find the lowest point on Jastram's index in 1564, when it was a mere 32.0. Prices doubled between 1585 and 1718 and then more or less remained stable until 1930. The importance of all this is to remind us that price inflation is not part of the human condition, but is rather a gift of modern economics. Can these tables alone be smuggled to President Carter?

The President could also observe the movement of the index after Britain in 1931 put economists and bureaucrats in charge of regulating the money supply, instead of keeping gold at that job. By 1946 it was at 162, by 1956 at 406.1, by 1966 at 506.8, and by 1976 at 1248.4. Yes, that's 1248.4.

Except that the United States maintained a semblance of convertibility until 1971, when it became free at last of the barbaric metal, its experience has been similar. The wholesale commodity index is at 100 in 1804 and in 1930 it's also at 100. As recently as 1940 the index was at 90.8. It then went to 185.7 in 1948, 204.3 in 1951, and 247.5 in 1970. In 1976 it was at 410.2.

The value of Mr. Jastram's book is in this statistical sweep, which suggests that we've forgotten more than we know. If we wish to end inflation, it certainly seems foolish to begin the process by discarding any idea of using gold. Why, then, does Mr. Jastram do so himself, implicitly accepting the notion that gold is gone and inflation is here to stay? It is useful to see how he misinterprets his own statistical contribution to try to persuade us on this point.

After powerfully demonstrating that gold maintains its purchasing power over long cycles, for example, he presents a startling "discovery" that in the short run gold is a poor hedge against inflation. The common idea that it is a good hedge, he argues, is a "myth." He statistically "proves" that gold's purchasing power falls behind commodity prices during inflations, although catching up with them during deflations. This he calls the "Retrieval Phenomenon."

Why do economists spend so much energy turning simple ideas into complex ones? It only takes a moment's thought, not a book of argumentation and statistical proof, to understand the Jastram "Retrieval Phenomenon." When money is bound to gold and prices rise relative to money they of course rise relative to gold. But we find in his own index the important point: that when money is bound to gold nobody needs an inflation hedge.

Here, for example, is the "great inflation" of 1623–1658 when money was bound to gold, yet gold was losing 34% of its purchasing power. Mr. Jastram himself observed that the 51% price rise in the period is trivial, breaking down to an average *annual* compounded inflation rate of 1.2%. Who needs an inflation hedge at that rate?

And here is Mr. Jastram straining to show further proof of gold's failure as an inflation hedge when it is *not* bound to money. In Britain between 1933 and 1976 commodity prices rose by 1434%; yet gold loses 25% of its purchasing power. An unsatisfactory hedge, says he. The purchasing power of British currency fell by 1434% and the purchasing power of gold fell by a mere 25%. A magnificent hedge, says we.

In more typical fashion Mr. Jastram then presents a review of the many difficulties in getting back on gold; we might as well forget the lessons of the golden constant, he says. First, we'd have to decide if we want a gold-coin standard or a gold-bullion standard. Then we have to decide which form of intervention to permit government. Do we, for example, manipulate the "gold backing for a circulating paper issue?"

Or, if we want the price of gold held constant by the marketplace, "gold must be bought or sold by the government in quantities precisely decided by the government, or interest rates adjusted by central banks." If it is to be held constant by "edict," the government will have to forbid exports, embargo imports, outlaw private holdings, "and so on." And what if the world price of gold increases "drastically" as it has lately? Won't this mean the admissible volume of paper currency will automatically inflate "or the required reserve ratio of gold will have to be reduced correspondingly?"

Unhappily, in these several sentences near the end of his book Mr. Jastram gives it away. He doesn't know any more about how the gold standard worked than did the economists who have been advising our Presidents for the last few generations. The government doesn't run a gold standard by decreeing a currency's gold backing, or decreeing the tonnage to be bought or sold in the marketplace, or decreeing export or import constraints. The whole point of a money "standard" is to get the government out of the decreeing business. Nor does the price of gold increase "drastically" and thus force up the volume of paper money. Prof. Jastram has this backwards, at least if there is any meaning at all to the rest of his book and the notion of golden constancy.

ONLY ECONOMISTS CAN FORGET?

All of the Jastram difficulties are imaginary. Our ancestors could not have run a gold standard for centuries with such success, as he himself demonstrates, if it were a difficult thing. We have not concurrently forgotten how to build wheels or make fire. Only economists can forget how to produce money—the only thing the government does produce—to a reliable standard.

The gold standard did not work because of gold's mystique, or because of some intrinsic "discipline." It worked because of its ridiculous simplicity. When a citizen comes to the Treasury with gold, he is given money. When he comes with money, he is given gold, and the Treasury takes this as a sign that it should stop producing money until the populance again is showing up with gold.

You don't have to have a lot of gold to run a gold standard. The Bank of England kept a tiny inventory in the 200 years it showed how it could be done. Indeed, it doesn't even have to be gold. Almost anything that requires man's labor in fashioning a planetary resource will do. Platinum, silver or cinder blocks. Without fail, inflation would end and we would no longer have to listen to gold fluctuations and monetary gyrations with our breakfast news.

Will it happen? You can bet on it. Prof. Jastram's charts will now be available to our university students. Someday Ralph Nader will have a son and Junior will decide it is time to protect consumers of money, after examining the Jastram charts. He might fool around first with a glassbead standard or even cinder blocks and discover any standard is better than none at all. Don't be surprised, though, if eventually he discovers gold. You should pardon the expression.

GOLDEN CONSTANT: YELLOW METAL AND INFLATION

(By Roy W. Jastram)

On January 1, 1975, Americans were free, after 40 years, to buy, hold and sell gold.

Did gold resume its vaunted role as a short-run hedge against domestic inflation?

Did gold return to its age-old pattern of long-run stability of purchasing power?

The chart suggests the answers, but some history and interpretation are useful. Plotted are the index of the price of gold, the Consumer Price Index, and the quotient between the two: namely, the index of the purchasing power of gold at the consumer level. January 1975, the month when the purchase of gold became legal, is taken as the base = 100.0 for all three series. The gold price each month is the average of the mid-week London "fixings."

On August 14, 1974, Congress enacted Public Law 93–373 which stated in part, "No provision of any law may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad." The effective date was given as December 31, 1974.

With four months advance notice given, speculative anticipation mounted in the principal bullion markets of the world. Gold prices reflected this speculative anticipation. Monthly averages of the mid-week "fixings" in London rose from $151.26 in September to $182.00 in December.

The peak in December 1974 was $197.50. The only question in the minds of many was: How high will it shoot in the new market in January? Millions were bet on the answer.

What developed was a resounding anticlimax. The price of gold went into an immediate decline. By the end of the third quarter of 1975 gold was selling a shade above $130.

To cover the period under review with statistical circumspection the chart shows the behavior of gold for the four months before January 1975. Then the new era begins.

One instructive feature of the chart is that it composes two essentially straight-line segments in the form of "V." The interpretation of this is that once a major movement was underway in the price of gold it persisted for a substantial time and at a nearly uniform percentage rate. When it reversed, it reversed to stay for awhile, and showed again a roughly stable rate of change. This feature is worth remembering to give perspective when we become engulfed by the seemingly erratic changes day-by-day. (This long-term observation is based upon London quotations. But the world-wide market for gold is so efficient that monthly London price behavior is a perfectly good surrogate for any market in the world.)

The imagery of the chart holds a kind of tortoise/hare fascination. Uppermost is the Consumer Price Index, mounting slowly but steadily on the cumulative waves of compounding inflation. Falling away at first is the price of gold, with the consequence that the purchasing power of gold falls even faster to a loss of 45% by August 1976. Gold makes its turn in September 1976, and begins to climb at a rate faster than the cost-of-living. It takes two years to catch up, but catch up it does. The long loop is closed. The closure of the gold index with the CPI is both striking and reassuring because it is observed for the first time in a free market.

For three centuries preceding 1940 when gold prices were often controlled by governments in England and the United States this "retrieval phenomenon"—gold's retrieval of its purchasing power—has been seen repeatedly. But here it happens again with no restraints on buying or selling.

Is there something about gold which allows it in the long run to retain its purchasing power whether or not governments interfere? Curious.

FBI CONSIDERS RENTING SPACE IN HOOVER BUILDING TO SHOPS

Mr. DOMENICI. Mr. President, the Washington Star, during the recent recess, carried a most interesting article discussing the possibility that ground floor space in the J. Edgar Hoover FBI Building here in Washington might be rented for shops. This is a development that has great interest for the distinguished ranking member of the Committee on Environment and Public Works (Mr. STAFFORD), as well as for those of us who helped to develop and enact the Public Buildings Cooperative Use Act of 1976.

The concept of mixed Federal-commercial use to lower the barriers between the public and its Government is both sound and cost-effective. In order to give other Federal agencies an idea of what is likely to occur here in Washington, Mr. President, I request that the following article from the Star be printed in the RECORD:

The article follows:

FBI CONSIDERS RENTING SPACE IN HOOVER BUILDING TO SHOPS

(By Robert Pear)

The FBI is seriously considering renting space to retail shops on the ground floor of the J. Edgar Hoover Building, its sterile-looking fortress on Pennsylvania Avenue.

FBI Director William H. Webster said he had ordered a detailed assessment of security problems that would have to be solved before he could approve any commercial development.

In a letter last week to Sen. Robert T. Stafford, R-Vt., Webster said the FBI was exploring ideas for commercial development in discussions with the General Services Administration and the Pennsylvania Avenue Development Corp.

Joseph B. Danzansky, chairman of the federally owned corporation, said yesterday that the idea of retail stores at the FBI Building "sounds fantastic to me—it would liven up that whole block."

Nathaniel A. Owings, vice Chairman of the corporation and a founding partner in the architecture firm of Skidmore, Owings and Merill, said "it's always been our belief, intent and desire" that retail shops should exist in front of the FBI Building.

"It doesn't make sense to have those blank walls," he said. "It's pretty grim. We want to cheer up and open up the area."

Owings was among those who met recently with Webster in the director's office at FBI headquarters. Reached at his oceanfront home in Big Sur, Calif., the 76-year-old architect said the shops might include kiosks for food, drink and souvenirs, as well as stores selling flowers, "toys and gadgets" and sports equipment.

Other persons suggested "clean retail uses" such as a travel agency, an airline ticket office, a newsstand or a gift shop.

Charles Gueli, development director of the Pennsylvania Avenue corporation, who attended the meeting with Webster, said the FBI director seemed receptive to the idea of commercial development. "We left encouraged that he would give it very serious consideration," Gueli said.

Stafford was also pleased with Webster's position, which differs from that of previous FBI directors.

The Hoover Building, located on Pennsylvania Avenue between 9th and 10th Streets NW., "has come to epitomize, for many people, the cold, public-keep-out atmosphere of too many federal office buildings," Stafford said.

For this reason, Stafford said, it would be an excellent candidate for the type of mixed commercial-federal use strongly encouraged by the Public Buildings Cooperative Use Act of 1976.

Webster displays more of an open mind on this question than his predecessor, Hoover and Clarence M. Kelley. When Stafford last suggested retail shops, public art shows and daytime concerts for the Hoover Building in 1977, Kelley rebuffed the idea, citing fear of foreign spies.

"The FBI has long been considered a priority target for penetration by hostile foreign intelligence agencies," Kelley wrote, explaining why commercial, cultural, educational and recreational activities would be inappropriate.

Ray I. Nixon, a GSA official involved in the recent discussions, said the FBI could veto any shop it considered unsuitable. For example, he said, "we're not looking for gun stores, discotheques or adult books shops," which already abound in the area.

Homer A. Boynton Jr., an FBI spokesmen, said the space behind the Pennsylvania Avenue facade is now used for FBI classrooms, administrative offices, citizen complaint rooms and applicant recruitment offices.

Peter T. Meszoly, general counsel of the development corporation, recalled that the 1975 Pennsylvania Avenue plan encouraged the FBI to permit retail businesses "so that there can be continuous retail activity along the avenue instead of a two-block hiatus at this critical location."

He noted that the sidewalk in front of the FBI building is 75 feet wide, rather than the normal 50 feet, allowing space for sidewalk cafes and street vendors.

If development proceeds along Pennsylvania Avenue on either side of the FBI building, Nixon said, "the FBI will be an island, isolated from other activities."

A low-rise, high-density housing project is planned for the area from 7th to 9th Street NW along the avenue. From 10th to 12th Street, plans call for office and retail buildings. Farther west are the Willard Hotel and the Hotel Washington.

Advocates of more innovative federal architecture say the GSA has been slow to implement the Cooperative Use Act even though that is supposed to be one of the agency's priorities.

"The old bureaucrats at GSA hate this idea," said a congressional aide. "They see their only mission as providing federal office space."

If the FBI approved retail shops at its headquarters, that would add great momentum to the movement for "mixed use" of federal buildings.

Webster said the FBI has tried to "humanize the atmosphere" of the Hoover Building courtyard by installing redwood benches and sponsoring concerts in the central open space.

The exterior of the FBI building consists of thick, rough concrete walls. The Pennsylvania Avenue facade is marked by curious-looking holes, now unused, but originally intended to anchor slabs of marble or some other stone to the surface.

APPLICATION OF TAX LAWS TO MARRIED COUPLES

Mr. BAUCUS. Mr. President, our tax laws, in attempting to be fair, provide for many exceptions, exclusions, and implementing regulations. However, at times our efforts lead us into situations where in attempting to rectify one inequity, we create another.

This is the case in the so-called marriage tax penalty. Several years ago, single people pointed out that they were taxed much more heavily than married people. In response to this legitimate complaint, tax laws were adjusted to be more equitable. However, it soon became evident that in correcting one wrong another was created. Married couples where both members worked found that their tax bill was higher than if they remained single. For example, in a case where both husband and wife work, and each are earning $6,200 for a combined annual income of $12,400, the tax rate for married couples filing joint returns is 22 percent. The tax rate for a single person filing at $6,200 is 19 percent. Thus, if the couple were living together, yet not married, they could take advantage of the 19-percent table.

This is grossly unfair and in effect it encourages people who want to get married not to do so. It is cheaper from a tax point of view to live together as an unmarried couple rather than to get married. The inequities have now shifted from single people to married people.

While I do not believe the Government should in any way involve itself in determining lifestyle, nor do I believe it should establish regulations which in effect discourage such a fundamental institution as marriage. It should establish tax laws which would not penalize anyone unfairly.

Therefore, I have decided to cosponsor, with Senators Mathias, Baker, Javits, Stevens, and others, a bill that seeks to rectify the situation. It allows married people to file as if they were single—in other words, all people would file the same way. I think this is the only fair way to do it. It permits single people to regard the tax laws as treating them fairly and not taxing them more heavily than others. On the other hand, it does not penalize a married couple where both wish to work.

I believe passage of this bill is important. I will work to that objective and request that it be printed in the Record.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as precedes the table is amended to read as follows:

"(c) Individuals (Other Than Surviving Spouses and Heads of Households) and Certain Married Individuals.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2 (b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner the Secretary prescribes, to have the provisions of this subsection apply,

a tax determined in accordance with the following table:".

(b) Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(f) Community Property Laws.—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year, the computation of such taxable income be made without regard to any community property laws.".

(c) Subsection (d) of section 1 of such Code is amended—

(1) by inserting "Certain" before "Married" in the heading thereof, and

(2) by inserting ", or who elects to have the provision of subsection (c) apply," after "section 6013".

(d) Subsection (d) of section 63 of such Code (relating to the definition of taxable income) is amended—

(1) by inserting ", or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(2) by inserting "under section 1(d)" after "return" in paragraph (3).

(e) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended—

(1) by striking out ", is not" and inserting in lieu thereof "and is not", and

(2) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

Sec. 2. Subsection (c) of section 42 of the Internal Revenue Code of 1954 (relating to general tax credit) is amended by inserting "under subsection (d) of section 1" after "return".

Sec. 3. (a) Section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by inserting ", or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(2) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(3) by inserting "Certain" before "Married" in the heading of subsection (f)(2), and

(4) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(b) Section 152 of such Code (relating to definition of dependent) is amended—

(1) by striking out "or (e)" in subsection (a) and inserting in lieu thereof ", (e), or (f)", and

(2) by adding at the end thereof the following new subsection:

"(f) Support Test in Care of Credit for Employment-Related Expenses.—In the case of a married individual who makes an election under section 1(c) for the taxable year and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

Sec. 4. Section 1348 of the Internal Revenue Code of 1954 (relating to 50 percent maximum rate on personal service income) is amended by inserting "or make the election provided in section 1(c) for such year" before the period at the end of subsection (c).

Sec. 5. The amendments made by this Act apply to taxable years ending after the date of the enactment of this Act.

PLO TERRORISM AGAINST ISRAEL

Mr. LAXALT. Mr. President, as a recent article from the Economist indicates, PLO terrorism against Israel is again on the increase. This time with the avowed intention of sabotaging the Egyptian-Israeli Peace Treaty.

As many of my colleagues are aware, since the Black September campaign of the early 1970's the PLO has taken steps, principally through the United Nations, to disguise its basic terrorist make-up behind a public relations effort intended to portray it as a respectable member of the international community. Organizations such as the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights have been created by the General Assembly to further this objective.

Although this effort, to legitimize the PLO, which amounts to trying to turn a sow's ear into a silk purse was doomed from the start, the recent escalation of PLO terror has shattered it beyond repair.

Mr. President, the PLO is a collection of grenade throwing, bomb planting terrorists opposed to peace in the Middle East and opposed to U.S. interests in promoting that peace. Lest there be any doubt, I request that the following article from the April 21 Economist entitled "Black March" be printed in the Record.

The article follows:

Black March—Arafat Launches a New Battle Against Israel, Egypt and Points West

Memories of Palestinian skyjackings of 10 years ago: in the past few weeks there has been a sharp rise in the number of terrorist incidents carried out, or assumed to be carried out, by Palestinian guerrillas. Most of the action has been inside Israel or Israeli-occupied territory; all the attacks, so far, have either been discovered in time or were fairly low-level. The incident most redolent of memories of the bad old days was the grenade chucked into a crowd, which might have included, but in the event did not, passengers from an El Al flight, at Brussels airport on Monday.

To harden such memories, a group in Beirut calling itself Black March claimed responsibility for the Brussels attack. The basic aim behind all the recent incidents is to sabotage, so far as is possible, the Egyptian-Israeli treaty signed in March. Probably Black March, like Black September in the early 1970s, is the label of an operation or a series of operations, rather than the name of one particular group. Black September, referring to the crack-down by King Hussein's men on the Palestine Liberation Organisation in September, 1970, was the title used by Fatah (Mr. Yasser Arafat's mainline group) for the series of dramatic and murderous incidents that succeeded very well in their primary purpose of capturing worldwide attention to the, then, largely neglected Palestinians.

This year's theatre has yet to equal Black September's bloody melodramas. The style has changed. The guerrillas are not loaded down with complex plans for hijacking, hostage-taking or prisoner-releasing: their immediate aim is to fire at, throw a grenade at or plant a bomb near something to do with Israel. The incidents outside the Middle East are believed to include a bomb thrown from a passing car at the El Al office in Istanbul and a bomb planted near the Israeli embassay in Nicosia. Even nastier, in that it was vaguely directed against Jews rather than against the Palestinians' more precise enemy, Israel, was the explosion in a Paris cafeteria used by Jewish students; a lot of them were hurt though none fatally.

Inside Israeli territory the attacks are also hit-and-run, or, sometimes, plant-and-vanish. Recent Palestinian strikes have included an explosion in Tel Aviv's central market and the destruction of a Jewish-owned fish restaurant in east Jerusalem. Notched up against those "successes" have been such "failures" (or near-failures since the guerrillas did succeed in killing or wounding some Israelis) as the interception, killing or capturing by Israel's security forces of small groups of Palestinians trying to cross into Israel by land or sea. A new development is that on two known occasions, once last month and again on Sunday, the infiltrators came across the river from Jordan. There is no evidence that they crossed this long border, quiet for many years now, with the connivance of the Jordanian authorities.

The hotting-up of guerrilla activity against Israel is fairly simple to explain. Take any combination of the following reasons:

Showing the flag to Palestinians under Israeli rule. The suicide squads may not achieve very much but they silence the perennial West Bank complaint that it is the Palestinians under occupation who suffer for the obduracy for those outside.

Embarrassing Egypt by provoking Israeli retaliation against Arab targets. Although not even the keenest-eyed Palestinian could trace embarrassment in President Sadat (whose verbal bellicosity beats the PLO's own), an overweight counter-attack by Israel would add to the unease of many Egyptians.

Hardening the revived links with Jordan. With King Hussein standing firm against the peace treaty, the PLO has increased the number and the calibre of its men in Jordan. But it has to move carefully: the friendship does not include permission to use Jordanian land for the launching of attacks or expeditions against Israel. Israel has too many means of retaliation, the most obvious of which—closing the bridges between Jordan and the West Bank—would hurt the West Bankers more than it hurts anybody else.

The sheer headiness of being once more in the van of Arab opinion, and, even more unusual, being more or less at one within itself. Also, while the support of Iran's new leaders may not, in the end, amount to very much, it was powerful adrenalin while it lasted.

Plenty of reasons, therefore, why a Palestinian determined to sabotage the already feeble autonomy plan (and every time an Israeli annotates it, the plan grows feebler yet) can find cause to be trigger-happy. If the new level of guerrilla activity is maintained or, as is very likely, intensified, the Israelis will be unable to put the plan into effect. If they do not, the Israel-Egypt peace is in real jeopardy.

FIGHT TO GET NOWHERE

Where would this leave the Palestinians? Answer: as usual, nowhere. At the end of it all, they will not be better off and could, if the bridges to Jordan were closed be worse off. In the meantime, Israel's encroachment of the West Bank's land and water will go steadily on. This is the one, decisive, reason why the Palestinians would do better to build, even on a bad foundation, rather than batter this foundation to bits. In 1969 the invisible Palestinians could argue that bad publicity was better than no publicity. Ten years on, with the Palestinians visible even to the most reluctant, there are surely better ways than terrorism of increasing sympathy for a cause that is still just but now vulnerable when presented without moderation.

RESOLUTIONS OF THE GEORGIA STATE SENATE ON AMTRAK, THE CRESCENT, AND THE GRAND OLE OPRY

Mr. TALMADGE. Mr. President, the Georgia State Senate, in session in Atlanta, has adopted three resolutions which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask that they be printed in the RECORD.

The resolutions follow:

RESOLUTION

A resolution urging Congress to oppose the United States Department of Transportation Final AMTRAK System Plan; and for other purposes

Whereas, the United States Department of Transportation has submitted a Final AMTRAK System Plan which is so drastic as to cause a forty-three percent cutback in train passenger service; and

Whereas, such a plan will result in the virtual elimination of passenger service in Georgia, including the abandonment of the following routes which run through this State: The Silver Star, The Silver Meteor, The Champion, The Floridian, and The AMTRAK Crescent; and

Whereas, passenger rail service continues to have a significant function as an efficient and reliable means of transportation in the rural areas of this State and in areas where commercial air transportation services are unavailable; and

Whereas, with the impending energy crisis, efficient rail passenger service will be essential in our country's overall balanced transportation system.

Now, therefore, be it resolved by the Senate that every member of the Georgia Congressional Delegation is hereby urged to oppose the Final AMTRAK System Plan, as proposed by the United States Department of Transportation, and to support any alternative plan whereby passenger rail services will be maintained in this State.

Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to each member of the Georgia Congressional Delegation.

RESOLUTION

A resolution urging the continuation of the *Crescent;* and for other purposes

Whereas, the Amtrak *Crescent* is widely recognized as one of the finest passenger trains in the nation; and

Whereas, the *Crescent* provides the only passenger train service for the citizens of Atlanta; and

Whereas, the *Crescent* provides service from Washington, D.C., to New Orleans by way of Atlanta and provides the citizens of the Southeast with a vital rail link with the Amtrak system; and

Whereas, the *Crescent*, which was formerly operated by Southern Railway, was taken over by Amtrak approximately two months ago; and

Whereas, the citizens of Georgia, through their federal taxes, pay a portion of the operation of this vital rail link but would be left without rail service if the *Crescent* is discontinued; and

Whereas, the Secretary of the United States Department of Transportation has recommended that approximately 40 percent of Amtrak's passenger trains be discontinued, including the *Crescent;* and

Whereas, this matter is now before the Congress of the United States.

Now, therefore, be it resolved by the Senate that the members of this body hereby request the Congress of the United States to take all appropriate action necessary to insure the continuation of the Amtrak *Crescent* and its vital service to the citizens of Atlanta and the State of Georgia.

Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to each member of the United States Senate and House of Representatives from the State of Georgia.

RESOLUTION

A resolution relative to the Grand Ole Opry; and for other purposes

Whereas, the Grand Ole Opry is a unique part of Americana and, for more than half a century, has provided the stage for the authentic American music and humor that is so much a part of our heritage; and

Whereas, as the nation's oldest live, continuous radio program, the Grand Ole Opry has transcended the boundaries of age, geographic boundaries, economic status and musical styles; and

Whereas, each week it brings wholesome entertainment to millions of American families in thirty-four states; and

Whereas, the Federal Communications Commission is considering staff recommendations that could seriously reduce the coverage of the nation's clear channel radio stations and, in effect, mean the end of the Grand Ole Opry after fifty-three years of continuous broadcasting.

Now, therefore, be it resolved by the Senate that this Body does hereby urge the Federal Communications Commission to withdraw its recommendations and allow the Grand Ole Opry to continue to operate on a clear channel for the American people.

Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit an appropriate copy of this Resolution to Honorable Charles D. Ferris, Chairman of the Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554; the Grand Ole Opry, Post Office Box 100, Department O, Nashville, Tennessee 37202; and to each member of the Georgia Congressional Delegation.

"REVERSE" FREEDOM OF INFORMATION ACT LAWSUITS

Mr. DOLE. Mr. President, last Wednesday the Supreme Court ruled that the Chrysler Corp. cannot file a "reverse" Freedom of Information Act lawsuit to enjoin a Federal agency from disclosing information about it to third parties under the act.

This case, Chrysler Corp. against Brown, points out some of the problems arising from the Freedom of Information Act. Although it was intended to end secrecy in Government, it has been twisted into an instrument for industrial espionage. As the Chrysler Corp. argued, the act today has become a principal method of finding out about private companies, not the Government.

Last week's Supreme Court decision underlines how important it is that Congress clarify some of the questions this litigation raises and insure that the FOIA serves the public's need to know what Government is doing, not the private desire to know what competitors are doing.

I plan to introduce legislation to amend the Freedom of Information Act to meet these needs. First, I would require that Congress make it clear that suppliers of information have standing and a statutory right to object to disclosure of confidential information submitted by them. This would allow suppliers to bring reverse-FOIA lawsuits of the kind Chrysler Corp. attempted to bring. This was left in doubt by the original act. The supplier of information must have an available forum for litigating his claim that information to be released is confidential.

I would also amend the (b)(4) exemption of the Freedom of Information Act which exempts from mandatory disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential."

As it now stands, for a supplier to protect its information, it must establish that disclosure will "cause substantial harm to the competitive position" of the supplier.

This exemption should be expanded to prevent all disclosure of private corporate documents in the hands of the Government which, first, do not reflect Government conduct and, second, contain information of a type not normally released by the company. When dealing with this class of corporate documents, no inquiry need be made into competitive harm.

If private corporate documents do reflect upon governmental action, they should be disclosed only if there is no alternate source of information which can be disclosed without identifying the submitter and there is no likelihood disclosure will cause competitive disadvantage to the submitter.

Finally, I would propose procedures permitting suppliers of information to identify documents they believe are confidential, receive prompt notice of any FOIA requests for this information, and comment to the agency on the requested disclosure.

These proposals would allow those members of the public wanting to inquire into governmental activities to do so, but would preserve the confidentiality of private business information.

I propose these changes with the full knowledge of how complex this area of the law is. But I believe that Congress must face these problems head on, for this is clearly an area calling for legislative solutions. I would suggest that Congress hold hearings and begin the process of surveying the problems and looking for answers. I believe my proposals address the critical issues highlighted by the Chrysler decision. It will protect the citizen's right to know what Government is doing without sacrificing the supplier's right to privacy.

RESOLUTION OF THE GEORGIA STATE SENATE ON THE MEDICAL ASSOCIATION OF ATLANTA

Mr. TALMADGE. Mr. President, the Georgia General Assembly, in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask that it be printed in the RECORD.

The resolution follows:

RESOLUTION

A resolution commending the Medical Association of Atlanta and the physician and nonphysician members of the Cost Accountability Committee; and for other purposes

Whereas, inflation is recognized as a problem of utmost gravity in the United States, affecting every phase of the nation's economy from international trade to commerce in the necessities of life; and

Whereas, the cruel ravages of inflation make no distinction between the rich and the poor, the farmer and the grocer, the worker and the employer or the taxpayer and the agencies of government supported by taxes; and

Whereas, the President of the United States, the Honorable Jimmy Carter, has called upon all Americans to apply creativity and restraint in voluntary efforts to bring inflation under control by such means as limiting wage and price increases and by promoting greater productivity and less waste in both the public and private sectors of the economy; and

Whereas, in response to the President's call, leaders of the nation's health care professions have organized their own voluntary effort to control increases in the cost of health care, including medical and hospital services; and

Whereas, in Georgia, the Medical Association of Atlanta, a professional society of some 1,400 physicians, has established its own Cost Accountability Committee to identify, study and attack such conditions, practices, problems and attitudes as might contribute unnecessarily to the cost of delivering health care to the consumer, including costs paid by government, private insurance plans and other third party payors; and

Whereas, in addition to physicians, the Committee of the Medical Association of Atlanta includes representatives of business, industry, labor, hospitals, government agencies, insurance organizations and other elements in the community with varying interests in and perspectives on health care costs; and

Whereas, in its first year of work, this committee completed a report consisting of recommendations to physicians, to patients, to hospitals, to insurance companies, to employers, to health planning agencies and to the executive and legislative branches of the federal government, as to actions each might take in the interest of controlling costs and thus mitigating the effects of inflation in this important area of the economy, both locally and throughout Georgia and the nation; and

Whereas, such recommendations, by virtue of the concensus of varying interests represented in their adoption, are deserving of special attention by those parties to whom addressed, to the end that greater understanding and cooperation in controlling health care costs will result.

Now, therefore, be it resolved by the General Assembly of Georgia that this Body does hereby commend the Medical Association of Atlanta and the physician and nonphysician members of the Cost Accountability Committee for their diligent, constructive and responsible efforts in the public interest.

Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit appropriate copies of this Resolution to the President of the United States, to members of the Georgia delegation in Congress, to the Medical Association of Atlanta, to the Medical Association of Georgia and to the American Medical Association.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 3 minutes with the time equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE Q, 96TH CONGRESS, FIRST SESSION

Mr. ROBERT C. BYRD. As in executive session,

I ask unanimous consent that the injunction of secrecy be removed from the Third Protocol to the 1975 Tax Convention with the United Kingdom of Great Britain and Northern Ireland, as amended, signed at London on March 15, 1979 (Executive Q, 96th Congress, first session), transmitted to the Senate by the President of the United States on April 12, 1979.

I ask that the treaty be considered as having been read the first time, that it be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, a Third Protocol further amending the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains signed at London on December 31, 1975, as amended by an exchange of notes dated April 13, 1976, and by Protocols signed at London on August 26, 1976 and March 31, 1977. For the information of the Senate, I also transmit the report of the Department of State on the Third Protocol.

The Third Protocol will enter into force immediately after the expiration of 30 days following the date on which instruments of ratification are exchanged.

I recommend that the Senate give early and favorable consideration to the Third Protocol and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *April 12, 1979.*

ORDER FOR RECESS TO 10:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour 10:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders under the standing order be limited to 3 minutes each on tomorrow; that upon the disposition of that matter there be a brief period for the transaction of routine morning business, not to extend beyond 10:30 a.m., with Senators permitted to make statements therein up to 3 minutes each; that at 10:30 a.m. the Senate resume its consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TOMORROW FROM 11:45 A.M. TO 1:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 11:45 a.m. tomorrow, the Senate stand in recess until 1:15 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The recess will be for the purpose of Members going in a body to the Rotunda, where a ceremony will be conducted in remembrance of the victims of the holocaust.

Following the ceremony, which is not to last beyond 1 p.m., the Senate will resume its session precisely at 1:15 p.m., and the Senate will resume its consideration of the first concurrent budget resolution.

A rollcall vote will occur at 11 a.m. tomorrow in relation to the amendment by the distinguished Senator from Wisconsin (Mr. PROXMIRE), and other rollcall votes are expected to occur during the day on amendments and motions in relation to the resolution.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I note that the distinguished majority leader indicated that the Senate would proceed in a body to the Rotunda for the ceremony in remembrance of the victims of the holocaust. Is it the majority leader's intention that we would form here at a time certain and march together to the Rotunda?

Mr. ROBERT C. BYRD. I think that might be appropriate.

Mr. BAKER. I think it is a good arrangement. I hope all Members on this side will note the record in that respect, and I ask them to assemble here, say, 10 minutes before then, so that we can march together, without any delay.

Mr. ROBERT C. BYRD. Yes. I think that if the Members left the Chamber at 11:45, we would be on time.

Mr. BAKER. Would the majority leader care to suggest the absence of a quorum sometime before that, to give notice to those Members who might be in committee meetings or other locations?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

Mr. President, I suggest the absence of a quorum, and I ask that the time be charged equally.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME FOR CONSIDERATION OF AND VOTE ON PROXMIRE AMENDMENT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resumption of the consideration of the amendment by Mr. PROXMIRE occur at 11 a.m. tomorrow and that the vote in relation to the Proxmire amendment occur at 11:30 a.m., that it be a 15-minute rollcall vote, with the Senate recessing at 11:45.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I had remarked earlier for the record that I hoped the majority leader might suggest the absence of a quorum tomorrow in preparation for our proceeding together in a body to the rotunda. With these new arrangements, obviously that is not necessary. I think this is a good arrangement, and I hope Members on this side of the aisle will remain as soon as they vote and be prepared to proceed in that manner for the ceremony in the Rotunda as stated.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I hope the same with respect to all Senators. They will be here for the rollcall vote, and it will accommodate their attending the ceremony.

ORDER DESIGNATING 11 A.M. TOMORROW AS CONCLUDING TIME FOR MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for morning business then on tomorrow be ended at the hour of 11 o'clock a.m. and that it begin, as ordered previously, following the remarks of the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10:45 a.m. tomorrow.

The motion was agreed to; and at 6:10 p.m., the Senate recessed until Tuesday, April 24, 1979, at 10:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 12, 1979, under authority of the order of the Senate of April 10, 1979:

THE JUDICIARY

Edward C. Reed, Jr., of Nevada, to be U.S. district judge for the district of Nevada, vice a new position created by Public Law 95-486, approved October 20, 1978.

DEPARTMENT OF JUSTICE

Joseph Ransdell Keene, of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years, vice Edward L. Shaheen, resigned.

DEPARTMENT OF STATE

The following-named person for appointment as a Foreign Service information officer of class 4, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Virgil Duane Bodeen, of Missouri.

For promotion from Foreign Service officers of class 6 to class 5:

J. Loretta Baker, of Florida.
Marsha E. Barnes, of Kentucky.
Paul E. Behnke, of Illinois.
William J. Burke, Jr., of Connecticut.
Shaun M. Byrnes, of Indiana.
Harlow J. Carpenter, Jr., of California.
Wendy Chamberlin, of Illinois.
Kathleen Chisholm, of Massachusetts.
Robert William Clarke, of Arizona.
Oscar Willard Clyatt, Jr., of Florida.
Steven P. Coffman, of Texas.
James B. Cunningham, of Pennsylvania.
Georgia J. DeBell, of California.
George Timothy Dempsey, of California.
James R. Doyle, of Massachusetts.
James Michael Gagnon, of Virginia.
Patricia Ann Haigh, of Rhode Island.
Ruth E. Hansen, of the District of Columbia.
Morton J. Holbrook III, of Kentucky.
Donna Jean Hrinak, of Pennsylvania.
Charles F. Keil, of Texas.
Mary Virginia Kennedy, of Idaho.
Kenneth H. Kolb, of Maryland.
John P. Londono, of Colorado.
Robert Anthony Lutkoski, of Virginia.
Michael W. Marine, of Connecticut.
Robert E. McCarthy, of the District of Columbia.
Edward McGaffigan, Jr., of Massachusetts.
Elizabeth McKune, of Maryland.
William F. Menold, Jr., of Minnesota.
Michael D. Metelits, of California.
Diana M. Montgomery, of California.
John M. O'Keefe, of Maryland.
Lorraine Wendell Polik, of Virginia.
Glen R. Rase, of Florida.
Timothy E. Roddy, of Michigan.
Brenda Therese Saunders, of Ohio.
Deborah Ruth Schwartz, of Maryland.
Robert F. Simmons, Jr., of New York.
Yvonne Frances Thayer, of California.
John W. Vessey III, of Washington.
David W. Williams, of California.

For appointment as Foreign Service Officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Lynn Wilson Curtain, of Massachusetts.
Sarah R. Horsey, of Virginia.

For appointment as a Foreign Service information officer of class 5, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Diane Curns Salisbury, of New York.

For promotion from Foreign Service officers of class 7 to class 6:

Betsy Lynn Anderson, of Virginia.
Donald Bruce Andrus, of South Carolina.
Edward D. Booth, of Nebraska.
Lawrence E. Butler, of Maine.
Richard Paul Collins, of Maryland.
Thomas E. Cusack, of New York.
Paul Brennan Daley, of New York.
Dattan Scott Dattan, of Florida.

Frank H. Day, of California.
Brian VanStone Evans, of Virginia.
Gregory G. Fergin, of Washington.
Robert Wallace Filby, of New York.
William Terrell Fleming, Jr., of Florida.
Kimberlee Dawn Fordyce, of Washington.
Daniel Fried, of California.
Anne Maria Galer Ryan, of Iowa.
Michael J. Gavin, of California.
Barbara J. Griffiths, of the District of Columbia.
Dennis Patrick Halpin, of Illinois.
Dennis Patrick Harrington, of California.
Robert Joseph Higgins, of New Jersey.
L. Bradley Hittle, of Washington.
Stephen Paul Hoffmann, of New Jersey.
James Franklin Jeffrey, of Virginia.
Edward David Keeton, of Connecticut.
Robert W. Kepler, of Nebraska.
Steven G. Leach, of Illinois.
Douglas Bayard Leonnig, of Idaho.
Deborah Lyn Linde, of Connecticut.
Jeffrey John Lunstead, of Pennsylvania.
John R. Nay, of Michigan.
Thomas S. Neilson, of Pennsylvania.
LeRoy P. Nesbit, of Minnesota.
Stephen Vance Noble, of Vermont.
Robert B. Nolan, of Virginia.
Stephen James Nolan, of Pennsylvania.
W. Andrew Osterman, of Pennsylvania.
Michael Eleazar Parmly, of Florida.
Mildred Anne Patterson, of Missouri.
Michael Christian Polt, of Tennessee.
Eugene D. Price, Jr., of Ohio.
Robin Lynn Raphel, of New Jersey.
Charles Parker Ries, of the District of Columbia.
Josiah Blumenthal Rosenblatt, of Pennsylvania.
Judith Allison Ryan, of Maine.
Leonard F. Scensny, of Florida.
Jack David Segal, of Maine.
Charles S. Shapiro, of Georgia.
Richard J. Shinnick, of New York.
Cynthia G. Smith, of the District of Columbia.
Trevor Andrew Snellgrove, of Alabama.
Robert Earl Sorenson, of Ohio.
Douglas Gordon Spelman, of Ohio.
David Michael Stockwell, of Texas.
W. David Straub, of Kentucky.
Laurie Jane Tracy, of Virginia.
Linda E. Watt, of Texas.
Christopher White Webster, of Maryland.
David Alan Weisz, of Maryland.
C. David Welch, of Massachusetts.
James Marlin Wilson, of Pennsylvania.
Prescott Pabst Wurlitzer, of Wisconsin.

For appointment as a Foreign Service officer of class 6, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

James Webb, Jr., of California.

For appointment as Foreign Service information officers of class 6, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Cheryl M. Jordan, of the District of Columbia.
Perla Limbaga Manapol, of New York.

For promotion from Foreign Service officers of class 8 to class 7:

Charles L. Glatz, Jr., of Virginia.
Robert C. LaMont, of California.
James Douglas Seay, of Virginia.

For reappointment in the Foreign Service as a Foreign Service officer of class 7, consular officers and secretaries in the Diplomatic Service of the United States of America:

Bruce W. Keeling, of Michigan.

Foreign Service Reserve officers to be consular officers of the United States of America:

Joseph R. Dulany, of Maryland.
Joseph R. Sousane, of Maryland.

Foreign Service Reserve officers to be consular officers and a secretary in the Diplomatic Service of the United States of America:

Steve Joe Balach, Jr., of Virginia.
Thomas J. Ballweg, of Virginia.
Daniel J. Donahue, of Virginia.
Stephen J. Feldman, of Virginia.
Odie Nelson Fields, of Nevada.
Theodore G. Galovich, Jr., of Virginia.
David D. Gries, of the District of Columbia.
Stephen G. Holder, of Virginia.
David J. Kalassay, of Virginia.
Muriel M. Moore, of Washington.
Paul A. Tveit, of Virginia.
Donald J. Twombly, Jr., of Texas.

Foreign Service Reserve officers who are candidates for appointment as junior Foreign Service officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Naim Ahmed, of South Carolina.
Bryon Swanson Barlow, of Connecticut.
Judson L. Bruns III, of Colorado.
Robert John Clarke, of New York.
Godfrey Joseph Dillard, of Michigan.
Margaret Balthazar Elliott, of Washington.
Hugo Carl Gettinger, of California.
Nick Hahn, of California.
Colin S. Helmer, of Virginia.
Patricia Adrienne Hill, of Massachusetts.
Shelley Elizabeth Johnson, of Massachusetts.
Philip Robert Latasa, of California.
Karen Marie Milliken, of Colorado.
Evan Lee Press, of California.
Bruce L. Rosenberg, of Maryland.
Zachary Zalman Teich, of Florida.
David Jewett Thacher, of California.

Foreign Service Reserve officer to be a secretary in the Diplomatic Service of the United States of America:

Donald David Cohen, of Ohio.

Foreign Service staff officer to be a consular officer of the United States of America.

Geraldine S. Ward, of Ohio.

IN THE COAST GUARD

The following-named officer to be a member of the permanent commissioned teaching staff of the U.S. Coast Guard Academy in the grade of lieutenant commander:

Wayne R. Gronlund

The following-named officers of the U.S. Coast Guard Reserve for promotion to the grade of commander:

Charles L. Rhinard
Robert G. Cozzolino
Donald E. Jenkins
John W. Winslow

IN THE NAVY

Adm. Maurice F. Weisner, U.S. Navy (age 61), for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3305:

ARMY PROMOTION LIST

To be colonel

Beckwith, Charlie A., [redacted].
Bell, Joel H., [redacted].
Underwood, John R., [redacted].

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Gardner, Eli, [redacted].

MEDICAL CORPS

To be colonel

Hick, Joe B., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Arakaki, Stanley S., [redacted].
Burrell, Charles F., [redacted].
Garrett, Richard L., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Baswell, David L., [redacted].
Charbonnel, Thomas S., [redacted].
Demchuk, Daniel, [redacted].
Donley, Patrick J., [redacted].
Jung, Chung J., [redacted].
Mendez, Joaquin R., [redacted].
Piskun, Walter S., [redacted].
Wright, Sanford J., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be major

Boroff, Michael A., [redacted].
Burns, Charles P., [redacted].
Coschignano, Maximillian, [redacted].
Flynn, Harold D., [redacted].
Freestone, William H., [redacted].
Michela, Robert J., [redacted].
Poole, Barry G., [redacted].
Richardson, Lawrence D., [redacted].
Robinson, Robert R., [redacted].
Rubin, Kenneth E., [redacted].
Sarran, George C., [redacted].
Shelton, Henry H., [redacted].
Socky, Lloyd, [redacted].
Spanos, William, [redacted].

CHAPLAIN CORPS

To be major

Lamback, Samuel P., [redacted].

ARMY PROMOTION LIST

To be captain

Guthmiller, Donald L., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be captain

Brandes, Bruce D., [redacted].
Richter, Paul V., [redacted].

MEDICAL CORPS

To be captain

Redd, Richard A., [redacted].
Vaccaro, John A., [redacted].

DENTAL CORPS

To be captain

Austin, Melvin J., [redacted].
Bernstein, David A., [redacted].
Cartwright, James W., [redacted].
Katz, Jerald O., [redacted].

ARMY NURSE CORPS

To be captain

Foss, Susan E., [redacted].
Reineck, Carol I., [redacted].
Ryan, James T., [redacted].
Sekiguchi, June, [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be lieutenant colonel

Allen, William R., [redacted].
Ambrose, Anthony, [redacted].
Anderson, Paul J., [redacted].
Andreasen, Arthur C., [redacted].
Anglade, Delannoy A., [redacted].
Annable, William L., [redacted].
Anseman, Norman E., [redacted].
Aoki, John E., [redacted].
Aubry, Alvin J., [redacted].
Awan, Mushtaq A., [redacted].
Baird, Robert W., [redacted].
Baker, Champ L., [redacted].
Ballard, Phillip W., [redacted].
Bannister, Carroll, [redacted].
Barr, Falvy C., Jr., [redacted].
Barwick, Michael C., [redacted].
Bautista, Etty V., [redacted].
Beale, George L., [redacted].
Beekman, Jerome F., [redacted].
Belenky, Gregory L., [redacted].
Berg, Allan W., [redacted].
Biggers, Robert D., [redacted].
Biggerstaff, Edward, [redacted].
Bischoff, Marshall, [redacted].
Black, Bradley C., [redacted].
Blaedel, Mark E., [redacted].
Block, Dale K., [redacted].

Blue, Peter W., [redacted].
Boehm, Timothy M., [redacted].
Boland, Michael J., [redacted].
Booker, Daniel C., [redacted].
Brand, Jerry I., [redacted].
Brown, Archie W., [redacted].
Brown, Elvin G., [redacted].
Brown, George J., [redacted].
Buffington, Joseph, [redacted].
Burke, Donald S., [redacted].
Butaud, Steve V., [redacted].
Butler, Adrienne B., [redacted].
Butler, John E., [redacted].
Butler, Robert H., [redacted].
Cabellon, Silverio, [redacted].
Cadigan, Robert A., [redacted].
Cannon, Benjamin H., [redacted].
Canton, Henry H., [redacted].
Cassimatis, Nicholas, [redacted].
Charney, Franklin J., [redacted].
Clagett, George P., [redacted].
Clapper, John F., [redacted].
Coker, Steven B., [redacted].
Cole, Norman G., [redacted].
Collier, Craig B., [redacted].
Collins, John T., [redacted].
Condon, James R., [redacted].
Cosas, Crisale C., [redacted].
Cotterill, Robert W., [redacted].
Covelli, Henry D., [redacted].
Crawford, Robert D., [redacted].
Cristobal, Aurora L., [redacted].
Crofts, John L., [redacted].
Cullington, James R., [redacted].
Cunningham, Billy E., [redacted].
Dabe, Irwin B., [redacted].
Dashow, Edward E., [redacted].
Davies, Bernard F., [redacted].
Deas, Bernard W., [redacted].
Decker, Lawrence A., [redacted].
Dees, Strawford H., [redacted].
Degreen, Hyatt P., [redacted].
Dejournett, Richard, [redacted].
Deshazo, Richard D., [redacted].
Desjardins, Robert, [redacted].
Dewinter, Robert J., [redacted].
Dingeman, Robert D., [redacted].
Dixon, Douglas S., [redacted].
Donohue, Dennis J., [redacted].
Donohue, Hugh J., [redacted].
Eddleman, William L., [redacted].
Elliott, John P., [redacted].
Faden, Alan I., [redacted].
Fagan, Joe G., [redacted].
Farley, Patrick C., [redacted].
Faulk, Charles W., Jr., [redacted].
Febo, Manuel A., [redacted].
Feldman, Jack A., [redacted].
Fitzwater, James E., [redacted].
Font, Elso, [redacted].
Foody, William J., [redacted].
Foreman, Frank L., [redacted].
Foster, Douglas D., [redacted].
Frias, Antonio E., [redacted].
Frushour, Stephen J., [redacted].
Fullerton, Leroy R., [redacted].
Galvin, Eugene G., [redacted].
Garrett, Craig R., [redacted].
Gibson, Jeff R., Jr., [redacted].
Gilbert, Steven P., [redacted].
Glendening, David L., [redacted].
Goodhue, William W., [redacted].
Goodin, John O., [redacted].
Goodwin, Cleon W., [redacted].
Gordon, Donald J., [redacted].
Gordon, Lawrence P., [redacted].
Grabow, Thomas W., [redacted].
Grabowski, William, [redacted].
Griffith, Thomas G., [redacted].
Grishkin, Brent A., [redacted].
Gross, Jeffrey L., [redacted].
Guider, Benjamin A., [redacted].
Hadorn, John R., [redacted].
Hamilton, James J., [redacted].
Hannam, Bernard R., [redacted].
Harmon, John W., [redacted].
Harpster, William H., [redacted].
Hauck, Kenneth W., [redacted].
Haynes, John D., [redacted].
Heath, Richard E., [redacted].
Henry, Herbert W., [redacted].
Hernandez, Ismael C., [redacted].
Herring, Michael D., [redacted].
Hershey, Stephen C., [redacted].
Hill, Charles R., [redacted].
Holloway, Robert A., [redacted].
Holmes, John S., [redacted].
Holsenbeck, Linton, [redacted].
Holshouser, Charles, [redacted].
Hopkins, Shelton G., [redacted].
Howard, Thomas E., [redacted].
Hubert, George P., [redacted].
Huss, Richard W., [redacted].
Husted, Roger C., [redacted].
Hutchinson, Milford, [redacted].
Irvin, James M., [redacted].
Jabbari, Bahman, [redacted].
Jenna, Russell W., Jr., [redacted].
Johnson, Larry D., [redacted].
Johnson, Melvin R., [redacted].
Johnson, Robert G., [redacted].
Jolivette, Milton J., [redacted].
Jones, John K., [redacted].
Julis, Ronald E., [redacted].
Katz, Paul M., [redacted].
Katz, Theodore T., [redacted].
Kidd, Gerald S., [redacted].
Kiesling, Victor J., [redacted].
Killian, Paul J., [redacted].
Kirk, John W., [redacted].
Kirkpatrick, James, [redacted].
Klein, Arthur D., [redacted].
Klipple, Gary L., [redacted].
Knudson, Richard P., [redacted].
Kozloff, Louis, [redacted].
Kronmiller, Patrick, [redacted].
Kurihara, Wallace K., [redacted].
Lam, David M., [redacted].
Lauten, Gregory J., [redacted].
Leaming, David V., [redacted].
Leonard, James A., [redacted].
Leveck, Terrence W., [redacted].
Levy, Michael A., [redacted].
Lindsey, Stephen M., [redacted].
Lindyberg, Kenneth, [redacted].
Livaudais, West, Jr., [redacted].
Logan, William J., [redacted].
Lopez, Marco A., [redacted].
Louviere, Eugene M., [redacted].
Lowell, George H., [redacted].
Lowman, Isom, [redacted].
Lucas, Phillip R., [redacted].
Lum, Don, [redacted].
Lund, Carl M., [redacted].
Lundblad, Edward G., [redacted].
Luzier, Thomas L., [redacted].
Mackay, Dewey C., [redacted].
Maguire, Michael D., [redacted].
Manning, George S., [redacted].
Mauldin, Olin B., [redacted].
Maxcey, Bob R., [redacted].
Maxwell, Larry D., [redacted].
Mazeika, Denis G., [redacted].
McCartney, Harold H., [redacted].
McCloskey, John J., [redacted].
McCoy, James A., [redacted].
McDonnell, John T., [redacted].
McElwee, Hugh P., [redacted].
McFarling, David A., [redacted].
Meade, Kenneth W., [redacted].
Melcher, Peter J., [redacted].
Mendoza, Edward M., [redacted].
Messmer, James M., [redacted].
Michel, Terrel J., [redacted].
Milnor, William H., [redacted].
Mizer, Glen L., [redacted].
Moore, Reginald G., [redacted].
Morris, Robert E., [redacted].
Mosijczuk, Askold D., [redacted].
Motl, John M., [redacted].
Mutter, Mitchell L., [redacted].
Myers, Larry S., [redacted].
Myers, Robert L., [redacted].
Nalle, Louden, [redacted].
Neal, Aliman B., [redacted].
Nichols, James W., [redacted].
Nixon, James E., [redacted].
Norfleet, Larry B., [redacted].
Norman, Steven D., [redacted].
Oddi, Michael A., [redacted].
Olsen, Michael S., [redacted].
Ortiz, Amil, [redacted].
Paine, James M., [redacted].
Papp, Sandor D., [redacted].
Paris, Joseph A., [redacted].
Parr, Thomas J., [redacted].
Patterson, Willie M., [redacted].
Paul, Garold L., [redacted].
Paulson, Bradford A., [redacted].
Peel, James R., [redacted].
Peirsol, John M., [redacted].
Perugini, Daniel F., [redacted].
Pierce, John R., [redacted].
Polsky, Michael, [redacted].
Popich, Gregory A., [redacted].
Posner, Michael H., [redacted].
Potter, Michael W., [redacted].
Powell, Jess A., [redacted].
Prager, Robert E., [redacted].
Price, Peter P., [redacted].
Pritchard, Douglas, [redacted].
Pryor, James E., [redacted].
Pulver, Vern B., [redacted].
Purvis, Jean C., [redacted].
Puskas, Thomas J., [redacted].
Rajfer, Sol I., [redacted].
Randall, Virginia F., [redacted].
Reid, Robert H., [redacted].
Reynolds, Williams J., [redacted].
Rhodes, Miller F., [redacted].
Rice, Joseph S., [redacted].
Richardson, George, [redacted].
Rietschel, Robert L., [redacted].
Riker, Sylvan H., [redacted].
Riley, David L., [redacted].
Ring, Gary, [redacted].
Rocklin, Donald M., [redacted].
Roscelli, John D., [redacted].
Rossing, Ronald M., [redacted].
Rubinow, Sidney D., [redacted].
Salvado, August J., [redacted].
Sands, Robert E., [redacted].
Sborov, Michael J., [redacted].
Schonfeld, Alvin J., [redacted].
Schwartz, Michael R., [redacted].
Schydlower, Manuel, [redacted].
Scialla, Salvators, [redacted].
Sears, Stephen R., [redacted].
Sehorn, Samuel L., [redacted].
Shatney, Clayton H., [redacted].
Shatz, Eugene M., [redacted].
Sheng, Paul C., [redacted].
Shildt, Richard A., [redacted].
Sidenberg, Barry S., [redacted].
Silverman, Harris, [redacted].
Sim, Hyun S., [redacted].
Simmons, Robert A., [redacted].
Sinnhuber, John R., [redacted].
Sjogren, Robert W., [redacted].
Smith, Allan C., [redacted].
Snyder, Robert C., [redacted].
Spencer, Roger A., [redacted].
Stanfield, Bernard, [redacted].
Starnes, Eddie C., [redacted].
Stayton, Conrad L., [redacted].
Stewart, Charles E., [redacted].
Stor, Richard A., [redacted].
Strum, Daniel G., [redacted].
Sutherland, James L., [redacted].
Swanson, Keith R., [redacted].
Takafuji, Ernest T., [redacted].
Takao, Richard T., [redacted].
Talmage, James B., [redacted].
Taylor, Joseph E., [redacted].
Telepak, Robert J., [redacted].
Torrington, Kenneth, [redacted].
Vangemert, John V., [redacted].
Velasco, Maximo M., [redacted].
Vogelpohl, William, [redacted].
Waddington, Gary L., [redacted].
Walder, James S., [redacted].
Waldman, Lionel E., [redacted].
Walker, David P., [redacted].
Walker, Paul F., [redacted].
Walker, Robert A., [redacted].
Walsh, Matthew J., [redacted].
Walters, Jonathan S., [redacted].
Ward, Needham E., [redacted].
Ward, Sanford T., [redacted].
Waskow, Steven B., [redacted].
Watt, George W., [redacted].
Way, Gerald L., [redacted].
Weaver, Wayne D., [redacted].
Weeks, Craig D., [redacted].
Weidig, Jeffrey C., [redacted].

Weinberg, Stephen A., [redacted].
Weinstock, Michael, [redacted].
Weis, Kurt R., [redacted].
Weisbaum, Geoffrey, [redacted].
Weled, Barry J., [redacted].
Wells, Wilbur G., [redacted].
Wertz, Fleming D., [redacted].
Wheat Thomas A., [redacted].
Wheeler, Leigh F., [redacted].
Whitt, Gerald G., [redacted].
Wiener, Michael A., [redacted].
Wiker, Edmund P., [redacted].
Wilkinson, George R., [redacted].
Winegar, Robert C., [redacted].
Wingert, Richard H., [redacted].
Wong, Raymond T., [redacted].
Wong, Roy K., [redacted].
Woods, Joseph C., [redacted].
Woods, Willard M., [redacted].
Wooldridge, William, [redacted].
Yeager, Charles F., [redacted].
Yeatman, Gentry W., [redacted].
Yetter, Joseph F., [redacted].
Yoo, Tai W., [redacted].
York, Lester A., [redacted].
Young, Glenn T., [redacted].
Zaloudek, Charles J., [redacted].

IN THE NAVY

The following-named commanders of the U.S. Navy and Naval Reserve for temporary promotion to the grade of captain in the Medical Corps of the U.S. Navy and Naval Reserve, pursuant to title 10, United States Code, sections 5791 and 5793, subject to qualification therefor as provided by law:

Applegate, William R.
Black, James H.
Baker, Fred L.
Boye, Donald E.
Correacoronas, Rafael
Coyle, Radcliffe J.
Goschbarker, Dell J.
Guzik, T. James
Hansen, John A.
Heath, Victor C.
Houts, Robert L.
Howe, John K., Jr.
Jothi, Rishyur K.
Kavanaugh, Frederick L.
Klofkorn, Raymond W.
Landes, James W.
Maas, Charles F.
Miller, Arthur F.
Millington, Richard A.
Pearson, Arthur R.
Pruyn, Stephen C.
Queen, Thomas A.
Roche, William D., Jr.
Romano, C. Victor
Saunders, Marvous
West, Gerald M.
Winebright, James W.

The following-named lieutenant commander of the U.S. Navy for temporary promotion to the grade of commander in the Chaplain Corps, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

Bevins, John J.

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the Dental Corps, pursuant to title 10, United States Code, sections 5791 and 5793, subject to qualification therefor as provided by law:

Pankey, Eugene R.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, section 5769 (line), 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Biedermann, Steven D.
Blanchard, Joe L., II
Cook, Charles C., III
Cox, Robert J.
Destefano, Robert
Learner, Robert B.
Martin, Vaughn K.
Noftz, Paul J.
Polo, Rafael L.
Price, Thomas M.
Sestak, Timothy A.

SUPPLY CORPS

Bain, Maurice D.
Hahndorf, Fred R.

NURSE CORPS

Johnson, Thomas K., Jr.

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), and 5791, subject to qualification therefor as provided by law:

LINE

Bettinson, David O.
Morgan, John S.
Melinat, John R.

SUPPLY CORPS

Allman, Robert J.
Martin, Larry J.

CIVIL ENGINEER CORPS

McCarron, Brian J.

MEDICAL SERVICE CORPS

Keil, Charles L.
Ladley, Amy A.

The following-named ensign of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line, pursuant to title 10, United States Code, sections 5784 and 5791, subject to qualification therefor as provided by law:

Buckles, Joseph A.

The following-named ensign of the line, of the U.S. Navy for appointment in the Civil Engineer Corps of the U.S. Navy, as a permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

McNutt, Thomas D.

The following-named woman lieutenant (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

Drislane, Patricia A.

The following-named chief warrant officers, W–1 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W–2, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

Abshear, James D.
Allen, Robert E.
Buckley, David D.
Carlson, Lawrence R.
Casey, George J.
Cloninger, Lee A.
Emme, James V.
Finn, Michael R.
Fisher, William L.
Glover, Clarence B.
Gonzales, Gilbert M.
Grider, James L., Jr.
Kelley, John S.
Lewis, James M.
Long, James J.
Mullen, Joseph T., III
Reash, Gary W.

The following named commanders of the Reserve of the U.S. Navy for temporary promotion to the grade of captain in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5910 and 5912, subject to qualification therefor as provided by law:

LINE

Abram, Donald E.
Albrecht, Robert A.
Alexander, William T.
Anderson, Norman D.
Apicella, Frank L.
Archambault, Guy A.
Armstrong, Lloyd R.
Ayers, Larrie D.
Badger, Terry M.
Baldwin, Robert C.
Barbee, Walter E.
Barrett, Robert E.
Barrett, William H., Jr.
Barron, Cameron A.
Bartholmey, Don S.
Basye, Charles B.
Beene, Jerry T.
Benjamin, Charles H.
Benjes, William B.
Benson, Burton O.
Bishop, William N.
Blackburn, Alan P.
Blake, Raymond G.
Blence, Francis A., Jr.
Blenkhorn, James M., Jr.
Bonner, James E.
Bowles, Robert E.
Boyd, Rudolph C.
Brant, Richard E.
Bray, Larry E.
Brooks, James L.
Broussard, Warren J.
Browne, Gerald F.
Browning, James D.
Bruce, Robert W.
Brumit, Thomas M., Jr.
Bures, Frank, Jr.
Burke, Nicholas E.
Burkhart, Robert A.
Burrowes, Thomas, Jr.
Busch, Joseph H., Jr.
Camp, Oliver W., Jr.
Campbell, Robert J., Jr.
Capernaros, Peter S.
Cardoni, Edmund J.
Carpenter, Jann W.
Carter, Jack M.
Carter, Walter W., Jr.
Cartozian, Haig O., Jr.
Cathro, Alexander Y.
Chapman, James G.
Christman, Paul G.
Clarbour, Bertram N.
Clark, Leo W.
Clarke, Raymond W., Jr.
Clayton, William O.
Cohen, Bernard S.
Collins, Wililam B.
Compton, Cecil C.
Cornett, Paul A.
Cowan, Charles L.
Cox, Edward L.
Craven, Robert P.
Crawford, Cal R.
Crowhurst, Thomas J.
Cubbison, Robert J.
Cunningham, James S.
Czajkowski, Francis W., Jr.
Dawson, Gerald L.
Delplato, Lawrence S.
Dickey, Gene P.
Dickey, James P.
Dipalma, Mario
Dixon, Robert G.
Doherty, Bernard J.
Doherty, Charles M.
Doyle, William L., Jr.
Dreher, Richard W.
Dudziak, Donald J.
Dufficy, Thomas J.
Dunbar, Richard M.
Dunn, Robert A.
Durr, James E.
Elliott, Richard W.
England, Loy D.
Ertz, John K.
Estep, Eldon M.
Esterer, Arnulf, W.
Eubanks, Ernest H.
Fairbanks, Dale J.
Featherstone, Robert J.
Felker, Donald L.
Flacke, Robert F.
Fordham, Robert J.
Fulcher, Clay W. G.
Fulton, Luther G.
Gadow, John R.
Gaskins, Richard C.
Gatti, John
Gaudet, William G.
Gera, John, Jr.
Giardini, Giovanni T.
Gimbert, Kenneth C.
Giordano, Vito A.
Goar, Alan L.
Goldstein, Lawrence B.
Graf, Donald V.
Gray, John W., Jr.
Greenspan, Alan E.
Gribben, Walter J., Jr.
Grimes, Roy T.
Grossman, Stephen L.
Guizerix, Armand P., Jr.
Gutowski, Leopold
Halberg, Paul V.
Haley, Thomas O.
Hammond, William E.
Hannah, Theodore B.
Hayes, Charles C.
Hays, Charles L., Jr.
Henry, Thomas C.
Hessert, Richard S.
Hillerman, Neal H.
Hodges, Alan S.
Hooker, John B.
Howard, William J., Jr.
Huffer, Nicholas R.
Humber, John L.
Hunter, Malcolm K., III
Husband, Philip M.
Hyatt, Philip W.
Isham, Don, Jr.
Jackson, Harry B.
Janss, Charles E., Jr.
Jaynes, David W.
Jefferson, James F.
Jeffords, James M.
Johnson, Paul S., Jr.
Jones, Dean E.
Joyce, Harrison T., Jr.
Jung, Charles A.
Kain, George F., Jr.
Kase, Robert H.
Kelly, Edward V.
Kendra, Robert J.
Kern, Robert L.
Kevlin, Steven G.
Kiel, Richard H.
Kilian, Walter D.
Krummeck, "K" Kenneth
Lacey, Winfield M.
Lackowski, Donald H.
Laidlaw, Scott D.
Lancaster, John S.
Larocca, Joseph P.
Larson, Lowell D.
Leary, Donald W.
Leavenworth, Robert A.
Ledoux, Lawrence C., Jr.
Lee, Roland D.
Lell, Virgil G.
Leonard, Rex L.
Leukhardt, Martin W.
Liffers, Ernest H.
Lineberger, John D., Jr.
Lockett, Tyler C.
Loomis, Herschel H., Jr.
Lopez, Manuel B.
Lucas, William M., Jr.
Lynch, Harvey J.
Lynch, Maurice P.
Malone, John S.
Margotta, Robert E.
Marjenhoff, August J.
Markland, Francis S., Jr.
Martin, Frank B., Jr.
Martin, Robert E.
Martin, Thomas W.
Mason, Theodore T.
Masterson, Russell W.
Mathews, Richard A.
Matza, Joseph A.
Maycock, Paul D.
McBrayer, Robert L.
McCabe, Ebe C., Jr.
McCauley, Hugh W.
McClone, Thomas A., Jr.
McCormick, Paul J.
McCullough, Stuart W.
McGuinness, James P.
McGurty, William H.
McKay, Bruce B.
McWhorter, William C
Merriman, Marcus A.
Miller, Max K.
Moll, Frank H.
Monahan, Robert E., Jr.
Monell, Gary E.
Monteleone, Anthony J.
Moore, Saul F., Jr.
Morehead, John A.
Morgan, Bobby S.
Morgan, Donald A.
Morgan, Edward A.
Moyer, William J.
Mulligan, John R.

Nagle, Fred S., III
Nord, Frederic J.
Norris, David U.
Oberholzer, David J.
Obold, Charles E.
Ohea, William C.
Oldenburg, Carl R.
Owens, James W.
Palmer, Stanley B.
Patterson, Ralph A., Jr.
Peterson, Kenneth D.
Pfeifer, Herman A., Jr.
Pitts, Phillip R.
Platts, Paul K.
Prechtl, Jerome S.
Price, James C.
Price, William E., II
Prochaska, George A.
Proctor, Donald J.
Pulice, John
Purvis, Samuel M., III
Reeves, William B.
Reich, Joseph A., Jr.
Reynolds, David W.
Rice, John C., Jr.
Richardson, John H., Jr.
Rimmington, John B.
Ritola, Angelo P.
Ritter, Jack F., Jr.
Roberts, Tim H.
Rodgers, Jimmie J.
Roe, John E.
Roffey, Robert C., Jr.
Romance, Francis J.
Saltzman, Glenn A.
Sample, William B., Jr.
Sanders, Franklin H.
Satterfield, Don G.
Scales, Carter H.
Seaton, William W., Jr.
Sessions, Joseph W.
Shepherd, Charles W.
Shoemaker, Charles S.
Siegmund, Harry M.
Simmons, Roger A.
Sink, John D.
Smith, David F.
Smith, Denis G.
Smith, Frank L.
Smith, Paul E., Jr.
Spane, William T., Jr.
Stallman, George L., III
Steacy, Bernard H., Jr.,
Oldenberg, Carl R.
Stephan, Charles A.
Stephenson, John M., Jr.
Stevens, Rollin M., II
Stevenson, John C., Jr.
Stewart, John E.
Storey, Sammy M.
Strickland, Stanley P.
Strickland, James M.
Surovachak, Richard J.
Tankel, Jerome K.
Tapley, John T., Jr.
Tarlton, Lee A.
Tarn, John L.
Thomas, James E.
Thomas, Jerold J.
Thompson, Neal P.
Tomlinson, Allen R., III
Trimmer, Terry
Truesdell, Lemoyne F.
Tweedt, Peter L.
Van Cise, Richard A.
Verstandig, Robert J.
Von Bodungen, Joseph P.
Weintrub, Arnold
Weiss, Mitchell L.
Wells, John G.
Welton, Robert G.
Whipple, Walter
White, John R.
Wiant, Mark C.
Wilhite, Doyle
Williams, Harmon M.
Wilson, Alan F.
Wilson, Hugh P.
Wixted, David C.
Wojan, Donald
Wolf, Charles R.
Wooddell, John G.
Wright, John R.
Youel, Donald A.
Young, Charles F.
Zeh, Thurber G., Jr.
Zipperer, John C., Jr.

MEDICAL CORPS

Barner, Hendrick B.
Benson, Harry C.
Brandt, Eugene M.
Byorth, John P.
Campbell, Doyle E.
Capobianco, Faust J.
Carpenter, Howard F., Jr.
Cerda, James J.
Crawford, Alvin H.
Cross, Henry I.
Damm, Robert L.
Davies, Raymond O., Jr.
Dieckmann, Merwin R.
Dukes, William E.
Fowler, Donald R.
Freeman, William T.
Fulwyler, Robert L.
Goldbeck, Larry O.
Hagan, Donald J.
Hammer, Richard W.
Jones, George R.
King, Phillip E.
Leslie, Loren R.
Libnoch, Joseph A.
Lloyd, Morgan P.
Magenheimer, Richard J.
Masar, Maurice F. P.
Meador, James C., Jr.
Meyer, Russell
Ozawa, Kenneth H.
Panlilio, Lutgardo G.
Pare, Norman G.
Real, Jack D.
Rivers, Leslie D.
Sadick, Stanford P.
Sawyer, Norman M.
Scott, Ralph H.
Sierchio, Gerald P.
Skelly, John P.
Tate, Harry R.
Titus, Bruce M.
Tompkins, Albert E.
Turaids, Talvaris
Weinshelbaum, Albert
West, Alex R.
Williams, David L.
Yadon, Lowell G.

SUPPLY CORPS

Acquistapace, Tulio G.
Blackford, James D.
Bolton, Thomas W.
Bonnell, Lawrence D.
Brown, Thomas G.
Chakeres, James G.
Chastain, Joseph H.
Crain, Richard H.
Duncan, Dean L.
Martineau, Paul J.
Mayer, James H.
McKeehan, Robert D.
McKnight, Richard F.
McMillan, John W.
Meyer, Jack A.
Morris, Herbert K., Jr.
Nelson, William H.
Norton, Burnett W.
Onan, Thomas M.
Powell, Mannie S.
Shaw, Harold M., Jr.
Slifer, Charles A., Jr.
Wendle, Dean R.

CHAPLAIN CORPS

Cook, Bobby W.
Donovan, Herbert A., Jr.
Fisher, Clifford S.
Glaser, William C.
Greene, Barry H.
Peloquin, Anthony R.
Tyer, Charles L.
Witcher, Robert C.

CIVIL ENGINEER CORPS

Billstone, Donald L.
Derr, Frederick M.
Field, Richard H.
Hathaway, Paul L., Jr.
Higgs, Gerry E.
Lochtefeld, Charles J.
Marley, Jerry J.
Post, Max H.
Purdum, Robert L.
Rosser, Paul C.
Seigel, Leonard M.
Wilson, James G.
York, Ronald F.

JUDGE ADVOCATE GENERAL'S CORPS

Brinson, Zeb C.
Curley, Robert M.
Dowling, Donald H.
Murphy, Joseph P.
Tillotson, Drew R.
Watson, William H.
West, James B.
Wood, Thomas D.

DENTAL CORPS

Bosko, John J.
Brown, Richard G.
Damiano, Maurice A.
Dattilo, Bruno F.
Diamond, Michael W.
Gaither, William D.
Geller, Jacob
Glekas, Louis J.
Hardison, Samuel H.
Hart, Charles B.
Hearon, Donald L.
Karagianis, Michael G.
Laczynski, Stanley J.
Last, Ronald F.
Leblanc, Patrick H.
Leonard, Lloyd F.
Moritz, Robert F., Jr.
Nowak, Arthur J.
Pavlick, Charles T., Jr.
Reeves, George W.
Scholl, Jerome T.
Vanummersen, Frank, III
Vitale, Joseph S.

MEDICAL SERVICE CORPS

Grier, Charles P.
Harris, Jesse G., Jr.

NURSE CORPS

Ewalt, Lois I.
Knott, Josephine M.

The following-named lieutenant commanders of the Reserve of the U.S. Navy for temporary promotion to the grade of commander in the staff corps, as indicated, pursuant to title 10, United States Code, Sections 5910 and 5912, subject to qualification therefor as provided by law:

MEDICAL CORPS

Albritton, John T.
Asserson, Bowen, Jr.
Billharz, David W.
Blanco, Jose E.
Bloomfield, Richard A.
Broadie, Thomas A.
Bush, Robert A., Jr.
Cone, Howell A.
Crowley, James P.
Daspit, Charles P.
Diggs, Charles A.
Downs, John R.
Dy, Antonio J.
Ellington, Stewart L.
Elsner, Heinz J.
Fogle, Philip R.
Greaves, John P.
Gregg, John R., III
Grove, Charles S.
Hayman, Bernard L., Jr.
Hess, James B.
Holleran, Neal E.
Hurley, John K.
Kellams, Walter R.
Keys, Thomas F.
Kim, Thomas H.
Koeller, Royal R.
Landeen, James M.
Langan, Peter R., Jr.
Levine, Robert S.
McCarthy, John P.
Michaels, John F., Jr.
Moore, Vernon J., Jr.
Murphey, Stephen M.
Newcron, Sheldon L.
Pollack, Matthew
Poole, Joel R.
Pressly, James P.
Robinson, Terrance A.
Roe, Myong J.
Schmits, Walter R., Jr.
Schoendorf, Judson R.
Scott, Harold D.
Shields, John E., Jr.
Snyder, Thomas L.
Tannebaum, Ira R.
Taylor, Anthony J.
Vance, Donald A.
Vincent, William C.
Wall, George T.
Walter, Charles T., Jr.
Whitfield, Richard W.
Winn, Charles E.
Znider, John F.

SUPPLY CORPS

Agnitsch, Richard J.
Aharonian, Donald J.
Bartholomew, Frank L., III
Beck, Steven E.
Bindon, Rodney B.
Braswell, Carmen B.
Canfield, Thomas J.
Carlisle, Clinton R.
Cecil, Robert D.
Chapin, John E., Jr.
Cross, Martin J.
Curran, John C.
Dean, Floyd F., Jr.
Delfs, Hugh N.
Dockendorff, Robert D.
Dolian, James P.
Dorsey, Lewis G., III
Fitzgerald, Robert C.
Fletcher, Kenneth C.
Franke, Donald K.
Freeman, George W., III
Gladstone, Kenneth M.
Glover, Clarence H., Jr.
Grasser, Eugene A., Jr.
Grochowiak, Edward A.
Gushue, William, Jr.
Hagen, Thomas B.
Hall, Lyle R.
Hallahan, Jeffrey W.
Haywood, Herbert H.
Heim, Robert C.
Henderson, Paul A.
Hill, Thomas J.
Hitt, William H.
Hoskins, Thomas T., III
Huffman, James C.
Hunt, John H.
Ingraham, Murray J.
Johnson, James A.
Juhl, Gordon E.
Kennedy, Troy W.
Killian, Samuel P., III
Kramp, Darrell I.
Kyzar, James E.
Lehecka, Larry G.
Levitz, Barry A.
Lovell, Franklin A., Jr.
Madison, Robert L.
Makinson, John O.
McGiffin, John G., III
McIntyre, Gwyn L.
Mortrud, David L.
Murray, Phillips S.
Nebel, Gerald L.
Papera, Robert P.
Phillip, John W.
Price, Larry S.
Quinn, Patrick J.
Quinton, Edmund F.
Railey, Randolph M.
Reid, Gary B.
Robertson, Daniel S.
Ryder, Thomas V.
Sawyer, Richard P., Jr.
Schiff, Albert J.
Shawl, Jon C.
Sheridan, Gary J.
Siefken, David M.
Smith, Richard L.
Smith, Wallace D.
Spede, Edward C.
Strayer, John B.
Swab, James R.
Swanson, Bert T.
Timko, James D.
Tindall, Thomas C., Jr.
Vaughn, Woodrow W., Jr.
Verny, Frank W.
Walker, John M., Jr.
Wallace, John C.
Wassenberg, Stephen R.
Wicklund, John D.
Williams, Ulysses J. C.

CHAPLAIN CORPS

Altrock, Stanley C.
Baldwin, Robert R. III
Barkenquast, James L.
Bishop, Edwin L.
Boys, William E.
Brown, Walter J.
Cato, Phillip C.
Chatham, John W., Jr.
Clift, James C.
Cline, William C.
Coleman, Clifford B.
Cook, Harvey G.
Ecker, John A.
Epps, Elwood W.
Fournier, Wilfred D.
Fulbright, James C.
Granberg, Theodore O.
Hale, George M., Jr.
Hamm, Horace A.
Jacobson, George E.
Jordan, Charles F., Jr.
Knight, Stephen H., II
Kurz, William H.
Lawson, Paul C.
Londoner, Carroll A.
Lowe, James L.
Marx, David C.
Patterson, Gordon L.
Romano, Joseph E.
Schroeder, David W.
Swank, George W.
Thompson, Frederic D., Jr.

CIVIL ENGINEER CORPS

Clay, Joseph V. F., III
Ely, Morgan S.
Gaither, Thomas A.
Gregg, Ronald I.
Hauck, George F.
Jahn, David E.
Laumer, John F., Jr.
Limbrunner, George F.
Maple, James A.
Martin, William R.
McNeel, Harry L.
Novak, Edwin C., Jr.
Olsen, Kenneth
O'Neill, William M.
Price, Richard H.
Robertson, Alton F.
Samuelson, Ray S.
Schofield, Dean A.
Shock, Glenn H., Jr.
Smith, William J., Jr.
Smith, William V.

JUDGE ADVOCATE GENERAL'S CORPS

Blodgett, Daniel B.
Browning, Robert R.
Cardinal, James
Decker, David R.
Dick, Charles H., Jr.
Dyke, James R.
Elden, Thomas K.
Farrell, Vincent D.
Fuller, Lee M., Jr.
Gavin, Donald J.
Glass, Fred S.
Granahan, Thomas F.
Harris, James H., III
Hart, Bruce B.

Heitkemper, Allard J.
Howarth, John N.
Johnson, Sterling, Jr.
Joynt, Michael P.
Kamps, Willam J.
Kendall, William Q.
Kuhner, Robert L.
Levin, Richard E.
Levine, Robert
Londrigan, Thomas F.
McMahon, James B.
Menefee, Curtis H. P.
Mobley, Keith A.
Morgan, Christopher L.
Mullins, Morell E.
Murphy, Frank M., III
Noren, Richard C.
Oliver, Robert G.
O'Rourke, Andrew P.
Ragan, Stephen P.
Rayton, Michael R.
Richards, Channing O.
Serino, Robert B.
Simpson, Lyle L.
Warren, Russell E., Jr.
Warren, Walter E.
Wied, Colin W.
Witcher, James S., Jr.
Yarbrough, Edward F.

DENTAL CORPS

Alder, John L.
Armstrong, John F., Jr.
Bastien, Gill B.
Bertsch, Dennis M.
Bolen, Richard K.
Burnett, Gary G.
Chismarich, Stephen R.
Dashiell, Earle S., Jr.
Dertinger, John A.
Dodrill, David E.
Eberhardt, Harold R.
Elinoff, Ronald
Farrell, William L.
Foley, Thomas J., Jr.
Goldblatt, Lawrence I.
Hall, Robert T.
Hensley, Larry D.
Jedrychowski, Joseph R.
Johnson, Eric R.
Ladas, John P.
Lally, Edward T.
Larsen, John D., III
Laubach, William R.
Loughlin, Patrick J.
Lowry, Harold J., Jr.
Marconyak, Louis J.
McGuinn, Peter W.
Miller, Henry A.
Nicols, Joseph J., Jr.
Norgren, Robert S.
Oakley, Charles E.
Piotrowski, Edmund L.
Poe, Oliver C.
Porter, Lee W., Jr.
Posavad, George L., Jr.
Potts, Ronald H.
Riggs, Robert J.
Riordan, Thomas P.
Rosenberg, Robert K.
Russell, John T., II
Ryerson, David R.
Scholz, Howard W., Jr.
Serles, James C.
Spalding, Franklin M., Jr.
Stanger, Alan D.
Suffridge, Buford J., Jr.
Triant, Arthur W.
Ward, Roger B.
Watt, Dan L.
Yukna, Raymond A.

MEDICAL SERVICE CORPS

Anthony, John R.
Bird, James S.
Brittain, Patsy J.
Brown, William K.
Doty, John M.
Eng, Weylin G.
Gaines, Richard N.
Kingsbury, David T.
Kuchinski, John J.
Lewis, Alan L.
Melchior, Robert C.
Miener, Clyde J.
Myers, Robert H.
Roberts, Thomas L.
Shurtleff, Howard P.
Sullins, William D., Jr.
Vingoe, William C.
Workman, William T.

NURSE CORPS

Clayton, Phyllis K.
Dempsey, Marie B.
Evans, Harold E.
Fackler, Nancy A.
Fisher, Jean R.
Fitzgerald, Doris B.
Holder, Bettina K.
Ibach, Maryanne T.
Leininger, Evelyn L.
Lucius, Nina J.
Reilly, Betsy J.
Reske, Mary L.
Ristow, Betty A.
Rusnak, Martha A.
Sandall, Maureen D.
Sayner, Nancy C.
Taskalos, Iris A.
Tiedeman, Mary E.

The following-named women commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5911 and 5912, subject to qualification therefor as provided by law:

Kitch, Florence M.
Porch, Harriett E.
Stevens, Margie A.
Young, Johanna L. H.

The following-named women lieutenant commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of commander in the line, pursuant to title 10, United States Code, sections 5911 and 5912, subject to qualification therefor as provided by law:

Dodge, Eleanore L.
Oetting, Suzanne A.
Wardlow, Erielan

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant in the Nurse Corps of the United States Navy, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

Schneider, Patricia D.

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line pursuant to title 10, United States Code, sections 5784 and 5791, subject to qualification therefor as provided by law:

Cusick, Ted J.
Louie, Cham W.

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, pursuant to title 10, United States Code, section 5784 (line and staff corps officers) and 5791, subject to qualifications therefor as provided by law:

LINE

Aarons, Philip J.
Abel, Joseph L.
Abner, Edward L., II
Achenbach, John A.
Ackley, George W., III
Acton, Daniel A.
Adams, James P., II
Adcock, Richard B.
Adrick, Mark K.
Adsit, William S.
Ahlgren, Andrew A.
Aide, Daniel T.
Ajemian, Gary G.
Aland, David J.
Alcamo, Mark E.
Aldern, Thomas D.
Algood, Bert R.
Allard, Frederick D., Jr.
Allen, Gregory J.
Allsopp, David K.
Althans, John S.
Andersen, Robert W.
Anderson, Brian S.
Anderson, Edward C.
Anderson, Kenneth R.
Anderson, Mark B.
Anderson, Michael D.
Anderson, Michael E.
Anderson, Steven W.
Anderson, Wilhelm F.
Andreoletti, Gene J.
Andrews, Thomas L., III
Angleman, Alan C.
Antonio, Dennis D.
Arellano, Reynaldo A.
Arguello, William R.
Armbruster, Edward D.
Arminio, Thomas J.
Armitage, David M.
Armond, Ernest C., Jr.
Artho, Alfred E.
Artzer, Steven P.
Atkins, Douglas E.
Atkisson, Mark M.
Atwood, Robert W.
August, Charles E.
Austad, Craig K.
Avera, Alan J.
Ayers, Kimball C.
Ayotte, Peter P.
Bacon, Glenn S.
Bader, John T.
Baer, Dennis R.
Bagby, Calvin L.
Bagwell, Phillip W.
Bain, Michael E.
Bair, David W.
Baker, Daniel K.
Baker, Duane M., Jr.
Baker, Dwight E.
Ball, John L.
Ball, Richard J., Jr.
Banchak, Ronald J.
Banker, Robert J., Jr.
Bannister, Randall W.
Baran, Gregory W.
Baranchuk, George, Jr.
Barbaree, Robert D., Jr.
Barber, Edward M.
Bardell, Timothy W.
Barnes, Joseph L.
Barnes, Robert L.
Barnes, Ronald A.
Barron, Claude E.
Barth, Bradley J.
Barton, Wesley A.
Barton, George F., III
Barton, Steven A.
Barton, Wesley A.
Bass, Richard A.
Bass, Roy C.
Bauer, Thomas E.
Baysic, Domitito M.
Beach, Daniel S.
Beam, David C.
Beauclair, Thomas J.
Beaver, James M.
Beck, Douglas O.
Beck, Michael C.
Becker, Lawrence C.
Becker, Mark E.
Beckner, Michael I.
Behrle, Thomas J.
Beidler, Teodore W.
Bell, Melvin
Bell, Robert B.
Bell, Willie J., III
Bellacicco, Allan J.
Bender, Robert D.
Bennett, Jerry F.
Bennett, John S.
Bennett Vincent J.
Bensten, Charles E.
Bentley, David L.
Bereck, Daniel M.
Berg, Jeffrey F.
Berger, James R.
Bernard, John L., III
Berner, Joseph M.
Bernstein, Charles R.
Bethmann, James M.
Biery, Thomas L., Jr.
Bilctti, Anthony J., Jr.
Bilowus, George R.
Bily, Thomas J.
Bird, John M.
Birt, David W.
Bize, David N., III
Blaine, Gerald K.
Blake, Joe C.
Blake, Patrick M.
Blake, Thomas H.
Blalock, David H., III
Blasko, James A.
Blazin, Michael J.
Blinde, Glen M., Jr.
Blower, Fred W.
Boatwright, Brooks O., Jr.
Bogovich, Joseph
Bojarski, Eugene J., Jr.
Boley, Charles C., Jr.
Bolich, Harry P., Jr.
Bonanno, Thomas J.
Bonner, Derek R.
Booker, George W.
Booker, La Selle B.
Borchers, Mark M.
Borza, Michael J.
Bosarge, Morris R., III
Bowen, Randall K.
Bowles, John L.
Bowser, Robert K.
Boyette, Kenneth P.
Boyle, James E.
Bozman, Raymond E.
Bracewell, Herbert W., Jr.
Bradley, George M.
Bradley, Mark J.
Brady, David A.
Branson, John J. III
Brantley, Robert C., Jr.
Brauer, William D.
Braun, Arthur C.
Breen, Charles H.
Brenner, Michael J.
Brescia, Charles L.
Brewer, James R.
Breyer, Thomas P.
Bridges, Stephen D.
Briganti, Douglas H.
Brinkley, Ronald W.
Bristow, William K.
Brock, Kevin W.
Brock, Michael F.
Brooks, Forrest E., III
Brown, Matthew L.
Brown, Martin J.
Brown, Michael F.
Brown, Theodore H., Jr.
Brown, William G., Jr.
Bruce, Ples J., Jr.
Brumley, Barney A.
Brundage, Laurence P.
Brunskill, Michael R.
Brunstetter, Peter S.
Brus, Henry H., III
Brynestad, Mark A.
Buchanan Gregory J.
Buck, Bruce James
Buck, Kevin P.
Buckingham, Thomas M.
Buckner, Albert L.
Buczkowski, Terry B.
Buddenbohn, Kennard M.
Bullard, David W.
Bunker, Mark K.
Burdine, David A.
Burkett, Bruce T.
Burna, Richard F.
Burnett, Christopher T.
Burnette, Robert V.
Burney, Stanley H.
Burns, Michael W.
Burton, John C.
Busch, Daniel F.
Butler, Dempsey III
Butler, William J.
Byrd, Gregory L.
Cady, William R.
Caesar, Julius S.
Caille, Gary W.
Cain, Christopher C.
Caldwell, Nathaniel F.
Calfee, Michael F.
Callahan, Michael J.
Camacho, Joseph D.
Campbell, Bruce A.
Campbell, David G.
Campbell, David R.
Campbell, David W.
Campbell, Kenneth W.
Campbell, Thomas L.
Canby, Kerry A.
Canders, Michael F.
Canter, Dana L.
Cantillo, Thomas A., III
Cappellino, Paul J.
Capponi, Michael A.
Cardosi, James J.
Carey, Michael J.
Carnes, George K., Jr.
Carpenter, Larry I.
Carr, Lester E., III
Carroll, Sean J.
Carver, William K. F.
Carwile, Joseph M.
Casey, John R., Jr.
Caulfield-James, Jeffrey P.
Caulk, Peter M.
Cenney, John J., Jr.
Cerabino, Frank T.
Chabal, Matthew, III
Chamblee, Richard E.
Chaum, Erik
Cheeseman, William E.
Cheri, Lionel L., Jr.
Chesnut, Robert, II
Chifari, Anthony H.
Childress, James L.
Christensen, Harold O., Jr.
Christofferson, Edward F.
Chrzanowski, Frank P.
Cieslak, Randall C.
Cinciripino, Jeffrey R.
Cioni, Gene R.
Claridge, William A.
Clark, Kenneth E.
Clark, Mark A.
Claus, Colin D.
Claussen, Mark D.
Clay, John L., Jr.
Clay, Mark S.
Cleaver, Christopher M.
Clement, William J., Jr.
Clever, Alan R.
Clifford, Lawrence E., Jr.
Clingan, Bruce W.
Clinko, Stephen E., Jr.
Cloward, John A.
Coan, Richard D.
Cofield, Guy B., Jr.
Cohn, Michael D.
Cole, James O., Jr.
Collett, Joseph M.
Colman, Paul T.
Colton, Gary L.
Comis, David L.
Condry, Robert A.
Cone, Allen D.
Connard, John M.
Connelly, Gary G.
Connor, Charles E.
Connors, Stephen L.
Conroy, Patrick J.
Conway, Wallace J., III
Cook, Gerald V.
Cook, Raymond H.
Cooksey, Clifton M.
Cooper, David R.
Cooper, Gregory H.
Corbett, Philip J., IV
Cornett, Hugh T.
Cornish, Gregory J.
Corpman, Daniel M
Corpus, Jose R.
Coss, David D.
Coulbourne, Michael J.
Coulombe, Raymond F., Jr.
Coulson, James D.
Coverick, Timothy J.
Cox, Darryl R.

Cox, Gregory A.
Coyle, Arthur J., Jr.
Crane, Jeffrey B.
Crevier, Raymond P., Jr.
Crossan, Robert J.
Crow, Michael L.
Crow, Winston K.
Crowe, Steven K.
Croxen, Kevin L.
Cullinan, Robert L.
Cupp, Lynn S.
Curran, Brian J.
Current, Richard N.
Curry, James M.
Curry, William T.
Cuttino, David W.
Daigle, Michael J.
Dalton, Dennis F.
Daly, Peter H.
Damico, William T.
Daniels, William D.
Darnell, John A. M.
Daurora, John K
Davidoski, Mark W.
Davidson, Daniel E.
Davidson, Mark E.
Davis, George D., III
Davis, Jeffrey J.
Davis, Paul L. E.
Davis, Van K., Jr.
Dawson, Robert M.
Day, Joseph A.
Debbink, Dirk J.
Deberry, Kirk R.
Debold, Fred A.
Delacruz, Richard S.
Delmar, Shan R.
Delpapa, Ronald N.
Demartini, Edward J., Jr.
Demelo, Jeremias F., Jr.
Demott, Lee E.
Dennis, William K.
Derby, Rex
Derose, Phillip A.
Devitt, Brian S.
Dewes, William E.
Dickup, William A.
Diggs, Thomas E., II
Diller, Christopher W.
Diller, Marlin G., Jr.
Dimenna, Timothy D.
Ditko, Donald R.
Diunizio, Mark
Divito, Joseph A.
Dodsworth, Rodney D.
Doherty, James M.
Dolan, James P.
Dom, George B.
Donathan, Bernie G.
Donnelly, Thomas P.
Dorfman, David P.
Dory, Christopher E.
Douglass, Alton O.
Downer, Patrick E.
Dowsley, Brian W.
Doyle, Terrence M.
Drake, Mark M.
Dranchak, James J.
Dreher, Lawrence J.
Driscoll, Patrick G.
Droppa, Robert E.
Dubard, Dennis D.
Duchak, George D.
Duff, Winslow K.
Duhn, Thomas H.
Duncan, James D.
Dunn, James D.
Dunnenberger, Henry, III
Dunseith, Richard J.
Durbin, William S.
Ebel, Kevin C.
Ebersole, Charles R.
Eckrich, James E.
Eckstrom, Rustin J.
Edwards, James R., III
Eischen, Charles R.
Elbinger, Steven Z.
Eliot, Frederick, Jr.
Elkins, Don S.
Ellinwood, Thomas O., Jr.
Elliott, David S.
Elliott, Glenn D.
Ellison, Walter L., Jr.
Elmer, Michael P.
Elmore, Thomas L.
Elsken, Martin R.
Elwell, Ralph U.
Elwing, Stuart F., II
Emrick, William C.
Encino, Ernest G.
Endacott, Lawrence A.
Engel, Peter W.
Enochs, Edgar R.
Enos, Craig R.
Erdt, Dennis D.
Erickson, David E.
Ericson, Glen F.
Escue, William D.
Eshman, Stephen J.
Estes, Warren B.
Evensen, David A.
Eves, Robert C.
Fairbank, James F.
Fallon, Patrick J.
Fann, Theodore R. L.
Faulkner, Richard M.
Feeney, Christopher E.
Feller, John F.
Felker, William H., III
Fenelon, Martin J., III
Fenn, Dan E., Jr.
Fennig, Christopher G.
Ferguson, Douglas H.
Filippini, David
Filkins, Peter C.
Finlayson, Stuart H.
Finley, David C.
Finley, Mark T.
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Fisher, Carl B.
Fleischer, Roger G.
Flom, Daniel H.
Floyd, David S.
Fogarty, Francis S.
Fontaine, Scott A.
Fontaine, David J.
Fontes, Mark S.
Fontinha, Richard J.
Ford, Bruce H.
Forgala, Gregory W.
Fornof, Thomas R.
Foster, Andre P.
Foster, Gregory A.
Foster, William A.
Fox, Samuel M., IV
Fox, Stephen C.
Franich, Dennis M.
Frank, Richard F.
Frank, Robert D.
Franke, Randall C.
Franklin, Donald
Frazier, Jack E.
Frederick, David L.
Freeburn, Robert J., Jr.
Freeman, David W.
Freeman, John M., Jr.
Freeman, Richard C.
Frey, James G.
Frey, Thomas J., Jr.
Frias, Anthony A.
Frick, Michael S.
Frizzell, Dominique F.
Frothingham, Peter J.
Fujii, Leith Y.
Fullerton, George A.
Galindau, Daniel R.
Gallagher, Dirk M.
Gallardo, Albert J., Jr.
Gallman, James R., III
Galvan, Jose L.
Galvin, Richard E.
Gambarani, Gary P.
Garcia, Stephen A.
Garcia, Benjamin A.
Garcia, Edward L.
Gardner, John S.
Gardner, Mark P.
Garland, William P.
Garmon, Jeffrey D.
Garrigues, Hal E.
Gary, Bret C.
Gaskin, Steven P.
Gassaway, James C.
Gates, David H.
Geanuleas, Louis J.
Gear, Daniel E.
Gearing, Daniel
Geary, John W.
Gerdeman, Peter R.
Gerhard, Harry J.
Gibson, Elton R., Jr.
Giesen, Stephen A.
Giles, Anthony W.
Gillespie, Neil T.
Gilman, Robert J.
Girard, Robert R.
Glab, Corey J.
Glasgow, Kimberly S.
Glass, James T.
Glenn, Robert A.
Gold, Thomas M.
Golda, Eugene M.
Golden, Timothy A.
Goldsmith, Richard A.
Gonzales, Henry, Jr.
Good, Keith B.
Goodman, Clarke E., Jr.
Goodrum, Robert A.
Goodwin, William A.
Goolsby, Douglas E.
Gore, John B.
Gorman, Jeffrey A.
Gorman, Thomas M.
Gottschalk, Paul A.
Gould, James W.
Govan, Dale R.
Goward, Richard F., Jr.
Graaff, Paul D.
Graber, Kenneth A.
Grace, John C.
Graham, John S.
Graham, Kelvin F.
Graham, William M.
Grandfield, Philip W.
Graus, Cary S.
Gravely, Harry A.
Gray, Brendan L.
Gray, Gregory C.
Gray, Ray H., III
Grayson, Tony A.
Greco, Francis J.
Green, Peter D.
Green, Richard E.
Greene, Michael J.
Greene, Thomas G.
Greenwood, Carter M.
Gretzky, Harold D.
Greunke, James H.
Grice, Gary L.
Grimes, Dennis R.
Groh, Robert E., Jr.
Gromek, Michael F.
Grose, Carleton R.
Grose, Robert W.
Grossman, Randall, T.
Groves, Gregory E.
Gruetzner, James K.
Gullette, Greg R.
Gunderson, Christopher R.
Gunther, Gary W.
Hagreen, Federick H., II
Haines, Dennis A.
Hall, David L.
Hall, John A.
Hallford, Charles W.
Hallman, Clinton H., Jr.
Hallock, David D.
Hamblin, Robert N. Jr.
Hammonds, Ricky T.
Hamner, Michael S.
Handy, Clark D.
Haney, Keith D.
Hannum, Douglas E.
Hansen, Daniel L.
Hansen, Raymond N.
Hansen, Richard P.
Hansen, Robert C., Jr.
Hardcastle, Michael C.
Harden, Stephen W.
Harding, Scott H.
Hardy, June T., Jr.
Harman, Charles R.
Harner, Warren H., Jr.
Harper, Russell S.
Harper, Scott F.
Harrington, Joseph H., Jr.
Harrison, Thomas P.
Hart, Dwight D.
Hartigan, James D.
Hartley, Thomas A.
Hartman, William C.
Haskins, Terry O.
Hathaway, Todd N.
Hauck, Timothy X.
Hauth, Larry W.
Havlik, George J.
Hawkins, Thomas A.
Hayden, Clayton C.
Hayes, David P.
Hayes, David T.
Haynes, Erwin A.
Heathcote, Richard W.
Hebert, Dirk P.
Heely, Jeffrey H.
Hegeman, Andrew J.
Hejl, Thomas A.
Helleberg, Eric A.
Hendrick, Scott D.
Henkle, Thomas H., III
Henley, Jerrell C.
Henning, George W., Jr.
Henry, Leon M.
Henry, Zachery A., Jr.
Herberger, William J.
Hering, Leendert R.
Herman, John C.
Herr, John S., Jr.
Herrick, Dennis M.
Hertwig, Ronald W., Jr.
Hess, Douglas J.
Heughan, Charles D.
Hewell, Charles L.
Higgins, Raymond L.
Highfill, Keith G.
Hileman, Kenneth L.
Hill, Michael L.
Hill, Robert W.
Hill, Thomas S.
Hill, William J.
Hirko, William G.
Hithon, Cary J.
Hochevar, Albert R.
Hoffman, James D., Jr.
Hoffman, Mark A.
Hoffman, Theodore J.
Holl, Brian F.
Hollich, Paul J.
Hollingsworth, Ernest M.
Holloway, Jeffrey L.
Holman, Robert F.
Holst, Gary M.
Honeycutt, Paul E.
Hoobler, Jeffrey M.
Horbiak, Stephen C.
Horn, Arthur W., Jr.
Householder, David A.
Houser, Robert J.
Hovland, Douglas L.
Howard, Michael R.
Howard, Reginald L.
Hoyt, Michael L.
Huang, Glenn S. Y.
Huber, Russell J.
Hudgens, Robert K.
Huebner, Richard H.
Huerth, Alan L.
Huff, Andrew D.
Hugel, Mark A.
Huisman, Thomas K.
Humenuck, Richard J.
Humphrey, Robert P.
Hungerford, Ronald D.
Hurley, John J., Jr.
Hutchens, James W.
Hutchinson, Thomas H., II
Hyers, Peter M.
Indiviglia, Lawrence J.
Ingraham, James W., Jr.
Irvin, Stephen R.
Isabelle, Paul G.
Ittner, William H.
Ivey, Charles G.
Jackson, Leon, Jr.
Jackson, Robert F.
Jackson, Steven C.
Jackson, William E.
Jacobson, John R.
Jameson, David S.
Jamison, Charles E., Jr.
Janikowsky, Ralph E.
Jee, Mark T.
Jeffrey, James D.
Jenkins, James S.
Jenks, Robert P.
Jenks, Timothy S.
Jensen, David J.
Jensen, Thor K.
Jerabek, Daniel J.
Jesup, Richard D.
Joaquin, Manuel, J. Jr.
Johnson, Clifford D.
Johnson, David L.
Johnson, Geoffrey D.
Johnson, Mark A.
Johnson, Michael S.
Johnson, Paul A.
Johnson, Richard E.
Johnson, Robert G.
Johnson, Stephen E.
Johnson, Thomas W.
Jones, David L.
Jones, Donald D.
Jones, Griffith G., II
Jones, Leon W.
Jones, Michael P.
Jones William P.
Jordan, Carl W.
Julian, Robert G.
Jupena, Jeffery M.
Kaluzny, Daniel F.
Kamen, John S.
Kaniut, Keith M.
Karaffa, Corwin J.
Karels, John A.
Kasputis, Stephen R.
Kast, Christian
Kasun, David M.
Kauffold, Richard P.
Kaufman, Michael A.
Kautter, Robert J.
Kear, William J.
Kearney, John J.
Keefe, Mark C.
Keeley, Thomas F.
Keeney, William M.
Keith, Stephen W.
Kellogg, John S.
Kelly, James M.
Kelly, Richard P.
Kelmar, Brian A.
Kempf, Michael J.
Kennedy, Robert C., Jr.
Kenny, Mark W.
Keough, Steven J.
Kernan, Joseph D.
Kessler, Rande M.
Keswick, Christopher A.
Kikla, Richard V.
Kilkenny, Joseph F.
King, Edward F.
King, Stephen S.
Kingsman, Kilton D.
Kinkin, Frederic M.
Kinports, Kevin J.
Kirk, Brian M.
Kirk, Mark A.
Kirkland, Robert E.
Kirst, Mark R.
Kirsten, Richard C.
Kiselica, Vincent J.
Klauer, Robert P.
Klijn, Martinus M.
Knoetgen, Peter M.
Knoizen, Kerry K.
Knott, George A.
Knowski, Richard J.
Knox, John T.
Knutson, Danny C.
Koelzer, Thomas G.
Kohls, Richard I.
Kollmorgen, Gary S.
Koon, Keith F.
Korchowsky, George W.
Kornman, Robert E.
Koscal, Albert, Jr.
Koscielny, Stephen S.
Kostro, Jerome H.
Kot, Randal R.
Kovalchik, Joseph G.
Kozicz, Mark S.
Kraemer, Robert T., Jr.
Krakau, Bruce R.
Kranz, Michael A.
Krcha, Clifford W., Jr.
Kreidinger, Charles E.
Krekeler, John M.
Kroszner, Konrad S.
Kruse, Frank K.
Kuehne, Richard F.
Kuhn, Michael F.
Kurrus, Richard K.
Kurth, Steven J.
Kush, Thomas A.
Labossiere, Paul A.
Ladner, Merlin W.
Lagerstrom, Thomas J.
Lamb, Mark E.
Lamb, Robert C., Jr.
Lambert, Daniel M.
Langman, Craig E.
Laningham, Charles J.
Laplante, James Z.
Lare, James E.
Larson, Ralph K.
Laski, John F.
Latonick, Leo W.
Laughlin, Larry M.
Lavallee, Courtland R., Jr.
Laviano, Michael P.
Lawlor, George P.
Lawrence, Robert S.
Lawson, Joseph M., Jr.
Leblanc, Patrick J.
Lee, Jeffrey W.
Lence, Robert L.
Lessard, Steven M.
Lester, William J.
Letellier, Scott P.
Lewis, Alan O.
Lewis, Bradford F.
Lewis, Dale A.
Lewis, David G.
Liming, James K.
Lindner, Thomas E.
Linenger, Jerry M.
Link, Donald J.
Lipton, Joseph K.
List, Jeffrey J.

Littlejohn, Alan C.
Litty, Frederick L., III
Lizama, Gregory T.
Lochry, James C.
Locklear Samuel J., III
Lockley, James A.
Lohman, Alan L.
Lones, Philip T.
Long, Aaron, IV
Long, Jeffrey J.
Longmeier, Michael S.
Lopes, Alexander K., Jr.
Lorentz, Timothy
Lovan, Gary J.
Luehman, James G.
Luptak, Alan J.
Lyons, Mark R.
MacDonald, Gregg W.
Mackercher, John C., Jr.
Maconi, Stephen M.
Madaio, John
Madden, James H.
Madson, Robert C.
Magee, Robert H.
Magnotti, Michael P.
Mahoney, Terence
Maier, William A.
Mair, Michael J.
Mallon, Paul J.
Maloche, Gary A.
Manaskie, George E.
Manigo, John E.
Marcantonio, Richard L. P.
Marino, Michael F.
Marques, Joseph P., Jr.
Marshall, Robert C.
Martin, Frank L., III
Martz, Donald C., Jr.
Massino, Anthony J.
Masso, Edward
Mathews, Jerome J.
Mathre, Jerome K.
Matranga, Eugene C.
Maugans, Harry G.
Maurer, Richard L.
Mays, Marshal, T. Jr.
Mazich, Paul J.
McCarthy, Charles M.
McCarthy, John N.
McCarthy, Julian D.
McCord, Michael C.
McCormick, Glenn A.
McCoy, Robert C.
McCray, Gregory C.
McDonald, Bradford N.
McDonald, James C.
McElwee, Adrian C.
McEwen, Robert S.
McGee, Brent D.
McGinn, John P., Jr.
McGowan, John F., IV
McGraw, Richard J., Jr.
McGuinness, Thomas P., Jr.
McGuire, Reed E.
McHale, Gerard
McIntyre, Michael J.
McIsaac, James F.
McKee, Thomas B.
McKenzie, George F.
McKinlay, Archibald, VI
McKinney, James H., Jr.
McLaurin, Charles D., Jr.
McMillin, Patrick M.
McMullin, Stephen P.
McMurtrie, John T., Jr.
McNally, Peter J.
McNamara, Michael J.
McNeil, Richard A.
McNutt, Richard L., Jr.
McNutt, Thomas D.
McQuiston, Morgan J.
McRaven, William H.
McTernan, James M.
McVay, Michael K.
McWhorter, Richard D., Jr.
Meadows, Gregory S.
Meahl, Mark T.
Meanor, Richard W.
Meints, Douglas L.
Meister, Douglas C.
Melear, John W.
Melssen, Gary J.
Mengel, William M.
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Merchant, Stephen S.
Meres, Norman G.
Merton, Robert E.
Metzger, Robert L.
Metzig, David L.
Meyer, Michael E.
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Michaels, James C.
Mickle, David R.
Mickler, William J., Jr.
Milhoan, Kenneth D.
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Miller, Dennis M.
Miller, Forrest A.
Miller, James R.
Miller, Jerrold L.
Miller, Mark W.
Miller, Ronald L., Jr.
Miller, Roy L., Jr.
Miller, Samuel C., III
Millward, William H.
Milowic, Walter J.
Miniclier, Paul C.
Mischke, Thomas
Mitchell, Charles J., Jr.
Mitchell, Gary W.
Mitchell, Jeffrey C.
Mitchell, Robert L.
Mitchell, Roger V.
Mitchell, Thomas N.
Micuch, Thomas R.
Molinari, Joseph A.
Momany, Paul M.
Monroe, Ronald M.
Monroe, Stephen P.
Montero, Rory C.
Moody, James H.
Moon, Daniel L.
Moon, Randall K., Jr.
Moore, Carl R.
Moore, Curtis M.
Moore, Daniel E., Jr.
Moore, Gary D.
Moore, John W.
Morales, Rodolfo
Morgan, Gregory Z.
Morin, Robert J.
Morrissey, Shawn B.
Morse, Jeffrey A.
Mosier, John A.
Motz, Stephen C.
Moudy, Alan C.
Mount, Charles K.
Moylan, Michael F.
Mulloy, Robert W. T.
Mumper, Duane L.
Munnik, John E.
Munson, Keith D.
Munz, Paul D.
Murphy, Bryan P.
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Murphy, Scott F.
Murphy, Thomas J.
Murray, Christopher C.
Murray, Francis M.
Murray, James W.
Musser, Michael N.
Myer, Peter G.
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Nacoste, Phillip J.
Nadolski, Allan R
Napier, Clifford L., Jr.
Negron, Manuel E.
Neidhold, Scott T.
Nelson, Charles E.
Nelson, Kurt W.
Nelson, John S.
Nelson, Philip B.
Neuman, Michael C.
Newell, Brian P.
Newman, Eugene E.
Nichols, Bruce J.
Nichols, Floyd B., Jr.
Nichols, Robert F., Jr.
Nickerson, James T.
Norton, Patrick R.
Norwood, Charles J.
Nowicki, Donald J.
Nyberg, Stephen A.
Nystrom, Robert E.
Nystrom, William D.
Oberhofer, Kurt D.
O'Brien, Patrick S.
O'Callaghan, Brian T.
O'Conor, Joseph J.
Ogg, Bradley R.
O'Hare, Michael J.
O'Leary, Stephen J., III
Olivier, Daniel P.
Olone, Daniel J.
Olsen, Peter R.
Orchard, Richard J.
Orfini, Michael H.
Ormson, Charles S.
Orr, Mark J.
Osborne, James S., Jr.
Ospeck, Mark C.
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Ostrem, Craig P.
Ostronic, Francis P.
O'Sullivan, Richard W.
Owens, Martin D., Jr.
Ozimek, Peter H.
Ozura, Paul E.
Paddock, David G.
Padula, Nicholas J.
Pagano, Clinton L., Jr.
Pagano, Frank E.
Paist, David I.
Paiste, Jeffrey A.
Palatas, Michael D.
Palkovic, Frederick A. II
Paramore, Charles S.
Parker, Daniel B.
Parker, Joel M.
Parker, Kenneth E.
Parker, Roy O., Jr.
Parmentier, Timothy J.
Parr, Charles V.
Pashos, Chris L.
Pavlick, Michael J.
Peake, Stanley W.
Pearce, Franklin D.
Pelican, John F.
Pennell, Grady J., Jr.
Perris, Stephen J.
Perry, Christopher R.
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Peruffo, Lawrence J.
Peterson, Jeffrey E.
Peterson, Jeffrey S.
Peterson, Steven W.
Petroski, Steven K.
Petty, Roger E.
Pfanenstiel, Steven R.
Phillips, Michael D.
Pickles, Thomas R.
Pierce, Francis S.
Pietropaoli, Stephen R.
Pirek, Ronald C.
Piscioneri, Mark J.
Pish, Walter J., Jr.
Platz, George G. M.
Plisco, Loren R.
Plunkett, Kenneth J.
Plyler, Carl D., Jr.
Podracky, Dean R.
Polcari, John J.
Pope, Steven M.
Porter, Lawrence H.
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Pottinger, Jeffrey L.
Potts, Samuel J.
Powell, Daryl L.
Powell, David L.
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Prevatt, Richard M., III
Price, Stephen R.
Prichard, Reuben P., III
Prince, Kenneth M.
Prodoehl, Robert J.
Propheter, James
Przyborski, Paul A.
Puryear, Carlton W., Jr.
Puz, Michael J.
Pyle, David C.
Pyron, John T.
Quigley, Keith J.
Quinn, Kevin M.
Quinn, Michael R.
Quinn, Robert J.
Racoosin, Charles M.
Ragusky, Raymond P.
Rampone, Jeffrey S.
Rathbone, Jarvis D.
Rathbun, Richard W.
Rau, Thomas S.
Raunig, David L.
Ray, Frank J., Jr.
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Read, Oliver M., IV
Readman, William H.
Rearer, Thomas C., Jr.
Reddish, Harold J.
Redelsheimer, Sigmund M.
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Rehrig, Fred E.
Reidy, David J.
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Rennie, Steven M.
Repeta, Wayne R.
Repper, Ronald C.
Rice, Frank R., III
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Richards, William L.
Richardson, Alan D.
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Rickenbacker, Mannie E., Jr.
Ridgeway, Thomas C.
Ring, Paul D.
Roatcap, Lyle R.
Robbins, Jeffrey G.
Roberts, Steven W.
Robertson, Jan A.
Robertson, Robert N.
Robidoux, Richard R.
Rodriguez, William D.
Rogers, Edward B., III
Rogers, Marvin L.
Rose, Gary E.
Rose, Kim N.
Rosenberg, Mitchell A.
Rosende, Carlos A.
Ross, Mickey V.
Rossi, Charles V.
Roth, Laurence J.
Rothrock, Robert E.
Rotz, Robert D.
Rouse, Harry V., IV
Rowell, William H.
Rowley, James L.
Rucci, Peter J.
Rudloff, Dennis A.
Rush, Thomas E.
Russell, Jim H.
Russell, John L.
Russell, Steven L.
Russell, Thomas A.
Rutkowski, Robert E.
Ryan, Christopher J., III
Sadd, Vincent S.
Salacka, Thomas F.
Salsman, Charles P.
Samuels, Mark B.
Sanders, David W.
Sanders, Steven D.
Sanderson, Robert C., Jr.
Sapp, Jeffrey K.
Sargeant, Alan D.
Sargeant, Colin W.
Sarrell, George A.
Sasaman, Mark S.
Sattison, Martin B.
Saul, Gregory D.
Saunders, John T.
Saunders, Stanley L., Jr.
Saunders, Thomas E.
Sautter, Kenneth, M.
Sawyer, Gregory R.
Sayler, Scott C.
Scalet, Joseph P.
Scanlan, Philip R.
Schaefer, Matthew L.
Schaffer, Martin L., III
Scheffter, Kenneth E.
Schempp, Leonard F., III
Schenke, Daniel J.
Schlaepfer, Walter P.
Schlam, Seth B.
Schlientz, Steven C.
Schmit, Michael L.
Schmorde, Frederick A.
Schnedar, Christopher P.
Schneider, Joseph M.
Schneider, Leo F.
Schneider, William J.
Schrum, Jesse B.
Schubert, David M., Jr.
Schuler, Mark A.
Schupler, Jerry M.
Schwanz, John J.
Schwartz, Ronald H.
Scott, Donald B., Jr.
Scott, Michael L.
Scull, Walter G.
Scullin, Michael L.
Seaberg, Richard T.
Seal, Steve A.
Searfoss, Kim H.
Segien, Steven A.
Seither, Albert G., Jr.
Seldon, Roger W.
Self, Richard E.
Self, Richard J.
Sencindiver, James D.
Sepelyak, Michael P.
Settle, Michael W.
Seubert, Thomas W.
Sewell, David J.
Shafer, Robert L.
Sharp, John M.
Sharpe, Frank C.
Shaw, Michael A.
Shaw, Thomas P.
Shearer, Kenneth L.
Sheldon, James E.
Shelton, Michael S.
Shephard, Scott S.
Sheppard, Jon J.
Sheppard, Robert H.
Sheppard, Roger C.
Shewbridge, Eric G.
Shinego, Daniel R.
Shipps, Karl O.
Shmorhun, John M.
Shrader, Bruce C.
Shriner, Timothy J.
Shumate, Bruce A.
Shutler, Eric R.
Siddons, Philip K.
Sigg, Daniel R.
Sihrer, Dale S.
Sill, John A.
Silvers, Michael S.
Simcsak, Richard M.
Simmelink, Lawrence T., Jr.
Simmons, Ray C.
Simms, Daniel R.
Simon, Dennis L.
Simpson, Lawrence D.
Sims, George O., III
Sinibaldi, Robert A., Jr.
Sisa, Peter J.
Sitler, Benjamin L.
Sizemore, William E., II
Skinner, Walter M.
Skjei, Kevin R.
Skocik, David J.
Slaughter, Lee T.
Slaviero, Mariano G.
Slivka, Mark A.
Sloan, Michael A.
Smith, Bruce E.
Smith, Bruce H.
Smith, Bruce S.
Smith, Charles S.
Smith, Clifford W.
Smith, Craig D.
Smith, Daniel M.
Smith, David B.
Smith, David L.
Smith, Douglas M.
Smith, Gregory F.
Smith, Guy E.
Smith, John S.
Smith, John W., Jr.
Smith, Lawrence J., Jr.
Smith, Randy K.
Smith, Robert B.
Smith, Robert E.
Smith, Stockton N.
Smith, William M.
Smith, William O.
Snead, Richard L.
Snow, Mark S.
Sobczak, Mark L.
Sobotka, William F., III
Soderholm, Randy G.
Souders, David M.
Souders, Robert M.
Spada, Christopher J.
Spangenberg, Keith N.
Sparks, Christopher F.
Sparks, John D.
Spence, Frank W.
Spencer, John W., Jr.
Spiker, John S.
Spooner, Daniel J.
Spring, George E., Jr.
Sprung, George G.
Stafford, Robert
Stafiej, Mark S.
Standre, Thomas D.
Stathos, Christopher L.
Station, George V.
Steele, John G.
Steinmuller, John W., Jr.
Stenstrom, Thomas A.
Stephens, Arthur L.
Stephenson, Daniel K.
Stephenson, James B.
Stephenson, Mark
Stevenson, Thomas L.
Stewart, Donald L., II
Stewart, Marc S.
Stewart, Roger E.
Sticinski, Ron J.
Stiles, William M.
Stirling, James S.
Stith, Mark R.
Stone, Jeffrey J.
Stone, Richard II
Storey, Scott
Storto, Joseph M.
Stotz, John W.
Stratton, James E.
Strayve, Christopher G.
Streeter, David R.
Streeter, Matthew J.
Stride, John L., Jr.
Stromann, Peter W.
Strong, David W., Jr.
Stuart, Alfred E., Jr.

Stulb, William K.
Sturm, Michael R.
Sturnick, Mark A.
Sullivan, George T.
Sullivan, Kevin B.
Sullivan, Kevin J.
Sullivan, Timothy P.
Sullivan, Thomas C.
Sumner, William J.
Surch, James F., Jr.
Sutter, Robert D.
Sutton, Kenneth M.
Swanson, Dane C.
Swinton, Charles W., III
Tamayo, Andrew B.
Tansey, Daniel A.
Tartaglione, John J.
Taylor, John R.
Taylor, Richard L.
Taylor, Robert R.
Teig, William M.
Tennent, John H. V.
Thayer, Richard L.
Thomas, Marc J.
Thomas, Scott M.
Thompson, Robert L.
Thomas, Scott M.
Thompson, Daniel D.
Thompson, George W., Jr.
Thompson, Mitchell L.
Thompson, Richard T.
Thompson, Robert L.
Thomson, Timothy N.
Thorp, John E.
Thorp, Michael L.
Thorp, Owen G., III
Thuot, Pierre J.
Tierney, John M., Jr.
Tilgner, Bradley J.
Timoney, Gregory P.
Tingler, Henry H.
Tobin, Albert A.
Toguchi, Myles B.
Torrance, Geoffrey C.
Tranchant, Raymond J.
Trass, Kenneth R.
Travis, Jon W.
Treffeisen, John N.
Trice, James H.
Trimble, Richard C.
Tripodi, James
Tripp, Marc F.
Troiani, Marc L.
Trotter, Thomas W.
Troy, John J.
Trueblood, Michael S.
Trygstad, Raymond E.
Tryon, Michael P.
Tsai, William V.
Tuebner, David L.
Tuozzolo, Charles J.
Tupper, Lawrence D.
Turley, Craig W.
Turner, David E.
Turner, Elijah A.
Tuttle, Daniel B.
Underwood, David D.
Vail, David L.
Vallerie, Daniel T.
Vance, Christopher P.
Vanpetten, David J.
Varney, John F.
Vasquez, Billy L.
Vassar, Robert E.
Vaughan, William H.
Vaught, Rodney D.
Vecchiolla, Thomas A.
Venohr, William R.
Verbrycke, John R., IV
Verhofstadt, Albert P.
Vieten, Michael J.
Vitale, Michael C.
Vogel, Robert R.
Vogt, Frederick N.
Vonloesecke, Peter S.
Voytek, Richard A.
Vuolo, John F.
Wagner, David C.
Wagner, Frank W.
Wagner, Paul D.
Wahler, Michael A.
Wahlstrom, Mark G.
Wainwright, Dale W.
Walborn, Daniel M.
Waldron, Gary L.
Wall, Richard A., Jr.
Walpole, Dennis A.
Walsh, Joseph A.
Walsh, Patrick M.
Walworth, Lawrence M.
Wanjon, Michael F.
Wardrop, Daniel A.
Warmington, Jeffery A.
Warren, James L.
Warren, Stewart T.
Washington, Vicente
Waterreus, Jeroen J.
Waters, John C.
Waters, Michael K.
Watkins, Charles L.
Watkins, James D.
Watters, Robin M.
Wayne, John L. B.
Weddle, Jeffrey D.
Weigandt, Carl S.
Weimer, Robert K.
Weingart, Stephen G.
Weiss, Bruce R.
Weiss, Charles H., Jr.
Welch, William G.
Wellman, Michael N.
Wendel, Jeffrey W.
Wertz, Michael R.
Wetter, Timothy S.
Wheelis, Wallace T.
White, Kent D.
White, Paul G., Jr.
White, Richard W.
White, Thomas C.
White, William L.
Whited, Timothy L.
Whitehurst, Richard M.
Whitsett, Daniel J.
Whitten, Robert C. III
Wiggins, Paul A.
Wilbur, Barry N.
Wilde, Robert L.
Wilkinson, Harvey E., Jr.
Wilkinson, David L.
Willcox, Bary C.
Williams, Bernard P. III
Williams, Carl E.
Williams, Charles A.
Williams, David E.
Williams, David W.
Williams, Gary E.
Williams, Kenneth A.
Williams, Kent A.
Williams, Thomas H.
Wilson, Andrew H.
Wilson, Douglas H.
Wilson, Joel L.
Wilson, John R.
Wilson, John R.
Wilson, Lyle S.
Wilson, Robert G., Jr.
Wilton, Terry L.
Wiltshire, James A.
Wischmeyer, Henry G.
Wisecup, James P.
Withers, James D.
Wolf, William F.
Wolfs, Hendrik J., Jr.
Wolven, Donald L.
Wood, Randel W.
Wood, Ronald S.
Wood, Winston D. S.
Wood, Winston D.
Woodard, Dean W.
Woolweber, Wayne T.
Worrilow, Mark D.
Wright, Kenneth F.
Wright, Eric J.
Wright, Garland P., Jr.
Yeager, Jens P.
Yeager, William E.
Yetsko, Edward P.
Young, Neil M.
Young, Paul E.
Young, Stephen A.
Young, Stephen L.
Yourstone, Walter H., Jr.
Zahornacky, James M.
Zath, David M.
Zewicke, Bruce T.
Ziemba, David
Zingarelli, Leonard A.
Zumbrunnen, David A.

SUPPLY CORPS

Adams, Walter R.
Adelman, Franklin M.
Allen, Douglas J.
Anderson, Nicholas A.
Baker, James M.
Barker, Kirk A.
Bennett, George E.
Besco, Steven M.
Bogart, Brian J.
Capella, Jack M.
Caron, Michael F.
Cheston, Mark E.
Church, Robert L.
Claflin, Raymond E., II
Clements, Joe D., Jr.
Cochrane, Scott A.
Coleman, Charles J.
Coleman, Charles, Jr.
Culbertson, Matthew D.
Cypert, Ronald L.
Deamer, Harry A.
Dittmeier, John S.
Downey, Daniel L.
Dragovits, John F.
Faria, Robert E.
Feauto, Richard J., Jr.
Gartmayer, Richard
George, James R.
Glassman, Howard E.
Goeks, Greg J.
Gooner, Richard A.
Goranson, Robert W.
Grasso, Frank R.
Hamann, Donald K.
Heagney, Brian F.
Hering, Edward N.
Herning, George F.
Heyen, Larry R.
Hickinbotham, Michael W.
Hicky, John S.
Hlebiczki, Louis H.
Hoffman, Donald B.
Hosmer, Leslie E.
Howard, Robert L.
Janisch, John S.
Jensen, John O.
Johnson, Wesley H.
Kerins, Patrick J.
Kline, Darl D., Jr.
Lozano, Paul S.
Maree, Ronald N.
Martinez, Raymond, Jr.
Masterson, Frank F., Jr.
McIlravy, Thomas P.
Metts, Michael J.
Mikac, Joseph S.
Misiewicz, Peter J.
Moses, Robert L.
Murray, Timothy P.
Nosky, Jerome T.
Ober, Stephen C.
Patterson, William E., Jr.
Peters, Thomas J.
Pickle, Ernest H.
Plasket, George K., III
Ram, Edward J., Jr.
Ratliff, William G.
Rhudy, Michael R.
Ross, Robert A.
Rourke, Edward J., Jr.
Rudy, Gregory P.
Russell, Henry G.
Qualls, William B.
Query, Michael F.
Quinn, William C.
Quinto, Randolph A.
Ryan, Daniel F.
Samson, Michael W.
Schill, William D.
Schmitt, Edward J., Jr.
Shanley, James F.
Sheridan, Michael H.
Sherman, Barry S.
Short, William B.
Siembieda, John
Simpers, Patrick K.
Sooter, Monty S.
Steffen, Thomas E.
Stehman, Roger C.
Thompson, Rodney M.

CIVIL ENGINEER CORPS

Alverson, Jerry B.
Aucremanne, Daniel Q.
Berger, Robert E.
Brandt, John C.
Conaway, Michael H
Coyle, Todd F.
Elvey, William M.
Emsurak, George P.. Jr.
Frentz, Gerald T.
Garcia, Albert, III
George, Roscoe D., III
Greenwood, Olyice L.
Hough, Ted E., Jr.
Hunt, Daniel T.
Kinnaman, Terry P.
Kirkman, David M.
McClaine, John L.
McMahon, Paul G., Jr.
Phalon, Steven J.
Smith, Eric C.
Spiller, Robert E.
Vilbert, James R.
Watson, Marc A.
Yurik, Thomas J.

MEDICAL SERVICE CORPS

Acklin, Robert A., Jr.
Babbitt, Mark E.
Blacke, Stephen F.
Bloomquist, Richard L
Burden, Thomas W.
Chinnery, Henry M.
Collins, Robert V.
Engelhart, Robert J.
Faulls, John D.
Fowler, Lawrence E.
Garner, Denzel E.
Jimerfield, Craig A.
Kephart, Elwood L.
Miller, Bernard T.
Moos, James A.
Neefe, Charles W., Jr.
Nipper, Bobby D.
Owen, Robert P.
Pagan, Herman J.
Ross, Michael W.

The following-named women ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line, pursuant to title 10, United States Code, sections 5787b and 5791, subject to qualifications therefor as provided by law:

Bach, Helen J.
Chou, Carol J.
Cooke, Duann A.
Enos, Monecia R.
Hackbart, Caron J.
Jochum, Ann M.
Kim, Patricia C.
Leahey, Catherine A.
Nevius, Colleen
Nunley, Patricia A. L.
Pirek, Linda D..
Pottenger, Carol M.
Rollins, Glenda J.
Schvehla, Linda A.
Selke, Julia J.
Smith, Ann L.
Sunkle, Patricia J.
Vaughan, Jill A.
Wall, Melody A.

SUPPLY CORPS

Annunziata, Kimberly J.
Nicholson, Barbara A.

CIVIL ENGINEER CORPS

Jones, Jennifer L.

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Robert A. Beach
Mark S. Egide
Dawn R. Haeffner
Richard P. Murray
Douglas W. Oard
Matthew R. Powers
Timothy J. Powers
Richard D. Suttie
Cynthia A. Walsh
Michael D. Zabarouskas

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the line or staff corps, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Charles G. Abernethy
James D. Acoba
George C. Adair
Dale D. Adams
John N. Adams
Raymond H. Adams
Jerry L. Adcock
Kenneth N. Aldridge
Glenn H. Allen
Kenneth R. Allen
Kenneth W. Allen
Merrile J. Allen, Jr.
James C. Allison
Vito G. Almaraz
Carl H. Altenburg, Jr.
Porfirio Q. Ambrosio
Norman T. Amdal
Andrew E. Anderson
Donald E. Anderson
Gerold B. Anderson
Jon G. Anderson
William F. Andrews
Patrick L. Anthony
Reynaldo L. Aponte-Cestero
Robert J. Archibald
Vernon L. Armstrong
Richard B. Arndt
Earl D. Arnold
Daniel J. Arquette
Joseph H. Arthur
James W. Arvin
Carl E. Asher, Jr.
Dennis G. Aucoin
John A. Augsburger
Harold T. Austin
Kenneth C. Aymond
James W. Babb
Donald W. Buchanan, Jr.
Lawrence J. Bachman
Irving D. Backus
Anthony R. Bailey
Armand L. Baillargeon
Kenneth R. Baisey
Charles S. Baker
Gene M. Baker
Michael W. Baker
Jose A. Balderrama
Jose C. Balinas
Edwin F. Balkit
David A. Balz
Thomas S. Barba
Aladino D. Barela
Philip M. Bargy
Dale E. Barnett
John A. Barnhart
Larry J. Barrick
Maxie R. Barrow
Daniel Barrs
John D. Bartleson, Jr.
Robert L. Bartlett
Larry H. Barton
Paul D. Bateman
Kameron E. Bates
Edward A. Bauer
Ronnie D. Baugh
William J. Bauman
Matteo Bavuso
Gerald E. Beadle
Ralph L. Beatty
Roger P. Beauregard
Dennis D. Beesley
Charles L. Bell
David M. Beniash
Michael A. Benjamin
Donald S. Bennett
George L. Bennett
Gregor F. Bennett
Steven D. Bennett
Edward J. Berger
Donald O. Berry
Wayne R. Bertram
Richard E. Bertrand
Jackie H. Best
James R. Beutelspacher
Harold L. Bickel
Cleo R. Biggs
John T. Bingen
Harry R. Bird
Jeffrey M. Bishop
James F. Bishop
Joseph E. Bissette
Montie D. Black
Ronald J. Blake

Robert P. Bliven
Robert D. Blossom, Jr.
David M. Bodkin
Kenneth D. Bogart
Donold G. Boggs
James R. Bogstad
Stephen H. Boike
Gary G. Boley
Larry J. Bonar
Donald J. Bondzio
Samuel R. Bonilla
John W. Borns
Frank M Borowski
Donald F. Borsch
Richard E. Botteron
Worcester Bouck II
Denis R. Boudreau
James C. Bowen III
Jerry W. Bowman
James W. Bowser
Woody D. Boyd
Gene F. Bradley
Charles H. Brakhage
Russell G. Brammer
James W. Brasseur
Norvin G. Braswell
Robert F. Brenner
Bruce A. Breslau
John V. Breunig
Gerald T. Brice
Laird E. Brinley
Robert E. M. Brovick
Ernest W. Brown
Horace J. Brown
James Brown
Richard F. Brown
Michael R. Brush
John L. Brustol
Thomas F. Buckley
John A. Buckman
James C. Bulick
William M. Burdette, Jr.
Vernon A. Burford
Virgil G. Burke, Jr.
William H. Burks
Robert J. Burns
Eugene W. Burr
Gary E. Bush
Francis R. Bushby
Fenoy W. Butler
Michael E. Butler
Joseph T. Butswinkas
Douglas W. Byers
Robert Cain, Jr.
Robert H. Caldwell
James D. C. Caley
Freddy Calzada
John J. Campbell, Jr.
John R. Campbell, Jr.
Keith Campbell
Lind A. Canino
Bennie F. Cantrell
John A. Caponis
Erik Carlson
Melvin D. Carlton
Ciscero Carpenter, Jr.
Claude H. Carpenter
Joseph W. Carr
Charles D. Carrigan
Paul L. Carter
Paul M. Castellano
Edwin H. Castle, Jr.
Peter B. Catter
William C. Chadwick
Robert F. Chandler
Ronald C. Chapin
Max D. Chenault
Christopher M. Chrisohon
Edward J. Cirucci
Charles W. Clapham
John M. Clark, Jr.
Joseph B. Clark
Raylan F. Clark
Thomas S. Clayton IV
Jerry E. Clements
Virgil E. Clemmer
William G. Cleveland
James R. Clifton
John T. Cloonan
Jerry M. Cochran
James E. Cockrell
Kenneth W. Coe, Jr.
Duane E. Cohl
Donald E. Cole
Charles R. Coleman
Richard L. Coleman
Henry E. Coley
Raymond H. Collard, Jr.
Pedro A. Colon
Wesley B. Compton
Apolinario T. Concepcion
Howard E. Conder
Cary A. Conger
Amos B. Conley, Jr.
Roger A. Cook
Joseph D. Coons
Henry D. Cooper
Robert E. Cooper
Melvin E. Copeland
Chase E. F. Cordell
Fred Corder, Jr.
Eddie J. Cornelius
Joseph E. Costa
Salvadore I. Costa
Henry L. Cowart
Terence E. Cracknell
Charles I. Craig, Jr.
Michael A. Craig
Frank L. Crawford, Jr.
William D. Crawford
Charles A. Crews
Floyd A. Crisp
Paul R. Crisp
David C. Crossman
Bill N. Crowell
James R. Crowhorn
Edward M. Culberson, Jr.
Louis J. Culver, Jr.
Ronald E. Cunningham
Charles J. Currey
Robert E. Daharsh
Robert A. Daley
Peter L. Darling
Joseph G. Dasher
Edward S. Davis, Jr.
Herbert H. Davis
James R. Davis
Joseph C. Davis
Mars F. Davis
William G. Davis
Dale S. Day
Charles M. Dean
Ronald C. Dean
James Deaner
James D. Deas
William F. Deberg
Larry E. Deck
Raymond E. Decker
James R. Defrees
John T. Delaney IV
Joseph N. Demain
Frank S. Demarmels
James P. Dempsey
Mack Dickson, Jr.
Charles L. Dinkins
David L. Dinnel
Nicholas Diorio
Robert A. Dixon
Jimmie L. Dodson
Wilfred L. Domingue
Paul G. Donnelly
Richard B. Dorsha
Larry W. Doss
Herschel T. Douglas
Robert M. Douglas
Gary O. Dowler
William T. Doyle
Daniel D. Drahos
Richard E. Dreiling
Joseph F. Dual, Jr.
Robert H. Dufford
Paul L. Duggan
Robert B. Dunlap
John P. Dunn
Douglas H. Dupraw
Leonard T. Dzergoski
Billy B. Earl
Arthur L. Eastlick
Guy W. Eastman
Robert D. Eberly
Thomas P. Eck, Jr.
Dewitt L. Edenfield, Jr.
Jerre L. Edmondson
Alvin Edwards
Matthew M. Ekdahl
Russell C. Ekstrom
Robert A. Ellis
Norman P. Eltringham
Jack E. Elzner
Malcolm E. Empey
Reynaldo D. Enderez
Craig A. Engdahl
Leo H. Engele
Samuel A. English
James M. Eno
Donald C. Ervin
Donald G. Espeseth
Charles R. Ethridge
Frank Evans
Gary L. Evans
Robert W. Evans
James F. Evergin, Jr.
William F. Faulkner
Paul L. Fears
Rufus M. Feazelle
Peter W. Fenger
James J. Fenwick, Jr.
Donnie L. Ferren
John A. Ferris
Kenneth L. Fillmore
Terry R. Finley
David R. Fischer
Ronald L. Fisk
Roger D. Fletchall
Emory Fletcher
Thomas R. Ford, Jr.
Richard F. Foreback
Roderick A. Forrey
Carl J. Foster
Robert C. Foster
Argyle W. Foutch
William B. Fowler
Dennis E. Fraher
Sidney K. Francis
Lloyd C. Fraser
Ivar E. Freeburg, Jr.
Robert M. Freed
Tommie W. Fudge
Jesse J. Gac
Louis R. Galennie
Johnny D. Gaither
Arthur D. Gandy
Leon T. Garcia, Jr.
William J. Gardenhire
Fernald T. Garland
Steve M. Garman
Harvey W. Garner
Samuel R. Garner
Garry C. Garren
Harold L. Garrett
Stanley S. Garrido
Larry E. Gatewood
Valmore E. Goudreau
James A. Gaughan
Daniel J. Gavin
Harold Geno
Clarke L. George
Hans F. Geres
Joseph E. Giddings III
Marc D. Gieck
Robert C. Gililland
Cleo P. Gipe
Richard F. Giusti
Lonnie G. Glass
George E. Gochenaur
Richard E. Goldsberry
Matthew G. Golinski
Jose G. Gomez
John T. Goodwin
Robert K. Goudy
James L. Goyette
John D. Grant
John A. Gravelle
William J. Gray
James R. Greenawalt
Robert E. Gremp
Michael P. Grief
John R. Griffin
Ronald G. Gripon
Donald E. Grout
William A. Grow
Dean R. Gullixson
Ramon F. Gunhouse
Kent H. Gunn
John A. Gust
Orville L. Gustafson
Leonard R. Haberman
George M. Hackett
Wayne L. Hagler
Arthur S. Haimes
David D. Hall
Douglas P. Hall
John H. Hall
Thomas F. Halpin
Rodric G. Hammond
Christopher C. Handy
Robert E. Hanes
James M. Hannah
Gary M. Hansen
Terry H. Hardee
Billy D. Hardgrave
Michael C. Hardy
David L. Harmon
Richard O. Harrelson
Charles R. Harris
Gerald W. Harris
Paul W. Harrison
John D. Harritt
Ronald L. Hart
Vernon L. Hart
Brain S. Haskell
Charles G. Haskins
David R. Hassall
Robert O. Hastings
Gary L. Hatfield
Billy W. Hawk
Billy R. Hawkins
Thomas C. Hawkins
Edward D. Hayes
Robert E. Haynie
Clayton J. Heard
Ernest J. Heassler
Glen E. Heath
Lester L. Heath, Jr.
Cecil Hedrick
David L. Helwick
William E. Hendricks
Bobby E. Hendrix
Donald E. Henrikson
Franklin L. Hensley
Herbert H. Hepworth
Andrew M. Herd, Jr.
David S. Heriford
Steve J. Hernandez
James D. Herward
Harvey L. Hess
John A. Hestekin
Earl J. Hewitt, Jr.
Jack L. Hewitt
Edmund B. Hickey
Russell A. Hietbrink
Donald W Hill
Jeffrey D. Hill
Jerry W. Hill
Wilbur G. Hinkle
Larry G. Hipskind
Edward C. Hobday
Sidney W. Hoder
Edward A. Hoff
John J. Hoffman
Harry E. Hogan
Edward E. Hogg
Roy M. Holden
Walter W. Holder
Ned R. Hollar
Donald D. Hollis
Joe B. Hood
Ronald D. Hopkins
Joseph G. Hornby
Edward C. Horton, Jr.
Cornell Houston
Grady Houston
John A. Howard
William J Howard
Jon R. Hubner
Bobby J. Huckaby
Arthur E. Huffman
Robert C. Hufford
Gary W. Huggins
Charles E. Hughes
Billie S. Hunley
Eugene F. Hunst
Alan A. Hunt
John A. Hunt
Tommy G. Hunter
William T. Hunter
John R. Huskey
Ralph E. Huskey
Harry R. Husted, Jr.
Eden A. Hutt
Arnold E. Huuki
Hiram B. Hyde
John W. Hyde
Bobby E. Hyman
Cesar O. Ilagan
George T. Ingram II
John E. Ingram, Jr.
Robert D. Jackson
Harold L. Jacobs
Herald R. Jaeger
Donald A. Jahnke
William B. James
John H. Janney
Philip A. Jaquith
Lawrence A. Jarrins
Frederic S. Jaus
James A. Jellison
Walter L. Jemison
Thomas L. Jernigan
Elvin Jiles, Jr.
Bruce E. Johnson
Clarence O. Johnson
Jesse L. Johnson, Jr.
Ronald L. Johnson
William D. Johnson
William I. Johnson
Douglas W. Jones
Gerald E. Jones
Gilbert H. Jones, Jr.
Phillip E. Jones
Walter L. Jones
Wendell E. Jones
Larry P. Jordan
Robert A. Joyce
Jerry H. Joye
Jerald P. Kamienski
Carl D. Kangas
Diederick E. Kanning
Richard E. Kasten
William R. Katschke
Robert H. Kauffman
Clyde W. Keller, Jr.
Sammie L. Kelley
Steven J. Kelley
George M. Kellogg
Dennis F. Kelly
James L. Kelly, Jr.
James R. Kelly
Richard C. Kelly
Thermon R. Kemp, Jr.
Robert J. Kemple
Charley H. Kennedy
William P. Kenney
Robert H. Kermon, Jr.
James C. Kerner
Lawrence W. Kight
Leo J. Killen
Elihu E. Kincaid
Clyde D. King
Howard N. King
James E. King
James F. King
James S. King
John P. King, Jr.
Robert E. King
Thomas M. King, Jr.
Wesley G. King
James C. Kirby, Jr.
Daniel W. Knight, Jr.
John R. Knight
George N. Knudtzon
Richard L. Koca
John H. Kolenda
Frank J. Kolosky
Donald L. Kopp
Philip A. Kopp
Jerald S. Kornman
Harold A. Kraft, Jr.
Walter H. Krause, Jr.
Robert L. Krauss
Jack A. Kreis
David S. Kunkel
Gailard L. Kunkle
John H. Kurek
Dennis L. Kurz
Michael E. Lacombe
Willard S. Laird, Jr.
Jack B. Lake, Jr.
Kenneth D. Lake
Larry E. Lambert
Donald W. Landin
Donald P. Lane
Edward A. Lanear, Jr.
John M. Lardner
Richard J. Laucella
George M. Laue
Wayne E. Lavaliere
Donald G. Law
Clifford Leach, Jr.
John W. Leroy
Clement J. Lestage
John L. Ley III
Gary L. Lichty
Jack D. Lindquist
Charles A. Lindsey
Ronnie W. Lively
Michael J. Lockwood
Carl W. Lohafer
Richard J. Look, Jr.
Larry L. Loomis
Gerald E. Loporto
Woodrow W. Lovett, Jr.
Wayne F. Lowd
Scott F. Lowe
Jess E. Ludrick, Jr.
Charles P. Lundy, Jr.
Amado T. Lustina
Garry D. Lutz
James R. Lutz
Robert E. Lutz
David C. Lutzow
Norman W. Lynch
Percy F. Lyon
David L. McCallum
Edward J. McCarthy
John P. McCarthy, Jr.
Napoleon McCormick, III
William R. McCoy
John O. McDaniel
Paul R. McElhaney
Philip D. McGaughey
Joseph J. McGlade, Jr.
Michael S. McGrath
Eldon K. McGuire
Benjamin M. McHorney
Larry J. McKee
Arthur F. McKinnell
Frank A. McKinney
Larry E. McKinzie
Rhodus McKnight
Delmer D. McLaughlin
Terry D. McLaughlin
Erroll W. McMahan
Larry S. McMahon
Charles L. McMillan
Richard L. McMullen
Richard C. MacDonald
Jerome W. Madson
John T. Maley
Lesley F. Mammen

Rolando B. Mandapat
Michael E. Mangel
David L. Mangum
George Mara
Wade H. Marion, Jr.
Jimmy W. Marshall
Bernard L. Marstall
Brian J. Martin
David P. Martin
John K. Martin
Lawrence R. Martin
Robert L. Martin
Ronald N. Martin
George J. Mason
Melvin G. Matula
William A. Matzke, Jr.
Robert A. May
Paul Maynard
James R. Mayo
Daniel M. Mercado
Richard I. Merrell
John M. Meyer
Richard N. Mikesell
Richard B. Milam
William C. Milby
Frederic C. Miller
Harry F. Miller, Jr.
James E. Miller
Samuel T. Miller
Timothy D. Miller
Dennon W. Mills
Harlon R. Mills
Johnnie D. Mills
Hiram C. Minzenmayer
John T. Mitzel
Charles H. Moatz
Robert E. Moesch, Jr.
Paul L. Moody, Jr.
Robert E. Moody
Earl S. Moore
Patrick J. Moore
Ronald J. Moore
Troy C. Moore
William C. Moore
"L" Bernard Moran
David R. Moreland
Charles F. Morgan
Daniel G. Morris
David Q. Morris
Homer V. Morris
James W. Morris
Herbert E. Morrison
Robert E. Morrow
Stephen F. Morse, Jr.
Charles J. Moschette
Charles L. Moulis
Freddie Moultrie, Jr.
Kennith L. Mowery
Frank D. Mucheck
Peter Mularchuk
Roger G. Mullinax
Judson W. Murdock
Gerald D. Murdoff
Charles H. Murtomaki
John R. Mutch
Francis J. Nahill
Kenneth C. Nanney
Charles R. Narlock
Ernest L. Navarro
Clifford B. Neal
Gary J. Neidlinger
Donald F. Nelson
Oscar A. Nelson, Jr.
Thomas A. Neville
Howard W. Newton
George H. Niebler, Jr.
Mark J. Nisgore
Wenceslao O. Nocon, Jr.
Harold L. Noell
Carl G. Norman
Edgar W. Norman
Raymond H. Normandin
Edmund G. Norris
Ernesto M. Nucup
James M. O'Donnell
Ronald V. Odoski
Paul R. Ogg
Raymond E. Olander
John T. O'Leary
Julian D. Oliver
David A. Olson
Carl F. Oltman
Wayne K. Orr
Leroy A. Osterfeld
Willmer J. Otto
Sidney J. Oubre, Jr.
Cloyce W. Outram
Kenneth T. Outten, Jr.
Gerald W. Overall
Norman M. Overfield
Richard A. Owens
James R. Pace
Frank O. Pacetti
Dale E. Painter
Joseph V. Panovec
James W. Parish
Heinz G. Park
Del R. Parker
Phil Y. Parker
Clarence W. Parks
Marvin F. Pash
Clifford S. Pashby
James E. Pate
Wilfred A. Patnaude
Lorimer D. Patrick
William J. Patton
Louis F. Pechon, Jr.
John M. Peck
Robert A. Peck
Kurt H. Pedersen
John A. Pemberton
Glenn R. Pentecost
Roy Perez
Richard M. Perry
Curtis K. Pester, Jr.
Bryan Q. Peters
Leon C. Peterson
Thomas B. Peterson
Edward A. Pfau
Paul J. Pfleckl
Ronnie G. Phifer
Keith A. Philbrook
Kendell J. Phillips
Kenneth W. Phillips
Lee B. Phillips
Thomas R. Phillips
Thomas G. Pickens
Allan B. Pieper
James A. Pierce
Steven E. Piner
Victor P. Pinion
Gary L. Pitcher
James B. Pope
Michael L. Popovich
Hager A. Porter, Jr.
Woodrow R. Porter
Jimmy E. Portwood
Charles E. Potter
James J. Potthoff
James E. Potts
Donald R. Poulin
Douglas R. Poutree
Thomas G. Powell
Wendell S. Powell
Luverne Prather
Michael P. Prendergast
Weston L. Pressley
Burton L. Prince
Glen Prothero
Russell G. Ptacek
Donald H. Pursley
John T. Pye
Norison A. Quesada
Thomas J. Quinn
Frank L. Rabold
Joseph H. Raby
Robert C. Raesemann
Calvin J. Rahmann
Floyd D. Ramsey
Robert K. Ramstad
George P. E. Randle
Thomas P. Ratcliff
James D. Ratcliff
Marcus D. Ray
Robert M. Reagle
Dolphus C. Rector
Carroll R. Redding
Clifton J. Reed
Jerry L. Reed
Jerry W. Reed
Laurence W. Reher III
Rodney O. Rehfeld
Jerry D. Reid
Robert E. Reid, Jr.
Jonas C. Reighn
Harry V. Reiss
Michael L. Reiter
Gerald A. Renggli
Irwin W. Reuck
Raphael O. Reyes
Lyndel L. Reynolds
Richard J. Rezabek
Richard J. Rhatigan
Francis S. Rhodes
Sydney I. Rice
James M. Rich
Walter D. Richards
Dennis R. Richter
Douglas B. Rill
Eugene V. Rhinehart, Jr.
Walter R. Rinehart
Donald D. Ritchie
Edmond R. Rivera
Richard H. Robbins
Ultric M. Roberts
Olen W. Robey
Tyrone A. Robuck
Jose P. Rodriguez
Russell E. Rogers
William E. Rogers
Richard L. Rohr
Bobby L. Rominger
James G. Root
Thomas A. Rose
William B. Ross
Jasper N. Roth
Edward L. Rothe, Jr.
Bernard C. Rowe
Alan B. Rowley
William T. Royal
David M. Royster
James J. Ruddy, Jr.
David P. Ruiz
Paul M. Saine
Joe Sapien
Gerald S. Sawicki
Robert H. Sawyer
John P. Schaeffer III
Kurt M. Schleichert
Robert J. Schlink
John C. Schlotterer
Charles O. Schmidt
George W. Schmidt
William A. Schnautz
Charles V. Schneider
Jacob P. Schneider
Norman N. Schneider, Jr.
Chauncey J. Schoonmaker
Jerry L. Schuck
Paul H. Schulte
David B. Schwartz
Wayman C. Scott
Jimmie R. Seagers
Daniel R. Sedergren
Ronald F. Seedorf
Gustavo Segovia, Jr.
James W. Servis
Sviatoslav S. Seteroff
John L. Shanklin
David R. Shannon, Jr.
Henry P. Sharum, Jr.
Jacob L. Shealy, Jr.
Robert C. Sheffield
Ronald J. Shemanski
Danny K. Shepherd
Robert D. Shepherd
Gerald T. Shields
Hollis E. Sims
Joe W. Singletary
Donald F. Siver
William L. Skinner
Michael W. Slater
Malcolm W. Slaton
Benjamin H. Smith
Don P. Smith
George R. Smith
Gordon D. Smith
Harold R. Smith, Jr.
James Smith
Jeffrie H. Smith
John E. Smith
Karl D. Smith
Kenneth J. Smith
Richard T. Smith
Robert D. Smith
Stephen C. Smith
Maximillion R. Snock
Charles S. Snow
Terrence L. Soldo
John C. Sorensen
Gerald V. Sparks
David G. Spear
Roger L. Speir
Ronald C. Spencer, Jr.
Ralph H. Spiller, Jr.
Allan K. Spoor
James M. Sprys
Orin L. Squire
David M. Stahl
Charles G. Stalnaker
William P. Stamm
Jerry T. Stein
Guy B. Sterling
Donald L. Strampfer
James O. Stricklin
Charles L. Stringer, Jr.
Joe E. Stroman
Andrew D. Strong
Richard L. Strong
John A. Stuedemann
Frederick S. Sumner, Jr.
Manuel P. Supnet
Lee Swagert
James A. Swart III
Samuel Swenson, Jr.
Perry G. Tankersley
Robert M. Tarr
Cecil C. Taylor
James G. Taylor
Jerry A. Taylor
Milton E. Taylor
Marvin D. Taylor-Brown
Richard M. Teachout
James E. Teague
Dennis D. Teemley
Carl G. Thatcher
John G. Thaxter
Marcel C. Theberge
Robert R. Thiebaud
Warren "N" "A" Thietje
Clarence A. Thomas, Jr.
Daniel W. Thomas, Jr.
David Thomas
David O. Thomas
Richard A. Thomas
Danny K. Thompson
Harold J. Thompson
Raymond J. Thompson
Robert F. Thums
Ronald C. Tilley
Bobby J. Timmons
James T. Tognazzini
Donald R. Tomlin
Von P. Tomlinson
Paul A. Tonder
Robert M. Topping
Paul Townsend, Jr.
James E. Trapp
Alan F. Trelon
James M. Trout
Joseph A. Truelove
Clyde D. Truett
Martin L. Tubbs
Daniel W. Tucker
Mack H. Tucker
Howard W. Turner
Richard E. Turner
George J. Turney
Arnold C. Turnquist
Philip E. Tuton
Richard B. Ulp
Richard A. Untied
Richard J. Vandenburg
Charles G. Vanderbrink
Wade L. Van Dewark, Jr.
Donald R. Vaughn
William L. Vaughn
Otis M. Veatch
Mickey D. Vernon
Daniel Villegas
Achim Von Kapff
Thomas R. Waddell
Gregory A. Wakefield
Jerry L. Walden
Patrick J. Waldron
Alvin R. Walker
Gary F. Walkley
Francis P. Ward, Jr.
Allan "J" Warden
Jack R. Warden
Richard L. Warden
James W. Warosh
Gary W. Wasson
Alfred R. Watkins
Alvin C. Webb
Brian K. Webb
James D. Weeks
William T. Weesner
Clayton S. Weir
Harlan E. Weiss
Ravmond W. Wells
Phillip G. Wendling
Theodore Wernli
Vernon S. Werre
Joseph N. Werther
Joseph S. L. West
John H. Westcott
Warren R. Westphal
Fredric R. Wheeler II
Jesse L. Whitaker
Samuel M. Whitaker
Charles M. White
Johnnie White, Jr.
Ronald G. White
Thomas R. White
William J. White
John R. Whitley
Charles T. Wickliffe
Billy J. Williams
Danny J. Williams
Gary W. Williams
James L. Williams
Richard F. Williams
Thomas R. Wilson
Warren G. Wilson
Hal W. Winslow
Herbert "C" Winston
John T. Wise
John A. Witkowski
Ronald F. Wolter
David L. Wood
Richard A. Wood
William A. Woods
William C. Woodward
James H. Wright
James M. Wright
Roger G. Wright
Vernon M. Wright, Jr.
Wayne A. Wright
Claude E. Wynne, Jr.
Ronald J. Wysocki
William U. Yates
Jesse A. Ybanez
William P. Yeager
Robert L. Yelken
Robert S. Yoke, Jr.
Billy D. Young
David H. Young, Jr.
Richard M. Zablocki
John A. Zembuch
Marion D. Ziegler III
Franklin E. Zurschmit

The following-named Navy enlisted candidate to be appointed permanent chief warrant officer, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Grant W. Gee.

The following-named Navy enlisted candidate to be appointed temporary chief warrant officer, W–2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Grant W. Gee.

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Steven L. Rodis.
William C. Seal.

The following-named (U.S. Navy Officers) to be appointed temporary commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Bruce L. Bosworth.
Richard R. Gartner, Jr.

The following-named (ex-U.S. Navy Officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

John H. Hoertz.

The following-named (ex-U.S. Army officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Joseph E. Binard.

In The Marine Corps

The following-named male officers of the Marine Corps for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, sections 5769 and 5780:

Ronald C. Andreas
Thomas P. Angus
Donald M. Babitz
Edgar M. Bair
Daryl E. Baker
Owen C. Baker
Kent C. Bateman
James D. Beans
Robert M. Black
James A. Bracken, Jr.
Ray E. Bright
Michael D. Cerreta, Jr.
Fred L. Cisewski
Donald G. Cook
John R. Curnutt
Hollis E. Davison
Gene A. Deegan
James G. Dixon
Walter J. Donovan, Jr.
Leo R. Elwell, Jr.
Richard H. Esau, Jr.
Dennis C. Fitzgerald
Herbert M. Fix
Stephen R. Foulger
Robert E. Garcia
Lloyd E. Goodwine
James T. Gordon
Thomas W. Haven
Franklin H. Heins
Joseph P. Hoar
Richard C. Hoffman
John I. Hopkins
Sven A. Johnson
Jim R. Joy
James V. Knapp
Raymond M. Kostesky
Kenneth W. Langford
Paul F. Lessard
Jack R. Lousma
Bruce D. Luedke
David R. Mabry
Alan C. Macaulay
Ronald B. McCrindle
Clarence F. McDaniel
James A. McGinn
William J. McGrath
James M. Mead
James K. Miller
Kenneth P. Millice, Jr.
Robert F. Milligan
Robert J. Modrzejewski
McLendon G. Morris
Harold M. Nelson
Martin E. O'Connor
Ralph B. Orey
Billy J. Palmer
Jerry D. Peterson
Robert A. Phillips, Jr.
Earl S. Piper, Jr.
Thomas W. Rich, Jr.
George N. Robillard, Jr.
Robert P. Rogers
James L. Shelton
Richard T. Shigley
Roger E. Simmons
Phillip G. Slough
William D. Smith
John M. Solan
Richard H. Stableford
Orlo K. Steele
Michael E. Stein
James R. Sweeney
Carter P. Swenson
George H. Taylor III
Charles S. Tubbs
Larry N. Ward
John F. Weeks
Larry R. Williams
Robert J. Winglass

The following-named male officers of the Marine Corps Reserve for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, sections 5769 and 5780:

Robert J. Blum.
Robert A. Monfort.

The following-named women officers of the Marine Corps for permanent appointment to the grade of colonel under the provisions of title 10, United States Code, section 5771:

Eleanor E. Davies.
Vera M. Jones.
Jo A. Kilday.

Capt. John R. Bourgeois, U.S. Marine Corps, for appointment to the grade of major, pursuant to title 10, United States Code, section 6222.

1st Lt. Charles P. Erwin, U.S. Marine Corps, for appointment to the grade of captain, pursuant to title 10, United States Code, section 6222.

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5573, subject to the qualifications therefor as provided by law:

Aagard, Peter J.
Adams, Jesse, Jr.
Anderson, Keith E.
Aschenbrenner, Justin L.
Ballard, John R.
Barber, Don E.
Bartlett, Douglas S.
Bethel, David A.
Blue, Timothy R.
Boland, Joseph V.
Bousa, Vincent P.
Bradley, Michael F.
Brandl, Thomas
Brant, Robert A.
Brazee, Jonathan P.
Burrows, Robert E.
Burton, James M., Jr.
Byzewski, John M.
Chanenchuk, Michael J.
Ciano, Joseph F., Jr.
Coble, Francis C.
Cottingham, Brent R.
Crossland, Gerald H.
Dennis, Carl P.
Dolan, Raymond P.
Doyle, Erik N.
Doyle, Michael J.
Dupuis, Robert G.
Enslen, William J., Jr.
Evans, David T.
Evans, Paul A.
Fessler, Stephen C.
Firneno, Charles S.
Fitzwater, Richard B.
Fontaine, Gary P.
French, Kent A.
Gagne, Robert E.
Garcia, Esteban J., III
Garris, Berle, Jr.
Gay, James O.
Gehring, Paul R.
Gehrki, Thomas D.
Geving, Donald L. II
Gigliotti, Kenneth G.
Gittins, Charles W.
Glover, Gary L.
Grabowsky, Craig
Green, Howard M.
Harlow, Allan C.
Hawkins, Michael L.
Herbold, Gary B.
Hewitt, Timothy P.
Hoffert, Joseph E.
Holden, John P.
Hull, Samuel C.
Jones, Leo H., Jr.
Junette, Timothy E.
Kantaris, Michael J.
Ketter, Robert W.
Kihlstadius, Larry A.
Klingensmith, Jeffrey S.
Klotz, Criston E.
Kompier, Roy
Kovac, Robert G.
Kutch, Raymond M.
Larsen, Harry D.
Last, George A.
Leible, James E.
Lloyd, Peter D.
Long, Peter F., Jr.
Lyons, Daniel F.
MacNeil, Timothy P.
Martin, Raymond M.
McMullan, George W.
Meeder, David P.
Melcher, Robert L.
Merritt, Brian L.
Miclot, Jonathan G.
Munoz, Amador, Jr.
Nichols, Douglas P.
Norgrove, Kent E.
O'Neill, Colin E.
Patterson, Edward J.
Patterson, Fredrick
Pedersen, Michael D.
Pooler, Brian L.
Price, Martin C., III
Pross, John C.
Rasmussen, Peter R.
Rickman, Jackie L.
Rioux, James A.
Roby, Grady H., Jr.
Rogers, John L.
Royston, Roger R.
Ruddy, Terry E.
Russell, Kenneth L.
Rychlik, Thomas M.
Salcedo, Alden S.
Schemmel, Stephen J.
Shade, Burke J.
Sharp, Alexander V.
Sichko, Samuel C.
Southworth, Kenneth S., Jr.
Stahl, Gary A.
Stehlin, David S.
Steinwedell, William L.
Stephens, Mark D.
Stevenson, James M.
Stoutenburg, Gregory L.
Strader, James T., Jr.
Streich, Daniel B.
Sullivan, Martin J.
Taggart, Lawrence J.
Tippett, Shane W.
Trombadore, Raymond R., Jr.
Walsh, Robert S.
Walsh, Steven L.
Walters, Robert V.
Wangler, Michael F.
Wartick, Kenneth L.
Williams, Jack V., Jr.
Williamson, William G.
Willis, Mark J.
Womack, Kelvin K.
Womble, Alan M.

Executive nominations received by the Senate April 13, 1979, under authority of the order of the Senate of April 10, 1979:

Department of State

Sally Angela Shelton, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Barbados, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to Grenada and the Commonwealth of Dominica, and as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Saint Lucia.

Superior Court of the District of Columbia

Shellie Fountain Bowers, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice DeWitt S. Hyde, retired.

Harriett Rosen Taylor, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice Robert H. Campbell.

In the Air Force

Lt. Gen. Marion L. Boswell, [redacted] FR, U.S. Air Force, for appointment as senior U.S. Air Force member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

Lt. Gen. George C. Loving, Jr., U.S. Air Force (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Executive nominations received by the Senate April 18, 1979, under authority of the order of the Senate of April 10, 1978:

The Judiciary

R. Lanier Anderson, III, of Georgia, to be U.S. Circuit Judge for the Fifth Circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Albert J. Henderson, of Georgia, to be U.S. Circuit Judge for the Fifth Circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

In the Marine Corps

Gen. Robert H. Barrow, U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a term of 4 years, pursuant to the provisions of title 10, United States Code, section 5201.

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. George Samuel Blanchard, [redacted], (age 58), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Eugene Joseph D'Ambrosio, [redacted], (age 57), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Thomas Matthew Rienzi, [redacted], (age 60), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. Edward Charles Meyer, [redacted] Army of the United States) (major general, U.S. Army).

Brig. Gen. Alton Harris Harvey, [redacted], Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the judge advocate general, U.S. Army, as mjaor general, Judge Advocate General's Corps, in the Regular Army of the United States and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

Brig. Gen. Hugh Joseph Clausen, [redacted], Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the assistant judge advocate general, as major general, Judge Advocate General's Corps, in the Regular Army of the United States and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

In The Navy

Vice Adm. Frederick C. Turner, U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

EXTENSIONS OF REMARKS

WHO SHOULD RUN OUR SCHOOLS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. MICHEL. Mr. Speaker, the continuing debate over whether a new Department of Education should be created recently was addressed by Marvin Stone, editor of U.S. News & World Report. Mr. Stone quite correctly concludes we definitely do not need such a department, because it would inevitably meddle in local school affairs.

At this point I wish to insert in the RECORD, "Who Should Run Our Schools?," by Marvin Stone, U.S. News & World Report, April 30, 1979:

WHO SHOULD RUN OUR SCHOOLS?

(By Marvin Stone)

The U.S. Senate is poised to act on an ill-conceived plan to establish a federal Department of Education. If the Senate votes to set up such a department, the House will still have a chance to kill the idea, as it wisely did in 1978.

Who is not on the side of economy? And who does not know that the multifarious, overlapping programs now in the Department of Health, Education and Welfare have got to be sorted out? But creating one more federal cabinet department is not the solution.

Does anybody seriously believe that a new cabinet secretary, six assistant secretaries and five other major officers would fail to find necessity for ever-increasing staffs and funds to carry out their newly created duties, or that Congress would deny them? Financially, it could be another uncontrolled bureaucratic disaster. That, however, is not the worst trouble with this plan.

The Ribicoff bill in the Senate and President Carter's in the House are much alike. Both bills have dropped any effort to steal functions from HEW and combining these with odds and ends from other agencies. Both bills have dropped any effort to steal the school-lunch program from the Department of Agriculture and Indian education from the Bureau of Indian Affairs—interdepartmental raids that stirred up resistance last year.

Both bills, moreover, have been equipped with carefully crafted new paragraphs to emphasize abhorrence of interfering in state and local control of schools. The diligence and sincerity of intent deserve praise, but the safeguards don't figure to work.

In fact a subtle schizophrenia, meandering through the legislation and the committee appraisal, suggests that the authors' inward dream for the department runs at odds with the stated restrictions. One keeps encountering such phrases as "implement . . . at the local level" . . . "assesses the achievement of federal objectives" . . . and "monitoring parental and public participation."

Government departments are not talented at keeping hands off. To soften Montesquieu's words slightly, experience shows that persons with power are impelled to use it; or, as columnist Fred Reed observed more recently, there is no need to suspect official malice: "The normal instinct of government to meddle is quite enough."

Would the Education Department have power to tamper with America's traditional local control of education? Of course it would. Where there is money to be given, there is the implied responsibility to make sure that it is spent according to the purposes of the donors—or else.

Further, when we note that a proposed federal-local council is to report periodically on "the extent to which federal objectives are achieved," we wonder where the burden of cooperation is supposed to rest. And the logic of the Senate Committee on Governmental Affairs is hard to follow: "State and local control . . . is the key to the outstanding success of the American educational system, as compared with other industrial nations where education is centralized in national ministries." Why, then, does the committee recommend a national ministry?

Lloyd H. Elliott, president of George Washington University, responds with these predictions of results: "A stepped-up flow of suggestions, pleas, guidelines, directives and regulations from the federal establishment . . . a guaranteed politicization of the federal role in education . . . centralization of educational policymaking in a ministry of education, which in other countries has gradually, relentlessly smothered change, innovation and diversity."

We agree, and we repeat our own forecast of last year, that a Department of Education would "enter our local communities like the Man Who Came to Dinner—a guest to whom, it might be, we could never say 'Goodbye.' "●

DYERSBURG FABRICS, INC.—50 YEARS OF OPERATION

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to Dyersburg Fabrics, Inc., a firm located in my district in Dyersburg, Tenn., that is celebrating its 50th year of operation this year. I realize that companies throughout this country operate successfully for 50 years and more, but I feel that the circumstances of this particular celebration are noteworthy for several reasons.

Dyersburg Fabrics is the largest and oldest industrial plant in Dyersburg. It was officially opened March 25, 1929, and there are still four employees working for the firm who were there when the first machines began operations. In addition, the firm has a tremendous reputation for employee loyalty due to the over 300 employees, both active and retired who have worked at the plant between 25 and 50 years each.

This particular industry has experienced real growth and expansion almost every year since it has been in operation. New additions to the building itself have kept the company under almost continuous construction, but maybe more importantly, the leaders of this fine company have not let the new technology of their industry slip by and not be used. In addition to making their building bigger, they have continuously updated and modernized their equipment.

Maybe most importantly of all is the community spirit that has existed within the leadership of this firm from the first day it opened its doors. Even with the brilliant business management and leadership that has seen this company through its first 50 years, its leaders have recognized that success must include a happy, well trained, experienced work force. Their relationship with their workers does not end when the employee clocks out at the end of his or her shift.

Time and again throughout the development of Dyersburg Fabric, the company has sought to provide the little extras that do not always show up in the paycheck. During World War II, for example, when many women were taking the place of young men who had gone to fight for our country, the company took it upon itself to purchase facilities that were used to provide day care for the children of those working women.

I want to take this time to salute Dyersburg Fabrics as a good and productive corporate citizen of Dyersburg, and Tennessee. I wish for them continued success in the years ahead.●

ST. GERALD'S 50TH ANNIVERSARY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. RUSSO. Mr. Speaker, this year marks the 50th anniversary of the founding of the St. Gerald School in Oak Lawn, Ill. In honor of this achievement, I want to share with my colleagues a brief history of this fine school.

St. Gerald's School started for the first time in September 1929. Ironically, the first school building was also the first church. Prior to the church being built, masses were said in peoples' homes. The temporary church was called St. James of the Sag Mission Church. To accommodate the first through the eighth grade students on Monday mornings, the Blessed Sacrament was removed from the altar and the children attended class using the kneelers for seats and the pews for desks. There were three teaching nuns, each responsible for three grades. Sister Winifred Cleary was principal and the sisters were of the order of St. Francis, Clinton, Iowa. The school also served as a high school from September 1932 to June 1933.

At this time, Rev. Peter Geraghty was pastor and he resided at St. James of the Sag, Lemont, Ill., and the church was known as St. Gerald's Mission Church. The land, at the time the church was built, was bought for $300 and was located at 95th and Minnick, now called 53d Court.

When the second church was built—ground was broken August 11, 1929, and the first mass was December 8—St. Gerald School occupied the second floor of the structure at 94th and 55th Court and had four classrooms, a music room and living quarters for the sisters who taught and organized the school. Brother Loras Welsh was pastor.

It was this building which was not only a church and school from 1929 until 1957 but a lunchroom and assembly room as well. It was destroyed in April of 1967 when a tornado struck Oak Lawn at 5:20 p.m. on the 21st. Fortunately, no schoolchildren were present in the building and with God's mercy, when the rectory was hit at the same time, the Archbishop John Cardinal Cody and the other priests were not hurt. Pastor Monsignor McNichols had invited the archbishop to administer the Sacrament of Confirmation to sixth grade students of St. Gerald who were to arrive within the hour.

Because the school was being remodeled and added on to, the sisters were able to handle only four grades in the existing quarters; six rooms were not damaged. So, for the next year and a half while a new school was being built, five grades had to be bussed out of our district to Burbank Manor Presbyterian Church, 80th and Central, and to St. Nicholas Greek Orthodox School, 103d and Kolmar.

Prior to the tornado of 1967, the third church of St. Gerald's Parish was erected in 1957 at the corner of Southwest Highway and 53d Court. In 1963, with the school occupying one full block of land from 94th Street—today known as Monsignor McNichols Drive—to half-way down 53d Court where the new church now stands, 1,531 students were taught.

The enrollment of the school has grown from 132 students with three teaching sisters in 1929 to the present enrolment of 796 with six teaching sisters and 18 lay teachers. The principal is Sister Martinelle Bonnell and the pastor is Father William White.

I know my colleagues join with me in extending congratulations to the St. Gerald School and Parish on achieving this milestone.●

NORTHERN IRELAND

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 9, 1979

● Mr. CONTE. Mr. Speaker, I join with my colleagues in their call for the restoration of human rights to the prisoners in Northern Ireland. While we are shocked and saddened by the brutal murders in that conflict that do receive widespread attention, such as the recent slaying of Airey Neave, we must also be shocked and saddened by all violence, institutional or civilian, and all deprivation of human rights wherever they occur.

Over the years we have heard many allegations of brutality and inhumane treatment of Irish people by agents of the British Government. And we have seen reports confirming these allegations from the European Commission on Human Rights, the European Court on Human Rights, twice by Amnesty International, and now we have the Bennett Report and the report of Police Surgeon Dr. Robert Irwin.

Such brutal conduct, always reprehensible, is particularly so when practiced by those who are supposed to uphold law and order. It embitters the people, further alienating them, and makes any hope of attaining peace that much more difficult.

An unconscionable situation now exists. Amnesty International reports that 80 percent of the prisoners in the North of Ireland have been convicted solely on the basis of their own statements. Once again, it has been confirmed that a goodly number of these statements were obtained under duress—sometimes amounting to torture. The question must be asked: How many of the men in the prisons in Northern Ireland are in fact innocent? It would seem to me, in the interest of simple justice, that at the very least these cases in question should be retried immediately.

We all know that it does little good merely to condemn violence. We must also concern ourselves with the cause of violence. I call upon all concerned people to join together to search out the cause of violence in Ireland and to put our best efforts and our best talents to work to see if an equitable solution cannot be found so that, once and for all, violence in that part of our world may cease.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. MURPHY of New York. Mr. Speaker, today BIZZ JOHNSON and I have the distinct pleasure of introducing a House joint resolution which authorizes the President to proclaim the week of October 7–13 as, "National Port Week." It is indeed appropriate that BIZZ, as chairman of the Public Works and Transportation Committee, and myself, as chairman of the Merchant Marine and Fisheries Committee, as well as serving as cochairmen of the Congressional Port Caucus, introduce this resolution aimed at giving our ocean and inland ports the attention they rightly deserve. The Port Caucus in its brief history has not aspired to be a pressure group, nor has it intended to be a lobby for the cause of any specific port or port activity. The caucus has addressed itself to those issues which are of common interest to all ports of the United States.

It is in this spirit that National Port Week will recognize the importance that our ports serve as an essential force in expanding our national economic development as well as being a focal point for our Nation's defense. Collectively, our port communities comprise the largest port system in the world. Throughout this country's great history our ports have established efficient and economical transfers of cargo that have made us the world's greatest trading Nation. Today some 170 major commercial ports on the Nation's coastlines, rivers, lakes and canals serve as centers of regional commerce and growth. Every major metropolitan region of the United States centers around a port, or is closely linked by rail or highway with a port. Presently the American port industry provides direct and indirect benefits to the economy:

Employment for 1,046,800 Americans:

Generates annual personal income of $19.2 billion and business income totaling $7.4 billion;

Produces some $4 billion in State and local taxes, and

Accounts for gross sales within the total national economy of $56 billion and a $30 billion contribution to the GNP.

In addition to the vital force that our ports have served in contributing to our national economic development, "National Port Week" will recognize the importance that our ports have played in serving as a basis for our Nation's defense. In time of war, or other national emergency, our ports, which represent a vital link in the national transportation system, would immediately put into effect a plan for Federal port control for efficient operation and utilization of port facilities, equipment and services. The strategic importance of our ports has been apparent in every war in which the United States has become engaged. World Wars I and II, Korea and Vietnam required unprecedented port activity in supplying military and civilian needs during and after these conflicts.

From the early Colonial days when the arrival of a ship meant new stock for merchant's shelves, it also carried news and ideas from the outside world. It was around these centers, our ports, that civilization itself was being fashioned. Today, ports have continued to be exciting centers of human endeavor and interest. From these centers have grown the regions that have made this country the leader in world trade. Everyone in this country depends in some ways on its ports. For through these ocean and inland waterways move the domestic and foreign commerce that constitutes the food, shelter, and transportation of modern civilization.

During last year's "National Port Week" we received letters from 22 governors expressing the desire to have their respective States participate in the celebration. The list of States included Alaska, American Samoa, California, Florida, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Michigan, Nevada, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Vermont, and Virginia. In addition to our States' support, we received over 220 cosponsors from our colleagues in the House, many of whom, though not directly from port communities, evidently felt the significant contribution of our ports toward alleviating the balance of payments deficit merited recognition. I join with BIZZ in asking all our colleagues to join in cosponsoring this important week. In setting aside a week where attention may be focused on our ports, all Americans may be proud of the important contributions that our four seacoasts and inland waterways have made to the welfare and vitality of our American way of life. The text of the legislation follows:

H. J. RES. —

Whereas United States coastal and inland ports make a direct and significant contribution to our national economic well-being; and

Whereas much of the history of the United States has been shaped by its ports and interconnecting inland waterways and greatly influenced the growth of various communities; and

Whereas ports, in serving United States waterborne commerce, generate significant employment and direct dollar income to the local and regional economies they serve, as well as have major impact on employment and production in areas far distant from their location; and

Whereas United States ports provide a wide variety of services and activities essential to the smooth and efficient conduct of foreign trade and have a direct impact on our balance of payments; and

Whereas American ports are a vital asset in maintaining a strong posture in national security; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the seven-day period beginning October 7, 1979, as "National Port Week" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.●

TRIBUTE TO GEN. RICHARD F. PETERCHEFF

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. MYERS of Indiana. Mr. Speaker, I rise to pay tribute to Brig. Gen. Richard F. Petercheff, commander of the Indiana Air National Guard, who was killed recently in a training flight accident at Hulman Field in Terre Haute, Ind.

General Petercheff, or General Pete as he was known to his many friends and admirers, had been flying fighter planes since World War II. A dedicated American, fiercely patriotic, General Petercheff was a natural leader. The military honors he earned were many, including those for 100 missions over Korea and flying the Berlin crisis.

The Indiana Air National Guard, indeed the Nation, has lost a great leader and we will miss his guidance and counsel.

At the same time, I want to recognize the new commander of the Indiana Air National Guard, Col. Earl L. Higbie. Colonel Higbie has served his country since 1942. A longtime associate of General Petercheff's, the new commander is well qualified to carry on the tradition of excellence that has always marked the Indiana Air National Guard. I salute him and wish him every success in the years ahead.●

AFL–CIO PRAISED FOR REFUGEE STAND

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. SIMON. Mr. Speaker, I was pleased to see the statement of the AFL–CIO executive committee in behalf of legislation introduced by our colleagues PETER RODINO and ELIZABETH HOLTZMAN in the House and Senator EDWARD KENNEDY in the Senate.

That legislation called for reform of refugee provisions and a more compassionate humanitarian response to the problems that the Indochinese refugees in particular face.

While the major beneficiaries will be those from Indochina there will be others, particularly from East Europe, who would also benefit.

It is statesmanship at its finest for the AFL–CIO to take this stand when it would be easy, particularly in view of unemployment in the United States, for them to take quite the opposite position.

They have followed a great American tradition in responding to the needs of desperate people and inevitably this Nation has found that when we respond to the needs of desperate people we ultimately are enriched.

The statement follows:

STATEMENT BY AFL–CIO ON THE REFUGEE ACT OF 1979

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and abiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans, and most recently, Indochinese, testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary, people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increased tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the lack of a consistent and coherent policy toward political refugees. This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, an end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish. President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not as yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resetting the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situations.

How is it that the AFL–CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL–CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a non-issue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exist.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally, proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the

"Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have, in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill." While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international travel make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL–CIO's continuing involvement in urging a more generous, open-ended U.S. policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL–CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiatives, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON INDOCHINESE REFUGEES

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-ended policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the Southeast Asian Refugee Fund to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.●

CONGRESSMAN BONER VOICES SUPPORT FOR MIDDLE EAST ECONOMIC ASSISTANCE IN H.R. 3324

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● MR. BONER of Tennessee. Mr. Speaker, when the House recently considered final passage of H.R. 3324, the International Development Cooperation Act of 1979, I voted "nay." I did so because of my conviction that Congress must begin to face up to its responsibility to exercise fiscal restraint and to bring the Federal budget into balance. As we do this I believe we must make sure that our limited Federal resources are used to take care of vital human services here at home.

I had planned to offer an amendment calling for an 8-percent across-the-board cut in H.R. 3324. However, I withdrew my amendment after the House adopted the 5-percent reduction embodied in the Broomfield substitute to the Bauman amendment. Like the amendment adopted by the House, my reduction also called for an exemption for economic assistance to Israel and Egypt.

At this time I would like to once again voice my strong support for continued U.S. economic assistance to these two countries. While I felt constrained to oppose final passage of H.R. 3324 for a variety of reasons, I want to state for the record my support for those funds earmarked for our two friends in the Middle East.

Under the leadership of President Carter and the United States, Israel and Egypt have taken an historic and unprecedented step in signing a treaty of peace. Both nations face an uncertain economic future. Since the treaty signing, we have already seen a cutoff of some oil shipments to Israel and a widespread economic boycott against Egypt by most of the other Arab countries.

The United States, in my opinion, is obligated to continue to encourage and support peace in the Middle East. As part of this process, I will support necessary and reasonable measures to provide economic assistance to Israel and Egypt. I do not want my vote against H.R. 3324 to in any way be misinterpreted as an indication that I oppose offering a helping hand to our allies in the Middle East.●

RESOLUTIONS NOT THE SOLUTION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mrs. SCHROEDER. Mr. Speaker, the following letter was written by some members of the Colorado State Legislature. Unfortunately, the situation which they discuss is no stranger to Congress. Their point hits home and I hope my colleagues will take a few moments to look over the letter:

SENATE CHAMBER, STATE OF COLORADO,
Denver, March 23, 1979.

To all members of the Colorado Congressional Delegation:

We are writing you to express the concern we share about the manner in which Colorado legislative resolutions (House or Senate Joint Resolutions) are adopted and to encourage you to disregard such resolutions as reflecting matters of State policy. In general, these resolutions suffer from hasty and superficial consideration and no public comment in hearings, resulting in inaccuracies, inconsistencies, poor draftsmanship, and unwise policy recommendations.

Resolutions are almost never considered in committees of reference. There is no opportunity for public hearings, nor even a chance to confirm the technical accuracy with appropriate experts. Resolutions are usually considered immediately upon introduction without prior notice or warning and without any intelligent debate. Quite often this happens just before a recess, especially before lunch.

Legislators often are in a hurry to meet a luncheon appointment and therefore are uninterested in debating or listening to others debate resolutions which carry no force of law. Legislators will frequently admit that a resolution is poorly drafted, inaccurate and/or bad policy, but they often are unwilling to change it because they want to concentrate their efforts on bills that do have the force of law.

A good example is House Joint Resolution 1019 which urges Congress to give oil shale a tax credit of $3 per barrel. HJR 1019 was introduced in the House of Representatives on February 21 and passed that same day. It passed the Senate on February 27, never having been sent to committee and never having been amended in either House. The resolution states that the Piceance Basin contains "an estimated four hundred billion barrels of recoverable oil". At a cost of $3 per barrel, the cost would be $1.2 trillion! When this gigantic cost was pointed out, Senator Ted Strickland said that there are actually only 100 billion barrels of recoverable oil. If he is right, the resolution should be amended, but it was not. If he is right, the cost is $300 million. Many of the legislators voting for HJR 1019 also voted last year for a U. S. Constitutional Convention to end all deficit spending.

The enclosed fact sheet prepared by Kevin Markey of Friends of the Earth points out other inaccuracies in this resolution and in HJR 1020 concerning RARE II Wilderness Designation. (HJR 1020 was introduced in the House on February 26, passed the House that same day and passed the Senate the very next day.) These are just two examples. We could give you many more.

The vote on these resolutions is often a voice vote and frequently legislators who oppose the resolution feel it is not worth alienating their colleagues or their constituents by voting no on a "meaningless resolution".

Until the Colorado Legislature is ready to spend the time discussing, taking testimony and amending Joint Resolutions, we urge you to take these "meaningless resolutions" with a large grain of salt.

Sincerely,

Barbara Holme, Don Sandoval, Ron Stewart, Regis F. Groff, Laura M. De Herrera, Wayne N. Knox, Richard Castro, King M. Trimble, John Davoren, Don MacManus, Dennis Gallagher, Paul Sandoval, Jack McCroskey, Federico Pena, Arie Taylor, Leo Lucero, Betty Orten, George M. Chavez, Miller Hudson, Jean Marks, R. N. Shoemaker.

FACTSHEET ON HJR 1019 AND HJR 1020

(Prepared by Kevin Markey, Friends of the Earth)

Two recent examples may serve to illustrate the consequences of the Colorado Legislature's hasty process in considering Joint Resolutions.

House Joint Resolution (H.J.R.) 1019 urges Congress to give oil shale a $3 per barrel tax credit and gives the impression that environmental and technical problems of oil shale production are largely solved. Yet, in contrast to claims found in the resolution:

1. Advanced air pollution control systems for oil shale processing are only now being developed and have never been tested. Occidental Oil Shale has recently submitted a request to the Colorado Air Pollution Control Division to test several alternative control technologies.

2. Severe water quality and hydrological impacts are feared, including for *in situ* oil shale development. Even the Department of Energy's Oil Shale Environmental Readiness Document (August 1978) concludes that "The possibility of long-term hydrological disturbances in arid areas or introduction of toxic or carcinogenic materials into drinking water aquifers is in itself sufficient to preclude large-scale (oil shale) development until these concerns are resolved."

3. Exhaustive environmental and socioeconomic studies have been conducted only for a few geographic locations in the oil shale region and only for a few oil shale technologies. Several have also been scored for their inaccuracy. For example, the Colorado Department of Highways has criticized socioeconomic impact studies and plans prepared by lessees under the Federal Prototype Oil Shale Leasing Program.

4. The resolution leaves the impression that major technical questions have been resolved by small scale pilot plants—characterized in the resolution as "Demonstration projects"—and that expansion to full scale commercial facilities is the only choice which Congress has. It does not consider alternative research and development or demonstration strategies for proving oil shale technology viability. Nor does it indicate technical problems encountered in recent oil shale pilot operations.

Similarly, H.J.R. 1020, concerning RARE II Wilderness Designation, contains many inaccuracies. For example, in contrast with the statements made in the resolution:

1. Wilderness study status or designation does *not* prohibit exploration for oil, gas or other minerals until 1984, and then allows continued exploration on valid existing rights after that date. Furthermore, it does not prohibit grazing, sanitary facilities, or access by elderly or physically handicapped people. Indeed, some conservative organizations conduct wilderness outings for the physically handicapped.

2. Wilderness designation may actually *help* the tourism industry, not harm it. There is no evidence that it has or will impair farming or ranching operations. Similarly, no evidence confirms the statement regarding serious damage to the mining industry which enjoys a spectacular boom today, despite past wilderness and park designations. In addition, wilderness designation will not create a timber shortage. An October 1978 Forest Service economic impact study prepared as part of its RARE II environmental analysis found that Colorado forests are currently underutilized and wilderness designation will have insignificant impact on the timber industry here.

3. The statement "Citizens of Colorado spoke loudly on this subject and appeared to be ignored" is true, but *not* in the context of the resolution which makes it appear that Coloradans do not wish additional wilderness. Quite on the contrary, the Forest Service ignored strong citizen support for wilderness. *Ninety-nine* out of 101 areas proposed for wilderness by citizen conservation groups in Colorado received support from at least 71% of people who submitted comments on RARE II. 86 out of 101 such areas obtained at least 85% support. Yet the Forest Service selected only 36% of the citizen conservationist proposed acreage.●

TRIBUTE TO KIWANIS CLUB

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to offer my tribute to the Kiwanis Club of Blackwood, N.J. On Friday, April 20, 1979, this organization marked its golden anniversary.

For 50 years, the Blackwood Kiwanis Club has performed service to youth, its community and the Nation. The membership is made of men of good character and community standing who voluntarily share in the burden of community leadership. Its members are motivated by a common desire to serve.

In my district, the Kiwanis Club of Blackwood owns and operates four athletic fields and a building that is utilized by various youth organizations such as the Boy Scouts of America and a number of little league groups.

The men of this club make their community a better place to live. They work with young people and senior citizens. They help solve social and community problems. They provide support for spiritual and patriotic endeavors.

The Kiwanis Club of Blackwood—whose history spans five decades—was first organized on April 20, 1929, and I am gratified to have such a fine service organization located in New Jersey's First Congressional District.

The club certainly is deservant of warm praise for its dedicated efforts. I take pride in joining its many friends in congratulating these outstanding public servants and wish them years of continued success in their dedicated endeavors.●

ON INCREASING THE LIVING EXPENSE DEDUCTION FOR MEMBERS OF CONGRESS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. PEASE. Mr. Speaker, the Select Revenue Measures Subcommittee of the House Ways and Means Committee has held one day of hearings on H.R. 2550, a bill that seeks to clarify the still confusing manner in which State legislators are required to file their Federal income taxes. The bill also increases substantially the amount of living expense deductions that we as Members of Congress can take.

Currently, Members of the U.S. Congress—because they maintain two residences—one in their home district and another near the U.S. Capital, are allowed a living expense deduction of up to $3,000. This is only a deduction and does not mean that a Congressman's or Senator's salary is increased by $3,000. The actual dollar amount that the deduction represents depends on other income of the legislator.

Because the living expense deduction was adopted in 1952 and has not been increased to reflect living costs since then, there has been pressure for several years for the Congress to increase the level to a more "realistic" level. This situation has also been made more difficult as the Congress has spent more and more time in Washington each year—meaning that total living expenses have increased, the likelihood of being able to get by with only renting a small apartment has diminished, and Congressmen and Senators are often forced to move their entire families to Washington to avoid being separated for long periods of time.

H.R. 2550 would allow a legislator to deduct an amount equal to the "per diem" rate paid to other out-of-town Government employees who might be in Washington on work. That figure is currently about $50/day; a legislator would be able to deduct that amount, according to the legislation, for each day that he or she was in Washington on Congressional business—estimated to be around 270 days per year.

The Department of Treasury supports this approach, but would limit the number of days that a Congressman or Senator could claim as working days to an arbitrary 180 days per year. This would result in a total living expense deduction of about $9,000 per year.

Mr. Speaker, this action is coming at the wrong time, absolutely the wrong time, and should not be approved. I intend to vote against it and I hope my colleagues will vote against it also.

Despite my feelings for those who truly need increases, those with large families for instances, this is not the right time for the Congress to vote itself expense increases. When we are being asked, and indeed asking ourselves, for Americans to cut back in order to try to hold down spending. It would be a mistake for us to adopt an increase. Although the effect of the increase on the budget would be small, the precedent that our action could set would be devastating.

Mr. Speaker, I urge that this body reject completely any attempts to increase the congressional living expense deduction at this time.●

A SALUTE TO GERTRUDE K. BERMAN

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. LENT. Mr. Speaker, in this troubled and turbulent world of ours, it is a wonderful experience to learn of someone whose life has been devoted to helping others. I would like my colleagues to know of such a person: Mrs. Gertrude K. Berman, founder, guiding spririt, and executive director of the Woodward Mental Health Center for Emotionally Disturbed Youth. I am proud to say that this center is located at Freeport, N.Y., in my Fourth Congressional District.

Mr. Speaker, the Woodward Mental Health Center is celebrating its 22d anniversary on May 4. But that celebration takes on a greatly added significance this year because it will mark the retirement of Mrs. Berman as executive director. So the anniversary celebration will also be a salute to Mrs. Berman and her unparalleled contributions to our community.

As one who has been privileged to know and work with Mrs. Berman, I can testify that no one could be more deserving of this tribute. Indeed, without Gertrude Berman there would have been no mental health center.

Nearly three decades ago, Mrs. Berman became greatly concerned over the neglect of emotionally disturbed children in Nassau County. Taking a leave of absence from her public school teaching position, she began teaching in her own home a few emotionally disturbed children rejected as hopeless by the public school system. Mrs. Berman had faith that with the proper mental health program, and with great patience, compassion, and insight, these discarded children could be helped into vocations and a nearly normal life.

She was right. Her success brought more and more students. After 5 years of teaching in her home, Mrs. Berman managed to scrape together the funds to buy a house which was converted into the Berman School for the Emotionally Disturbed. The school became a nonprofit organization.

As the school grew and added teachers, psychologists, psychiatrists, social workers, and case workers to its staff, Mrs. Berman noted:

> We began to develop a different approach to the problem . . . the concept of helping the total child, the total family, the total community . . . The entire staff, including the clinical team, examine the child as a total human being—educationally, vocationally, and clinically. The emotionally disturbed child is provided with a web of services for both the child and his family, as a team effort.

The Berman School became the Luther E. Woodward School for Emotionally Disturbed Children in honor of the late Dr. Woodward, an outstanding pioneer in the field of mental health. But Gertrude Berman was still the motivating force behind the school.

The dramatic new concept of helping the total child brought national and international attention to this school, because it offered a unique service with no comparable counterpart. With such recognition came a constantly growing demand for the services of the school.

Then came the realization of Mrs. Berman's greatest dream: the creation of a complete mental health center. Her inspiration galvanized the community and county, State and Federal officials. In 1974, a $2 million 3-story building opened its doors: the Woodward Mental Health Center for Emotionally Disturbed Children.

Mr. Speaker, it is impossible to underestimate the contributions of the citizens of Freeport and Nassau County to the development and construction of this magnificent center, nor to minimize the local, county, State and Federal assistance contributed.

Yet, Mr. Speaker, all of us who have helped in this project know that it never could have become a reality without Gertrude Berman. Through the determination and inspired leadership of this remarkable woman, hundreds of children have been brought out of the dark corner where an uncaring society had hidden them, and into the light of meaningful, productive lives.

Gertrude Berman's devotion to others serves as an inspiration to all of us.

As she retires from day-to-day work with the Woodward Mental Health Center we all join in saluting her achievements, and in expressing the hope that she will continue to share with the center, and our entire community, the benefit of her incomparable knowledge of how best to help emotionally disturbed children.

I know you will all join me in the wish that Mrs. Berman's retirement years will be blessed with good health, the richness of friendships, the warmth of pleasant memories, and the deep satisfaction that come from seeing a life-long dream become a reality.●

POWER OF PRAYER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. FINDLEY. Mr. Speaker, a perceptive comment on the school prayer issue appeared in the editorial column of the Quincy Herald-Whig, Quincy, Ill., of April 11, 1979. It concludes, rightly I think, that the Supreme Court decision of 1962 actually safeguarded the right of voluntary prayer and the new initiatives sponsored most recently on the Senate side could very well impair this right rather than advance it. Here is the text of the editorial:

> POWER OF PRAYER
>
> Consider for a moment, in this holy week for the Christian faith, the "power of prayer."
>
> That is, perhaps, an overworked phrase in the religious lexicology. When spoken from a pulpit it has a specific religious meaning. But think of it for a moment in a different context—the continuing effort to undo the U.S. Supreme Court's 1962 prohibition against mandatory audible prayer in the public schools.
>
> Jesse Helms (the Republican senator from North Carolina, seeks a constitutional amendment to restore what he calls "the right of voluntary prayer" in the public schools. Helms' attempt in the current Congress seems doomed. In a parliamentary maneuver by the Senate leadership Monday, his amendment was attached to another bill dealing with the Supreme Court. That bill is given almost no chance of passage.
>
> There are those who applaud Helms' effort, however. To some people, the issue is plain: Children should be able to pray in school.
>
> But, of course, they can pray in school. It is this point that Helms and others apparently choose not to recognize.
>
> There are people who may properly feel that the proper place to learn prayer is the home and the church. Prayer, especially "voluntary prayer," is largely a personal matter as well as a matter of denomination or faith.
>
> No court, no government, can prevent a youngster from praying—in school or anywhere else—if that youngster wants to pray. The "right to voluntary prayer" is not a right that is now denied or abridged or that can be denied or abridged. A child is free to pray from the moment of waking in the morning, to riding or walking to school, to sitting in the classroom, and then going home.
>
> No person, no institution, no law, can stop that child from praying.
>
> But to be truly free to pray, in the manner of whatever faith, government must not be allowed to force that child to pray.
>
> For, simply, if government has the power to force, or even merely permit, "voluntary prayer" it also has the power to prohibit such prayer or to say what those prayers shall be. This is the point so often overlooked and, curiously, the point that seems so difficult to understand. This is, in essence, the point the Supreme Court made 17 years ago: that prayer cannot be mandatory; that a public school, as a governmental entity supported by Americans of diverse faiths, must not be able to require children to pray.
>
> For if a school can mandate prayer, it must be seriously asked: Whose prayers shall be said? If government can decide the answer to that question, then the freedom to pray—or to not pray—according to one's own religious

beliefs is in jeopardy. And freedom of religion itself is in jeopardy.

What the Supreme Court really did in 1962 was safeguard, to the extent any court can, the "right of voluntary prayer." The essential point is that this is a right, which can be exercised any moment the mind is awake, that by its nature is impossible to be denied.

And herein lies, in an admittedly more secular than religious meaning, an important attribute of the "power of prayer." ●

PERSONAL EXPLANATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. FISHER. Mr. Speaker, beginning Thursday, March 22, through Thursday March 29, I visited China along with other members of the Ways and Means Subcommittee on Trade to discuss a range of issues relating to the normalization of trade relations between China and the United States. Had I been present, I would have voted as follows on rollcall votes:

Rollcall No. 51, H.R. 2774, to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control Disarmament Act, "yea."

Rollcall No. 52, House Resolution 86, to provide funds for the Judiciary Committee, "yea."

Rollcall No. 53, House Resolution 134, to provide funds for the Science and Technology Committee, "yea."

Rollcall No. 54, House Resolution 139, to provide funds for the Interior and Insular Affairs Committee, "yea."

Rollcall No. 55, House Resolution 140, to provide funds for the Government Operations Committee, "yea."

Rollcall No. 56, House Resolution 123, to provide funds for the Post Office and Civil Service Committee, "yea."

Rollcall No. 57, H.R. 3091, to extend for 1 year the provisions of law relating to the business expenses of State legislators, "yea."

Rollcall No. 58, H.R. 2439, fiscal year budget rescission bill on ordering the previous question on the conference report, "nay."

Rollcall No. 59, an amendment to H.R. 2676, EPA research authorization bill, to reduce the authorization for biological, behavioral, and social sciences by $14 million, "nay."

Rollcall No. 60, H.R. 2676, an amendment to prohibit the use of funds to transfer National Science Foundation science education programs to any other agency, "nay."

Rollcall No. 62, H.R. 2479, United States-Taiwan relations, agreeing to the conference report, "yea."

Rollcall No. 63, H.R. 1787, National Aeronautics and Space Administration (NASA) fiscal year 1979 supplemental authorization, "yea."

Rollcall No. 64, H.R. 1786, NASA, fiscal year 1980 authorization, amendment that reduced aeronautical research and technology authorization by $22.7 million and prohibits the use of funds for supersonic transport (SST) research, "yea."

Rollcall No. 65, H.R. 1786, NASA fiscal year 1980 authorization, on final passage, "yea."

Rollcall No. 66, H.R. 3173, International Security Assistance Act, amendment that prohibits the use of funds for Panama or its agencies, "nay."

Rollcall No. 67, H.R. 3173, amendment to reduce the authorization period from 2 to 1 year, "nay."

Rollcall No. 69, House Resolution 165, to establish the Select Committee on the Outer Continental Shelf, "nay." ●

EDUCATORS VERSUS A DEPARTMENT OF EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. MICHEL. Mr. Speaker, the Washington Post's "Letters to the Editor" section recently carried an eloquent and persuasive argument against the creation of a Department of Education. What made this letter noteworthy is the fact that it was signed by high-ranking representatives of public and private institutions of education. When educators speak out against a Department of Education, those in Congress should pay attention.

At this point, I wish to insert in the RECORD, "Educators vs. A Department of Education," the Washington Post, April 12, 1979:

EDUCATORS V. A DEPARTMENT OF EDUCATION

Education has flourished in this country precisely because it has enjoyed the diversity that comes from independent initiative of separate communities, states and private institutions. To create a Cabinet-level department of education not only affixes a symbol of centralization on American education, it also offers a promise of uniformity. There is an inherent tendency to rule making in every bureaucracy that grows as its public visibility increases. One cannot help asking what the first secretary of education would feel obliged to do to make his or her "impact" on higher education. The same question can be posed to others just below the Cabinet level whose posts will call for public policy.

A federal agency at best can do one thing well, but almost never can it encompass a variety of ends. The U.S. government does a great variety of things now with education and it does them for a variety of purposes. From the school lunch program to science education and museum programs, there are hundreds of ways in which the government affects education. But to bring those programs together under a single Cabinet-level post would be to create an agency based on recipients rather than on purposes. A department built on its clients will never have a sense of national purpose. Indeed, it will never be more than a magnified lobby, functioning always to increase spending and to enlarge programs. When that is perceived on Capitol Hill, it will weaken rather than strengthen the cause of education in the legislature.

Education is not a single constituency in this country. In its diversity is its strength. To force it now into a single stance would be to create a straitjacket for the next generation.

We write as representatives of public and private institutions whose capacity for coordination and for building quality in education grows out of our individual strengths and our ties to a region. We know from experience that our pattern of cooperation will better serve the public interest than will the centralized programs of a single federal agency because we can both serve the needs of individual students and respond to the needs of our region and state.

This straitjacket restraining diversity will, in our view, also be a constraint on quality in federal funding of educational programs in the humanities, the arts and the sciences. In the National Endowments for the Arts, National Endowments for the Humanities and the National Science Foundation, we have seen the creation of federal funding agencies that have been responsive to peer review and sensitive to the needs of diverse approaches to education in very distinct areas of enquiry. A national Department of Education cannot fail to require uniformity from these positive examples of federal support of cultural and scientific activities and to render them more responsive to political pressure and manipulation.

For these reasons, we urge opposition to the legislation proposing the establishment of a federal Department of Education now before Congress.

JILL K. CONWAY,
President, Smith College.
ELIZABETH KENNAN,
President, Mount Holyoke College.
JOHN WILLIAM WARD,
President, Amherst College.
RANDOLPH BROMERY,
Chancellor, University of Massachusetts at Amherst.
ADELE SIMMONS,
President, Hampshire College.
E. JEFFERSON MURPHY,
Five college coordinator.
Hampshire County, Mass.●

CONGRATULATIONS TO MARILYN JAYNE STOLL

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. EDWARDS of California. Mr. Speaker, it is a great pleasure for me to share with my colleagues the winning speech of my constituent, Marilyn Jayne Stoll, in the VFW's Voice of Democracy contest.

Marilyn is a senior at Mission San Jose High School in Fremont, Calif. Her outstanding academic record is matched by an impressive involvement in extracurricular activities. Drama, speech and writing are among her main interests and her skills in this area are evidenced by her fine speech.

The contest theme this year was "Why I Care About America." Marilyn's speech takes a uniquely creative approach to this topic, using the all-American sport of baseball as her symbol of what is special about our country. I am sure my colleagues will enjoy reading her remarks.

I would like to take this opportunity to congratulate Marilyn on her many achievements to date and to express my best wishes to her for the future.

The speech follows:

1978–79 V.F.W. VOICE OF DEMOCRACY PROGRAM CALIFORNIA WINNER MARILYN JAYNE STOLL

"Then, from the gladdened multitude went up a joyous yell;
It rumbled in the mountaintops; it rattled in the dell;
It struck upon the hillside and rebounded on the flat;
For Casey, mighty Casey, was advancing to the bat."

In Ernest Lawrence Thayer's immortal poem, "Casey at the Bat", he illustrates the all-American hero in his glory in the all-American sport, baseball. With charm, talent, and style, Casey propels himself to fame. Why do so many Americans idolize Casey? He is the image of success; Casey is evidence of the fulfillment of the American Dream. America provides a chance for each one of its citizens, a chance to raise up and achieve a sublime level of success. In the American ballgame, individual players have the opportunity to prove themselves worthy of special recognition. But, they must play by the rules. They are protected from unfairness by these rules and the officials that enforce them. When the game is played fairly, an indescribable team spirit ensues, a feeling of togetherness. Each element of this ball game gives me reason to care about America.

First, I care about living in a country in which I have the power to shape my own destiny. Every American holds the potential to become prosperous and successful—to make the American Dream come true. Among the factors which help provide this individual potential are the availability of public education for all children, financial aid for the indigent, and, perhaps most importantly, freedom of belief and expression. These factors give each American the chance to get up to bat. Some, like Casey, possess the ability to hit home runs, while others may not even progress to first base. The degree of advancement is determined largely by the effort and ability of the individual. Hard work, skill, and intelligence are justly rewarded by the attainment of prosperity. Each man must work to the best of his abilities to fulfill his role in society, and, subsequently, reap the benefits of his labor for himself. The hard work of one man may stimulate others to put forth the same valiant effort, diminishing apathy and scoring more runs for democracy.

Furthermore, I appreciate the protection offered me by the law in my pursuit of prosperity and success. As in baseball, the rules are clearly established. The rules are made not to suppress the people, but to protect the rights of the individual and prevent one team or player from violating the rights of another. If these rules come into question, an American court of law, like an umpire, may be asked to intervene to settle the matter. In an American courtroom, the opposing sides are given the unique chance to toss arguments back and forth before a judge and a panel of impartial jurors, thus assuring equal and fair treatment.

Lastly, I treasure the undying enthusiasm and spirit of the American people. When the American ball game is well played, heartfelt patriotism overcomes the crowd, instilling within the multitude a sense of unity and brotherhood. Take me out to the ball game! I, too, want to cheer for America!

I care about America because of the opportunities it affords me, the security it offers me, and the patriotic spirit it implants within me. Each American is given a chance at bat, protected by the law and supported by his fellow countrymen. Maybe Casey struck out, but at least he had the opportunity to try. I shall also put forth my best effort to contribute to this nation. I'm proud to be an American; I'm on a winning team.●

RURAL EDUCATION

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. NOLAN. Mr. Speaker, I would like to bring to the attention of my colleagues some very interesting information on rural education. A nonprofit rural association called Communicating for Agriculture has written an informative and convincing article on the need for the Federal Government to pay more attention to the needs and special problems of the rural educational community. Unfortunately, there has been a historic neglect and discrimination of rural education by the Federal Government, and this article makes an excellent case for development of Federal initiatives to strengthen and preserve rural schools.

The article follows:

PRESERVE OUR RURAL SCHOOLS

The United States Congress is appropriately debating whether a separate Department of Education would help or hinder education. Although this issue is important, Communicating for Agriculture believes there also should be discussion on the problems facing rural education and the federal government's apparent lack of desire to confront those problems.

Rural education is a forgotten majority in this country. Of the nearly 17,000 public school districts in the United States, more than 13,000 are rural and 32 percent have enrollments of less than 300 people.

Rural schools have 33 percent of the enrollment, but only 5 percent of the research funds, only 11 percent of the library funds, only 14 percent of the funds for vocational programs and only 13 percent of the funds for dropout prevention programs.

Despite these statistics, little political attention and educational priorities are given to rural schools. For example, there is not a division, nor a section, nor a bureau of HEW's Office of Education that specializes in rural education.

Of the 2,000 teacher training institutions in the country, only six are reported to offer rural education training programs.

The trend for the last four decades has been to consolidate schools in order to improve the efficiency of educational opportunities.

The consolidation movement is not popular and some communities have been adversely affected by it. The "bigger is better and biggest is best of all" adage continues to flourish among government policy makers, officials in bureaucracy and educators in teacher training institutes. Ironically, many of the same people who advocate community development with their right hand, work with their left hand to remove the rural schools from the community, which, in effect, removes the single most important attraction for a community's future development.

Federal statistics reveal that there is a migration, albeit slight, from the urban areas to the rural communities. In view of that it becomes doubly important that ways to strengthen our rural schools are given ample consideration. We do not want to be closing or tearing down our rural schools only to have to re-open or re-build them 10 years from now.

There is still another, equally important reason for keeping our rural schools functioning. Those schools—and there is evidence to support this—provide a quality of education still unmatched by all the sophistications of larger, urban schools. Small schools have produced a disproportionately high number of our nation's leaders. CA feels those leaders have an obligation to preserve that educational quality for this coming generation and for those to follow.

Despite government apathy about the demise of rural schools, local citizens have not been idle. Non-profit groups like People United for Rural Education, an Iowa based organization and many others have rallied support for local schools and provided much needed information about its importance. But still more needs to be done.

There should be a data bank compiling information about rural schools and how to meet its problems; there needs to be a division in the Office of Education which directs its energies toward the rural schools; there needs to be more encouragement for our universities and colleges to provide training in rural attitudes and values. There is only one university in the nation, Southwest State at Marshall, Minn., offering a major in rural studies.

CA does not have all the answers to the problems confronting our rural schools. We only ask that the United States Congress address this issue and help provide some solutions.●

SUNSET ACT

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

○ Mr. MAVROULES. Mr. Speaker, in recent months those of us in all levels of government have become increasingly aware of the trend in this country toward limiting government spending.

The authors of our Constitution envisioned a system of government in which the ultimate authority rested with the people. And yet, the sad truth is that many Americans are convinced that they no longer control their own government. They feel that government has become a kind of monster, rampaging out of control, a menace to the very people it would serve.

And their impression of government is well-founded. Clearly, Federal Government programs exist that are unnecessary, duplicative, or just plain wasteful. These programs hit us hardest where it hurts the most, draining our earnings.

These are circumstances that should not be—circumstances that we in Congress are ideally suited to correct. And I believe we have made that first step with the introduction of H.R. 2, the Sunset Act of 1979, which I am proud to have cosponsored.

The Sunset Act requires that all Federal spending programs be renewed and reviewed at least once every 10 years. Those programs not renewed would automatically be terminated. This would prevent the continuation of programs that, while necessary and useful in the past, no longer meet the needs of our society.

In addition, the act requires that programs of a related nature be reviewed at the same time, and in relation to one another. For example, despite 15 different child nutrition programs currently in existence, more than 700,000 children of poor families still receive no assistance. This type of overlapping, inefficient system would be eliminated.

The Sunset Act, however, exempts programs into which citizens have paid in expectation of later returns, such as social security and pension funds. It would be grossly unfair and blatantly immoral to drastically alter or eliminate programs such as these. This wise exemption is a fundamental part of the bill.

Another important feature of the bill is the creation of a "Citizens' Commission on the Organization and Operation of Government", charged with studying the efficiency and effectiveness of Government programs. In addition to the very useful role that this Commission can play in the fight against wasteful Government spending, it also serves as a symbol of our recognition of our responsibilities as Congressmen to our constituents.

H.R. 2 also requires the President to submit a legislative reform plan for each regulatory agency at the beginning of the Congress in which that agency is scheduled for reauthorization. This would help to eliminate regulations serving no purpose but to frustrate, annoy, and harass businesses and private citizens alike.

The Sunset Act, in short, provides for a comprehensive method of examining Government expenditures, a solid alternative to the somewhat haphazard and piecemeal method now in use. Its most important effect, however, may be to assure the public that Congress does listen, that Congress does care about them, and that this Government can be made to work in the interest of the people.●

SOME ADVICE FOR THE PRESIDENT'S COMMISSION ON THE THREE MILE ISLAND NUCLEAR ACCIDENT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. BROWN of California. Mr. Speaker, the President's decision to appoint a commission to investigate the Three Mile Island nuclear accident is a welcome step. While it is still unclear what the scope of this inquiry will be, I hope that the commission members will entertain constructive suggestions on topics to include in this inquiry.

In this vein, the Los Angeles Times recently editorialized on some aspects of this situation that I believe deserve close scrutiny and careful review. In order to share these suggestions with my colleagues, I am inserting the text of this editorial in the Record at this time.

The article follows:

[From the Los Angeles Times, Apr. 18, 1979]

THE NUCLEAR CLOUD

The presidential commission investigating the nuclear accident at Three Mile Island has one of the most difficult and important missions ever given to a group of Americans.

In six short months, it must discover not only what caused the worst accident in the history of the nuclear industry but also what changes can be made in law, regulation and the technology itself to provide some assurance that no power plant will come that close to catastrophe again.

It would be far easier if the 11 members had been asked to speculate, in some abstract way, about the future role of nuclear power. Instead, they must persuade both critics and many advocates of nuclear energy that they can live comfortably with the 70 plants already operating and the 90 scheduled for construction. They must decide, in short, whether nuclear power has a present, let alone a future.

Some measure of the magniture of the task of producing a credible report on Three Mile Island can be found in the transcripts of emergency meetings held by the Nuclear Regulatory Commission in the hours that stretched into days after the plant got out of control.

The five commissioners are the high priests of this mysterious power. Like their predecessors, they spend much of their time calming concerned critics of nuclear energy, and assuring Americans that the system is under control.

There is nothing calming or reassuring about the conversations reflected in the transcripts. The commissioners, for the most part, seemed as bewildered as the next citizen about what was happening, why it was happening, and whether the company that owned the plant knew what it was doing.

At one point, the commissioners heard their chief safety expert, Dr. Roger J. Mattson, reporting by telephone from the power plant that "no plant has ever been in this condition . . . We saw failure modes the like of which has never been analyzed."

The President's commission must resolve conflicting views of the cause or causes of the breakdown. The regulatory commission already has reached a tentative conclusion that the fault was largely human, not mechanical. That is the view also of Energy Secretary James R. Schlesinger, who has told Congress that he thinks the federal government has spent too much time analyzing the financial stability of utilities that it licenses to operate nuclear plants and too little time examining the competence of their engineers and plant operators.

Yet the accident cannot have resulted entirely from human error. The accounts of valves sticking open when they should have closed and of gauges that gave false readings made the plant seem more like a tramp steamer limping through a storm than a stainless steel and concrete monument to America's technical ingenuity.

It seems clear that laws governing nuclear operations must be changed to clarify the federal government's role in an emergency. The tug-of-war between the public utility in Pennsylvania and the nuclear specialists in Washington during the first few critical days of the accident must not be repeated if a similar breakdown occurs at another plant.

Perhaps the answer for the future lies in a kind of elite force of nuclear operators—trained to and paid at the same high levels that we demand for intercontinental airline captains. That is the system envisioned by Alvin Weinberg, a nuclear-power pioneer who thinks the country is too heavily committed to nuclear energy to turn back, but who thinks the system needs basic changes.

Whatever the ultimate answer, the commission's responsibility is an awesome one, made more difficult by the fact that Americans will never again accept assurances about nuclear safety without convincing evidence to back them up.●

NATIONAL RAISIN WEEK

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. COELHO. Mr. Speaker, at a time when energy is of prime concern to all of us, my colleague, the Honorable Charles "Chip" Pashayan, and I would like to call your attention to the abundant supply of energy contained in California raisins, which will be highlighted during the April 27–May 6 observance of National Raisin Week.

We are convinced that the more than 250,000 tons of raisins produced by the California raisin industry in a normal crop year, if converted to British thermal units of energy in the form of people power used in walking or riding bicycles to work, could go far toward alleviating the Nation's energy shortage.

On a more serious vein, we note that unprecedented rains last September destroyed nearly 60 percent of the raisin crop, leaving the industry with less than 110,000 tons to market, compared with an average of 250,000 to 280,000 tons of all varieties of raisins. All of the raisins produced in the United States and about one-third of the world's supply come from California.

The 1978 crop loss marked the second time in 3 years that adverse weather resulted in severe damage to the size of the harvest.

At first it appeared that the crop was almost a total loss. But the industry, utilizing new and improved processing methods, was able to save a large enough tonnage of raisins to supply most needs of both the consumer and industrial markets in the United States.

The California Raisin Advisory Board, which represents all California raisin growers and packers, now estimates that supplies of raisins should be sufficient to meet the needs of industrial and institutional users through the spring and early summer.

Mr. Speaker, we feel that the raisin industry should be congratulated for again dealing so effectively with these adverse conditions.

High commendation should go to the California Raisin Advisory Board for its activities in the fields of advertising, promotion, and research. Utilizing funds provided by participating producer and processor members, CALRAB carries on its program of aggressive advertising and promotion not only domestically, but in many countries throughout the world in cooperation with the U.S. Department of Agriculture's Foreign Agricultural Service.

We also wish to point to the important

work of the Raisin Bargaining Association, which has successfully brought raisin growers and packers together in a concerted effort to give them a better voice in marketing.

All other raisin growers and packers also deserve praise for their efforts on behalf of this major industry.

Also meriting special commendation is the work of the Federal Raisin Advisory Board and the Federal Raisin Administrative Committee, who operate under Federal marketing orders which have done so much to bring about the orderly marketing of our raisin crops and have also been instrumental in the development of export markets.

The raisin industry effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition.

Mr. Speaker, for these reasons, Mr. PASHAYAN and I believe the industry well deserves a special salute during National Raisin Week.●

THE 50TH ANNIVERSARY OF ST. GERALD'S SCHOOL IN OAK LAWN, ILL.

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. RUSSO. Mr. Speaker, this year marks the 50th anniversary of the founding of the St. Gerald's School in Oak Lawn, Ill. In honor of this achievement, I want to share with my colleagues a brief history of this fine school.

St. Gerald's School started for the first time in September 1929. Ironically, the first school building was also the first church. Before this church was built, masses were said in people's homes. The temporary church was called St. James of the Sag Mission Church. To accommodate the first through eighth grade students on Monday mornings, the Blessed Sacrament was removed from the altar and the children attended class using the kneelers for seats and the pews for desks. There were three teaching nuns and each nun had three grades. Sister Winifred Cleary was principal and the sisters were of the order of St. Francis, Clinton, Iowa. (The school also served as a high school from September 1932 to June 1933.)

At this time, Rev. Peter Geraghy was pastor (he resided at St. James of the Sag, Lemont, Ill.) and the church was known as St. Gerald's Mission Church. The land, at the time the church was built, was bought for $300 and was situated at 95th and Minnick, now called 53d Court.

When the second church was built—ground was broken August 11, 1929, and the first mass was December 8—St. Gerald's School occupied the second floor of the structure at 94th and 55th Court and had four classrooms, a music room and living quarters for the sisters who taught and organized the school. Father Loras Welsh was pastor.

It was this building which was not only a church and school from 1929 until 1957, but a lunchroom and assembly room as well. It was destroyed in April of 1967 when a tornado struck Oak Lawn at 5:20 p.m. on the 21st. Fortunately, no schoolchildren were present in the building and with God's mercy, when the rectory was hit at the same time, the Archbishop John Cardinal Cody and the other priests were not hurt. Pastor Monsignor McNichols had invited the archbishop to administer the sacrament of confirmation to 6th grade students of St. Gerald who were to arrive within the hour.

Because the school was being remodeled and added on to, the sisters were able to handle only four grades in the existing quarters; six rooms were not damaged. So, for the next year and a half while a new school was being built, five grades had to be bused out of district to Burbank Manor Presbyterian Church, 80th and Central, and to St. Nicholas Greek Orthodox School, 103d and Kolmar.

Prior to the tornado of 1967, the third church of St. Gerald's Parish was erected in 1957 at the corner of Southwest Highway and 53d Court. In 1963, with the school occupying one full block of land from 94th Street—today known as Monsignor McNichols Drive—to halfway down 53d Court where the new church now stands, 1,531 students were taught.

The enrollment of the school has grown from 132 students with three teaching sisters in 1929 to the present enrollment of 796 with six teaching sisters and 18 lay teachers. The principal is Sister Martinelle Bonnell and the pastor is Father William White.

I know my colleagues will want to join with me in extending congratulations to the St. Gerald's School and Parish on achieving this milestone.●

WELL-DESERVED AWARD TO PAUL GAPP

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. YATES. Mr. Speaker, it is with special pleasure that I announce that on Monday, April 16, 1979, the 1979 Pulitzer Prize for criticism was awarded to Paul Gapp, architecture critic of the Chicago Tribune, and a resident of the Ninth Congressional District of Illinois. Mr. Gapp was honored for "distinguished criticism" for columns written during 1978.

Chicago is the birthplace of a number of schools of architecture, and has an international reputation for its buildings' diversified structural designs. Its citizens have, accordingly, demanded a level of architectural criticism higher than that accorded elsewhere. As the Chicago Tribune's announcement put it:

> In Chicago, a building town, Gapp keeps a steady eye on everything that is going on and up, and is known for calling his critical shots as he sees them. His incisive, often caustic, often witty commentaries embrace the entire man-built environment, from parks and plazas to entire neighborhoods.

Gapp was born in Cleveland in 1928 and attended Ohio University. After working for newspapers in Ohio, he came to Chicago in 1956. There he was an urban affairs reporter for the Chicago Daily News, an account executive for a Chicago public relations firm, and coordinator for the urban journalism fellowship program at the University of Chicago. Gapp joined the Chicago Tribune in 1972, serving as assistant city editor for urban affairs and became architecture critic in 1974.●

THE NATIONAL VITILIGO CONTROL ACT OF 1979

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, recently I introduced H.R. 3494, the National Vitiligo Control Act of 1979, to authorize the appropriation of $2,000,000 for vitiligo information and education programs, and $5,000,000 for vitiligo projects, grants, and contracts so that public and nonprofit private entities may engage in research efforts in this area in fiscal years 1980 and 1981.

Vitiligo is a common skin disorder characterized by the destruction of pigment cells. For the approximately 2 million Americans who are victimized by this disease, life can be a daily confrontation of embarrassment, anxiety, and shame as a result of their serious cosmetic disfigurement. According to Dr. James J. Nordlund and other Yale University School of Medicine members, "we found that however innocuous its physical impact may be, vitiligo causes a marred appearance that has a considerable sociological and psychological effect on many of its victims. The psychological burden can, in effect, disable some patients."

Although vitiligo patients with light skin—in whom patches of depigmentation are not readily noticeable—are often upset by this condition, patients with dark skin may suffer serious psychological and social handicaps. In fact, the psychological and sociological impact of vitiligo on the darker skinned races can be devastating because of the degree of pigmentation generally present.

In addition to the emotional impact of a loss of color, there are numerous medical problems that can be associated with vitiligo. For example, in a high percentage of vitiligo patients, there are abnormalities in the pigment cells of the eye. It is possible that some patients with loss of vision due to inflammatory processes, such as uveitis or iritis, may have vitiligo in the pigment layers of their eyes.

While some noted theoretical, clinical, and laboratory efforts have been made since 1976, the undertaking of viable vitiligo research programs still suffers because of inadequate funding. The current budget nationally for dermatology is approximately 8 million dollars. Diversion of substantial sums, that is, $500,000 to $1,000,000 annually from dermatologic research to pigment cell research will severely undermine investigative dermatology. The National Institute of Health's National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD) or other institutes must provide $1,000,000 annually in addition to the current dermatology budget. Still further, the current trend in medical research, especially since federal spending will be more limited in the future, is to allocate the available monies to finding cures for diseases which are fatal or cause physical handicaps. This trend detracts from the needed emphasis in the area of dermatological research. In fact, in 1977-78, NIAMDD received an increase in their budget of $40,000,000. Not any of this money went to dermatology or pigment cell diseases research because Congress had earmarked it for the study of other disorders.

I am urging that my colleagues not turn their backs on the existence of a psychologically and sociologically damaging disease which adversely affects the lives of some 2 million Americans. Please join me in helping to secure adequate funding for vitiligo research by cosponsoring H.R. 3494, the "National Vitiligo Control Act of 1979." ●

LEGISLATION TO BENEFIT THE DEAF AND HEARING IMPAIRED

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Ms. MIKULSKI. Mr. Speaker, today I am introducing a bill which will benefit the 14 million deaf and hearing impaired people in our country. Early next year NBC, ABC, and the Public Broadcasting Service will be offering captioned programing for 10 to 15 hours each week. This is a very exciting prospect and a major step toward sharing television, an important communications medium for large segments of our population, with those people who suffer some form of deafness.

My legislation will extend a 100 percent tax refund to those deaf individuals who purchase a television adapter which will be necessary to make the captioning visible on the screen. The adapters, which will be on the market early next year, will be compatible with any television set and will cost approximately $250. The purpose of my bill is to make this breakthrough in programing accessible to as many people in this country as is possible. Most deaf people already own television sets. Can you imagine the frustration they must feel when they only see the figures on the screen, but are unable to know what they are trying to say to them?

I became especially aware of the problems of the deaf during a meeting I recently held in my district with the deaf and hearing impaired. It was a profoundly moving and enlightening experience. A professional sign language interpreter attended the meeting so the questions and answers were translated simultaneously.

Not surprisingly, the areas we touched on ranged from the price of gas to the very specific concerns those constituents had as deaf and hearing impaired citizens. There is much that we as legislators can do to improve the lives of the deaf and hearing impaired. We must not prevent the hearing impaired and the deaf from fully benefiting from this new captioning technology. The cost of the adapter may prove prohibitive to many. I hope that my colleagues will join me in removing this obstacle by supporting my legislation to make television accessible to all who suffer from hearing disorders.●

MONESSEN CITIZEN HONORED

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. BAILEY. Mr. Speaker, on April 28, 1979 a well-deserved tribute will be paid to an outstanding citizen of Monessen, Anthony Czelen, for his dedicated service for the enrichment of Americans of Polish decent.

A reception in his honor at the P & E Hall, Monessen, Pa., will be sponsored by the Americans of Polish Descent to publicly acknowledge his distinguished contributions to Polonia for many years.

As commissioner of the Western Pennsylvania Polish National Alliance, he has devoted a great deal of time and energy toward the organization; making sure that its operation is smooth and its members are involved and informed.

Born in Monessen on July 17, 1916, he resides with his wife, Mary, and four daughters at 1530 Boston Ave., Monessen. A life long resident of the community, he served as president of Council 60, Polish National Alliance from 1958-71, was elected as commissioner of the Polish National Alliance at the National Convention, Hartford, Conn., in 1959 and served in this capacity until 1965 when he was elected national vice censor.

His loyalty to the organization has been remarkable to each office that he has undertaken. Beginning as a field superviser in 1948, he has devoted countless hours in the past 31 years toward advancement of the PNA. During this time, Mr. Czelen also has been extremely dedicated to his profession. Serving as administrative assistant to the Honorable John Dent from 1963-70, he became the business manager for Alliance College in Cambridge. Pa., in 1970, and was supervisor for the Westmoreland County Printing Department from 1976-79 when he retired. Currently he is the proprietor of Mon Valley Graphic Arts.

It is entirely proper that Mr. Czelen be recognized not only for his tireless efforts and achievements within the Polish National Alliance but also for his dedicated service to the community.

On behalf of the good citizens of Pennsylvania's 21st Congressional District and the House of Representatives, it gives me a great deal of pleasure to salute Anthony Czelen, an outstanding contributor to the Polish National Alliance's enrichment and well-being.●

"CRAWDAD" CHAMBERS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I want to take this opportunity to share with my colleagues a story taken from the Paris Post-Intelligencer newspaper of Paris, Tenn. The story is about that town's "institution" Mr. Crawford Chambers, known to everyone in Paris as "Crawdad." Mr. Chambers is the 81-year-old operator of a popcorn stand in Paris and whose roots in the community date back to his grandfather who was the first baby born in Paris.

"Crawdad" is known to all, young and old, rich or poor, black or white. His popcorn stand has been around for 16 years dating back to when he retired. He has seen his hometown grow and has been an active part of that growth. I think the newspaper article can describe Crawdad much better than I and I would therefore like to submit it for printing in today's Record:

Paris Has Unusual Institution—Crawford "Crawdad" Chambers

(By Betty McIntyre)

Some towns have museums as institutions. Paris, according to a downtown merchant, has Crawford Chambers, better known as "Crawdad" as its institution.

Crawdad, who has been around for 81 years, is known by kids from two to 22 as the popcorn man in front of Sullivan's Drug Store.

"There may be a few people I don't know," he said, "but they probably haven't been in Paris long."

Crawdad's family has been an intricate part of the history of Paris. His grandfather, Dr. Joe H. Porter, was the first baby born in Paris, one year after the town was founded in 1823.

"Am I Irish? Sure I am. My mother was part Irish and my father was part Irish. Put them together and I can claim to be all Irish, right down to the red hair, before it turned white," he said.

"For 20 years I've gone to Irish Day in Erin to celebrate my heritage. Erin is the only incorporated town with the name in the United States and is as close to Ireland as I can get.

"When they started Irish Day it was on St. Patrick's Day but the weather was always bad so they moved it to April."

This year the Erin Irish Day parade will be at 10 a.m. Saturday, April 21, and the beauty pageant will be held later in the day.

"I used to really have fun in Erin," Crawdad said. "I'd dye my beard green, put on my green clothes and take my old goat, Billy, along with his whiskers dyed green. We'd get behind the Paris band and march in the parade. Old Billy has gone to goat heaven, and now I'm too old to march in the parade.

"Besides, I don't have a beard to dye now. Lauralee, My wife, kept after me to shave it off. One morning last year she came at me with a wet mop, so I tell everybody she mopped my whiskers off."

Green beard or not, Crawdad will be in Erin on Irish Day wearing his Kelly green coat.

This year Crawdad will again ride in the World's Biggest Fish Fry Grand parade, tossing out "Tom's goodies and balloons to the children of the children he has watched grow into adults just as he watched their parents years before. (See additional story.)

Crawdad calls himself a "foodologist" as he has been in some kind of food business since he started working behind the soda fountain in Kirk's Rexall Drug Store when he was 14.

"For 10 years I worked the fountain at Walgreen's and for 12 years at Sullivan's. I even spent two years in a drug store in St. Louis, but I never could learn that St. Louis talk so I came back to Paris.

"For six years I ran the Triangle Cafe on East Wood Street. I made so much money they turned it into a bank, only I don't know where all that money I made is."

In 1942 Chambers went to Hawaii for three years with the Navy Seabees.

"I was 44 years old, almost too old for service, but the Navy figured they needed a few good men to balance out all those young fellows."

Crawdad has a tongue-in-the-cheek humor but he also has his serious side.

He registers and introduces Rotary Club guests each week. A member of the Chamber of Commerce, he seldom misses a meeting. He is an honorary Jaycee, the attendance chairman of the men's Bible Class at First Baptist Church and an active member of the Senior Citizens.

"My biggest pleasure is going to the nursing home on square dance night. I take popcorn to everyone and they enjoy it with a pop. Some of those people haven't got a tooth in their head but they can sure gum that popcorn.

"No, we don't do much traveling. Sometimes we go down to Meridian, Miss., to see my daughter, Nancy, and her two children. Last year we went to Sacramento, Calif., to attend the 116 Seabee reunion. Wasn't but 44 of us there. We really shouldn't have gone."

After retiring 16 years ago, he started his popcorn business. Complete retirement was not for this man. Selling his hot buttered corn on weekends and special sale days has kept him in touch with people and his finger on the pulse of the city he loves.

He has seen Paris streets change from mud and dirt to gravel to oil and to pavement. He has seen dress styles come, go and return for a rerun. He has seen a town grow from a hamlet to a busy little city. He has loved every moment of it.

"Why," he asked, "should I want to go away from Paris when everything I want is right here?"

There was no answer for his question. After all, what would downtown Paris do without Crawdad Chambers? As the man said, "Crawdad is an institution in Paris."●

GENERAL GOODPASTER PROVIDES GOOD EXAMPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. SIMON. Mr. Speaker, it has just been brought to my attention that the Collinsville Herald of Collinsville, Ind., had an editorial on December 28 of last year in which West Point righted an old wrong.

Thanks to the good judgment of Gen. Andrew Goodpaster, a black player for New York University who 44 years ago was not permitted to play at West Point was invited back as a guest of honor at West Point.

When so much of the news these days is not pleasant, it is good to read an article like that which appeared in the Collinsville Herald.

We can all be proud of the action taken by General Goodpaster.

The editorial follows:

RIGHTING AN OLD WRONG

A reader of The Herald who pays close attention to newspapers and what they print as news says that an important news event of 1978 did not receive anything like the attention that is its due. He says he saw it in only one newspaper, the Bloomington-Normal (Ill.) Daily Pantagraph for Nov. 10. Even then it was called to his attention by Mr. and Mrs. John C. Brown, 327 East Park Avenue. A tearsheet from the Pantagraph's sports section has been relayed to The Herald.

What the noteworthy Associated Press article says is essentially this:

That 44 years ago "a lone black football player in uniform for New York University was chased off the field during warmups to a game at West Point." Consequently the young black did not play and his entire life was affected by the hard rejection based on the color of his skin.

That for the weekend of Saturday, Nov. 11 that long forgotten football player, now 65 years old, was invited back to the Military Academy "as a special guest for the Army's game against Boston College."

The racially rejected football player of 1934 was Tom Hilliard, then a former star quarterback for the Brockton (Mass.) High School. He is now a housing rehabilitation official for the city of New Bedford, a decorated Army veteran of World War II.

The invitation to be a weekend VIP at West Point came from Gen. Andrew Jackson Goodpaster, Superintendent of the Military Academy. Gen. Goodpaster invited Hilliard and his wife to the Academy as special luncheon guests, after which Hilliard would stand with the General during a review of the corps of cadets and then sit with him during the football game with Boston College.

Gen. Goodpaster had written to his special guest-to-be: "We cannot possibly make up fully for the treatment shown to you. Likewise we know that an apology now—nearly 45 years later—will not erase the unhappy memory."

New York University had three black football players in 1934. The coach, Mel Stevens, was advised not to take them to West Point to play there. A telegram to Stevens read: "Due to the fact that a large number of cadets are from the South, we suggest you don't bring colored boys to West Point. If you do we'll be forced to cancel the game."

Two of the black players did not go to West Point but Hilliard showed up. His plan was to warm up and then sit on the bench. But he was chased away, not even being allowed to sit with his teammates. Recalling it, Hilliard said:

"The incident took an edge off my life. I should have accomplished more. I still hesitate to go certain places as a result of the incident. If I could have played in that game I might have impressed some people. I might have gotten some financial help for an education. That is always in the back of my mind."

Some 25 years ago Hilliard's case was presented to the Academy by the late Congressman Adam Clayton Powell. No reply. Last September he wrote himself. Within a week he had an answer and invitation from Gen. Goodpaster.

If this is not news we do not know what news is. It has a special aspect in Collinsville and Madison County. Gen. Goodpaster was born in Granite City, Feb. 12, 1915, the son of the late Andrew J. Goodpaster, and his wife, the former Theresa Mrovka. The senior Goodpasters lived for many years on Kenwood Lane. Theresa Goodpaster is now a resident of the Memorial Rest Home, Belleville. Gen. Goodpaster attended McKendree College which will honor him as a distinguished alumnus at a dinner on March 3. After attending the Military Academy he studied at Princeton University where he received advanced degrees, including the Ph.D. Mrs. Frances Mrovka Brown is an aunt.

Cheers for Gen. Goodpaster. He has done what he could to right an old and ugly wrong. And what he has done is a lot. For it is an example for countless others in similar positions to check back over the racial slurs and blots caused by their schools, their colleges, their organizations, their clubs, their societies years ago. And cheers, too, for Tom Hilliard for persisting, for not giving up.

The Herald's reader is right. This news out of West Point did not get even a small part of the attention due it. We hope this editorial will call it to the notice of many who missed it as completely as we did. Far better late than not at all.●

CAVANAUGH STIRS HOLOCAUST DINNER

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. YATES. Mr. Speaker, the eloquent speech of my good friend, Congressman JOHN CAVANAUGH of Nebraska, was received with great acclaim by his audience in Omaha recently when he spoke on the Holocaust. I am pleased to attach a review which appeared in the Jewish Press in Omaha, Nebr., on April 13, as follows:

CAVANAUGH STIRS HOLOCAUST DINNER

Rep. John Cavanaugh jolted more than 600 persons attending the Society of Survivors recognition dinner last Saturday night with a straight from the shoulder blast at our government's ineptitude in dealing with the Holocaust.

Hundred leaped to their feet offering a spontaneous standing ovation when the Congressman completed his chronological review of world deficiencies that gave rise to the Holocaust.

Rep. Cavanaugh delivered his remarks upon receiving a plaque destined for President Jimmy Carter. The plaque thanks the United States for making it possible for so many victims to enjoy a life of freedom.

After accepting the plaque, Cong. Cavanaugh said he would be remiss if he did not delve deeper into the history of our participation.

"I have reviewed some of that history and I find that it isn't all history of brave and honorable people. Indeed, the extermination of all those millions did not occur with each of the individuals in existence shouldering his responsibilities."

He added, "We didn't as a nation shoulder ours."

Cong. Cavanaugh described how the boat, St. Louis, left Hamburg, Germany on May 13, 1939, with 936 German Jews aboard.

"The boat sailed the cold Atlantic for more than six months to find a port that would accept them, and they couldn't find a port in Cuba, and they couldn't find a port in the United States.

"Then Secretary of State Cordell Hull said that it would be illegal to accept them in that they didn't have visas.

"They returned to Germany and they experienced the Holocaust."

Cong. Cavanaugh said that it wasn't until Dec. 17, 1942 that the United States Government first expressed any disapproval of the "final solution."

He asserted that in 1939, the world population did not accept the obligation and responsibility of each individual and so in 1979 it is essential for us to remind ourselves of that deficiency if we are to avoid repetition.

"And in the case of Jews there is a special niche in history because their fate to a certain extent was dictated by the peculiarity of history, by the fact that in 1939 no state existed for the people of Israel.

"There was no sovereign nation to harken to the rest of the world that the Jews were in peril and that their survival was in jeopardy.

"So, the ship, St. Louis, sailed and did not find a port, did not find any nation on the face of the earth to demand the port be open."

"It's our obligation as Americans to insure that the circumstance is never repeated."

In his address, Dr. Loyal Gould, head of the Baylor University Journalism department, also warned of the ineptitude of the United States Department of State.

As a result, he said, nations, terrorists, and cartels compete with each other to use the United States as a "doormat".

Steve Rosenblatt, president, City Council, and acting mayor of Omaha, and Sam Jensen, who acted in behalf of Gov. Charles Thone, presented proclamations to Sam Fried, president of the Society of Survivors.

William E. Ramsey, director of development at Boys Town, served as master of ceremonies, and the Rev. Norbert Johnson, spoke in behalf of the liberators.●

ENVIRONMENTAL POLLUTION: THE MODERN EPIDEMIC

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. BROWN of California. Mr. Speaker, this week is the ninth anniversary of the first Earth Day, in the last year of the "Decade of the Environment" declared by President Nixon on January 1, 1970. It is an appropriate time for us to evaluate where we have been, and where we are going with environmental laws.

One danger which has become more clear in the past few years is the insidious health hazard of environmental pollution, which has become the modern day substitute for epidemics of infectious diseases. This point was recently made by Dr. Howard H. Hiatt, who is dean of the Harvard School of Public Health and professor of medicine at the Harvard Medical School. I commend the following guest editorial on this subject to my colleagues:

[From the Washington Star, Apr. 17, 1979]

NEW EPIDEMICS, NEW APPROACHES

(By Howard H. Hiatt)

In a ten-day period in 1854 an epidemic of cholera resulted in over 500 deaths in the Golden Square area of London. Although the cause of the disease was then unknown, an English physician, John Snow, suspected from the patterns of previous attacks that it was transmitted by sewage-contaminated water. At that time, each London district had its own water supply, and the distribution of cases led Snow to suspect a pump on Broad Street as the source of contaminated water. When the pump handle was removed, the epidemic ended—a triumph of public health practice.

Today's public health problems are different. Yet the word "epidemic," originally used for infectious diseases, is the word that best describes the prevalance of coronary artery disease, suicides and homicides, occupational diseases, alcoholism and lung cancer.

Treatment programs directed at victims of most of today's epidemic diseases are costly and of limited success. For example, removing a cancerous lung, which costs $8,000–$10,000, has a 6 or 7 percent cure rate. The total direct health care cost of the consequences of smoking is estimated to exceed $8.2 billion. Preventive measures are clearly indicated.

Modern epidemics are far more complex in origin than is cholera, however, and will be much more difficult to control. Even when a "Broad Street pump" has been identified, as when cigarette smoking was shown to account for 80 percent of lung cancer, we have not succeeded in shutting down the pump. Witness the reports that in 1974, 5 percent of girls aged 12–14 and 26 percent of those 17–18 smoked, as compared with less than 1 percent and 18 percent respectively, six years earlier. Behavioral scientists are now seeking ways of encouraging young people not to smoke, and some early results are promising. But solving so complex a problem demands efforts on a variety of fronts. For example, pharmacologists and psychologists are studying the addictive properties of tobacco. Chemists are attempting to identify the carcinogens which might then be removed from tobacco. Economists, political scientists, lawyers and others must consider ways to provide alternatives for an industry that employs 1.3 million people, returns $2.3 billion annually to tobacco farmers, and generates $17 billion in sales and $6.2 billion in tax revenue each year.

Traditional public health approaches have been indispensable in identifying the causes of many of today's health problems, such as the discovery of the smoking-lung cancer link. But the very success of such approaches permits us now to recognize the complexity of the underlying problems and the diversity of expertise required to deal with them.

Control of tomorrow's epidemics requires that we expand our notions of the boundaries of today's public health practice. Chemists and biologists must develop more rapid and less expensive tests for recognizing potentially harmful substances. Physicians, policy analysts, economists, lawyers. sociologists, statisticians, political scientists, ethicists and others must learn to use scientific data to develop national public policy. Physicians, engineers, management experts, and representatives of the public must be involved in control programs. Epidemiologists must continue to seek to understand disease patterns, and physicians to recognize and deal with those diseases when they occur. Public health professionals must include people who are knowledgeable not only in health but in policy and management fields. When physicians continue to play a central role, the circle of disciplines that are contributing to public health improvement is ever widening. Since our personal life style—eating habits, smoking, use of alcohol and drugs, exercise, driving practices—is perhaps the most important determinant of health, that circle is incomplete until it includes us all.●

COLUMN SUGGESTS CIA RESTRAINTS NEEDED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. SIMON. Mr. Speaker, Clayton Fritchey writes a reflective column that brings the perspective of some years and wisdom to the journalistic scene.

His recent column on the CIA and its operations is one that I hope all Members of the House and Senate will have a chance to read. Since it appeared during our district work period over the Easter Holiday, I am taking the liberty of inserting it in the RECORD.

It indicates clearly that some explicit restraints need to be established for the CIA.

[From the Washington Post, Apr. 14, 1979]

THE CIA'S WAY WITH PRESIDENTS

(By Clayton Fritchey)

The impasse between the White House and Congress over a new charter for the CIA could well be effected by the surprising revelations of Kermit Roosevelt, a former top CIA official, who achieved fame by personally directing the covert operation that overthrew the Iranian government in 1953.

Although Roosevelt—who is Teddy Roosevelt's grandson—resigned from the CIA years ago, he has remained an intimate friend of the recently deposed shah, Mohammed Reza Pahlavi, who regained the Persian throne as a result of the CIA-engineered 'revolt" against the constitutional government headed by Prime Minister Mohammed Mossadegh.

With the approval of the shah, Roosevelt decided to tell for the first time the inside story of the controversial coup. It will not appear in a book until next fall, but meanwhile, some of its highlights have been made public by the Los Angeles Times in an exclusive interview with Roosevelt.

The Roosevelt account appears to be detached and objective. It ought to be useful to both the administration and congressional teams that have been trying for so long to draft new guidelines to prevent the abuses that brought the CIA into disrepute.

The chief unresolved question is whether, as many congressmen believe, the proposed CIA charter should specifically forbid such activities as the assassination of foreign leaders and the overthrow of democratic governments. The opposing view, held by the Carter administration and the intelligence agencies, is that, in effect, final discretion should be left to the president.

The chief executive would be expected to consult with the House and Senate Intelligence committees, but in 30 years there is no record of a congressional watchdog group ever preventing the CIA from doing anything it wanted to do. So, for all practical purposes, it comes down to this: Should the proposed charter include a definite set of thou shall nots" or just leave it all to the president?

The danger of the latter course is vividly demonstrated by Roosevelt's firsthand account of the Iranian coup, for it shows how a determined, resourceful CIA can, on the one hand, circumvent the man in the White House and, on the other hand, lure him into doing reckless things furtively that he would not dare do openly.

The Iranian coup was suggested to the CIA by the British, who felt their interests were jeopardized by Mossadegh's nationalization of oil, a step the shah himself took some years later. Plans for ousting Mossadegh were secretly developed by the CIA in the closing months of the Truman administration, but the agency deliberately kept President Truman and Secretary of State Dean Acheson in the dark because they were deemed sympathetic to the Iranian prime minister.

As it turned out, a State Department intelligence report in January 1953 (only recently declassified) indicated that Mossadegh's nationalization of oil had "almost universal Iranian support." It also pictured Mossadegh as strongly anti-communist and noted that the communist Tudeh Party was at odds with the prime minister and gave his overthrow "a high priority."

Nevertheless, when Dwight Eisenhower became president in 1953, the CIA scheme (dubbed "Project Ajax") was sold to him on the grounds that Mossadegh was a communist and a potential Soviet puppet. The selling was chiefly done by the new CIA director, Allen Dulles, and his brother, John Foster Dulles, the new secretary of state.

Roosevelt says Foster Dulles was so enthralled by the easy success of the Iranian operation—it only cost $75,000 to rent the rioters—that he wanted to repeat it in the Congo, Guatemala, Indonesia and Egypt, where he was eager to overthrow President Nasser. Roosevelt said he tried, to no avail, to convince Foster Dulles that "you just can't go around the world doing this kind of thing." Project Ajax, he felt, was a special situation.

Roosevelt finally resigned after being pressured for four years to knock over other governments, but his leaving didn't change things. In Eisenhower's last year in office, the CIA secretly started planning the Bay of Pigs invasion of Cuba that turned into a fiasco. After Iran and the sorry results of the CIA Guatemala intervention, Ike was in no hurry to act, so he passed the Cuba buck to his successor, John F. Kennedy.

To Kennedy's everlasting chagrin, he let Allen Dulles and his CIA plotters persuade him to run with it. Also, in the Johnson, Nixon and Ford years, the CIA was directing covert operations all over the globe: Laos, Cambodia, Thailand, Vietnam, Chile and Angola, to name a few. The record is clear: Presidents are patsies for the CIA, and at times, frankly, vice versa—something for Congress to keep in mind when, and if, it finally drafts a new CIA charter.●

CONCURRENT RESOLUTION ON THE SOUTH PACIFIC

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. BREAUX. Mr. Speaker, today, I am introducing, with Mr. MURPHY and Mr. FORSYTHE, a concurrent resolution to encourage the conclusion of a convention for the establishment of a South Pacific Regional Fisheries Organization to which the United States would become a party.

The United States has the opportunity to avoid in the South Pacific tuna fishery the kinds of harassment and seizures of fishing vessels that have taken place for many years in the tuna fisheries off the west coast of South America. That opportunity also allows the United States to halt a further erosion of its general political, strategic and economic position in the vital South Pacific region.

For about 2 years, the United States and South Pacific countries have attempted to reach agreement on the establishment of a South Pacific Regional Fishery Organization (SPRFO). The discussions have focused on coastal nation control over highly migratory species and access by fishing countries to foreign fishery zones for tuna. The South Pacific nations claim jurisdiction over tuna within the 200-mile zones. The United States does not recognize those claims, which are in reality, reflections of the political and economic aspirations of the young and emerging developing nations of the region.

Although the U.S. position is based on the belief that, because tuna are highly highly migratory species, they should be managed by international agreement and not by unilateral action, the South Pacific nations have regarded the U.S. view as a refusal to recognize that the countries of the region are the masters of their own destinies. It can be argued, and it is my strong belief, that this reaction by the South Pacific countries has demonstrated a fundamental lack of confidence in the United States as a good friend and a defender of their political and economic independence. In my opinion, the United States has failed so far to provide the kind of high level, politically sympathetic attention that the South Pacific merits. Relations have deteriorated accordingly.

South Pacific countries view tuna as being the single living marine resource of real economic value in their region and they are convinced that they must maintain clear control over exploitation of that resource in their fishery zones. It is, therefore, easy to understand their apprehension concerning the U.S. legal position on tuna and our political and economic ability to make our views felt. It is important to recognize that, while embargo provisions in our legislation directed at discouraging foreign seizures of our tuna boats have historically been implemented with some restraint, those measures are viewed by the countries of the South Pacific as implicit threats. In my opinion, the United States has failed to make clear to the countries of the South Pacific the importance we attach to friendly relations with the region on the basis of sovereign equality and mutual respect, and the desire to avoid conflict with the region over tuna.

The South Pacific region is of obvious strategic and political interest and provides important economic opportunities, not only for the U.S. tuna fleets which will find it increasingly difficult to operate off the coast of South America, but also to other economic interests of this country. The Soviet Union and China are becoming increasingly active in the politics and economy of the South Pacific, seeking to challenge what has, heretofore, been an area in which the United States could operate without fear of great power competition. The Soviets, in particular, are actively pursuing the establishment of good relations with the countries of the South Pacific through fisheries arrangements. The Chinese are engaged in high-level diplomatic efforts to influence the foreign policies of the South Pacific nations.

I do not suggest that the United States should suddenly abandon its juridical position with respect to tuna. The position is scientifically sound, even if it is unpopular internationally. Moreover, our tuna fishermen regard that position, with its domestic legal protection, as vital to their security.

There is much that the United States can provide to the region through fishery research assistance and financial aid for the development of fishery surveillance and enforcement. This aid, coupled with high-level U.S. political efforts and increased flexibility in the renegotiation of SPRFO and with a clear communication of the intent of Congress that international agreements on tuna, and not unilateral claims and counterclaims, are the much favored approach, can enhance the confidence of the small countries in their ability to protect their interests. In the long run, this will greatly benefit the United States and all the countries of the South Pacific. I believe that the concurrent resolution which I am introducing today will assist in an effort which is long overdue and I urge its adoption at the earliest possible time.

I am encouraged by the fact that the State Department plans to send a senior delegation to the South Pacific this week. That is a strong move in the right direction. This concurrent resolution represents an endorsement of that action and an encouragement of future similar efforts to improve U.S. relations with the region.●

EFFORT TO INCREASE ALTERNATIVES FOR SENIOR CITIZENS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mrs. FENWICK. Mr. Speaker, over 1 million elderly Americans—5 percent of those who are over 65—live in nursing homes, and many of them will spend the rest of their lives there, isolated from friends and from family members. Although many of these people need the nursing care which can be provided only by an institution, a 1977 Congressional Budget Office study has estimated that 20 to 40 percent of them could be cared for at less intensive levels if funds and adequate community-based facilities were available to them. On January 18, 1979, I introduced a bill, H.R. 1013, which would provide alternatives to institutionalization for these people.

Existing health insurance programs for the aged have a strong institutional bias. Under present medicare law, payments are not permitted for home health care unless the individual has been hospitalized for 3 days, is deemed eligible for skilled nursing care, or for physical or speech therapy, and is considered "homebound." Medicaid supports the vast bulk of federally subsidized long-term care, yet only a tiny percentage of these funds is used to pay for home health care. With funds available to those who are in institutions, but not to those who might be able to stay home, the incentives all point toward institutionalization, even when this is neither the desired nor the appropriate level of care for the senior citizens.

If some of the money currently used for institutional care could be made available to those individuals or to their families, many could avoid institutionalization altogether. The Government would be encouraging family unity, rather than discouraging it. Also, several studies have demonstrated that home health care is considerably less expensive than care in a hospital or skilled nursing facility. In other words, maintaining many elderly people at home instead of sending them to institutions could be accomplished at considerable savings to the taxpayer.

Secretary of Health, Education, and Welfare Joseph A. Califano, Jr., has stated that he is "committed to finding workable alternatives to institutionalization." My bill would provide the groundwork for many such alternatives, by authorizing demonstration projects wherein those people eligible for medicare or medicaid nursing home care would be paid a tax-free stipend which they could use to finance alternative forms of care. The stipend, which would be equal to 50 percent of the average nursing home benefits to which they were entitled, would enable these senior citizens to arrange for a home care situation, either with their own or with foster families, with friends or in cooperative arrangements with others, pooling resources. Since eligibility would be based on already established medicaid and medicare guidelines, there would be no danger of abuse or overuse.

For example, an elderly grandmother in my home State of New Jersey, where more than half of the nursing home population is dependent on Federal assistance, might be maintained in a nursing home with public funds at a cost of $1,000 per month. With a tax-free stipend of $500—half the cost—she might well be able to stay at home with her family and contribute to the household income. Then her daughter, who perhaps was planning to go to work to help with the grandson's college expenses, would be able to stay at home. Or she might use the stipend to pay for part-time health or nursing care. Any such living arrangement would be reviewed periodically by a registered nurse or other competent official who could determine whether the money was being used to the individual's satisfaction—whether the elderly individual was happy with the situation. A 1977 study by the Urban Health Institute of East Orange has estimated that as many as 35 percent of those senior citizens currently institutionalized in the State of New Jersey might be able to benefit from such an arrangement.

I have introduced the bill with the expectation that while saving a considerable amount of money, it can provide independence and dignity for a great many elderly persons in this country. Separation from one's family or from one's community ought not to be required or encouraged by Government regulations and incentives. Institutionalization ought, rather, to be the option of last resort. For the record, a complete text of the bill follows:

H.R. 1013

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") may provide, through demonstration projects payments to individuals who are receiving, or are eligible to receive, benefits with respect to post-hospital extended care services under title XVIII of the Social Security Act or intermediate care facility services or skilled nursing facility services under title XIX of such Act, who do not require 24-hour nursing care or supervision, and who desire to establish a noninstitutional living arrangement which will meet their medical and other needs.

(b) The amount of any payment made to any individual under this Act shall be an amount determined by multiplying—

(1) the number of days in the period for whiich the payment is made, by

(2) 50 percent of the average daily benefit paid for the services described in subsection (a), in the State in which such individual resides, on behalf of an individual under titles XVIII and XIX of the Social Security Act.

(c) Any payment received by an individual under this Act shall be used for the purpose of financing an appropriate noninstitutional living arrangement which meets the medical and other needs of the individual. The Secretary shall provide that such living arrangement will be reviewed periodically by a registered nurse or other appropriate health official for the purpose of determining whether the individual is satisfied with the care as a result of such arrangement.

(d) Any payment made under this Act shall be made on such terms and conditions, in advance or by reimbursement, in such installments, and for such length of time as the Secretary determines will best meet medical and other needs of the individual receiving the payments.

(e) Such payments shall not be includable in gross income under the Internal Revenue Code of 1954.

(f) (1) The Secretary shall design demonstration projects established under this Act for the purpose of determining—

(A) the economic, medical, psychological, and sociological feasibility of transferring inpatients of skilled nursing and intermediate care facilities to noninstitutional living arrangements;

(B) the types and percentage of such inpatients who could live effectively in a noninstitutional living arrangement; and

(C) the types and percentages of such inpatients who would benefit economically and qualitatively from transferring to a noninstitutional living arrangement.

(2) The Secretary shall, within 2 years after the date of the enactment of this Act, transmit a report to each House of the Congress concerning the findings and conclusions which have been made with respect to the matters described in paragraph (1). In addition, such report shall contain recommendations, if any, by the Secretary for legislative action with respect to such matters.

(g) Funds made available under this Act shall be made in appropriate part, as determined by the Secretary, from the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) and from funds appropriated to carry out title XIX of the Social Security Act.●

A CONCERN OVER THE CONTINUATION OF THE ARMS RACE AMONG MAJOR NATIONS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 23, 1979

● Mr. YATES. Mr. Speaker, my good friend, Frederick R. Trost, pastor of St. Pauls United Church of Christ in my district in Chicago, is a very wise, learned, and perceptive man. He and I have long been concerned with the arms race that is still spiraling among the major nations of the world and he has sent me, from time to time, letters indicating the profound concerns of himself and the board of deacons of St. Pauls Church. Certainly, their thoughts deserve consideration by Congress and I am pleased to make Pastor Trost's letter and the resolution of the board of deacons of St. Pauls Church, passed on March 18, 1979, a part of my comments:

APRIL 5, 1979.

Hon. SIDNEY R. YATES
Chicago, Ill.

DEAR SIDNEY: I thank you for your most recent note in response to my letter to you, and for the call which was placed to my study from your staff.

Enclosed, is a resolution which has been passed unanimously by the Board of Deacons of St. Pauls Church, expressing concern over the continuation of the arms race, and urging that the United States Government and our elected representatives consider alternatives. As you know so well, it is not as if we are "unarmed" or unable to respond with tremendous force, or to defend our borders or our interests abroad. It is simply that somewhere the insanity of more and more weapons must cease, and from some we look for the courage to act. We ask you to represent our concern as more of the nation's resources are spent in the military budget, as inflation increases, and important social programs are threatened. As Christians, as citizens, as people who live in urban America, and knowing that we are more than adequately armed, we call for a halt and ask for your leadership.

With sincere greetings for the Passover Season, and the hope that you continue in the best of health, I am

Sincerely yours,
FREDERICK R. TROST,
Pastor.

RESOLUTION PASSED BY THE BOARD OF DEACONS OF ST. PAUL'S CHURCH, MARCH 16, 1979

"As the people of God we affirm

That God has called us to a ministry of reconciliation in Christ, "for he is our peace who has made us one" Eph. 2 . . .

That God calls us to be "servants in the service of others" and "to proclaim the Gospel to all the world and resist the powers of evil" . . .

That "God bestows upon us the Holy Spirit, creating and renewing the Church of Jesus

Christ", and "promises to all who trust", "courage in the struggle for justice and peace: and "the presence of the Holy Spirit in trial and rejoicing."

And we recognize

The threat to the whole human family in the spreading danger of nuclear war and total holocaust;

That our government uses our taxes to stockpile nuclear weapons with a minimum fire power of over 500,000 Hiroshima bombs, and has deployed them ready to strike almost anywhere on the globe . . .

That billions are being spent for this "overkill" ostensibly for defense, while the desperate needs of millions of people for food, housing, health services, and education go undefended and under-funded; that to be able to kill and be killed twenty times over in the name of defense is a grim insanity and an evil waste of funds . . .

That there can be no real security and no sure defense in the event of a nuclear strike and, with inevitable retaliation, that millions of innocent men, women and children will perish . . .

That it is still possible for our government to take the lead in turning the nations toward peace—

By placing efforts toward Disarmament as priorities in funding, in political strategy at home and abroad, and in the education of our people

By taking the first unilateral steps toward Disarmament and challenging other nations to do the same

By prohibiting the sale of nuclear arms to any nation

By funding nationwide efforts at conversion from wartime to peacetime economy, thereby decreasing both inflation and unemployment, and increasing jobs that serve human welfare

By spending as much on non-nuclear energy development—solar, wind and ocean power—as is now going into power plants whose waste will contaminate our good earth for centuries to come

And therefore resolve to call upon the Christian community to work as if all life depends on countering the apathy, fears, and silence that still pervade our nation and our churches on this issue—

By publicizing this resolution in church publications and the general news media . . .

By urgently requesting our officers and councils in the Association, Conference, and Synod to speak out widely, clearly and informatively on this issue . . .

By asking Impact to inform people of our churches on the relevant legislation and on the positions taken by our elected representatives in Congress . . .

By dedicating ourselves to study and action in our churches and church related organizations." ●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 24, through Saturday, April 28, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 25

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S–126, Capitol

9:00 a.m.

Armed Services
Military Construction and Stockpiles Subcommittee
Business meeting, to mark up S. 290 and H.R. 2154, proposed Strategic and Critical Materials Stock Piling Revision Act; to be followed by hearings on S. 856, proposed fiscal year 1980 authorization request for military construction programs.
Room to be announced

9:30 a.m.

Appropriations
Agriculture Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Agriculture.
1318 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 441, proposed Pipeline Safety Act.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95–504.
235 Russell Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on S. 914, proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
1224 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Foreign Relations
To receive testimony, in closed session, on the Middle East peace proposal.
S–116, Capitol

Governmental Affairs
To hold hearings on S. 377, to establish a Department of International Trade and Investment in the executive branch of the Government.
3302 Dirksen Building

Labor and Human Resources
Employment, Poverty and Migratory Labor Subcommittee
To hold oversight hearings on the activities of the Legal Services Corporation.
4232 Dirksen Building

Joint Economic
Energy Subcommittee
To hold hearings on direct and indirect economic impacts to decontrol domestic oil.
2228 Dirksen Building

2:00 p.m.

Energy and Natural Resources
To hold hearings on S. 688, proposed authorizations for fiscal year 1980 for the Department of Energy.
3110 Dirksen Building

Judiciary
To hold hearings on the nominations of Joyce Hens Green, of Virginia, to be U.S. District Judge for the District of Columbia; Paul G. Hatfield, to be U.S. District Judge for the District of Montana; William Ray Overton, to be U.S. District Judge for the Eastern District of Arkansas; and Donald James Porter, to be U.S. District Judge for the District of South Dakota.
2228 Dirksen Building

2:30 p.m.

Foreign Relations
To begin markup of proposed legislation authorizing funds for military and economic assistance for Israel and the Arab Republic of Egypt.
4221 Dirksen Building

APRIL 26

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S–126, Capitol

9:00 a.m.

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To continue hearings on S. 600, to preserve the diversity and independence of American business.
457 Russell Building

9:30 a.m.

Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Agriculture.
S–128, Capitol

Commerce, Science, and Transportation
To continue hearings on S. 411, proposed Pipeline Safety Act.
1202 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on S. 717, authorizing funds through fiscal year 1981 for programs administered by the Federal Insecticide, Fungicide, and Rodenticide Act.
324 Russell Office Building

Appropriations
Foreign Operations Subcommittee
To receive testimony from Secretary of State Vance on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
5110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To markup S. 480, proposed authorizations for fiscal year 1980 and 1981 for programs administered under the Water Resources Planning Act, and S. 833, to implement State water management and conservation technical assistance programs.
4200 Dirksen Building

Foreign Relations
To begin markup of S. 586, authorizing funds for fiscal year 1980–81 for the Department of State, International Communications Agency, and Board for International Broadcasting, and on supplemental funds for fiscal year 1979 for the Department of State.
4221 Dirksen Building

Governmental Affairs Census
To hearings on S. 755, proposed Regulation Reform Act.
3302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
4232 Dirksen Building

Select on Small Business
Economic Development, Marketing, and the Family Farmer Subcommittee
To hold hearings on S. 918, to provide management and technical assistance for small businesses through State-administered programs.
424 Russell Building

Joint Economic
To receive testimony on inflationary trends, and to monitor the cost of living.
Room to be announced.

1:30 p.m.

Governmental Affairs
To hold a closed briefing, followed by open hearings, on multilateral trade agreements.
3302 Dirksen Office Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

APRIL 27

9:30 a.m.

* Banking, Housing, and Urban Affairs
Economic Stabilizataion Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the Civil Aeronautics Board's plan to implement the Airline Deregulation Act (P.L. 95–504).
235 Russell Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on the safety procedures taken by the Nuclear Regulatory Commission in relation to the recent nuclear reactor accident in Harrisburg, Pennsylvania.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 103 proposed Save Our Schools Act, and S. 449, proposed Charitable Organizations Preservation Act.
2221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 252, proposed Anti-Arson Act.
6202 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

* Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 61, proposed Communications Act Amendments, and S. 622 proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Parks, Recreation and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Foreign Relations
To receive testimony on supplemental economic and military assistance request for Turkey.
4221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation on biomedical research programs.
4332 Dirksen Building

APRIL 30

9:30 a.m.

Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold oversight hearings to evaluate the progress in the past decade of eliminating hunger in America.
322 Russell Building

Finance
Energy and Foundations Subcommittee
To hold oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on proposed amendments to the Rehabilitation Act (P.L. 93–516).
4232 Dirksen Building

Select on Ethics
To hold hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To hold hearings on the following nominations, Mary P. Bass, of New York, to be Inspector General, Department of Commerce; Frank Saburo Sato, of Virginia, to be Inspector General, Department of Transportation; and Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.
224 Russell Building

* Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To hold hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
6226 Dirksen Building

MAY 1

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

9:30 a.m.
Judiciary
To markup S. 390, proposed Antitrust Procedural Improvements Act.
2228 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 836, establishing telecommunications facilities for broadband services in small towns and rural areas.
322 Russell Office Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume consideration in closed session of issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Labor and Human Resources
Child and Human Development Subcommittee
To receive testimony from children on issues Congress should consider affecting youth in the coming decades.
4232 Dirksen Building

11:00 a.m.
Select on Small Business
To resume mark up of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Office Building

2:00 p.m.
* Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 490, proposed Archaeological Resources Protection Act.
3110 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 301 and S. 745, bills to amend housing and community development laws relating to labor standards.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for programs administered by the Federal Trade Commission.
6226 Dirksen Building

Judiciary
Constitution, Subcommittee
To resume oversight hearings on the title I provisions under the Speedy Trial Act of 1974.
2228 Dirksen Building

Select on Small Business
To continue markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on the nominations of Harold Duane Vietor, to be U.S. District Judge for the Southern District of Iowa; Norman W. Black, to be U.S. District Judge for the Southern District of Texas; George E. Cire, to be U.S. District Judge for the Southern District of Texas; James DeAnda, to be U.S. District Judge for the Southern District of Texas; George P. Kazen, to be U.S. District Judge for the Southern District of Texas; and Gabrielle A. Kirk McDonald, to be U.S. District Judge for the Southern District of Texas.
2228 Dirksen Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To make up proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.
4200 Dirksen Building

Labor and Human Resources
Business meeting to mark up S. 209, to regulate Federal laws relating to private sector pension and welfare programs.
4232 Dirksen Building

*Veterans' Affairs
To mark up S. 330 to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
S–126, Capitol

Select on Small Business
To continue mark up of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee tee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury.
5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of standby percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

MAY 4

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the testing provisions of the Toxic Substances Control Act of 1976.
235 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 252, proposed Anti-Arson Act.
6202 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the applicability and enforcement of sandstone and gravel mining operations under the Federal Mine Safety and Health Program.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearing on proposed legislation authorizing funds for fiscal year 1980 for all existing rural housing programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 7

9:30 a.m.
Finance
Energy and Foundations Subcommittee
To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to markup proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury and proposed authorizations through fiscal year 1984 for programs under the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of homecare services for older Americans.
1318 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
6226 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Judiciary
To resume markup of S. 300, proposed Antitrust Enforcement Act.
2228 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Select on Small Business
To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
Room to be announced

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

* Commerce, Science and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue markup of S. 50, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
5110 Dirksen Building

11:00 a.m.
* Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 10

9:30 a.m.
Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed authorizations for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.
5302 Dirksen Building

Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

Finance

To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building

2:00 p.m.

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

6226 Dirksen Building

MAY 11

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up pending calendar business.

5302 Dirksen Building

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

MAY 14

9:30 a.m.

Select on Small Business

To resume hearings on the effect of Government regulations on the production and utilization of coal.

6226 Dirksen Building

MAY 15

9:30 a.m.

Select on Small Business

To continue hearings on the effect of Government regulations on the production and utilization of coal.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.

5302 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 685, proposed Nuclear Waste Policy Act.

3110 Dirksen Building

Governmental Affairs

To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.

5302 Dirksen Building

MAY 16

10:00 a.m.

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

MAY 17

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

MAY 21

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation of the Milwaukee railroad system.

235 Russell Building

2:30 p.m.

Finance

Health Subcommittee

To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.

2221 Dirksen Building

MAY 22

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To resume hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

Select on Small Business

To hold hearings on the availability of investment capital to small businesses.

424 Russell Building

MAY 23

8:00 a.m.

Veterans' Affairs

To hold oversight hearings on employment programs administered by the Department of Labor.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the activities of the banking system.

5302 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To continue hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

MAY 24

10:00 a.m.

Banking, Housing, and Urban Affairs

To told hearings on S. 35, to amend the Credit Control Act.

5302 Dirksen Building

MAY 25

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 35, to amend the Credit Control Act.

5302 Dirksen Building

JUNE 6

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 870, proposed GI Bill Amendments Act.

412 Russell Building

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To resume hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

JUNE 7

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To continue hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

JUNE 12

9:30 a.m.

Veterans' Affairs

To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.

412 Russell Building

JUNE 10

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1978.

3110 Dirksen Building

JUNE 21

10:00 a.m.

Energy and Natural Resources

To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1978.

3110 Dirksen Building

JUNE 30

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

412 Russell Building

JULY 12

9:30 a.m.

Veterans' Affairs

To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.

412 Russell Building

CANCELLATIONS

APRIL 25

9:30 a.m.

Judiciary

Constitution Subcommittee

To hold oversight hearings on the title I provisions under the Speedy Trial Act of 1974

2228 Dirksen Building

Labor and Human Resources

To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

4232 Dirksen Building

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.

154 Russell Building

APRIL 26

9:30 a.m.

Labor and Human Resources

To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

4232 Dirksen Building

1:30 p.m.

Environment and Public Works

Resource Protection Subcommittee

To hold hearings on proposed authorizations for fiscal year 1980 for programs under the Noise Control Act (P.L. 95-153).

4200 Dirksen Building

MAY 1

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).

4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, April 24, 1979*

The House met at 1 p.m.

Rev. Vertanes Kalayjian, pastor, St. Mary's Armenian Apostolic Church, Washington, D.C., offered the following prayer:

Magnify the Lord with me; and let us exalt His name together.—Psalms 34: 3. Amen.

Almighty Lord our God, grant us the courage and the power of conviction to heed the exhortation of Your prophet, and to offer our gratitude and glory to Your everlasting and all-sustaining holy name.

Today, April 24, marks the 64th anniversary of the holocaust, the first genocide of the 20th century perpetrated upon the Armenian people by the Turkish authorities during the years of 1915 through 1918 when a million and a half Armenians perished. The Armenian-American community, as well as friends in the civilized world, bow their heads today in memory of the martyrs who put their trust in the Lord and exalted His name until the last moment of their lives.

Let us, O Lord, learn from their courage. Remembering the past, allow us also to learn to prevent the happening of similar atrocities in whatever form and against whomever it is perpetrated.

Lead these, thy servants, in the path of peace and justice, and let Your name be exalted everywhere and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on April 19, 1979, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 283. Joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance.

REV. VERTANES KALAYJIAN

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it gives me great pleasure to welcome Father Vertanes Kalayjian, pastor of St. Mary's Armenian Apostolic Church in Washington, D.C., and to thank him for opening our session today, Armenian Martyrs Day, with his inspirational prayer.

Father Kalayjian was born in Aleppo, Syria, where he received his early education. He attended seminaries in Lebanon and Jerusalem. In 1960 he was ordained into the priesthood in the Armenian Patriarchate of Jerusalem. At the end of 1964 he came to the United States where he has served several pastorates before he was assigned to his present duties. On June 15, 1970, he became a naturalized citizen, an honor and privilege that he cherishes dearly.

This past weekend the local parish of St. Mary's Church, with the International Armenian General Benevolent Union, sponsored a cultural program celebrating the rebirth of the Armenian spirit and national heritage. This program was dedicated to the memory of the one and a half million Armenians who were persecuted or killed in 1915 while defending their human rights and religious freedom. That tragedy was the first genocide of the 20th century.

I commend Father Kalayjian for what he contributes to our country. I know that my colleagues share my appreciation and join me in welcoming him here this afternoon.

● Mr. ANNUNZIO. Mr. Speaker, in behalf of my constituents of the 11th Congressional District of Illinois, many of whom are of Armenian descent, it gives me great pleasure to welcome today to the U.S. House of Representatives Rev. Father Vertanes Kalayjian who is the pastor of St. Mary's Armenian Apostolic Church here in the Nation's Capital.

Father Kalayjian was born in Syria, and subsequently received his religious education at Antelias, Lebanon, and St. James, Jerusalem seminaries. In 1960 he was ordained into the priesthood, and since that time, he has given dedicated service to the Armenian Church and the Armenian people in many positions of responsibility in the United States and abroad.

It is fitting that Father Kalayjian joins us here today, for this day marks the 64th anniversary of the Turkish genocide of the Armenian people.

Over the centuries, there have been numerous onslaughts by superior foes against the Armenian Church and the Armenian people. None of these onslaughts have succeeded, for today, the Armenians remain resolutely steadfast to their church and to their belief in Christianity. Their religion and their culture continue to flourish wherever Armenians live in all corners of the globe.

I want to thank Father Kalayjian for being with us today and to wish him continuing success in his work with the Armenian Church.●

THE PEOPLE OF NEW ENGLAND ARE SAYING "NO" TO OIL DEREGULATION

(Mr. BEARD of Rhode Island asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD of Rhode Island. Mr. Speaker and distinguished Members of the House of Representatives, I have a message from the people of my State. They are saying "no" to deregulation. The people of New England are saying "no" to deregulation of the oil industry.

Mr. Speaker, this issue is going to be a crippler for the people on the east coast and especially in the areas of this country which depend right now on imported oil. The oil companies are becoming richer, and our people are just suffering an undue hardship at the present time.

Mr. Speaker, I am asking the President of the United States to consider his position. If he plunges ahead on this course in trying to deregulate the oil industry, that spells doom in the New England area.

As far as I am concerned and as far as the people of my area are concerned, this deregulation plan is not right. It is not in the best interests of the consumers of this Nation.

Today, right now, in Rhode Island they are paying 83 cents for a gallon of gasoline and 63 cents for home heating oil. Old people, who are on fixed incomes, cannot afford those prices.

Mr. Speaker, I hope the President will get the message. I have dropped in the hopper today companion legislation to that sponsored by Senators JACKSON and KENNEDY in the Senate.

Mr. Speaker, I hope that my colleagues, when the time comes to support this type of legislation, will stand up and be counted for the people of this Nation. The suggested windfall profits tax is a joke, because most of us in this Chamber realize that that bill will never see the light of day in this Congress. The end result, therefore, will be that the oil companies will get the benefits; and our people will be doing the paying.

Mr. Speaker, because I am deeply concerned about the impact of oil price deregulation on Rhode Island, I ask that my colleagues consider the following aspects of the President's proposal.

First. Under current law, mandatory controls on crude oil are due to end in May 31, 1979.

Second. It should be noted that diesel and jet fuel already have been decontrolled.

Prices have gone through the roof and we still have shortages throughout the country.

Airlines are cutting down flights, because they can not get jet fuel.

The price of jet fuel on the spot market has gone up 50 percent since it was decontrolled in January.

Third. If diesel and jet fuel serve as any example of what to expect from decontrol, the price of gasoline and heating oil will increase for the consumer.

Lifting controls now will guarantee the early arrival of $1 per gallon gasoline.

The price of all energy consumed in the United States rises and falls with the price of crude oil.

The decision to raise the cost of crude oil $6 to $8 a barrel will ultimately raise the cost of all energy by that amount.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Two-thirds of all electrical energy in New England is produced from oil.

Decontrol of crude oil must at least be postponed, because of present economic conditions.

My bill will continue mandatory controls until October 31, 1981, and would give the President discretionary power to extend them until December 31, 1982.

During this period, we will be able to find out what the true energy picture actually is.

Currently there are conflicting views.

1978 PROVEN OIL RESERVES IN UNITED STATES

N.E. Econ. research, 68.5 million metric barrels.

U.S. Department of Energy, 34.28 billion barrels.

Congressional Budget Office, 28.5 billion barrels.

Average heating oil price in Rhode Island: 63.9 cents per gallon.*

Average gasoline prices in Rhode Island

Regular leaded	$0.76
Premium leaded	.83
Regular unleaded	.79
Premium unleaded	.84

NOTE.—These prices will be up by 1 cent each next week.

FIESTA WEEK IN SAN ANTONIO, TEX.

(Mr. GONZALEZ asked and was given permission for 1 minute to address the House and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker and fellow members, I take advantage of this opportunity and this forum to invite all of my colleagues, their relatives, friends, and everybody else around this area to San Antonio, Tex., my district, the very historic San Antonio, the queen city of the Southwest. We are in the middle of what we call Fiesta Week in San Antonio, beginning with the commemoration of the 21st of April, which is the anniversary of the Battle of San Jacinto, in which the Texans definitely won independence back in the 1830's and which, contrary to some interpretations of history, was a joint venture of all kinds of Texans, who were of all creeds, colors, and races.

In any event, San Antonio, this little jewel of a city in the Southwest—it is not so little; it is the third largest city in Texas and the 10th largest in the United States—is celebrating Fiesta Week now.

Mr. Speaker, I can guarantee the Speaker that if he were to come down to San Antonio, heading a big delegation, he would enjoy the whole affair.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT WHILE HOUSE IS IN SESSION THIS AFTERNOON

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may be permitted to sit this afternoon from 2 until 4 p.m. for the purposes of markup while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3354, NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT, 1980

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–101) on the resolution (H. Res. 228) providing for the consideration of the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes, which was referred to the House Calendar and ordered to be printed.

☐ 1310

WINDFALL FOR WHOM?

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, the President is quoted in today's news reports as claiming his foes in Congress are trying "to hoodwink the American people by passing a windfall profits tax (on oil) that is in fact a charade." He is particularly concerned that the windfall profits tax through plowback might be used to increase the development and production of more oil and gas for our country. I find that an amazing assessment by the President.

I thought we all agreed that increased oil and gas production is what the country needs. It seems to me that is the reasonable and desirable objective of any wise national energy policy.

What does the President want from a windfall profits tax—a windfall of tax revenues for the Federal Government? Passing out these new revenues to special groups will create a vested interest in them and make certain another permanent tax which can be paid ultimately only by the American people. This is just the kind of government expansionism that the American people are deploring today.

Many of us in Congress—Republicans and Democrats—have indicated a willingness to work with the administration toward enactment of an appropriate windfall tax. It was my hope that this would occur. It is disturbing that the President instead indulges in demagogic rhetoric rather than attempting to work for a plan to increase energy production in our country. That is the bottom line of a sensible national energy policy, not the financing of bigger government.

GREAT PLAINS CONSERVATION PROGRAM

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today I am introducing along with other Members from the Great Plains a bill to extend the Great Plains conservation program on a permanent basis.

Nothing is more essential to the future food-producing potential of our country's breadbasket than the Great Plains, which stretch through 10 States from Canada to Mexico. This 436-million-acre land area produces 60 percent of our country's wheat, 30 percent of our cattle, plus a significant amount of grass and hay, sheep, cotton, and corn.

One of the most critical Government programs that has maintained and improved this region is the Great Plains conservation program, established in 1956 and administered by the USDA Soil Conservation Service. This program gives assistance under long-term contracts to land users in 469 designated counties of the 10 Great Plains States. Its purpose is to provide needed protection and improvement of soil, water, land, plant, and wildlife resources of the plains area, which is plagued with recurring drought and wind erosion problems. Installing complete conservation treatment and management systems on farms and ranches helps stabilize individual enterprises and consequently the local economy.

Mr. Speaker, the existing authority of this vital program is scheduled to expire December 31, 1981. For that reason I am introducing this bill today which would place the program on a permanent basis and also eliminate the $25 million budget ceiling in any program year for cost-sharing payments. In addition, the total appropriations ceiling of $300 million would be removed for the overall cost-sharing program. The Secretary of Agriculture would also have discretionary authority to expand the program to additional counties that are susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors.

GREAT PLAINS CONSERVATION PROGRAM

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, today I have cosponsored legislation that would make the Great Plains program a permanent part of the Soil Conservation Service.

The Great Plains conservation program was established in 1956 to help residents of portions of 10 Great Plains States combat the area's climatic hazards. Since the program's inception in 1956, 7,061 contracts have been signed with landowners in Nebraska, covering approximately 9.6 million acres. During the same period, many hundreds of thousands of acres have been treated with conservation practices, earning over $20,000,000 in cost shares. The program has provided both technical assistance and direct financial assistance on a cost-sharing basis under contracts from 3 to 10 years to farmers and ranchers of the Great Plains region who would voluntarily conduct soil and water conservation on their land.

This program has been extremely

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*Note: The price is expected to go up by 1.5 cent next week.

popular with landowners in Nebraska because it provides the long range assurance that the funds will be available when needed, while still assuring adequate flexibility.

The existing authority of this program is scheduled to expire December 31, 1981. To phase out one of the most effective tools of conservation in the Midwest would result in a reduction in technical services available to farmers and ranchers in 469 counties of the 10 Great Plains States.

Therefore, I urge my colleagues to support this measure sponsored by my colleague, KEITH SEBELIUS, and cosponsored by myself and make this program permanent.

LEGISLATION TO PROMOTE THE USE OF COAL BY THE PROCESSES OF GASIFICATION, LIQUEFACTION, AND DISTILLATION

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, the OPEC nations are raising the price of oil tremendously, and, with the order for deregulation of oil by the administration, we can surely expect an extraordinary increase in the cost of gasoline, other fuels, and petrochemicals.

Mr. Speaker, as it happens, we have the world's largest supply of coal. Today, I am introducing legislation to promote the use of this great natural resource by the processes of gasification, liquefaction, and distillation.

If we use the funds necessary to accomplish these things—gasification, liquefaction, and distillation—we can become independent of the OPEC nations. It is my feeling that we should proceed with great dispatch.

Actually, we should make every effort to develop and use other forms of energy, as well; but it is my information from leading scientists that even if we do proceed, there will be an energy crunch by 1985.

Mr. Speaker, I urge that we start immediately with a tremendous program for the gasification, liquefaction, and distillation of our great natural resource—coal.

☐ 1315

LIFTING OF POLITICAL AND ECONOMIC SANCTIONS AGAINST THE GOVERNMENT OF ZIMBABWE, RHODESIA

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, now that the elections in Rhodesia have closed with more than 60 percent of the electorate casting ballots, I feel that the Carter administration is at a crossroads in its position toward Rhodesia. Top officials at the State Department and the White House must reassess the official U.S. position as to which side we will support in the light of these successful elections—the side that has promoted the freest and fairest elections possible in the difficult and complex situation in Rhodesia—or the Soviet-backed Patriotic Front terrorists who were trying to sabotage the elections by a campaign of threats and violence.

Because the administration is clearly at a crossroads—whether to support the results of a free and fair elections or to continue to side with the position held by the disruptive Communist-backed guerrillas—I urge swift action by our Government to try to save our Nation from further embarrassment by quickly lifting political and economic sanctions against the Government of Zimbabwe-Rhodesia which has now strongly exhibited its commitment to human political rights.

In spite of those disruptive efforts, there was a large turnout that cast a vote of confidence in black majority rule and signified a victory for Prime Minister Ian Smith who organized the election without approval or assistance from the United States.

Perhaps the Carter administration is waiting until there is a Rhodesian turnout approaching the high percentage of participation in a Soviet election where there is no threat against voting, but there can be threats if one does not vote for the uncontested party-line slate that offers no alternative candidates.

OTHER HOLOCAUSTS TO REMEMBER

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, with you several of us have just attended a beautiful, beautiful memorial ceremony in our Capitol rotunda to, in a feeble but moving manner, commemorate the holocaust, the hellish slaughter of 5 million men and women and 1 million children of the Jewish faith during Hitler's 12-year reign of terror. However, I could not help but notice the absence of specific names of nations in the veiled references to holocausts that have taken place in the last few years or are taking place at this very moment in Asia. I pray to God that the omission of the names of specific countries engaging in genocide is not because of a pathetic and ill-considered diplomatic niceties because these countries are ruled by Communist totalitarian powers or motivated to mass murder by leftist rather than rightist terrorism.

In traveling throughout Germany last month to plead with the Federal Republic there to extend or end the statutory limitation on hunting down Nazi criminals, I had with me statistics supplied by the Congressional Research Service of the Library of Congress on the unbelievable tallies of murder at the major Nazi extermination camps in Poland. A few minutes ago in the rotunda as I listened to the stirring words of the incomparable Elie Wiesel it struck me how those extermination death camps exactly match the accepted historical figures of current holocausts. It is frightening. Hear this: Auschwitz-Birkenau 2 million humans exterminated. The current Communist Cambodia extermination figure, also, 2 million.

The second largest Nazi death camp, Treblinka, 750,000 murdered; today's death toll of Christians slaughtered in Sudan and Chad, 750,000.

The third major extermination camp, Chelmo, 300,000 murdered; the reign of terror left behind by Idi Amin, Dada, 300,000 brutally slaughtered.

Another infamous and hated concentration camp Dachau near Munich, over 40,000 murdered; Roman Catholics murdered in Equatorial Guinea in the last 2 years, over 40,000.

In just the 6 years since our abandonment of South Vietnam to its vicious Communist fate, we have seen more innocent people murdered than the top four extermination camps of Hitler's Nazi Germany murdered in an equal period of time. The terror of Hitler is being repeated across the world today. Our feeble efforts at remembrance in today's holocaust memorial should have included certainly our President mentioning by name the countries around the world including the Soviet Union and the People's Republic of China where the persecution of minorities who still believe in and love God continues at an unrelenting and savage pace.

Remember, we must, the past. But it is a hollow remembrance indeed if we fail to condemn the atrocities of today. Remember Shcharansky. Remember yesterday and today.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 5:22 p.m. on Monday, April 23, 1979, and said to contain a message from the President wherein he transmits the 18th annual report of the U.S. Arms Control and Disarmament Agency.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

EIGHTEENTH ANNUAL REPORT OF U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

There is no more important responsibility for me as President than ensuring the safety and security of our nation. Like Presidents before me, I am meeting this responsibility: (1) by maintaining sufficient military forces to protect ourselves and our Allies; and (2) by seeking equitable and verifiable arms control measures to reduce the risk of war. The attached report is a summary of the actions taken through the U.S. Arms Control and Disarmament Agency in 1978 toward this latter goal.

The SALT process, which has been carried forward by four Administrations since 1967, is the most fundamental of our arms control efforts. A SALT II agreement to limit strategic offensive weapons will serve as the linchpin of all of our other arms control efforts, including: SALT III, where we hope to achieve further strategic arms limitations; a ban on tests of nuclear explosives; mutual and balanced force reductions in Europe; limitations on antisatellite capabilities, chemical weaponry, and conventional arms transfers; and prevention of nuclear weapons proliferation.

To prevent war—and to redirect the resources of nations from arsenals of war to human needs—will be a formidable challenge to all mankind in this last quarter of the 20th Century. It is a challenge that I am determined to meet.

JIMMY CARTER.

THE WHITE HOUSE, *April 23, 1979.*

ANNUAL REPORT FOR 1978 OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

Pursuant to Section 5(h) of the InterNational Health Research Act of 1960 (Public Law 86–610), I transmit herewith the Annual Report for 1978 of the United States-Japan Cooperative Medical Science Program.

JIMMY CARTER.

THE WHITE HOUSE, *April 24, 1979.*

INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

The SPEAKER. Pursuant to clause 5 of rule I, the unfinished business is the question de novo of the passage of the bill (H.R. 1301), on which further proceedings were postponed on Monday, April 23, 1979.

The Clerk read the title of the bill.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 121, not voting 44, as follows:

[Roll No. 94]

YEAS—269

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Breaux
Brooks
Broomfield
Burlison
Burton, Phillip
Carney
Carr
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Heckler
Heftel
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Howard
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lederer
Lehman
Leland
Lent
Levitas
Livingston
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Petri
Peyser
Price
Pritchard
Quayle
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rostenkowski
Roybal
Royer
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Skelton
Slack
Snowe
Snyder
Solarz
Spellman
Stack
Stangeland
Stanton
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thomas
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Whitehurst
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—121

Abdnor
Anderson, Ill.
Archer
Ashbrook
Badham
Bafalis
Bauman
Bennett
Bethune
Bouquard
Bowen
Brinkley
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carter
Cavanaugh
Chappell
Cheney
Clausen
Collins, Tex.
Conable
Coughlin
Daniel, R. W.
Dannemeyer
Deckard
Devine
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Fish
Flippo
Forsythe
Fountain
Gephardt
Gibbons
Gilman
Grassley
Gudger
Guyer
Hall, Tex.
Hance
Hansen
Harkin
Harsha
Hefner
Hightower
Holt
Huckaby
Ichord
Jenkins
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lee
Lloyd
Loeffler
Lott
McClory
McDonald
Madigan
Martin
Mathis
Mica
Mitchell, Md.
Montgomery
Moorhead, Calif.
Natcher
Nelson
Nichols
Pease
Perkins
Pickle
Preyer
Quillen
Rahall
Regula
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Runnels
Satterfield
Shelby
Shumway
Smith, Iowa
Smith, Nebr.
Solomon
Spence
St Germain
Staggers
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Trible
Vanik
Walker
Wampler
Watkins
Weaver
White
Whitley
Whittaker
Whitten
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—44

Ambro
Applegate
Ashley
Biaggi
Brodhead
Brown, Calif.
Buchanan
Burton, John
Byron
Chisholm
Coleman
Conyers
Crane, Philip
Diggs
Dodd
Downey
Erdahl
Erlenborn
Ford, Mich.
Garcia
Giaimo
Hawkins
Horton
Hubbard
Ireland
Leath, Tex.
Lewis
Long, La.
McEwen
McKay
Mattox
Miller, Ohio
Pashayan
Pepper
Pursell
Rosenthal
Rudd
Santini
Simon
Stark
Thompson
Waxman
Weiss
Wilson, Tex.

☐ 1335

The Clerk announced the following pairs:

Mr. Thompson with Mr. Buchanan.
Mr. John L. Burton with Mr. Horton.
Mr. Rosenthal with Mr. McEwen.
Mr. Stark with Mr. Rudd.
Mr. Long of Louisiana with Mr. Pursell.
Mr. Giaimo with Mr. Pashayan.
Mr. Pepper with Mr. Miller of Ohio.
Mr. Santini with Mr. Brown of California.
Mr. Ireland with Mr. Coleman.
Mr. Hawkins with Mr. Philip M. Crane.
Mr. Dodd with Mr. Leath of Texas.
Mr. Conyers with Mr. Erlenborn.
Mrs. Chisholm with Mr. Lewis.
Mr. Biaggi with Mr. Mattox.
Mr. Brodhead with Mr. Downey.
Mr. Ambro with Mr. Applegate.
Mrs. Byron with Mr. McKay.
Mr. Diggs with Mr. Hubbard.
Mr. Garcia with Mr. Waxman.
Mr. Weiss with Mr. Charles Wilson of Texas.
Mr. Simon with Mr. Ford of Michigan.
Mr. Ashley with Mr. Erdahl.

Mr. GOLDWATER and Mr. CARNEY changed their vote from "nay" to "yea."

Mr. ROSE changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1340

STATE DEPARTMENT AUTHORIZATIONS, 1980 AND 1981

Mr. FASCELL. Madam Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of

State, the International Communication Agency, and the Board for International Broadcasting.

The SPEAKER pro tempore (Ms. Holtzman). The question is on the motion offered by the gentleman from Florida (Mr. Fascell).

The motion was agreed to.

The SPEAKER pro tempore. The Chair requests that the gentleman from Texas (Mr. Kazen) assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3363, with Mr. Kazen (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on Tuesday, April 10, 1979, title I had been considered as having been read and open to amendment at any point.

Are there any amendments to title I?

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Rousselot: Page 2, line 15, strike out "$502,945,000" and insert in lieu thereof "$461,945,000"; and in line 16, strike out "$525,082,000" and insert in lieu thereof "$465,082,000".

Page 3, immediately after line 12, insert the following:

(c)(1) Funds appropriated under paragraph (2) of subsection (a) may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations or any of its specialized agencies, of any amount which would cause the total amount paid by the United States as its assessed contribution to that organization for any year to exceed the amount assessed as the United States contribution for that year less the amount of that contribution which would be used for technical assistance programs.

(2) Reductions required by this subsection with respect to the United Nations shall be in addition to the reductions required by subsection (b).

Mr. ROUSSELOT. Mr. Chairman, while many of our constituents are aware that they are paying ever higher local, State, and Federal taxes, most of them are not aware of the dramatic increase in their international taxes—mandatory taxes collected by the U.N. tax man—taxes which are used as an income redistribution device to force the shift of wealth from the United States and other developed nations to the less developed nations who hold a heavy majority in the U.N. "legislature."

These taxes are also known as "mandatory U.N. assessments for technical assistance programs"—assessments which member nations are forced to pay in addition to their voluntary contributions for technical assistance. Let me explain why the funding for technical assistance is being switched from the traditional voluntary basis to a mandatory—no choice—basis.

The United Nations operating budget is financed by mandatory assessments of member nations. A growing proportion of these funds, however, are being used not for peacekeeping, or operating costs, et cetera, but for technical assistance programs—programs through which resources are transferred from developed nations to less developed nations.

The original purpose of the U.N., of course, was to keep world peace. Soon, however, a new emphasis was placed on promoting development in the Third World. Such development occurred through voluntary assessments for technical assistance programs, now managed primarily by the U.N. development program, a special U.N. agency outside of the regular U.N. budget. The United States has generously contributed, including approximately $140 million this year.

Not satisfied, the Third World nations decided to increase their take by shifting as much funding as possible for technical assistance into the mandatory assessments of the regular U.N. budget. A 1978 State Department report states:

> The delays and cancellations of project delivery caused by the UNDP financial liquidity crisis of 1975–76 stimulated pressure from developing countries for more funding through assessed budgets. Specialized agencies saw this issue raised forcefully in their governing bodies, where developing countries increasingly contended that technical assistance no longer should be treated as an ancillary function. *To avoid the vagaries and uncertainties of voluntary funding, they preferred to see technical assistance supported more through assessed rather than voluntary contributions.* (Emphasis supplied.)

The Third World, incidentally, has its own caucus, the Group of 77. Its meetings are paid for through assessed contributions (25 percent—U.S.). Oh, yes, the United States is not allowed to attend.

THE COOKIE JAR IS BROKEN INTO

Since the decision to use mandatory assessments to force industrial nations to divest themselves of their "ill gotten gains," dramatic cost rises (tax increases) have occurred. The Ribicoff report (U.S. Participation in International Organizations) issued by the Senate Government Operations Committee, points out that the proportion of technical assistance provided primarily by mandatory assessments increased from 0.7 percent of all U.N. technical assistance funds in 1968 to 29.5 percent in 1975. The U.S. share of mandatory assessments for technical assistance has soared from $19.3 million in fiscal year 1978, to $27.7 million in fiscal year 1979, to $41.2 million in fiscal year 1980: a 50-percent increase per year. A clear pattern is established, with no end in sight.

The tradition of voluntary support of resource transfers is being rapidly eroded. The erosion must be stopped. As the Ribicoff report states:

> The regular budgets of most international organizations are raised through dues assessed by the organization. The U.S. has in the past opposed using substantial amounts of regular budget funds for technical assistance on the grounds that a member should be free to decide on a voluntary basis whether or not to provide technical assistance to other countries. Once the precedent is established that funds raised by assessing members may be used for technical assistance, the majority voting power of the developing countries can determine the amount and nature of aid that the U.S. and other major donors must provide the developing world.

The right of the American people to decide on the amount and use of their tax dollars going abroad must be preserved. That is why pressure must be brought on the U.N. to reform its budget procedures, to put funding for technical assistance back on a fully voluntary basis.

Technical assistance programs which were on a 99.3-percent voluntary basis in 1968, were being 29.5 percent funded on a mandatory basis by 1975. U.S. costs are soaring by 50 percent a year: fiscal year 1978: $19.3 million; fiscal year 1979: $27.7 million; fiscal year 1980: $41.2 million. Where will it stop?

Right here, I hope. That is why I have offered this amendment to H.R. 3363 which would seek to persuade the U.N. to reform its budget process, and move funding for technical assistance programs back to a voluntary basis—where they belong. The amendment would do this by reducing authorizations for the overall U.S. contribution to the U.N. budget by the amount of U.S. dollars which the U.N. decides to use for mandatory technical assistance programs. If the U.N. wants the full U.S. assessment to be paid, it need only move to enact budget reforms.

What are the precedents?

First. In 1972 the United States was being assessed for 41 percent of the total U.N. budget. Congress and the American people cried, "Enough." The United States refused to pay for more than 25 percent of the U.N. budget. The result? Budget reform, and a new U.S. assessment of (guess what?)—25 percent.

Second. H.R. 3363 itself in section 102 (b) reduces the U.S. contribution toward its U.N. assessment by an amount equal to 25 percent of the budget of two committees which back PLO activities.

What the amendment does not do?

First. Unlike last year's Helms amendment, it will not block the payment of all U.S. contributions to the U.N. because of the U.N.'s self-imposed "no strings attached" rule on such contributions. The amendment does not prevent the U.N. from using portions of the U.S. contribution for mandatory technical assistance if it wants to. It merely reduces the overall U.S. contribution by an amount equivalent to any dollars which are so used.

Second. This amendment takes no position on the value of technical assistance projects. It merely seeks to promote budget reform.

Third. This amendment has no effect on the generous U.S. voluntary contributions to technical assistance programs.

What it will do?

The amendment will exert pressure on the U.N. to reform its budget procedures and move technical assistance funding back to a voluntary basis. The American people need relief from the mandatory assessments for technical assistance which have become an "international income tax" designed to redistribute the world's wealth. I hope you will give them a hand.

□ 1345

Many of our constituents are clearly not aware of the dramatic increases in international taxes, mandatory taxes collected by the United Nations tax man. These taxes, which are used as an income redistribution device to force the shift of wealth from our country to other nations, less developed nations who hold a majority in the United Nations, are also known as mandatory United Nations assessments for technical assistance programs, assessments which member nations are forced to pay in addition—in addition—to their voluntary contributions for technical assistance.

We have just passed a very substantial foreign assistance bill in which a very, very large amount of money was set aside for these special assistance funds, and all I am doing here by this amendment is to make sure that the mandatory assessments cannot be used for what has become in the past a voluntary basis of participation. So for those Members who were worried when I offered a similar amendment, those Members who were concerned and brought up several questions during the debate on the Foreign Assistance Act relating to an amendment that I had offered on this same subject, were concerned that certain of these agencies in this category would not be covered, but they are in the Foreign Assistance Act.

☐ 1350

The technical assistance programs which were originally 99 percent on a voluntary basis, in 1968, were being funded 29.5 percent on a mandatory basis in 1975. U.S. costs are soaring by 50 percent a year in this category, hence that is why I say our international taxes in this bill are automatically going up unless we do something to curb it, and that is what this amendment will do.

I hope that you will join to stop this tremendous increase in international taxes by disallowing it to be taken from the mandatory contributions which we make to the United Nations.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. I ask my colleagues to support this amendment. The Members need not be fearful that some of those international funds that you support would in any way suffer.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield to my distinguished colleague and member of the committee, the gentleman from New York (Mr. Gilman).

Mr. GILMAN. I thank the gentleman for yielding.

I want to commend the gentleman from California for focusing attention on the need for budgetary reform within the United Nations. Is it not true that our congressional Ambassador to the United Nations, Senator Ribicoff, in a previous report, noted that voluntary assistance is far preferable to the mandatory assessment for technological assistance?

Mr. ROUSSELOT. Yes; he did. He also said that it should not be diverted from the mandatory contribution.

Mr. GILMAN. Am I correct that essentially what the gentleman is seeking to do is to urge budgetary reform in the United Nations, by shifting away from mandated expenditures to allow each nation to decide for itself whether to have a voluntary contribution?

Mr. ROUSSELOT. I do that by deleting from this $41 million which according to the Senate report is the approximate amount being diverted from the mandatory contribution.

Mr. GILMAN. I thank the gentleman for his explanation.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. Rousselot).

The purpose of the gentleman's amendment is to preserve the Helms amendment as passed by the Congress in the fiscal year 1979 State Department appropriations bill. This amendment reflected the will of Congress last year that no funds for international organizations should be made available for the furnishing of technical assistance by the United Nations or its agencies until the U.N. puts technical assistance fully on a voluntary basis. The U.N. should reform its budget procedures so that all technical assistance programs are voluntarily funded—and taken out of the U.N. general operating budgets—which are funded through mandatory assessments.

There is a need for the Congress to send a message to the United Nations to bring about a reform in its budget process. The funding of technical assistance programs through mandatory assessments precludes the right of nations to determine the programs they wish to support. Both the gentlemen from Florida (Mr. Fascell) and from Alabama (Mr. Buchanan) acknowledge that budget reform in the U.N. is needed. This amendment is a vehicle for asserting pressure for that needed reform.

It is certainly not my intent that the United States withdraw from the salutary projects that we all recognize are worthy, but to try and encourage a better utilization of those American tax dollars that we provide. What this amendment is designed to do is to encourage a strengthening of those institutions through budgetary reform in the United Nations.

Accordingly, I urge my colleagues to support the Rousselot amendment.

Mr. ROUSSELOT. I thank my colleague and I yield to my distinguished colleague from California, a member of this committee (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

Will the gentleman tell me if funds will be available for these programs from other sources?

Mr. ROUSSELOT. They are already available in the other foreign assistance program we passed and are more than adequate. I tried to amend that bill to prevent the mandatory contributions that we make from being escalated but that is gone and so all we could do is try to bring the budget reform which my colleague, the gentleman from New York (Mr. Gilman) mentioned, through this process of this amendment.

Mr. LAGOMARSINO. So what the gentleman is doing is saying that as a matter of good bookkeeping practices we should say for what the money is to be used.

Mr. ROUSSELOT. Absolutely.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. Lagomarsino, and by unanimous consent, Mr. Rousselot was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. I yield to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Chairman, I think in addition the gentleman should point out that in the foreign aid legislation we passed 2 weeks ago, before the recess, we created a new agency, the Institute on Scientific and Technological Cooperation, which I strongly supported, that will be able to spend rather large amounts of money, mostly from existing sources, some new money, that will go for many of these same purposes. So I think it is well to specify exactly where the money will go for all of these various foreign aid programs.

Mr. Chairman, I support the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for his comments and his support. I might also point out that this same legislation before us excludes certain fundings for the PLO organizations that may be connected, and I tried to draft this amendment in the same way that it is drafted in this bill so that this is not a new precedent that is before us in this amendment.

I thank my colleague and yield back the balance of my time.

☐ 1355

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment presents to the committee the same issue which was debated recently on an economic aid bill with respect to the so-called Helms amendment. This is merely a rewrite. Basically, what the amendment seeks to do is to eliminate the assessment due by the United States.

Mr. Chairman, the committee acted on an amendment of a similar nature in a recent bill. That amendment was turned down.

I would urge the committee today, since the same issue is being presented, to again in its wisdom turn down this amendment, because basically what it seeks to do as the proponent has said is to remove from the assessed contributions of the United States those contributions which were used for technical assistance.

Now, let me say, first of all, that as far as budget reform is concerned, Mr. Chairman, the very nature of the specialized agencies calls for technical assistance. It is written into their charters. The United States agreed to that 30 years ago. We have been paying those assess-
ance.
ments for that kind of technical assist-

Specifically, we are talking about agencies like the World Health Organization, the FAO, and others. We are talking about the International Atomic Energy Agency's nuclear safeguard program; the World Health Organization's efforts to control and eradicate contagious diseases; the International Civil Aviation Organization programs to promote air navigation safety; the FAO's early warning system on impending crop and food shortages and other such technical programs which the United States has not only willingly joined, but in which the United States in many cases has been one of the prime movers, because they have been to our benefit.

What this amendment would do would prevent the United States from paying its legal obligations—money that would go to those technical assistance programs. We cannot achieve budgetary reform that way, nor can we rewrite the treaties this way.

Now, let us talk about whether or not the budget increases are something of consideration here. First of all, how much is being reached?

Well, let me say this, that only 13 percent of the U.N. system's total assessed budget funds go for technical assistance activities. If we do what the gentleman from California is talking about, we would eliminate about 69 percent of the funds that would go to the World Health Organization. The rest, the 4 percent, would go to the other specialized agencies.

Let me say that again. What we are hitting at here is the bulk of the World Health Organization's technical assistance program, without which there is no point to the agency. That is the way it goes. We are hitting at the very programs on eradication and disease control of which we have been the primary sponsors.

Now, second, let me point out that in talking about the budget increases, that the largest part of the budget increase in these agencies has been because of the dollar devaluation; so we are not talking about a rampant spread of increases of programs in these agencies.

Now, Mr. Chairman, specifically, let me say that when we are talking about 13 percent of the total assessed budgets of these agencies going for technical assistance, we are not talking about redistribution of wealth. We are talking about a legal commitment of the United States which we gladly entered into because we saw that it was not only for the benefit of the other countries of the world, but ultimately resolved to our own benefit in terms of health, in terms of weather, in terms of agriculture, in terms of all of the programs which are carried on by the specialized agencies.

□ 1400

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. Fascell) has expired.

(On request of Mr. Rousselot, and by unanimous consent, Mr. Fascell was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

First of all, the gentleman knows, because he helped and participated in preparing the other bill, that in the Financial Assistance Act which we have already passed there is a substantial amount of money set aside for the voluntary contributions, so the organizations the gentleman has listed will not be affected that much.

Mr. FASCELL. Mr. Chairman, that is not quite true.

Mr. ROUSSELOT. The gentleman knows that; right?

Mr. FASCELL. No; I do not know that, and I do not agree with the gentleman.

We had the same discussion the last time this matter came up.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I will yield to the gentleman later, but let me first answer the question.

In one case we are talking about voluntary contributions, and in the other case we are talking about legally required assessed contributions which exist in another bill. If assessed contributions are not paid, we are in arrears. These are two entirely different situations. The suggestion that we could, if we wanted to, make up the difference by voluntary contributions is an erroneous suggestion.

Mr. ROUSSELOT. But the money is there in the other bill.

Mr. FASCELL. No; it is not, because it does not change the assessment. If the gentleman is saying in his amendment that we can take the voluntary contributions to pay the assessment, he is wrong. The opposite is equally erroneous—we cannot take money out of our assessment, funnel it into the voluntary programs, and expect the same objectives to be served.

Mr. ROUSSELOT. Mr. Chairman, I am saying it could be taken out of the mandatory contributions.

Mr. FASCELL. I understand what the gentleman is saying, and all I am saying in response to that is this: I know exactly what the gentleman's amendment does; it says the United States cannot pay its assessed contribution for this purpose.

Mr. ROUSSELOT. That is right.

Mr. FASCELL. For technical assistance in the amount of $41 million.

Mr. ROUSSELOT. That was part of our original agreement with the United Nations, as the gentleman knows.

Mr. FASCELL. That is not quite accurate. In agreeing to the charters of these organizations 30 years ago, we accepted certain limited kinds of technical assistance in the assessed budget because we recognized that these agencies cannot operate without that component.

Mr. ROUSSELOT. So we are not breaking a past agreement.

Mr. FASCELL. If we do what the gentleman's amendment calls for, we will be in arrears and we will be cutting off our noses to spite our faces.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. FASCEL. Certainly; I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, most of the technical assistance, as the gentleman knows, to the United Nations is voluntary, and the gentleman mentioned that part of the problem of the increases being levied as a result of the technical assistance assessment is in the appreciation of dollars, but the fact is that in the last few years they have increased their lien on us by almost 50 percent a year. That is far in excess of inflation or depreciation of the dollar.

All I am saying here is that for the year 1980 we reject the idea that the $41 million cannot be used out of the mandatory assessment for technical assistance. We have already more than covered that in the original bill. That is what I am saying.

Mr. FASCELL. Mr. Chairman, I understand what the gentleman is saying, but he is incorrect, unfortunately.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

The gentleman from California (Mr. Rousselot) maintains that the United Nations voluntary programs could carry on some of the technical assistance activities in question.

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. Fascell) has again expired.

(On request of Mr. Zablocki, and by unanimous consent, Mr. Fascell was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. FASCELL. I yield to the chairman of the committee.

Mr. ZABLOCKI. But let me ask, Mr. Chairman, whether it is not true that the technical assistance programs supported by the assessed budget primarily serve the purpose of filing gaps which cannot be accommodated through the activities of the voluntary agencies?

Mr. FASCELL. Mr. Chairman, the gentleman from Wisconsin (Mr. Zablocki) is absolutely correct. That is the reason there are certain technical assistance programs in the specialized agencies supported through the assessed budget. Because of the specialized nature of these programs, they cannot be performed by the voluntary agencies.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. FASCELL. Certainly; I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, is it not true that if the gentleman's amendment prevails, the United States will be in the same position and in the same status as the Soviet Union in not fully paying its assessed obligations?

Mr. FASCELL. The amendment certainly puts the United States in a very awkward position, Mr. Chairman, because this country has been in the forefront of trying to maintain its obligations at the United Nations and urging others to do the same thing, particularly in programs such as those in question. For example, it is estimated the United States saves $150 million annually simply through the smallpox eradication program part of the World Health Organization. Our total contribution to that agency is only $31 million for these technical assistance programs.

So that is why I said that, if the amendment were to pass, Mr. Chairman, we would simply be cutting off our noses to spite our faces.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. FASCELL. Certainly; I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I want to associate myself with the gentleman's explanation and his arguments for defeating this amendment. We defeated this amendment, the so-called Helms amendment, when the foreign economic assistance bill was before the House. When the amendment was offered in the first instance, it was misguided, and it is misguided now.

Mr. Chairman, I think the amendment should be soundly defeated.

☐ 1405

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. If I have time left, I certainly will be glad to yield to the gentleman.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Chairman, first of all, I would like to say that the circumstances are quite different in this bill than they were in the previous bill. We provided $136 million for technical assistance in the international economic bill.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FASCELL) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. FASCELL. I yield to the gentleman from California.

Mr. ROUSSELOT. I want to be sure the record is straight on this. In the international economic bill there was technical assistance for $136 million.

Mr. FASCELL. Is the gentleman talking about voluntary contributions?

Mr. ROUSSELOT. No. That was for technical assistance. In addition to that, we provided $140 million for voluntary contributions.

Mr. FASCELL. Is the gentleman talking about the UNDP program?

Mr. ROUSSELOT. Yes.

So we had two basic funds in that bill that the gentleman succeeded in passing that would cover these contributions. And that is the point that I am trying to make.

Mr. FASCELL. I understand that.

Mr. ROUSSELOT. I just want to be sure they are not mandatory assessments; that is all.

Mr. FASCELL. No. I have been saying all along the gentleman is incorrect because the amounts the gentleman referred to do not cover these items, and there is no way they can.

Mr. ROUSSELOT. It does not cover all of the items, but it does cover some of them, and more than adequately for the funding that has been requested. We just do not want to take it out of the mandatory funds.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, if the chairman of the subcommittee would clarify a point, it is my belief that this body has already taken up the Helms amendment. When I look at this language, it appears to me to be a modified form of the Helms amendment. I thought we disposed of that. It was the subject of a rollcall vote last week.

Mr. FASCELL. The gentleman is correct. We raised that question before, and I had hoped, frankly, that the gentleman from California would use discretion rather than valor and just simply withdraw his amendment.

Mr. ROUSSELOT. It is a better amendment.

Mr. BONKER. Mr. Chairman, I would hope that we would spare ourselves the waste of time and dispense with this amendment so that we could proceed with the authorization.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to point out that the gentleman from California deserves credit for sending to all of us a very, very interesting "Dear Colleague" letter. Before I address the amendment itself, I would like to address that missive, since many Members depend on those communications to shape their opinion.

The gentleman's "Dear Colleague" letter had a banner headline, "The International Tax Man Cometh." He goes on to tell us of the fact that his amendment would stop "mandatory taxes collected by the U.N. tax man."

Mr. Chairman, if this was a tax measure, it would have to come from the Committee on Ways and Means. So, obviously, we are not speaking about taxes, mandatory or otherwise. What we are speaking of here, in fact, is an effort to tie the hands of our administration and the State Department in meeting legitimate obligations to the U.N. The effect of this amendment would put the United States in arrears in the U.N. system, without accomplishing any budget reform in the U.N.

Why is this bad? Because for years and years we have lectured the Soviets, the Peking Government, the French, and others, who periodically play games by selectively withholding their contributions to the U.N. And then to force us into the position where we would be repudiating the principles that we have effectively stood for all these years would, in my judgment, be a terrible mistake.

Some of the programs that would suffer if the gentleman's amendment passed would be the international atomic energy nuclear safeguards program, the World Health Organization, efforts to control and eradicate contagious diseases, the Civil Aviation Organization promotions of air navigation safety measures, and others. These are all areas where the United States has taken the initiative in the U.N., where many of these U.N. programs serve our national interests far more than they do any other country.

If the gentleman wanted to offer this amendment in the form of sense-of-Congress advice, as opposed to restriction, it might have some merit.

☐ 1410

I am sure if the State Department were crowded enough they would go to work to negotiate downward, of course, our contribution, voluntary or otherwise. But this amendment would not serve that purpose. It would force us into an absolutely untenable position. It would actually be penny wise and pound foolish because the few savings, would cost us tremendously in the respect and leadership that we have at the U.N.

I would suggest if you want an effective U.N.—and I am sure all of you do—you want an effective U.S. position of leadership. And any amendment that would force us to be in arrears is not in our practical interest, as the strong, responsible, leading country of the world.

Now, the U.N. is not perfect, but we are there to make it as good as it can be. This amendment would not shave anybody's taxes. It would not work to the advantage of the American taxpayer. It will impede us and embarrass us and weaken our leadership at the U.N. I urge rejection of the amendment.

Mr. BUCHANAN. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, the gentleman seeks to bring an amendment which he believes will reform the U.N. system. Now, I would like to point out that his amendment, even if one grants reform to be meritorious, does not accomplish that purpose; and indeed, it cannot achieve its stated purpose.

In the first place, while it would reduce our contribution and throw us in arrears, that device could not result in technical assistance not being taken from these assessed funds, because that would continue.

I would point up that, if you want to make this change, we would have to change the charters of these various entities.

There are five instances where there is specific reference to the provision of technical assistance in the appropriate organic section of the organizations involved. They are the World Health Organization, which is very important to us and to others. There are the Food and Agriculture Organization, International Civil Aviation Organization, the World Intellectual Property Organization and the Universal Postal Union.

In addition, there are others like the U.N., where the exact words "technical assistance" are not used but whose purposes can be construed to include the provision of technical assistance. There is only one of these entities whose statutes prohibit technical assistance from the assessed funds.

The end result will simply be to throw us in arrears, to cripple entities that are important to us, and to the world and to lessen our influence, as my colleague from Illinois has said.

The gentleman's amendment simply will not work to achieve his purpose, but it will work harmfully toward the national interest of the United States.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman knows that we set up in the international economic development bill $136 million for technical assistance. Most of that will cover the agencies to which the gentleman referred, or part of those agencies, or if it does not, it can be taken out of the UNDP, which is $140 million additional.

My point is, the purpose of this amendment is to basically try to bring about the reform in budgeting that the gentleman from Alabama and I discussed when the House had the international economic development bill before us 2 weeks ago; whereas, the amendment before us is different because we are in no way endangering those other funds that were in the previous bill.

So, I think the gentleman is incorrect that the United States would be unable to meet our responsibilities.

Mr. BUCHANAN. Should the gentleman's amendment pass, I could wish that he were correct, but I am afraid that the end result would simply be the certain reduction of needed funds to worthwhile entities, the certain result, in my considered judgment, that the United States would be considered in arrears, and the certain result that the gentleman's purpose could not be achieved by this amendment, because technical assistance would indeed continue and the gentleman can count on it.

Now, you know, I think that gentleman's amendment, in relation to his stated purpose, is a little bit like the electric system and the notification system now in place in this House. A few moments ago a number of us on the Republican side, relying on our beepers in our pockets, that were turned on and making a noise when tested, were relying on the beepers for the vote. The system broke down on the minority side, and no vote was announced. I personally was at the Pier 7 Restaurant with the Birmingham Southern College alumni, a most illustrious and important group, and relying on that beep to bring me from my constituent's side to this Chamber to vote, and the system did not work.

☐ 1415

There was something defective about the system. Even so, there is something defective about my friend's amendment, and it just will not work.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, the gentleman told me that the budgetary system at the U.N. was very defective, and it did need to be improved. He admitted to me 2 weeks ago that it should be improved.

The $136 million in that previous bill for technical assistance will not be affected by this amendment, nor will the $140 million for UNDP.

Therefore, I think the defect is in the U.N. budgetary system, as the gentleman and I discussed last time. The gentleman from Alabama suggested that we improve the budgetary process at the United Nations. When we reduced our contribution from 30 to 25 percent, the U.N. did take notice. All we are doing here is eliminating $41 million.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT), there were—ayes 18, noes 21.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 214, not voting 33, as follows:

[Roll No. 95]

AYES—187

Abdnor
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bethune
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Evans, Del.
Evans, Ga.
Flippo
Forsythe
Fountain
Fowler
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Huckaby
Hughes
Hutto
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McDonald
Marlenee
Marriott
Martin
Mathis
Mavroules
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Neal
Nelson
Nichols
Paul
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Watkins
White
Whitley
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—214

Addabbo
Akaka
Alexander
Anderson, Ill.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bereuter
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Dingell
Dixon
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Heckler
Heftel
Hollenbeck
Holtzman
Howard
Hyde
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
Madigan
Maguire
Markey
Marks
Matsui
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
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Pickle
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Price
Pritchard
Rahall
Railsback
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Richmond
Rodino
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Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Whitehurst
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki

NOT VOTING—33

Ambro
Bevill
Biaggi
Chisholm
Coleman
Conyers
Crane, Philip
Diggs
Dodd
Erdahl
Erlenborn
Ford, Mich.
Garcia
Giaimo
Hawkins
Hubbard
Leath, Tex.
Long, La.
McEwen
McKay
McKinney
Mattox
Mikulski
Pashayan
Pursell
Rudd
Santini
Smith, Iowa
Stark
Thompson
Waxman
Weaver
Weiss

The Clerk announced the following pairs:

On this vote:

Mr. Coleman for, with Mr. Diggs against.

Mr. Philip M. Crane for, with Mr. Stark against.

Mr. Pashayan for, with Mr. Thompson against.

Mr. Rudd for, with Mr. McKinney against.

Mr. ROSTENKOWSKI changed his vote from "aye" to "no."

Mr. HUGHES and Mr. MARRIOTT changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page (2) by adding at the end thereof the following:

NONIMMIGRANT VISAS

SEC. 107. Section 21 of the Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (22 U.S.C. 2691), is amended—

(1) by inserting "(a)" immediately after "SEC. 21."; and

(2) by adding at the end thereof the following:

"(b) The Secretary of State may refuse to recommend a waiver for aliens from signatory countries which are not in substantial compliance with the provisions of the Helsinki Final Act, particularly the human rights and humanitarian affairs provisions.

"(c) This section does not apply with respect to any alien who is a member, officer, official, representative, or spokesman of the Palestine Liberation Organization.".

Mr. SOLARZ. Mr. Chairman, I have the privilege of offering this amendment, together with my very good friend, the distinguished gentleman from Illinois (Mr. DERWINSKI). It is very rare that the two of us agree on anything these days, but I am delighted to say to the members of the committee that this is one matter with respect to which we are wholly in accord.

A few years ago, in an effort to bring the United States into compliance with the provisions of the Helsinki Agreement, Senator MCGOVERN offered an amendment, which was accepted in the Senate and subsequently by the House, which required the Secretary of State to recommend a waiver of the prohibition against granting visas to people who belong to so-called proscribed organizations, unless the Secretary of State felt that admitting such a person to our country would constitute a threat to the security interests of the United States. While this amendment was very well intentioned, designed as it were to facilitate entry into the United States by a broad range of individuals, in practice it has resulted in a situation where a number of people have been admitted here who most of us, I think, do not believe should have been admitted to our country.

☐ 1440

I have in mind, for example, officers and representatives of such presently proscribed organizations as the Palestine Liberation Organization, as well as the so-called leaders of purported labor unions in the Soviet Union and in other Communist countries of Eastern Europe, who, whatever else they may be, cannot be considered genuine representatives of workers but are, rather, representatives of the state.

Under the terms of the amendment which is being offered by the gentleman from Illinois (Mr. DERWINSKI) and myself, it would be clear that nothing in the McGovern amendment would apply with respect to anyone who was a member, officer, official, representative, or spokesman of the PLO.

Mr. Chairman, I received a letter last September from the Department of State indicating that, as a matter of policy, the administration considers any official of the PLO and its designated or self-proclaimed agents or spokesmen ineligible for visas. Unfortunately, however, in spite of that communication, the Department has subsequently recommended that a visa be granted to an individual who heads the Beirut office of the PLO. So this amendment is simply designed to put in the language of the law the previous commitment on the part of the administration with respect to the presumptive inadmissibility of officers of the PLO who want visas in order to come into our country. It would also provide that the Secretary of State, in considering whether or not to recommend a waiver of the prohibition of visas to members of proscribed organizations, could refuse to recommend such a waiver if the alien requesting such a visa was from a signatory country of the Helsinki Agreement and who came from a country which was not in substantial compliance with the provisions of the Helsinki Agreement, particularly the human rights and the humanitarian provisions thereof.

Consequently, Mr. Chairman, for all these reasons I think we ought to adopt this amendment which gives the Secretary of State somewhat greater flexibility in determining which aliens who apply for visas, who belonged to proscribed organizations, should be denied them.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the distinguished chairman of the committee.

Mr. FASCELL. Mr. Chairman, I just want to say to the gentleman from New York (Mr. SOLARZ), with respect to this amendment, it certainly was not the intention of the original language, which this amendment seeks to amend, to authorize in any way, directly or indirectly, the admission into the United States of any individual who is excludable under present law.

The gentleman agrees with that statement, does he not?

Mr. SOLARZ. Mr. Chairman, I fully agree with the gentleman that that was not the intent of the original language.

Mr. FASCELL. But, nevertheless, a member of the Palestine Liberation Organization was admitted to the United States subsequently thereto; is that correct?

Mr. SOLARZ. The gentleman is absolutely accurate, as always.

Mr. FASCELL. And, therefore, part of the language of the gentleman's amendment is to make it quite clear that the original language of section 21 does not make that permissible?

Mr. SOLARZ. That is the precise intent of the amendment.

Mr. FASCELL. And the other clarifying part of the gentleman's amendment, will the gentleman state that again?

Mr. SOLARZ. It says that "the Secretary of State may refuse to recommend a waiver for aliens from signatory countries which are not in substantial compliance with the provisions of the Helsinki Final Act, particularly the human rights and humanitarian affairs provisions."

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On the request of Mr. FASCELL and by unanimous consent, Mr. SOLARZ was allowed to proceed for 1 additional minute.)

Mr. FASCELL. If the gentleman will yield further, in other words, the purpose of that clarification is to point out that compliance with the Helsinki accord is not a one-way street and that the United States expects that other countries will abide by the principles of the Helsinki accord?

☐ 1445

Mr. SOLARZ. Among other things it does create an incentive for the other signatories of the Helsinki accords to comply with the provisions contained therein, but it would also slightly broaden the grounds on which the Secretary of State could refuse to recommend a waiver to an alien who is a member of a prescribed organization.

Right now, the only grounds on which a waiver can be recommended are the security interests of the United States. If this amendment is adopted, he could also refuse to recommend a waiver on the grounds that the country from which the alien applicant comes is not in substantial accord with the provisions of the Helsinki accords.

Mr. FASCELL. I thank the gentleman.

Mr. DERWINSKI. I rise in support of the amendment.

Mr. Chairman, a matter of special concern to the Congress and to the AFL–CIO, and other free world union leaders is an amendment to the Foreign Relations Authorizations Act, sponsored in 1977 by Senator MCGOVERN, which calls upon the Secretary of State to automatically recommend approval of an application for a nonimmigrant visa to a member of a Communist organization seeking to enter the United States.

At the time this amendment was adopted, it was hoped our gesture would encourage the Soviet Union to comply with the obligations they assumed as signatories to the Helsinki accord. Unfortunately, this has not happened. The Soviet Union has not reciprocated the McGovern language. In fact, it has blatantly violated the human rights provisions of the Helsinki agreement. It launched the trials of Ginzberg, Scharansky, and Orlov designed to crush the Moscow Helsinki Watch Group. These trials illustrate the institutionalized repression of basic human rights by the Soviet Union.

Under the language now in the law, purported labor leaders of the Communist Warsaw Pact countries—who bear no relationship to the free unions of this country—are admitted to the United States as labor leaders, a case of false pretenses.

Also, the McGovern language has, in effect, created a legal loophole which has facilitated visits to the United States by members of the Palestine Liberation Organization. At a time when the PLO is carrying out terrorist acts in opposition to the Israel-Egypt peace agreement, this is no time to be admitting without proper review by the Secretary of State members of such an organization.

It is my understanding that the amendment before us will correct these problems by:

Putting an end to the procedures under which agents of totalitarian states can come to the United States in the guise of trade unionists.

Closing a loophole under which PLO agents can come into the United States.

In my opinion this language represents a step toward restoring the principles of reciprocity with the Soviet Union.

I urge your support of this amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I am happy to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank my colleague for yielding.

I am heartily in favor of section C, which, I think, is absolutely necessary and clearly so, but I am troubled by section B, because we may have many people who are having a pretty hard time in some of these signatory countries, and I can think of quite a few who ought to be allowed to come in. The fact that they are denied their rights in their own country is not an adequate reason to deny them a visa; and furthermore, may I say that in regard to some of those who come in supposedly as trade union people, the more people we can get to come to this country and see how people are treated here and see what kind of lives our working people live, the better off we will be.

I do not like section B. I think section C is essential.

Mr. DERWINSKI. May I point out to the lady from New Jersey (Mrs. FENWICK), it is not the intent to interfere with a visa to this country of any legitimate citizen or anyone who would be properly impressed or would be permitted to have an open mind. What we are trying to get at are the people who come here under false pretenses, who purport to be labor union leaders, when, in fact, they are nothing but operatives for their government.

It is that false pretender, if I may use that term, that this amendment would keep out.

Mr. BROOMFIELD. Will the gentleman yield?

Mr. DERWINSKI. I am pleased to yield to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, the amendment before us is designed to correct the problem of the Secretary of State automatically recommending the approval of an application for a nonimmigrant visa to a member of a Communist organization seeking to enter the United States.

As my colleagues well know, progress in the very important area of the Helsinki agreement—known as "Basket Three"—has been disturbingly disappointing with regard to lack of cooperation by the Soviet Union and other Warsaw Pact countries.

These countries have not only failed to reciprocate the McGovern amendment but also have made few—if any—attempts to comply with the obligations to be assumed by "Basket Three"—human rights provisions of the Helsinki accords. In particular, the trials of Shcharansky, Ginzberg, Orlov, and others, staged with Stalinist-like controls, are important examples of the Soviet Union's ongoing efforts to repress human rights. Moreover, the humiliating harassment and arrests of these people continue to undermine the spirit of the Helsinki agreement to which the Soviets are signatories.

To be sure, our policy toward the Soviet Union should be predicated—to some extent—on the Soviet's willingness to maintain their commitments as signatories to international agreements. While the Soviet Union continues to flagrantly violate human rights and has far from fully satisfied the movement of people as provided by the Helsinki accords, I believe that this amendment is an appropriate response, not only in potentially keeping Communist agents out of the United States but also members of the Palestinian Liberation Organization, who have recently vowed to disrupt the Israel-Egypt peace agreement.

For these reasons, Mr. Chairman, I urge my colleagues to adopt this amendment.

Mr. BUCHANAN. Will the gentleman yield, Mr. Chairman?

Mr. DERWINSKI. I yield to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I would like to commend the authors of this amendment for a very skillfully drawn amendment. I personally had strong reservations about the McGovern amendment, and, indeed, would have had language like this had I had my way in the last conference, but the concern of the conferees and of the Congress was that our country comply with the Helsinki accords and those provisions which had to do with entry into our country.

Now, this amendment actually provides an incentive to other countries to comply, while correcting some of the abuses of totalitarian representatives posing as labor leaders and of the PLO representatives.

I think it is most skillfully drawn. I support the amendment and urge its adoption.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment by the gentlemen from New York and Illinois. This amendment is sorely needed to close the existing loopholes that have facilitated visits to the United States by terrorists and by representatives of repressive governments. By requiring the Secretary of State to automatically recommend approval of an application for a nonimmigrant visa to a member of a Communist organization seeking to enter the United States, the current law has allowed Communist agents and terrorist members of the Palestinian Liberation Organization to enter this country. This amendment is an appropriate response to the abuses and lack of cooperation in this area by the Soviet Union and other Warsaw Pact nations which are signatories to the Helsinki accord and which disregard the human rights provisions of those accords. Likewise, at a time when the PLO is actively carrying out terrorist acts in opposition to our Middle East peace efforts we should not be admitting their agents without proper review by the Secretary of State. We need to act to end these procedures under which agents of totalitarian states can enter this country in the guise of free trade unionist and also prevent PLO terrorist from entering this Nation. Accordingly, I urge my colleagues to support this amendment.

□ 1450

Mr. DERWINSKI. To sum up, Mr. Chairman, this is a practical, overdue amendment. I urge favorable consideration.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is an area in which I have been vitally interested for several years. Some Members might recall that last year we had a colloquy on this particular subject, at which time I pointed out that since the enactment of the so-called McGovern amendment, there had not been one single exclusion of an excludable alien at that time in 1978 because the State Department had overruled in every case the recommendations of the Justice Department. The Director of the FBI has informed us that some slight improvement has been made in this disastrous record but it still is a sorry state of affairs.

If the Members recall, last year I put in the RECORD information indicating that well over 1,000 recommendations for exclusion had been made by our intelligence agencies. Not one of them had been acceded to by the State Department; and, in effect, every single recommendation against the admission of an excludable alien was overruled. In some cases, as we pointed out, they were not just PLO members; they were people engaged in guerrilla activities, and they were ones who had records of murder. The House at that time seemed unwilling to take action.

Mr. Chairman, that is why I want to ask my friend, the gentleman from Illinois, (Mr. DERWINSKI), and my friend, the gentleman from New York (Mr. SOLARZ), how far this amendment goes.

Mr. Chairman, I wonder whether I could have my colleague's attention. As I understood the gentleman's presentation of this amendment, he indicated that this amendment reversed the so-called McGovern amendment. As I read it, I do not think it completely reverses the so-called McGovern amendment. Does it not just reverse that amendment as it relates to the PLO? Would my colleague respond to that question?

Mr. SOLARZ. If the gentleman will yield, Mr. Chairman, my answer is "No." It goes a little beyond that.

It does, insofar as the PLO is concerned, make clear that the McGovern amendment has no application whatsoever to individuals who belong to the PLO, but it goes beyond that because it also provides that with respect to individuals who belong to other kinds of proscribed organizations, the Secretary of State may refuse to recommend a waiver of the prohibition on permitting such individuals into the country on the grounds that they come from countries which are not in substantial compliance with the Helsinki agreement.

Right now, under the McGovern amendment, the Secretary of State is obligated to recommend the waiver that they be admitted, unless he believes that admitting them would constitute a threat to the national security of the United States; and if he feels that they will not constitute a threat to the national security of the United States, he is obligated to recommend the waiver.

Under this amendment, if an individual belongs to a proscribed organization and wants to come here, the Secretary of State would be relieved of the obligation of automatically recommending the waiver of the prohibition against permitting such an individual's coming in if that person came from a country which was not in substantial compliance with the provisions of the Helsinki agreement, such as, for example, the Soviet Union.

Mr. ASHBROOK. Mr. Chairman, I thank my friend, the gentleman from New York (Mr. SOLARZ) for that explanation.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Yes, I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I just want to say that I agree with the explanation made by the gentleman from New York (Mr. SOLARZ), with one correction: The present language of the law, that is, the McGovern amendment, is not mandatory.

Other than that, Mr. Chairman, I would agree with everything which the gentleman from New York has said.

Mr. ASHBROOK. Mr. Chairman, my colleague from Florida has expressed exactly what I was going to indicate in response to my friend, the gentleman from New York (Mr. SOLARZ), with respect to his assertion that there is nothing in the law which required the State Department to do what it has done for the past 2 years, that is, to overrule absolutely every single recommendation made by the Justice Department for an excludable alien.

□ 1455

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. Yes, I will be glad to yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman for yielding.

I am not sure about the procedure there, and I think we ought to correct the Record. It seems the recommendation is made by the Secretary of State to the Attorney General who has the ultimate authority.

Mr. ASHBROOK. As we understand the situation, the Department of Justice at the request of the FBI makes recommendations as far as excludable aliens are concerned. According to the last statistics I saw, there were roughly 1,000 recommendations by the Department of Justice overruled. So whether the Department of Justice acceded to the Department of State request, I do not know. But in the initial case, the Department of Justice said, Do not admit these people. Whether or not they acceded under Department of State pressure as to how it worked out, I do not know.

Mr. FASCELL. All I am saying is that the ultimate authority still rests with the Attorney General.

Mr. ASHBROOK. The Attorney General has put forth the recommendation for exclusion. The Department of State objected, and the Attorney General acceded to that request in every single case at least until last fall.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. If my colleague, the gentleman from New York, would answer one further question, the other thing that bothers me about his amendment—I am the first to say it is a substantial step in the right direction—is that if we have a country which has on the record complied with or is a signatory to the Helsinki provisions, if in that case someone is coming into the country or would want to come into our country from one of those signatory nations and he should fall in the range of an excludable alien, would the Department of State as a result of the McGovern amendment then be required to file an objection and overrule the recommendation for exclusion?

Mr. SOLARZ. If the gentleman will yield, they would be required to recommend the waiver unless the Secretary of State felt that the admission of such individual would constitute a threat to the national security of the country.

Mr. ASHBROOK. That was basically on the books anyway in the last 2 years.

Mr. SOLARZ. The gentleman is correct, but what I would point out is that most of the cases which have concerned the gentleman involve aliens coming from countries that are not in substantial compliance with the provisions of the Helsinki agreement.

Mr. ASHBROOK. I would concede that over 90 percent of those who come in despite objections would be from non-Helsinki agreement countries.

Mr. SOLARZ. This was why the amendment was drafted in the way that it was.

Mr. ASHBROOK. I will say that I will support the amendment. I honestly wish we had gone a little bit further, but in this House I am getting used to getting a quarter of a loaf rather than half of a loaf.

Mr. SOLARZ. If the gentleman will yield, I want to underline what the subcommittee chairman said, that the McGovern language is not mandatory. The conferees went to a good deal of trouble to use the word "would," not "shall," but the fact of the matter is that the Department of State has treated it as though it were mandatory.

Mr. ASHBROOK. The gentleman is absolutely correct, and they have overruled every single recommendation for exclusion.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ).

The amendment was agreed to.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this point I was going to submit an amendment which would have established an "American Desk" in the State Department. I think it is time they considered American opinion and interests in more of their decisions.

With the numerous developments in foreign policy lately—the Iranian crisis, China, Rhodesia, the Soviet Union, the Middle East—some American views would have helped shape a better policy.

I think these developments are signs of dramatic change in world politics. There are some new realities on the world stage—realities that the United States should meet head on, and not shy away from.

Even though these are important changes, we have to continue to present a strong foreign policy. As many of my colleagues have said today and in recent months, however, the United States is more a picture of confusion than strength.

I am afraid that much of the burden for this confusion falls upon the agency in charge of running U.S. foreign policy—the State Department. We have had some difficult crises; there have been power shifts. The State Department, has, all too often, in my view, reacted too timidly to many of these changes. They are apparently more concerned about how other countries react to our policies, rather than how those policies actually affect us.

I think the Panama Canal is a prime example. An American-built, American-financed, American-run canal, operating without any problems since the turn of the century, is being paid away.

Vital oil resources—not to mention a number of other esential trade articles—pass through the canal each day. Despite overwhelming public opinion that the United States keep the canal, the State Department says that we should dispense with this vital piece of American property.

Taiwan is another example. A longtime U.S. ally, largely abandoned so that we can recognize the biggest Communist dictatorship in the world. Again, overwhelming public disapproval, but the State Department persists.

To top all this, Evans and Novak report that a Soviet diplomat was invited to sit in on a State Department staff briefing during the Iranian crisis. This fiasco was later termed, "an experiment in diplomacy." I think that might be a good description for the entire State Department.

As I stated, I was considering an amendment to this bill to have an

"American desk" at the State Department. Maybe that way some American views—held by a majority of Americans—would at least be considered when these decision were made.

It would give balance—maybe even add some caution—to making these decisions. Foreign policy should not be made in a vacuum. The paramount issue is the final effect of the policy on the United States—not whether we should curry favor with Communist dictators, revolutionaries in Central America, or "nationalists" in Africa.

We need more prudence and caution in the State Department, and not so much emphasis on appeasing our adversaries. Maybe that way the State Department can begin to do some things for the United States for a change.

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR: Page 5, immediately after line 21, insert the following new section:

UNITED STATES CONSULATES IN EUROPE

SEC. 108. It is the sense of the Congress that the following United States consulates should not be closed or, if already closed, should be reopened as soon as possible after the date of enactment of this Act: Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; and Adana, Turkey.

Mr. OBERSTAR. Mr. Chairman, although this amendment refers to a half dozen consulates, I shall confine my remarks to the U.S. consulate in Goteborg, Sweden. In doing so I speak not only on behalf of thousands of Americans in my district and elsewhere but also on behalf of the 350,000 residents of Godeborg, Sweden, who signed a petition to the U.S. State Department urging that the U.S. consulate in Goteborg be kept open.

Now, Mr. Chairman, that petition is rather remarkable in view of the debate that has taken place in the last several days on this State Department legislation and the troubles in which the United States finds itself elsewhere in the world.

Here is a city that says "Yankees stay here," instead of "Yankee go home." They want the U.S. consulate in their city and for a very good reason.

The consulate in Goteborg, Sweden, was the first consulate opened by the United States in any foreign country, at the urging of Thomas Jefferson in 1797, just as Sweden in 1780 was the first foreign nation to recognize the fledgling United States. We had a consulate operating in Goteborg, Sweden, continuously for 173 years until a few years ago, in 1975, when President Nixon, along with other realinements in the State Department, the closing of that consulate. It was a mistake then, it is a mistake today.

My dear friend, Hubert Humphrey, my late colleague from the State of Minnesota, argued successfully for the reopening of that consulate in 1975, and it was reopened in the following year.

How incredibly shortsighted of the State Department to persist in this folly of closing the U.S. Consulate General in Goteborg, Sweden. It doesn't make sense—either financially or diplomatically.

This is the only consulate we operate outside of Stockholm, which is 300 miles away, hardly a convenient trip for either Swedes or Americans

On March 29, 1979, Lord Mayor Olle Jansson of Goteborg and Ms. Maggie Karlsson, a Goteborg civic activist, presented me with the very impressive collection of signatures obtained from the residents of west Sweden supporting the continuation of our consulate at Goteborg. Mayor Jansson and Ms. Karlsson traveled to this country at their own expense to underscore the popular appeal of the U.S. consulate in their community and to urge its continuation.

I do not know what yardstick the State Department uses to measure the effectiveness and efficiency of U.S. diplomatic offices abroad and, frankly, in this case I do not think it makes much difference whether the consulate is an efficient investment of U.S. funds or not; our presence overseas is largely symbolic and, in this case, the symbol is larger than the reality. What a tragedy it would be to end this living symbol of the longest historic tie between the United States and a friendly foreign nation.

Mr. Chairman, I urge a favorable vote on this modest, but internationally significant amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I will be happy to yield to the chairman of the subcommittee.

Mr. FASCELL. I want to thank the gentleman for raising this issue. The committee feels the same way the gentleman does. If you will read page 7 of our report you will see we express grave concern about the action taken by the department in closing these consular posts, that the small saving of $2,841,600 and elimination of 25 American positions, 88 foreign service national employees, to achieve a saving of that small amount over a period of 5 years was really something of a false economy, particularly where it involved service to Americans and it has so many political ramifications for the countries in which these particular consular posts are located.

□ 1505

So I would say to the gentleman, for us on this side, we have no objection to the sense of the gentleman's amendment, because we take the position that the OMB and the Department have been too tough in trying to save dollars. This is the smallest Department in the U.S. Government. This budget is less than they have ever had in recent years in constant dollars. They have squeezed 332 positions out of the Department while in constant dollars, the Department has less purchasing power in 1980 and 1981, than they had in 1967. In order to achieve some of those so-called savings, they closed consular posts and we think that is false economy.

Mr. OBERSTAR. Mr. Chairman, I thank the chairman of the subcommittee for his wisdom and for his sensitive understanding of the situation.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I would be happy to yield to my colleague from Alabama.

Mr. BUCHANAN. Mr. Chairman, I, too, commend the gentleman for his amendment and say that we accept the gentleman's concern. As the gentleman has said, the State Department is not only the smallest department, but it is one of two that has actually shrunk in its personnel since 1967. It is 8.4 percent smaller than it was in 1967.

The only other department that has shrunk in size is the Department of Defense and that is because there was a war on in 1967. We were in Vietnam and we are not now. Everything else has grown and some quite dramatically. The personnel ceilings and the budget ceilings were the reason they cut these consulates. I think it was a bad idea. I am sorry that they did so and I agree with the gentleman's position.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman from Alabama for his perception of the situation and for his generous support.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I would be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. I do not know anything about the consulate in Sweden, but I am very concerned about the one in Turin, Italy, that the State Department proposes to close. I think it is really shortsighted to do that, particularly at this time when the Italians are engaged in a very important, very controversial, and very tough election campaign that may well determine the future of Italy and perhaps even the future of NATO and our relationship with Western Europe.

I would hope the gentleman's amendment would be accepted. Sure, we all want to save some money, but I think there are probably other places in this bill, as well as in other places, where we could do it more efficiently.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Minnesota (Mr. OBERSTAR).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 5, immediately after line 21, insert the following new section:

FOREIGN LANGUAGE STANDARDS FOR UNITED STATES EMPLOYEES

SEC. 107. It is the sense of the Congress that the interests of the United States are best served if officers and employees of the United States Government assigned to duties with respect to a foreign country have appropriate knowledge of the language and culture common to such country. Accordingly, the Secretary of State shall conduct a comprehensive review of needs of the United States Government for personnel with foreign language competence and for services involving foreign languages. The Secretary shall evaluate the effectiveness of current programs and personnel practices designed to meet these foreign language needs and shall establish standards for designating foreign language required positions for United States personnel. The Secretary shall report to the Congress on these findings and standards within six months after enactment of this section. The report shall include such recommendations as the Secretary deems appropriate for correcting deficiencies within the various departments and agencies of the United States Government and shall transmit copies of the report to appropriate heads of such departments and agencies.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, before describing my amendment I want to enthusiastically commend the Committee on Foreign Affairs for including section 106 in this authorization bill. That section reasserts congressional intent that Foreign Service Officers who serve in foreign countries should have knowledge of the local language of the country to which they are assigned. As a member of the President's Commission on Foreign Language and International Studies, I want to attest to the need for language proficiency, not only among our Foreign Service Officers, but also among other employees and officers of the U.S. Government.

The purpose of my amendment today is simple. It would give the Congress a better handle on the needs of the governmen for people with foreign language competency by directing the Secretary of State to review these needs and to develop recommendations for correcting any deficiencies in current programs and practices for meeting them. Right now, Congress lacks a single, comprehensive report covering the entire government from the perspective of the Secretary of State. As the agency charged with carrying out our foreign policy and with insuring that we continue to have good relations with foreign nations, I think the Congress can profit from this kind of report.

A number of reports in recent years have cited the deficiencies of government personnel from a variety of agencies and departments in the foreign language area. Most recently, the Permanent Select Committee on Intelligence asserted in its report on intelligence deficiencies in Iran that the general lack of foreign language capabilities of our political people in the Embassy in Tehran.

The committee indicated that consistent lack of contact with the political opposition to the Shah precluded our representatives from accurately assessing the strength of the religious opposition. Part of this pattern of isolation from the Iranian people stemmed in part at least from the fact that field personnel generally lacked background language proficiency and thus had no insight into the goals of the religious opposition.

A number of GAO reports (one in 1973 and two more in 1976) have demonstrated the inadequacy of current personnel practices in meeting the needs of the government for language proficient personnel. For example, only 37 percent of the incumbents at the Military Assistant Advisory Groups visited by the GAO had the required language capabilities. GAO noted similar situations at military police groups, Defense Attaché offices, and other military units. These GAO reports also cited the problems within the State Department itself and within the Agency for International Development, the Foreign Agricultural Service, the Peace Corps, and a number of other agencies.

In his report to the Congress, the Secretary should take care to carefully examine these GAO reports and to include specific recommendations for overcoming the deficiencies cited therein. The Secretary should include a discussion of the translation and interpretation needs of the Government and some assessment of how well we are meeting these needs.

In particular, I believe the Congress can use an independent assessment of the effectiveness of current training programs of other departments and agencies of the Government. How well are these departments and agencies training their personnel and how well are they assigning these people to language-required positions.

The President's Commission on Foreign Language and International Studies held a regional hearing in February on the Defense Language Institute in Monterey, Calif., along with other Government programs. The Commission received testimony at that hearing to the effect that students have been trained at great cost in a foreign language and then assigned duties having little or nothing to do with the training received. Aside from the obvious waste of Government resources, this kind of practice has an adverse effect on student morale.

On April 10, 1979, this House indicated its concern about the foreign language capabilities of U.S. personnel by adopting my amendment to the International Development Cooperation Act. My amendment to that bill directed the heads of affected departments and agencies to consult with the Secretary of State in designating personnel positions which require foreign language competence and to fill such positions with qualified employees within 2 years. My amendment also directed the Secretary of State to establish standards for so designating such positions within the departments and agencies covered by the bill.

Mr. Chairman, many thousands of U.S. personnel are stationed abroad, either with the Departments of Defense or State or with any number of other agencies, including the Agency for International Development, International Communication Agency, the Peace Corps, and the Foreign Agricultural Service. In addition, a number of agencies have important needs for foreign language competence, but have not been giving adequate attention to these needs. These agencies include the Customs Service, the Immigration and Naturalization Service, and the Departments of Transportation and Commerce, among others. Requiring the Secretary of State to review the needs and the programs designed to meet these needs throughout the Government will insure that Congress has a manageable, coherent, and useful basis upon which to recommend improvements in these policies to the agencies concerned. President Carter has indicated his concern in this area by forming the Commission on Foreign Lanugage and International Studies, of which I am proud to be a member. While the Commission will be looking into Government requirements, I believe the involvement of the Secretary of State in assessing these needs and in making recommendations for meeting them will augment the important work of the Commission.

Mr. Chairman, no single thing is more important in helping us to understand foreign countries than knowledge of the language. No single thing is more helpful in creating good feelings between peoples than an ability to speak the others' language. For too long we have insisted that foreign nationals learn English in order to deal with us; now it is time to change that approach. With over 150 countries in the world we need to make great efforts in order to understand world events. In order to maintain a position of leadership in this diverse world, we discard the image of the "Ugly American" by taking into account the importance of nationalism and pride in one's national heritage. To do so will mean learning about the cultures of the world through language study.

I urge adoption of my amendment.

□ 1510

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

I will say that we on this side have looked at the gentleman's amendment, and the gentleman has been kind enough to review it with us. We certainly agree with the thrust of what the gentleman seeks to do. This is consistent with what he has done, it seems to me, in other bills.

We are all interested in improving our capability in foreign languages, particularly in those agencies of government which depend heavily on foreign language capability.

So, Mr. Chairman, we on this side are willing to accept the gentleman's amendment.

Mr. PANETTA. Mr. Chairman, I thank the gentleman.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I rise in hearty support of the amendment. I think we should all realize that it was not until October of 1978 that our embassy in Iran had a person there who spoke the language of the country. He was transferred from Africa where he had been serving.

We had not one member of the embassy or anyone in the foreign minister's office or embassy in Afghanistan who spoke the language when our Ambassador was assassinated.

Mr. Chairman, I support the amendment, and I thank the gentleman for yielding.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for yielding, and I wish to say that I, too, have no objection to this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment was agreed to.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time only to direct the attention of the committee to the fact that the elections which have been held in Rhodesia/Zimbabwe have now been concluded. The results as received from Salisbury this morning by cable indicate that the United African National Council, headed by Bishop Abel Muzorewa, has won 51 seats of the 100-seat Parliament; that the Zimbabwean African National Union of Reverend Sithole has won 12 seats; that the United National Federal Party has won 9 seats—that is in all 72 seats for the black parties—and that the Rhodesian Front Party has apparently won 28 seats for the white minority.

This election has been conducted in a manner which all observers, both pro and con, as well as neutral, have indicated is fair and free.

This afternoon's Washington Star, in a communication from Lawrence Pintak filed from Salisbury, says as follows:

> The first universal suffrage election here has left the general impression that the exercise was largely free of overt government intimidation and marks a positive step toward true majority rule.
>
> Despite the fact that 72 international observers and more than 200 reporters—most of the latter eager to find fault—scoured the vast country, for five days in search of irregularities, few concrete examples were uncovered.

It appears from the statistics available that nearly 65 percent of the eligible electorate cast votes in this election, despite attempts by the terrorists groups to prevent voting.

Mr. Chairman, I raise this question now while this legislation is before us because obviously this is the funding authority for all our diplomatic relations. It seems to me that the Congress of the United States should and will in fact probably go on record in a short time calling for the President to honor the so-called Case-Javits amendment that Congress adopted last year. In that amendment we directed the President to determine whether or not the Rhodesian elections were held under free and fair auspices and allowed all groups to participate freely. That has now been done.

We also directed him to judge whether all parties have shown a willingness to negotiate in good faith in an international conference, and that the Government of Rhodesia/Zimbabwe has done and will continue to do.

Observers sent to the elections by such groups as Freedom House and the American Conservative Union, which I have the honor to chair at the present time, have come back with the unanimous judgment that these elections will bring to power a black majority government that represents the people of Rhodesia/Zimbabwe.

I hope that the President will move quickly and turn away from the policies that have placed the United States on the wrong side of this issue from the beginning. He now has the chance to direct our actions in Africa on a road that will lead finally to peace.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, is the gentleman from Maryland (Mr. BAUMAN) aware that the Honorable Bayard Rustin, a representative of Freedom House, stated in the New York Times today that the elections were probably fairer than many elections held in the United States?

Mr. BAUMAN. I am, Mr. Chairman, and I have a copy of the report filed by Mr. Rustin and his colleagues which included a number of people of all persuasions, including our former colleague, Allard Lowenstein of New York.

□ 1515

Mr. CHARLES WILSON of Texas. I wonder if the gentleman is aware that in the last election in Texas, which, of course, I do not portray as exemplary, but in the last election in Texas for the U.S. Senate, we had 26.1 percent of eligible voters who voted.

Mr. BAUMAN. I would say that in this case this is certainly a demonstration that the people of Rhodesia are willing to participate and have participated in choosing their own government. And that is not an aspersion on Texas, but I wish the voters of America would participate as actively in our own elections.

Mr. CHARLES WILSON of Texas. I would only ask the gentleman one more question: Does the gentleman think the President would make an objective decision on this?

Mr. BAUMAN. As my colleague, the gentleman from Illinois (Mr. DERWINSKI), always says, I have supreme faith in the President and in his judgment. I always go along with him when he is right; I oppose him when he is wrong.

I hope in this case that he will be right.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for pointing out this important step forward. I think all of us are chagrined at the growing minority of free government in the world that have come to power through an open and free ballot box. Here we have a case where a country did participate in a free election which I think is a greater participation than any American election since 1966, percentagewise, in face of opposition at home, of guerrillas outside of the country also, in face of opposition, I am sad to say, by the Government of the United States. I think we should all be pleased by the results of the Rhodesian election and appalled at the position of this administration.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. ASHBROOK and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, if my colleague will yield further, I think that we might also comment a little bit more in a humorous vein that they seemed to have the same situation in the Rhodesian election that we have often in our country. Mr. Sithole, for example, was lauding the election on the evening the vote was being counted and thought it was open and fair. Three hours later, when it appeared he was going to lose, all of the sudden irregularities came to his attention that reversed his erudite observations earlier in the evening when I think he was sitting on top of the belief that he was going to emerge as the winner in that election.

But serious or humorous, I think we ought to be proud that there was an election there. I think we can be sad that the United States seemed to be dragging a foot, to say the least, seemed to be insisting, at least at the level of the State Department and the President, that, unless the guerrillas were brought in, there could not be a government and a free election in Rhodesia.

I would hope that would not be the Monday-morning quarterbacking we will see over in the State Department, that without the guerrillas, without the provisional government are those outside the borders of Rhodesia participating, it was a fair election.

I think every other observer would indicate it was a fair election, and I hope the State Department and, indeed, our President, would not come down on the side of Mr. Sithole.

Mr. Chairman, I call my colleagues attention to one of the most frustrating events occurring in the world today. After so many recent failures, there is one nation that has made a giant leap into democracy. This nation has held one of the most open elections ever held on the continent of Africa. This nation has elected a government with an election turnout that is higher than any American election since 1966 and has done so in the face of opposition from Communist backed forces and the Andrew Young-type leaders of the Carter administration. The new government of this nation has a clearer mandate to rule than most countries in the world since it has joined what is unfortunately the growing minority of governments that have come to power by the open and free ballot box.

I ask, "What has the United States, the leader of the free world, done to encourage this new democracy that wants to be our friend?" It is incredible, but our Government has seen fit to do nothing. At least nothing to help. I think it is ironic that had several hundred people taken to the streets in this nation and some shots had been fired and a leader had come forward to say that he was now the government there would be a major clamor to recognize a new government. What has our foreign policy come to when we would rather welcome an armed takeover than an open and free election?

The nation that has given the world this example of our Nation's pious hypocrisy is Rhodesia. For years Rhodesia was made a media symbol of all that was bad in Africa. Now they have shown all of us that the years of white rule was a prelude to creating a shining example of democracy. This has proven annoying to our President who insists that only if the Communist terrorists in Zambia and Mozambique have control of Rhodesia will there be a government worthy of our recognition. I say this because the Communist-led forces of the Popular Front will never rest until they are the leaders.

The Rhodesian election has already drawn praise from Freedom House, a major advocate of human rights in the world. In their interim report issued last Friday a nine-man delegation from Freedom House stated:

> In a world in which peaceful change does not and cannot occur all at once, this election is a useful and creditable step toward the establishment of a free society in Zimbabwe-Rhodesia.

The delegation was led by Leonard R. Sussman, Freedom House executive director and included the black civil rights leader Bayard Rustin, and the former U.S. representative to the U.N. Human Rights Commission, Allard Lowenstein. Still there is no comment from the White House.

A few months ago it was reported that the State Department had quietly dropped human rights improvements as a prime condition for full normalization of relations with Communist Cuba. What is the President up to? Why is it all right for Communist Cuba to oppress its citizens, execute millions, and to never hold a free election and yet 60 percent is not good enough for Rhodesia? How can we as a nation say to the world that our foreign policy will be based on human rights when the President is almost daily showing what a sham that policy really is? If the President is going to honor all of our enemies and reward oppressors while he foresakes our friends and ignores positive moves toward freedom then he should come right out and say "this is the new American policy."

It is time for the Congress to display the leadership that the White House refuses or is incapable of providing on the issue of human rights in Africa. I call on the House Foreign Affairs Committee to conduct immediate hearings into the Rhodesia situation in order that we may have a factual report on which to base actions that I hope would lead to the lifting of all economic restrictions against Rhodesia and the establishment of diplomatic relations with the new government.

I think it is the duty of this House, and specifically this committee, to take this action. It is indeed unfortunate that my colleagues did not vote to send official observers to Rhodesia for the election, but we can rectify that decision by moving forward now.

Mr. BAUMAN. I certainly echo the gentleman's sentiments. It gives us a chance to be on the side of the people of Rhodesia. I would certainly urge my colleagues to sponsor legislation that will be introduced that calls for recognition of the new government and the lifting of sanctions. I have been assured by the gentleman from New York (Mr. SOLARZ) that the Subcommittee on African Affairs will hold early hearings next week on these issues. I hope the Congress can move forward in adopting this position.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will read title II.

The Clerk read as follows:

TITLE II—INTERNATIONAL COMMUNICATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "International Communication Agency Authorization Act, Fiscal Years 1980 and 1981.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. There are authorized to be appropriated for the International Communication Agency $432,547,000 for fiscal year 1980 and $465,944,000 for fiscal year 1981 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

ADMINISTRATIVE AUTHORITIES

SEC. 203. (a) (1) Section 1001 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1434) and section 104(f) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2454 (f)) are repealed.

(2) Section 1304(a) of title 5, United States Code, is amended by striking out "290a, and 1434" and inserting in lieu thereof "and 290a".

(b) (1) Section 801(5) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(5)) is amended to read as follows:

"(5) to employ persons on a temporary basis without regard to the civil service and classification laws, when such employment is provided for by the pertinent appropriation Act; and".

(2) Section 804(1) of such Act (22 U.S.C. 1474(1)) is amended to read as follows:

"(1) employ, without regard to the civil service and classification laws, aliens within the United States and abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages or the preparation and production of foreign language programs when suitably qualified United States citizens are not available, and aliens so employed abroad may be admitted to the United States, if otherwise, qualified, as nonimmigrants under section 101(a) (15) of the Immigration and Nationality Act (8 U.S.C. 1101(a) (15)) for such time and under such conditions and procedures as may be established by the Director of the International Communication Agency and the Attorney General;".

(c) Section 602(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474) is amended—

(1) by striking out "or" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or"; and

(3) by inserting immediately after paragraph (20) the following new paragraph:

"(21) the Director of the International Communication Agency with respect to the furnishing of facilities in foreign countries and reception centers within the United States.".

(d) Section 108(a) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2458(a)) is amended—

(1) by inserting "(1)" immediately after "SEC. 108. (a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, the Director of the International Communication Agency may provide, on a reimbursable basis, services within the United States in connection with exchange activities otherwise authorized by this Act when such services are requested by a department or executive agency. Reimbursements under this paragraph shall be credited to the applicable appropriation of the Agency.".

(e) Section 801(3) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(3)) is amended to read as follows:

"(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of associated real property (either within or outside the United States) and the alteration, improvement, and repair of such property, without regard to section 322 of the Act of June 30, 1932 (40 U.S.C. 278a), and any such real property or interests therein which are outside the United States may be acquired without regard to section 355 of the Revised Statutes of the United States (40 U.S.C. 255) if the sufficiency of the title to such real property or interests therein is approved by the Director of the International Communication Agency;".

(f) Title VI of the United States Information and Educational Exchange Act of 1948

(22 U.S.C. 1466–1468) is amended by adding at the end thereof the following new section:

"UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY

"Sec. 604. (a) The United States Advisory Commission on International Communication, Cultural and Educational Affairs, established by section 8 of Reorganization Plan Numbered 2 of 1977, is hereby redesignated as the United States Advisory Commission on Public Diplomacy (hereafter in this section referred to as the 'Commission').

"(b)(1) The Commission shall have a Staff Director who shall be appointed by the Chairman of the Commission and who may be paid at a rate not to exceed the rate of basic pay in effect for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code. Additional staff personnel for the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) Subject to such rules and regulations as may be adopted by the Commission, the Chairman of the Commission may (A) as he or she deems necessary, appoint, fix the compensation of, and remove staff personnel of the Commission, and (B) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code.".

TECHNICAL AMENDMENTS

Sec. 204. (a) Section 801(1) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(1)) is amended by striking out "within the limitation of such appropriations as the Congress may provide".

(b) Section 804 of such Act (22 U.S.C. 1474) is amended—

(1) in paragraph (10) by striking out "five" and inserting in lieu thereof "ten";

(2) by striking out "and" at the end of paragraph (13);

(3) in paragraph (14) by striking out the comma and all that follows thereafter and inserting in lieu thereof a semicolon; and

(4) by adding at the end thereof the following new paragraphs:

"(15) hire passenger motor vehicles;

"(16) purchase passenger motor vehicles for use abroad, and right-hand drive vehicles may be so purchased without regard to any maximum price limitation established by law;

"(17) procure services of experts and consultants in accordance with section 3109 of title 5 of the United States Code;

"(18) make advances of funds; and

"(19) notwithstanding section 5946 of title 5 of the United States Code, pay dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others.".

(c) Section 806 of such Act (22 U.S.C. 1475a) is amended by striking out "are authorized to be made" and inserting in lieu thereof "shall be".

(d) Section 108A(a)(2) of the Mutual Educational and Cultural Exchange Act of 1968 (22 U.S.C. 2458a(a)(2)) is amended by striking out "(E)" and "(F)" and inserting in lieu thereof "(F)" and "(G)", respectively.

(e) Title VII of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476–1477a) is amended by adding at the end thereof the following new section:

"NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS

"Sec. 704. (a) Amounts appropriated for a fiscal year to carry out this Act are authorized to be made available until expended.

"(b) There are authorized to be appropriated for the International Communication Agency, in addition to the amounts authorized to be appropriated by the annual authorizing legislation for the Agency, such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(c) In order to maintain the levels of program activity provided for by the annual authorizing legislation for the International Communication Agency, there are authorized to be appropriated for the Agency such sums as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.".

DISTRIBUTION WITHIN THE UNITED STATES OF THE FILM ENTITLED "ASPEN"

Sec. 205. Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the International Communication Agency shall, upon receipt of reimbursement for any expenses involved, make available to the Administrator of General Services, for deposit in the National Archives of the United States, a master copy of the film entitled "Aspen", and the Administrator shall make copies of such film available for purchase and public viewing in the United States.

DISTRIBUTION WITHIN THE UNITED STATES OF THE ENGLISH TEACHING FORUM

Sec. 206. The second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended by striking out "which may continue to" in the parenthetical clause and inserting in lieu thereof "and the 'English Teaching Forum' which may".

EFFECTIVE DATE

Sec. 207. The amendments made by sections 203 and 204 shall take effect on October 1, 1979, and to the extent that they provide new authorities involving the expenditure of appropriated funds, shall apply only with respect to funds appropriated after the date of enactment of this Act.

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fascell: Page 9, line 8, immediately after "States)" insert "for periods not to exceed ten years, or for longer periods if provided for by an appropriation Act,".

☐ 1520

Mr. FASCELL. Mr. Chairman, the purpose of this amendment is to correct the technical violation of section 401(a) of the Congressional Budget Act regarding contract authority. In getting the rule on this matter and clearing the matter with the Budget Committee, we agreed to offer this amendment to correct that technical violation.

In the present form in the bill, section 203(e) was interpreted by the Parliamentarian and the Budget Committee as new contract authority not subject to advance appropriations as required under the Budget Act. That was not our intention, and therefore, we offer this technical amendment to make that correction.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. Fascell).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. The Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fascell: Page 10, strike out lines 5 through 25 and insert in lieu thereof the following:

"(b) The Commission shall have a Staff Director who shall be appointed by the Chairman of the Commission. Subject to such rules and regulations as may be adopted by the Commission, the Chairman of the Commission may—

"(1) appoint such additional personnel for the staff of the Commission as the Chairman deems necessary; and

"(2) procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS–18 of the General Schedule under section 5332 of title 5, United States Code.".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Chairman, this amendment is offered as a result of the colloquy between me and the gentleman from Virginia (Mr. Harris), who is a member of the Committee on Post Office and Civil Service, which was continued during the general debate regarding the staff of this U.S. Advisory Commission on Public Diplomacy.

During that colloquy it was established that it was the intent that the staff director of the Commission, as set forth under section 203(f) of the bill, will come within a pool of the supergrade positions created under the Civil Service Reform Act, and this amendment merely perfects that present section in the pending bill to achieve that point.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Florida (Mr. Fascell).

The amendment was agreed to.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. Ashbrook) is recognized for 5 minutes.

Mr. ASHBROOK. Mr. Chairman, I take this time to direct a question to my colleague from Florida or the chairman of the committee.

On page 6, line 18, section 203, deals with section 1001 of the U.S. Information and Educational Exchange Act.

I also note on page 30 of the report, it shows the entire section on the loyalty check of personnel being deleted.

Am I correct that is what is being accomplished on lines 18 through 22 of page 6 in title II?

Mr. FASCELL. Well, the answer is yes and no. What it does is, it brings ICA now in line with the way clearances are conducted for the Department of State, CIA, and other Government agencies which are under Executive Order 10450. Our purpose was simply to make the procedure uniform.

Mr. ASHBROOK. So, in effect, the gentleman is going to strike section 1001 which had a direct statutory requirement to check the personnel and go under the umbrella of the President's Executive order?

Mr. FASCELL. The gentleman is absolutely correct.

Mr. ASHBROOK. I would indicate for the record I am not sure that is the right step, but I do not think anything is going to be done at this point. It is fair since it applies to other agencies.

Mr. FASCELL. That was the way we felt about it. This was an Executive request, and we felt they made their point, so we agreed.

Mr. ASHBROOK. I would say to my colleague from Florida, not through any fault of his, but I think what we have done is make it uniform in that there really is not any loyalty check anywhere; but to the extent we are not doing it elsewhere, I suppose we can spread the good news around.

I yield back the balance of my time.

The CHAIRMAN pro tempore. Are there any further amendments to title II?

If not, the Clerk will read title III.

The Clerk read as follows:

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SHORT TITLE

SEC. 301. This title may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1980 and 1981."

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. Section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows:

"(a) (1) There are authorized to be appropriated to carry out the purposes of this Act—

"(A) $81,917,000 for fiscal year 1980 and $86,787,000 for fiscal year 1981; and

"(B) such additional amounts for any fiscal year as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law.

"(2) In order to maintain the level of operations authorized under paragraph (1) for RFE/RL, Incorporated, there are authorized to be appropriated such additional amounts as may be necessary for any fiscal year to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year. Amounts appropriated under this paragraph shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines (and so certifies to the Congress) is necessary, because of such fluctuations, in order to maintain the level of operation authorized under paragraphs (1) for RFE/RL, Incorporated.

"(3) Amounts appropriated under this subsection are authorized to be made available until expended.".

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title III?

If not, the Clerk will read title IV.

The Clerk read as follows:

TITLE IV—TECHNICAL PROVISIONS

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SEC. 401. Section 7 of the Act entitled "An Act to establish a Commission on Security and Cooperation in Europe", approved June 3, 1976 (22 U.S.C. 3007), is amended by adding at the end thereof the following new subsection:

"(c) Not to exceed $6,000 of the funds appropriated to the Commission for each fiscal year may be used for official reception and representational expenses.".

CHANGE IN STATUTORY REFERENCE

SEC. 402. Any reference in any provision of law to the Committee on International Relations of the House of Representatives shall be deemed to be a reference to the Committee on Foreign Affairs of the House of Representatives.

Mr. FASCELL (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro temоore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN pro tempore. Are there any amendments to title IV?

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. ASHBROOK. Mr. Chairman, I have an amendment adding a new title V. Would it be appropriate to offer it at this point?

The CHAIRMAN pro tempore. If there are no amendments to title IV, it would be in order for the gentleman to offer his amendment at this point.

Are there any amendments to title IV? The Chair hears none.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 16, after line 7 add the following new title:

"TITLE V—LIMITATION ON EXPENDITURES

SEC. 501. No more than 90 percent of the funds authorized to be appropriated by each title of this act shall be expended."

☐ 1525

Mr. ASHBROOK. Mr. Chairman, I do not believe that it will take 5 minutes to explain this amendment.

What we are asking, purely and simply, in offering this amendment, is that we have a 10-percent across-the-board cut. That is a nice, round figure very easy to understand. We are in a time of economy.

Mr. Chairman, we had an election last year. I think it is appropriate to gage the sentiment from time to time as to how well we listen to the American people when they are telling us that they want a cutback generally.

I think of all places in which they would like a cutback one would be in the area of the State Department and the State Department authorization.

Mr. Chairman, I notice on the sheet that I have for the expenditure of the $2.1 billion for 1980 and the $2.3 billion for 1981 headings such as the "Administration of Foreign Affairs," the amount for which is $849 million for fiscal year 1980. The amount is $1 billion 9 million for fiscal year 1981.

If success is to be gaged on the basis of the money we are spending, perhaps we ought to spend about half of what we are spending and what we are using for the administration of Foreign Affairs and so on down the list.

Mr. Chairman, I think it is hard to see how we could refuse to adopt this amendment cutting the authorization across the board.

Mr. Chairman, I heard it said earlier in debate on both sides of the aisle, I might submit, that this agency or this department spends less, that it is lean and tight, and that there are cuts. They have fewer personnel, it is said.

I do not know whether that is the case or not. I know they have fewer successes, so maybe they ought to have fewer personnel. However, be that as it may, I see no reason that the Congress at a time and place when the economy is on everybody's lips—at least, according to the rhetoric we hear—should not be offered an opportunity to make a reasonable cut, not a large cut; not as large as many of us would like, but a reasonable cut in a $2.1 billion State Department authorization bill.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to my friend, the gentleman from Idaho; but before I do so, I apologize for being so liberal. I really ought to cut deeper, but I think 10 percent is enough. I know that the gentleman is going to criticize me for not going to 20 percent; but I gaged the temper of the House, and I think 10 percent is as much as we can get at this point.

Mr. Chairman, I now yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much.

His apologies to the gentleman from Idaho will not be necessary at this point.

However, I point out that over our last district work period I had an opportunity to have about 10 or 12 town meetings in various communities in my district. The one question which is forefront on the minds of the people in my district—and I think the feeling is reflected around the country—is, Why is it that the United States continues with this foreign aid giveaway program and commitments and promises to energy suppliers, to foreign interests, while we are facing energy cutbacks here at home for the farmers, for the gypo loggers, for the sawmill operators, for general purposes, and so forth, and tries to get people to conserve around and about the country?

So many of these ideas seem to come from the State Department.

I know that we have the State Department people come before the various committees. One instance comes to mind here recently during the discussion about sugar legislation before the House Committee on Agriculture.

I am always amazed at how cavalier some of the State Department's witnesses are, and that seems to go on in the case of either party, about their client States.

There is one country which does not have a desk down there at the U.S. State Department. It is the American desk.

I would hope that we could cut out some of these other items. We probably should cut it down below 90 percent, as the gentleman says, although the temper of the House might not go that far, and then just have the American desk and start all over again. At that point we might get a foreign affairs department for this country which would look out for America, for a change.

Mr. ASHBROOK. Mr. Chairman, I would say to my colleague, the gentleman from Idaho (Mr. SYMMS), that I think he is right on target.

Before we left for our recess the Members might recall that the gentleman from Maryland (Mr. BAUMAN), our esteemed friend, offered an amendment. It was even supported by the chairman of the committee, with a slight reduction, but it was supported by the chairman of the committee. It cut the foreign aid authorization.

Mr. Chairman, I think we ought to continue that record right into the State Department authorization bill.

It is for that reason that I offer this amendment. I know the gentleman from Idaho will support it.

Mr. SYMMS. I do support it.

Mr. ASHBROOK. I think the majority of the Members will support it.

Mr. SYMMS. I hope we will get a record vote on the gentleman's amendment.

Mr. ASHBROOK. I see the ambassador from Illinois rising ready to support the amendment, and I hope that he will take the floor and support it.

☐ 1530

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. FASCELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a clear case of overkill riding on what seems to be popular opinion with respect to the need for reduction in Government spending. The department we are talking about here and the agencies that are covered under this program are not the agencies of uncontrolled growth or tremendous programs which some people have objected to. Some agencies of Government, for example, in the last 11 years have grown 141 percent in personnel alone. Others have grown 43 percent, 50 percent, but the Department of State in the last 11 years has decreased 8.4 percent.

I know it is popular to just cut and hack and chop, but I want the Members to stop and think about a 10-percent cut in these agencies of Government which are performing a vital service, when they are not agencies which have had uncontrolled growth, and when the committee has been very, very careful in scrutinizing the authorization and has limited the Department to a no-growth budget.

Mr. Chairman, there is no growth in this Department in either programs or personnel. I want to repeat that again: No growth or increase in personnel. As a matter of fact, we have reduced personnel by 332 positions.

What the gentleman would do in his eagerness to ride the bandwagon and the wave of emotion with respect to budget cuts—and I like it as well as anybody else does, and I do not like to pay taxes any more than anybody else does, and I would like to get credit for a nice big fat cut as well as he does—in this case, in my judgment, a cut is not responsible. What he is talking about doing is to cut 2,500 positions out of a Department that has only 17,000 employees in some 147 nations, in addition to the 332 positions which have already been cut. In addition, where the Department has already cut 13 consular posts, this amendment would cut an additional 35.

Mr. Chairman, we have just adopted a resolution in which we say we think that is false economy because they have saved only $2,800,000 over a period of 5 years. We are now saying in this amendment we want them to cut another 35 posts.

So a 10-percent cut in these budgets at this time is not simply cutting into the muscle and sinew, it is cutting right through the heart of these agencies.

We in our report have talked about the fact that OMB and the Executive have been too harsh on these particular agencies covered in this authorization bill, and that they are now working people overtime and doing other things to meet the budget requirements which other departments have not yet met. No other agency has had to meet the test in its budget which these agencies have had to meet in this authorization bill. So a 10-percent cut even beyond that means that with no real growth, with a cut in personnel, in actual dollar terms for fiscal years 1980 and 1981, we are going backward in terms of services for which the gentleman himself and others who have spoken have complained about. We are not now able to provide fully the necessary services for those American interests abroad, both business and individual. Therefore, I would say that if we are complaining now about the inability of these agencies to provide the service to Americans which Americans expect and are entitled to, if we adopt this amendment and cut them 10 percent below that, we are really making a drastic reduction which I think is not economical and certainly not wise.

☐ 1535

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, at this time I want to commend the gentleman from Florida (Mr. FASCELL), chairman of the Subcommittee on International Operations of the Committee on Foreign Affairs, for bringing to the committee a bill that is as tight as a drum. You cannot cut any more without it hampering services that are necessary for our American citizens when they travel abroad.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On the request of Mr. ZABLOCKI and by unanimous consent Mr. FASCELL was allowed to proceed for 2 additional minutes.)

Mr. FASCELL. Mr. Chairman, I yield further to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Is is not true that the committee recommendation, with the exception of migration and refugee assistance, is below the President's request?

Mr. FASCELL. Yes, Mr. Chairman, it is. We have cut in some cases and we have added $25 million for the special congressional program for Soviet and Eastern European refugees migrating to Israel; but as far as the remainder of the State Department budget is concerned, Mr. Chairman, it is lower.

Nevertheless, I will say this, the authorization we bring before you does not have any fat in it. As I say, there is no growth in any program, there is no increase in personnel, nothing is provided in the future. We cut 332 positions. We have them tight against the board as it is now. As a matter of fact, we have been complaining about the fact they have had to work people overtime, they have had to cut back on services and we think for the next 2 years this is as tight as we ought to push them.

If we cut them 10 percent, of course they can handle it, anyone can live with a cut. If they do it they will have to do it at the cost of services of which we as Americans have been complaining. I will reiterate, Mr. Chairman, we are not doing this in an agency which is fat to start with. If it were fat to start with, had some flexibility, had some other programs where you could transfer funds or play around with emergency funds or something similar you might get away with it.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield further?

Mr. FASCELL. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, I wanted to ask of the gentleman from Florida (Mr. FASCELL) a third question about one area where the amount was increased which is the refugee migration assistance program. Is that not the place where the overall increase is?

In that case the amendment of the gentleman from Ohio would also cut back on a very important humanitarian program involving not only those refugees migrating to Israel but also the entire worldwide refugee assistance program.

Mr. FASCELL. Mr. Chairman, the gentleman is correct. We have in this bill an authorization for Soviet and East European refugees, a congressional initiative which has been in this bill for 7 years. Of course you would cut all of the refugee program back. We have the highest level of refugee problems we have ever had. I urge the amendment be defeated.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, as the chairman of the subcommittee and the chairman of the full committee have said, this is an austerity budget already. If we make additional cuts in this authorization, we will be harming vital foreign policy and national security activities and I can see no other result of such a cut.

Now as for the performance of the Department of State in the area of budget, if you combine the budgets of the Department of State and the ICA, formerly USIA, and look at the spending for salaries and expenses, those appropriations on a constant dollar basis from 1971 until 1980, you will find that on a constant dollar basis, the salaries and expenses appropriations have declined from $219.8 million in 1971 to $207.6 million in 1980.

Mr. Chairman, as the chairman of the subcommittee has pointed out, on a personnel basis, while other departments have grown, even dramatically grown in recent years in personnel, the Department of State is one of the handful to have declined in total personnel, this at a time when the work of the Department of State is not declining but growing.

For example, our expanding commerce and foreign trade has created a need for more people in the economic section who cannot be employed because of the personnel ceiling. We have seen a need for more people in the consular services and in several different areas. The real need is for more personnel and not less.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Certainly I will yield to my colleague from Illinois.

Mr. DERWINSKI. Mr. Chairman, I would like to point out the gentleman from Ohio is inadvertently I assume, cutting some programs he would normally support. For example, the broadcasts of Radio Free Europe and Radio Liberty.

□ 1540

I would like to point out that at the present time the Soviet Union broadcasts in 82 different languages. We broadcast in only 44. If this amendment were adopted, there would be a slash there. In terms of international communication, we have been miserly with the agencies that operate in that field. If anything, to advance the cause of our country, we should be increasing the budget for Radio Free Europe and Radio Liberty. We should be telling the American story.

So while I would normally support an amendment to cut programs, I think in this case the point has been well made that this is a very tight budget and that good programs would suffer if this amendment were adopted. Others include disaster relief, humanitarian activity, and exchange programs.

Mr. FASCELL. Mr. Chairman, will the gentleman from Alabama yield?

Mr. BUCHANAN. Certainly.

Mr. FASCELL. Mr. Chairman, I agree with the gentleman from Illinois and say that this particular cut, for example, would eliminate seven foreign language broadcasts. It does not make sense to me to go that far in this budget.

I want to reiterate what the chairman of the full committee has said, and that is that the subcommittee cut the State Department budget before bringing this bill to the floor. Now to cut it another 10 percent just seems to me to be going too far.

Mr. BUCHANAN. Mr. Chairman, my colleagues, the gentleman from Florida and the gentleman from Illinois, are precisely correct.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding.

The only thing I would want to point out in response to what my good friend, the gentleman from Illinois said, is that out of roughly several billion dollars we are only talking about $81 million, a ball park figure, going into the broadcast facility.

I think we often see the small part of a program being used to encourage Members not to vote for the large cuts, whether it is a small refugee program or in this case $80 million roughly into Radio Free Europe and the International Communications Section, that is only $81 million out of several billion dollars.

Mr. BUCHANAN. Mr. Chairman, I will say to the gentleman, let me deal with some of the big areas that will be cut. In the Department of State, this could eliminate 2,500 positions, positions that are needed. It could close 30 to 35 posts. It could create great difficulties in performing their functions for ICA, BIB, and for the Department of State.

Now, this is an illustration of where one can be penalized for trying to do something right. This subcommittee has tried to bring an austerity authorization. The State Department tried to bring before us an austerity budget. We did not come here with something padded that could easily stand this kind of cut.

Please do not penalize your committee and the Department of State for doing something right, but recognize that further cuts in this authorization result only in the reduction of services, in the reduction of needed and vital services in the Department of State, BIB and ICA.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 14, noes 15.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 196, not voting 31, as follows:

[Roll No. 96]

AYES—207

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bouquard
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick

Dickinson
Donnelly
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ga.
Evans, Ind.
Flippo
Florio
Forsythe
Frenzel
Fuqua
Gaydos
Gephardt
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffries

Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Oakar
Paul
Perkins
Petri
Pickle
Quayle

Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stewart
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—196

Addabbo
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Daniel, Dan
Danielson
Dellums
Derwinski
Dicks
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flood
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hefner
Hollenbeck
Holtzman
Horton
Howard
Hyde
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Lloyd
Lowry
Lundine
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Sebelius
Seiberling
Sensenbrenner
Shannon
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Steed
Stokes
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wilson, Bob
Winn
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—31

Beard, Tenn.
Biaggi
Chisholm
Coleman
Conyers
Crane, Philip
Devine
Diggs
Dingell
Dodd
Erdahl
Erlenborn
Ford, Mich.
Garcia
Hawkins
Hubbard
Latta
Leath, Tex.
Long, La.
McEwen
McKay
Marks
Mattox
Murphy, N.Y.
Pashayan
Pursell
Santini
Stark
Thompson
Waxman
Weiss

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Santini against.

Mr. Coleman for, with Mr. Stark against.

Mr. Philip M. Crane for, with Mr. Diggs against.

Mr. Erdahl for, with Mr. Weiss against.

Mr. Latta for, with Mr. Thompson against.

Mr. Devine for, with Mr. Hawkins against.

Mr. ABDNOR, Mrs. HOLT, Mr. CHARLES WILSON of Texas, and Mr. ENGLISH changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1600

The CHAIRMAN pro tempore (Mr. MURTHA). Are there any further amendments?

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: Page 16 after line 7 add the following new section:

SEC. 502. None of the funds herein authorized to be appropriated shall be used directly or indirectly to effect implementation of the Panama Canal Treaties of 1977 unless a specific Act of Congress authorizing such implementation is enacted into law.

Mr. HANSEN. Mr. Chairman, this amendment is very simple. It says the following:

> None of the funds herein authorized to be appropriated shall be used directly or indirectly to effect implementation of the Panama Canal Treaties of 1977 unless a specific Act of Congress authorizing such implementation is enacted into law.

☐ 1605

It is important to say that last year we had a similar amendment which passed by a good majority. This does the same by holding back implementation activities by the Department of State until such time as this Congress may decide to go forth with it. Unfortunately every time we do something like this on a piecemeal basis, it is like trying to plug one hole at a time in a sieve. Last year, even though there were pieces of legislation where we denied any implementation authority, certain agencies of Government decided to spend the funds anyway. Since the administration aided and abetted this defiance of Congress, it became very difficult to do anything about it. So at this point it is appropriate for us to note that the big vote is coming up in the not too distant future on implementation of the Panama Canal treaties. It is going to be controversial because of all the pressures. It is going to be tough, because it involves a great deal of money. To graphically show exactly what is going to happen when we start to consider implementation of the Panama Canal treaties, we are transferring a $20 billion agency, we are asked by the Department of State for foreign aid appropriations for some $2 billion over a period of years, and we are faced with real estate transfer costs amounting to some $4 billion. Since we are going to be considering this legislation shortly, I have a truck loaded with $4 billion worth of simulated gold bricks which will be at the Rayburn Horseshoe tomorrow morning. It is a huge semi truck with some 44,300 bricks very nearly like those in Fort Knox. When it was at Fort Knox today and at the U.S. Mint at Denver last Sunday, the guards themselves were saying, "You ought to have guards with you because it looks just like what we have in here." I might say, if it looks just like what they have there and is not worth any more than the value of what we have on the truck, we as a Nation are in trouble.

However, it is important for us to know exactly what we are talking about in the proposed payaway of the Panama Canal and symbolism makes it easier to understand.

I hope my colleagues will join me tomorrow morning at 9 o'clock and see what $4 billion worth of gold really looks like. It represents over 10 percent of the gold in Fort Knox—a sobering comparison.

It should help us better to see what we are talking about when we deal in these huge amounts of money in matters of government.

With that and because I am assured that funds in this piece of legislation probably do not have too much to do with treaty implementation, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlemen from Idaho?

Mr. DERWINSKI. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. HANSEN. Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. DERWINSKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. HANSEN

Mr. DERWINSKI. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. HANSEN: On page 16, immediately after line 7, add the following new section:

SEC. 502. (a) None of the funds herein authorized to be appropriated shall be used directly or indirectly to effect implementation of the Panama Canal Treaties of 1977 until the Secretary of State communicates to the Government of the Republic of Panama that the United States will insist that the Government of Panama comply fully with its Treaty obligations and provide full cooperation in ensuring an orderly transition to the new Treaty relationship, promoting the efficient operation and effective defense of the Panama Canal, and protecting the rights and interests of the Canal workforce.

(b) In pursuit of the foreign policy objectives of the United States and the purposes of this section the Secretary of State is further authorized and directed to take all other necessary and appropriate measures to ensure that the Government of the Republic of Panama complies with its Treaty obligations and understands that such Treaties do not provide that the Government of the Republic of Panama—

(1) is entitled to possession of all moveable equipment and materials in the Canal Zone; or

(2) have retroactive tax jurisdiction over United States corporations in the Canal Zone.

□ 1610

Mr. BAUMAN. Mr. Chairman, I reserve a point of order in the amendment.

The CHAIRMAN pro tempore. The gentleman from Maryland reserves a point of order on the amendment.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I understand your amendment does not deal with gold but deals with Panama?

Mr. DERWINSKI. Mr. Chairman, my amendment deals with protecting U.S. interests in the Panama Canal Zone.

Mr. JOHN L. BURTON. Which would include the gold at Fort Knox?

Mr. DERWINSKI. It would include the security interests and economic interests of the United States.

Mr. JOHN L. BURTON. I thank the gentleman. I think that is much better than Fort Knox and gold.

Mr. DERWINSKI. I think I am flattered by the support of the gentleman, Mr. Chairman.

Mr. JOHN L. BURTON. The gentleman certainly should be.

Mr. DERWINSKI. Mr. Chairman, it is my conviction that the continued efficient operation and effective defense of the Panama Canal is of importance to the economic and security interests of the United States.

That the ability of the United States to continue to assure the efficient operation and effective defense of the Canal under the Panama Canal treaties of 1977, which will enter into force October 1, 1979, is dependent in large measure upon the effectiveness of the planning and preparatory efforts now being taken by the authorities of the Governments of the United States and the Republic of Panama;

There have been disturbing reports that such planning and preparation efforts are not yet sufficiently advanced to assure a smooth and orderly transition to the new treaty relationship as of October 1, 1979;

The full cooperation of the Government of the Republic of Panama is necessary prior to October 1, 1979, to assure that such planning and preparatory efforts are completed in a timely fashion and will remain important thereafter to assure that the treaties are implemented in a manner which fully protects the economic and security interests of the United States.

Mr. Chairman, I would like to point out that the Members have anticipated some debate over the Panama Canal issue and I for one do not feel they should be disappointed.

I would like to point out there is a great deal of misunderstanding as to what role the House will play. My amendment is intended to clear that up

Let me refer specifically to the language of the substitute which I offered. It provides that there shall be full cooperation between the United States and Panama in insuring an orderly transition in the new treaty relationship and promoting the efficient operation and effective defense of the Panama Canal and protecting the rights and interests of the canal workers.

Furthermore, in pursuit of foreign policy objectives of the United States, the purpose of this section, the Secretary of State is authorized and directed to take all necessary measures and appropriate measures to insure that the Government of Panama complies with its treaty obligations and understands, among other things, that the treaty does not provide the Government of the Republic of Panama with possession of all movable equipment and materials in the Canal Zone or that the Government of Panama would have any retroactive tax jurisdiction over the U.S. corporations in the Canal Zone.

Frankly the purpose is to take into account quite a bit of criticism we have heard. This would protect any Member who is concerned about our interests in the Canal Zone. The very positive addition is welcomed by those who believe the canal treaties as ratified by the Senate must be supported and it speaks to the concerns of anyone that the U.S. economic and security interests will be jeopardized.

This amendment or substitute, actually takes into account all of the concerns of the gentleman from Idaho, it strengthens his position, it alleviates his fears and it is a positive approach which I think should have the support of the entire House.

The treaties go into effect on October 1 of this year. They establish an entirely new basis for the rights of the United States to operate and defend the Canal. Our present rights in the Canal Zone under the 1903 treaty will terminate on October 1.

If U.S. rights are to be exercised effectively after October 1, it is extremely important that before that date both Panama and the United States take the steps necessary to accomplish this transition.

I have been concerned by reports on the preparations being made for the transition on October 1. The chairman of the Merchant Marine and Fisheries Committee, and its ranking minority member, the gentleman from Maryland, visited Panama earlier this year. Both have expressed their concerns regarding the willingness and capability of Panama to carry out its responsibilities. My own visit to Panama left me with somewhat the same concern. I was also disappointed at the lack of progress on the American side. In large part, this lack of progress is due to the absence of implementing legislation in the United States. Both sides are waiting to see what that legislation will provide before working out the necessary bilateral arrangements.

The Congress will soon act on the legislation, removing this major obstacle to effective preparation.

My substitute is designed to insure that all other necessary steps are taken by both countries during the period of transition before October 1, so that on and after that date, U.S. rights can be exercised fully and effectively. It is also designed to ensure that after October 1 we continue to have the full cooperation of the Panamanians in insuring that our interests are protected.

The substitute calls upon the Secretary of State to communicate to Panama the firm expectation of the United States that Panama comply fully with its obligations, and to offer its full cooperation during the transition period. The Secretary is empowered to take any other action necessary to accomplish these ends.

To guarantee that adequate resources will be used to require the cooperation of Panama, a portion of the funds authorized for the binational Consultative Committee may be used only for this purpose. This committee seems to be an effective mechanism for assuring that attention is given to the need for cooperation at a high level in both governments. The amendment would not, however, preclude use of other channels for these purposes.

Again, let us be realistic. If the purpose of the gentleman from Idaho in offering his amendment is to stop the treaty from going into effect, this purpose will not be accomplished. The treaty will go into effect on October 1 whether or not his amendment passes. Nothing we can do before or after that date can bring back the existing 1903 Treaty. If its purpose is to prevent the United States from preparing for or carrying out the new treaty, its enactment would be damaging to the interests of the United States.

My substitute has a constructive purpose. It seeks to strengthen the ability of the United States to defend and operate the canal. I urge its adoption.

□ 1615

The CHAIRMAN pro tempore. Does the gentleman from Maryland insist on his point of order?

Mr. BAUMAN. No, Mr. Chairman. I withdraw my reservation of a point of order.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) as a substitute for the amendment offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and on a division (demanded by Mr. HANSEN) there were—ayes 72, noes 23.

So the amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Idaho (Mr. HANSEN), as amended.

The amendment, as amended, was agreed to.

● Mrs. SMITH of Nebraska. Mr. Chairman, I supported the amendment offered by the gentleman from California.

As the gentleman pointed out so well, the amendment says simply this: The taxpayers of this Nation, through Congress, should have the right to decide how much of their hard earned dollars are given to foreign nations, and how those dollars are spent. Funding of technical assistance programs through mandatory assessments preclude this right of the American people.

This bill authorizes over a billion dollars over the next 2 years to meet U.S. obligations for various international organizations and conferences including the United Nations. This amounts to a cost of roughly $4 to every man, woman and child in this country. In fiscal year 1980 the State Department is asking for $41.2 million in U.N. mandatory technical assistance alone—up from $19.3 million in fiscal year 1978.

The people of my district find it hard to understand why, with our balance-of-payments problems, and our balance-of-trade deficits, and the battering of the dollar on the world markets, we would be taxing them to send money to the United Nations to have some of it end up in places like Saudi Arabia.

The people of Nebraska see nothing wrong with helping underdeveloped nations. They are not cold-hearted. But they feel that when they give away money they should do so voluntarily.

I believe that this transfer of wealth to the underdeveloped countries of the world should be in the traditional form of a voluntary effort, which U.N. members choose to support and over which the Congress of this member nation has discretion. The amendment of the gentleman from California would do just that. It would prod the U.N. into changing its budget procedures so that all technical assistance funds are put back in the United Nations development program—which is voluntarily funded—and taken out of the U.N. general operating expenses—which are funded through mandatory assessments. I enthusiastically supported the adoption of this amendment.●

● Mrs. COLLINS of Illinois. Mr. Chairman, I opposed the amendment which would undermine everything that our country stands for in the way of human rights and international cooperation.

The use of the recently concluded elections in Rhodesia as a pretext to lift economic sanctions against the illegal regime in that country is at best, a naive response to a sophisticated public relations gimmick cooked up by the proponents of minority rule in Salisbury, with a little help from their friends in Pretoria. It is also an abdication of Congress responsibility to adhere to the terms of the compromise language contained in the Case-Javits amendment which was passed last year as an alternative to the same unconditional surrender to racism that is being proposed here today.

There are simply no facts to support the view that the Smith regime has agreed to either of the two pre-conditions set forth for the lifting of sanctions against the government of Rhodesia. No commitment has been made to negotiate in good faith at an all-parties conference including representatives of the Patriotic Front. Instead, Smith has simply invited the Front to submit themselves to the unacceptable terms of an agreement between himself and a group of selected black leaders, an agreement which is designed to perpetuate white minority rule in Rhodesia under another name.

Nor can the elections that terminated on April 20 be characterized, by any stretch of the imagination as "free and fair." With more than 85 percent of the country under martial law, it is not surprising that there have been numerous reports of intimidation on the part of the security forces, the police and private armies loyal to the various candidates. In addition, the Rhodesian Government asked white farmers to insure that the many hundreds of thousands of African farm laborers under their control be present at the polls, and many who were observed voting did so in the presence of armed escorts.

The Christian Science Monitor quoted a black farm laborer, one of "truckloads" brought in to the polls by their white bosses, as stating:

> I don't know why I am here * * * My employer has forced me.

While the London Daily Telegraph cited a black farm clerk's lament that:

> We will be forced to vote, otherwise I might lose my job, * * * If you are asked to do something by a (white) farmer you have to do it whether you like it or not.

Mr. Chairman, this is what life has been like for Rhodesia's black majority since Cecil Rhodes brought colonialism and institutionalized racial discrimination to the territory in 1890. It has not changed much since then and I seriously doubt that it will be very different under the regime that Ian Smith and his cohorts plan to install.

The Case-Javits guidelines require that all political and population groups be allowed to participate in the election. Yet the parties that make up the Patriotic Front—ZAPU and ZANU—are banned inside Rhodesia and 2,000 to 3,000 of their supporters are in detention. The names of these organizations and their leaders cannot be mentioned in the newspapers, on radio or television. The election campaign has, therefore, been effectively censored, and cannot be construed to have been freely or fairly conducted.

The election procedures leave the door wide open for fraud. Without prior registration of African voters there is no list of eligible participants against which to measure turnout, which is the regime's only claim to legitimacy. A law permitting presiding electoral officers to "assist" illiterate voters in casting their vote may have disqualified the votes of 70 percent of the African population who have not been permitted to learn to read and write.

A final condition of the Case-Javits amendment called for the elections to be validated by "international observers." No single recognized international institution sent observers to an election which was universally condemned as a fraud. Most of the individuals who did attend represented partisan organizations who had already prejudiced their case by their previous endorsement of the Smith regime and their premature support for terminating sanctions.

Let us not make the same mistake. Instead, the President should be permitted to apply the language of Case-Javits to the situation at hand and make an objective determination of whether or not to jeopardize our country's commitment to human rights in Africa by falling prey to the diabolical schemes of racism and opportunism. I am confident that, given the choice, he will not let our country down.●

● Mr. SLACK. Mr. Chairman, I would like to commend the Committee on Foreign Affairs and especially my distinguished colleague from Florida (Mr. FASCELL) for bringing a 2-year authorization bill to the House floor and for bringing the bill to us this early in the year. Many of you will recall the authorization difficulties we encountered last year when considering the appropriation bill for the Departments of State, Justice, and Commerce, the judiciary and related agencies. Yet we had no alternative but to proceed if we were to meet the timetable established by the Budget Control Act of 1974.

The authorizations for fiscal year 1980 contained in this bill are necessary in order for us to proceed with the appropriation bill for 1980, which we hope to have on the House floor in June. However, the bill also includes authorizations for fiscal year 1981, for which I want to commend the committee.

Enactment of such authorizations will enable the departments and agencies to develop their 1981 budgets based on actual authorizations and we can consider those budgets based on the authorized levels. Heretofore the budget proposals and consideration thereof have been based on assumed authorized levels. This advance authorization will permit a more orderly budget process. I want to commend the Committee for its foresight in recommending authorizations for 1981 at this time.●

The CHAIRMAN pro tempore. Are there further amendments?

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not wish to try the patience of the House, but conscience constrains that I rise to ask this Committee and the House to reconsider its action in cutting 10 percent across the board from the budgets of the Department of State which carries on vital functions important to us all.

It is the smallest Department in the Government. It is a Department that has shrunk personnel-wise, while other Departments are growing by leaps and bounds since 1971. It is a Department that has a lower budget in constant dollars than it did in 1971, and substantially so. It is a Department that does render vital services to the American people.

In recent years we have sought in this subcommittee to beef up the consular services, that those who serve in the consular services might provide the American people more of what they expect and require.

We have forced across-the-board cuts that will cut out not only consular but other vital services to the United States; 2,500 personnel slots and 25 to 30 posts.

This also has cut the budget of ICA, the Voice of America; it has cut the budget of BIB; Radio Liberty and Radio Free Europe.

The action of the Committee a few

minutes ago has cut back our refugee programs by 10 percent.

I would say, Mr. Chairman, I cannot believe a majority of the Members of this Committee of the Whole House would do that.

☐ 1620

Mr. Chairman, the Department of State and related agencies brought to us an austerity budget. This committee brought to this floor an austerity authorization. I cannot believe the members of the Committee of the Whole House or the House of Representatives would penalize the committee in those austerity moves and in this attempt to act in good faith and with an eye toward economy by such a broad-based meat-ax cut.

Upon sober reconsideration, I trust the committee and the House will reverse this unfortunate action.

Mr. BOWEN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Mississippi.

Mr. BOWEN. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, I have served with the gentleman on the Subcommittee on International Operations, and I have examined this budget very closely. I represent, as I think my colleagues know, one of the most conservative States in the Union. I have looked at this budget carefully, and I am in very strong support of it.

When we find an agency such as the State Department, which is doing its best to pare its expenses right down to the bone and has done so under the discretion of our subcommittee—an agency which in this case, since 1967, has reduced its personnel by 8½ percent while HEW has increased its personnel over the same period by 44 percent—then I do not think it deserves to be punished by an arbitrary 10-percent cut in its budget, for no reason.

I know that I like to criticize the State Department as much as anybody else, and I love to throw rotten tomatoes at the State Department as much as anybody else, but this is not the place to do it. This is not a foreign aid cut; this is the basic operating budget of the State Department. This is the smallest and, I think, one of the most efficient agencies of our Government. Its economy with public funds should be a model for other agencies.

Mr. Chairman, I want to urge the Members of the House not to punish the State Department for its small budget but to vote to restore the level of funding recommended by the committee.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman from Mississippi (Mr. BOWEN).

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I agree with everything the gentleman from Alabama (Mr. BUCHANAN) has said. Accordingly I hope that there will be sober reflection and less glee about the fact that a meat-ax cut has been achieved at the expense of this department, a department already too burdened by economic cuts and staff reductions.

So I will ask in the House that a separate vote be taken on the Ashbrook amendment, hopefully to give the Members a chance to reconsider the fact that this is not a foreign aid cut. We are talking about positions now, and we have already had 332 Foreign Service positions cut. With this amendment, 2,500 more positions would be cut, we would have to close consulates, and we would have to cut back on refugee assistance programs both in Israel and the United States.

Mr. Chairman, I cannot believe that we would want to do those things. I would hope that the Members will reconsider their votes when a separate vote is requested.

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know that it has become common practice in the House of Representatives to seek to reverse rollcall votes on the same day. The gentleman from Maryland was a victim of this kind of perfectly legitimate parliamentary maneuver a few weeks ago on an amendment dealing with observers for the Rhodesian elections. Within the matter of a few minutes 10 votes were switched, a number of Members changed their position, and the amendment was defeated.

Of course, Members of Congress have the right to change their votes in any case, but I think it would be very difficult for any Member to go back home, after having just voted for a 10-percent cut in a $4.5 billion State Department authorization, and explain to the constituents who sent them to Washington one of two things: First, they did not understand what they were voting on 20 minutes before and therefore they switched; or, second, that they were importuned by their party leadership or other Members and were influenced to change a position they did understand and moments before felt was perfectly legitimate.

Maybe the votes can be changed in this instance but let the switch hitters defend their integrity.

However, I would say to the gentlemen and the ladies of the committee that what we are really talking about is how much the other body is going to wind up allowing as a cut. If the House votes for a cut of 5 percent, the other body may allow a 5-percent cut or perhaps less of a cut. If we reduce it here to no cut at all, there would probably not be any cut. That is the way it operates between the two Houses.

So I would ask the Members to stand by not only the judgment that they made 20 minutes ago but also to stand by the campaign pledges they made to cut spending. I do not think there are very many agencies in the Government that could not stand a 10-percent cut, including the State Department.

Perhaps the State Department can give fewer cocktail parties or have a few less Embassy dinners here and there and tighten up their operation.

Mr. Chairman, I urge the Members to stand by their position and vote to sustain the Ashbrook amendment.

The CHAIRMAN pro tempore. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

☐ 1625

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. KAZEN, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, pursuant to House Resolution 217, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. FASCELL. Mr. Speaker, I demand a separate vote on the so-called Ashbrook amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 16, after line 7 add the following new title:

"TITLE V—LIMITATION ON EXPENDITURES

SEC. 501. No more than 90 percent of the funds authorized to be appropriated by each title of this act shall be expended."

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—yeas 48, nays 72.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 199, nays 203, not voting 32, as follows:

[Roll No. 97]

YEAS—199

Abdnor
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bouquard
Breaux
Brinkley
Brown, Ohio
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine

Dickinson
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Ertel
Evans, Ind.
Flippo
Florio
Forsythe
Frenzel
Fuqua
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Luken
Lungren
McDade
McDonald
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Oakar
Paul
Perkins
Petri
Quayle
Quillen
Regula
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NAYS—203

Addabbo
Akaka
Albosta
Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Daniel, Dan
Danielson
Derwinski
Dicks
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flood
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hefner
Holland
Hollenbeck
Holtzman
Horton
Howard
Hyde
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Levitas
Lloyd
Lowry
Lundine
McClory
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Sebelius
Seiberling
Shannon
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Steed
Stewart
Stokes
Studds
Swift
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—32

Biaggi
Boggs
Chisholm
Coleman
Conyers
Crane, Philip
Dellums
Diggs
Dingell
Dodd
Erdahl
Erlenborn
Fenwick
Ford, Mich.
Garcia
Hawkins
Hubbard
Leath, Tex.
Long, La.
McEwen
McKay
Mattox
Moffett
Montgomery
Pashayan
Pursell
Santini
Stark
Thompson
Waxman
Weiss
Wolff

☐ 1640

The Clerk announced the following pairs:

On this vote:

Mr. Coleman for, with Mr. Biaggi against.

Mr. Philip M. Crane for, with Mr. Santini against.

Mr. Erdahl for, with Mr. Thompson against.

Mr. Pashayan for, with Mr. Hawkins against.

Until further notice:

Mrs. Boggs with Mr. Erlenborn.
Mr. Diggs with Mrs. Fenwick.
Mr. Dellums with Mr. Leath of Texas.
Mr. Waxman with Mr. Pursell.
Mr. Wolff with Mr. Moffett.
Mr. Garcia with Mr. Montgomery.
Mr. Ford of Michigan with Mr. Stark.
Mrs. Chisholm with Mr. Dodd.
Mr. Conyers with Mr. Hubbard.
Mr. Long of Louisiana with Mr. McEwen.
Mr. Weiss with Mr. McKay.
Mr. Dingell with Mr. Mattox.

Messrs. VOLKMER, CARTER, and SNYDER changed their votes from "nay" to "yea."

Messrs. GUARINI, GAYDOS, and BEARD of Rhode Island changed their votes from "yea" to "nay."

So the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1645

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, I have a motion at the desk.

The SPEAKER. The Chair is aware that the gentleman is standing and the Chair intends to recognize the gentleman. That is for the information of the gentleman from California.

Now, if the gentlemen will be seated, we will continue with the business of the day.

Is there any member of the committee that desires to make a motion to recommit on the minority side?

PARLIAMENTARY INQUIRY

Mr. BUCHANAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BUCHANAN. Mr. Speaker, if a Member has just been persuaded to vote against this bill by the eloquence of the other side, would he be qualified to offer such a motion?

Mr. BAUMAN. Mr. Speaker, that is not a parliamentary inquiry.

The SPEAKER. A Member has to qualify in his own right.

Mr. BAUMAN. Mr. Speaker, I have a motion at the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BAUMAN. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will——

Mr. BAUMAN. Mr. Speaker, I was recognized.

The SPEAKER. The Chair under the precedents of the House, will recognize the gentleman from Michigan to make a motion if he qualifies.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, had not the Speaker said to the gentleman from Maryland, "Is the gentleman opposed to the bill?"

And the gentleman from Maryland was thus recognized.

The SPEAKER. The Chair appreciates that the gentleman is opposed to the bill; but under the precedents of the House, the Clerk has not reported the motion.

Mr. BAUMAN. I make a point of order, Mr. Speaker.

The SPEAKER. A motion is not before the House.

Mr. BAUMAN. But I make a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. BAUMAN. I make a point of order against recognizing the gentleman from Michigan or anyone else, because he did not rise in a timely fashion to make the motion. Once the Chair recognizes a Member, the precedents will support the fact that he has the right to offer the motion.

The SPEAKER. On the point of order, the gentleman's motion has not been read yet; so the Chair will recognize the gentleman from Michigan, a senior member of the committee, who is standing.

Mr. BAUMAN. The gentleman from Maryland had the floor and does not yield for that purpose.

MOTION TO RECOMMIT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BROOMFIELD. Yes, I am, Mr. Speaker.

The **SPEAKER**. The gentleman qualifies.

Mr. **BAUMAN**. Mr. Speaker, I make a point of order against the motion.

The **SPEAKER**. The Clerk will report the motion.

The Clerk read as follows:

Mr. BROOMFIELD moves to recommit the bill, H.R. 3363, to the Committee on Foreign Affairs.

Mr. **BAUMAN**. Mr. Speaker, I make a point of order against the motion.

The **SPEAKER**. The gentleman has made a point of order against the motion.

Mr. **BAUMAN**. Mr. Speaker, may I make the point of order?

The **SPEAKER**. The gentleman may speak on his point of order.

Mr. **BAUMAN**. Mr. Speaker, the gentleman makes a point of order that the gentleman is not in order in making the motion, since another Member had already been recognized. The Chair has already conferred that recognition and had inquired whether or not the gentleman from Maryland was opposed.

The **SPEAKER**. In the opinion of the Chair, until the motion has been read, the gentleman has not been recognized for that purpose.

Mr. **BAUMAN**. Well, the gentleman did not yield to anyone else to offer a motion.

The **SPEAKER**. The gentleman had not been recognized for that purpose and consequently—the Chair asked the gentleman if he was in opposition. The gentleman replied. The gentleman was not then recognized for that purpose. That is the statement and the opinion of the Chair. The Chair did not recognize the gentleman by directing the Clerk to report the motion. The Chair is trying to follow the precedents of the House.

Now, the Chair has ruled on the gentleman's point of order and the gentleman from Michigan is entitled to 5 minutes. The Chair so recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. **BAUMAN**. Mr. Speaker, the gentleman is not entitled to 5 minutes on a straight motion.

The **SPEAKER**. The gentleman is correct. It is a straight motion.

Without objection, the previous question is ordered on the motion to recommit.

Mr. **BAUMAN**. Mr. Speaker, I object to ordering the previous question.

The **SPEAKER**. The gentleman objects.

The question is on ordering the previous question.

The question was taken; and the Speaker announced that the noes appear to have it.

The **SPEAKER**. In the opinion of the Chair, the noes have it.

The gentleman from Texas asks for a division.

Mr. **BAUMAN**. Mr. Speaker, I have a motion at the desk.

Mr. **BOLLING**. Mr. Speaker, on the previous question I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 265, nays 138, not voting 31, as follows:

[Roll No. 98]

YEAS—265

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chappell
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Daschle
Davis, S.C.
de la Garza
Derrick
Dicks
Dixon
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Gaydos
Gephárdt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Satterfield
Scheuer
Schroeder
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Stack
Staggers
Stanton
Steed
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Watkins
Weaver
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—138

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Brinkley
Brown, Ohio
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
Evans, Del.
Fish
Forsythe
Fountain
Frenzel
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hyde
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Paul
Petri
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—31

Biaggi
Chisholm
Coleman
Conyers
Crane, Philip
Dellums
Diggs
Dingell
Dodd
Eckhardt
Erdahl
Erlenborn
Fenwick
Ford, Mich.
Garcia
Hawkins
Hubbard
Leath, Tex.
Long, La.
McEwen
McKay
Mattox
Pashayan
Pursell
Santini
St Germain
Stark
Thompson
Waxman
Weiss
Williams, Mont.

☐ 1705

Mr. **CLINGER** changed his vote from "yea" to "nay."

Mr. **ASHLEY** changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

☐ 1710

The **SPEAKER**. The question is on the motion to recommit.

The motion to recommit was rejected.

The **SPEAKER**. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ASHBROOK**. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 256, nays 146, not voting 32, as follows:

[Roll No. 99]

YEAS—256

Addabbo
Akaka
Albosta
Ambro
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin

AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chappell
Cheney
Clay
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Danielson
Derrick
Derwinski
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Gore
Gradison
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hutto
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Sebelius
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Steed
Stokes
Stratton
Studds
Swift
Synar
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wampler
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—146

Abdnor
Anderson, Calif.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bethune
Bevill
Bouquard
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Clausen
Cleveland
Clinger
Collins, Tex.
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Devine
Donnelly
Duncan, Tenn.
Early
Edwards, Okla.
Emery
English
Evans, Ind.
Gaydos
Gephardt
Gingrich
Glickman
Goldwater
Gramm
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hillis
Hinson
Hopkins
Huckaby
Hughes
Ichord
Jacobs
Jeffries
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDonald
Marlenee
Marriott
Martin
Mathis
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nichols
Oakar
Paul
Petri
Quayle
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Volkmer
Walker
Watkins
Weaver
Whitehurst
Whittaker
Wilson, C. H.
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—32

Alexander
Biaggi
Chisholm
Coleman
Conyers
Crane, Philip
Dellums
Dickinson
Diggs
Dodd
Erdahl
Erlenborn
Fenwick
Ford, Mich.
Garcia
Hawkins
Holt
Hubbard
Leath, Tex.
Long, La.
McEwen
McKay
Mattox
Pashayan
Pursell
Santini
Stark
Stewart
Thompson
Vander Jagt
Waxman
Weiss

□ 1725

The Clerk announced the following pairs:

On this vote:

Mrs. Fenwick for, with Mr. Pashayan against.

Mr. Erdahl for, with Mr. Philip M. Crane against.

Mr. Erlenborn for, with Mr. Vander Jagt against.

Until further notice:

Mr. Thompson with Mr. Coleman.
Mrs. Chisholm with Mrs. Holt.
Mr. Waxman with Mr. Conyers.
Mr. Santini with Mr. Leath of Texas.
Mr. Diggs with Mr. Stewart.
Mr. Weiss with Mr. Hubbard.
Mr. Hawkins with Mr. Dodd.
Mr. Stark with Mr. Mattox.
Mr. Biaggi with Mr. McKay.
Mr. Ford of Michigan with Mr. Alexander.
Mr. Garcia with Mr. Dellums.

Mr. DANIELSON changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO AUTHORIZE CLERK TO MAKE CLERICAL AND CONFORMING CORRECTIONS IN ENGROSSMENT OF H.R. 3363

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3363, the Clerk be authorized to correct section numbers, punctuation, cross references, and to make such other technical and conforming changes as may be necessary to reflect the actions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, does that also extend to changing votes, or just remarks?

Mr. FASCELL. Well, the gentleman asked the question. I presume the gentleman knows the answer.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 213 AND H.R. 1539

Mr. JENRETTE. Mr. Speaker, I ask unanimous consent that my name as a cosponsor be removed from House Joint Resolution 213 and H.R. 1539.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

□ 1655

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT ON TOMORROW DURING HOUSE SESSION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may be permitted to sit on tomorrow, Wednesday, April 25, 1979, while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1735

PERSONAL EXPLANATION

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, at the time of the vote today on the bill (H.R. 1301), international shipment of lottery materials, the transmitter operating the electronic page boy signal system was not working. Therefore, I missed the vote. Had I been present, I would have voted "aye" on H.R. 1301.

MINIMIZING GOVERNMENT INTERFERENCE: A BILL TO AMEND THE LANHAM ACT OF 1946

(Mr. MAGUIRE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MAGUIRE. Mr. Speaker, today I am introducing legislation that will restrict the authority of the Federal Trade Commission to apply for the cancellation of registered trademarks under the Federal Trademark Cancellation Act of 1946, solely on the ground that the name of the product or substance is generic.

At present, the Lanham Act permits the Federal Trade Commission to engage in one of the most clear examples of regulatory overkill. The Federal Trade Commission is permitted to petition for the revocation of a firm's trademark merely because what was once a distinctive word has degenerated into common usage. In effect, the FTC can penalize the firm for the skill with which it has popularized its product's name. In an industry where there is no evidence of monopoly, in an industry where there is no evidence of restraint of trade, in an industry where there is no evidence of insufficient competition, the Federal Trade Commission can blithely move to revoke a firm's trademark merely because it is generic—without justification or showing of procompetitive purpose.

The legislation I am introducing today does not preclude the FTC from using genericness as an element of a broader action against a trademark. But it does establish a safeguard which prevents the FTC from using genericness itself as a reason to revoke a trademark.

The Federal Trade Commission's historic mandate is to root out abuses of market power and enhance the role of competition and the informed consumer as regulators of the marketplace. Where marketplace forces are deficient, they move to declare unfair methods of competition unlawful. Over the last year, the rate of inflation has increased by 9.9 percent. Since January, we have seen this figure increase sharply to 1.2 percent per month. With conservative estimates placing the cost of antitrust violations at $150 billion annually, vigorous and productive enforcement of the laws insuring the integrity of marketplace forces can be an effective Government tool for restraining the inflationary spiral.

The budget for the Federal Trade Commission is $64.9 million for 1979. This comparatively small sum is intended by Congress to be expended for the purpose of maintaining competition, protecting consumers by providing useful information to reduce consumers' difficulties in locating economical and reliable products, and for the analysis of economic data relevant to policymaking decisions for procompetitive purposes.

With respect to restraining those inherently uncontrollable inputs to inflation, the Federal Trade Commission's role in maintaining competition is most significant. And certainly, there are several recognizable industries which could benefit from increased competition. Interestingly, these industries are both major contributors to the inflationary spiral and central to the conduct of our commerce. The energy, automobile, steel, and rubber industries come to mind in this regard.

It would therefore maximize the effectiveness of the FTC to shape its decisionmaking policy to concentrate its energies on those sectors of the economy which stand to benefit from competition the most. It would stand to reason that the Federal Tradfe Commission should be promoting competition in those industries where pricing practices result in the greatest increases in the Consumer Price Index. When the Commission fails in these endeavors, Congress must act to examine the Commission's legislative mandate, to insure that the FTC is focusing directly on those anticompetitive forces which contribute to the rate of inflation we are experiencing and which can limit the impetus of our markets to respond fully to consumers' needs.

It is with these thoughts in mind that I am introducing legislation to amend the Lanham Act. Presently, the Federal Trade Commission is free to petition the Commissioner of Patents for cancellation of a trademark solely on the ground that it has become the "common descriptive name of an article or substance." (15 U.S.C. 1064) While cancellation of a trademark that has become a common descriptive name is far from a novel proposition, the Commission has not in the past sought cancellation solely on this ground. Consequently, until this past year, Congress has never been in a position to evaluate the utility, practicality or desirability of the Commission moving to deny trademark protection when the trademark has come to be understood by the public as a description of a type of product, rather than serving to identify and distinguish the product of one seller from similar goods sold by others. However, with an action filed by the Commission against the trademark held by Formica, Inc. for their decorative plastic, high-pressure laminate, there is ample, objective evidence to conclude that there is no pro-competitive purpose served by permitting the Commission to sue on the ground that the trademark has become generic. In fact, I have concluded that, absent of any other indices of anticompetitive behavior, practices or advantage, it is pernicious for the Commission to sue a corporation solely on this basis.

In the annual report of the Federal Trade Commission (1978), the FTC discusses its utilization of procompetitive remedies:

> C. Innovative remedies: An order to "cease and desist" may not always be the most effective way to ensure protection of the public interest. In 1978 the Commission applied several new and frequently innovative remedies:

On May 31, 1978, the Commission filed a petition with the United States Patent and Trademark Office seeking to cancel the Formica trademark, registration No. 421,496 on the ground that this mark has become a descriptive name or generic term with respect to decorative plastic laminates used on countertops, tabletops and the like.

The action taken by the FTC is the first experiment by the Generic Trademark Project run by the Denver Regional Office. They have established case selection criteria for determining which industries are susceptible for trademark revocation actions:

First. Industries where product standards are uniform;

Second. Existence of a price premium;

Third. The products cannot be tested by the consumer;

Fourth. Low brand name recognition of products other than the product in question; and

Fifth. Lack of a readily available, alternative generic name.

In the Formica case, it is clear that these criteria are not particularly helpful in determining whether Formica, Inc., has an anticompetitive edge through the popularity of its trademark, nor is it clear that these criteria are inclusive enough for making such a determination in other industries.

MARKET SHARE

Regardless of the commonality of the usage of the term "Formica," it would surely be a measure of anticompetitiveness if the Formica share of the high-pressure laminate market were unwieldy, or if Formica were overwhelmingly dominant in the field. Neither is the case. I have graphed below, information obtained from the largest firms in the field, from the office of marketing or sales. Running vertically is a list of the major firms in the decorative plastics industry. Running horizontally is a listing of what the captioned firms estimate the dominant manufacturers' share of the market is. You can see that there is very little variation among the estimates and unanimous consent that Formica has only a slight edge.

FIRMS IN THE DECORATIVE PLASTICS INDUSTRY ESTIMATE THEIR MARKET SHARES: 1978

[Estimates—In percent]

Firms	Formica	Nevamar	Wilsonart[1]	Laminart	Pionite
Formica: American Cyanamid	38.6	33	33	33	35
Pionite: Libbey-Owens-Ford	13.8	11-12	11	15	10
Micarta: Westinghouse	8.3	9	12	9	9
Nevamar: Chagrin Valley	12.6	12	12	12	10
Consoweld: Consolidated Paper		9	7	7	7
Wilsonart: Dart Industries		24-25	25	21	26
Laminart: Eagle-Picher Industries			3	3	3

[1] More than 100 percent.

In addition, Formica has provided estimates of its share of the market over the last 9 years. These figures, again, indicate leadership, not monopoly:

Formica's estimate of its own market share

[In percent]

1970	33.4
1971	32.1
1972	34.7
1973	31.2
1974	34.8
1975	36.2
1976	35.6
1977	39.1
1978	38.6

But what is so ludicrous about this case is that the division of the market among the major producers is not a factor in the FTC's action. The Commission, in a letter to Senator WENDELL FORD by the regional director of the Denver office, asserted that they interpreted the Lanham Act to state that there was a "substantial public interest involved in avoiding the perpetuation of protected trademark status for generic words." So, regardless of the size of the firm and its share of the market, the Federal Trade Commission has opined that they must act to revoke the trademark.

CONSUMER PROTECTION

The product manufactured by Formica, Inc., Pionite, Micarta, Nevamar, Consoweld, Wilsonart and Laminart is sold almost exclusively to fabricators. It is sold on the retail market only a small percentage of the time. Martin Friedman, president of Formica, Inc., estimated in an article printed in the Bergen Record, Hackensack, N.J., "Only 5–7 percent of our sales are to consumers." Don Krog, vice president and general manager of Laminart and a past-chairman of the National Electrical Manufacturers Association, decorative plastics section, confirmed Mr. Friedman's assertion. Now managing a competitor of Formica, Mr. Krog agrees that very little business in the industry is devoted to retail, consumer sales.

They maintain that their products, as intermediate goods which are fabricated into finished products, are identified—by price, by color selection, by durability and by reputation—by knowledgeable wholesalers who can distinguish between the major producers' goods.

Thus, the argument that divestiture of Formica's trademark will benefit consumers is dubious at best. The vast majority of laminate is bought at the contractor level by purchasers motivated by more practical considerations than the simple allure of a trademark.

MARKET CHARACTERISTICS

The existence of a popular trademark in the laminate field is clearly not a barrier to entry. What makes the plastics field so difficult to enter is the capital-intensive character of this industry which is based on petrochemicals. The capital-intensive structure of the industry is confirmed when you look at the owners of the predominant firms: American Cyanamid, Libbey-Owens-Ford, Westinghouse, Consolidated Paper, and Dart Industries. Hence, the key to entry into the market is not the popularity of the trademark but the capital and the management capabilities of the firms doing the producing.

Another indication of an anticompetitive advantage is the existence of a price premium. The question here is whether, by virtue of their purported trademark advantage, Formica can not only seduce customers into buving their product, but can charge these unsuspecting customers a price premium as well. Few of Formica's competitors are underselling Formica's product. Fabricators, represented by the National Association of Plastics Fabricators, claim that Formica is competitively priced. Yet, the Federal Trade Commission has suggested that consumers will save $50 million as a result of Formica losing its trademark. This is difficult to believe.

Formica, Inc. has about a 35-percent share of the $400 million laminate market. Thus, the FTC is asserting that fully one-third of Formica's price is due to its competitive advantge granted by its trademark. With the product costing 35 cents per square foot, this argument strains credulity. Informal market figures indicate that 18 cents of this figure is directly attributable to materials. Thus, to obtain this one-third figure, the Federal Trade Commission must believe that overhead, labor, marketing, administration and profit comprise only 5 cents of the cost of decorative plastics. This is absurd.

I or my staff have spoken with high-level management personnel of the major producers in the decorative plastics industry. Not a single one of them wants Formica's trademark revoked. They have worked as hard as Formica, Inc., to make their products known to the fabricators who purchase them. It would not be competitively advantageous for them to adapt the Formica name for their products and they frankly support their competitor Formica as it resists the FTC in its pursuit of their mark.

Insofar as the Formica case is concerned, it is demonstrable that neither the public nor the industry is being served by the FTC's assault on Formica. This conclusion has led me to question whether, as a matter of policy and law, the Commission should have the authority to institute this type of action.

The ultimate question in this case is, Do we want to prevent the FTC from ever moving to revoke a trademark solely on the ground that it has become generic? I think the answer is yes. Anyone familiar with American industry will agree that serious blockages to free market behavior occur in monopolistic or oligopolistic situations, where firms engage in predatory pricing practices, where there is collusion, where there is restraint of trade, and so forth. Serious inhibitions to commerce do not merely occur when a trademark becomes popular.

The legislation I am introducing today does not obviate the usage of evidence that the trademark has become generic by the Federal Trade Commission as an element of an accusation of anticompetitive advantage. It is merely an affirmation of what the Formica case has taught us; the genericness of a trademark is not, in itself, indicative of competitive advantage. It does not serve the public interest to invoke this section of the Lanham Act to promote competition when the Federal Trade Commission could and should be using more effective measures to promote competition.

I would therefore urge my colleagues, Mr. Speaker, to actively support this legislation, in hopes that its ultimate value will be in the redirection of the Federal Trade Commission's activities away from such gratuitous forays. There is much to be done to reduce inflation and promote competition. These are tasks that Congress created the Federal Trade Commission to pursue.

SOLIDARITY SUNDAY

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COURTER. Mr. Speaker, Sunday, April 29, 1979, has been designated as "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry. Solidarity Sunday is an opportunity for people of all faiths to participate in demonstrations throughout America, protesting the Soviet Union's repressive and restrictive policies toward Jews who wish to emigrate to Israel. Three million Jews in the Soviet Union gather courage and strength from our support and concern about their plight.

The Soviet Union's blatant disregard of basic human rights and of the Helsinki Accord is appalling. As Americans, we are committed to the protection of human rights, and we cannot, by our silence or by our inaction, condone the continued harassment and suppression of the Soviet Jews.

As Americans, we have an obligation to seize every opportunity to demonstrate to the Soviets, that they cannot persist in their policies against a people because of ethnic and religious heritage.

I am honored to have the privilege of introducing this resolution calling for congressional support of "Solidarity Sunday." It is only right that we, as the representatives of the American people, lead the fight for ethnic and religious freedom in the world. A copy of the bill follows:

H. RES. 232

Whereas April 29, 1979, has been designated as "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry;

Whereas on April 29, 1979, Americans of all faiths will join in demonstrations and rallies to express their solidarity with the three million Jews in the Soviet Union;

Whereas Solidarity Sunday symbolizes the unity of all Americans with the Prisoners of Conscience and others suffering from the Soviet Union's restrictive emigration policies; and

Whereas Solidarity Sunday serves to remind us of the restrictions on the practice of religion and the observation of cultural traditions, and the harassment of individuals in the Soviet Union who wish to emigrate, practice their religion, or observe their cultural tradition: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the leaders of the Soviet Union should permit the emigration of Jews and other individuals who wish to emigrate from the Soviet Union;

(2) the leaders of the Soviet Union should remove the restrictions on the practice of religion or the observation of cultural traditions; and

(3) the leaders of the Soviet Union should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions.

JOB PROGRAMS—WHAT WORKS?

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. WIRTH. Mr. Speaker, during the last 3 months, the Budget Committee has struggled with questions of budget priorities and budget cutting. Of major concern should be an increased knowledge of which programs work, and which do not.

In most of these discussions, it was clear that we have limited knowledge. We must continue to examine these programs, with a more urgent commitment to oversight, analysis, and sunset where necessary. I have great hopes for the efforts being undertaken by the Rules Committee, in examining the procedural alternatives available to the House. No one understands the complexities of the process, and the potential of the House, better than Chairman BOLLING of the Rules Committee.

In the meantime, I commend to my colleagues the following article on job programs, which illustrates the problems we face in analyzing and coming to program conclusions in one major policy area: employment and job training.

The article follows:

19 YEARS OF JOB PROGRAMS—QUESTION STILL IS "WHAT WORKS"

(By John M. Berry and Art Pine)

Over the past 19 years, the United States has spent $85.8 billion on programs to train the poor and "hardcore" unemployed and fit them into today's job market.

By almost all accounts, that effort has been a bust.

For all the outpouring of federal, state and local money over the years, there are few experts, even among those who support the current round of programs, who claim they have been effective—other than to provide income for the recipients.

Moreover, despite the massive investment—$15 billion in the current fiscal year alone—experts still don't know such basics as which kind of programs work best, what impact they have over the long run and what changes, if any, to make for the future.

"The jury still is out on the ability of these programs to improve the tradeoff between inflation and unemployment," concedes Isabel V. Sawhill, director of the National Commission for Manpower Policy, an independent federal agency now evaluating the entire effort.

The dilemma is a crucial one, not only because of the cost but because the problem of "structural unemployment"—the social and economic illness these programs are designed to relieve—is so devastating to society and seemingly intractable.

Although the total number of jobs in the U.S. has grown sharply in recent years, the number of hard-care jobless has mushroomed since the mid-1960s—from 380,000 just 15 years ago to more than 2.4 million today. And it shows no signs of abating.

The consequences of failure are enough to provoke shudders: Large numbers of persons unable to get and hold decent jobs; sharply increased costs for welfare and income maintenance; and in the case of youth unemployment, the possibility of widespread disorder.

During most of the past 20 years, manpower programs have enjoyed bipartisan support. Democrats liked them because they aided the urban disadvantaged. Republicans embraced them as a respectable alternative to welfare. There seemed little real question that the effort should go ahead.

But with all the recent problems—and so little knowledge of what works best in this field—both sides have begun backing away.

The Carter administration effectively has shelved a long-promised move to expand these programs as a means of combatting hard-core unemployment and pushing the jobless rate back to the 4 percent level earlier thought of as "full employment."

Carter's plan when he took office was to use traditional Democratic pump-priming and more liberal money and credit policies to slash unemployment—then almost 8 percent of the work force—to about 5.75 percent. Then he would rely on manpower programs to do the rest.

Now that the jobless rate is down to 5.7 percent, however, Carter is supporting only a few new youth and training programs. Rather than the sharp expansion that had been expected, the administration is keeping its proposals—and its expectations—modest.

Charles L. Schultze, chairman of the president's Council of Economic Advisers, told a House subcommittee earlier this year, "Our ability to predict how much improvement in structural unemployment will be forthcoming from these measures is limited.

"At the present time," Schultze declared, "we cannot be sure that continuing or even rapidly expanding these programs would make possible an overall 4 percent unemployment rate without accelerating inflation."

Similarly, the administration has come across with only a token fulfillment of its 1977 promise for a major attack against youth unemployment. Although more action could emerge from a study being run by Vice President Walter Mondale, so far Carter has proposed only limited—and mainly experimental—new programs.

To most manpower specialists, the major problem over the past 20 years is that the programs have provided jobs, but little training. But, training is considered the key, because the difficulty is not in finding jobs but in providing people with enough skills to get and hold good jobs. (Except during recessions, some jobs usually are available—even to the unskilled.)

Arnold H. Packer, the Labor Department's chief economist, says the difficulty for these workers is that the jobs they do get pay so poorly and have so little future that they offer little attraction. Those workers who take them also leave them quickly.

Structural unemployment describes cases where workers are too poorly trained—or located in the wrong place—to get and hold jobs that make use of their potential. While the category includes a high proportion of teenagers, blacks and women, it also reaches many other segments of the work force, both urban and rural.

Manpower experts argue persuasively that with adequate training, these unskilled "in-and-out" workers would be able to compete for better jobs. And, armed with new skills, they could relieve some of the labor bottlenecks that make the U.S. economy so inflation-prone.

But that's not what has happened. Instead, the bulk of the money spent on manpower programs has been little more than an income-maintenance effort. Training has been noticeably absent, or often poorly run. And there's been too little coordination with the needs of industry.

The United States has tried just about everything over the years, from the Job Corps and Neighborhood Youth Corps of the Kennedy and Johnson days to the present massive—and controversial—Comprehensive Employment and Training Act of 1974.

The effort has spawned a set of heady promises: The programs were to uplift the hard-core unemployed, provide them with counseling and help toward a high school equivalency certificate, train them for skilled or semi-skilled jobs and shift them from welfare to decent jobs.

But the potpourri of government and private efforts over the years has produced little to show, either in terms of reducing the level of structural unemployment or improving the tradeoff between joblessness and inflation.

Manpower specialists are almost unanimous in listing these problems:

The government has tried to use manpower programs to accomplish too many goals at once—straining the system, as in Carter's most recent effort.

Local manpower efforts have been disrupted by too-frequent shifts in federal policy as Congress, impatient to achieve quick success, has scrapped or replaced existing programs before officials have had a chance to determine whether they're working.

Although the programs have been well-enough designed in some localities, in general they've had too little link to the nation's economic needs. Too often, local programs have turned out secretaries in areas where opticians were needed instead.

In too many cases, both federal and local officials have played the game of "creaming"—taking applicants they know will be easy to place in jobs—so they can guarantee high job-placement statistics for federal administrators. In doing so, however, they end up ignoring some who need help the most.

Incredibly, the government has failed to keep meaningful statistics on the effectiveness of these programs—making the past 15 years' effort almost worthless in terms of learning what works. The Labor Department began a comprehensive study only in 1977, but it won't yield solid results for years.

Manpower experts in the field also are sharply critical of the Labor Department's administration of these programs over the past several years. They say the agency has been lax in riding herd on local programs and more concerned with "numbers" than with how the programs actually are working.

Ironically, the manpower effort began not as a program to aid the hardcore unemployed, as it's come to be thought of now, but as a bid by the federal government to help "save" middle-class workers who were being threatened by the late-1950s specter of growing automation in industry.

The first broad-scale, post-war program was the 1962 Manpower Development and Training Act, administered by the Labor Department's Office of Manpower, Automation and Training. The theory was that because growing new technology would eliminate thousands of jobs, workers would need training.

The scope was broadened during the Great Society days of the mid-1960s, when the Johnson administration included manpower training programs in its new anti-povery program. The basic theme became help for unskilled workers, but the program remained relatively small.

Perhaps the biggest change—and the most destructive to the training concept—came under Carter, who used the program as an anti-recession tool in 1977. Localities were forced to expand their programs so rapidly that the effort blew apart. The jobs slots were filled, but training was sidetracked.

"The conversion of these programs from

structural to countercyclical cut into their ability to deal with structural problems," says the Manpower Policy Commission's Sawhill. "And having to grow that rapidly gave way to a lot of the current fraud and abuse."●

MR. MOAKLEY IN OPPOSITION TO S. 413, AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, I rise today in opposition to Senator CANNON's legislation, S. 413, the Aviation Safety and Noise Abatement Act of 1979.

Of particular concern is title III of S. 413, which would, in effect, overrule the domestic airline aircraft fleet quieting regulation adopted by the Department of Transportation in 1976.

As we know, the DOT regulation in question concluded that it was "economically reasonable" and "technologically practicable" for all aircraft currently in the U.S. airline fleet to be quieted to FAR 36 noise limits by January 1, 1985. The regulation set the following time schedule for participation by U.S. airlines:

By January 1, 1981: 50 percent of all two and three engine jet aircraft (B-727, 737, DC-9, BAC-111) and B-747's; 25 percent of 4 engine jet aircraft (B-707, DC-8);

By January 1, 1983: All two and three engine jets and B-747's; 50 percent of four engine jets;

By January 1, 1985: All four engine jets.

My home city of Boston would be seriously affected by the delays and waivers proposed in this legislation. As is the case with a number of older metropolitan areas, our airport is located in the midst of heavily populated neighborhoods, where noise levels are intolerable for local residents. My own neighborhood of south Boston has had to endure jet takeoffs and landings at Logan Airport for many years. The constant stream of air traffic in and out of Logan has depreciated the value of my neighbors' homes and has posed a serious health and safety hazard to neighborhood residents—especially children and senior citizens. Massport, the operator of Boston's Logan Airport, has been working with domestic airlines to insure the operation of more and more "new technology" aircraft at Logan. Airport officials have sought to spare neighboring residents excessive noise by trying to arrange for airline operators to fly their most modern craft in and out of Boston. These efforts have been very successful, and have depended in large part upon the fact that the airline operators recognized the existence of the DOT regulations mandating increasingly aggressive noise compliance standards. Any congressionally mandated delay in setting these standards would weaken Massport's effort to win volunteer cooperation from the airlines.

Additionally, the waivers from the noise compliance deadlines do not further increase the already overwhelming market-generated incentives for compliance through new technology aircraft purchases. Instead, these waivers would provide strong disincentives to the earliest possible quieting of two and three engine jets. Also, they provide additional, special interest waivers not brought up last year during Commerce Committee hearings.

The National League of Cities has informed me that section 303 of the bill would make "good cause" waivers available to an airline from all of the compliance dates where supply shortages would prevent, or competitive disadvantage would ensue upon, timely compliance with the regulation. It would appear that this section is nothing other than a reinforcement of airline requests for waivers—waivers which can already be granted under 14 CFR part 11, the FAA's existing regulatory waiver process. This provision would appear to place the compliance regulation in greater jeopardy.

The National League of Cities has also informed me that section 304 of the bill would provide mandatory extensions of the compliance dates, for an indefinite period, where replacement aircraft meeting the most recent and stringent FAA noise standards were ordered by airlines prior to those dates. The comparable provision in last year's bill provided such waivers only for two and three engine aircraft replacements ordered before 1983; no other "new technology" waivers were provided. S. 413 adds to last year's bill a provision granting waivers for four engine aircraft if stage three replacements are ordered by January 1, 1985.

If these section 304 waivers were allowed, replacement aircraft would, in many cases, be delayed up to or beyond 1990. This would leave aircraft in service after 1985—some of which (most notably the B-707) are the noisiest aircraft flying at this time—that would not meet any noise standards.

Mr. Speaker, I know that I speak for an overwhelming majority of my constituents in saying that these noise compliance standards should not be delayed. Aircraft noise has long been one of our Nation's most irritating health and safety problems, and I have heard from hundreds of my constituents on this very issue ever since I first went into public service. I do not stand here and make the claim that retrofit of all current non-FAR 36 aircraft will immediately solve our noise problem. But I do think that overall, it would give relief to local residents and would translate into a positive show of Federal, State, and local action on a historically troublesome issue. I urge my colleagues in the House to resist any effort to weaken our domestic airline aircraft fleet noise regulation.

A TRIBUTE TO THE LATE ARCHBISHOP FRANCIS J. FUREY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, I rise in order to convey the sad news to my colleagues that a great American and a great spiritual leader, the archbishop of the archdiocese of San Antonio, Francis J. Furey, has passed on today.

In his very brief span as archbishop in San Antonio, he accomplished so much that his death is a loss that we will all feel intimately.

He was installed as archbishop on August 6, 1969, and from the very beginning he set a pace that was fast, and he was very successful in doing things that had long been in need of being done in the Archdiocese of San Antonio.

Among several of Archbishop Furey's outstanding accomplishments were some that should have been done years before, and when we stop to think about it, we wonder why they were not accomplished before.

Archbishop Furey succeeded another most brilliant and outstanding bishop of the San Antonio archdiocese, the most eminent Archbishop Lucey.

Among the accomplishments Archbishop Furey was instrumental in instituting was the installing of the first Mexican-American bishop for that area in more than 100 years. He established the 1972 Mexican-American Cultural Center which not only works in behalf of the church in the training of priests for the priesthood but also serves the community at large. It provides services for the entire Mexican-American cultural community.

Archbishop Lucey established the first Catholic archives in the history of the archdiocese, this being accomplished in the most historic of all archdioceses in the Nation.

Mr. Speaker, it is with a deep sense of sadness, regret, and loss that I convey this information to my colleagues.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks with respect to the prayer offered today by our guest Chaplain, the Reverend Vartenes Kalayjian, and that those remarks may appear following my 1-minute speech after having introduced Reverend Kalayjian.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE 64TH ANNIVERSARY OF ARMENIAN MASSACRES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 60 minutes.

Mr. DANIELSON. Mr. Speaker, today, April 24, 1979, is the 64th anniversary of the beginning of the Armenian massacres by the Ottoman Turkish Government, a crime, a tragic crime, against humanity which stands as the first of many genocides of this 20th century. But do not erase the memory of or the enormity and savagery of that genocide, a pogrom during which more than 1,500,000—1,500,000—men, women, children, babies, of the Armenian Nation were systematically put to death as a part of a national policy which was carried out by the Ottoman Turkish Government—1,500,000 innocent people, who were killed simply because of their ethnic background.

□ 1740

It is sad, Mr. Speaker, that the people of the world of that day did not recognize the enormity of that offense, did not properly take steps to speak out against it to intervene against it, because the heritage of that genocide has become one more genocide after the other, right on down through to and including today.

In 1936, when the greatest monster of the 20th century, Adolf Hitler, commenced his so-called final solution to the Jewish problem, his planned and well-executed pogrom of exterminating, driving out, killing all of the Jews who lived within the territory that he dominated, someone raised the question, "Mr. Hitler,"—Mr. Fuehrer, I suppose they called him—"can we do this? Will not the world public react? How can we put an end to 5 million, 6 million people simply because of their ethnic background?"

And what did Der Fuehrer say? What did Mr. Hitler say in response? "Who today remembers the Armenians?"

And, indeed, who in 1936 did remember the murder of 1,500,000 men, women, children, and babies, who had been killed just 20 years before?

And the enormity of that crime, on the night of April 24 of 1915. The authorities gathered up, rounded up all of the leaders, political literates, the intelligentsia, the professional people of the Armenian community, spirited them away, locked them up, and killed them.

Left without leadership, we had the remainder of the community driven from their homes, the men taken out and killed in the desert, women and children driven from their homes, across the desert, across the Syrian desert, perishing of thirst, of starvation, of beatings, of stabbings, of shootings, of stonings, of clubbings, and of other activities too horrible to describe in this Chamber.

One million five hundred thousand out of less than three million—more than half of that nation was destroyed in that pogrom.

It was one of the most infamous crimes against humanity in human history. And what was done about it? Nothing. Nothing was done about it. Nothing at all was done about it.

So Hitler said 21 years later when he started his pogrom. "Who today remembers the Armenians?"

I can tell you something, Mr. Speaker. There were not too many people who remembered them in 1936, but there were a lot more in 1946 and 1956 and 1966; and today, in 1979, that crime is not forgotten, and it will not be forgotten.

Earlier today, one of our colleagues, the gentleman from California (Mr. DORNAN), appeared in the well of this House, right here, and pointed out the parallel that ever since the time of that horrible crime in Nazi Germany, we have had continuous genocides in different parts of the world. He mentioned just a few which are current—in Cambodia, for example; in Uganda.

Shall we assume that genocide, which certainly is not a way of life, is to become the proper way of death in the 20th century?

□ 1745

Shall we, in a country which prides itself on freedom and liberty and equality for all people, refuse to recognize the enormity of a crime which results in the genocide of one of the races of humankind? I say not.

Mr. Speaker, there are Armenians today in every State of our Union, in every community; and thank God that they have increased in numbers to where there are now as many as there were before the genocide.

I happen to have the honor of representing a district in which there is a great number of people of the Armenian nation, and some of the other Members here today likewise represent such communities.

However, I want to point out one thing: The world has not forgotten this tragic event.

I see the gentleman from California (Mr. DORNAN), whom I just referred to, is present.

Mr. Speaker, the people of America have not forgotten this crime, and the people of the world are not going to have a chance to forget this crime. I know hundreds of Armenian families in California, perhaps thousands. There is not one family among them which did not have one or more members who were killed during that genocide. That kind of memory cannot be expunged from history; and, indeed, it should not be expunged.

Mr. Speaker, I am reminded at this time of some words which appeared in a news account in the American press just last March 30, 1979, and I quote:

> The destruction of human lives under murderous circumstances cannot be undone by the passage of time.

And also these words:

> They are not erased from man's memory, and they should not be erased.

Who pronounced those words? They are part of the remarks which Chancellor Helmut Schmidt used in appealing to the West German Parliament just 3 weeks ago when he asked them to abolish the statute of limitations on murder, which otherwise will take effect at the end of the calendar year 1979. If the statute of limitations on murder in West Germany is not abolished, it will prevent the prosecution, after December 31, 1979, of the Nazi criminals who are still at large.

Mr. Speaker, I bring this up, as I have in the past, because of the glaring moral contrast which exists in the present-day Government of West Germany and of Turkey regarding the respective genocides perpetrated by past governments there in both instances.

On the one hand, there is the West German Government, which has not only acknowledged the enormity of the crimes of the Hitler government, but has made reparations over the years to help ameliorate the crimes committed under Hitler against the Jews, but which now, as enunciated in Chancellor Schmidt's appeal to the West German Parliament, may even provide for an extension of time in order to prevent suspects who committed murders under the Nazi regime from escaping prosecution after December 1 of 1979.

On the other hand, we have the present-day Government of Turkey, which not only remains mute about the genocide of Armenians by a past Turkish Government, but simultaneously pursues a policy of suppressing or attempting to suppress all reference by others to the genocide. These pursuits and suppressions of the truth the Government of Turkey must now recognize are becoming increasingly difficult to achieve. How much longer, then, will these attempts to cover up continue?

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I would be pleased to yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, I thank the distinguished gentleman for yielding, and I rush to join him in his eloquent words this evening, pointing out this memorial day celebrated worldwide by Armenians so that young boys and girls across this country, who occasionally in class read the CONGRESSIONAL RECORD, will see in print the name "Armenia." They will not learn it from their geography classes because it does not exist as a country on the face of the map any longer.

There was a pathetic, though an inadequate, excuse for turning deaf ears and for turning one's eyes away from the genocide which took place in Armenia by the Turks right before World War I, and that pathetic excuse was that a generation of young German and English and French and other boys were being destroyed in the trenches of Western Europe.

□ 1750

They were bogging down in the mud there. That was to continue in a horrible death toll for 4 years. But 30 years later we found if 1½ million was undigestible before World War I of the genocide, 6 million as a figure of Jews slaughtered in Europe was even more incomprehensible.

Today we have no such excuse with Telstar bombarding people around the world, with colored news broadcasts of the fate of the boat people all around the coastlines adjoining Indochina, 250,000 people in concentration camps in Laos that they call the ugly euphemism of being in "seminars," the genocide in Cambodia, the death toll in Uganda, Chad, Sudan. I learned at the end of last year's Congress of the death toll of 50,000 or 60,000 people in the tiny country of Equatorial Guinea, the worst genocide of people in all of history, worse than Turkey's slaughter of Armenians. It just boggles the mind that today with all the sophisticated explosion of communication the world again seems to turn a deaf ear with the excuse that it is incomprehensible—the genocides and killings going on this very day.

It is healthy to remember, as we did in the rotuna today, the holocaust of several generations ago. It is healthy and proper that the gentleman from California (Mr. DANIELSON) should bring up the remembrance of Armenia six decades later. But what about that which remains today and tomorrow: The killing that still continues?

I thank the gentleman for my being allowed to join his words.

Mr. DANIELSON. I thank the gentleman for his contribution.

Mr. Speaker, I would like to yield now to the gentleman from California (Mr. COELHO).

Mr. COELHO. I thank the gentleman for yielding, and I should like to join his remarks.

Mr. Speaker, I would like to take this occasion to join in recognizing April 24 as a national day of "Man's Inhumanity to Man." In doing so we focus attention on those who have been the victims of genocide and holocausts as well as the survivors, for whom the scars remain. This day is particularly meaningful to me inasmuch as I represent a large and prominent Armenian community.

As my colleagues know, the Armenian people were the first in this century to suffer from genocide at the hands of the Turkish nation. In addition to the actual human suffering that the genocide involved, the most distressing fact is that even to this day, Turkey refuses to acknowledge as a genocide the hundreds of thousands of Armenians who perished.

Hopefully, this day will prove a reminder to all of us that what genocides have occurred must continue to be denounced in the hope that our efforts in doing so will prevent such an occurrence from ever taking place again.

Mr. DANIELSON. I thank the gentleman for his contribution. I know he represents a very substantial group of the Armenian community.

Mr. Speaker, I now yield to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. I thank the gentleman for yielding. I wish to commend the gentleman from California for taking this special order.

Today is the 64th memorial anniversary of what history refers to as the Armenian Massacre. In 1915 the then Government of Turkey began a campaign of death and destruction against the 2.5 million Armenians living in eastern Turkey. It has been estimated that more than 1.5 million lost their lives in that dreadful pogrom. Most of those that survived fled Turkey to countries throughout the world.

I know many Armenian friends who lost members of their family during that holocaust. I know one man in particular who as a 9-year-old boy watched every member of his family—his father, his mother, some of his aunts, uncles, his cousins, and his brothers and sisters—slaughtered. If it had not been for the friendship of one Turkish family that took him aside and took him into their family, he would have died also. But that young boy 9 years old never grew a fraction of an inch after that day, it was such a shock to his system. He has come to California and lives in Hollywood, Calif., to this day.

But the memory of what has brought destruction to so many families throughout the world has been terrible. As time passed, communities of Armenians have settled and flourished in new lands throughout the world. This is especially true in America where today there are more than 500,000 Armenians living, working, and contributing to our society. There is a strong community of Armenians in my district. The record of their involvement in the political, educational, and social processes of the community is exceptional. Their contributions are many, their worth undeniable.

☐ 1755

Nothing we say here today can honor the Armenian as effectively as he has already honored himself through a continuous demonstration of strength and perseverance, neighborliness and good will. Nothing we do here today will memorialize the Armenian more effectively than do the worldwide Armenian communities that presently exist. These communities are a living memorial to the courage of the Armenian people and a reassuring example to all of us that the human spirit can prevail and overcome over the foulest of injustices.

If we do not get something out of the example that has been set, if we do not remember this kind of injustice, their sacrifices will have gone in vain. If we can learn what has happened and prevent the world from going through this kind of thing in the future, they will have made a real contribution.

Mr. DANIELSON. I thank the gentleman very much. There is no one in this House who has a greater moral strength and moral sense of direction than the gentleman from California (Mr. MOORHEAD), and I greatly appreciate his contribution.

Mr. Speaker, I will be pleased to yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and I want to commend the gentleman for taking the time of the House to focus attention on genocides that occurred earlier in this century and much later on, both of which as the gentleman pointed out, have a great deal of connection.

It was particularly moving today for me to stand along with the gentleman from California in the rotunda of the Capitol to hear the stirring remarks that were made by the President, the Vice President, the author Elie Wiefel, and the leading clergymen who focused our attention on the need to recall this senseless murder of 1½ million Armenians back in the early 1900's and thereafter the senseless slaughter of 6 million Jews.

Many people question why we bring these matters continually to the attention of the public. Of course, it is important we do it. I think it is a solemn obligation to those millions who have gone so that we will recall why these events came about, why we allowed them to happen without more of us standing up and saying something about them to try to prevent them from happening.

I am hoping, as I know are many of my colleagues, we will never see that chapter in history repeated and that we have learned an important lesson from these events. I am hoping that we will somehow contribute to stamping out the terrorism and senseless slaughter that is still going on this very day in some of the nations in Africa, in Northern Ireland, and other places where we can make some contribution to helping to bring peace and eventually an end to terrorism.

I thank the gentleman for affording us this opportunity of focusing upon these important issues.

Mr. DANIELSON. I thank the gentleman for his commitment and assistance in this matter.

You know, I do not know what the Turkish Government is thinking of when they refuse to acknowledge the enormity of a crime of a previous Turkish Government. Do they think that this will go away? They cannot be that naive.

I have news for them. A memory of these crimes will never go away.

You know this happened only 64 years ago. There are still alive and with us today many people in their seventies and eighties who have clear memories as eyewitnesses to what happened.

I have more news for those who think this will go away. Just a few years ago we started a program, a program started that has been carried out with great zeal and great success. Young Armenian college students running around making tape recordings of the recollections of these eyewitnesses while they are still alive. Those recordings are being preserved and copied, duplicated, reduced to writing.

This crime is never going to be forgotten. We must not forget these crimes lest we forget and have them repeat themselves.

I have talked with a lot of these older people myself. Some of them were so shocked emotionally that they cannot communicate. Others were able to tell us some things.

I am thinking now of one old lady about 80 years of age. She saw her family rounded up, all men and boys above infant stage; they were buried in the ground up to their necks with only their heads sticking up above the ground. Then the cavalry of the Ottoman Turkish army galloped their horses back and forth across them crushing their skulls. What a memory for that old lady to carry. What a memory.

☐ 1800

She barely gets the story out and then she cries silently; 80 years old, and that is what happened to her family.

Do you think we are going to forget that? How callous can you be? How callous can anyone possibly be?

I know another old lady, and this is not an uncommon thing, a lady in her late seventies or eighties. You know, we go to a social gathering and some of these old ladies get together and the old men and they sit in a corner and talk; but, you know, the psychological trauma was so great, starving in the desert, some of these old ladies carry a crust of bread in their purse. They just cannot stand the thought of again facing starvation.

Do you think we are going to forget that? We are not going to forget it. The world is not going to forget it. So long as I have a voice and so long as I have this forum in which to speak, we are going to remember it on April 24 of every year that comes by, and there are others of us who are going to continue, because the world must not forget inhumanity. If we become callous to the sacredness of human life, then all of us are lost.

I must remind the government of Turkey that time is running out for them. Today we are living in an era in which the term human rights is fast becoming a global battlecry, one which is penetrating even the most totalitarian government.

Let me also remind the present day government of Turkey that in all the numerous speeches made in Congress over the years about the Armenian genocide have been speeches which have recognized those acts of genocide, speeches which have established that they were committed by the Ottoman Turkish Government, speeches which have enumerated the dates, the numbers massacred and the atrocities committed.

Therefore, Mr. Speaker, on this solemn day of commemoration and in memory of the 1,500,000 Armenian martyrs, I again call upon the Turkish Government to acknowledge the sin of its predecessor government and to commence a new constructive course, one which it must view as its inevitable moral obligation in the name of humanity, in the name of human rights and in the name of human justice.

● Mr. ANNUNZIO. Mr. Speaker, 64 years ago today the Turkish Government began the first genocide in modern times, massacring 1 million Armenian civilians and driving out of their historic homeland 500,000 more under incredibly inhuman conditions.

When one stops to think that one and a half million Armenians represented virtually the entire Armenian population in Turkey proper in 1915, the true extent of this heinous crime becomes even more appalling.

Not only did the Turks wantonly and deliberately sacrifice innocent human lives, but in addition to this, confiscated or destroyed billions of dollars of Armenian property, including the invaluable contributions of the oldest Christian civilization in the world.

The true enormity of this horrendous crime does indeed stagger the minds of those of us fortunate enough to live in peace and freedom.

Mahmur Vartanian, one of the survivors of the massacre, was interviewed in Waukegan, Ill. a few years ago. In her own words, she described the massacre and the terror which has never left her. The following is part of her personal recollection of the events surrounding the infamous April 24, 1915, devastation:

> The night before, an order had been issued for all the men to gather in the town square at dawn. They thought they were being shipped to labor camps to assist the Germans in building a railroad. They said goodby to their wives, thinking they wouldn't see them for years.
>
> It was much worse than that. The men were executed—beheaded, hanged, beaten, fired at. Mahmur's parents were dragged from their home, and she saw them buried alive with others in one gigantic grave. She clung to her mother's arm—she wanted to go with them. The shrieks and moans were heard for miles.
>
> We [the women] were taken to our church and whipped, two at a time. I was black and blue. The Turks spat at us and said, "If you believe in your God, let Him save you."
>
> One intellectual's mother was interrogated about her son. When she refused to reveal his whereabouts, her arm was cut off, a section at a time. Eyebrows were seared, hair pulled off, parts of the body hatcheted and mutilated. People in entire towns were herded away to be drowned. Some children were thrown into graves, covered with kerosene, and torched while their mothers watched, wailing, some going insane.
>
> There were bodies everywhere. For years, we couldn't eat fish because it reminded us of the stench of corpses.
>
> We were beaten again and taken on caravans headed for the desert. We had no idea where our children were. The Kurdish tribes—mountaineers and robbers—raped and killed children and women before our eyes. One mother with a small daughter in her arms was asked, "What's the matter, can't she walk?" Before she had a chance to answer, her child's heels were cut off and the mother was bayonetted, the blood spilling into her child's mouth.
>
> Mahmur and a 13-year-old girl managed to slip thru the vineyards, sneaking back to the Turkish village. Mahmur hid in a Turkish home, where she became a servant, making bread for the family. After three years of lying low, she was determined to find her children. She dressed in Turkish garb and walked to the next village. It took her three days.
>
> "I lived off the land, eating the fruit of the trees. I spotted my former neighbor's daughter—she married a Turk. We cried when we recognized each other. My 4-year-old son had been taken in by Syrians who were kind to him. The older boy (he was 9) worked in the Turkish compound.
>
> "He didn't believe I was his mother, and he didn't speak Armenian any more. I took both sons back to my Turkish home." Thru town gossip, she discovered the fate of her daughters—the 5-year-old had been drowned, and the 10-year-old had been sexually molested and beaten to death.
>
> The boys worked on the farm. Her younger boy, Nishan, asked about a lamb he once had. She told him it had been killed by the Turks. He vowed to kill them when he grew up. Some Turks overheard this, and that night he was beaten to death.

There is little one can add to Mahmur's words, except perhaps to marvel at the boundless courage and the unshakable faith in God of the Armenian people in the face of such barbaric deeds.

Some years ago, His Eminence, the late Richard Cardinal Cushing, referred to the Armenian claim as the oldest unresolved grievance on the agenda of world business. He urged the United Nations, a forum established for world peace through international justice, to provide a just solution for the Armenian grievance. He stated, and rightly so, that such an action would enhance the prestige of the United Nations and encourage all people to seek peaceful resolution of world problems.

Mr. Speaker, it is the hope of Armenians everywhere that the United Nations will take decisive action to provide a peaceful redress for their legitimate grievances, and indeed, for all freedom-loving peoples whose inalienable rights of self-determination have been violated.

In closing, I want to remind my colleagues that the United Nations Convention on the Prevention and Punishment of the Crime of Genocide, which already has been ratified by 83 countries, has not yet been ratified by our own country.

President Truman first transmitted the convention to the Senate for its advice and consent in 1949. Since that time, sporadic consideration has been extended to the convention. Most recently, in 1977, the Senate Foreign Relations Committee held public hearings on the Genocide Convention, but no final action was taken.

The Genocide Convention has been under consideration for three long decades. The time for action is long overdue.

Mr. Speaker, as Members of Congress, let each of us examine our conscience and let us do out utmost to alleviate the memory of this unjustified crime against the Armenian people, the scars of which are carried in the hearts and minds of every surviving Armenian.●

● Mr. BENJAMIN. Mr. Speaker, today marks the 64th anniversary of the Armenian genocide of 1915. In this year, the Turkish Government began the planned extermination of the Armenians, the first mass-murder of a people in modern times. The sporadic pillage and murder of Armenians for countless generations under the Sultans culminated in the premeditated mass-killing of the civilian Armenian population in 1915, with the avowed purpose of Talaat Pasha, Turkish Minister of the Interior, to eliminate permanently the question of the reestablishment of Armenia's political sovereignty.

In pursuance of the official policy and orders of the Turkish Government, 1½ million Armenian victims were added to the hundreds of thousands murdered during the 19th century. In addition, 1½ million Armenians were deported under incredibly inhuman conditions, finally finding refuge in the friendly countries of the Near East, in Europe, and the United States.

April 24 has been designated as memorial day, and each year all Armenians observe the anniversary of the Turkish crime of genocide that shocked the sensibilities of the civilized world. The commemoration this year holds a special significance because of the recent developments regarding the United Nations Commission on Human Rights. A great step forward in the cause for human rights was achieved when this Commission agreed recently to reconsider its report on genocide by taking another look at the deleted reference of the Armenian genocide. This reference, commonly called paragraph 30, recognized the crimes perpetrated on the Armenian people by the Ottoman Empire.

During the proceedings of the Human

Rights Commission, efforts were made by a few parties to exclude any reference to these massacres. This would have been a travesty and an honest study of the crime of genocide would be far from complete without such an inclusion.

I must commend the admirable efforts of the U.S. delegation, and especially that of U.S. Representative to the United Nations, Mr. Set Monjian, for their efforts to preserve paragraph 30 by delaying final passage of the report and urging reconsideration of the Armenian genocide reference.

While we rejoice in this victory, we must also acknowledge that the Armenian people, while not subject to a systematic genocide, are an oppressed nation within the Soviet Union.

There is an Armenia today, but it is a state which is denied the freedom and the liberty that the Armenians demand. Almost since the dawn of civilized man, there has been an Armenian nation and the Armenian people have never bowed under the heel of their oppressors. The Armenian people await the time when they will be able to return to their homeland and finish the work they began 61 years ago and recreate the Republic of Armenia.

To the many Armenians living in exile throughout the world, to the Armenians living in bondage behind the Iron Curtain and to the many friends of Armenia everywhere, I ask my colleagues to join me in commemoration of the genocide of 1915 and in a renewed dedication to the principle of assuring that such a travesty of history can never occur again.

I want to thank Congressman George Danielson for taking out this special order to commemorate this occasion. I also want to commend the participants in the holocaust ceremony held in the rotunda today for their efforts to assure that, by remembering these tragic events in history, we may insure an end to such atrocities.●

● Mr. LLOYD. Mr. Speaker, we are today remembering the holocaust, which, in most of our minds, recalls the murder of 6 million Jews by Nazi Germany. What is less prominent in our minds is the first genocide which took place 64 years ago in the Ottoman Empire, when a million and a half Armenians—half the population—were slaughtered by the Turks. The first genocide of the 20th century has gone unacknowledged by those responsible. Until there is recognition of the deed by those involved and by the rest of the world, this kind of slaughter is not something of the past, to be remembered, but of the future, to be feared.●

● Mr. BEARD of Rhode Island. Mr. Speaker, today is the 64th anniversary of the beginning of the Armenian massacres which were the first organized genocide of the 20th Century, a time of tragedy in which 60 percent of all Armenians living within the boundaries of Turkey met their deaths, and most of the remainder were scattered throughout the world.

In my district in Rhode Island, I represent several thousand people of Armenia who fled from the terrible massacres. Mr. Speaker, it was on April 24, 1915, that the then Government of Turkey—and I wish to emphasize that that is not the present Government of Turkey—caused the arrest of about 200 intellectuals and leaders of the Armenian community in Istanbul, Turkey, and thus officially began the program which is now known to history as the Armenian massacres.

It is one of the great tragedies of the course of history that these people had to undergo, and yet these people have come back. They are aggressive and they are excellent citizens. They have contributed so much to our country and particularly to the great State of Rhode Island.●

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks with respect to the special order just made.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ENCOURAGING NEW SUPPLIES OF ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, more than three-quarters of the new oil and natural gas wells in this country are drilled by the 10,000 small independent oil producers who are often called "wildcatters." Drilling by these producers has dropped by 20 percent since Congress passed an energy bill last October which purported to deregulate the price of natural gas. The reason is clear: The bill further reduces incentives for drilling by extending price regulation to the intrastate market for the first time, and establishing an impossibly complex maze of more than 20 different price categories.

Congress will soon consider the administration's proposed windfall profits tax surcharge on American oil. Essentially, this proposal would place a further tax on the production of American oil at or below the OPEC world oil price. The revenues would be used to create a fund to subsidize forms of energy—like solar energy, coal liquids and coal gas—which cost more than even OPEC oil. This plan would neither reduce our dependence on foreign oil nor lower our overall energy costs as we would like. With a windfall profit tax, decontrolling the price of domestic oil would work only on the demand side—discouraging the use of oil by raising its price—without encouraging more production which could hold down our energy bill.

We must ask ourselves: How would the President's plan affect the incentives for those who drill for our oil and natural gas? To help my colleagues resolve this question, I would like to submit an excellent news article profiling one of those 10,000 independent oil producers. The article was written by William K. Stevens and appeared in the New York Times on April 22, 1979.

The article follows:

To Prime the Pump Decontrol

(By William K. Stevens)

Midland, Texas.—Forget, for the moment, about Exxon. When it comes to finding new supplies of domestic oil and natural gas, the key man is Dick Gaddy. He and thousands of other small, independent oil-and-gas producers like him are responsible for an estimated 70 to 80 percent of all wells drilled in the United States.

Exxon's vast operations amassed gross revenues of $65 billion last year. Dick Gaddy grossed about $755,000 by exercising his own wits, nerve, energy and sunny, "good-ole-boy" Texas amiability to put drilling ventures together. He did it out of a small office in downtown Midland, with a total staff of two secretaries. And while Exxon employs armies of accountants to keep it square with the Internal Revenue Service, Dick Gaddy reports all his oil-and-gas earnings on his personal income-tax return. "Richard S. and Joann Gaddy," it says at the top, just like any other householder's Form 1040.

But out of that personal fund comes not only the money that keeps the Gaddys' children in college and enables them to maintain a life style roughly comparable to that of a middle-to-upper-echelon corporate executive anywhere in upper-middle-class suburban America. The fund also provides the money that Mr. Gaddy uses to get new oil and gas wells drilled.

On such personal capital does the medium-term energy situation of the United States largely depend. For, as the events of recent weeks—from oil price increases overseas to the Three Mile Island nuclear accident—have made so clear, domestic oil and gas are of ever-more-critical importance.

Thus, a major purpose of President Carter's call for the lifting of price controls from domestic crude oil was to stimulate production. If prices are allowed to rise, it is reasoned, oil producers will be able to commit more money to the hunt for new supplies—a search that has been lagging in recent months. Much of any new revenue provided by decontrol would go to men like Richard Gaddy, and questions as to how they use their monies, and why they need more, will be central to the debate now brewing in Congress as to whether to impose an excess-profits tax on the projected new revenues.

There are roughly 10,000 independent oil producers in the United States, most of them in Dick Gaddy's league. The Exxons end up buying, refining and re-selling the oil in the end, but it is the independents who set the pace and extent of exploration. Who take the initiative. Who put together the thousands of ad hoc financial ventures and syndicates that convert geologists' educated guesses into hard-cash enterprises. Who put their own money on the line in one of the chanciest of business enterprises. Who respond most sensitively to the constantly shifting equation of risk versus reward that is the essence of oil-patch capitalism. And who stand to reap great rewards if they guess right.

They have been called the swashbuckling "super-entrepreneurs" of America. They may indeed be the fullest expression of the old-fashioned, individualistic entrepreneurial spirit remaining in an overwhelmingly bureaucratic economy that operates mostly by committee.

"I can't have as much fun in Vegas," says 48-year-old Dick Gaddy, a stocky, affable Texan now in his sixth year as an independent, "because when you and I get down on a deal, I've got a chance of makin' a jillion dollars, and I've got a chance of puttin' my name on a major field, and that's something that every walkin' s.o.b. can't do."

If he doesn't play the game, he eventually goes out of business. Oil and gas are depletable resources, and an oil or gas well begins to die the moment it is drilled. This diminishing, income-producing asset must be continually replaced. That need is a prime motivating force behind the immensely far-flung, complex effort to develop new oil and gas reserves.

A corollary is that the number of new wells drilled depends directly on the amount of money at hand to finance them. That money comes from oil-and-gas production. In recent months, the amount available has been effectively reduced by a combination of inflation and controlled oil prices. Drilling costs have nearly doubled during the last three years, but oil revenues have remained essentially stable.

Make no mistake about it, Mr. Gaddy says. Because of decontrol, "I'm going to be encouraged to put more money into leases. I'm going to be encouraged to take more chances, and therefore more wells are going to be drilled."

Won't his own personal income be augmented by some of the new revenue resulting from decontrol? "I hope so," he says. After taxes, Mr. Gaddy kept $98,000 of the $755,000 gross for his own use last year. (The figures are estimates. Mr. Gaddy has requested an income-tax filing extension.) But most of the expected new revenue from decontrol, he asserts, will be plowed back into the drilling of new wells, just as were most of his gross earnings in 1978. Of the $755,000, an estimated $450,000 went directly into the cost of drilling new wells and acquiring new drilling leases. (Mr. Gaddy's overhead costs totaled $130,000, and he will pay about $77,000 in taxes.) Because of the need to replace his own depleting reserves, he says, "I can't do anything but plow back" most of the expected new revenue from decontrol.

Mr. Gaddy estimates that, all told, he has been responsible for the drilling of more than 50 wells since 1974, when he rode into true independent status on the domestic oil-price surge that followed the Arab oil embargo of that year. It was "the biggest shot in the arm I've felt," he says "and I shifted into high gear."

At present, Mr. Gaddy earns about $45,000 a month from the sale of oil and gas from wells in which he has an interest. He produces the oil-and-gas equivalent of 1,300 barrels of oil a day. In the last two years, he has been responsible for the drilling of 21 producing wells and 18 dry holes. That is a better than average performance.

All of which makes Mr. Gaddy moderately successful as an oilman and quite well off as an individual, though not big or rich by oil-patch standards. He is still looking for the "home-run" play that might catapult him into the ranks of such storied men of the past as Glenn McCarthy or H. L. Hunt, or even of large, present-day independent producers like the Houston Oil and Minerals Corporation or the Mitchell Energy and Development Corporation, each of which grosses in the hundreds of millions of dollars.

Such big producers are relatively few in number. Of the estimated 10,000 independents, perhaps 200 produce more than 1,000 barrels of oil a day or gross more than $2.5 million a year. Furthermore, the odds against striking it big are much higher than before, simply because the biggest finds of oil and gas have already been made.

Still, Dick Gaddy is a plunger. He has nearly finished acquiring, in a bold play with other small partners and in competition with giants like Exxon and Chevron, Amoco and Shell, nearly 500,000 acres of oil-and-gas leases in the Appalachian Mountains along the Virginia-West Virginia border. He has spent most of his time during the last nine months on this one big venture, and as a result his personal income dropped last year by about $22,000. But he believes the area may hold vast, untapped reserves of natural gas—as much as 3 trillion cubic feet—that would provide an energy bonanza for the northeast.

When he was growing up as the son of a policeman in a blue-collar neighborood of Dallas, Mr. Gaddy never gave much thought to oil giants like the Hunts or Murchisons. To him they were as remote as movie stars. A fellow student at Southern Methodist University, the son of an oil operator, introduced him to the business. And upon his graduation with a marketing degree in 1956, he went to work for Continental Oil as a landman trainee.

A landman is one of a number of critical individuals in putting together an oil-and-gas deal. Basically, he is a negotiator who buys drilling leases from landowners.

In his early days, Mr. Gaddy was something of a swashbuckler himself. He worked as a "scout," assigned to gather intelligence on other companies' drilling activities. This involved, he says, a fair amount of outright spying—"everything from field glasses and sneaking up on the rig and finding a place to hid, and observing, all the way to getting roughnecks drunk." You don't see that kind of thing any more, he says, because the biggest "plays" are all gone.

By 1969, Mr. Gaddy had become a senior landman for the Sinclair Company. And when it merged with Atlantic Richfield that year, he made the break toward independence. "By that time I'd had 16 or 17 years of corporate life, and what the hell? I thought I'd give it a run in the other direction. You sit and watch other independents, and you say, 'God Almighty, I can do that.' "

Settling in Midland, one of a number of oil towns where banks are sympathetic to producers seeking short-term capital, he "hung out my shingle." And got nowhere for a while. The early 1970s were a low point for domestic drilling activity. The nation was relying on foreign oil that was then extremely cheap, and some domestic producers were even quitting the business. So Mr. Gaddy was forced to hire himself out as a sometime lease buyer to other companies to "keep beans on the table." His income was about $16,000 a year then.

His first venture as a capitalist, curiously, was not in oil or gas. He invested his savings in sulfur, only to see the bottom drop out of the sulfur market. Back to the drawing board: He went to work for another small independent as a landman. But eventually sulfur turned up again and Mr. Gaddy began drawing income from that investment. Soon his sulfur royalties outstripped his salary, and he made the break to independent status for good.

He made his big financial hit, the one that made him truly self-sufficient, almost immediately. Forming a syndicate with four individuals, he acquired some 40,000 acres of oil and gas leases in the Permian Basin near Midland. That was just after the Arab oil embargo. The price of domestic oil was rising, and when it passed $7 a barrel, Mr. Gaddy made his move.

The wells drilled on those leases eventually proved not to be very productive. But the deal itself paid off. The partners sold three-fourths of their interest prior to the drilling, and Mr. Gaddy realized enough profit on the deal to pay off the four-bedroom house he had bought for $21,750. (He and his family still live in the house, which might sell on today's market for $80,000.)

There are lots of ways to make money on an oil deal, and Mr. Gaddy's sale was one. And while there are endless permutations, an oil or gas well usually gets drilled as follows:

The idea usually begins with a geologist, who has a notion where oil or gas might be found. The geologist might sell the idea to a producer. But more commonly, he and the producer will join in a partnership to seek leases and financing. The geologist might himself be a producer, but he will still seek a partnership, because that is both a way to spread the risk and give greater leverage to his own capital.

Spreading the risk is essential, because—contrary to some notions—the science of oil exploration is far too imprecise to make any drilling venture a sure thing. The odds against striking oil in a virgin frontier region, for example, are commonly calculated at anywhere from 10 to 1 to more than 1,700 to 1, depending on the size of the field.

Some producers, like Mr. Gaddy, further attempt to reduce their risks by seeking balance in drilling. That is, they drill some sure-shot wells "in the shadow of the derrick" in a proven field, some high-probability wildcats and some longshot, "home-run" projects.

As the deal progresses, other parties may be given a share of the enterprise in return for services. In Mr. Gaddy's big West Virginia "play," for example, the men who undertook to supervise the buying of the leases received shares. And eventually, when it comes time to zero in more finely through seismic studies and then actually begin drilling wells, a large, frequently controlling share may be sold to a large independent or major oil company. It is they who have the finances for large-scale drilling. In Mr. Gaddy's case, the major partner has become the Allied Chemical Corporation, which has many oil-and-gas interests.

The key man in all of this is the entrepreneur, the initiator. By training he may be a geologist or, like Mr. Gaddy, a landman. He may end up actually operating the oil well, or he may not. Usually, as in Mr. Gaddy's case, he does not. That is commonly left to the bigger partners. The salient point is that the Dick Gaddys are crucial—the orchestrators, the ones who bring geological idea and capital investment together, and get things rolling.

The major oil companies derive several benefits from this de facto arrangement. First, men like Dick Gaddy do their exploratory work for them, work that would require them to enlarge their own staffs enormously. Second, they get a share of the production profits when wells come in (though they also share the risk of a dry hole). Third, their supplies of crude oil are boosted: The oil produced by Mr. Gaddy and others like him eventually is sold to the majors, who are the primary refiners.

One over-all effect of this is that while the independents lay out some 60 percent of the exploration money, the majors reap about half the oil revenue. The situation is somewhat different for natural gas. The independents reap more than half the revenue from gas.

For his part, Mr. Gaddy is more heavily involved in natural-gas deals than oil ventures. This is because gas prices have been more favorable of late, and also because gas, being more abundant at the moment, is easier to find. But Mr. Gaddy says nevertheless that "I'm very interested in oil." The economics simply have to be there.

A number of factors are at work, not the least of which is the effect of government policies.

Oil producers get two major tax breaks—the depletion allowance that currently enables the producer to deduct 22 percent of production revenues, and writeoffs of certain nonrecoverable drilling costs. There is a partial writeoff for a producing well and a 100 percent writeoff for the cost of a dry hole. Combined, these credits saved Dick Gaddy from having to pay income taxes on an estimated $425,000 of his income last year. Dry holes alone accounted for $146,000.

The recent slump in the pace of drilling has taken place despite all that. Now another act of Government policy, oil decontrol, seems about to change the situation, increasing the country's oil reserves and bringing new profit to men like Mr. Gaddy who are already making a good living from oil. How does he feel about keeping $98,000 a year to support and maintain himself, his wife, and two of his three children still in college, one mother and one mother-in-law while the nation as a whole is about to bear the higher energy cost that will come with decontrol?

"I feel great," he says, "and I want to tell you why. The whole country was built on the free-enterprise system. Without it, why should I stick out my neck and take a risk like I do? I think I'd be a pretty lazy guy without that incentive. I don't know what an obscene profit is. The more profit any of us can make, I'm happy for that."●

THE HOLOCAUST—IN MEMORIAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

● Mr. GILMAN. Mr. Speaker, we pause today in reverence to commemorate the memory of the victims of the Nazi holocaust.

April 28 and 29 have been designated "Days of Remembrance of Victims of the Holocaust," and mark the 34th anniversary of the liberation of the Nazi death camp in Dachau, Germany, by the Armed Forces of the United States.

It is particularly fitting that our own commemoration here in the rotunda of the Capitol today—in the presence of the President, the Vice President, leading members of the clergy, the House and Senate, the diplomatic corps and Elie Wiesel, chairman of the President's Commission on the Holocaust—took place on the day marked in Israel and by Jews the world over as "Yom HaShoah v'HaGevurah," "Holocaust Remembrance Day."

Today is also the day that commemorates the memory of the brutal, senseless slaughter of a large segment of the Armenian population in the Middle East around the turn of the century.

Mr. Speaker, the Nazi slaughter of 6 million Jewish men, women, and children and their senseless slaying of large numbers of other minorities and the murder of 1.5 million Armenians in 1915 are crimes whose enormity can scarcely be imagined.

Nevertheless, it is our solemn obligation to those millions of people to remember their tragedy and to take their lessons to heart in our own lives.

While the crimes of the Nazis were unique in their savagery, crimes against humanity continue to be committed today in the Soviet Union—where cultural, rather than physical genocide is being carried out against Jews—in Latin America, in Northern Ireland, and by terrorists everywhere on the globe. In Asia and in Africa we have recently seen the welcome toppling of genocidal maniacs, but oppression on racial, national, and political ground still exists on those continents.

The Hebrew name for Holocaust Remembrance Day contains a reference to the brave resistance of Jews to Hitler's attempt to annihiliate them. April 19 marked the 36th anniversary of the uprising of the Jews in the Warsaw ghetto against the Nazis—a resistance that lasted longer than the 1939 German campaign against Poland. We also remember today the gallantry of the countless acts of resistance in partisan bands, in other ghettos, and in the death camps themselves, as well as the bravery of those who fought the Nazis in the Allied Armed Forces.

Let us hope that today's holocaust commemoration will cause us to redouble our efforts to act effectively against violations of human rights wherever in the world they exist.

Finally, Holocaust Rememberance Day serves still another significant purpose. It serves to call all people to reflect on the meaning of life and its potential. Particularly for those who have been the special victims of genocide in recent years—the Jews and the Armenians—a day like today serves to reinforce our will to continuously defeat their oppressors by florishing as distinct peoples with unique and precious identities.

There are an ever-increasing number of people who do not want to remember what happened in the Polish ghettos and in the German camps, who do not want to see what is repeating itself today in other nations. But anyone who has any sense of responsibility, not only to the memory of the past but to the lives of their fellow men, must settle with his own conscience whether he has reason to feel guilty, to watch and be ashamed of his own inaction. I am proud that our Nation has chosen not to be a silent observer, but has consistently fought bigotry within its own boundaries and is now speaking out against the violation of human rights by other governments.

It is time for us to once again remind the world of the senseless slaughter of 6 million men, women, and children who were the victims of the cruelty and hatred of their fellow men while the world watched in silence. It is time for us to take up their torch and to continue their fight for human liberty and dignity. "May the memory of the righteous be for us a blessing."

Mr. Speaker, I am gratified and proud that our Nation has taken official notice of the "Days of Rememberance of the Victims of the Holocaust" and ask that at this point in the RECORD the text of House Joint Resolution 1014 of the 95th Congress and the proclamations of President Carter and Governor Carey of New York be printed in full:

H.J. RES. 1014

Whereas six million Jews and millions of other people were murdered in concentration camps as part of a program of extermination carried out by the Nazi party during World War II;

Whereas the people of the United States should recognize that all acts of bigotry are rooted in the cruelty of spirit and the callousness that led the Nazis to commit atrocities against millions of people, and should dedicate themselves to the principle of human equality;

Whereas the people of the United States should recognize that tyranny creates the political atmosphere in which bigotry flourishes, and should be vigilant to detect, and ready to resist, the tyrannical exercise of power;

Whereas on April 28 and 29 of 1945 the Armed Forces of the United States liberated the surviving victims of Nazi internment in the concentration camp in Dachau, Germany, and revealed to the world evidence of a tragic human holocaust that must never be forgotten; and

Whereas the Nazi concentration camp in Dachau, Germany, is not only a shocking symbol of Nazi brutality and destruction, but also a symbol of the danger inherent in tyranny, the pernicious quality of bigotry, and the human capacity to be cruel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 28 and 29 of 1979 are designated as "Days of Remembrance of Victims of the Holocaust", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such days with appropriate ceremonies and activities.

THE WHITE HOUSE,
April 2, 1979.

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Thirty-four years ago today the United States Armed Forces liberated the Dachau concentration camp during the closing days of World War II in Europe. Words alone cannot convey the shock and horror that accompanied this tangible evidence of the Nazi regime's systematic program of genocide.

Dachau and other death-centers like Buchenwald, Auschwitz and Treblinka were the means by which the Nazi regime murdered six million Jewish people and millions of other victims in a planned program of extermination. These crimes have few if any equals in history. Their legacy left deep moral scars on all humankind. No one who participated in the liberation of these camps or who has studied their history can ever forget—least of all the quarter-of-a-million survivors who found a home and built a new life in this country after the war.

During my recent trip to Israel, I visited Yad Vashem, the Israeli memorial to the victims of the Holocaust. I vowed then, and I repeat now, that the world must never permit such events ever to occur again.

We must never forget these crimes against humanity. We must study and understand the record of the Holocaust. From this, we must learn to remain eternally vigilant against all tyranny and oppression. We must rededicate ourselves to the principle of equality and justice for all peoples, remembering the terrible fruits of bigotry and hatred.

A joint resolution of the Congress (H.J. Res. 1014) approved September 18, 1978, authorized and requested the President to issue a proclamation designating April 28 and 29, 1979, as "Days of Remembrance of Victims of the Holocaust."

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate April 28 and April 29, 1979, as

"Days of Remembrance of Victims of the Holocaust." I ask the people of the United States to observe this solemn anniversary of the liberation of Dachau with appropriate study, prayers and commemoration as a tribute to the spirit of freedom, justice and compassion which Americans fought to preserve.

On the recommendation of the President's Commission on the Holocaust, I also ask the people of the United States to note International Holocaust Commemoration Day of April 24, 1979.

In witness whereof, I have hereunto set my hand this second day of April, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

PROCLAMATION

The Holocaust. the Nazi massacre of six million Jews, represents the ultimate in man's inhumanity to man. It stands as a horrible page in history.

Such monumental genocide of human beings had never been known before. It would not be halted until six million of the Jewish faith and millions of other victims had been exterminated.

The extent of the slaughter was not fully revealed until the closing days of World War II when Europe's concentration camps were liberated by American armed forces.

Those who would minimize or be apathetic about the Holocaust imperil the precepts of equality and justice cherished above all else by Americans. It is only by remembering that we can safeguard human rights for our people and preserve our principles of freedom for future generations of Americans.

We must study the Holocaust tragedy to learn how to rout bigotry and hatred from wherever it is rooted and we must speak out against the actions that generate prejudice.

Above all, we must avow that the Holocaust must never happen again.

President Carter has issued a proclamation calling on all Americans to honor the memory of the martyrs and the heroes of the Holocaust by observing appropriate ceremonies April 24, the internationally recognized Holocaust Commemoration Day, and again April 28–29, the anniversary of the date American troops liberated Dachau in 1945.

Now therefore, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim that the week of April 22–29, 1979, be designated as "days of Remembrance of Victims of the Holocaust" in New York State. I urge all citizens to participate in the national ceremonies, as well as the week-long State observances to kindle remembrances of those who perished and to express our solidarity with those who survived and came to our shores to build new lives.●

WE MUST NEVER FORGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I was deeply moved and emotionally touched by today's ceremony in the Capitol rotunda. As painful as it is to all of us, remembering the atrocities of the holocaust is important. What explanation could there possibly be for the abhorrence in this history of mankind? How can sin and evil, the shame and disgrace, the endless suffering be put out of our minds? The gas chambers, death camps, the torture cannot be erased from memory. This act of gross inhumanity is to serve as a reminder of the utter insanity which can possess those on this Earth.

I think Elie Wiesel put it well in today's observance when he said that God must have been blind to the horror which destroyed an entire human race. How could the world have stood idly by when this genocide was taking place? The lesson of the holocaust is a memorial to the millions of victims whose lives were taken in cruelest way. The scars remain, and we shall never permit anything like this to take place again. The world will not recover from the shock of the holocaust. It was an event we must never forget.●

LEGISLATION TO ESTABLISH BILL OF RIGHTS FOR MEMBERS OF ARMED FORCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

● Mr. BOB WILSON. Mr. Speaker, I recently addressed this House on some of the problems we are encountering in retaining a sufficient number of top quality military personnel as they reach their first and second reenlistment points. There is growing skepticism with respect to the Government's commitment to fulfill the promises made at original enlistment and subsequent "re-ups," and the situation appears to be going from bad to worse. As I mentioned several weeks ago, the Navy's shortage of skilled petty officers, particularly in the highly trained occupational specialties, is reaching critical proportions.

My conversations over the past few months with a wide variety of military men and women have only served to bring into sharper focus the degree of concern and uncertainty felt throughout the ranks. This simply cannot continue.

I have had the pleasure of meeting on several occasions with members of branch 238 of the Fleet Reserve Association, which is located in San Diego. Branch 238 has proposed the introduction of a bill of rights, which would emphasize the unique demands of a career in our Nation's Armed Forces on military men and women and their families and would delineate the Government's commitment to the serviceperson, as well as its pledge to maintain an equitable and stable level of compensation and benefits, both now and for the decades to come. The time is ripe for consideration of such legislation and I am, therefore, today introducing the bill of rights for the Armed Forces, which is based upon the recommendations of branch 238 and is modeled on our national Bill of Rights.

As debate intensifies over the success or failure of the All-Volunteer Force, it is paramount that we not lose sight of the need to retain an adequate number of skilled and competent first-termers, whether they be enlistees or inductees, and I urge my colleagues' close attention to the proposed bill of rights for the Armed Forces, which is as follows:

H.J. RES. —

Whereas Article I, Section 8 of the Constitution of the United States provides, "The Congress shall have Power To . . . provide for the Common Defense and general Welfare of the United States . . .";

Whereas Section 8 also provides the Congress the power ". . . To raise and support Armies . . . To provide and maintain a Navy; To make Rules for the Government and Regulations of the land and naval Forces . . .";

Whereas the Declaration of Independence states, ". . . that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness . . .":

Whereas the land and naval Forces which the Congress must provide and maintain must be composed of dedicated, patriotic citizens who are willing to forego certain rights and privileges under our Constitution to assure the safety and common defense of all;

Whereas in today's era of technology, the Armed Services must compete with private enterprise for the skills and dedication of young Americans to ensure the quality and required numbers of the Armed Forces is maintained;

Whereas in today's society, private enterprise offers young Americans financial and social guarantees in recompense for services rendered that exceed those afforded to the personnel of the Armed Forces; and

Whereas the members of the Armed Forces desire to serve their nation as professionals whose skill and dedication are recognized and compensated without sacrifice to their families' welfare in a manner assuring them the same standard of living they are defending for other Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following Bill of Rights for the Armed Forces shall hereby be adopted and adhered to:

Article I

The Congress shall recognize the unique dedication, sacrifice and service which personnel of the Armed Forces contribute to the nation's common defense thereby assuring the American way of life and free enterprise continues to provide equal opportunity for all citizens.

Article II

The Congress will fully consider the conditions of employment and longevity in comparison with other Federal employees in establishing equitable basic pay and allowances including compensation for foreign service, hazardous and isolated duty and specialty pays and recompense for the rise in cost-of-living as well as equitable leave earning privileges.

Article III

The Congress will provide housing or quarters of a reasonable social standard consistent with the locale of duty and dependents' needs or an equitable monetary allowance regardless of marital status to all active duty personnel.

Article IV

The Congress will provide subsistence in kind or a reasonable monetary ration allowance in lieu thereof regardless of marital status to each member of the Armed Forces.

Article V

The Congress will provide guaranteed medical care in military medical facilities or under a cost-sharing program for care in civilian medical facilities consistent with the prevailing rates for health care to all Armed Forces personnel, active duty or retired, their dependents or dependent survivors.

Article VI

The Congress will provide to the members of the military community, active or retired, their dependents or surviving dependents guaranteed privileges at military commissaries and exchanges operating at minimal price above the prevailing cost.

Article VII

The Congress shall provide for an equitable disability compensation and retirement system to ensure that personnel disabled in the line of duty are reasonably compensated.

Article VIII

The Congress shall maintain a retirement program for personnel of the Armed Forces to recompense them for years of faithful service, thereby assuring the system will also attract and retain military careerists in the future providing the necessary manpower required for national defense.

Article IX

The Congress shall provide a life insurance and survivor benefit program that is truly equitable with such programs afforded other government employees.

Article X

The Congress shall enact no laws that abridge or negates the citizen or veterans rights and benefits of any military careerist who has by his dedicated service earned entitlement to such rights and benefits.●

HOLOCAUST REMEMBRANCE DAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, in accordance with House Joint Resolution 1014 passed by the Congress last September, the President has designated April 28 and 29, 1979 as "Days of Remembrance of Victims of the Holocaust," and he has asked us to note that today is International Holocaust Commemoration Day. I wish to commend the President for his active leadership and in particular for his moving participation in the ceremony which took place earlier today in the Capitol rotunda.

We must remember, Mr. Speaker, that the holocaust, which claimed the lives of 6 million Jews and others, is a unique event in the history of civilization. For years, millions of Jews lived lives of fear and degradation under the systematically discriminatory regime of the Nazis. In the years that followed, the Jews were exploited as slave labor, starved in concentration camps, and finally subjected to mass extermination in one of the most gruesome, barbarous acts of modern history. The Nazis first physically isolated the Jews, then stripped them of their rights, then robbed them of their property, and ultimately murdered them. The savage deaths of those who perished, and the psychological suffering of those who survived can never be understated, nor forgotten.

We must remember that these events occurred in an industrialized country where the Jewish minority was well assimilated into German society. The holocaust came about in an atmosphere in which people seemed almost oblivious to the unfolding events and terrible destruction which was to come. We cannot afford to be oblivious to those events. We must look back to those days, and attempt to salvage from the ashes some lesson for the present, some guidepost for the future.

We must remember that almost no group, Christian or otherwise, can boast of its role in preventing, postponing, or alleviating the holocaust. Of course, Catholics and Protestants can point with pride to the brave acts of Cardinal Faulhaber of Munich, Pastor Niemoller, Dietrich Bonhoeffer, and Roaul Wallenburg. But they were the exceptions to the rule, and Christian passivity in the face of the enormity of the holocaust can be explained only by some unfathomable disinterest in, or unconscious rejection of, Jewish suffering.

No single event of the 20th century has so sharply brought into question the fundamental assumptions of Western civilization, and the moral basis upon which today's political forces are constructed. How can a nation built on laws have legitimized a governmental policy of deportations, forced prison labor, medical experimentation, deception, secrecy, mass murder, extermination, and the annihilation of the Jews of Europe?

We must remember that the lessons to be learned apply to all humanity. Christians, Jews, and others must share in the dialog and in the search for answers to the question of how we can avoid the mistakes of the past and insure a brighter future.

We are entering an era in which increasingly more people cannot remember the events of World War II, and yet we must remember.

Future generations will have to rely upon our thoughtful and effective dissemination of information about the holocaust, and it is vital that we realize that understanding the gravity of the holocaust is our strongest insurance that such a brutal travesty will never happen again.

Let us seize this opportunity to reflect on the events of over 30 years ago and their relevance to our world today, and let us never forget.●

CRUDE OIL PRODUCTION INCENTIVES ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HANCE) is recognized for 60 minutes.

● Mr. HANCE. Mr. Speaker, I am today introducing a bill entitled "Crude Oil Production Incentive Act of 1979" as an alternative to the President's crude oil pricing policy.

This bill will provide the United States of America with the greatest possible domestic supply of crude oil at the lowest price in the most fiscally responsible manner by stimulating the domestic production of crude oil. This bill will effectively decrease the dependency of this country on costly, strategically vulnerable and economically debiliating imports of crude oil.

With a degree of control which will make the inflationary impact minimal, this bill will achieve maximum production. At the same time, the program will substantially satisfy President Carter's Bonn commitment to raise domestic crude oil prices to world levels by the end of 1980.

In addition, my proposal will improve specific crude oil production incentives for domestic producers engaged in certain expensive production techniques.

By providing these features, my approach will increase financial incentives toward domestic supplies of crude oil. With this increased capital, domestic producers will be able to expand their exploration and production activities, and will allow more complete recovery of oil from existing wells—oil which is presently too costly to retrieve at controlled prices.

EXEMPTION OF CERTAIN CRUDE OIL

The provisions of this bill require that the volumes of crude oil currently classified as upper tier crude oil ("new oil") be immediately decontrolled, and that lower tier crude oil ("old oil") be decontrolled gradually, but completely decontrolled by September 30, 1981.

INCENTIVE FOR CERTAIN MARGINAL WELL CRUDE OIL PRODUCTION

The purpose of marginal well recovery is to maximize domestic petroleum production by extending the lives of thousands of low volume, high cost oil wells which otherwise have to be abandoned because they are reaching their economic limit.

This provision merely extends the existing stripper well concept which allows market price for wells producing 10 barrels or less a day in a way which more realistically reflects the direct relationship between well depth and cost.

Decontrol of deep stripper well production would recognize the fact that production, capital and well maintenance costs increase as the producing depths of wells increase. One study indicates that the operating costs of a well producing at 8,000 feet is over two and one-half times more than a well at 2,000 feet. Current drilling cost data shows the same general relationship: a well to 8,000 feet costs eight times more to drill than a well to 2,000 feet. Artificial lift is much more difficult and less efficient at deeper well depths than at shallower depths.

INCENTIVE FOR ENHANCED CRUDE OIL RECOVERY

According to the Department of Energy, two thirds of all oil discovered in the United States is left in the ground under current primary and secondary recovery methods. With tertiary recovery, there is the potential for capture of about 298 billion barrels of oil which would otherwise remain unproduced.

In addition, under this legislation, conventional secondary recovery projects will receive the market price for this oil. Where secondary recovery projects have not been undertaken because the producer felt unable to take on the expense, this bill will facilitate the decision to move to secondary recovery; thereby, lengthening the producing life and possibly increasing the total production of the field.

CONCLUSION

The increase in exploration and production activities, and the more complete recovery efforts of known reserves projected as a result of this bill will positively affect employment and State and Federal revenues. In addition, a decrease in foreign imports on a barrel-for-barrel basis from this increased production, will have a salutary effect on balance of payments deficits, the stability of the dollar abroad and other economic benefits to this country.

The following is the text of the bill I introduced today:

H.R. 3678

A bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt certain categories of crude oil from the mandatory price and allocation regulations under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Crude Oil Production Incentive Act of 1979".

CRUDE OIL PRODUCTION INCENTIVES

SEC. 2. (a) The Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 757) is amended by adding at the end thereof the following new sections:

"EXEMPTION OF CERTAIN CRUDE OIL

"SEC. 20. (a) Effective the first day of the first full calendar month following the date of the enactment of this section—

"(1) the first sale of new crude oil, and

"(2) the first sale of market incentive crude oil, shall be exempt from any regulation promulgated and made effective under section 4 of this Act.

"(b) (1) Not later than the first day of the first full calendar month following the date of the enactment of this section, the President shall promulgate and make effective an amendment to the regulation under section 4 of this Act, which amendment shall, in accordance with the provisions of this subsection, establish ceiling prices (or the manner of determining ceiling prices) applicable to first sales of old crude oil produced in the United States.

"(2) The amendment promulgated and made effective pursuant to paragraph (2) shall—

"(A) establish a ceiling price applicable to any first sale of old crude oil produced in the United States which ceiling price shall equal the lower tier ceiling price which applied to such crude oil during the month of December 1978, and

"(B) adjust such ceiling price on a monthly basis by at least an amount necessary to reflect the impact of inflation, as measured by the gross national product deflator.

"(c) For purposes of this subsection—

"(1) The term 'new crude oil' means new crude oil as defined in sections 212.72 and 212.75 of title 10, Code of Federal Regulations, as in effect on January 1, 1979.

"(2) The term 'old oil control base' means, for a particular property, the average monthly volumes of old crude oil, as defined in sections 212.72 and 212.75 of title 10, Code of Federal Regulations, as in effect on January 1, 1979, produced and sold from such property for the 6-month period ending with the last full calendar month before the date of the enactment of this section.

"(3) The term 'old oil decline factor' means—

"(A) for the first full calendar month following the date of the enactment of this section, with respect to each property, a volume of crude oil which shall equal the old oil control base; and

"(B) for each succeeding month, with respect to each property, an amount of crude oil equal to the old oil decline factor for the preceding month, less the old oil control base divided by the number of months beginning (i) after the first full calendar month after the month in which this section is enacted and (ii) before October 1981.

"(4) The term 'old crude oil', as used in subsection (b), means the lesser of—

"(A) the actual volume of crude oil produced and sold from a property during a particular month, or

"(B) the old oil decline factor for such property for such month.

"(5) The term 'market incentive crude oil' means, with respect to a specific property, the volume of crude oil, if any, produced and sold from such property in a particular month that exceeds the old oil decline factor for such property for that month.

"(6) The term 'property' means property as defined and interpreted in sections 212.72 and 212.75 of title 10, Code of Federal Regulations, as in effect on January 1, 1979.

"INCENTIVE FOR CERTAIN MARGINAL WELL CRUDE OIL PRODUCTION

"SEC. 21. (a) Effective the first day of the first full calendar month following the date of enactment of this section, the first sale of the following categories of crude oil shall be exempt from any regulation promulgated and made effective under section 4 of this Act:

"(1) deep stripper well crude oil;

"(2) stripper well crude oil;

"(3) high water cut crude oil; and

"(4) marginal offshore crude oil.

"(b) For purposes of this section—

"(1) The term 'deep stripper well crude oil' means crude oil produced and sold from a property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31, 1976, exceeds ten barrels but does not exceed—

"(i) twenty barrels from an average producing depth greater than two thousand feet but not greater than four thousand feet;

"(ii) twenty-five barrels from an average producing depth greater than four thousand feet but not greater than six thousand feet;

"(iii) thirty barrels from an average producing depth greater than six thousand feet but not greater than eight thousand feet; or

"(iv) thirty-five barrels from an average producing depth greater than eight thousand feet.

"(2) The term 'stripper well crude oil' has the same meaning as such term has in section 8(i) of this Act.

"(3) (A) The term 'high water cut crude oil' means crude oil produced and sold from a property which produced at a water cut of 0.85 or more during any consecutive twelve-month period beginning after December 31, 1976.

"(B) For purposes of subparagraph (A), the term 'water cut' means a fraction whose numerator is the aggregate volume of water production during the twelve-month period referred to in subparagraph (A) and whose denominator is the sum of the aggregate volume of water production and the aggregate volume of crude oil production during such period.

"(4) (A) The term 'marginal offshore oil production' means crude oil produced and sold from an offshore property whose maximum average daily production of crude oil per well during any consecutive twelve-month period beginning after December 31, 1976, does not exceed the sum of—

"(i) fifty barrels from an average producing depth not greater than two thousand feet;

"(ii) one hundred barrels from an average producing depth greater than two thousand feet but not greater than four thousand feet;

"(iii) one hundred and twenty-five barrels from an average producing depth greater than four thousand feet but not greater than six thousand feet;

"(iv) one hundred and fifty barrels from an average producing depth greater than six thousand feet but not greater than eight thousand feet; or

"(v) one hundred and seventy-five barrels from an average producing depth greater than eight thousand feet; and

five barrels for each one hundred feet of water depth in excess of one hundred feet.

"(B) For purposes of subparagraph (A), the term 'offshore' means the area of the United States which extends seaward (or into the Gulf of Mexico) from—

"(i) the line of ordinary low water along that portion of the coast which is in direct contact with the open sea (or the Gulf of Mexico), or

"(ii) the line marking the seaward limit of inland waters (or such waters' boundary with the Gulf of Mexico).

For purposes of the preceding sentence, the line of ordinary low water shall be such line as heretofore or hereafter modified by accretion, erosion, reliction.

"(5) For purposes of determining maximum average daily production of crude oil per well under paragraphs (1), (2), and (4), the term 'well' shall mean all wells producing crude oil and all wells utilized for the purpose of injecting water or other materials into a producing reservoir for the purpose of enhancing crude oil recovery.

"(6) The term 'property' means property as defined and interpreted in sections 212.72 and 212.75 of title 10, Code of Federal Regulations, as in effect on January 1, 1979.

"(c) To qualify for the exemptions under this section, a property must be producing crude oil—

"(1) at the maximum feasible rate throughout the twelve-month period during which the property qualifies for the exemption, and

"(2) in accordance with recognized conservation practices, as established by the State or Federal agency having jurisdiction over such practices.

"(d) Effective the first day of the first full calendar month after the date of enactment of this section, the President shall promulgate and make effective regulations implementing the provisions of this section.

"Incentive for Enhanced Crude Oil Recovery

"Sec. 22. (a) (1) Effective the first day of the first full calendar month following the date of the enactment of this Act, the first sale of enhanced recovery crude oil shall be exempt from any regulation promulgated and made effective under section 4 of this Act.

"(2) The exemption provided under paragraph (1) shall take effect on the date of—

"(A) approval of the application under subsection (c), or

"(B) initiation of injection of liquids or gases from the surface, as described in the application,

whichever is later.

"(b) For purposes of this section—

"(1) The term 'qualified enhanced recovery process' means an oil field operation which, according to sound engineering principles, has the purpose of increasing the ultimate recovery of crude oil by the injection of liquids or gases from the surface, including, but not limited to, conventional waterflooding, immiscible natural gas injection, miscible fluid displacement, microemulsion or micellar emulsion flooding, chemical flooding, in situ combustion, steam drive injection, cyclic steam injection, alkaline or caustic flooding, polymer augmented waterflooding, immiscible carbon dioxide flooding, carbon dioxide augmented waterflooding, miscible natural gas injection, flue gas injection, or a variation of these processes or similar such processes, singularly or in combination.

"(2) The term 'applicant' means a person who submits an application under subsection (c) for the exemption provided under subsection (a).

"(3) The term 'enhanced crude oil' means crude oil produced and sold from a property or project area which has been approved under subsection (c).

"(4) The term 'regulatory body' means—

"(A) in the case of an enhanced recovery process on lands under State jurisdiction, the State regulatory body having jurisdiction over producing operations, as determined by the Governor, or

"(B) in the case of an enhanced recovery process on lands under Federal jurisdiction, the United States Geological Survey.

For purposes of subparagraph (A), the Governor may delegate such authority to the United States Geological Survey.

"(c)(1) In order to obtain the exemption under subsection (a) for any property or project area, the applicant shall submit an application for such property or project area to the appropriate regulatory body. Such application shall include such information as required by such regulatory body to make the determination under paragraph (2).

"(2) The regulatory body shall approve the application if the regulatory body determines that—

"(A) a qualified enhanced recovery process is described in the application;

"(B) the plan for implementation and operation of the enhanced recovery process described in the application is in accordance with sound engineering principles; and

"(C) the property or project area described in the application for which the exemption under subsection (a) is sought is that area from which an increase in the ultimate recovery of crude oil can reasonably be expected as a result of operation of the enhanced recovery process described in the application.

"(3) The regulatory body shall act on any application made under this subsection as soon as possible, but no later than ninety days after the date of application.

"(d) The regulatory body shall report its approval of an application to the Economic Regulatory Administration of the Department of Energy not later than ten days after such approval.

"(e)(1) Any approval granted under subsection (c) may be revoked only by the regulatory body originally granting such approval and if there was fraud on the part of the applicant or if due diligence is not applied or maintained by the applicant in the implementation or operation of the enhanced recovery process.

"(2) Any applicant may modify the application made under subsection (c). Approval of the modified application shall be in accordance with subsection (c).

"(f)(1) Within sixty days of enactment of this section, the Administrator of the Economic Regulatory Administration of the Department of Energy shall promulgate regulations implementing the provisions of this section under its jurisdiction.

"(2) Within sixty days of enactment of this section, the United States Geological Survey shall promulgate regulations implementing the provisions of this section under its jurisdiction.

"(3) As soon as possible after the date of enactment of this section, each State regulatory body shall publish such regulations or establish such procedures as it determines necessary to implement the provisions of this section under its jurisdiction.".●

UTILIZATION OF WHEY, A VALUABLE NATURAL RESOURCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. BALDUS) is recognized for 5 minutes.

● Mr. BALDUS. Mr. Speaker, today, I am introducing a resolution expressing the sense of the House of Representatives concerning an assessment by the Secretary of Agriculture of our whey supply situation. I am joined in this introduction by my distinguished colleague JIM JEFFORD, the ranking minority member of the Dairy and Poultry Subcommittee which I chair.

Our resolution seeks to remedy a serious problem of dairy farmers and dairy product processors, while, simultaneously, benefiting consumers. This resolution would require that the Department of Agriculture: First, assess the whey supply situation and report the findings to the House Agriculture Committee; and second, begin a research program to utilize whey more efficiently for the mutual benefit of both producers and consumers.

Whey is a byproduct of cheesemaking. For each pound of cheese produced, approximately 8 pounds of whey are also produced. This abundant natural resource has significant nutritional value and has numerous potential uses as a food constituent. Additionlly, whey has various potential nonfood uses and has even been identified as a possible energy resource.

Until the Environmental Protection Agency clean water regulations curtailed the traditional practice of the cheese industry of discarding whey into streams, the potential for recovery and full utilization of whey was all but ignored. However, the clean water regulations, resulting in a search for outlets for the increasing amounts of whey created by the enormous growth in cheese consumption during recent years, have had the unintended, though positive, effect of forcing the dairy industry to consider how whey might productively be developed.

Unfortunately, there currently exist many barriers to the full development of whey and whey products, including antiquated regulatory restrictions. However, perhaps the greatest barrier to whey product innovation is our prevailing state of ignorance about whey and its potential uses. It is toward the elimination of this major hurdle that our resolution is directed.

Unless a Government commitment to research in whey utilization is immediately forthcoming, a prime opportunity for the development of an abundant, extremely valuable, and inexpensive natural resource, that might otherwise have to be thrown away, and a rare chance to contribute substantially to the solution of the world's food and energy problems, shall certainly be lost.

Therefore, Mr. JEFFORDS and I call upon you to support our resolution as the first step in what we hope will become a programed effort to research and education, coupled with an effort to alleviate current regulatory barriers to the full utilization of whey.●

● Mr. JEFFORDS. Mr. Speaker, it is rare that one has the opportunity to introduce a measure designed to help contribute to the solution of some of our Nation's and the world's most serious problems through the development of an underutilized and very valuable natural resource. Today, my distinguished colleague, AL BALDUS, chairman of the Dairy and Poultry Subcommittee, and I are introducing such a resolution.

Our resolution would require the Department of Agriculture to assess the whey supply situation and report the findings to the House Agriculture Committee, and begin a research program to utilize whey more efficiently for the mutual benefit of both producers and consumers.

Whey is an abundant natural resource with several potential food ingredient uses due to its high nutritional value. Whey also has potential nonfood uses including a possible use as an energy resource. The best aspect of whey, however, is that it occurs naturally as a byproduct of cheesemaking. For every pound of cheese produced, approximately 8 pounds of whey result. In light of the tremendous increase in cheese consumption in recent years, the amount of whey being produced is staggering.

Unfortunately, the full potential of whey has never been realized primarily because the recovery and development of whey has, in the past, not proved cost effective. Instead, the dairy industry has traditionally discarded whey, as waste, into our Nation's streams. However, the Environmental Protection Agency now prevents the dumping of whey, causing the industry to seek new outlets for the cheese byproduct.

Thus, a Government commitment to research in whey utilization would not only lead to the productive use of an abundant and valuable natural resource to the benefit of consumers, but would also solve a very practical problem faced by the dairy industry.

Certainly, at a time when food and energy shortages are cited as two of the world's most serious concerns, a programed effort of research and education with respect to this readily available natural resource, coupled with an effort to alleviate current regulatory barriers to the full development of whey, could not be more timely.

Accordingly, Mr. BALDUS and I ask your support for this resolution.●

SUMMARY OF TESTIMONY ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS: NO. 2

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

● Mr. VANIK. Mr. Speaker, as I reported yesterday (CONGRESSIONAL RECORD, page 8189), the Subcommittee on Trade of the Committee on Ways and Means is currently conducting major hearings on the Tokyo round multilateral trade negotiations (MTN) and the legislation necessary to implement that massive trade agreement.

We have invited the full participation of all other committees interested in areas of the MTN, and I would like to extend an invitation to each Member of the House of Representatives to join us in these hearings so that they may better understand this complex trade agreement.

I ask permission to include at this point a staff summary of testimony received on Monday. I hope that the Members and their staffs will have the opportunity to review this material. It is my hope that once the MTN implementing legislation is introduced later this spring, that we can bring it to the floor for an up-or-down vote (under the law, amendments are not in order) as soon as possible.

The staff summary of testimony follows:

SUMMARY

I. LAWRENCE C. M'QUADE, EMERGENCY COMMITTEE FOR AMERICAN TRADE

ECAT strongly supports MTN agreement and believes the Subsidies Code to be the greatest achievement, since, unless brought under an international system, government subsidies could undermine the entire system of international trade. ECAT has three principal recommendations with respect to the Subsidies Code:

1. ECAT recommends that injury under the Code be "material injury."

2. A lax United States injury test might lead to similarly weak standards abroad with a consequent negative impact on U.S. trade.

3. ECAT recommends that given the difficulty of assembling facts and data internationally, time limits under the Subsidies Code not be too rigid, and that Subcommittee's tentative timing decisions be reconsidered.

ECAT suggests that in the future both the Subsidies Code and the amended International Antidumping Code be renegotiated to contain a causal link between alleged subsidized or dumped imports and injury be "substantial."

ECAT says the Government Procurement Code is beneficial to the United States in that it may open up $20 billion of business to bids by United States industry. ECAT supports Licensing Code, opposes any switch from FOB to CIF valuation.

ECAT also supports the Standards Code; U.S. regulations which are in conflict with the Code should be reviewed and where possible changed to contribute to a climate of international cooperation.

In Safeguards Code, ECAT would like to see comprehensive coverage, including voluntary restraint agreements. In the escape clause area, as well as the subsidies and antidumping areas, ECAT does not want time limits to be overly restrictive and urges no legislation until Code negotiations are completed.

In conclusion, McQuade stressed that in order for the Codes to lead to the kind of world trading system desired, the U.S. Government must aggressively support and protect the rights of the United States and its business entities.

II. W. D. EBERLE, CHAIRMAN, EBCO, INC., FOR CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. Eberle began by noting that the Chamber of Commerce generally recommends approval of the NTB package and believes the Codes "offer potentially significant benefits to the entire U.S. economy." (The Chamber reserves judgment on tariff cuts until it sees formal results.) The key to success, however, is (1) how the Codes are implemented domestically, and (2) how they are enforced internationally.

Other points raised by Mr. Eberle supported continuing sectoral ISAC monitoring of compliance under the Code and the necessity of prompt and accessible domestic judicial review in the countervailing duty and antidumping areas. Mr. Eberle made the following specific points regarding implementation in the Subsidies/Countervail and Antidumping areas:

1. It is clear that Treasury has not carried out its past responsibilities. Where necessary, sufficient staff should be added. In any event, deadlines must be met.

2. Current Antidumping Act time limits and a year for CVD cases, if enforced, are adequate; overly restrictive time limits will deny due process.

3. Most, but not all, Chamber members felt that the posting of bond provides sufficient assurance of performance of obligations and payments of duties. Prepayment of estimated "duties" are impractical.

4. In order for the "second track" to work, the U.S. Government must act within a fixed time period, e.g., 90 days, to decide whether to use international procedures.

Mr. Eberle made the following points regarding definitions of key terms:

1. Injury should be "material."

2. Although there should be a reasonable list of what constitutes a bounty or grant, that list should not be too strict since U.S. exports could suffer if U.S. practices fall within the list.

3. Causation of injury should be at a middle level, that is, something less than "major cause" but above minimal. "Substantial" cause would be a good compromise. Some Chamber members support same language for countervailing duty as in Antidumping Act.

In agriculture, Mr. Eberle emphasized that even though the Code speaks of no country taking unfair advantage, the legislative history should reflect the intent of the negotiators that market shares not be frozen to a particular base period and that trade growth resulting from natural advantage is legitimate. Also, "prices materially below those of . . . suppliers to the same market" should be defined as "prices which cause sales diversion of price disruption."

Chamber urges new efforts to negotiate a subsidies code dealing with tax matters.

In licensing area, Chamber opposes granting President authority to auction import licenses and opposes any U.S. adoption of "automatic licensing system."

Chamber supports Customs Valuation Code, and Mr. Eberle stated that although there is nothing theoretically objectionable to changing U.S. customs valuation from an F.O.B. basis to a C.I.F. basis, it would not be wise to do so at this time, since the tariff reductions in the MTN have been negotiated on an F.O.B. basis.

In both the Procurement and Standards areas, transparency is a key feature. The U.S. Government should publish a list advising U.S. businesses of opportunities to bid on a country-by-country basis. The Procurement Code should be enacted on a reciprocal and not an MFN basis.

In the Safeguards area, Mr. Eberle stated the opposition of the Chamber to any across-the-board reduction of investigation times to less than 6 months. He stated, however, that the legislative history should encourage earlier completion of investigations where the requisite information is available. Chamber recommends, however, that until Safeguards Code negotiations complete, no changes should be made in U.S. laws.

Finally, on continued negotiating authority (tariff cutting authority), Chamber recommends it be considered in separate legislation.

III. CHARLES R. CARLISLE, VICE PRESIDENT, ST. JOE MINERALS CORP. AD HOC SUBSIDIES COALITION (OF 33 INDUSTRIAL AND LABOR ORGANIZATIONS)

Mr. Carlisle made the following points on behalf of the Coalition: "Our negotiators, working in a difficult situation, have done a good job of negotiating a Subsidies Code at Geneva. The important thing, . . . is the implementing legislation, i.e., the amendments to the countervailing duty statute, which will give practical effect to the Code under American law."

1. The Coalition is strongly dissatisfied with Treasury administration of the current Countervailing Duty and Antidumping Laws. Specifically, Treasury has missed statutory deadlines; calculated duties in ways not specifically authorized by statute; conducted ex parte meetings with foreign representatives; and changed rulings without adequate opportunity for interested parties to comment. To correct these abuses, endorse provisions of H.R. 3307 and S. 538.

2. The Coalition urges that the Congress not enact an injury test that is more stringent than that contained in the Antidumping Act since 1975, or require posting of bonds in order to bring complaints.

3. The Coalition believes that it would be inappropriate for price assurances to be limited to only the amount of subsidy linked with injury. The Coalition believes that the entire amount of the subsidy should be covered by the price assurance and that price assurances must be closely monitored.

4. Support executive reorganization to effectively carry out trade laws; support concept of Department of Trade.

5. The Coalition would like to see section 301 of the Trade Act of 1974 amended to incorporate strict time limits for Administration action and the requirement of retaliation as well.

6. The Coalition supports the proposal made by several Senators that the U.S. ITC be involved in investigating noncompliance by foreign governments with their Code obligations.

7. In antidumping, Coalition urges no change in tests for determination of injury; that time limits for investigations be shortened "somewhat"; steps be taken to guard against abuse of price assurances through monitoring, reviews, and penalties for violation of assurance.

8. With respect to dumping by Socialist countries, the Coalition believes that current constructed-value Treasury regulations are inadequate to arrive at a realistic assessment of foreign costs and prices and urges return to pre-August 1978 regulations.

9. The Coalition believes that legislation to extend the President's trade agreement negotiating authority should be considered

after full hearings and not as a part of the current MTN implementing package.

In conclusion, the Coalition emphasized that a strong position against subsidies is a strong position for free trade.

IV. HONORABLE CARLOS ROMERO-BARCELO, GOVERNOR OF PUERTO RICO

"The elimination of the wine gallon method of assessment and the proposed 20-30% reduction of the foreign rum tariff may seriously threaten the fiscal health of the government of Puerto Rico and (its) people."

V. AMADEO I. D. FRANCIS, COMMISSIONER OF COMMERCE, U.S. VIRGIN ISLANDS

Testimony made same general points as that of the Governor of Puerto Rico. Statement noted the economic and fiscal problems of the Virgin Islands, the fact that the rum excise tax return provided $26.8 million to the Virgin Islands in FY1979, and that the returned excise taxes were pledged for repayment of a public works bond issue. Testimony stressed that loss of wine gallon method would severely affect competitiveness of Puerto Rican and Virgin Island rums vis-a-vis foreign rums.

VI. MR. RALPH T. MILLET, CHAIRMAN OF THE BOARD, AUTOMOBILE IMPORTERS OF AMERICA, INC. (ALA) AND SPECIAL COUNSEL, JOHN B. REHM OF THE WASHINGTON, D.C. FIRM OF BUSBY, REHM, AND LEONARD

Testified before the Committee concerning suggestions for further amending the Antidumping Act of 1921 to assure that the Act "complies with the International Antidumping Code and also constitutes a fair and reasonable measure for dealing with dumped imports."

The AIA applauds country's liberal trade policy and believes the MTN represents a major step forward in establishing "rules of the game" for international trade. However, the AIA feels that the tentative decisions of the House Ways and Means and Senate Finance Committees regarding the countervailing duty statute and the escape clause, as well as the Senate Finance Committee's decisions regarding the Antidumping Act, are "troublesome." The AIA contends the time allotted for proceedings under these three statutes is inadequate, the criteria of injury in the case of countervailing and dumping duties are far too lax, and the timing and amount of these duties would render the countervailing and antidumping statutes "punitive" rather than remedial. The AIA recommends the adoption of the following suggestions in order to rectify perceived problems in the Antidumping Act:

1. "A typical antidumping proceeding should last 10 months, with 6 months for the preliminary determination of sales at less than fair value, another 2 months for the final determination, and another 2 months for the injury determination."

2. The injury suffered by the domestic industry should be "material," i.e., important and consequential, not slightly more than de minimus, as the ITC currently interprets the Act.

3. Dumped imports should be "a substantial cause" of the material injury as defined in section 201(B)(4) of the Trade Act of 1974.

4. The domestic industry should constitute those firms that make those products that are "like," (as defined in the Subsidies Code 161 footnote 2) and "directly competitive with" the imported product.

5. The "threat" of material injury should be defined as it is in the IAC (13(e)) to reflect a "clearly imminent" condition.

6. "The Treasury Department should be authorized to accept bona fide price assurances regardless of the extent of the margin of dumping."

7. Following a finding of dumping, an importer should be required to post only a bond—until such time as his own goods may be found to be dumped, and he should not be required to pay provisional dumping duties.

8. Dumping duties should not necessarily be imposed for the full dumping margin but only in the amount required to avoid material injury.

9. The President should be authorized to waive dumping duties if he determines that they would have serious domestic economic consequences.

VII. MR. RICHARD O. CUNNINGHAM OF THE WASHINGTON, D.C., LAW FIRM OF STEPTOE AND JOHNSON

Mr. Cunningham testified for himself, as a practitioner, concerning perceived deficiencies in the new International Antidumping Code and the Antidumping Act of 1921.

Mr. Cunningham believes that Congress should take this opportunity to clarify the Treasury Department's rules for the making of price comparisons. First, Congress should closely examine the selling expense issue and determine clear and precise rules for the definition of deductible expenses. Second, adjustments for cost differences between export and home market products should be predicated only on differences directly related to differences in the characteristics of the merchandise, should involve only differences in direct costs of materials and labor, and should not include overhead expenses. Third, problems in the use of allocations in computing adjustments should be resolved by Congress, rather than an administrative agency. Fourth, "Congress should make it clear that enforcement of the antidumping act against imports from state-controlled-economy countries will be predicated on the prices charged by a free market producer whose size and degree of sophistication are comparable to that of the state-controlled-economy producer."

In addition to the preceding suggestions, Mr. Cunningham forwarded the following recommendations for improving the Antidumping Act of 1921.

1. In order to better verify information submitted by foreign producers, Customs' investigative antidumping procedures should be totally revised. An investigation team should be sent to the exporting country in each case. This will necesistate a four-fold increase in the manpower and funding devoted to Treasury's investigation of dumping and countervailing duty cases.

2. There should be no shortening of the time periods for Treasury's dumping investigations. Any such shortening will work to the disadvantage of U.S. complainants because Treasury decisions will be based on the foreign producer's initial and potential inaccurate submissions before Customs has had an opportunity to obtain additional data at the urging of the complainants' counsel.

3. Congress should firmly reject the new price assurance procedure which is being proposed by the Administration because it represents a method of striking a deal between Treasury and the foreign producer at an early stage of the Treasury investigation before the dumping margin has been established. Furthermore, even if a non-injurious price could be established, increased domestic prices caused by inflation would create an injury "gap" if the import price failed to rise proportionately.

4. If Congress accepts the new International Antidumping Code, which requires a showing of "material" injury, Congress should issue a clear statement defining what "material" means. Failure to define the term will result in the ITC's adoption of a higher injury standard than now exists in the U.S. Antidumping Act.

VIII. MR. JULIUS GOLDMAN, INDUSTRIAL SALES MANAGER OF AMERICAN COLOR & CHEMICAL CORPORATION

Mr. Goldman testified that because of the synthetic dye industry's great sensitivity to imports, discontinuance of American Selling Price (ASP) determination of duties without obtaining reciprocity would adversely affect the domestic synthetic dye industry. He notes that despite the synthetic organic dye industry's nearly $54 million trade deficit, up more than 100% since 1976, the proposed converted duty rates, which lack an accurate data base, may increase imports of synthetic dyes.

IX. CHARLES O. VERRILL, JR., WASHINGTON COUNSEL ON BEHALF OF AMF INCORPORATED

Suggested three main areas for improvement in the Antidumping Act of 1921: first, that the previous system of determining fair value in non-market controlled economies be reinstated; second, that the accuracy of dumping information be upgraded; and third, that the use of ex parte meetings be curbed.

Verrill observed that the old Treasury procedure of determining fair value in non-market economies was to "find as a surrogate for the non-market controlled economy producer an industry in a market economy which . . . (was) comparable to the industry in the non-market controlled economy and to utilize the prices of the market economy producer as fair value."

In contrast, the new practice involves using the price of a similar product in a market economy country only if the two countries are "comparable" in the stage of economic development.

"If prices in a comparable market economy are not available, then Treasury will establish a constructed value by determining the costs to produce the same product in a comparable market economy. . . ."

The problems in such a "constructed value" are several. Not only is there no adequate basis for determining comparability between controlled and market economies due to different methods in reporting economic data, but also the concept of determining such a value is based upon the assumption that "comparably developed economies have comparable costs. . . . This presumption is without any foundation in economic theory or fact."

To upgrade the accuracy of dumping information, Verrill recommended that procedures be imposed to prevent the abuse of the confidentiality regulations (which typically take the form of misleading data submitted under the "veil of secrecy"), encourage full participation by counsel for the domestic industry in all phases of the liquidation process, and that procedures verifying information submitted by parties to an investigation be improved, through such steps as more qualified personnel and better training.

Because of the many instances of dumping proceedings where the domestic industry had no opportunity to participate, Verrill urges among other steps that "no communication from a person interested in the dumping proceeding or a dumping duty would be accepted by Treasury unless a copy was simultaneously served on counsel for the domestic petitioners."

X. MR. DAVID J. STEINBERG, PRESIDENT, U.S. COUNCIL FOR AN OPEN WORLD ECONOMY

While urging the approval of the MTN agreement, expressed several reservations. Among them, he argued that the MTN, like the Trade Act of 1974, does not go far enough to liberalize world trade. Specifically, he stated that there is a flaw in U.S. import relief (section 201 Escape Clause) policy:

"The flaw is the absence of a requirement that no trade restrictions of any kind may be imposed to assist an industry seriously injured by legitimate imports except as part of (and if found indispensable to) a coherent, balanced, industry-adjustment strategy addressing the real problems and needs of that industry."

The implications of lack of such a policy are not only that legitimate foreign exports are penalized—which in the long term could harm the American consumer—but also this could ultimately lead to discriminatory import controls, which potentially could adversely affect the LDCs.●

FUNDING AUTHORIZATION LEVELS FOR FARMERS HOME ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Tennessee. Mr. Speaker, today I am introducing at the request of the administration, a bill to provide funding authorization levels for Farmers Home Administration loan programs. The 1978 Agricultural Credit Act requires Congress to set the funding levels by new legislation every 3 years and to provide separate levels for insured and guaranteed loans. In some ways this new provision is a type of sunset and gives Congress the opportunity to conduct a review of how well the loan programs are working and being administered.

Public hearings before the Subcommittee on Conservation and Credit will be held on May 1 and May 2. I suspect that several inadequacies will become apparent as the subcommittee examines this legislation more closely. In any case, I welcome the advice of my colleagues on the operations and loan activity level of these Farmers Home Administration programs.●

YES, THE OCEANS ARE IMPORTANT TO MID-AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, 1 year ago this month, acting on a joint resolution of Congress, the President proclaimed the first National Oceans Week observance. In his proclamation, the President stated, very rightly, that—

> (T)he world community looks to the oceans as a vital source of food, energy and mineral resources, while they remain crucial to trade . . .

In the 12 months which have elapsed since that celebration, we have waited patiently for the President to recognize the truth of his own words and to strengthen our national oceans posture so that the Nation may maximize the benefit from its ocean resources.

Now, however, instead of a steady strengthening of our oceans posture, we are faced with a sudden dilution of the attention given to serious ocean policy issues. We are faced with a proposed reorganization of natural resources. This steals the spotlight from substantive questions and focuses it on a bureaucratic reorganization chart. The time we spend shifting organizational boxes is time that is lost in the effort to establish a clear and comprehensive national oceans policy. And it is only from such a policy that we can derive a coherent plan, followed by well-structured programs. Without such a policy and plan, we find ourselves in the very difficult and unsatisfactory position of authorizing Federal programs, appropriating public funds, and conducting oversight with little or no definitive reason for our actions. A reorganization proposal will not provide us with the opportunity to correct this untenable situation.

Lest my colleagues in this House of Representatives think that this is a problem only for our coastal States, let me mention some of the reasons why mid-America must be concerned with the progress of national ocean affairs. My own State, the State of Arkansas—as well as other mid-America States—is not, in the traditional sense, considered an ocean State. Yet, we must be no less concerned, for the oceans are important to our economic and social well-being. For example:

The oceans are mid-America's vital links with our increasingly important foreign markets. Mid-America accounts for more than 60 percent of the export value of U.S. agricultural products and more than 40 percent of the export value of manufactured goods. Our ability to move our goods to foreign markets efficiently and at competitive costs, depends upon a U.S. marine transportation system which effectively integrates our inland waterways, transshipment ports, and ocean carriers.

The oceans' Outer Continental Shelf development provides expanded opportunities for mid-America's shipyards. These shipyards, which represent more than one-third of the U.S. commercial shipyards, are the principal builders of supply boats, crew boats, and geophysical research vessels for offshore mineral operations. Mid-America's shipyards built the majority of the Navy's deep-ocean oceanographic research fleet, and currently, it is a mid-America shipyard which is building this country's newest research vessel for the National Oceanic and Atmospheric Administration.

The oceans are the principal influence on our weather and the more we can understand that influence, the better we can predict the environmental forces that generate the tornadoes and hurricanes which threaten so much of mid-America. So, too, does greater knowledge of the oceans' influence allow us to better forecast the environmental conditions which govern our agricultural activities and output.

The oceans provide us with fishery products that contribute essential protein and amino acids for our poultry and young swine feeds; and specialty feeds for pets, laboratory animals, etc. Additionally, our growing freshwater aquaculture industry uses processed marine fish meal to produce efficient growth in catfish, trout, and other species.

The oceans provide offshore-derived oil and gas and phosphate which are important as the petrochemicals used as feedstock in the production of our agricultural pesticides and fertilizers. Another important building block for agricultural fertilizers, ammonia, may be provided by the oceans in the future if ocean thermal energy conversion (OTEC) becomes a viable alternative energy source.

And, of course, mid-America shares in the use of many other important, but not well-known, ocean products which benefit the Nation as a whole. The oceans provide us with valuable antibiotics extracted from marine organisms and seaweeds that are essential in some pharmaceutical preparations. Seaweeds also provide the thickening and suspension agents that are necessary for such products as ice cream, mayonnaise, cosmetics, soaps, shampoos, toothpastes, shaving cream, and insecticides. Seaweeds also serve in the preservation of canned meats, fish and other foodstuffs and as a clarifying agent in the manufacture of wines, beers, and coffee.

These are but a few of the reasons why the oceans are just as important to mid-America as to our coastal States. It is obvious, however, that if our country is to realize the full potential of the oceans, a concerted national effort must be made. Unfortunately, to date this has not been the case.

Let us not be distracted by reorganization in the absence of an established policy to guide management decisions. Let us, instead, recognize that if the oceans are to take their rightful place as an integral part of a national resource strategy then reorganization rhetoric is not sufficient.

The President has identified as one of his domestic objectives "expanding the beneficial use of space." I would hope that the President might be equally concerned with moving aggressively forward to expand the beneficial use of the oceans for they represent a more immediate and accessible frontier for human extension, development, and benefit.

Yes, the oceans are important to America—important to our seaboard States and important to the middle States. I ask the President to look seaward for the oceans may indeed hold many of the answers to the crucial issues which confront our country.

But I suggest that reorganization is not one of those issues.●

THE UNITED STATES-COLOMBIA "TWO PENINSULA" CAMPAIGN AGAINST DRUG ABUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, the Governments of Colombia and the United States have been engaged in a concerted effort to end illicit drug traffic between the two countries. Colombia is the source for over two-thirds of the marihuana used in the United States and for much of the cocaine used here as well.

This combined effort, called the "two peninsula" campaign—because the peninsula of Guajira in Colombia is a locale where marihuana is grown in abundance and because the peninsula of Florida in the United States is where a large volume of drug transactions, especially for cocaine produced in Colombia, take place—has showed signs of success so far, but much is left to be done.

Recently the St. Petersburg, Fla., Times gave extensive coverage to this problem. In one article, called "Who Harvests the Cash Crop in the Dope Trade," it was shown that Colombians receive only 2.7 percent of the profits from this illicit trade, while Americans receive 97.3 percent, broken down as follows:

Colombian producers, farmers, $100 million, 1 percent.

Colombian sellers, $300 million, 1.7 percent.

U.S. wholesalers, $2.8 billion, 17.5 percent.

U.S. retailers, $12.8 billion, 79.8 percent.

This $15 billion "industry" hurts both countries, yet the above figures demonstrate how important it is to achieve international cooperation to combat drug abuse. I am most impressed with Colombia's willingness to work closely with U.S. law enforcement agencies to fight this insidious evil.

The second article in the St. Petersburg Times was called "Laundering Drug Money: Florida's Illicit Economy." It details how financial institutions in the United States are used, illegally, to "launder" ill-gotten gains from the drug trade. It is essential that we take steps to prevent this in the future and find ways to turn the use of our banks by drug traders into an asset in our battles against them. "Businessmen" engaging in six-figure cash transactions are giving our financial institutions a bad name and, at the same time, using our banking system to remove the dirt from the profits of the drug trade.

Both of these articles warrant the attention of the entire Congress, Mr. Speaker, and I would like to insert them in the RECORD at this time. It is relevant to note, as well, that the first article was written by Roberto Junguito Bonnet and Carlos Caballero Argaez, whose research was supported by the Colombian Chamber of Commerce, another fine example of the cooperation we are receiving in that Latin American republic.

The articles follow:

WHO HARVESTS THE CASH CROP IN THE DOPE TRADE?

(By Roberto Junguito Bonnet and Carlos Caballero Argaez)

THE OTHER ECONOMY

"We Colombians have the permanent perception that the structure of the economy and the national economic activity differ significantly from that revealed by the official registers and the published statistical data."

"By saying that there exists an 'Other Economy' we wish to insinuate that Colombia is arranged around productive activities that are not registered or are underestimated by the National Accounts in the areas of agriculture, commerce, mining and construction." Through these unregistered channels of foreign trade are produced "black markets."

There are two types of unregistered economic activity

The informal economy—the production of goods and services of small scale, such as the production of handicrafts, the transactions of small rural farms, and those of street vendors. Because these activities do not pass through the traditional market of the capitalist economy, it is difficult to collect and analyze the pertinent data. They are involuntarily omitted or underestimated in the official registers.

The illicit economy—the second source of underestimated economic activities is those undertakings that are deliberately not registered or are underestimated. They are national and international commercial transactions using illegal sources of national capital and foreign currency whose only objective is financial gain. These undertakings are necessarily on the fringe of the law and the registers to guarantee greater profit to the undertakers of these activities. This is the component of the Other Economy that this paper wishes to analyze.

NATIONAL PRODUCT AND INCOME PER CAPITA

The most predominant activities of illicit exportation are based on the economic sector of livestock and land: coffee, cattle, sugar and marijuana. "By virtue of the system used to measure production and the actual adjustments used to calculate contraband cattle in Venezuela, the economic activity of the national livestock and agricultural sector *does not seem* to be underestimated by reasons of the illegal economy, exception made from the net value of the production of marijuana." It is estimated that there are between 35,000 and 70,000 cultivated hectares of marijuana whose production per hectare is one-half ton per year and whose net value for the lowest estimate of cultivated area would be on the order of 6,000-million pesos. It is calculated that the price to the producer at 385 pesos per kilo in a production over 17,500 tons implies a gross value of production at 6,739-million pesos and a net value of 6,000-million pesos. (6,000-million pesos is approximately U.S. $153,000 if in 1978 U.S. $1 is worth 39.22 pesos . . .)

In terms of the contribution of the manufacturing industry to the illicit economy of Colombia, the refining of cocaine is also an industrial activity that is not figured in the Colombian statistics. It is figured that in Colombia some 14 tons of this narcotic are manufactured annually, having the net value of somewhere near U.S. $10,000 per kilo and adding an additional value of U.S. $140-million to the industrial activity. The net value is figured simply as the difference between the price in Colombia per kilo of the refined cocaine which is estimated at U.S. $20,000 and the cost of the "base" which is U.S. $9,000. An additional U.S. $1,000 is figured for costs of other imported materials and purchases to other sectors of the economy.

ILLICIT EXPORTATION OF MARIJUANA AND COCAINE

Marijuana

It is difficult to know how many hectares of marijuana are cultivated in Colombia. It is known to grow wild in some regions and its cultivation has increased in the past three or four years, having been initiated in the late 1960s in small extensions of land. The Guajira region is the major area of production, though the Eastern Plains too are productive.

The most published estimate of cultivated land was prepared by the *Procuraduria General de la Nacion* (national proctor) of President Turbay's new administration. It says that in the Atlantic Coast there are some 70,000 hectares of planted marijuana. Before that report, it was thought there were 30,000 hectares. A surface area of 70,000 hectares of marijuana would be superior to the cultivated areas of sesame seed, banana, cacao, barley, soy, tobacco and wheat—but inferior to the areas dedicated to coffee, cotton, rice, sugar cane or corn. (Translator's note: The authors of this paper, however, believe that there are only some 40,000 hectares of marijuana growing in Colombia. Their reasoning is not explained. They merely say that it is more likely that marijuana covers an amount similar to that of tobacco; they do not explain why they support that opinion. They also question Turbay's information, saying it was gathered only by flying over the area intensely.)

The surface area dedicated to growing marijuana may vary between 30,000 and 70,000 hectares. It is believed to be around 40,000. The volume of marijuana produced is believed to be between 20,000 and 60,000 tons per year.

A number of sources agree that a pound of marijuana sells for U.S. $12.50 in a Colombian port. This is not, however, the price the marijuana grower receives. A figure from the United States puts that price around U.S. $4 or $5 per pound. Wholesale prices outside Colombia range from U.S. $100 to $500 for a 500-gram pound. (The wide range is based on the points that marijuana may be sold at U.S. $40 per ounce or one pound may yield 1,000 cigarettes at U.S. $2 apiece.)

Of all the income generated by the production and sales of marijuana only 2.7 percent remains in the hands of the Colombians. The accompanying chart includes the 20 percent probability of seizure; that is, of every 100 pounds of marijuana produced it is estimated that only 80 pounds arrive in the United States. The U.S. Embassy says that two out of every 10 shipments are caught and that more than in the United States. "In a period of nine months the United States seized 2-million pounds while Colombia confiscated 3-million." Although the probability of confiscation is figured to be between 10 and 20 percent, the figures of seizures recorded are significantly low.

The marijuana traffic seems to be in the control of some 60 traffickers in Colombia, 25 of whom operate on the Atlantic Coast without a very solid organization. It seems that the marijuana business has no great connections with other illegal activities, such as contraband, although some relation has been detected with the counterfeiting of dollars.

The production and sales of marijuana in 1976 constituted 2.7 percent of Colombia's Gross National Product.

Cocaine

Although Colombia is not a producer of cocaine, it is processed there and distributed to other countries. Recently it has been commented that there are Colombians involved in the selling of cocaine within the United States.

The U.S. Embassy in Colombia estimates the U.S. annual consumption of cocaine to be between 15 and 20 tons, of which 70 percent comes from Colombia.

A possible price range—in U.S. dollars per kilo—according to purity might be as follows:

Stage of distribution:	*Price range*
Paste	4,000–5,000
Base	8,000–10,000
Powder	20,000
Wholesale in U.S.	50,000
Consumer	500,000

The cocaine leaves Colombia in the powder state. Retailers in the United States receive prices some 30 times greater than those received in Colombia.

In the past 34 months, approximately one-half ton of cocaine has been confiscated.

Over-invoicing of legal exports to hide foreign income generated illegally is known to occur. Illicit exportations reached U.S. $838-million in 1977 in Colombia.

Laundering Drug Money: Florida's Illicit Economy

(By Robert Coram)

Florida drug traffickers suffer from a problem most of us find difficult to understand—they have so much money they don't know what to do with it.

Dope smuggling is big business. Narcotics smuggling is a major—but little known—factor in our lopsided balance of payments. Estimates of revenues generated by smuggling reach as high as $45-billion per year. And Florida is the dope smuggling capital of America. Much of the marijuana leaves the state to supply smokers across the country. Billions in narcotics money are sent to Caribbean island banks and billions more remain in Miami.

Smugglers need to "wash" their illegal fortunes, to show some taxable income, to find ways to invest profits. The dollar amounts are so staggering that trying to follow the cash flow calls for a massive effort.

For instance, William V. Hoecherl, who pleaded guilty to smuggling charges in South Florida, once had plans to take over the small Central American country of Belize. "It's only going to cost me $20-million," he told a friend.

Another smuggler had the resources to negotiate with the highest levels of the Haitian government to grow, harvest, process and package marijuana on that island nation before smuggling it to the United States.

Not all smugglers are so ambitious. In Florida, dope money goes into construction, car dealerships, boat- and auto-racing shops, yacht companies—all businesses in which owners have a wide latitude in charging for products and services. A car dealership, for instance, may actually be losing money. But a smuggler can say it made him a fortune and use it as the official source of his income.

Law enforcement officers know narcotics money goes into marinas, boat rentals and the commercial fishing business. Some of the best-equipped fishing boats in Florida have never dipped their nets in the water. But from their books you'd think they caught half the fish in the gulf last year.

Dope money is also being plowed into Florida real estate and all aspects of the tourism industry.

This hidden economy—far larger than an economy based on tourism—is eroding the foundation of the state's traditional economic structure. Legitimate businesses cannot match the resources of businesses backed by unlimited drug money.

As always, when large amounts of money are involved, banks are involved. But the flow of narcotics money is a subject few bankers can discuss. Bankers make it clear there is a distinction between the drug business and the money business. Furnishing steel to General Motors does not put one in the automobile business. And handling the money of drug traffickers does not put one in the drug business.

It is known that wars between rival factions kill hundreds on Colombia's Guajira Peninsula—staging point for dope smuggled into Florida. Smugglers are said to pay $20,000 to Colombian Customs for each pot-laden mothership leaving harbor. (See who harvests the cash . . . on Page 10.) Millions of dollars worth of crashed aircraft pockmark Guajiran landing strips. Dozens more have disappeared on the long flight to Florida. Almost weekly, a Florida newspaper reports bodies being found and officers tying the homicides to a drug deal gone sour. Smuggling is a business of deceit, corruption, violence and death. The money from smuggling is truly blood money.

But it cleans easily. It is no trick or economic legerdemain to "wash" or "launder" drug money. All a smuggler must do is deposit the money in a bank, leave it a week or so, then withdraw it. The money that comes out is clean. It has no taint. It is part of the normal flow of commerce and almost impossible to trace.

Smugglers like to wash money in offshore banks. It does not matter to banks in the Caymans, Bahamas, Panama or Aruba if U.S. laws are violated by clients. As long as laws of their own country are not broken, the offshore bankers do not ask how the money is obtained. If they ask questions of their clients, or answer questions from U.S. law enforcement officers, the narcotics billions will move to other banks.

"Island banks don't care if there's blood on the money," is how one U.S. Customs official puts it.

Smugglers often take money to offshore banks by private aircraft. They charter a Learjet in Fort Lauderdale, West Palm Beach or Miami and climb aboard with suitcases filled with cash. Customs officers explain that wire transfers leave an audit trail that can be traced by investigators, but this "suitcase money" does not.

It is almost universally true that when U.S. Customs interdicts this suitcase money, couriers disclaim ownership. They almost almost always relinquish the money rather than comply with currency reporting statutes that call for ownership of the money to be revealed.

Not long ago, Customs questioned a Bahamian banker leaving the United States with $250,000 that he said he was depositing in his bank for a Florida client. "If my client's name must be divulged, then you may keep the money," he said.

In Aruba, officials are holding $860,000 carried into the country in five suitcases. The couriers with the money told officials they were asked by someone whose name they couldn't recall to deposit the money. The money was seized because Customs reporting forms in Aruba were not filled out.

Tracking the narcotics cash flow is like chasing a greased pig through heavy smoke. Every time you touch it, it darts off in a new direction. Smugglers employ the best laywers and investment counselors that money can buy. They can lay down a smoke screen most law enforcement agencies find almost impossible to punch through.

There are exceptions.

If the record is ever made public, the Comptroller of the Currency will be a hero in an incident involving the National Bank of South Florida in Hialeah. Management suspected of involvement with narcotics money was forced out. The only thing the comptroller's office will say today is: "That bank is now doing what it's supposed to do—serve the community. It's no longer a laundromat."

When the Senate subcommittee began to track narcotics money, it knew enormous amounts of cash were being laundered through unwitting Florida banks. Because of the hydra-headed complexity of the money flow, the committee narrowed its investigation to the Royal Trust Bank of Miami. This bank was singled out only because it was believed to be representative of other Miami banks through which drug money was being laundred.

The committee subpoenaed bank records for 1976–77 and immediately isolated 30 individuals involved in *cash* transactions exceeding $57.8 million during the two-year period. The transactions involved hundreds of people in South America, Puerto Rico, Panama, the West Indies and Grand Cayman. The complexity of the cash flow forced Senate investigators to narrow the paper chase even more. The search finally zeroed in on nine people.

Subpoenaed records show these nine people made *cash* deposits of more than $62.5 million during 1976–77. Single deposits and withdrawals up to $2-million were made. Overdrafts up to $69,000 were found. One of the accounts averaged $1-million per month in cash transactions for 18 months. Cash often came to the bank in grocery bags or suitcases, so that five or six tellers were required to spend hours counting it. Records show numerous instances of large withdrawals being made soon after the money was deposited—usually interpreted as an indication of laundering.

The investigation reveals joint accounts, numerous individuals using the same address, corporations being used as "fronts," defunct businesses being used to show a high cash flow, phoney names, husband-wife transactions, and—woven through it all—the pervasive presence of known narcotics traffickers and their associates.

As staggering as the figures are, they err on the conservative side. An interlocking maze of transactions boosts the actual amounts involved to hundreds of millions for this single bank. Available records reflect only cash deposits and not cash exchanged for larger denominations, casher's checks or secret transactions.

A major shortcoming in the enforcement system quickly became apparent to Senate investigators. Just days after Undersecretary of the Treasury Bette B. Anderson called for currency transaction reports on the nine individuals, everyone involved cleaned out his account.

But the records are invaluable for what they tell investigators about ingenious methods and brazen tactics of those tied to the narcotics cash flow. And investigators now know what to look for as the investigation widens to other Miami-area banks.

Subpoenaed records show the nine individuals made numerous transfers among other Miami banks. Flagship First National Bank received deposits of $4.4-million from five of the nine people; Southeast First National Bank, $548,000; The Bank of Miami, $1.3-million; Intercontinental Bank of Miami, $1.9-million; Bank of Leumi of New York, $309,000, and Union Bank of Switzerland in Panama, $1.3-million. These figures reflect only the "up-front" transactions shown in an audit trail.

Records also reveal that Shelia Arana, whose husband is a Drug Enforcement Administration (DEA) fugitive, deposited $11.1-million in the Royal Trust Bank in 1976–77; Jose Bejman (alias Joe Himelfarb), $14.3-million; suspected trafficker Julio Zuniga, $3.9-million; suspected trafficker Maria Palacio Bernal, $5.1-million; black market money exchanger Arturo Fernandez, $14.8-million, and Fernandez associate Rafael Perez, $2.6-million.

Arturo Fernandez is worth a closer look. He is one of some two dozen major black market money exchangers in Colombia. This Harvard-educated, sloppily-dressed multimillionaire is in his mid-30s and each day is believed to launder an average of $100,000.

Colombian banks charge 10 percent to convert U.S. dollars to pesos. A bank in Riohacha—heart of smuggling country—had to close its doors last year when it ran out of space to store American dollars. Many Colombians with large cash reserves want their money in American or island banks. Fernandez is the man to see for such transactions. He charges 11 percent conversion rate—the extra point guarantees anonymity.

And he will move the money out of the country for another two points. Fernandez owns Colex Corp., a paper shell designed in part to shelter money for smugglers. When convicted smuggler John Darrell Boyd was arrested, he had a deposit slip in his pocket in the name of Richard Harris. Officers found "Harris" was the pseudonym under which he deposited money in the Colex account.

Although it is a Miami corporation handling millions of dollars, Colex has no phone listed in the Miami directory, or with information. The director and agent of record, as listed with Florida Division of Corporate Records in Tallahassee, is Gladys Martinez-Malo of 2699 Biscayne Blvd.

Fernandez violates Colombian currency laws but has enough political clout back home not to worry. His brother owns a newspaper in Barranquilla and at one time was a highly placed government official. When Fernandez carries money in or out of the United States he always fills out the proper reporting forms with U.S. Customs. IRS reporting forms are filled out when he makes large deposits in his known checking account. He is clean as a whistle where U.S. laws are concerned. The only thing he fears are publicity and kidnapping.

Law enforcement officers say that all it takes is one mid-level executive to involve a bank in laundering narcotics money or falsifying documents for international transfers. This can be done without the knowledge of top executives. So narcotics traffickers often try to find one man in a given bank—a man who will cooperate for a kickback. Law officers say Miami area banks inadvertently set up conditions for this by putting pressure on employees to generate new business—especially from Central and South America.

Bankers might tell that story differently, though. Because Miami is the nearest financial center for Central and South America, its banks have become enormously popular depositories for wealthy South Americans who do not have confidence in their own currency. Huge money transactions are common in Miami banks. A drug trafficker who wished to deposit bags full of money would not attract undue attention under such circumstances.

Running a sophisticated cash flow investigation long has been *terra incognita* for most law enforcement agencies. The FBI, with its lawyers, accountants and experience in white-collar crime, can run an audit trail. Most other agencies do not have the training.

Last summer U.S. Customs in Miami formed a special group to crack down on violations of currency reporting statutes. This "C-Flow Group," part of the Office of Investigations, spent the first six months trying to work an audit trail, to track the labyrinthine flow of narcotics money.

Customs found that foreign nationals with big money do not want to run afoul of Customs administrative procedures. The United States is their sanctuary. Their money is here. They fill out all the right forms and stay clean.

"We were all deluded in the beginning" said a Customs official. "We thought we could make cases on those people. "But they fill out the 4789 (an IRS reporting statute that documents cash transactions of more than $10,000); they fill out the 4790 (a Customs regulation documenting ownership of cash exceeding $5,000 when it enters or leaves the United States); they leave a very obvious audit trail. They're not doing a damn thing wrong. They're legal. We can't lay a glove on them."

Customs still works the audit trail. But a major thrust of the C-Flow Group now is working airports, developing a "profile" of those trying to take suitcase money out of the country, and trying to interdict the cash.

Working the narcotics money flow is a bureaucratic mangrove swamp for law enforcement agencies. It's easy to get around the IRS 4789 requirements by depositing money in amounts less than $10,000. And millions are believed to be deposited this way.

The Customs 4790 is easily circumvented because there is no "attempt" provision in the reporting statute. One can be charged with attempted rape or attempted murder but there is no such charge as attempting to illegally export currency. A courier questioned at an airport can say: "I changed my mind. I'm not leaving the country." Customs cannot charge him with exporting. Even if he takes the money aboard an aircraft—so the courts have ruled—he has not exported the cash until he actually leaves U.S. airspace.

If Customs uncovers incriminating evidence and turns it over to the IRS for criminal prosecution, Customs loses control of the case. The Privacy Act and IRS disclosure laws forbid informing even another federal agency of an investigation's progress.

In with this, mix normal interagency jealousies, bank secrecy laws, and the financial and political clout of people with millions in cash. Representatives of the Comptroller of the Currency and the Federal Reserve System are not loquacious about their inner workings, even to law enforcement agencies. The wall around narcotics billions is seemingly impenetrable.

Two years ago, the Miami DEA office began to set in motion machinery to bring together the full force of the government to break through that wall. The Banko Squad, or "Group I" as it is called in-house, was formed with some 10 DEA agents, 10 FBI agents, four intelligence analysts, and with input from both IRS and Customs. The purpose was to halt the laundering of narcotics money in Miami banks and to stop this money from being plowed into legitimate Florida businesses.

The Banko Squad very quickly came down on Juan Evelio Pou at the Royal Trust Bank. Little has happened since. But this is more the fault of the system than of Banko. All law enforcement agencies find reality harsh along the narcotics cash flow trail.

Banko is bringing unusual resources to bear in that it is plugged into a federal grand jury. The group is zeroing in on violations of the Monetary Control Act and a series of regulatory laws. But Rody concedes "there is not sufficient deterrent to stop what they are doing."

He predicts that indictments will come down soon showing how Florida real estate has been used to shelter narcotics money and how various corporations have been used as "fronts." He says Banko will disclose how various overlapping smuggling groups conduct a sophisticated money flow among interlocking organizations.

This means Banko is seeking to use two rarely invoked laws. The Racketeering Influenced Corrupt Organizations (RICO) statute is designed to fight organized crime and stop the laundering of money into legitimate business. The Continuing Criminal Enterprise statute (referred to in-house as "848" because of U.S. Code Section from which it comes) is a conspiracy statute designed to fight narcotics traffickers. It carries a mandatory 10-year sentence on first conviction.

"This is a relatively new area for an ongoing program," Rody explains.

DEA and the Comptroller of the Currency will be helped in the future by a new law effective March 10. The Financial Institutions Supervisory and Interest Rate Control Act of 1978 gives regulatory agencies the power to decide who owns or controls banks. Any future changes in control of a bank or any new charters must be approved by a federal regulatory agency.

"We are concerned if banks are being used to wash money. It raises questions about character of management," says Robert Serino, director of enforcement and compliance for the Comptroller of the Currency.

The Senate Permanent Subcommittee on Investigations now is wrapping up plans for Washington hearings. But it's hard to give an audit trail sex appeal: it is not comprehensible to most people. The hearings probably will have the effect of creating awareness and being the catalyst for change rather than bringing indictments.

Out of the hearings are expected to come recommendations for new and tougher laws.

An "attempt" provision in currency reporting statutes may be recommended.

It is likely the DEA will ask for authority to freeze money in accounts of suspected traffickers so it cannot be moved as happened at the Royal Trust Bank of Miami.

DEA also may ask for special authority to cut through the monumental bureaucracy of banks and for exemptions in the Privacy Act and IRS disclosure provisions when tracking narcotics money.

All the shortcomings of the law and the virtual impotence of federal agencies indicate that the United States has not yet committed itself to stopping the illegal flow of narcotics or the multibillion-dollar flow of narcotics money. Until that happens, both the dope and the money will keep coming.●

ARCHIVES HANDLING OF RARE DOCUMENTS AND FILMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, several newspaper accounts have appeared in the last few days containing serious allegations about the deteriorating condition of historically valuable documents and films held by the National Archives and Records Service.

Most people picture the National Archives as simply the large columned building on Constitution Avenue in Washington, D.C., housing the Declaration of Independence. They fail to appreciate the size of its collection and its total impact on the paperwork and files of all Federal agencies.

For the last 5 months the Subcommittee on Government Information and Individual Rights, which I chair, has been examining aspects of the operations of the National Archives, particularly the physical preservation and storage of documents entrusted to its care.

Last December, a fire swept through the film storage labs of the Archives at Suitland, Md., destroying almost two-thirds of an irreplaceable collection of newsreel footage chronicling the 1930's and 1940's.

Ironically, only hours before the fire broke out, I had sent a letter to the Comptroller General, requesting an audit of the Archives' storage facilities and preservation efforts.

The subcommittee has been examining the fire and the handling of the dangerous nitrate films at the storage facility, and has also asked GAO auditors to look at the management of the Archives private trust fund. The GAO investigation of proper humidity and temperature controls in storage vaults, possible theft, and deterioration of Continental Congress records, treaties, and bound papers, leasing arrangements, and related items mentioned in the news articles, has been undertaken at the subcommittee's direction.

Three days of hearings will be held by the subcommittee in late spring on the circumstances of the Suitland film fire and the findings of the General Accounting Office studies.

Additional hearings on the National Archives' records management and paperwork efforts, cost reimbursable technical programs, and other activities, will likely begin in the fall.

I want to thank my good colleague, Congressman Charles Bennett of Florida, for initially bringing to my attention the question of the storage conditions at the Archives, and Congressman Richard Ottinger of New York for his early interest in historic films held by the Government.

I hope to announce specific dates and times for the upcoming hearings shortly. Anyone having an interest in these issues, or information to offer, should contact the Subcommittee on Government Information and Individual Rights at (202) 225-3741.●

GENERAL LEAVE

Mr. COELHO. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Wisconsin (Mr. Baldus).

The SPEAKER pro tempore (Mr. Burlison). Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Long of Louisiana (at the request of Mr. Wright), until further notice, on account of medical reasons.

Mr. Dixon, April 25 and April 26, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Paul) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 10 minutes, today.
Mr. Kemp, for 10 minutes, today.
Mr. Gilman, for 5 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Hillis, for 5 minutes, today.
Mr. Bob Wilson, for 5 minutes, today.

(The following Members (at the request of Mr. Coelho) and to revise and extend their remarks and include extraneous matter:)

Mr. Weaver, for 10 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Hance, for 60 minutes, today.
Mr. Baldus, for 5 minutes, today.
Mr. Vanik, for 15 minutes, today.
Mr. Jones of Tennessee, for 5 minutes, today.
Mr. Alexander, for 5 minutes, today.
Ms. Holtzman, for 5 minutes, today.
Mr. LaFalce, for 15 minutes, today.
Mr. Udall, for 20 minutes, today.
Mr. Preyer, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Paul) and to include extraneous material:)

Mr. Kemp in four instances.
Mr. Lee.
Mr. Sensenbrenner in two instances.
Mr. Badham.
Mr. Paul in four instances.
Mr. Collins of Texas in three instances.
Mr. Derwinski in three instances.
Mr. Gilman in two instances.
Mr. Brown of Ohio.
Mr. Evans of Delaware in two instances.
Mr. Dannemeyer in two instances.
Mr. Ashbrook in two instances.
Mr. Hillis.
Mr. Lent.
Mr. Lagomarsino.
Mr. Martin.
Mr. Conte.
Mr. Hollenbeck.
Mr. Symms.
Mr. Dornan in three instances.
Mr. Lott.
Mr. Abdnor.
Mr. Bereuter.

(The following Members (at the request of Mr. Coelho) and to include extraneous matter:)

Mr. Evans of Indiana.
Mr. Wolff.
Mr. Corman.
Mr. Vento.
Mr. Mazzoli in five instances.
Mr. Bailey.
Mr. Mavroules.
Mr. Howard.
Mr. St Germain.
Mr. LaFalce in two instances.
Mr. Solarz in two instances.
Mr. Rahall.
Mr. Luken in five instances.
Mr. Stump.
Mr. McDonald in five instances.
Mr. Bedell.
Mr. Dellums.
Mr. Mikva.
Mr. Wirth.
Mr. Beard of Rhode Island.
Mr. Conyers.
Mr. Harris.
Mr. Long of Maryland.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 25, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1374. A letter from the adjutant general, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 79th National Convention of the Veterans of Foreign Wars, pursuant to section 8 of the act of May 28, 1936 (H. Doc. No. 96–100); to the Committee on Armed Services and ordered to be printed.

1375. A letter from the Secretary of Housing and Urban Development, transmitting the annual report of the Government National Mortgage Association for fiscal year 1978; to the Committee on Banking, Finance and Urban Affairs.

1376. A letter from the Secretary of the Interior, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1377. A letter from the Deputy Assistant Secretary of Defense (Administration); transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1378. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend expiring appropriation authorizations, and amend provisions of law concerned with alcohol abuse, alcoholism, and drug abuse, and to consolidate alcohol abuse and alcoholism, drug abuse, and mental health grants to States; to the Committee on Interstate and Foreign Commerce.

1379. A letter from the Administrator, Energy Information Administration, Department of Energy; transmitting monthly reports on sales of retail gasoline and refined petroleum products for January 1979, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act; to the Committee on Interstate and Foreign Commerce.

1380. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Solid Waste Disposal Act to correct technical errors, eliminate internal inconsistencies, and strengthen the regulatory and enforcement mechanism of the Act; to the Committee on Interstate and Foreign Commerce.

1381. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of January 1979, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1382. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

1383. A letter from the Secretary of Transportation transmitting a draft of proposed legislation to implement the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1384. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

1385. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during fiscal year 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

1386. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes; to the Committee on Veterans' Affairs.

1387. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1979 annual report of the Board, pursuant to section 201(c) of the Social Security Act (H. Doc. No. 96–101); to the Committee on Ways and Means and ordered to be printed.

1388. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1979 annual report of the Board, pursuant to section 1817(b) of the Social Security Act (H. Doc. No. 96–102); to the Committee on Ways and Means and ordered to be printed.

1389. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1979 annual report of the Board, pursuant to section 1841 (b) of the Social Security Act (H. Doc. No. 96–103); jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce, and ordered to be printed.

1390. A letter from the Secretary of Agriculture, transmitting the annual report on land acquisition in the Boundary Waters Canoe Area, Superior National Forest, Minn., pursuant to section 6(b) of the act of June 22, 1948, as amended (90 Stat. 1123); jointly, to the Committees on Agriculture and Interior and Insular Affairs.

1391. A letter from the Comptroller General of the United States, transmitting a report on the effects the Employee Retirement Income Security Act of 1974 had on pension plans with fewer than 100 participants (HRD–79–56, April 16, 1979); jointly, to the Committees on Government Operations, Ways and Means, Education and Labor, and Small Business.

1392. A letter from the Under Secretary of Energy, transmitting a report on the fossil energy program, pursuant to section 7 of Public Law 86–599; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

1393. A letter from the Chairman, Interstate Commerce Commission, transmitting the Commission's 92d Annual Report, covering fiscal year 1978, pursuant to 49 U.S.C. 10311; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

1394. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the improvement of the Nation's airport and airway system, for the modification of airport and airway user taxes, and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 228. Resolution providing for the consideration of the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes (Rept. No. 96–101). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Dakota:

H.R. 3666. A bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BAFALIS:

H.R. 3667. A bill to permit the Department of Transportation to proceed with a highway project in Lee County, Fla., without regard to section 106 of Public Law 89–665 or procedures developed under section 1(3) of Executive Order No. 11593; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

By Mr. BEARD of Rhode Island (for himself, Mr. Conyers, and Mr. Mollohan):

H.R. 3668. A bill to extend Federal controls with regard to oil prices; to the Committee on Interstate and Foreign Commerce.

By Mr. BEARD of Tennessee:

H.R. 3669. A bill to permit certain time-sensitive letters to be carried out of the mail; to the Committee on Post Office and Civil Service.

By Mr. PHILLIP BURTON:

H.R. 3670. A bill to amend the Davis-Bacon Act; to the Committee on Education and Labor.

By Mr. CARTER:

H.R. 3671. A bill to establish an Energy Development and Management Authority; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. DELLUMS (by request):

H.R. 3672. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mrs. FENWICK (for herself and Mr. Courter):

H.R. 3673. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Morristown, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. GILMAN (for himself, Mr. Akaka, Mr. Anderson of California, Mr. Archer, Mr. Bafalis, Mr. Beard of Tennessee, Mr. Bevill, Mrs. Bouquard, Mr. Buchanan, Mr. Burgener, Mr. Chappell, Mr. Corcoran, Mr. Coughlin, Mr. Dannemeyer, Mr. Dornan, Mr. Downey, Mr. Duncan of Tennessee, Mr. English, Mr. Ertel, Mr. Evans of Georgia, Mr. Flood, Mr. Hollenbeck, Mr. Ichord, Mr. LaFalce, Mr. Lagomarsino, Mr. Leath of Texas, Mr. Lee, Mr. McDonald, Mr. Mathis, Mr. Mitchell of New York, Mr. Montgomery, Mr. Murphy of New York, Mr. Panetta, Mr. Railsback, Mr. Rangel, Mr. Russo, Mr. Sensenbrenner, Mr. Solomon, Mr. Trible, Mr. Whitehurst, Mr. Wolff, Mr. Wydler, Mr. Yatron, and Mr. Zeferetti):

H.R. 3674. A bill to provide mandatory minimum prison sentences for persons illegally manufacturing, distributing, or dispensing controlled substances, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. GOLDWATER:

H.R. 3675. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive payment of premiums on term life insurance during the continuance of certain disabilities beginning after the insured's 65th birthday; to the Committee on Veterans' Affairs.

By Mr. GRASSLEY:

H.R. 3676. A bill to amend the General Education Provisions Act to provide for the improved collection of information concerning education in rural areas, and for other purposes; to the Committee on Education and Labor.

By Mr. HANCE:

H.R. 3677. A bill to amend title 10, United States Code, to authorize the Secretary concerned to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a member or former member of the uniformed services receiving retired or retainer pay, and for other purposes; to the Committee on Armed Services.

H.R. 3678. A bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt certain categories of crude oil from the mandatory price and allocation regulations under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. HINSON:

H.R. 3679. A bill to amend the Small Business Act to provide reduced interest rates on disaster loans made with respect to disasters occurring after September 30, 1978, and before October 1, 1979; to the Committee on Small Business.

By Mr. HOPKINS:

H.R. 3680. A bill to require the payment of fees by Members of the Congress and congressional employees for the use of certain congressional parking facilities; to the Committee on House Administration.

By Mr. JEFFORDS:

H.R. 3681. A bill to amend the Agricultural Act of 1949 to provide that farmers may not participate in the price support program for the 1980 and 1981 crops of feed grains and wheat unless they implement plans for conservation and sustained use of soil and water on their farms; to the Committee on Agriculture.

H.R. 3682. A bill to amend the Federal Crop Insurance Act for the purpose of directing the Secretary of Agriculture to establish a 3-year pilot program to insure losses incurred by farmers and ranchers as a result of certain cattle developing brucellosis, and for other purposes; to the Committee on Agriculture.

By Mr. JONES of Tennessee (by request):

H.R. 3683. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. KAZEN:

H.R. 3684. A bill to provide financial assistance for school construction to local educational agencies educating large numbers of immigrant children born in Mexico; jointly, to the Committees on Public Works and Transportation and Education and Labor.

By Mr. MAGUIRE:

H.R. 3685. A bill to amend the Lanham Act to provide that the Federal Trade Commission shall not have any authority to apply for the cancellation of a registered trademark under such act solely on the ground that the trademark has become the common descriptive name of an article or substance; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 3686. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $5,000; to the Committee on Ways and Means.

By Mr. MATHIS:

H.R. 3687. A bill to permit the emergency use of the pesticide mirex on imported fire ants in accordance with certain health and safety standards of the Environmental Protection Agency; to the Committee on Agriculture.

By Mr. PICKLE:

H.R. 3688. A bill to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3689. A bill to amend title 10, United States Code, to repeal provisions which impose certain restrictions on enlisted members of the Armed Forces and on the members of military bands; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3690. A bill to amend title 10, United States Code, to eliminate the requirement that nominations of persons for appointment to the U.S. Naval Academy must be made not later than March 4 of each year; to the Committee on Armed Services.

By Mr. RINALDO:

H.R. 3691. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Ways and Means.

By Mr. RUNNELS:

H.R. 3692. A bill to regulate commerce by providing for the safe transportation of nuclear waste and radioactive nuclear reactor fuel, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. SEBELIUS (for himself, Mr. Marlenee, Mr. Andrews of North Dakota, Mrs. Smith of Nebraska, Mr. Johnson of Colorado, and Mr. Bereuter):

H.R. 3693. A bill to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program; to the Committee on Agriculture.

By Mr. BOB WILSON:

H.R. 3694. A bill to amend title 10, United States Code, to eliminate the requirement that students in Junior Reserve Officer Training Corps units be citizens or nationals of the United States; to the Committee on Armed Services.

By Mr. CHARLES WILSON of Texas:

H.R. 3695. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. HILLIS (for himself, Mr. Devine, Mr. Whitehurst, Mr. Lott, Mr. O'Brien, Mr. Bafalis, Mr. Collins of Texas, Mr. Goodling, Mr. Badham, Mr. Marriott, and Mr. Dornan):

H.R. 3696. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standings; to the Committee on Education and Labor.

By Ms. HOLTZMAN (for herself, Mr. Addabbo, Mr. Akaka, Mr. Ambro, Mr. Anderson of California, Mr. Bedell, Mr. Bingham, Mr. Blanchard, Ms. Bouquard, Mr. Buchanan, Mr. Burgener, Mr. Phillip Burton, Mr. Butler, Mr. Cavanaugh, Mr. Chappell, Mr. Cleveland, Mr. Coelho, Mr. Corcoran, Mr. Corrada, Mr. Robert W. Daniel, Jr., Mr. Dellums, Mr. Dixon, Mr. Donnelly, Mr. Dornan, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Edwards of Oklahoma, Mr. Evans of Georgia, Mr. Fazio, Mr. Forsythe, Mr. Frost, Mr. Garcia, Mr. Gephardt, Mr. Gilman, Mr. Goldwater, Mr. Goodling, Mr. Gore, Mr. Gray, Mr. Green, Mr. Grisham, Mr. Guarini, Mr. Hance, Mr. Hanley, Mr. Hawkins, Mr. Heftel, Mr. Hillis, Mrs. Holt, Mr. Horton, Mr. Hughes, Mr. Jenrette, Mr. Kindness, Mr. LaFalce, Mr. Lagomarsino, Mr. Lederer, Mr. Lent, Mr. Lloyd, Mr. Long of Maryland, Mr. Lowry, Mr. Lundine, Mr. Lungren, Mr. Matsui, Mr. McHugh, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of New York, Mr. Natcher, Mr. Neal, Mr. Nowak, Mr. Ottinger, Mr. Panetta, Mr. Pashayan, Mr. Pease, Mr. Quayle, Mr. Rahall, Mr. Rangel, Mr. Ratchford, Mr. Richmond, Mr. Rinaldo, Mr. Roe, Mr. Roybal, Mr. Sabo, Mr. Scheuer, Mr. Seiberling, Mr. Sharp, Mr. Slack, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stratton, Mr. Tauke, Mr. Thomas, Mr. Treen, Mr. Trible, Mr. Vento, Mr. Wampler, Mr. Watkins, Mr. Waxman, Mr. Weiss, Mr. Whitehurst, Mr. Williams of Montana, Mr. Bob Wilson, Mr. Winn, Mr. Wolff, Mr. Wolpe, Mr. Young of Missouri, and Mr. Zeferetti):

H.R. 3697. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. JEFFORDS:

H.R. 3698. A bill to suspend the granting of construction licenses of nuclear power fission powerplants in the United States pending action by the Congress following a report to the Congress of a National Nuclear Review Commission on the problems associated with the nuclear fuel cycle, with recommended solutions to those problems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Rules.

By Mr. RITTER:

H.R. 3699. A bill to amend the Atomic Energy Act of 1954 to prevent certain nuclear reactor repair costs and increased costs of substitute power from being passed through to an electric utility's consumers, to provide Federal loans for the payment of these costs in the case of previously licensed reactors, and to require electric utilities to obtain insurance to cover such costs in the case of new reactors; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

By Mr. STAGGERS (by request):

H.R. 3700. A bill to establish an additional position of Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. STENHOLM (for himself and Mr. Pickle):

H.R. 3701. A bill to amend the Internal Revenue Code of 1954 to repeal the passive income limitation for small business corporations; to the Committee on Ways and Means.

By Mr. JACOBS:

H.J. Res. 302. Joint resolution proposing an amendment to the Constitution of the United States with respect to the observation of a moment of silence in public buildings; to the Committee on the Judiciary.

By Mr. MURPHY of New York (for himself and Mr. Johnson of California):

H.J. Res. 303. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning October 7, 1979, as National Port Week; to the Committee on Post Office and Civil Service.

By Mr. JACOBS:

H.J. Res. 304. Joint resolution proposing an amendment to the Constitution of the United States allowing the States to propose amendments to the Constitution when the legislatures of two-thirds of the States have approved substantially identical proposals for an amendment; to the Committee on the Judiciary.

By Mr. BEARD of Rhode Island (for himself, Mr. Yatron, Mr. Miller of California, Mr. Stokes, Mr. Scheuer, Mr. Mikva, Mr. Rahall, Mr. Roe, Mr. Flood, Mr. Vento, Mr. Weiss, Mr. Gray, Mr. St Germain, Mr. Gilman, and Mr. Fazio):

H. Con. Res. 109. Concurrent resolution to express the sense of the Congress that children possess both fundamental human rights and rights attributable to their status as children, and to call for the enactment of Federal and State laws to implement such rights to the fullest extent possible, and to grant children additional rights equivalent to the rights now possessed only by adults; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. ANNUNZIO:

H. Res. 229. Resolution providing for 15 additional positions on the U.S. Capitol Police Force; to the Committee on House Administration.

By Mr. BALDUS (for himself and Mr. Jeffords).

H. Res. 230. Resolution expressing the sense of the House of Representatives concerning an assessment by the Secretary of Agriculture of our whey supply situation; to the Committee on Agriculture.

By Mr. BROOKS (by request):

H. Res. 231. Resolution to disapprove Reorganization Plan No. 2 transmitted by the President on April 10, 1979; to the Committee on Government Operations.

By Mr. COURTER (for himself, Mrs. Fenwick, Mr. Forsythe, Mr. Hollenbeck, and Mr. Rinaldo):

H. Res. 232. Resolution to express the sense of the House of Representatives that the leaders of the Soviet Union should permit the emigration of Jews and other individuals wishing to emigrate from the Soviet Union, should remove restrictions in the Soviet Union on the practice of religion and the observation of cultural traditions, and should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions; to the Committee on Foreign Affairs.

By Mr. HILLIS:

H. Res. 233. Resolution providing for the establishment of the Select Committee on Materials and Natural Resources; to the Committee on Rules.

By Mr. PATTERSON:

H. Res. 234. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees; to the Committee on House Administration.

By Mr. WRIGHT:

H. Res. 235. Resolution to provide for the printing of the proceedings incident to the presentation of a portrait of the Honorable Robert N. Giaimo; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

138. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to the Yakima River Basin Water Enhancement project; to the Committee on Interior and Insular Affairs.

139. Also, memorial of the Legislature of the State of Nevada, requesting that Congress propose an amendment to the Constitution of the United States requiring balanced Federal budgets except in time of national emergency; to the Committee on the Judiciary.

140. Also, memorial of the Senate of the State of Washington, relative to the Federal-aid highway program; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLANCHARD:

H.R. 3702. A bill for the relief of Mr. and Mrs. Everett Walker; to the Committee on the Judiciary.

By Mr. EVANS of Delaware:

H.R. 3703. A bill for the relief of the Knights of Pythias Hall Company of Wilmington, Del.; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 3704. A bill for the relief of Michael Kalanevich; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 3705. A bill for the relief of Werner C. Von Clemm; to the Commitee on the Judiciary.

By Mr. HARRIS:

H.R. 3706. A bill for the relief of Charles J. Mangan; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.R. 3707. A bill for the relief of Joy Marsia Dehaney; to the Committee on the Judiciary.

By Mr. MAGUIRE:

H.R. 3708. A bill for the relief of Carlos Perez; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 3709. A bill for the relief of Roberto del Corazon de Jesus Estrada-Varona, Raisa Guadalupe Perez Estrada, Roberto Estrada Perez, and Alberto Estrada Perez; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 3710. A bill for the relief of Hyang Jwa Kim; to the Committee on the Judiciary.

By Mr. STRATTON:

H.R. 3711. A bill for the relief of Stephen Dudar; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. McKinney, Mr. Leach of Louisiana, Mr. Long of Maryland, Mr. Barnes, and Mr. Nolan.

H.R. 160: Mr. Hillis, Mr. Hance, Mr. Barnard, Mr. Leath of Texas; Mr. Leach of Louisiana, Mr. Fountain, and Mr. Jones of North Carolina.

H.R. 506: Mr. Goodling, Mr. McHugh, Mr. Murphy of Pennsylvania, Mr. Winn, Mr. Grassley, Mr. Stokes, Mr. Mavroules, Mr. Pursell, Mr. Evans of Georgia, Mr. Bingham, Mr. Simon, Mr. Jenrette, Mr. Luken, Mr. Richmond, and Mr. Peyser.

H.R. 541: Mr. Lederer, Mr. Dornan, Mr. Moakley, Mr. Horton, Mr. Roe, Mr. Whitehurst, Mr. Ottinger, Mr. Hall of Texas, Mr. McCormack, Mr. Corcoran, Mr. Burgener, Mr. Kildee, Mr. Dan Daniel, Mr. Evans of the Virgin Islands, Mr. Yatron, Mr. Lagomarsino, Mr. Conte, Mr. Grisham, Mr. Dougherty, Mr. Winn, Mr. Weiss, Mr. Marriott, Mr. Waxman, Mr. Young of Florida, Mr. Richmond, Mr. Scheuer, Mr. Mineta, Mr. Edgar, Mr. Stokes, Mrs. Bouquard, Mr. Markey, Mr. Kemp, and Mr. Gilman.

H.R. 542: Mr. Hall of Texas, Mr. Hyde, Mr. Bevill, Mr. Ottinger, Mr. Huckaby, Mr. Jenrette, Mr. Price, Mr. Winn, Mrs. Bouquard, Mr. Stokes, Mr. Campbell, Mr. Perkins, Mr. Mineta, Mr. Akaka, Mr. Mitchell of Maryland, Mr. Bonior of Michigan, Mr. Kemp, Mr. Lederer, Mr. Richmond, Mr. Lagomarsino, Mr. Murphy of Pennsylvania, Mr. Whitehurst, Mr. Solarz, Mr. LaFalce, Mr. McKay, Mr. Rousselot, Mr. Hughes, Mr. Pease, Mr. Downey, Mr. Dornan, Mr. Wolff, Mr. Young of Alaska, Mr. Duncan of Tennessee, Mr. Florio, Mr. Roe, Mr. Addabbo, Mr. Panetta, Mr. Dougherty, Mr. Corrada, Mr. Neal, Mr. Gudger, Mr. Wilson of Texas, Mr. Pritchard, Mr. McDade, Mr. Dixon, Mr. Moakley, Mr. Yatron, Mr. Grisham, Ms. Ferraro, Mr. Zeferetti, Mr. Hollenbeck, Mr. Nolan, Mrs. Chisholm, and Ms. Mikulski.

H.R. 571: Mr. Kemp.

H.R. 769: Mr. Roe, and Mr. D'Amours.

H.R. 801: Mr. Ambro, Ms. Ferraro, Mr. Frost, and Mr. Richmond.

H.R. 806: Mr. Levitas.

H.R. 809: Mr. Nolan.

H.R. 810: Mr. Hance.

H.R. 1048: Mr. Beard of Rhode Island, Mr. Edwards of California, Mr. Evans of Georgia, Mr. Fazio, Ms. Ferraro, Mr. Kemp, Mr. Lee, Mr. Lundine, Mr. Patten, Mr. Rangel, Mr. St Germain, Mr. Stangeland, Mr. Studds, Mr. Vento, and Mr. Young of Missouri.

H.R. 1049: Mr. Beard of Rhode Island, Mr. Corcoran, Mr. Edwards of California, Mr. Jenrette, Mr. Patten, Mr. St Germain, Mr. Seiberling, Mr. Weaver, and Mr. Young of Missouri.

H.R. 1242: Mr. Courter.

H.R. 1297: Mr. Lehman, Mr. Rinaldo, and Mr. Gray.

H.R. 1307: Mr. Dornan, Mr. Grassley, Mr. Regula, and Mr. Pritchard.

H.R. 1309: Mr. Nolan.

H.R. 1429: Mr. Jones of Oklahoma, Mr. Moorhead of California, Mr. Kramer, Mr. Derwinski, Mr. Murphy of Pennsylvania, Mr. Bafalis, Mr. Gingrich, Mr. Lagomarsino, Mr. Rousselot, Mr. Forsythe, Mr. Hughes, Mr. Neal, Mr. Jenrette, Mr. Davis of Michigan, Mr. Hinson, Mr. Sensenbrenner, Mr. Collins of Texas, Mr. Dornan, Mr. Lott, Mr. Madigan, Mr. Broomfield, Mr. Hall of Texas, Mr. Kindness, Mr. Roe, Mr. Walker, Mr. Coughlin, Mr. Dougherty, Mr. Symms, Mr. Trible, Mr. Mottl, Mr. Campbell, Mr. Leach of Louisiana, Mr. Goodling, Mr. Cavanaugh, Mr. Bob Wilson, Mr. Gilman, Mr. Rudd, Mr. Kemp, Mr. Marks, and Mr. Corcoran.

H.R. 1741: Mr. Trible.

H.R. 1913: Mr. Quillen.

H.R. 1918: Mr. Price, Mr. Young of Alaska, Mr. Stangeland, and Mr. Skelton.

H.R. 2075: Mr. Hance.

H.R. 2126: Mr. Emery, Mr. Bonker, Mr. Jeffords, Mr. Beard of Rhode Island, and Mr. Mottl.

H.R. 2129: Mr. Markey.

H.R. 2280: Mr. Kemp.

H.R. 2292: Mr. Coelho, Mr. Chappell, Mr. Wolpe, Mr. Glickman, Mr. Edgar, and Mr. Gore.

H.R. 2374: Mr. Kostmayer.

H.R. 2411: Mr. Solarz, and Mrs. Chisholm.

H.R. 2412: Mr. Solarz, Mr. Weiss, and Ms. Mikulski.

H.R. 2441: Mr. McKinney.

H.R. 2472: Mr. John L. Burton.

H.R. 2482: Mr. Goodling, Mr. Edgar, Mr. Weaver, Mr. Gray, Mr. Kemp, Mr. Panetta, Mr. Wolpe, and Mr. Sabo.

H.R. 2539: Mr. Edwards of California, and Mr. Moakley.

H.R. 2540: Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Corrada, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Eckhardt, Mr. Evans of the Virgin Islands, Mr. Fauntroy, Mr. Ford of Tennessee, Mr. Gray, Mr. Hawkins, Mr. Kastenmeier, Mr. Leland, Mr. Long of Maryland, Mr. Lowry, Mr. Maguire, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Panetta, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rodino, Mr. Scheuer, Mr. Seiberling, Mr. Shannon, Mr. Solarz, Mr. Stewart, Mr. Stokes, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Wolpe, and Mr. Bingham.

H.R. 2644: Mr. Leach of Louisiana.

H.R. 2812: Mr. Moakley, Mr. Barnes, Mr. McHugh, Mr. Goodling, Mr. McCloskey, Mr. Bonior of Michigan, Mr. Carr, Mr. Mineta, Mr. Gray, Ms. Holtzman, Mrs. Chisholm, and Mr. Wirth.

H.R. 8220: Mr. Coughlin, Mr. Hance, Mr. Kindness, Mr. Leach of Louisiana, and Mr. Marriott.

H.R. 3159: Mr. Badham, and Mr. Hinson.

H.R. 3232: Mr. Glickman, and Mr. Nolan.

H.R. 3247: Mr. Leach of Louisiana.

H.R. 3298: Mr. AuCoin, Mr. Guarini, Mr. D'Amours, Mr. Mottl, Mr. Stanton, Mr. Beilenson, and Mr. Wolpe.

H.R. 3335: Mr. Nolan.

H.R. 3370: Mr. Stockman.

H.R. 3400: Mr. Gilman, Mr. Kildee, Ms. Mikulski, Mr. Nolan, and Mr. Weiss.

H.R. 3431: Mr. Murphy of Pennsylvania, Mr. Forsythe, Mr. Blanchard, Mr. Boland, Mr. Stangeland, Mr. Solomon, Mr. D'Amours, Mr. Gudger, Mr. Sabo, Mr. Stump, Mr. Studds, Mr. Beilenson, Mr. Hughes, Mr. Bonior of Michigan, Mr. Moakley, Mr. Long of Maryland, Mr. Carr, Mr. Wolpe, Mr. Nolan, and Mr. Simon.

H.R. 3432: Mr. Forsythe, Mr. Blanchard, Mr. Boland, Mr. Gudger, Mr. Solomon, Mr. D'Amours, Mr. Ford of Michigan, Mr. Stump, Mr. Studds, Mr. Beilenson, Mr. Hughes, Mr. Bonior of Michigan, Mr. Moakley, Mr. Long of Maryland, Mr. Carr, Mr. Wolpe, Mr. Nolan, Mr. Simon, and Mr. Stangeland.

H.R. 3434: Mr. Evans of the Virgin Islands, and Mr. Kildee.

H.R. 3493: Mr. Mathis, Mr. Dornan, Mr. Stokes, Mr. Dougherty, Mr. Roe, Mr. Price, Mr. Diggs, Mr. Lederer, Mr. Moakley, Mr. McKinney, and Mr. Ottinger.

H.R. 3541: Mr. Paul, Mr. Conte, Mr. Jacobs, Mr. Glickman, Mr. Walgren, Mr. Edgar, Mr. Abdnor, Mr. Wolpe, and Mr. Wirth.

H.R. 3567: Mr. Deckard, Mr. Preyer, Mr. Fary, Mr. Wirth, Mr. Jeffords, Mr. Nichols, Mr. Skelton, Mr. Solarz, Mr. Patterson, Mr. Pashayan, Mr. Wampler, Mr. Johnson of Colorado, Mr. Matsui, Mr. Dan Daniel, Mr. Heftel, Mr. Runnels, Mrs. Heckler, Mrs. Byron, Mr. Frost, Mr. Neal, Mr. Erdahl, Mr. Williams of Montana, Mr. Swift, Mr. Bauman, Mr. Bereuter, Mr. Sabo, and Mr. Kogovsek.

H.J. Res. 213: Mr. Badham, Mr. Marriott, Mr. Murphy of Pennsylvania, and Mr. Wydler.

H.J. Res. 255: Mr. Blanchard, Mr. Phillip Burton, Mrs. Byron, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Ford of Michigan, Mr. Gray, Mr. Green, Mr. Kelly, Mr. Kemp, Mr. Markey, Mr. Perkins, and Mr. Winn.

H.J. Res. 260: Mr. Rinaldo, Mr. Whitehurst, Mr. Solomon, Mr. Andrews of North Dakota, Mr. Gilman, and Mr. Buchanan.

H.J. Res. 282: Mr. Livingston.

H. Con. Res. 54: Mr. Donnelly, and Mr. Reuss.

H. Con. Res. 85: Mr. Ottinger.

H. Res. 106: Mr. Evans of Delaware, and Mr. Mathis.

H. Res. 115: Mr. Kildee, Mr. Nolan, and Mr. Coughlin.

H. Res. 146: Mr. Waxman, Mr. Green, Mr. Bonior of Michigan, Mr. Kostmayer, Ms. Holtzman, Mr. Long of Maryland, Mr. Wolff, Mr. Glickman, Mr. Stark, and Mr. Harkin.

H. Res. 180: Mr. Stump, Mr. Forsythe, Mr. Symms, Mr. Lott, Mr. Clinger, Mr. Cleveland, and Mr. Albosta.

H. Res. 224: Mr. Murphy of New York, and Ms. Mikulski.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1539: Mr. Jenrette.

H.J. Res. 213: Mr. Jenrette.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

108. By the SPEAKER: Petition of Byron A. Nordberg, Oceanside, Calif., relative to the Amtrak route system; to the Committee on Interstate and Foreign Commerce.

109. Also, petition of Ronnie Cox, Marion, Ill., relative to redress of grievances; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10

By Mr. SENSENBRENNER:

—On page 13 strike lines 7 through 10 and renumber the succeeding subsections accordingly.

H.R. 1716

By Mr. HANLEY:

—Page 152, line 6, after the period insert the following: "Any transfer or assumption (including any agreement for such transfer or assumption) pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.".

—Page 164, line 14, insert "(1)" after "(b)", and strike out "341," and "361, 362,".

Page 164, after line 16, insert the following new paragraph:

(2) The amendments made by sections 361 and 362 shall become effective upon the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

SENATE—*Tuesday, April 24, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. Harry F. Byrd, Jr., a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

DAY OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Eternal Father, who never forgets us and never fails us, whose presence is the answer to every prayer, make sacred the memory of all those whose lives have been extinguished by inhuman political philosophies and fiendish policies of calculated extermination. And give us grateful memories for all those who have kept the faith, fought a good fight, suffered, and died to end the holocaust.

Grant us both the capacity to remember and the grace to forgive.

Make us forever reverent in the presence of human life.

Keep us from unseemly fascination with the evil other men do and from harboring hate from generation to generation.

Give us, we beseech Thee, an abiding sense of compassion and sympathy for human suffering wherever and whenever it appears.

Lift our vision to behold the time when all men shall be gathered into one kingdom, the law of which is love, and the ruler of which is the Living Lord.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 24, 1979.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Harry F. Byrd, Jr., a Senator from the State of Virginia, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. HARRY F. BYRD, JR., thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 3 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. ROBERT C. BYRD. Mr. President, later today a special ceremony in commemoration of the victims of the holocaust will take place in the Capitol rotunda. President Carter, Mrs. Carter, and Vice President Mondale will be participating in this commemorative event.

A concurrent resolution approved by the Senate on March 22, of which I was a cosponsor, authorized the ceremony which will be held today.

The ceremony in the rotunda is in conjunction with the Days of Remembrance of Victims of the Holocaust. Congress has designated April 28 and 29 as the Days of Remembrance.

It was in April 1943, that the Warsaw ghetto uprising occurred, when the Jews of Poland revolted against their oppressors.

It was on April 29, 1945, that U.S. Armed Forces liberated the surviving victims of Nazi internment in the concentration camp in Dachau, Germany, and revealed to the world evidence of a human tragedy that must never be forgotten, nor ever be repeated.

Six million Jews died in the holocaust; hundreds of thousands survived only by escaping or fleeing from Nazi terror and persecution. This was tyranny on a scale unmatched in history.

Late last year I visited the Yad Vashem Memorial in Jerusalem. A visit to this memorial to the martyrs and heroes of the holocaust is an acutely moving experience, a compelling reminder of that period of suffering and death, and of the struggle for survival.

Likewise, the purpose of the ceremony today and of the Days of Remembrance this week is to honor the memory of the victims of this unparalleled atrocity and to reaffirm our dedication to preventing the occurrence of such a tragedy again.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized for not to exceed 3 minutes. The Senator from Alaska is recognized.

THE PRESIDENT'S PROPOSED ENERGY TAX

Mr. STEVENS. Mr. President, I am constrained to state my confusion over the President's position on the increased income derived by energy companies in the event that the decontrol recommendation submitted by the President is approved by Congress.

It was my understanding when that recommendation was presented to the Senate in the form of a factsheet prior to the President's televised address to the Nation that he intended to ask Congress to place a special tax on the increased gross income derived by energy companies, which represented either the increased income attributable to increases brought about by OPEC decisions or the increased gross income attributable to the period following decontrol of the price of crude oil.

Subsequently, it appeared in the press that the President was talking about a windfall profits tax. Obviously, if an energy company incurred expenses relating to the development of new sources of energy that were business related, those would be deductible, and such a tax would be a tax on profits after what we would normally refer to as a plowback of income, and it would therefore be an excess profits tax with a plowback.

However, as I read the morning paper, the President's statement yesterday indicates that he is not in favor of an excess profits tax with a plowback, and he is, in fact, once again talking about a special tax on increased gross income, which I consider to be one of the most retrogressive proposals for taxation ever presented to Congress. It is even worse than the wellhead tax, in that the increased income following decontrol could be related to inflation, or could be related to the general increased costs of foreign oil. Therefore, the impact of the excess profits tax would be to take away from the energy industries the money that would be necessary for exploration, development, and production of oil and gas from frontier areas similar to the great Outer Continental Shelf off the State of Alaska and the great Arctic areas of my State, which have the highest potential for discoverability of new oil and gas resources.

I think the administration owes Congress a clarifying statement as to what the President and his advisers are actually suggesting to Congress, because those of us in the Senate who are trying to interpret it, as I say, are confused by the President's recent statement.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 11 o'clock a.m., with statements therein limited to 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMEMORATING THE VICTIMS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, today at noon, President Carter will join us in the rotunda for a day of remembrance for the victims of the holocaust. Our ceremony here in the Capitol is being duplicated across the globe today as the world pauses to reflect on International Holocaust Commemoration Day.

Today is a time for us to look back and pay tribute to the memories of the millions upon millions who were slaughtered in the Nazi prison camps. But Mr. President, today offers us more, much more. Today is an opportunity for us to reflect on the causes and results of the holocaust. And beyond this, it is an opportunity for us to search for ways to prevent and punish genocide, the most horrible and destructive of crimes.

Mr. President, there is a positive step we can take right now—a step that is long overdue. For 30 years the Senate has had the Genocide Convention pending before it. For 30 years the Senate has delayed taking action on this, the only international treaty which seeks to eliminate once and for all the crime of genocide.

Mr. President, there could be no more fitting tribute to the victims of the holocaust than prompt ratification of the Genocide Convention. President Carter has urged us to take action in repeated pleas to the Senate. It is high time that we heed those pleas and establish a living memorial to those who have suffered so needlessly.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 11 a.m. having arrived, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION FOR 1980, 1981, AND 1982

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, namely, Senate Concurrent Resolution 22, which the clerk will state by title.

The assistant legislative clerk read as follows:

> The concurrent resolution (S. Con. Res. 22) setting forth the recommended congressional budget for the United States Government for fiscal years 1980, 1981, and 1982 and revising the Second Concurrent Resolution on the budget for fiscal year 1979.

AMENDMENT NO. 151

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 151 by the Senator from Wisconsin (Mr. PROXMIRE), on which there shall be 30 minutes debate with a vote in relation thereto to occur at 11:30 a.m. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a quorum call be held and that the time be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the manager of the bill yesterday charged that if the pending amendment is adopted, it would reduce Federal revenue by some $9 or $10 billion. The staff of the committee told me this morning that they have modified that estimate and now estimate a reduction of between $6 and $7 billion.

Mr. President, this kind of estimate is a laugh. There is no way they can make an accurate estimate of what effect the reduction in Federal spending with its effect on inflation and the elimination of the deficit with its sharp reduction of demand in the credit markets would have on interest rates. I think it would be substantial enough to increase housing starts by several hundred thousand; to increase private sector jobs by half a million or more, and to sharply reduce that $6 to $7 billion loss in Federal revenue.

I may be wrong about that. The Budget Committee's computer may be right. But what the computer has made no allowance for is that sure and certain effect of Federal Reserve policies if we should balance the budget in 1980 by passing this amendment. Chairman Miller has assured our Banking Committee repeatedly that a balanced budget would permit an easier monetary policy with cheaper credit and lower interest rates. Now the staff of the Budget Committee assured my staff this morning that they had not included that vital factor in their calculations. That is, what the Federal Reserve Board would do. We know what they would do. They have committed themselves.

Mr. President, the fact is that no one knows whether a cut of the kind this amendment would require would actually reduce Federal revenues or how much. That depends on action by the Federal Reserve on monetary policy, and it depends on the psychological reaction of the American consumer and American business to the good news that the Federal Government has at long last taken a clear, big, significant step to begin to bring inflation under control. The result of that psychological reaction has not been cranked into the computer either.

So not only did they not crank in the actions of the Federal Reserve Board which they committed themselves to take, but they have not been able to also estimate what psychological reaction a balanced budget would have on the business community of this country and on the American people.

Certainly, the attitude of the American consumer and the American businessman is crucial in determining what is going to happen to our economy in the next 18 months.

What we do know, Mr. President, is that the passage of this amendment would tend to lower interest rates. We know it would tend to increase housing starts. We know it would encourage business investment. And, above all, we know it would help to hold down inflationary pressures.

Mr. President there are helpful initiatives in the budget for the poor, for the farmer, for the workingman, for business. But there is nothing in the budget that would be nearly as helpful for any of those groups as action by this Congress to slow inflation.

There is a choice here. The choice is between an unbalanced budget with a big and lumbering Federal Government and high inflation with no end in sight on the one hand, and on the other a balanced budget, with a somewhat streamlined and lighter Federal Government and less inflation—real progress, visible progress, objective progress, measurable progress—toward getting inflation under control—on the other.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, I responded to the amendment of the distinguished Senator from Wisconsin at considerable length yesterday. The only point that the Senator seems to have raised this morning that I did not cover yesterday is this, and I can answer it best by giving him an analysis of his amendment. His amendment proposes reducing outlays by $28.8 billion. If we do that we reduce revenues by $6.8 billion, because of the impact on the economy. So he will not achieve balance.

In order to achieve balance, we would have to reduce outlays by $38.3 billion. That would reduce revenues by $9.5 billion and achieve a balance unless, in the process of doing this, the effect is to put the economy into a tailspin and produce a deep recession. In that situation we would experience higher unemployment and an even greater impact on revenues and on the outlays associated with unemployment, including unemployment compensation and welfare programs.

Mr. President, what I really would like to say this morning in addition to what I said yesterday is throughout his discussion of what the Budget Committee has produced, my good friend from Wisconsin speaks as though we have just gone spending wild; that we pay no attention to the imperatives of inflation; that we pay no attention whatsoever to the need to cut programs; that only he, the distinguished Senator from Wisconsin, has the proper sense of fiscal restraint; that only by adopting his amendment will we impose any restraint, and that the budget we have adopted imposes no restraint.

Mr. President, in this morning's Washington Post, in the lead editorial entitled, "The Big Fight Begins," takes a different view of what the Budget Committee has presented to the Senate of the United States.

I read the first paragraph:

> Congressional ideas about the federal budget have changed drastically over the past year, and you can see the results in this week's debate in the Senate. The first draft of the budget resolution has come to the floor, with its stringent limits to next year's federal spending and deficit. A majority of the senators now seem to accept the principle of a balanced budget as political imperative—for the first time since the Eisenhower years—and the only question is how fast to get there.
>
> Sen. Muskie's Budget Committee is recommending a resolution that would commit Congress to a balance in fiscal 1981—the fiscal year that begins five weeks before the next election. This drive toward balance is particularly remarkable since the Budget Committee warns that a mild recession is likely later this year. It's the first time in at least a generation that leading senators of both parties have been talking about cutting a president's budget in the face of rising unemployment.
>
> It's not the Senate alone. A similar, if slightly less draconian—

That is the adjective used to describe what we have presented:

> A similar, if less draconian resolution comes to the floor of the House next week. The rest of the year is going to be filled with bitter quarreling over who's to bear the brunt of the cuts—whether the poor, or the states or the Pentagon. But the main mechanism moving the budget toward balance is not the cuts in spending. It is the automatic and continuous tax increase that inflation imposes by moving taxpayers into higher brackets.
>
> With cruel—

This is another word used to describe what we have produced—

> with cruel and explicit logic, the Senate Budget Committee warns that, if the budget is to reach balance before next election day, Congress will have to forego the expected pre-election tax-reduction bill. Conversely, if Congress wants to enact tax relief next year, the balanced budget will have to wait until 1982.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE BIG FIGHT BEGINS

Congressional ideas about the federal budget have changed drastically over the past year, and you can see the results in this week's debate in the Senate. The first draft of the budget resolution has come to the floor, with its stringent limits to next year's federal spending and deficit. A majority of the senators now seem to accept the principle of a balanced budget as political imperative—for the first time since the Eisenhower years—and the only question is how fast to get there.

Sen. Muskie's Budget Committee is recommending a resolution that would commit Congress to a balance in fiscal 1981—the fiscal year that begins five weeks before the next election. This drive toward balance is particularly remarkable since the Budget Committee warns that a mild recession is likely later this year. It's the first time in at least a generation that leading senators of both parties have been talking about cutting a president's budget in the face of rising unemployment.

It's not the Senate alone. A similar, if slightly less draconian, resolution comes to the floor of the House next week. The rest of the year is going to be filled with bitter quarreling over who's to bear the brunt of the cuts—whether the poor, or the states or the Pentagon. But the main mechanism moving the budget toward balance is not the cuts in spending. It is the automatic and continuous tax increase that inflation imposes by moving taxpayers into higher brackets.

With cruel and explicit logic, the Senate Budget Committee warns that, if the budget is to reach balance before next election day, Congress will have to forego the expected pre-election tax-reduction bill. Conversely, if Congress wants to enact tax relief next year, the balanced budget will have to wait until 1982. There's a certain mean irony to this point, since the balance-the-budget movement is drawing a lot of its support from people who think that it necessarily will bring lighter taxes.

For the 30 years after World War II, most people just assumed that the ultimate purpose of economic policy was to generate jobs and keep unemployment low. It was a social and moral judgment that had a wide consensus behind it. But recently, after six years of inflation unprecedented in this country's experience, that view has been changing. If Congress enacts a final budget resolution next September that is anything like the present drafts, it will have moved to a very different position. It will be saying that it finds an inflation rate of 10-plus percent more dangerous to American socity than an unemployment rate around 6 percent and fairly stable. It will also be acknowledging that temporary stagnation in the economy is preferable to a permanent balance-the-budget amendment in the Constitution.

Congress would be right on both points. But as the economy slows and federal funds become less lavish, the burdens will not fall equally on all citizens. Speaking of morality, it is important to remember that those who benefit most from lower inflation will not necessarily be those who are out of work. The two budget committees have tried to provide more help for the people most at hazard, and that concern needs to be preserved in the hard bargaining ahead.

Mr. MUSKIE. It is easy at any time, Mr. President, once the Budget Committee has made the effort that this Budget Committee has made to restrain spending and, at the same time, to try to keep the economy on an even keel, to argue what could have been done, that more could have been cut. If we had come in with the figure that the Senator from Wisconsin now proposes, I would be willing to bet that he would be advocating a 5-percent cut in that total. And if we had come in with that figure, I expect that he would have proposed a 5-percent cut in that total.

That is easy to do. I could do it. I could stand here, on the floor of the Senate, as chairman of the Budget Committee, beat my breast, and say, "I can cut 5 percent more than the rest of my committee was willing to cut." Those are easy things to say, Mr. President, but our responsibility is to make cuts, to restrain spending, and to do it in an economic environment and in a context that will enable us to achieve a balanced budget that is not upset, because we push the economy into a recession which destroys any prospect for a balanced budget. That is the important point.

The Senator from Wisconsin casually fluffs that off as something that can be taken care of by the Federal Reserve Board. The Federal Reserve Board is not that assuring to us. Sure, Chairman Miller promised cooperation, but he did not guarantee that the kind of cooperation which he was offering was a guarantee against a depression if we cut too deeply.

And he warned about cutting too deeply, as well, in his testimony before us.

I have no better way than the distinguished Senator from Wisconsin of looking into the future to prove that he is wrong and I am right or that he is right and I am wrong. All I can say to the Senate is that we have done our best to meet two mandates: Achieve a balance in 1981 by a stringent budget, or a balance in 1982 by a less stringent budget. Both of those chores have been met by the Senate Budget Committee. The judgment of the Washington Post, at least, is that we have offered something that is pretty stringent and even cruel.

I yield to my good friend from Oklahoma.

Mr. BELLMON. Mr. President, I thank my chairman for yielding. I want to begin by saying that I agree with the efforts to achieve a balanced budget. That is an objective I have had for a long time. I certainly do not want anything I say to make it sound as if I had changed my mind. I feel that balancing the budget is a matter of highest national priority and that Congress needs to balance the budget as quickly and in as responsible a way as possible. I feel that the resolution which the Budget Committee has brought does that; it meets that test.

I am afraid that, as laudable as Senator PROXMIRE's efforts are, they will not, as Senator MUSKIE has eloquently stated, achieve a balanced budget, as Senator PROXMIRE states they would. A $28.8 billion cut in spending from the committee's mark would tend to weaken the economy and result in a loss of revenues of about $6 billion. This has been well stated already by Senator MUSKIE.

Outlays would also increase by $2 billion, due to higher unemployment payments and increases in other entitlement programs. After accounting for these effects, the Proxmire amendment would still leave the budget out of balance by about $8 billion, so we would still have to have some more cuts.

I believe our staff estimates show that $38.3 billion of spending cuts would be required to balance the budget in fiscal year 1980. In contrast to the position taken by Senator PROXMIRE, in my opinion, spending cuts of this magnitude would have a distinctly negative economic impact.

Economists measure these effects, at least in the short term, in tenths of a percent. What I am concerned about is the longer term, including not only fiscal year 1980 but 1981, 1982, and the years that follow.

The goal of the budget resolution recommended by the Budget Committee is to adopt a policy which will lead us in an orderly way to a balanced budget; and not a balanced budget for only 1 year, but for the foreseeable future, provided we can achieve economic stability.

This will not be achieved by a continuation of the "stop-go" policies of the past. Since the early 1960's, when Congress first adopted its activist approach, economic policy has been characterized by massive stimulus at cyclical low points and massive restraint at cyclical peaks. The Proxmire amendment, and any other amendment that contemplates bringing the budget into balance with a single dramatic move, in my opinion, constitutes an unworkable "quick fix" to the problem of budget deficits.

I would like to point out that my 8 Republican friends on the House Budget Committee, who are not known as particularly big spenders, apparently agree with me on this point. Let me quote from the minority views of the House Budget Report on page 268:

We believe that balancing the Federal budget in 1980 would simply be too much of a shock to an economy in so precarious a state as ours is today.

Clearly, Mr. President, my colleagues in the House agree that such "quick fixes" do not achieve desirable results. In fact, quick fixes have contributed to the problems of inflation and high interest rates which we confront today. I do not think it is necessary to repeat the mistakes of the past, and I ask the Senate to reject Senator PROXMIRE'S amendment.

The PRESIDING OFFICER. Two and a half minutes remain to the opponents on the Proxmire amendment.

Mr. MUSKIE. I reserve the remainder of my time.

Mr. PROXMIRE. Mr. President, my good friend from Maine has indicated that, or implied, at least, that I have not specified where I would make the cuts. I appeared before the Budget Committee and I appeared with a statement that detailed precisely where I thought the cuts should be made. Furthermore, I submitted to cross-examination for some period before the Budget Committee. I answered in detail where I thought the cuts should be made, so there is no question that I have been very specific and definite where I think we should make reductions.

I did not write them into this particular amendment, because, of course, this is the first budget resolution, it is not the second. The Senate and the House may disagree with the kind of recommendations that I have suggested, but I have suggested substantial cuts that would approximate $28 billion.

Cuts, I think, can be made without seriously, adversely affecting our economy.

Now, the question has been raised by the distinguished Senator from Maine and the Senator from Oklahoma, too, that we are moving too fast, that, after all, if we move at this rate and reduce the deficit to zero in 1980, it will be too hard for the economy to accommodate to that.

Mr. President, I think that those who favor continuing an unbalanced budget, even one that has been reduced somewhat, ignore the fact that inflationary pressures are likely to increase in the economy from other sources of Government influence on prices other than the Federal budget.

What I am saying is that the reduction in the deficit will be counterbalanced by other factors in the economy we know are coming on.

What is likely to happen to the big surpluses cities and States have enjoyed over the past few years?

The big surplus the cities and States enjoyed last year and still enjoying this year are diminishing.

There is every indication that they may drop by as much as $20 billion in the coming year. Such a drop would have the same effect in increasing aggregate demand and stimulating the economy and pushing up prices as a $20 billion Federal deficit.

All the time we had this deficit, I recall very clearly the arguments by economists who said that the deficit is not so bad, because we have big surpluses in the local and State governments.

Now they are disappearing and I think the argument should go the other way.

There is another element that very few people paid any attention to.

Mr. President the State Department has indicated that we can expect a $10 to $20 billion improvement in our balance of trade in 1980.

Secretary Cooper, who is an eminent economist, one of the finest economists in this field in the world, has indicated that the reduction in our balance-of-trade deficit has exactly the same effect in stimulating the economy and driving up prices that $10 to $20 billion of more Federal spending would have, as far as increasing aggregate demand is concerned.

As we increase exports and tend to decrease imports, the effect on aggregate demand is the same as running a Federal deficit.

The State Department has told us they expect in the 1980 period to have reduction in the balance of trade by $10 to $20 billion.

So the threat to our economy today is not from the prospect of too little pressure on prices, but of too much pressure on prices.

How anybody can stand up on the floor of the Senate now in 1979, in April, with the kind of price increases we have suffered, with the recognition of what is happening to city and State budgets, with an understanding of what is happening with our balance of trade, and argue that a sharp reduction of the kind this amendment would call for in a deficit would be bad economic policy, is beyond me.

I realize that many economists disagree with that, but I think they overlook the tremendously beneficial psychological effect of balancing a budget this year.

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. Two and a half minutes to the opponents and 4 minutes and 40 seconds to the proponents.

Mr. MUSKIE. Mr. President, I do not want to use my 2½ minutes at this time.

Mr. BUMPERS. Will the Senator yield me 1 or 2 minutes?

Mr. MUSKIE. I cannot yield that much. I have only 2½ minutes.

Mr. BUMPERS. I understood that there were 4½ minutes.

Mr. MUSKIE. No. Senator PROXMIRE has 4.

Mr. BUMPERS. Mr. President, I am going to vote against this amendment, because I think it is irresponsible.

I know the political pressures are intense on everybody in this body to balance the budget. But I think to try to balance it now, in the face of seven-tenths of 1 percent of growth rate the first quarter of this year, could set off an economic recession that would, literally, bring the wrath of the country down on this Congress.

I have introduced two resolutions since I have been in the Senate to balance the budget and I hope we can do it by 1981. I think I may vote for the resolution presented here to balance it, and I may vote to take some broad ax to the 1980 budget, but not 5 percent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. I thank the Senator.

Mr. PROXMIRE. Mr. President, I will yield the Senator half a minute, if he wants it.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I was just looking over the Democratic Policy Committee's capsule of these resolutions. It is interesting to me that if this body took each one of these items the Budget Committee says they have cut, I do not care which one it is, whether it is the commissaries, taking commissaries away from the military people, we look down the list of the cuts and we could not get this body to vote for a single one of them, because every item here has its own constituency.

When they come up, it only takes three people visiting in a Senator's office to convince him there is a groundswell of opposition to everything on here.

So I have mixed emotions about the shotgun approach being used by the Senator from Wisconsin as opposed to a scalpel, more selective cut.

But all I am saying is that I think at this point, to cut this budget by 5 percent, after the Budget Committee labored into the hours of the night for 3 weeks, trying to come up with something sensible and walk that fine line between recession and responsibility, and reach a balanced budget at sometime, say, in 1981 or 1982——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. So I must reluctantly oppose this amendment.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, the distinguished Senator from Wisconsin has referred to cuts which he proposed when he appeared before the Budget Committee. I ask unanimous consent to have printed in the RECORD what the Senator from Wisconsin then presented.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED SPECIFIC CUTS

Military: I propose a $5.04 billion cut in outlays and $7.4 billion in budget authority in the FY 80 defense budget. The specific items numbering 18 in all are attached.

Revenue sharing: We have no revenue to share. The states and localities are in surplus. I would cut the entire $6.8 billion. It is wrong in principle in that those who spend the money do not have to raise it.

Foreign aid: We could have $1.3 billion by holding it to FY 79 levels. While I favor the people to people programs involved in the Peace Corps, the Technical Assistance programs, and others, the big project foreign aid, both through our bilateral programs and the International banks, appear to me to be largely an extension of the public works and highway lobbies abroad.

Housing and urban development: I propose savings of $845 million by not funding the Urban Development Action Grants ($400 m.), the proposed National Development Bank ($275 m.), and by reducing the number of persons eligible for Federal Housing Assistance and increasing rents to 30 rather than 25% of income ($170 m.) Added savings could be made through targeting Community Development Funds to the genuinely needy.

Travel: The agency-wide government travel budget is $7.9 billion. I propose a cut of $2 billion in this overall figure to be accomplished through less travel, the substitution of less expensive for more expensive travel, greater use of car pools, and the end to the outrageous practice of driving more than 150 Washington officials, let alone those abroad, to and from home in violation of the clear language of Title 31, Section 638a.

LEAA: I would abolish LEAA for a savings of $621 million. Established as a program to promote innovation, it is now too often paying routine operating expenses. There seems to be no cause and effect relationship between it and the crime rate, except that the latter has gone up during LEAA's existence. We should take the advice once proffered by the Attorney General and get rid of it.

Small Business Administration: We could save $694 million by abolishing this agency as well. Beset by scandal and political favoritism over the years, virtually all of its functions can now be performed by the private banking system and performed better. Only a minute fraction of small businesses benefit from it. Its minority programs have been of little help to minorities. And many of its loans are to those who not only could not qualify locally but should not have qualified locally.

Pubic relations: The government public relations budget is estimated at $1 billion including 20,000 public information officers. A cut in P.R. activities by half could save $500 million.

Space: While I personally would stop the space shuttle program the point of no return may have been reached but we could save $228 million by delaying the space telescope and the Galileo-Jupiter Probe.

CETA: The use of CETA funds to protect existing employees rather than to add jobs for the needy is a key fault of the program. In addition, they perform such useless work as counting the dogs, cats, and horses in Ventura County, California and the Samoans in Orange County. I would cut $2 billion in total from Title VI and the Summer Youth Programs.

EPA: EPA will be unable to obligate the $8.4 b. they will have. I would cut their proposed increase from $3.8 b. down to $3.0 b. or by $800 million because of this fact.

Legislative branch: The increase from $85 to $135 million for the Hart Office Building should be voted down.

Health: HEW should tighten the Medicaid and Medicare administration where the GAO has alleged excessive spending and fraud. The $6.7 b. budget for health includes massive increases in spending over the years for the Health Institutes with disappointing results. Dr. Pauling wrote me that he can get funded for any "orthodox" research he wants to do but that the NIH frowns on any proposal not along traditional paths. Surely $1. billion could be cut from the totality of health, NIH, Medicaid and Medicare budgets.

Education: In my view at least $500 million could be saved in education programs by targeting the grants for the disadvantaged, and by cutting the bilingual and some of the smaller higher education programs.

This list totals more than $20 billion. There are other areas as well. In fact, there is scarcely a program in the government where cuts could not be made and the program improved if done properly. In my book, none should be sacred.

Proposed cuts in fiscal year 1980 defense budget

	Billions	Outlays
1. Cut 50,000 civilians out of 1 million	.75	.72
2. Reduce grade creep military and civilian to FY 1964 levels	1.1	1.06
3. Full program of postponed base closures	.5	.43
4. B-1 R&D	.05	.035
5. Rescission of unrequested aircraft from FY 1979	1.0	1.0
6. MX slowdown ($670 million in R&D)	.2	.14
7. Consolidation of helicopter and some fixed wing training facilities	.2	.017
8. Newport News shipbuild-		
9. Greater utilization of women	.1	.1
10. Cut in IR&D	.2	.2
11. Recover full FMS costs	.2	.2
12. Enhanced use of fast payback productivity capital improvement equipment	.2	.2
13. Deletion of Advanced Attack Helicopter	.176	.12
14. Deletion of SAM-D	.57	.08
15. C5-A wing modifications	.1	.1
16. Civil Reserve Air Fleet Modifications	.07	.07
17. NATO AWACS—US costs	.25	.25
18. New small conventional aircraft carrier	1.6	.22
Total	7.4	5.04

Mr. MUSKIE. Mr. President, it is not easy to add up the items to get to any total, but the Senator said, "This list totals more than $20 billion."

That is substantially less than the $38.3 billion cut that would have to be achieved in order to implement his objective of a balanced budget in 1980. So it is far from a complete list.

Yesterday, the Senator put in the RECORD another list that I think he says represents about $28 billion in cuts.

There is detail with respect to the defense budget and there he shows a cut of $7.4 billion in budget authority and $5.04 billion in outlays.

The PRESIDING OFFICER. All time of the Senator from Maine has expired.

Mr. PROXMIRE. I yield the Senator an additional minute.

Mr. MUSKIE. I have asked my staff to analyze this to get down to what it really represents. This list represents, as best my staff can determine, cuts from the President's budget.

Well, the Budget Committee has already cut from the President's budget. On a comparable basis, we have cut the President's budget by $11.8 billion. So we have already taken some of these cuts, as best we can determine, that Senator PROXMIRE put in the RECORD yesterday.

Our best guess is, and we have not any better basis for estimating it, that at best this list represents about half the cuts he would have to make to meet his objective of a balanced budget in 1980.

So even if we adopt his amendment, we still do not have the details. The only details that would add up to a cut of $38.3 billion are those I suggested in the RECORD yesterday.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, let me challenge any Senator to tell me under what circumstances this Congress will approve a balanced budget.

I would oppose a balanced budget if this country were in a depression.

I would oppose a balanced budget if this country were in a recession.

I would oppose a balanced budget even if we were not in a recession if economic growth were stagnant. If we were growing at less than 3 percent, the budget should not be balanced.

The assumption is not, as the Senator from Arkansas implied, that we will operate on the basis of seven-tenths of 1-percent growth, which was the annual rate of growth in the first quarter, but the assumption the Budget Committee and the President makes in that we will have growth of more than 3 percent in real terms.

Mr. MUSKIE. Will the Senator yield?

Mr. PROXMIRE. Not until I finish. I have not the time.

Mr. President. I would not be so concerned about a balanced budget if we were not suffering the worst inflation in the peacetime history of this country.

But I make the case for a balanced budget in 1980, when we face real growth of 3 percent or more, according to the Budget Committee; when we face inflation of 8 percent or more according to the Budget Committee; when we are suffering record interest rates which a balanced budget could moderate; when we have enjoyed the longest sustained period of job growth in history; and when in the last 3 months alone we have added a million jobs to our work force, and when a higher proportion of the American adult population is working than ever before in our history.

I submit that if we cannot move to a balanced budget now, we are not ever likely to do so without the kind of constitutionally mandated restraint on the budget that most of us deplore.

Mr. President, the best answer this Congress can give to those who would force a constitutional amendment on Congress is for us to balance the budget now. That is the answer, to show that we can do it now. We can imagine the arguments they have, when, in a period when we have the worst inflation, when the Budget Committee assumes we are going to have real growth of 3 percent and inflation of 8 percent on top of that, they want a $30 billion deficit.

That is the kind of situation which persuades many Americans. State legislators, and others to feel that the only way they are going to get a balanced budget and fiscal responsibility is to amend the Constitution. It would mean that we would not have a balanced budget in the event of inflation or slow growth.

The PRESIDING OFFICER. All time has expired.

Mr. MUSKIE. Is there any time remaining, Mr. President?

The PRESIDING OFFICER. There is no time remaining.

The question is on the adoption of the amendment by the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the adoption of the amendment by the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

The PRESIDING OFFICER. Are there any Senators who have not voted?

The result was announced—yeas 23, nays 67, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—23

Boren
Byrd,
 Harry F., Jr.
Church
DeConcini
Garn
Hatch
Hatfield
Heflin
Helms
Hollings
Humphrey
Jepsen
Laxalt
Lugar
McClure
Morgan
Pressler
Proxmire
Roth
Schweiker
Stone
Warner
Zorinsky

NAYS—67

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hayakawa
Heinz
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schmitt
Simpson
Stennis
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Weicker
Williams
Young

NOT VOTING—10

Bayh
Chafee
Cochran
Durenberger
Gravel
Matsunaga
Packwood
Percy
Sasser
Stafford

So Mr. PROXMIRE's amendment (No. 151) was rejected.

RECESS UNTIL 1:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 1:15 p.m.

The Senate at 11:49 a.m., recessed until 1:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STEWART).

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF FIRST CONCURRENT BUDGET RESOLUTION AND FOR RECOGNITION OF CERTAIN SENATORS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow morning, immediately after the prayer and after 3 minutes each to be allotted to the two leaders under the standing order, the Senate resume consideration of the pending resolution; that Mr. LUGAR be recognized at that point to call up his amendment; that upon the disposition of the amendment by Mr. LUGAR, Mr. ROTH be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

FIRST CONCURRENT BUDGET RESOLUTION FOR 1980, 1981, AND 1982

The Senate continued with the consideration of Senate Concurrent Resolution 22.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield such time as my good friend from Georgia would like to take to pose some questions to me.

Mr. TALMADGE. I thank my distinguished friend from Maine, the floor manager of the bill. I would ask the distinguished floor manager a series of questions regarding the WIN program.

I read in the Senate report on the first concurrent resolution on the budget that the committee is recommending that the work incentive program be phased out over a 2-year period by reducing the amount from $400 million to $200 million in fiscal year 1980; from $400 million to $100 million in fiscal year 1981; and from $400 million in fiscal year 1982 to zero. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. TALMADGE. I was somewhat amazed at the committee action in this regard, because the program is strongly supported by the President of the United States, the Department of Labor, and the Secretary of HEW, and its cost effectiveness is about $2 saved for the taxpayers for every $1 we spend in this regard. It is one of the few welfare reform proposals that Congress has agreed to. It has placed thousands and thousands of people in productive jobs to take them off the welfare rolls.

My second question: It is my understanding that the WIN phaseout proposal was approved by the Senate Budget Committee by a vote of 10 to 7 and that the Senator from Maine is recorded as voting in the negative on that proposal. Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an interoffice memorandum from the Maine government, which supports the work incentive program and gives a summary of its record. It was on that basis that I opposed the motion.

Mr. TALMADGE. I thank the Senator for incorporating that in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MAINE DEPARTMENT OF MANPOWER AFFAIRS
INTER-OFFICE MEMORANDUM

Date March 30, 1979.
To David W. Bustin, Commissioner.
Office Commission.
From William R. Malloy, Director.
Office Job Service Division.
Subject Work Incentive (WIN) Program in Maine.

The WIN Program in Maine is comprised of seven offices and is designed to operate with a staff of seventy (70) persons. During Fiscal Year 1978, our staffing level reached a low of fifty-one (51) persons. In spite of this severe handicap, we achieved the following results:

Cumulative Registrants	11,838
*Registrants on Hand September 30, 1978	6,328
Total Entered Employment	2,180
Employment Retention Rate (91.54%).	
**Cost per Entered Employment	$569

Summary of Welfare Savings for Fiscal Year 1978 (Both agencies)

Grant Closures 608 (people)	$88,866
Grant Reductions 2614 (people)	199,406
Actual Savings	288,272
Annualized	3,459,264
Adjustment by Retention Rate	3,165,226

Total Expenditures Fiscal Year 78:

SAU	653,938
WIN/JS	1,228,506
Total	1,882,444
Net Savings	1,282,782
U.S. WIN Total Program Expenditures WIN sponsor/SAU	$382,470,082
U.S. Annualized Welfare Grant Reductions	644,890,672
U.S. WIN Sponsor Costs/Entered Employment	902
U.S. Job Retention Rate (89.11%).	

*The average number of registrants on hand at all times is approximately 6,300.

**Cost per entered employment includes all WIN/JS services, i.e., registration, assessment, counseling, institutional and/or on-the-job training, job development, etc.

The U.S. WIN Program has developed into an effective program in dealing with AFDC welfare recipients both in providing a service to these clients and in cost effectiveness as illustrated by the above figures. The Maine WIN Program also enjoys this success and compares favorably with the national data.

Mr. TALMADGE. Did not the President, in his fiscal year 1980 budget message to Congress, request approval of the $400 million for the WIN program?

Mr. MUSKIE. The Senator is correct.

Mr. TALMADGE. It is my further understanding that the House Budget Committee concurred with the amount requested by the President. Is that not correct?

Mr. MUSKIE. That is my understanding.

Mr. TALMADGE. Will the Senator yield further?

Mr. MUSKIE. Yes.

Mr. TALMADGE. Am I correct in my interpretation of the budget that the only spending items which are binding are the overall budget authority and the overall outlays?

Mr. MUSKIE. The Senator is correct. The purpose of giving the Senate the benefit of the assumptions which make up those totals is to apprise the Senate of the feeling of the Budget Committee on the various items covered by the function of totals to the extent that they were discussed. But, of course once the budget is approved, then the functions are filled out by the Appropriations Committee pursuant to the crosswalk procedures. If the Appropriations Committee should approve a different order of priorities, then the Budget Committee assumes that that is its prerogative and it is the prerogative of the Senate, then, to act upon those.

Mr. TALMADGE. I think the Senator has answered the next question, but I should like to state it to clarify it for the record.

Is it not also true that funds can be used from any function for any other function so long as the funds so used are not in excess of the overall budget authority and overall outlays?

Mr. MUSKIE. Well, insofar as the point of order procedure for disciplining the budget, that is true, but I think that would be violative of the spirit of the Budget Act, and I should not like to encourage it. The Senate Budget Committee can, of course, in the second budget resolution, take cognizance of any changes that will produce that result and seek to reflect it in the second concurrent resolution. I would urge that course of action rather than the procedure suggested by the Senator's question after the second budget resolution becomes law.

Mr. TALMADGE. If the Senator will yield for a brief comment, as I stated at the outset, and the distinguished Senator yielded for this colloquy, I was somewhat amazed and surprised to know that the Budget Committee took this action by a vote of 10 to 7.

I am strongly in favor of balancing the budget as any Member of this Senate. I am as strongly supportive of that effort to reduce expenditures as anyone I know. But this program is highly cost effective. Every time we spend $1 on this program, it saves the taxpayers of this country about $2. That has been testified to by executive officers of the Government and researched diligently by our staff.

When we get someone off the welfare rolls, for instance, it not only saves the welfare payment, but it saves the Government the cost of food stamps; it saves the Government the cost of medicaid, and all of those other benefits.

We have put countless thousands of people into productive jobs with this work incentive program since 1972.

It is strongly supported by everyone who has kept up with what its function is and what it has done.

I saw some statistics for the year 1977. We took some 280,000 off the welfare rolls in that year and made useful, productive, taxpaying citizens out of them.

Mr. President, what the Senate Budget Committee has done in relation to the work incentive (WIN) program is a greatly misguided act. It is unbelievable that in an attempt to produce a lean, austere budget recommendation that the Senate Budget Committee would propose phasing out a program which is not only cost effective but which also reduces or eliminates dependency of both applicants and recipients on the aid to families with dependent children program.

The WIN program accomplishes this in a manner which benefits the welfare family, the taxpayer, and the country—by placing the AFDC recipient in private sector employment. I wish to emphasize, Mr. President, the only way to reduce dependency is by nonsubsidized employment, not by putting people in make-work jobs. Certainly public service employment may reduce the AFDC rolls somewhat but it does not reduce dependency on the Government and is more costly to the taxpayer. It is fallacious to argue that public service employment reduces dependency unless such public service employment is permanent and productive and not merely a temporary job. We are all aware of the problems uncovered in the CETA program.

Mr. President, I believe all employable persons not only have the right but also the moral obligation to work and be productive, including welfare recipients. In this regard, the work incentive (WIN) program, as modified in 1971, has proven very successful. These changes, which I had proposed, emphasize placement in private sector employment. Previously, the program had been designed for training for jobs most of which turned out to be nonexistent and resulted in discouragement and frustration on the part of the trainee.

The WIN program helps welfare recipients find jobs, and keep them. It encourages, through the use of tax credits, private businesses to hire welfare recipients, which saves taxpayers money.

In fiscal year 1973, the first full year of WIN II, 34,300 families in which a family member was a WIN participant went off welfare and an additional 31,000 families received a reduced AFDC grant. This was possible because of the salaries earned by WIN participants who got jobs in nonsubsidized employment, an increase of 96 percent over the number who were employed in private industry in fiscal year 1972. In fiscal years 1973 and 1974 combined, WIN placed about twice the number of individuals in jobs it had placed in the entire first 4 years of its life, 1967 through 1971.

Despite limited Federal funding, which has remained basically at the same level since fiscal year 1974, and relatively high unemployment, this program has been progressively successful in placing WIN participants in nonsubsidized employment and reducing the welfare rolls. By fiscal year 1976, the number of WIN participants employed in private industry had increased to 158,300; 86,700 of such families with an employed WIN participant went off welfare; and 71,700 received a reduced AFDC grant because of the salaries earned by WIN participants.

Encouraged by this progress, Congress in Public Law 95–30 authorized an additional $435 million for employment and supportive services for welfare recipients with no requirement for State matching funds. Neither these funds nor an additional $265 million approved by the Senate in S. 2779 were appropriated basically due to the administration's emphasis on its welfare reform proposal.

Present funding levels allow full participation in the program by only one-fourth of WIN registrants. Seventy-five percent of the current 2 million persons registered during a given year receive no services other than registration and appraisal.

In spite of no additional funding, the WIN program placed 234,614 WIN participants in nonsubsidized employment in fiscal year 1978, an increase of 260 percent over fiscal year 1973.

Mr. President, I ask unanimous consent to have printed in the Record a table showing the number of WIN participants who got jobs for fiscal year 1973 through the first quarter of fiscal year 1979.

There being no objection, the table was ordered to be printed in the Record, as follows:

Work incentive program, entered employment and stayed on the job for required period [1]

[Fiscal years 1973–79 (1st quarter)]

	Employed		
	Total	Off welfare	On welfare grant reduced
Fiscal year 1973	65, 235	34, 273	30, 962
Fiscal year 1974	118, 540	51, 627	66, 913
Fiscal year 1975	113, 316	52, 700	60, 616
Fiscal year 1976	158, 337	86, 668	71, 668
TQ	45, 945	28, 086	17, 859
Fiscal year 1977	231, 403	136, 133	95, 270
Fiscal year 1978	234, 614	150, 106	84, 508
Fiscal year 1979 (1st qtr.)	65, 814	37, 680	28, 134

[1] Data provided by Department of Labor, Employment and Training Administration.

Mr. TALMADGE. Mr. President, the Labor Department estimates overall savings in fiscal year 1978 amounting to $644,890,672. Total program expenditures were $382,470,082, resulting in a return of $1.69 in grant reductions for each dollar expended. Additional reductions, generated as the result of reductions in medicare, food stamps, housing, and other benefits, are not included in the overall savings. In addition to the grant reductions due to employment of AFDC recipients, there were savings due to 40,040 persons entering employment during AFDC applicant status largely because of the WIN program. Most such persons do not become AFDC recipients.

Mr. President, many people say that welfare recipients are unemployable, that it is unreasonable to attempt to move them into the nonsubsidized labor force. That assessment is wrong, in my opinion.

Many AFDC recipients are working and earning income from nonsubsidized job placements through the WIN program or in jobs found on their own initiative to help support their families. Some do not earn enough or can work only part time. Because of the size of their families, these individuals must still be helped financially by the AFDC program but with reduced benefits. The biannual survey of AFDC recipients in 1975 showed that about 16 percent of AFDC mothers were employed either part time or full time.

Employment and earnings play an important role in the lives of welfare recipients. WIN and the WIN tax credit have played an important role in assisting these individuals in the transition from welfare to private sector jobs since Congress in 1971 placed greater emphasis on immediate employment instead of institutional training and, also adopted the WIN tax credit. With the exanded WIN/welfare tax credit authorized by Public Law 95–600, even more AFDC recipients will succeed in entering employment through the WIN program.

Mr. President, the majority of the Budget Committee appears to have ignored the reports sent to it by the Finance Committee. I ask unanimous consent to have printed in the Record the first 3 pages of the view of the committee sent to the Committee on the Budget on March 10, 1978, pertaining to the item relating to "estimating budgetary impact" which details how the value of the WIN program has been underestimated in the past by budget analysts.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Finance,
Washington, D.C., March 10, 1978.

Hon. Edmund S. Muskie,
Chairman, Committee on the Budget,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This letter transmits the views and estimates of the Committee on Finance on those aspects of the Federal Budget for fiscal year 1979 which fall within the Committee's jurisdiction as is required by section 301(c) of the Congressional Budget Act of 1974.

* * * * *

Estimating budgetary impact.—In the course of developing its recommendations with respect to the fiscal year 1979 budget, the Committee became aware of certain estimating problems which tend to distort the budgetary picture. These problems relate to the offsetting impact which certain budget items may have on other aspects of the budget. One such problem is that an increase in one budgetary function may result in offsetting reductions which occur under other budgetary functions. A budgetary allowance for a given proposal thus may stand out as a significant increase while any offsetting impact may be hidden in the overall estimates for other categories. A related problem is that the budgetary increases resulting from new legislation tend to be more easily estimated than the offsetting savings.

The work incentive (WIN) program under title IV–C of the Social Security Act is a case in point. This program is directly targeted on the reduction of welfare dependency. It includes supportive services, placement activities, training, and subsidized employment. Through some or all of these activities, the program serves to move an individual from welfare to employment. This is a program which, in the Committee's view, clearly pays for itself. However, allowing for increased funding requires a budgetary increase in the social services category, while offsetting savings occur in different categories (income security to the extent that AFDC and food stamp costs are reduced; health to the extent of medicaid savings). In addition, the program results in a savings of State welfare expenditures which are simply not reflected in the budgetary totals—although they are important in evaluating the budgetary impact of the program from the taxpayer's standpoint.

In addition to the fact that the budgetary categories tend to obscure savings, the extent of the savings has been disputed. The difficulty of determining the relationship between participation in the program and subsequent employment, and the lack of certain data concerning the duration of employment, result in significantly differing views of the level of offsetting savings which result from increased WIN funding. However, the fact that savings may be more difficult to estimate than costs does not mean that savings are less real than costs. Nor is it a valid approach to the budgetary process to ignore savings because of difficulties in estimating them.

The Committee is convinced that there are substantial numbers of welfare recipients who are employable and that the WIN program can, if adequately funded, provide them with the necessary assistance and opportunities for employment. Moreover, the Committee believes that the WIN program must be viewed as an integral part of the actions Congress has taken in the past few years to improve welfare programs and to reduce avoidable dependency. (Another important element of this type is the child support program enacted in 1974.) The results are impressive. The rapid escalation of welfare dependency which was characteristic of the program at the end of the last decade has been stopped. Even during the recent recession, when increased dependency would have been expected, the AFDC rolls have, in fact, declined. In the five years prior to the 1971 amendments which restructured the WIN program, the AFDC caseload was increasing at an annual rate of 18 percent as compared with an average annual increase of only 1 percent over the past 5 years—and an actual decline of more than 2½ percent over the most recent 12-month period for which statistics are available.

The Committee believes that these more favorable trends in caseload account for substantial savings in expenditures far exceeding what has been spent on WIN, child support enforcement, and other activities which have contributed to those savings. A valid budgetary judgment must attempt to balance proposed increases in funding for such programs against the savings which may be anticipated to result from them. For this reason, the Committee, in developing its budget recommendations, has incorporated significant offsetting savings into the estimates underlying this letter in those instances where the Committee anticipates increased funding of programs which would produce such savings.

* * * * *

With every good wish, I am
Sincerely,

RUSSELL B. LONG,
Chairman.

Mr. TALMADGE. Mr. President, I would like to clarify the impact on the WIN program the recommendations of the Budget Committee would have if the recommendations were binding, which they are not.

Current law requires that every applicant for or recipient of AFDC register for employment and training in the WIN program, unless exempt. Exempt persons include mothers of children under age 6, ill or disabled, or caretakers of ill or disabled persons. Elimination of WIN would remove the work requirement for AFDC.

Since WIN has fixed costs for intake registration, appraisal adjudication, and administration of about $82 million and one-third of all expenditures must, by legislation, be for OJT and PSE, only $52 million would remain for job development and placement and social services (fiscal year 1978 actual expenditures for social services were $117,552).

At the end of fiscal year 1978, 1,553,010 persons were registered with WIN. During fiscal year 1978, some 2,269,875 persons had been registered. The WIN system serves not only as manager of the work test for this population, but also serves to bring both WIN and non-WIN resources together to meet employment and social services needs of registrants. WIN not only provides child care and other social services needed by registrants as they prepare for and enter employment, but also locates and assists registrants to use resources available from title XX and other programs to meet their continuing needs. In addition, WIN provides work experience and institutional training to meet needs not otherwise served.

WIN serves as a recruitment source for other programs. In fiscal year 1978, 52,525 WIN registrants entered subsidized public employment, primarily CETA public service employment, and 37,427 entered non-WIN funded training and educational development programs.

The elimination of WIN would remove the WIN system which coordinates the delivery of services and entry into jobs of the AFDC employable population.

The WIN system, with its accountability for management and operation of the service delivery system, would be unfunded under this proposal. This would eliminate the only cadre of public employees who have extensive experience in moving welfare recipients into unsubsidized employment and who are focused exclusively on working with this group. At the end of fiscal year 1978, 8,806 WIN sponsor staff and 5,092 social services staff were serving this population. The budget proposal would also remove the clear accountability for providing services to this group now present in WIN.

The elimination of WIN, which covers 91 percent of the AFDC population and had 1,553,010 registrants at the end of fiscal year 1978, would result in the elimination of the organization, systems, and experience necessary to develop any effective work requirement administration for the AFDC program.

In short, to eliminate WIN is to forsake the only proven program which breaks the insidious welfare cycle and is cost effective. This simply does not make sense to me.

Mr. President, I hope that when this matter goes to conference between the House and Senate that the House conferees would prevail in this matter; that they would not reduce the work incentive program at all. I feel certain that we can reasonably find the necessary funds from the CETA program, which has its problems.

I know of no one who is critical of the WIN program. It saves money for the taxpayers of this country.

I thank my distinguished friend for yielding.

Mr. MUSKIE. Mr. President, I might make two observations. One, I think the Senator is right. There were several votes that were dominated by the issue of CETA, rather than by the WIN program.

Second, I want to make this clear: That if the WIN program is fully funded, the funds have to be taken from some other program in order to meet the targets of this budget.

But, finally, I would make the point that, of course, the budget is subject to conference and, since the House does have this program fully funded in its budget resolution, it clearly is subject to conference.

Mr. TALMADGE. I thank my distinguished friend.

Mr. LONG. Will the Senator yield to me on that point?

Mr. MUSKIE. Yes; I am happy to yield to my good friend from Louisiana.

Mr. LONG. Mr. President, apropos of the discussion just held about the work incentive program, it makes me think of the efforts some of us have made down through the years to try to require that fathers make a contribution toward the support of their children when those children and their mothers found themselves on welfare.

For many years, the hierarchy over the Department of Health, Education, and Welfare preferred to think there was no real potential in obtaining a contribution from the fathers of those children. Now we have proved them wrong.

I am pleased to say that Secretary Califano agreed with us in the Finance Committee. He has helped us implement the program where the Federal Government as well as the State governments were expected to find those fathers and proceed against them legally to make them contribute to the support of their children.

The program has been successful. It is saving us at least $500 million a year. But the big saving is in the fact that a lot of people do not apply to go on the welfare rolls in the first instance because they know the question will be asked, "Where is the father; why can't he make a contribution?"

They know if someone gives them a simple answer, "Well, I don't know where he is," they are going to be asked to cooperate by identifying where he is or his last known address and that reasonable efforts will be made to find him and make him contribute to his family's support.

So a mother who knows the identity of the father and knows he is able to contribute will get to proceed against him, to say the Government will help her gain child support from the father, even if the family is not on the welfare rolls in the first instance, to keep the family from going on welfare. Counting the families who never go on welfare, I am confident that we have saved perhaps $1 billion a year with the program, much of it not being identified in the Federal budget. But, obviously, mothers are not going to apply for welfare if they know the father can be found, if they know where he is and that he can be made to contribute.

There again is a big saving.

For years there have been people over in the Department of Health, Education, and Welfare who, when asked how they could reduce the budget, suggest the first order of business is that we eliminate the item where the Federal Government would spend some money to find the fathers in order to make the fathers contribute. Well, for every dollar we spend that way, it would save $4 in increased welfare payments.

The same thing applies to the kind of thing the Senator from Georgia was speaking of where we tried to teach people who are on welfare how to do something and put them in a job.

Obviously, that makes money for the Government, because what we spend in qualifying those people to hold a job makes taxpayers out of tax eaters, and that is the best kind of welfare reform one can have.

That is where the Government helps people solve their problems in a way that makes them self-sustaining citizens rather than increasing their dependency, as has too often been the case.

I hope very much the distinguished chairman of the committee will take very much to heart the suggestions made by the Senator from Georgia, and, if he agrees, that he would hope to work them out in conference.

Mr. MUSKIE. I certainly will. I know my good friends from Georgia and Louisiana have been staunch and enthusiastic supporters of the program from the beginning. The arguments they have made cannot help but be impressive to anyone who listens, and I have been listening, and when those arguments are supported by testimony from my own State and the departments of those affairs, it is doubly impressive.

I thank my good friends.

Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I hope that it will be possible to get amendments called up. I hope Senators who have amendments will come to the floor and seek to call them up.

I also hope it would be possible to cut the time on amendments.

Mr. President, I understand that it is

OK with Senator McGovern, the author of the McGovern amendment, to reduce the time to 1 hour on that amendment. If it is all right with Senator Bellmon and Senator Muskie, I will propose that.

Mr. President, I ask unanimous consent that the time on the McGovern amendment, which will be called up later, be reduced to 1 hour, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I want to thank Senator McGovern, and thank Senator Muskie and Senator Bellmon.

I hope other authors of amendments likewise will be willing to reduce the time thereon where possible.

Mr. President, I take the floor at this time because no Senator is ready to call up an amendment. I will yield at any moment that a Senator walks in the door with a paper in his hand that looks like an amendment.

Mr. President, the Senate is considering the first budget resolution for fiscal year 1980. In so doing, we mark the fifth year in which Congress has functioned under the procedures and discipline prescribed by the Congressional Budget Impoundment and Control Act of 1974.

Prior to the Budget Act, Congress was not equipped to assess the effect of individual taxing and spending decisions on the overall economy. We lacked the information, the expertise, and the framework with which to make these hard decisions. We were forced to rely on the President's budget and the expertise and assumptions of the executive branch. Pieces of that budget were taken up by the individual committees, but there was no mechanism to integrate the parts of the congressional budget process, or relate them to their effect on the economy.

The Budget Act changed all that. Its fundamental purpose was to provide order, guidance, and information to Congress on major economic and fiscal matters.

By creating the Congressional Budget Office and the House and Senate Budget Committees, Congress gave itself access to the professional, nonpartisan economic analysis needed to study the budget and its implications.

By establishing strict deadlines for the adoption of the first and second budget resolutions, reporting of all authorization bills, and action on appropriations bills, Congress created a framework in which its new expertise could be applied to budgetary decisions in a systematic and timely fashion.

Fundamental institutional reform does not occur easily. The Budget Act mandated major changes in the way in which the Senate conducts business. Its procedures and deadlines have required Senators and Senate committees to make significant adjustments. But we all recognize that the budgetary process demands discipline and a willingness to confront and make hard choices. There has been a growing cooperation with, and acceptance of, the Budget Act procedures.

In fiscal year 1977, for the first time in 20 years, all the regular appropriations bills had been adopted prior to the beginning of the fiscal year. This contrasts strikingly to the 7 previous years when none of the regular appropriations bills were enacted prior to the beginning of the fiscal year.

The Senate stands in profound debt to Senators Muskie and Bellmon, chairman and ranking minority member of the Budget Committee, for making the process work. They have cooperated in the best bipartisan tradition to faithfully carry out the requirements of the Budget Act and to hold the Senate to those requirements. They have served as lightning rods for the unhappiness which sometimes follows from the exercise of budgetary discipline.

Mr. Muskie and members of the committee have reminded us that with a deeper understanding of budgetary policy and economic reality must go the recognition that Congress cannot do everything that everyone would ask of us. As President Kennedy said, "to govern is to choose." Thanks largely to the efforts of the Senator from Maine (Mr. Muskie) aided by the Senator from Oklahoma (Mr. Bellmon) and the other members of the Budget Committee, we are approaching budgetary choices with more knowledge and making those choices more forthrightly than ever before. The committee operated through at least four 12-hour meetings, and attendance and the caliber of debate were high at all times.

We take up this budget resolution against the backdrop of an unrelenting, dangerously high rate of inflation, and a widespread recognition that the growth of Federal spending and the size of the Federal deficit contribute to that inflation. We have also received from the President a budget accurately described as "lean and austere" which would lower the Federal deficit below $30 billion, almost $20 billion lower than the deficit for fiscal year 1978.

For fiscal year 1980, Senate Concurrent Resolution 22 charts a course which is well suited to the public mood and economic realities. The committee projects outlays of $532.4 billion and revenues of $503.6 billion, with a deficit of $28.8 billion. This is a smaller deficit than that contained in the President's budget. Moreover, the economic assumptions used by the Budget Committee were less optimistic than the President's. Using comparable assumptions, the deficit proposed by the committee would actually be $11.8 billion lower than the President's. Measured in terms used by the President's budget, the committee recommended a budget containing a deficit of $19.7 billion.

The budget resolution reverses the trend toward increasingly higher levels of Federal spending. It calls for fiscal year 1980 outlays below current law. Compared to the cost of continuing current Federal policy at the levels required to offset inflation, this budget reduces outlays by $11.7 billion for fiscal year 1980.

The Budget Committee's recommendations look beyond fiscal year 1980. In an amendment to the debt ceiling bill last month, the Senate instructed the Budget Committee to report a balanced budget for fiscal years 1981 and 1982. For this year, the committee was to lay the groundwork for those balanced budgets, showing the consequences of such a budget "on the economy, setting forth the effect on revenues, spending, employment, inflation, and national security." As I said during the debate on the debt ceiling bill, there is no shortcut to a balanced budget. To achieve it, we must fully understand its costs and implications and then make hundreds of difficult and often painful reductions in programs.

There are a number of examples of the hard decisions which must be made, such as in health care programs, the administration of justice, income security, and international affairs.

HEALTH CARE

In the area of health care, inflation has taken a huge toll. The average American now works 1 month each year—one-twelfth of his or her time—to pay his or her share of the Nation's health care bill.

The cost of hospital care has been rising faster than the overall cost of living, and faster than other medical costs. The medicare and medicaid programs together account for 9 percent of the Federal budget. Yet the elderly today are paying proportionately more out of their pockets for medical care than they were in 1964, the year medicare was enacted.

The need for cost-saving legislation in the health care area is pressing. The Budget Committee's recommendation for health care spending assumes the passage of major cost-saving legislation, including hospital cost containment and reimbursement reforms for the medicare and medicaid programs.

INCOME SECURITY

The area of income security constitutes the largest portion of the budget—35 percent—and addresses the need to assure a minimal standard of living for individuals and families. This category includes housing assistance and social security. As part of its effort to cut spending, the Budget Committee has not spared the many programs in income security.

For example, compared to current law, budget authority for housing subsidies to low-income individuals was reduced by more than one-fourth. Any further cuts of this order will need to be seriously evaluated from the perspective of the Nation's responsibility for basic human needs.

AMTRAK

The budget decisions made with respect to Amtrak also point out the contrast between the need to exercise fiscal restraint and the public's demand for services.

It is obvious that we cannot fund every transportation project that may benefit individuals or communities, because the overall cost has become prohibitive. On the other hand, we cannot afford to impose undue hardships upon our citizens.

The Budget Committee recommends

the adoption of the reduced Amtrak network recently proposed by the Department of Transportation. This system would eliminate a number of local routes, placing greater emphasis on trains that average more passengers.

While we cannot continue to drain our financial resources to support an inefficient system, we must beware of hasty action that could lead to the dismantling of our passenger railroads. In this era of rising energy costs and fuel shortages, the railroads may represent one of the most desirable transportation alternatives. The greatest waste of money could result from congressional failure to support and improve our passenger railroad system.

ENERGY

The need for the development of alternative energy resources has been articulated by many Members of the Senate in recent weeks.

The funding of energy research and development is one of the most effective means of securing our energy future. While the recommendations of the Budget Committee recognize this urgent need, some of the proposals will undoubtedly be controversial.

The committee has recommended continued exploration of our national petroleum reserves, the development of nuclear waste storage facilities, construction of a coal liquefaction or gasification demonstration plant, and substantially increased funding for solar research and development. The committee also has recommended a rescission of $1 billion in budget authority for the acquisition of oil for the strategic petroleum reserve.

Many of us have been concerned with the delays and apparent mismanagement of the program designed to store 1 billion barrels of oil by 1984. However, it may be ill-advised to express this concern by withdrawing funds at a time of skyrocketing oil prices. Moreover, the reduced outlay for energy in general could seriously jeopardize expenditures on other programs, especially energy research and development.

I believe that we must concentrate a greater portion of our limited resources on those fossil fuels, especially coal, which can serve to free us most quickly from our reliance on foreign oil supplies.

INTERNATIONAL AFFAIRS

Mr. President, the austerity recommended by this budget does not stop at the domestic front. The Budget Committee has recommended an equally lean budget for our international programs.

This does not mean that we are abdicating our tradition of responsible leadership in the diplomatic arena. While the spirit of our generosity is not limited, our resources are, and our allies increasingly must expect to share the burdens of international assistance.

DEFENSE

There is one major area where real growth, growth beyond adjustment for inflation, was permitted in the budget, and that is in defense. This fact should not be lost on our allies—nor on our potential adversaries.

Even in defense, many economies have been demanded. However, the administration's request was nearly met overall, and in key areas—our strategic forces is an example—full support was given.

I am pleased to see that the committee would provide increased assistance to Turkey and that flexibility was left so that the President can fulfill our commitments to NATO. The committee also recommends that full support be given to Israel and Egypt in conjunction with the Middle East peace agreement.

CONCLUSION

Mr. President, the appropriate level of Federal taxing and spending will be the paramount issue facing us throughout this Congress. The depth of public concern is unmistakable—and well justified.

The resolution reported by the Budget Committee represents a starting point for debate. The committee's recommendations for fiscal year 1980 are not sacrosanct, but they reflect thorough analysis, careful balancing, and a willingness to make difficult choices. Those who propose major additions to the recommended spending must explain how inflation can abate if Congress is unwilling to exercise restraint. Those who argue that the Federal budget can be balanced by reconciling spending and taxes at a much lower level must explain how this can be done without jeopardizing national security or neglecting pressing social needs.

The Budget Committee has walked the middle road carefully, and its recommendations deserve the utmost respect. Its performance, and the operation of the budget process generally, should signal to the public a new resolve in Congress—as well as the ability and discipline—to restrain Federal spending.

Mr. President, I ask unanimous consent that time on the amendment which will be offered by Mr. METZENBAUM—I do this with the approval of Mr. METZENBAUM—be reduced to 1 hour, to be divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I yield the floor.

Mr. MUSKIE. Mr. President, I express my appreciation to the majority leader, not only for his statement of commendation today but also for his unswerving support of the budget process from the time it was begun, when he was majority whip, and later as majority leader. Without that kind of support constantly stated by him on the floor—with the unnecessarily flattering remarks made about me—we could not have succeeded. I thank him very much.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

The remarks were not flattering, and they were not unnecessarily flattering. They were sound and they were factual. Without the kind of discipline and hard work and dedication that has been shown consistently by Mr. MUSKIE and Mr. BELLMON, the budget process long ago would have fallen into disrepute.

Mr. BELLMON. Mr. President, I join in expressing appreciation to the distinguished majority leader for the comments he has made.

I agree that the majority leader's support of the process has been absolutely vital, and I am sure it will continue in the future, as is necessary to make the process endure.

Mr. President, I ask unanimous consent that Mr. David Morse, a member of the staff of Senator JAVITS, have the privilege of the floor during the debate and votes on the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senate is awaiting the arrival of Senators who will call up amendments.

Mr. DURKIN has an amendment which I have been told he was ready to call up. Mr. MCGOVERN has an amendment. Mr. METZENBAUM has an amendment. There are amendments on the other side of the aisle to be called up, I am sure.

I hope that the offices of Senators who have amendments will notify them that the leadership is awaiting patiently, and the leadership includes the manager and the ranking minority manager.

We are watching all doors of the Chamber with great interest, anticipation, and some degree of hope.

[Laughter.]

Mr. MUSKIE. And frustration.

Mr. ROBERT C. BYRD. And not a little frustration.

We hope and expect at any moment the doors to burst open and Senators to rush in with their amendments in hand.

Mr. MUSKIE. Mr. President, either my eyesight is not better than that of the majority leader or there is no one in the Chamber who wishes to call up an amendment, since he has issued his clarion call to sponsors of amendments.

I emphasize that some controversial amendments are pending, and they will be time consuming when they are brought up. They are not going to be disposed of in a matter of a few minutes. They could take considerable time.

Unless we get some amendments out of the way, we are likely to find ourselves crowded tomorrow and the next day and perhaps even Friday, in order to complete this resolution this week—and that we must do, if we are to be ready for a conference with the House and final disposition of the budget by May 15.

Mr. ROBERT C. BYRD. Mr. President, we have been spinning our wheels, more or less, for 45 minutes now.

I see in the distance some dust upon yonder plain.

[Laughter.]

It appears that a steed is fast approaching with a Senator riding thereon.

Mr. MUSKIE. Yes. I suppose we could move final passage.

Mr. ROBERT C. BYRD. Well, we could.

Mr. BELLMON. Mr. President, will the Senator yield for one additional unanimous-consent request?

Mr. ROBERT C. BYRD. I yield.

Mr. BELLMON. It will be the last.

Mr. ROBERT C. BYRD. Yes; while I reach down and take the hilt from my broken sword.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Chuck Trabandt of the Energy Committee staff be granted floor privileges during debates on this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that may have been a mirage that I saw yonder.

I am constrained to ask for a live quorum to get Senators to come to the Chamber.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the prayers of a righteous man availeth much. An amendment is about to be offered.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. DURKIN. Thank you, Mr. President. I shall be brief.

I thank the majority leader for his indulgence and I also thank the senior Senator from Maine and the Senator from Oklahoma for their patience and their indulgence.

School is out in New Hampshire this week, and I think we have a substantial proportion of the school population down here today witnessing their Government in action.

Mr. ROBERT C. BYRD. I am sorry. I did not mean to interrupt the Senator in the middle of a sentence. I understood him to say he would be willing to reduce the time on the amendment. May we do that? Could we reduce it to 1 hour?

Mr. DURKIN. If it expedites things, we can reduce it to no more than 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the pending amendment by Mr. DURKIN be reduced to 20 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Fine.

Thank you, Mr. President. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. DURKIN. Mr. President, I ask unanimous consent for Bob Miller, Harris Miller, and Dan Deudney of my staff have floor privileges during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Thank you, Mr. President.

Mr. President, the reason I rise to offer this amendment is that according to figures from the Budget Office notwithstanding the fact that——

The PRESIDING OFFICER. Does the Senator plan to offer his amendment at this time?

Mr. DURKIN. Yes, in a few minutes.

The PRESIDING OFFICER. Who yields time to the Senator from New Hampshire?

Mr. DURKIN. I ask unanimous consent that I be given 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DURKIN. Could I get it myself?

Mr. MUSKIE. The Senator introduced an amendment, has he not?

Mr. DURKIN. No.

Mr. MUSKIE. When the Senator introduces his amendment he will get time of 2 hours under the agreement, which has been reduced to 15 minutes.

Mr. DURKIN. That is right.

Mr. MUSKIE. Or is it 20 minutes?

The PRESIDING OFFICER. The time has been reduced to 20 minutes, as I understand it, by the unanimous-consent request. It does not begin to run until the Senator offers his amendment.

Mr. MUSKIE. What is the Senator's wish?

Mr. DURKIN. The Senator wishes 5 minutes, although I am not going to offer my amendment formally. I think it would be a waste to offer it and then ask unanimous consent to withdraw it.

Mr. MUSKIE. I yield the Senator 10 minutes.

Mr. DURKIN. Five minutes would be enough.

Mr. MUSKIE. I yield the Senator 5 minutes.

The PRESIDING OFFICER. All right.

Mr. MUSKIE. I am happy to.

Mr. DURKIN. I thank the Senator from Maine.

Mr. President, my concern is that given the action of the President to decontrol oil—and I might add parenthetically that decontrol will result in obscene profits that are even larger than the profits the oil companies are now recording, even larger than the first quarter profits that Exxon reported yesterday with an increase of 37 percent over the profits of the previous year's first quarter—even without the windfall profits tax there will be substantial additional revenue coming to the Treasury by virtue of the existing Federal taxes on the oil industry. I was going to offer this amendment to increase the budget level for the energy function so that we could dedicate this extra revenue to alternative energy sources. Developing alternative energy is very, very important not only in my area of the country, but in many areas of the country as well.

I do not think there is any doubt that New England has suffered more over the last 15 years by virtue of Federal energy policy than any other area of the country. We have all heard it. When oil was $1.25 a barrel, or 98 cents a barrel, OPEC oil could not be purchased by the people in New England because of the then-existing Federal energy policy. We had to pay more for domestic oil. Now the situation is reversed. This discrimination against my area of the country has gone on for altogether too long.

But after consulting with a number of my colleagues, I am of the opinion that this is the wrong time to do the right thing, and that there is a right time and a right way to do the right thing. So at this time, in light of the discussions with my colleagues and other members of the Energy Committee who are very, very interested in the budget levels for energy functions, I think it would be more advantageous to those of us interested in alternative energy to pursue this approach at some future date. In light of that, Mr. President, I thank the distinguished floor manager and the ranking Republican member, Senator BELLMON, for their time, patience, and consideration, but I will not offer the amendment at this time, and I am prepared to yield back the remainder of my time and let the floor manager move on to other amendments.

Mr. MUSKIE. I thank my good friend from New Hampshire for his action. It will save time and I understand his reasons for not offering his amendment.

I simply say, for the purposes of making the record, that insofar as the Treasury will benefit from increased taxes due to decontrol, those revenues have already been assumed and allocated to spending programs in the recommended budget. With respect to the proposed windfall profits tax, the Senate has not had an opportunity to consider or act on any specific proposal. I understand there are several points of view with respect to what form that tax should take and how the proceeds should be used, and the President's program, I understand, is coming up later this week.

So the Budget Committee did not presume to deal with that issue. It was believed that this issue would emerge more clearly in the weeks between now and the second budget resolution, at which time we would have a better picture of what form the windfall profits tax actually might take. It would have been ill-advised for us to assume the passage of any particular form of windfall profits tax or to assume how, if a new tax were enacted, the proceeds would be distributed.

So the budget does not touch increased taxes from a possible windfall profits tax. It touches only that part of increased taxes that are attributable to oil decontrol under current law.

Mr. DURKIN. Mr. President, will the Senator yield for a brief question?

Mr. MUSKIE. I yield.

Mr. DURKIN. Without any additional taxes does the Senator have an opinion as to what additional revenue will accrue to the Treasury?

Mr. MUSKIE. Does the Senator mean under current law?

Mr. DURKIN. Under current law.

Mr. MUSKIE. I will get that figure in just a moment.

(Mr. PRYOR assumed the chair.)

Mr. MUSKIE. Our figures were in fiscal year 1980, $400 million; in fiscal year 1981, $1.6 billion; and in fiscal year 1982, $2.2 billion.

These totals reflect the net effect of two components: One, increased income tax payments from oil companies resulting from higher profits under decontrol, offset to a substantial degree—and this is the second figure—by lower tax payments from other segments of our society caused by decontrol.

These are the two elements that went into those estimates. Those are the estimates that were included in our overall revenue estimate.

Mr. BUMPERS. Mr. President, will the Senator yield for clarification?

Mr. MUSKIE. I yield.

Mr. BUMPERS. In looking at this poop sheet on the Durkin amendment, there is a footnote at the bottom of the page that says that the Congressional Budget Office estimates that income from the so-called windfall profits tax or oil decontrol would be $1.9 billion in 1980; $5 billion in 1981; and $5.1 billion in 1982.

I assume the floor manager is saying that because of reduced tax payments as a result of a little slower economy you have offset that against these figures to arrive at the figures used?

Mr. MUSKIE. We assumed nothing with respect to revenues from a windfall profits tax because that issue had not yet crystallized to the point where we could make any assumptions about it.

We assumed it would be a controversial area, that there would be more than one proposal considered, and that by the time of the second budget resolution we would have a clearer picture of what, if anything, was likely to happen with respect to the windfall profits tax.

So all we included in our revenue estimates were the increases in revenues which would take place under current law as a result of decontrol.

Do I make that point clear?

Mr. BUMPERS. I think so. So that, just for further clarification, and a simple question, under Senate Concurrent Resolution 22 for fiscal year 1981 the Budget Committee apparently is—under Senate Concurrent Resolution 22 for 1981 the budget is balanced, and any additional revenues from decontrol that might redound to the benefit of the Treasury then would be in excess of that; is that correct?

Mr. MUSKIE. That is correct.

Mr. BUMPERS. I thank the Senator.

Mr. MUSKIE. I yield whatever time the Senator from Louisiana requires.

Mr. LONG. Mr. President, will the Senator yield for a brief statement? First I ask unanimous consent that Mike Stern of the Finance Committee staff and Van Boyette of my staff be permitted on the floor during the consideration of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE ASSUMPTIONS IN BUDGET RESOLUTION

Mr. LONG. Mr. President, the first budget resolution includes a revenue target for fiscal years 1980 and 1981 which is based on the assumption that there will be no significant tax cuts in either year. I want to make sure that this assumption is not misinterpreted as foreclosing the Congress from taking certain actions which may very well be given serious consideration. For example, there is a great deal of concern about the social security tax increases which are scheduled to take place at the start of 1981. In adopting the resolution proposed by the Senate Budget Committee, we would not be committing ourselves to allowing those tax increases to take effect. We would be accepting a commitment to a particular budget situation—but we can arrive at that overall budgetary goal by a number of paths.

The Congress might, for example, want to give consideration to providing some alternative funding sources for the social security trust funds which would permit us to postpone the tax increase scheduled to take place at the start of 1981—while maintaining both the security of the funds and the overall level of Federal revenues. Or, it might be possible to postpone all or part of the social security tax increase in connection with other revenue legislation becoming effective later in 1981.

The budget resolution, then, sets a framework but it does not bind the Congress to prejudging the specific ways to achieve its objectives. In the case of the 1978 tax cut bill; for example, a major reason for the legislation was the need to offset the impact of increased social security taxes. While that was the goal, the Congress determined that the most desirable way to achieve that goal was through reductions in the general income tax. In considering the upcoming social security tax increase in 1981, Congress may or may not decide to follow the same approach. That is a decision to be made after careful consideration, and we are not at this point foreclosing our ability to make that decision.

Similarly, we may find that it is possible to meet the budgetary goals incorporated in this resolution while still avoiding all or part of the 1981 social security tax increase by finding ways to reduce the costs of existing programs. This is not an easy thing to do, and it is probably a good idea not to be too optimistic about what we can achieve. But reductions in program costs can be achieved. The 1977 social security amendments, for example, would have included even greater tax increases but for the fact that the legislation also modified some features of the benefit structure. The Committee on Finance, in its report to the Budget Committee earlier this year, indicated a belief that substantial savings could be attained in both the health and income security categories that are funded by the payroll tax. The House Ways and Means Committee has reported a social security disability bill which would reduce the costs of that program. The Finance Committee is now actively working on legislation to lower the costs of medicare and medicaid programs. As we examine these programs, we will be looking for ways to restructure them toward meeting the needs they serve in more efficient ways. To the extent that we are able to lower the costs of these programs, we will be serving the same budgetary goals proposed by the budget resolution and those savings can be applied toward lowering the requirements of these programs for increased tax revenues.

The budget resolution we are considering today sets congressional policy concerning our budgetary goals for the next 3 fiscal years. There are serious goals which deserve to be taken seriously. And this is the proper function of the budget process. But it is also proper and entirely consistent with the budget process for us to continually reevaluate and reexamine the details of how we arrive at those goals. In reporting this resolution to the Senate, the Budget Committee has made much the same point. In discussing the revenue goals on page 46 of its report, the Budget Committee notes the need to consider actions designed to mitigate the impact of the social security tax increases. The committee report indicates, as I have done here, that there are a variety of ways in which that might be accomplished. Which option—or combination of options—Congress should choose must be hammered out in the legislative process. The budget resolution provides the framework but not the details.

I thank the Senator.

Mr. MUSKIE. Mr. President, I thank the distinguished chairman of the Committee on Finance for his statement. I listened very carefully to what he has had to say, and I think it is an appropriate analysis of the options which the budget process is designed to make available to us. In other words, what we are putting in place is not concrete, but what we are putting in place is a plan in which the authorizing committees, including the Committee on Finance, and the Appropriations Committee also have a role to play, and Senators ought to understand that.

Without that kind of flexibility, it would be almost impossible to write a budget because we have got to be able to live with the real world, with the real Senate, and the real House as circumstances unfold.

Given our experience of the last 5 years, who is to predict with any degree of guarantee or certainty what can happen economically just 2 months away, let alone 2 years away?

Mr. LONG. As I read the resolution and the speech made by the Senator from Maine, I gain the impression that the Committee on Finance is going to have the biggest burden in trying to achieve the goals that have been set for us here with budget resolution. We will do our best. I will say that, speaking for our part of the load, it challenges the imagination, but we will do the best we can to live up to our part of it, and I hope the others will.

Mr. MUSKIE. I thank the Senator. We have become accustomed to seeing the distinguished Senator from Louisiana carry these loads.

Mr. President, I see the Senator from South Dakota (Mr. McGovern) is in the Chamber, and I gather he is here to offer an amendment.

Mr. McGOVERN. That is correct.

The PRESIDING OFFICER (Mr. Bradley). The Senator from South Dakota.

UP AMENDMENT NO. 83

(Purpose: To reduce new budget authority and outlays for national defense, to increase new budget authority and outlays for other functions, and to reduce the deficit or increase the surplus)

Mr. McGOVERN. Mr. President, I have an amendment which I send to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGovern) proposes an unprinted amendment numbered 83: on page 4, line 5, strike "$137,800,000,000" and insert "$136,099,000,000".

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 5, strike out "$137,800,000,000" and insert "$136,099,000,000".

On page 4, line 6, strike out "$124,300,000,000" and insert "$123,219,000,000".

On page 4, line 8, strike out "$148,100,000,000" and insert "$146,430,000,000".

On page 4, line 9, strike out "$135,800,000,000" and insert "$134,645,000,000".

On page 4, line 11, strike out "$157,900,000,000" and insert "$156,093,000,000".

On page 4, line 12, strike out "$147,000,000,000" and insert "$145,497,000,000".

On page 5, line 10, strike out "$18,400,000,000" and insert "$18,500,000,000".

On page 5, line 11, strike out "$6,400,000,000" and insert "$6,500,000,000".

On page 5, line 13, strike out "$5,000,000,000" and insert "$5,107,000,000".

On page 5, line 14, strike out "$7,400,000,000" and insert "$7,505,000,000".

On page 5, line 16, strike out "$7,000,000,000" and insert "$7,115,000.000".

On page 5, line 17, strike out "$7,400,000,000" and insert "$7,510,000,000".

On page 6, line 25, strike out "$18,700,000,000" and insert "$19,050,000,000".

On page 7, line 1, strike out "$18,200,000,000" and insert "$18,350,000,000".

On page 7, line 3, strike out "$20,800,000,000" and insert "$21,150,000,000".

On page 7, line 4, strike out "$19,500,000,000" and insert "$19,750,000,000".

On page 7, line 6, strike out "$20,100,000,000" and insert "$20,450,000,000".

On page 7, line 7, strike out "$20,200,000,000" and insert "$29,255,000,000".

On page 7, line 21, strike out "$29,000,000,000 and insert $29,255,000,000."

On page 7, line 22, strike out "$29,800,000,000" and insert "$30,013,000,000".

On page 7, line 24, strike out "$28,500,000,000" and insert "$28,925,000,000".

On page 7, line 25, strike out "$28,800,000,000" and insert "$29,152,000,000".

On page 8, line 2, strike out "$28,700,000,000" and insert "$29,269,000,000".

On page 8, line 3, strike out "$28,600,000,000" and insert "$29,096,000,000".

On page 2, line 19, strike out "$600,600,000,000" and insert "$599,614,000,000".

On page 2, line 20, strike out "$637,500,000,000" and insert "$636,722,000,000".

On page 2, line 21, strike out "$687,200,000,000" and insert "$686,432,000,000".

On page 2, line 24, strike out "$532,400,000,000" and insert "$531,782,000,000".

On page 2, line 25, strike out "$575,700,000,000" and insert "$575,258,000,000".

On page 3, line 1, strike out "$614,300,000,000" and insert "$613,753,000,000".

On page 3, line 5, strike out "−$28,800,000,000" and insert "−$28,182,000,000".

On page 3, line 6, strike out "+$500,000,000" and insert "+$992,000,000".

On page 3, line 7, strike out "+$700,000,000" and insert "+$1,247,000,000".

Mr. McGOVERN. Mr. President, the so-called transfer amendment that I am proposing would, in brief, do three very important things.

First of all, it would remove from what is the highest defense budget in the history of the country some $1 billion in outlays, or about eight-tenths of 1 percentage point of the total in the budget now before us. It would leave a 7.6-percent increase in current dollars, and make no cuts in weapons systems, in military research, or in troop readiness.

Second, the effect of this amendment would be to return to the Treasury $500 million of that total of $1 billion by which the military budget is reduced, which would be a modest contribution toward helping to balance the budget. It is all well and good for us to vote up or down on resolutions to balance the budget, but it is more important to propose specific steps that can be taken, that go beyond rhetoric to the problem of how we actually reduce Federal spending, where that is possible, without in any way jeopardizing the national interest.

Third, this amendment would restore cuts in several human needs areas, including the elderly nutrition program and education for the handicapped. It would also make a small contribution toward stabilizing our energy conservation efforts and our need to strengthen the Nation's rail system.

I am proposing certain reductions in the national defense function in order to pose a very simple and direct question to the Senate and to the Nation: Should fully one-quarter of next year's budget be exempt from rigorous fiscal scrutiny?

Let me explain what this question means:

Are we going to tell American families struggling with double-digit inflation that a defense budget of $138 billion in budget authority and $124 billion in outlays should not be looked at critically because inflation is not yet bad enough?

Are we going to tell overburdened taxpayers that a military budget which consumes roughly 24 cents of every tax dollar should not be looked at critically because taxes are not yet high enough?

Are we going to tell people concerned with balancing the Federal budget that a military budget which includes over half of all outlays relatively controllable by the Government should not be looked at critically because the budget is not yet unbalanced enough?

These questions must be posed because this year the President and the Senate Budget Committee have presented us with two different budgets. When it comes to the domestic services, we have a budget based on the concept that the new realities in the economy and in society require stringent financial controls, reductions below current services, and no real growth as a matter of general principle.

But when it comes to the military budget, we are offered guaranteed real growth as a matter of principles. We are offered duplication, waste, and inefficiencies which are characteristics of the old realities.

Thus, we are considering here today a domestic budget based on new guidelines and a military budget based on the old ones. In my view, this contradiction is inequitable for our people, wasteful of our resources, and unwarranted by any foreign policy or national security considerations.

This transfer amendment is admittedly a very small first step toward devising a military budget based on the new realities. It would reduce roughly $1 billion in outlays from the $124 billion recommended by the Budget Committee and would reduce budget authority by roughly $2 billion from the $137.8 billion recommended by the Budget Committee. The amendment would provide national defense with a $8.7 billion increase in outlays above fiscal year 1979, or an increase of 7.6 percent. According to the Budget Committee, which forecasts a higher inflation rate than the administration, this increase would cover all inflation costs but almost no real growth in the function as a whole. Real growth would still be provided in separate subfunction categories.

The two principal characteristics of this amendment are, first, its very small size relative to the overall size of the military budget; and second, the fact that the amendment does not involve such basic issues as force structure, weapons procurement, or arms control restraint. Instead, the principal focus of the amendment is on such items as cost efficiencies, waste, and duplication and management reforms. In other words, my amendment will not be the foundation for a national priorities debate in which the big issues of guns against butter will be fought out. As my colleagues know, I believe that a far greater proportion of our military spending than just $1 billion is unwarranted either for national defense or for the success of our foreign policy. Many weapons systems funded in this budget resolution may have seriously adverse consequences to our security because they may very well trigger another destabilizing round of nuclear weapons escalation and overkill. Indeed, if we are to achieve a military budget based on the new realities, then my amendment today is only a small token first step.

Why, then, am I proposing it? Why not propose a much bigger reduction and pare down our forces to meet our true military and foreign policy needs?

The answer is that our military debate has become distorted by the symbolic issue of whether the United States needs to provide for a real growth increase in its total defense expenditures to be secure in the world and to achieve its foreign policy objectives. What we have been asked to consider by the administration is not a pressing need for a particular new weapons system. Instead, we are presented with an abstract figure of 3-percent real growth—or with the abstract need for a real growth budget—and are told this is vital to America's global status.

So it seemed inappropriate to me to attempt to generate a debate at this point on the basis of opposition to the arms control implications of new weapon systems, such as the MX ICBM, or to raise fundamental criticisms of our military strategy in Europe, which seems to me to be unworkable, because the spotlight is not on the substance of these military issues now. The spotlight rather is on the symbolic political significance of real growth in military spending. The question is not whether any particular weapon system should be procured but whether real growth in military spending is per se either politically relevant to America's global status or is militarily relevant to maintaining the level of forces we need to defend ourselves and to protect our vital interests.

The enormous size of the defense budget, its inflationary impact, and its contribution to the deficit are well-known facts. To look at the relation between taxes and military spending, for example, approximately 65 percent of the Federal funds raised between 1960 and 1976 from personal income taxes, corporate taxes, and Federal excise taxes have been used to pay expenditures related to the military. These expenditures include Defense Department outlays, veterans payments, and a portion of interest on the national debt for military-related expenditures estimated at an average of 65 percent. This means that roughly two-thirds of every tax dollar collected between 1960 and 1976 has been used for defense-related programs. Concern for reducing taxes and deficits, therefore, is inseparable from concern over the high levels of defense spending.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing military-related Federal fund expenditures for the 1960–76 period.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MILITARY-RELATED EXPENDITURES AS PERCENT OF FEDERAL FUNDS, FISCAL YEARS 1960–76

[Numbers in billions]

Fiscal years	DOD outlays	Veterans benefits services	Two-thirds interest on national debt	Total military expenditures	Federal funds	Percent total military of Federal funds
1960	[1] 45.9	[2] 5.4	[5] 6.2	57.5	[6] 74.9	76.8
1961	[1] 47.4	[2] 5.7	[5] 6.0	59.1	[6] *(84.8)	(69.7)
1962	[1] 51.1	[2] 5.6	[5] 6.1	62.8	[6] *(84.8)	(74.1)
1963	[1] 52.3	[2] 5.5	[5] 6.6	64.4	[6] *(84.8)	(75.9)
1964	[1] 53.6	[2] 5.7	[2] 7.2	66.5	[6] *(84.8)	(78.4)
1965	[1] 49.6	[2] 5.7	[5] 7.6	62.9	[6] 94.8	66.4
1966	[1] 56.8	[2] 5.9	[5] 8.0	70.7	[6] 106.5	66.4
1967	[1] 70.1	[2] 6.9	[5] 9.0	86.0	[6] 126.8	67.8
1968	[2] 80.5	[2] 6.9	[5] 9.8	97.2	[6] 143.1	67.9
1969	[1] 81.2	[2] 7.6	[5] 11.1	99.9	[6] 148.8	67.1
1970	[1] 80.3	[2] 8.7	[5] 12.9	101.9	[6] 156.3	65.2
1971	[1] 77.7	[2] 9.8	[5] 14.0	101.5	[6] 163.7	62.0
1972	[1] 78.3	[2] 10.7	[5] 14.6	103.6	[6] 178.0	58.2
1973	[3] 74.5	[4] 12.0	[5] 16.2	102.7	[7] 187.0	54.9
1974	[3] 77.8	[4] 13.4	[5] 19.6	110.8	[7] 199.9	55.4
1975	[3] 85.6	[4] 16.6	[5] 21.9	124.1	[7] 240.0	51.7
1976	[3] 89.4	[4] 18.4	[5] 24.9	132.7	[7] 269.1	49.3
1977	[3] 97.5	[4] 18.0	[5] 28.1	143.6	[7] 294.9	48.7
1978 estimate	[3] 107.6	[4] 18.9	NA	* 156.5	[7] 340.0	46.0

[1] 1973 Statistical Abstract, p. 256, table 403, "Total"—Current Dollars, under National Defense.

[2] 1973 Statistical Abstract, p. 256, table 403, "Total"—under Veterans Benefits: Services.

[3] 1978 Statistical Abstract, p. 370, table 584, "Total"—Current Dollars, under National Defense Outlays.

[4] 1978 Statistical Abstract, p. 370, table 584, "Total Outlays"—under Veterans Benefits: Services.

[5] 1978 Statistical Abstract, p. 276, table 449, we took ⅔ of the figure for each year under Total under Interest, par. D.

[6] 1978 Statistical Abstract, p. 389, table 620, "Federal Funds", under Outlays.

[7] 1978 Statistical Abstract, p. 257, table 417, "Federal Funds", under Outlays.

* Estimates.

Summary: Military-related expenditures have consumed 63 percent of total Federal funds during fiscal years 1960–76.

Mr. McGOVERN. The issue is what impact should these facts have on decisions made about our national defense policies? I am not proposing today that military spending should be cut simply because it is inflationary, although it clearly is, more than any other form of Federal spending. That approach does not take into account what our real defense needs may be at any time. In my view, the impact of the new economic realities on the military budget should be to raise the burden of proof on every program requested. Does the spending truely contribute to our national defense? Are the gains worth the costs in light of competing national needs?

Do we remember the warning of the late President Eisenhower, that when the military takes too much, it actually weakens the country by depriving us of other sources of national strength?

At what point does the next defense dollar cause more inflation than it purchases security? These are the kinds of questions we should be asking.

The most important question to consider today is whether there are enough diplomatic or military benefits from a "real growth" spending policy to justify a budgetary license to the Defense Department not to eliminate waste or strive for more equitable cost-sharing arrangements with our allies. Whether the real growth policy is inflationary or not, the question is does it contribute anything to our security or global status? Can it meet the tougher burden of proof which all spending programs today should be required to meet?

I have identified approximately $1 billion in outlays for fiscal year 1980 where waste elimination and efficiency measures could be made without any impact on our military posture. I want to stress again that this amendment does not address the President's NATO procurement programs or the strategic weapons programs or any part of the force structure.

But having identified these inefficiencies and fat in the budget or at least a portion the issue is whether the Senate will refuse to delete nonessential military expenditures simply or primarily to keep up a real growth in general or the 3-percent goal in particular.

Before turning to the substance of my remarks I would like to briefly summarize the management reforms efficiency measures and cost-sharing proposals in my amendment to reduce national defense spending. A fuller explanation of each proposal will be inserted at the end of my remarks.

COST REDUCTION AND EFFICIENCY PROPOSALS

The Pentagon is a sprawling bureaucracy. It employs or funds millions of personnel. It spends billions of dollars each month. It oversees tens of thousands of contracts and subcontracts. I have tried to identify some of the potential areas of cost savings. I repeat again that none of them concern major weapon systems sought by the President; none of them address force structure changes; none of them propose new arms control initiatives. Even such a controversial item as the new aircraft carrier—although I am against funding it—is not included in this reduction amendment.

We cannot specify line items in the budget for additions or reductions during the budget debate. We are dealing today with the aggregates the big picture for the Federal budget. And I want to stress that we are also dealing with targets—not binding ceilings on departmental spending. Both of these considerations should lead us to impose tight fiscal restrictions on the Defense Department so that the Pentagon can take a signal from us and make its own management improvements. I have no doubt that the managers responsible for Pentagon spending could find not only better but probably more areas for cost savings than I am recommending here but these tend to suggest some of the areas where an amendment of this kind could be easily accommodated. But they must be given a clear signal from Congress to take this step. If the Pentagon were to need additional funds I have no doubt that Congress would not deny them if they were based on sound national defense needs. But by starting with a modestly lower target we can help the managers aim for the bull's eye—and as a result save millions of dollars to the taxpayer.

First Japan and West Germany could each be asked to increase their reimbursements for the costs of stationing U.S. troops overseas by $200 million. Both the per capita expenditures and percentage of gross national product spent by these allies on defense are smaller than we spend in the United States. Their economies can well afford this small additional reimbursement of $200 million for each country which can help justify the kind of modest reduction in American military spending I am proposing in this amendment.

Second, funds will be reduced to account for reform in the wage board pay mechanism to bring Federal blue collar workers to comparable pay with private sector workers in conformance with the local prevailing wage principle.

Third, a small reduction in funds for nonessential Pentagon travel is made to encourage management reforms to minimize nonessential travel costs.

Fourth, average civilian grades will be reduced to fiscal year 1977 levels to halt the upward grade creep in white collar employees.

Fifth, the funds saved by the 25-percent pay absorption voted by the Budget Committee would be used to reduce the national defense function aggregates, rather than be shifted into the tactical warfare mission budget, which the committee ordered. The shift did not specify particular weapons programs and was not requested by the administration.

Sixth, a reduction is made to encourage Defense Department managers to civilianize or contract out more nonessential functions so that cost savings recommended by the General Accounting Office can be realized.

Seventh, a small amount of unobligated balances from nonfull funding accounts from fiscal year 1979 is to be shifted to the fiscal year 1980 accounts.

The proposition I wish to discuss is very simple: Do wasteful and unnecessary expenditures which contribute to real growth in the national defense function have any diplomatic or military significance?

Mr. President, the basic fallacy of the real growth position is that it attempts to provide military solutions for what essentially are political foreign policy problems. The real growth position, as I understand it, requires that the level of the budget should be determined not on the basis of calculations about weapons systems and force structure alone, but on the additional basis that real growth in the budget will serve as a diplomatic signal to our friends and adversaries. Raising the budget is supposed to send them a signal that the United States intends to remain a global power. It is supposed to show our resolve and provide a vivid demonstration of a tough American will in the post-Vietnam era. In other words, the real growth budget proposed by the President is not a military end in itself, calculated just to provide defense forces. It is the means to a different diplomatic end, calculated to reassure allies, impress our adversaries and even silence domestic political critics of the administration.

The United States definitely has suffered foreign policy frustrations in the past several years. We have not been able to lower the price of Arab oil. We could not prevent the "Zionism is racism" resolution at the U.N. We were not able to preserve a "client" regime in Iran. We have not been able to achieve a true détente with the Soviet Union. Our preferred solutions have not always occurred in Africa and elsewhere in the Third World. These are facts and cannot be denied, even though we might disagree about their significance.

But I believe it is a fallacy to assume that any of these or similar events were caused by insufficient military power of the United States or that any of these events would have turned out differently had there been a real growth military budget. The United States did not intervene in Angola not because we lacked the troops or the transports or the weapons. Instead, we decided not to intervene by a majority vote in Congress because we judged that military intervention would be futile for the United States and would only have exacerbated our future difficulties in Africa.

Similarly, the United States wisely did not intervene on behalf of the Shah of Iran—but not because we lacked the military forces to do so. Nor did the Shah lack for arms. Rather, he lacked support among the Iranian population. Will the proponents of real growth claim that the Shah's opponents were examining the minute details of the American defense budget, saw that real growth did not reach 3 percent, and then decided to launch their opposition nationalist movement?

I do not expect that the advocates of real growth could validly claim such a connection. Indeed, it is difficult to find how a percentage point or two of real growth have made any difference at all in any of our recent frustrating foreign policy experiences.

The reason is that many of the difficult situations which confront us today do not lend themselves to military solutions. Our problems are not caused in any rational sense by a lack of military power and cannot be ameliorated solely by military power, whether actual intervention or symbolic posturing in budget debates. It is the local dynamic of events which has been the determining factor in many of these situations. Events in the Arab world will largely determine the future course of OPEC. Events in Africa will largely determine the future course of the character of the movement for majority rule. Outside powers may influence these developments. But there are limits to the effectiveness of military power as an instrument of policy even for a great power like the United States—or the Soviet Union. Indeed, many of our frustrations may in part be due to an overeagerness in the past to rely on military solutions to such political problems as accommodating ourselves to nationalism of new countries.

My point is to recognize that our country has faced frustrations. That is not what is being debated. But I simply do not believe that they have been caused or affected by any military insufficiencies in our forces or that real growth will make any measurable difference. The burden of proof should be on those who claim it will make a difference.

In a time of difficult budget constraints, when we have to be aware of the need to reduce taxes and inflation, we should demand a tougher burden of proof that real growth spending per se makes a significant difference. Where is the proof? What is the measurement? Let us spend what we need to defend ourselves and our interests. But where is the proof that spending more in an effort to maintain a real-growth posture will bring us more success than it will cost us in higher taxes, a bigger deficit, or increased inflation?

I do not believe, therefore, that real growth in the military budget is a prerequisite to an effective American foreign policy. We need to maintain significant military power, given the nature of international relations. We should fund the forces we need. But in an era of austerity budgets and restrictions on spending, we cannot justify using the abstract size of the military budget as a barometer of our global intentions or as an effective signal to our friends or foes.

My amendment does not lower any military program or weapons procurement or strategic doctrine proposed by the President. It removes wastes and inefficiencies, and calls on our allies to share more of the costs of stationing U.S. troops abroad. Whether this type of wasteful spending rises or falls surely sends no signal to either friend or foe. Yet it is this type of spending which is being defended on the grounds that it is needed to preserve real growth.

So the first argument, that real growth by itself can have a decisive impact on reversing our recent frustrations, is not supportable.

A second argument is that real growth spending is needed to match Soviet military spending in Europe and to counter Soviet foreign policy successes around the world.

The argument that Soviet military spending accounts for their gains and our losses fails to accurately describe recent events. Western frustrations and setbacks have been fundamentally unrelated to Soviet military power. If the Soviets have been spending as much as the high estimates suggest, how can we account for Soviet setbacks in the world?

The Soviet's real growth seems to be failing them also as a diplomatic lever. Even in the Warsaw Pact, Romania and Poland apparently have refused to agree to Moscow's request to increase real defense spending. Their military power does not give them diplomatic leverage over the Communist parties of Italy or France. In the Third World, the Soviets are also learning about the limits of power. Despite their superpower status, they have lost their alliances with Egypt, Guinea, Somalia, and Sudan.

The limits of direct military power—and especially the limits of any symbolic gains from a real growth budget—affect both superpowers. It is the local dynamic of events which by and large determines the outcome of nations' destinies and their alinement, not perceptions about growth and national will. Both superpowers will have to accommodate themselves to the aspirations of small nations and to better understand the dynamic of local events. A real budget increase will not have any appreciable impact on the outcome of this accommodation.

The real growth in this budget has been justified as a response to the Soviet threat to NATO. Even if we assume for the moment the validity of comparison of United States and Soviet military expenditures—a comparison which is open to question—not all of the recent Soviet real growth has been directed against Western Europe. According to figures from the Central Intelligence Agency, roughly 45 percent of the Soviet real growth as measured in dollars between 1967 and 1977 was allocated to the area of the Chinese-Soviet border. The proportion of real growth allocated to Europe-related Soviet forces is roughly between 15 percent if research and development funds are not counted and perhaps 30 percent if the Soviet R. & D. funds are included. If the largest portion of Soviet real growth has been directed against China, we should not base our budget decisions on matching Soviet allocations in terms of our aggregate budget since this portion of their modernization or buildup does not threaten us.

The Soviets have been modernizing their forces in Europe, but we should react with a combination of diplomatic, military, and arms control initiatives—not by a reflexive imitation of Soviet real growth figures. And if we hold a more properly skeptical attitude toward estimations of Soviet military expenditures, and recognize that our methods of estimation are rather crude, then there is all the more reason to react with caution. The example has been used but it is worth repeating.

In the United States, we can purchase pocket calculators or digital watches for a few dollars because of our technological genius. These are not available in the Soviet Union on the same scale. If we were to measure an American $12 pocket calculator, the easy conclusion that they are outspending us 3 to 1? Of course not. We should be equally dubious about attempts to calculate Soviet programs in capabilities and threats but not base our budget on matching questionable estimations of Soviet spending.

In this transfer amendment, I have identified areas where wasteful expenditures could be reduced. The fact that the Pentagon budget does include waste can only raise the question about what real growth buys us in terms of military capability in NATO. If we spend the approximately $2 billion in budget authority and $1 billion in outlays instead of passing this amendment, will our military defense of Europe be superior? The answer obviously is negative in terms of these inefficiencies and wasteful items, but the same question should be asked about a range of military programs as well.

There is not a direct correlation between real growth spending applied to the entire National Defense function and military strength in NATO. Many accounts in the budget have little direct impact on military capability, such as the civilian payroll, military retired pay, military construction, currency evaluation, advertising, funds for the Winter Olympics, and so on. Representative ASPIN recently calculated that these items which do not produce additional military capability comprised one-half of all Total Obligational Authority in the fiscal year 1979 defense budget.

At the same time, many programs which will have an impact on the military balance in Europe are being funded far in excess of 3 percent real growth. Indeed, funding levels requested by the President for some conventional weapons are astounding. Real growth requested for outlays in Army procurement is 43 percent for aircraft, 83 percent for missiles, 29 percent for weapons and tracked combat vehicles, while Air Force aircraft will rise in real terms by 10 percent. Procurement overall is funded at a 7 percent real growth level.

In terms of military capability, therefore, we find the 3 percent real growth figure is used to cover increases beyond 3 percent in real terms for some programs while programs which do not contribute to military capability are included in the real growth calculations. The lesson is that we should evaluate military requests and programs on their own terms on the basis of what forces we need for our defense. But applying a 3 percent figure is not the way to make these decisions. It is not a realistic criterion for analysis of defense options or making defense decisions.

Another argument made in favor of 3 percent real growth is the commitment to our NATO allies. Equating this commitment with the total size of our budget is questionable. First, only a portion of the U.S. defense budget—estimates range from $50 to $70 billion, depending on the method of calculation—is targeted for Europe while the total defense budgets of our NATO allies is for territorial defense in Europe. Requiring a 3 percent across the board increase for the United States and applying it, for example, to our forces in Asia as well, is not equitable. This disparity is reflected in the relative defense expenditure burdens for each NATO country. American defense expenditures calculated on either a per capita basis or as a percentage of gross national product far exceed the expenditures of any of our allies.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a chart provided by NATO showing the distribution of military expenditures in NATO.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

REDUCTIONS IN NATIONAL DEFENSE (050)

[In millions of dollars]

	Fiscal year 1980		Fiscal year 1981		Fiscal year 1982	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
1. Japan reimbursement	200	200	200	200	250	250
2. West Germany reimbursement	200	200	200	200	250	250
3. Wage Board reform	101	101	160	160	207	207
4. Reduce O. & M. travel to fiscal year 1978 levels	100	080	100	095	100	096
5. Reduce average civilian grades to fiscal year 1977 level	100	100	100	100	100	100
6. Require absorption of 25 percent pay raise (without shifting to tactical warfare mission)	600	100	800	300	800	500
7. Increase civilian contracting out	100	100	100	100	100	100
8. Shift fiscal year 1979 unobligated balances in R.D.T. & E. to fiscal year 1980	300	200				
Total	1,701	1,081	1,660	1,155	1,807	1,503

Mr. McGOVERN. This disparity is one of the reasons I am calling in this amendment for West Germany and Japan to make larger contributions to the costs of stationing U.S. troops abroad. This would result in a more equitable distribution of defense costs. It is my conviction that, over the long term, the burden of European defense must rest primarily with the Europeans. The fact that our real growth might decline to facilitate a greater contribution from our allies is only an attempt to spread the burden more equitably, not to evade a promise to our allies.

It should be noted that our allies do not have a clean record of unbroken promises either. At the economic summit held in London in May 1977, both West Germany and Japan committed themselves to targets for growth and economic stabilization which they were unable to meet. West Germany's target for GNP growth was set at 5 percent but actual growth for the year turned out to be only 2.4 percent. Japan's target was 6.7 percent GNP growth rate while its actual growth was 5.3 percent.

I raise this point not to criticize our allies or to question why some of them are not meeting the 3 percent real growth target for defense. It serves no purpose to do this, since these countries have their own economic difficulties. The point, however, is that changed circumstances, such as inflation rate and an austerity budget that few people anticipated in May 1977, when promises to NATO were made, should be taken into consideration.

The Alantic Alliance will not fall apart if we reduce wasteful expenditures, just as it did not fall apart when the economic promises were not kept. The sums involved here are so relatively small compared to the total size of the defense budget, and since the reductions will not affect military capability in any way, that I see no reason why we cannot make these reductions and still uphold the commitment to strengthen NATO.

A final argument I have heard for the preservation of real growth is that it is necessary to raise spending because of the impending SALT treaty. I have made clear recently that we may be paying too high a price for SALT. If in a time of tight resources we have to pay billions of dollars in unwarranted spending to achieve ratification of a treaty which is supposed to restrain the arms race and reduce weapons, then we have to ask whether the whole arms control policy process is out of control.

But I am not challenging the SALT process now. The problem is that a SALT treaty probably will open the door to a $30 billion MX ICBM program, a $30 billion cruise missile program and other expenditures as well. Indeed, strategic forces in the fiscal year 1980 budget are allocated a 19-percent real increase. The Department of Energy's defense-related activities, primarily nuclear warhead production and development, were targeted for an 11.6 percent real growth increase by the President.

Thus, for those who believe the United States needs to inflate real growth as a price for SALT, should recognize that SALT already is causing enormous spending increases in strategic forces and that these will increase in the future. What is the need to increase this even more by shying away from elimination of wasteful expenditures? If we are serious about Government spending, we should regard arms control agreements as vehicles to restrain programs, not to accelerate them. Arms control should be a basic element of our budget priorities.

Mr. President, a national policy of regarding real growth in the military budget as a necessary precondition for an effective foreign policy or as an antidote to a recent series of overseas frustrations cannot be justified in a period of scarce national resources. We cannot ask the needy and the hungry and the elderly to sacrifice more under the burden of inflation so that real growth can be maintained for its own sake.

There are only losses and no gains. The result of this policy will be to exempt the Pentagon from fiscal responsibility and to give it a license to tolerate waste and inefficiencies.

I would have preferred to analyze the substantive programs in the military budget and to propose a transfer amendment based on unnecessary forces or destabilizing new weapons. In my judgement, however, it is impossible to do that without first challenging real growth hypothesis. I have tried to show that a real growth policy is not appropriate for either our international posture or our domestic economy. I have tried to highlight waste or management reforms in the Pentagon budget which could save $1 billion next year. I have tried to suggest that there are several domestic programs which require small funding increases to help meet the needs of our people. And I have indicated that funds can be returned to help lower the deficit.

This is the national priorities challenge I pose here today: Do the illusory diplomatic benefits of a real growth policy based on waste and fat in the budget outweigh the benefits from lowering the deficit and feeding the hungry, aiding the elderly and supporting the handicapped?

I am proposing this transfer amendment because I believe the choice is clear.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of the cost-sharing and efficiency reforms to reduce the national defense function by $1.701 billion in budget authority and by $1.081 billion in outlays.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

REDUCTIONS IN NATIONAL DEFENSE (050)

1. Cost-Sharing with Japan:

The United States maintains large military forces in Asia, primarily for the defense of Japan. The Brookings Institute recently estimated that U.S. General Purpose forces located in the Pacific, including the 7th fleet, cost $27.2 billion in direct and indirect costs. According to Defense Secretary Harold Brown, the United States should seek greater reimbursement for these defense services. Japanese defense expenditures per capita are roughly $74 while in the United States we pay $425 per capita. Defense expenditures represented .9% of the Japanese Gross Domestic Product in 1977 while American expenditures consumed 5% of our Gross Domestic Product. These disproportionate shares of defense are inequitable given the robust state of the Japanese economy.

Based on Secretary Brown's estimate of $1.1 billion in direct costs, I am proposing that Congress make allowance for $200 million additional reimbursement costs from Japan.

Budget authority: $200 million.
Outlays: $200 million.

2. Cost-sharing with West Germany:

The same balance between economic and military interests should also lead us to seek more substantial reimbursements from West Germany. The United States maintains 200,000 troops in Germany and much of the real growth in this budget, especially in the POMCUS procurement, will expand and strengthen U.S. forward defense in West Germany. Direct and indirect costs of U.S. General Purpose forces for Europe, according to estimates by the Brookings Institution, are between $45 billion and $56 billion. Some analysts estimate the "Europe slice" of the defense pie as high as $70 billion. While Germany's defense expenditures are proportionally larger than Japan's, there is still a serious imbalance vis-a-vis the U.S. burden. West Germany's per capita defense expenditure for 1978 was $265 while our per capita expense was $425. Similarly, West Germany spends 3.3% of its Gross Domestic Product for defense while the United States spends 5%. German reimbursements could help spread defense costs more equitably without causing alarm in Europe about increasing German military strength.

I am proposing reimbursements from West Germany of $200 million.

Budget authority: $200 million.

Outlays: $200 million.

3. Wage Board Reform:

Present law provides higher wages to Federal blue collar workers than comparable private sector blue collar workers which is contrary to the local prevailing wage principle. The result has been both higher costs and higher raises for blue collar workers than general schedule employees and uniformed military personnel.

Pay rates and the cost of living,
(Indices, fiscal year 1973=100)

	Fiscal years			
	1973	1975	1977	1978
General schedule employees ----	100.0	112.3	126.0	134.8
Wage Board employees ----	100.0	120.0	151.6	163.8
Consumer Price Index ---------	100.0	121.0	139.4	149.1

Legislative changes in the current wage board pay mechanism have been recommended by the White House for each of the past four years. President Carter recommended reform for FY 1980, but it was not included in the Budget Committee's recommendation. Favorable action on the wage board pay mechanism in the budget resolution would provide an incentive to the legislative committees to act favorably so that the cost savings could be realized without delay.

Budget authority: $101 million.
Outlays: $101 million.

4. Reduce O&M Travel Funds to FY 1978 levels:

The Government budget for transportation in FY 1980 is expected to be $7.9 billion. In Fiscal Year 1979, the Office of Management and Budget estimates that the Federal Government will spend $7.5 billion on transportation costs. Almost half of these transportation costs are in the Defense Department. The Senator from Tennessee (Mr. Sasser) recently reported, based on Appropriations Committee hearings and the General Accounting Office, that the Government in general and the Pentagon were not taking adequate steps to minimize travel costs. Commercial carrier discounts and savings on the trasnportation of household goods of military personnel were reported as feasible without disruption or inconvenience to military personnel. The G.A.O. also noted several non-essential travel costs for the military, such as 60 conferences held by the Defense Department in Hawaii in fiscal year 1976 and the transition quarter.

The Congressional Budget Office estimated that keeping the Defense Department travel costs at the fiscal year 1978 level would save $80 million for fiscal year 1980.

Budget Authority: $100 million.
Outlays: $80 million.

5. Reduce Average Civilian Grades to FY 1977 Level:

Upward "grade creep" in the General Schedule (white collar) has been a persistent problem in the Defense Department. The Congressional Budget Office estimated in its *The Costs of Defense Manpower* that reduction in the civilian grades could help weed out unnecessary positions and prevent misclassification which causes grade creep and lowers overall competitiveness for GS employees. On the other hand, reduction to FY 1977 levels would not result in such a significant slowdown in promotions to cause a loss of high-quality employees. The average grade for the Defense Department in FY 1980 will be 7.9. In 1977, the average grade was 7.8.

Budget authority: $100 million.
Outlays: $100 million.

6. Require 25% Pay Raise Absorption:

The Budget Committee voted to require a 25% absorption of the civilian and military pay increases for the Defense Department. This would have resulted in Budget Authority and Outlay savings of $600 million for fiscal year 1980. Instead of reducing the National Defense function aggregates by these totals, however, the Committee voted to shift $600 million in procurement funds to the Tactical Warfare Mission.

The Tactical Warfare Mission receives almost two-thirds of the entire National Defense function. These additional funds were added not for any particular weapons systems but to maintain the real growth target. As this target is unwise unless based on specific military or diplomatic rationales, these funds should not have been shifted within the function. The tactical mission budget was fully funded at the President's request. Additional funds cannot be spent in an effective manner.

The impact of my amendment would be to retain the 25% pay absorption as voted by the Committee and to reduce the National Defense function by that amount.

Budget authority: $600 million.

Outlays: $100 million.

7. Increase Civilian Contracting out:

Studies have shown that employing civilians in jobs formerly performed by military personnel can lower costs both in the long-term and the short-term. The General Accounting Office has reported that Defense Department studies conclude that civilians generally cost less than military personnel for many non-essential functions. The cost savings result not only from lower direct costs, but also from such indirect costs associated with Federal peronnel, such as housing, medical support, administration, retirement and veterans' benefits. In addition, other advantages of "civilization" include greater stability and continuity in a job, reduced training costs and lower overall military manpower requirements. (See "alternatives in Controlling Department of Defense Manpower Costs," GAO Report PAD–77–8, November 12, 1976.)

My management efficiency proposal would encourage the Defense Department to increase slightly its contracting out procedures.

Budget authority: $100 million.

Outlays: $100 million.

8. Shift FY 1979 Unobligated Balances to FY 1980:

President Carter's 1980 budget will bring the total of unobligated balances in the Defense Department to $24 billion, a 200 percent increase over 1972. A large portion of these unobligated balances result from the "full funding" principle which requires that the total procurement cost of a weapon system be appropriated in the first year. This assures defense contractors greater stability in their programs and also presents a more realistic picture to Congress of the full cost of major weapon systems. As a result, almost 75% of the current unobligated balances is in the procurement account ($16.3 billion).

However, significant unobligated balances exist in accounts which *do not* apply the full funding principle, especially in RDT&E and Military Construction. These balances exist in part because the government overestimates the rate at which it can obligate funds. The RDT&E unobligated balance by the end of FY 1979 is expected to be $1 billion. I am recommending that approximately 30% of this unobligated balance be carried over to pay for Fscal Year 1980 programs in RDT&E.

Budget authority: $300 million.

Outlays: $200 million.

Mr. McGOVERN. Mr. President, it is important for all of us to look very closely at this budget. It is more than an aggregate of disparate numbers. It is more than the sum total of our anticipated revenues and expenditures. It is more than a skillfully crafted political document, designed at once to meet many separate needs.

It is all those things and more.

It is a roadmap of our national priorities, a description of what we are about.

I know the Senators of the Budget Committee have worked long and diligently on this document, trying under time constraints and methodological difficulties to craft a package that would have the support of the majority of the Senate. As our experience with the budget process grows, so does my respect for both the importance and difficulty of the job faced by the committee members. This is especially true since we have entered into an historical epoch where economic laws seem to be increasingly unreliable, and economic predictions without veracity.

Nevertheless, this document is flawed, and should be amended. That is why I have asked my colleagues to take another, closer look at it.

How many of us are aware, for example, that while we are allowing the arms budget to rise to an all-time high, accounting for inflation and adding nearly $1½ billion in real growth, we at the same time effectively cut off tens of thousands of our elderly citizens from the senior citizens nutrition program?

According to the Budget Committee's own estimate, food inflation will drive up the cost of meals in the congregate meal program, yet they have not compensated for this in their budget. By keeping this program at the spending level of current law, they in fact are cutting it by 10 percent or more, which means we are talking about over 30,000 elderly being cut off the program.

Why are we not treating our elderly citizens, who have paid into this program, with the same concern we are showing the Pentagon? Not only will there be a loss in services, but, of course, under the Budget Committee's formula there will also be no funds to spend on the home-delivered meals program, which both Houses passed unanimously last year as an amendment to the Older Americans Act, and authorized expenditures for up to $125 million.

Mr. President, I cannot really believe we want to take this action. As chairman of the Nutrition Committee, I heard testimony over the years from doctors, nutritionists, sociologists, and elderly participants regarding both the sociologists, and elderly participants regarding both the health and social benefits of the congregate feeding program.

It helps a great deal in keeping people out of unwanted and very costly consignment to nursing homes. It helps bring a spark into the life of sometimes very lonely people. With food costs so high, and unemployment among the elderly growing, should we not be doing more with this program, not less?

My amendment would merely allow us to meet our current level of services, although I think an overwhelming argument could be made for an expansion to meet the needs of the homebound elderly, a program fought hard for by Senators PERCY, KENNEDY, DOLE, and myself, among others.

There are other successful domestic programs in what is called Function 500 of the budget that could receive funds under my amendment that would allow them merely to continue current services.

Vocational rehabilitation programs and education programs for our handicapped children will both suffer fairly large cutbacks if the Budget Committee recommendations are allowed to stand. The Budget Committee's figure would allow an 8 percent Federal share for educational aid to handicapped children, down from 12 percent, while the law authorizes a 30 percent share. Can we not at least maintain our current level of services for handicapped children? My amendment would allow them to be kept at levels of current service, and no more.

I view programs of rehabilitation and training of the handicapped to be preventive programs. An investment to prepare someone to go back to work, or to learn how to work and be productive while handicapped, is an investment for the future. How large will our savings look when tomorrow's bill for institutionalization, unemployment benefits, or poor productivity comes in? This investment is no less a guarantor of our future strength as a nation than an investment in military strength.

I will not go on to detail each program my amendment would transfer funds to. Those I have mentioned so far would only be allowed to stay current. There is one more, however, that I would do a little more for.

That is, title IVB, the child welfare service program. It has been funded at just over $50 million for several years, as it is in this budget, although authorized at $266 million. The House had added $100 million, the Senate Finance Committee asked for the same, as did President Carter.

There is no reason not to proceed. This program encourages States to modernize foster care services. Again, it is a preventive program. We should fund it at least 50 percent, and provide targeted funds for preventive services for children, and adoption subsidies.

We should develop alternatives to placement. Out-of-home care is way too costly, and HEW studies show we can save money and help children with other methods. But we cannot do more on this budget.

In addition to elderly nutrition, education for handicapped children, and child services, there are other areas of domestic need that my amendment would fund, but again only allow current levels to be maintained, not expanded.

Can anyone any longer doubt the importance of energy conservation? Our economy has been so disoriented by the inflationary shocks of imported oil costs that we should be on a crash program to achieve energy independence. I have expressed in the past my disapproval of the pace and extent of the congressional commitment to the development of alternative energy sources. We simply have to cut down our imports.

Yet, in this budget resolution, unless additional funds are added through this transfer amendment, funds for the low-income weatherization grant program, and, in particular, the schools and hospitals grant program for energy conservation, will be cut. There is not one more dollar in the committee's recommendations than in current law, so we will end up spending less on efforts to encourage conservation than last year.

The committee's recommendation is $100 million below the Persident's request. The same is true for the Energy Committee. And these requests were made before the Iranian situation, or before the latest OPEC increase. Their recommendations, which would cut research for new auto engines and industrial conservation as well, make no sense in light of our energy situation. It seems to me there are potentially huge payoffs for these investments. I know some have said that the schools and hospitals program has not used all of its funds, so fewer should be allocated. Let me point out that new programs are always slow to start up, whether they are tax programs, food programs, or health programs. Also, this program is probably needed more now than ever. One thing is certain, if we do not make the funds available, much-needed energy conservation will not get done.

Lastly, Mr. President, I would like to spend a few minutes discussing the last domestic policy area—rail transportation—that my amendment would transfer funds to.

Our railroad system is in chaos. In 1977 an incredible 8,000 derailments cost the system $600 million. In my State, 30 percent of all the railroad mileage ever constructed has been approved for abandonment, with almost 50 percent potentially eligible for abandonment shortly. We have huge rolling stock shortages and dislocations, along with critical deterioration of railbeds.

Yet the Budget Committee failed to recommend one penny for coal road rehabilitation, which passed Congress last session and is authorized at a $100 million level. It is designed for the purpose of rehabilitating rail lines that are essential to the increasingly crucial transportation of coal.

With the great increase in coal development, especially in the Western States, in recent years, railroads have suddenly gained a major new source of traffic. Some carriers are now moving dozens of coal units each day from the producing States to utilization thousands of miles away in the South, Midwest, and East.

Unfortunately, the railroads were not prepared for such a major increase in traffic. Decades of deferred track maintenance have resulted in a lack of preparation. Many carriers simply cannot transport the coal without continuous major rehabilitation of their trackage and equipment. Consequently, the carriers have applied for massive rate increases to cover the cost of hauling coal to utilities and then, of course, passed these costs on to the consumer. In the last 5 years some utilities have raised their prices for electricity over 70 percent just to cover transportation costs.

The operational cost of transporting coal by train is minimal. The real cost is in bringing coal lines up to shape to handle unit trains. The railroads, with an overall industry rate of return on investment of 1 percent, simply do not have the capital to invest in major rehabilitation which can cost between $100,000 and $350,000 per mile, depending on the condition of the line.

Funding this program would deal a blow to inflation, while at the same time facilitating the development of coal utilization, thereby making us less dependent on imported oil.

The same argument can be made for fully funding, which this resolution does not do, title VIII of the so-called 4-R Act, which allows for local rail service continuance.

This provision provides assistance to States to acquire or upgrade rail lines which have already been abandoned or are in danger of being abandoned.

The program, which got off to a slow start because it took the Department over 18 months to promulgate the necessary regulations, has become immensely successful and popular.

Although the program was originally authorized for a total of $300 million over 3 years, this budget only included $67 million. States that have the worst rail service problems, like South Dakota, receive only enough to preserve a few miles of track. Our State's core rail system is hundreds of miles.

Dozens of States in the Pacific Northwest, Midwest, and Northeast, in particular, are facing serious rail service problems which could be greatly alleviated by this program.

Also, when the President's deregulation bill is passed, the funding needs will become even more urgent as railroads will escalate branchline abandonments.

By improving our rail transportation network, we can open up new markets and expand our economy. In improving this network we can take a major step toward energy efficiency, reduce our reliance on imported petroleum products, and reduce the trade deficit. We can also create a large number of diverse job opportunities for the unemployed. The need at the State and local level is desperate, and this amendment would help reach that need.

Mr. President, the budget process has come to represent prudence and planning, we in the Senate hold it out to the public, as we should, as an example of our dilberateness and of our commitment to sound, long-term budgeting.

How, finally, will we achieve an economy in focus, when we spend less on health protection, job training, vocational rehabilitation, and energy conservation than on weapons? Where is the prudence in that?

What conceivable long-term economic benefit does it serve to cut benefiits to the handicapped, or to stop vocational rehabilitation programs? What can we gain, in the greater or the smaller sense, by feeding fewer of our low-income homebound elderly?

Will we not pay more, much more, in health costs, unemployment, low productivity and disillusionment in the long run if we follow this course?

With this transfer amendment, I am calling on the budget process and those responsible for promoting and defending it, to recognize the fairness in treating our elderly, our handicapped, our foster children, as well as our long-term energy and transportation needs with the same commitment as our armaments. No more—no less. Equity and balance is what this amendment, in a very small way, seeks to achieve.

Mr. President, it is important for all of us to look very closely at this budget. I think it is more than an aggregate of disparate numbers; it is more than the sum total of our anticipated revenues and expenditures; it is more than a skillfully crafted political document, designed at once to meet many separate needs; it is all those things and more: It is actually a road map of our national priorities, a description of what we care about.

I want to say, Mr. President, that I know the Senators in the Budget Committee have worked long and diligently on this document, trying under time constraints and methodological difficulties to craft a package that would have the support of a majority of the Senate. As our experience with the budget process grows, so does my respect for both the importance and the difficulty of the job faced by the committee members. I commend Senator MUSKIE, the chairman of the committee, and Senator BELLMON, the ranking minority member, and others for the splendid job that they have done in the years they have served on this committee.

Nonetheless, I believe this document before us can and should be amended. I do not think anyone would claim that it is a perfect document that is beyond improvement. That is why I have asked my colleagues to take another, closer look at it.

How many of us are aware, for example, that while we are allowing the arms budget to rise to an alltime high, accounting for inflation and adding nearly one and a half billion dollars in real growth, we, at the same time, effectively cut off tens of thousands of our elderly citizens from the senior citizens nutrition program? According to the Budget Committee's own estimate, food inflation will drive up the cost of meals in the congregate meal program; yet they have not compensated for this in their budget. But keeping this program at the spending level of current law, they, in fact, are cutting it by 10 percent or more, which means we are talking about 30,000 elderly persons being cut off the program.

Mr. President, the question one has to ask is why are we not treating our elderly citizens, who have paid into this program and supported this Nation throughout their lives, with the same concern we are showing the Pentagon? The health and well-being of our people is also national defense.

I have often thought that whoever conceived of the idea of changing the name of the War Department to the Defense Department was a public relations genius. It is very hard to vote against anything with a defense label on it. But the defense of a country is measured by far more than the size of its armaments. It is measured by the health of its people, by the quality of their education, by the strength of their energy supply, by the vigor of their transportation system. All of these things also enter into national defense.

There is a whole series of measures that I have described in this amendment that are similar to the nutritional program for our senior citizens—the importance of doing something to strengthen alternative sources of energy, to strengthen our rail system. I am not going to take the time of the Senate to elaborate in detail on these things, because it is clear that what we are talking about here is a modest shift in resources of about half a billion dollars from military purposes to deeply felt human needs in this country, another half-billion-dollar reduction that would be used to reduce the Federal deficit.

Mr. President, I reserve the remainder of my time.

Does Senator Tsongas wish time at this point?

Mr. TSONGAS. Yes.

Mr. McGOVERN. I yield such time as he may require to the Senator from Massachusetts (Mr. Tsongas).

Mr. TSONGAS. Mr. President, I take this time to commend the Senator from South Dakota for being in the forefront of forcing people to think about what we are doing with our national budget, and to associate myself with his remarks. I shall not take much time, as the Senator has pretty much outlined his reasons, but let me add one notion to what he has said.

It seems to me that at some point, though clearly not this year, we have to redefine what is national security. To give an example, any rational strategic military planner would have to conclude that our major vulnerability today is not, as many would argue, a first strike by the Soviet Union on our ICBM installations, nor a Warsaw Pact attack upon NATO, but, rather, our vulnerability to the crude oil supply that comes to us from OPEC. If, indeed, the Soviets are intent upon the destruction of the United States, all they have to do is knock out the capability of the Persian Gulf states to provide us crude oil to watch the United States, Japan, and Western Europe slowly come to a grinding halt. What the Senator from South Dakota is talking about is taking some of our national security money that goes to the Pentagon and putting it into what I think is an equally important, if not more important, national program that is a viable national policy.

Until we reduce our vulnerability to OPEC, we are indeed not only vulnerable economically, but militarily. It is my hope that we shall not have to live through this to show the wisdom of what has been said.

A final comment: On the House side, I had occasion to vote on transfer amendments. One would have to acknowledge that this is, indeed, a very small transfer. It allows for 7-percent growth. If this kind of commonsense, minimal-impact amendment could not pass in this year, I think it says a great deal about a Congress that allegedly is concerned about energy and that allegedly is concerned about a balanced budget. I am proud to be one of the people supporting the Senator from South Dakota.

I yield back the remainder of my time.

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. MUSKIE. Yes, I yield.

Mr. BELLMON. Mr. President, I should be very happy if world conditions were such that I could support the amendment of the Senator from South Dakota. I think every Member of the Senate would like to see a time when we would feel that world conditions were such that we could devote less of our resources to national defense. I think that is particularly true of those of us who served in World War II and who have been looking forward to the time when world tensions would ease and we could devote more of our resources to solving human problems, rather than having to spend so much of our available funds to try to maintain our national defense.

Mr. President, looking realistically at what the Budget Committee has done, we find these things: The committee recommendation for national defense is 0.5 percent above current law for outlays in fiscal year 1980. In other words, we are going up very slightly, when you take into account the effects of inflation. When you realize that the Soviet Union is carrying on a very aggressive expansion program in many parts of the world, as evidenced by their success in places like Angola and Ethiopia, in Yemen, in Afghanistan, and the fact that they are increasing their defense spending by some 4 to 5 percent a year, our effort may not only be excessive, it may not even be adequate.

Also, our committee recommendation gives the President only 0.9 percent real growth in budget authority for fiscal year 1980.

The committee mark, and I would like to call this particularly to the attention of Senator McGovern, is actually $1.1 billion below the President in outlays. Remember, this is a President who came into office vowing to cut defense budgets. I do not know what happens to a President when he changes from being a candidate to being leader of the free world, but obviously, Mr. Carter, when the responsibilities of his office became known to him, suddenly realized we not only could not cut defense, but we need increases. He has asked for a larger increase than the Budget Committee was willing to give him. So this figure is $1.1 billion below President Carter's recommendations.

If we were to approve the McGovern amendment, we would actually reduce outlays below current law for fiscal year 1980.

The committee mark already assumes substantial savings in nonweapons systems expenditures in defense. For instance, we anticipate the phaseout of the commissary subsidy. We expect efficiencies in nonreadiness operation and maintenance activities. Also, we anticipate a 25-percent absorption of the 1980 pay raise for military and civilian personnel of the Department of Defense and reallocation of savings from this absorption to the tactical forces.

There is also a revision of the cost-of-living adjustment for military retirees from a semiannual to annual basis.

The purpose of the committee here was to try to get more of these resources devoted to making our defense stronger and less to taking care of some of the peripheral personnel expenses that have been using such a huge amount of our defense budget in the past.

If all of these assumptions do not occur, and there is simply no way the Budget Committee can enforce these assumptions, then other savings will have to be achieved in order to stay within the maximum recommended by the committee.

We welcome Senator McGovern's ideas, as well as those of other Members, but we may need to do the things he recommends to stay within the maximum without cutting deeper into weapons spending.

I will talk for just a moment about the effects of the McGovern transfer amendment on energy.

Senator McGovern proposes to add funds for energy conservation grants for schools and hospitals.

The grant program for schools and hospitals has been very slow getting off the ground.

The regulations for the program have not been published yet.

The committee mark will accommodate all of the spending that is likely to occur next year in this program.

Adding funds, for this program in which they are not likely to be spent, would amount to providing a "slush fund"; and we just do not have room to provide funds unless they are clearly needed in this tight budget year.

This year, when we are trying to bring a very austere budget to the floor, it simply is not prudent to provide this kind of unspent funds, and we are trying to hold the budget to areas where funds are clearly needed in order to help us achieve a balance.

In the area of transportation, Senator McGovern proposes to add funds for rail transportation.

The Senate Budget Committee recommendation is equal to the President's budget request for rail transportation.

The McGovern amendment would result in budget authority for rail transportation $200 million above the authorizing committee's recommendation.

Our total number is some $38 billion below what the authorizing committee asked for. So, here we are at the level of the authorizing committee and Senator McGovern would like us to go $200 million above.

Senator McGovern's proposed increases are inconsistent with the approach to rail transportation embodied in the President's budget.

The funding for coal-connected railroad rehabilitation was not recommended by either the administration or the authorizing committee.

The pilot projects for railroad rehabilitation, for which Senator McGovern recommends the balance of the increase, is replaced in the President's budget request by a new program—as a part of the administration's deregulation strategy. Funding both the old and the new programs, at the same time, is unnecessary.

Now, in the areas of education and social services, Senator McGovern proposes to add funds to two programs for the handicapped: Education for the handicapped and vocational rehabilitation.

The Senate Budget Committee recommendation for both programs is equal to the President's budget request.

Both programs received substantial increases in fiscal 1979. Education for the handicapped 48 percent, $661 million to $976 million; vocational rehabilitation, 8 percent, $760 million to $817 million—including the supplemental appropriation assumed in our mark.

Senator McGovern also proposes to add funds for child welfare services and for elderly feeding programs. We assumed the funding for Child Welfare Services in the budget resolution for fiscal 1979, and the legislation did not pass.

So that money was not needed and we feel it probably will not be needed again.

We have assumed legislation to make permanent the $200 million temporary increase in block grants to States for social services under title XX; and this is consistent with the Governors' Association which expressed preference for block grants.

Indeed, had the committee taken the Governors' advice, we might have reduced categorical grants for social services along with the block-grant increase. We did not reduce funds for categorical grants for social services.

The House Budget Committee recommendation for social services is $600 million above the Senate committee mark.

Of course, that will be in conference.

Mr. President, to conclude, I have some charts which show what we have been doing in defense.

The defense item in our budget is not, as some would have us believe, either the largest or the fastest growing area of expenditure. The largest area is function 600, income security, and this exceeds the defense function by $70 billion, or about 56 percent.

I believe that when anyone looks at our budget realistically, they will find we are doing a good job of taking care of the social needs of the country and that it is both unnecessary and unwise for us to further increase spending in the social area at the expense of defense where there does seem to be a real and growing threat because of the activities of the Soviet Union.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, first of all, I would like to say to my good friend from South Dakota that he has been a staunch supporter of the budget process. That does not mean he agrees with every item that the Budget Committee recommends or even necessarily that the Senate adopts. But he understands fully the mood of the country and our economic circumstances.

I would like to express my appreciation to him for that support. I appreciate the kind things he has had to say about the Budget Committee.

I would like to say that the Budget Committee is a collection of 20 individuals, each with his own political philosophies and set of priorities. It is important, as I think Senator McGovern indicated, for the Budget Committee to try to achieve a consensus in order to produce a report that the committee can stand behind in the Senate. We understand, of course, that the Senate is made up of individuals with their own sets of priorities, and that is the nature of the process.

It is entirely appropriate that Senator McGovern should give voice to his priorities in the form of the amendment that is before us. I do not question that at all, and it is an appropriate way to raise the issues which he raises.

What I would like to do is to explain the position of the Senate Budget Committee.

First of all, with respect to the overall budget for 1980, the Senator made reference to the fact that to some of the programs where he seeks to add funds, the Budget Committee's proposal has been to reduce these programs. It is asserted that the committee did this by not taking the inflation affecting these programs into account.

Well, there was a day, may I say to the Senator, that we did just that. We started with what we called budget policy and we cranked into our numbers allowances for inflation, whether or not it was required by law. That was called current policy.

We found we had very little success holding down spending or reducing spending by automatically allowing for inflation—whether required or not.

So, 2 or 3 years ago, we began to look at inflation on a selective basis, in order to exert downward pressure upon agencies to force them to find ways to accommodate inflation in places of real need. I think this effort has served a useful purpose.

If we were to have fully allowed for inflation in the 1980 budget which we have presented to the Senate, the committee would have added some $11.7 billion to overall outlays. This would have provided an outlay total of $544.1 billion. The deficit resulting from those outlays would be roughly $40 billion.

If we had allowed the full level of inflation for fiscal year 1981, we would have added $21.6 billion to outlays. This, of course, would throw that balanced budget in fiscal year 1981—which we presented to the Senate—over $21 billion into the red. In fiscal year 1982, we would have to add $35 billion in outlays which would, in effect, cut more than half of what would be either a surplus or funds available for a tax cut.

The point is that automatically conceding inflation to programs is not going to permit the Congress to achieve a balanced budget: Avoiding the consequences of inflation in the budget is a very practical way of holding down spending and gradually squeezing out the fat.

What the McGovern amendment is really about is reduction in defense spending. It proposes a reduction of $1.7 billion in budget authority and $900 million in outlays in fiscal year 1980.

I trust that those figures coincide with those of Senator McGovern. I gather that the outlay figure should be $1.1 billion.

Mr. McGOVERN. Yes, the Senator is correct.

Mr. MUSKIE. Then, in fiscal 1981 it is $1.7 billion in budget authority and $1.2 billion in outlays; in fiscal year 1982, $1.8 billion in budget authority and $1.5 billion in outlays.

Mr. McGOVERN. That is correct.

Mr. MUSKIE. That is really the heart of the McGovern amendment.

The PRESIDING OFFICER (Mr. Heflin). The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself an additional 5 minutes.

The programs to which he would transfer those funds have great merit, and this was recognized by the Senate Budget Committee.

If there were a way to reduce the deficit projected by the Budget Committee by an additional half-billion dollars, Senator McGovern would propose that, too, as a desirable objective. But any other Senator might propose a transfer amendment from the national defense function to a different set of priorities.

So I am not going to focus on the particular functions to which Senator McGovern would transfer the defense savings. I am sure there are a number of other functions, a number of other programs, which could be justified on their merits to absorb these savings from defense, and I cannot argue all of them.

I simply want to take a few minutes to explain the national defense function as presented by the Budget Committee. Senator Bellmon has done it already. I will do it in a little different way.

The SBC targets for national defense were based on general agreement with the President's budget request level with a few modifications aimed at greater efficiency within the Department of Defense. These included: First, a 3-year phaseout of the commissary subsidy; second, efficiencies in nonreadiness O. & M. activities; third, 25-percent absorption of the fiscal year 1980 pay raise for civilian and military personnel of the DOD and reallocation of the savings from this pay absorption to the tactical forces—where, of course, the bulk of the increase for NATO programs is contained; and fourth, revision of the cost-of-living adjustment for military retirees from a semiannual to annual basis.

The main points about the SBC Defense mark in defending it against Senator McGovern's position are: First, the mark gives the President only 0.9 percent real growth in total budget authority; second, the mark represents a reduction of $0.5 billion in budget authority and $1.1 billion in outlays from the President's level; and third, in the face of our commitment to NATO and the force improvements of the Warsaw Pact, the mark represents a reasonable compromise between the need to conserve funds and the need to improve U.S. capabilities.

Mr. President, there will be other proposals to reduce the defense mark, and proposals are pending before us to increase the defense mark.

So I conclude from this that the mark which the Senate Budget Committee has proposed is a reasonable balance between them.

At this point, Mr. President, I reserve the remainder of my time, and I yield to the distinguished Senator from New Mexico (Mr. DOMENICI).

Mr. DOMENICI. I thank the Senator from Maine.

Mr. President, I wish we lived in a world in which we could do what the distinguished Senator from South Dakota asks here. Let me say, in my own way, what my good friend Senator BELLMON said at the outset as justification for a defense mark that the Budget Committee brought back. Let me relate it to our President—not that I think the budget process should give way to this President or any President, and it has not. It has not in this budget, and it has not in the 5 years it has existed. We looked at things and basically came up with some effective decisions of a 20-member committee this year—17 members in years before.

I think it is relevant that President Carter came to the White House after having traveled this country as a non-President, a nonleader of the free world, one who did not have to be worried about the stability in the world and who was then talking about cutting the defense budget.

After he sits there, in capacities exactly opposite to those I have just described—the leader of the free world, the leader of the only major free society in the world, with world instability rampant, with Soviet military expenditures gargantuan, with the free world clamoring for America to remain the leader—this man, our President, recommends that we increase our defense budget. I think that has a great deal more relevance than for a President with a history of asking for and talking about larger defense budgets. That is more relevant in this case than in years past.

So any move to cut the Budget Committee's defense mark—which, as explained by both the chairman, Mr. MUSKIE, and the ranking Republican member, Mr. BELLMON, is lower than the President's or has a little different mix, where the tactical is given more and some savings are effected in other places—to come along and agree now that we would cut it more seems to me to be doing exactly the wrong thing at the wrong time in history.

Mr. President, the proposal by the distinguished Senator from South Dakota, Senator MCGOVERN—to cut moneys from the Nation's national security budget and increase spending in domestic areas—allows us, and the American people, to focus on the central issue of the fiscal year 1980 Federal budget. That issue is simply this: What ought to be America's priorities to guarantee a stable, strong future for our people and a stable world?

What are the critical challenges facing America today? On this question we see a stronger consensus of opinion among the American people than in many decades. The American people believe that the Federal Government spends too much money on programs, and taxes too heavily to support those programs. The American people, in large part, believe that the Soviet Union is either stronger militarily than America or will soon become so. The American people believe that Government simply does not listen to their voice. Those three seemingly unrelated "beliefs," which opinion survey after opinion survey confirm are held by a majority of Americans of almost every background, persuasion, and age, come together as we debate the McGovern proposal.

First, to support a cut in national security spending is bad policy, regardless of where so-called savings from such a cut would go or where the cuts would occur. To cut our budget request, which is already substantially lower than what the Senate authorizing committee recommended, would send the wrong signal to our allies and potential adversaries at the worst possible moment. Soviet adventurism and aggression are rampant in the world. A delicate Middle East peace settlement hangs in the balance. Fundamental changes seem to be occurring in the Persian Gulf and in parts of Africa. Even in Asia, a new order seems imminent. Many of our allies question America's commitment to defending freedom. More than at any time in the past decade, and perhaps more than at any peacetime year since the end of World War II, 1980 would be the worst time to reduce our national security commitment. So, as a question of pure policy—disentangled from any question of Soviet spending or domestic program funding—cutting an already minimally adequate national security budget request is wrong. Remember: We do not line item in this resolution. Cuts in defense will not be targeted, despite all of our wishes to do so.

We do not live in a pure policy vacuum. We cannot truly disentangle our consideration of priorities in the budget from the ugly facts of what our potential adversaries in the world are doing in the field of armaments. So, the McGovern proposal is bad because it ignores what the Soviet Union is doing now, and has been doing for some time, in the military field.

Here are the facts. The Soviet Union is spending more than ever on their military stockpile. Although American defense spending has actually declined in real terms, Soviet expenditures have increased 75 percent. Today, to the best of our knowledge of how to compute equivalent Soviet-United States buying power, expert estimates indicate that Soviet defense budgets exceed ours by between 25 and 45 percent. Soviet investment in new military hardware has increased by more than 100 percent and is double our commitment to new hardware. This unprecedented commitment on the part of the Soviet Union to more precise, more advanced, and more powerful weaponry comes at a time when the United States has practiced considerable constraint. Our theory has been, apparently, that if we show the Soviet Union that we are willing to unilaterally reduce our commitment to our national security, then the Russians will respond by cutting their defense spending. That has not happened. That is the key context within which we debate the national security budget today. As Secretary of Defense Harold Brown testified before the Senate Budget Committee—

> Soviet spending has shown no response to U.S. restraint. When we build, they build; when we cut, they build.

We have paid a terrible price for indulging in the illusion that unilateral restraint would produce mutual restraint: Most experts now agree that by the mid-1980's the Soviet Union will have the capability to destroy most of our ICBM's with a first strike and still retain in reserve a large number of deliverable warheads. That means that one of the cornerstones of this Nation's security—one of the critical, perhaps the critical, component of a safe future for our citizens—will be in grave jeopardy unless we take action in this body to protect it. When the Soviet Union achieves this goal, when it obviously surpasses America in military strength, how much more aggressive and brazen will its international behavior become? What price will America, and the rest of the free world, have to pay then? The phrase "pitiful giant," used by others, seems most appropriate to describe what kind of position America will face once the Soviet Union achieves a military superiority that all nations acknowledge.

Those who frame the argument as a "guns or butter" one succumb to the myth that we spend for our Nation's security only by extracting vital moneys from domestic programs. They perpetuate the view, a dangerous and misleading view, that the choice is either weapons or widows.

The facts are that we have kept defense spending constant, or have reduced that spending, during the past decade and that during that time we have funded the most generous array of social programs in our history. We have done more than help widows, which this Nation has done since the first man died defending this land two centuries ago. We have helped almost every conceivable group in this country, or at least tried. We are spending more money on more social programs this year than we spent on the entire national budget 20 years ago. Since 1967, for example, nondefense spending by the Federal Government has risen by about 300 percent, measured in constant 1980 dollars. Defense spending has dropped. Defense obligational authority, in 1972 dollars, is 1.1 percent lower than what we committed to our Nation's security in 1964. Outlays, the actual spending for national security, are about 9 percent lower than in 1964, measured in constant 1980 dollars. In fiscal year 1979–80, defense budget authority will increase about 7.3 percent, compared to a 10.3 percent increase for the Department of Health, Education, and Welfare. In actual outlays, also, this Nation will spend more this year for HEW programs than for defense. To add to the problem, as we spend less, in real terms, for national security, we spend more of that declining pie for manpower and retirement payments. Although we have less men and women in the military, we spend more for the combined military and civilian payroll in the Defense Department.

In constant dollars, this Nation is spending for strategic forces less and less. It has dropped 53 percent since 1964. Intelligence and communications spending has declined 19 percent, air and sealift 30 percent. We have struck at the very heart of the Nation's security effort. And, yet we hear that more must be slashed; we hear that we are buying weapons when the Nation's people are suffering, as a result of these purchases, and suffering because our Government would rather buy weapons than solve pressing domestic problems. That is simply not true.

The budget of this year—fiscal 1979—reveals some interesting facts. First, while defense spending has lost a little to inflation during recent years, many other functions of the Government have seen their budgets soar. For example, function 270, which Senator McGovern wishes to increase by cutting defense moneys, has increased about 300 percent in the past 5 fiscal years. Function 400, which the Senator wishes to increase, has enjoyed nearly a doubling of budget authority in the past 3 years. Function 500, which the Senator also wishes to increase, has seen an increase in outlays of about 80 percent in the past 5 fiscal years. Certainly, it cannot be argued that the defense function has been increasing at the price of slashing those three functions.

So, on the three main points that opponents of defense spending have always made, it seems to me that their case stumbles and falls flat. We are not witnessing an extraordinary increase in the percentage commitment of America to our national security; we are not witnessing restraint in response to our restraint on the part of the Soviet Union; we are not funding defense programs to the detriment of domestic social programs.

What we are witnessing in the world today, and even in American households in every region, is a serious questioning of American resolve. Will America continue to commit itself to a strong and free future for its own people? Will America show, by the budget it approves for its national security, that while we may not be the policeman of the world, we are also not going to be a bystander in the world. The American people want a strong defense. They want less spending on wasteful programs. They want their views heard. We can do all three by voting to keep the defense target as reported by the Senate Budget Committee.

I believe that the single most important signal that this body can send to the world and to our own people this year is to approve the budget for defense that the committee overwhelmingly approved. That tangible signal will do more to make this Nation secure than almost any other action this Senate can take.

I thank the chairman of the committee and Senator Bellmon for yielding me the time to explain my position. I hope that the Senate wil deny its approval to further cuts in the defense budget and will let the mark established by the Budget Committee over weeks of testimony and 6 long days of debate remain as stated by them.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. McGOVERN. Mr. President, before I complete my argument, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, both the distinguished Senator from Oklahoma and the distinguished Senator from New Mexico have expressed their wish that they could support this amendment but have alluded to the fact that we live in a dangerous world that does not permit it, more specifically referring to the Soviet challenge.

I wish to emphasize again, Mr. President, that this amendment does not cut one gun, one bullet, one missile, one arms system of any kind from the military budget. It is a very modest reduction, some $1 billion in a budget outlay of some $125 billion, $400 million of which is recovered in a proposed assessment on the Japanese and the Germans to recover some of the expenditures we are making in their defense.

But at a time when both the Soviet Union and the United States have the clear capability of destroying the other no matter which one strikes first, I think it is quite clear that there are other concerns and other dangers that are more apparent to the American people.

Is it a Russian invasion or the steady stress and strain of inflation that constitutes the greatest concern of the American people?

Is it Russian influence in Angola or skyrocketing oil prices that concern the American people?

Is it Soviet activity in Yemen or the collapse of our rail systems that we need to be concerned about?

Mr. President, in the April 12 issue of the Washington Post appeared a tiny item with a big message. "The U.S. public debt has surpassed $800 billion for the first time in history."

The article goes on to make this point:

> The rise in the Nation's indebtedness which has doubled in the past seven years was not unexpected.

But when we consider the escalating size of Federal outlays and then recognize that one-fourth of those are centered on this military budget now before us, I hope Senators will not be frightened by a false argument into thinking that this amendment cuts into the defense muscle of the country.

Senators have referred to the fact that we have taken certain foreign policy setbacks in Angola, Yemen, Iran, and elsewhere.

But, Mr. President, it is not an absence of military power on the part of the United States that explained those setbacks. Take the case of Iran, a country that we have supplied some $20 billion of the most sophisticated military equipment that it is capable to construct, that government did not fall for lack of arms. It fell for lack of political support among its own people. I think——

The PRESIDING OFFICER. The Senator's time has expired.

Does he ask unanimous consent for additional time?

Mr. McGOVERN. I ask unanimous consent for 1 additional minute, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I just want to make the point that there is too much of a tendency to deal with what are essentially political problems by military prescriptions. There is nothing in increasing the size of military power that would have influenced the situation in Iran one iota, or in Angola or in Yemen.

These were essentially internal political problems that we wisely stayed out of not because we did not have the military capability to intervene, but we had the good political judgment to understand it would have been a self-defeating exercise to commit American military power in those situations.

So I would strongly urge the Senate to look at this amendment for what it is, a very prudent, cautious, small first step designed to eliminate some of the waste and inefficiency in our Pentagon operations.

Keep in mind, Mr. President, it does not eliminate any arms systems. It does not affect our NATO posture. It does not affect either our strategic or our conventional arms systems. It is designed to eliminate some of the inefficiencies in the management of the Pentagon, and to call on our allies to do a little more in covering the cost of their defense.

So, on that basis, I am urging support for this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the distinguished Senator from South Carolina (Mr. Thurmond), 1 minute on the amendment and 1 minute on the resolution.

Mr. THURMOND. Mr. President. I wish to thank the distinguished Senator from Maine.

I rise in opposition to the McGovern amendment. I agree with the distinguished Senator from South Dakota that inflation is a problem, but the inflation has been produced mostly by nondefense spending rather than defense spending.

I would just like to cite the figures: In 1965 defense spending was $50 billion; in 1978 it was $105 billion, an increase of 112 percent, and that was mostly inflation.

Listen to these now: U.S. health spending in 1965 was $2 billion; in 1978 it was $43 billion, an increase of 2,400 percent.

In 1965 U.S. housing programs were $288 million; in 1978 they were $8 billion, an increase of 2,800 percent.

Social service programs have increased 1,900 percent; welfare programs have increased 750 percent; jobs programs have increased 1,600 percent.

So, Mr. President, while all of these nondefense matters have gone up a thousand percent or more, a lot of them, defense has gone up only 112 percent, chiefly caused by inflation.

I want to say, too, that defense as a percent of GNP in 1965 was 9 percent; defense as a present of GNP in 1978 was only 5 percent.

Defense jobs as a percent of Federal employment in 1965 was 29 percent; in 1978 it was 17 percent.

Mr. President, with respect to waste, the Inspector General of HEW admitted last year that there was $6 billion in waste in HEW programs. This is where cuts should be made as wasteful HEW programs deny aid to those who are really in need and should be helped.

Mr. President, we cannot afford to cut defense. If we do not keep a strong defense we will not retain our freedom. It is just that simple. If we do not retain our freedom, welfare, and all of these programs, go down the drain.

I think the first priority in this country is to maintain a strong defense in order that the people of this country can retain their freedom.

I hope the Senate will turn down the amendment of the distinguished Senator from South Dakota.

I wish to thank the able Senator from Maine.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time, if there is any left.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

Mr. NELSON. Mr. President, may we have order?

The PRESIDING OFFICER. Order.

Mr. NELSON. Mr. President, the Members are still conversing in the aisles.

The PRESIDING OFFICER. Order.

The clerk may continue.

The call of the roll was resumed and concluded.

The PRESIDING OFFICER. Is there any other Senator who wishes to vote? If so, come forward.

The result was announced—yeas 24, nays 69, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—24

Baucus
Bradley
Burdick
Cranston
Culver
Eagleton
Hatfield
Kennedy
Leahy
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Nelson
Pell
Pressler
Proxmire
Riegle
Sarbanes
Stevenson
Tsongas
Weicker
Williams

NAYS—69

Armstrong
Baker
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durkin
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Levin
Long
Lugar
Matsunaga
McClure
Morgan
Moynihan
Muskie
Nunn
Packwood
Pryor
Randolph
Ribicoff
Roth
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Bayh
Chafee
Durenberger
Gravel
Percy
Sasser
Stafford

So Mr. McGOVERN's amendment (UP No. 83) was rejected.

Mr. MUSKIE. Mr. President, I yield 5 minutes to the distinguished Senator from Texas. Following his remarks, I understand the distinguished Senator from Virginia, Senator BYRD, will offer a CETA amendment, as to which we have agreed to a 1-hour time limitation.

Mr. ROBERT C. BYRD. Mr. President, I make that request, that there be a 1-hour time limitation on the Byrd amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BENTSEN. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Lititia Chambers, of the Committee on Labor and Human Resources, and Jeff Lewis, of the Special Committee on Aging, be granted the privileges of the floor during the remainder of the debate on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank my friend from Texas.

Mr. BENTSEN. Mr. President, I rise to state my admiration for the job the chairman and the ranking minority member of the Budget Committee have done in bringing forth this budget resolution, and for the contribution they have made in meeting the responsibility of trying to do a workmanlike job in setting this country on its proper course.

The discussion for the last 2 days has been permeated by concerns about the size of the Federal deficit.

The Joint Economic Committee has reviewed this issue very carefully, and I wish to reiterate some of the views we expressed in our annual report to the Congress.

The most important point was stated early in the JEC's report. Let me quote:

> The Joint Economic Committee strongly endorses the adoption of budgetary policies designed to achieve the reduction in the deficit projected by the Administration for fiscal year 1980.

We are firmly committed to reducing the Federal deficit as an essential ingredient in national economic policy. But we must still decide on the proper size for the deficit.

There are two approaches we should use in determining the appropriate size of the deficit. The first is to look at the deficit which results from growth and inflation in the underlying economy. Since the budget responds automatically to changes in these underlying conditions, we have very little short-run control over this aspect of the budget deficit.

We begin by making a forecast of economic growth and inflation. The JEC has agreed with the President that there was substantial strength in the U.S. economy in 1978. While his forecast for 1979 is substantially more optimistic both in the aggregate and in the specific components than the forecasts of private economists which we have reviewed, we do not believe it is unrealistic. Nonetheless, because there are so many areas of potential weakness in the economy, the possibility of a mild recession cannot be ruled out.

In choosing its economic assumptions for the concurrent resolution, the Senate Budget Committee has adopted a more pessimistic view of the outlook. As I understand their projections, they include a mild recession in the second half of 1979. Again, I would not call this forecast unrealistic in the light of the very uncertain conditions which prevail in our economy. However, I must point out that the Senate committee's resolution holds the budget deficit to $29 billion despite a mild economic recession. Therefore, the fiscal policy embodied in this resolution is more restrictive than that recommended by the President.

This brings me to the second way that we might view budget deficits. That is to look at the deficit which results from conscious policy decisions. As a matter of policy decision, we believe that a $29 billion deficit for fiscal year 1980 is approximately correct. Both the Joint Economic Committee and the Senate Budget Committee have agreed on the need for a restrictive fiscal policy.

Undoubtedly someone will ask whether this deficit is restrictive enough in view of the current inflation. While we believe that a $29 billion deficit is about right in the current environment, the Joint Economic Committee has stated:

> If aggregate demand pressures continue to mount in the months ahead, and if it is determined that these pressures are contributing to our inflation problem, therefore requiring a further policy-induced restraint on demand, the additional restraint should come about through a tightening of fiscal policy, not through a tightening of monetary policy. Fiscal policy must shift to the forefront in the fight against inflation.

What we have seen is a decline in consumer purchasing in the first quarter, but we have not decided yet whether that really is from bad weather. The month of February lasted about 6 months this year, so we are going to have to take a look at some of the numbers that will be coming out in the next month or so.

To understand the reasoning behind these recommendations, you must take a broad view of the economy. Sluggish productivity growth is the most important factor contributing to our present economic malaise. We believe that reducing inflation must be the top priority, but in order to make real headway in the fight against inflation, we must reverse our recent disastrous productivity slump.

Last year our increase in productivity was eight-tenths of 1 percent. The Japanese have a productivity increase which is 10 times as high as ours. This year we are forecasting a productivity increase of four tenths of 1 percent, an even further decline.

Widespread compliance with the administration's wage and price standards will take us part of the way toward achieving our goal. Reducing the cost of Government regulation will also be of assistance. But these programs in conjunction with an overall policy of demand restraint may still leave us with an unacceptably high rate of inflation, which, barring some fundamental policy changes, could persist well into the future. A continuation of our past productivity performance will virtually guarantee a continuation of inflation.

The PRESIDING OFFICER. Without objection, the Senator is granted an additional 3 minutes.

Mr. BENTSEN. The point I am making is that deficit financing, of course, contributes to inflation. But I think even more important a contribution is the loss of productivity in this country and the long-term substantive changes that we are going to have to make in order to increase that productivity.

The connection between the productivity problem and inflation is much more complicated and fundamental than is frequently recognized. For example, the evidence is mounting that inflation significantly retards capital formation. This is largely the result of the way we treat depreciation allowances in the corporate tax structure, and we believe that increased capital formation is one of the keys to increasing American productivity.

One of the things we ought to look at is the fact that this Nation is putting the smallest percentage of its GNP back into capital formation and the modernizing of capital production in this country than any other nation in the world. The country next to us in that regard is England, and we have seen some of the kinds of problems that they are experiencing.

Because increased capacity is of such fundamental importance in improving productivity and restoring the American economy to a high-employment, noninflationary path, a change in the mix between fiscal and monetary policy is required. A somewhat tighter fiscal and an easier monetary policy will make a positive contribution to the capital growth which we consider desirable.

Let me stress two aspects of this shift to a tighter fiscal, easier monetary stance. First, this is a long-term policy designed to increase the productive capacity of the American economy. It will not produce results overnight. But, the problems that our economy faces today are not problems which developed overnight, and we must take a long view of the situation if we are to come up with solutions which will work.

We did not get into this problem of stagflation overnight. I can remember when the word "stagflation" was coined. That was back in 1973 and 1974, so this problem has been with us for some time.

Second, in order to raise the rate of capital formation, we must insure that the growth of the economy is not interrupted by a recession. New capacity will not be installed if there is no reasonable assurance that it will be regularly used. Therefore, while we stress the longer term supply side of the economy, we cannot ignore the shorter term demand considerations.

In summary, Mr. President, I want to commend the Budget Committee for doing a tough job very well. While we may not agree on every detail, it is clear that the JEC and the Senate Budget Committee are agreed on the underlying principle that fiscal restraint is the proper course of action. I am confident that as we pursue this joint goal, the American people will benefit from it.

Mr. BELLMON. Mr. President, I yield myself 1 minute to respond to the Senator from Texas.

I should like simply to thank the distinguished chairman of the Joint Economic Committee and to say that the report which the committee issued in a very timely way this year was most helpful to us in the Budget Committee as we considered this first concurrent resolution. In the years I have served on the Budget Committee, this is the first time we have had a Joint Economic Committee report in which the members were all able to get together and give us their more or less unanimous view on the important economic issues the country faces. I believe this is a great credit to their new chairman.

This record has helped a great deal to put the problems that underly our economic situation in proper perspective and also, I think, helped us to understand better what has caused inflation and what it is going to take to bring it under control.

Mr. BENTSEN. I thank the distinguished Senator.

Mr. BELLMON. The fact is that I think we all realize that establishing a responsible fiscal policy is not a job for just one committee of Congress, it is a job for all of Congress. Certainly, the Joint Economic Committee has made a valuable contribution and has proved to be a valuable ally in this fight. I thank the Senator for what he has done.

Mr. BENTSEN. I thank the ranking minority member on the Budget Committee for his very responsible role in this matter.

Mr. JAVITS. Will the Senator yield to me?

The PRESIDING OFFICER. Under the previous order, Senator HARRY F. BYRD, JR., was to be recognized.

Mr. JAVITS. Will the Senator yield me just half a minute?

Mr. BELLMON. I yield a minute on the bill.

Mr. JAVITS. Mr. President, I thank the distinguished Senator. I think I am the ranking member of the Joint Economic Committee. I should like to acknowledge the fact that the system which we have worked out with the Budget Committee in which they would take into consideration the report of the Joint Economic Committee now appears to be working. This is very gratifying to me. I too, believe it is heavily attributable to the fine leadership which Senator BENTSEN has given, and, also, to the leadership of BUD BROWN, who is, this time, the House cochairman, and to our ability to reconcile our views. I think that is very helpful to the country as it is to the Budget Committee.

Mr. BENTSEN. I thank the Senator from New York.

Mr. MUSKIE. Will the Senator yield me a minute to express my appreciation to the distinguished Senator from Texas for the leadership he has provided to the Joint Economic Committee and for his appearance with the cochairman on the House side, Representative BROWN, before the Budget Committee? I think that discussion was one of the better ones we have had over the years between our two committees. It reflects the solid, responsible approach that the distinguished and knowledgeable, may I say, Senator has always taken to economic matters and budget matters. His leadership has been most helpful to us. I want to say thank you.

Mr. BENTSEN. The chairman is a generous friend. I appreciate his comments.

AMENDMENT NO. 174

Mr. MELCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an amendment to Senate Concurrent Resolution 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 10, strike out: "$18,400,000,000" and insert in lieu thereof $18,500,000,000" and;

On page 5, line 11, strike out $6,400,000,000" and insert in lieu thereof "$6,500,000,000".

Mr. MELCHER. Mr. President, this amendment is emergency help for the Milwaukee R.R., which faces the possibility of a Federal court order for abandonment of 7,000 miles of track. If this is the outcome, important coal, grain, and lumber-hauling capabilities will grind to a halt. The amendment would fund the Nation's need for emergency Milwaukee R.R. help to keep it in business to meet our grave energy transportation needs.

Without the Milwaukee in Montana, and the Dakotas, the world's largest coal deposit—the Fort Union coalfield underlying those States and northern Wyoming—would have only one railroad serving the area which ships coal to 20 different States, providing coal to scores of utilities.

This is an emergency amendment which is urgently needed.

UP AMENDMENT 84

(Purpose: To reduce funding for CETA in FY 1980)

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated. I do this on behalf of myself and the senior Senator from North Carolina (Mr. Helms).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. Harry F. Byrd, Jr.), for himself and Mr. Helms, proposes an unprinted amendment numbered 84.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19, strike "$600,600,000,000" and insert in lieu thereof "$599,500,000,000"

On page 2, line 24, strike "$532,400,000,000" and insert in lieu thereof "$532,000,000,000"

On page 3, line 5, strike $28,800,000,000" and insert in lieu thereof "$28,400,000,000"

On page 3, line 10, strike "$890,700,000,000" and insert in lieu thereof "$890,300,000,000"

On page 3, line 15, strike "$60,700,000,000" and insert in lieu thereof "$60,300,000,000"

On page 7, line 21, strike "$29,000,000,000" and insert in lieu thereof "$27,900,000,000"

On page 7, line 22, strike "$29,800,000,000" and insert in lieu thereof "$29,400,000,000"

Mr. HARRY F. BYRD, JR. Mr. President, I have a statement I wish to make. Before doing so, I commend the Budget Committee; the chairman, the Senator from Maine (Mr. Muskie), and the ranking minority member, the Senator from Oklahoma (Mr. Bellmon), for the very hard work which they and the committee have put into bringing this budget resolution to the floor. I recognize the many long hours which the committee has devoted to this matter and I think that we in the Senate are indebted to them for their diligence and their hard work on this very important matter. Before getting to the amendment, I should like to query the able chairman of the committee on several different points.

The budget resolution, as I understand it, proposes a deficit for fiscal 1980 of $29 billion in round figures.

Mr. MUSKIE. Yes, $28.8. That rounds off to $29 billion.

Mr. HARRY F. BYRD, JR. Twenty-nine billion dollars in round figures.

As I visualize the figures, that, of course, is for the unified concept; namely, the general operations of Government consolidated with the trust fund operations.

Mr. MUSKIE. That is correct.

Mr. HARRY F. BYRD, JR. What we need to do, it seems to me, for clarification is to get an understanding of the surplus in the trust funds and equate that to the deficits in the general fund, or Federal funds, operation. As I understand it, for the fiscal year 1980, under the proposed budget resolution, there will be a surplus in the trust funds of $18 billion. My question to the Senator from Maine is, Is that correct?

Mr. MUSKIE. The Senator is correct.

Mr. HARRY F. BYRD, JR. In regard to the Federal funds, namely, the general operations of Government, as I understand the figures there will be a deficit, again using round figures, of $45 billion in the Federal funds budget.

Mr. MUSKIE. $44.8 billion, to be precise, but the Senator has virtually hit it on the head.

Mr. HARRY F. BYRD, JR. So, were it not for the surplus in the trust funds, the deficit of the Federal Government would be $45 billion, instead of $29 billion?

Mr. MUSKIE. In terms of Federal funds, yes. That is correct.

Mr. HARRY F. BYRD, JR. It is correct, is it not, that the trust funds were earmarked funds and can be used only for specific purposes and not for the general operation of Government?

Mr. MUSKIE. That is correct.

Mr. HARRY F. BYRD, JR. Will the Senator from Maine break down, roughly, not in exact amounts, just roughly, that $16 billion of surplus in the trust funds?

As I understand it, the largest part of that comes from the surplus in the civil service retirement fund and also from the surplus in the unemployment fund.

Mr. MUSKIE. I do not have those figures here, may I say to the Senator, but I am advised by my staff that is probably correct.

I will be glad to make sure of that this afternoon, to make sure the Record accurately reflects the facts.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MAGNUSON. What does the Senator mean by the words "the unemployment"?

Mr. HARRY F. BYRD, JR. The taxes paid by the businesses and employers of this Nation into the unemployment trust fund.

Is that correct, may I say to the Senator from Maine?

Mr. MUSKIE. That is correct, yes.

Mr. HARRY F. BYRD, JR. So the employers of this Nation have paid into this fund huge sums which in total comprise or make up a very large surplus in the trust funds and that surplus is being used to offset the very tremendous deficit in the general operation of Government.

Mr. MUSKIE. Let me make this point. At the depth of the recession, the trust fund was depleted and unemployment compensation benefits were paid out of the General Treasury.

I do not have the numbers here, but to that extent, that trust fund was the beneficiary of general revenues from the General Treasury in order to keep it going.

The fund is now building up again. I do not have the latest figure on what it amounts to.

Mr. MAGNUSON. There are supposed to be contributions from the States on unemployment, but the States have not made their contributions. Therefore, we have dipped into the General Treasury to the extent of about $21 billion last year and I think close to $16 billion—I do not know the exact figure.

Mr. MUSKIE. That is right.

Mr. MAGNUSON. For this coming year on unemployment insurance. But this involves the States that have failed to pay into the unemployment compensation.

Mr. HARRY F. BYRD, JR. May I say to the Senator from Washington, unfortunately we cannot settle our controversy because the figures are not at the moment available.

Mr. MUSKIE. The Senator is correct.

Mr. HARRY F. BYRD, JR. There is a surplus—and I hope someone will correct me if I misstate it—of $16 billion in the trust funds. Now, of that $16 billion, my understanding is a substantial part of that is a surplus in the unemployment fund. Another substantial part of that is a surplus paid in by the civil service employees of the Government. There is a huge surplus in that area.

Mr. MUSKIE. May I say to the Senator, we will be glad to provide these precise figures for the Record because the question deserves the precise figures. I just do not have them at my fingertips.

Mr. HARRY F. BYRD, JR. I am not complaining about the Senator from Maine.

Mr. MUSKIE. But I do want to say with respect to the unemployment trust fund, there are years in which that trust fund is in deficit, as it has been in the recent recession, and funds flow from the General Treasury to the Trust Fund.

So, to some extent in those years, the Federal funds deficit is attributable to the unemployment compensation program.

Mr. HARRY F. BYRD, JR. Of course, we are speaking of 1980.

Mr. MUSKIE. In 1980, that is not the case, as far as I know.

Mr. HARRY F. BYRD, JR. In 1979, the figures I have show a surplus in the trust funds of $18 billion, which is even more.

Mr. MUSKIE. That is all the trust funds.

Mr. HARRY F. BYRD, JR. That is right.

Mr. MUSKIE. Including other trust funds.

Mr. HARRY F. BYRD, JR. That is right.

Mr. MUSKIE. But the unemployment trust fund at times in the last 5 years has been in deficit and those deficits have been covered out of the General Treasury.

So all I am saying is that it is a two-way flow at times.

Mr. HARRY F. BYRD, JR. Yes.

Mr. MUSKIE. Anticipating the Senator's question from years past, I have a record here dating from 1940 of the Federal fund deficits, the trust funds—largely surpluses, although there have been deficits—and the unified budget totals—mostly deficits since 1940. I have these figures both in current dollars and in constant dollars, and I will put that in the Record.

I also will try to get together for the Senator another table, perhaps, that I could put in tomorrow, that more precisely answers the questions he is now putting to me.

Mr. HARRY F. BYRD, JR. The Senator from Virginia would appreciate it if the Senator from Maine would do that tomorrow—he need not do it right now—but tomorrow would break down that $16 billion surplus so the Senate may know just where those funds——

Mr. MUSKIE. I will be delighted to do it.

Mr. President, I ask unanimous consent that a table showing the composition of the deficit be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET SURPLUS OR DEFICIT (−) BY FUND GROUP

[In billions of dollars]

Fiscal year	Current dollars: Federal funds	Current dollars: Trust funds	Current dollars: Unified budget	Constant (1972) dollars: Federal funds	Constant (1972) dollars: Trust funds	Constant (1972) dollars: Unified budget
1940	−4.2	1.1	−3.1	−17.9	4.8	−13.1
1941	−6.5	1.5	−5.0	−26.5	6.2	−20.3
1942	−22.8	2.0	−20.8	−78.7	7.0	−71.7
1943	−58.0	3.1	−54.9	−184.3	9.8	−174.5
1944	−51.3	4.3	−47.0	−163.9	13.6	−150.3
1945	−52.9	5.4	−47.5	−172.7	17.7	−155.0
1946	−19.8	3.9	−15.9	−64.6	12.8	−51.8
1947	.5	3.4	3.9	1.3	9.4	10.6
1948	9.0	3.0	12.0	24.0	7.9	31.8
1949	−1.9	2.5	.6	−4.5	5.9	1.5
1950	−3.1	−.1	−3.1	−7.3	−.1	−7.4
1951	2.4	3.7	6.1	5.5	8.2	13.8
1952	−5.0	3.5	−1.5	−10.2	7.1	−3.1
1953	−10.0	3.4	−6.5	−19.7	6.8	−13.0
1954	−3.1	2.0	−1.2	−6.2	3.9	−2.3
1955	−4.2	1.2	−3.0	−8.3	2.3	−6.0
1956	1.4	2.6	4.1	2.7	5.0	7.7
1957	1.6	1.7	3.2	2.8	3.0	5.8
1958	−3.2	.2	−2.9	−5.5	.4	−5.1
1959	−11.3	−1.6	−12.9	−18.8	−2.7	−21.5
1960	.8	−.5	.3	1.3	−.8	−.4
1961	−4.2	.8	−3.4	−6.7	1.2	−5.5
1962	−6.9	−.2	−7.1	−10.9	−.4	−11.3
1963	−6.6	1.8	−4.8	−10.1	2.8	−7.3
1964	−8.6	2.6	−5.9	−12.8	3.9	−8.9
1965	−3.9	2.3	−1.6	−5.7	3.3	−2.3
1966	−5.1	1.3	−3.8	−7.1	1.8	−5.3
1967	−14.9	6.2	−8.7	−20.0	8.4	−11.7
1968	−28.4	3.2	−25.2	−36.4	4.1	−32.3
1969	−5.5	8.7	3.2	−6.6	10.5	3.9
1970	−13.1	10.3	−2.8	−14.8	11.6	−3.2
1971	−29.9	6.8	−23.0	−31.5	7.2	−24.3
1972	−29.3	5.9	−23.4	−29.3	5.9	−23.4
1973	−25.6	10.7	−14.8	−24.2	10.1	−14.0
1974	−18.7	14.0	−4.7	−16.1	12.1	−4.0
1975	−52.5	7.4	−45.1	−40.8	5.8	−35.0
1976	−68.9	2.4	−66.4	−50.1	1.8	−48.3
1977	−54.5	9.5	−45.0	−36.9	6.4	−30.5
1978	−61.5	12.7	−48.8	−38.6	8.0	−30.6
1979 estimate	−54.6	18.0	−36.6	−31.4	10.3	−21.1
1980 estimate	−44.8	16.0	−28.8	−23.8	8.5	−15.3

Mr. MUSKIE. Mr. President, this table shows both the unified budget surplus or deficit—the total figure we are accustomed to dealing with in budget resolutions—and the separate surplus or deficit attributable to operations of the Federal funds and trust funds.

The table shows each surplus or deficit both in "current" dollars—that is, the figures that actually show up in the budget and in "constant" 1972 dollars. The constant dollar figures make year-to-year comparisons more meaningful.

Let me emphasize that I believe the best measure of the fiscal impact of the Federal budget is the unified budget deficit, which takes into account all revenues and spending by the Government.

If one is interested in economic impact, it does not matter whether a tax dollar is deposited in a trust fund or in the general fund of the Treasury. Likewise, it does not matter whether a dollar spent is paid out of a trust fund or out of a Federal fund appropriation. In the first instance, the Government has taken a dollar out of the economy; in the second, it has put a dollar back. The economy is indifferent to internal Government bookkeeping, and primarily responds to the difference between how much the Government takes out of the economy and how much it puts into the economy.

I would like to emphasize one other point. It is sometimes implied that the Federal funds deficit is the deficit for the general operations of the Government. This is not the case. Using the private business distinction between an "operating" budget and a "capital"—or investment—budget, upwards of $100 billion of Federal outlays in fiscal year 1980 will be of a clearly "capital" type, and the large majority of these "capital" outlays come from Federal funds. On the other hand, a substantial portion of "operating" costs are paid from trust funds.

(Mr. BAUCUS assumed the chair.)

Mr. MAGNUSON. Will the Senator yield?

Mr. MUSKIE. Yes. I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. The Federal fund appropriations for unemployment benefits has been $15 billion over the last 3 years, $5 billion each year, which comes out of the Treasury.

Mr. HARRY F. BYRD, JR. May I ask the Senator from Washington then, what is the surplus in the trust funds for the unemployment?

Mr. MAGNUSON. That I do not know. I just know that $5 billion each year comes out, dips into the Treasury, because, I think, I am pretty sure I am correct, of the lack of States making their contributions to the unemployment fund. States have just given up on it. They make a token payment. They are supposed to pay 50 percent of the unemployment fund.

Mr. MUSKIE. If I may ask the Senator from Virginia a question, we have an hour for this amendment of the Senator and there is a meeting at the White House involving some Senators. I wonder if the Senator would object to completing the debate on his amendment tonight and putting the vote over to a time certain tomorrow?

Mr. HARRY F. BYRD, JR. I am wondering if the Senator from Maine would be agreeable to this; I will speak only 6 or 7 minutes and then we could have a vote tonight.

Mr. MUSKIE. Is that agreeable?

Mr. HARRY F. BYRD, JR. May I make this suggestion? A vote at 4:15. I will speak for 2 minutes. I will explain the amendment as best I can in 2 minutes.

Mr. JAVITS. May I have 1 minute?

Mr. MUSKIE. Yes.

Mr. HARRY F. BYRD, JR. I will explain as best I can in 2 minutes. Then I am willing to vote.

Mr. MUSKIE. All right.

Mr. HARRY F. BYRD, JR. This amendment would require reductions of $1.1 billion of budget authority and $400 million in outlays in function 500—education, training, employment, and social services.

This is a precise amendment, Mr. President. This amendment being offered by the distinguished Senator from North Carolina and the Senator from Virginia is a precise amendment which was offered by the Senator from Oklahoma (Mr. BELLMON) in committee; and that amendment was voted down by one vote, by a vote of 9 to 8. So 8 members of that 17-member committee saw a lot of merit in this amendment.

Mr. President, I ask unanimous consent that the name of the Senator from South Carolina (Mr. THURMOND) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, this is a reasonable amendment. There is no reason in the world to continue these CETA funds into 1981. This proposal would phase them out in 1980, precisely as the Senator from Oklahoma (Mr. BELLMON), the ranking Republican member of the committee, advocated in committee; and his proposal in committee received eight votes. It was defeated only by 1 vote, by a vote of 9 to 8.

I reserve the remaining 1 minute of my time.

Mr. BELLMON. Mr. President, will the Senator yield me a minute and a half?

Mr. MUSKIE. I yield.

Mr. BELLMON. Mr. President, the Senator from Virginia has stated the proposition accurately. This is an amendment I proposed in committee, and I lost by one vote.

There were others who also proposed amendments to change the funding level for countercyclical jobs, and those amendments were well above the figure the committee finally recommended, and those amendments also were defeated.

There were few votes that better illustrate the process of balance and compromise through which the committee arrived at its recommendation than the eight votes we had on this issue.

When we sat down to mark up this resolution, no one thought we would, or could, recommend favorably a resolution that would produce a balanced budget in fiscal 1981.

Much as I regret it, I feel that I must oppose this amendment and other amendments, on many of which in committee I was not on the prevailing side, which would upset the delicate compromise that the committee finally reached which makes it possible for us to present a balanced budget for 1981.

So, while I support the idea of the Senator from Virginia, I will not be able to support this amendment on the floor but will stick with the committee position.

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, the long and short of this is that the cities of the country have been cut very severely in everything that has been done in this budget resolution—in housing, in jobs, in countercyclical aid. In everything that affects the cities, there have been drastic cuts.

The Budget Committee already has cut the President's budget 50 percent on this item—from 200,000 jobs to 100,000 jobs—and they have cut it by $700 million. It seems to me that all this does is to seek to cut people who already have been cut to the bone even deeper than that.

Almost half of the prime sponsors in CETA today, about 180, still have 6.5 percent unemployment in their communities. Many cities like my own have unemployment of 8 and 9 percent and more. This is an infinitesimal effort to help those areas with persistent and deep unemployment.

I think it is elementary justice and basic nondiscrimination to leave this in the bill, as I hope the Senate will.

Mr. MUSKIE. Mr. President, the Budget Committee has voted—and this budget reflects it—to phase down CETA title IV, countercyclical jobs, by the end of 1981. The Byrd amendment would accelerate that phasedown by 1 year. The committee felt, on the whole, that that would throw too many people out of jobs and create the kind of disruption we should avoid. The committee estimates that CETA will employ 343,000 individuals at the end of this year. The Congressional Budget Office reports that the only way we can be sure of not laying off CETA employees is to provide for an 18-month phasedown, since 18 months is the new maximum length of a CETA job.

So, all we are talking about is 1 additional year of phasedown, and I think that was a reasonable position for the committee to take, in light of the conditions the Senator from New York has described so eloquently.

Mr. HARRY F. BYRD, JR. Mr. President, 8 of the 17 members of the committee thought this was an appropriate amendment. It is an appropriate amendment. We cannot continue the CETA program indefinitely. The Senator from New York says it is infinitesimal. I say that $1.1 billion is not infinitesimal.

This is a chance for the Senate to go on record as making a reduction in these fantastic spending programs.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

● Mr. WILLIAMS. Mr. President, I rise to express my profound opposition to the amendment of the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

As I understand the purpose of the amendment, it would completely eliminate funds for the public service employment program under title VI of the Comprehensive Employment and Training Act (CETA).

The amendment would terminate the program—gradually, to be sure, by driving enrollment to zero at the end of fiscal year 1980, but effectively killing the program nevertheless.

This is precisely the wrong time to kill the title VI program. It is a countercyclical program—an antirecession weapon—designed to provide more jobs as unemployment rises and then fewer as joblessness declines.

Today, we are on the verge of an upswing in the unemployment rate.

The economy has begun its expected downturn; the gross national product advanced a meager seven-tenths of 1 percent in the first quarter of the year.

All of the major forecasters of economic trends agree that the unemployment rate will rise, and in the main, the predictions range from 6.2 to 7.2 percent average unemployment in fiscal year 1980.

The Budget Committee's projection is in the middle of this range—6.8 percent. At that level, some 7 million Americans will be counted as unemployed. Another 4 million will be without work, but not counted because they will stop looking for work or settle for a few hours of part-time employment.

The report of the Budget Committee states, on page 20, as follows regarding the expected rise in unemployment over the next 18 months:

> Employment opportunities will be provided for approximately 1 to 1¼ million fewer persons than would be the case if the unemployment rate were to remain at the 5.7 percent first quarter rate.

Against this background, any reduction in job creation by the Federal Government is cruel, but elimination of the program would be heartless.

Mr. President, at the present time, approximately 350,000 persons are working in title VI jobs under CETA across the country.

The overwhelming majority of them are hard-to-employ persons from low-income families.

Senators should recall that, in 1976, the Congress enacted CETA amendments that greatly tightened up eligibility under the program, targeting the jobs on the long-term unemployed from low-income families.

This set of standards applied to all of the additional jobs under title VI that were funded with the Economic Stimulus Appropriations Act of 1977.

And last year, when CETA was reauthorized, we included limitations of family income, requirements of long-term unemployment, and preference for public assistance recipients among the provisions of title VI.

As a result of the 1976 and 1978 amendments, the proportion of economically disadvantaged participants in title VI rose from 44 percent to 80 percent, according to Secretary of Labor Marshall's testimony before the Joint Economic Committee.

As I indicated, there are now about 350,000 title VI employees, and there are 2 million other chronically unemployed Americans who would be standing in line waiting for these jobs if the program is permitted to survive.

Most of these disadvantaged workers live in the economically depressed areas of both urban and rural America.

Their hopes are not great in the best of times, and their opportunities will be fading further in the days and months ahead as jobs dwindle and unemployment rises.

Mr. President, the President's budget proposes to reduce title VI positions from the current level of 350,000 to a level of 200,000 by the end of fiscal year 1980.

The Committee on the Budget has recommended cutting the program even further—to a level of 100,000.

I believe we will regret the reductions in both instances. In all likelihood, we will be coming back to consider urgent amendments to the budget resolution and to appropriations for these jobs programs in crisis atmosphere efforts to head off a recession.

One virtue of the title VI program is that it obviates the necessity for crisis responses to rising unemployment.

It constitutes a permanent, standby device by which jobs can be provided quickly and in proportion to the rising need.

It is a truly countercyclical program, standing ready to move into action.

But the amendment of the Senator from Virginia would lay the title VI program to rest. This amendment would terminate the only significant countercyclical tool available to the President to directly create jobs as they are needed.

If this amendment were adopted, the signal would go forth to the 460 CETA prime sponsors that they should shut down the title VI program.

Although they would have funds sufficient to manage the reduction in jobs, they are more likely to simply close out the program in their areas as rapidly as possible.

Any residual funds undoubtedly would be transferred to other CETA activities under the authority of section 610 of the act, which authorizes such transfers.

The vast administrative mechanisms of the title VI program would be dismantled, and the thousands upon thousands of public and nonprofit organizations that now provide jobs for the participants would turn their attentions elsewhere.

Now, the Senator from Virginia understands as well as anybody the importance in our military strategy of keeping the production lines open for our first-line weapons of defense.

The title VI public service employment program is one of our first-line weapons against recession. To shut the program down completely makes no more sense than closing out the production line for the F–14 naval fighter-bomber aircraft.

Mr. President, there are those who say that, since the title VI program is a countercyclical program and the cycle of unemployment has dropped to 5.7 percent, it is time to get rid of these jobs. I have two major problems with this line of reasoning.

First, it flatly rejects the wisdom of using some foresight, which would dictate an increase in tne program—not a decrease—if it is to live up to its "countercyclical" label. Unemployment is on the rise, and a countercyclical program would increase with it.

Second, an unemployment rate of 5.7 percent is far from the acceptable bottom of the cycle of joblessness. The Congress last year committed the Nation to an effort to reduce unemployment to 4 percent by the end of 1983. A countercyclical program that closes out at 5.7 percent renders hollow and meaningless the commitment that was made by enactment of the Humphrey-Hawkins bill.

It would be a fair assumption of our constituents that adoption of the amendment of the Senator from Virginia represents a repudiation of the Humphrey-Hawkins goals.

I for one cannot join in that repudiation, and I urge my colleagues to share those sentiments by voting against this amendment.●

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. MUSKIE. I yield back the remainder of my time.

Mr. HARRY F. BYRD, JR. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), and the Senator from Tennessee (Mr. Sasser) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. Cochran), the Senator from Minnesota (Mr. Durenberger), and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

I further announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "nay."

The result was announced—yeas 29, nays 63, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—29

Armstrong
Boren
Byrd,
  Harry F., Jr.
Cohen
Dole
Domenici
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Laxalt
Lugar
McClure
Nunn
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stennis
Talmadge
Thurmond
Tower
Wallop
Warner

NAYS—63

Baker
Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Stevens
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams
Young
Zorinsky

NOT VOTING—8

Bayh
Chafee
Cochran
Durenberger
Gravel
Percy
Sasser
Stafford

So the amendment (UP No. 84) was rejected.

The PRESIDING OFFICER. Will the Senator please suspend? The Senate is not in order.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I will be glad to proceed when we get order.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. The Senate will not proceed until it is in order.

UP AMENDMENT NO. 85

(Purpose: To reduce funding for foreign aid in FY 1980)

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia (Mr. Harry F. Byrd, Jr.) for himself and Mr. Helms proposes an unprinted amendment numbered 85.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19, strike "$600,600,000,000" and insert in lieu thereof "$599,600,000,000"

On page 2, line 24, strike "$532,400,000,000" and insert in lieu thereof "$532,200,000,000"

On page 3, line 5, strike "$28,800,000,000" and insert in lieu thereof "$28,600,000,000"

On page 3, line 10, strike "$890,700,000,000" and insert in lieu thereof "$890,500,000,000"

On page 3, line 15, strike "$60,700,000,000" and insert in lieu thereof "$60,500,000,000"

On page 4, line 13, strike "$12,200,000,000" and insert in lieu thereof "$11,200,000,000"

On page 4, line 14, strike "$8,100,000,000" and insert in lieu thereof "$7,900,000,000"

ORDER FOR VOTE ON MR. HARRY F. BYRD, JR.'S AMENDMENT AT 5:15 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the author of the amendment (Mr. Harry F. Byrd, Jr.) and the manager of the resolution (Mr. Muskie), and I believe it is agreeable with Mr. Bellmon, that a vote occur in relation to this amendment at 15 minutes after 5 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Mr. President, may I make an inquiry?

Mr. ROBERT C. BYRD. Yes.

Mr. NELSON. Did the Senator from Wisconsin understand the majority leader to say that would be the final vote of today?

Mr. ROBERT C. BYRD. No; I said a vote in relation to the amendment by Mr. Harry F. Byrd, Jr. would occur at 5:15 p.m. today.

Mr. NELSON. At the end of the day, does that mean the final vote?

Mr. ROBERT C. BYRD. No; it means a vote in connection with the Harry F. Byrd, Jr. amendment at 5:15 p.m. today.

Mr. NELSON. May I inquire is it anticipated that there will be any other rollcall on amendments today following the 5:15 vote?

Mr. ROBERT C. BYRD. That I cannot answer. Perhaps the distinguished manager of the bill (Mr. Muskie) knows whether or not other Senators are prepared to call up amendments today.

Mr. MUSKIE. May I say, Mr. Leader, there are a number of amendments, and I would like very much to take up at least one more if we could get a willing sponsor to come to the floor with his amendment.

There are many more amendments pending than we have dealt with today by far. In the morning at 9 there is a Lugar amendment scheduled, to be followed by a Roth amendment. Then there is a Metzenbaum amendment, a Schweiker amendment, a Domenici amendment, a Kennedy amendment, a Tower amendment, and then a possible Stennis amendment, I gather a Riegle amendment, and then an amendment of the distinguished majority leader.

That is going to be very difficult to get through all those amendments tomorrow, and I know at least the Stennis-Riegle amendments are going to be very controversial and probably take the full time, which would be 4 hours for those two if the full time were taken for those two amendments.

So really I would like to get at something like the Schweiker amendment or the Domenici-Armstrong amendment or the Kennedy amendment or the Tower amendment. Those would be, from my point of view, very desirable candidates for at least discussion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes.

Mr. ROBERT C. BYRD. I would like to express that hope also. We are not going to have any sessions on Friday so as to accommodate committees in meeting the May 15 deadline. We have not been having votes on Monday evenings, in accordance with my promise to Senators that there will be no votes after somewhere between 6 and 6:30 p.m.

I have stated in my caucus that we can expect votes on Tuesday evenings and Wednesday evenings. But it has got to the point where we do not want to have any sessions on Friday, no sessions on Saturday, of course, and no votes on Monday evenings.

It is difficult to get a vote after 5:15 on Tuesday now. We would do well to complete this resolution tomorrow. It will be the 3d day. We have just been out for 10 days, or 11, or 12 days if you want to count Saturdays and Sundays. We have the Department of Education bill, we have the aviation noise abatement bill. We have time agreements on those measures. I would like to finish them this Thursday before we go out, but it is getting to the point where I do not know when the Senate is going to do its work. We have eliminated Fridays now for at least through April, and we have eliminated Monday evening, and it looks as if we are going to be forced to eliminate Tuesday evenings if Senators just say they are going and not coming back. So I do not know when we are going to do our work.

I hope we could have another amendment this evening. Tomorrow is going to be a long day. That leaves Thursday of this week to do the education bill and the aviation noise abatement bill. If we can have one more amendment and finish by 6:30 today—I assured the distinguished minority leader we would go out at 6:30 today, because there is an important event coming this evening, in which my friends across the aisle are especially interested, but I hope we could get one more amendment today.

So I would hope that we could finish one more amendment today. Having said that, I think I have said more than enough.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. I always find it interesting that after one has lagged for 3 or 4 days on a bill like this, suddenly enthusiasm for offering amendments and extended debate escalates on the next day, when everybody would like to finish reasonably early. I do not know whether there is something perverse about human nature that achieves that result, but we have had a great deal of time to kill yesterday and today.

I can remember what led to this resolution: the debt ceiling bill. There was no lack of interest in achieving a balanced budget, no lack of proposals and debate here. We have produced what the Senate overwhelmingly asked for at that time, and now no one wants to offer amendments or talk about it.

Mr. ROBERT C. BYRD. Mr. President, to answer the Senator's question, I ask unanimous consent that the vote occur at 5:15 p.m. in relation to the amendment by Mr. Harry F. Byrd, Jr.

Mr. BELLMON. Mr. President, reserving the right to object, there are Members on both sides of the aisle at the White House. Will they be able to get back by that time?

Mr. ROBERT C. BYRD. I told the White House we were doing business up here today, and having votes, and that I was not coming down to the White House today. The cloakrooms said they would call Members on both sides, and I presume they will. I think we have enough problems within our own institution here, in combination with the problems of our constituents, without people from the White House calling the Members from this Chamber to be down there at 4:30 or 5 o'clock in the afternoon.

Since the vote lasts for 15 minutes, they will have until 5:30 to get here.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I would hope we could have assistance from both cloakrooms in generating one other amendment, if possible, today, so that we could have a vote thereon, if possible, at 6:30.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. May we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Virginia may proceed.

Mr. HARRY F. BYRD, JR. Mr. President, before discussing the amendment, the distinguished majority leader mentioned that perhaps Congress would do just as well not to do any business, or some words to that effect, since no one is around or so many are away or something like that.

That brings to mind that one of the finest Congressmen from the State of Virginia, Representative Dan Daniel of the Fifth Congressional District, spent all of the Easter recess in his home district. He went to every county and city in the district, and he said he found the people very happy that Congress, this session, was passing very little legislation.

I hope this Congress will continue to pass very little legislation. I think the people want very little legislation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the leadership and the Members of the Senate are very well aware of the mood of the country, but we do have to pass, by law, this concurrent budget resolution.

Mr. HARRY F. BYRD, JR. Oh, yes, I know that.

Mr. ROBERT C. BYRD. There are measures involving expiring deadlines in connection with at least 60 programs, I suppose, and there are the regular appropriation bills that have to be passed or the departments will discontinue their functions, employees will not be paid, and the people of the United States will not be served.

So, while I agree with the Senator that there is a mood in this country, a mood in this Congress, and a mood in the Senate that reflect that same feeling, that we need to go a little bit more slowly, that we need to be more conservative, that we need to conduct our oversight function, there are some measures that have to be passed, and this is one.

What I am saying is that we in the Senate have a certain amount of work we have to do, and it is very difficult for the leadership if we are going to be out on Friday for committees to get their work done under the deadline set for them by the Congressional Budget Act. And they are doing it. The Washington Post and the Congressional Digest, among other publications, have noted that the committees are diligently at work.

We do have a certain amount of work that has to be done if this Government is to continue to function, and we cannot do it and also be off on Fridays, not have votes on Monday evenings, and quit at 5:15 on Tuesdays, Wednesdays, and Thursdays, and also have our nonlegislative day holidays in which committees are working, and in which Senators get back to their constituencies and feel the pulse back there, which is an important legislative function.

This is not to say that Senators are not busy, but I hope Senators will get to the floor and call up their amendments, so we will not be wasting time here and having the manager and the ranking minority member have to wait for the calling up of amendments. They have done their work in committee; they are here managing the resolution, they are ready to defend the resolution and explain it, and Senators who have amendments ought to be here to call them up.

The Senator from Virginia is doing that, and I am grateful to him, and I thank him for yielding.

Mr. HARRY F. BYRD, JR. The able majority leader is doing an outstanding job, I feel, in the way he is programing the work of the Senate, and of course I concur fully that this is a measure that has to be passed—or has to be considered, not necessarily passed in this precise form, but it has to be passed in some form. I personally would change the measure a little bit, but it has to be passed in some form.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HARRY F. BYRD, JR. There are appropriation bills that have to be passed in some form, so I concur fully with the remarks just made by the distinguished Senator from West Virginia.

Mr. President, the pending amendment to Senate Concurrent Resolution

22 would require a reduction of $1 billion in foreign aid below the level recommended by the Budget Committee. It would require a reduction of $1 billion in budget authority and $200 million in outlays in function 150, namely, international affairs.

The cutback in budget authority for international affairs is intended to hold bilateral aid and contributions to multilateral development banks at least to current law levels, rather than indexing them for inflation.

Why should the Congress of the United States index foreign aid? Why should the Senate of the United States index appropriations to the international banking institutions? We do not even index the income taxes for the people of this country. We do not even give our own taxpayers the opportunity to benefit from indexing; why should we index appropriations to these international banks?

If we cut out the indexing, that would achieve one-half of the $1 billion cut. A further cut of $500,000 in budget authority also would be necessary, to be distributed within the function as the authorizing and Appropriations Committees see fit.

My personal view is that these further reductions would come partly from international programs and from further cuts in foreign aid. I have estimated that this reduction would result in a cut of $200 million in outlays for this function in 1980.

In my view, it is time, in this time of high inflation and the deficit in the current resolution provides for a $29 billion deficit, it is time that we take a more realistic view of the foreign assistance program. We are now providing foreign assistance to 101 countries scattered throughout the world.

I think the time has now come to take a more realistic view of our foreign aid commitments. I hope the Senate will support a reduction in this one item.

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself such time as I may need.

Mr. President, as always this is a function that is easier to attack than it is to support politically. Yet, the fact is that we have obligations as the leader of the free world, as a major power interested in asserting our influence in the world, hopefully toward peaceful objectives. We cannot ignore the fact that if we are to play that role it carries some budgetary costs. There is no way of doing it for nothing.

If we are concerned about conditions in the unstable parts of the globe, the developing countries, conditions that are being exploited by those who are greedy for power and seek to advance themselves, conditions created by backward and deprived people who do not have enough to eat or a decent place to live, if we are concerned about the power struggle that conditions of that kind stimulate and feel we have a responsibility to do something about it, we have to bear some of the cost of doing so. There is no free lunch there.

The total in this function is $12 billion—$12 billion out of a budget of $530 billion. I do not know what that figures out percentagewise, but it is pretty low. I wish the staff would figure that out for me. It is amusing to me that in this day of electronics we cannot use hand calculators on the floor without getting specific permission from the Senate. We have that permission.

The staff tells me it is 2 percent of our total budget authority which is represented by the total international affairs function.

The major addition to this function over current law is about $400 million in outlays for the President's Middle East initiatives regarding Israel, Egypt, and Turkey. All of us took considerable satisfaction in the peace treaty. I heard Senators say it was worth the price. It is not even the price that the press advertised at the time. It is $300 million in this function in fiscal year 1980, and a total of $1.1 billion in outlays over the fiscal year 1979–81 period. Another increase over current law is $200 million to support the U.N. peace force in Lebanon, U.N. dues, and partial discretionary inflation for the Export-Import Bank, which we rely upon to stimulate exports, and for the State Department to help deal with inflated costs of operations overseas.

Are these reasonable costs? Is that $300 million in fiscal 1980 for the Middle East initiatives more than our country can bear? Is it unreasonable? And $100 million to support the U.N. peacekeeping force in Lebanon and other U.N. operations—is that unreasonable?

Those are questions we have to ask, not simply as politicians who respond to the public clamor for cutting foreign aid, but as responsible Senators concerned with playing a responsible role in the field of foreign affairs.

I hear Senators constantly complaining that we are never consulted by the administration on foreign matters. Well, each year we are consulted with respect to the cost and yet we object because there is no constituency for international programs.

Mr. President, I would suggest that the people back home do not really know how small a part of the total budget this is. I hear constituents say, "Why don't you take my program out of foreign aid?" By the time you add them all up, they must have the notion that the foreign aid program is several hundred billion dollars. In fact, budget authority for all international programs is $12 billion. Of this amount, $4.5 billion is for development programs or "foreign aid."

In outlays, the actual dollars expended are 1 percent of the total budget.

So, Mr. President, this is not the great monster of unleashed spending that critics of the program would have us believe. It is a modest contribution to our world leadership role.

Senator Byrd's amendment would reduce the mission 1 targets to current law in budget authority, and $100 million below current law in outlays. Current law means what we now spend or are committed to without allowance for inflation not mandated by law. That reduction would reduce the amount assumed for the multilateral development banks by at least $400 million in budget authority.

In addition, the Byrd amendment would make an additional unspecified cut of $500 million in the budget authority and $100 million in outlays.

The Budget Committee's targets for mission 1, international development programs, were proposed by Senator Chiles, who certainly is conservative with respect to budget matters. He argued that the President's request for the multilateral development banks represented a commitment by the United States that are matched almost $3 to $1 by other donor nations. Half of the budget authority requested was for guarantee-like, callable capital which is not expected to result in outlays and which, in fact, has never resulted in outlays. It is simply a pledge of our credit to permit the multilateral banks to raise capital for development purposes.

The committee targets for mission 1, Mr. President, assumed that part of the President's request for the multilateral development banks will be deferred until fiscal year 1981. So we are not even keeping our commitments on time under this budget resolution.

The amount deferred would be about $600 million in budget authority and less than $100 million in outlays under the committee's assumptions. This is more than half of the arrearages of $1 billion which were requested but which were not enacted in fiscal 1979. The balance will not be enacted until after fiscal 1980 under this budget resolution. During markup, a majority of the committee voted against the two amendments which were similar to the Byrd amendment. The second one failed by a vote of 2 to 13.

I submit that the membership of the Budget Committee could best be described as conservative in tone. So the case for the committee recommendation was made by a responsible Senator, who has been a member of the Budget Committee for these years, because he understands the importance of these commitments.

Mr. President, if we break these commitments, other nations, who have met theirs and met them on time, will take note of our action. Many Americans, including Members of Congress, have asked that we reduce contributions to the multilateral development banks. This is being accomplished by negotiating a lower U.S. share of new commitments and by deferring payments of our commitments. We have undertaken to reduce salaries of senior staff at the multilateral development banks. This action may stimulate a strike on the part of employees as a result, because Congress can, of course, only affect the salaries of a few of the American staffers.

In the Inter-American Development Bank we have a veto over low-interest loans. If our contribution drops below a certain level, we lose that veto and the ability to influence those decisions.

Mr. MOYNIHAN. Will the Senator yield?

Mr. MUSKIE. I yield to my good friend from New York.

Mr. MOYNIHAN. I appreciate the chairman's courtesy.

I should like to reinforce a point which he made and which I think our good friend, the Senator from Virginia, for whom we have such an extraordinary regard, might find relevant.

Namely, the chairman of our committee described it as a conservative committee. He is not being extravagant; there is no hyperbole in that description, I, for one, assure you. May I say, there are many aspects of conservatism and many extraordinarily attractive, not the least of which is the notion that commitments made by the United States ought to be for the moneys that we have provided for the multilateral lending institutions here represent commitments made. It is altogether proper to review those commitments. It is entirely within the province of the Committee on Foreign Relations and the Appropriations Committee to instruct the Department of State to renegotiate commitments, or to negotiate new commitments. But, when commitments have been made by the United States of America, we must keep them.

It would be most unfortunate to get in the habit of breaking commitments. That casts a shadow over the whole of our international activities, which are incomparably the largest and, in ways, the most generous of any nation in the world. Why jeopardize a reputation wholly deserved and dearly bought by acting in a way which we could not condone in others and do not, in fact, condone in ourselves?

This process is not the correct vehicle for reducing our commitments. The correct vehicle is instructions from the appropriate committees, followed by negotiations by the executive branch. But, commitments having been made, the United States word must be good: it always has been, and it ought not, unintentionally, to be jeopardized in an effort to control what is, after all, not a very large expenditure. In the case of the banks, it is a revolving investment. This money is no more expended than is money put into a bank in the United States. It becomes capital of the bank, remains capital, and, in proportion to what we lend is repaid to us. I think the long experience of these banks is that the loans are good and the capital is maintained.

I respect the distinguished Senator from Virginia. I know that the amendment is put forth in good faith. One could not imagine anything but good faith coming from the Senator from Virginia. But it would have consequences, I think, that he would be one of the first to deplore, because they would not be characteristic of his own perfect rectitude in these matters.

Mr. MUSKIE. I thank the Senator from New York. I echo his assessment of the motivation of the Senator from Virginia. We have this disagreement every year and it has gotten to be a social occasion, almost.

In any case, I understand the view on this subject and the philosophy and I expect him to bring up the amendment and I expect to answer it. I do not know whether I can have any expectation about the vote, but in any case, it is well to air the issue and to have it discussed, and I hope we have discussed it as thoroughly as we can. I think the Senator shares my views.

I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I am not sure how the term "conservative" is defined. I think in our committee work, these categories get pretty well fuzzed up sometimes. But I suppose I more or less fit that characterization of being conservative.

This is a program where I think there are good conservative reasons to favor holding the committee's position. The fact is that the Senate Budget Committee did carefully examine this function and we have already cut the President's request by $1.8 billion. I know the Senator from Virginia is aware of that. We cut it by $1.8 billion in the budget authority and $900 million in outlays. So there has been a little conservative scalpel used in this area already.

At the same time, I believe there is good reason for the United States, as has already been said, to conduct itself in a responsible way in dealing with the multilateral national banks and other programs that these funds will support.

To me, it is unfortunate, when we talk about foreign aid and undertake to reduce it, that we aim cuts primarily at the multilateral development banks, because the participation by the United States in the operation of these banks is an effective way to promote our own free enterprise economic principles and to demonstrate how much more effective our economic system is than some of the other systems that are followed in other countries and which are sometimes——

The PRESIDING OFFICER. The time of the Senator from Maine has expired. The Senator from Virginia has 3 minutes.

Mr. HARRY F. BYRD, JR. I yield 3 minutes to the Senator from Oklahoma.

Mr. BELLMON. I thank my friend from Virginia.

I was saying I believe it is unfortunate when we do not support the multilateral development banks, because this gives us a chance to show how much better our economic system works than some of the systems of the centrally planned economies.

What I say to my friend from Virginia is that I believe the Senate Budget Committee tried to be fair and responsible in dealing with international development programs, and that we did not give these programs special treatment. Our position as a world power carries special responsibility to involve ourselves in many global interests, such as foreign aid, and these international development banks are among those. I support the committee position and will oppose the amendment.

Mr. MAGNUSON. Will the Senator yield to me?

Mr. MUSKIE. I yield to the Senator 2 minutes.

The PRESIDING OFFICER. The time of the Senator from Maine has expired. The Senator from Virginia has time left.

Mr. HARRY F. BYRD, JR. I shall be glad to yield.

Mr. MAGNUSON. Just half a minute.

The PRESIDING OFFICER. The vote on the amendment by the Senator from Virginia is to come at 5:15, so the time will have to come off the time allotted to the manager of the bill.

Mr. HARRY F. BYRD, JR. I am glad to yield to the Senator from Washington.

Mr. MAGNUSON. I am very interested in this debate. I have always voted to cut foreign aid and the Senator from New York makes a good point on commitments. I think the problem is that too many Secretaries of State run around the world making commitments. Then they come back and say, "Oh, we are committed." Sometimes, if they would only add, "We think this is a good idea and we are going to ask Congress, to try to get it over with Congress." But they do not do that.

I am going to vote against the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I am not surprised at that.

Mr. MAGNUSON. I think the committee did a good job, but I want to suggest that the Appropriations Committee will look at it.

Mr. HARRY F. BYRD, JR. May I say to the Senator from Washington that I would have been greatly surprised if he had agreed with me?

Mr. MAGNUSON. This is only a ceiling and we shall take a good long look at it.

Mr. JAVITS. Will the Senator yield me 2 minutes?

Mr. HARRY F. BYRD, JR. Yes, I yield.

Mr. JAVITS. The Senator from Virginia is always very gracious, and he knows I will always speak in opposition to his amendment, and he knows I always do.

I have just been on a trip abroad. That was for business reasons in respect to IFI's. I can testify to one thing. That is, if we are to have any hope for correcting our balance of trade, it is going to be with the less developed countries.

There is no question about that, and the soundest lending to them is by the international financial institutions.

This is quite aside from the stabilization of the international monetary situation, which is the single greatest danger to our own solvency and that of the world.

Now, as to the LDC's and our sales to them, they are now our best customers of any and, as I say, the soundest lending for their development comes from these IFI's.

Furthermore, we are sure of contribution by others who can afford it.

If Japan will do more with Third World countries—and Senator CHURCH and I have just come from there—it will be only through the IFI's and increasing of their allocation.

For all those reasons, I think this is a sound investment in terms of business and American trade where we need it the most, where we have the greatest imbalance.

Mr. MUSKIE. I have no time left, I am sorry to say.

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have now?

The PRESIDING OFFICER. The Senator has about 3½ minutes remaining.

Mr. HARRY F. BYRD, JR. I yield to the Senator from Idaho a minute and a half.

Mr. CHURCH. I will only need a minute.

Mr. President, I concur wholeheartedly in what my colleague, the ranking member on the Republican side of the Senate Foreign Relations Committee, has said. I think a cut of this size could be disastrous.

At the same time, I recognize that there are places in the foreign aid program where cuts can be made and will be made.

When the Senate Foreign Relations Committee addresses the authorization levels, I am sure some cuts will be made. When the Appropriations Committee reviews foreign aid for actual recommended appropriation levels, further cuts will be made.

I think that is the proper way to address this question.

For that reason, I hope the Senate will reject the pending amendment.

Mr. HARRY F. BYRD, JR. Mr. President, for nearly 14 years I have heard the same arguments made on behalf of foreign aid that I have heard today, nothing new.

One of these days the American people will demand that the Congress take a more realistic view of how many tax dollars this Congress is willing to keep throwing to foreign countries.

Mr. President, I ask unanimous consent to modify the amendment, for this reason: there was a typing error in the preparation of the amendment.

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. HARRY F. BYRD, JR. It does not have the figure or the intent, so I modify the amendment accordingly.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 2, line 19, strike "$600,600,000,000" and insert in lieu thereof "$599,600,000,000"

On page 2, line 24, strike "$532,400,000,000" and insert in lieu thereof "$532,200,000,000"

On page 3, line 5, strike "$28,800,000,000" and insert in lieu thereof "$28,600,000,000"

On page 3, line 10, strike "$890,700,000,000" and insert in lieu thereof "$890,500,000,000"

On page 3, line 15, strike "$60,700,000,000" and insert in lieu thereof "$60,500,000,000"

On page 4, line 15, strike "$12,000,000,000" and insert in lieu thereof "$11,000,000,000"

On page 4, line 16, strike "$7,900,000,000" and insert in lieu thereof "$7,700,000,000"

Mr. HARRY F. BYRD, JR. Mr. President, if I read the clock correctly, my time has expired.

The PRESIDING OFFICER. All time on the amendment has now expired. The question is on agreeing to the amendment.

Mr. HARRY F. BYRD, JR. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Rhode Island (Mr. PELL), the Senator from Tennessee (Mr. SASSER), the Senator from Delaware (Mr. BIDEN), the Senator from Colorado (Mr. HART), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Illinois (Mr. PERCY), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 38, nays 50, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—38

Bentsen
Boren
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cochran
DeConcini
Ford
Garn
Goldwater
Hatch
Heflin
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Melcher
Nelson
Proxmire
Randolph
Roth
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—50

Armstrong
Baker
Baucus
Bellmon
Boschwitz
Bradley
Bumpers
Chiles
Church
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durkin
Eagleton
Exon
Glenn
Hatfield
Hayakawa
Heinz
Huddleston
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pryor
Riegle
Sarbanes
Schmitt
Schweiker
Stennis
Stevens
Stevenson
Tsongas
Williams

NOT VOTING—12

Bayh
Biden
Chafee
Durenberger
Gravel
Hart
Pell
Percy
Pressler
Ribicoff
Sasser
Stafford

So the amendment (UP No. 85), as modified, was rejected.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will not proceed until the Senate is in order.

The Senate is not in order.

Will Senators please converse in the cloakroom or outside of the Chamber?

The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield to my good friend from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the name of the distinguished Senator from West Virginia (Mr. RANDOLPH) was inadvertently omitted as a cosponsor of the previous amendment. I ask unanimous consent that Mr. RANDOLPH be made a cosponsor of that amendment.

The PRESIDING OFFICER (Mr. NUNN). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MUSKIE. Mr. President, we have been trying to get other amendments up pursuant to the instructions of the distinguished majority leader and have been unsuccessful at this point.

I ask if there are any sponsors of amendments within hearing distance who are willing to go to the block at this point? We are going to have a very busy day tomorrow. I think there are close to 30 or 40 amendments that are either pending or threatened, and that is more than 1 full day's work. If we can get started on it tonight it will be helpful.

We tried and apparently without success.

Mr. DOMENICI. Mr. President, might I ask, does the Senator have any sequence settled for tomorrow? I think I can get my amendment down here and lay it down tonight. I do not know that I would be prepared to use all of my time this evening because some of my cosponsors are not available to come down here. But I think I can get it, introduce it, lay it down, and begin debate.

Will that be helpful?

Mr. BAKER. Mr. President, will the Senator yield to me before he answers that?

Mr. MUSKIE. I yield.

Mr. BAKER. I say to my friend from New Mexico that during the course of the day today we have been trying to negotiate for a sequence of amendments tomorrow. The majority leader, I believe, has attempted that as well. And we have amendments set tentatively for 9 in the morning. So there would be an interruption of the Senator's amendment if we do that unless we readjust that.

Mr. DOMENICI. What amendment is scheduled first in the morning?

Mr. ROBERT C. BYRD. That is the amendment by Mr. LUGAR.

If the Senator from New Mexico wished to lay his amendment down and get some discussion out of the way this evening, it could, by order of the Senate, be clocked in behind the amendment by Mr. ROTH, which I believe Mr. ROTH is going to follow Mr. LUGAR tomorrow, if that will be agreeable.

Mr. DOMENICI. Do we know how

much time the Lugar and Roth amendments each are going to require? Have they agreed on a time?

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. MUSKIE. I yield.

Mr. BAKER. I think the Lugar amendment is scheduled for the full statutory time.

Mr. MUSKIE. They asked for 2 hours each at this point. I gather Senator Roth may be willing to reduce it when we get to it.

Mr. BAKER. I think Mr. Roth will probably reduce his.

Mr. MUSKIE. So we have 4 hours from 9 o'clock committed to this time and that will be until somewhat after 1 o'clock.

Mr. DOMENICI. How long did the leader intend to go this evening?

Mr. ROBERT C. BYRD. I think we are going to be forced to stop this evening without voting on another amendment. We could go as long as the Senator would care to discuss his amendment.

Mr. DOMENICI. I am certain my cosponsors would not want to go beyond the previously agreed-upon 6:15 p.m. I think that was the time they wanted to go to an event this evening. Is that correct?

Mr. BAKER. Mr. President, if the Senator will yield to me, there is an event tonight in honor of one of our colleagues and a large number of us plan to attend. It is off the Hill. It is downtown. I hope we would not schedule any votes for later than 6 or 6:30 p.m., or thereabouts, if we can avoid it.

Mr. ROBERT C. BYYRD. Yes. There will be no votes scheduled for later than that time.

Mr. DOMENICI. Mr. President, I am sending for my amendment and will lay it down tonight and agree to use until 6:15 p.m. on it, provided we can get an agreement here that my time will then again commence immediately after the disposition of the Lugar and Roth amendment and that——

Mr. BAKER. Two amendments.

Mr. DOMENICI. Those two, yes. And then debate will ensue on mine and vote immediately thereafter. Is that satisfactory?

Mr. ROBERT C. BYRD. Yes, that is satisfactory.

Mr. MUSKIE. That is very satisfactory.

Mr. DOMENICI. We will get it quickly.

Mr. ROBERT C. BYRD. On the amendment by Mr. Schweiker will it be possible for us to reduce that time, may I ask the distinguished Senator?

Mr. SCHWEIKER. Reduce it from what?

Mr. ROBERT C. BYRD. Under the statutory language there are 2 hours on any amendment. Would it be possible to reduce that time on the Senator's amendment?

Mr. SCHWEIKER. Yes. I think we can reduce that to an hour.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. SCHWEIKER. One thing I wish to get is the sequence. Where do I find my amendment will be taken up tomorrow?

Mr. ROBERT C. BYRD. Would it be agreeable to follow the disposition of the amendment by Mr. Domenici with the calling up of the amendment by Mr. Schweiker.

Mr. SCHWEIKER. Where is the Roth amendment? Is that ahead of that?

Mr. ROBERT C. BYRD. Yes. The Roth amendment would be ahead of it. First would be the amendment by Mr. Lugar, then Mr. Roth, then Mr. Domenici, and then Mr. Schweiker.

Mr. SCHWEIKER. That will be fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the amendment by Mr. Schweiker be limited to 1 hour rather than 2 hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, has the order been entered for the amendment by Mr. Roth to be called up upon the disposition of the amendment by Mr. Lugar?

The PRESIDING OFFICER. It has.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. Roth, Mr. Domenici be recognized to call up his amendment. Upon the disposition of that amendment, that Mr. Schweiker be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. I think the Senator from Michigan (Mr. Riegle) is prepared to call up his amendment at 3 o'clock, and I think, if my addition respecting amendments is correct, the majority leader is close to 3 o'clock with what is on the schedule.

Mr. ROBERT C. BYRD. We will not miss it by far.

Mr. MUSKIE. Why do we not put Senator Riegle down to follow?

Mr. ROBERT C. BYRD. Very well.

I ask unanimous consent that following the disposition of the amendment by Mr. Schweiker that Mr. Riegle be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. John Stennis may wish to call up his amendment. We ought to put those two amendments together.

Mr. ROBERT C. BYRD. To follow the Riegle amendment.

Mr. CRANSTON. There is a Metzenbaum amendment we would like to get in line for tomorrow also for 1 hour.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, will the majority leader yield to me for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I see the distinguished Senator from Utah (Mr. Hatch) in the Chamber, and I understand he has a number of amendments at the desk for printing. Would it be possible to get some estimate as to how many of those amendments—and I understand there are 20—he might plan to call up and under what circumstances, and also whether we might have a shorter time limitation than the 2 hours?

Mr. HATCH. I would certainly agree to a shorter time period. I would hope that we will not have to call up more than five but, of course—why do we not set it down for an hour, but I would endeavor to have it a half-hour equally divided. I know the distinguished chairman and I will agree, and I will try to keep it there.

Mr. ROBERT C. BYRD. Mr. President, I think that is very reasonable on the part of the distinguished Senator from Utah, and, if he has no objection, I will ask unanimous consent that there be a time limitation on each of his five amendments of 1 hour. If he wishes to cut it to less, he can, of course, do that.

Mr. MUSKIE. Yes.

Mr. HATCH. We are agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, following the amendment by Mr. Riegle, I ask unanimous consent that Mr. Stennis be recognized to call up his amendment. Then following Mr. Stennis——

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Can you get Mr. Metzenbaum in there?

Mr. ROBERT C. BYRD. I ask unanimous consent that Mr. Metzenbaum be recognized then to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Kennedy then be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I understand there is some possibility that the Domenici-Armstrong amendment might be further reduced from the statutory time, and I see both the Senator from Colorado and the Senator from New Mexico on the floor, and I wonder if we could inquire about that possibility?

Mr. DOMENICI. Let me say to my distinguished leader that I had agreed a few moments ago to lay our amendment down. It is a comprehensive type of amendment. Both Senators Muskie and Bellmon know what it is in that it was offered as a package during the budget debate. It is not ready because it is technically a bit difficult, so I would very much want to expedite matters but I cannot lay it down. If I can offer some assistance here, I would agree on our side that we would just take no more than 1 hour for the presentation of our amendment.

Mr. MUSKIE. I would say it would not take more than a half-hour.

Mr. DOMENICI. We would take an hour on our side, and let them agree what they would want in rebuttal, and we will have something. Is that satisfactory?

Mr. MUSKIE. That would pick up the half-hour we will lose today.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the amendment of Mr. DOMENICI there be a 1½ hour time limitation with Mr. DOMENICI controlling 1 hour and Mr. MUSKIE controlling one-half hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that seems to be about as far as we can go today.

Mr. BAKER. Mr. President, if the majority leader will yield to me for just a moment, I am now advised that Senator TOWER is willing to schedule his amendment for immediately following the Stennis amendment, if that is possible.

I understand we have already entered an order that would preclude that at the moment, so I will withdraw the suggestion, and I will contact Senator TOWER and see if we can arrange for a different sequence and, possibly, a reduction of time.

Mr. ROBERT C. BYRD. Very well. I thank the distinguished minority leader.

Mr. President, we have made considerable progress in reducing the number of amendments and the time on such amendments, so I believe that starting at 9 o'clock tomorrow morning we stand a fair chance of completing action tomorrow evening, but it will be a late evening. That would only leave us one day this week on which to complete action on the Department of Education bill and the aircraft noise abatement bill.

Mr. BELLMON. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BELLMON. I wonder if it would be possible for the edification of all of us if the majority leader could repeat the sequence of the calling up of the amendments so that we will be able to get our plans laid?

Mr. ROBERT C. BYRD. Yes. I will ask the Chair to state the amendments that we have ordered for tomorrow, the identity of the authors and the sequence in which they will be called up, and the time limitation on each.

Mr. BAKER. Mr. President, will the majority leader yield to me before the Chair replies so that we can include the Tower amendment in the list that the Chair is about to read to us? Senator TOWER is willing, as I understand it, to follow in the sequence following the Kennedy amendment. Is that the last one on the list?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. And accept an hour's time limitation.

Mr. ROBERT C. BYRD. Very well, Mr. President. I make that request that there be a 1-hour time limitation on the amendment by Mr. TOWER, and that it follow in sequence the amendment by Mr. KENNEDY which, I believe, up to this point was the last one ordered, and I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The first amendment tomorrow is to be proposed by the Senator from Indiana (Mr. LUGAR) with the statutory time of 2 hours; to be followed by an amendment of the Senator from Delaware (Mr. ROTH) with the statutory time; to be followed by an amendment of the Senator from New Mexico (Mr. DOMENICI) on which he is to have 1 hour and the Senator from Maine one-half hour; then 1 hour equally divided on the amendment by the Senator from Pennsylvania (Mr. SCHWEIKER); then an amendment by Mr. RIEGLE from Michigan with the statutory time; followed by an amendment by the Senator from Mississippi (Mr. STENNIS) with the statutory time; followed by an amendment by Mr. METZENBAUM from Ohio with the statutory time——

Mr. ROBERT C. BYRD. Mr. President, that time was reduced to 1 hour.

The PRESIDING OFFICER. The Senator from West Virginia is correct. The time on the amendment of Senator METZENBAUM is reduced to 1 hour.

Then there will be an amendment by Mr. KENNEDY from Massachusetts with the statutory time; followed by an amendment by the Senator from Texas (Mr. TOWER) of 1 hour's time.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. There may be a shift in sequence for the Metzenbaum amendment. I would like to hold out the possibility that that might follow the Riegle amendment.

Mr. ROBERT C. BYRD. All right.

Mr. MUSKIE. Just to make that a matter of record. Since the Senators are not here, I hesitate to formally request that change, but that would accommodate several of the parties tomorrow.

Mr. ROBERT C. BYRD. Very well. I am sure, Mr. President, that the distinguished manager of the resolution (Mr. MUSKIE) and the distinguished ranking minority member (Mr. BELLMON) will conserve their time to the very best of their ability, and, based upon the circumstances, try to govern the time so that it may be possible for some of the time to be yielded back—some or most of it.

Mr. MUSKIE. I hope we will, of course. I would hope that the other Senators would play this game as though we were in the last 2 minutes in a basketball game, and we could sort of condense our arguments and move forward.

I expect some of these Members assigned statutory time may find it possible tomorrow, as we feel the pressure, to reduce that time, and I would hope Senators would consider that early in the day.

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. So that, if we can complete the work tomorrow night, we may do so.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I take it the majority leader agrees with me in the interpretation that the sequence and order in time limitations for the several amendments that we have just completed in no way precludes other amendments.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. It is my understanding, for instance, that the distinguished assistant Republican leader has an amendment that has not yet been placed at the desk for printing, and we have not yet scheduled the amendments of the distinguished Senator from Utah (Mr. HATCH).

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. I understand now that the Senator from Utah might like to include the scheduling of his amendment.

Mr. HATCH. Mr. President, I thought I was in the sequence, but apparently I misunderstood what the Senator said.

Mr. ROBERT C. BYRD. Would the Senator be agreeable to ordering his amendments to follow Mr. TOWER'S?

Mr. HATCH. Is that at the end of the sequence?

Mr. ROBERT C. BYRD. That is the end of the list.

Mr. STEVENS. Mr. President, my amendments probably will be withdrawn following a colloquy with the chairman. We have had a previous discussion on some of them already, but I just want to make certain that we have an opportunity for a colloquy.

Mr. MUSKIE. We will try to find time for that.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the disposition of the amendment by Mr. TOWER, the Senator from Utah (Mr. HATCH) be recognized to call up his five amendments in sequence.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Could we now order a 48-hour day for tomorrow?

Mr. BAKER. I think we have already.

Mr. DOMENICI. Perhaps we could do that by unanimous consent.

Mr. President, are the managers through with management type work?

Mr. ROBERT C. BYRD. Does the Senator have some morning business?

Mr. DOMENICI. I was going to ask the Senator from Maine if he would yield for a little dialog with me, for 2 minutes, on the bill, just to ask a question and make an observation.

Mr. MUSKIE. Very well.

Mr. DOMENICI. Let me ask the Senator from Maine if he is bothered by a part of this process that is now beginning to bother me. It has taken 5 years for it to happen, but this year it became pronounced, and it disturbs me. The President comes forth with a budget based on a set of economic premises, we are at liberty to choose our own premises, based on evidence and our deliberations, and the House is at liberty to choose its own economic assumptions.

As it turns out, we have three sets of economic assumptions: the President has one, the Senate uses the CBO figures and the House has its own.

It semes to me that the process of going to conference might be much more rational if we took the budget in two pieces, and had just a very short session of factfinding and set our economic assumptions for the ensuing year, upon which we were going to base our first resolution, let the House do likewise, and have a kind of miniconference to agree on that, and then proceed to set our functional code.

Maybe that does not make sense. Is there something that does not follow in that sequence, that I am not aware of, I ask the chairman?

Mr. MUSKIE. Mr. President, I hesitate to answer what is obviously a thoughtful question that the Senator has spent some time thinking about with an off-the-top-of-my-head response. The differing views of the state of the economy in the future are implicit rather than explicit in the budget. We have to deal with the numbers in the budget as they are, not as they might be if either party to the assumptions happened to be wrong.

So what we arrive at, at the end of the line, are budget numbers—and they are not that far apart as between us and the House of Representatives—budget numbers that reflect a rough consensus of the Congress in our view of the economy ahead, not a precise one. But we still have to agree on budget numbers, whatever our differences on the economic future.

Mr. DOMENICI. I only raised it because I was not talking about, necessarily, agreeing with the President, but rather the two institutions of Congress.

Mr. MUSKIE. That is what I was addressing myself to also.

Mr. DOMENICI. It seems to me we go to conference with disparities to be resolved, and in a number of the functions, aside from budgetary programmatic disparities, there are large disparities created by the economic assumptions which make our conference more immediately programmatic—"What do you want in food stamps?"—but if we have 7 percent unemployment and they have 5 percent, then we have to resolve a function with differing economic assumptions. I just thought maybe we ought to agree on that first.

Mr. MUSKIE. I cannot conceive of a way to do what the Senator is talking about with greater precision than it is now done.

But in any case, I think what would eventually happen, by accommodating a majority of the 100 Members in this body and a majority of the 435 in the other, by agreeing on the budget numbers, we in effect have implemented a rough consensus on what the economic picture is likely to be.

In any case, as the Senator knows, I have stated that I have never heard of an economist who was totally correct in his last year's projection, and I cannot imagine that economists will do any better this year; I believe the rough consensus is as good as any.

Mr. DOMENICI. At any rate, it will not really work?

Mr. MUSKIE. I think not.

Mr. DOMENICI. I thank the Senator.

Mr. MUSKIE. I think, may I say, that our work is finished for the day. We have an order, I think.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BENTSEN ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, following the recognition of the two leaders or their designees under the standing order, Mr. Bentsen be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, certain nominations have been cleared on the Executive Calendar beginning with the Department of State on page 1 and going through nominations placed on the Secretary's Desk in the Foreign Service on page 2. I, therefore, ask unanimous consent that the Senate go into executive session to consider those nominations beginning with the Department of State.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all the nominations, with the exception of Mr. Martin F. Loughlin, of New Hampshire, be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(Nominations considered and confirmed en bloc are as follows:)

Deapartment of State

John Prior Lewis, of New Jersey, for the rank indicated during the tenure of his service as chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France, to be Minister.

William Lacy Swing, of North Carolina, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of the Congo.

International Monetary Fund

Donald Eugene Syvrud, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years.

ACTION Agency

Richard Frank Celeste, of Ohio, to be Director of the Peace Corps and an Associate Director of the ACTION Agency.

Robert M. Parker, of Texas, to be U.S. district judge for the northern district of Texas.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Mary Lou Robinson, of Texas, to be U.S. district judge for the northern district of Texas.

Nominations Placed on the Secretary's Desk in the Foreign Service

Foreign Service nominations beginning Philip W. Arnold, to be a Foreign Service information officer of class 1, and ending Marianne Craven, to be a Foreign Service Information Officer of Class seven, which nominations were received by the Senate on March 23, 1979, and appeared in the Congressional Record of March 26, 1979.

THE JUDICIARY

Mr. ROBERT C. BYRD. Now, Mr. President, I ask that the Senate proceed to the consideration of the nomination of Mr. Martin F. Loughlin.

The second assistant legislative clerk read the nomination of Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire.

Mr. DURKIN. Mr. President, I am very pleased that the Judiciary Committee has favorably reported the nomination of Judge Martin Loughlin of New Hampshire to the Senate for the position of judge of the U.S. District Court for the District of New Hampshire.

Senator Thomas McIntyre and I recommended Judge Loughlin's nomination to President Carter, because we were confident that he would be an outstanding Federal jurist. I have known Judge Loughlin as a judge and distinguished New Hampshire citizen for a number of years. He has been a highly respected jurist for over 25 years, handling a great number of complex legal matters covering a wide range of legal issues.

As associate justice of the New Hampshire Superior Court since 1963, Judge Martin Loughlin was recently appointed chief justice of the superior court. He has consistently demonstrated a deep commitment to the highest legal principles, unswayed by bias or subjectivity. He possesses a first-rate judicial mind that can cut through to the heart of complicated legal arguments in order to arrive at a fair and just decision. Those who have practiced before Judge Loughlin know him to be a fair, honest human being with a deep-seated concern for justice. He is widely recognized for his exceptional judicial temperament, ability, and integrity.

Looking beyond his 15 years as a judge, Martin Loughlin also possesses 11 years of experience as a practicing attorney, which includes legal work performed while serving in the military.

Judge Loughlin graduated from St. Anselm's College in 1947 and received his law degree from Suffolk Law School in 1951. Following law school, Martin Loughlin served as a first lieutenant in the U.S. Army artillery during the Korean war. An accomplished author, Judge Loughlin has written a book on trial procedures in New Hampshire, and has also published several highly regarded articles on evidence and trial procedures.

Throughout the process of selecting an individual to recommend to the President, Senator McIntyre and I shared the oft-voiced concern of the President and the Attorney General that the selection process should be thorough and fair, and should result in the appointment of highly qualified jurists.

In the course of considering candidates, we tried to carry out such a process. We specifically sought a candidate with strong, demonstrated judicial expertise, particularly experience relevant to service on a court of original jurisdiction. A second factor we considered was the candidate's personal qualities, such as integrity, character, and public spirit. Finally, we searched for a candidate who had shown a commitment to the undergirding principles of the American legal system.

We consulted widely with leaders of the New Hampshire bench and bar and leading citizens within the State during this process. We solicited suggestions from these sources as to candidates for the vacancy.

Judge Loughlin was strongly recommended to us by many sources who have been impressed by his ability and judicial record.

In conclusion, Mr. President, I want to say that Judge Loughlin will be a credit to the Federal judiciary and a bright example of fairness, wisdom, and justice to those who come before him.

I thank the majority leader.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, have all the nominations on the Executive Calendar, beginning with Department of State, on page 1, and extending throughout page 2, been confirmed?

The PRESIDING OFFICER. Yes, they have.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Brig. Gen. William Roger Berkman, to be major general, USAR and AUS; which was referred to the Committee on Armed Services.

REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM — MESSAGE FROM THE PRESIDENT—PM 59

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

Pursuant to Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610), I transmit herewith the Annual Report for 1978 of the United States-Japan Cooperative Medical Science Program.

JIMMY CARTER.

THE WHITE HOUSE, *April 24, 1979.*

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1102. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a secret report entitled "NATO's New Defense Program: Issues for Consideration; referred to the Committee on Armed Services.

EC-1103. A communication from the Executive Secretary, National Advisory Council on Child Nutrition, Food and Nutrition Service, United States Department of Agriculture, transmitting, pursuant to law, the seventh annual report of the National Advisory Council on Child Nutrition; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1104. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, an addendum to the work plan for the East Fork Cadron Creek Watershed, Cleburne, White and Faulkner Counties, Arkansas; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1105. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1106. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1107. A communication from the Secretary of Agriculture, transmitting reports as required by the Animal Welfare Act (7 U.S.C. 2155) and the Horse Protection Act (15 U.S.C. 1830); to the Committee on Agriculture, Nutrition, and Forestry.

EC-1108. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the acquisition of lands or interests in lands within the Boundary Waters Canoe Area, Superior National Forest, Minnesota; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1109. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Preventing the Marketing of Raw Meat and Poultry Containing Potentially Harmful Residues," April 17, 1979; to the Committee on Agriculture, and Forestry.

EC-1110. A communication from the Secretary of the Treasury, reporting, pursuant to law, a violation of section 3679 of the Revised Statutes (31 U.S.C. 665), as amended, involving an account which is administered by the Bureau of Alcohol, Tobacco and Firearms; to the Committee on Appropriations.

EC-1111. A communication from the clerk, U.S. Court of Claims, transmitting, pursuant to law, a certified copy of the court's judgment order of April 6, 1979, entering judgment for the plaintiffs in *the Fort Sill Apache Tribe* v. *the United States*, Nos. 182, 182-A, in the sum of $6,000,000; to the Committee on Appropriations.

EC-1112. A communication from the Acting Secretary of Defense (Comptroller), reporting, pursuant to law, certain transfers of amounts appropriated to the Department of Defense pursuant to authority granted in section 851 of the Department of Defense Appropriation Act of 1979; to the Committee on Appropriations.

EC-1113. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for physicians in the Armed Forces, and for other purposes; to the Committee on Armed Services.

EC-1114. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EC-1115. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on various matters affecting the readiness of the U.S. Air Force Tactical Air Command and the status of some of the initiatives it is taking to improve its capability to rapidly increase its forces in Europe; to the Committee on Armed Services.

EC-1116. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend chapter 61 of title 10, United States Code, to facilitate the transfer of members of the armed forces to and from the temporary disability retired list, and for other purposes; to the Committee on Armed Services.

EC-1117. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, the Statistical Supplement, Stockpile Report to Congress, for the period ending September 30, 1978; to the Committee on Armed Services.

EC-1118. A communication from the Under Secretary of Defense (Research and Engineering), transmitting, pursuant to law, the fifth annual report on the Defense Industrial Reserve, covering calendar year 1978; to the Committee on Armed Services.

EC-1119. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), reporting, pursuant to law, on special pay or duty subject to hostile fire, for calendar year 1978; to the Committee on Armed Services.

EC-1120. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the Indian tribal government deposits the same amount of deposit insurance and security as provided to other public unit deposits; to the Committee on Banking, Housing, and Urban Affairs.

EC-1121. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the annual report of the activities of the Comptroller of the Currency; to the Committee on Banking, Housing, and Urban Affairs.

EC-1122. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, the 65th annual report of the Board of Governors of the Federal Reserve System; to the Committee on Banking, Housing, and Urban Affairs.

EC-1123. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, its annual report for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–1124. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a study of the Community Development Block Grant formula; to the Committee on Banking, Housing, and Urban Affairs.

EC–1125. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Export Administration Act of 1969, as amended, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–1126. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a proposed credit involving the export to the United Kingdom of 19 new Boeing 737–200 jet aircraft and related goods and services with a total U.S. export value of $216 million; to the Committee on Banking, Housing, and Urban Affairs.

EC–1127. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements of the Overseas Private Investment Corporation for fiscal year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–1128. A communication from the Chairman, Federal Trade Commission, transmitting a proposed amendment to Section 20 of the Federal Commission Act (15 U.S.C. 57 (c)); to the Committee on Commerce, Science, and Transportation.

EC–1129. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 37020, Increased Minimum Weights with Increased and Reduced Rates on Eastbound Transcontinental Lumber and Related Articles, within the specified 7-month period which is to expire at the earliest on April 15, 1979; to the Committee on Commerce, Science, and Transportation.

EC–1130. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, the Commission's first Annual Line of Business Report, prepared by the Bureau of Economics; to the Committee on Commerce, Science, and Transportation.

EC–1131. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, its 92nd annual report; to the Committee on Commerce, Science, and Transportation.

EC–1132. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Developing a National Airport System: Additional Congressional Guidance Needed," April 17, 1979; to the Committee on Commerce, Science, and Transportation.

EC–1133. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report of the International Investment Survey Act of 1976 (22 U.S.C. 3101); to the Committee on Commerce, Science, and Transportation.

EC–1134. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, reports on (1) the average number of passengers per day on board each train operated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad, for the month of January 1979; to the Committee on Commerce, Science, and Transportation.

EC–1135. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, Volume 2 of the second annual report of the Energy Information Administration; to the Committee on Energy and Natural Resources.

EC–1136. A communication from the Under Secretary, Department of Energy, transmitting, pursuant to law, a report on Energy Conservation Program for Consumer Products Other Than Automobiles; to the Committee on Energy and Natural Resources.

EC–1137. A communication from the Assistant Secretary for Conservation and Solar Applications, Department of Energy, transmitting, pursuant to law, a report for 1978 for the Weatherization Assistance Program for Low-Income Persons; to the Committee on Energy and Natural Resources.

EC–1138. A communication from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, the receipt of proposals under the provisions of the Small Reclamation Projects Act of 1956; to the Committee on Energy and Natural Resources.

EC–1139. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–1140. A communication from the Director, Energy and Minerals Division, United States General Accounting Office, transmitting, pursuant to law, a copy of a letter report to the Secretary of Energy recommending that all future Department of Energy (DOE) analyses of uranium resource demand include the losses of uranium during the milling of uranium ore; to the Committee on Energy and Natural Resources.

EC–1141. A communication from the Chairman, Advisory Council on Historic Preservation, transmitting a draft of proposed legislation to amend the Act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Energy and Natural Resources.

EC–1142. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–1143. A communication from the Under Secretary of Energy, transmitting, pursuant to law, a report entitled "Fossil Energy Program Summary Document," January 1979; to the Committee on Energy and Natural Resources.

EC–1144. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Oil and Gas Royalty Collections—Serious Problems Need Congressional Attention"; referred to the Committee on Energy and Natural Resources.

EC–1145. A communication from the Reactor Safety Engineer, Experimental Fast Reactor Safety Research and Branch, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report containing a number of unresolved or unreported safety issues in connection with the annual report for 1978 of the United States Nuclear Regulatory Commission; referred to the Committee on Environment and Public Works.

EC–1146. A communication from the Assistant Secretary of Energy for Environment, transmitting, pursuant to law, a draft environmental impact statement on the proposed Waste Isolation Pilot Plant; referred to the Committee on Environment and Public Works.

EC–1147. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the administration of a special economic development and adjustment assistance program by the Economic Development Administration for calendar year 1978; referred to the Committee on Environment and Public Works.

EC–1148. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for alterations at the Boston, Massachusetts, John F. Kennedy Federal Building; referred to the Committee on Environment and Public Works.

EC–1149. A communication from the Administrator of the United States Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Solid Waste Disposal Act; referred to the Committee on Environment and Public Works.

EC–1150. A communication from the Chairman and the Director of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Tennessee Valley Authority for fiscal year 1978; referred to the Committee on Environment and Public Works.

EC–1151. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to terminate the authorization for certain water resources development projects; to the Committee on Environment and Public Works.

EC–1152. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Federal and State Cash Management Would Increase Interest Income of Unemployment Trust Fund," April 17, 1979; to the Committee on Finance.

EC–1153. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the eighth annual report on the financial condition and results of the operations of the Airport and Airway Trust Fund; to the Committee on Finance.

EC–1154. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of that and other Acts, to reduce the costs of the old-age, survivors, and disability insurance program, simplify and improve the rules governing the program's administration, coverage, and computation of benefits, and eliminate certain of the program's sender-based distinctions, and for other purposes; to the Committee on Finance.

EC–1155. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "State Programs for Delivering Title XX Social Services to Supplemental Security Income Beneficiaries Can Be Improved," April 11, 1979; to the Committee on Finance.

EC–1156. A communication from the Members, Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the 1979 annual report of the Board; to the Committee on Finance.

EC–1157. A communication from the Members, Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, its 1979 annual report; to the Committee on Finance.

EC–1158. A communication from the Members, Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, its 1979 annual report; to the Committee on Finance.

EC–1159. A communication from the Secretary of the Treasury, transmitting, pursuant to law, an annual report setting forth an analysis of the operation and effect of the Domestic International Sales Corporation Legislation; to the Committee on Finance.

EC–1160. A communication from the President of the United States, transmitting a draft of proposed legislation to authorize supplemental economic support for the fiscal year 1979 for Turkey, and for other purposes; to the Committee on Foreign Relations.

EC–1161. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A New Approach Is Needed for Weapon Systems Coproduction Programs Between the United States and Its Allies," April 12, 1979; to the Committee on Foreign Relations.

EC–1162. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed FY 1979 program in Peru; to the Committee on Foreign Relations.

EC–1163. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–1164. A select communication from the Comptroller General of the United States, transmitting, pursuant to law, a report which describes the terrorist threat to American officials living overseas and assesses the impact of certain counterterrorism programs, including the U.S. no-ransom, no-concession policy, additional security measures adopted at U.S. Embassies and consulates, and efforts of the intelligence community to provide warnings of terrorist attacks; to the Committee on Foreign Relations.

EC–1165. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–1166. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on the Commission's compliance with the requirements of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1167. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report of the activities of the U.S. Civil Service Commission for the calendar year 1978 under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1168. A communication from the General Counsel, Export-Import Bank of the United States, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1169. A communication from the Assistant Secretary for Administration, Department of Commerce, reporting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC–1170. A communication from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1171. A communication from the Acting Secretary, Federal Trade Commission, transmitting, pursuant to law, a report relating to the Administration of the Government in the Sunshine Act; to the Committee to Governmental Affairs.

EC–1172. A communication from the Staff Director, United States Commission on Civil Rights, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1173. A communication from the President, United States Railway Association, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1174. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–25, "Closing of a Public Alley in Square 70 Act," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC–1175. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–27, "Personal Property Tax Rate for Tax Year 1980 Act," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC–1176. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–24, "Public Assistance Payments Act of 1979," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC–1177. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–26, "Closing of a Public Alley in Square 77 Act of 1979," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC–1178. A communication from the General Counsel, Inter-American Foundation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1179. A communication from the Vice Chairman, United States Parole Commission, United States Department of Justice, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1180. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–23, "District Supplement for Supplemental Security Income Recipients Authorization Act of 1979," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC–1181. A communication from the Commissioner, UNICOR, Federal Prison Industries, Inc., U.S. Department of Justice, transmitting, pursuant to law, its annual report for fiscal year 1978; to the Committee on Governmental Affairs.

EC–1182. A communication from the Acting Under Secretary of State, transmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC–1183. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Learning to Look Ahead: The Need for a National Materials Policy and Planning Process," April 19, 1979; to the Committee on Governmental Affairs.

EC–1184. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report relating to a new system of records; to the Committee on Governmental Affairs.

EC–1185. A communication from the Chairman, Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1186. A communication from the Director, Office of Congressional Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1187. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of March 1979; to the Committee on Governmental Affairs.

EC–1188. A communication from the President, The Mortgage Corporation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1189. A communication from the Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a report of a new system of records; to the Committee on Governmental Affairs.

EC–1190. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1191. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1192. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, a report relating to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1193. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1194. A communication from the Chairman, Board of Trustees, Harry S Truman Scholarship Foundation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1195. A communication from the Secretary, Postal Rate Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1196. A communication from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1197. A communication from the Acting General Counsel, Legal Services Corporation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1198. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1199. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1200. A communication from the Chairman, National Science Board, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1201. A communication from the President, Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1202. A communication from the President, Overseas Private Investment Corporation, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1203. A communication from the National Commission on Libraries and Information Science, reporting, pursuant to law, on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1204. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1205. A communication from the Executive Secretary, National Mediation Board, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-1206. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-18, "Initiative, Referendum, and Recall Procedures Act of 1979," and committee report, adopted by the Council on March 27, 1979; to the Committee on Governmental Affairs.

EC-1207. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to increase the authorization of appropriations under the Act of December 22, 1974 (88 Stat. 1712); to the Select Committee on Indian Affairs.

EC-1208. A communication from the Executive Director, Civil Air Patrol, transmitting, pursuant to law, the Civil Air Patrol Report for calendar year 1978; to the Committee on the Judiciary.

EC-1209. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on visa petitions accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; referred to the Committee on the Judiciary.

EC-1210. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the activities of the Department of the Interior under the Freedom of Information Act for calendar year 1978; referred to the Committee on the Judiciary.

EC-1211. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 17 of the Act of July 5, 1946, as amended, entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes"; referred to the Committee on the Judiciary.

EC-1212. A communication from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act to improve the efficiency of the Immigration and Naturalization Service, and for other purposes; referred to the Committee on the Judiciary.

EC-1213. A communication from the President of the Federal Home Loan Mortgage Corporation, transmitting, pursuant to law, the report on the administration of the Freedom of Information Act by the Federal Home Loan Mortgage Corporation for calendar year 1978; referred to the Committee on the Judiciary.

EC-1214. A communication from the Records Officer, Legal Services Corporation, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-1215. A communication from the Chairman, Vice Chairman and Members, United States Commission on Civil Rights, transmitting, pursuant to law, a report entitled "The Federal Fair Housing Enforcement Report," March 1979; to the Committee on the Judiciary.

EC-1216. A communication from the Attorney General of the United States, transmitting a draft of proposed legislation to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

EC-1217. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 720 reports covering the period of March 15 through March 31, 1979, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-1218. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the seventh annual report on Marihuana and Health; to the Committee on Labor and Human Resources.

EC-1219. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reducing Tooth Decay—More Emphasis on Fluoridation Needed," April 13, 1979; to the Committee on Labor and Human Resources.

EC-1220. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the second annual report on the National Health Service Corps Scholarship Program; to the Committee on Labor and Human Resources.

EC-1221. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; referred to the Committee on Labor and Human Resources.

EC-1222. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make certain miscellaneous amendments to the Elementary and Secondary Education Act, the Emergency School Aid Act, the Act of September 30, 1950, P.L. 93-380 and the Education Amendments of 1978; referred to the Committee on Labor and Human Resources.

EC-1223. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the Direct and Affiliated Medical Residency Data; referred to the Committee on Labor and Human Resources.

EC-1224. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the report on the administration of the Public Health Service for calendar year 1978; referred to the Committee on Labor and Human Resources.

EC-1225. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to make certain miscellaneous amendments to the Higher Education Act of 1965 and the Middle Income Student Assistance Act; referred to the Committee on Labor and Human Resources.

EC-1226. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, Program of Research Grants on Law and Government Studies in Education, National Institute of Education—Interim Final Regulations; to the Committee on Labor and Human Resources.

EC-1227. A communication from the Secretary of Labor, transmitting, pursuant to law, a report pertaining to employees of motion picture theaters exempt from the overtime provisions of the Fair Labor Standards Act under Section 13(b)(27); to the Committee on Labor and Human Resources.

EC-1228. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a draft of proposed legislation to extend expiring appropriation authorizations and amend provisions of law concerned with alcohol abuse, alcoholism, and drug abuse, and to consolidate alcohol abuse and alcoholism, drug abuse, and mental health grants to States; to the Committee on Labor and Human Resources.

EC-1229. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Library Services and Construction Act, as amended by Public Law 95-123; to the Committee on Labor and Human Resources.

EC-1230. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to eliminate a discharge from an armed force under conditions other than honorable on the basis of a continuous absence without authority for 180 days or more as a bar to receipt of benefits under laws administered by the Veterans Administration; to the Committee on Veterans' Affairs.

EC-1231. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's eighth special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, and the Committee on Energy and Natural Resources, jointly, pursuant to order of January 30, 1975.

EC-1232. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals for April 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Select Committee on Small Business, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

EC-1233. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Effects of the Employee Retirement Income Security Act on Pension Plans With Fewer Than 100 Participants," April 16, 1979; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-169. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Appropriations:

"HOUSE CONCURRENT RESOLUTION NO. 3091

"Whereas, the Congress of the United States authorized the dedication of 146,530 acres of private and public land for the mitigation and enhancement of fish and wildlife for purposes of the Garrison Diversion Unit; and

"Whereas, the authorized plan and master contract of the Garrison Diversion Unit identify the land areas proposed for fish and wildlife development; and

"Whereas, the State of North Dakota has dedicated approximately 84,000 acres of public land to the mitigation and enhancement of recreation, fish and wildlife for purposes of meeting obligations toward the construction of the Garrison Diversion Unit; and

"Whereas, the authorized plan of the Garrison Diversion Unit recognizes and credits toward the mitigation and enhancement of fish and wildlife approximately 30,000 acres of principal supply works land area; and

"Whereas, the Fish and Wildlife Service effectively controls by easement and fee title approximately five million acres of land in North Dakota; and

"Whereas, the Fish and Wildlife Service has failed to present to the state a formal plan for the continuing development of these authorized and identified land areas; and

"Whereas, the Fish and Wildlife Service has proposed a new 'concept' of acquiring productive cropland, which includes the restoration of drained wetlands; and

"Whereas, the present philosophy of the Fish and Wildlife Service is to exclude project supply works, Devils Lake bed area and other state and federal-owned lands from credit toward the 146,530 acre wildlife area requirement; and

"Whereas, the present philosophy of the Fish and Wildlife Service would result in a total net gain in wildlife habitat in excess of that authorized by the Congress for purposes of the Garrison Diversion Unit; and

"Whereas, productive agricultural lands are being rapidly depleted by nonagricultural land use development; and

"Whereas, domestic and world food demands are increasing; and

"Whereas, Article 22 of the Master Contract requires that the development of recreation, fish and wildlife areas shall proceed concurrently and at the same rate as irrigation development; and

"Whereas, the Report of the International Joint Commission recommends that land acquisition for mitigation of wildlife habitat losses parallel development of the Garrison Diversion Unit; and

"Whereas, the future construction schedule for completion of the Garrison Diversion Unit exceeds 20 years; and

"Whereas, vague proposals and concepts publicized by the Fish and Wildlife Service have resulted in creating uncertainty and confusion among landowners; and

"Whereas, federal appropriations should be used for remaining mitigation and enhancement acquisitions only from willing sellers and condemnation should not be used by the federal government; and

"Whereas, Governor Arthur A. Link, on April 25, 1978, established a policy requiring that state approval of future federal easement and fee land acquisitions for waterfowl production and wildlife refuge purposes be conditioned upon full credit being given toward satisfaction of mitigation and enhancement requirements of the Garrison Diversion Unit and that title to all lands hereafter acquired with federal duck stamp funds be automatically transferred to the State of North Dakota if the Garrison Diversion Unit is not substantially constructed by a date certain; and

"Whereas, the direct federal financial investment in the Garrison Diversion Unit presently exceeds $170 million; and

"Whereas, the direct state financial investment in the Garrison Diversion Unit presently exceeds $13 million; and

"Whereas, 85 percent of the state annual income is derived from the union of land and water resources resulting in agricultural production; and

"Whereas, the annual agricultural economic loss due to Missouri River Flood Control Act reservoir construction in North Dakota exceeds $93 million in gross business volume; and

"Whereas, the annual economic agricultural loss caused by delay in the construction of the Garrison Diversion Unit exceeds $81 million in gross business volume; and

"Whereas, the Thirty-first Legislative Assembly in creating the Missouri-Souris Conservancy District (S.L. 1949, Chapter 347) declared that the establishment and construction of the Garrison Diversion Unit as approved by the Congress in 1944 is necessary for the future economic welfare and prosperity of the people of this state; and

"Whereas, the Thirty-fourth Legislative Assembly in creating the Garrison Diversion Conservancy District (S.L. 1955, Chapter 348) reaffirmed the necessity of the Garrison Diversion Unit; and

"Whereas, each succeeding Legislative Assembly by resolution has affirmed the necessity of the Garrison Diversion Unit;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

"That it is the policy of the Forty-sixth Legislative Assembly that federal congressional appropriations should be used for remaining mitigation and enhancement acquisition purchases for purposes of fish and wildlife only from willing sellers and that condemnation should not be used by the federal government; and

"Be it further resolved, that it is the policy of the Forty-sixth Legislative Assembly that satisfaction of the authorized dedication of 146,530 acres to wildlife mitigation and enhancement is to be accomplished by the maximum acceptance and credit of existing federal and state-owned public lands, which includes project supply works right of way, dedicated Devils Lake bed area lands and other recreation, fish and wildlife areas; and

"Be it further resolved, that the Forty-sixth Legislative Assembly supports the wetland acquisition policy established by Governor Arthur A. Link effective since April 25, 1978; and

"Be it further resolved, that the Forty-sixth Legislative Assembly recognizes the Garrison Master Contract as a legally binding agreement between the State of North Dakota and the United States and urges the Secretary of the Interior to give respect to its provisions regarding the acquisition of fish and wildlife areas; and

"Be it further resolved, that the Forty-sixth Legislative Assembly urges the Secretary of the Interior to direct the Fish and Wildlife Service to present to the board of directors of the Garrison Diversion Conservancy District for their review and approval as soon as possible a detailed formal plan for the continuing development, concurrent with irrigation development, of the fish and wildlife land areas identified in the Garrison Diversion Unit Plan (House Document 324, as supplemented February 1965) authorized and approved by the United States Congress (Pub. L. 89-108, August 5, 1965) and as further agreed to and required by the Master Contract (January 26, 1966); and

"Be it further resolved, that if a detailed formal fish and wildlife mitigation and enhancement plan is not presented to the Garrison District board of directors within a reasonable period of time and is not presented in conformity with or as required by statutory authorization and the Master Contract, the Attorney General of the State of North Dakota is urged to obtain the formal fish and wildlife plan and all information relating to the development of such plan pursuant to the federal Freedom of Information Act, 5 U.S.C. 552 and any other appropriate legal remedy; and

"Be it further resolved, that the Forty-sixth Legislative Assembly urges the Secretary of the Interior to direct that the Fish and Wildlife Service identify by legal description the land now owned and controlled in North Dakota by means of federal easement, fee title, or otherwise for purposes of wildlife habitat, migratory waterfowl production, or other wildlife uses by giving total acreages in each county; and

"Be it further resolved, that the Forty-sixth Legislative Assembly urges the Secretary of the Interior to direct that the Fish and Wildlife Service identify the alternate land use capability of Fish and Wildlife Service lands owned and controlled in the state, all funds available for future acquisition of additional land for fish and wildlife purposes, the criteria used in identifying lands suitable for wildlife habitat by relating such criteria to current or potential agricultural use of the land and to identify the ultimate goal in acres that the Fish and Wildlife Service desires to acquire for purposes of wildlife habitat in the State of North Dakota; and

"Be it further resolved, that the Forty-sixth Legislative Assembly finds that resulting annual economic losses due to Missouri River reservoirs and construction delays in the Garrison Diversion Unit requires the continued development of the Garrison Diversion Unit for the beneficial use of the waters of this state for irrigation, domestic, municipal industrial, recreation, fish and wildlife purposes; and

"Be it further resolved, that the Forty-sixth Legislative Assembly finds that the present philosophy of the Fish and Wildlife Service of purchasing highly productive agricultural land for purposes of wildlife habitat is contrary to the public interest of the citizens of this state; and

"Be it further resolved, that the Forty-sixth Legislative Assembly urges accommodation of wildlife needs and interests with human needs and interests by the continued development of land and water resources for the greatest beneficial use of mankind; and

"Be it further resolved, that the Forty-sixth Legislative Assembly requests the Secretary of State to forward copies of this resolution to President Jimmy Carter; Honorable Thomas P. O'Neill, Speaker, United States House of Representatives; Honorable Walter Mondale, President of the United States Senate; the North Dakota Congressional Delegation; Secretary of the Interior Cecil D. Andrus; and Governor Arthur A. Link."

POM-170. A joint memorial adopted by the Legislature of the State of Colorado; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT MEMORIAL NO. 6.

"Whereas, The United States department of transportation has proposed to eliminate approximately 12,000 miles or 43 percent of the present Amtrak route system unless the Congress of the United States disapproves of such proposed action by May 15, 1979; and

"Whereas, Such proposal by the department of transportation would devastate the rail passenger service in Colorado and the nation and cause many Amtrak employees in Colorado to be unemployed; and

"Whereas, Studies have shown that there should be an extension of Amtrak rail service in Colorado, yet the department of transportation proposal would abolish the main route system serving southeastern Colorado and would reroute the main system running from Omaha, Nebraska, to Denver to a route running from Kansas City, Missouri, to Denver; and

"Whereas, Amtrak provides services to a large segment of the population which does not drive automobiles or fly, provides a fuel-efficient means of transportation, and provides competition to other modes of passenger transportation, thereby restraining passenger transportation price increases; now, therefore,

"*Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That the Congress of the United States is hereby urged to disapprove entirely or in part the proposal by the United States department of transportation concerning the Amtrak route system, which proposal would abolish much of the present Amtrak route system in Colorado, and further, that it recommend to the department of transportation the extension of such system in Colorado.

"*Be It Further Resolved,* That copies of this Memorial be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States; to the Interstate Commerce Commission; to the Secretary of the United States Department of Transportation; and to each member of the Congress of the United States from the State of Colorado."

POM–171. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, the present restrictions on domestic oil production are economically destructive; and

"Whereas, such restrictions favor foreign oil producers and discriminate against domestic producers, particularly the independent producers; and

"Whereas, the political and economic independence of the United States is endangered by reliance on foreign oil production; and

"Whereas, the Department of Energy has been ineffective in solving the energy problems confronting our Nation and has, in fact, inhibited the development of new domestic oil and gas sources; and

"Whereas, the independent producers in the United States who find most of our new oil, should be encouraged rather than hindered, by the Department of Energy and other bureaucratic agencies; and

"Whereas, the development of domestic oil supplies reduces the dependence of the United States on foreign oil; now, therefore, be it

"Resolved, that the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation removing the restrictions on oil production which inhibit domestic producers, particularly the independents, from developing new oil and gas sources; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the Presiding Officer of each branch of the Congress of the United States and to each Member thereof from the Commonwealth."

POM–172. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Governmental Affairs:

"SENATE CONCURRENT RESOLUTION No. 4087

"Whereas, the federal government of the United States, by actions of both the legislative branch and the executive branch, frequently requires the states to implement new programs and provide increased levels of service under existing programs; and

"Whereas, in order to implement new programs and provide increased levels of service as required by the federal government, the states must incur significant costs which must be paid for out of state revenues, existing or to be raised by the imposition of additional taxes; and

"Whereas, there exists throughout the United States and North Dakota a growing resentment of the heavy burden of taxation and an active rejection of existing and proposed levels and methods of revenue raising; and

"Whereas, the public outcry against taxation makes it increasingly difficult for the states to raise the revenues necessary to finance the programs and services which the states are required to provide by the federal government; and

"Whereas, it is a matter of simple equity that a level of government which establishes programs or services in the public interest should provide the means for financing those programs and services;

"Now, therefore, be it resolved by the Senate of North Dakota, the House of Representatives concurring therein:

"That the Forty-sixth Legislative Assembly respectfully urges the President and the Congress of the United States to undertake such actions as may be necessary to ensure that the federal government reimburses each state for all costs incurred with respect to implementing new programs or providing increased levels of service under existing programs pursuant to any law enacted by the United States Congress after July 1, 1980, or any executive order or regulation issued by the President of the United States after January 1, 1980; and

"Be it further resolved, that the Secretary of State forward copies of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the United States House of Representatives, and the North Dakota Congressional Delegation."

POM–173. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, the people of the United States are dependent on oil as a major source of energy; and

"Whereas, the major domestic oil producers, acting in concert, appear to control the price and quantity of home heating fuel and gasoline, to the detriment of the public; and

"Whereas, the Department of Justice appears unwilling or unable to enforce the provisions of our anti-trust laws against the said oil producers; and

"Whereas, there are no present viable substitutes for oil as a major source of energy; now, therefore, be it

"Resolved, that the Massachusetts Senate respectfully urges the Congress of the United States to enact legislation which will provide for greater control over domestic oil producers and prevent further abuse of our energy resources; and be it further

"Resolved, that copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the Presiding Officers of both Houses of the Congress of the United States and to the Members thereof from this Commonwealth."

POM–174. A resolution adopted by the legislature of Guam; to the Committee on Finance:

"RESOLUTION No. 45

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam is not a part of the United States Customs District; and

"Whereas, within the United States Customs District, the Bureau of Customs, Department of Treasury, is responsible for customs inspections of incoming planes, ships and persons; and

"Whereas, Guam has an extremely serious problem with the inflow of illegal drugs; and

"Whereas, the problem is not Guam's alone as it is quite probable that Guam serves as a major transshipment point for the rest of the United States; and

"Whereas, customs inspection is a federal responsibility; and

"Whereas, the Legislature finds that if the Bureau of Customs, Department of Treasury, would assist the territory of Guam's inspection activities aimed at interdiction of illegal drugs, both the territory of Guam and the United States would benefit greatly; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature respectfully requests the United States Congress to enact such legislation as is necessary to provide that the Bureau of Customs, Department of Treasury, shall operate within the territory of Guam for the purposes of interdiction of illegal drugs; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President Pro Tempore of the Senate; to the Speaker of the House of Representatives; to the Chairman of the Senate Committee on Energy & Natural Resources; to the Chairman of the House Subcommittee on Parks & Insular Affairs; to Representative A. B. Won Pat; to the Secretary of Treasury; and to the Governor of Guam."

POM–175. A joint resolution adopted by the Legislature of the State of New Mexico; to the Committee on the Judiciary:

"JOINT RESOLUTION

"Whereas, the 95th Congress of the United States of America at its second session, in both houses, by a constitutional majority of two-thirds thereof, adopted the following proposition to amend the constitution of the United States of America in the following words, to wit:

" 'JOINT RESOLUTION

" 'Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from date of its submission by the Congress:

" 'ARTICLE

" 'Section 1. For the purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, The District constituting the seat of government of the United States shall be treated as though it were a State.

" 'Section 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

" 'Section 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

" 'Section 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.';

"Now, therefore, be it resolved by the legislature of the State of New Mexico that such proposed amendment to the constitution of the United States of America be and the same is hereby rejected; and

"Be it further resolved that certified copies of this resolution be forwarded by the governor of New Mexico to the administrator of the general services administration, Washington, D.C. and the president of the Senate and the speaker of the house of representatives of the congress of the United States."

POM-176. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Labor and Human Resources:

"RESOLUTION

"Whereas, The Supreme Court of the United States has legalized the taking of unborn human life during all stages of pregnancy; and

"Whereas, In nineteen hundred and seventy-eight more than one million abortions were performed in the United States as a result of the action of the Supreme Court; therefore be it

"Resolved, That the Massachusetts General Court requests the President of the United States to convene a special conference to establish the rights of the unborn and to recommend appropriate measures to the Congress of the United States designed to restore legal protection for all human beings, during every stage of biological development, from its earliest beginnings to its natural end; and be it further

"Resolved, That in addition to experts in family law, medicine and social services appointed by the President to attend such a conference, that the legislature of each state, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Secretary of Health, Education and Welfare send official representatives to such conference; and be it further

"Resolved, That public hearings be conducted throughout the country to invite citizens' comments and recommendations from all citizens and that after such hearings, the conference shall issue its official report to the public; and be it further

"Resolved, That copies of these resolutions be sent by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of the Congress and to the members thereof from this Commonwealth."

POM-177. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION NO. 4015

"Whereas, the great preponderance of medical and scientific evidence clearly establishes that from the moment of conception a unique human being is formed in the womb with its own genetic life qualities distinctive from its host; and

"Whereas, from the moment of its conception an unborn human being is a person entitled to constitutional safeguards, including equal protection of the laws; and

"Whereas, the national public interest and general welfare requires that justice be provided to ensure the rights of life itself by preventing deprivation of life to unborn human beings through death by abortion; and

"Whereas, immediate action should be taken by the Congress of the United States to stop the present deprivation of the constitutional and civil rights of an unborn human being from the moment of its conception;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Forty-sixth Legislative Assembly of the State of North Dakota hereby requests the Congress of the United States to propose an amendment to the Constitution of the United States for ratification by the states providing that neither the United States nor any state shall deprive any human being, from the moment of fertilization, of the right to life without due process of law, nor shall the United States nor any state deny any human being, from the moment of fertilization, the equal protection of the laws; and

"Be it further resolved, that the Secretary of State be directed to transmit copies of this resolution to the North Dakota Congressional Delegation, the Secretary of the Senate of the United States, Clerk of the House of Representatives of the United States, and the President of the United States."

POM-178. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION NO. 20

"Whereas, The problems of increasing costs of energy and shortages of resources of energy affecting our nation require the conservation of those resources; and

"Whereas, There is a likelihood of greater shortages in resources of energy because of the recent stoppage of oil production in Iran; and

"Whereas, A proposal for mandatory closing of gasoline stations across the nation on weekends is receiving increased attention; and

"Whereas, Nevada is uniquely dependent on tourism, its main industry, and tourism in this state would be severely hampered by a mandatory shutdown of gasoline stations each weekend; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That Congress and the President of the United States exempt the State of Nevada and locales within 100 miles of its borders from any requirement that gasoline stations be closed on weekends; and be it further

"*Resolved,* That copies of this resolution be prepared and transmitted forthwith by the legislative counsel to the President of the United States, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, the Secretary of Energy and to the members of the Nevada congressional delegation; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-179. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, The current standard of living of many poor and elderly Americans is such that they are compelled to live in sub-standard housing and because of depressed finances are often unable to pay to adequately heat their living quarters; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation to expand and better facilitate the Section 8 subsidy and distribution formula to give direct rental assistance to house poor and elderly persons in the two, three and four-family homes of their communities through local housing and redevelopment authorities; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-180. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Human Resources:

"HOUSE RESOLUTION NO. 470

"Whereas, the State of Hawaii, in its constitution and laws, recognizes the right of all workers to organize for their own benefit and that of the general society, to bargain collectively to improve wages and working conditions, and to be represented by the union of their choice; and

"Whereas, the organization of Hawaii's workers, including clothing industry workers, and the expression of their interests in the political and social systems of the State has led to lasting betterment for every citizen of the State, including expanded public education and progressive programs in health, income maintenance, and social services; and

"Whereas, mainland textile workers in the South who number more than 700,000 men and women in eight states, and only ten per cent of whom are unionized, have been systematically excluded from laws granting workers the right to organize democratically and to collectively bargain for decent wages and working conditions; and

"Whereas, one union official has pointed out that the wages of southern textile workers "are, on the average, about $1.42 an hour below the average of all manufacturing"; and

"Whereas, recognizing the rights of other working Americans, clothing industry labor organizations of this State have joined together as a coalition supporting the collective bargaining endeavors of the textile workers in J. P. Stevens and Company plants; and

"Whereas, although the Textile Workers Union of America (TWUA) first began organizing the workers at J. P. Stevens and Company in 1963, to date not one Stevens Plant has a collective bargaining agreement; and

"Whereas, J. P. Stevens and Company is the nation's second largest textile manufacturer whose corporate office is based in New York State, with eighty-five plants located in North Carolina, South Carolina, Alabama, Georgia, and Virginia and is a multi-national corporation with associates in Canada, Mexico, France, Belgium, New Zealand, and Australia; and

"Whereas, the fact that the 44,000 workers of J. P. Stevens and Company are striving to realize their collective bargaining rights is evidenced by the fact that the Federal National Labor Relations Board (NLRB) has issued more than thirty complaints for unfair labor practices in recent years, and obtained from the federal circuit courts of appeals three contempt decrees for violations of court orders by the company; and

"Whereas, the workers of the J. P. Stevens and Company have been subject to anti-union activities that have been characterized by the federal court as follows:

". . . respondents (Stevens) have flouted our prior decrees in many ways. In a continued attempt to dissuade employees from joining the Textile Workers Union of America, the Company and its management personnel in various plants, despite our prior orders, have continued to resort to such unlawful tactics as engaging in surveillance of organizing activities, interrogating employees about their union inclinations, threatening pro-union employees with discharge and other reprisals, discriminatorily altering their working conditions and discharging them because of their union sympathies. In fact, one of the employees so discharged had been illegally terminated before, was reinstated by our prior order, but was then illegally discharged again. We regard this pattern of flagrantly contemptuous conduct most seriously. Our system of justice cannot survive if litigants are seized with the notion that they can ignore the lawful orders of a court simply because they may disagree with them. In addition, the record here strongly justifies the inference that these respondents deliberately took their chances in ignoring our decrees because they thought it profitable for them to do so. Finally, while conflicting testimony about a specific event may sometimes have been attributable to difference in perception of recollection, we cannot escape the impression that many conscious and deliberate faleshoods were given by company witnesses. We cannot express too sharply our condemnation and dismay for this apparent disregard of the legal and moral obligations which the testimonial oath imports. (Footnote omitted) *N.L.R.B.* v. *J. P. Stevens and Co.* 464 F2d 1326, 1328–1329 (2d Cir. 1972); and

"Whereas, to change such policies and practices of the J. P. Stevens and Company, the Amalgamated Clothing and Textile Workers Union has begun a boycott of the companies' textile products; and

"Whereas, although the J. P. Stevens name is not well-known to consumers because its textiles are marketed under a host of brand names and in unfinished form, the boycotted products are sold under the Meadowbrook, Utica, Yves St. Laurent, Dinah Shore, Tastemaker, Fine Arts, Suzanne Pleshette, Angelo Donghia, Ava Bergmann, Cacharel, Hardy Amies, Snoopy Towels, Gulistan, and Forstmann labels; and

"Whereas, along with the coalition of Hawaii's clothing industry labor organizations, millions of Americans throughout the country are supporting the collective bargaining efforts of the J. P. Stevens workers by boycotting the companys' products; and

"Whereas, in their history, America's clothing and textile industry labor organizations have demonstrated a commitment to nonviolence, peaceful social change, encouragement of fulfillment of members' responsibilities to the society, and democracy in the workings of the union; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that all citizens of the State are requested to support the Hawaii coalition of labor organizations supporting J. P. Stevens and Company workers in their collective bargaining endeavors; and

"Be it further resolved that all citizens, institutions, and organizations of the State support the nationwide consumer boycott of retail products produced by the J. P. Stevens and Company; and

"Be it further resolved that the North Carolina, South Carolina, Virginia, Alabama, Georgia and New York State Legislatures are hereby requested to take appropriate legislative action in support of the collective bargaining efforts to insure the rights of the J. P. Stevens workers; and

"Be it further resolved that the celebrities and designers whose names or creations are used as J. P. Stevens companies product labels such as Dinah Shore, Suzanne Pleshette, Yves St. Laurent, Charles Schulz, Angelo Donghia, Ava Bergmann, Cacharel, Hardy Amies and Gulistan are requested to withdraw permission for the use of their names or creations as soon as possible and until the J. P. Stevens companies cooperate with collective bargaining efforts of their workers; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States Senate; Speaker of the United States House of Representatives; each member of Hawaii's congressional delegation; President of the National AFL–CIO; President of the International Amalgamated Clothing and Textile Workers Union, Local 809; President of the International Longshoremen and Warehousemen Union; the presiding officers of the North Carolina, South Carolina, Virginia, Alabama, Georgia and New York State Legislatures; the celebrities and designers whose names are used by the J. P. Stevens company such as Dinah Shore, Suzanne Pleshette, Yves St. Laurent, Charles Schulz, Hardy Amies, Ava Bergmann, Cacharel, and Gulistan; the President of the National Conference of State Legislatures; the Associated Press; United Press International; Honolulu Advertiser; Honolulu Star-Bulletin; and the President of the J. P. Stevens and Company."

POM–181. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Finance:

"RESOLUTION

"Whereas, Many women are receiving Social Security payments in amounts less than comparable payments made to men; and

"Whereas, It is unfair and discriminatory to continue this disparate treatment of women receiving Social Security benefits; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation to change the Social Security laws so as to provide equal payments both to men and women; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM–182. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, The needs and welfare of the born and unborn must be recognized and affirmed; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to amend the pledge of allegiance to include recognition of this need and welfare, so that the pledge of allegiance shall read in part "liberty and justice for all, including the born and unborn"; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to each member thereof from this Commonwealth."

POM–183. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, the recent accident at the Three Mile Island Nuclear Power Plant near Harrisburg, Pennsylvania, has vividly demonstrated the dangers posed to the health and safety of the public by nuclear power plants; and

"Whereas, said accident has shown that our current nuclear technology does not fully understand the mysteries of nuclear power as an energy source; and

"Whereas, additional problems including the transportation, storage and ultimate disposal of radioactive waste generated by nuclear power plants remain unresolved; therefore be it

"Resolved, that the House of Representatives urges the President and Congress of the United States to enact legislation immediately placing a moratorium on the licensing of new nuclear power plants; and be it further

"Resolved, that the House of Representatives urges that said legislation require said moratorium to continue until such time as the questions concerning the operation of nuclear power plants and the transportation, storage and disposal of nuclear waste are solved; and be it further

"Resolved, that copies of these resolutions be sent by the Clerk of House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the Members thereof, from this Commonwealth."

POM–184. A petition from a citizen of the United States, relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

POM–185. A resolution adopted by the Board of Supervisors, County of Placer, California, relating to the Yosemite National Park; to the Committee on Energy and Natural Resources.

POM–186. A resolution adopted by the Board of County Commissioners of St. Louis County, Minnesota, proposing reorganization of Federal Natural Resources that refers to placing the Forest Service in the Department of Natural Resources rather than the Agriculture Department; to the Committee on Governmental Affairs.

POM–187. A resolution adopted by the Catholic Daughters of America, in Houston, Texas, relating to tax credits; to the Committee on Finance.

POM–188. A resolution adopted by the Catholic Daughters of America, in Houston, Texas, relating to military chaplains; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, with amendments:

S. 108. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes (Rept. No. 96–73).

By Mr. DECONCINI, from the Committee on the Judiciary, with an amendment:

S. 237. A bill to improve access to the Federal Courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes (Rept. No. 96–74).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment:

S. 28. A bill for the relief of Librado Perez (Rept. No. 96–75).

S. 49. A bill for the relief of Fou-Chiau Shih (Rept. No. 96–76).

S. 117. A bill for the relief of Heung-Sang Chun (also known as Margret Chun) (Rept. No. 96–77).

S. 134. A bill for the relief of Shyy Wen-Huei (Rept. No. 96–78).

S. 144. A bill for the relief of Mr. Angelo B. Cortes (Rept. 96–79).

S. 153. A bill for the relief of Benjamin N. Mascarenas (Rept. No. 96–80).

S. 159. A bill for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza (Rept. No. 96–81).

S. 215. A bill for the relief of Renuka Pavla (Rept. No. 96–82).

By Mr. KENNEDY, from the Committee on the Judiciary, without amendment but with a preamble:

S. Con. Res. 11. A concurrent resolution designating "Appropriate Technology Week" (Rept. No. 96–83).

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment:

S. 169. A bill for the relief of Kwok Hung Poon and his wife, Sandra Shau Man Lai Poon (Rept. No. 96–84).

S. 170. A bill for the relief of Janet Abraham, also known as Janet Susan Abraham (Rept. No. 96–85).

S. 180. A bill for the relief of Chakrapani Sethumadhavan (Rept. No. 96–86).

S. 214. A bill for the relief of Rocio Edmondson (Rept. No. 96–87).

S. 327. A bill for the relief of Shavji Purshottam Dusara, his wife Vasanti Shavji Dusara, and their child, Shreedhar Dusara (Rept. No. 96–88).

S. 364. A bill for the relief of Tomiko Fukuda Eure (Rept. No. 96–89).

By Mr. KENNEDY, from the Committee on the Judiciary, with an amendment and an amendment to the title:

S. 161. A bill for the relief of Dr. Dela Cruz (Rept. No. 96–90).

By Mr. KENNEDY, from the Committee on the Judiciary, with amendments:

S. 131. A bill for the relief of Dr. Manuel Javier Mariano and his wife Lilia Zapauta Mariano (Rept. No. 96–91).

S. 179. A bill for the relief of Reina Estela Olvera (Rept. No. 96–92).

By Mr. NUNN, from the Select Committee on Small Business, with an amendment:

S. 388. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration (Rept. No. 96–93).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Timothy F. Cleary, of Maryland, to be a member of the Occupational Safety and Health Review Commission.

(The above nomination from the Committee on Labor and Human Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Allen L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration. Referred to the Committee on Governmental Affairs, pursuant to order of March 1, 1979.

(The above nomination from the Committee on Veterans' Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CRANSTON. Mr. President, I am delighted to report from the Committee on Veterans' Affairs today the nomination of Allan L. Reynolds to be the Inspector General of the Veterans' Administration. Under a previous agreement, Mr. Reynolds' nomination will now be referred to the Committee on Governmental Affairs for not to exceed 20 days.

For the information of all Senators and the public, the printed record of the Committee on Veterans' Affairs April 5 hearing on Mr. Reynolds' nomination is now available through the committee. I would like to express my appreciation to Harold Carter, editorial director of the committee, and Walter Klinger and James MacRae for their excellent efforts in expediting the printing of the hearing record.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 989. A bill to amend the aggregation rules of section 402 of the Internal Revenue Code of 1954 to permit a taxpayer to roll over a complete distribution from a money purchase pension plan even if there is no such distribution from another pension plan of the same employer in which the taxpayer is a participant; to the Committee on Finance.

By Mr. DeCONCINI:

S. 990. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to guidelines for the determination of whether private schools have discriminatory policies until the enactment into law of provisions relating to such guidelines; to the Committee on Finance.

By Mr. YOUNG:

S. 991. A bill for the relief of Per Rise; to the Committee on the Judiciary.

S. 992. A bill for the relief of Dr. Jaime D. Tuazon and his wife, Ma. Veronica Tauzon, and their daughters, Eliza Victoria and Jaime; to the Committee on the Judiciary.

S. 993. A bill to establish Fort Totten, North Dakota, as a national historic site; to the Committee on Energy and Natural Resources.

By Mr. PELL:

S. 994. A bill entitled the "Federal Election Commission Authorization"; to the Committee on Rules and Administration.

By Mr. HELMS (for himself, Mr. Ford, Mr. Schweiker, Mr. Stevens, and Mr. Zorinsky):

S. 995. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to obtain a judicial finding of racial discrimination before terminating or denying tax-exempt status to a private school on the grounds of racial discrimination; to the Committee on Finance.

By Mr. HELMS:

S. 996. A bill to amend the United Nations Participation Act of 1954 with respect to the enforceability of Executive orders which apply measures against Rhodesia; to the Committee on Foreign Relations.

By Mr. COCHRAN:

S. 997. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Commerce, Science, and Transportation.

By Mr. DURKIN:

S. 998. A bill to provide survivors' benefits for death in the performance of duty by Federal protective officers or nonuniformed special police employed by the General Services Administration; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. Cochran):

S. 999. A bill to amend the Internal Revenue Code of 1954 with respect to interest payments on nonpayments of tax; to the Committee on Finance.

By Mr. MORGAN (by request):

S. 1000. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUMPERS:

S. 1001. A bill for the relief of Anne Pearce; to the Committee on the Judiciary.

By Mr. TSONGAS (for himself and Mr. Hatfield):

S. 1002. A bill to restate the purpose of the Peace Corps, to establish the Peace Corps as a Government foundation, and for other purposes; to the Committee on Foreign Relations.

By Mr. THURMOND:

S.J. Res. 65. A joint resolution designating July 4, 1979, as "Energy Independence Day"; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S.J. Res. 66. A joint resolution authorizing and requesting the President to issue a proclamation designating the week of January 21–27, 1979, as "Junior Achievement Week"; to the Committee on the Judiciary.

By Mr. BOSCHWITZ (for himself, Mr. Melcher, Mr. Hatfield, Mr. Durenberger, Mr. Helms, Mr. Cochran, Mr. Johnston, Mr. Heinz, and Mr. Cohen):

S.J. Res. 67. A joint resolution to authorize and request the President to proclaim the week of May 14 through May 20, 1979, as "National Fishing Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 989. A bill to amend the aggregation rules of section 402 of the Internal Revenue Code of 1954 to permit a taxpayer to roll over a complete distribution from a money purchase pension plan even if there is no such distribution from another pension plan of the same employer in which the taxpayer is a participant; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing a bill to correct a technical problem in section 402 of the Internal Revenue Code with respect to the tax treatment of certain distributions of private pension benefits.

Many businesses have more than one retirement plan for their employees. For example, a company might have what is known as a "defined benefit plan" as well as a so-called "money purchase plan." Under existing tax law, an employee who leaves a company and receives a pension distribution from one of the company pension plans but not from the other plan is denied favorable tax treatment on the money distributed. Favorable tax treatment is only allowed if the employee receives a complete distribution from both pension plans. This is known as the "aggregation rule." (Favorable tax treatment in these cases includes income averaging as well as tax-free rollovers.)

Under the bill I am introducing today, certain employees who participate in both a money purchase pension plan and another pension plan of the same company but who receive a distribution from only the money purchase plan would be allowed to rollover the distribution into an individual retirement account or another retirement plan. This would simply provide greater flexibility to many workers throughout the Nation.

Last year Congress enacted several technical tax amendments which I sponsored to facilitate the use of individual retirement accounts and prevent inequities to many taxpayers. This new bill is completely consistent with those changes.

I urge Congress to promptly enact this legislation.●

By Mr. DeCONCINI:

S. 990. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to guidelines for the determination of whether private schools have discriminatory policies until the enactment into law of provisions relating to such guidelines; to the Committee on Finance.

REGULATORY EQUITY FOR PRIVATE SCHOOLS ACT OF 1979

● Mr. DeCONCINI. Mr. President, today I am introducing a bill to prohibit the Internal Revenue Service from promulgating in final form its "Proposed Revenue Procedures on Private Tax-Exempt Schools" until enactment of a law providing guidelines to be used in determining whether private educational institutions are operating on a racially nondiscriminatory basis.

The first proposed revenue procedure was published in the Federal Register on August 22, 1978. Shortly after the procedure's printing strenuous opposition developed from the private sector, as well as from elected officials. At that time, I voiced displeasure with the proposal because I believed that it would place too great a burden on the private school to prove that it does not discriminate. I urged that the proposal be modified so that the task of proving discriminatory practices remained with the IRS.

Hearings were conducted by the IRS, and a revised revenue procedure was published in the Federal Register on February 13, 1979. However, even though the revised procedure may provide more flexibility for the school to show that it is not discriminatory, the new proposal still places the burden of proof on the private institution.

Mr. President, this proposed revenue procedure is just one more example of the Federal bureaucracy's excessive meddling that causes detrimental social and economic impacts far beyond any positive benefits.

A 1975 Office of Management and Budget study of the costs of government regulation showed that the total cost was between $105 and $130 billion. The OMB study concluded that:

> Precise estimates of the total costs of regulation are not available, but existing evidence suggests that this may range up to one percent of gross national product, or approximately $66 per person per year.

Today, that figure stands at almost $90 per person per year.

I am aware of no cost estimate on this particular IRS revenue procedure. The costs, I am sure, will be substantial—the completion of forms to prove nondiscriminatory practices will require many hours of work by administrators—not to mention the typing and collecting of information from students by secretaries and teachers.

According to the Constitution, Congress makes the laws. Yet, in truth, the bureaucracy makes most of our laws. This bill will allow the Congress to take a stand—albeit, a small one—against the usurpation of legislative authority by the bureaucracy. Enactment of this proposed legislation will help return the making of our Nation's policy to the constitutionally designated body—the U.S. Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 990

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Regulatory Equity for Private School Act of 1979.".

Sec. 2. (a) That prior to the enactment into law of provisions which relate to guidelines to be used in determining whether educational institutions claiming tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954 are operating on a racially nondiscriminatory basis, the Secretary of the Treasury or his delegate shall not issue—

(1) in final form the proposed revenue procedure described in subsection (b), and

(2) in proposed or final form any regulation, revenue procedure, revenue ruling, or other guidelines which set forth rules substantially similar to the rules set forth in the proposed revenue procedure described in subsection (b).

(b) For purposes of subsection (a), the proposed revenue procedure described in this subsection is the proposed revenue procedure which was published in the Federal Register of August 22, 1978, and which sets forth guidelines to be used in determining whether educational institutions claiming tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954 are operating on a racially nondiscriminatory basis.●

By Mr. HELMS (for himself, Mr. Ford, Mr. Schweiker, Mr. Stevens, and Mr. Zorinsky):

S. 995. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to obtain a judicial finding of racial discrimination before terminating or denying tax-exempt status to a private school on the grounds of racial discrimination; to the Committee on Finance.

IRS ACTS WITHOUT SPECIFIC CONGRESSIONAL AUTHORITY

Mr. HELMS. Mr. President, since the IRS announced its policy to deny tax-exempt status to private schools which allegedly operate on the basis of a policy of racial discrimination, it has done so without the legal authority of specific legislation.

In a public statement made on January 9, 1978, IRS Commissioner Jerome Kurtz discussed the proposed regulations and admitted that the IRS has "almost no specific statutory guidance" in moving into this area. Instead, the IRS has argued that private schools must be treated as charitable organizations and has applied to them the common law principle that a charity must not operate illegally or contrary to public policy. The IRS has then defined this broad public policy mandate in terms of Brown against Board of Education and title VI of the Civil Rights Act of 1964.

In his testimony before the IRS public hearings on behalf of the National Committee for Amish Religious Freedom, the Association of Christian Schools International, Organized Christian Schools of North Carolina, and the North Carolina Association of Christian Schools, Mr. William B. Ball took issue with this theory by the IRS. Mr. Ball observed:

> The guidance (the Commissioner) said, has been derived from Brown v. Board of Education, and "the broad national policy announced in the Civil Rights Act of 1964". The Proposed Revenue Procedure also cites Norwood v. Harrison and Green v. Connally. I wonder why. These citations are simply not in point. What the IRS administrators have done here is to convert a thimble-full of assumed, but not-existent, statutory power into an ocean of regulation. The Proposed Revenue Procedure can only be described as "home made" law. If it is desired to impose such restrictions on churches, then IRS must go to the lawmaker, the Congress, and make candid and public plea *there*—be willing to face the arguments of the people in *that* forum.

Similarly, in his testimony before the House Ways and Means Oversight Subcommittee, Dr. Robert Lamborn, executive director of the Council for American Private Education, considered the IRS theory and stated:

> This view is not supported by the legislative history of the act and has been soundly criticized by commentators. CAPE would vigorously oppose resting the authority of the IRS for the revenue rulings prohibiting racial discrimination in private schools on Title VI. If accepted, it would follow that other federal statutes which apply conditions to direct recipients of federal aid would also apply to private schools, a position which CAPE believes is legally insupportable and indefensible as a matter of education policy.

Dr. Lamborn continued in his testimony to call upon Congress to take the lead in setting fundamental policy in this important area and to provide explicit authority for the IRS position while limiting the discretionary power of the IRS to change or expand public policy applicable to tax-exempt private schools."

Another witness before the House Ways and Means Oversight Subcommittee, Dr. Mark I. Klein of the northern California district of the American Jewish Congress, observed:

> There is no compromise possible with the Internal Revenue Service on this issue which does not place our community, and others like ours totally innocent of racial discrimination, in grave danger in the future. We have no reason to question the good faith and intent of the current government, but the painful lessons of history teach that the future is always uncertain. These regulations probably exceed the Constitutional limits of the government's administrative powers.

The theory put forth by the IRS to defend its proposed procedures represents a profound distortion of the administrative process. Administrative agencies, such as the IRS, operate by means of delegated power from Congress. They are creatures of Congress and receive their power to act only from specific statutes. It is fanciful to suggest that in the absence of specific statutory authority the IRS is empowered to act in tax matters on the basis of laws and court decisions dealing with public education. This distortion is compounded when an administrative agency seeks to regulate in an area affecting sensitive first amendment rights.

Indeed, Mr. President, it is more than curious that 2 years ago the IRS itself argued in Federal court against many of the very same procedures it now proposes. At that time, the IRS maintained that the legality of such procedures is highly doubtful. The IRS admitted, for example, that a private school may have few minority students because of many factors other than discrimination.

IRS ACTION DISTORTS INTERNAL REVENUE CODE

The IRS has responded to the absence of specific statutory authority from Congress by constructing a theory which substantially distorts the legislative intent and clear meaning of section 501(c)(3) of the Internal Revenue Code. IRS asserts that for a private school to qualify for tax exempt status under section 501(c)(3) it must be both a charitable and an educational organization. However, section 501(c)(3) lists the exempt purposes as being independent and separate. Nowhere in the statute can it be inferred that an organization seeking exemption must be both "charitable" as well as meet the requirements of one of the other listed purposes.

The enumeration of exempt purposes in section 501(c)(3) is plain and unambiguous. It states that organizations are exempt which are "organized exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes." By the rules of statutory construction, the word "or" must be read after each of the listed categories. This section is to be read to mean "religious OR charitable OR scientific OR educational".

Congress clearly did not intend that "religious" or "educational" purposes be included under or in addition to a requirement of a "charitable" purpose. If Congress had wanted to provide for the double test of charitable and one other listed purpose, it could have done so with language such as:

> Organized and operated exclusively for charitable (including, religious, scientific, testing for public safety, literary, or educational) purposes.

However, Congress did not use this statutory construction.

One important reason for rejecting such statutory language is the fact that it misstates the purpose of a religious organization. A church or a church-related school is not organized and operated exclusively or even substantially for charitable purposes. Such an organization is organized in the exercise of constitutionally protected rights of worship and religion which may or may not include works of charity. As the Supreme Court recognized in *Waltz* v. *Tax Commission*, 397 U.S. 664 (1970), the tax exemption of religious organizations does not depend upon their serving some pragmatic community purpose.

The general IRS regulations dealing with section 501(c)(3) state with equal clarity:

> (d) Exempt Purposes—(1) In general
>
> (i) An organization may be exempt as an organization described in section 501(c)(3) if it is organized and operated exclusively *for one* or more of the following purposes:
>
> (a) Religious,
> (b) Charitable,
> (c) Scientific,
> (d) Testing for public safety,
> (e) Literary,
> (f) Educational, or
> (g) Prevention of cruelty to children or animals.
>
> . . . (iii) *Since each of the purposes specified in subdivision (i) of this subparagraph is an exempt purpose in itself, an organization may be exempt if it organized and operated exclusively for any one or more of such purposes.* (emphasis supplied)
>
> 26 C.F.R. Sec. 1.501(c)(3)-1(d)(1), (2).

By basing its new revenue procedures on an interpretation of section 501(c)(3) which is unwarranted by its legislative history and its express terms, the IRS has overstepped its authority and usurped the authority of Congress. In *Manhattan General Equipment Co.* v. *Commissioner*, 297 U.S. 129 (1935), the Supreme Court clearly set the limits of an agency's power:

> The power of an administrative officer or board to administer a federal statute and to prescribe rules and regulations to that end is not the power to make law—for no such power can be delegated by Congress—but the power to adopt regulations to carry into effect the will of Congress as expressed by the statute. A regulation which does not do this, but operates to create a rule out of harmony with the statute, is a mere nullity.

As the Supreme Court later ruled, "this reasoning applies with even greater force to the Commissioner's rulings". *Dixon* v. *United States*, 387 U.S. 68 (1965). By seeking to alter the law in this proposed revenue procedure, the IRS has unconstitutionally attempted to seize a power reserved solely to Congress.

IRS ACTION DISTORTS COURT DECISIONS

The IRS relies upon *Norwood* v. *Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974) to support its contention that a private school can legally be denied a tax exempt status on the grounds of its racially discriminatory actions. However, the facts in Norwood differ from those involving the proposed IRS procedures in two substantial aspects.

First, unlike under the IRS procedure, the schools in Norwood were found to be operated in a racially discriminatory manner by a court. The court did not propose, as the IRS has done, to look to a "safe harbor test" or revoke the presumption of innocence on the basis of when the school was organized. It formulated a simple and constitutional test. It stated:

> It is important to emphasize that the ultimate issue . . . is not whether black students are actually enrolled at the school, but whether their absence is because the school has restrictively denied their access; simply, does the school have a racially discriminatory admissions policy?

Second, the Government action involved in Norwood was not tax exemption, but a State financed textbook program. This is a fundamental difference in the facts of two situations. The Supreme Court has, for example, struck down State textbook programs for church-related schools while upholding the constitutionality of tax exemption of churches. In a constitutional sense, a tax exemption is not a subsidy. The theory, now adopted by the IRS, that a tax exemption constitutes just such a tax benefit was argued before the Supreme Court in *Waltz* v. *Tax Commissioner*, 397 U.S. 664 (1970) and was rejected. In his concurring opinion, Mr. Justice Brennan stated:

> Tax exemptions and general subsidies, . . . are qualitatively different. Though both provide economic assistance, they do so in fundamentally different ways. A subsidy involves the direct transfer of public monies to the subsidized enterprise and uses resources exacted from taxpayers as a whole. An exemption, on the other hand, involves no such transfer. It assists the exempted enterprise only passively, by relieving a privately funded venture of the burden of paying taxes . . . Tax exemptions, accordingly, constitute mere passive state involvement with religion and not the affirmative involvement characteristic of outright governmental subsidy.

It is interesting to note that in Norwood, the Court found two schools which had no minority students, but which had a nondiscriminatory admissions policy could not be forced to withdraw from the textbook program. This decision does not stand for the principle, as the IRS asserts, that a private school must undertake an affirmative action program to obtain minority students in order to convince government officials that it does not have a racially discriminatory policy.

The IRS relies upon the decisions of two Federal courts which have denied tax exempt status to organizations which maintain a policy of racial discrimination. *Green* v. *Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *Goldsboro Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (E.D.N.C. 1977). While these courts refused to accept the contention of the IRS that in enacting section 501(c)(3), Congress intended organizations to qualify under the common law of charitable trusts, they nonetheless terminated the schools' tax exemption on the basis that their activities violated Federal policy.

In coming to a decision in the Green and Goldsboro cases, the courts improperly extended the decision of the Supreme Court in *Tank Truck Rentals* v. *Commissioner*, 356 U.S. 30 (1958). First, the decision in Tank Truck concerned the legality of a taxpayer's deductions, not the tax exempt status of a private organization. Second, the taxpayer's conduct in Tank Truck involved violations of State law, not an ambiguous public policy as defined by the IRS.

The Tank Truck case involved a trucking company which encouraged its drivers to exceed speed limits in order to provide customers with faster service. The company would pay its employees' speeding tickets and then deduct the amount from its corporate income tax. The Supreme Court found that allowing this deduction would directly encourage violations of State law by lessening the penalty of the fine. In its opinion the Court outlined the test to be applied in these situations:

> This is not to say that the rule as to frustration of sharply defined national or state policies is to be viewed or applied in any absolute sense. "It has never been though . . . *that the mere fact that an expenditure bears a remote relation to an illegal act makes it nondeductible.*" Although each case must turn on its own facts, *the test of nondeductibility always is the severity and immediacy of the frustration resulting from allowance of the deduction.*

The IRS proposed procedure fails to meet the Court's test of "immediacy" as outlined in Tank Truck. The facts of that case revealed a direct cause and effect relationship between the encouragement of illegal conduct by reducing the sting of the penalty mandated by State law. However, in regard to private schools, the mere fact of tax exemption does not encourage the school to adopt a policy of racial discrimination. If the IRS can ignore the Supreme Court's rule that there is to be a cause and effect relationship between the deduction or exemption, then why not deny all such tax treatment to any taxpayer who violates any law?

IRS ACTION IGNORES RELIGIOUS NATURE OF SCHOOLS

The religious schools affected by the proposed procedures select their teachers, staff and students on the basis of their religious commitment. As the Supreme Court held in Lemon these religious schools are "integral parts of the religious mission" of the churches and religious organizations which operate them. Many parents sincerely believe it is a religious necessity and a duty in conscience to have their children enrolled in religious elementary and secondary schools, as found by the Supreme Court in Yoder. These schools seek out teachers and staff who totally agree with the moral and faith standards of the church or religious community appointing them.

Often these teachers in church-related schools are considered ministers or board members of the affiliated churches. These strict standards are maintained because the religious faith of these communities is encouraged among students not only by instruction, but by the very presence of teachers who exhibit and display firm religious beliefs and moral conduct. It makes a mockery of the constitutional doctrine prohibiting the entanglement of the Government in religious matters, for an agency of the Federal Government to insist upon setting hiring and admission rules which substantially affect the religious mission of these schools.

In its decisions affecting church-related schools, the Supreme Court has found that the activity and purpose of these schools is essentially religious in nature. For example, in *Meek* v. *Pittinger*, 421 U.S. 349 (1975) the Court stated:

> The very purpose of many of those schools is to provide an integrated secular and religious education; the teaching process is, to a large extent, devoted to the inculcation of religious values and belief.

Mr. President, it strains the bounds of logic to assert that these schools change from essentially religious to essentially secular depending upon the Government interest to be served.

The misunderstanding by the IRS of the essential nature of religious and church-related schools manifests itself throughout the proposed revenue procedures. For example, the IRS proposal creates a new obligation on the part of these schools to the community in which they reside. While this obligation may be consistent with the IRS theory which regards such schools as charitable organizations, it is not consistent with the religious purpose and operation of the schools themselves.

As William Ball pointed out, the term "community" as used in the proposed revenue procedure "bears no rational relationship whatever to the religious necessities" of the religious schools affected by the proposal. The obligation of religious schools is clearly to a geographical community.

But unlike public schools which serve a geographical region, church-related schools serve their own faith communities. The error of the IRS proposal, Mr. Ball continued, "is that it attempts to force the schools of the faith communities to be related to population patterns of public school districts." The affirmative action quota burden imposed upon religious schools is determined by the racial make-up and desegregation problems of the public schools in their area without reference to the needs and resources of their own religious communities.

IRS ACTION VIOLATES ESTABLISHMENT CLAUSE OF FIRST AMENDMENT

Conflict with the Establishment Clause of the first amendment is the unavoidable result of the IRS proposal. All religious organizations, under the IRS theory, could be denied tax exemptions unless the IRS has judged the organization's purposes and practices to be in line with expressed Federal policy. According to IRS, only religious organizations, whose purposes and practices are in harmony with those of the Federal Government, will be granted an exemption. To preserve its tax exemption, a church, or other religious organization such as a religious school, would have to make sure it stayed in step with Federal public policy.

In *Tilton* v. *Richardson*, 403 U.S. 672 (1971), the Supreme Court stated its well-known test for determining if a statute contravenes the Establishment Clause:

> First, does the Act reflect a secular legislative purpose? Second, is the primary effect of the Act to advance or inhibit religion? Third, does the administration of the Act foster an excessive entanglement with religion?

Regardless of the stated purpose of the IRS procedures, a primary effect will be the inhibition of those religious organizations whose policies are not consistent with national policy as declared by the IRS and the advancement of those religious groups that conform with Federal public policy.

The Supreme Court in *Walz* v. *Tax Commission of the City of New York*, 397 U.S. 664 (1970), determined that the granting of property tax exemptions equally to all churches did not violate the Establishment Clause of the first amendment. But, instead of all religious organizations being treated equally, as was the case in Walz, the new IRS proposal places the burden of taxation only on those religious organizations whose procedures the IRS has determined conflict with Federal public policy. As the Supreme Court observed in Committee for Public Education against Nyguist, one form of the oppression of religion by government is taxation. In Nyguist, the Court commented as follows:

> Special tax benefits, however, cannot be squared with the principle of neutrality established by the decisions of this Court. 413 U.S. 756 (1973).

The construction of section 501(c)(3) argued by the IRS would do away with the general grant of tax exemptions to all religious organizations, which was found in Walz to be an act of benevolent neutrality. Instead, it would transform the statute to provide a special tax benefit to some religious organizations. Since only selected religious institutions would receive exemption under the IRS interpretation, tax exemption provided by section 501(c)(3) no longer manifests neutrality toward all religions but favors some groups over others. The IRS procedures will strengthen and promote religious organizations whose religious practices do not conflict with Federal public policy and discriminate against religious groups whose convictions may conflict with those principles. Thus it essentially runs afoul of the second test articulated in Tilton, that is, a primary effect to advance or inhibit religion. Such a result strikes at the heart of the establishment clause of the first amendment.

The IRS proposal would also violate the third test of Tilton in that its administration fosters an excessive entanglement with religion. The revised revenue procedures maintain the presumption against private schools on the basis of when the school was established, they retain the affirmative action quota system for student admissions and the procedures limit the evidence which a school may use to overcome the presumption of racial discrimination.

These procedures mandate extensive and unwarranted oversight by an agency of the Federal Government concerning the day-to-day activities of hundreds, possibly thousands, of religious schools and religious organizations. Under the IRS theory, the Government would be required to monitor continually the practices of religious organizations to determine their entitlement to exemption. The proposed IRS regulations provide for a sustained and detailed administrative relationship between the Federal Government and church-related schools.

Recently, the fifth circuit court of appeals outlined the strict standard by which Government regulation of first amendment rights is to be measured:

> Only in rare instances where a compelling state interest in the regulation of a subject within the State's constitutional power to regulate is shown can a court uphold state action which imposes even an incidental burden on the free exercise of religion. In this highly sensitive constitutional area only the gravest abuses, endangering paramount interests given occasion for permissible limitation. *Sherbert* v. *Verner*, 374 U.S. 398 (1963). Restrictions on the free exercise of religion are allowed only when it is necessary to prevent grave and immediate danger to interests which the state may lawfully protect. *West Virginia State Board of Education* v. *Barnette*, 319 U.S. 624 (1943).

Mr. President, I believe it is clear that the IRS has failed to meet this standard and others developed by the Supreme Court and the Constitution to protect the free exercise of religion. The vast majority of private schools to be affected by the proposed procedures are church related or religious schools. Many of these schools are operated by religious minorities which have been subject to discrimination and other sanctions in our society.

It is too easy to lose sight of the fact that this issue involves the rights of two groups of minorities, one which is ethnic and the other religious in character. Both groups have suffered unequal treatment during the course of American history. Both groups have important constitutional rights which must be respected. The present difficulties with the IRS procedures point to the problems which arise when an administrative agency without authorization or guidance from Congress attempts to take it upon itself to resolve such sensitive issues.

Mr. President, it is the responsibility of Congress to examine the issues presented in this question. The legislative process is well suited to affording all interested parties a fair and open hearing. If new national policy is to be set on this matter, then it is the lawmaker, the Congress which should act.

THE PRIVATE SCHOOL NONDISCRIMINATION AND DUE PROCESS ACT OF 1979

The "Private School Non-Discrimination and Due Process Act of 1979" for the first time authorizes the IRS to deny the tax-exempt status of, and the deductibility of contributions to, a private school which racially discriminates as to students. It provides for the Secretary of the Treasury to bring declaratory action in the Federal courts to determine whether a particular private school racially discriminates.

The Congress has not yet legislated in either respect. The bill reestablishes the role of Congress in determining law in this area in a manner consistent with the Constitution, prior Federal statutes and case law.

Under pressure of litigation, the IRS has issued revenue procedures prohibiting racial discrimination as to students in tax-exempt private schools. These procedures are founded on a claim of "public policy" as determined by the IRS. They are not sensitive to the policies and programs of religious schools which limit or grant preferences and priorities, in admissions to students who are members of a particular religious organization. The bill draws upon the efforts of the IRS represented in various revenue rulings while establishing that the Congress is responsible for making policy decisions with respect to the Internal Revenue Code.

The definitions "private elementary or secondary school" and "a racially discriminatory policy as to students" as used in this bill are drawn from the IRS Revenue Procedures. The definitions also make explicit what is mandated by the Constitution, namely that admissions decisions of religious schools are not racially discriminatory if they limit or grant preferences or priorities to students who are a member of a particular religious organization.

The authority of the IRS for its present revenue ruling is suspect, having been upheld by one district court but rejected by another. The rationale for the authority of the IRS, which is based on "public policy" is suspect as a matter of law and open-ended in terms of bureaucratic discretion. The suggestion by some that the authority of the IRS should be based on the theory that indirect assistance through tax exemption and charitable deductions should be viewed as Federal financial assistance under title VI is contrary to the intent of Congress and is explicitly rejected by this legislation.

Under section 7428 of the current Internal Revenue Code, a tax-exempt organization has the right to seek a declaratory action against the IRS after exhaustion of administrative appeals. This is too late for private schools which are dependent, for their financial viability, on the assurance that contributions will be tax deductible. In addition, private schools are in a worse position than public schools which, under Title VI of the Civil Rights Act of 1964 are entitled to notice, hearing before an administrative law judge, and review by the Federal courts prior to fund termination.

This bill provides that allegations of racial discrimination as to students in a private school must be determined by a declaratory action suit brought by the Secretary of the Treasury in a Federal district court for the district in which the school is located. This assures elementary due process to a private school including adjudication by the constitutional branch of government well versed in determining on the basis of evidence whether an organization in fact discriminates.

The declaratory action requirement will also insure that the rights of religious schools which are threatened by allegations of racial discrimination will be determined by a Federal district court and not by an administrative agency which has no formal third party adjudicatory procedures and which under current practice now serves as legislator.

Finally, the bill does not require the Secretary of the Treasury to seek declaratory action if a private school has not adopted and published a nondiscrimination policy as to students or if the school has already been determined to discriminate in a Federal court action or that issue is before a Federal court at the time the bill becomes effective.

Mr. President, I ask unanimous consent that the Private School Non-Discrimination and Due Process Act of 1979 be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS: DECLARATION OF CONGRESSIONAL POLICY.

(a) The Congress finds that—

(1) discrimination based on race in the public schools violates the Constitution and Acts of Congress, including title VI of the Civil Rights Act of 1964, and the elimination of discrimination based on race in all educational opportunities is a fundamental national goal;

(2) the Supreme Court has held under the Civil Rights Act of 1856 that a private elementary school may not discriminate on the basis of race in the admission of students, but the Congress has failed to provide guidance as to the tax-exempt status of such schools;

(3) revenue rulings and procedures adopted by the Internal Revenue Service which deny tax-exempt status to private schools that discriminate on the basis of race are not based on a specific statute but rest on broad grounds of fundamental public policy as determined by the Service;

(4) the financial viability of many private schools, including scholarship programs, rests on the assurance that contributions to the school are deductible under the Internal Revenue Code, and any action by the Internal Revenue Service affecting the tax-exempt status of a school threatens its existence;

(5) revenue rulings and procedures adopted by the Internal Revenue Service have not been sensitive to private schools which limit, prefer or grant priorities in admissions to students which are members of religious organizations;

(6) many private schools operated by a particular religion or religious association form an integral part in carrying out the religious mission of the affiliated churches or associations in the free exercise of religion by their members.

(7) various Acts of Congress which condition Federal financial assistance to grantees, such as title VI of the Civil Rights Act of 1964 and title IX of the Education Amendments of 1972, do not apply to organizations simply because they are tax-exempt;

(8) the Congress has provided in title VI of the Civil Rights Act of 1964 that a public elementary and secondary school system is entitled to notice and a full evidentiary hearing on allegations of racial discrimination including the right to appeal an adverse decision to the Federal courts, prior to the termination of Federal funds; and

(9) neither the Congress nor the Internal Revenue Service has provided for impartial adjudication of allegations of racial discrimination prior to withdrawal of the advance notice of deductibility with respect to contributions to, and the determination of the tax-exempt status of, a private school.

(b) Therefore, the Congress determines that a private school which in fact racially discriminates as to students should not be entitled to tax-exempt status, and contributions to such schools should not be deductible under the Internal Revenue Code of 1954, and further determines that the Secretary of the Treasury should be required to bring a declaratory action in the Federal courts to adjudicate whether a private school in fact racially discriminates as to students prior to any action which affects the tax-exempt status of, or deductibility of contributions to, such school.

"SEC. 2. SHORT TITLE.

This Act may be cited as the "Private School Non-Discrimination and Due Process Act of 1979".

SEC. 3. DECLARATORY JUDGMENT PROCEDURE ESTABLISHED.

(a) IN GENERAL.—Subchapter A of chapter 76 of the Internal Revenue Code of 1954 (relating to civil actions by the United States) is amended by redesignating section 7408 as 7409, and by inserting after section 7407 the following new section:

"SEC. 7408. ACTION TO REVOKE OR DENY TAX-EXEMPT STATUS OF PRIVATE SCHOOL ON BASIS OF RACIAL DISCRIMINATION.

"(a) GENERAL RULE.—The Secretary may not—

"(1) revoke or change the qualification or classification of a private school as an organization described in section 501(c)(3) which is exempt from taxation under section 501(a), "(2) deny, withhold approval of, the initial qualification or classification of a private school as such an organization, or

"(3) condition acceptance or approval of an application for qualification or classification of a private school as such an organization, or

"(4) revoke the advance assurance of deductibility issued to a private school,

on the grounds that the school discriminates on the basis of race as to students unless a court of the United States, in a civil action for a declaratory judgment brought by the Secretary in accordance with the provisions of this section, has found that the school has a racially discriminatory policy as to students.

"(b) Procedure To Be Followed by the Secretary.—Whenever the Secretary has reason to believe that a private school has a racially discriminatory policy as to students, the Secretary shall file a civil action for a declaratory judgment in the United States district court for the district in which the private school is located.

"(c) Limitations.—

"(1) Evidentiary standard.—No finding that a private school has a racially discriminatory policy as to students shall be made unless the Secretary, by a clear and convincing preponderance of the evidence, shows that the school has had a practice of deliberate and intentional racial discrimination in fact.

"(2) No adverse action until school has exhausted appeals.—In the case of a private school with respect to which a court has found under subsection (a) that it has a racially discriminatory policy as to students, the Secretary shall not take any action with respect to the initial qualification or continued qualification of the school as an organization described in section 501(c)(3) which is exempt from tax under section 501(a) or as an organization described in section 170(c)(2)(B) until the school has exhausted all appeals from the final order of the district court in the declaratory judgment action brought under this section.

"(d) Retention of Jurisdiction; Reinstatement of Status.—The district court before which an action is brought under this section which resulted in the denial of initial qualification or revocation of qualification of a private school as an organization described in section 501(c)(3) which is exempt from tax under section 501(a), or as an organization described in section 170(c)(2)(B), shall retain jurisdiction of such case, and shall, upon a determination that such school—

"(1) has not had a racially discriminatory policy as to students for a period of not less than a full school year since such denial or revocation became final, and

"(2) does not have a racially discriminatory policy as to students,

shall issue an order to such effect and vitiate such denial or revocation. Such an order may be appealed by the Secretary, but, unless vacated, be binding on the Secretary with respect to such qualification.

"(e) Award of Cost and Fees to Prevailing School.—In any civil action brought under this section, the prevailing party, unless the prevailing party is the Secretary, may be awarded a judgment of costs and attorney's fees in such action.

"(f) Definitions.—For purposes of this section.—

"(1) Private school.—The term 'private school' means any privately-operated school which meets the requirements of State law relating to compulsory school attendance other than a school offering care or instruction for students solely below the first grade, nursery schools, schools for the blind or deaf, or schools operated solely for the handicapped of emotionally disturbed.

"(2) Racially Discriminatory Policy As To Students.—The term 'racially discriminatory policy as to students' means that a school does not admit students of all races to all the rights, privileges, programs, and activities generally accorded to or made available to students at that school, and that the school discriminates on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, athletic programs, or other school-administered programs. Such term does not include an admissions policy of a school which limits, or grants preferences or priorities to, its students to members of a particular religious organization or belief and does not include any policy or program of a school which is limited to, or required of, members of a particular religious organization or belief.

"(g) Section to Apply Only to Schools With Publicly Announced Policy of Nondiscrimination.—Subsection (a) shall not apply with respect to any private school unless that school has adopted a policy of nondiscrimination on the basis of race as to students and has published, in such manner as the Secretary may require, public notice of that policy.".

(b) The table of sections for such subchapter is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 7408. Action to revoke or deny tax-exempt status of private school on basis of racial discrimination. "Sec. 7409. Cross references.".

Sec. 4. Effective Date.

The amendments made by section 3 of this Act shall apply to actions of the Secretary of the Treasury taken with respect to the initial qualification or continuing qualification of an organization as an organization is described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code, or which is described in section 170(c)(2)(B) of such Code, after the date of enactment of this Act.

By Mr. HELMS:

S. 996. A bill to amend the United Nations Participation Act of 1954 with respect to the enforceability of Executive orders which apply measures against Rhodesia; to the Committee on Foreign Relations.

ZIMBABWE-RHODESIA: IT IS TIME TO LIFT SANCTIONS

Mr. HELMS. Mr. President, it is time to lift all sanctions against Zimbabwe-Rhodesia.

All conditions of the Case-Javits amendment have been met; the transitional government time and again has agreed to meet with the Patriotic Front, with every good faith attempt to conduct an all-parties conference arrogantly rebuffed by the Patriotic Front and its allies.

Moreover, Mr. President, the most free and open election in the history of the continent of Africa has just been concluded—despite efforts to frustrate it—with a 63-percent turnout at the polls.

So, Mr. President, how can the United States now refuse to normalize relations with the new government of Zimbabwe-Rhodesia? What further excuse can be contrived as a basis for refusing to lift sanctions, and hold out the good-faith attempt by Zimbabwe-Rhodesia to set up a participatory democracy as an example to be emulated by other nations in Africa and the Third World? If the U.S. foreign policy possesses even the barest element of fairness and good faith, we must now do what we pledged to do when the Case-Javits amendment passed the Senate.

As Senators will recall, the Case-Javits amendment was an amendment to my proposal to lift sanctions within a specified time. The Senate accepted the compromise proposal worked out by Senators Case and Javits. I have cooperated in good faith since that time to make certain that the U.S. commitment clearly stated in the terms of Case-Javits would be met.

Those terms have been met, Mr. President. They have been met.

I am troubled that our State Department has not followed suit. Since Case-Javits was signed into law by the President, it should have been a good-faith guideline for executive branch actions dealing with Rhodesia. The State Department's record, sad to say, falls short of good faith, let alone even a reasonable adherence to the commitment explicit in Case-Javits.

BACKGROUND OF CASE-JAVITS

On June 28, 1978, I offered an amendment to the foreign relations authorization bill. This amendment sought to lift sanctions against Rhodesia until the end of fiscal year 1979. While the amendment was successfully tabled, the vote, 48 to 42 disclosed a degree of support for lifting sanctions that could not be ignored.

Subsequent to that, I asked Prime Minister Ian Smith if Bishop Muzorewa would be willing to come to the United States to present the Rhodesian case to the Congress. Smith consulted with Muzorewa; Muzorewa agreed to come.

Muzorewa spoke eloquently about the hopes and aspirations of the majority of Rhodesians. He emphasized that Rhodesians wanted a peaceful transfer of power from white to majority rule—via the ballot box, not with violence. He urged Congress to lift sanctions, so that Rhodesians might have hope, and positive incentives to participate in the electoral process.

On July 26, 1978, I moved again to attempt to lift sanctions, this time until the end of the year—as a trial period to assess the transitional government's good faith in moving toward open and free elections. The Case-Javits substitute to my amendment was supported by 59 Senators. A vote on a measure offered by Senator Danforth as an amendment to Case-Javits (in substance the amendment that I originally had offered) was taken. The Danforth-Helms amendment received 42 votes, and Case-Javits prevailed.

It is interesting that in these two votes, a total of 94 Senators went on record as favoring the lifting of sanctions against Rhodesia in some form or another.

Mr. President, a clear, unequivocal signal was sent to the State Department by the Senate that day. Unfortunately, if we are to judge by the subsequent actions by officials of the executive branch in general, and the State Department in particular, there was no inclination to abide by the Senate's wishes.

Following these efforts, after much wrangling with the Department of State, a visa was granted for Ian Smith to visit the United States. The Smith visit opened up a new chapter in Rhodesian-American relations. It was during this visit that Ian Smith and other members of the transitional government first agreed to attend an all-parties conference.

RHODESIA AGREES TO ALL-PARTIES CONFERENCE

Ian Smith, Bishop Muzorewa, Chief Chirau, and Mr. Sithole all visited the United States in early October of last year. It was a highly productive visit.

While here, Smith talked with many friends in the United States. Other members of the transitional government quickly came to agreement with Smith, and with Americans interested in a peaceful resolution to Rhodesia's problems. It was agreed that the transitional government should make clear its willingness to attend an all-parties conference without preconditions.

This information was communicated to the State Department, first under my direction, then by the transitional government members themselves.

When the willingness of the transitional government to attend an all-parties conference was transmitted to the State Department, the news was met with surprise and interest. It was even suggested, by one high ranking official at State—still basking in the euphoria of President Carter's Camp David success—that perhaps Camp David would serve as a good meeting place for such a conference.

I am informed that other places also were considered, including one site in New York.

All of this came to naught. State Department inquiries with Nkomo produced a negative response. Nor was Mugabe willing to meet.

Thus, as early as last October, the transitional government had indicated its willingness to attend an all-parties conference without preconditions. The Patriotic Front was not. This was acknowledged by the chairman of Africa Affairs Subcommittee last month, and has been acknowledged by members of the State Department on numerous occasions.

FREE AND OPEN ELECTIONS, INTERNATIONALLY OBSERVED

While the leaders of Rhodesia continued to remain open to an all-parties conference without precondition, they also proceeded with plans for free and open elections, with the participation of international observers, including a sizable corps of foreign press.

The elections were held last week. That they were, indeed, open and free is not in serious dispute. The newspapers have been filled with headlines about the freedom of the electoral process in Zimbabwe-Rhodesia.

The size of the turnout far exceeded any national election in our own 200-year-old history.

Surely all fair-minded Americans will now acknowledge that Rhodesia has become a model for other African nations. Rhodesia's attempt to emulate the democratic process and tradition of our own country is commendable. Rhodesia, by these elections, has clearly become the most free and openly democratic nation on the African continent.

Thus, Mr. President, the time has come for the United States to lift sanctions against Zimbabwe-Rhodesia, and to normalize relations with this nation.

Now, Mr. President, there may be objections raised to lifting sanctions and normalizing relations with Zimbabwe-Rhodesia. Some may question the continuing role of whites in the governmental process; or, the possibility of increased guerrilla activity—possibly with active Soviet participation.

But those concerns are irrelevant to our obligations to deal with Zimbabwe-Rhodesia fairly, and in good faith. This is a matter that I hope to explore in more detail at a later date.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the United Nations Participation Act of 1945 is amended—

(1) by striking out the second and third sentences of subsection (a) and inserting in lieu thereof the following: "In recognition of the settlement of March 3, 1978, reached by leaders representing a majority of Rhodesians, and of the willingness of the transitional government established pursuant to such settlement to participate in and negotiate in good faith at an all-parties conference without preconditions, and of the government chosen by free elections held in April, 1979, and observed by international observers, no Executive order issued under this subsection may be enforceable after such elected government is installed."; and

(2) by striking out subsections (b) and (c).

By Mr. COCHRAN:

S. 997. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Commerce, Science, and Transportation.

● Mr. COCHRAN. Mr. President, many of us who value the record and promise of aviation are deeply disturbed by certain recent actions by the Federal Aviation Administration (FAA) which we believe threaten the very future of aviation as we know it—all initiated in the name of safety, to be sure. However, instead of fostering the further development of this great industry in a safe environment, FAA is moving to constrain it and is proposing policies with serious safety implications—much the same sort of pattern which has retarded the growth in aviation in Europe.

Of special concern, Mr. President, are the severe restrictions on use of the navigable airspace which FAA proposed to impose on the aviation community in December. Greatly expanded portions of airspace subject to positive control—including most terminal areas of any size—would effectively prohibit most civil aircraft from access to such airspace without the purchase and installation of expensive altitude-encoding transponders. And, later on, sophisticated discrete address beacon system (DABS) transponders would be required under the FAA proposals. Further, most aircraft would be forced to operate in airspace below 10,000 feet (12,500 feet in airspace overlying most Western States)—thereby derogating safety by compressing more aircraft into less airspace. In addition, and ironically, the wholesale expansion of airspace under positive control would surely overburden FAA's air traffic control (ATC) system to the point where it simply could not handle the load—perhaps the ultimate threat to aviation safety posed by the proposed FAA plan. Even FAA's justification for its program appears faulty on the basis of a recent NASA study of near midair collision reports.

Mr. President, FAA is trying to upset too many applecarts with these proposals. The present system is not that bad. Although the FAA plan was timed as its response to the tragic midair collision at San Diego, no one—including FAA itself—claims that it would have had the slightest effect. Other matters require attention—and action on them would pay big safety dividends: Such things as more and better general aviation airports (including relievers), improved navigation aids at general aviation airports, correcting the causes of ATC system "errors," ATC regulations and procedures which permit the safe operation of all categories of aircraft on an integrated basis. It is appropriate at this point, Mr. President, to quote section 104 of the Federal Aviation Act of 1958 as follows:

> There is hereby recognized and declared to exist in behalf of any citizen of the United States a public right of freedom of transit through the navigable airspace of the United States.

I take this opportunity to remind FAA of this injunction—the stated intent of the Congress.

In an effort to get things back on track, Mr. President, I am introducing legislation today which would have the effect of prohibiting FAA from adopting its December airspace proposals. The time has come for the Congress to speak again in behalf of aviation. FAA is not listening to the aviation community. Over 40,000 letters opposing the FAA plan were submitted during the public comment period—which FAA finally and very reluctantly agreed to extend (to April 4) as the result of intense congressional pressure. Despite the strong opposition of most aviation interests—notably the pilots lobby and the Aircraft Owners and Pilots Association—and regardless of the concern expressed by many in this Congress, FAA officials indicate that they plan to proceed with their program. It is time to call a halt, Mr. President, and I urge my colleagues to join me in this cause.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 997

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Federal Aviation Act of 1958 (49 U.S.C. 1341 et seq.) is amended by adding at the end thereof the following new section:

"CONTROL OF NAVIGABLE AIR SPACE

"PROHIBITION

"SEC. 318. (a) Notwithstanding any other provision of this Act, neither the Secretary of Transportation nor the Administrator shall issue any rule, regulation, or order which—

"(1) designates any area as a terminal control area, unless at least 1 per centum of the total number of passengers enplaned in the United States in the most recent 12-month period for which data is available were enplaned at the primary airport within such area;

"(2) raises the maximum altitude of any terminal control area designated before December 27, 1978, above the maximum altitude in existence for such terminal control area on such date;

"(3) designates any area as a terminal radar service area, unless such designation is in accordance with criteria developed by the Administrator as in effect on December 26, 1978;

"(4) requires aircraft conducting operations in the navigable airspace between 10,000 and 18,000 feet (mean sea level) in accordance with visual flight rules to be under positive control; or

"(5) modifies the maximum aircraft speed limit for operations below 10,000 feet (mean sea level) as set forth in regulations issued by the Administrator (14 C.F.R. part 91.70 (a)), as in effect on December 26, 1978.

"DEFINITIONS

"(b) For purposes of this section—

"(1) the term 'positive control' means the control of all air traffic, within designated airspace, by air traffic control;

"(2) the term 'terminal control area' means an area of controlled airspace which (A) extends upward from the surface or higher to specified altitudes, within which all aircraft are subject to operating rules and pilot and equipment requirements specified in part 91 of title 14 of the Code of Federal Regulations, (B) is designated as a Group I, Group II, or Group III terminal control area, and (C) includes at least one primary airport around which the terminal control area is located; and

"(3) the term 'terminal radar service area' means an area of airspace surrounding an airport which the Administrator designates as an area within which aircraft operating pursuant to visual flight rules may use air traffic control to provide such aircraft with radar vectoring, sequencing, and separation.".

SEC. 2. That portion of the table of contents in the first section of the Federal Aviation Act of 1958 under the center heading

"TITLE III—ORGANIZATION OF AGENCY POWERS AND DUTIES OF ADMINISTRATOR"

is amended by inserting at the end thereof

"Sec. 318. Control of navigable airspace.

"(a) Prohibition.

"(b) Definitions.".●

By Mr. DURKIN:

S. 998. A bill to provide survivors' benefits for death in the performance of duty by Federal protective officers or nonuniformed special police employed by the General Services Administration; to the Committee on the Judiciary.

● Mr. DURKIN. Mr. President, today I am introducing legislation to provide adequate coverage to the survivors of Federal Protective Service Officers (FPO) who die as the result of injury sustained in the line of active duty. Under current law, the special annuity paid by the General Services Administration to such persons may not exceed $5,000. My bill amends the Omnibus Crime Control Act of 1968 to make families of a felled GSA policeman or woman eligible for the public safety officers' $50,000 tax free death benefit.

As I am sure you know, the Federal Protection Service was established by GSA in 1972. It provides security in approximately 10,000 Federal buildings throughout our country. In addition to performing numerous routine duties, a GSA uniformed officer, more commonly known as an FPO, is responsible for enforcing identification and inspection procedures at building entrances as well as instituting arrest procedures for violations of Federal law occurring on GSA-controlled Federal property.

I believe it is important to point out that, despite limited jurisdiction and policing powers, GSA special police have been responsible for making approximately 1,000 arrests over the past 2 years. Since January 1, 1979, they have responded to over 300 assault situations, over 7,500 reported thefts of personal and Government property, and 795 demonstrations involving some 70,000 people.

Mr. President, I bring these facts to the attention of my Senate colleagues so they may know of the inherent risks which are assumed by every one of our more than 3,000 Federal protection officers. While such a position is very similar to that of a uniformed police officer, an FPO enjoys none of the police force benefits provided under current law. The benefit comparability I propose today is narrowly defined in an effort to insure enactment.

Members of the GSA special police force are entitled to full parity with their counterparts in other law enforcement agencies of the Federal Government, such as Secret Service uniformed officers or the U.S. Park Police. Therefore, I urge Congress to take favorable action on the measure I am introducing. Passage would serve as a crucial first step to insuring Federal Protection Service uniformed personnel and their loved ones security and benefits that are long overdue.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 998

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 703(6) of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by inserting before the semicolon a comma and the following: "or, with respect to any Federal protective officer or nonuniformed special police employed by the General Services Administration, the General Services Administration".

(b) The provisions of the amendment made by subsection (a) of this section shall take effect with respect to any death occurring after October 1, 1980.●

By Mr. BENTSEN (for himself and Mr. COCHRAN):

S. 999. A bill to amend the Internal Revenue Code of 1954 with respect to interest payments on nonpayments of tax; to the Committee on Finance.

WAIVER OF CERTAIN TAX PENALTIES FOR VICTIMS OF NATURAL DISASTERS

● Mr. BENTSEN. Mr. President, I am today introducing a bill to relieve the victims of natural disasters from interest payments required by the Internal Revenue Service for failure to file tax returns on time.

Devastating tornadoes hit Wichita Falls, Tex., 2 weeks ago. As a result, many residents of that area were unable to complete their income tax returns by the April 16 deadline. I have been informed by the Internal Revenue Service that under existing law those persons who pay their taxes late will be required to pay an interest charge and that IRS has no legal discretion to waive the additional payment even for exceptional circumstances. This is obviously unfair for residents of areas hit by natural disasters.

The legislation that I am introducing today would permit IRS to waive these interest payments if the failure to pay taxes on time is "due to reasonable cause and not due to willful neglect."

I urge the Senate to promptly enact this legislation to provide needed relief to victims of natural disasters.●

By Mr. MORGAN (by request):

S. 1000. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. MORGAN. Mr. President, I am pleased to introduce, at the request of the administration, a bill to extend and improve our rural housing programs.

These amendments to title V of the Housing Act of 1949 would authorize the basic programs of the Farmers Home Administration, including the rural housing loan program for low- and moderate-income families, the rental housing program for rural areas, the rehabilitation loan and grant program for very low income families, and the farm labor housing programs. In addition to extending the programs and setting new authorization levels, the bill would revise the rental assistance program in order to permit Farmers Home to aid a higher percentage of units in certain rural rental projects.

The housing programs of the Department of Agriculture have helped millions of rural Americans to secure decent homes. But rural housing has long suffered from the neglect of being out of sight and out of mind.

There is a great deal that remains to be done if we are to achieve the Nation's goal of providing every American, whether he lives in the city or in the country, with the opportunity to live in a decent shelter.

As chairman of the Subcommittee on Rural Housing and Development, I intend during the coming session to help focus the attention of the Congress on the condition of rural housing in America.

As a first step, I shall next month call for hearings on the administration's rural housing proposals for fiscal year 1980.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 513 of the Housing Act of 1949 is amended by—

(a) Striking out in subsection (b) "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980"; and

(b) Inserting in subsection (c) after "September 30, 1979" the following: "; and not to exceed $25,000,000 for the fiscal year ending September 30, 1980".

Sec. 2. Section 515(b)(5) of such Act is amended by striking out "1979" and inserting in lieu thereof "1981".

Sec. 3. Section 517(a)(1) of such Act is amended by striking out "1979" and inserting in lieu thereof "1981".

Sec. 4. Section 521 of such Act is amended by—

(a) striking out in subsection (a)(1)(H) "of loans made" and inserting in lieu thereof "of new loans made in any fiscal year"; and

(b) striking out in the second sentence of subsection (a)(2)(A) the number "20" wherever it appears and inserting in lieu thereof "40".

Sec. 5. Section 523(f) of such Act is amended by—

(a) inserting in the first sentence after "any such fiscal year," the following: "and there is authorized to be appropriated not in excess of $5,000,000 for the fiscal year ending September 30, 1980,"; and

(b) striking out in the second sentence "1979" and inserting in lieu thereof "1981".

Sec. 6. Section 523(g) of such Act is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980".

Sec. 7. Section 525(c) of such Act is amended by striking out in the second sentence "for the fiscal year ending September 30, 1979," and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980,".

Sec. 8. There are authorized to be appropriated for fiscal year 1981 such sums as may be necessary to carry out programs and activities for which appropriations for the fiscal year 1980 are authorized by this act.●

By Mr. BUMPERS:

S. 1001. A bill for the relief of Anne Pearce; to the Committee on the Judiciary.

ANNE PEARCE

● Mr. BUMPERS. Mr. President, today I introduce a bill on behalf of Mrs. Owen C. (Anne) Pearce, the widow of Rear Adm. Owen C. Pearce, United States Naval Reserve.

Admiral Pearce was one of three people in the history of the U.S. Navy who entered as an apprentice seaman and attained the rank of rear admiral. Not a great many people have 30 years of creditable service for retirement purposes prior to their 60th birthday, but Rear Adm. Owen Pearce had 32 years and 11 months. At the time of his death, when he was 59 years old, he was the senior active Naval Reserve officer in the United States.

While the Uniformed Services Survivors' Benefit Amendments of 1978 (Public Law 95–397) dealt with the problem of people in Mrs. Pearce's circumstances, the act was not retroactive. Public Law 95–397, enacted September 30, 1978, authorizes survivor benefit coverage for dependents of reservists who have completed all the requirements of retirement under chapter 67 of title 10, United States Code, before reaching age 60 and will become eligible for retired pay at age 60, but who die before reaching that age. However, since Admiral Pearce died before reaching age 60 and prior to the enactment date of this legislation, his widow is ineligible for any benefits under the survivor benefit program.

Since Mrs. Owen Pearce clearly should be eligible for survivor's benefits and since there is no legislation being sponsored by the Department of Defense which would provide for retroactive application of Public Law 95–397, I urge the passing of this special legislation and request that the text of the bill I am introducing be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of determining the eligibility of Anne Pearce of Fort Smith, Arkansas, for a survivor annuity under subchapter II of chapter 73 of title 10, United States Code, Owen C. Pearce, Rear Admiral, United States Naval Reserve, the deceased husband of Anne Pearce, shall be deemed to have become 60 years of age before his death on December 11, 1976, and to have made application for and been entitled to retired pay under chapter 67 of title 10, United States Code, before his death, the said Owen C. Pearce having served satisfactorily in the United States Naval Reserve for a period of more than 32 years.

Sec. 2. No benefits shall accrue to Anne Pearce by virtue of the enactment of this Act for any period prior to October 1, 1978, the effective date of the Uniformed Service Survivors' Benefit Amendments of 1978 (Public Law 95–397; 92 stat. 843).●

By Mr. TSONGAS (for himself and Mr. Hatfield):

S. 1002. A bill to restate the purpose of the Peace Corps, to establish the Peace Corps as a Government foundation, and for other purposes; to the Committee on Foreign Relations.

PEACE CORPS REFORM ACT

Mr. TSONGAS. Mr. President, as a former volunteer, I have been concerned about the loss of vitality of this unique people-to-people program in recent years. I believe that survival of the organization depends on changes that go beyond naming a new Peace Corps Director. Therefore, with my colleague Senator Hatfield, I am introducing the Peace Corps Reform Act. An identical bill was introduced in the House by Don Bonker and 43 cosponsors.

The Peace Corps Reform Act establishes an independent foundation with a Presidentially appointed board of directors. The board appoints the Peace Corps Director. An important feature is the creation of advisory councils with representation from Third World countries where the volunteers serve.

The Peace Corps has lost its identity since its incorporation into ACTION. Two years ago I was willing to give this administration a chance to revitalize the agency within ACTION, but it is apparent this has not been accomplished.

It has been recommended that the Peace Corps be made a part of the proposed International Development Cooperation Administration (IDCA). This would tie it too closely to the foreign policy bureaucracy and would destroy much of the credibility that has been vital of the success of Peace Corps volunteers in the Third World.

Earlier this month the House passed legislation making the Peace Corps an autonomous agency with independent budget and program authority within IDCA. Although I am not entirely happy with this approach, the House did recognize potential problems if the agency were incorporated completely within IDCA.

It is important to keep the Peace Corps independent from foreign policy objectives. We have seen many examples of effective work done by volunteers in countries whose governments were at odds with the United States for one reason or another. We have more volunteers in Africa than any other region of the world. They work there successfully despite the fact that U.S. policies with regard to Africa often run counter to prevailing opinion on that continent. A case in point would be the Front Line States of Africa, which look increduously at the United States for its refusal to recognize Angola. Yet President Nyerere of Tanzania invited the Peace Corps back to his country last year and the first volunteers will arrive there in the fall.

On a more personal level, I returned to Ethiopia in 1977 and met with students I had taught 15 years earlier. At the time of our reunion, United States-Ethiopian relations were rock bottom, posters of Lenin and Marx were prominently displayed in the main square, Russian and Cuban troops were visible throughout the country, and there was no American Ambassador in residence. I was able to reestablish an American presence based on the friendship of years before. I learned that on an individual basis Ethiopians still felt a kinship with Americans that may well be critical of our future relations whether or not the Russians and Cubans leave.

It is obvious that not only African people, but their leaders as well, make a distinction between the Peace Corps and other U.S. foreign policy objectives. We must maintain the distinction. The Peace Corps should not be incorporated into too close a relationship with other foreign aid programs—the kind of relationship that IDCA would promote.

The Foreign Relations Committee will have an opportunity to revitalize the Peace Corps next week when it marksup the Peace Corps authorization. I hope the committee will support an independent Peace Corps as outlined in the Peace Corps Reform Act.

By Mr. THURMOND:

S.J. Res. 65. A joint resolution designating July 4, 1979, as "Energy Independence Day"; to the Committee on the Judiciary.

ENERGY INDEPENDENCE WEEK

Mr. THURMOND. Mr. President, today it is with great pleasure that I am introducing a resolution to designate July 4, 1979, as Energy Independence Day. This idea of Energy Independence Day was brought to my attention by the South Carolina Department of the American Legion, which adopted a resolution on March 13, 1979, calling on all Legionnaires and American citizens to work toward energy independence for the United States.

Consumption of energy in the United States during 1978 totaled some 77.7 quadrillion Btu's, surpassing the previous record high of 76.3 quadrillion Btu's achieved in 1977. This marked the third year in a row that domestic energy consumption has increased. With this mammoth appetite, our Nation has become dangerously dependent on uncertain and expensive sources of foreign energy—importing some 23.8 percent of our domestic requirement.

This dependence threatens our national security; it drives up our international trade deficit; and it eats away at the dollar both at home and abroad. It is very unlikely that the United States could become completely energy self-sufficient in the near future. However, with a concerted effort we can reduce energy imports to a level where the country can survive without them for a prolong period of time.

For these reasons, I think that it is only fitting that we keep in the spirit of true independence on July 4, 1979, and give new meaning to this day of celebration. Let it become a day when all Americans accept the challenge to make our Nation energy independent.

Mr. President, I ask unanimous consent that the text of this joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 65

Whereas, Consumption of energy in the United States has increased steadily over the past few years, and

Whereas, The United States is now importing some 23.8 percent of its domestic energy requirements, and

Whereas, This dependence poses a threat to our National security and increases our international trade deficit, and

Whereas, The Fourth of July is known as Independence Day: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating July 4, 1979, as "Energy Independence Day" and calling upon the people of the United States and interested groups and organizations to observe such a day as a substantial beginning of energy independence for the United States of America on that date.

By Mr. RIBICOFF:

S.J. Res. 66. A joint resolution authorizing and requesting the President to issue a proclamation designating the week of January 21–27, 1979, as "Junior Achievement Week"; to the Committee on the Judiciary.

JUNIOR ACHIEVEMENT WEEK

● Mr. RIBICOFF. Mr. President, I am pleased to sponsor a proposed joint resolution to authorize the President to proclaim January 21 through 27, 1979, as Junior Achievement Week.

This action is sought by the Junior Achievement Organization which is beginning the celebration of its 60th anniversary year.

The proposed resolution describes how Junior Achievement is an organization dedicated to the American enterprise system, to service to youth and to all the freedoms that this partnership embodies. The resolution authorizes the President to issue a proclamation designating the week of January 21 through 27, 1979, as "Junior Achievement Week" marking the start of the 60th anniversary year of Junior Achievement.

It is indeed fitting to honor this worthwhile activity by means of a joint resolution and ultimately a Presidential proclamation. I welcome the opportunity to provide some impetus in that direction.

Mr. President, I ask unanimous consent that this joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res 66

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of the sixtieth anniversary of Junior Achievement, an organization dedicated to the American enterprise system, service to youth, and all the freedoms that this partnership embodies, the President is authorized and requested to issue a proclamation designating the week of January 21 through 27, 1979, as "Junior Achievement Week" marking the start of the sixtieth anniversary year of the Junior Achievement.●

By Mr. BOSCHWITZ (for himself, Mr. Melcher, Mr. Hatfield, Mr. Durenberger, Mr. Helms, Mr. Cochran, Mr. Johnston, Mr. Heinz, and Mr. Cohen):

S.J. Res. 67. A joint resolution to authorize and request the President to proclaim the week of May 14 through May 20, 1979, as "National Fishing Week"; to the Committee on the Judiciary.

● Mr. BOSCHWITZ. Mr. President, I am introducing today, with great pleasure, a resolution proclaiming May 14 through 20 as "National Fishing Week."

More than 63 million Americans are licensed to fish, and 30 percent of those are under the age of 18. The number of Americans fishing is increasing yearly; the number of men fishing is increasing annually at a rate of 15 percent and the number of women is increasing at a rate of 24 percent annually. A recent survey shows that more Americans fish than swim or play tennis or golf.

A great form of family recreation, fishing not only fosters family togetherness but stimulates concern among Americans of all ages for preserving and conserving our natural resources.

Fishing is a healthy, growing, half-billion dollar per year industry which supports about 65,000 jobs nationwide. In my home State of Minnesota over 2 million fishermen, resident and nonresident alike, visit our recreation areas on an annual basis to fish. The Minnesota Department of Natural Resources estimates that the resort owners alone have over $2 billion invested in fishing related activities.

There are few other sports in America which so foster family togetherness and which can be enjoyed so easily and inexpensively by so many—truly a healthy, wholesome source of fun for Americans of all ages and backgrounds.

Mr. President, I ask unanimous consent that the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 67

Whereas fishing is one of America's oldest forms of recreation;

Whereas fishing fosters a greater appreciation for the Nation's natural resources and stimulates public concern for the preservation of the Nation's water, forest, and air resources.

Whereas more than 63 million Americans participate in this sport every year, supporting an industry that has annual revenues of $500,000,000 and that provides approximately 65,000 jobs; and

Whereas 30 percent of those persons licensed to fish are under the age of 18 and fishing is well recognized as a wholesome and economical form of family recreation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to proclaim the week of May 14 through May 20, 1979, as "National Fishing Week", and to call upon the people of the United States to observe such week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 112

At the request of Mr. Dole, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 112, a bill to repeal the carryover basis provisions.

S. 193

At the request of Mr. Tower, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 193, a bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission.

S. 223

At the request of Mr. Danforth, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 223, the International Trade Laws Reform Act of 1979.

S. 231

At the request of Mr. Bentsen, the Senator from Missouri (Mr. Danforth) was added as a cosponsor of S. 231, to amend the Internal Revenue Code to help increase productivity by allowing larger tax deductions for depreciation.

S. 246

At the request of Mr. Bentsen, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 246, to amend the Internal Revenue Code to encourage greater individual savings.

S. 388

At the request of Mr. Stewart, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 388, the Small Business Employee Ownership Act.

S. 395

At the request of Mr. Chiles, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 395, the Medicare Supplemental Health Insurance Information Disclosure and Protection Act of 1979.

S. 449

At the request of Mr. Hatch, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 449, the Charitable Organizations Preservation Act of 1979.

S. 465

At the request of Mr. Inouye, the Senator from South Dakota (Mr. McGovern) and the Senator from Kentucky (Mr. Huddleston) were added as a cosponsors of S. 465, to authorize the spouses of certain former members of the U.S. Armed Forces to use the services and facilities of post exchanges and commissaries.

S. 467

At the request of Mr. Inouye, the Senator from South Dakota (Mr. McGovern) and the Senator from Kentucky (Mr. Huddleston) were added as a cosponsors of S. 467, to provide that the Administrator of Veterans Affairs may furnish outpatient dental services and treatment for a non-service-connected disability to any war veteran who has a service-connected disability of 80 percent or more.

S. 469

At the request of Mr. Inouye, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 469, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes.

S. 470

At the request of Mr. Inouye, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 470, relating to retention in active status of certain officers.

S. 473

At the request of Mr. Inouye, the Senator from Kentucky (Mr. Huddleston) and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 473, to amend the United States Code with relation to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea.

S. 474

At the request of Mr. Inouye, the Senator from Kentucky (Mr. Huddleston) and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 474, to amend chapter 34, title 38, United States Code, to authorize the Administrator of Veterans Affairs to extend the period within which a veteran must complete a program of education under such chapter.

S. 497

At the request of Mr. Cranston, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 497, a bill to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act.

S. 604

At the request of Mr. Hatch, the Senator from Alaska (Mr. Stevens) and the Senator from Minnesota Mr. Boschwitz) were added as cosponsors of S. 604, the Small Business Paperwork Cost Reimbursement Act of 1979.

S. 700

At the request of Mr. Danforth, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 700, a bill to provide a 10-percent tax credit for research and experimental expenditures.

S. 715

At the request of Mr. Bellmon, the Senator from Washington (Mr. Jackson) was added as a cosponsor of S. 715, a bill to allow State and local governments to collect State and local taxes on alcoholic beverages and tobacco products sold or consumed on military and other Federal reservations.

S. 816

At the request of Mr. Hayakawa, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 816, a bill to amend the Social Security Act to provide that any alien receiving benefits under certain needs related provisions of such act shall be considered to be a public charge, to provide for attribution of a sponsor's income and resources to an alien, and to provide a 3-year residency requirement for aliens who receive certain benefits.

S. 879

At the request of Mr. Chiles, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 879, a bill to provide lump sum death benefits for certain Federal law officers and firefighters killed in the line of duty.

S. 884

At the request of Mr. Wallop, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 884, to require the Secretary of Transportation to make incentive grants, and to reduce the apportionment of Federal aid highway funds to States based upon the percentage of motor vehicles exceeding 55 miles per hour on public highway systems.

S. 949

At the request of Mr. Burdick, the Senator from Nevada (Mr. Cannon), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), and the Senator from New Mexico (Mr. Schmitt) were added as cosponsors of S. 949, a bill to amend the National Environmental Policy Act of 1969 to set a 180-day statute of limitations on initiation of judicial review of compliance with NEPA.

S. 950

At the request of Mr. Durkin, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 950, the Omnibus Solar Energy Commercialization Act of 1979.

SENATE JOINT RESOLUTION 43

At the request of Mr. Durkin, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of Senate Joint Resolution 43, to proclaim March 21, 1980 "National Energy Education Day."

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. DeConcini, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Concurrent Resolution 24, relating to the nonenforcement of sanctions against Zimbabwe-Rhodesia.

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. Tsongas, the Senator from Illinois (Mr. Percy), the Senator from New Jersey (Mr. Bradley), the Senator from New Hampshire (Mr. Durkin), the Senator from Massachusetts (Mr. Kennedy), the Senators from Montana (Mr. Melcher and Mr. Baucus), the Senator from Louisiana (Mr. Johnston), the Senator from Rhode Island (Mr. Pell), the Senator from South Dakota (Mr. McGovern), the Senator from Pennsylvania (Mr. Heinz), the Senator from Kansas (Mr. Dole), the Senator from Maryland (Mr. Mathias), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of Senate Concurrent Resolution 11, designating "Appropriate Technology Week."

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF EDUCATION—S. 210

AMENDMENTS NOS. 152 AND 153

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted two amendments intended to be proposed by him to S. 210, a bill to establish a Department of Education.

AMENDMENT NO. 154

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to S. 210, supra.

FIRST CONCURRENT BUDGET RESOLUTION FOR 1980, 1981, AND 1982—SENATE CONCURRENT RESOLUTION 22

AMENDMENTS NOS. 155 THROUGH 173

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 19 amendments intended to be proposed by him to Senate Concurrent Resolution 22, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1980, 1981, and 1982 and revising the second concurrent resolution on the budget for fiscal year 1979.

AMENDMENT NO. 174

(Ordered to be printed and to lie on the table.)

Mr. MELCHER submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 22, supra.

(The remarks of Mr. MELCHER when he submitted the amendment appear elsewhere in today's proceedings.)

AMENDMENT NO. 175

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 22, supra.

AMENDMENT NO. 176

(Ordered to be printed and to lie on the table.)

Mr. TOWER (for himself, Mr. ARMSTRONG, and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to Senate Concurrent Resolution 22, supra.

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, the Special Committee on Aging will hold a hearing on "Home Care Services for Older Americans: Planning for the Future," on Monday, May 7, at 10 a.m. in room 1318, Dirksen Senate Office Building.

The committee will take testimony from representatives of the Department of Health, Education, and Welfare regarding the Department's report to Congress on home care services mandated by Public Law 95-142, as well as representatives of the U.S. General Accounting Office.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Thursday, May 3, 1979 at 2 p.m. in room 4232 Dirksen Senate Office Building, on the nomination of Janet L. Norwood, of Maryland, to be Commissioner of Labor Statistics, U.S. Department of Labor.

Persons wishing to testify or submit statements, please contact: Martin Jensen of the committee staff at 224-8789.●

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Housing and Urban Affairs, which I chair on the Banking, Housing, and Urban Affairs Committee has scheduled a hearing on Wednesday, May 2, 1979, at 9 a.m. in room 5302, Dirksen Senate Office Building, to examine administration of the Davis-Bacon Act as it relates to our housing programs.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. BUMPERS. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Subcommittee on Parks, Recreation, and Renewable Resources of the Committee on Energy and Natural Resources.

The hearing is scheduled for May 1, 1979, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building and will include the following measures:

S. 490—a bill to protect the archeological resources owned by the United States, and for other purposes; and,

S. 495—a bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes.

The following witnesses have been invited to present oral testimony:

Dr. Charles R. McGimsey, III, Department of Anthropology, University of Arkansas.

Michael D. Hawkins, U.S. Attorney for the District of Arizona.

Dr. Alfonso Ortiz, president, Association on American Indian Affairs, Inc.

Ms. Ann Richardson Howland, representative for the Richardson family, Brookline, Mass.

Dr. Raymond H. Thompson, Department of Anthropology, University of Arizona.

Robert B. Collins, Assistant U.S. Attorney for the District of New Mexico.

Ray Freeman, American Society of Landscape Architects.

Those wishing to submit a written statement for the record should write to the Parks, Recreation and Renewable Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding the hearing, you may wish to contact Laura Beaty at 224-7144.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the hearings of the Committee on Energy and Natural Resources on S. 685, the Nuclear Waste Policy Act and related bills are being rescheduled as follows:

The hearing which was scheduled for Thursday, May 10, at 10 a.m. is rescheduled for the same date at 9:30 a.m., a half hour earlier.

The hearing which was scheduled for Tuesday, May 15, at 10 a.m. is rescheduled for Tuesday, May 22, at 9:30 a.m.

Both hearings will be held in room 3110 of the Dirksen Senate Office Building. Questions about these hearings and statements to be submitted for the hearing record should be directed to Benjamin S. Cooper of the committee staff at 224-9894.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of 2 days of public hearings before the Committee on Energy and Natural Resources.

The hearings are scheduled for May 23 and 24, beginning each morning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 885, the Pacific Northwest Electric Power Planning and Conservation Act.

For further information regarding the hearings you may wish to contact Mr. Joel Merkel, 224-3234. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Senate Committee on Energy and Natural Resources, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. MORGAN. Mr. President, I wish to announce that the Subcommittee on Rural Housing and Development of the Committee on Banking, Housing, and Urban Affairs will hold a hearing on rural housing authorizations, on Friday, May 4, 1979. The hearing will begin at 10 a.m. in room 5302 Dirksen Senate Office Building.

Anyone wishing information concerning this hearing should contact Mr. Robert Malakoff, room 5300 Dirksen Senate Office Building, 202 224-0893.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Rural Development has scheduled a hearing to consider the impact of the administration's standby gasoline rationing plan on both rural development and agricultural production and marketing.

A precedent has been established for hearings on energy matters by the Rural Development Subcommittee, and it is my understanding that the Committee on Energy and Natural Resources has no objection.

The subcommittee will hear from invited witnesses beginning at 9 a.m. on Monday, April 30, in room 457 Russell. Anyone wishing further information should contact the committee staff at 224-2035.●

COMMITTEE MEETINGS

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and all these requests have been cleared with the minority—that the Committee on the Judiciary be authorized to meet during the session of the Senate on today, beginning at 2 o'clock p.m. to hold a markup session on S. 241, the LEAA authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Judiciary be authorized to meet during the sessions of the Senate on Wednesday, April 25, to hold judicial confirmation hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow, April 25, to consider S. 600, the Small and Independent Business Protection Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, April 26, 1979, to hold a closed session beginning at 1:30 p.m. for a briefing by Ambassador Strauss, to be followed by an open hearing beginning at 2:30 p.m. on legislation to implement the procurement code of the multilateral trade negotiations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 25, 1979, beginning at 2:30 p.m., to hold a markup session on the Middle East peace package.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JOAN BENOIT SHOWS WAY FOR THE WOMEN

Mr. COHEN. Mr. President, Bill Rodgers has rightly received a lot of recognition for winning his third Boston Marathon in American recordbreaking time.

For those of us from Maine, however, his performance was clearly overshadowed by the incredible performance of the female winner, Joan Benoit. Joan, a 21-year-old Bowdoin College senior from Cape Elizabeth, Maine, sheared more than 7 minutes off the women's course record in the marathon. With her 2:35.15 time over the 26-mile, 385-yard course, she shattered the American women's mark by a full 68 seconds.

We in Maine, and all who follow running, have been aware of her tremendous ability. She has held the women's world record for 10 kilometers. As the Washington Post reported in its coverage of the marathon, she "has a better reputation on the track than on the road. Or had until today."

Joan's recordsetting performance was all the more impressive in that she accomplished it in only her second marathon. A point she made to reporters after the race needs to be highlighted: "Too long men have set limits on women's athletic performance. There should be none. Determination, desire, and ability will determine our future reach."

I ask to have printed in the RECORD three articles, from the Portland Press Herald, Portland Evening Express, and Boston Globe, reporting on Joan's splendid achievement, as well as the superb performance of other Maine participants in the marathon.

The articles are as follows:

[From the Portland Press Herald, Apr. 17, 1979]

JOAN BENOIT SHOWS WAY FOR THE WOMEN

BOSTON.—Joan Benoit didn't remember the last mile of the Boston Marathon Monday even though she set a new women's record of 2:35.15.

The 21-year-old Bowdoin College senior from Cape Elizabeth, wearing her laurel victory wreath atop a Boston Red Sox cap, said she took instructions from her "screaming" legs to set the record.

"I just did what my legs told me to do," Benoit said. "They were screaming at me, but it was worth it."

Benoit was followed by Patti Lyons of Boston, who placed second in the field of 517 women; Gayle Olinek, a Canadian who trains in Ft. Lauderdale, Fla., third; Sue Petersen of Leguna Beach, Calif., fourth; and 1975 women's division winner Kim Merritt of Racine, Wisc., fifth.

Liane Winter of West Germany set the old course mark, 2:42.00, in 1975, and Gayle Barron of Atlanta won last year in 2:44.3.

Lyons had led for nearly three-quarters of the marathon, but Benoit pulled ahead about five miles from the finish line, on the rugged uphill streatches of Heartbreak Hill in suburban Newton.

"I ran with her for a mile or so, and I just kept my pace," Benoit told reporters, shivering as she wrapped herself in one of the shiny silver aluminum blankets distributed to all runners as they finished the course.

"There were hills, then there were more hills," she added. "I maintained my pace, and it was enough to bring me here."

She described the race as a "comfortable" one, even though her legs were "a little sore" when she finished.

Benoit, a history and environmental studies major at Bowdoin, began running six years ago in hopes she could speed up her recovery from a broken leg suffered in a high school skiing accident. Her running distance has increased to 70 to 90 miles per week, she said.

Although Benoit began her college career at Bowdoin, she spent two years at North Carolina State in Raleigh "for the running exposure and experience," then returned to Bowdoin last January to finish her education.

Even though Benoit won virtually every women's road race in 1978—while she was at North Carolina State—she had run only one previous marathon, finishing in 2:50.41 in a Bermuda race three months ago.

She had not expected to win Monday's marathon. "I don't believe I'm here," she told the post race news conference.

She added that she had expected to "hit the wall" and find herself unable to finish the course. "But I never did."

The drizzle and chilly 45-degree temperatures may have helped her speed, she said, adding. "You have to keep warm somehow—I guess you have to run."

"Too long men have set limits on women's athletic performance. There should be none. Determination, desire and ability will determine our future reach."

Benoit also spoke out on the restriction of women to shorter distances than men competing in the Olympics. "Nothing wrong with them, but they're not the ultimate test."

Benoit will have a chance to express these views nationwide today as she appears along with men's record-setter Bill Rodgers and Johnny (The Elder) Kelley, "Mr. Marathon," on ABC's "Good Morning, America" television show at 7 a.m. with author James Fixx as moderator.

When asked about her return to Bowdoin, Benoit replied of herself, "Her heart's in New England."

Benoit's parents, Portland clothier Andre and Nancy Benoit, shared her run for the laurel wreath from late-race vantage points.

Her father, stationed about five miles from the finish line, had moments of discomfort as news broadcasts "called Hines at four checkpoints."

It was Joan Benoit, though, who came flying down the homestretch. "When I saw her, breezing along and untroubled as were too many men, I relaxed," her father said.

Benoit said she had few doubtful moments during the race. Her first came when she noted that her first mile was a speedy 5:42. "Whoa," she admonished.

When the time came to let out, she wondered whether such a course was wise. "My legs did the talking, I guess," she quipped.

Benoit was grateful for the moral support from male competitors. "They certainly don't think that women are like wisps, blown away in the slightest breeze."

George Murray, a Millinochoet native who last year set the wheelchair course mark of 2:26.67, found training near his Tampa, Fla., home in 35 degree weather not the best background for Monday's dank conditions. He finished about a minute behind Ohioan Kerry Archer, who did 2:38.

Murray suffered his second marathon setback in six tries.

Other Mainers competing in the race came into the receiving station at "staggered" intervals.

Some, such as Auburn's Bill Sayres, had improved their times. Sayres went from 3:21 to 3:18. All were in high spirits after race completion.

Brothers Steve and Rich Mulhern of Portland didn't regret their initial race venture, nor did the husband and wife team of Jake and Nancy Laferriere of North Bridgton. Jake made it in three hours, Nancy in 3:16.

Kim Beaulieu of Standish approached that latter figure while Robin Emery of Ellsworth again was in the 3:30 range.

Carl Mendell of Portland and Dr. Tom Miller, a former Cumberland Foreside resident now based in Arizona, also were near their 1978 times.

[From the Portland Evening Express, Apr. 17, 1979]

JOAN BENOIT WASN'T SURE OF VICTORY

(By Vern Putney)

BOSTON.—Front-runner Joan Benoit accepted "with reservations" the Red Sox cap passed her by a "friend of a friend" about four miles from the Boston Marathon finish line yesterday.

She didn't want to sag in the stretch. Not to worry. The petite 21-year-old Cape Elizabeth resident is made of sterner stuff.

She poured it on when she hit Heartbreak Hill, a frequent destroyer toward the end of the race. It became just another few yards of macadam on her road to running superiority. She was the first woman over the finish line and set a new record.

Last night, she recovered enough to celebrate her victory, and this morning she looked as bright as a penny.

There were times yesterday, however, when she and even her parents weren't sure of her victory.

She said it didn't come easily, explaining on ABC's "Good Morning America" today that her legs tightened from the cold in the late going. "It was a raw day, as we say in New England."

Show host David Hartman recovered neatly after introducing Benoit as being "from the University of Maine" by asking her if she expected to win. "No," she replied. "I lacked the experience and didn't know what was going to happen out there."

Her father, Andre, on the sidelines with his wife Nancy during the race, admitted apprehension after listening to early reports that had Boston's Patti Lyons leading.

Soon after, Joan went by her parents, "looking like a racehorse in full stride."

"I relaxed," said her father.

A Bowdoin College senior, Joan last October set a world record of 33:16 to whip 4,523 of the world's fastest and most durable women in the Bonne Belle 10,000-meter championship. She was just as dominant in the 33rd running of the Patriot's Day marathon here, the most prestigious of distance runs.

Benoit covered the 26 miles, 385 yards, almost without using her second wind. Pacing herself with the poise of a veteran, she permitted local race favorite Lyons of Quincy to get the attention through four checkpoints then stepped out front to win going away.

Her time of 2:35.15 shattered the 1975 course record of West Germany's Liane Winter of 2:42, and lowered the American record by more than a minute.

It was the fourth fastest women's marathon. Norway's Grete Waitz posted a 2:32.30 in the New York City race last October. However, she, like dozens of other distance specialists, have several marathons under their belts.

Benoit's only previous effort was Jan. 28 in Bermuda. With North Carolina State teammate Julie Shea, she decided to run only about 18 miles of the marathon. But it was such a nice day they went the 26 miles. Benoit lost to her teammate, and was timed in 2:50.34.

That "by-accident" run decided her future race course. The Boston Marathon had to be next. She was back at Bowdoin, only 140 miles from The Hub, and her heart was in New England.

Joan's quest for the laurel wreath has not been without problems. About 10 years ago she suffered a broken leg while skiing. A little more than a year ago, she was sidelined with mononucleosis.

What's next for Joan Benoit?

Strike the 1980 Olympics. She doesn't conceal her displeasure at the current setup which restricts the maximum women's distance to 1,800 meters. She, of course, is just getting warmed up at that high speed chase.

The night before the marathon, she stayed at the home of Charlotte Lettia, Boston University dean of women and running star. After the race, she recovered quickly enough for a bit of celebrating last night. Elsewhere in the marathon, Maine just missed out in the wheelchair race. George Murray, a Millinocket native now residing in Tampa, Fla., was a minute behind Ohioan Karry Archer, who did 2:38. Murray's 1978 course record time of 2:26.57 was safe in slippery conditions considered fine for runners but a bit hazardous for the wheelies.

Murray had won his last three marathons without time handicaps from the runners and is considered the best at almost any distance. He has the shoulder strength and determination to gain his under-two-hour goal. Tampa training weather (80 degrees) and dank Boston were incompatible.

Sue Rairie, a student at Clarion, Pa., State College, received the thrill of her young lifetime when "Bill Rodgers undressed right in front of me." She meant, of course, that Rodgers was doffing his warmup suit at the Hopkinton starting line within arm's length of her.

As Rodgers asked for a mirror, Sue had the only one available, but was too nervous to unearth it in her purse. Rodgers used a camera's lens to put in his contact lenses. His vision, especially of the finish line, was perfect.

[From the Boston Globe, Apr. 17, 1979]

SHE STARTED TOO FAST BUT ENDED FIRST

(By Lesley Visser)

She stood freezing in a markeshift shower in the lower level of the Prudential garage. Her lips were blue, her feet bare on the cold stone, her body shook from the impact of 26 miles, 385 yards.

"I've been nervous for five weeks thinking about this," said 21-year-old Joan Benoit of Cape Elizabeth, Maine, after winning the women's division of the 83d BAA in 2:35.15, shattering Liane Winter's 1975 record of 2:42.24 and setting an American marathon record for women.

She set a six-minute pace for each mile, catching local favorite Patti Lyons of Quincy at the start of Heartbreak Hill and coasting in alone from the middle of the killing hills. Lyons, who averaged 110 miles a week in preparation, finished second in 2:38.22 and Elizabeth Hassell of Australia was third.

"I went out too fast," said Benoit, who ran only the second marathon of her life yesterday. "When I heard I ran the first mile in 5:42 I said, 'Whoa.' Patti passed me five miles out, but then around 13 miles I heard the Wellesley girls screaming. Someone yelled I was 15 seconds behind Patti. Finally I caught her at Heartbreak Hill."

They ran together for a mile. Lyons, troubled by bursitis in her right foot, could not stay with Benoit, but her time of 2:38.22 would bettered any previous marathon time by a woman.

"Joan wished me good luck," Lyons said, "but I knew I was in trouble 12 miles into the race. This foot has been bothering me for over a month. If I hadn't had a cortisone shot before the race, I would have dropped out after five miles."

But Benoit had momentum with her. In the year, the senior history major from Bowdoin College won the Falmouth Road Race, the Boston Freedom Trail, the Bonne Bell 10,000 meter race and, most recently, the Jacksonville River Run in 51.47. She ran her very first marathon in 2:50.54.

"I've been running 85 miles a week," said Benoit, a Red Sox cap on her head with the laurel wreath around it, "but I didn't run this course in preparation. They say there's Heartbreak Hill, but I felt a number of hills. My legs got really sore and hurt the last four miles."

There was no hot water in the makeshift shower. And no towel when she finished. Globe photographer Janet Knott gave the champion her sweatshirt; someone else offered a jacket. "This isn't quite what I expected," said Benoit.

Her time wasn't something anybody expected. Winner Bill Rodgers could only shake his head is disbelief. "It's incredible," he said. "They've demolished the winning times in only five years."

Since 1972, the first year women were allowed to compete in the Boston Marathon, women have dropped the winning time from 3:08.58 (Nina Kuscsik) to Benoit's 2:35.15. Last year Gayle Barron won the race in 2:44.52. Better athletes are getting into running and the times are plummeting. Benoit's time this year would have won the BAA in 1938. In 1927 and 1928, she would have beaten the great Clarence DeMar to take the whole thing.

"The first 15 miles were effortless," Benoit said. "Then I had to start concentrating. This race is fun at the start. But these were ideal conditions for me. I was comfortable the whole time."

Benoit expected competition from Lyons, who has run a 2:41.30, as well as from last year's second-place finisher, Penny DeMoss; from Gillian File of New Zealand and from a trimmer Kim Merritt, who was fourth last year after winning in 1976.

"Women are getting tougher all the time," Benoit said, an orange parka covering her legs. "I love to run, we all do. I hope I can run for a long time, maybe even develop it the way Bill Rodgers has. It teaches you to be strong."

There were 517 women who qualified for this race. They average 110 pounds and pack power and strength into every ounce. Their ability to improve on time and performance is remarkable. Benoit finished 477th in this race, out of a total of 7800 people. In 1966 only one woman ran at all. Roberta Gibb, the sole woman then, would barely qualify today.●

QUEEN ISABELLA DAY

○ Mr. WILLIAMS. Mr. President, all of us living in America today owe a great debt to Queen Isabella of Spain, for it was her willingness to support what many considered an ill-advised venture that led to the expedition to the New World by Christopher Columbus. Other rulers of the day were skeptical of his extraordinary proposal to journey to the East Indies by sailing west, but Queen Isabella had the vision and courage to take a risk.

For this reason, I am pleased to bring to the attention of my colleagues a proclamation by Gov. Brendan Byrne of New Jersey which declared April 22, 1979, the anniversary of her birth, to be Queen Isabella Day. It is most fitting that we who have reaped unbounded benefits from the opening and development of the New World pay tribute to this prescient monarch, and I am pleased to note the initiative of the Governor of New Jersey in accomplishing this goal.

Mr. President, I ask that the text of this proclamation be printed in the Record.

The proclamation referred to follows:

PROCLAMATION

Whereas, the enthusiasm and support of a single ruler led to the discovery of America and the resounding effect this discovery had upon the history of the world; and

Whereas, that voyage opened North and South America to settlement and development by European nations, laying the foundations for contemporary American societies; and

Whereas, the colonizing of this country and the winning of its independence could have been delayed for many years without Queen Isabella's initiative and the successful voyage of Columbus; and

Whereas, the shrewd intuition of Queen Isabella, as well as the financial support and risk taken by her Majesty on behalf of Spain, was responsible for uncovering the unknown riches of the Western Hemisphere; paving the way for the generations of immigrants from all over the world who came to build a new nation; and

Whereas, Isabella of Castile was a benign sovereign who remains permanently linked with America's history; and

Whereas, the history of America has direct linkage to the birth of Queen Isabella on April 22, 1451;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim April 22, 1979 as Queen Isabella Day.●

A FRESH LOOK AT RHODESIA

● Mr. HEINZ. Mr. President, I recently read a most thoughtful statement on the Rhodesian situation by Dr. Richard Bissell of the Foreign Policy Research Institute in Philadelphia. A recognized scholar on numerous foreign policy issues, Dr. Bissell has a fresh approach to the Rhodesian problem and asks some new important questions about how to best achieve a peaceful transition to majority rule. He recently presented his views in testimony before the House African Affairs Subcommittee, and I ask that his testimony be printed in the Record.

The testimony follows:

THE RHODESIAN INTERNAL SETTLEMENT, ZANU, AND ZAPU

(By Dr. Richard E. Bissell)

It is an honor to testify before this subcommittee this afternoon. Few issues have been so distorted and misinterpreted for the American public as has the changing situation in Rhodesia. It is my understanding that previous hearings have dealt with the history of the Rhodesian conflict, and that the focus of today's session is to be the current situation. I shall attempt to remain within the terms of that mandate.

Before going further, I would like to express profound disagreement with the term, internal settlement. Some have used the phrase to convey some sense of a final solution in today's events in Salisbury; and the phrase has also been used happily by those who disparage the political forces presently based in Salisbury, since the settlement excludes external forces, and the necessary solution is seen as an all-parties settlement. Both terms are euphemisms for a peaceful settlement, with American opinion divided over the proper course to obtain a peaceful political settlement, as opposed to a military solution. It is the American way to prefer a negotiated political process instead of capricious rule by military groups. I trust that everybody in this room recognizes how few countries fulfill this American hope.

What I am saying about terminology, then, is that it can obscure important issues that need to be debated. The so-called internal settlement, or what I prefer to call the partial settlement, is only a way-station on the road to creating a new political system in Rhodesia. I shall make clear what I mean, but in general all Rhodesian leaders, internal or external, understand well that the present activities in Salisbury and on the battlefield are part of a longer political process. Americans believe in the prevailing influence of logic and political compromise, and search for an answer to Rhodesia's conflict now. We should have learned from other foreign policy challenges that where the parties to an internal settlement are not the same as parties to an all-parties settlement, the solution will remain elusive. Such does not mean, however, that a partial settlement should be scorned. The challenge for us, as Americans, is to find a yardstick by which to judge the events of political trends and movements in Rhodesia today. I hope that I can offer some constructive suggestions.

Much attention is still being given in this country to the issue of Black rule vs. White rule. In the minds of Rhodesians, and particularly for Black Rhodesians, the issue is settled: Blacks will rule the country. The issues to be faced now are the timetable for transition, and the allocation of power among black groups. Americans are quite mesmerized by the attempts of Whites in Rhodesia to retain some privilege—perhaps a reflection of our own domestic concerns. But in Rhodesia, the principle of Black rule has been conceded. Black politicians in Rhodesia do not care greatly about the particular forms of reserved White influence under the present partial settlement or in other plans, such as proposed by the Anglo-American team. At the same time, Black leaders need the Whites for two purposes: (1) to obtain control of remaining White power structures (such as the army's officer corps or the major economic assets) for use in their individual quests for power, and (2) to obtain legitimacy in the Black community by negotiating concessions from the White "enemy." Black leaders thus deal with a dilemma—they need the Whites both as allies and as enemies. Thus behavior and rhetoric of Black leaders often appear contradictory, when in fact they consistently pursue a constant goal: political control of independent Zimbabwe.

A major point here, however, is that the political assets of Prime Minister Smith (and the community he represents) are constantly shrinking. As he makes concessions, he gives strength to particular leaders who can claim to have exacted the concessions (note the rise of Muzorewa's status since the Pearce Commission episode). Under the current constitutional plan, then, the reserved 28 percent of seats for Whites in Parliament leaves Smith with few political bargaining chips for endowment of a Black successor. At the same time Smith retains control of a powerful air force and army that any Black leader would want to have on his side if the civil war would intensify.

DIVISIONS AMONG BLACK LEADERS

The potential for civil war between Black groups, which will almost certainly not divide along the present internal/external lines, should concern American policymakers far more than Black/White tensions. The political and ethnic divisions of the country are compounded by years of bickering and assassinations between Black nationalist groups.

I would like to digress for a moment on the issue of ethnicity and its probable impact on Rhodesia's political future. Political scientists have long studied the role of ethnic divisions in politics—both around the world and in the operation of American urban political machines. Rhodesia's Black population retains a significant sensitivity to tribal identity, particularly where life-and-death issues are involved—and politics is or may become that kind of issue. The intensification of civil war will increase tribal identification; and even in the best scenario context of prospective democratic politics in Rhodesia, tribal identification will retain importance. The emerging leaders of Zimbabwe will understandably be striving to create a country without ethnic divisions; the people do not have as modern a political consciousness as the leaders have. It has been noticed in political studies of many countries that ethnic or tribal divisions are extraordinarily difficult to bridge through internal political bargaining. Indeed, the willingness of individuals with sub-national identities to participate in politics by the peaceful rules of the game depends upon their getting more than they give. That can only be achieved by outside subsidy, if all parties wish to receive more than they give.

At the present time, the coalition in Salisbury and the consequent cooperation among Black groups is being achieved in part by the liquidation of the assets of Whites. That transfer cannot go on for long, which was recognized several years ago in the Kissinger plan for a trust fund to facilitate the negotiated transfer to Black government. The assets that can be generated internally plus a small measure of outside funding keep alive the present partial settlement. A far larger sum will be required to involve the ZANU and ZAPU forces presently outside the country. Mugabe has indicated his asking price: renunciation of external Rhodesian debts and the nationalization of White-owned assets in the country. Nkomo's price is more obscure: he does not face a military challenge within ZAPU as much as Mugabe does in ZANU; and Nkomo is more intent on obtaining a direct transfer of power from Smith.

What is critical here is the challenge of creating a political system in a country with strong tribal identities. It costs a large amount of resources (jobs and money), particularly in view of the strong, divided political movements in the country. The stakes in Rhodesia are presently perceived as too limited to provide for all contesting parties—thus the zero-sum game that leads one nationalist movement to attack another on the battlefield. When an ethnic or political group sees the prize as too small to share with others, the only recourse is to exclude or kill the other contestants. If civil war becomes general, the situation will be beyond America's ability to control.

The last major point, then, is the need to contain the movement of trends towards resolution of the political conflict by force. Whatever one's view of individual leaders in Rhodesia, I think virtually all Americans endeavor to reduce the intrusion of military forces on the political transformation underway. It would be bad in terms of lives lost, and it would be bad for establishing a violent precedent for resolution of political conflicts in Rhodesia. The current parties to the partial settlement are committed to a peaceful transition, yet we know that several members are recruiting private armies. In addition, Nkomo's ZAPU has gradually created a 10,000-man army, primarily out of action in bases in Zambia, but constantly exerting a radical influence on Nkomo; thus Nkomo searches for a peaceful settlement before his army causes any more problems within ZAPU and with President Kaunda of Zambia. Perhaps most interested in a peaceful settlement before his army causes any more problems within ZAPU and with President Kaunda of Zambia. Perhaps most interested in a peaceful settlement is Robert Mugabe of ZANU. As a largely titular leader of a movement fragmented by powerful military leaders, Mugabe must demonstrate his worth to ZANU by obtaining a negotiated transfer of power—thus his continuing willingness to appear at an all-parties conference. But because ZANU is a fragile coalition, Mugabe's price for an agreement is also the highest of any leaders. Mugabe will lose if the Rhodesian conflict is decided by military means, since the military leaders within ZANU will be free to take control; he will also lose if a political settlement does not sufficiently bear his mark. His intrinsically weak position makes it difficult for others (whether the U.S., Smith, or Nkomo) to work with him compatibly.

The partial settlement, then, has two characteristics that mark key points on the road to majority rule and peaceful domestic politics. The current political arrangement in Salisbury, I want to repeat, is not the ultimate answer for Rhodesia's problems. The question is the extent to which it moves in the right direction.

The partial settlement has established the principle of eventual Black rule. The clauses of the new constitution entrenching white power are for a limited duration. In the context of the need to subsidize cooperation between the Black political parties (as described above), the partial settlement has been successful with several parties. The coalition of Muzorewa, Chirau, Sithole, and Smith is a fragile one. In addition, the reservation of certain elements of power by Ian Smith has meant that he still has cards to play, in transferring power to present or potential (Mugabe and Nkomo) members of a government. The remaining White power structure is a symbol that serves to legitimize the Black leaders in their struggle against Ian Smith, as well as to delay the onset of civil war.

Thus, in the perverse logic of the politics of decolonization, the party with no long-term chance of political power (Ian Smith) has become essential for his handling of the dispersion of White assets (political, economic and military) in the near future. Several trends are in motion, publicly and behind the scenes.

The principal activities of the parties to the partial settlement have been focussed upon the military and political spheres. In the military area, the intense bombing by the Rhodesian Air Force of base camps belonging to ZANLA (the army of ZANU) and ZIPRA (the army of ZAPU) has weakened the short-term power of external military groups, but strengthened their role in the political councils of ZANU and ZAPU. One can expect the arrival of more sophisticated weaponry to prevent such Rhodesian air attacks in the future. Within Rhodesia, however, such attacks have symbolized support for the Black members of the transitional government. The Black members of the Salisbury government, of course, regret the loss of life in such bombings as much as the

ZANU and ZAPU leaders regret the actions of their guerrilla forces. But all are engaged in the same political purpose: attempting to drive down the price of another party in the ultimate political deal.

The second area of movement is political. The commitment to elections on April 20th is being carried out, representative of the momentum towards Black rule in Rhodesia. Most of the laws supporting racial discrimination in Rhodesia have been repealed in recent months as a further concession to the ultimate Black governing role. The elections and the government-to-be are interim arrangements for diverse parties to learn how to govern together. In this sense, the partial settlement will disappoint many Rhodesians, and they will not vote—as in any country where the government does not command the respect of 100 per cent of its citizens.

Everybody's expectations regarding the pace of political development are different; partial settlements do not distress me in the way I know they distress others. Rhodesia is a collection of people, not only composed of diverse cultural characteristics, but also engaged in a civil war that has intensified over the last fifteen years. The Black people of Rhodesia have not been a nation in modern history; a political system based on representation and compromise will not emerge overnight. It seems to be a natural American interest to remain as well-informed as possible about changes in the delicate transformation underway in Rhodesia. The dispatch of observers to the April 20th elections is appropriate; so too is the establishment of closer ties of consultation and dialogue with the ZANU and ZAPU leadership. Such political involvement, if undertaken with the knowledge that substantial resources will be required to support a peaceful settlement, cannot be seen as a one-shot initiative. If we are going to involve ourselves in Rhodesia's internal evolution, let us do it with patience, clear-eyed comprehension, and empathy.●

SMALL BUSINESS LEGISLATIVE COUNCIL

● Mr. NELSON. Mr. President, the organized small business constituency across the country is growing daily. Congressional awareness of the critical issues facing small business has been increasing session by session. At the opening of the 96th Congress, for example, there were 11 requests for assignment to the Select Committee on Small Business by Senators of the majority party—more than to any other standing or select committee.

Small business groups are organizing at the national, regional, State, and local levels. They are doing a superb job of informing the Congress of the problems faced by small business, recommending solutions and providing valuable input.

We all know about such longstanding groups like the National Federation of Independent Business, the National Small Business Association, the National Association of Small Business Investment Companies, the National Business League, and the Council of Small Independent Business Association (COSIBA).

Now we have a relatively newcomer to the scene. The Small Business Legislative Council, organized only 2 years ago, now represents 70 different associations of small business, who, with their affiliates number more than 4 million small businesses among their ranks.

The professionalism of its very large and active membership—over 4 million small businesses—has contributed significantly in assisting the Select Committee on Small Business to focus on the many small business policy issues considered by the Congress.

For example, the first initiative undertaken by the Council was the preservation of the independence of the Select Committee on Small Business of the Senate.

The SBLC has accurately observed that the recent decline in the health of our economy has coincided with declines in small business market shares, assets and profit margins. It is the contention of the Small Business Legislative Council that the surest course to correct the imbalances of our economy lies with the creation of renewed opportunities for American entrepreneurs to compete profitably, at the same time creating new ideas, new products, new markets and new jobs. If we help small business to catch up, to grow, and to prosper, our communities and cities and towns and States will all prosper in kind, they state.

I agree with this conclusion, as with its converse: that allowing the continued decline of American small business spells continuing economic concentration, which is totally alien to our American spirit of free enterprise.

The basic position of the Small Business Legislative Council calls for "Catch-Up Growth for Small Business." From this position, the Council derives other policies in many areas important to small business: procurement policy, taxation, antitrust, regulatory reform and many others.

On April 25, the Small Business Legislative Council will offer an audio-visual presentation of its policy positions to the U.S. Senate, taking place in G 219–221 between 8:30 and 9:30 a.m.

I hope every Member of this Chamber will participate in this important briefing session, and take under serious consideration the long-term importance of small business to the health and wellbeing of the United States and its economy.●

STATEMENT BY SENATOR STAFFORD

● Mr. BAKER. Mr. President, our colleague from Vermont (Mr. Stafford) is absent due to illness today. He had intended to place a statement in the Record, with the articles from Newsday. I ask unanimous consent that Senator Stafford's remarks and the articles be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 344: Newsday Analyzes the Inadequacies in the Present Federal Billboard Control Effort

Mr. Stafford. The Long Island newspaper, Newsday, recently carried two long and very interesting articles evaluating the state of the current Federal billboard control law and S. 344, my bill to add flexibility to the billboard control effort.

As these articles point out, the billboard industry has become the most vocal supporter of the Highway Beautification Act. In fact the billboard industry is probably the only supporter left for the present Federal billboard law. Certainly, the states are not supporters; 38 of the states have urged the passage of S. 344.

The articles follow:

[From Newsday, Apr. 17, 1979]

Sides Switch on Billboard Law

(By Anthony Marro)

Washington.—A month ago, Charles F. Floyd, a professor at the University of Georgia, a staunch advocate of billboard controls and an expert on the Highway Beautification Act of 1965, wrote a letter to friends about the current state of the law.

The good news, he said is that President Carter has cut all funds for the program in his fiscal-1980 budget and that Sen. Robert T. Stafford (R-Vt.) has introduced legislation to repeal the act.

And lest anyone think it strange for a proponent of controls on outdoor advertising to hail plans to kill the program, Floyd quickly told them the bad news: "Recent events have changed . . . the act into an almost totally industry-dominated program that is actually promoting the billboard industry beyond [its] wildest dreams. And it's getting worse every day."

On the other hand, spokesmen for the two major outdoor advertising groups, William Reynolds of the Roadside Business Association and Vernon Clark of the Outdoor Advertising Association of America, did not return repeated calls to their offices; but both have made it clear that they will oppose Stafford's proposal to undo the 1965 act. Floyd is one of the more outspoken critics of the current program, but he is not alone.

There is a consensus among many of the original backers in Congress and in the environmental movement that the act, often called the "Lady Bird bill" because it was pushed through Congress at the urging of President Lyndon Johnson's wife, has been turned upside down. They say it has been gutted and reshaped by its former opponents, while all but abandoned by its former friends. It is, in the critics' view, a classic example of how a piece of legislation can be eroded and modified over the years by a persistent lobby until it comes to serve the very group it was designed to restrict.

The Highway Beautification Act grew out of one of the fiercest environmental battles of the 1960s. Intended to screen junkyards and remove billboards along the 43,000 miles of federally financed interstate roads—although the states may use the money on any roads—it was passed reluctantly by Congress after a *tour de force* of arm-twisting, pressuring, debating, threatening and calling in the chips by Lyndon Johnson, who had committed himself to the plan.

A key provision held that outdoor advertising devices could not be maintained within 600 feet of any such road, except in areas zoned "commercial" or "industrial."

From the start, there were—in the view of its backers—major weaknesses in the law, starting with its exemption of "on premise" signs, which allow service stations and motels to maintain huge signs, no matter how close to the road. A second problem, in the view of the law's backers, was that enforcement was left largely to the states and many ignored the law. A recent study showed that in some states, including Missouri and New Jersey, few signs have been taken down and that in Georgia 573 new nonconforming signs have gone up.

"The purposes this act was intended to achieve have been to a large degree perverted," says Stafford, who wants to turn the program back to the states. "The act has become more a protection for billboards than the cause of their removal."

Government statistics show that since the law took effect 14 years ago, nearly 100,000 nonconforming billboards and signs have been removed from the roadsides. But 197,791 remain.

More important, a new amendment to the

law, slipped through at the end of last year's session without public hearings and with little formal debate, requires that the states and the federal government pay billboard companies for removal of signs ordered down, even when they are in clear violation of state and local zoning and even when they have been fully amortized so that sign owners have more than recovered their investment.

At an average cost of about $2,000 a sign, removal could cost hundreds of millions of dollars.

And, at the rate of financing that Congress has authorized in recent years, it could take about 110 years to bring about.

Other statistics show that many of the signs that have been removed have been from secondary roads—that is, signs that were out of the way and that were made obsolete by changing traffic patterns or that the billboard companies didn't want anyway.

"They've got the law just the way they want it," a Senate aide said. "They can keep their billboards almost anywhere they want them, and they can get the taxpayers to pay them for signs that they don't want any more."

And as the Carter administration tries to hold off any new financing, at least long enough to "reassess" the whole program, and as Stafford tries to scrap it entirely, the organizations that originally protested most strongly against the act are expected to fight hardest to keep it.

If the law has been "perverted," as Stafford, Floyd and other former supporters say, it was done with the help of Congress, a good many states and to some degree the Federal Highway Administration.

Although top officials at the highway agency defend their record in administering the act, there has been considerable muttering at lower and middle levels that the agency has become too cozy with the industry it regulates. There are charges that several recent policy decisions have been written—literally—by industry lobbyists.

One aspect of the situation that upsets some environmentalists is the willingness of the highway agency to let the states give permission to sign companies to cut away trees and shrubs so that motorists can have a better view of the billboards. That is done even though some of the trees were paid for with funds provided under the Highway Beautification Act.

"That's the federal government at its absolute worst," said Vic Maerki, an aide to Stafford. "The billboard issue aside, that's the sort of thing that infuriates taxpayers."

Those actions (in Georgia the tree-cutting permits actually are called "beautification permits") infuriated at least a few persons in Tennessee who, vigilante-like, cut down billboards owned by persons who had cut down trees.

Some members of Congress and even some employees within the highway agency also were infuriated by a recent decision by agency officials that extended the compensation requirements of the 1978 amendment to include about 9,000 signs that state and local governments already had ordered taken down, but that were still standing pending the outcome of lawsuits by sign owners.

The decision, a reversal of earlier policy, followed heavy lobbying by the industry. It means that it now would cost the states, which pay one-third of the bill, and the federal government about $18 million for removal of those signs—even though the 9,000 signs were ordered down before the amendment was passed.

After the new policy was revealed, Rep. Peter H. Kostmayer (D-Pa.) suggested in a letter to Transportation Secretary Brock Adams that the highway agency officials had sold out to the billboard lobby.

"If they want to work for the billboard industry . . . they ought to hire on with those fellows," the congressman wrote. "In the meantime, they are working for the taxpayers of this country, and it's something they ought to keep in mind."

The record in New York State has been mixed. There were 5,789 signs in "noncompliance" at the time the law took effect, most of them within the 600-foot limits. In the 14 years since, only 1,230 (21 per cent) have been taken down, ranking the state 30th in terms of compliance.

The law allows the federal agency to withhold 10 per cent of the highway construction matching money from a state that refuses to comply with the law. But that penalty has rarely been invoked. Though several states, including New York, were threatened with penalties, only one, South Dakota, has forfeited such funds—$9 million in the past two years. Moreover, since 1965 the law has been eroded steadily by the outdoor-advertising lobby and its friends in Congress.

In addition, Congress ordered the highway agency to accept local decisions on what constituted commercial zones. That permitted states to allow long, thin stretches of land along interstate roads to be downzoned commercial, even though there was no real or anticipated commercial use except the erection of billboards.

Congress also increased the maximum size permitted, enabling the industry to erect monumental billboards outside the 600-foot strip that could be read from the roads.

Indeed, a recent study by the General Accounting Office concluded that there simply isn't much public backing for the law. "The general lack of support for the program, the legal complexities that may result between states and the sign owners, the numerous exemptions granted under the law, and the differences in state and local rules all appear to hamper achieving the aesthetic results of sign removal," the study said. It recommended that the whole program be reassessed.

Lady Bird Johnson, in a statement released recently through her office in Austin, Texas, said that many programs go through their ups and downs but that she was confident the philosophy behind the Highway Beautification Act is sound and will prevail.

Stafford and some of his congressional colleagues who support him are less sure and they argue that the law has been recast to the point that it does more harm than good.

The effect of the 1978 amendments, he said in introducing his bill to revoke the act and let the individual states run their own programs, is to "substantially increase the cost of the Highway Beautification Act without promoting highway beautification."

Stafford's bill would allow states with little concern for highway beauty to permit billboards. And it would allow states with strict antisign laws, such as Vermont, to use their police powers to order the removal of signs without paying the stiff compensation now required by federal law.

The result: In the heated debate that is expected when Stafford's bill comes up for a hearing next month, many of the original backers of the Highway Beautification Act will be lined up to support Stafford's bill, while staunch opponents of the act will argue to keep the greatly changed version on the books.

"That's the best evidence of what's happened to the law," Floyd said. "If the law was any good, the industry would hate it. But the fact is that the industry loves it."

ON A GEORGIA HIGHWAY, MORE SIGNS, FEWER TREES

WASHINGTON.—Travelers riding south along Route I-95 in Georgia these days find large, new billboards at intersections in Glynn and Camden Counties, advising them where to eat, sleep, buy fuel or bask in the sun.

The signs—several dozen have been erected and many more are due to follow—are similar to many of the nearly 200,000 along the nation's roads. But their presence has sparked a feud within a federal agency, outraged some environmentalists and raised questions about the viability of federal laws designed to control outdoor advertising.

Permits for the Georgia signs were approved late last year by Federal Highway Administration officials—more than a decade after the enactment of the Highway Beautification Act, which was designed to curb roadside advertising. Since the law was enacted, more than $200 million in tax money has been spent to enforce it.

The new Georgia signs were approved despite warnings by some in the agency that the decision could set a precedent that would lead to more billboards along the nation's main roads. And they were approved over strong objections that the agency was caving in to local politicians and businessmen. Agency documents show that Richard Moeller, the chief of the department's junkyard and outdoor advertising section, fumed to superiors that of the agency was going to let "any two-bit politician" manipulate zoning to permit signs, the agency might as well "fold our tent" and go out of business.

Moeller, in a telephone interview, said he did not have any particular "two-bit politician" in mind but had been referring to a situation where local businessmen and politicians have worked together to reshape zoning, thus circumventing the federal law. He said that although he was angry about the decision by his superiors, "these are difficult decisions." He said he believes they did what they felt was right.

At issue were decisions by two counties, later endorsed by the state, to zone land around nine Route I–95 interchanges that are within the borders of the counties. The zoning change allowed more than 100 signs to be erected along the recently opened four-lane road, which runs from South Carolina to Florida.

Environmentalists say that state and federal agencies added insult to injury when they permitted sign companies to cut down trees on the federal right-of-way along the road. Critics claim the purpose of the tree removal was to give motorists a clear view of the signs.

Federal laws permit signs in commercial and industrial zones and give local communities considerable leeway in setting their own zoning. But the federal agency sometimes has refused to recognize such zoning where it seemed to be intended specifically to permit billboards rather than to allow commercial growth. In the Georgia case, agency documents show, some factors convinced agency aides that the zoning was intended solely to evade the law. Among them were the following:

The downzoning called for about 4,000 acres to be classified commercial, though a regional planning commission earlier had concluded that Camden County would need only about 100 more acres of commercially zoned land by the year 2000.

The members of the Coastal Areas Planning and Development Commission—a local business promotion group that helped devise the new zoning plan and urged the counties to enact it—included owners of the two sign companies that benefited most directly from the changes and an official of a company that owned land at the interchanges.

Some proponents of the zoning changes

had said at public hearings that the purpose of the changes was to permit the signs.

The federal agency came under considerable pressure to approve the new zonings, most of it from area businessmen and members of the Georgia congressional delegation. Their argument was that without such signs, motorists could drive the 110-mile stretch of road without being made aware of local services or of the lures of Georgia's ocean resorts. "These signs are needed on I-95," said Edwin Fendig Jr., an official of a St. Simons Island company that had obtained many of the new sign permits. "People could drive from South Carolina to Florida and not even know they'd been through the state."

Some federal officials—including those in the agency's legal office—argued that the rezonings were blatantly illegal, that to permit them would set a dangerous precedent and that, as one said, "the integrity of the entire beauty program [is] at stake." Some aides grumbled privately about the fact that a strong backer of the new zoning was Thomas Moreland, who is the head of the Georgia Department of Transportation.

John Hassel, the second in command at the federal agency, had worked under Moreland in Georgia before taking his federal post. In a recent interview, Hassel said he had been aware of the situation in Georgia but had not been contacted about it by Moreland and had not made the decision to permit the rezoning. One of Hassel's subordinates, Lester Lamm, said he had made the decision on his own, over the objection of some staff members, because he felt that the state was "not sufficiently in contravention" of the law to warrant stiff penalties.

The only way to challenge the new zonings, he said, was to withhold 10 per cent of the federal highway funds pledged to the state—an action he feared would stir great opposition in the Congress and possibly lead to further weakening of the law. He said the fact that Hassel and President Carter are both from Georgia did not influence him. Lamm said he put Georgia on notice that his decision should not be regarded as precedent in other parts of the state.

But George Henry, director of the coastal development group and an advocate for the signs, said recently that other Georgia counties plan to follow the pattern set in Camdem and Glynn.—Marro.●

TRIBUTE TO WILLIAM F. SULLIVAN

● Mr. **KENNEDY**. Mr. President, the American textile industry has lost one of its most distinguished and effective advocates. William F. Sullivan, president of the Northern Textile Association, passed away April 12 at a conference of textile executives in White Sulphur Springs, W. Va.

The domestic textile industry owes a great debt of gratitude to Bill Sullivan. During the 29 years he was president of the association, Bill worked tirelessly to assure that the industry, particularly in the Northeast, was not overwhelmed by a flood of foreign imports.

As an industry adviser to the U.S. Government for many years, he was instrumental in the development of international agreements governing trade in textiles. He contributed directly to President Kennedy's 1961 program of assistance to the U.S. textile industry which culminated in a 5-year-long term arrangement (LTA) for cotton textile trade, subsequently renewed by the Johnson and Nixon administrations. He was also instrumental in the establishment of the GATT multifiber arrangement (MFA) in 1974 which succeeded the LTA and extended coverage beyond cotton to textile products of manmade fiber, wool, and various blends.

Perhaps the most knowledgeable person in the country on the history of the U.S. textile industry, Bill was fond of pointing out that one of the first bills ever to be considered by Congress was a textile tariff measure. So it is, indeed, fitting that in his last days Bill Sullivan had effectively and successfully represented his members' interests during consideration of the tariff portion of the multilateral trade negotiations which have just been concluded in Geneva.

Bill also devoted considerable time and energy to the development of the Merrimack Valley Textile Museum in North Andover, Mass. As a member of the museum's corporation, his scholarly contributions have helped to make this institution an important center of the Nation's industrial heritage.

Bill Sullivan was universally respected by industry, labor, and Government leaders. He was a good friend and a close adviser. His wise counsel on international textile trade matters will be sorely missed by all of us.●

VA BUDGET CUTS PERIL QUALITY HEALTH CARE

● Mr. **COHEN**. Mr. President, many of us in Congress have been deeply concerned over the apparent indifference of the Carter administration to the the health care needs of our Nation's veterans.

The administration's actions in last year's Veterans' Administration budget reflect its apparent lack of concern. Its budget proposal would have resulted in a 3,100-bed cutback nationwide. Congress refused to go along with this, restoring the funds so that veterans hospitals would not suffer any loss of personnel or beds.

The response by the administration to the congressional action was dismaying to those of us who feel the Nation owes a large debt to those who served in the military. It took the money we had intended to go to the hospitals and instead used it to defray the costs of a pay raise for VA employees.

Again this year, administration officials are trying to make cuts in veterans' health services. At the same time, they would have veterans believe they will not suffer from the administration actions.

In the April 5 issue of Stars and Stripes, the American Legion had an excellent editorial, "VA Budget Cuts Peril Quality Health Care," discussing the "steady deterioration of VA medical care." It called for action to reverse the administration's planned cutbacks.

I request that the complete article be printed in the Record at the conclusion of my remarks.

An American Legion official, Robert Lyngh, said:

> The VA is currently effecting reductions in beds, staff positions and funds in every Medical Center and Clinic in the country. The current and projected reductions have already begun to curtail both the quality and quantity of health care services to veterans . . . and the curtailment will increase if the reductions are maintained.

In Maine, the Togus Veterans Center faces further cutbacks unless we can get administration officials to listen to, and abide by, the will of Congress. Veterans nationwide will be adversely affected unless we can convince VA officials—and especially OMB officials—that they are wrong. I urge my colleagues to read this important editorial.

The editorial is as follows:

> VA Budget Cuts Peril Quality Health Care
>
> To assure that the cuts made in VA medical care programs are reinstated and that the steady deterioration of VA medical care is halted, veterans and especially members of The American Legion, across the nation must make their views known to their elected Representatives in Congress. The American Legion believes there is a serious shortfall in the appropriations request for veterans' health care, reflected in budget for the VA in Fiscal Year 1980 and agrees with the Chief of Staff of a large VA hospital who testified that that goal "cannot be done by decreasing resource commitments . . . to the sick, disabled, and aged veterans." Acquaint yourselves with the facts covered in the following editorial, then let your elected representatives know your sentiments. Your help is needed now.
>
> President Carter has recommended a $20.1 billion budget for the Veterans Administration for Fiscal Year 1980. In defense of the President's budget, VA Chief Max Cleland testified before numerous Congressional committees that the agency's request "recognizes our obligation to help control the cost of government and is in consonance with President Carter's determined effort to control inflation."
>
> He assured Members of Congress that "the VA has not taken more than its fair share of government-wide personnel reductions," that "VA total employment levels will be approximately the same in 1980 as they are in 1979 . . ." and that the funds requested by the VA "will enable us to treat more hospital patients."
>
> Mr. Cleland's sanguine view of the VA's ability to provide quality medical care in the coming fiscal year was also reflected in their FY '80 "Budget in Brief" pamphlet. The VA, or would it be more appropriate to say the Office of Management and Budget (OMB), projects a reduction of fewer than 296 hospital employees in 1980 and does not indicate a reduction in VA hospital beds. These facts are grossly misleading.
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> The American Legion Rehabilitation Director, Robert E. Lyngh, presented a completely different picture of the VA hospital system when he appeared before the Senate Budget Committee on March 14. Lyngh said, "The VA is currently effecting reductions in beds, staff positions and funds in every Medical Center and Clinic in the country. The current and projected reductions," he claimed, "have already begun to curtail both the quality and quantity of health care services to veterans . . . and the curtailment will increase if the reductions are maintained..
>
> Lyngh focused attention on the VA's FY 1979 appropriation through which Congress increased the President's VA Medical Care budget by $32.3 million to maintain 3,200 beds scheduled for closing, and Congressional approval of funds to continue 1,500 positions to staff these beds. However, when questioned this January by The American Legion, Mr. Cleland admitted that the beds are in fact being closed, and the 11,500 staff will not be filled. "What we are faced with here," said Lyngh, "is a blatant maneuver by the OMB to thwart the will of Congress. If the present situation is allowed to continue," said Lyngh, "the end result will be

the destruction of the veterans' health-care program."

The Legion concerns are also shared by a growing number of VA doctors, nurses and other health-care providers. On February 28, Dr. Herbert G. Rose, President of the National Association of VA Physicians, told the House Committee on Veterans' Affairs that the 9,500 physicians he represents oppose the reduction of VA hospital personnel, and education and research programs which, he insisted, "are eroding the Hospital System and depriving our patients of needed medical care." He claimed they (VA doctors) are being forced to practice "assembly-line medicine" and the latest round of cutbacks, which reduced the number of hospital personnel "are aimed directly at patient care services."

Dr. Rose predicted that the immediate consequences of these budget cuts could prove to be disastrous. The pattern of personnel reductions currently being carried out by most hospitals will effect many levels of hospital functioning, with a loss in the overall efficiency of the system and the prolongation of hospital stays. Some hospitals, said Dr. Rose, will "be forced to delete services and deny care to patients . . .," Especially for non service-connected veterans. The scheduled reduction in VA staff-patient ratios, he pointed out, are average figures, and estimated that at least 15% of the VA hospitals cannot afford any further reductions in staffing without marked deterioration in care.

The American Legion during these same hearings contended that the Administration is attempting to justify its actions on the basis of an amendment to the Civil Service Reform Act, which limits total federal employment. This provision, commonly referred to as the "Leach amendment," does not, as interpreted by the VA, require an agency-by-agency employment cut. Congressman Leach, upon learning of VA's interpretation of his amendment, was so outraged that he presented testimony to the House Vets' Committee and specified that his amendment was never intended to be used as a vehicle to cut into VA medical programs.

Senator Alan Cranston, Chairman of the Senate Committee on Veterans' Affairs, in a letter to President Carter, outlined what he considered to be "an extremely serious situation" regarding the staffing of the Veterans Administration medical facilities. Last year the President signed into law an appropriations bill that included $54.7 million more for the VA's medical care program than he had requested in his FY '79 budget. Included in that increase was $32.2 million that was intended by Congress to forestall the need to divert VA medical care staff from existing facilities to staff the activation of previously approved facilities which were to come on line in FY '79. However, Cranston pointed out that those funds were subsequently used to defray the costs of a pay raise for VA employees. In fact, the total cost of that pay raise was $172.9 million and the Administration is now requesting a supplemental appropriation of $74.5 million for that purpose. If Congress would accept this proposal, the VA would be forced to absorb almost $100 million of the costs of that pay raise by means of reductions in the operation of VA health care programs.

Congressman Ray Roberts, who chairs the House Committee on Veterans' Affairs, also sent a letter to President Carter informing the Chief Executive that recent hearings before his Committee disclosed that in this current fiscal year existing hospitals will lose "more than 6,800 positions." In addition, Roberts said, "In FY '80 hospital directors must cut back an additional 1,650 employees" in order to offset new programs starts scheduled in FY '80.

Both Chairmen also urged the President to exempt the VA from participating in an employment test that is imposing extreme hardships upon VA Hospital Directors and other professional staff responsible for quality medical care in the VA medical system. The test has effectively removed any flexibility those Directors have had in the past.

Thus, the evidence is clear and abundant that the proposed VA budget presents a real threat to the quality and quantity of health care for the nation's veterans. That downward trend in facilities and personnel has been occurring despite the fact that demand for VA hospital care is certain to increase sharply during the next ten years because of the advancing age of World War II veterans. In the words of Dr. Roe, "It is ironic that an administration which is preparing to underwrite health care for all citizens is systematically depriving veterans, for whom it has had legal responsibility for the last 30 years, of medical care." ●

BREAKDOWN OF EXPORT CREDIT NEGOTIATIONS

● Mr. STEVENSON. Mr. President, last year Congress adopted legislation directing the President to begin negotiations with other major exporting countries in an effort to end predatory export financing practices. Since then the administration has repeatedly proposed measures to strengthen and extend the scope of the existing International Arrangement on Export Controls.

The arrangement is not legally binding on participating governments. It provides no penalties for violations and no means of enforcement.

The arrangement does not cover aircraft, nuclear powerplants, liquified natural gas (LNG) tankers and agricultural commodity exports. It does not restrict the use of "mixed credits" which combine "tied" aid and export credit financing on highly concessional terms. It does not prohibit cost inflation risk insurance or exchange risk insurance.

The United States proposed to tighten the arrangement in these areas and increase the minimum interest rates, thereby reducing the Government subsidy element involved in such financing. Unfortunately other governments are not willing to accept further restraints on their export financing practices. The negotiations have broken down and there it little likelihood of resumption. The total rebuff met by U.S. negotiators bodes ill for effective implementation of the newly signed code on export subsidies. If foreign governments are unwilling to restrict export credit subsidies, can we expect them to restrict other export subsidies?

President Carter states in his report to Congress on failed negotiations on export credit:

> The lack of progress requires us to reexamine our own efforts to assure that we remain competitive in the export credit field. Our examination may well indicate that we should modify some of our own programs and policies until such time as there is more willingness among our trading partners to impose the needed self-discipline on export credit practices.

The International Finance Subcommittee which I chair has already reviewed U.S. competitiveness in official export credit and found it insufficient. The subcommittee's report on U.S. export policy released last month points out that Eximbank lacks the resources and authority to match the mixed credits, performance bond guarantees, financing for prefeasibility studies, inflation risk insurance, and exchange risk insurance offered by some foreign governments. The report notes that the administration has proposed a limit of $4.1 billion on new Eximbank loans in fiscal 1980, a figure less than three-fourths the Bank's estimate of its potential needs.

Mr. President, the Export-Import Bank will need expanded authority if the United States is to meet the competitive challenge thrown down by foreign governments. No one here wants an export credit war, but the United States cannot afford to concede international markets to subsidized foreign competitors. Congress should adopt legislation to render the Bank fully competent to meet foreign official credit competition, and that will require a higher lending limit than the administration has proposed.

Mr. President, I ask that President Carter's report to Congress and the appendix to the report be printed in the RECORD.

The material follows:

PRESIDENT'S REPORT TO CONGRESS

To the Congress of the United States:

The Export-Import Bank Act of 1945 as amended in November 1978 (Sec. 1908(a) of Public Law 95–630) requested me "to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits, in third country markets as well as within the United States." The legislation called for a report to the Congress on progress toward meeting these goals.

As I indicated on September 26, 1978, in my Statement on Export Policy, this Administration attaches high priority to increasing American exports. The Export-Import Bank plays a very significant role in that effort. Accordingly, this Administration has sought to make the Bank's financing more competitive with the official export financing provided by other governments and, at the same time, to improve the International Arrangement on Export Credits so as to avoid costly and self-defeating export credit competition between sovereign governments.

I directed the Secretary of the Treasury to undertake the appropriate negotiations. In fact, Secretary Blumenthal had already alerted foreign governments to the need for a broadened and strengthened International Arrangement at the OECD Ministerial Meeting in June 1978 and the issue was again raised at the meeting which prepared the agenda for the Bonn Summit. In September 1978 Secretary Blumenthal emphasized to the Finance Ministers of our major trading partners the importance of substantive improvements in the International Arrangement on Export Credits. He presented detailed proposals designed to bring the financing terms set forth in the Arrangement closer to worldwide commercial practices and to broaden the Arrangement to cover sectors presently excluded from coverage.

Briefly, these proposals called for increases ranging from ½ to ¾ of one percent in the minimum interest rates called for by the Arrangement, the elimination of local cost support by export credit agencies, and greater restraint in the use of highly concessional mixed credits. In addition, maximum repayment terms and minimum interest rates were proposed for aircraft, nuclear power plants and liquified natural gas (LNG) tankers, sectors presently excluded from the Arrangement. Similarly, a proposal was made to have the Arrangement cover credits for agricultural commodities in excess of three years but not more than ten years. Additional possibilities for improving the Arrangement emerged during the subsequent discussions.

These proposals were presented to the twenty-two countries participating in the International Arrangement on Export Credits for consideration at their October 1978 meeting. At our urging, these countries agreed to establish a working group to consider improvements in the Arrangement. The working group met in December 1978 and in January 1979. In addition, representatives of the U.S. Government discussed these proposals at length in bilateral meetings with other governments.

Although the substance of our proposals appeared to constitute a basis for negotiation, the required unanimity for the changes we sought in the Arrangement was lacking. As a result, no agreement regarding modifications in the Arrangement acceptable to the U.S. Government could be reached.

I have therefore reluctantly concluded that further negotiations would not be productive at this time. If the countries which have opposed the improvements we have suggested evidence their willingness to be more forthcoming, I would be prepared to resume negotiations at any time.

For the present, however, the lack of progress requires us to reexamine our own efforts to assure that we remain competitive in the export credit field. Our examination may well indicate that we should modify some of our own programs and policies until such time as there is more willingness among our trading partners to impose the needed self-discipline on export credit practices.

Meanwhile, the United States will continue to adhere to the International Arrangement on Export Credits because it remains a useful, if limited, instrument of international discipline in the provision of officially supported export credits. Within this framework, the Export-Import Bank, operating in consultation with the National Advisory Council on International Monetary and Financial Policy (NAC), will provide the necessary export financing support to allow American exporters to meet foreign official export credit competition. For example, Eximbank will continue its recently adopted policy of matching mixed credits on a selective basis, a policy which proved effective recently when an American exporter was awarded a contract based on an Eximbank financing package that matched the mixed credit offer of a foreign government.

Finally, in my FY 1980 budget, I have asked the Congress for $4.1 billion in direct lending authority for Eximbank, an increase of $500 million from the FY 1979 budget. I have asked for this increase, together with $6.8 billion in insurance and loan guarantee authority, in a year in which I am determined to cut the Federal budget deficit to below $30 billion. I expect the Bank to husband these resources carefully, but I also expect the Bank aggressively to meet official export credit competition.

The attached annex details the discussions and the actions taken to improve the International Arrangement and provide competitive official export credit financing.

Jimmy Carter.

The White House, *March 16, 1978.*

Annex Detailing U.S. Government Actions To Improve the International Arrangement on Export Credits and Provide Competitive Official Export Credit Financing

BACKGROUND

Consistent with the legislative mandate contained in Section 2 of the Export-Import Bank Act in 1977, the U.S. Government proposed new negotiations to create a firmer set of international guidelines to minimize the subsidy elements in officially supported export credits. Certain ground rules had existed since 1976 when some of the major OECD trading nations agreed upon an "Export Credit Consensus". However, the generality of the consensus and the absence of a uniform text made further definition and improvement desirable to prevent uneconomic allocation of resources, budgetary waste and the political frictions which inevitably accompany excessive international economic competition among governments. After an intensive series of meetings, agreement was reached on a new International Arrangement on Export Credits. The arrangement came into effect on April 1, 1978, with 22 participating countries.

The strength of the arrangement lies in a detailed statement of procedures designed to enable each export credit agency to operate on the basis of greater knowledge about the credit offers of its competitor agencies in other countries. Although the system is not flawless, the resulting "transparency" has been an important factor in alleviating an escalation of export credit terms. Any country now has a greater opportunity to match, on a timely basis, excessively concessional offers of another participant—hence deterring such offers.

In addition, the arrangement codified the minimum export credit terms which would normally be offered by each export credit agency. These minimum terms and other key features of the arrangement are:

1. A cash payment of at least 15 percent of the export contract value is required.

2. Repayment terms cannot exceed 8½ years for relatively rich countries and intermediate countries, and 10 years for relatively poor countries. The repayment of official export credits should normally be in equal and regular installments, payable not less frequently than every six months.

3. In the case of direct or re-financed loans by an export credit agency, the minimum interest rate, exclusive of insurance premiums and bank fees, ranges from 7.25 percent to 8.00 percent based on the number of years in the repayment period and the classification of the country receiving the credit (i.e. relatively rich, intermediate, or relatively poor country). In the case of "pure cover"—that is, official support limited to an export credit guarantee or insurance—no minimum interest rate is prescribed since the credit itself is provided by the private banking system at commercial rates.

4. Interest is normally payable not less frequently than every six months during the repayment period, whether official support takes the form of a direct loan or "pure cover".

5. The financing by export credit agencies of local costs connected with an export project (that is, costs incurred in the borrower's country such as labor or construction costs) cannot exceed the cash payment on the associated exports.

6. Prior export credit commitments not in conformity with the Arrangement must be reported under a defined procedure. Similarly, the procedure for reporting derogations (breaches of the Arrangement guidelines) and matching offers by other export credit agencies are set out in detail.

7. Excluded from coverage under the Arrangement are export credits for military equipment, agricultural commodities, aircraft, nuclear power plants and liquefied natural gas (LNG) ships. OECD "Standstill" agreements impose some limits of a less precise and less strict nature than those contained in the Arrangement, on the export credit terms available for aircraft and nuclear power plants. An OECD Understanding also limits export credit terms for most ships. Because the United States is not a party to that Understanding, we have agreed to apply the Arrangement terms to ships other than LNG tankers and to notify the participants if we offer terms for LNG tankers which are more favorable than those permitted by the Arrangement.

8. The Arrangement does not prohibit mixed credits, cost inflation risk insurance or exchange risk insurance.

Mixed credits are credits which combine "tied" aid financing on highly concessional terms with export credit financing. The Arrangement requires prior notification of a mixed offer when the "grant element" of the combined credit is less than 15 percent. When the grant element is between 15 and 25 percent, prompt notification is required after an offer is made. (The "grant element" measures the concessionality of a credit, using a 10 percent discount factor. Most official export credits contain some grant element, but normally less than 15 percent.)

Export inflation insurance compensates the exporter when the cost of producing the goods or services rises above a specified level because of inflation. Exchange risk insurance compensates the exporter when the exporter accepts payment in a currency other than his own and the value of that currency decreases below a specified level.

The United States presently does not offer export inflation or exchange risk insurance.

9. The Arrangement will be reviewed by the Participants at least once a year. The first review was held in October 1978 and the second review is tentatively scheduled for May 1979.

10. Withdrawal from the Arrangement requires not less than 60 days notice; otherwise, there is no termination date.

NEED FOR IMPROVEMENT

In testifying before the Congress earlier in the year on the extension of the Eximbank charter, Administration witnesses emphasized that the International Arrangement on Export Credits was a useful forward step. Nevertheless, it had major weaknesses: (1) the element of subsidy in official export credit financing was not significantly reduced; (2) important sectors continued to be excluded from coverage; and (3) certain commercially unsound practices were not dealt with. It was anticipated that the shortcomings in the Arrangement would be addressed in the fall 1978 review of the operation of the Arrangement.

It was hoped that our major trading partners would see the importance of reaching agreement on firmer ground rules on the use and discipline of export finance. The Congress expressed its interest in an improved Arrangement when it passed the "Export-Import Bank Act Amendment of 1978". Section 1908(a) requested the President "to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits in third country markets as well as within the United States." Further, it called on the President to report to the Congress on progress toward meeting the goals of this section. As a part of his September 1978 Statement on U.S. Export Policy, the President directed Secretary of the Treasury Blumenthal to undertake immediate consultations with our trading partners to expand the scope and tighten the terms of the existing International Arrangement on Export Credits.

Secretary Blumenthal stressed the need for action in a letter to the Ministers of Finance of the major trading countries. He made specific proposals designed to achieve greater discipline over the subsidy element in much official export credit financing.

Secretary Blumenthal met with Finance Ministers during the annual meeting of the International Monetary Fund/World Bank at the end of September 1978 to emphasize the importance of successful negotiations to improve the Arrangement. Other U.S. Government officials pushed to accelerate the pace and bring participants to the negotiating table. Representatives of the European Economic Community (EEC) and its member states came to Washington to further explore these issues.

In October 1978, Assistant Secretary of the Treasury C. Fred Bergsten and John L. Moore, Jr., President and Chairman of the Export-Import Bank, visited key European countries to discuss the U.S. proposals with senior policy officials in those countries. Teams of U.S. Government officials went to Tokyo and to Ottawa in October to explain to senior government officials the proposals set forth in Secretary Blumenthal's letter to the Finance Ministers. U.S. Government officials went to Brussels twice in 1978 to discuss with the European Economic Community possible improvements in the Arrangement involving some of the excluded sectors.

The U.S. proposals were discussed at meetings of all the participants in the Arrangement in October 1978 and in January 1979. Although there was support for various aspects of the U.S. proposal from many countries, others, including the European Economic Community, had serious difficulty with them. The EEC stated that it had no "mandate" from its Council of Ministers to negotiate any issues except the excluded sectors.

U.S. PROPOSALS

The proposals submitted to the twenty-two participating countries as a basis for negotiation, as subsequently modified and extended during the course of discussions, called for improvements in four basic areas:

(1) An increase in the minimum interest rates of the Arrangement (which vary according to length of repayment period and classification of country) ranging from ½ to ¾ of one percent, and two related proposals to update the country groupings and eliminate export credit subsidies on sales to European Community markets;

(2) An end to official support for "local costs";

(3) Moderation in the use of mixed credits by limiting such financing to the very poor countries and by increasing the element of "transparency" through prior notification of all mixed credit transactions; and

(4) Coverage in the Arrangement of sectors presently excluded, namely agriculture, aircraft, nuclear power plants and ships.

INTEREST RATE PROPOSALS

With a few exceptions, market interest rates in most participating countries are above the levels that existed in 1976 when the first Consensus on export credit was adopted and the minimum interest rates were established. Accordingly, the United States argued there was strong justification for higher minimum interest rates on direct loans by official export credit agencies.

Some countries pointed out, however, that interest rates were falling or were relatively constant in countries such as Germany, Switzerland and Japan, even though interest rates had risen in the United States and most other countries. These countries felt, therefore, that an increase in the interest rate minimums applied to direct loans was not justified.

Some countries also maintained that a higher schedule of minimum interest rates on direct loans would adversely affect their export competitiveness since the understanding is that minimum interest rates in the Arrangement do not apply to cases where the only official export credit support is "pure cover", that is, insurance or guarantees of private loans against commercial or political credit risks. The exclusion of "pure cover" from the minimum interest rate schedule permits countries with low rates of inflation, and hence low commercial interest rates, to offer simple guarantee or insurance programs where the credit itself is provided by the private banking system and thus contains no element of interest rate subsidy.

Countries with low commercial interest rates (Germany, Switzerland, and Japan) can therefore offer lower interest rates (so long as they limit their official support to "pure cover") than other countries which offer direct export credits. This interest rate difference would be increased if the minimum interest rates on direct loans were raised.

In response to these concerns, the United States expressed the view that it was not normally the function of official export credit agencies to offer below-market rate loans in one currency to match the lower market rate loans extended in the currencies of countries with lower inflation rates (e.g., Germany, Switzerland or Japan). In addition, where a guarantee or insurance is provided for a transaction together with exchange risk insurance, the U.S. view was that the financing package must conform to the terms of the Arrangement.

To address these problems, the United States proposed that the minimum interest rates provided in the Arrangement should also apply to transactions receiving "pure cover" if official exchange risk cover was also provided.

The Participants did instruct the OECD Secretariat, under the leadership of an experienced export credit official and with such expert assistance as he selects, to undertake a study of the appropriateness of the interest rate matrix taking into account, inter alia, varying rates of inflation, exchange rate movements and the disparity of interest rates for different currencies. Format and procedure for this study are to be completed in time for review at the annual Arrangement review meeting in May 1979. The final report is to be completed by the end of 1979, if possible, and no later than May 1980.

COUNTRY GRADUATION

The progress in economic development and per capita income in some of the countries originally classified as "relatively poor" suggests that they should be reclassified to the status of "intermediate" countries, and thus receive slightly harder export credit terms. While there was recognition of the point by some participants, many felt no action should be taken at this time for the same reasons that they opposed a more general move towards higher interest rates on direct loans.

ELIMINATION OF INTEREST RATE SUPPORT ON SALES TO EUROPEAN COMMUNITY COUNTRIES

The United States proposed adoption by all participants of the European Community's own practice of permitting only "pure cover" (i.e. guarantees or insurance) on sales between the EEC countries. This would mean that all export transactions to the EEC countries—whether from the United States, Japan, the Nordic countries, or other sources—would be at market interest rates. This proposal was acceptable to the European Community itself, but attracted an adverse reaction from some of the other participants who believe they would lose a competitive edge in the EEC market.

LOCAL COST PROPOSALS

Local cost financing constitutes support for goods and services obtained in the buyer's market and involves a domestic rather than a foreign exchange cost, hence it is not an export credit at all. The Arrangement presently permits local cost financing for an amount not exceeding the cash payment, that is 15 percent.

The United States contends that local costs should be financed independently of exports and that local cost support at favorable export credit terms generally amounts to a "sweetener" designed to influence the buyer's decision on the source of procurement. Nevertheless, some participants in the Arrangement are reluctant to restrict the financing of local costs. They assert that importing countries expect this form of support and it is politically difficult to terminate local cost financing.

MIXED CREDIT PROPOSALS

Mixed credits are credits which couple tied aid financing on highly concessional terms with normal export credits. The "blended" terms can be well below the minimum terms set forth in the Arrangement. France, which is a principal provider of mixed credits, views this practice as an integral aspect of its concessional assistance to developing countries and states that its mixed credit transactions account for a very small part of its exports.

The United States and many other countries have responded that, whatever the size of the program, mixed credits constitute an unfair practice and should be moderated, if not eliminated. At a minimum, there should be prior disclosure of the offer of such credits.

SECTOR PROPOSALS

The sector discussions on ships and nuclear power plants focussed on the maximum length of the repayment term and the minimum interest rate. The U.S. position is that longer repayment terms, in the range of 12 to 15 years, are required by the economics of the projects involved in these sectors but that such longer terms should be accompanied by a higher interest rate (8.5 percent) to reflect normal commercial practices. Some other participants preferred a maximum repayment term of 10 years with no increase in interest rates.

In the case of commercial jet aircraft, the United States suggested a maximum repayment period of 10 years for both sales and leases, which would eliminate an important distinction between sales and leases. The United States also proposed an 8.5 percent minimum interest rate in this sector. While there were still some points at issue, such as the minimum interest rate level, agreement appeared close in this sector.

Discussions regarding the inclusion of agricultural commodities in the Arrangement were sparked by international concern over the authority granted by the Agricultural Trade Act of 1978 to the U.S. Commodity Credit Corporation to offer financing with a repayment period of over three years but not more than 10 years for certain agricultural commodities and facilities. Almost all agricultural commodities are now sold for cash or for short-term credit, reflecting the short useful life of such commodities.

Considerable concern was expressed that coverage of agrciulture in the Arrangement, which deals with medium- and long-term financing, might imply that past normal commodity financing terms are being changed, thereby forcing all commodity exporting countries to provide longer term credits. Thus, several countries called for periodic reporting of transactions having a repayment term over six months or one year, to permit monitoring of the extent of any changes in commodity financing norms. Some coutries also wanted prior notification when the repayment term was longer than two years. The U.S. position was that prior notification could be considered only for certain types of transactions with repayment terms over three years, since normal Commodity Credit Corporation financing often provides for repayment terms up to three years.

CONCLUSIONS

The U.S. Government has made every possible effort to obtain substantive improvements in the International Arrangement on Export Credits. Time and again U.S. officials emphasized the international advantages of such improvements. It was clear that the proposals submitted by the United States were negotiable and that meaningful compromises were possible. It is the view of the United States that participants in the Arrangement, other than the European Economic Community, would probably have agreed to the main outlines of the U.S. proposals. Despite extensive effort on the part of all governments and freqeunt meetings, however, the wide differences between what the U.S. Government could accept and what the European Economic Community offered made further negotiations at this time a frutless endeavor.

Considering the importance of increased exports to the United States, and the stalemate in the negotiations, it now appears that the only feasible course of action at this time is a re-examination of the export financing programs and policies of the United States to assure that we remain competitive. The Export-Import Bank, operating within the framework of the existing International Arrangement on Export Credits, will therefore provide aggressive export financing support to U.S. exporters.●

EXPORT FINANCING

● Mr. HEINZ. Mr. President, I join with my distinguished colleague from Illinois in deploring the breakdown in negotiations to extend the scope of the existing International Arrangement on Export Credits. Unfortunately, this breakdown may well signal a new round of fierce competition and ratecutting in the area of export financing. Coming as it does just as the new MTN subsidies code is being submitted to Congress, it is indeed an ominous portend for cooperation in the implementation of any agreement to eliminate export subsidies.

Ironically, the President's message on the negotiations breakdown and the probable beginning of cutthroat competition in international credit came just as we in Congress were in the process of symbolically cutting our own throats by way of the Budget Committee's recommendation of a cut in export promotion activities and a projected 5-year reduction from 7 to 5 percent in the proportion of U.S. exports supported by Government programs such as the Export-Import Bank.

In view of the balance-of-trade deficits which have totaled almost $65 billion over the last 2 years, one might have assumed that the administration would have recommended a dramatic increase in activities designed to promote exports. Instead, the recommendation to Congress was for a meager $500 million increase over last year in direct loan authorization for the Eximbank. The total of $4.1 billion is an amount less than three-quarters of the Bank's own internal estimate of demand in fiscal 1980.

That the Budget Committee would recommend still further cuts in this bare-bones budget is incomprehensible to me, particularly in the light of the breakdown of export credit negotiations which occurred subsequent to the President's budget request submission. The Eximbank is not, after all, a giveaway program. Our experience with this program has clearly shown that investments in it pay back handsomely in American jobs and foreign exchange income. It has been estimated that for every $1 billion increase in exports 40,000 jobs are directly or indirectly created. These jobs in themselves are a source of tax revenue for exceeding any outlays.

The President's statement on the breakdown of the export credit negotiations with our trading partners made it clear that our Nation had no intention of conceding the field to them in this area. As the President said in his March 16 message to Congress—

> I . . . expect the Bank aggressively to meet official export credit competition.

Now we in Congress must do our part to back his words with action. It would be disastrous to our Nation's negotiating position if Congress signaled an unwillingness to vigorously compete in the area of export credit.

Now that our Nation's negotiators have made every reasonable effort to reach an agreement which would preclude an export credit war, we must make it clear that the United States stands ready to do all that is necessary to protect its international trading position from unfair competition. Restoring the full funding recommended by the President in export promotion activities and the Export-Import Bank would be the first step in that direction.●

HONOR AMERICA DAY

● Mr. STEWART. Mr. President, among the very first of my speaking engagements as a United States Senator last fall, I had the privilege of speaking at the Honor America Day program at Grissom High School in Huntsville, Ala. It was a great show of patriotism and a moving experience.

I submit for the RECORD a statement from the Executive Committee of Honor America Day, as well as a proclamation by the Governor of the State of Alabama. Also, I would like to take this opportunity to urge all Members of Congress to encourage their State officials and constituents to join Alabama in the Honor America Day program.

The statement follows:

HONOR AMERICA DAY

In the Bicentennial year, 1976, students in George Newby's American history classes at Grissom High School in Huntsville, Alabama, asked if they could do something special to celebrate the Nation's 200th birthday.

And "something special" they did. For it was from this beginning that the concept of Honor America Day emerged.

In that first year, the students handcrafted brightly-hued felt flags of all the 50 States to cover the ceiling of the classroom. They planned a birthday party for the Nation and combined it with a Thanksgiving feast all to take place right in the classroom. "Our Town" was selected as the theme, and local public officials were invited to the special Honor America Day program and birthday celebration.

The guests came and the message was clear—students in George Newby's American history classes loved this great Nation. But the public officials, the news media, and the parents left with more than they had bargained for. They started "thinking anew" about their love for America because the young people charged them with spreading the word.

The event grew bigger and more elaborate in 1977. Student and parent committees planned and worked for months before and after school in preparation for the year's celebration.

In 1978, the program broke the bounds of the classroom when "think America in November" was endorsed by the Instructional Department of the Huntsville City schools. Special programs were developed throughout the system to help students in all grades learn the real meaning of the American heritage. The direction was given, "our students must know the trials and tribulations of our forefathers in bringing forth a nation conceived in liberty. They must be taught that freedom is a precious commodity which must be re-won every day. As educators, we must rededicate ourselves to foster the course of liberty and justice. We are America-loving people, and therein lies our strength."

And so the proclamations went out—from the Governor, from the legislature, from the mayor—all of Alabama heard about Honor American Day. Alabama's U.S. Senators, the Governor-elect, and dozens of other public officials converged in the American history classroom at Grissom High School to give thanks and to pay tribute to America on this day before Thanksgiving.

It was a stirring occasion. To greet the dignitaries, the school band played and the ROTC students flanked a bright red carpet which led from the drive up the steps and into the main entrance of the school. During the program, Miss Alabama sang "America" and the American history students in dramatic chorus interpreted the Constitution of the United States.

And, finally, students and guests enjoyed together a traditional Thanksgiving feast prepared and served by parents.

There was only one problem. The program was too big. The walls of the school could not contain all the people in the community and State who wanted to participate and to have a part in Honor America Day; the decision was made, this program involving teachers and students together in caring about America and could not be allowed to die, but must surely grow in strength and numbers throughout all States in the Union.

To spread the word, Huntsville City schools, under resolution of the Board of Education, would host a program in 1979 for the Nation. A student and teacher, from each of the 50 States, who exemplified the teaching/learning process in Americanism, would be invited to attend. The chief State school officers would be invited and a public official—Governor, Senator, or Representative—from each State would be encouraged to participate.

The message would go to all the Nation—

Students must be given the opportunity to meet the public officials who affect their lives every day; and

Students must be given the opportunity to pay honor to their country.

For the fate of the Nation is tomorrow, and the students of today will choose what that tomorrow will be.

Will you help spread the word in your school, your community, and your State by joining with the Huntsville public schools each year on the day before Thanksgiving in celebrating our American heritage, reaffirming our commitment to this great Nation, and remembering the undying principles of liberty and justice, the strength upon which this Republic ultimately rests.

STATE OF ALABAMA: PROCLAMATION BY THE GOVERNOR

Whereas, the Honor America Day program begun at Grissom High School in 1975-76 to celebrate the bicentennial of this Nation—

and now expanded to the entire Huntsville school system—has become an annual event of State-wide significance, and

Whereas, to help "spread the word," the Huntsville City schools, under resolution of the Board of Education will host an Honor America Day program for the State and for the Nation on Wednesday, November 21, 1979, and

Whereas, this program involves the entire community but especially teachers, students, parents, and public officials in "caring about America," in giving thanks, and in paying tribute to this Nation.

Now, therefore, I, Fob James, Governor of the State of Alabama, do hereby proclaim Wednesday, November 21, 1979, and the Wednesday before Thanksgiving in every year thereafter as Honor America Day, and do hereby

Urge all school and public officials throughout the State of Alabama to provide leadership in structuring programs for all citizens but especially for teachers, students, parents, and public officials to observe this occasion, and do hereby

Invite and encourage all States in this great Union to join with Huntsville and with Alabama on this day in celebrating our American heritage, reaffirming our commitment to this great Nation, and remembering the undying principles of liberty and justice, the strength upon which this Republic ultimately rests.●

ASIAN-PACIFIC AMERICAN HERITAGE WEEK

● Mr. INOUYE. Mr. President, last year Congress passed a joint resolution designating the first week in May as Asian/Pacific American Heritage Week.

On March 29, 1979, President Carter issued Proclamation 4650 declaring the week beginning on May 4, 1979, as Asian/Pacific American Heritage Week, and called upon the American people to observe this week with appropriate ceremonies and activities. In his proclamation, President Carter stated:

> Asian-Americans have played a significant role in the creation of a dynamic and pluralistic America, with their enormous contributions to our science, arts, industry, government and commerce.

This week is a time to pay tribute to the more than 2 million Asian/Pacific Americans and their distinguished contributions to America's rich cultural heritage and modern development. These are Americans descended from Japanese, Chinese, Korean, Filipino ancestors, as well as those from my native Hawaii, and other Pacific islands, such as Samoa, Fiji, and Tahiti.

Various Asian-American organizations, notably the Asian/Pacific American Heritage Council, Inc., the Japanese-American Citizens League, and the Asian and Pacific American Federal Employee's Council, are planning various activities to celebrate this heritage week.

I encourage my fellow colleagues in Congress to actively participate in the events planned for Asian/Pacific American Heritage Week, as a step to further understand this minority group.

The dates for this week are particularly significant. On May 7, 1843, the first Japanese entered the United States, and May 10, 1869 marks the day when the first transcontinental railroad, largely built by Chinese laborers, was completed. Our history consists of many other events of Asian/Pacific American involvement and also of great leaders who have brought pride and honor to this racial minority.

But, Mr. President, let us not forget that terrible injustices and discrimination have been faced by this minority, throughout American history. Of particular importance this year is the quest for redress by the Japanese-Americans for their unjustified internment during World War II. Moreover, the Native Hawaiians are also seeking redress for the unlawful takeover of their government and lands in the 1890's.

I am proud to have introduced the joint resolution in the Senate which has made this week a reality. Let us make this first Asian/Pacific American Heritage Week one that will foster cooperation and understanding among the various American peoples.●

THE "REDEMPTION" OF SAMUEL PISAR

● Mr. RIBICOFF. Mr. President, Samuel Pisar of Paris is a remarkable man. He has just written a remarkable book entitled, "Le Sang de L'Espoir." It has achieved unanimous and outstanding critical acclaim in France. I am sure that when it is translated into English it will become a best seller here and receive the same acclaim in this country as it has in France.

It has been my privilege to know Sam and his accomplished wife, Judith, for many years. I consider them great friends. The article by Mary Blume in the April 23, 1979, issue of the Washington Post sets out in capsule some of the high points in Sam's career. It is only a tiny indication of a full, complete, and accomplished life. To share this article with my colleagues I ask that the article, entitled "The 'Redemption' of Samuel Pisar," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The "Redemption" of Samuel Pisar

(By Mary Blume)

Paris.—As American troops pushed into Germany at the close of World War II, they came upon a weird sight: a scrawny 16-year-old looking quite as awful as a 16-year-old would who had just escaped from a death camp after four years of imprisonment. "Hi, kid," said the GIs. "Heil Roosevelt," replied the kid. The GIs adopted him at once.

The boy, Samuel Pisar, drunk with freedom and able to think of life only in terms of death, became a daredevil motorcyclist and, with his Auschwitz chums, Nico and Ben, a minor hood and black-marketeer.

The story might have ended there, and badly. But an uncle from Paris tracked him down and, expecting to find a pathetic little creature, found instead a cool-eyed delinquent wearing a gold watch (the uncle quickly put away the steel watch he had brought as a gift) and smoking Lucky Strikes. He was sent to another uncle in Australia where, with a rage to learn as strong as had been his rage to survive, he went through the equivalent of six years of school in two years. Harvard was the next stop where, not content with a brilliant law degree, he went on to earn a rarely pursued doctorate of juridical science.

Today, Samuel Pisar is a multilingual international lawyer, a U.S. citizen by Special Act of Congress who is based in Paris, where he has a splendid clientele, a fine home and the highest connections. He is a member of the bar in the District of Columbia and California as well as in London and Paris. He is a soft-spoken and controlled man, not given to overstatement. But the word he uses about his transformation from delinquent to scholar is redemption.

"I realized when I came out of all that I had not saved myself. Physically, I was breathing but I had a feeling that the system had programed my destruction. There were no restrictions, no moral code, no responsibilities. It could have turned out badly. I realized if I was to have some sort of revenge on what Hitler had done to my family, my classmates, I had to redeem myself. I really was lost. It was harder to undertake that moral and intellectual survival than animal survival."

Samuel Pisar has been much in the French news recently. His memoirs have just been published by Laffont and, by coincidence they appeared at the same time as "Holocaust" was so tumultuously shown on French TV. Naturally, Pisar has been asked to comment. "It is a great film," he says of "Holocaust." "It's true even if it's fiction."

His book is called "Le Sang de I'Espoir." Hope, for him is clearly not an ethereal thing with feathers but something that can be born of violence and that, if it is to have any meaning, courses with life.

"Hope had to have blood, but it took me a long time to find the right mixture," he says. "I did not want to convey a hopeless message because I am fundamentally optimistic. I believe man will survive, I wanted hope and I wanted blood because it is a way of giving meaning to those lives that were cut down. We can draw a lot from that horror."

Indeed, only about one-third of the book is devoted to Auschwitz. The main theme is how such an experience can prepare one for facing and finding solutions to current world problems. The French politician and academician, Edgar Faure, headlined his front-page review of Pisar's book in Le Figaro, "Resurrection and Apostolate."

As a boy in Bialystok, Poland, Pisar had been an indifferent student. "My grandmother always said I would come to no good." Arrested at 12, he was the only member of his immediate family to survive. "I was just old enough to have a small chance of survival and young enough to have a new life after," he says. Nico, his Auschwitz friend and protector, was 28 when he was arrested and never adjusted to normal life. Ben, Pisar's contemporary, did but was always anxious. ("When he came to stay with me in Paris, he would always see if the refrigerator was full before he went to bed. He couldn't sleep otherwise.") Both Nico and Ben died at 48. Pisar began to write his book.

"I never talked about Auschwitz with anyone. The first time was when Giscard invited me to go there with him in 1975. He didn't know about my past. It was the first time I turned and faced it. I hadn't wanted to look back."

He accepted the invitation of French Preident Valery Giscard d'Estaing, a longtime friend, because of the Yom Kippur war. "I don't feel anti-Arab one bit, but I cannot be indifferent to Israel because so many of my campmates went there because they had no other place to go. Emotionally, I was troubled by French policy, which had become increasingly oil-oriented, understandably. I thought as long as Giscard was going and wanted to say 'Never Again' in this cursed place where all of mine had perished—say it to the Russians, to the Arabs, everyone—I wanted to help him say it. I felt it was my duty to go."

Today, Pisar describes himself as a perfectly adjusted, well-integrated man with a capacity to adapt to any world. He is careful always to finish what is on his plate and used to dream a lot about Auschwitz. "I dreamed about it for years. Not so much about Auschwitz, but that they come to get you, they come to get your children."

Olaf Palme called Pisar the post-national and post-ideological man, and the aim of Pisar's book is not to dwell on the past but to extrapolate from his experience lessons that can serve on a global scale. All the problems, he argues, that the world now faces existed in the hideous microcosm of the prison camp.

"I believe in man's infinite capacity to survive and to invent," he says.

Perhaps no one is better equipped to discuss the future than a man who has come back from the dead. "I feel that unless a stand is taken we can find ourselves on the verge of moral collapse. And this time without redemption," he says.

There are things about Auschwitz that he misses. "This may sound perverse, but I do, very often. I miss that friendship with Nico and Ben. Everything was so black and white, so pure. It is difficult to live that sort of purity in our culture. There was something honorable amid all that degradation and madness."

Is there anything he would like to forget? "Nothing. Not one thing," he says.●

ALTERNATE ENERGY SOURCES

● Mr. DURKIN. Mr. President, one of the gravest problems facing New Hampshire, New England, and the Nation is the lack of a real commitment to alternate energy sources.

While our energy needs continue to grow, this administration seems content to rely on nuclear power and increased oil imports to accommodate those ever greater needs. At the Department of Energy, there appears to be only token interest in potentially major sources of energy like wind and solar, and I am convinced that our failure to treat seriously these alternate energy sources today could well result in crisis for our country tomorrow.

Because of my interest in alternate energy and my belief that it will become a crucially-needed source of supply in the years ahead, I am pleased to share with you the results of a study of energy consumption at the Norris Cotton Federal Building in Manchester, N.H. The Cotton building—completed in 1976—was selected by the General Services Administration to participate in an energy conservation project that evaluated various energy conservation techniques in the design and operation of a contemporary office building. Specially designed doors and windows were used in the building, and solar panels were installed for heating and cooling.

The study of energy consumption at the building was conducted last year by the National Bureau of Standards under the sponsorship of the Department of Energy, and it shows conclusively that there will be substantial savings in energy costs over the life of the building.

Although these conservation features at the Federal building added about $300,000 to the cost of a conventional office building, the projected long term savings by investing in the energy conservation features was estimated to be as high as $1,400,000. Based on more probable assumptions about the future cost of energy, there is a likely energy savings of some $947,000 over 40 years of operation.

This study shows it is well worth our while to invest in these energy-saving measures because it saves considerable money in the end. It is crucial that the Carter administration embark on a crash program of research and development of alternate energy sources so New Hampshire, New England and the rest of the Nation can become energy independent instead of more dependent on outside sources of supply.●

ARMENIAN MARTYRS DAY

● Mr. LEVIN. Mr. President, today, April 24, Armenian Martyrs Day, we honor the memory of the 1,500,000 Armenians massacred between 1915–18. By commemorating the memory of these victims of man's inhumanity to man, we may be able to prevent history from repeating itself. Such tragedies can only be prevented in the future if they are remembered.

But more than that tragedy should be remembered. This is a day that Armenians remember and reflect on their traditions and culture; from the time of St. Gregory the Illuminator, who led Armenia to become the first Christian nation of the world in 301 A.D., to the present, where Armenians make important contributions to the world of business, philanthropy, academia, the arts, and sciences. It is through such reflection that we are able to appreciate the rich culture and proud heritage that has kept the Armenian people so vital as a community and so valuable as a part of our Nation.

Survivors of the genocide, mourn your lost ones. Pass along your stories of tragedy so that the memory of those who perished are not forgotten. Those of the younger generation, never forget the culture and proud heritage that has contributed so much to the world community. And by working together, perpetuate the story of the Armenian people and share its lessons with all the people of the world.●

THE MOST IMPORTANT BILL BEFORE CONGRESS THIS YEAR

● Mr. KENNEDY. Mr. President, I am hopeful that this Congress will act soon on legislation to provide public financing for Senate and House elections.

The pending bills—H.R. 1 in the House and S. 623 in the Senate—would end the current double standard, under which public financing is available for Presidential elections, but not for Senate and House elections. The extremely successful and impressive experience with public financing in the Presidential elections of 1976 proves that such financing is a workable and practical election reform. It is also a bargain for both candidates and taxpayers, because it has the potential of ending the soaring costs of election campaigns and reducing the influence of large campaign contributions by special interest groups.

In an editorial that appeared during the Easter recess last week, the New York Times called this legislation "the most important bill before Congress this year." The Times gave its strong endorsement to the legislation and I am pleased to submit the editorial for printing in the Record.

The article follows:

[From the New York Times, Apr. 17, 1979]

THE BANG FOR THE BUCK IN CONGRESS

Money, everyone knows by now, is the mother's milk of politics. What is not so well known is how much of it is now required to run for Congress—and the extent to which politicians are now suckled by special interests. Hence the most important bill before Congress this year may be one labeled, with apt ceremony, H.R. 1, to provide partial public financing of Congressional campaigns. This one reform could have an impact on legislation—and the reputation of Congress—for years to come.

For politicians, H.R. 1 would hold back the soaring cost of running for office. For the public, it would allay fears that legislation is being influenced, if not bought outright, by special interests. The measure deserves the widest possible support.

Political campaigns have become alarmingly expensive: television can cost thousands of dollars a second. In Senate races last year, campaign spending of $570,000 was average, $1 million or more was common and, in North Carolina, Jesse Helms spent more than $6 million to keep his seat. Even in the House, the average approached $100,000 per candidate and 41 campaigns cost more than $300,000.

Where is all this money coming from? Increasingly the answer is from PAC's—political action committees established by business, labor and other interest groups. There were 516 of them in 1974 and they dished out about $12 million in campaign money. By last year, there were 1,950 PAC's and their contributions had swelled to $32 million. That was four times as much as the Republican and Democratic Parties contributed to their candidates.

There is a simple way to control soaring campaign costs: put a lid on them by law. But the Supreme Court says that it is unconstitutional except within the context of public financing. That is exactly what Congress created for Presidential elections, starting in 1976, and that is what H.R. 1 would provide for Congressional races. By definition, this approach is complicated. Candidates would have to prove they had at least some support by raising a certain amount in private funds. Then, if they agreed to limit their total campaign spending, they would receive public matching funds for gifts up to $100. That would encourage reliance on small contributions.

Some opponents say, politely, that H.R. 1 would favor incumbents. What they mean is they fear it would favor Democrats. The argument is that restraining the use of private campaign money would hurt Republicans, who generally find it easier to raise, and would work to the advantage of incumbents, of whom a majority are Democrats. That is simplistic; in hundreds of races, there are too many other possibilities. For instance, incumbents of either party may now be so entrenched that prospective challengers can't raise *any* money. With public financing, they could at least count on a reasonable kitty. A long-shot example that comes to mind is the 1976 effort of a man named Carter.

Anoter argument made against H.R. 1, that it would be too expensive, has little merit. The money would come entirely from the voluntary $1 checkoff marked by citizens on their tax returns. The proportion of taxpayers participating seems to be dipping. But even making generous allowances for the 1980 Presidential election, there is enough in the fund for Congressional races and a big surplus besides.

There is more merit to another objection—that public financing of so many races would be impossible to police and some candidates might put the public funds to private, noncampaign purposes. Random checks by the Federal Election Commission are only a partial answer. The House Administration Committee is now considering a better one, requiring candidates to provide their won accredited auditors.

But these remain, in any case, details. No one ever expects politics to depend on the milk of human kindness. But the escalation in PAC spending and influence makes the need for reform plain. Public financing, President Carter has said, "made it possible for me to be elected President without having unwarranted obligations to people because of financial contributions." Why not Congress also? ●

SUNY COLLEGE AT OLD WESTBURY CELEBRATES 10TH ANNIVERSARY

● Mr. JAVITS. Mr. President, I wish to give recognition to an outstanding, but little known campus of the New York State public university system. The college at Old Westbury is an innovative institution which carries out an education program deeply rooted in our academic history. As a nontraditional institution, it brings new life to the academic traditions of innovation and a focus on learning which is flexible. The Old Westbury program is particularly designed to the unique needs of a diverse student body. All too often our academic institutions follow other, unintended traditions. Some fail to adjust quickly to the needs of diverse and changing student bodies. Some lose sight of their central mission as centers of learning and fall prey to the path of ignoring innovation.

I am proud that the State University of New York has established and nurtured the college at Old Westbury to assure that significant innovation and flexibility remain an important part of the SUNY system.

The university has prepared for me a list of facts and accomplishments of the college of Old Westbury. This is an impressive collection of achievements which reflects well on the leadership of Dr. John Maguire, the president of the college at Old Westbury. I am pleased to provide this recognition to the students, faculty, and staff of SUNY Old Westbury and congratulate them on their accomplishments.

Mr. President, I request that these materials regarding the New York State University College at Old Westbury may be printed in the Record at the conclusion of my remarks.

Materials attached:

Too Little Known Facts About Ten-Year Old State University of New York's College at Old Westbury

"Too few of the College's observers are fully aware of its considerable achievements and may underestimate the importance, indeed necessity, of its further development."—Middle States Commission Report Granting the College Initial Accreditation, 1976.

ACHIEVEMENTS

Students report their education at Old Westbury a "turning point" (New York Legislative Commission on Expenditure Review's Study on State University Developing and Non-Traditional Colleges, which reports)

81% of the College's graduates "benefited a great deal" from an Old Westbury education compared to 59% from the traditional campuses surveyed.

65% of the College's graduates applied for graduate school—significantly higher (10-34%) than any other campus surveyed: 55% actually attended (higher than any other "emerging college").

An Old Westbury education was cited as a "living kind of education" because of the learning environment presented in the elbow-to-elbow education of its racially and culturally mixed student and faculty bodies.

More than ninety percent of the graduates of the early childhood education program are immediately employed, likely related to the bilingual character of the program.

In 1978 the Debating Society won third prize in their first intercollegiate competition at the national tournament held at Swarthmore College.

For two consecutive years students in the Business and Management program have won in the national Philip Morris Marketing/Communications Competition—1976–77, first place and 1977–78, third place.

Old Westbury is the only SUNY arts and science college to have won a distinguished teacher award and distinguished administrator award every year since the series began, as well as having a Distinguished Teaching Professor.

In 1977 a faculty member received a coveted Guggenheim Fellowship and in 1978 another won a Danforth Graduate Fellowship award.

The unique work of faculty members in women's studies, mathematics, bilingual education, Afro-American music and interdisciplinary approaches to the humanities have received national media coverage.

The College's national reputation for a distinctive range of commitments and innovative educational approaches is reflected in the number of journals and books in which it has been portrayed, e.g. Academic Revolution; Academic Transformation; Perpetual Dream.

PROGRAMS

Certain of its academic programs have national reputations for innovation, leadership, achievement: Women's studies; Afro-American music and dance; 'Third World' and developing nations studies; bilingual early childhood and elementary education; and accelerated mastery of mathematics.

Three modes of well-integrated undergraduate education are available—disciplinary, pre-professional and vocational, interdisciplinary. Its pioneering interdisciplinary studies are the oldest, best known, widely celebrated.

Although small, the College maintains two regular overseas programs in early childhood education, one in Bristol, England, the other in Kingston, Jamaica.

The "alternative learning program" provides for up to a year of full-time, off campus work experience carefully integrated with continuing studies in the students' major field.

A Block Program, for entering students seriously underprepared for college level work, offers a tightly structured curriculum with academic support services from Academic Tutors and peer tutors. The course completion rate for students in the Block Program has been double that of skills deficient students outside the Block Program.

The arts gallery program strikingly combines shows of student and faculty works with guest exhibitions of both community art associations and artists of national and international reputation.

"It is this unusual combination of programs, with the interdisciplinary at the core, which gives Old Westbury its valuable uniqueness and sets it off—in curricular terms—from other institutions . . . The goal of an interdisciplinary approach to liberal education is shared by a very considerable number of institutions, but Old Westbury appears to have accomplished much of what is usually merely rhetoric."—Middle States Commission Report.

FEATURES

Old Westbury is one of few SUNY campuses with a complete child care facility.

There is an unusual degree of campus-wide involvement in college governance. Virtually every significant college committee includes students as well as faculty and staff.

Through a grant with Nassau County government, the College operates a special program for retirees who prepare as auxiliary teachers in elementary schools.

As a reflection of the College's outreach commitment, an unusual number of its faculty and staff serve on civic, community, national boards, projects, commissions.

STUDENTS

More are enrolled from its surrounding communities than any other campus in the State University system (73% from Nassau and Suffolk counties on Long Island)

While open to students of all backgrounds, an extraordinary number are older, poorer, from racial and cultural minorities:

The median age of the 2,300 students is 28.

76% of the student body have family incomes of $6,000 or less.

58% are women.

34% are black; 14% are Hispanic.

Having focussed for a decade on providing education for those traditionally bypassed by higher education, Old Westbury serves as a model for those institutions now turning to the recruitment of older, poorer students, women, and racial, cultural minorities.

"In our judgment no institution has so successfully integrated both traditional and non-traditional students on one small campus and within a relatively small range of educational offerings as has Old Westbury."—Middle States Commission Report.

"Old Westbury has been and remains committed to struggling with the gravest educational and social challenges in American life . . . In our view, those with power to do so must support, indeed cherish the special mission of this most unusual college . . . If supported adequately the College will continue to move toward further accomplishments that will have major implications for higher education generally."—Middle States Commission Report.●

REMEMBERING THE HOLOCAUST

Mr. DOLE. Mr. President, as we remember the holocausts that have stained this century, it is fitting that we pause for a moment to remember not only the many victims of these crimes against humanity, but also reflect on the lessons learned.

Distinct in religious affiliations, ethnic groupings, and nationalities, those who died were bound by the same tragic fate. More importantly, they all belonged to the one family of man.

In 1915, it is estimated that 1,500,000 Armenians were slaughtered and hundreds of thousands dropped to a certain death in the desert areas of the eastern Turkish provinces. The brutal slaying of this courageous people can never be forgotten. Nor can their resilience be ignored. Though the Armenian independence as a nation, proclaimed in 1918, was short-lived, the Armenian people have not abandoned hopes for freedom and self-determination.

The civil war in Spain, immortalized by Picasso and Hemingway, has served to remind us of the violence that can divide men who share a common past but cannot reconcile present difference. Shocking as these examples were to the civilized world, they ought to have served as warnings for future generations. Yet, it is one of the tragic elements of contemporary history that, indeed, the world let it happen again, on a scale never reached before.

The horrors that were perpetrated during World War II, culminating in the holocaust of millions of people, whose crimes had been only to belong to ethnic, national, or religious groups deemed "inferior" by their persecutors stands as a reminder to the free world of its responsibility to insure that such a scourge is never repeated. Millions of men, women, and children were murdered. Our loss is irreversible. We will never know how many writers, thinkers, scientists, and musicians might have enriched the universe with their ideas, their discoveries, and their talents.

In the past year, we have witnessed the massacre of Cambodians, of Christians in Lebanon, of Jews and Arabs in the Middle East. The senseless murder of two children, aged 4 and 2, and of their father in an Israel coastal town only 2 days ago has provoked the revulsion of the civilized world.

The history of mankind is a continuing struggle between the forces of darkness and those of enlightenment. We must continue, more than ever, to strive to achieve the establishment of a world where tolerance and understanding replace bigotry and hatred, a world where freedom replaces slavery.

It is essential that the strength of the free world be preserved in order that peace be preserved.

So wrote Alexis de Tocqueville:

> All those who seek to destroy the freedom of the democratic nations must know that war is the surest and shortest means to accomplish this.

May God grant us the wisdom to learn from the tragic experiences of history and heed the stern warning issued by Santayana:

> Those who cannot remember the past, are condemned to repeat it.

THE FALSE HOPES OF DECONTROL

Mr. BUMPERS. Mr. President, I joined with Senator JACKSON and cosponsored S. 936 to extend mandatory crude oil price controls from May 31, 1979, to October 31, 1981, and to provide the President with discretionary authority to impose price controls until December 31, 1982.

This legislation is probably the most important issue facing Congress this year, and we need to be fully aware of the consequences if this bill does not pass.

A column by Hobart Rowen in the Washington Post on April 12 summarized quite clearly the pitfalls of the President's decision to decontrol oil prices. Prices will increase, and consumption will continue to increase. Decontrolling oil prices will accelerate inflation and slow economic activity.

According to a recent CBO study, the President's plan will result in an increased domestic production of approximately 200,000 barrels per day in 1981, and 400,000 to 500,000 barrels per day by 1985. The study points out that "a significant percentage of this oil would have become available at a later date as prices increased." Decontrol only changes the timing of the production.

Two articles in the New York Times by Tom Wicker and Steven Rattner address this same issue. I ask that these articles and the article by Hobart Rowen be printed in the RECORD.

The material follows:

[From the Washington Post, Apr. 12, 1979]

THE FALSE HOPES OF DECONTROL

(By Hobart Rowen)

Many independent thinkers, including editorial writers at The Washington Post and The New York Times, have convinced themselves that phasing out price controls on domestic oil, as proposed by President Carter, is the right policy. At least, they seem to believe, there is no reasonable alternative in sight.

But decontrol is predicated on twin premises, both of which are faulty. The first is that "Americans will react by insulating their houses, driving less and spending their money on things other than oil"—The Post.

The second is that higher prices will result in greater production, lower oil imports and regaining control "over the policies of the oil cartel—and its diplomacy in the Middle East"—The Times.

If only such results could be delivered! The basic flaw is the assumption that a free competitive market will utilize the price mechanism to balance out supply and demand.

But as the world has come to realize painfully in the past five years, there is no "free" or "competitive" market in oil. The price is set by the OPEC cartel, and we are marching to its tune.

If the advertised results were certain or even likely, decontrol might be defended. But every bit of evidence of the past few years shows that decontrol will neither discourage consumption nor add to supplies in an important way.

The oil industry itself doesn't claim that the combined potential of greater supplies and reduced consumption add up to more than 800,000 barrels a day in an economy that uses almost 20 million barrels a day. That's peanuts. And the cost is enormous: an annual windfall when decontrol is complete of $17 billion in extra oil-company profits.

Let's examine first The Post's assertion that a consumption decline will follow price increases triggered by decontrol. The administration estimate (probably too low) is that decontrol will add 4 cents to 5 cents a gallon to retail gasoline prices over the next 30 months.

But in the economists' phrase, gasoline (and, to an even greater extent, heating oil) is highly "inelastic": People tend to buy the product (or must buy it) regardless of price.

Thus, the price of gasoline at the pump has gone from around 40 cents to 70 cents a gallon since 1973 without appreciably changing driving habits. A few more pennies will hurt in low-income brackets, but won't affect the average American's love affair with the automobile.

Significantly, real savings in gasoline consumption in this country since 1973 can be traced more to fear of supply shortages or interruptions that to price hikes. Thus, Congress can claim credit for forcing Detroit to make smaller cars, and economy-wise consumers have kept up the pressure on the U.S. industry by showing a preference for efficient imports.

How about The Time's claim that production will increase, once there is decontrol? That is even less credible. The fact is, as Sen. Henry M. Jackson (D-Wash.) points out, that U.S. companies already have all the incentive they need to search for new oil. There is virtually no price ceiling on new oil, which accounts for about one-third of U.S. output.

What happens under decontrol is that the industry in stages re-prices its "old-oil"—two-thirds of total output—from $6 to the world price, now about $16 a barrel. If there is any "extra" output, it's because the owners have been holding back production of old oil, anticipating decontrol. The Congressional Budget Office puts this potential trickle at 200,000 barrels a day. More optimistic estimates run to 400,000 barrels.

So holding out the hope that decontrol magically produces lots more oil is to further a delusion. Worst of all, Carter's decision to decontrol, regardless of congressional willingness to recapture a share of that $17 billion bonanza for the companies, was an abdication of political leadership.

The solution to the energy problem is to gain control of the supply of oil and its use. The president and Congress can limit the inflow of OPEC oil—by quotas and a government buying corporation if necessary. *That's* the way to gain some leverage over OPEC policy.

Such an effort would have to be accompanied by mandatory conservation measures for industrial and private use. It might require rationing. It would involve a real effort to expand mass transit, and expand renewable sources of energy.

All the president has done by going ahead with decontrol is to assure the nation that energy will cost more, inflation will worsen, and the oil companies will prosper. There is no assurance of a major reduction in consumption or acceleration of supplies. Company shareholders may cheer, but why should anyone else?

[From the New York Times, Apr. 15, 1979]

OIL AND SNAKE OIL

(By Tom Wicker)

"Our nation's energy problem is very serious and it's getting worse," President Carter insisted in his recent speech on the matter. "The energy crisis is real."

So it is, but somehow the "moral equivalent of war" has degenerated in two years into the wide-eyed hope that a Congress traditionally supine before the oil companies will now impose a windfall profits tax on them. And although Mr. Carter said in what purported to be straight talk, "Each of us will have to use less oil and pay more for it," only the second part of that proposition is a sure thing.

To achieve the conservation that he correctly labeled "our cheapest and cleanest energy source," Mr. Carter proposed essentially unenforceable requirements on building thermostat settings, tax credits to encourage wood-burning stoves, state enforcement of the 55-miles-per-hour speed limit and voluntary reductions in driving mileage. Government employees will be forced to give up free parking space (unless their unions prevent it).

In other words, only pointy-headed bureaucrats with no place to park their bicycles will feel any pain from Mr. Carter's conservation program. And just in case anyone was alarmed, the President followed up at his news conference this week by discouraging even the thought that gasoline rationing might be needed.

Things aren't *that* bad, Mr. Carter said, so he'll first let people conserve gasoline voluntarily; if that measure should fail, he'll ask the states to take action; and if that doesn't turn the trick he may have to do something unpleasant himself in some "distant future." But before then, surely good old Detroit will have solved the problem for us with a more efficient automobile.

In neither energy speech nor news conference did Mr. Carter even hint that he and his budget Scrooges might spare what remains of the national railroad passenger system from the ruinous cuts they will impose on it unless Congress votes against the plan by mid-May. In the midst of a real energy crisis, the most energy-efficient means of public transportation (measured by potential, not by the current reality) is to be castrated in order to save about $300 million a year—despite the warning of Secretary of Transportation Brock Adams that if intercity automobile traffic had to be reduced by even 5 percent, the entire public transportation system would be incapable of absorbing the displaced passengers.

Realistic leadership would be calling for a vastly improved rail network (with a potential for 500 passenger-miles per gallon of fuel)—particularly since Amtrak, despite the handicaps imposed on it by successive Administrations, Congress, and the private railroads, actually has been increasing its ridership (to about 20 million passenger-miles in 1979).

Mr. Carter pinned his hopes (contrary to his 1976 campaign promises) on the phased deregulation of domestic oil prices. This is supposed to be coupled with—but, significantly, it is not dependent upon—enactment of a windfall tax on the enormous oil company profits sure to result.

Jimmy the Greek probably wouldn't even set odds on the chances of such a tax going through a Finance Committee chaired by Russell Long or a Senate chamber that reeks of oil. And if the President is unlikely to get his windfall tax, it is only a little better bet that he will get other conservation or more oil production from price deregulation.

Rising gasoline prices of 4 to 5 cents per gallon (by the Administration's estimate and almost certainly too low) are supposed to discourage consumption. Did anyone notice gasoline consumption being discouraged in this country between 1973 and the present, when prices rose from under 40 to over 70 cents?

If Mr. Carter really wants to go that route, he'd do better to ask for a Federal tax to take the price to $1.50 a gallon minimum. That would give the windfall not to the oil companies but to the Government, and insure funds for energy research and development and for adequate rebates to the poor. The Congressional Black Caucus estimates that under Mr. Carter's proposals, rebates will compensate low-income families for less than a third of the estimated $326 annual increase in their energy costs.

Nor will deregulation and higher oil company profits—assure whether or not the windfall tax passed—automatically produce vastly more oil. The companies already had strong incentive to seek "new" oil, on which there has been no real price ceiling. And against today's daily consumption of nearly 20 million barrels, no one—not even the industry—claims that even as much as a million additional barrels can be produced because of deregulation.

So it's certain that oil prices and oil company profits and the level of inflation are going up. But it's by no means certain that energy conservation and oil production and oil company taxes will be going up at the same time. And while all of us will pay more for oil, the poor will pay the most. That may be the moral equivalent of something, but not of war on the energy crisis.

[From the New York Times, April 22, 1979]

The Dispute Is Over the Effectiveness of Production Incentives—Carter Plan Gets Pumped; Will It Pump More Oil?

(By Steven Rattner)

Washington.—When President Carter unveiled his plan to decontrol crude oil prices, Department of Energy officials confidently predicted that the proposal would add 740,000 to 820,000 barrels a day to domestic oil production by 1985. That not-insignificant quantity would reduce oil imports by nearly 10 percent and save $4 billion (at current prices) in foreign oil costs.

In the three weeks since Mr. Carter proposed to decontrol oil prices on Sept. 30, 1981, and requested Congress to pass an accompanying windfall profits tax, those projections have been hotly debated, for a simple reason. The costs of decontrol are high—as much as $17 billion annually for consumers. Enormous new domestic supplies could, of course, outweigh those costs. No new supplies would mean billions in added profits for the oil companies.

To be sure, the Administration cites less consumption as one of decontrol's positive effects because it would raise all domestic oil products by 5 to 7 cents a gallon, and that, most forecasters believe, will prompt at least some conservation by the public. Higher oil prices will also encourage substitution of other, less costly fuels, such as coal and natural gas, by both the Administration and private estimates, the savings in oil use will total nearly 300,000 barrels a day by 1985. But the central benefit is projected for supply. And industry and Government both believe that the decontrol's higher prices and new revenues for producers will combine to generate an increase in exploration and shortly thereafter, an increase in production. The question is, how great an increase?

For the most part, these estimates are based on mathematical computer models which compare the effect of previous changes in price on production with the new policy. The complex models also evaluate other factors, such as the financial position of the industry. In many cases, the computer work is supplemented by a more subjective, human evaluation, often painstakingly detailed, of the potential response in individual oil fields.

By most private estimates, most of the new production would come from fields already producing oil. Raising the current controlled price of $5.85 a barrel to $16 a barrel (plus inflation) by late 1981 would encourage additional development in those fields and would also keep some fields in production that would have become uneconomic at the controlled price. A smaller increment of additional production, of so-called new new oil, would come from fields yet to be discovered. Under present law, most newly discovered oil can be sold for $12.85 a barrel; decontrol would raise it to $16. And a third portion of additional oil would come from enhanced recovery, the use of sophisticated, and expensive, methods of oil production such as the injection of chemicals.

According to the estimate of Data Resources Inc., in Lexington, Mass., the Presidents' proposal would add 700 million barrels to oil reserves by 1990. But the consulting firm said present policy would add 1.9 billion barrels to reserves, without any price increases beyond those already planned. Moreover, both its estimates and the Administration's include the gains from newly discovered oil and so-called enhanced recovery (nearly half the total, the firm estimates) as part of the gains. The Administration had promised to take both of those actions as part of 1977's National Energy Plan, and had already begun to put the changes into effect.

The Administration and the industry also part company on the tax. According to Theodore Eck, chief economist of the Standard Oil Company (Indiana), decontrol without a tax would add 1.1 million barrels a day to domestic production by 1985. But "less than half would be achieved with the President's tax package," said Mr. Eck. "There's no way you could get 740,000 barrels a day with his silly taxes." Mr. Eck says his analysis is based partly on Amoco's experience in recent years, and partly on a detailed study of individual reservoirs by the National Petroleum Council.

The Administration and private economists part company too on where the added production is likely to come from. The Administration contends that more than 500,000 barrels a day of the 780,000 barrels of new production will come from newly discovered oil. Private forecasters contend that new oil will amount to only about a quarter of the total. That disagreement has important political implications: Legislators will be less supportive if they believe decontrol will mostly exploit oil deposits already discovered.

Another group of economists believe that the Administration's numbers are too high and also believe that whatever additional oil production is obtained represents oil that will not be available for use further down the road. The Congressional Budget Office, for example, contends that the President's program will add 400,000 barrels to 500,000 barrels a day to production by 1985, substantially below the Administration's estimates. "A significant percentage of this oil, however, represents production that would have become available at a later date as prices increased," the budget office reported recently. "Thus, decontrol only changes the timing of that production."

Others believe that the estimates of more oil production are greatly exaggerated. They base their argument partly on the evidence of the past six years, when despite sharply higher domestic prices and more drilling, production has continued to fall. In addition they argue, the price for newly-discovered oil is currently not far from the decontrolled price. Lastly, the industry is in fine financial shape and has ample funds available for investment, the group maintains. This last position was bolstered recently by a study by ICF Inc., a consulting firm with close ties to the Energy Department. After analyzing a group of independent companies, ICF concluded that "this would call into question the magnitude of the response in exploration and development drilling that might occur with increased cash flow."

"Incentive is already going begging," said James Flug, executive director of Energy Action, a consumer lobbying group. "Look at the increase in crude oil prices over the past seven years. You just haven't shown any kind of result in terms of production."

REFERRAL OF COMMUNICATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Comptroller General of the United States, transmitting a report on ERISA, be referred jointly to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTHERN TIER PIPELINE: WHY IT IS URGENTLY NEEDED

Mr. MELCHER. Mr. President, a recent issue of the Co-op Country News, a cooperative publication issued twice a month by the two big regional cooperatives which serve an area stretching from Washington State east through Wisconsin, was heavily devoted to the urgency of construction of the Northern Tier Pipeline.

The crude oil crunch along the Northern Tier is already squeezing the supply cooperatives in the area, the paper reports.

"Co-op country farmers could find themselves in an energy nightmare unless new sources of crude supplies are developed for the region's refineries," the paper states, correctly.

The edition of the Co-op Country News included a series of articles explaining and giving a well-rounded explanation of the situation, the details of the proposed line, and the editor's comments on the situation.

I ask unanimous consent, Mr. President, to have printed in the RECORD some of the articles on the subject contained in the paper.

In its opening front page article is a summary of the overall situation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CRISIS IN CRUDE A REAL NIGHTMARE: REGION NEEDS ASSURED SUPPLY

Co-op country farmers and their cooperatives could find themselves in an energy nightmare unless new sources of crude oil supplies are developed for the region's refineries.

Reason: For years, Canadian oil has helped keep these refineries operating at capacity. That's coming to an end. Canada is closing off crude oil supplies to the United States as part of it search for energy independence, something western nations have been doing in the aftermath of the 1973–74 Arab oil embargo.

The Canadian government originally set a 1981 cutoff deadline. But the Canadians are extremely aware of the U.S. energy problem and have agreed to keep oil dribbling to the U.S. until 1985. That gives the nation's northern states a bit more time to find a new supply of crude oil.

Co-op energy experts feel they have the answer—Alaskan oil. And the best means to deliver that supply, they agree, is the Northern Tier Pipeline, a 1,500-mile link that would run from Port Angeles, Washington, to existing pipeline terminal facilities at Clearbrook, Minnesota.

The Northern Tier line could connect with refineries along the way, including the CENEX refinery at Laurel, Mont. And once at Clearbrook, the Alaska crude could move on over existing lines to eastern refineries like the huge cooperative ECI refinery at Chicago.

Northern Tier is being proposed by a consortium that includes Burlington Northern, U.S. Steel Corporation, the Milwaukee Road, Westinghouse Electric, Mapco Inc. and Western Crude Oil Co. Thomas C. Kryzer, a former Burlington Northern executive heads Northern Tier Pipeline Co.

Northern Tier, is backers point out, has a distinct advantage—it's a pipeline for American oil on American land. It could play a key role in moving the United States towards energy independence.

Certainly it could play a key role in providing adequate supplies of product for Upper Midwest and Pacific Northwest farmers. They depend mostly on the refineries along the Northern Tier route for these supplies.

Exactly when co-op country will become critically short of crude oil is hard to estimate, but most knowledgeable guesses are the early 1980's. That means there can't be much delay in finding a solution. The next few pages of this issue examine the problem and proposed solution in detail.

Mr. MELCHER. The next article concerns the impact of the oil supply situation on cooperatives in the region—and in that region there are hundreds of CENEX filling stations and tank wagon operators who supply gasoline, diesel fuel and other petroleum products to farmers and rural residents in at least nine States.

The big regional supply cooperative has had to go on allocations even though agriculture is supposed to get 100 percent of its fuel requirements. Not only is the CENEX refinery at Laurel, Mont., just outside of Billings, getting reduced supplies of crude from Canada, its product supplies from the National Cooperative Refinery Association, with refineries in East Chicago and McPherson, Kans., have been reduced because of the turmoil in Iran.

The article on that subject follows:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRUDE OIL CRUNCH SQUEEZES CO-OPS

By Richard Hames

Few words have as bitter a taste with farmers as allocations. The 1973–74 Arab oil embargo is still fresh in the minds of many. And, as independent as farmers are on energy, they can ill afford anything less than 100 percent of their needs.

So when CENEX informed local cooperatives early last month that it had no choice but to begin allocation of refined petroleum products, it was a bitter pill to swallow. "CENEX has resisted allocating products through some of the most harrowing weeks and months we have ever experienced," CENEX Petroleum Marketing Manager, Bob Ovens, explained in a letter to local co-ops. "However, happenings over the past few days now tell us there isn't any other option available."

The "events of the past few days" referred to by Ovens included a combination of factors. World-wide oil production was down 5,000,000 barrels per day as a result of political turmoil in Iran. The National Cooperative Refinery Association (NCRA) at McPherson, Kansas felt the impact of the loss of Iran's production. The 57,000 barrels per day refinery was operating at just 65 percent of capacity in January. The Energy Cooperative, Inc. (ECI) Refinery at East Chicago, Ind., was having mechanical difficulties that limited production to 65 percent of its 130,000 barrels of daily capacity. CENEX is part owner of both NCRA and ECI. And CENEX's own refinery at Laurel, Mont., lost some production early this year due to mechanical problems.

"We don't know at this time how long the allocation period will last," Ovens said. "Extended cold weather, very high demand, crude oil and refinery problems have all combined to reduce our ability and that of other refiners to build inventories for spring and summer. We must look ahead to that demand."

In announcing its allocation plan, CENEX joined the ranks of most large oil companies who have already announced allocation plans. At this writing, most other cooperatives and independent suppliers also have begun allocating products to retail dealers.

At the heart of the current problem is a crude oil shortfall that's having ripple effects world-wide. The NCRA refinery is among the hardest hit, independent refineries. NCRA depends on foreign crude for over half of its production. "This is the lowest we've been (in refinery production) because of a shortage of crude oil in ten years," says Fred Victor, vice president of supply and transportation. "The price of foreign oil we're able to buy has gone up $3 a barrel in the last three months."

When Iran's oil exports ended late in 1978, NCRA began to feel the squeeze. Its primary crude supplier had depended on Iran for 40 percent of its supplies. Another NCRA supplier of foreign crude lost some of its supplies from Iran. The United States was dependent on Iran for just 10 percent of its imports prior to the government upheaval. Since the Iranian cutoff, however, NCRA and other refiners have lost considerably more than 5 percent of their supplies because intermediary sellers of world oil are being forced to allocate crude to their customers because of the Iranian shortfall.

"By mid-March or early April we hope to be up to 45,000 or 50,000 barrels per day, if we can get contracts signed," Victor says. NCRA is now working to secure purchase agreements directly with foreign oil producers. "These governments will be selling directly to a cooperative refinery," Victor adds. "This is as close as we can come to a country-to-country sale. We're selling Libyan oil to a farmer in North Dakota. And he's producing wheat that can be sold back to Libya."

At the ECI refinery, with a rated capacity of 130,000 barrels per day, production is currently running at about 80 percent of capacity, or 100,000 barrels per day. According to Greg Garrick, who is involved with crude oil procurement, ECI has felt the impact of Iran's cutbacks. "There's a shortfall of crude oil worldwide because of Iran's cutback," Garrick says.

Interestingly, the shortfall appears to be more acute in Europe, Garrick reports. "Europe has had a tremendous shortfall of crude oil—perhaps more critical than the U.S. One reason is that there's been a basic increase in demand for oil in Europe," Garrick says. "Number two, one big refiner in Europe lost 50 percent of its oil supply because of the Iranian situation. They've been in the market buying as much crude as they can. And they're willing to pay higher prices."

Garrick says another factor working against the U.S. is that Europeans, in many cases, are buying Middle East Oil with U.S. dollars. "But they're able to buy these dollars with their own relatively stronger currencies. So they're bidding higher prices and their bidding has a stronger impact in the marketplace."

At its peak, Iran was exporting five million barrels a day, Garrick says. Now, with the first shipments of Iranian oil resuming, Garrick says there's reason for cautious optimism. "The more oil Iran produces, the more heat will be taken off the market. The price increases we've seen throughout the world for crude oil have been in response to a very emotional situation. Many people saw the Iranian shortfall as unsolvable in the near term."

At CENEX's Laurel, Mont. Refinery, production has been near full capacity of 42,500 barrels per day since January. "CENEX was not dependent on Iran," explains Phillip Morrow, Manager of Raw Materials and Economics for the refinery.

Laurel is, nevertheless, still heavily dependent on Canadian oil exports. And Canada is continuing to phase out exports to the U.S. "At one time Laurel was using as much as one-half Canadian crude for its refinery runs," Morrow says. "Today we're running 20,000 barrels per day of Canadian oil. Canada's intent to eliminate oil exports is one reason we're seriously interested in the Northern Tier Pipeline. It would give Laurel an American-owned transportation system for crude oil. And the starting point for Northern Tier at Port Angeles, Wash., is closer to Saudia Arabia's oil than the Gulf Coast of the United States. Northern Tier is also the only practical way to bring Alaskan oil down into the United States," Morrow adds.

"To date, the highest price we've paid for a barrel of crude is under $16.50," Morrow explains. "What's really kicking crude oil prices up is the world market. Some spot bids on the world market have been as high as $22 and $25 a barrel. And the spot market is where real competition takes place. This is where supply and demand meet."

When Iranian oil exports stopped in December, the official world price for Saudi Arabian crude was $13.35 a barrel. Saudi crude is widely regarded as the benchmark crude in world pricing. Currently the same crude is selling for as much as $21 and $22 a barrel. And the highest quality oil from the Middle East is selling as high as $25 to $26 a barrel.

What lies ahead in the coming months with crude oil supplies and fuel allocations? No one holds a crystal ball with any easy answers. "We're keeping our fingers crossed," says George Kavouras, CENEX vice president of petroleum. "We don't like allocations any better than local cooperatives or the farmers and ranchers who need a dependable, quality supply. They're a tremendous nightmare of paperwork for CENEX. By beginning these allocations when we did, we hope CENEX and the petroleum industry can be in better shape to serve growers and ranchers when the busy spring planting season is underway. It's imperative that American agriculture has top priority."

Mr. MELCHER. Mr. President, the effect of many distributors pulling out of less populated areas on the petroleum product dealers who remain is described in a third article, which follows:

LOCAL COOPERATIVES CAUGHT BETWEEN SUPPLY AND DEMAND

(By Greg Ellis)

Many local cooperative oil suppliers are feeling like part of an old joke these days: They have good news and bad news.

The good news is that volumes are rising almost every month because major oil companies are moving out of rural areas and many of their former customers are looking to the co-ops for supply. The bad news is that short supply and allocations mean that many co-ops have to turn them away.

Like most old jokes, this one just isn't funny.

In recent years rural markets have become increasingly less profitable for petroleum suppliers. With higher prices and tighter supplies many major oil companies have begun to concentrate on the lucrative, high volume, lower overhead urban areas.

Most rural areas have been feeling the effects as the oil companies reduce supplies and service, eliminate bulk plants and, in some cases, pull out all together.

Local cooperatives have been feeling the effects, too. When a farmer's source of oil is suddenly reduced or eliminated he begins to look for a supply that will be stable and long term. More and more he is turning to his cooperative.

"They're coming to us," said Percy Kleeman, manager of Farmers Union Oil Company in Minot, North Dakota. "They're coming to us because they look at a company that's been here 50 years. It's stable, it's sound, it's secure and it's always been able to help them."

Arnie Sova, manager of the Consumers Co-op of Walworth County Elkhorn, Wisconsin, agreed. "Farmers are beginning to realize that as the penny gets pinchin' your co-ops are going to be the ones that weather it and the majors are going to say, 'Well, Hell. There's no money in it now. The cream is off and it's time to get out.'"

Another plus for the co-op is that when farmers come for petroleum they apparently "discover" the other products and services available. In Sova's case the Consumers Co-op purchased a bulk plant when Arco pulled out and increased their volume by almost a million gallons, but "it wasn't strictly on the petroleum that we made the decision to buy," said Sova. "It was on the fact that we were going to incorporate fertilizer, chemical sales, seed and farm tires by picking up these petroleum accounts."

"Our non-petroleum business increased about a million dollars last year," said Kleeman about the situation in Minot. "You see, when they come to buy gas, automatically they buy oil, then they say, 'Wait a minute. I get one statement, computer billing. I might as well buy my hardware there, my tires, get my car fixed . . .' and so forth.

But now, of course, comes the bad news. With volume increasing along comes an allocation limiting the amount of petroleum the co-op can get. Kleeman has seen five majors pull out of the Minot area in the last three years. Now there are only four suppliers to make do where there used to be nine.

"Sure, we gained half a million gallons in volume in the last six months," he said. "But now, of course, we're forced to curtail taking on any more. We have phone calls every day and there's nothing we can do about it."

"We've been telling them that as long as it's for agriculture we would try and take care of them," said LeRoy Kudrna, manager of the North Central Cooperative in Havre, Montana.

In Valley City, North Dakota, Manager Don Ringdahl reports that the Farmers Union Oil Company is "holding back" on soliciting customers. In Casselton, North Dakota Skip Klinkhammer, manager of the Farmers Union Oil Company asks patrons to "realize that it's pretty tough to just drop everything and run out to you when you haven't been supporting the co-op.

"In our area," continued Klinkhammer, "we're concerned about how many new customers we can take on because we want to take care of the old ones."

The extent of the problem varies widely, of course, because of the great variety of cooperatives that CENEX supplies. In many areas problems are minimal while in a few they are incapacitating.

The Harrington Grange Supply in Harrington, Washington, has increased its volume at least three or four times, according to Manager Jim Hoffman. Four years ago there were four bulk plants in the area but now the Harrington Grange Supply operates the only one.

Many of the farmers in the area have their own large storage tanks and they have been stocking up slowly. "With their added storage I don't think we'll have any problems with running out," said Hoffman.

At the Co-op Gas and Supply in Bonners Ferry, Idaho, the situation is completely different. Because of conditions in that country the farmers haven't been able to stock up and Manager Don Morice sees a real problem.

"Right now all of our county roads are closed," he said. "As soon as they release the restrictions every customer is going to be out of fuel. But they scatter my allocation out over days. They bring me up, say, three thousand gallons one day and two thousand the next. Well, in this country when the weather turns nice and you've got something to do you better damn well get it done because it's liable to rain for a week and you won't get it done at all.

"I don't have time to run the truck around to every one of my customers and leave him two or three hundred gallons. The next day you have to turn around and take him two hundred more. Normally I would take him out two thousand gallons and that would last him for a week."

Morice would like to see each co-op's allocation looked at individually but at the same time he realizes how unworkable that would be.

"I don't know what else you can do," conceded Morice, "But every time you put on a regulation it adds to your inflated price."

Most managers would certainly agree with that. But most would also agree that while allocations cause problems for everyone, "they're about as fair as they can possibly be."

Mr. MELCHER. Advantages of the Northern Tier Pipeline to the northern tier and midwest States, and to the Nation, are detailed in two articles in the Co-op Country News presentation under the captions: "Northern Tier Line—Why It's Appealing" and "Alaska Oil Could Go to Many Refineries."

Those articles follow:

NORTHERN TIER LINE—WHY IT'S APPEALING

The Iranian flare-up has set off alarm bells around the world because of the additional uncertainty it has created over the oil supply outlook.

In such a setting, plans for an energy transportation system linking the northern tier states to the largest oil reserve in the United States—the Alaskan North Slope—have become more appealing than ever.

This would mean that consumers in this region would be assured a source of supply totally under U.S. control and thus not subject to the whims of any foreign supplier.

Furthermore, such a system could transport inland any foreign oil that might be available to the U.S. West Coast.

It would also solve the embarrassing problem of the existing oil glut in California by moving the surplus crude to inland refining areas that are now facing crude oil supply shortage.

It would be a boon to northern tier refiners, including those operated by farm cooperatives, to supply the increasing energy needs of the farm areas. And it would be an additional source of secure supply to refineries in the big Chicago area and to those on to the east and south.

All in all, a west-to-east energy transportation system could be as important now as the east-to-west railway system was when it was built a century ago.

Several projects have been proposed. One of the most ambitious and well-advanced is the plan by the Northern Tier Pipeline Co. to construct an all-new, big-inch crude oil line from the Seattle area to Minnesota to link with existing pipelines along the way and with lines extending eastward from Minnesota.

The proposed pipeline would be 1,557 miles long with an ultimate capacity of nearly one million barrels of crude oil daily—crude oil that would keep farm equipment and industrial plants busy.

Specifically, the $1.5 billion Northern Tier project would originate at Port Angeles, Wash., a deepwater port on the Strait of Juan de Fuca, just west of Seattle. This port is the only one in the entire United States deep enough to handle the big supertankers.

Tankers carrying North Slope or foreign oil would use the special port facilities to be constructed there to provide the oil to be transported by the pipeline.

The pipeline would swing south from the port around Puget Sound, head over the Cascade Mountains and thence eastward to its terminating point at Clearbrook, Minn.

The pipeline would cross five states—Washington, Idaho, Montana, North Dakota and Minnesota. Interconnections are planned with existing pipelines serving refineries in Billings, Mont.; Mandan, N.D.; Casper, Wyo.; Salt Lake City, Utah; Denver, Colo.; Twin Cities, Minn.; Chicago, Ill.; and other points.

All in all, the Northern Tier line, through interconnections with three existing pipelines, would have access to refinery centers which include refineries with a capacity of 4.3 million barrels a day.

According to a supply/demand study made by the Pace Co., there would be 27 refineries in the primary market area and 23 in a secondary market.

Construction of the project will create many economic ripples. For instance, the Northern Tier line will require almost one million tons of U.S.-made steel. This alone will employ 5,000 steelworkers for a year. During construction, approximately 4,675 people will be employed and construction wages and salaries will amount to more than $130 million.

There will be continuing benefits, even after the line is completed. It will require 120 permanent personnel to operate and maintain the line, creating an annual payroll of more than $2 million. Sales and use taxes of some $30 million will be paid during construction, and property taxes will total more than $19 million.

Many farmers, ranchers and other property owners along the route of the line will become directly involved as the company acquires easements.

This could create some inconveniences during construction, including some crop loss or damages. The pipeline company naturally will pay for this. Once the pipeline is in place, normal farming operations will resume.

Northern Tier will identify landownership from county records, once a definite route is established and the green light has been given the overall project.

Each landowner will be contacted well in advance of scheduled construction to discuss all aspects of the construction, including the burial depth of the line and any above-ground features that may be required.

Basically, the landowner will be paid for two things:

The fair value for the privilege of establishing a permanent easement across his land, even though the owner will retain ownership and use of the property. Compensation will be based on the number of acres in the easement and this will be calculated by multiplying the length across the property by the width of the right-of-way. (The normal right-of-way will be 75 feet in width, with an additional temporary work space of 15 feet or more as needed during construction.)

Compensation for damages to crops, grazing lands, timber, fences and underground drain tile or any other structures caused by construction and maintenance of the pipeline.

Once the conditions and amount of compensation for an easement have been reached the agreement is executed, a check will be issued to the landowner.

This does not mean that landowners are going to get a bonanza. But it does mean they will receive fair compensation. Anyone who does not feel he is getting a fair shake has the right to appeal to an arbitration board.

Overall, however, the real benefit from the pipeline is not going to be in the compensation a landowner receives nor even from the taxes and other revenues a county or a state will receive. Rather, the real benefit will be the fact that an adequate supply of energy will be available to the Northern Tier region during a time of world supply uncertainties and supply interruptions.

The cost of the oil will not be cheap. But it will be cheaper than no oil at all. And it will be cheaper than any alternate energy supplies now on the horizon.

There's another significant aspect to the proposed Northern Tier project: It's being done by private enterprise and not by government. The big money involved will be private capital raised by investors in the United States. Obviously, investors are interested in what they believe is a viable project and not a boondoggle.

Even so, the project still does not have clear sailing. Environmentalists and others have been raising one objection or another ever since the Northern Tier plan was unveiled in 1975. (They also find fault with other proposed means of transporting the oil, too.)

Federal and state agencies, well aware of the concern of the environmentalists, have adopted cautious and stringent procedures for issuance of the necessary permits. As a result, the environmental proceedings have moved at a snail's pace and still are not over.

The Department of Interior's Bureau of Land Management recently issued a draft environmental impact statement. It is a weighty document in terms of pages involved because it seeks to consider every possible aspect of every imaginable means of transporting the oil to where it's needed.

And, there's more red tape yet. After a series of hearings aimed at giving everyone an opportunity to speak his piece, the agency will issue a final environmental report. That will be submitted to the Council on Environmental Quality and 30 days thereafter the various federal agencies involved will start issuing permits.

Meanwhile, state agencies are going through the same procedure.

One of the most significant of the state proceedings is in the State of Washington, which is considering an application for siting the port facilities. Obviously, without a port to receive the oil, the Northern Tier Project would be down the drain.

A recent problem developed in Minnesota, too, where the then-director of the Minnesota Energy Agency rejected the Northern Tier plan. However, a rehearing has been scheduled (under a new director), so there is the prospect that the company will eventually get the required permits.

The hope of the backers of the project is that by late this fall Northern Tier will get the federal and state permits it needs to authorize the start of construction.

If so, initial work on the port facilities could be started this year and actual pipeline work could be gotten under way by next spring.

Once under way, construction will take from 22 months to two years. Thus, oil could start flowing through the pipeline sometime in 1982.

The outlook now is that the supply from such a transportation system could be a godsend in 1982 and thereafter because the indications are that supply shortages are likely to develop and that the cost of imported oil will continue to rise.

Obviously, the Northern Tier project—or any rival plan—is not going to provide magic solutions to all this nation's energy needs. But such a line could help distribute more evenly the crude supply that will be available to U.S. refiners.

This is especially important to Northern Tier states because as things stand now they are at the tail end of the supply chain pretty well relegated to taking what's left over. A pipeline system tied directly to a primary source of supply could at least assure that this region would be able to get its fair share of the nation's oil.

The Mideast oil embargo of 1973–74 caused long lines at service stations in many parts of this country, caused some plants to close down for lack of petroleum for feedstocks or processing and created other disruptions.

The cold fact of life is that U.S. dependence on foreign supplies has continued to increase substantially. This means the nation is more vulnerable now than it was five years ago, and the vulnerability is increasing.

That's why such efforts as that being made to construct a west-to-east crude oil transportation system are so important. It could help give the nation more time to develop additional energy sources.

ALASKAN OIL WOULD GO TO MANY REFINERIES

A paradox of our energy situation is that there's a surplus of oil on the West Coast while the rest of the nation is suffering a serious shortage.

It's caused by two things: (1) California's production has increased much more than was anticipated when the Trans-Alaska Pipeline was planned, and (2) the crude oil from Alaska's North Slope has characteristics which make it unsuitable for many of the refineries in California, Oregon and Washington.

North Slope crude is what oilmen call "sour," meaning it has more than 0.5 percent of sulfur. It has 0.9 percent, which puts it in the high-sulfur category, though many crude oils produced in Wyoming, West Texas and the Middle East contain even more sulfur.

Some refineries have facilities for treating sour crude and removing the sulfur; some blend in lesser amounts of Alaskan oil with sweeter crudes; and some don't do either, which is the main reason why West Coast refineries are not using all the Alaskan crude at their doorstep.

At present the Alaska pipeline is delivering 1.2 million barrels per day (b/d) of North Slope crude oil to the tanker terminal at Valdez on the south shore of Alaska. By the end of this year the throughput will reach 1.4 million b/d, and by 1980 it will be 1.6 million b/d.

Because West Coast refineries have the capacity to handle only 600,000 to 700,000 b/d of high-sulfur crude, between 500,000 and 600,000 b/d of North Slope crude is currently being shipped through the Panama Canal to Gulf Coast and Eastern refineries—a costly and inefficient method.

At the same time, production from fields in California and southern Alaska (excluding North Slope) has been increasing. This is due largely to the higher price of crude oil which has encouraged more drilling and prevented the abandonment of marginal wells, and to the success of steam injection and other enhanced recovery methods which have increased the yield of old fields.

Furthermore, Congress ordered increased production from the Elks Hills Naval Petroleum Reserve in California, which is currently producing 125,00 b/d and is scheduled to rise to 240,000 b/d. Also, much new production is expected to be developed from new fields offshore on the California coast.

All these factors add up to the West Coast glut and explain the need for a west-to-east crude oil pipeline.

But the Northern Tier line was planned not simply to relieve this glut but to prevent the expected shortfall of crude supplies to refineries in the northern tier and Great Lakes states. Of its initial capacity of 709,000 b/d, it is estimated that approximately half will be North Slope crude and the rest "sweet" (low-sulfur) crude from Indonesia, the Persian Gulf and elsewhere.

How about that "sour" North Slope crude? It's not as bad as it sounds. A refinery equipped to handle it can make perfectly good gasoline and other products, with all the sulfur ending up in asphalt, petroleum coke or heavy residual fuel oil.

There are 27 refineries in Northern Tier's primary service area, and in 1967 they used 276,000 b/d of high-sulfur crudes from Canada, Wyoming and other fields. Their total capacity to handle sour crude is estimated at 303,000 to 467,000 b/d.

However, refineries not equipped to use sour crude as such can use some North Slope crude by mixing it with sweet crudes from other sources. That is why the planners of Northern Tier estimate that something like 350,000 b/d of North Slope crude will move through their line.

A survey made for Northern Tier by the Pace Co., a Houston consulting firm, indicates that the CENEX refinery at Laurel could use a certain amount of North Slope crude mixed with sweet crude to bring down the total sulfur percentage. The same holds true for the Conoco refinery at Billings and the Amoco refinery at Mandan, N.D. However, the Exxon refinery at Billings has capacity to use 20,000 b/d of North Slope crude—about half of its total capacity.

In Minnesota the Pace study indicated that the Conoco refinery at Wrenshall has no capacity to use North Slope crude, but the Koch refinery at Rosemount could use 70,000 b/d and the Ashland refinery at St. Paul Park, 25,000 b/d, while the Murphy refinery at Superior, Wis., could take 25,000 b/d.

This adds up to a total capacity to refine North Slope crude in the states of Montana, North Dakota, Minnesota and Wisconsin of 140,000 b/d. The rest of the North Slope crude carried by Northern Tier would go through connecting pipelines to refineries in other states to the south and east.

Whether or not the world supply of crude oil is short in the future, the Pacific Coast area should fare better than most. There is much drilling in both north and south Alaska, and more production can be expected there and from the new California offshore fields.

Indonesia is increasing its production, new discoveries have been made in the Philippines, the Gulf of Siam and the South China Sea, and mainland China may become an important exporter.

A significant factor in all this is that Port Angeles, Wash., the origin of the Northern Tier pipeline, is the closest port anywhere in the lower 48 states to Valdez, Alaska, and also the closest to Indonesia and the Persian Gulf. It is also the only port on any U.S. coast which can take supertankers which have a lower transportation cost per barrel than smaller tankers.

Thus the prospect of continued availability of crude oil from the Pacific area, plus the lowest transportation costs to a pipeline terminal which can move the oil to the nation's heartland, make it unlikely that Northern Tier will ever lack for supplies to meet its customers' needs.

Mr. MELCHER. Mr. President, commenting editorially on the Northern Tier line, Co-op Country News points out that there are no crude oil lines from the South which go west of Chicago to the Northern Tier States, which have depended on Canadian crude. This deficiency that would be met by the proposed line, while providing additional crude for refineries from Chicago east through existing lines.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Northern Tier Pipeline

Resolution No. 10 passed at this year's CENEX Annual Meeting in Minneapolis reads:

"CENEX Laurel Refinery is dependent on crude oil supply beyond surrounding oil states' production, and other refineries in the Northern Tier States are also in need of additional crude oil. It is in the national interest to provide Northern Tier agriculture sufficient crude oil. Alaskan and foreign crude oil is in ample present and future supply on the United States West Coast; and Public Laws 93–153 and 94–586 assure equitable regional crude oil distribution.

"Therefore, we implore Congress, the Administration, state elected representatives (Washington, Oregon, Idaho, Montana, North Dakota, Minnesota, Wisconsin, Illinois, Indiana and Ohio) ag business leaders, farm organizations, and environmentalists, to support and direct early construction of the Northern Tier Pipeline from Port Angeles, Washington, to Clearbrook, Minnesota."

Indeed, CENEX has been doing just that—alterting federal and state legislatures through the National Council of Farmer Cooperatives and state cooperative councils to the need for this pipeline. CENEX President Jerry Tvedt calls the Northern Tier Line "our salvation." That's because of what has and will be taking place at the region's refineries and elsewhere in the country.

Refineries in the region have been using (a) Candian crude, (b) domestic crude produced in the region, such as from wells in Montana and North Dakota, (c) other domestic crude produced in the Southwest and Gulf Coast states and (d) foreign crude imported at Gulf ports.

Canadian shipments were 1,109,000 barrels per day in 1973, dropped to 260,000 bpd in 1977, and are scheduled to decline to 70,000 bpd in 1982.

Production in the Rocky Mountain states declined 3.1 percent per year from 1973 to 1977, and is forecast to decline by 3 percent per year from 1980 to 1990. Production in the Southwest and Gulf states declined 5.2 percent per year from 1973 to 1977, and is forecast to decline by 3.7 percent between 1980 and 1990. These estimates include development of newly discovered fields and improved recovery techniques.

Total energy consumption in the United States is forecast to grow by 2.5 percent per year until 1990 and then by 1.8 percent a year to 2000. Petroleum's share of the total will decline from 48 percent in 1977 to 42 percent in 1990, but total oil consumption will increase by 1.4 percent between now and 1990.

Demand for petroleum products is forecast to increase by 3.1 percent per year until 1980 in the Midwest industrial states and by 2.3 percent per year in the northern and north central states and then rise only slightly in both regions.

Pace Consultants, Houston, Texas, which prepared these forecasts, concludes that in the northwestern and midwestern states there will be a shortfall of 438,000 bpd in 1980; 444,000 bpd in 1985; 695,000 bpd in 1990 and 710,000 bpd in 2000. That could translate into idle tractors and combines.

Additional crude for these regions would presently have to be either domestic from Southwest states or foreign imported through Gulf Coast ports.

There are no crude oil pipelines from the south to the states northwest of Chicago, the area which has depended the most on Canadian crude and where the most critical supply problems exist.

The Northern Tier line would solve these supply problems and some others. The Lakehead pipeline from Canada, with which the Northern Tier Line would connect at Clearbrook, Minn., has unused capacity of 350,000 to 400,000 bpd, and this will increase as Canadian exports decline. It connects with refineries in Minnesota and from Chicago eastward as far as western New York and Pennsylvania.

The Northern Tier line is the cheapest way for Alaskan crude to get to Chicago and farmers have as big a stake in Chicago as they have in Laurel. The cooperative ECI refinery is at Chicago and it is now 100 percent dependent on foreign crude.

Alaskan crude is an assured supply and, as CENEX President Tvedt points out, "not subject to the volatility of world price."

More to the point, however, Tvedt and others feel that if the line is not built, it is going to be extremely difficult to get fuels refined in Northern Tier states. Doing so would mean charging higher (noncompetitive) prices Tvedt said, and that's not a cooperative function.

"Northern Tier is important to agriculture in these states," Tvedt said. You can see why.

EXTENSION OF PROVISIONS RELATING TO BUSINESS EXPENSES OF STATE LEGISLATORS

Mr. LONG. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 3091.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 3091) entitled "An act to extend for one year the provisions of law relating to the business expenses of State legislators."

Mr. LONG. Mr. President, I move that the Senate insist on its amendments, that it request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. Nunn) appointed Mr. Long, Mr. Talmadge, Mr. Moynihan, Mr. Boren, Mr. Dole, and Mr. Packwood conferees on the part of the Senate.

TRIBUTE TO MR. BOB BRENKWORTH

Mr. ROBERT C. BYRD. Mr. President, I wish to call to the attention of the Senate that Bob Brenkworth passed away yesterday afternoon. Mr. Brenkworth had been the first and only comptroller of the Senate and had served as the financial clerk of the Disbursing Office from August 1954 through November of 1969. He retired from Senate service on June 30, 1973.

Mr. Brenkworth was born in Hell's Kitchen, New York City, on January 6, 1920; he entered the service of the Federal Government with the Civil Service Commission in January of 1940 and served until he enlisted in the Coast Guard on February 2, 1942. He participated in several invasions as a boatswain in both the Atlantic and Pacific. After his discharge in September of 1945, Mr.

Brenkworth again was employed by the Commission until his appointment to the Disbursing Office on June 1, 1948. He advanced to chief bookkeeper in August of 1951 and subsequently became the assistant financial clerk on January 1, 1953, a position he held until his appointment as financial clerk on August 23, 1954.

He is survived by his wife, Elsie, and two children, Barbara and Lisa.

I am sure the Members of the Senate join me in expressing our condolences to his wife and to his children, and join me in saying that Mr. Brenkworth was a fine public servant and we regret to hear the news of his passing.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9 a.m. tomorrow. After the two leaders have been recognized for not to exceed 3 minutes each, Mr. Bentsen will be recognized for not to exceed 10 minutes, after which the Senate will resume consideration of the first concurrent budget resolution. At that time, Mr. Lugar will be recognized to call up his amendment, on which there is a time limitation of 2 hours. There will undoubtedly be a rollcall vote in relation to that amendment. It should be kept in mind that all of the statutory time of 2 hours may not necessarily be utilized; some of it may be yielded back. So a rollcall vote could come earlier than, let us say, 11:15 a.m.

Following the disposition of the amendment by Mr. Lugar, Mr. Roth will call up his amendment. At the present time, there is a time limitation on that amendment of 2 hours; on the disposition of that, Mr. Domenici will call up his amendment, on which there is a time limitation of 1½ hours.

Upon the disposition of the Domenici amendment, Mr. Schweiker will call up his amendment, upon which there is a limitation of 1 hour. That will be followed by the amendment by Mr. Riegle, on which there is a limitation of 2 hours; to be followed by an amendment by Mr. Stennis, on which there is a limitation of 2 hours; to be followed by an amendment by Mr. Metzenbaum, on which there is a limitation of 1 hour; to be followed by an amendment by Mr. Kennedy, on which there is time limitation of 2 hours, after which Mr. Tower will call up his amendment, on which there is a 1-hour time limitation; subsequent to which Mr. Hatch will be recognized to call up his five amendments, one at a time, of course, with a time limitation on each of 1 hour.

Mr. President, as I say, the time limitations that I have set forth in this statement may be reduced, either by consent or by virtue of the parties in control thereof yielding some of the time back. There may be other amendments around, and it promises to be a long day tomorrow. The leadership will endeavor, as best it can, to complete action on the resolution tomorrow.

Tomorrow is Wednesday. That will be 3 days this week on the first concurrent budget resolution. It is then hoped that the Senate can take up the Department of Education bill on Thursday, hoping to complete it, and the aircraft noise abatement bill, also, on the same day. There is a time limitation on that bill likewise. So, tomorrow promises to be a busy day, with a good many rollcall votes.

Does the distinguished Senator from Oklahoma have anything to add?

Mr. BELLMON. I believe the special orders outlined by the distinguished majority leader is in accord with our understanding. I have nothing to add.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock tomorrow morning.

The motion was agreed to; and, at 6:18 p.m., the Senate recessed until tomorrow, April 25, 1979, at 9 a.m.

NOMINATION

Executive nomination received by the Senate April 24, 1979:

In the Army

The following-named Army Reserve officer for appointment as Chief, Army Reserve and appointment to major general in the Reserve of the Army and in the Army of the United States, under the provisions of title 10, United States Code, sections 3019, 3442 and 3447:

To be major general, USAR and AUS

Brig. Gen. William Roger Berkman, 559-32-4169.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1979:

Department of State

John Prior Lewis, of New Jersey, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

William Lacy Swing, of North Carolina, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of the Congo.

International Monetary Fund

Donald Eugene Syvrud, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years.

ACTION Agency

Richard Frank Celeste, of Ohio, to be Director of the Peace Corps.

Richard Frank Celeste, of Ohio, to be an Associate Director of the ACTION Agency.

The above nominations were approved subject to the nominee's commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

The Judiciary

Robert M. Parker, of Texas, to be U.S. district judge for the eastern district of Texas.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire.

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Mary Lou Robinson, of Texas, to be U.S. district judge for the northern district of Texas.

Foreign Service

Foreign Service nominations beginning Philip W. Arnold, to be a Foreign Service information officer of class 1, and ending Marianne Craven, to be a Foreign Service information officer of class 7, which nominations were received by the Senate on March 23, 1979, and appeared in the Congressional Record of March 26, 1979.

EXTENSIONS OF REMARKS

AID TO THE MIDDLE EAST

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CORMAN. Mr. Speaker, President Carter's unprecedented quest for peace united two courageous nations in the search for stability in the Middle East. Sixteen long, and at times bitter, months of negotiations resulted in the signing of a Middle East peace accord on March 26, 1979. Prime Minister Begin and President Sadat ended 30 years of a state of war, frequently resulting in bloodshed between Israel and Egypt, and President Carter fulfilled the dream of every American President since Harry Truman recognized the state of Israel in 1948. The historic treaty signing symbolized the determination of Israel, Egypt and the United States to secure a just and lasting peace and stability throughout the Middle East.

The treaty implements the mandate of United Nations Security Council Resolution 242—Israel's withdrawal from territory occupied since the 1967 war, Egypt's recognition of Israel's sovereignty, territorial integrity, and right to live in peace within secure borders, and opens negotiations for Palestinian self-rule. The governments of Israel and Egypt have ratified the treaty, and within the next month the first phase of Israeli withdrawal from the Sinai and discussions on Palestinian autonomy will begin. This bold initiative by Israel and Egypt may one day make it possible for Israel to live securely and in harmony with all her Arab neighbors.

To insure the U.S. commitment to se-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

curity and stability of Egypt and Israel, and to protect our own security interests in the Middle East, the administration proposes a $4.8 billion supplemental aid package. Its passage would mean that Israel would receive:

An $800 million grant to construct two new airbases in the Negev desert, replacing those presently in the Sinai peninsula. The Army Corps of Engineers would provide managerial and technical assistance in relocating the bases.

A $2.2 billion long-term loan for arms purchases.

Expedite delivery of 75 F-16 fighters.

A 15-year guarantee of U.S. oil.

This last provision must be clearly understood by the American people, particularly in light of the severity of our own energy needs. Israel would turn to the United States for oil, only if she were unable to make independent arrangements. The United States would first help with the procurement of oil from abroad, and only turn to our own production as a last resort. Should Israel need to consume our oil, she would pay for it at world market prices, and reimburse the United States for any costs incurred for procuring the oil.

Israel consumes at the very most 1 percent of U.S. daily oil needs, or 165,000 barrels per day compared with 19 million barrels per day now used by the United States. It is also important to note that Israel has maintained a similar agreement with the United States since 1975, and has never called on our commitment.

For Egypt the aid package provides:

A $300 million economic development loan, badly needed to help restore her faltering economy.

A $1.5 billion long-term loan for arms purchases. This would be the first time in history that the United States has loaned money to Egypt for military weapons.

While the package totals nearly $5 billion in loans and grants, the actual out of pocket expense to the United States would be just over $1.1 billion over a 3-year period. This includes the $800 million grant and $300 million special economic assistance for Israel and Egypt, respectively, and a 10-percent guarantee of the total amount of the arms sales loans. Without question, the total aid package is the most massive U.S. aid program since the Marshall plan was authorized in 1947 to restore economic health to Europe at the cost of $12 billion. Thus, there is an historic precedent that peace, like war, has a price tag. Yet, the price of peace is far less than that of war.

Let us look for a moment at the cost of war. In the first 19 years of Israel's existence, the United States provided $1.5 billion in foreign aid. By comparison, the October war of 1973 alone cost the United States $2.2 billion to replace Israeli military equipment and $5 billion in additional aid.

Another startling realization is that the United States incurred at least $150 billion in military expenses in the Vietnam war. It is estimated that the ultimate cost of that war, including long-term veterans benefits could total $350 billion. In comparison, the total cost of the supplemental aid package for the Middle East will be less than the cost of 2 months of war at the height of our involvement in Vietnam.

These costs are only the monetary figures attached to years of bloodshed. There is, however, another element of war which remains priceless—the loss of human life. Since 1948, over 115,000 Arabs and 40,000 Israeli military personnel have lost their lives in search of peace. Yet, these figures do not reflect the continuing casualties of terrorism and retaliatory military actions. While the battlefields remain calm, innocent people throughout the Middle East, and the world, continue to fall victim to the conflict plaguing the Middle East. How then, can the price tag of Middle East peace be seen as too great an expense?

Israel and Egypt share the commitment to implement the treaty and work together to achieve a comprehensive plan by which all the nations consumed by 30 years of war can live in permanent peace. Israel and Egypt sacrificed and compromised to reach a settlement. They both have taken great risks to achieve peace for their people. Israel has agreed to trust Egypt's promises of recognition of sovereignty and an end to war. She must bear the financial burden of peace—withdrawal from the Sinai—and face an uncertain future with her other Arab neighbors.

Egypt too faces grave dangers as a price for peace. She must counter economic boycotts and isolation sanctioned by her sister Arab states. She must undertake the difficult and timely task of building a strong economy, which for 30 years has been sacrificed at the expense of war. And finally, Egypt must ward off the threats of radical, Arab violence, a result of President Sadat's courage to lay down arms against Israel and live in peace with his neighbor.

Hostile resistance to a comprehensive Middle East peace remains. Yet, the torch of peace is now lit in two of the wartorn nations. Their efforts and the full participation of the United States must continue. The United States must remain a full partner in implementing the treaty and must provide the financial assistance necessary to accomplish the goals of peace and stability in the Middle East. The United States must help the people of Israel and Egypt build confidence so that they can deal effectively with outside threats designed to dissolve the peace accord, and meet the economic burdens created by a commitment to be free from war. I urge my colleagues to fully support the supplemental aid package for the Middle East.

This is the brightest moment for peace in three decades, and we must not allow it to needlessly perish.●

EDUCATION ACHIEVEMENTS OF MR. JOSEPH L. McCOURT

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ST GERMAIN. Mr. Speaker, in Cumberland, R.I., within my First Congressional District, there is a man, Mr. Joseph L. McCourt, who has devoted his life to teaching in the Cumberland school system, and on the occasion of his retirement I would like to pay tribute to him by calling attention to his many achievements in the field of education.

From his first appointment as a teacher in 1941 to the present time, Joe McCourt has initiated so many fine educational programs in his community, represented Rhode Island so actively in the National Association of Secondary School Principals, and served the children of Cumberland so outstandingly as a principal in several schools that he has deservedly earned the respect and love that is felt for him by Cumberland's citizens of all ages.

Perhaps the best testimony to Joe McCourt's contribution to the education of Rhode Islanders is the wonderful fact that of his seven children three are already teachers either in the Cumberland school system or in the area. Throughout his long career he has touched many lives, and after retirement he will be able to look back with warm satisfaction to all those students whom he has prepared, and in whom he has instilled a desire for higher education.

It is a pleasure for me to use this means of congratulating Mr. McCourt and to wish him well in all of the pursuits of life which lie ahead for him.●

A CALL FOR JUSTICE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LAFALCE. Mr. Speaker, the Federal Republic of Germany has the opportunity this year to demonstrate its full commitment to international justice. The existing statute of limitations in the Federal Republic would prevent the prosecution and punishment of Nazi-era war criminals after December 31, 1979.

Those responsible for the Holocaust which consumed 6 million Jews and the related slaughters which resulted in the deaths of millions of Poles, Russians, Gypsies, and countless others cannot be allowed to go on unpunished, because of a statute of limitations. Recently, there have been increasing signs of a new determination in this country and in other lands to ferret out war criminals and return them to the location of the atrocities for trials, which could be severely discouraged, if the Federal Republic refused to prosecute war criminals. Similarly, the new interest in the location of the SS officer who has been called the "Butcher of Lyons" and the infamous doctor of Auschwitz, Josef Mengele, might not result in their arrest.

There is considerable support within the Federal Republic for either an extension or an abolition of the statute of limitations. Twice before, in 1965 and in 1969, the statute was extended. The recent showing of the program, "The Holocaust," on German television sparked increased interest in the prosecution of Nazi-era war criminals. The distinguished Chancellor of the Federal Republic, Herr Helmut Schmidt, and the respected President of the Federal Republic, Herr Walter Scheel, have both strongly endorsed an extension of the statute.

Ironically, the principal sources of opposition to an extension or abolition include elements of the West German population, which are often considered the most pro-American, conservative anti-Communists. A clear and resounding signal from the United States for either an abolition or a lengthly extension of the statute could convince many of those in opposition to rethink their positions. My distinguished colleagues from New York (Representatives HOLTZMAN and FISH), in an act which should be highly commended, have taken the initiative and introduced House Resolution 106, of which I am proud to be a cosponsor. The adoption of this resolution would forcefully indicate to the Federal Republic of Germany that the House of Representatives and the American people strongly favor an abolition or, at the very least, another lengthy extension of the German statute of limitations for the prosecution of war criminals.

Today, we are solemnly observing the Day of Holocaust and Remembrance; and as part of that observance, I urge the Committee on Foreign Affairs to report out the resolution as soon as possible, so that we can send this message to the German legislature in Bonn.

A copy of House Resolution 106 follows:

H. RES. 106

Resolution urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust

Whereas the present statute of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979, of those people who committed war crimes prior to May 8, 1945, against whom proceedings have not already been initiated;

Whereas the identification and the prosecution of Nazi war criminals serve to remind the world of the enormity of their crimes and of the need to prevent any repetition of such crimes;

Whereas worldwide efforts to locate and bring to justice those who participated in the holocaust have recently been intensified;

Whereas the Government of the United States is now moving aggressively against people living in this country suspected of war crimes and has enacted legislation to exclude and deport war criminals and has established a special litigation unit within the Department of Justice to direct investigations and prosecutions;

Whereas these intensified worldwide efforts will undoubtedly lead to the discovery of new and important evidence against many suspected war criminals;

Whereas the Government of the Federal Republic of Germany has an inescapable obligation to ensure that these worldwide efforts are not diminished or nullified and that all war criminals are brought to justice, and that Government recognized this obligation in 1965 and in 1969 by amending the statute of limitations to permit the prosecution of those who participated in the holocaust; and

Whereas no statute of limitations should preclude the trial of those who participated in the holocaust: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly urges the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust; and

(2) directs the Clerk of the House of Representatives to send a copy of this resolution to the Ambassador of the Federal Republic of Germany to the United States for transmittal to his Government.●

LIFE IS ENERGY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, every month, my day is brightened when I receive Notes From FEE, the newsletter published by the Foundation for Economic Education in Irvington-on-Hudson, N.Y., and edited by the foundation's founder and president, Leonard E. Read.

The most recent issue contains some sage thoughts indeed on energy, that we might all profitably contemplate.

The newsletter follows:

LIFE IS ENERGY

For sixty known centuries, this planet that we call Earth has been inhabited by human beings not much different from ourselves. Their desire to live has been as strong as ours. They have had at least as much physical strength as the average person of today, and among them have been men and women of great intelligence.

But down through the ages, most human beings have gone hungry; and many have always starved.

The ancient Assyrians, Persians, Egyptians, and Greeks were intelligent people; but in spite of their intelligence and their fertile lands, they were never able to get enough to eat. They often killed their babies because they could not feed them.

The Roman Empire collapsed in famine. The French were dying of hunger when Thomas Jefferson was President of the United States. As late as 1846, the Irish were starving to death; and no one was particularly surprised—because famines were the rule rather than the exception. It is only within the last century that Western Europeans have had enough to keep them alive—soup and bread in France, fish in Scandinavia, beef in England.

Hunger has always been normal. Even to this day, famines kill multitudes in China, India, Africa; and in the 1930s, thousands upon thousands starved to death on the richest farm lands of the Soviet Union.

Down through the ages, countless millions, struggling unsuccessfully to keep bare life in wretched bodies, have died young in misery and squalor.

Then suddenly—in one spot on this planet—people eat so abundantly that the pangs of hunger are forgotten.

Why did men walk and carry goods on their straining backs for 6,000 years—then suddenly, on only a small part of the Earth's surface, the forces of nature are harnessed to do the bidding of the humblest citizen?

Why did families live for 6,000 years in caves and floorless hovels, without windows or chimneys—then within a few generations, we in the United States take floors, rugs, chairs, tables, windows, and chimneys for granted and regard electric lights, refrigerators, running water, porcelain baths, and toilets as common necessities?

What has been responsible for this unprecedented burst of progress, which has so quickly transformed a hostile wilderness into the most prosperous and advanced country that the world has ever known?

The United States certainly has no monopoly on natural resources. And in most countries the people work much harder, on the average, than we do. We are not a superior people. Our ancestors in the Old World, starved right along with everyone else.

There is just one answer. There can be no other. We in the United States of America have made more effective use of human energy than any other people on the face of the globe—anywhere or at any time.

This entire planet is made up of energy. The atoms of air surrounding it are energy. The Sun pours energy upon this air and upon this Earth. Life depends on energy; in fact, life is energy.

Every living thing must struggle for existence, and human beings are no exception. Men and women survive on this Earth only because their energies constantly convert other forms of energy to satisfy human needs, and constantly attack the nonhuman energies that are dangerous to human existence.

But—only an individual human being can generate human energy.

And—only an individual human being can control the energy he generates.

The failure to understand these two simple and basic truths has, for over 6,000 years, stagnated human progress and kept the vast majority of people underfed, poorly clothed, embroiled in wars, and dying from famine and pestilence.

Human energy is intelligence in action.

Intelligence is brought into action by the Will.

An individual free will is the natural heritage of each living person.

No one knows who first made this discovery—that men are free.

It was not when all men were pagans. It would never have been discovered by a pagan.

The pagans were fatalists—everything was foreordained by the gods.

If this were so, then the individual could not be held responsible for anything. That was the way the pagans wanted it to be.

But Abraham denied the existence of all the pagan gods. He insisted that there is only one God—the God of all things, who not only creates but judges. He taught his increasing family that God is Rightness, Reality, and Truth; that man is free and self-controlling and responsible for his own acts; that each person is free to do good or evil, as he may choose; but that any wrong act will result in punishment for the evildoer.

This was the first and only real revolution which has ever occurred. It was the revolution against pagan fatalism—the revolution of human freedom.

The American Revolution is only important because it resulted in the Constitution of the United States of America. In the Revolution for Human Freedom, it is the only thing which is really new.

It made the government the servant of the people.

In the Land We Live In, we have the greatest opportunity for self-improvement and personal advancement which has ever existed on the face of the Earth. It is up to the individual to take advantage of it; it cannot be otherwise. There are no substitutes for self-faith, self-reliance, self-development, individual effort and personal responsibility.●

DR. PETR BECKMANN ON NUCLEAR POWER

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, energy expert Dr. Petr Beckmann was interviewed last week by John Rees in the Review of the News.

Dr. Beckmann, professor at the University of Colorado, was born and educated in Prague. He worked at a research institute of the Czechoslovak Academy of Sciences until 1963, when he had the chance to lecture at the University of Colorado. He never returned to Eastern Europe, which has been a great gain for the United States.

Dr. Beckmann has written more than 60 scientific papers, as well as eight books, and he publishes and edits Access to Energy, a monthly newsletter on nuclear power.

In the post-Three Mile Island hysteria, Dr. Beckmann's voice has remained calm and scientific. His interview contains much information of value, and I would like to call it to my colleagues' attention:

QUESTIONS AND ANSWERS

Q. Professor Beckmann, we have all heard arguments from the opponents of nuclear energy that nuclear power plants are ripe targets for sabotage and for terrorists who would seize nuclear waste or even plutonium and threaten to disperse it, say by throwing it out of an airplane. Does this make sense?

A. Not really. It would be much easier, and cause vastly great damage, for terrorists to throw hand-grenades, or set off high explosives, at a dam above a city than for them to break into a nuclear power plant. They would have to assemble a team of schizophrenics who on the one hand would be geniuses or experts in a large number of varied disciplines, and yet on the other hand be too stupid to realize that there are far easier methods of inflicting grievous injury on the population at large.

Plutonium is of course toxic, and if you breathe plutonium dust you can get lung cancer. But you will not get that cancer for 15 to 40 years, if at all. Only a very inept terrorist would use a weapon that takes years and years to kill. Better to use toxic substances like arsenic and other chemical and biological toxins that are difficult to trace. Radioactive material can be detected in ludicrously minute quantities, after all, and so defensive measures can be taken against it. For terrorists, a pocket knife would be a more effective weapon than radioactive materials.

You can bet that any attack against a nuclear power plant is for the purpose of trying to discredit nuclear power and for that reason alone.

Q. Could a nuclear reactor at a power plant explode so that one morning we might see a mushroom cloud looming over the debris of a devastated power plant?

A. The uranium used in the powerplant reactors is not sufficiently enriched for an explosion to occur. The danger at the Three Mile Island reactor in Pennsylvania was from hydrogen gas that formed because of heat after the water level fell and exposed part of the reactor. And actually it now turns out that hydrogen did explode and the containment building withstood its force without problem.

Q. Professor Beckmann, the mass media treatment of the accident at Three Mile Island has been quite sensational. What did we learn from what happened there?

A. The accident at the Three Mile Island plant is unquestionably the most serious in the 22-year history of nuclear power. But the most significant aspect of that accident was not merely that it produced no deaths, no injured, no casualties, no illness, no hospitalization; but that the zero casualty figure was not due to "good luck." The accident produced a gigantic test of the principle of nuclear safety; namely the concept of the "defense in depth," in which there are many layers of complementary and supplementary safety measures. Another very important point is that it demonstrated the slowness with which a nuclear-plant accident happens, allowing plenty of time to select countermeasures.

Q. What was the malfunction; that is, how did the accident occur?

A. All the details have not yet been published, and the Nuclear Regulatory Commission and other agencies are still compiling their reports. But, from the available information, what happened at Three Mile Island was a chain of four gigantic failures, two mechanical and two human. A pump circulating coolant water to the core of the reactor failed. Immediately and automatically the Emergency Core Cooling System (E.C.C.S.) went into action as it was supposed to do. Also immediately the control rods dropped down to shut-off the reactor, just as they were designed to do. However the human errors now came into play. Valves in the E.C.C.S. system had been manually shut by a workman, and so water did not immediately go into the core. On at least two occasions human beings working in the plant turned off the E.C.C.S., allowing the core of the reactor to be left uncovered by coolant water.

Nonetheless, the built-in safeguards withstood this improbable chain of events, and there were still at least two more levels of safety before a meltdown was likely. Furthermore, even if a meltdown had occurred, most probably there would have been no casualties because the containment building would have held the radioactive gases. It proved how strong it was by withstanding a hydrogen explosion, and it could easily have withstood steam explosions and radioactive gases.

That Emergency Core Cooling System, which has been a particular target of the anti-nuclear critics who claimed it could never work, performed well under the most severe conditions.

The incident at Three Mile Island has provided a severe field test which has shown that the E.C.C.S. will perform under the most adverse and unforeseen conditions; that the containment building can contain radioactive gases and even a hydrogen explosion; and, that the filters in the auxiliary building to which radioactive water was pumped are so effective that only infinitesimally small quantities of inert radioactive gases and iodine escaped into the atmosphere.

Q. Where did the hydrogen gas come from?

A. Among the events that happened automatically was that the reactor was turned off. However, you cannot prevent the nuclear fission products in the fuel rods from continuing to be hot. When part of the core became uncovered as the level of cooling water dropped, the temperature rose and the heat broke down some of the water into its components, hydrogen and oxygen. The reactor core was damaged presumably by the overheating, which may have caused melting or warping of the fuel rods that are surrounded by a light-weight metal cladding.

Q. What about that so-called "leaking" of radioactivity outside the plant?

A. Radioactive gas escaped from the reactor area into the containment building which surrounds the reactor. And the containment building, which is enormously strong and built to withstand even a jet plane crashing into it, held the radioactivity just as it should. That is what it was built to do.

But then it appears that another human error was made by pumping water from the containment building to the auxiliary building, which held the radioactivity better than it was expected to do. It has elaborate filters which removed everything radioactive except for the noble gases such as xenon, argon, and krypton. These are not retained by the body.

Q. Then you view the Three Mile Island incident as proving the safety of nuclear power?

A. Yes indeed. What we have seen in this case is a sequence of events that took place over many hours, and by that I mean not only the malfunctions but also the human errors. And yet there was plenty of time to make tests, discuss and decide what the best options were and are, and to take countermeasures. By comparision, how much time and what sort of countermeasures are available when an oil tanker explodes?

Any energy facility, by its very nature, contains a lot of pent-up energy. If that energy is released suddenly, it can be destructive; and, as long as man is fallible, it can happen. In a ship or tank or liquefied natural gas, a dam, an oil tanker or refinery—the release of energy is sudden and disastrous. There is only one exception and that is the case of a nuclear plant. There, even if the energy gets loose and does what it is not supposed to do, such as a meltdown, it melts down into the earth for many hours and ends up in a big glass marble of fused earth. Meanwhile you have many possible countermeasures, up to and including evacuating people from the area.

Q. How dangerous is a "meltdown" of the sort first feared at Three Mile Island?

A. Let's first look at the process. Should there be a loss-of-coolant accident in a light-water reactor—that is, a reactor that uses ordinary water, under pressure or not, to cool the core—the temperature of the fuel rods may rise to the point where they melt their light metal cladding. The heat comes from the accumulation of radioactive fission products in the fuel rods.

In the worst possible case, this material would form a red-hot goo on the floor of the thick steel pressure vessel that would slowly melt through the steel and through the floor of the containment building into the earth to a depth of some 25 feet or so where it would dissipate its heat. Very probably the cooled goo now encased in a glass marble of fused earth could be removed, even salvaged, without major complications. Unless it ran into an underground stream and managed to vent steam into a blowhole outside, all radioactive gases would still be contained inside the containment building of concrete and steel above the melt site.

A widely respected nuclear scientist, Dr. R. P. Hammond, who has had considerable experience in cleaning up after nuclear accidents in Canada, has said he couldn't think of a better place for meltdown material to be than far underground, shielded by overlying rock and earth, enclosed in a pocket of fused earth.

Q. How do the exposures to radioactivity at the Three Mile Island plant compare to our normal exposure to background radiation?

A. A radiological health expert from the Nuclear Regulatory Commission, Frank Congel, has stated that the cumulative dose of radioactivity for a person living in the closest house to the plant who had remained out of doors for five consecutive days continuously, 24 hours-a-day starting at the time of the accident, could have received as much as 85 millirems of radioactivity. By comparison, a complete body X-ray in a hospital gives you this much radiation.

As I pointed out in my book, *The Health Hazards Of NOT Going Nuclear,* the natural background radiation varies depending on where you live. In New York City, you naturally get 93 millirems a year; in Dallas only 53; in Carlisle, Pennsylvania, not many miles from Three Mile Island, you get 87.

And the average exposure for a Colorado resident is about 150 millirems; but in Boulder, where I live, we naturally and quite safely get 220 millirems. This is because of the natural radioactivity in the granite rocks, the altitude which gives us more cosmic rays, and similar factors. So the people living closest to the Pennsylvania plant got about the same radiation as if they had been visiting with me for four and a half months here in beautiful Colorado.

Q. And so the earth, sky, and buildings around us are constantly radiating us in small but measurable amounts?

A. More than that, whenever you take a coast-to-coast airplane trip you receive five extra millirems of radiation from outer space during that trip. Your color television set gives you one extra millirem. Even human beings are measurably radioactive because the food we eat gives us about 25 millirems of radiation. Such radiation is hardly frightening.

I have to laugh because every time the anti-nuclear fanatics hold a meeting they receive more radiation from each other than they would living near a nuclear power plant. A power plant may emit only 10 millirems as measured on its property line; and, actually, if the Nuclear Regulatory Commission measures even five millirems they start making complaints to the utility. It was Dr. Edward Teller who said, "In sleeping with a woman, one gets just slightly less radioactivity than from a nuclear reactor; but to sleep with two women is very, very dangerous." Perhaps this bit of information will make the anti-nuclear fanatics more moral. Though I doubt even they will contend that our former Vice President died of radiation!

Q. Some radioactive iodine also was released from the Three Mile plant, and that does get into the food and into the thyroid gland, doesn't it?

A. Yes, and great care is taken so that no substantial amounts are released. Dr. Harold Denton, the head of the N.R.C. safety division, has announced that in the milk samples from 22 dairy farms in an 18-mile radius around the Three Mile Island plant, the level of radioactive iodine (iodine-131) was between 10 and 20 picocuries per liter. The N.R.C. does not move to block the consumption of milk as unhealthy until it contains 12,000 picocuries of radioactive iodine per liter.

According to the mass media, the governor said he would require the milk to be monitored until no iodine-131 was present. Well, a level of 2 to 5 picocuries is normal in milk. And when the fallout from the Red Chinese atom bomb came down in the rain over the Northeastern states, the milk registered iodine-131 levels of 150 to 300 picocuries per liter; yet there was no public outcry over that. Besides, milk is normally radioactive, having about 1,400 picocuries of radioactivity (not just iodine) per liter. Whiskey averages 1,200 picocuries per liter, and salad oil a whopping 4,900. A mere 20 picocuries is hardly a cause for concern.

Q. At what level does radiation make you ill?

A. The media have been screaming about the worker at the plant who went in to get a sample of the coolant water and received 3 rems—3,000 millirems—of radiation. They did not tell the public that even under our stringent safety regulations a worker in a nuclear facility is permitted to receive up to 5 rems in any year with a maximum of 3 rems in any quarter. At 600 rems, you will probably die of radiation sickness.

Q. What are the mechanics of a nuclear power plant and how does it differ from a coal-fired electric-power plant?

A. Except in a hydroelectric plant, in large-scale power plants electricity is generated by steam which turns a turbine. The only difference is in what you use to produce the heat that makes the steam that drives the turbine.

In a nuclear-fueled electrical generating plant, the heat comes from a slow chain reaction in fuel rods that release heat that raises the temperature of the water in the reactor core. Then, that steam or pressurized hot water goes into a heat exchanger where it heats a second separate circuit to produce the steam that drives the turbines.

There is a third type of reactor not being used very much in this country though it is superior to both the boiling water and the pressurized water reactor, and that is the high-temperature gas reactor. It is more efficient because it can reach higher temperatures. It is also safer, because should the gas used as a coolant leak out, air would leak in to replace it and so a meltdown is virtually impossible.

Q. Dr. Beckmann, why should this country want to build nuclear-powered electrical generating plants, rather than use coal or oil-powered plants?

A. There are several reasons. First, it is safer by large factors. Secondly, nuclear energy for these plants can be produced domestically. This means a great saving in not having to buy foreign oil; it is beneficial to the balance of payments; and, it obviously means that the United States does not have to be dependent upon the whims of unstable dictators. Thirdly, nuclear power is much more economical than coal or oil; and this is so despite the large costs added on by the lawyers for the environmentalists, who fight tooth and nail in court against the nuclear plants, and the government regulations which cost millions and millions of additional dollars. With all this it is still cheaper than coal, let alone oil.

There is a further reason why we should go nuclear. If we use breeder reactors and reprocess the wastes in spent fuel instead of merely burning up our 100 years' supply of uranium, we get plutonium. And plutonium can serve as a fuel for several thousand years. Beyond that we could go on and breed thorium, but that is further in the future than anyone now alive can see. Certainly our coal, let alone gas and oil, can last no more than a few centuries. But nuclear power can last for thousands of years.

Q. Nuclear power plants have been opposed from their inception by critics who have equated them with nuclear bombs. What is the nuclear power safety record?

A. First, let me correct you. These environmentalists have not always opposed nuclear power. Back in the early 1960s, thinking nuclear power impractical, they were very opposed to coal mining and recommended nuclear power as being more healthful because it is more clean. Of course that was not the real motivation of many of these fanatics. They were just using nuclear power to harass coal. They always call for the development of that form of energy which they think is not available. Solar power is their idol now. What they really want is a no-growth society in which they are the ones with the power, upward mobility is stopped, and we do what we are told by their beloved regulators.

As for the atom-bomb comparison, let's get this over with once and for all. The fuel in a nuclear power plant can not explode. This is because of the laws of physics. In natural uranium ore, 99.3 percent of the uranium is uranium-238 which is not fissionable. A mere 0.7 percent of the ore is uranium-235 which is fissionable. To make a uranium bomb, you must purify or enrich the material so that more than 90 percent of it is uranium-235. Even then an explosive chain reaction cannot occur unless a certain amount is forced together against the energy of the chain reaction.

But the fuel in a power-plant reactor is merely 3.5 percent uranium-235. Thus it is impossible by the laws of physics for it to undergo an explosive nuclear chain reaction.

Q. Your point is that nuclear power is safe?

A. Nothing involving energy can be 100 percent safe. The question is whether using nuclear power to generate electricity is safer than any other method. If that is the question, the answer is yes.

Let's look at coal. Report 1554-D, released by the Energy Research and Development Administration early in 1977, has been kept very quiet and virtually suppressed by the federal government. It said that the coal-burning power plants east of the Mississippi were annually responsible for 18,000 premature deaths from lung diseases and cancer.

This does not even begin to get into the additional areas of more than 200 fatal accidents each year in coal mines. The average was 246 deaths for the period 1965 to 1969, but there were only eight deaths of uranium miners in accidents in that period. Of course, we need to mine far less uranium than coal. The really significant measurement is in the number of deaths in relation to the amount of energy produced.

Q. And what is that ?

A. For every billion megawatts of electricity consumed, we lose 189 lives in coal mining for coal-powered plants, but only two in uranium mining for nuclear plants. Per million megawatts of electric energy consumed, injuries cost 1,545 disability days for coal miners and 157 disability days for uranium miners. And look at the industrial diseases coal causes. Each year there are 4,000 deaths among coal miners attributed to Black Lung disease. And each year the federal government—which means the American taxpayer—is paying nearly a billion dollars in health benefits to disabled Black Lung victims.

What about the environmental impact? This country's annual consumption of electricity is close to 2 billion megawatts. Compare the volume of coal that must be mined to produce that (a massive chunk 200 feet by 200 feet by 100 miles) with the volume of uranium ore needed to produce the same energy (200 feet by 200 feet by 100 feet). The point is that going nuclear could reduce disruption of the earth by a factor of 5,000. Also coal ash is highly toxic, and enormous areas must be given over to its storage. The emissions from burning coal—sulfur dioxide, nitrous oxide, known carcinogens like benzopyrene—are known to be harmful.

I don't want to just knock coal. But each year we delay in building a nuclear plant to replace 1,000 megawatts of coal-fired power, we condemn between 20 and 100 Americans to death.

Q. You noted earlier that oil and natural-gas storage are also dangerous.

A. Certainly, because so much has to be stored. An oil-fired generationg plant of 1,000 megawatts capacity burns 40,000 barrels of oil a day. It is customary for them to keep on hand a six weeks' supply of 2 million barrels. Oil storage facilities sometimes explode and burn. In 1973, 1976, and again very recently, oil storage tanks in the greater New York area have burned. And there are more and more cities with vulnerable L.N.G. tanks. In a temperature inversion situation, thousands could die by asphyxiation and exacerbated lung conditions and asthma from such a fire.

In 1973, the maximum permissible dose of radiation at the property line of a nuclear plant was reduced from 170 millirems per year to 10 millirems. Statistically, doing this reduced the annual 300,000 cancer cases in this country by three. The cost was $800 million for each of the three statistically saved lives. Parenthetically, you know neither the U.S. Capitol nor Grand Central Station could be licensed as a nuclear reactor because just the rock—marble, sandstone, and granite—of which those buildings are made emit more than 10 millirems of radioactivity.

Q. About a year ago some American nuclear engineers were given a tour of several Soviet nuclear reactors and power plants. Are you familiar with what they found?

A. Yes, I read their report. The Soviet Union is trying feverishly to go nuclear, but is having the failures a centrally planned society always has. Significantly, the Soviets do not worry much about safety and it is only recently that they began to construct containment buildings around their reactors. The power-plant reactor they exported to Finland is called "Eastinghouse" by nuclear engineers in the West because all of its safety equipment such as the Emergency Core Cooling System, containment, and so forth was supplied by Western companies.

The U.S.S.R. is aware that nuclear energy is the energy of the future. But the Comrades have a forked-tongue. Soviet neutrons are called "progressive," but capitalist neutrons are "dangerous." Klaus Fuchs, the notorious atom spy who now heads the East German atomic-energy program, has said the reason we need so many safety programs is because of the poor quality of the training and education of our people. They thus claim that in a Communist society safety is unnecessary.

Q. And they also are behind some of the anti-nuclear hysteria here and in Europe, and have tried to link nuclear power to disarmament issues.

A. Yes, on the one hand they mock the Western middle-class as being decadent and afraid of technology and spread the rumor that opposition to nuclear power in the West is artificially inspired by the oil companies who want to attain greater profits. But, on the other hand, they are themselves quite evidently fanning the anti-nuclear hysteria in the West.

Q. Then do you see the question of nuclear power now as a political issue?

A. It has been taken outside the area of technical expertise. If logic and science were the only factors, we could be much further advanced on the road to nuclear power.

Long before Ralph Nader's crusades to attack American business, and certainly before his Critical Mass rallies began to resemble the Nuremburg *Partietags* of the Third Reich, the so-called environmentalist movement developed heavily political overtones.

These environmentalists tended to be against economic growth, for population control, against helping South Vietnam, for making deals with the Communists, as well as for greater permissiveness in legal and ethical issues; they tended to be college educated and affluent, heavily involved in the information industries, the media and the universities. But they should never be called liberals because they are diametrically opposed to the true liberalism of Adam Smith, Mill, or von Hayek. While paying lip service to civil liberties, they strongly favor government interference and coercive legislation. In fact, the urge to use coercion against all who do not agree with them, and the arrogant premise that people do not know what is good for them, are the two chief characteristics shared by this otherwise heterogeneous elite.

Q. Then the claims of extreme risk in nuclear power of the sort made by best-sellers like *We Almost Lost Detroit* are gross distortions?

A. John Fuller's vile book is based, like most of the anti-nuclear propaganda, on providing only carefully selected information. It's like saying "Governor X has been sober for three days now," or that "Senator Y's wife has not been seen at any motels with young men this week." The one may be a teetotaler and the other completely faithful, but they have no defense against the slander.

The Fermi I reactor attacked in that book could not have hurt a fly in Detroit. The reactor had not been in operation long enough for sufficient fission products to accumulate to cause a full meltdown. Two rods in the reactor melted. The problem was fixed and the reactor went back into service. The reviewers who praised that book displayed their technological ignorance and unmitigated stupidity.

The other favorite so-called "nuclear accident" that radicals harp on was the 1975 fire at the Browns Ferry power plant in Alabama. It had nothing to do with radioactivity. The fire was started by an inept electrician who decided to use a candle to check for an air leak and managed to set the electrical insulation on fire. There was no danger to the reactor, or from the reactor, because of the many layers of safety measures engineered into the plant.

Q. Once more, what is the lesson of Three Mile Island?

A. This has been a gigantic field test, a test in battle under the most adverse conditions, of the very heart of the concept of nuclear safety—the multiple layer "defenses in depth." And the second important point is the demonstration of the slowness with which nuclear reactor accidents develop. We have proven that there is plenty of time to work out whatever additional measures are needed to assure safety.●

THE HOLOCAUST—NEVER AGAIN

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Delaware. Mr. Speaker, the Jewish community in our country and around the world carries in their collective memory the terrible tragedy of the Holocaust Jews suffered at the hands of the Nazis.

During World War II over 6 million Jews were annihilated during one of the darkest hours in the history of the Jewish people and the whole world.

As a country dedicated to the sanctity of each individual's life and liberty, we pause today and remember the suffering of the Jews to confirm our dedication to the ideals of freedom.

The Holocaust was one of the most horrendous exercises of tyrannical power ever on a captive minority. It graphically illustrates the potential destructiveness of unchecked bigotry and ignorance; two things we must always strive to abolish from our society.

The concern of the Nation as a whole over the outrages of the Holocaust was reflected in the unanimous support of Congress in setting aside this day of remembrance. I join all Americans in pledging support to the Jewish people as we remember those innocent victims. We do this to insure the Holocaust is never forgotten, and to make sure it never happens again.●

NUCLEAR SAFETY AND THE MEDIA

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BADHAM. Mr. Speaker, out of the hysteria of Three Mile Island in Pennsylvania a bright ray of hope for the future of nuclear energy has emerged.

Currently, nuclear plants produce between 12 and 13 percent of the country's electrical needs with 72 operating plants. There are another 90 plants under construction and 34 additional in various design stages. This means that within the foreseeable future as much as 35 to 40 percent of our energy needs could be produced by nuclear power.

But what about the accident at Three Mile Island? At Three Mile Island everything went wrong. The emergency systems worked properly, but were ineptly or inadvertently shut off by human error. However, in spite of the foul-ups nuclear power's safety record remains intact—not one life has been lost due to radiation caused by an accident at a nuclear powerplant since the first one came on line 23 years ago.

A Los Angeles Times article of April 23 cuts through the haze of misinformation surrounding Three Mile Island and brings to light some interesting facts about the accident and its after effects. I commend the article to my colleagues attention and insert it at this point in the Record.

MEDIA BLAMED FOR FUELED NUCLEAR FEARS—UCI SAFETY OFFICER SAYS PUBLIC MISINFORMED ON REACTOR MISHAP

IRVINE.—The public has an unreasoning fear of nuclear accidents—fear that was aggravated by uninformed reporting by the news media during the incident at Three Mile Island power station.

So said William Wadman, UC Irvine campus radiation safety officer, in a talk this week titled "Radiation Plus Media Equals Science Fiction."

Wadman said the recent accident in Pennsylvania was a case in point.

The nature of the accident—radioactive contamination kept investigators away—made factual information difficult to obtain he said. Newsmen filled in with impressions, opinions and speculations from persons of dubious expertise, Wadman claimed.

He said the public had to be confused, because he as a professional could not sort out the truth.

He does know that information he received through technical channels was not available to newsmen until one to three days later, he said.

Wadman said the Nuclear Regulatory Commission, the electric company and Pennsylvania state officials did "a rotten public relations job" and treated the news media poorly.

Reporters, for their part, did not want to wait for information, he said.

Wadman told of watching a television

newsman say he was picking up radiation on a detecting device. Wadman said he could see why the needle was moving;—the detector was set to the most sensitive scale, and picking up everyday atmospheric radiation.

Wadman said the Three Mile Island accident should be put in perspective.

"No one was killed, no one was injured, no one was exposed to radiation beyond the permissible limit, there was no long term life threat (from radiation).

"Was there a danger it could have been worse? No one has convinced me that the (hydrogen) bubble was ever on the way to being out of control." he continued.

"My reaction is a little blase. If this is the worst we can expect, then I don't think we should simply shut off our ability to build another nuclear power plant."

He said as a safety officer he favors strict standards for use of radioactive materials and that he believes in maximum response to any threat of danger, including evacuation but "overscare is another thing."

Wadman said that at UC Irvine three years ago, a girlfriend of a biology student spilled a solution containing radioactive isotopes. The amount of radioactive material was one thousandth of what is found in a wristwatch, but when Wadman arrived at the building he found eight fire engines, two ambulances and four police cars.

He said the bubble-shaped nuclear power generating plant at San Onofre is built of concrete thick enough to withstand the impact of a vertical dive by a Boeing 747 fully loaded with cargo.

He would like to see public concern for safety focused on some other industries, noting that 84 persons now have died from derailment of railroad tank cars carrying chlorine gas.

Wadman said that cow milk tested near the Three Mile Island accident had a radioactivity count of 41 picocuries per liter, whereas fallout from Chinese bomb testing on the other side of the world produced counts of 300 picocuries in the United States. The level at which milk is deemed unsafe to drink is 12,000 picocuries, he observed.

He said the secret development and initial use of atomic power in World War II made a powerful first impression on the public consciousness. Subsequent concern over radioactive fallout—something that could not be felt, smelled, tasted or seen—heightened fears. And science fiction did its part by exploiting the theme of unusual genetic effects, he said.

Three Mile Island will be a setback and it will take time before people overcome their fears and realize that nuclear energy is a "good interim power source until wind and solar energy can be harnessed", Wadman said.

Wadman's job on the Irvine campus is to license and train people to use radioactive materials, check on labs and reactor facilities, and monitor for radiation leakage.

The medical school and biology departments make extensive use of radioactive isotopes. The chemistry department has a small nuclear fission reactor and the physics department is the fourth largest fusion research facility in California.●

WINDFALL PROFITS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, the administration's so-called windfall profits tax would be a windfall for bureaucrats, but unprofitable for the American people.

Any extra profits generated as a result of price decontrol should go to increased exploration and development of energy for our country's future, not to bigger Government.

The last thing our country needs is more taxes; in fact, we need to cut taxes—and spending—drastically.

The moral justification for Mr. Carter's proposed tax is that these profits will be "unearned." I would like to bring to my colleagues' attention a short letter to the editor that appeared recently in the New York Times. The writer, Mr. Jack Roberts, shows an excellent understanding of economic principles.

A QUERY FOR CARTER

To the Editor: Although I generally support President Carter's new energy policy, I am puzzled by some of his rhetoric. For example:

Suppose John and Mary are digging in their backyard and discover oil. At tne time they discover it, the Government had a law prohibiting them from selling their oil for whatever a willing buyer would pay. Later, however, this law is repealed, and they sell their oil at the market price.

Jimmy and Billy, on the other hand, grow peanuts in their backyard. Unfortunately, no one is willing to pay as much for the peanuts as Jimmy and Billy would like. Therefore the Government forces their neighbors to make up the difference between what the buyers are willing to pay for the peanuts and the price Jimmy and Billy would like to charge.

My question to President Carter is: In which of these cases is someone receiving "unearned" profits?

JACK ROBERTS.●

THE NUCLEAR OPTION

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LEE. Mr. Speaker, today I would like to share with my colleagues here the text of a message which I delivered to my constituents of the 33d Congressional District of New York concerning the recent occurrences at Three Mile Island's nuclear power facility.

Following is the message:

THE NUCLEAR OPTION

Nothing so excites our fears as those things which are new to us, the ones so complex that even Walter Cronkite can't summarize them in 30 seconds. The Three-Mile Island nuclear reactor problem is like that.

I don't share the same fears as those in the headlines. My fear is not from the radiation or fallout, but from the shock wave that has kept America at the edge of its seat since the first sign of trouble there. The incident is seriously distorting our national perspective of our needs for, problems with and benefits from the entire nuclear power industry.

The Harrisburg story is the first time this nation has encountered, publicly, a serious accident with a nuclear reactor in a major metropolitan center—a state capital at that.

Certainly, the threat was very real in the Harrisburg area. Any time a machine as complex as a nuclear reactor approaches an out-of-control situation, it poses grave danger to those around it.

But the incident at Three-Mile Island should not be a blanket indictment of the nuclear power industry, any more than the crash of a single airliner should end all commercial air traffic. It's easy to broad-brush the term "nuclear reactor" with new and catchy terms in our language like "meltdown, critical point, and core temperature."

Ours is a history littered with crises catchwords. Today, we may be allowing "Remember the Maine" to become "China Syndrome." It is much more difficult to be precise, to say that something or someone caused the problem near Harrisburg. It is downright dull, in a nation where extremes and superlatives are in daily conversational use, to sit back and resolve to study the problem before taking steps to avert a recurrence.

It's my wish that the fervor of the moment can be translated into a new national commitment—to find answers to the questions of nuclear power before another Harrisburg incident. During every crisis, in our personal or our national lives, we promise to *do* something when we get the time, when our heads are above water. The longer we put it off, the less enthused we are to act.

Today, we have very few ideas of how to permanently dispose of nuclear waste products, nor do we know where we'll put it when its ready to store away. The technology which would allow totally safe transportation of those wastes is yet to be perfected.

We are developing a nuclear reactor (the breeder) which will create more fuel than it uses—the only device known to man which can accomplish such a thing.

We are running short of affordable petroleum fuel; and we face severe environmental threats from unsophisticated use of coal as the generator of electricity. To clean coal and the air after it's burned, we have gradually built machines just as complicated as the nuclear reactor.

One point cannot be ignored: America needs the energy produced by nuclear reactors. It needs all the energy that can be produced by all the methods now available—and will need more with the years to come. We simply cannot afford to shut down all of the Three-Mile Island sisters in America, or to avoid building new ones.

This is no time to play political demagogue as many of my colleagues have seen opportunity to do. Their grand statements promising to end the radiation peril or to close the reactors down or even to hold hearings will not solve the problem.

Only the most careful investigation of mechanical and human factors at Harrisburg will give us answers even remotely useful tomorrow. I will support all of those fact-finding missions.

There is little likelihood, given the environmental restraints we face today, that nuclear power can be ruled out of America's future, no matter where we individually want the situation to go. Let's keep our perspective.●

GOING METRIC

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MAZZOLI. Mr. Speaker, I never thought I would live long enough for the Washington Post to admit second thoughts on the wisdom of America's "going metric."

But, it has. And, its admission is well worth reading.

The article follows:

[From the Washington Post, Apr. 17, 1979]

WHEN TO BE REACTIONARY

OPEC, it develops, threatens to accelerate the conversion of the United States to the metric system. That isn't OPEC's intention, of course, but American gasoline pumps can be adjusted to prices only up to 99.9 cents a gallon. The U.S. Metric Board calculates that it would be a lot cheaper and easier to shift them to liters than to add another decimal place in the mechanism that computes prices. The Metric Board is holding public hearings on the question next May 2 and 3.

For us who begin to have second thoughts about going metric—and to feel a certain sentimental reluctance to abandon gallons, pounds and inches—gasoline by the liter is not a reassuring prospect. The wine and liquor industry went metric a couple of years ago, and there were complaints that some of the shippers had taken the occasion to adjust prices sharply upward. The same thing happened on a largre scale when Britain went to the metric system. Has Alfred Kahn considered the inflationary implications of unfamiliar weights and measures?

Four years ago Congress passed legislation establishing metric conversion as national policy. But it set no deadlines, and said that the process is to be voluntary. So far the changes have been most notable in big companies that do business across national boundaries—for example, the automobile industry, in which the transition to the metric system is far advanced. Soft drinks are now metric. Computers and chemicals are making rapid progress, and steel is coming along. Science and technology have always used metric units, and it is rational for manufacturing to join them.

But a country can afford to be rational only up to a point. Why not continue a dual system, with traditional units for people who have no particular reason to change them? There's no particular virtue in converting signs to say that it's 64 kilometers to Baltimore, instead of 40 miles. Only a zealot would insist on changing the national speed limit to 88.5 kilometers an hour. As for temperatures, the Fahrenheit scale is no more arbitrary than Celsius, and Fahrenheit has the considerable advantage of being far more familiar. In a world where much changes ineluctably and is unfamiliar, there's a sound case for taking a firmly reactionary stand on those happy occasions where the choice is harmless.●

COMMITTEE FOR THE SURVIVAL OF A FREE CONGRESS REPORTS DEEP OPPOSITION TO MANY CARTER POSITIONS ON SALT, DEFENSE, AND FOREIGN POLICY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, the Committee for the Survival of a Free Congress recently conducted a mailing testing sentiment toward SALT II, plus certain strategic and foreign policy issues. The results are based upon a sampling of 1,100 ballots, representing about 5 percent of those received. The results show how overwhelmingly unpopular President Carter's decisions have been among the group receiving this poll. The results follow:

[In percent]

	Favor	Oppose	Undecided
1. President Carter's decision to scrap the B-1 bomber without getting a single concession from the tough Soviet negotiators at the SALT II talks	0.82	98.0	1.2
2. President Carter's decision to halt production of the neutron weapons system in spite of opposition from many defense experts who believe this strategic weapon is vital to American security	1.8	96.8	1.4
3. Unilateral disarmament (this is where the U.S. disarms, but the Soviets are not required to)	.4	98.4	1.1
4. Cutting billions of dollars from the defense budget while the Soviets are increasing their stockpile of war materials and nuclear weapons	.7	97.4	1.8
5. President Carter's decision to "normalize" relations with Moscow's satellite in the Carribean—Cuba	3.0	94.3	2.7
6. President Carter's decision to throw American support behind Communist-led guerrillas attempting to overthrow the Governments of Rhodesia and South Africa	.4	97.2	2.4
7. Do you believe the United States should suspend all negotiations with the Soviet Union until they stop financing worldwide war and revolution?	88.9	6.8	4.3

Question No.	For	Against	Undecided
1	9	1,078	13
2	20	1,065	15
3	5	1,083	12
4	8	1,072	20
5	33	1,037	30
6	4	1,069	27
7	978	75	47

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WORKING TOWARD A FLATBUSH RENAISSANCE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SOLARZ. Mr. Speaker, to many Americans, the name "Flatbush" calls to mind images as distant and unreal as those evoked by the names of the Dutch communities from which Flatbush's founders came 300 years ago. But Flatbush is more than just a word which conjures up quintessential Brooklyn, U.S.A.; it is a real neighborhood facing problems and change.

Only 4 years ago, there was an article in the Village Voice which read:

> Today the place called Flatbush—by which we mean the geographical area bounded on the south by Avenue J, the north by Empire Boulevard, the west by Coney Island Avenue, and the east by New York Avenue—is shambling into decay and collapse. While the politicians are running from meeting to agitated meeting, serving as valets for bankers, shuddering under the assaults of Ford and Simon, or drawing lists of cops and firemen who will be fired, the city itself is sliding away. And Flatbush is a key to the slide area. New York depends on places like Flatbush; they are the human concrete of the city. It is no hyperbole to say that as Flatbush goes, so goes the city. And Flatbush is going.

That was 4 years ago. I had just recently entered Congress. The problems that faced Flatbush and the city seemed insurmountable. We seemed to live in a city near death. Many thought we were at the brink.

But both New York City and Flatbush have refused to succumb to either their particular problems or to the pessimism that feeds them.

When a person is ill and refuses to die, we talk of an undefinable spirit—a will to live. It is much the same way with a community. We see it in spontaneous activism, neighborhood groups, families and friends getting together to discuss mutual problems and possibilities. In a man who refuses to die you see a spark of life. In a community which refuses to die you see a flash of civic brilliance and the emergence of groups like the Flatbush Development Corp.

Flatbush refused to die. Much of that new infusion of life can be attributed to the Flatbush Development Corp.

This group of dedicated civil leaders has creatively and constructively contributed to the well-being of Flatbush, the borough of Brooklyn, and the city of New York. They played a key role in the planning and execution of the Newkirk Plaza rehabilitation which revitalized an important commercial center. They helped conceive and organize the Flatbush Avenue task force, which is helping to restore Flatbush Avenue to its status as the borough's main thoroughfare. Their efforts have led to refurbished housing, improved shopping conditions, and an impressive overall improvement in the quality of life in Flatbush.

Their activities, their energy, and the intelligence with which they went about the task before them, have distinguished this group of dedicated civic leaders as one of the prime reasons that Flatbush and the city have turned around. They are a symbol of the reasons that neither city, nor borough, nor community has succumbed. They are one of the reasons that the New York renaissance has begun.

Clearly, many problems remain. Crime, pollution, the difficulties faced by many of our senior citizens and by the poor are all issues that confront us still. But hopefully, with the active efforts of groups like the Flatbush Development Corp., we will soon make progress in these areas as well.

Flatbush has produced a disproportionate share of America's athletic, artistic and intellectual leaders. The Brooklyn Dodgers made their home there as did Woody Allen, Bernard Malamud, Barbra Streisand and Bobby Fischer. In fact, one Flatbush high school, Erasmus Hall, produced in addition to Streisand, Malamud and Fischer, Sid Luckman, Eleanor Holm, Dorothy Kilgallen, Eli

Wallach, Jeff Chandler, Susan Hayward, and David Levine. It is largely through the efforts of the Flatbush Development Corp. and groups like it that we can rest assured that Flatbush will not only return to its status as a thriving community, but that it will remain an important national resource as well.●

THE MYTH OF DIESEL FUEL

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. OBERSTAR. Mr. Speaker, the rush to diesel-engine cars may, in fact, worsen rather than improve America's energy picture. That is the message of a thoughtful article in the Sunday, April 22 Duluth News-Tribune.

Many Americans have bought diesel-engine automobiles with increasing frequency, particularly in recent months, in the belief that they were contributing to energy conservation by driving a more fuel-efficient automobile. They believed they were saving money and getting better mileage for their own personal needs in the bargain.

However, a thought-provoking piece by reporter C. D. Schmidt of the Duluth News-Tribune staff makes the point that to travel the same distance, a diesel engine requires more crude oil than does a gasoline engine of the same size.

The figures cited in this article indicate the irony that energy and cost savings for the individual consumer would be very costly to the Nation in terms of total energy requirements. In other words, conversion of a major portion of our national automotive fleet to diesel engines may result in consumption of more rather than less oil in the years to come. These startling findings further complicate efforts to cope with the energy problem.

I invite my colleagues' attention to the following Duluth News-Tribune story:

DIESEL AS WORLD ENERGY SAVER IS A MYTH

(By C. D. Schmidt)

Many American motorists—under government pressure to conserve energy and economic pressure to save money—are buying diesel-engine cars.

But despite better fuel efficiency, the diesel engine creates a heavier drain on the world oil supply than a gasoline engine of the same size.

That fact apparently hasn't been considered by the U.S. Department of Energy, the source of most conservation pressure.

"That's an argument that deserves some real examination," said James Bishop, director of public information, who responded for Secretary James Schlesinger.

"Frankly, I've never heard that theory before and we may have to study it. We've been looking at deisel cars from the environmental side," he said.

Here's the problem:

The Oldsmobile 350–V8 diesel requires all the diesel fuel that can be refined from 43.7 barrels—or more—of crude oil to travel 10,000 miles.

The gasoline-engine version, however, requires all the gas that can be extracted from 27.1 barrels—or more—of crude oil to go the same distance.

Not that all available crude would ever be refined to the maximum yield of either gas or diesel fuel. That would cause critical shortages of either home heating fuel or gasoline, according to the American Petroleum Institute, Washington, D.C.

One 42-gallon barrel of crude oil can be refined into about 18.2 gallons of gasoline and about 8.4 gallons of diesel fuel for highway use, said Ray Young, an institute refining associate.

Those yields are the most recent national averages reported by refineries to the U.S. Bureau of Mines of the energy department, Young said.

Based on those averages, the diesel Olds would require refinement of 56.7 barrels of crude oil, and the gasoline Olds would require 34.3 barrels to travel 10,000 miles.

Refineries can alter the yields to meet seasonal demands for home heating oil—basically the same as diesel—but the maximum diesel fuel available from a barrel, with current technology, is about 10.9 gallons, Young said.

And that would cut gasoline production to about 16.8 gallons per barrel, creating serious national gasoline shortages, he said.

The current national average figures indicate diesel-engine cars only create the illusion of energy conservation.

Here's an example of that illusion:

The Volkswagen Rabbit diesel gets 40 miles per gallon compared to 25 for the gasoline version, according to Environmental Protection Agency estimates.

But the Rabbit diesel can travel only about 336 miles on the refinement of one barrel of crude oil, compared to about 455 miles for the gasoline version.

For the diesel, that's 40 miles per gallon times the 8.4 gallons available from one barrel of crude. For the gasoline Rabbit, it's 25 miles per gallon times the 18.2 gallons available for refinement from the same barrel.

In the winter, the miles traveled would be reduced to about 112 miles for the diesel, which must burn No. 1 diesel to avoid jelling of the fuel in cold weather. One barrel of crude yields only about 2.8 gallons of No. 1 diesel fuel.

Another example: the Oldsmobile 350-V8 diesel travels about 176 miles on a barrel of crude compared to 291 for the gasoline version. In the winter, the diesel drops to only 59 miles.

Oldsmobile's 260-V8 diesel travels about 202 miles on a barrel compared to about 346 for the gasoline version. Winter miles slip to only 67 for the diesel.

This shows a short-sighted economy for diesel engines, which burn fewer gallons of fuel than gasoline engines, but require the refinement of more barrels of crude oil to travel the same distance.

Compared to gasoline equivalents, the diesel cars are depleting a greater share of the world's fossil fuel reserves.

Department of Energy officials said they hadn't considered the diesel car's appetite for crude oil.

Bishop said increased sales of diesel cars in America is a major contributing factor to a current critical shortage of diesel fuel.

In Duluth, the demand for diesels run about three times the supply and in California dealers are selling Rabbit diesels at $2,500 over the sticker price, according to Bruce Rapp, president of Lakehead Auto Imports, the Duluth Volkswagen dealer.

Meanwhile, diesel fuel stock is at the lowest level in four years, with only 115 million barrels available—and "the nation needs a 240 million barrel stock by October for the country to get through next winter with enough heating oil," Bishop said.

Demand for diesel fuel is running about 200,000 barrels a day higher than last year at this time, he said.

"And that's a hell of a lot of oil," Bishop said. "With the stocks so low and continuing to diminish, the situation is a matter of great concern. We will ask refiners to start tilting more toward distillates (diesel fuels) to get ready for next winter."

However, increasing diesel fuel output now will decrease gasoline output, he said, adding that gasoline supplies are also critically low.

The current gasoline stock is 230 million barrels and Bishop said the country needs a minimum of 205 million to keep running.

Refineries are caught in the middle with a high demand for diesel fuels and gasoline simultaneously, he said.●

ILL TREATMENT OF SOVIET JEWS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SENSENBRENNER. Mr. Speaker, Prof. Naum Meiman holds a doctorate in physical and mathematical sciences. From 1955 to 1975, Dr. Meiman worked as a senior scientist in the Institute of Theoretical and Experimental Physics in Moscow. His research was deemed important enough to be published in scientific journals. Dr. Meiman was a scientist who was respected by both his government and fellow citizens.

But, in 1974, Dr. Meiman decided that he wished to join his married daughter who resides in Israel. Upon submitting an application to emigrate to Israel, Meiman was forced to retire from his position at the institute. The doctor was told that he had been in the "possession of state secrets," and thus could not be allowed to leave the Soviet Union. Yet, Dr. Meiman's work had been published in open scientific journals. He had engaged in no secret work. In fact, the real objection the Soviets had to the Meiman application was that, through the institute, Dr. Meiman had worked for foreign scientists on the Committee for Peaceful Use of Atomic Energy. The Soviet Government did not like this behavior and decided to punish Dr. Meiman for it by refusing him permission to join his daughter in Israel. At this time, Dr. Meiman is still attemptng to emigrate from the U.S.S.R.

The harassment of Dr. Meiman is just one example of the ill treatment of Soviet Jews. The most basic human rights are being denied to members of the Jewish faith seeking to leave Russia. It is my hope that continued pressure upon the Soviet authorities will result in a redress of injustices for Naum Meiman and the thousands of others like him in the Soviet Union today.●

THE ECONOMIC OUTLOOK

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, in the February 1978 issue of Private Practice, the eminent economist, Dr. Hans Sennholz points out how we may be on the very brink of economic disaster, unless our Federal budget is balanced and steps are taken immediately to restore the integrity of the dollar. Actually, public opinion appears to be swinging in that direction. Professor Sennholz traces the roots of today's economic evils to the abandonment of the gold standard in 1933, which heretofore had kept a lid on the amount of money that could be printed. With that cap gone, the sky became the limit as the presses rolled. His sober and realistic view of our economy should be read by all who are sincerely concerned about the well-being of the United States. The article follows:

The Economic Outlook

WORLD TRADE AND COMMERCE ARE HELD TOGETHER BY A THIN DOLLAR WRAPPER THAT MAY TEAR AT ANY TIME

In its first year the Carter administration conducted policies that, in our judgment, have planted the seeds for a serious recession. In a sweeping series of labor-law revisions and reforms, it raised labor costs significantly. It boosted minimum wages from $2.30 to $2.65 an hour and imposed new Social Security taxes. It proposed a multibillion dollar crude oil equalization tax as part of a package on energy. It submitted an expensive welfare reform program and is seeking a comprehensive national health scheme, the costs of which may surpass all others. It is holding on to tight controls over the energy industry which is fundamental to all economic activity. Its own spending is accelerating at frightening rates, consuming scarce capital resources and precipitating anemia in capital markets. For these reasons alone we must anticipate a drastic deterioration in economic conditions.

No adversity should make us despair of better days. But the immediate future of our economy looks rather dark.

We expect the American economy soon to turn down and slide into the worst recession yet. And inflation once again will soar to double digit rates.

Until a few years ago the establishment economists would have summarily rejected such an outlook. One excludes the other, they used to say. A recession, according to them, is caused by lack of money and credit, and by businessmen's unwillingness to spend it. Prices tend to decline, which makes business unprofitable and therefore leads to unemployment of resources and labor. Inflation, on the other hand, was said to be the result of too much spending. Inflation "stimulates" economic activity, which was their favorite notion for resorting to frequent inflation injections.

The establishment economists unfortunately failed to learn the important lessons of the Great Depression. During the 1930s, at first the Hoover administration and then the Roosevelt New Deal tried repeatedly and strenuously to "reinflate" the economy. They resorted to every conceivable device of inflation and credit expansion. They depreciated the U.S. dollar and finally devalued it by 41 percent. They intentionally incurred huge budget deficits, which in several fiscal years were larger than government revenues. In other words, government spending was more than double the revenue. And yet, the American economy remained depressed. Unemployment never dropped below the seven million mark.

It is true that contemporary recessions differ from the Great Depression in one important respect. During the 1930s consumer prices occasionally dropped whenever activity seemed to grind to a halt (in 1930–1931, 1934, 1937, and 1938). Today government spending and printing are so potent and pervasive, and the American economy is so anemic from many years of capital consumption, that consumer prices cannot be expected to fall. They are bound to rise continually even at the bottom of a deep depression.

There is an important similarity between the Great Depression and the coming dilemma, indeed a frightening similarity that has come to the fore only in recent years. The banking situation resembles that of the early thirties although the institutional setting of the banking industry has changed dramatically.

Until 1933 gold was money and the U.S. dollar was a certain weight of gold. Banking obligations were payable in gold. Even the central bank, the Federal Reserve System, was legally obliged to pay in gold, which circumscribed precisely the volume of credit it could extend and the inflation it could conduct. But in 1933, the Federal government seized the people's gold and replaced it with its own paper money. The government thus removed any natural limitation to the quantity of money it could print and the inflation it could practice. And the commercial banks were relieved of the onerous task of maintaining gold reserves against their payment obligations. Their task, to make paper payments and safeguard their access to the Federal Reserve for more paper, was so much simpler.

And yet, in recent years many commercial banks, especially the biggest among them, managed to overextend themselves to such an extent that their ability to make mere paper payments has come into doubt. Flush with easy money and credit they made billion dollar loans to foreign governments that may default at any time. They made reckless loans to countries that either lack the economic productivity ever to repay, or suffer from political and social turmoil, or even toy with the thought of defaulting and then joining the communist camp, which invariably repudiates all previous obligations. A default by any one of a dozen debtor governments, such as those of Italy, Turkey, Peru, Panama, Nigeria, Kenya, and Zaire, would create serious difficulties in New York and other loan markets.

In the past the U.S. government through the Federal Deposit Insurance Corporation and the Federal Reserve System undertook to underwrite virtually all domestic banking obligations. Is it prepared now to guarantee and make good the massive obligations of other governments all over the world? Of course, "to make good" would mean a massive emission of U.S. paper money which would probably destroy it.

Indeed, our economic situation is very precarious. World trade and commerce, which are important pillars of the working and living conditions of all peoples, are held together by a thin dollar wrapper that may tear at any time. If it should burst because it is getting thinner with every turn of the U.S. printing presses, the world may fall into an abyss of a depression, deeper and longer than the Great Depression. And the U.S. dollar would suffer losses in purchasing power at unprecedented rates.

Many economists are convinced that the international paper dollar standard is destined to lead to world-wide hyperinflation and economic disintegration. The coming year may bring us one year closer to the catastrophe.

There are other, more cheerful scenarios. The American people may learn anew that for moral, political, and economic reasons we must live within our means. Government budgets must be balanced and the integrity of the U.S. dollar must be safeguarded. We must refrain from demanding more benefits from government, and from using it as a transfer agent. If Americans were to renew their faith in individual freedom and self-reliance, in morality rather than politics, we could look forward with unbounded hope. Let us begin to be today what we hope to be tomorrow.●

FUNDS NEEDED TO ADDRESS HAZARDOUS WASTE PROBLEMS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LAFALCE. Mr. Speaker, today I testified before the House Appropriations Subcommittee on HUD-independent agencies to express my deep concern that the Federal Government is at present unable to respond quickly, efficiently, and effectively to environmental and health emergencies caused by discharge of toxic materials.

As you know, the Love Canal, the first of many abandoned hazardous waste sites to garner national attention in the press and on network television is in my congressional district. The U.S. Environmental Protection Agency has identified approximately 1,000 sites across the country which pose as imminent a threat to the health and welfare of the public as well as to the environment as the Love Canal. Yet, even though the EPA has identified numerous sites in what they admit was a cursory review of the situation, there is still no comprehensive national program for dealing with the problems which are associated with hazardous wastes.

In my testimony today, I called upon the Appropriations Subcommittee to fund adequately legislation which is already on the books such as sections 201, 208, 311, and 504 of the Clean Water Act. I also urged the subcommittee to encourage EPA to be flexible in its interpretation of these sections of the law so that it could play a larger and more productive role in dealing with new problems as they become apparent.

I also called upon the subcommittee to appropriate $2 million for the conduct of a study by the Council on Environmental Quality to consider the issues surrounding the compensation of persons injured or damaged by exposure to toxic substances.

In addition I pointed out the critical need to appropriate additional funds for EPA's enforcement budget so that the Agency can create a strike force unit. The strike force is needed by the Agency so that it can have the capabilities of to vigorously pursue complaints that are filed with the Agency that charge that a company is not in compliance with the laws and thus polluting the environment. I requested $5 to $6 million for this purpose.

Mr. Speaker, I also discussed with the subcommittee the need for new legislation so that we can offer a comprehensive Federal response to the abandoned hazardous waste problem. I have introduced two bills so far in this session, the Hazardous Waste Control Act and the Toxic Tort Act. These two bills provide a program for the identification, maintenance, and reclamation of abandoned hazardous waste sites; a program for determining the location of new sites and the compensation of victims who have been exposed to toxic substances. I will be introducing in the near future another bill which combines the concepts of the two bills I have already introduced with the idea known as the "superfund" mechanism for funding a program as comprehensive as the ones I have offered. I am hopeful that my colleagues will give my new legislation their full consideration.

Mr. Speaker, I would now like to submit the full text of my testimony so that I can share my views with my colleagues.

The text of the testimony follows:

TESTIMONY

Mr. Chairman. Thank you for the opportunity to address your Subcommittee on a subject that concerns me deeply—the ability of the federal government to respond quickly, efficiently, and effectively to enviromental and health emergencies caused by discharges of toxic materials.

INTRODUCTION

My remarks today focus upon one important source of such discharges, abandoned hazardous waste dumpsites. I am very familiar with abandoned waste dumpsite because one of the first to be identified, the Love Canal, is in my Congressional District. From my experience with the Love Canal, I came to appreciate the potential for human and environmental damage that these sites possess. Further, in my attempts to remedy the Love Canal problems, I became well acquainted with the very limited capacity of the federal government to address this particularly egregious group of environmental problems.

Mr. Chairman, I believe it inevitable that Congress will be asked—with increasing frequency—to address the most serious and difficult problems that stem from abandoned hazardous waste sites. While the Love Canal may have been the first of these "ticking time bombs" to explode, it will not be the last. In fact, EPA has recently estimated that approximately 1,000 similar sites with major potential for human and environmental harm may exist across the country.

Few would argue with the proposition that the cleanup of abandoned hazardous waste sites represents one of the most difficult and costly environmental challenges that our society has had to face.

Mr. Chairman, you and your subcommittee will play a major role in determining the fate of these 1,000 potentially most serious abandoned waste sites and, in particular, controlling the pace at which the cleanup measures can be undertaken. This presents, too, the opportunity for you and your subcommittee to remedy one of the key difficulties now existing in the federal government's response to the abandoned waste problem—insufficient funding of existing and potentially relevant environmental legislation. And I would also hope to enlist your support in eliminating another problem—inflexible interpretation by the Administration of these same laws.

Drawing from my own experience with the Love Canal problem, I would like to discuss with you existing laws which offer potential mechanisms for addressing these type of environmental difficulties. I will try to document the many reasons why these remain potential and not applied mechanisms. Finally, my statement today will conclude with recommendations for new legislation needed to address some of the gaps in existing law.

EXISTING LEGISLATION

There are programs in at least five existing federal laws whicn, if properly funded and creatively implemented, could greatly expand our abilities to deal with Love Canal-style emergencies in both the long and short terms. These inculde:

1. The Clean Water Act.
2. The Resource Conservation and Recovery Act.
3. The Clean Air Act.
4. The Safe Drinking Water Act.
5. The Toxic Substances Control Act.

Clean Water Act

The Clean Water Act probably offers the most potential for constructive responses to these environmental emergencies. Particularly relevant are Sections 504, 208, 201 and 311.

Section 504 authorizes a source of funds to abate just such an environmental emergency as presented by an abandoned waste site. It authorizes EPA to provide emergency assistance when pollutants or other contaminants are released into the environment. Although authorized at a level of $10 million in 1977, the Office of Management and Budget has refused to recommend funding for this purpose and nothing has yet been appropriated. Mr. Chairman and members of this Subcommittee, I believe that this matter is important enough that Congress should take the initiative and appropriate funds regardless of OMB's position.

Sections 208 and 201 provide other potential avenues with great promise for funding the longer term clean-up of abandoned hazardous waste sites. As you know, Section 208 provides money for planning integrated state and area-wide water pollution control programs; and Section 201 is EPA's basic construction grant program for building sewage systems and wastewater treatment plants.

I am very hopeful that both of these programs will be funded next year at the levels requested in the President's budget. Used imaginatively, each of them could have been very useful in our effort to plan for and carry out remedial actions in the Love Canal emergency. And there will no doubt be other situations, similar to what happened at the Love Canal, where they could also be used.

Initially, no one knew exactly how to attack the problems of cleaning up the toxic wastes leaching from the Love Canal landfill. It seemed to me that funds for planning the management of wastewater would have been appropriate to help develop the best way to proceed in eliminating this most serious problem.

The final plan for dealing with the emergency, it turned out, involved the creation of a drainage system which channeled the wastes from the landfill to a central point where a small pretreatment process would be provided. Then the wastes would be sent on for final treatment in the City of Niagara Falls' main sewage treatment plant. I considered this to be part of the city's overall wastewater treatment system, and therefore, to be eligibile for assistance under section 201. Regrettably, the EPA found itself unable—or unwilling—to agree with this position, saying it was not a "conventional" sewer system. We weren't dealing with a conventional problem, of course. I would, therefore, appreciate any help you can provide me in helping convince EPA and the Administration that flexible and imaginative intepretation of federal programs would enable the federal government to play a larger and more productive role in dealing with problems of this kind.

Section 311 of the Clean Water Act also has potential for addressing the abandoned hazardous waste site problem.

Section 311 provides for a National Contingency Plan to limit the discharges of oil and other hazardous substances into navigable waters. It also requires EPA to designate hazardous substances which, if released, would endanger public health.

Although it took EPA some five years to issue regulations for hazardous substances under 311, the limited authorization for this program threatens to render it relatively ineffective as a mechanism to counter the effects of abandoned hazardous waste sites. Although originally authorized at $35 million, less than half of this remains in the fund. Mr. Chairman, I am hopeful that your Subcommittee will appropriate the sums necessary to bring this emergency response fund up to its full authorized strength.

As I see it, the key function of Section 311 in the hazardous waste problem is to provide a federal mechanism for immediate responses when emergency situations occur. Section 311 is essential to provide stop-gap interim funding for immediate abatement of health emergencies and for early planning which precedes longer term action applied through existing programs.

Resource Conservation and Recovery Act

The Resource Conservation and Reecovery Act could be the cornerstone of a federal response capability for hazardous waste emergencies. In fact, Section 8001(a) of RCRA provided a means for federal participation in the present rehabilitative activity underway at the Love Canal in Niagara Falls. We tapped 8001(a) because it provides for, among other things, demonstration programs to limit the adverse health effects of the release of hazardous waste materials from sources such as existing waste sites.

Mr. Chairman, it was your Subcommittee, last August, which agreed to appropriate the $4 million under Section 8001(a) for a demonstration project at the Love Canal—the first time this program received any funds at all. I want to again express my deep and sincere appreciation to you for that support. That $4 million constitutes approximately two-thirds of the entire federal contribution to the Love Canal to date.

Nevertheless, given the wide-ranging scope of the abandoned waste site problem across the country, Section 8001(a) offers only a very limited potential for federal response because of its low funding authorization of $8 million. I believe that the Committee reauthorizing RCRA this year may recommend a substantial increase in funding for this section. If that occurs, Mr. Chairman, I would again ask your strong support for a larger appropriation as well.

Three other laws offer potentially smaller contributions to solving this particular environmental dilemma: the Clean Air Act, the Toxic Substances Control Act, and the Safe Drinking Water Act. But if they are creatively implemented and adequately funded, they could significantly improve the Federal government's ability to detect and respond to environmental emergencies caused by abandoned waste sites.

Clean Air Act

Section 112 of the Clean Air Act, if flexibly interpreted, offers a structure for a national demonstration program to study the health and environmental effects of hazardous pollutants in specific areas of the country. Armed with this data, health authorities would be in a far better position to correlate disease and illness rates with the environment's load of toxic chemicals. Such information would also greatly facilitate identification of potential environmental trouble spots caused by, for example, abandoned waste dumps, before they develop into major crises. Indeed, I have proposed such a demonstration project to EPA and now await their response to my request.

Safe Drinking Water Act

The Safe Drinking Water Act sets standards for contaminants, including toxic chemicals, in drinking water. To do this, it gives EPA a strong mandate to study health effects of such environmental contaminants.

In its 1980 budget, EPA has requested $5 million and an increase of nine professionals to beef up agency research into health criteria and their relationship to drinking water quality. Again Mr. Chairman, I would request your strong support of these most important proposals.

Toxic Substances Control Act

EPA's proposed research efforts are directly complementary to a recent initiative on my part aimed at accelerating our government's research into problems surrounding human exposure to toxic substances, especially how to compensate victims of such exposure.

Just last month I proposed an amendment to the Toxic Substances Control Act during its reauthorization hearings before the Consumer Protection and Finance Subcommittee of the House Commerce Committee. This amendment directs the Council on Environmental Quality to conduct a comprehensive study of the scope of the toxic substance exposure problem in our country and of the mechanisms available to compensate such victims. The Consumer Protection Subcommittee authorized this study at a funding level of $2 million.

Congress will face a number of questions regarding compensation of injured victims of toxic exposure this year and in the near future. This study is designed to provide basic and solid data regarding the compensation problem and possible solutions to it. Results of the study should be invaluable to decision-making in the Congress and elsewhere if it is adequately funded. Your support will carry us a long way toward that goal.

I realize that my amendment is not yet law. And yet, because I believe that this problem is so serious and that action on it so crucial, I would urge you to give serious consideration to providing the $2 million it will authorize in CEQ's appropriation for FY '80. Then, if it does become law, there will be no delay in implementing it. And in any event, I wanted to mention this as something which may be brought to you in future requests for supplemental appropriations once it is enacted.

If funding this study through a major increase in the CEQ budget proves, for some reason, unworkable, another possibility might be to use Environmental Protection Agency funding under the direction of CEQ supervision.

This could be accomplished through appropriate language in your Committee report. Furthermore, it may make especially good sense this year since EPA has requested a major increase of some 19 million dollars for its FY 1980 toxic substances research and development program. Given the difficulties which EPA has experienced in utilizing its present $14.8 million appropriation effectively, we must ask whether the agency is capable of doing a better job with over two times as much. My guess is that $2 million of this increase might be used far more effectively by CEQ, and I commend this approach to you.

Mr. Chairman, up to now my testimony has focused entirely upon existing legislation that offers potential for substantially improving the federal government's response to a severe national problem—the cleanup of abandoned hazardous waste sites.

With additional funding and more creative and flexible interpretation by executive agencies, existing legislation could have much greater impact upon solving this tragic environmental problem. The Clean Water Act may have the most potential for such an improved response. However, each of the other laws mentioned could also contribute to a more rapid and effective solution to eliminating the human health and environmental hazards posed by abandoned hazardous waste sites.

EPA STRIKE FORCE

There is one more item in EPA's budget which I would like to mention before I discuss the need for additional legislation to cope with the problems created by hazardous wastes. That is EPA's enforcement budget.

As a result of my experiences with the Love Canal and other pollution problems in Western New York, it has become apparent that EPA has no strike force capabilities to vigorously pursue complaints that are filed with the Agency that charge that a company is not in compliance with the laws and thus polluting the environment.

I propose that this Subcommittee provide approximately 5 to 6 million additional dollars in EPA's appropriation for FY '80 to fund an EPA Strike Force unit. The authority for such a unit stems from Sections 311 and 504 of the Clean Water Act and Section 7003 of the Resource Conservation and Recovery Act.

This unit would be charged with the following duties:

1. Discovering hazardous waste landfills;
2. Determining the parameters of pollution leaching from such sites;
3. Assisting program personnel in determining the best ways of cleaning up the sites; and most importantly;
4. Collecting and collating the evidentiary materials which would be used by the Justice Department to bring negligent polluters into court.

The Strike Force could be a team composed of lawyers and technicians who would be trained in information-gathering for purposes such as I have described. I believe that the annual cost incurred by the federal government would be minimal in comparison to the costs incurred by the public when polluters are allowed to go undetected and without fear of penalty.

PROPOSED LEGISLATIVE INITIATIVES

The Hazardous Waste Control Act

There are, however, two glaring omissions in the present legislative framework that must be filled before we can begin to offer a comprehensive federal response to the abandoned hazardous waste site problem. First, no existing legislation directly focuses upon the design of a national program to manage abandoned hazardous waste sites. To resolve this problem, I have introduced H.R. 1048, the Hazardous Waste Control Act, which would amend the Resource Conservation and Recovery Act. H.R. 1048 would establish a program to identify, reclaim (where feasible), and monitor abandoned hazardous waste sites. It would also provide an emergency source of funds that would be available to pay for immediate measures required to remove a potential or actual public health hazard.

One of the more unique features of this bill is its three-way funding mechanism. It draws upon the federal and state governments, as well as the hazardous waste disposal industry, to provide revenues needed to run the program.

The approach fixes responsibility on all three for solving the hazardous waste site problem, and it provides essential incentives for the industry to minimize the amounts of such wastes in the future, clearly something we all would want to accomplish.

My bill also would give the Federal government the authority to sue those responsible for each abandoned waste site problem for recovery of clean-up costs.

Finally, this bill establishes a procedure for selecting sites for new and environmentally safe hazardous waste disposal facilities. It is becoming increasingly difficult for responsible state and local authorities to locate such new facilities. In part, this is due to the widespread and often justified public opposition to such sites that has grown across the nation. Indeed, there is little question that hazardous wastes have been mishandled in our country.

Unfortunately, however, new and environmentally sound sites must be found for hazardous waste facilities in order to ensure adequate treatment of newly generated waste materials as well as proper disposal of the contents of the many abandoned sites across the country that must be cleaned up.

H.R. 1048 provides for a rigorous governmental, public, and scientific review procedure during the site selection process in order to assure that all information, issues, and points of view are incorporated into siting decisions. Further, it fixes authority for final site selection decisions with the Administrator of EPA.

The Toxic Tort Act

My second legislative initiative, the Toxic Tort Act is designed to fill another existing and very great gap in the present framework of laws dealing with the abandoned waste site problem. This bill, H.R. 1049, would provide a mechanism for compensating victims of exposure to toxic substances. Specifically, it would:

1. Creat a federal cause of action for victims of toxic exposure, permitting them to seek redress against negligent manufacturers;
2. Establish an independent agency within the Environmental Protection Agency to compensate victims of pollution-related injuries regardless of fault. This agency would function, in principle, like a workers' compensation system.
3. Require the Environmental Protection Agency to study the relationships between exposure to toxic substances and human disease and authorize EPA to make a "requisite nexus" finding. This would overcome the problem of proving causation with traditional proof requirements.
4. Modify the proof and limitations requirements which claimants must meet in state workers' compensation proceedings and in court actions, permitting the use of the presumption based on EPA's "requisite nexus" findings.
5. Subrogate EPA to the rights of the injured party, thus enabling the Agency to seek reimbursement from negligent parties.

At the present time, the lack of scientific and medical knowledge relating exposure to toxic substances with human illness combines with the traditional proof requirements of our judicial system to nearly preclude compensation for persons injured by exposure to toxic substances. My bill seeks to remedy this serious problem by ensuring that those who suffer physical injuries through such exposure have effective means of obtaining compensation for their losses.

THE "SUPERFUND" CONCEPT

The two bills I have just described constituted what I considered to be the most pressing needs for federal action. Since I first introduced them last year, however, I have continued to work with EPA, interested committees and subcommittees in Congress, and with a number of outside groups. And one result of that work has been my conclusion that the ideas in my bills should be merged with another idea that was initially proposed last year. That is the concept known as the "superfund."

Accordingly, I will shortly introduce new legislation combining my ideas with the more effective financing mechanism found in the "superfund" bill that was passed by the Senate last year but which, unfortunately, died in conference at the end of the session.

I believe this approach will combine the best of all the major suggestions about how to deal with hazardous substances. It will maintain the effective financing mechanism provided from the "superfund" without sacrificing the incentives for minimizing dangers found in my earlier bills.

The "superfund" is a very attractive concept because it provides the capacity to deal with a wide range of environmental calamities in an effective manner, It has the potential for raising substantial sums of money quickly and at relatively low administrative cost. Further, its financing mechanism easily accepts the addition of incentives which could work, for example, to limit the total amount of wastes generated and promote the recycling of such substances.

The Administration supports the "superfund" concept. Indeed, EPA representatives have testified at Congressional hearings in favor of it. The Administration as yet, however, has not proposed concrete legislation that would spell out the details of how it views the operation of the "superfund."

The "superfund" which I envision would derive its funds from a fee on refiners of oil and producers of natural gas. This is an appropriate source, I believe, because oil and natural gas, in addition to being hazardous substances themselves, constitute feedstock substances for the manufacture of many chemicals and other potentially dangerous materials.

But a fee imposed on natural resources alone would not achieve other goals that a funding mechanism can achieve, including:

1. Conservation, and the resultant reduction of wastes;

2. Recycling of hazardous wastes into other manufacturing processes and thus, reducing the total quantity of wastes requiring management;

3. Reducing the toxicity of the wastes that cannot be eliminated.

At the apropriate time, Mr. Chairman, I would hope your Subcommittee will be receptive to initial funding of the "superfund" concept.

CONCLUSION

Mr. Chairman, may I thank you once again for the opportunity to appear before your Subcommittee to comment upon the existing federal response mechanism for cleaning up abandoned hazardous waste disposal sites and to present to you several new legislative initiatives needed to fill gaps in present law.

Few would argue that we should substantially improve the federal government's ability to deal effectively and efficiently with emergencies caused by abandoned hazardous waste sites. The difficult question that remains, however, is how to do this. I have presented to you a variety of approaches to this problem.

First, and most relevant to your Subcommittee's activities today, is the need to adequately fund existing programs which offer potential for dealing with abandoned hazardous waste sites. Along with this funding, however, should go the clear Congressional direction that existing legislation ought to be, when possible, interpreted wih creativity and flexibility to allow its application to hazardous waste problems.

Second, I fear that existing legislation may not be up to the measure of all the existing problems surrounding abandoned hazardous waste sites. Legislation such as the Hazardous Waste Control Act and the Toxic Tort Act is absolutely crucial to fill existing gaps in our environmental legislation dealing with abandoned waste sites. When these or other bills do become law. I hope you will be receptive to the need for funds to carry them out.

In closing, Mr. Chairman, I would like to make just one additional point. This year Congress is wrestling with the pervasive problem of inflation, and one of the most important things we can and must do to help control inflation is to keep down the costs of the federal government. I realize that the burdens of the fight against inflation fall heavily on the members of the Appropriations Committee.

Yet an integral part of whittling down the federal budget is the need to set national priorities. I applaud these efforts and concur with the need to hold down spending as much as possible. However, there can be no higher priorities than the preservation of a clean and healthy environment which will be safe for succeeding generations—and the health and welfare of our citizens and their just compensation for injuries and damages which they have suffered unwittingly.

I can think of no better way to fight inflation than to appropriate monies now to fight environmental problems we face *now* so that they do not continue to mushroom and overtake us. In a recent speech EPA Administrator Douglas Costle said:

"So far, New York State has spent $23 million on cleaning up the Love Canal. That expense includes evacuating 239 families, purchasing their homes, performing medical tests on the former residents, installing drainage pipes, personal costs for State Task Force employees. Claims against the chemical company are reported to exceed $2 billion. Even these dollar sums exclude costs which we have no way of measuring: the lifelong agony, for example, of one girl born with a cleft-palate, an extra row of teeth, and slight mental retardation.

"Perhaps the most appalling fact of all is this: had the proper government regulation been in force at the time, it would have cost Hooker Chemical a maximum of $4 million—that is in current 1979 dollars—to find, construct and seal a secure hazardous waste facility. Instead the publis has spent already $23 million . . . and the ultimate cost to former Love Canal residents and to the company is beyond comprehension."

Clearly, it is to everyone's advantage to do a job right the first time around. We must all do all we can to ensure the health, safety and welfare of our citizenry and the preservation of our environment. I stand ready to work with you to achieve these goals.

Thank you for allowing me to testify this morning. If you have any questions, I would be happy to answer them as best I can.●

MUSHROOM WEEK IN DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Delaware. Mr. Speaker, the week of April 27 through May 3, 1979, is being declared "Mushroom Week in Delaware" in recognition of the significant contribution Delaware mushroom growers and processors have made to the State's economy.

Mushrooms are Delaware's fourth largest cash crop. Delaware growers are primarily located in the Hockessin area of New Castle County and produce approximately 6.5 million pounds of mushrooms per year with an annual dollar value of $4.3 million.

I think my colleagues will agree with me that Delaware mushrooms are one of the most delicious natural foods produced anywhere in the world, and I am hopeful that many Americans will have an opportunity to enjoy this delicious product. We in Delaware are proud of this vital industry and I hope that you will join me in recognizing its importance to the State of Delaware.●

REVOLUTIONARY TERRORISM IN NICARAGUA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, after an Easter week of bitter fighting, terrorists from the Marxist revolutionary Sandinist National Liberation Front (FSLN) have been driven out of the city of Esteli by Nicaraguan National Guard troops. Esteli, a city of some 40,000 people, has been severely damaged.

The Easter week offensive of the FSLN was the culmination of a campaign of escalating terrorism that started in mid-March after reunification of the FSLN's three warring factions under a "Joint National Directorate." The members of the FSLN leadership according to Havana, their sponsor and backer, are Ballardo Arce, Tomas Borges, Luis Carrion, Carlos Nunez, Daniel Ortega, Humberto Ortega, Henry Ruiz (alias Commandante Modesto), Victor Tirado and Jaime Wheelock.

Although the media carelessly applies the word "guerrilla" to the FSLN, they are not guerrillas but terrorists. In the 3 years since I offered the following definition of terrorism, no member of the academic community or governmental official has disagreed with its essence.

Terrorism: A violent attack on a noncombatant segment of the community, for the purpose of intimidation to achieve a political or military objective.

Unconventional or guerrilla warfare targeted exclusively against military targets is a legitimate part of modern warfare. The FSLN has always devoted a major part of its energies to attacks on Nicaraguan civilian targets, and continues to do so. The mere fact that with massive support from Cuba, the Soviet Union and revolutionaries in Panama, Venezuela, Costa Rica and other countries, the FSLN has been able to mount raids on National Guard targets does not remove them from the terrorist category.

For example, looking at FSLN actions starting in mid-March, there were many armed robberies by FSLN squads—in addition to holdups by Nicaraguan criminals taking advantage of the social disruption. FSLN "requisition" squads robbed three Managua supermarkets, two hospitals, and in the attempted robbery of a savings bank in Leon held 10 civilians hostage for 3 days. The placement of a powerful bomb in a culvert under a road near the house of Liberal Party Leader Luis Pallais Debayle, doubtless intending to detonate it as his car crossed over, was terrorism, not guerrilla warfare. The robbery of $15,000 in scholarship funds from Central American University.

Since when does the firebombing of the house of a civilian because he is a supporter of the legal government in Nicaragua qualify as anything but terrorism? And then on April 12, the FSLN's clandestine "Radio Sandino" boasted that "our comrades" had reported they had "executed" 20 Nicaraguan citizens in Esteli because they were suspected of opposing the revolutionaries. On April 7, three civilians accused by the FSLN of "collaborating" with the government were murdered.

Finally, there was the murder in Managua of a teenaged boy named Jorge Mercado. He was brutally killed by an FSLN revenge squad because he had wounded a FSLN terrorist during a hold-up of his father's store several weeks earlier. Thus there can be no question that the FSLN is a terrorist gang, not a "guerrilla" organization.

The lack of a firm U.S. commitment to preventing the spread of Communist aggression by subversion and terrorism in Latin America is the key cause of the escalation of FSLN activities against the Government of Nicaragua which has long been a close ally of our country. The White House's lack of support, if not scarcely concealed hostility, toward Nicaragua's Government has encouraged other leftist governments and those hostile toward Nicaragua in Panama, Costa Rica, and Venezuela to join with Cuba and the Soviet bloc in backing the FSLN revolutionaries.

Foreign revolutionaries from Panama, Costa Rica, Mexico, and Honduras have been killed while fighting in the ranks of the FSLN in Nicaragua. Costa Rica is being used as a safety zone and land base for the FSLN units, despite the statements of the Costa Rican Government that there is no FSLN activity on its territory. And the smuggling of a wide range of weapons, including some from the Soviet bloc, into Nicaragua for use by the FSLN. A cache found at a farm near Esteli just before the start of the Easter attack included two Czech rifles along with the more usual rifles, carbines, and ammunition. In several houses in Chinandega last week, National Guard officers investigating the activities of several FSLN members killed in clashes found several caches of arms and military supplies.

Arms seized included boxes containing several FAL and Enfield rifles, .30-caliber M–1 carbines, 22-caliber rifles, shotguns, and a .30-caliber M–1 Garand rifle taken from a National Guardsman killed several days earlier. In addition to large amounts of ammunition, military-type uniforms, walkie-talkies, binoculars, and other equipment was found. Also found were several denim jackets with patches displaying the profile of Lenin on the back. Those packets had been distributed a week earlier among FSLN members in the Costa Rican city of Liberia, 60 miles south of the border with Nicaragua.

The escalation of terrorist activities by the FSLN, with the backing of Cuba and the Soviet Union, is a direct result of the U.S. lack of a strong policy against the spread of Communist aggression, by both subversion and terrorism, in Latin America. The victims of our Government's indifference to what is going on in Nicaragua are the innocent civilians of that country who are being shot and robbed; whose stores, farms, and businesses are being burned; and who are being terrorized because of a gang of Marxist revolutionaries who completely reject the electoral process and constitutional methods in their reliance on terrorist "armed struggle" to seize total power.

I would like to ask my colleagues to join with me in urging the White House to carry out it humanitarian responsibilities by offering whatever assistance may be necessary to aid the Nicaraguan Government in wiping out the terrorists and in rebuilding areas such as Esteli that have been seriously damaged as the result of terrorist attacks.●

THE CATCH IN GOVERNMENT DEREGULATION

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. RAHALL. Mr. Speaker, I submit this editorial from a paper in my district so that my fellow colleagues can sense the dilemma facing the American people concerning our increasing drive to deregulate American industry.

THE CATCH IN GOVERNMENT DEREGULATION

(By Walter Massey)

Grover Smith and his wife Gladys were busy one spring day operating their family business, Smith's Independent Drycleaners, when Harry Heartfelt, their congressman, dropped by.

"Sure is a warm one, Grover," said Heartfelt, running his linen hankerchief around his ample neck at the collar of his tailored shirt.

"Sure is, Harry. The Missus and I were just saying what a warm one it is. Wish we could afford to air-condition this place. We're used to it after 30 years of working in the steam, but I hate for my customers to be uncomfortable, you know." Smith's forehead was beaded with perspiration and moist spots were visible on his rumpled white cotton shirt. The points of his wilted collar curled up like a Leprechaun's shoes. "What brings you by, Harry, anyway—election time is a long way off. . . .

"Pshaw, Grover! You make it sound like I never come around except to get votes. Fact is, I'm visiting my constituents like yourself to see what's on your mind. Have to feel the public's pulse every now and then . . . can't get out of touch with the common, er, that is fine citizens of my district. Now can I?" Heartfelt's booming laugh shook his large belly. "Now what can I do for you, Grover?

"There is a thing or two, Harry. This fella was by from OSHA. He says I have to install another toilet because there's just one, and there has to be one for men and another for women. Gladys and I are the only ones who work here, and we've been using the same toilet for 30 years. Heck, we use the same toilet at home. It just don't make sense to have to put in another toilet. I can't afford it, anyhow. We barely make a living out of the business as it is.

"And that ain't all. This young jerk from OSHA says my suit press ain't safe. He thinks I ought to bolt shields all over it so nobody can get their hands caught in it. But if I bolt shields all over it, how am I going to get to the press to put a suit in it? I asked him, and he said he didn't care.

"Besides that, I've got all these forms to fill out. Seems like every day some government agency is sending me another survey I have to fill out. Sometimes I fill out one of these surveys for one agency and then a few days later I get another survey from another agency wanting the same information. We don't close til six o'clock and some nights I don't get out of here until midnight just filling out all the forms from the government.

"And then there's taxes and bookkeeping and all kind of red tape from the IRS. What I need is a fulltime office worker to keep up with all the government paperwork, but like I said, Gladys and I are hardly making a living out of the business like it is.

"Now what can you do to help me, Harry?"

Harry Heartfelt quickly manipulated his countenance to one of grave concern. "Yes, Grover, I understand the problems of the small businessman. Why my grandfather ran a country store and my father was a merchant throughout his working life. Well do I remember working on Saturdays and during the summers stocking the shelves and helping to take inventory. I can say quite earnestly that I come from a small business background and I know exactly what the small businessman has to go through. . . .

"But Harry, that was years ago. Everything has changed. All you had to worry about then was keeping a few essential records. You didn't have bureaucrats coming around every month threatening to put you out of business. You didn't have all this regulation. . ."

"Regulation! Yes, regulation. Much of my mail these days concerns regulation. But you have to remember that we live in a much more complex world. These matters require extensive study. By the way, we deregulated Wall Street, Grover, and we deregulated the airlines and, by golly, we're going to deregulate the trucking industry."

"But Wall Street didn't want to be deregulated. The airlines didn't want to be deregulated. The truckers don't want to be deregulated. I want to be deregulated. Why don't you deregulate me?"

The Congressman's look of benign concern evaporated. His jaw became set in a determined and indignant way.

"Deregulate you! Grover, you don't know what you're asking. If we deregulated you we would have to deregulate all the small businesses in the country. Then the big businesses would want to be deregulated. We can't deregulate businesses just because they want to be deregulated."

"But you're deregulating the industries that don't want to be deregulated. Do you mean you have to want to keep the regulations before Congress will consider deregulating you?"

"Well, obviously, Grover, if a business wants to be deregulated, the leaders of the consumers movement don't trust it, and if a business wants to keep regulation, then there must be something fishy going on. We have to consider the consumers movement; lots of voters there, you know."

"Well, I'm a consumer, too. I'm a businessman and a consumer. What if I were to tell you as a consumer that I should be deregulated and as a businessman that I want to hang onto every regulation in the books? Would that convince you that I should be deregulated?"

Heartfelt smiled a superior smile. "Sorry, Grover. You have absolutely no standing as a consumer. Either you are a businessman or a consumer. As a consumer, you are in conflict of interest with your proprietorship of this business concern. I'm sorry, Grover, but you don't count."

"I don't count! But I scraped up $25 and contributed it to your last campaign. I counted then, didn't I?"

"Certainly, Grover. You still count as an individual contributor to my campaign, but as you well know that was a personal contribution and did not come from your business. It's illegal for a business to make a political contribution."

"All right, as an individual contributor to your campaign, I'm asking you to deregulate my business. I can't stand it any more.

Doesn't my contribution mean anything to you?"

"Certainly, Grover. That's why I'm here to find out how I can help you. I just wish our conversation could have been more constructive. How do you feel about cutting down on foreign aid . . .?"●

THE SUNSET ACT OF 1979

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. WOLFF. Mr. Speaker, the Subcommittee on the Legislative Process, under the dynamic leadership of the Honorable GILLIS LONG, has begun hearings on one of the most important pieces of legislation this Congress will consider. The Sunset Act of 1979 establishes a workable process for reviewing and reauthorizing all Federal spending programs. I have long supported sunset legislation in the past and I have joined the over 180 cosponsors of H.R. 2 which has been introduced into the 96th Congress. I would like to take this opportunity to share with my colleagues my statement which was presented to the subcommittee in support of H.R. 2:

STATEMENT OF LESTER L. WOLFF, REPRESENTATIVE OF NEW YORK

Mr. Chairman and members of the Subcommittee on the Legislative Process. I am very appreciative of the opportunity to present this short statement in support of H.R. 2, the Sunset Act of 1979.

I would also like to take this opportunity to acknowledge the extremely hard work of the authors of the legislation, Mr. Blanchard of Michigan, Mr. Mineta of California and Mr. Gephardt of Missouri. Their efforts to pass this legislation have spanned a number of years. Through their perserverance and hard work, the legislation which the subcommittee is considering has gained the support of over 180 Members of the House of Representatives. I am very proud to have joined the effort to pass a sunset bill by cosponsoring this legislation.

The time has come for the Congress of the United States to take a bold but necessary step. The time has come for this body to assume the responsibility for developing a process whereby we can comprehensively review and evaluate all of the federal spending programs. This is of critical importance when inflation and government spending is first and foremost on the minds of the American people. A noted author once stated, "The nearest thing to immortality in this world is a government bureau." Not only have the bureaus themselves become immortal, but a number of programs administered by the bureaus seem to have an aura of immortality about them. Congress must tackle the responsibility of changing this perceived attitude by implementing a workable process that would allow wasteful and ineffective programs to terminate.

The legislation being discussed would provide the Congress with the much needed tools to comprehensively review federal spending programs by developing an evaluation process. Central to the process is a ten (10) year cycle for which all federal spending programs must be renewed and reviewed. Within each cycle of review, federal programs will be evaluated in terms of cost, efficiency, effectiveness and duplication. The bill would also terminate funding for any program which is not reauthorized. The legislation also puts into place, a number of other mechanisms that would greatly enhance congressional oversight responsibility over the federal programs. For example, a Citizens Commission on the Organization and Operation of Government would be established that would study the efficiency and effectiveness of government programs.

During my fourteen (14) years in the Congress, I have seen an enormous growth in the amount of federal spending and in the number of federal regulations. Both occurrences have caused me much dismay. H.R. 2 would address these issues in a number of ways. First, by comprehensively reviewing federal spending programs, a decrease in government expenditures could result due to either the termination or revision of duplicate and ineffective programs. Second, there are provisions in the legislation that require the President to submit to Congress a report outlining all of the programs scheduled for reauthorization in hopes of identifying conflicting regulations. H.R. 2 would also require the President to submit a legislative reform plan for each of the sixteen (16) regulatory agencies. I feel these particular provisions get to the heart of two of our biggest governmental problems—federal spending and overregulation.

Examples of overlapping and wasteful programs are commonplace throughout the government. These duplicative programs, if they were consolidated or abolished, could save the government and the taxpayers millions of dollars. Tax dollars could be saved, for example, if there was a consolidation of the three disaster assistance programs administered separately by the Farmers Home Administration, the Small Business Administration, and the Federal Disaster Assistance Administration. There needs to be some type of comprehensive review of the community development programs also. The General Accounting Office found that out of the 196 programs targeted entirely or in part for community development, only 19 were administered by the executive agency most responsible for community development—the Department of Housing and Urban Development. These are just two of the many reasons why sunset is needed.

Mr. Chairman, in reality many of our federal programs have become for the most part "immortal." Over 70% of the federal dollars go to programs with indefinite authorizations. We in this Congress must carry the burden of actively and judiciously examining the existing federal programs, in particular those programs which for some reason have escaped our periodic review. The American people deserve to know that a mechanism for evaluating programs does exist within the Congress of the United States. The American people must be assured that duplicate and wasteful programs are not immortal but can be terminated. The days ahead for the subcommittee will be difficult ones as you begin to deal with this complicated and mammoth task. I am confident and hopeful, however, that the subcommittee will develop a logical and workable piece of sunset legislation based on the provisions in H.R. 2.

Again, thank you for the opportunity to present my views on this important issue.●

AWAKEN AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, on February 17, 1979, former Gov. Meldrim Thomson of New Hampshire, delivered a ringing call to action while speaking in St. Augustine, Fla. His speech was a stirring reminder of the need for all Americans to fight to keep our form of government, with all its liberties. He stressed that, even with our marvelous Constitution, our country would become a dictatorship if our people are not constantly alert and fighting for the principles contained in that document. And, as the Governor pointed out, we have to do more than just complain about the bad actions of our Government, we have to insist upon their correction. The speech follows:

AWAKEN AMERICA

(By Meldrim Thomson, Jr.)

What a dangerous and false sense of security we Americans possess.

We seem to believe that this home of the free will last through all time and that the troubles of today—inflation, high taxes, poor schooling, moral decadency, bureaucratic intrusion into our lives, and the gathering international storms on the horizon will all go away in time.

We do not like these irritants of life. We growl at them. Occasionally we strike out in anger as if to kill the buzzing problems; but unfortunately our inherent sense of optimism makes us blind to the facts of history that teach sooner or later disaster has overtaken all nations of the world.

As a nation we are like the legendary Rip Van Winkle who while on a hunting trip in the Catskill Mountains came upon some Dutchmen playing nine pins, accepted their heady drink and promptly fell into a twenty-year sleep.

When ol' Rip awoke his wife was dead, his children had grown and left the home, and his friends and old landmarks had scattered and vanished.

In the case of our nation for almost two times twenty years we have dozed in the comfortable feeling that basically we are a strong, virile and good people upon whom fortune frequently smiles and seldom frowns.

Friends, a rude awakening awaits us. Let us bestir ourselves at once less the slothful ways of recent decades make our awakening a tragic one.

We know, in a casual manner, that our Founding Fathers gave us a constitutional government fashioned to insure us a maximum of freedom within a minimum of government intrusion into our lives. We also know deep down inside of each of us that something has gone haywire in the working of that Constitution.

When ol' Ben Franklin was leaving Independence Hall in Philadelphia after the work on the Constitution had been completed, he was approached by an anxious lady who asked:

"Mr. Franklin, what kind of a government will we have?"

"A Republic, Madam," the octogenarian delegate replied, "If we can keep it such."

I suspect that one of our great troubles is that we fail to appreciate that the blessings of liberty and good government are like a fire upon the hearth. Without constant attention and refueling the fire dies.

This idea was eloquently expressed in a speech by John Philpot Curran, the great Irish advocate and statesman, who said in 1790:

"It is the common fate of the indolent to see their rights become a prey to the active. The condition upon which God hath given liberty to man is eternal vigilance; which condition if he break, servitude is at once the consequence of his crime and the punishment of his guilt."

There we have two great thoughts; first, that liberty is a gift of God; and second, that to keep liberty requires eternal vigilance.

Curran might have added a third vital ingredient for liberty; namely, the vigilance of a few patriotic persons is not alone enough. All of the people must be vigilant at all times if we are to avoid servitude and maintain from one generation to another the incalculable blessings of liberty.

As frequently as we talk with God and seek His guidance we need to work for liberty. In fact, we are told in the New Testament that the two are inseparable.

In II Corinthian 3:17 it is written that "where the Spirit of the Lord is, there is liberty."

We have been warned by many throughout the short history of our nation that only if we work deligently at the preservation of our liberties may we remain a nation of free people.

There was old Ben Franklin telling the lady that we had a Republic, if we could keep it.

The great French philosopher Alexander de Tocqueville, wrote that democracies could endure only until their voters learned how to vote themselves largess from the public treasury. Soon thereafter would follow fiscal suicide and the arrival of some form of dictatorship.

That warning certainly carries for us an ominous sound today.

George Washington, shortly after taking office in 1789, said our nation would endure so long as we remained "united and faithful to ourselves."

He also indicated that the Constitution as a document was no guarantee of the permanency of our government; rather this depended upon the will and the character of those entrusted with its execution. Washington said:

"Should, hereafter, those who are intrusted with the management of this government, incited by the lust of power and prompted by the supineness or venality of their constituents, overleap the known barriers of this Constitution and violate the unalienable rights of humanity; it will only serve to show, that no compact among men (however provident in its construction and sacred in its ratification) can be pronounced everlasting and inviolable, and . . . that no wall of words, that no mound of parchment, can be so formed as to stand against the sweeping torrent of boundless ambition on the one side, aided by the sapping current of corrupted morals on the other."

Friends, there we have the prescription for the destruction of our Constitution and with it the rights and freedoms it was intended to confirm and preserve.

Notice the two poisonous ingredients whose corrosive effect Washington warns against: lust for power officeholders, and the venality of their constituents.

What perceptive understanding George Washington had of the frailty of human nature.

Lust for power is as old as organized government. And so too is the greed of the people.

Obviously, Washington, who served as chairman of the Constitutional Convention, believed that in that document, he and the delegates who served with him had found a means to curb two of the most destructive forces against good government.

Pick up a newspaper any day of the week and somewhere in its columns you will find some item dealing with power grabbers and greed gobblers.

Today everyone wants to cut taxes, but no one is willing to give up the governmental goodies passed out by the government. This explains why 72 million Americans receive checks from the government. And the tragedy is that only 71 million Americans are working to provide the taxes that make the give-away checks possible.

There is an old saying that the more things seem to change the less they do.

How familiar today seems the charge, "He has erected a multitude of new offices, and sent hither swarms of officers, to harass our people, and eat out their substance."

Yet this charge is as old as the Declaration of Independence, for it was hurled at King George III by the signers of that great instrument.

Try inserting in that ancient charge, "OSHA, HUD, and IRS" then substitute "Congress" for "He" and you have an updated complaint that tears at the hearts of liberty-loving Americans today.

The updated version of the ancient charge would now read, "Congress has erected a multitude of new offices, and sent hither swarms of officers from OSHA, HUD and IRS and other agencies, to harass our people, and eat out their substance."

However, there would be one important difference between the old and new versions. Those old Founding Fathers were ripping mad. They did not just whine and gripe. They did something about it. They risked their lives and fortunes to change the system; and did change it.

Almost fifty years after Washington had warned his countrymen that the Constitution was not immutable and could be destroyed by the lust for power and the greed of the voters, a young man by the name of Abraham Lincoln, then 23 years of age, told the Young Man's Lyceum of Springfield, Illinois that—

"All the armies of Europe, Asia and Africa combined, with all the treasure of the earth (our own excepted) in their military chest; with a Bonaparte for a commander, could not by force take a drink from the Ohio, or make a track on the Blue Ridge, in a trial of a thousand years.

"If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time, or die by suicide."

And therein, friends, lies the future of this great nation.

"Either as a nation of freemen, we must live through all time, or die by suicide."

Other great leaders of America have expressed the same sentiment from George Washington to Douglas MacArthur.

Our problem is that we have thus far refused to heed the sage advice and timely warnings of our true patriots. Like Rip Van Winkle we doze while our world rushes madly on about us.

In 1973, Anthony Sutton wrote an outstanding book called "National Suicide." He carefully documented how our government leaders and big corporations had contributed mightly to the buildup of the Soviets' great military power. Interestingly, Sutton concluded his book by urging a peoples tax revolt as the only way to curb a runaway Congress and an irresponsible administration.

Sutton said, "The essential problem for the man in the street, who pays the tax bills and gets killed in the resulting wars, is that policymaking is in the hands of a self-perpetuating circle which rejects reason and accepts altruism in lieu of national self-interest. Whether the explanation of our suicidal national policy be pragmatism, accident, mysticism, incompetence, or conspiracy is not fully known: it may be a blend of all these elements. But the result is plainly horrific: lost lives, a mounting burden of taxes, and a rapid decline in constitutional guarantees.

"Let's face it, Congress has done nothing to clean out the paper-shuffling, policy-waffling bureaucrats. The way to get rid of pro-Communists and suicidal mystics in government is to abolish government jobs and it will take a major taxpayers' revolt to achieve that goal. We can't even get rid of five teatasters."

We have recited the warnings of only a few of our great patriots and wisemen of the past and present—warnings couched in such strong terms that every man should be able to see the great dangers that threaten him and his family.

While many are concerned few are moved to action: Perhaps because it is difficult for us to recognize the dangerous degree of an approaching disaster that comes upon us by imperceptible steps.

Taxes and inflation

Consider, for example, taxes, public debt and inflation.

On January 22, 1979, Jimmy Carter presented to the Congress his proposed national budget for fiscal year 1980. He called it "lean and austere."

It called for expenditures of $532 billion, the highest budget in the history of the Nation. It is an increase of $39 billion over the current year; it will be in deficit over $30 billion.

Did the President's new budget startle you? Did you hear a loud chorous of angry outcries against the budget?

No! There was scarcely a word of protest. So accustomed have we all become to the rising tide of deficit financing by the Federal Government.

Yet deficit financing—the printing or more and more and cheaper and cheaper dollars—is the primary cause for our galloping inflation.

If Jimmy Carter really wanted to end inflation in our times he could have done it by balancing the proposed 1980 budget—a trick that has not been turned in many years!

Today a billion, meaning one thousand million means little to us. To appreciate the size of a billion remember that a billion minutes ago Christ was still on earth. Or to put it another way, if we spent $1,000 a day it would take us more than 2,700 years to get rid of a billion dollars.

The first budget of the United States back in 1789 when we had a population of four million and consisted of 13 states that had just emerged from a long and costly war, was only $630,000. That amounted to 23 cents per capita to finance the entire cost of the Federal Government.

Now, 190 years later, the proposed national budget is $532 billion. That means an average for every man, woman and child in the country of $2,500 to finance the operations of the federal government for fiscal 1980.

Did you realize that the total cost of running the federal government for our first 140 years; that is, from 1789 to 1929 was $100 billion.

Just 33 years later, in 1962, the federal budget for one year was $100 billion.

Think of it, we ran this country with all of our wars to World War II, all of our depressions, all of our expansion from 13 to 48 states, for a total of $100 billion. And then just 33 years later it required $100 billion to operate the federal government for merely one year.

But that is not all. Nine years later our annual national budget rose to $200 billion. Four years later it rose to $300 billion and then only two years later, in 1977, the budget has exploded to $400 billion.

Now after two more years, the self-styled economy president, Jimmy Carter, proposed a budget of $532 billion. That is more than a half trillion dollars for one year to run the federal government.

Thus, the taxpayers of the nation will have to raise for every day of fiscal 1980 almost $1.5 billion. It is difficult to realize that just 50 years ago the last annual budget of President Herbert Hoover was $5 billion. It would thus take only four days of next year's anticipated annual expenditures to raise the total national budget of 50 years ago.

The real tragedy of Carter's 1980 budget is not its gargantuan size. Rather it is the surrender it represents to the pressure groups—those who in almost every walk of our society want to cut their taxes but at the same time they want to retain the special goodies they receive from the Federal Government.

In these dangerous times of national security, with Russia rapidly out-stripping America in every military activity, and with most of the world plunging headlong toward communism, you would think that the largest single increase in the budget would be for military defense. Not so. The $138 billion proposed for national defense would take 24 cents out of every federal tax dollar collected in 1980.

By far the largest expenditure in the budget will be the direct benefit payments for individuals, which will require approximately half of the proposed budget. It will take 39 cents out of every federal tax dollar to pay for all of the benefits to be distributed to more than a fourth of our people.

What has this kind of spending done to our public debt?

Our public debt now stands at about $900 billion. At our present rate of deficit spending the public debt will reach $1 trillion by fiscal 1982.

Time was when our leaders viewed with deep concern any escalation in the public debt.

In 1789 George Washington advised the Congress, "no pecuniary consideration is more urgent than the regular redemption and discharge of the public debt."

Can you recall when, if ever, our government attempted to reduce its public debt?

More than fifty years ago, when Andrew Mellon was secretary of the treasury, we made our last substantial effort to reduce the public debt.

In his famous farewell address to his countrymen in 1796, George Washington spoke on this important subject.

"As a very important source of strength and security," he said, "cherish public credit. One method of preserving it is to use it as sparingly as possible."

Washington also cautioned that we should not ungenerously throw our posterity those burdens "which we ourselves ought to bear."

But look at what we have done to our posterity in less than two decades. We have more than doubled the public debt. We have placed upon every person in the nation a debt of more than $4,270.

No wonder we have severe inflation that by the end of the year very likely will reach double digit proportions.

No wonder a dollar today is only worth 50 cents of the dollar of just twelve years ago.

Small wonder that our young people feel cheated when they cannot go out and buy a home for themselves as their parents were able to do a few years ago.

And what of our elderly citizens who saved that their golden years might be pleasant ones, only to find that the exorbitant spending policies of both major political parties have robbed them of half or more of the real value of their savings.

Friends, Jimmy Carter and all of our presidents of recent decades could have taken the strong and statesmanlike stand on government spending had they possessed the political courage to do so. Instead, for a mess of political votes they traded the birthright of our posterity and the right of our elderly to a sound national economy.

We would have a sound dollar today and the prospects for a booming economy if President Carter had balanced his 1980 budget. Or better still, if he had had the courage to cut out the excessive $100 billion which studies have indicated could be eliminated from government spending.

Friends, we have learned little about the danger of tinkering with the economy since the days of the Roman Empire.

Will Durant in his great work on the history of civilization tells us that in the days of the emperor Diocletian, about 1600 years ago, food was distributed to the poor at half the market price or free, just as we do with our food stamps today.

"Butchers, bakers, masons, builders, glass blowers, iron workers, engravers were ruled by detailed governmental regulations," Durant said.

"In every large town the state became a powerful employer, standing head and shoulders above the private industrialists, who were in any case crushed by taxation.

"To support the bureaucracy, the court, the army, the building programs, and the dole, taxation rose to unprecedented peaks of ubiquitous continuity."

How familiar sound the troubles of ancient Rome.

Are we too, about to commit suicide as did Rome by so weakening our economy that we will be unable to stand against a barbarous adversary?

How much longer will we accept the false leadership of our two major parties? Already we have put up with far more than those venerated founding fathers who risked their fortunes and lives that they might be free.

Why do we tolerate a leadership that gives succor and aid (in the form of our tax dollars) to advance the cause of communism throughout the world?

Where went the courage of our leaders in Congress when they agreed to give away our vital Panama Canal?

Why do our businessmen scramble to obtain trade preferences with the murderous regime of Red China when they know that the equally bad communist countries of the Warsaw Pact owe them and our government more than $55 billion?

Why do our labor leaders and businessmen submit to the so-called voluntary wage, hour and price controls of Jimmy Carter when they know his non-too subtle enforcement schemes lack any foundation in law?

When will the Carter Administration quit fooling the public about our energy crisis and instead proceed with all possible dispatch to explore for oil and gas on our continental shelves, encourage the building of nuclear plants and breeder reactors, and thus make America energy independent.

Finally, and most important of all, where will we find men and women in public office who will rise above the lust for power and stand for what is best and right for this nation, regardless of the political consequences?

In the past half century the two major political parties have failed to provide America with a government that is best for Americans, first, last and always.

The time for a great tax revolt is at hand!

If we are to save America we must drive from the seats of power the venal, the ambitious, the spineless and the cowardly.

This we can do—this we must do by a revolution of the voters at the polls all over this country next year.

Let us share the hope of Arnold J. Toynbee, the great English historian who on contemplating the future of western civilization said,

"The divine spark of creative power is still alive in us, and, if we have the grace to kindle it into flame, then the stars in their courses cannot defeat our efforts to obtain the goal of human endeavor."

Let us now be up and doing. As of old let us carry the alarm to every middlesex, village and farm. Let us with Patrick Henry, care not what others may do, but cry out only for liberty or death.●

TRIBUTE TO GILLIS LONG

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BEDELL. Mr. Speaker, I would like to join with those expressing tribute to our colleague, Gillis Long, upon his decision to forsake the race for Governor of Louisiana and remain with us here in the House.

In the time that I have served with Gillis in the House, I have come to know and respect his leadership abilities. People with his wisdom and legislative skills are indeed a rarity today. In the House, he is known as an individual of integrity and conviction, and his departure would have been a real loss to the Congress and the Nation.

It must have been a most difficult decision for him to make. In politics success often brings with it a sort of natural upward momentum, propelling the candidate from one office to the next highest. I for one am grateful that Gillis withstood the pressures to run for the governorship to stay here in Congress.

His abilities will continue to be put to use for the good of all, and I look forward to working with him in the future.●

ENERGY: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BEREUTER. Mr. Speaker, I am sure that many of my colleagues who returned to their congressional districts for the district work period discovered, as I did, that energy is an issue very much on the minds of the people.

Certainly, President Carter's recent message once again brought into focus the serious problems facing our country because of our dependence on foreign oil. His message, together with actions we in the Congress must consider in the coming weeks, have produced great concern among the public.

For that reason, I would like to bring to the attention of my colleagues an editorial that appeared in the Omaha World Herald, the largest newspaper in my State. One particular paragraph stands out:

> We Americans tend to act, and sometimes to over-react, quickly to emergency crises. We don't do so well on preparing for problems of the future and for staying power once the first shocks of a crisis have subsided.

Those of us who represent the people cannot allow that situation to develop. We must devise a coherent energy policy that reduces our dependence on foreign supplies of oil while assuring our energy future by successful development of domestic resources.

I commend the editorial to the attention of my colleagues:

[From the Omaha World Herald, Apr. 7, 1979]

SUPPORT CARTER ENERGY PLAN

The sooner this nation faces squarely up to the long-term energy situation, the less drastic will be the actions yet to come.

Let's hope that the steps President Carter took Thursday and his speech, coming on the heels of the oil shortage caused by the Iranian turmoil, will help get the country off high center.

We Americans tend to act, and sometimes

to over-react, quickly to emergency crises. We don't do so well on preparing for problems of the future and for staying power once the first shocks of a crisis have subsided.

In 1977, when heating oil was short and when lines formed at gas stations, our nation and Carter became aroused. But with a temporary easing of these shortages, the president, Congress and citizens relaxed their efforts.

Because what the president said Thursday night was mainly what had been expected, we hope it will not lack impact. These simple sentences convey a truth:

"There is no single answer. We must conserve more. We must produce more."

Carter took a much-delayed, but highly-important action in announcing the gradual removal of controls on domestic oil. This should encourage production within the country and the higher prices for gasoline and oil should discourage less essential consumption.

The immediate sacrifices the president called upon the public to make certainly are not genuine hardships. The problem will be in convincing everyone to share in the efforts.

Who of most of us couldn't find a way to trim 10 to 20 miles a week from our automobile driving?

Who couldn't comply with the 55 mph speed limit, which already is the law and has the added bonus of saving lives?

Who, excepting the elderly and ill, can not get along with thermostates turned down in the winter and up in the summer?

Much more, of course, needs to be done. Clear leadership is needed from the administration and Congress on alternate sources of energy. But meantime, we as citizens, should do our part voluntarily. We also should less-selfishly support other actions to meet the energy crisis head on.

These words of the president are worth keeping in mind:

"Our national strength is dangerously dependent on a thin line of oil tankers stretching halfway around the earth."●

AMTRAK

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. STUMP. Mr. Speaker, I recently received from the League of Arizona Cities and Towns a unanimous resolution urging opposition to any reduction in Amtrak service to Arizona.

As you know, Secretary of Transportation, Brock Adams, submitted to Congress a proposal which among other things would change the route of Amtrak's Southwest Limited line by eliminating service to Flagstaff, Seligman, Kingman, and Winslow, Ariz.

This resolution is additional evidence of strong public support for Amtrak. I concur with the Arizona League of Cities and Towns' resolution and include it below:

A RESOLUTION

A resolution of the Executive Committee of the League of Arizona Cities and Towns urging opposition to any reduction in Amtrak service to Arizona.

Whereas, Amtrak service is important in providing a total transportation system; and

Whereas, reductions in Amtrak service will have an adverse effect on Arizona's economy and tourism industry; and

Whereas, in these days of petroleum shortages, alternative transportation modes should be expanded not reduced;

Now, therefore be it resolved by the Executive Committee of the League of Arizona Cities and Towns:

1. That we urge the President and Congress to prevent implementation of any plan to reduce Amtrak passenger railroad service.

2. That the Executive Director transmit copies of this resolution to the Arizona Congressional Delegation, the President and the Secretary of the Department of Transportation.

RAUL G. NAVARRETE, *President.*●

OIL EXCHANGES MAKE SENSE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BROWN of California. Mr. Speaker, our oil situation is in many ways simple, and in many ways confused. We know we import about half our daily oil consumption. We know that the Alaskan pipeline leads to a seaport, and not to the refineries and industries that need more oil. We know that the west coast of the United States is suffering an oil glut. We know that it costs more to bring oil from Alaska to the Eastern half of the United States than it does to bring oil from South America, Africa, or the Mideast. Finally, we know that a west-to-east oil pipeline is not going to be available soon

We also know that Japan is closer to Alaska than the east coast of the United States is. We know that we can arrange oil exchanges with Japan where the cost to all parties would be less. And we know that the simple solution is often the most difficult solution.

Mr. Speaker, notwithstanding political difficulties, I believe we should reverse our previous stand against any and all oil exports when an oil exchange can be worked out, and recognize the unique situation in Alaska. As a nation we import far too much oil to quibble about whose soil a given barrel of oil is extracted from. The oil exchanges contemplated would be barrel for barrel, with no net change in our imports. We would merely be recognizing that the United States is located on a round planet, with some parts of our Nation closer to some oil fields than other parts are.

At this time I would like to place a recent editorial on this subject in the RECORD.

The editorial follows:

[From the Los Angeles Times, Apr. 17, 1979]

OIL FOR OIL: A GOOD DEAL

It's all very confusing. There is talk of a "surplus" and a "glut" of oil on the West Coast, even as motorists wait in line at service stations to pay higher and higher prices for gasoline. There is talk of a "surplus," yet gasoline retailers are getting only about 90% of the supplies that they were getting a year ago. Meanwhile, tankers full of oil from Alaska bypass West Coast ports to make a long and costly journey through the Panama Canal, daily delivering 400,000 or more barrels of oil to Gulf Coast ports. What, exactly, is going on.

The first thing to do is forget about those words "surplus" and "glut." The second thing is to remember that there is a national market for oil, with available supplies allocated according to complex formulas. Nationally, there is no oversupply of oil or gasoline. On the contrary: Some petroleum products are in short supply, and limits imposed on output by foreign producers on whom the country relies for nearly half of the oil that it consumes probably will keep supplies tight. Those supplies have to be apportioned among the states.

The problem of "glut" in the Western states is not that there is an excess supply of oil, but that there is a shortage in the capacity for handling that oil—for refining it into the various products, particularly gasoline, for which demand is high. From Alaska, from California's own oil fields, from Indonesia, the source of most of the low-sulfur crude oil needed to keep state air quality from deteriorating further, come about 3 million barrels of oil a day. But the capacity of Western states to refine that oil totals only about 2.6 million barrels a day. Hence the excess, the "glut" of available supply, not over demand but over the capacity to handle it.

It is this shortage of refining capacity in the West that is sending all that Alaskan oil on its long tanker journey to the Gulf Coast. It is an expensive and wasteful trip. Added transportation costs come to at least $600,000 a day. That is lost profit. About 60% of that money could be going to federal and state governments for royalty and tax payments; most of the remainder represents lost investment capital. But the terminal-pipeline complex that Standard Oil of Ohio wanted to build in Long Beach to avoid the Panama Canal trip now seems a dead issue. So transport by tanker remains the only possibility. Unless . . .

Unless the simple expedient is taken of trading oil from Alaska for oil produced elsewhere. If Alaskan oil in excess of what can be processed in the Western states were sent to Japan, in exchange for oil that Japan buys in Mexico and, possibly, in the Persian Gulf, then transportation costs could be cut drastically, meaning higher taxes for the government and more profit for the oil's owners. In terms of supply, there would be no winners or losers; the oil would be swapped on a barrel-for-barrel basis. In terms of economics, there would be gainers all around.

Congress, under law, would have to approve any swap arrangement. We believe that it should, on condition that the deal would immediately be suspended if there were any interruption in the supply of oil that Japan had to swap, so that the full output of Alaskan oil would once again flow entirely to U.S. markets. That requirement would assure the security of the U.S. oil supply. The arrangement itself would benefit consumers—because of lower transportation costs—and government and the Alaskan oil's owners, because of higher taxes and profits.

It would be a good arrangement, for the United States and for Japan, and Congress should act quickly to make it possible.●

DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LUKEN. Mr. Speaker, today the Congress and the Nation will pause for a moment to remember the victims, millions of victims, who died in Nazi concentration camps. Less than half a century ago men, women, and children were being systematically slaughtered because of their religion, political beliefs or their heritage.

As we remember the innocent who died, we should also rededicate ourselves to the prevention of history repeating itself. At home, we must continue to see we are a Nation of laws and that our Constitution continues to be a living document. In our dealings with other nations, we must strive to see that freedom that we take for granted are enjoyed throughout the world. As the leading nation in the world, we have a special obligation to see that the world does not forget why millions died.

This is a solemn occasion for us all and I join with my colleagues in these days of remembrance. These days mark the anniversary of when American troops liberated Dachau and saved the survivors. It is my hope that we never see such callous disregard for human life, such slaughter, again.●

MINNESOTA'S "LITTLE BACON-DAVIS" ACT SURVIVES RIGHT-WINGERS' ONSLAUGHTS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. VENTO. Mr. Speaker, America's social and economic achievements, won during nearly a half century's struggle to win a greater measure of dignity, democracy, and security for the individual, are under furious attack by conservatives who are not even now reconciled to the basic reforms of the New Deal.

Under the guise of eliminating "wasteful Government interference" reactionary groups in our country are fighting to repeal statutes and regulations which protect workers' health, safety, and living standards. On the national level the Davis-Bacon law which established wage and hour requirements for federally financed construction projects is the target for right-wing groups in their drive to destroy unions.

But the States are not being overlooked in the radical right's attacks on worker protection laws. Gordon Spielman, editor of the Union Advocate, the voice of labor in St. Paul, has written an outstanding series of articles tracing the genesis of the campaign against Minnesota's "Little Bacon-Davis" act, the legislative attempts to repeal the law, and finally the dismal failure in the Minnesota House of Representatives of the repealer.

I think Mr. Spielman's fascinating and informative account deserves the wider audience of the CONGRESSIONAL RECORD. The story of failure of the right-wingers' onslaught needs to be told.

The articles follow:

[From the Union Advocate, Feb. 5, 1979]

ATTACKS ARE LEVELED AT LABOR LAWS

(By Gordon Spielman)

Although organized labor is pressing for improvement of various state laws protecting working people both on the job and as consumers, the new composition of state government and of the Legislature appears to have unleashed a massive attack on workers' programs on all fronts.

Not only are Workers Compensation benefits and the state Occupational Safety and Health programs under fire, but a well-financed offensive has been mounted against the state's "Little Davis-Bacon" law which requires contractors to pay area prevailing wages on public contracts, and the state's yet-to-be-enforced building code is in danger of repeal or at least amended to remove the safety and quality standards.

Even the new "Buy American" Act, patterned after a similar federal law, and which merely encourages the purchase of American-made products where possible by public agencies, is in danger of being gutted.

While some of these attacks were expected assaults by business interests, flushed with the election victories of last November, some like the attack on Little Davis-Bacon have the appearance of being part of the well-financed drive by right-wing open shoppers connected with the so-called "Right-to-Work" forces that have been attempting to destroy union organization in a number of states.

The current legislative session was not a week old when Rep. Kenneth J. McDonald (TR, Carver-rural Hennepin counties) distributed a 42-page booklet produced in his name that attacks prevailing wages "in government construction projects" as the "grossly wasteful misallocating of scarce public resources and adds to the inflationary spiral. . . ."

While the booklet is aimed at Minnesota's prevailing wage law, much of the material consists of attacks on the federal Davis-Bacon Act, which has been defended not only by U.S. Labor Secretary Ray Marshall, but by President Carter.

Ironically, the original Davis-Bacon Act was not some New Deal or Fair Deal bit of legislation intended to aid trade unions, but was signed into law on March 3, 1931, by President Herbert Hoover, and the act named after Senator James Davis of Pennsylvania and Rep. Robert Bacon of New York, was intended to correct low-wage scales paid to traveling out-of-town workers and to protect local construction workers against forced dips in established wage scales, on government projects.

The original intent is just as true today. While in metropolitan areas the prevailing wage may be union wages, and the state, federal and local laws protect against intrusions of outside contractors bidding on the basis of lower wages, the laws also protect workers in non-union areas against having their wages further cut through competition with outside contractors paying even lower scales.

In Minnesota the Department of Labor and Industry sets separate wage scales for each of the 87 counties, based on the history of previous public contracts in that county.

Reports around the state Capitol claim that Rep. McDonald's booklet was financed by the anti-union ABC constractors who are seeking to gain a foothold in Minnesota.

On another front, a massive drive is being made to either repeal the state building code or so modify it that it would not apply to a large section of the state.

The law was passed originally both as a safety and a quality control measure to assure minimum standards of construction. Safety standards of older buildings in the Twin Cities area (and many not so old) have been bad enough, but in outstate communities where no building codes existed the problems have been horrendous particularly from a fire safety point of view.

The statewide code was adopted by the Legislature some years back, but actually has never gone into effect. Each time it was due to become effective, rural counties and smaller cities pleaded that they were "not yet ready" to begin enforcement and delays were granted.

Now there are about a dozen bills in both houses that would gut the measure, before anyone has had a chance to see it work.

In Workers Compensation, a study commission was charged by the legislature to study and report on how rates for Comp insurance are set, and to compare Minnesota premiums with those in other states, as well as how other states provide insurance, and administer their laws.

This was changed into an attack on some of the benefits received by injured workers by a coalition of business interests, some employers and the insurance companies. As a result, the commission overstepped its charge and is proposing benefit reductions in some areas, although the commission's recommendations do include an increase in basic benefits.

At best, injured workers receive only two-thirds of their weekly pay up to a maximum of $209. No provision is made for fringes such as medical or hospital insurance for either the worker or family (except for the injury), or even for pension fund payments. The injured worker must make such payments out of the already reduced income if it is to continue.

Coupled with Workers Compensation are the attacks on the state Occupational Safety and Health Agency (OSHA). Few people outside of the labor movement are willing to link an effective safety and health program with keeping compensation costs down, so OSHA is attacked as an intrusion on the rights of management and Workers Comp is attacked as expensive.

Minnesota's Buy American Act that encourages state and local government agencies to buy American-made products is another law being assaulted. Led by the Mineapolis newspapers, the attacks use some strange "logic" that runs something like this:

The state law is an "embarrassment" to the federal government in negotiating trade agreements with foreign countries. Of course, there is a federal Buy American Act on which the state law was based so that the U.S. government is bound by law to require purchase of domestic goods by federal agencies. And, in fact, a majority of the states have similar Buy American restrictions.

So, "A new governor and new Legislature would do well to revoke" Minnesota's law, says the Minneapolis Tribune.

The loss of jobs of Minnesota steel and iron workers and Minnesota auto workers when the state government purchases foreign trucks and foreign steel is of no consequence to the Minneapolis papers.

Finally, an effort to raise state minimum wages to the new federal levels will be in for a battle. The fast food chains are mustering their forces to "prove" how any such action will deprive the young, the old and the handicapped of jobs and a chance to earn a "living."

What they are neglecting to mention is the fact that the young, the old, and perhaps the handicapped are in effect subsidizing giant corporations such as General Mills, Pillsbury, Ralston-Purina, McDonalds, and other chainowners when the workers are paid the minimums.

In these modern days, no one would dream of reinstituting the conditions of 100 years ago when children were condemned to a life of long hours in mines or mills.

But, the arguments of the mine and mill owners of those days sound remarkably like those who oppose raising the minimum wages today.

The mine and mill operators of a century ago spoke of the "opportunities" they were giving the child laborers, of how they were "keeping them out of trouble," and how the work was "educational."

Nothing was said then or now of how corporate profits were wrung out of the hides of those they exploited.

[From the Union Advocate, Feb. 26, 1979]

DAVIS-BACON ATTACKS ARE THE ONLY FRAUD

(By Gordon Spielman)

Back in 1978, just about this time of year a conference of state legislators was held in California. One of the topics discussed at that conference was "How to Lie Truthfully."

While there may not be any direct connection between that conference and the current "investigation" into how the Minnesota Department of Labor and Industry determines prevailing wage rates in various parts of the state, the subject of "How to Lie Truthfully" seems to apply to the attacks being made on the Minnesota Little Davis-Bacon Law.

Point men of the attack on the prevailing wage law are conservative Republican state Representatives Kenneth McDonald (Watertown), and Tom Rees (Elko).

McDonald in particular has led the charge with circulation of a 42-page booklet calling for repeal of Minnesota's "Little Bacon-Davis" Law which requires contractors on state construction jobs to pay prevailing wages and fringes for the area in which the work is being done.

The "How to Lie Truthfully" technique exists in the fact, that the law makers rehashed old charges loud enough to get the FBI to agree to look into them since federal funds are used at least in part on most highway contracts.

Then feeding the information to a reporter for the St. Paul Pioneer Press-Dispatch, those newspapers were then to blow the "investigation" into a page one story with a banner headline "FBI probes state wage fraud" in a type size usually reserved for a declaration of war.

Yet the "expose" contained no information that was new and which had not been reported before many times in those and other publications including the Union Advocate which carried a story back last December in which it was reported that the Prevailing Wage Division "Had their files impounded" in an investigation of the manner in which rates are set.

That Union Advocate story noted that the "non-union ABC and the so-called Christian Labor Association (CLA) were looking for reasons to challenge the pay rates."

The new attack has all the same earmarks as the election campaign "scandal" in which the same St. Paul Pioneer Press and Dispatch made headlines that reported a million dollars "missing" from funds of the Upper Great Lakes Regional Commission.

In those stories, the names of former Governor Wendell Anderson and a number of his top aides were bandied about as "suspects" and allegations were made that the "missing" money wound up in political campaign war chests.

By the time the smoke cleared, Anderson had been defeated in the election, but it was found that not a "million" but less than $70,000 was unaccounted for and that this had wound up in the personal pockets of a single contractor who was convicted and sent to federal prison.

Just what is the Little Davis-Bacon Law and how is it administered?

The state law follows a federal law going back to 1931 which was signed by President Herbert Hoover, says that state contractors must pay at least prevailing wages and fringes determined for the county in which the job is done.

This protects both the workers against substandard pay, and the contractors who must be able to calculate labor costs in order to bid competitively.

As indicated, this has been part of the federal bidding process going back to the days of Herbert Hoover, who was not exactly known as a wild-eyed liberal.

The Minnesota Department of Labor and Industry is assigned the task of determining those rates.

In the metropolitan area where most work is done under union contracts, the department's job is fairly simple. It takes the union rates as the prevailing wages rates.

But, even here the job is not as simple as it seems. There are some 252 different job classifications to be determined. And when these rates must be calculated separately for each of the 87 Counties in each of the 252 classifications the job becomes exceedingly difficult.

This is particularly true since the department has exactly two field investigators to get the required information, and they, plus Leo Young, the division director, and the department's commissioner himself, to compile the collected information.

Time and again, the then Commissioner of Labor and Industry E. I. "Bud" Malone appeared at legislative hearings pointing to the almost impossible job that his department was asked to do.

Malone was successful in that in 1976, the legislature authorized the two field investigators where there had been only one before.

The investigators are supposed to interview contractors in each of the 87 counties and get from their records the wages paid. This serves both to make sure that the contractors on state jobs have lived up to existing prevailing wage requirements and also to set new rates for the following year.

While in the metropolitan counties, most of the 252 classifications of prevailing wages are readily available or at least can be calculated from the union scales, in a great many rural counties, not only is the information not so easily obtained, but projects within the county in any particular year, might employ workers in only a few of the classifications.

Still rates for each of the 252 classifications must be compiled under the law since workers might be employed in future contracts in classifications other than those in the past.

In such cases, the Department of Labor and Industry with its two field investigators, the director, and the commissioner are required to calculate rates for such counties based on what the rates are in adjoining counties.

It is these calculations that the non-union Associated Contractors and the CLA have been challenging as inaccurate, and which are the basis for McDonald's and Rees charges.

And this is the basis for the Pioneer Press-Dispatch scare headlines screaming fraud.

While it is entirely possible that there are a number of errors to calculations considering the areas covered, the number of classifications and the lack of personnel and time to do the field work and the paper work involved, it hardly can be called "fraud" under any circumstances, and the FBI involvement is no different than that of any police agency that is required to investigate complaints.

Interestingly enough, the ABC and CLA attacks are largely that the calculations are supposedly based on insufficient data in the non-union rural areas, while the real motive for the attacks is to get all the rates thrown out and have the Little Davis-Bacon Law repealed itself.

"We have a hearing process that can be requested, using state hearing examiners, Malone told the Union Advocate, "But, there was not a single request in any county for hearings."

"The ABC and CLA challenged the prevailing wage rates only after they had been set," he added.

"They were nowhere to be seen or heard from when year after year, I went before the Legislature pleading, begging for funds for more personnel in the division to do a better job," Malone stated with a trace of bitterness.

In fact, it was Malone's repeated demand for more people for not only the Prevailing Wage Division, but for Workers Compensation, and Occupational Safety and Health in the face of Governor Quie's demands to hold the line, that are reported to have influenced Quie to refuse to reappoint Malone who had served under both Republican and DFL governors.

There is irony also in that Malone received a letter shortly before leaving his post, the Associated General Contractors (AGC), the organization of both union and non-union contractors, commending the department for doing "a pretty good job" on setting the prevailing wage rates.

[From the Union Advocate, Mar. 19, 1979]

RIGHT WING ARM REACHES STATE LAWMAKERS

(By Gordon Spielman)

The so-called American Legislative Exchange Council (ALEC), the ultra right-wing organization that conducted a conference in Carmel, California supposedly on "Welfare Reform," that actually was "nothing more than a campaign school for far right political candidates" according to a participant, is not just a California phenomenon.

ALEC is part of a nationwide radical right network with links to a number of better-known right wing organizations. And it has its Minnesota connection.

* * * * *

According to Group Research, Inc., a Washington-based group that keeps tabs on the radical Right, ALEC was formed in 1973 "to help right-wing members of state and national legislative bodies."

And, according to a lengthy plug in the newsletter of The Heritage Foundation, a right-wing "think tank" started by Joseph Coors, the virulently anti-union Colorado brewer, ALEC "has easy access" to such groups as the American Enterprise Institute and the American Conservative Union (ACU).

The Heritage Foundation, in turn, which has Coors on its board of directors, has been a prime sponsor and source of finances for ALEC which it has sponsored, while ALEC and ACU share neighboring offices in Washington.

Among those who have served on ALEC's board of directors have been Thomas S. Winter, editor of the ultra-right Human Events, and Edwin J. Fuelner, president of Heritage Foundation. Heritage Foundation also has links with the National Right-to-Work Committee with Heritage Foundation's public relations director Hugh Newton, coming from the Right-to-Work group.

ALEC also distributes Heritage Foundation's Backgrounder papers as ALEC worksheets.

There are connections also between ALEC and the National Conservative Political Action Committee which in turn is linked to Richard A. Viguerie, the premier fundraiser for the "new right." ALEC has scheduled some of its board meetings to coincide with that of the Conservative Political Action Conference.

Speakers at ALEC conference have included such darlings of the extreme right as Phyllis Schafly, arch enemy of the Equal Rights Amendment; M. Stanton Evans, then chairman of the ACU; Meldrim Thomson, the arch-conservative governor of New Hampshire; and Howard Phillips, director of the Conservative Caucus (another right-wing front).

President chairman of ALEC is Donna J. Carlson, a member of the Arizona House of Representatives, and of the American Opinion Speakers Bureau, a front for the John Birch Society.

Immediate past chairman is Louis E. (Woody) Jenkins, a member of the Louisiana House, and secretary of the Conservative Caucus's "shadow cabinet" that supposedly watches what President Carter's real Cabinet is doing.

More about "Woody" Jenkins later.

Since ALEC is organized as a tax-exempt organization, and tax exempt organizations are not permitted by Internal Revenue Service regulations to promote or lobby for legislation, much of ALEC's literature contains a disclaimer that neither ALEC "nor its Committee on suggested State Legislation seeks to influence the enactment of either state or federal legislation."

Among the "suggested state legislation" pushed by ALEC is a "Free Enterprise Education Act," a "Tax Limitation-State Constitutional Amendment," a "Student Proficiency Act," a "Work Opportunity Act," a "Judicial Sentencing Disclosure Act," a "Public Debt Limitation Act," a "Teacher Proficiency Act," a "Federal Grant Review Act," and a "Zero Government Growth Act."

And in an attempt to form local coalitions with lawmakers who may in no way be sympathetic to the ultra-conservative right wing, but who feel strongly on single issues, ALEC includes in its "suggested state legislation" such items as an "Abortion Funding Prohibition Act," and a "Welfare Fraud Act."

Among the things that ALEC is against is the Washington, D.C. Voting Rights Amendment, and ALEC prepared an expensive "briefing book" on why the D.C. amendment is "bad."

Interestingly enough, ALEC's stand against the D.C. amendment says that "amending our Constitution is an awesome function, not to be embarked upon in implusive fashion." This does not stop ALEC supporters from backing measures calling for a Constitutional Convention to pass a balanced budget amendment and other measures dear to the right wing.

ALEC is also virulently anti-labor.

Not only is Joseph Coors connected through the Heritage Foundation, but an ALEC conference held in Denver was kicked off with a tour of the nearby Coors brewery at Golden, and the conference included a welcoming reception from Coors.

More revealing as to the purposes of ALEC is a recruiting letter on the U.S. Senate stationery of arch conservative Senator Orrin G. Hatch (R-Utah) that claims that "Union bosses are seeking even more power as they push to wipe out our Right-to-Work Laws and try to legislate the compulsory unionization of all government employees on the national, state and local levels."

Senator Hatch's letter reads like similar letters sent out by the National Right-to Work Committee promoting the open shop where workers have the "right to work for less pay" than in union shop states.

Enclosed with the letter is "A Personal Questionnaire," asking such questions as "Would you support a State Constitutional Amendment to limit the total amount of taxes that your state government can take from you each year?", "Do you support state Right-to-Work Laws?", and would the lawmaker support a law prohibiting "unionizing public employees, such as teachers, police and firemen?"

Author of a similar bill in the Minnesota Legislature to repeal the state's "Little Davis-Bacon Law" is Rep. Kenneth J. McDonald (IR-Watertown). McDonald is also a prime promoter of ALEC's suggested State Constitutional Amendment on Tax Limitation.

McDonald has circulated to each of the 134 House and 67 Senate members printed booklets on both subjects that were apparently costly to produce.

Asked whether he could tell this writer about ALEC, McDonald stated that he was not a member and knew absolutely nothing about the American Legislative Exchange Council "except what I read in the Union Advocate."

But, when Representatives Janet Clark (DFL-Mpls), John Clawson (DFL-Center City), Jim Swanson (DFL-Richfield) and then Rep. Don Samuelson (DFL-Brainerd) attended the Carmel, California conference last year (thinking it was on welfare reform), they were asked by ALEC chairman Jenkins if they knew "Ken McDonald, our man in Minnesota."

Told of this, McDonald acknowledged that he had met "Woody Jenkins at a meeting of the Tax Limitation Council in St. Louis, Missouri in July 1978." McDonald repeated that he was not a member of ALEC, but that Jenkins may have said that he was "our man in Minnesota," because McDonald had agreed to sponsor the tax limitation amendment in the state legislature.

McDonald was then told that Jenkins claimed that he had met with McDonald in Minnesota.

The Minnesota lawmaker then recalled that he may have met with Jenkins at a meeting of the Minnesota Taxpayers Union last year in St. Paul.

The Minnesota Taxpayers Union (not to be confused with the respected, if conservative Minnesota Taxpayers Association, a business-sponsored organization) is an affiliate of the National Taxpayers Union, a right-wing group organized in Washington in 1969, according to Group Research, Inc.

Organizer of the St. Louis conference is a newer organization with direct links to the John Birch Society, the National Tax Limitation Committee, whose president is Lewis K. Uhler, who operates out of Sacramento. Calif.

Uhler was an early member of the John Birch socety, an assistant to Birch Congressman John Rousselot (R-Cal), and Governor Ronald Reagan's head of the state Office of Economic Opportunity.

McDonald also conferred with Congressman Hagedorn when the latter appeared at the Legislature during a brief recess in Congress.

Whether or not McDonald is a member of ALEC, there is at least one other Minnesota legislator with close ALEC connections.

On January 22, a thick, expensive binder packed with material attacking the Washington, D.C. voting rights amendment appeared on the desks of all Minnesota lawmakers. The volume bore the imprint of ALEC, and was distributed by Rep. Adolph L. Kvam (IR-Litchfield).

Just what it cost ALEC to produce the volume can only be estimated, but at even $10 a copy, distributed to all 201 Senate and House members that comes to at least $2,010.

Under the rules of the Minnesota Legislature, an organization that distributes material to influence legislation within the Capitol complex must be registered as a lobbyist.

Rep. Ray Faricy (DFL-St. Paul) arose and challenged the distribution. Kvam offered little in the way of explanation of ALEC. A check with the Ethical Practices Commission, of course, showed that ALEC is not registered in Minnesota, and Faricy made a call to ALEC in Washington and was told over the phone that the organization did not consider itself to be lobbying for or against legislation.

The St. Paul lawmaker has sent a letter of protest to ALEC chairman Carlson.

Faricy, who is chairman of the House Judiciary Committee, has indicated that he is also sending an inquiry to the U.S. Internal Revenue Service asking how an organization lobbying for legislation can maintain a tax exempt status.

Rep. Kvam readily admits his ALEC membership and says that the organization is "nonpartisan and educational and drafts model legislation."

Kvam said that it was ALEC that asked him "as a member to distribute the D.C. amendment book to fellow legislators." He denied that ALEC is a lobbying group that advocates certain legislation.

Asked how this can be squared with a resolution in the book clearly stating that ALEC is opposed to the D.C. amendment, and whether it might not be a violation of the IRS code for tax-exempt organizations, the reply was "I suppose that it might be considered" a violation.

Finally, asked about ALEC's connections with other radical right organizations, the Litchfield lawmaker said that he had "no knowledge of any connection with organizations such as the Heritage Foundation and the American Conservative Union."

[From the Union Advocate, Mar. 26, 1979]

STATEWIDE LABOR OPPOSES DAVIS-BACON REPEAL

(By Gordon Spielman)

More than 25 union leaders from all over the state counterattacked against a two-pronged drive by anti-union Associated Builders and Contractors (ABC) and radical right-wing legislators on the Little Davis-Bacon, prevailing wage law for state government construction projects.

Led by Richard Radman, Jr., St. Paul, secretary of the local and state Building and Construction Trades Council, the labor leaders representing every trade and every section of Minnesota one after the other voiced strong opposition before a House Subcommittee to attempts by the ABC and by Reps. Kenneth McDonald (IR-Watertown) and Tom Rees (IR-Elko) to repeal the state law which is patterned after the federal Davis-Bacon Law which has been in force since 1931.

Radman answered allegations made in stories in the St. Paul Dispatch that the wage rates were set by use of "false documents" or that "state officials may have wasted millions of tax dollars by circumventing" the 1973 state law in favor of union labor.

Radman pointed out that the Legislature only appropriated funds for three persons, the division director and two field investigators to check on and compile scales for 252 different job classifications in each of the 87 counties.

He pointed out that there are procedures for challenging incorrect scales, and that both the contractors and the unions have been successful in getting incorrect wage scales adjusted.

Without mentioning the Dispatch, Radman took issue with the paper's claim that "fraudulent" payment forms were found in the Department of Labor and Industry's files for a number of counties.

Noting that former Commissioner E. I. "Bud" Malone had ordered that the questionable forms not be used for the compilations, and that one of the proponent's complaints was that the forms were kept on file, Radman asked, "Of what would the Department be now accused, had they destroyed or tampered with those files?"

He accused the ABC "of self-interest, making claims about documents that were not used. All public correspondence must be preserved. They are public records. Appreciation should be given to Leo Young (division head) and to Bud Malone for doing a good job with a limited staff."

A representative of the state Administration Department told the House committee that his department had made a study of the situation in the Prevailing Wage Division to gather facts, but that it had drawn no conclusions or made any recommendations, because the entire matter is to be investigated by the Legislative Audit Commission, a joint House-Senate body chaired by Rep. Don Moe (DFL-St. Paul).

This directly contradicted allegations made in a Dispatch story by Les Layton that the report said that the "Labor and Industry Department has catered to organized labor" by "delaying publication of prevailing wage data for construction projects until new union contracts were reached."

As a matter of fact, since the wages that are set must prevail for the entire following year, the rates must include the latest settlements to be accurate.

While Layton is listed as one of the St. Paul papers government news correspondents, he is not a regular member of those papers' Capitol Bureau whose reporters are experienced in state government.

Members of two dozen unions ranging from the Carpenters, Pipe Trades, Teamsters, Sheet Metal Workers, Laborers and Building Trades council from all corners of the state appeared against the McDonald measure, as did a good representation of contractors from various parts of the state who pointed out that their ability to pay decent wages required preservation of the Little Davis-Bacon Law.

This included representatives of associations such as the National Electrical Contractors Association (NECA) which gave unqualified support to keep the law.

"Not only wages are involved, but the quality of the work depends on the experience and the apprenticeship training acquired by union crafts persons," the lawmakers were told.

George Sundstrom, Sheet Metal Workers Union, Duluth, compared repeal of Davis-Bacon with a situation where legislators instead of receiving their $16,500 salary and per diem, would run for election "based on the lowest rate somebody would take it for."

"What if somebody would run for your job and say, 'I'll take it for $10,000,' while somebody else would do it for $9,000," he asked.

Ron Scott, director of the Labor Education and Advancement Program (LEAP) of the St. Paul Urban League, testified that Davis-Bacon repeal would wipe out advances that minorities have made in entering the skilled trades in cooperation with the labor unions.

It was noted that St. Paul and Minneapolis have consistently ranked first and second in the nation in minority recruitment and there is progress in recruiting women.

Not only were the Building Trades unions represented but representatives of unions that are not directly affected such as the United Transportation Union, the State, County and Municipal Employees, Railway and Airline Clerks opposed repeal.

As a Steelworker put it, "Repeal Bacon-Davis and they'll be coming to undermine our wage gains next."

So unusual was the attack on Davis-Bacon, that it led to the appearance of Rep. James Rice (DFL-Mpls.), chairman of the full Labor-Management Committee, to protest the repeal attempt. Rice called for tighter enforcement of the law, not repeal.

Although Wednesday's session of the subcommittee was supposed to have been devoted to opponents of repeal, McDonald was allowed to introduce Prof. A. J. Thieblot, of the University of Pennsylvania, an opponent of both federal and state prevailing wage laws who maintained that they "upset normal workings of the market place," and compared them with minimum wage laws which he also opposes.

Thieblot admitted that not only were his expenses in coming to Minnesota paid for by the ABC contractors, but that he expected "a fee" from ABC for his appearance as well.

Thieblot's data which has been used in attacks on Davis-Bacon-type laws all over the country, was itself attacked by U.S. Secretary of Labor Ray Marshall as "inconclusive" and that "The General Accounting Office itself expressed the same conclusion."

Inspired by conservative and right-wing elements, many of the bills introduced in state legislatures thus far include attempts at out-right repeal of prevailing wage laws in Illinois, Indiana, Minnesota, Texas, Utah and Wyoming.

Bills to reduce coverage include proposals to exclude projects in Massachusetts, Arkansas, Missouri, and New Mexico. A Washington State bill would limit application of the law to laborers.

Other attempts to lower standards or weaken administration have been proposed in Massachusetts, Montana, West Virginia and Missouri where a bill seeks to remove state labor department jurisdiction over the law.

On the plus side, bills in Hawaii and Massachusetts would expand coverage to include public utility construction. A bill in the New York legislature would authorize administrative assessment of civil penalties for wage underpayments.

Also, a New Jersey bill calls for collection from violators of administrative expenses incurred in recovery of underpayments, and administrative enforcement powers would be strengthened by a bill in the Montana legislature.

[From the Union Advocate, Apr. 2, 1979]

State Davis-Bacon Repeal Bill Is Killed

(By Gordon Spielman)

"If you want to be the champion of right-wing America that's your privilege, but don't try to destroy my reputation, or that of a lot of good people in the department," former Labor and Industry Commissioner E. I. "Bud" Malone told state Rep. Kenneth McDonald (IR-Watertown) in an eyeball to eyeball confrontation immediately following a meeting of a House Labor-Management Subcommittee which voted down 9–1 repeal of the state's Little Davis-Bacon prevailing wage law.

The former commissioner was the last of a number of witnesses called before the subcommittee by Rep. Mary Murphy (DFL-Hermantown) to explain the workings of the department, and particularly of the Prevailing Wage Division which has been under attack by McDonald, who has been linked to radical right wing political groups.

New Commisisoner Harry Petersen led off the testimony explaining the structure of the Labor-Industry Department which administers worker protection laws including Minimum Wage, Child Labor, Pension Protection, Fee Employment Agencies Apprenticeship, Occupational Safety and Health (OSHA), and the Prevailing Wage Law.

The commissioner said that he had only been on the job for four weeks and has much to learn about the department operations and staffing.

Questioned about the budget, Peterson said that Governor Al Quie and he were studying the matter of the staffing of the Prevailing Wage Division whose compilations have been under attack by McDonald and the Associated Builders and Contractors (ABC), and in the St. Paul newspapers.

He pointed out that the division had a total of four people, the division head, two field investigators and a clerk, to compile the prevailing wages annually in each of the 87 counties.

Division Director Leo Young testified that it is "physically impossible" for the two field persons "to accomplish this."

In response to a question from the committee, Young said that he estimated that it would take an additional "6 or 7 more people" to do the job without errors.

The fireworks came when Malone was called to the stand.

He bluntly told the lawmakers that they were responsible for putting on the department administration of more and more "good laws" without giving the department the personnel to carry out those responsibilities.

Malone, who is now director of industrial relations for Northern States Power Company, said that "if any commissioner made a more aggressive plea for adequate staffing, I'd like to know who it is."

He stated that in the 1971–72 session, he asked for 71 more employees, then Gov. Harold LeVander recommended 40. "I got 15," he said.

In the 1973–74 session when the state OSHA was instituted, he asked for 77 people, the governor recommended 54, and he got 19 funded by the legislature. In 1975–76, Malone said he asked for 70, and got 17. In 1977–78, the commisioner said he needed 44 more employees and wound up getting 9.

"This year, I said that we needed 57 people, and you notice I don't work here any more," said Malone, "My option was not picked up" referring to the fact that Governor Quie had replaced him with Peterson, in spite of the opposition by labor.

He defended Young as "an honest and honorable guy, who has been kicked from pillar to post." Malone called attention to a 1975 memorandum which directed the division to ignore so-called "proof of evidence" forms submitted to the department in compiling the wage rates. It is these forms that have come under attack from McDonald and the ABC.

As to why the forms are still in department files, Malone replied, "You don't take public documents and throw them away." He pointed out to the legislators that they often receive letters from constituents making complaints. "Even if there are some mistakes or inacuracies in their letters, you still keep them on hand for reference and follow up."

Then turning to McDonald who was seated at the committee table, although not a member, he thundered, "How many times did you come to me and ask any questions about the department?"

McDonald replied, "never."

Then Malone asked, "Have you ever even been with the Department of Labor and Industry?" And again the reply was "never."

The former commissioner concluded by saying that he had been in state government for 11 years "and even my worst critic never challenged my honesty."

He gave the committee a copy of a letter from the manager of the ABC in which the admitted foe of the Little Davis-Bacon Law said that the Department "did the best with what we had."

Praising Malone, Rep. Lynn Carlson (DFL-Brooklyn Center) moved that McDonald's bill be tabled.

After McDonald made a futile effort to have the bill kept alive by sending it to the Government Operation Committee, the Labor subcommittee voted 9–1 to table.

Voting to table were Republicans Biersdorf, James Evans (Detroit Lakes), Jim Heap (Robbinsdale), and Robert Reif (White Bear Lake), and DFLers Carlson, Arlene Lehto (Duluth), James Metzen (S. St. Paul), Donald Moe (St. Paul), and chairman Murphy.

Lone vote against killing the bill was from Republican Joseph Niehaus, (Sauk Centre).●

A BILL FOR THE RELIEF OF CHARLES J. MANGAN

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HARRIS. Mr. Speaker, today I have introduced a private bill for the relief of Charles J. Mangan to remove the burden of certain penalties which were imposed on him under section 6672 of the Internal Revenue Code of 1954.

In 1976, Mr. Mangan brought a refund suit in the U.S. District Court for the Eastern District of Virginia to recover "responsible officer" penalties assessed against him and partially collected in connection with his association with two corporations, Amtco, Inc., and Autogen Machine Products, Inc. The district judge rendered verdicts in the cases, one in Mr. Mangan's favor, one in favor of the United States. As a result, Mr. Mangan has been ordered to pay the U.S. Government an amount in excess of $25,000.

Such liability was incurred because Amtco, Inc., did not pay certain withholding taxes and social security taxes for the period January 1, 1970, through June 30, 1970, while Charles Mangan was president and a shareholder of the corporation.

Both the taxpayer and the United States noted appeals in the cases but both were subsequently withdrawn as both sides believed that a reversal in either case would be unlikely. The time for appealing the district judgement has since expired, and Mr. Mangan has no further legal remedies available to him.

This case is not a complicated tax matter. When cash flow problems make it impossible for employers to withhold social security and income taxes from the wages of its employees, the Internal Revenue Service is authorized to collect a penalty equal to 100 percent of these taxes from the responsible person. This person must not only be responsible, but his conduct in not paying the taxes must demonstrate both deliberate and willful avoidance. Mr. Mangan did not display deliberate or willful avoidance. On the contrary, he made every effort to fulfill his obligations.

During his first 5 years as Amtco's chief executive officer, Mr. Mangan faithfully fulfilled the company's withholding tax obligations. However, in December 1969, the corporation suffered a sudden financial reversal. It only had the money to meet the net payroll and did not have the money to set aside the employee income taxes and social security taxes. Therefore, for the first time in Amtco's history, it failed to make a timely deposit to the Federal Reserve bank of its withheld taxes for the month of December 1969. However, as a result of the concern and the efforts of Mr. Mangan, the corporation during his remaining association before July 28, 1970, paid these taxes for December.

On July 28, 1970, Mr. Mangan resigned as president of Amtco, Inc. Until the time of his resignation, Mr. Mangan made deliberate, conscientious, and intentional efforts to do all that was humanly possible under the circumstances to keep the payroll taxes of the corporation current. He was in constant negotiations with the corporation for a plan which would provide the corporation with the funds to pay these taxes and bring its other obligations current.

In January 1971, Mr. Mangan after having been unemployed for 6 months, liquidated his only remaining personal asset—$32,000 worth of stock in a restaurant. He contributed the proceeds of this sale to the corporation in return for stock and an agreement signed by the corporation's director and other stockholders that these funds would be paid to the Internal Revenue Service to satisfy the corporation's tax liability.

The financial condition of the company improved in January after Mr. Mangan and others purchased $64,000 of preferred stock from the corporation to give it funds, but the directing head of the corporation used these funds to pay and increase salaries and secure management consultant service, rather than for the payment of the withheld taxes per the agreement with Mr. Mangan. Further the Internal Revenue Service representative assigned to collect these taxes was aware, on and after September of 1970, of the financial condition of the corporation. The representative voluntarily allowed the corporation to use its funds to maintain the organization for another year and a half to pay other inferior creditors. The Internal Revenue Service could have collected taxes but failed to do so.

Mr. Mangan made a sincere effort to help Amtco satisfy its obligation to the Internal Revenue Service for the employment taxes withheld from the employees during his effective control of the corporation. I urge the favorable consideration of this bill.●

A TORRANCE, CALIF., SALUTE TO ITS SCHOOL EMPLOYEES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday April 24, 1979

● Mr. DORNAN. Mr. Speaker, I have the distinguished honor of paying tribute to the retiring employees of the Torrance, Calif., Unified School District. Each individual will be recognized for outstanding service during the seventh annual employees recognition banquet to be attended by 300 citizens on May 4.

These employees have proven themselves dedicated contributors to the educational needs of the children of Torrance and they will long be remembered for their excellent service.

Mr. Speaker, I call attention to my colleagues in the House of Representatives a fine group of citizens who are appreciated by the residents of the south bay.

To be honored on May 4 are:

LIST OF TORRANCE, CALIF., SCHOOL RETIREES

Mr. Pete Dodos, Maintenance and Repairman.

Miss Doris Avis, Elementary Teacher.

Mr. Clifford Graybel, Elementary Counselor.

Mr. Victor Kilburn, Elementary Principal.

Mrs. Lyda Sikkema.

Mrs. Doris Bagwell.

Mrs. Julia Barck, Clerk Typist.

Mrs. Gertrude Chapin, Manager.

Mrs. Jeanne Clayton, Elementary School Secretary.

Mr. Charles Conze, General Maintenance Foreman.

Mrs. Mary A. Eliason.

Mrs. Edna Goodrow, Senior Stenographer.

Mr. Joseph Gorgoglione, Custodian.

Mr. Willard Jackson, Custodian.

Mrs. Bessie Kidner, Cook.

Mr. Bernard Migni, Maintenance Planner.

Mr. Mack Monroe, Maintenance Mechanic.

Mr. George Reinert, Buyer/Purchaser.

Mr. Heber Themm, Maintenance Mechanic.

Mrs. Betty Jean Tuzzolino, Elementary School Secretary.

Mr. Joe DeBry, Carpenter.

Miss Marjorie Carey, Teacher.

Mrs. Odessa DeBerry, Teacher.

Mrs. Dorothy Fraser, Elementary Counselor.

Mrs. June Linnemeyer, Staff Assistant.

Mrs. Frances Murphy, Teacher.

Mr. Lehr Mushrush, Teacher.

Mr. Edward Nupoli, Teacher.

Mrs. Genevieve Ramirez, Advanced Ed. Teacher.

Mrs. Wanda Reynolds, Teacher.

Ms. Dortha Simmons, Teacher.

Mr. Roland Smith, Teacher.

Mrs. Jeannette Muth, Teacher.

Mrs. Martha Sumner, Teacher.

Mrs. Deanne Hillendahl, Elementary Teacher.

Mr. Bobby Webber, High School Counselor.

Mrs. Ruth Barr, High School Counselor.

Mrs. Virginia Figueredo, Teacher.

Mr. James Hamilton, Teacher.

Mrs. Ruth Westerholm, Teacher.

Mrs. Thelma Delameter.

Mrs. Adele Betts, Account Clerk.

Mrs. Evelyn Sexton, High School Stenographer.

Mrs. Elodie Pearson, Elementary Teacher.

Mr. James Callender, Head Custodian.

Mrs. Florence Daielle.●

DAYS OF REMEMBRANCE OF THE VICTIMS OF THE HOLOCAUST

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LENT. Mr. Speaker, we observe this day as International Holocaust Commemoration Day. As part of the observance we have had a most solemn and moving ceremony in the rotunda of our Capitol. And on April 28 and 29 by Presidential proclamation, the entire United States will observe Days of Remembrance of the Victims of the Holocaust.

In such commemorations we join in solemn tribute to the victims of one of the most terrible crimes recorded in human history: the holocaust, in which 6 million Jews were murdered by the evil regime of Adolf Hitler and his Nazi followers. The Nazi program of extermination was revealed in horrifying detail near the end of World War II as allied armies liberated the concentration camps where the campaign of genocide reached its peak. The names of those infamous camps—Dachau, Auschwitz, Buchenwald Treblinka—are etched forever in the memories of those of us who experienced the numbing days when the emaciated survivors in the camps bore witness to the awful deaths of their brothers and sisters, fathers and mothers, wives and husbands, relatives and friends.

The grim sights and sounds we saw and heard 34 years ago this month can never be erased from our memories. We can never forget the terrible human tragedy encompassed by the holocaust in Nazi Germany and Nazi-occupied territory.

In these days of commemoration we bear a special responsibility to make certain that those who have no direct recollection of the holocaust fully appreciate the extent of the human savagery that it loosed upon a hapless people. We bear a special responsibility to make certain that they fully appreciate the tremendous courage, perserverance, and will to endure with which millions of Jews met the awful tribulations of those years of terror.

Mr. Speaker, nothing should be permitted to erase from our conscience the burden of the inhuman cruelty that was inflicted upon so many millions of persons simply because they were Jews. Future generations must recall as vividly as we those tragic circumstances so that such a terrible crime against humanity can never again be perpetrated.

Let us adopt as our guide the famed epitaph at Yad Vashem, the Israel memorial to the victims of the holocaust. The epitaph says:

> Keep not silent. Forget not the deeds of tyranny, cry out at the disaster of a people, recount it unto your children, and they unto theirs from generation unto generation, that hordes swept in, ran wild and savage.

Yes, Mr. Speaker, we must recount unto our children, and they unto theirs the awful record of the holocaust. And we have a further responsibility. It is our responsibility—and the responsibility of those who follow us—to challenge tyranny and oppression; to oppose bigotry and hatred.

It is our responsibility—and the responsibility of those who follow us—to maintain those great principles of freedom, equality, and justice upon which our great Nation was founded. In those principles lie our safeguard against another holocaust.

Mr. Speaker, we pray that the tragic circumstances we commemorate today never return. We pray that the memory of the 6 million who died in the holocaust will keep alive our determination to prevent any recurrence of such a monstrous crime.

Let us carry this inscription in our hearts: "Never again."●

THE 50TH ANNIVERSARY OF VENTURA COUNTY CHAPTER OF AHEPA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to inform my colleagues of the upcoming 50-year anniversary celebration of the Ventura County Chapter of Ahepa (American Hellenic Educational and Progressive Association). The celebration, to be held on April 29 at the Pierpont Inn in Ventura, Calif., will honor the following senior members of the chapter and respected members of the constituency: Gus Booth, Frank Corey, Harry Kam, Nick Melonas, George Poulos, and John Simitzi.●

TRIBUTE TO AIR FORCE COL. DONALD K. WINSTON

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HILLIS. Mr. Speaker, I would like to call to the attention of the House the outstanding record of Air Force Col. Donald K. Winston who, for the past 19 months, has served as Commander of the 305th Air Refueling Wing of the Strategic Air Command located at Grissom Air Force Base in Indiana.

On April 6 I had the honor of taking part in a change of command ceremony at Grissom which marked an end to Colonel Winston's tour of duty at that base. In the few short years of his assignment there Colonel Winston, by his job performance and his good relations with the adjacent communities, did much to enhance the image of both the Air Force and the military. It is appropriate, I feel, to note a few of his achievements.

Having recently been on base, I can personally attest to the excellent physical condition of the buildings, grounds, and facilities at Grissom. Colonel Winston has, with diligence and good management, left Grissom Air Force Base in probably the best shape it has been in since World War II.

Furthermore, both the officers corp and the enlisted personnel under his command have proven to be efficient and professional. Their high motivation, and the performance record of the 305th Air Refueling Wing, speaks well of Colonel Winston as an officer who understands and utilizes the tools of personal leadership.

Perhaps the best example of his leadership, however, came in January of this year when Colonel Winston was appointed Tanker Task Force Commander for a special mission which was designed to quickly deploy 12 F–15 fighters from the United States to Saudi Arabia. This operation depended on the ability of the tanker planes under Colonel Winston's command to refuel the fighters in flight, thereby extending their range. The success of this mission clearly demonstrated not only Don Winston's expertise in the essential field of air-to-air refueling, but it also proved the readiness, skill and stamina of the men and equipment under his command.

Colonel Winston symbolizes the finest tradition of today's military officer. I am confident that he will serve ably and well in his new assignment as Director of Assignments at the Strategic Air Command Headquarters in Omaha, Nebr. He will be missed at Grissom Air Force Base and in the central Indiana communities surrounding it. I wish Colonel Winston the very best luck and good fortune as he continues his excellent career in the Air Force.●

1978–79 SEVENTH DISTRICT CONGRESSIONAL YOUTH ADVISORY COMMITTEE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BROWN of Ohio. Mr. Speaker, I want to take this opportunity to advise my colleagues that the 1978–79 Seventh District Congressional Youth Advisory Council members have completed their work and have reported to me on the four legislative issues selected for study during the current school year.

I am pleased to place these reports in the RECORD for the benefit of my colleagues.

This is the eighth year that I have sponsored the Seventh District Congressional Youth Advisory Council, which consists of upperclassmen from approximately 40 high schools and joint vocational schools throughout my district.

The council is organized each autumn, at which time each of four committees selects a legislative topic to study during the year. Following the organizational meeting, each of the students receives a packet of information from me, compiled with the assistance of the Library of Congress and through the cooperation of the congressional committees with jurisdiction over each topic. The packets contain a broad range of viewpoints concerning each legislative topic and give the students a representative background of the issues upon which to build their opinions as they study the legislation.

In November and December of last year, each of the committees conducted a 1-day hearing with expert witnesses representing the broadest possible spectrum of viewpoints on each topic. Following the hearings, the committees began drafting their final reports and recommendations on their selected topics. On March 30, all of the council members met at Urbana College to present, discuss and vote on the issues.

Before I detail their findings, I want to again compliment the student participants. These students took many hours of their own time to study the issues, debate the topics among themselves in committee meetings, attend the 1-day hearing and then prepare the reports for my consideration.

I also want to thank the faculty advisors from the high schools who assisted the students during the year, as well as the witnesses who took time to travel to the seventh district to appear before the committee hearings. These two groups' participation, I am certain, contributed greatly to the successful conclusion of the council members' work.

This year the four committees studied and reported on four topics: Champaign-Logan Counties Committee, Modification of the Delaney Clause; Clark County Committee, No-Fault Auto Insurance; Greene County Mad River Township Committee, Federal Spending Limitation; and Marion-Union Counties Committee, Universal Service.●

THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit this article from the April 1979 issue of Sea Power to the RECORD on the need for a new nuclear carrier. J. William Middendorf II, former Secretary of the Navy, and Adm. Thomas H. Moorer, USN (retired), Chairman of the Joint Chiefs of Staff from 1970 to 1974, present some important arguments for the need for a nuclear carrier as opposed to a conventional carrier. The President in his veto message of last year's defense authorization bill promised that he would include funds in his 1980 budget request for a new carrier, though he did not specify which kind. I ask my colleagues to take all factors into consideration regarding the new carrier and to read the following article which explains why the nuclear is far superior and more cost-effective than the conventional model.

THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

(By J. William Meddendorf II and Admiral Thomas H. Moorer)

On the 26th of March, Israel's Prime Minister Menachem Begin and Egypt's Anwar Sadat, with U.S. President Jimmy Carter acting as witness, signed the peace treaty between their two nations which history may later record as the first step toward a permanent and lasting peace between all nations in the Mideast.

That it was, however, only the first step of many which must still be taken was dramatically emphasized the very next day when OPEC (the Organization of Petroleum Exporting Countries) announced it would increase the basic price of oil by 9 percent—to $14.54 a barrel—and also permit each member country of OPEC to impose additional surcharges of as-yet-undetermined amounts.

The new OPEC increase (the first of several retaliatory measures taken) was the seventh since 1 January 1973, when the price was only $2.59 per barrel, and has caused serious apprehension among Western nations already concerned about the recent change of government in Iran and the increasingly dangerous military threat against Saudi Arabia and other countries in the Persian Gulf/Arabian Sea area.

Because of that threat, the Defense Department is now reportedly considering organization of a new U.S. naval force—which would be called the Fifth Fleet—to patrol those areas of the Indian Ocean considered essential to the interests of the United States and its allies around the world.

But those naval forces—which means, for most practical purposes, the Navy's carrier task forces—are already stretched very, very thin, and they are constantly overworked.

One reason they are overworked, of course, is that in one crisis situation after another successive commanders-in-chief have realized that the carriers are often the only immediate deployable instrument of national military power available to them. The most recent crisis sorties were those made by the U.S.S. *Constellation*, ordered by President Carter twice within a matter of weeks to the Indian Ocean.

It is worth noting that the *Constellation* was accompanied by two tankers. The tankers slowed her down, but without them she could not have continued operations.

Besides being overworked, our carriers are also overaged. Before another carrier of any type could be operational, only four of the 13 carriers now in the fleet would be less than 25 years old. The operational life of some of the larger deck carriers is being stretched out, at a cost of hundreds of millions of dollars, through what is called a "service life extension program," or SLEP, but if experience with similar makeshift programs in the past teaches us anything it is what we almost always wind up with less capability than needed or anticipated, and at much higher cost than originally projected.

All of the foregoing argues compellingly, in our opinion, for construction of at least one more nuclear carrier (or CVN) of the Nimitz class for the U.S. Navy.

As most informed Americans are aware, one of the major issues to be decided by Congress in its consideration of the Defense Department's budget for the new fiscal year (FY 1980) starting on 1 October is whether the aircraft carrier requested in the budget submitted by the President should be nuclear-powered.

There is no debate over whether the Navy needs another carrier. The President, the Secretary of Defense, Navy officials both civilian and uniformed, and the cognizant committees of Congress all are in unanimous agreement that the Navy does need at least one more aircraft carrier.

There are many—and we include ourselves in this category—who believe several more carriers are needed if the Navy is to be able to responsibly carry out all the worldwide missions which have been assigned to it.

The most important of those missions—except for conduct of full-scale combat operations—is crisis response, as President Carter recognized in his use of the *Consellation*.

"Calling out the carriers," of course, is nothing new. Former Secretary of State Henry Kissinger, in a speech at the Naval War College in Newport, R.I., said "In the crises in which I was involved, the use of naval power, particularly the carrier, turned out to be almost invariably the crucial element."

In that same connection, it may also be recalled that on 15 April 1970 the late General Earle G. Wheeler, then serving as Chairman of the Joint Chiefs of Staff (following an earlier tour as Army Chief of Staff) testified that, even after the Vietnam War would be over, the Navy would need 16 carriers—"not on the basis of a peacetime situation, but on the basis of a possible future war. . . .

"We must recognize," General Wheeler told a Joint House-Senate Armed Services Subcommittee, "that if we have a war in which the Soviet Union is involved the war is not going to be confined to the Atlantic Ocean or to the Atlantic region. The Soviet Union is a two-ocean country as well as the United States, and therefore we will have a requirement for a carrier force to be deployed in the Pacific area.

"In addition to that," he continued, "we are going to have to have something for contingencies. After going over a great number of mixes of carriers needed under varying realistic contingencies, I came down on the number of 16 as being within a prudent level of risk."

In the nine years that have passed since General Wheeler's testimony, of course, the United States has suffered the loss of access to most of her important overseas bases and, with its allies, has grown much more heavily dependent on Persian Gulf Oil.

During the same time frame the Soviet naval threat has increased—in both quality and numbers—at a much more rapid pace than earlier expected. It used to be asked, by those who opposed the U.S. Navy's carrier construction programs, why the Soviet Union doesn't build aircraft carriers, if they're such an essential part of a strong navy.

That question is no longer asked. The USSR has two small carriers operational—the Kiev and the Minsk (both of which were on fleet exercises in the Mediterranean last month)—and are building one more, possibly two. Some analysts also believe a large new surface ship now under construction in the Soviet Union might be the USSR's first nuclear carrier.

Despite the increased Soviet naval threat, despite the increased dependence of the United States and its allies on overseas sources of oil and many other raw materials, and despite the loss of several more overseas bases formerly available to U.S. land-based aircraft, it has been decided—largely because of what is referred to as "cost considerations"—that the U.S. Navy now only needs 12 aircraft carriers.

It also has been decided by the present administration—again, because of cost considerations—that the carrier requested in the FY 1980 budget should be conventionally-powered rather than nuclear-powered.

To further reduce initial acquisition costs of the FY 1980 carrier—which according to present Defense Department plans is the last one the Navy will *ever* be permitted to buy—the administration decided at the same time it should be a ship of a completely new "CVV" design and, at 62,500 tons, much smaller in size—and considerably less capable—than either the 94,000-ton Nimitz-class CVNs or the 81,000-ton (conventionally-powered) John F. Kennedy CVs, which are now the mainstays of the Navy's carrier force.

Last year, it will be remembered, the President vetoed the defense authorization bill because Congress had included in it funds for a nuclear carrier, CVN, which the President had not requested and which he said at the time would be: (1) too expensive; and (2) not needed. (He also said the same money could be better used on procurement of several smaller ships; to date, those ships have not been requested—in fact, the President has further reduced the Navy's five-year shipbuilding plan.)

For a number of reasons, not all of which were directly related to the comparative merits of a nuclear carrier vs. a conventional carrier, Congress failed to override the President's veto. A substitute bill virtually identical to the vetoed bill, but minus the carrier authorization, was then passed and signed into law.

The President had said in his veto message he would include funds for a new carrier in his 1980 budget request. He did not, however, specify what type of a carrier.

There are many knowledgeable defense analysts—in the Navy, in Congress, in the academic world, and in the media—who vehemently disagree with the President's veto decision. They believed, and still do, that the overwhelming body of evidence and empirical data accumulated over the past quarter-century of nuclear-ship operations conclusively proves that another CVN would be not only significantly more combat-capable than either a CV or CVV, but also considerably more cost-effective than either of the latter ships—and perhaps even less expensive in absolute terms.

But that is irrelevant, for all practical purposes. It is not necessary to rehash last year's budget debate to suggest that, *this year*, the economic, political, and national security milieu in which defense budget decisions must necessarily be made have changed so much, and so recently, that the assumptions upon which the President's budget request is based are no longer valid.

Preparation of the annual Defense Department budget request is a long and complex process, which starts more than a full year before the approved request is submitted to Congress (at the beginning of the congressional session). Congress itself then conducts, through its Armed Services and Appropriations Committees, months of hearings—during which literally thousands of pages of testimony are developed—before shifting to floor debate six to nine months later and finally enacting authorization and appropriations legislation for the President's signature. (The authorization bill tells the Defense Department and the Services what they can and cannot do and what programs may or may not be funded; the appropriations bill contains the legal authority to spend money for the programs authorized. A program can be authorized but not funded; it *cannot* be funded without first being authorized.)

The bills which eventually reach the President's desk *always* differ in numerous respects from those originally introduced—sometimes because of changes requested by the administration itself; sometimes because Congress differs from the administration in its perception of the nation's defense needs; and sometimes simply because outside events dictate changes not possible to anticipate.

That is what has happened this year. Within the past several months the United States has lost the right to use bases and facilities in Iran which were an integral part of the U.S./NATO defense structure in that important area of the world. The United States has also, within the same time frame and for reasons which may long be debated, broken formal relations with Taiwan—thus incurring the risk of permanently losing the excellent port and air facilities on that island which for the past 25 years served this country, in effect, as a "fixed site aircraft carrier" strategically positioned off the east coast of the Asian mainland.

Whatever the political merits of the President's decision to recognize the People's Republic of China, the fact remains that part of the price paid is the possible (many would say probable) non-availability, for the foreseeable future, of an important overseas land base.

The loss of overseas bases is not an isolated phenomenon, unfortunately. The country's operational overseas base structure has been reduced from the 105 that existed 10 years ago to fewer than 40 today. (Among the more harmful recent losses are those of Cam Ranh Bay and other bases in Vietnam now being used by the Russians—just as they are also using former Wheelus Air Force Base in Libya. The United States is a double loser in such instances.)

Whether we stay or leave, overseas land bases cost money—much more money in the long run than do aircraft carriers. It is worth recalling that it cost the United States over $525 million just to build the massive complex of air bases used in Southeast Asia during the Vietnam War. Additional hundreds of millions of dollars were spent building logistics support facilities, petroleum and ammunition storage dumps, and defense installations.

Those assigned to defend our land bases in Vietnam, let there be no doubt about it, did their job well. Despite their best—and often heroic—efforts, however, over 400 allied aircraft were lost from ground attack alone, and more than 4,000 more aircraft were damaged.

In contrast, during the whole Vietnam War not one sea-based aircraft was lost or damaged on board any U.S. carrier as a result of enemy action.

Nevertheless, our overseas base structure is still immensely important to our overall defense program, and the loss of such previously available bases and facilities in Iran and Taiwan, and the annually less viable tenure of U.S. base rights in many other countries, puts an added burden on the Navy's already overworked aircraft carriers and makes it mandatory that those carriers be, if at all possible, increased in number. It also makes it imperative that the high quality of the carriers now in the fleet not be diminished in any way by the addition of ships of lesser capability, lesser endurance, and more limited in range, speed, payload, and safety—it has been repeatedly demonstrated that smaller and less capable carriers suffer much higher accident rates, in both peace and war.

There are other unanticipated changes which have also dramatically altered the fiscal year 1980 defense planning assumptions.

One such change is the still precarious peace agreement between Egypt and Israel; another is the volatile situation on the Persian Gulf threatening the pro-Western regime in Saudi Arabia and her smaller neighbors. Lacking land bases in the immediate area, the only way the United States can contribute to continued stability in the region is through use of sea power.

And sea power in this instance, as almost everywhere else in the world, means aircraft carriers.

Aircraft carriers are over the horizon and out of sight. They do not violate national sovereignty or offend local political sensibilities. They are immune to insurgents, revolutionaries, and guerrillas—and to changes in government which are so often followed by changes in national policy which say in effect, "Yankee Go Home!"

But carriers are far from invisible to those who threaten the peace. They are a message to friend and foe alike that the United States Navy is offshore, a short jet-flight away, ready to carry out its defense commitments and to protect American interests in the area and the interests of America's allies.

Carriers are quickly deployable. The same carrier which today is enjoying a port visit to Naples could be in the Eastern Mediterranean tomorrow ready to provide powerful assistance to Egypt or Israel if either of those countries is attacked. And a carrier brings with it all of the airplane fuel, supplies, ordnance, spare parts, and repair and support facilities needed by the 90-plus aircraft it carries.

But why a nuclear carrier? Why not the CVV which the President has requested—or the "compromise" option, another conventionally-powered Kennedy-class CV?

The answer can be stated briefly: A CVN is faster, safer, more combat-capable, and more quickly deployable—and has infinitely more range—than either a CVV or CV; it is also much cheaper to operate.

Surprising, another CVN may, in addition, actually cost less to construct than a CVV—it is certainly more *cost-effective* than either the CVV or the CV. It could be delivered to the Navy at least a full year earlier than the as-yet-undesigned CVV could be delivered, and probably almost as soon as another CV could be operational.

Those statements require and deserve amplification.

Insofar as military characteristics are concerned:

The CVN carries 90–95 aircraft; the CVV 50–64.

The CVN has twice the propulsion power and carries 2.5 times as much aircraft fuel, and 1.5 times as much aircraft ammunition, as the CVV could carry.

The CVN has four aircraft elevators, four catapults, and four propeller shafts; the CVV would have two of each. (The Navy has not within the past 40 years built a carrier with only two shafts.)

The CVN has a higher maximum speed (classified, but officially conceded to be "about five knots faster" than any conventional carrier). The CVN can, in fact, with one shaft down, continue operations at a speed almost equal to the CVV's maximum speed.

The most important CVN advantages, however, are those which flow from nuclear propulsion. The CVN can literally steam around the world at maximum speed without ever having to refuel. The CVN (or the CV, for that matter) is limited by the fuel it could carry—and also by the availability of the slow-speed refueling ships which have to accompany conventionally-powered ships or rendezvous with them along the way.

There are also a number of intangibles which favor the CVN—intangibles which in a crisis could mean the difference between mission failure and "mission accomplished." The CVN has greater seakeeping qualities, for example. That translates into a more stable platform, which means fewer aircraft accidents, fewer lives lost, lower repair and replacement costs, and the ability to sortie more aircraft more often regardless of foul weather conditions. (Because of its freedom from fuel constraints the CVN can often avoid storm areas entirely by following a more circuitous transit; the more limited conventional carriers seldom have the same option.)

The more heavily armored CVN is also much more survivable in combat; its high speed makes it a tougher target both to find and to hit, and its heavy armor and high degree of compartmentation combine to ensure that, even if it is hit (by anything less than a nuclear weapon), it probably would not even have to cease regular operations.

The myth of "carrier vulnerability," by the way, is just that: a myth. A heavily armored high-speed ship at sea presents a rapidly moving, and maneuvering, target extremely difficult to find, much less to hit and to hurt. It is infinitely easier to target and destroy our fixed-site shore-based ammunition dumps, fuel depots, and air fields. The punishment a modern nuclear carrier can take was—unfortunately and unintentionally—demonstrated in 1969 when nine 500-pound bombs (the equivalent of six Soviet cruise missiles) exploded on the flight deck of the USS Enterprise, the Navy's first nuclear carrier (and the only non-Nimitz CVN). Despite the damage done, the Enterprise could have resumed flight operations within a matter of hours. Today's carriers, with a higher degree of compartmentation, better sprinkling systems, and generally improved fire-fighting and damage control techniques, are even tougher and more survivable.

Now, the matter of cost:

According to the administration's budget presentations, the acquisition cost of the

CVV would be about $1.6 billion; another CVN would cost an estimated $2.4 billion.

However, consider the following:

Incredibly, the cost of fuel is not included in that cost comparison. The CVN's reactor will permit it to steam for 13 years prior to re-coring. It is impossible to estimate the delivered cost of the fuel (literally millions of barrels) a CVV would use in a similar 13-year period of operation. The delivered cost—which includes refining, processing, and storage costs as well as the very high costs of the tankers (convoyed and protected by other oil-burning ships) needed to carry and transfer the fuel to the carriers, can be three or four times the per-barrel cost at the wellhead.

At last year's prices, according to several independent cost studies, the cumulative cost of CVV fuel and other expenses not calculated in the administration's analysis would have been sufficient to virtually wipe out the CVN/CVV differential. At today's new and higher OPEC prices, which almost certainly will be substantially increased several more times in the next 13 years, the combined ship-plus-fuel cost calculations should now favor the CVN by a large margin.

Among the "other expenses" not included in the administration's cost analysis, incidentally, were such line items as: the acquisition, operating, and personnel costs for the surface combatants needed to escort the tankers during a conflict situation; the extra base facilities therefore needed in the United States and overseas; the very high cost of the aircraft more likely to be lost from a CVV or CV than from a CVN; and the incalculable cost of the extra lives also more likely to be lost.

Just as incalculable, of course, are the horrendous costs which might be incurred by not having enough combat aircraft available when and where they are needed in time of crisis.

Or by having them available in sufficient numbers—but either too far away to do any good, or unable to get to the combat zone until three or four days after they are most needed.

In today's high-speed world of supersonic jets and instantaneous around-the-world communications, that three or four days might mean a new cost differential which would have to be counted in terms of battles, perhaps even wars, won or lost.

All of the arguments which, in our shared opinion, make the CVN such a logical choice over the CVV apply with almost equal validity in a comparison between the CVN and the CV. (The CV would cost an estimated $143 million more than the CVV to build, and proportionately more to operate over a 13-year period. It would be just as dependent on logistics support. It would carry not quite as many aircraft as the CVN, it would be less survivable than the CVN, and it would carry only half as much aviation fuel and two thirds as much aircraft ammunition as would a CVN.)

There is a final point of almost overwhelming importance which should be considered: Those who advocate construction of a CVV, or even a "compromise" CV, take it for granted that the oil needed by those oil-burning ships will be available anytime and anywhere it is needed. That is a most dangerous assumption to make in building a ship which might have to be deployed on short or no notice anywhere in the world—including: (1) Constellation-like sorties to the vast reaches of the Indian Ocean where the United States has one small refueling base, at Diego Garcia (the nearest alternative is Subic Bay in the Philippines, 4,000 miles away); or even (2) at a time of another oil crisis, to the more narrow confines of the Eastern Mediterranean to help preserve the new peace between Egypt and Israel.

Persuaded by the logic of the above cost considerations, and even more by the overwhelmingly greater combat capabilities of the CVN, there are already many members of both the House and Senate, Republicans and Democrats alike, who are committed to authorizing another Nimitz-class CVN in the FY 1980 defense budget approved by Congress.

Such action, they recognize, would risk another confrontation with the President. Too many confrontations of that type are not good for the country. And they are not good for our overall national defense program.

Another such confrontation should therefore be avoided if at all possible. And it could be avoided. The President himself could dramatically demonstrate his own continuing dedication to defense, as well as to preservation of the peace agreement in the Middle East which he helped engineer, by informing Congress that, in view of the many changes in the world situation which have occurred since this year's defense budget was prepared, he now supports construction of another nuclear carrier.

We most urgently recommend that he do so forthwith.●

VOLUNTARY MILITARY FORCE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, Dr. Milton Friedman, Nobel Prize winning economist, has long been an eloquent proponent of voluntary service, and a strong opponent of the draft.

Recently, he wrote about the volunteer military force and how it is working.

I would like to call his cogent remarks to my colleagues' attention, since so much prodraft sentiment seems to be building on the Hill.

The article follows:

[From the Newsweek magazine, Apr. 16, 1979]

DON'T DRAFT GI JOE

(By Milton Friedman)

A new campaign has been launched to restore the draft. The initial sally has been a spate of articles reporting the failure of the armed services to meet their recruiting goals in the final three months of 1978: they enlisted only 90 percent as many recruits as their plans called for.

Headlines about the "failure of the volunteer armed force" blossomed. High military officers and ranking members of the Senate and House armed services committees viewed with alarm the prospective decline of U.S. military power unless conscription was promptly restored.

The public-relations bubble grew and grew—until it was pricked by Rep. Les Aspin of Wisconsin, who pointed out that the number of people in uniform—which is after all the true measure of existing military power—was 2,000 greater at the end of the year than the number the military services had budgeted for. The shortage in recruits had been more than made up by an excess of re-enlistments.

OF THE SAME OPINION STILL

The knowledgeable people who trumpeted one quarter's shortfall of recruits as a major failure of the whole concept of a volunteer armed force had access to the same data as Representative Aspin. Why did they proclaim succes as failure?

The answer, I believe, is simple. The upper echelon of the military has never been fully reconciled to the end of conscription, to the need to attract volunteers by offering conditions of employment competitive with private industry. How much easier to press a button and command a Selective Service Administration to round up a specified number of bodies, willing or not.

The military do not take this attitude for ignoble reasons. They are sincere patriots deeply concerned about the ability of the United States to defend itself against any threats to its security. However, they have spent their lives in a system that is based on command. That is what they have been trained for. It is asking a good deal to expect them to understand, let alone by enthusiastic about, a wholly different approach in recruiting personnel.

As a member of the President's Commission on an All-Volunteer Armed Force (chaired by Thomas Gates, former Secretary of Defense), I was repeatedly impressed with this attitude on the part of the high military officers with whom we met. They finally accepted a volunteer armed force only with great reluctance and only under extreme pressure from President Richard Nixon and Secretary of Defense Melvin Laird, both strong supporters of a volunteer force. The military, and their allies on the Hill, have been chafing at the bit ever since. They have taken every opportunity to renew the battle for conscription, and no doubt they shall continue to do so.

The fact is that the volunteer force is working extremely well. The average score of recruits on mental-aptitude tests is far higher today than it was under the draft. Quality has risen and every service has been able to meet its over-all quotas.

There are some difficult areas, particularly in the medical services and in the reserve forces.

In the medical area, the problem is of the military's own making. It results from their insistence that uniformed personnel provide medical services to both enlisted personnel and their families wherever they are stationed.

SOLVING THE PHYSICIAN PROBLEM

The Gates report recommended that wherever possible, enlisted personnel and their families should use civilian medical facilities. Like private employers, the services could provide medical insurance as a fringe benefit, but is there any reason why they should furnish medical services in kind to personnel and their families living in the U.S. or Germany, for example?

We cited as evidence of the need for such a reform the fact that in 1969, uniformed physicians delivered 146,000 babies. Since our report was published, the military has stopped reporting that figure—but it surely remains far from negligible.

The problem of reserve forces is more difficult but hardly insoluble. In any event, despite the difficulties, the reserves now in existence are in far better condition to contribute quickly and effectively to our military effort than the reserves were under the draft, when they were manned primarily by men seeking to avoid the draft.

We need a strong military. We are endangered throughout the world by the decline in our military strength relative to that of Russia. But strength depends on spirit and not merely numbers. Our military will be far stronger if we recruit it by methods consistent with the basic values of a free society than if we resort to the methods of a totalitarian society.●

WELCOME HOME TO THE BOSTON SYMPHONY ORCHESTRA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CONTE. Mr. Speaker, although it will be several months before western Massachusetts welcomes the Boston Symphony Orchestra back to the Berkshires and its summer home at Tanglewood in Lenox, I would like to take this time today to welcome the BSO back to the United States after its triumphant tour of the People's Republic of China.

The Boston Symphony Orchestra, under the guidance of its Music Director Seiji Ozawa, spent from March 12 to 20 in mainland China. In so doing, the BSO became the first U.S. orchestra to travel to China after President Carter announced the opening of full diplomatic relations with that country.

During their enthusiastically received tour, the 103 members of the orchestra proved, once again, that, as Longfellow wrote, "music is the universal language of mankind," and that they have brilliantly mastered that diplomatic tongue.

In 1977, I was privileged to travel to the People's Republic of China as a member of an official congressional delegation. While in the city of Shanghai, we were treated to a recital by the Shanghai Conservatory. It was a stirring experience. I can only imagine, therefore, the delight on the part of the musicians and the audiences alike as Chinese and American musicians met, performed together, and shared the secrets of their art.

That the traveling did not at all diminish its performing ability was amply demonstrated 2 weeks ago by the Boston Symphony Orchestra at a concert at the J. F. Kennedy Center for the Performing Arts here in Washington. I was pleased to be among the appreciative audience providing the BSO a warm "welcome back to the States."

A very vivid picture of the China tour of the BSO was painted for those of us who followed the visit through the pages of the Pittsfield, Mass., Berkshire Eagle, by that paper's music critic, Andrew L. Pincus, who filed continuous dispatches from the People's Republic. Upon the conclusion of the visit, Reporter Pincus wrote an excellent summary story on the trip. I would like to insert that article in the RECORD now and formally congratulate the Boston Symphony Orchestra for its contributions to better understanding between the people of the United States and the People's Republic of China at this important point in the relationship between our Nations:

HANDS ACROSS THE CHINA C'S

(By Andrew L. Pincus)

For three days the friendship had grown between the two American women violinists and their Chinese counterpart. They had exchanged gifts—Boston postcards for the Chinese woman, Chinese silks and a scroll for the Americans—and they had visited and rehearsed together.

Then, at the Boston Symphony Orchestra's farewell banquet in Peking for the Peking Central Philharmonic, the three musicians were dining together. Also at their table was the Chinese women's cadre, or Communist Party leader, from the orchestra—himself a violinist.

The women, enjoying their last day together, became somewhat uproarious. During the speeches by American and Chinese officials, the American women asked their friend, who spoke some English, what the Chinese really think of Americans.

"We know you're barbarians," she jokingly replied. "We know to expect funny and unusual things."

The group burst out in laughter, only for a chill to descend. A top cadre from the Philharmonic walked up, put a hand on the Chinese woman's shoulder and warned her to be quiet. She became suddenly angry and withdrawn. Only when her own cadre accepted responsibility for the incident did she become friendly again, going shopping with her friends and giving them her rationing coupon for cotton goods so they could buy Chinese clothes.

The story had both a happy and a sad ending, according to Marylou Speaker, the BSO's principal second violinist, who, along with second violinist Sheila Fiekowsky, befriended the 27-year-old Chinese player. At the airport the next morning, when the entire Peking Philharmonic turned out to wish their opposite numbers in the BSO goodbye, there was another exchange of gifts—a battery-powered metronome for the Chinese violinist, which she accepted for her orchestra, and vases from her to her American partners. But there were also tears and promises to write upon parting, perhaps for many years.

The encounter between violinists tells, like a snapshot, the story of the BSO's larger encounter with China; the reaching out, the friendships and the faint touch of fear that new-won freedoms might be taken away.

None of the Americans in the BSO party—not the musicians nor the China scholars nor the press—could say this trip was fun. There were too many 18-hour days, too much teaching and performing and sightseeing in too short a week, too little sleep, and too many shocks to the stomach and nerves. But, with virtual unanimity, the weary, slightly punch-drunk players on their homeward-bound Pan Am 747 could say this was an irreplaceable, rewarding experience, establishing lasting friendships between musicians and nations.

Music director Seiji Ozawa, the China-born Japanese whom the Chinese took to their hearts, put it perhaps most succinctly during a visit to his boyhood home in Peking on the last day of the trip. Surveying the small gray-brown house, where four families and 35 people now live, he recalled the previous night's joint concert by the BSO and the Peking Philharmonic and said in his fractured English:

"When two orchestras play together, I didn't see Western guy and Oriental guy. On musical level I think they were really together. The Chinese musicians got a lot. They need to see how Western orchestra play. But we got something very pure. We are so busy sometimes—concerts, records—we forget pure importance of music. Chinese people, because of their situation—life is so simple—music is simple and pure, too."

Or, as double bass player Lawrence Wolfe, recalling the BSO's 2½ week tour of Japan just a year before, said during the 18-hour flight home:

"I'll tell you. When we were in Japan last year, people were friendly, but it was never like this. That was all sort of on the surface. But these people really meant it, and you felt something really overflowed from deep inside. I'm glad I'm going home, but I feel just wonderful about what we've done."

The BSO's China tour came at a key moment in history. The orchestra was not only the first American performing arts group to visit China since the reopening of diplomatic relations on Jan. 1. It was also the first major foreign troupe to perform since the otherthrow last year of the Cultural Revolution, the 10-year attempt to purge Chinese arts and education of foreign influences and instill them with ideological purity.

China wants America's friendship. Perhaps more basically, China wants America's know-how. The situation could change—that chilling tap on the shoulder again—but Chinese today, from Vice Premier Deng Xiaoping on down, make it clear that China's hopes for modernization rest on the cultural and technological lessons the United States and other foreign nations can teach. Friendship is the party line, but friendship is also a genuine human response, as heartfelt as the enthusiasm 18,000 Chinese displayed when the two orchestras joined to play "The Stars and Stripes Forever."

In one sense, then, the BSO's trip was political. Nor were the orchestra's motives purely altruistic. Ozawa planned the trip partly to show off his orchestra in the land of his birth, just as the Japanese tour showed it off in the land of his upbringing. Then, for publicity's sake, management speeded up the timing to get the BSO into China ahead of the Berlin Philharmonic and a string of other American musicians, who plan Chinese tours later this year. Similarly, the media blitz—an eight-man CBS-TV crew plus representatives of the major national newspapers and magazines—was partly engineered to bring maximum publicity to the BSO in a time of mounting deficits.

The trip, nevertheless, was a political and musical triumph. Its success can be gauged by a comparison to the Philadelphia Orchestra's China tour in 1973 under the auspices of the Nixon administration, which was opening the first postwar American window on China.

Unlike the Philadelphia, which traveled with State Department funding, the BSO had to raise the expenses of $650,000 from private industry. Yet the Philadelphia, playing to audiences made up largely of military and party officials, got only a lukewarm reception, while the BSO's wildly cheering audiences included musicians and workers as well as dignitaries like Deng. Furthermore, the Philadelphia did no teaching. The BSO, in both Shanghai and Peking, held master classes for eager swarms of Chinese music students from the cities and surrounding provinces—500 youth and adults in concertmaster Joseph Silverstein's Shanghai violin class alone.

There were no joint concerts by the Philadelphia and Chinese musicians; indeed, Chinese musicians then were not even allowed to play Western pieces. And while there were some meetings among musicians, there were no personal contacts as there were with the Bostonians. Many Philadelphians, in fact, complained that the Chinese were out to impress the Americans with their culture rather than to listen to and learn about the best that America could offer.

Arthur M. Rosen, president of the National Committee on U.S.-Chinese Relations, who accompanied the BSO on the trip and assisted in planning it, points to the changed political conditions under Deng as the most obvious reason for the different receptions.

"The seal of approval has been given by the highest authorities," Rosen says, "and there is a reservoir of good feeling for the United States. Don't forget, many Chinese, both musicians and others, have connections in the United States through relatives or study. Something entirely new is releasing feelings that have existed for many years. This is the first time in history we have established one-on-one—Chinese and American musicians playing Western music together."

Liu Shihkun, one of those Chinese musicians, concurs. Liu is the pianist who played Liszt's First Concerto with the BSO in Peking and then in Boston. He himself was one of the victims of the Cultural Revolution. He was jailed seven years and beaten, his arm broken, for the crime of having played Western music. Then, in a showcase gesture, he was released for the Philadelphia's visit.

"The last time," he says of that visit, "the Cultural Revolution was still taking place, under the control of Chiang Ching (Mao Tse-tung's widow). At that time people like us in the cultural field were oppressed and persecuted. Now the atmosphere is very different. Now we want to strengthen our ties culturally. For instance, the last time the only piano music that was played was the "Yellow River Concerto" (a Chinese revolutionary work). The Liszt that I was playing was not permitted for Chinese players."

Over and over, the BSO encountered the crippling effects of the Cultural Revolution on artists like Liu and these artists' eagerness, almost like that of beginners, to learn or relearn what they have missed during 30 years of isolation, beginning with the Communist takeover of 1949.

There was Li Tehlun, permanent conductor of the Peking Philharmonic, chastized by Chiang Ching for having given Eugene Ormandy, director of the Philadelphia Orchestra, a piece of Chinese music that she considered too despondent for a revolutionary country. There was Han Chungjei, the Peking's interim conductor, attempting to rebuild his orchestra's repertoire to include more than the 10 programs it has been able to learn in the past year. Ironically, there was the street demonstration outside the tour's opening concert in Shanghai, at which a group of runaways from a state farm used their new freedoms to demand jobs from the city.

All of this has left its imprint on Western music in China, which has coexisted with traditional Chinese music for at least half a century. BSO players, while impressed with the spirit and technical ability of Chinese students and professionals, were appalled at the quality of their instruments—sometimes Russian-made hand-me-downs but more often poor Chinese copies. And the playing, BSO members agreed, suffered from unfamiliarity with current Western practices—again, except for Russian models, learned during the years of friendship with Russia, and now aped.

Ozawa, for example, noted a tendency by the Peking orchestra to play too lightly and rush phrases. Silverstein, who played a concerto with the Peking besides sitting in with it, commented on the orchestra's basic sensitivity yet its lack of experience with symphonic style as practiced by leading Western orchestras.

But everywhere there was a sense of determination and accomplishment in spite of the odds. At the Shanghai Conservatory, which reopened only last year after its closing in the Cultural Revolution, principal horn player Charles Kavalovski listened to a boy play a horn sonata and said: "What I find surprising is how natural they are about standing up and making music—like brushing their teeth." First bassoonist Sherman Walt, clutching a packet of Yangtzee River cane his Chinese students had given him for making reeds, said of one of his better charges: "The boy is as capable as any good student of his age in an American conservatory."

String players, led by Silverstein and first cellist Jules Eskin, examined stringed instruments being made in the school's workshop and pronounced the design excellent, despite the use of scratchy Chinese nylon strings. To remedy such needs, the BSO left gifts of American strings, mouthpieces, music, records, music paper and other supplies, and even BSO T-shirts and Frisbees.

Individual players, on discovering their counterparts' needs, promised to send other supplies by mail. Kavalovski, for example, will send a horn mute, a common device which no one at the conservatory had seen before, but which the school now will be able to copy. In exchange, the BSO took home a valuable set of Chinese drums and cymbals, as well as personal mementos from players to players.

Everything was not work in China. The BSO toured such sights as the Forbidden City, the Ming tombs and the Great Wall (wind players got as winded as everyone else in scaling its reconstructed ramparts). It stocked up on Chinese silks, ivory, jade, and even traditional Chinese instruments in the Friendship Stores run for foreign visitors.

It saw workers doing Tai chi exercises to music from loudspeakers in the streets and it smoked—and coughed over—China's Peony cigarettes. It guzzled Chinese beer and feasted on Peking duck. It met cockroaches in hotel rooms. It took so many photographs that Boston's camera shops will spend the next 40 days and 40 nights in developing the film.

And, even with all that, it saw only two cities, with only glimpses of the teeming side streets and countryside where travel is by bicycle or pony cart and workers still dig foundations and till the fields by hand.

But, for a $650,000 investment, the BSO brought priceless goodwill for its country, gave inspiration to Chinese musicians, reached millions of other Chinese who watched or heard the concerts on television and radio, and—who knows?—possibly improved chances for world peace. Ambassador Leonard Woodcock's boast that the visit advanced American-Chinese relations by 20 years might have been partly rhetoric. But it will probably be a good bit fewer than 20 years until Chinese musicians are seen in the streets of Boston, in line with Silverstein's banquet toast "to the day when the Boston Symphony can entertain the Peking Philharmonic on the first day of its American tour." Already there is talk of a longer return visit by the BSO to China in 1981.

As for the cities the BSO saw, Shanghai is run-down and picturesque, like an old movie set, with its remnants of French influence. Peking, with its monolithic public buildings and square, its miles of gray-brown hovels and its unyielding haze of dust and coal fumes, must be one of the world's ugliest and most depressing cities.

Americans in China are still so rare that they draw curious stares in the streets as soon as they venture away from the two or three hotels catering to foreign visitors. Yet an American never feels hostility in those stares or in the streams of people dodging the endlessly honking buses and trucks, whose only rule of the road seems to be that the pedestrian never has the right of way. Friendliness toward America, the visitor feels, is awakening from a long sleep, even though China remains regimented under an authoritarian government.

And, if all this was especially noticeable in music, it should become equally true in other fields as exchanges between the two countries grow.

Unless, of course, there comes that warning tap on the shoulder, multiplied by 800 million people. But that, the China watchers and Chinese musicians on the BSO trip said, seems unlikely in the present climate and under the present leadership—the more so now because of the momentum established by the BSO and its tired but happy members.●

THE THREAT OF THE BACKFIRE BOMBER TO THE UNITED STATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, the Soviet Union has their new bomber, the Tu-26/30 Backfire bomber in serial production. The current rate is 2.5 to 3.5 aircraft per month. At the current rate of production, more than 400 of these aircraft will be deployed by 1985, the year the SALT agreement is scheduled to expire. Although the SALT agreement is intended to include all Soviet and American systems with an unrefueled capability to strike targets at a range of 5,500 kilometers, the Backfire which has this capability, has been excluded from inclusion in the new SALT agreement. This means that the Soviet Union will be able to deploy a system of intercontinental capability as explicitly defined in the SALT agreement that will not be included in the coverage of the agreement, while the United States is obliged to include all of its delivery systems with a capability for unrefueled delivery of 5,500 kilometers.

The recent evidence in the press suggesting that the Soviet Union may be testing a cruise missile for the Backfire bomber exacerbates this problem. Regretably, the administration has shown no willingness to revise its negotiating posture at SALT to insure that the Soviet's intercontinental bombers—all of them including Backfire will be included in their SALT ceiling.

A recent article in New York magazine, March 12, 1979, by Tad Szulc has ably demonstrated the significance of the failure to include Backfire in SALT. The weakness in the joint United States-Canadian distant early warning (DEW) radar system in operation in Northern Canada cannot provide adequate warning of a low-altitude Backfire bomber flight beneath the effective minimum altitude coverage of the DEW system. Although most attention has been focused on the consequences of Soviet ICBM developments, the points raised by Mr. Szulc points out the grave danger to the American public from the failure of SALT to place limitations on Backfire. The failure to limit Backfire will probably require the United States to spend $6 to $10 billion on a new air defense system—an expenditure that would not have to be made had our SALT negotiating posture been focused on reaching an agreement that fully protects American security interests rather than simply seeking to reach an agreement to avoid a ratification debate during the 1980 elections. I include the text of Mr. Szulc's article in the RECORD at the conclusion of my remarks:

WHAT THE DEW LINE DOES NOT DO

(By Tad Szulc)

Two months ago, Washington officials received a frightening intelligence report with vast implications for United States foreign policy.

The Soviet Union, the information went, had started test-firing its nuclear-armed Backfire jet bombers—something it had never done before. While this action was considered significant by itself, it has thrown a scare into many Pentagon officials for perhaps a more serious reason. The Backfire bombers seem entirely capable of penetrating the DEW (Distant Early Warning) Line, the weakest link in the United States defense system, and knocking our nuclear silos out of commission.

Complicating the matter further is the fact that under the terms of the current draft of the SALT II agreement, the Backfire will not be subject to limitation, so all of North America could be vulnerable to a Russian attack—until a massive modernization of the DEW Line, now in the planning stages, can be completed. Indeed, the deterioration of the DEW Line and its rapidly diminishing value as a defense system serve to demonstrate just how faulty American strategic thinking and planning have been in recent years.

Becoming operational in 1957, the DEW Line was built principally as a barrier against Soviet bombers. Its 31 radar emplacements (10 of them operated by Americans, the rest by the Canadian military), strung over 3,300 miles along the Seventieth Parallel in northern Canada, were designed to provide 40,000-foot high-altitude and 500-foot low-altitude surveillance to the North American Air Defense Command (NORAD). Operated jointly by the United States and Canada under an agreement signed in 1958 and renewed most recently in 1975, NORAD maintains its Combat Operations Center inside Cheyenne Mountain in Colorado Springs. NORAD's military purpose was to activate interceptor air defenses against approaching enemy bombers detected by the DEW Line, and, if ordered by the president, trigger nuclear retaliation by the United States.

This original conception was entirely sound at the time because bombers were the only Soviet long-distance nuclear-delivery vehicles. But by 1974 the strategic situation had changed radically. Now heavy Soviet missiles—notably the SS-18—not planes, were perceived as the main danger to America. The assumption was that in the event of war the Soviet land-based ICBM's would be fired across the "top of the world" on a north-south trajectory. As the United States prepared to sign the new NORAD accord with Canada, the Pentagon noted that it had to take into account "significant changes in the characters of strategic weapons and the threat they pose to North America." Furthermore, with the 1972 SALT treaty limiting the deployment of anti-ballistic missiles (ABM's) by both sides, the United States was forced to put surveillance satellites in space over the northern tier to be assured of early warning signals of a Soviet missile onslaught. As a result of this new emphasis, the conventional DEW Line defense was downgraded.

In 1974, then Defense Secretary James R. Schlesinger testified before the Senate Armed Services Committee that "without an effective anti-missile defense, [now] precluded to both the U.S. and the USSR . . . a defense against Soviet bombers is of little practical value." The conventional wisdom in 1974 and afterward was the Backfire bomber, being subsonic and having a relatively limited range, should not be considered a strategic weapon in the same sense as the missiles.

Schlesinger, in fact, was so persuasive in downgrading the need for defenses against Soviet bombers that a debate arose in Canada over whether, under the circumstances, it was warranted to go on spending millions of dollars on the DEW Line and NORAD. Some Canadian leaders proposed scuttling the DEW Line altogether. Still, the Ottawa government prevailed in its view that NORAD should be kept alive—if only for its symbolic defense value. In 1975, the new NORAD agreement was signed. The United States earmarked an unspecified number of interceptors and airborne early-warning aircraft for these missions and went on manning its DEW Line radar sites.

But it soon became clear how wrong Schlesinger had been. By 1977, even if American SALT negotiators continued to doubt the real strategic importance of the Backfire bomber, the air force was taking it with utter seriousness. And once the Soviet bomber threat reappeared, the DEW Line again had to be regarded as crucial to continental defense.

At this point, the Pentagon itself had to admit that NORAD was ill-equipped to carry out its bomber-warning and air-defense responsibilities. In testimony before a Senate panel in 1977, air-force officials said that "it is important to note that current U.S. defenses have a very limited capability to detect and engage a bomber attack against any part of the United States or Canada" and that "our surveillance system has serious deficiencies, especially radar detection at low altitude, and our interceptor force is limited in size and performance to counter the increasing threat."

Even more to the point, the air force claimed that, because of "gaps" in low-altitude radar coverage and improvements in Soviet bomber performance, "the possibility exists that they could penetrate the DEW Line gaps at low levels, cruise through central Canada at high altitude, and make the target penetration at low level or launch a cruise missile." The air force added that Soviet bombers had the capability "to end run the DEW Line as it currently exists without great penalty in flight time." Meanwhile, the condition of the U.S. interceptor force attached to NORAD was described as "block obsolescence," with most of the aircraft being twenty years old. The Russians, unsurprisingly, have insisted that the Backfire *not* be included in the SALT II ceilings on strategic weapons. Because of Moscow's assurances that the Backfire would not be used as a strategic intercontinental weapon, American negotiators were prepared to accept the Soviet position in 1977 and 1978. The U.S. negotiators seemed to be insufficiently aware of the Achilles' heel that the DEW Line represents.

In light of all these considerations, the Joint Chiefs of Staff decided in 1977—belatedly—that something had to be done about the continent's northern defenses, which Schlesinger had so cavalierly downgraded only two years earlier.

The modernization program for our northern defense system, which is barely under way in 1979, provides for a new American-Canadian civil and military radar network known as the Joint Suveillance System; the modification by the United States and Canada of the fighter-interceptor-aircraft system; the earmarking for NORAD for the first time of an unspecified number of up-to-date Airborne Warning and Control System aircraft; the development, also for the first time, of over-the-horizon backscatter radar designed to provide air-defense surveillance of the East and West coasts of North America as protection against end runs of the DEW Line; and, in general, the "enhancement," as the chiefs put it, of the DEW Line as a whole.

In addition, the Canadians have agreed to modernize their interceptor force by purchasing between 120 and 150 aircraft for a total of about $2.4-billion. But despite a year's search for an appropriate plane, Canada has still to decide between the F–16 and the F–18–A, having discarded all other possibilities. The choice may be delayed for several more months—and it might well be years before the aircraft can be delivered.

Notwithstanding the new sense of urgency concerning the DEW Line, the United States effort to upgrade the northern defenses is moving slowly—Defense Secretary Harold Brown said in his annual report for fiscal year 1980 that the Joint Surveillance System will be activated in Canada in 1981 and in Alaska in 1983. Technical testing of the backscatter radar, he said, will be completed by the end of 1980, and "we will then decide if system deployment would help satisfy our bomber-warning needs along the coastal air approaches to the United States." Brown also disclosed that, as a "long-term goal," the United States is studying the possibility of detecting bombers from space. This would involve sending up a new satellite surveillance system; Brown has called it the "TEAL RUBY Experiment."

The question remains just how adequate the new system will be. An unpublished congressional study says that the objective in modernizing NORAD "is not to create a force capable of turning back a determined bomber attack on North America"; rather, the goal is "to restore the Command's ability to deny enemy bombers a 'free ride,' i.e., an uncontested attack on the continent."

In the meantime, the administration must decide fast what to do about the Backfire in terms of the SALT II agreement—because the realization of the weakness of the DEW Line has coincided with new, highly disturbing Soviet tests of the Backfire.

Intelligence data reaching Washington late in January showed that in recent months the Soviet Union had begun testing cruise-missile firings covering a 750-mile range from the nuclear-armed Backfire, a matter of vast concern to the United States.

At present, the tentative agreement is still to exclude the Backfire—as many as 300 of these bombers are believed to be operational for 1979—from SALT II limitations through acceptance of the argument that it does not constitute a strategic weapon. In return, Moscow is not demanding that our FB–111 fighter bombers stationed in Western Europe be included under treaty ceilings, although they clearly have a nuclear potential against targets in the Soviet Union. But, as previously mentioned, the Russians have a good reason for this tradeoff.

In the draft of the SALT II treaty, a medium bomber which has a cruise missile with a range of over 375 miles is a strategic weapon and therefore comes under the ceiling. But, as a senior Pentagon official privately remarked not long ago, the Backfire can launch a cruise missile against U.S. missile emplacements in North Dakota from a range of under 375 miles. All the Backfire has to do is penetrate the DEW Line at low level, pick up altitude to cross Canada, and then come down low again to fire the cruise missile "even from 100 miles."

Now that we know of this new Soviet capability—and realize the startling inadequacies of the DEW Line—the time may have come to rethink the Backfire problem in this context. And even if the terms of the treaty are changed, the United States, in practice, still remains immensely vulnerable to such attack. Thus the question: Why didn't anyone in authority think about this danger four years ago when the DEW Line was about to be given up as obsolete? ●

WELCOME TO NEWLY NATURALIZED AMERICANS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 38 residents of Maryland's

Second Congressional District who have chosen to become American citizens, with all of the responsibilities as well as freedoms that citizenship entails. Please join me in welcoming these newly naturalized Americans and extending to them our very best wishes for a happy and prosperous life in their new homeland:

Mrs. Nora A. Stephenson, Mr. Chong Cho, Mrs. Hee Cho, Mrs. May Mar, Mr. Soon Chang, Mr. Perry Black, Mr. John Feng, Mr. Hui Choe, Mrs. Yong Choe, Mrs. Gloria Dank, Mr. Rolando B. D. Cruz, Mr. Abdul Kashim, Mr. Suk Jin Cho, Mr. Min Ho Cho, Mr. Angel A. Ruiz, Mrs. Pauline Fogarty Smith, Mrs. Grace Lu-Chi Yin, and Mrs. Bok Yo Chung.

Mr. Victor Tenorio, Mrs. Helena Sarikas, Mr. Marcello Legaluppi, Mrs. Luciana Legaluppi, Mrs. Filomena Da Conceicao Bream, Mr. Ba Yin Oung, Mr. Mohammad Manocheh, Mrs. Linda Lafferman, Mrs. Ann Kung, Miss Kimberly Susan Jones, Ashley Lillian Murphy, Mrs. Anna Jaeger, Mrs. Jacquelene L. Redmond, Mrs. Shanta Agarwal, Mrs. Yu-Mei Wu, Mrs. Elizabeth Jones, Mrs. Hyun Soo Pak, Mrs. Soon Suck Hahn, Mr. Loreto Asegurado Abella, and Mr. Ranulfo Duarte Alvarez.●

HOLOCAUST COMMEMORATION WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ANDERSON of California. Mr. Speaker, April 22–28 has been declared a national week of holocaust commemoration in accordance with Public Law 95–371. It marks a tragic episode in the history of mankind and should serve to remind us that even an advanced and civilized society such as ours is capable of such unimaginable and inhuman conduct.

It has been more than 30 years since the madness of Nazi Germany. Certainly, we must now reflect on how we as a nation, as strong believers in tolerance and freedom, can assure that such an occurance will never be repeated.

In my view, one way to do this is to make certain that criminal actions of past years are brought to justice. For this reason, I have joined in cosponsoring a measure proposed by Representative ELIZABETH HOLTZMAN urging the repeal or extension of the deadline for prosecuting Nazi-era atrocities. Unless changed, West Germany's statute of limitations for the prosecution of Nazi war criminals will expire on December 31, 1979. I urge our colleagues who have not already done so, to take the time during this holocaust commemoration week to join in this effort with their support.

Yesterday, in observance of this week, the Yeshiva University of Los Angeles dedicated the Simon Wiesenthal Center for Holocaust Studies. I would like to share with you an article from the Los Angeles Times which was written by the center's director, Efraim Zuroff. It offers some important thoughts for this occasion and indicates that the new Wiesenthal Center will have much to contribute to our understanding of the dark side of ourselves, and how this dark side, placed in the wrong set of circumstances, can result in tragedy almost beyond comprehension. This understanding is our best assurance that the people of the world will never again witness genocide, or be the victim of such a holocaust.

The article follows:

HOLOCAUST COMMEMORATION WEEK: THE MOST FITTING MEMORIAL IS UNDERSTANDING

(By Efraim Zuroff)

President Carter has declared April 22–28 a national week of Holocaust commemoration. He will make a major statement on human rights, and a memorial service will be held in the National Cathedral.

I assume that many people will wonder at the sudden preoccupation with things that happened more than 30 years ago to people with little or no ostensible connection to this country. Therefore, the time is opportune to clarify the history of the Holocaust and its lessons.

The Holocaust was a unique Jewish tragedy, but it holds implications for all segments of American—indeed, Western—society. Among the Nazis' victims were millions of non-Jewish civilians: Gypsies, Serbs, Poles, Jehovah's Witnesses, homosexuals, the mentally ill. These people were not singled out for systematic total annihilation, as were the Jews, but their plight comes into the purview of the implications and lessons of those tragic events.

The Holocaust put our entire society on trial, and it is on that basis that the decision to establish an American memorial to its victims is best understood. The events in question were not a freak accident or quirk of history. They were the culmination of a historical process, the sum total of concrete political, economic and sociological factors. Thus it is within reason to suggest that, had certain elements in the scenario been different, the Holocaust might not have occurred. Our study of history is based on the assumption that man does have freedom of choice. By implication, we can learn from our past triumphs and failures.

What would have happened if effective measures had been taken against Hitler when he began to rearm Germany in violation of the Versailles Treaty? When he introduced conscription in 1935? When German troops marched into the demilitarized Rhineland in 1936? What would have happened had Czechoslovakia not been abandoned by its allies at Munich? If severe sanctions had been taken against Nazi Germany when the first concentration camps were opened in 1933? None of these measures had any connection with the "Jewish problem," yet all ultimately formed links in the chain of events that led to World War II and the deaths of millions.

The same hypothesis can be projected regarding the persecution and destruction of European Jewry. While there are a few references to the murder of Jews in "Mein Kampf" and in Hitler's speeches, there was no operative plan for systematic annihilation before the winter of 1940–41. Perhaps the Holocaust would never have taken place if the world had responded firmly and unequivocally to the 1933 boycott of Jewish shops and laws enacted that year to exclude Jews from the civil service and the Bar and limit the number of Jewish children allowed to attend German public schools, or to the 1935 Nuremburg laws or the Kristallnacht pogrom of 1938.

Within a year after the Nazis embarked on their plan to systematically murder the Jews of Europe, news of the Final Solution reached the West. Despite corroboration from various sources, no serious attempt was made to rescue or aid the victims until January, 1944.

Late in the war, Jewish leaders begged the Allies to bomb the death camp at Auschwitz and/or the railway lines from Hungary to the camp. The response of John J. McCloy, assistant secretary of war, was that Auschwitz was not a military target, nor was the bombing technically feasible. It has been revealed, however, that Allied bombers were flying over the camp daily in order to bomb factories in the immediate vicinity.

In the fall of 1944, Heinrich Himmler, the SS head, halted the exterminations by gas at Auschwitz in the hope that such a step would lead to rapprochement between the Western allies and the Germans. The action was based on Himmler's belief that the Jews in the United States controlled American foreign policy and were responsible for America's entry into the war. While his views were obviously groundless, they do indicate the Nazis' sensitivity to public opinion, a factor that reinforces the hypothetical questions posited above.

The events of the Holocaust were a test of Western civilization. In each country, leaders were forced to make crucial decisions and individuals were forced to confront painful dilemmas. In occupied Europe, the question was collaboration, apathy or resistance—both on a national level and vis-a-vis the persecution of the Jews. Though perhaps not as pressing, the questions were quite similar in Allied countries. Should we go to war to defeat a totalitarian state whose avowed goal is the destruction of democracy? How should we respond to the persecution and murder of thousands of innocent civilians? Should we take measures to save the Jews of Europe being singled out for extermination by the Nazis?

Examining issues such as these should be the focal point of a commemorative week for the American public. Limiting observance to remembering the dead would be to miss the point.

Of course, the Holocaust also has dimensions that are best perceived and dealt with by Jews. It destroyed, for example, the demographic center of world Jewry (to date, the Jews are the only people who still have not recouped the population losses of World War II) and the center of Jewish learning, education and politics; 1.5 million children were killed, and irreplaceable cultural treasures lost.

While the American memorial to the Holocaust will undoubtedly relate to these specific losses, they are best mourned and commemorated through traditional Jewish rites. While non-Jews can commiserate with the tragedy of European Jewry, they should not be expected to identify with the destruction of Talmudic academies, synagogues, communal and educational institutions and cultural resources. Attempts by an American institution to deal with the Holocaust on that level are bound to be misunderstood by the American public, which might misconstrue the establishment of an American memorial as a political gesture by the President to enhance his standing with American Jewry and with Israeli Prime Minister Menachem Begin. It is therefore imperative that the Holocaust be dealt with as a watershed event for Western civilization, rather than as a one-time tragedy.

What must ultimately be understood as the universal lesson of the Holocaust period is that responsibility is the cornerstone of democracy.

Millions of lives were lost for the lack of that understanding. Our learning those lessons would mean that the martyrs' deaths were not entirely in vain. That, undoubtedly, would be the most fitting memorial.●

FOREIGN OIL TAX CREDIT SHOULD BE ELIMINATED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CONYERS. Mr. Speaker, since 1961 foreign oil tax credits have enabled the major multinational oil companies to profit substantially from the purchase of imported oil. Cumulatively, from 1961 to the present, the foreign tax credits have cost the U.S. taxpayers in excess of $10 billion. The tax credit represents a powerful incentive for these companies to import oil rather than to develop the domestic production of oil. Since the cost of imported oil is the major factor today behind inflation and poses a very serious threat to national security, the President recently indicated that the foreign oil tax credit ought to be eliminated. The following letter to the President, sent by the majority members of the House Subcommittee on Commerce, Consumer, and Monetary Affairs, spells out the way the foreign oil tax credit is working completely contrary to our national interest of bringing oil prices down and creating energy independence.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMERCE, CONSUMER, AND
MONETARY AFFAIRS SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., March 30, 1979.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Our dependence on imported oil continues to push the American economy toward greater double-digit inflation and recession. If there is a single lesson in the developing oil situation, it is that the United States must find a way—one which is politically and administratively feasible—to limit oil imports, particularly those from OPEC nations. The need was urgent five years ago. It is even more so today.

On March 21, 1979, the Treasury Department released its report on the national security effects of oil imports. The report concludes that oil imports are entering the United States in such quantities and under such circumstances as to threaten to impair the national security. As a result the Secretary of the Treasury recommended to you that action be taken to increase domestic production of oil and gas by providing appropriate incentives and eliminating programs and regulations that inhibit the achievement of these goals. It is in this context that this letter is written and directed to you.

The Subcommittee on Commerce, Consumer and Monetary Affairs of the House Government Operations Committee has been studying the administration by the Department of Treasury and Internal Revenue Service of tax laws relating to foreign tax credits claimed by U.S. petroleum companies operating abroad as well as the subject of energy tax policy. Subcommittee hearings have been held on these subjects and a committee report has been issued which is entitled, "Foreign Tax Credits Claimed by U.S. Petroleum Companies". At the most recent hearings on March 13, 1979, it was proven that tax policies and tax administration greatly impact U.S. energy policy but we were disturbed to learn that national energy policy goals and oil tax policy analysis receive little or no consideration in the formulation and implementation of oil tax policy.

BACKGROUND

The key substantive issue is whether a foreign income tax is, in fact, a royalty or an income tax in the context of U.S. tax law. All domestic and Canadian petroleum producers pay such a royalty to the mineral landowner or excise taxes to local governments as a normal business expense which is deductible from its gross income; but under Sections 901–907 of the Tax Code, a company is given a direct credit against U.S. taxes for any "income tax" payment made to a foreign government. If a payment to a foreign government is deemed to be an "income tax" instead of a royalty, the tax benefits are considerably more valuable to the company, notwithstanding certain quantitative limitations placed on a petroleum company's use of foreign tax credits as a result of recent tax legislation.

OPEC-U.S. PETROLEUM COMPANIES AND THE TAX CREDITS

The OPEC cartel has never set the volume of oil to be produced among its member states. This is still left to each individual country. In some OPEC nations the decision is usually made in conjunction with the major oil companies who physically either take the oil out of the earth and/or out of the exporting country. The OPEC member state, as a seller, must reach agreement as to the volume of oil with the purchasing nations and the multinational oil companies who control distribution and marketing. Thus the companies still have considerable leverage in determining how much oil each OPEC member will produce.

The manner in which OPEC has succeeded in controlling world oil prices in turn is related to the "creditability" of foreign oil taxes claimed by U.S. companies. The individual OPEC member, seeking to maximize its revenues, works with the purchasing oil companies in structuring an appropriate formula to minimize the taxes which the companies have to pay to the U.S. Treasury and to the governments of other consuming countries. The higher the price of oil where tax credits are involved will also increase the tax credit and diminish the U.S. companies' U.S. tax payment. The credits allow the U.S. oil company to pay a minimum U.S. tax, generate and accumulate cash and is one of the major reasons why the U.S. international oil companies, in turn, become dependent on OPEC oil rather than domestic oil.

HOW IT OCCURRED

The current tax credit treatment originated in the early 1950's with rulings involving Saudi Arabia and Venezuela. At that time Saudi Arabia desired more revenue. The U.S. oil companies which owned and managed Arabian American Oil Co. (Aramco), originally, had so structured their accounting procedures that Aramco showed no profit, because the transfer price of crude oil from Aramco to the oil companies' refining and marketing subsidiaries was kept artificially low.

After consultation with U.S. oil and tax experts, Saudi Arabia, which did not possess an income tax system, decided to levy an "income tax" on Aramco (the sole producer in Saudi Arabia) in lieu of increasing its royalty for oil extraction. As a result the Government of Saudi Arabia decided to set the "posted" price of crude oil, regardless of what crude prices might be in the consumer markets. Accordingly the tax on Aramco would be based upon "posted" prices, artificially set at a level at which Aramco would make a profit and thereby have taxable income for the Government of Saudi Arabia. The Aramco response was to work with the Saudis to structure the arrangement so that the real impact of the Saudi tax would be borne by the consuming country's treasury and its consuming public rather than by company profits. The effect would be to shift the company's tax liability dollar-for-dollar from the United States Treasury to Saudi Arabia's Treasury. Accordingly, Aramco requested a ruling from IRS that the payments made to Saudi Arabia would be in fact a creditable income tax.

The Secretary of the Treasury's office wrote four major memoranda from 1951 to 1954 emphatically opposing a favorable ruling on the ground that the payment was in fact an increased royalty exacted in the guise of an income tax. Treasury complained that the Saudi tax scheme was a "sham", the sole purpose of which was to increase Saudi revenues at the expense of the U.S. Treasury with no effect on the taxpaying oil company. In 1954 and 1955 the State Department and National Security Council intervened and, for foreign policy reasons, requested that a favorable ruling be issued so that the Saudi Government could receive additional revenues. Consequently, a favorable retroactive ruling was issued in 1955 with a resultant loss to the U.S. Treasury of approximately $50 million for the 1950 tax year alone.

The device was the "posted" price and the foreign tax credit—created through a U.S. Treasury-IRS ruling that the involved companies would not have to pay income tax twice to different governments on the same income. Thus, any taxes paid by Aramco to Saudi Arabia became "creditable" against the U.S. tax liabilities of the oil companies. Other oil producing countries acting in concert with the U.S. international petroleum companies quickly followed the Saudi lead with increasing losses to the U.S. Treasury.

From that time on, the differential between market prices and posted prices increased. Until 1972, an over-abundance of oil supplies kept market prices relatively low, while posted prices were forced upward by the Saudi desire for more tax revenues. Oil company payments to producing countries became increasingly based on the posted price, artificially set without regard to market forces—actual profit or loss on the sale of a barrel of oil. As the producing country received a higher tax based on these artificial posted prices set by OPEC, the oil companies received increasing tax credits to wipe out their tax liabilities on other operations, primarily in the United States. In 1975, therefore, for all U.S. oil companies operating overseas, the foreign tax credit came to almost $15 billion, reducing their taxes from almost $18 billion to less than $2.5 billion.

WHAT HAS OCCURRED

Prior to 1977, Treasury did not compile data on oil companies' foreign tax credits. When IRS did monitor prices it failed to take action and follow through on the information. Numerous field auditors raised technical questions with the IRS national office regarding the propriety of permitting continued foreign oil tax credit claims by U.S. oil companies. Yet for years there was little or no movement.

In fact, in 1976 and thereafter the State Department continued to press Treasury and IRS to refrain from enforcing the tax laws as they pertain to U.S. oil companies operating abroad. In 1976, for example, the Secretary of State wrote to the Secretary of Treasury requesting that he consider State's foreign policy goal of furthering production in OPEC countries and block issuance of a new ruling disallowing the foreign tax credits claimed by U.S. petroleum companies operating in Indonesia. On the surface this was not complied with. The ruling was made that the earlier Indonesian oil tax credit ruling was erroneous but the Secretary of Treasury ordered the effects of the ruling be made prospective and delayed. The Tax Reform Act of 1976 granted another one-year delay prior to the effective date of the Indonesian ruling. On May 9, 1978 a new IRS ruling was announced which allows tax credits for the U.S. oil companies operating in Indonesia.

In the 1976 Indonesian ruling, the IRS ruled that "taxes" paid in connection with production sharing contracts were ineligible for a foreign tax credit unless they met the tests set forth in the ruling. The May 1978 ruling is significant for its conclusions about arm's-length bargaining. The IRS had ruled earlier that payments to a foreign government would not qualify as creditable foreign taxes unless the tax is imposed on income determined on the basis of arm's-length amounts actually realized in a manner consistent with U.S. income taxation principles. The contract that was considered in the new ruling and that was held to satisfy this test however, continues to give the Indonesian Government de facto control over price by permitting it "to reserve the right to ensure that amounts reported as gross income by contractors do in fact reflect the market value of production sold by them." Because OPEC sets price there is no independent market value for the oil and the new system is virtually identical to posted pricing. To the extent the Indonesian Government's revenues are reduced by substituting market values for posted prices, the companies will make up the difference through an additional royalty. The result focuses on form rather than substance.

It is fundamental that IRS will not recognize "tax avoidance schemes" which are attempts to place form over substance for the purpose of evading taxes. Taxpayers with lesser political clout would not be permitted to engage in such a sham arrangement. Nevertheless, we find it incredulous that Treasury and IRS have failed to effectively administer Section 901 of the Tax Code. Since 1961, the cumulative loss to the U.S. Treasury by permitting foreign oil taxes to be credited in lieu of deductions has been over $10 billion; losses for 1974 through 1976 alone were $6 billion; and the current trate of loss far exceeds $1 billion per year. It is disturbing that Treasury and IRS have not demanded the 19 affected petroleum companies pay their statutorily required share of taxes. Although these companies were aware that their credits may not be justified under the tax laws, they have built up astronomical amounts of illegitimate credits without building adequate reserves in case of disallowance. It would be intolerable if Treasury options are forestalled because it fears disrupting an oil industry which intentionally created its own dilemma.

The subcommittee has also received testimony that intermediate domestic subsidiaries of U.S. petroleum companies "lose" money, and the profits through transfer pricing are moved out of the United States into subsidiaries—refineries and shipping companies—in foreign tax havens. The tax credits accumulated through operations in OPEC nations are then applied directly to profits of the tax haven subsidiary. As a result of the offset, the profits can then be repatriated to the United States with an effective tax rate of zero.

Further, Treasury has sanctified the British Petroleum Revenue Tax as a creditable foreign oil tax through the means of the United Kingdom Tax Treaty even though Treasury admits that the British tax is not an income tax and could not qualify under a tax ruling for credit. It is estimated that this action will cost the Treasury as much as $600 million a year by 1983.

ENERGY POLICY FACTORS

We would like to point out that the current policy is in sharp contrast to the economic and energy goals as enunciated by your administration. Allowing tax credits for foreign royalty payments labeled as an income tax provides added income and incentive to explore and produce abroad at the expense of domestic production. Multinational petroleum companies have naturally invested their limited capital in those areas where they achieve the highest rate of after-tax return. To the extent that foreign tax credits in lieu of royalty deductions benefit these companies, the government is progiding an incentive to invest in OPEC countries which is not provided for domestic operations. Witthout these credits, companies will make their production and exploration decisions on the basis of which areas have the greatest economic and productive possibilities—influenced less by the economic distortions of tax advantages.

Furthermore, these credits place solely domestic producers who are not internationally integrated at a competitive disadvantage vis-a-vis multinationals. The latter are granted credits for what are really normal business expenses which are not available to domestic producers.

Even with the decontrol of U.S. produced oil, if the current tax credit treatment is retained, the incentive to import from OPEC rather than develop domestically produced oil will continue. Domestic crude oil will cost refiners the same as imports. Therefore, there will be no cost advantage to purchase domestic crude. For multinational firms, the after-tax cost of imported crude will effectively be less than domestic because the will enjoy greater after-tax profits on imports. It then would be natural for them to allow their domestic production to decline and import more. Currently, approximately 150,000 production and maintentance jobs are lost in the domestic oil industry due to oil imports—a number which will certainly increase if tax credits continue. Meanwhile, it is doubtful whether Treasury or the Department of Energy could have taken these factors into account in drafting the energy tax provisions since neither had data on the after-tax profits from the foreign operations of U.S. petroleum companies.

The multinational petroleum companies have predicted dire consequences from the elimination of tax credits but, on examination, their fears are unfounded. There would be three possible economic effects from elimination of these credits: first, the petroleum companies would enjoy lower after-tax profits from foreign operations, which would lead to greater domestic activity or renegotiation of contractual arrangements with OPEC countries; secondly, the companies could pass on their loss of a U.S. Treasury tax subsidy, resulting in slightly lower net revenues received by OPEC countries; and, third, a slightly higher cost for imported crude, which would further conserve and lower reliance on imported oil. It is likely the result will be a combination of all three.

We hope that your administration will seriously review the present policy regarding these tax credits and act in accord with the overwhelming weight of evidence presented to the subcommittee and revoke the improper tax credits claimed by U.S. petroleum companies.

Sincerely,

BENJAMIN S. ROSENTHAL,
ROBERT T. MATSUI,
EUGENE V. ATKINSON,
FERNAND J. ST GERMAIN,
ELLIOTT H. LEVITAS,
JOHN CONYERS,
ANTHONY T. MOFFETT.●

THE DECRIMINALIZATION OF GIVING

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MARTIN. Mr. Speaker, since 1942, the Federal gift tax exclusion has been $3,000 per year. That is the amount one person can give another without running into estate or gift tax implications. As we know, dodging taxes is a crime.

Back when the exclusion was set at $3,000, that was quite a bit of money. It would buy a luxury car, a year's total expenses at the most prestigious college, a trip around the world. To put it in another perspective, at that time a constituent bought an acre of land in Westchester County, New York—across the road from the Rockefeller Estate—for a third of that amount.

It is pretty clear that the $3,000 exclusion is woefully out of date. I am today introducing legislation to raise the exclusion to $5,000. That restores it to the amount at which it was set in 1932 before the wartime tax increases. In no way does a 40-percent increase in the exclusion compensate for inflation since 1942, but it is a start and it will allow exclusion of normal gifts such as cars for nephews and college costs for granddaughters. There is no public virtue at all in making such gifts or their equivalent value subject to tax and criminal implications.●

BEN DAVIS COMMUNITY CENTENNIAL

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Indiana. Mr. Speaker, I would like to call to the attention of my colleagues the approaching celebration of the Ben Davis Centennial. Located about 6 miles west of Indianapolis, Ben Davis was founded in much the same manner as other Midwest communities.

Many of us have our roots in these small towns which were once just a fork in the road, a bend in the river, or in the case of Ben Davis, a railroad station. It was in these communities we learned the values that made our society strong and healthy and continue to give meaning to our lives today. Towns where family, church, and a close spirit of community were the major influences in our lives. We often lose a sense of that close-knit caring atmosphere in this era where efficiency is sometimes valued beyond human warmth.

I know my colleagues will enjoy this fine article about the Ben Davis community and experience a sense of nostalgia for those villages that were once our home.

BEN DAVIS TO MARK 100TH ANNIVERSARY OF RAILROAD STATION OPENING

(By Rob Schneider)

Ben Davis.

Its Methodist Church had two Catholic ladies in the choir, the state police tried to catch John Dillinger there and a committee once tried to change its name because some people thought Ben Davis sounded too much like an apple.

Ben Davis, which was never incorporated, jumped into existence in the late 1800s at a time when the railroad was king and the main occupation of those living there was farming.

Ben Davis, located six miles west of Indianapolis, will celebrate the 100th anniversary of the opening of its railroad station July 19–22.

The early history of Ben Davis is similar to that of other towns that sprang up around the country throughout the 19th century.

As the story goes, a little community that included a sawmill, general store and blacksmith shop, grew up along the Vandalia Railroad. Businessmen and farmers who were tired of making the six-mile drive to Indianapolis with their goods, decided to petition the railroad to make a stop in their community.

A committee, headed by Charlie Minnemeyer, the sawmill operator, went to Indianapolis to talk to Benjamin Davis, a superintendent of the railroad.

Davis suggested the committee build a loading platform in the middle of town, which the committee quickly did. And then the question arose: What name should be listed in the Vandalia Railroad schedule to indicate the stop.

A meeting was called to choose a name and as one popular story has it, someone stood up and shouted, "Oh, let's call it Ben Davis," and the name stuck. Two years later, the railroad authorized the community to build a station which was completed in July of 1879.

The station, which at one time included a general store and post office, was the center of community life until it was abandoned in 1906. The station was closed after the railroad lost its customers to the Indianapolis-Terre Haute traction line which offered more frequent service to Indianapolis.

After the station was abandoned, a committee headed by C. C. Pike, an Indianapolis photographer, tried to get the name of Ben Davis changed to Inola.

The group believe many persons associated the name of Ben Davis with the apple mentioned by Kin Hubbard's Abe Martin. The group managed to get the name of Inola placed on the interurban schedule but the oldtimers protested and the name of Ben Davis finally won out.

Unlike other communities that lost their spirit along with their railroad station, Ben Davis has remained a community whose boundaries are often extended enough to allow Westside Indianapolis residents to claim, "I'm from Ben Davis."

It was a community made up of "just good, hard working people," Gordon E. Harker, a member of the centennial celebration committee said. "They were God-fearing people and we learned from them."

In place of the non-existent town government, energies of the residents were absorbed by the local Methodist Church and the Wayne Township schools.

Once in the 1920s, a parent-teacher group united to save the high school from losing its accreditation over minor violations.

As the story goes, regulations required that each classroom be equipped with a minimum number of teaching materials, including pictures on the walls, but because of financial problems, the school was short.

On the appointed day for the inspection, a group of parents showed up at the school and as the inspector moved from classroom to classroom, parents would take pictures off the walls of classroom the inspector had visited and race ahead to a classroom yet to be seen by the inspector.

The school passed the examination but as the inspector left the building he was heard to remark that he had "never seen a school with so many of the same pictures."

The growth of Indianapolis has long since wiped out any borders between it and Ben Davis but in 1907, the year Mary McClelland, a former teacher and principal in Wayne Township schools was born, things were much different.

As her mother had been before her, she was born in a house at High School Road and Morris Street. Her father operated a 120-acre farm. When her father couldn't be in the fields, he hauled gravel in a horse-drawn wagon.

At that time, Washington Street was a corduroy road—dirt and gravel poured over closely packed logs. The gravel was used to repair holes in the street.

A trip to Indianapolis in a horse and buggy was an all day affair. "It was really something to go downtown," Miss McClelland recalled.

One of the first sights a traveler would see was "old Jake Mickley's store," which was located at Mickleyville Toll Gate (Washington and Morris Streets.) A traveler could count on being able to buy hay and getting fresh water there.

In 1910, a tornado destroyed many of the businesses of Ben Davis and Miss McClelland has memories of surveying the damage from the back of a wagon with "grandfather Scudder."

One favorite story to emerge from the storm was that a washtub belonging to a Ben Davis family was later found in Greenfield.

School was held in a 4-room building built in 1892. It was not uncommon to have 40 to 50 children in a class, Miss McClelland said. Two of the rooms were used for elementary grades while the others were used for high school pupils.

Her grandfather, who served as township trustee, caused a controversy in Ben Davis in 1915 when he had the new high school built in the middle of the township instead of closer to Clermont, which was then an up and coming little town.

As the schools brought students and parents together during the week, the Mount Olive Methodist Church, 1449 South High School Road, served as a community church and meeting place.

The church has had several different names over the years and has had its ups and downs since it was organized in 1870 and built in 1871. It burned down in 1898 but was quickly rebuilt. However, the 1910 tornado "blew it away," Chester Corwin, a member of the centennial committee and church historian, said.

A new church was built in 1912 and remodeled in 1949. Another fire destroyed the church in 1952 and it was eventually rebuilt by the end of the 1950s.

At one time it was the only church of any denomination between Warman Avenue and the town of Bridgeport, Corwin said. During the depression in the 1930s when 75 percent of men of the church were out of work, people brought garden goods to the church to provide food for needy families.

One of Corwin's early memories of Ben Davis includes the attempted capture of Indiana's most famous bank robber, John Dillinger.

Corwin was standing in a driveway of a friend's home off of High School Road when he and his friends heard something like "fireworks." Suddenly, "a Franklin sedan passed within 30 feet of us as hard as it could go." The car was being chased by an armored Studebaker filled with state police.

Corwin later learned a U.S. deputy marshal had been standing nearby on High School Roard and had fired at the sedan with a .45-caliber pistol as it passed Corwin and his friends.

"Ben Davis no longer exists as I knew it," Harker, who also was a teacher and principal said. He recalled the days when as a 12-year-old newspaper carrier, he would sit on a plank fence and watch the trains rumble by. "I didn't take as much interest in the president as an engineer on the railroad," Harker said.

The changes that have occurred are most apparent "when you go to the airport," he said. "Sixty-five years ago, High School Road was nothing more than a dirt road . . . and yet here I am today boarding a plane that can take me around the world in 48 hours."

Norris Archer, public relations director for the airport, and president of the centennial committee, said there are more than 40 supporting organizations backing the celebration. The idea for celebrating the centennial emerged after Archer and Daniel C. Orcutt, executive director of the airport, investigated the possibility of erecting a memorial to Benjamin Davis.●

THE SAD STATE OF URBAN MASS TRANSPORTATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DORNAN. Mr. Speaker, during the recent oversight hearings on ground transportation modes research and development before the Subcommittee on Transportation, Aviation and Communications, on which I serve, received a rather remarkable statement from the representative of Boeing Aerospace Co., Mr. John B. Crosetto, director of Automated Transportation Systems Division.

To my mind, Mr. Crosetto's statement contains the most straightforward description of the deplorable condition of urban mass transportation in the United States. Transportation accounts for almost 70 percent of our oil requirements. If we consider the rapidly growing need for alternatives to the automobile, lessening the burden on our consumers, the issue is brought into stark relief. We currently suffer from a relatively low level of urban transportation planning and development. In fact, the need, for research and development program was not even mentioned in the "Transportation Policy For a Changing America" a report published by the Department of Transportation in February of this year. Once again, the short-sightedness of official policy aggravates the fuel consumption pressures that burden our economy with higher prices and increased hardships for the American consumer. I fear that our cities will be thrown headlong into a major crisis as fuel costs and shortages increase.

I hope that my colleagues will find Mr. Crosetto's views as thought-provoking as have the members of our Subcommittee. I would ask my colleagues to give them their attention:

A Statement on Research and Development in U.S. Urban Transit

(Figures referred to not printed in the Record)

Mr. Chairman and members of the Committee:

My name is John Crosetto, Director of Automated Transportation Systems for the Boeing Aerospace Company. It is a privilege to appear before this committee to discuss with you the subject of research and development in U.S. urban transit and related matters of policy.

With me today are Clare Adriance, Product Development Manager, and David Osmer, Transit Technology Manager in my organization. These gentlemen have assisted me in the preparation of data for the record of these hearings.

HISTORICAL SUMMARY OF UMTA SPENDING

I will present a brief historical summary of UMTA spending from which some aspects of policy are evident. I will also offer my opinion regarding policy issues that underlie major U.S. transit industry problems. Finally, I will cite a current example of the anemia from which UMTA R&D suffers, illustrate the potential impact of this neglect on our transit community, and offer specific suggestions for improving the situation.

My comments pertain to the aspects of urban transportation exclusive of the private automobile; that is, the bus, rail, and automated guideway transit (AGT) systems that constitute a small but critical sector of our urban transit society.

Beyond question, the private automobile dominates urban transportation in the United States. I have no argument with the opening remarks of the chairman or those of DOT Secretary Adams on March 20, 1979, recognizing the dominant role of the automobile in our country and the need to reexamine Federal policy in regard to the automobile: to get DOT more involved in the development of automative improvements. Although DOT has a long way to go to approach the level of investment for R&D that our private auto industry makes each year, I believe they can and should help.

However, improvements in the automobile alone are not enough. Even with a 100% efficient engine, the energy efficiency of the automobile cannot exceed 100% so long as we insist on transporting one 200-pound person in a machine that weighs 2,000 to 4,000 pounds.

Some of our freeways and most of our cities cannot accommodate a 2.000-to-4,000-pound automobile for each person with a need to travel. The nondrivers in our society cannot be ignored. This is the area in urban transit that I will address.

The data in my presentation will support the conclusion that UMTA R&D is not adequate to meet national needs and, furthermore, that UMTA policy has been, and is today, clearly ineffectual in coping with issues confronting U.S. urban transit. We are suffering from a massive cancer that is the result of our addiction to the automobile and its insatiable appetite for petroleum, and UMTA policy has said, in effect, "Take two aspirin and call me in the morning."

May I say, at the outset that I am not here to criticize any individual or group of individuals within DOT. I am criticizing the policies and practices that relate to UMTA R&D. I am criticizing Congress in general and the members of the Committee on Science and Technology in particular, since you are among the champions of science. In the final analysis, I am also criticizing myself, as a citizen, for my complacency and my reluctance to get more involved in the democratic process.

As a basis for my conclusion, figure 1 summarizes spending for capital grants, operations and maintenance (O&M), and R&D from 1968, the year UMTA was formed, to the present, including monies planned through fiscal year 1980. Presidents, DOT secretaries, and UMTA administrators in office during this period are identified across the bottom.

In the past 5 years we've been spending lots of money for new construction, new equipment, and O&M subsidies but relatively little money for research and development. Actual and projected spending for R&D from 1975 through 1980 is less than 3% of the total, a smaller percentage for R&D than any other comparable agency in U.S. Government. The trend in UMTA R&D spending in terms of real dollars is actually negative, since the rate of increase is less than the rate of inflation in recent years. If you expect to reverse the trend in O&M spending within 10 years, one of your better choices is to reverse the trend in R&D spending now.

The dramatic rise in capital and O&M spending has been justified, in part, to attract people from their automobiles and into public transit. Figure 2, derived from data published by the American Public Transit Association, shows that while transit operating costs have gone up 70% over the last 5 years, ridership has increased only 8% during the same period. What is not evident, however, is that notwithstanding the small increases in absolute numbers of transit riders, the percentage of urban travelers using transit continues to decline.

Clearly, pouring more money into the deployment of conventional systems and into operating subsidies (the sugar-coated pill) is not solving the problem. Our policies and practices are not working. Whatever magic is required to get people out of their cars and into mass transit hasn't been found. Cheap transit fares and high gas prices aren't enough. The trends portend disaster, and the Surface Transportation Assistance Act of 1978 (Public Law 95–599) offers no hope for improvement. Although I endorse several philosophical changes within PL 95–599, the Act is basically nonresponsive to the long-term needs of our society. The tabular data in figure 3 (estimates of the American Public Transit Association) reflect Congressional approval of more money for O&M subsidies and less money for R&D. These data are the basis for my reference to the "two aspirin" approach toward the cancer in U.S. urban transit. PL 95–599 is short-term medicine. With the obvious lid on R&D, there is no hope for a cure.

DECLINING STATUS OF U.S. URBAN TRANSIT

More and better R&D can open the door to a way out. President Carter has been quoted on several occasions expressing his concern that the United States is failing to do the research to maintain technological leadership among nations. This is especially true in urban transit. In comparison with Japan and most of Western Europe, we're a second-rate nation in urban transit, not only in service to transit riders but also in our ability to manufacture. The strong and powerful industrial base that has symbolized America is simply not there in urban transit. Except for the auto industry, the U.S. transit industry is not the dynamic, competitive, efficient industry we envision in U.S. ideology. With the recent decision by Pullman to stop making rail passenger cars, the U.S. rail transit industry has dwindled to one manufacturer, Budd, now owned by the German steel manufacturer Thyssen AG. The last seven rail procurements in U.S. urban transit have gone to foreign-controlled interests.

The most recent bid request for new transit cars (Baltimore/Miami for 208 cars) got but a single bid—from the German-owned Budd-Thyssen AG.

The U.S. bus industry is down to two principal contenders: General Motors and Grumman Flxible. This is not a viable competitive situation. Flxible sales in 1978 were less than one-tenth of 1% of GM sales. According to Business Week, March 26, 1979, Grumman Flxible will decline to bid on the Transbus program because it's a "risky venture." And no one builds trolley cars in the U.S. any more. The U.S. in general builds automobiles and trucks; GM in particular builds buses. That, in a nutshell, is the U.S. urban transit equipment industry.

This situation is particularly ironic in view of statements like "the private sector should bear primary responsibility for meeting the nation's transportation needs . . .," an excerpt from page 1 of "A Statement of National Transportation Policy" issued by then Secretary Coleman on September 17, 1975. On page 3, "A dynamic, competitive, and efficient private sector should meet the Nation's transportation needs to the maximum extent feasible."

If there are some here who are thinking "If the market is there, industry will be there," may I point out that Government policy creates and dominates the U.S. transit market. The business is there only so long as the 80–20 matching funds are there. Clearly, Uncle Sam is the buyer and his policies to date have been demotivating to private industry. No U.S. manufacturer outside the auto-bus industry has been able to make a sustaining profit in this business for more than a decade.

TRANSIT SYSTEM PROCUREMENT PRACTICES

Transit system procurement practices are a large part of this problem. They have been described as a fixed-price, low-ball system under the pretext that "low bidder wins" serves the best interests of the buyer. The day the contract is awarded, the buyer and seller are forced into an adversarial relationship. The seller is motivated to spend as little as possible to meet the contract; he's been forced to cut corners to win. The buyer is motivated to hold the contractor's feet to the fire no matter what. This system may work well when you're buying door knobs or large quantities of other high-production hardware, but it does not work well when newly developed equipment or when you're buying "systems" rather than hardware.

The procurement process should have the capacity and the flexibility to recognize and be responsive to the subleties of complex systems. In the long run we need procurement policy that causes the supplier, the customer, the user, and Uncle Sam to work for the same objective, namely, a system that meets the needs of the customer and the user at a reasonable cost to own and operate.

Can you imagine what our NASA program of the 1960's might have been if President Kennedy had added—after his inspirational commitment to put a U.S. astronaut on the Moon—"By the way, we expect all this hardware to be bought under fixed-price ground rules, and private industry will be held responsible for every aspect of performance no matter what happens."

Industry and the local transit properties aren't going to find a way out of this dilemma. Both are looking to UMTA and the Federal Government for a way out. We hear words that recognize the problem, but we see no leadership and no action to solve the problem. It's time that changed.

As a representative of industry, I realize that several people in this audience may question the objectivity of my thoughts on procurement policy; consequently, I won't continue on this subject. I will say, flatly, that procurement policy has an extremely powerful impact on industry as well as on the entire transit community. If you want to recreate a viable transit equipment industry in the United States, put "Change procurement policy and practices" high on your list of things to do.

SUMMARIZING THE U.S. TRANSIT PROBLEM

In summary, gentleman, for more than a decade we've been trying to cope with the gradual deterioration of our urban transit world, and we are losing the battle. Our transit industry is decimated; transit ridership is going nowhere; the tax burden exceeds $2 billion a year and is rising; we're running out of gasoline; and worst of all the Federal Government, as evidenced by PL 95–599, is not willing to pay the price to do the work, through R&D, to develop the alternatives we need so desperately. The most recent statement of policy from DOT, Transportation Policy for a Changing America, released in February 1978, makes no mention whatsoever of research and development.

My comments so far have been critical of the general policies and practices that have evolved through DOT and UMTA as these agencies have matured. In my judgment this record is not the result of policy but rather of an absence of policy, at least for the long term. We are confronted with a compelling need to change. Our appetite for petroleum is undiminished, but the feast is over. We need alternatives, but we don't have them. We need motivations to find atlernatives, but we don't have them. We need a national commitment to urban transit that transcends the 4-year election cycle. We need a commitment to press forward, through R&D, that can survive the buffering of real-world pressures year after year after year.●

COMMUNICATIONS WEEK AT CAL STATE—FULLERTON

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DANNEMEYER. Mr. Speaker, in order to discuss a holistic approach of communications systems for the coming decade, the students and faculty of the California State University of Fullerton will hold Communications Week, beginning the last day of April.

The week's activities will focus on bringing the various disciplines of communications—advertising, public relations, television, radio and film, and journalism—together so that these groups can witness the accomplishments of their collective force.

Despite cutbacks following the passage of proposition 13 which have forced many schools to eliminate programs of this nature, students and faculty have volunteered their time and effort to plan, research, follow through, and evaluate this week devoted to communications.

Financial assistance has been provided through various local businesses, and professional communications organizations have volunteered their help.

Communications Week is cosponsored by the Communications Department of the California State University, Fullerton, which is the fourth largest America; Sigma Delta Chi/Society of Professional Journalists; Women in Orange County Advertising Federation; International Industrial Television Association; Orange County Press Club; California Press Women, Inc.; and other professional organizations.

To help students recognize some of the problems and needs of the 1980's, professionals from the various fields of communications will attend to interact with students. They will also make observations on the communication process.

Two featured speakers will be Ben Bagdikian, a nationally noted media critic and author, and winner of the Pulitzer Prize and the Peabody Award; and Roy Neal, a national correspondent for the NBC Nightly News.

Also present will be Jean Otto, national president-elect of Sigma Delta Chi/the Society of Professional Journalists; Bob Bennyhoff, regional executive for the United Press International; and Irma Kalish, past producer of "Carter Country" and "Good Times," who is currently the special projects director for Paramount Pictures.

Other professionals include Roger Fidler, director of graphic design for the Knight-Ridder newspaper group; George Ramos, staff writer for the Los Angeles Times; and Dave Rosenberger, technical representative for Canon.

Dick Lynels, an investigative reporter for the Riverside Press Enterprise, and a member of the Arizona Project Investigative Reporters and Editors Team; Pat Jackson, the national president-elect of the Public Relations Society of America, and Jim Carlson and Terry McDonal, story editors of "Battlestar Galactica" will also be available to talk with students and faculty.

Chuck Bore and Don Richman, partners and owners of Chuck Blore & Don Richman, Inc., a creative agency which has worked with many major advertisers will also be present, along with Allen Center, public relations professor at San Diego State University, and coauthor of the books Effective Public Relations and Public Relations Practices.

"Television and Film in Business, Industry and Education" will be the topic for discussion by Alma Lewis, producer/director of General Telephone and Electric, and John Dyas and Ron Underwood of Barr films of Pasadena.

Douglas Ann Newsom, professor of Journalism at Texas Christian University, and author of the book This is PR; and Barbara Riegle, Orange County bureau chief of KFWB Radio, will also be present.

Panel discussions will include an International Association of Business Communicators panel consisting of Don McGullough, manager of Corporate Communications for Hughes Aircraft, Inc.; Jerry Hardy, a professional graphics designer for Lacacciapo Advertising and art director of New Worlds Magazine, published by the Irvine Co., and Greg Nieman, communications manager of the Pacific Region for the United Parcel Service.

Local business organizations that are involved in Communications Week include the Fluor Corp., which will host an awards dinner at the conclusion of Communications Week, the Hughes Corp. which is responsible for invitations, Pacific Mutual who has donated funds for program printing, Hunt-Wesson Foods who will sponsor a hospitality room, and Carl Karcher Enterprises who will host a reception for local community college and high school students.

Warner Brothers is donating a film preview and support has also been received from such firms as Century 21, Anthony Schools, Allstate Insurance, and Cochran & Chase Co. who have provided funds for awards for excellence.

The Irvine Co. has also provided funding for a student-edited/produced magazine for 3,000 students and professionals.

Other local businesses and individuals have contributed to Communications Week, although on a smaller scale.

Because of the high caliber of this event, I would therefore like to recognize and express support for those involved in Communications Week and the California State University of Fullerton.●

THE RHODESIAN ELECTIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ASHBROOK. Mr. Speaker, there is a new Government in Rhodesia, but, incredibly, the United States is not leading the free nations of the world in welcoming this pro-West democracy. After years of calling for majority rule in Rhodesia, we now have a democratically elected government in one of the most free and open elections ever held on the continent of Africa. Yet the White House has remained silent on even recognizing that an election took place. A recent editorial in the Washington Post outlines the blatant hypocrisy of the White House position, or nonposition on this important matter:

SANCTIMONY AND RHODESIA

Saturday the voting ended in Rhodesia. Sunday the talk was all about how free and fair—or unfree and unfair—the balloting had been. But it will be several days, anyway, before both the local and international results are in. So this seems as good a moment as any to pause for a few reflections on the way the international community has behaved in relation to the elections. Two words come immediately to mind. One is hypocrisy. The other is arrogance.

On the hypocrisy front the only question is where to begin. One place would be with those African, Third World, Soviet-connected and other states whose fastidious concern for democracy in Rhodesia tends to mask the fact that they wouldn't know a free election if the fell over one—and aren't, in any case, in much danger of falling over one, since they wouldn't let free elections go forward anywhere near their own political turf. Another place to begin would be in the Byzantine inner reaches of Anglo-American policy. It is the worst-kept secret in Washington that ambiguity, at best, marks the official U.S. attitude toward these elections. For there is within the administration a powerful strain of feeling that the fairer and more representative these particular Rhodesian elections may be shown to have been, the more politically inconvenient and even destructive they will be to U.S.-British efforts to make a deal with the Rhodesian guerrillas who refused to participate.

Even when policy-makers still entertained some flimsy hope that the Patriotic-Front guerrilla forces of Joshua Nkomo and Robert Mugabe would participate in broader internationally sanctioned elections, they were acknowledging that such elections would be a kind of sham, since they conceded that if the guerrillas lost they would not accept the results. Then what has the U.S. government been doing making such a big deal of its concern for the democratic process in Rhodesia? For one thing, establishing a record.

It also happens that under the provisions of a 1978 foreign-aid law, the president, in order to decide whether or not to lift sanctions against Rhodesia, is obliged to decide whether "A government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers." And it is in part this provision which brought the flock of international poll-watchers to Rhodesia.

Reading the accounts of their preliminary findings and impressions in yesterday's papers, we felt we were in the presence of some grotesque, unintended comedy. There was the fine weighing of whether the more than 60 percent of the predominantly black electorate that did participate (against previous predictions) were pushed or forced or deceived or bought or told what to do or . . . well, you know the rest. You know the rest, of course, from intimate familiarity with it at home. A little over a decade ago, when this country had just succeeded, with much conflict, in passing legislation to help black Americans exercise the right to vote and when Richard Daley was still running Chicago and the Watergate election-money-laundry and dirty-campaign-tricks business had yet to get going—way back then observers were sent to South Vietnam to judge whether the wartime elections in that country which had not had a democratic tradition were—well—pure enough for us. This week we are trying to take the same kind of soundings in Rhodesia.

It is possible to understand, if not necessarily to love, the American government's perception of political necessity and U.S. interest in Rhodesia. And it is even possible to see how a black internal-forces voting success in a relatively fair election could work against the best outcome for U.S. policy. But there remains something wholly unattractive in this spectacle of people playing at a concern for free elections. And this is especially true when it is inconceivable that the United States would expect the Patriotic Front, if it won the war, to hold elections of any kind. By any international standard of democratic practice you care to invoke, the Rhodesians did pretty well. But that wasn't really what the argument over who shall rule Rhodesia has been about. The quality of the elections was a fake issue, and democratic values ultimately have to suffer when even their best friends treat them lightly.●

THE CONSTITUTIONALITY OF THE PANAMA CANAL IMPLEMENTING LEGISLATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DORNAN. Mr. Speaker, during the Senate debates on the Panama Canal Treaty of 1977, Prof. Raoul Berger of Harvard University Law School testified before the Senate Committee on the Separation of Powers concerning the constitutionality of the Senate transfer by treaty of properties belonging to the United States without the permission of the House of Representatives. The thrust of Professor Berger's testimony was that under the Constitution, article IV, section 3, only both Houses of the Congress have the legal power to dispose of U.S. territory or property, including the Panama Canal.

Though the Senate chose to ignore the rights of the House of Representatives, many Members of the Congress have belatedly come to recognize the gravity of that constitutional issue. The wisdom of Professor Berger's position has been enhanced by the growing awareness of Members of the Congress that there is more involved in the treaty debate than the question of tolls, the good or bad behavior of the successors of General Torrijos, the competence of Panamanian administrators, and so forth. The weight of Professor Berger's original testimony was even greater because, among other things, he favored the passage of the Panama Canal Treaty of 1977.

Mr. Speaker, I imagine that the debate on the implementing legislation which is to come before this House in a few weeks will touch upon innumerable issues including the cost of the transfer of the canal to the American people, the contribution of the treaty to the maintenance of our commercial relations, its contribution to our relations with our Latin American neighbors and the impact of the agreement on our national security and our geopolitical position.

I know that these matters will tax the time and, I daresay, the patience of Members of this House. But through it all, I fear that like an oppressive humidity on a summer day, we will assume that the matter is largely out of our hands; that the President and the Senate, rightfully or wrongfully, has, by constitutional authority, assigned the House of Representatives an unfortunate set of circumstances with which we will have to live. We will be asked, from time to time, to make the best of a bad situation.

Mr. Speaker, my problem with those who ask us to follow this advice is that they generally have no conception how bad our situation really is. I confess that I was unaware of how bad it is until I, and other members of the Panama Canal Subcommittee, received testimony from Dr. Charles Breecher, a former State Department officer and a prominent member of the American Society of International Law. Dr. Breecher contends that certain provisions of the Panama Canal Treaty are clearly unconstitutional. When he presented his testimony before the Panama Canal Subcommittee, he was not effectively challenged on the conclusions of his argument by either members or staff.

Mr. Speaker, the constitutional issues Dr. Breecher has raised will not go away. I think it is important that all of the Members of the House familiarize themselves with these issues. As with the testimony of Prof. Raoul Berger before the Senate Subcommittee on the Separation of Powers, we are confronted with grave constitutional objections to the Panama Canal Treaty which may render the very best of our efforts to implement such a treaty null and void.

In the interest of bringing the substance and the impressive scholarship of Dr. Breecher to the attention of my colleagues, I submit for the RECORD today a portion of his March 7, 1979 testimony before the Panama Canal Subcommittee:

STATEMENT ON PANAMA CANAL TREATY IMPLEMENTING LEGISLATION

Mr. Chairman, I greatly appreciate this opportunity and privilege to testify before this Committee. My testimony concerns one point only, but a point of fundamental importance: that the proposed legislation, which attempts to set up the Panama Canal Commission, a United States Government Agency, in accordance with the provisions of the Panama Canal Treaty of 1977, is in conflict with the provisions of the U.S. Constitution. The legislation introduced by the Executive Branch is unconstitutional beyond any reasonable doubt.

Unconstitutional beyond any reasonable doubt is a very strong and most unusual statement. To show that these are not the rantings of some ultra-right crackpot indulging in legal fantasies. I would ask the Committee's consent that my bio-data be made part of the record. Briefly, I am a former Government official, very familiar with Treaty negotiations from my long service with the Department of State, hold various degrees in law and economics, and am a long-term member of the American Society of International Law. While I do not wish to conceal that I have criticized the Panama Canal Treaty on various financial and military aspects also, these are not relevant to my testimony. The Panama Canal is not an emotional issue with me. But the U.S. Constitution is, the same as with the vast majority of Americans.

Mr. Chairman, showing that the setting up of the Panama Canal Commission as ordained in the Treaty is unconstitutional is not one of those difficult and controversial legal matters on which scholars, lawyers and Supreme Court Justices might disagree. I have yet to hear one respectable legal argument in rebuttal, after many months of discussions and correspondence with knowledgeable jurists. It is a simple, straightforward issue, even though hitherto not fully debated.

The Panama Canal Commission is a United States Government Agency. Accordingly, all its nine members including the four Panamanian nationals, are civil officers of the United States. But does the U.S. Constitution alone of all Constitutions on earth, permit non-resident foreign nationals to become civil officers of the United States? Does the U.S. Constitution allow the Congress to create certain offices under the United States and then exclude all 220 million American citizens from these offices? Does our Constitution allow a foreign Government to have control over the appointment and removal of U.S. civil officers? The answer which I believe the average citizen would give without hesitation, must be no on all points. I will now show in detail that the U.S. Constitution, as interpreted by Supreme Court decisions, precludes these unprecedented provisions of the Panama Canal Treaty of 1977 to be implemented by U.S. legislation.

Here, for convenience, is the text of Art. III, par. 3 of the Panama Canal Treaty of 1977:

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the Laws of the United States of America.

a) The Panama Canal Commission shall be supervised by a Board composed of nine members, five of whom shall be nationals of the United States of America, and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such a request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position in a timely manner. In case of removal of a Panamanian member of the Board at the initiative of the United States of America, both Parties will consult in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

Enacted into law, these provisions would give a foreign Government de facto control over an important U.S. Government Agency. If they can be enacted by the Congress under the U.S. Constitution, this would mean that the President and the Congress, backed up by a two-thirds vote in the Senate, have the power to place the American people under foreign domination, with all non-elected executive and judicial officers of the U.S. Government being non-resident aliens owing loyalty to their Governments rather than to the United States. This is a startling and indeed preposterous thesis of the extent of Presidential and Congressional power which has never been seriously advocated even by those who believe in One-World Government. It makes no difference in law that of course the President and the Congress would never use this pernicious power, even if the Constitution should grant it. The Constitution does *not* grant it!

To make even clearer the principle involved, it might as well be stipulated in SALT III that one half of the U.S. Assistant Secretaries of Defense, say all those having any jurisdiction over U.S. overseas bases and troops, shall be Soviet Nationals, proposed and removed by the Soviet Union at its discretion, with the U.S. President obliged by law to accede to such Soviets requests. From a U.S. constitutional point of view, that's exactly the same principle as expressed in the proposed make-up of the Panama Canal Commission.

And here is the language of the implementing legislation consistent with the Treaty (Sec. 205, draft legislation dated 3 March 1978): "a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of Article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office".

If the foregoing provisions of the Panama Canal Treaty of 1977 are enacted as U.S. law, this would purport to do the following:

1. Limit the President's appointive power to a ministerial function, giving him no choice whatever but to appoint nominees of the Panamanian Government in a timely manner, and

2. Limit the President's power of removal to a ministerial function, where he must remove at the request of the Panamanian Government and may not remove without the consent of that Government, and

3. Eliminate the right of the Senate to give advice and consent to Presidential appointments of other than "inferior officers", and

4. Enable non-resident aliens, who appear ipso facto immune from impeachment proceedings, to become civil officers of the United States, and

5. Exclude persons subject to the jurisdiction of the United States from appointment as civil officers of the United States because they are not Panamanian citizens, but either U.S. citizens or U.S. residents not owing allegiance to countries other than the U.S.●

WATER PROJECTS AND STUDIES IN SOUTH DAKOTA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ABDNOR. Mr. Speaker, following is the text of my written statement to the House Appropriations Committee on fiscal year 1980 funding for water projects and studies in my State.

The remarks I presented verbally in my appearance before the Subcommittee on Energy and Water Development focused on the two items which are not in the administration's budget; namely, stablization of the White Swan erosion area and study of the WEB domestic water system:

REMARKS BY JAMES ABDNOR

Chairman Bevill, Congressman Myers, and members of the Subcommittee, I appreciate the opportunity to appear before you with respect to the fiscal year 1980 appropriations for water projects and studies in South Dakota.

Despite the apparent attitude of the Administration to the contrary, water resource development remains a vital and proper function of the Federal Government. Your efforts to ensure that it receives the budgetary priority it deserves are to be commended. Sound water resource planning and development are as important to the future of our nation, if not as obviously pressing as the need to deal forthrightly with our energy difficulties. It is reassuring to know that the members of the Subcommittee recognize both needs.

STREAMBANK STABILIZATION

With only a couple of exceptions, the water projects and studies with which I am concerned are included in the President's Budget request; but one project in particular which is not in the Budget is of great importance and urgency. That project is the White Swan streambank erosion site (left bank river mile 870.2 to 868.2) along the Missouri River in my Congressional district.

Stabilization of the White Swan area will require approximately $627,000 under the Streambank Erosion Control and Demonstration Program (Section 32 of the Water Resources Development Act of 1974). In view of the impending threat to the farmstead of Mr. William C. Hyde of Wagner, South Dakota, the necessary work should be undertaken on an expedited basis. I earnestly request that the Subcommittee recommend that the funding be provided.

The White Swan area was not considered for inclusion in the Budget because a local sponsor was only recently obtained, but I know of no site which is deserving of a higher priority for immediate action. There is no question about the threat to Mr. Hyde's property, nor is there any doubt that operation of the Corps of Engineers' Fort Randall Dam has aggravated the problem. Indeed, that's why the local people have maintained achieving a solution is rightly a Federal responsibility and should not require a local sponsor. Due to the urgency of the need for corrective action, however, the Charles Mix Conservation District has agreed to act as a local sponsor, rather than argue the point further while Mr. Hyde's farmstead falls into the river.

It is my understanding that $18.4 million of the Corps' $50 million authorization limit for the Section 32 program remains available. I strongly urge that $627,000 be provided to forestall tragedy for Mr. Hyde.

Your colleague on the Subcommittee, Congresswoman Smith of Nebraska (and I have coordinated our efforts and worked closely with Mr. Earl Rowland of the Missouri River Bank Stabilization Association in seeking funding for the priority stabilization sites along the Missouri River where it borders our states. Again this year we present a unified front in supporting funding to complete construction on the Cedar County Park, Nebraska, ($318,000) and Elk Point, South Dakota, ($833,000) sites, which have been initiated and are in the President's budget request, and to undertake construction at the White Swan site.

DEERFIELD DAM

The only other project for which we are in a position to request construction funding is the Bureau of Reclamation's Rapid Valley Project. $700,000 has been included in the Budget to complete modification of the spillway and outlet works for safety reasons at Deerfield Dam. I urge that these funds be provided.

POLLOCK-HERREID UNIT

Requested by the President for advance planning has been $200,000 on the Pollock-Herreid Unit of the Pick-Sloan Missouri Basin Program. It is my understanding these funds will be used to complete the Definite Plan Report and Environmental Impact Statement and to negotiate the repayment contract in fiscal year 1980.

This relatively small project has run into some controversy in the past year, but it remains a very good project. The controversy has arisen due to (a) the proximity of the project to the Lake Pocasse Wildlife Preserve, which is deemed to be critical habitat for the whooping crane, (b) the desire of the local people for the canals and laterals to be placed in pipe, and (c) the dropping of 4,000 acres from the 15,000 to be irrigated, due to potential drainage problems.

It remains to be seen if these difficulties can be resolved, but I am hopeful they will be worked out. The Bureau is coordinating with the Fish and Wildlife Service on the wildlife mitigation plan, and it appears potential adverse impacts can be addressed. In addition, the Bureau is working to explain the economics of a pipeline delivery system and endeavoring to be responsive to the wishes of the local people. Finally, some of the lost acreage may be regained through annexation of alternate lands, where interest exists.

I support the President's request for advance planning funds and sincerely hope it will be possible to ask for construction funding next year. The Pollock-Herreid Unit is a small-scale project on the very banks of Lake Oahe. The sacrifice made by the people of Pollock, who had to move their entire town to make way for the reservoir, epitomizes the loss to the economy of the state as a whole when we relinquished in excess of 500,000 acres for Pick-Sloan Missouri Basin Program facilities.

I believe the people of Pollock and Herreid as well as the citizens of the state as a whole deserve the utmost consideration with respect to water project development assistance to mitigate the economic consequences we have endured to permit implementation of a comprehensive river basin development plan. The Pick-Sloan Plan has proven its worth in regional and national terms; but, until such time as its irrigation features are realized, my state has paid a high price for the benefit of others.

OAHE UNIT

The 195,000-acre Oahe Unit, Initial Stage, was to have been the first major project undertaken in my state in fulfillment of the commitment in the Flood Control Act of 1944, which authorized the ultimate development of nearly 600,000 acres of irrigation in South Dakota.

Due to the President's actions, including his "hit list," and problems of local support, construction has been terminated and the project is generally believed to be dead. At the request of the Department of the Interior, funds recently were reprogrammed to initiate a study of termination of the project, and an approximation of $180,000 was requested in the Budget to provide "security-type surveillance of existing partially constructed facilities" in fiscal year 1980.

There are those, even in my own state, who advocate immediate and unconditional deauthorization of the Oahe Unit, but it is my solemn judgment that view does not represent the best interests of South Dakota. The Oahe Unit authorization is the sole substantial remaining statutory acknowledgment we have of the commitment made to us in the Flood Control Act of 1944. It has been easy enough for the Federal Government to ignore that commitment for the past 35 years, and I am not about to condone making it easier for the policy makers to do so in the future.

There are numerous other potential water development projects in my state, some of which currently have strong and active local constituencies. Under present circumstances with regard to project authorization and funding, however, it is evident that few if any of these projects have a realistic chance of obtaining Federal assistance unless the leverage afforded by the Oahe Unit authorization can be successfully applied. (The Pollock-Herreid and 3,500-acre Grassrope units are small but notable exceptions.)

It has been suggested that the Oahe authorization be traded off for another water development project or projects which enjoy more adequate local support. This suggestion has some appeal to those of us who have experienced years of frustration and face more of the same in terms of the Oahe Unit itself. Such a trade-off is at best premature, though and to deauthorize Oahe now would be to cut off our nose to spite our face. A far wiser course is to maintain the authorization while other potential projects are thoroughly investigated. When the time for a trade-off comes, if ever, it should be accomplished in recognition of the fact we will be giving up an authorization which provides for 195,000 acres of irrigation and about a half billion dollars in investment cost. Furthermore, it represents an original commitment of 600,000 acres of irrigation development.

In the context of the Department's termination study, I urge the committee to direct that *all* potential uses of existing Oahe Unit facilities be fully examined. The question of local support for such potential uses is a political issue to be resolved in South Dakota at the appropriate time and not an excuse to deny an exhaustive technical investigation into the best and most efficient means of employing or disposing of these facilities. Such a denial would be tantamount to denial of the freedom of inquiry which is among the most cherished of precepts upon which our political system is based. To fail to investigate fully potential uses of invested Federal capital would be irresponsible upon the part of policy makers.

LOWER JAMES–FT. RANDALL PROJECT

One such potential use of Oahe Unit facilities is the Lower James-Ft. Randall water diversion project. A feasibility study has been authorized by Congress. $150,000 was provided last year to initiate this study; and the President has requested $300,000 to continue it in fiscal year 1980, with completion projected in fiscal year 1982.

The Lower James Conservancy Sub-District has submitted a statement for the hearing record endorsing the President's request, and I endorse their position without reservation.

EASTERN SOUTH DAKOTA M&I STUDY

Another feasibility grade investigation underway in my state is the Eastern South Dakota Municipal and Industrial Water Facilities study (formerly Oahe Unit M&I study), which received $150,000 last year and is projected for completion in fiscal year 1983. This investigation was originated under the auspices of the Oahe Unit authorization but has since been altered to reflect current circumstances and potential sources of water supply for the communities involved. The President has requested $100,000 to continue these studies in fiscal year 1980. I support his request and encourage the Bureau of Reclamation to consult closely with the affected communities in conducting their investigations.

APPRAISAL INVESTIGATIONS

The President's Budget contains funding for two appraisal level studies in South Dakota, pertaining to Oahe Riverside Irrigation and the Kaspapi Unit on the Lower Brule Sioux Reservation. I support his requests of $150,000 and $75,000 respectively.

The Oahe Riverside study was initiated with $50,000 last year and is projected for completion in fiscal year 1982. The Oahe Conservancy Sub-District requested this study to supply evidence to support its contention that up to 600,000 irrigable acres lie in proximity to the Missouri River reservoirs and could be served without the lengthy delivery system required by the Oahe Unit. I understand the Sub-District is not pleased with the way the study is being conducted, however, and may have some recommendations in that regard. I urge the Subcommittee's attention to the Sub-District's views and hope this study can be accomplished in a fashion which is most productive to all concerned.

The funds in the Budget for the Kaspapi Unit study will allow initiation of an appraisal investigation of this potential irrigation project, with completion of this study projected for 1981. I have repeatedly and forcefully questioned the President's commitment to Indian water development projects, based upon the Administration's failure to move to facilitate development of the Grassrope Unit, which is located on the Lower Brule Reservation as well. Grassrope is an excellent project, and I have requested a write-in under the Bureau of Indian Affairs budget to initiate construction. That is the quickest way to get construction underway, but I still intend to seek authorization as a Reclamation project and may subsequently be requesting funding through this Subcommittee in future years. Kaspapi is of more marginal feasibility, due particularly to it higher pump lift; but it certainly merits investigation. If the President's request for funding is indicative of a more active follow-through on his commitment to expedite Indian water development, I commend him for it.

WEB DOMESTIC WATER PIPELINE

Another potential project which is not in the Budget but in which Interior Department Assistant Secretary Guy Martin has shown considerable interest is the WEB water system. WEB would serve towns and rural areas in north-east-central South Dakota where critical domestic water problems exist. The entire South Dakota Congressional delegation has requested funding of the necessary studies, and Governor Janklow's letter is on its way to Secretary Andrus. I understand the Department will request a reprogramming of funds to permit initiation of this study very soon, but it occurs to me that additional funding may be required in fiscal year 1980. If so, I urge that it be provided.

CORPS WATER SUPPLY STUDIES

Last year the Subcommittee gave favorable consideraion to my request that $600,000 be written in for two unbudgeted Corps of Engineer water supply studies in eastern and western South Dakota. This year the President has acknowledged the wisdom of these studies by requesting funding to continue them in fiscal year 1980. For the Western Dakota water supply study he has requested $225,000; and for Eastern Dakota study, which has been combined with the Upper Big Sioux study, the Budget contains $243,000. I endorse these levels of funding, and my concerns remain the same as those I expressed last year in initiating these studies—that they be used to coordinate other study activities, that local views play a large role in the selection of study issues and methodology, and that water supply development be materially advanced. A critical issue in the latter regard was and still is how to finance needed water spuply developments.

GARRISON UNIT

As is apparent in the foregoing remarks, in South Dakota we have a plethora of studies and little development, which is to say a lot of talk and no action. In the Garrison Unit our sister state to the north has a substantial project which remains viable in the development stage. There is uncertainty in my state, however, and some understandable concern as to the impacts of the final plan of development on the James River. While it is my current understanding that even the worst case scenario would not seem to justify undue alarm, I do want to ensure that the interests of South Dakotans are protected and perhaps even enhanced.

Accordingly, I support resumption of construction on the Garrison Unit and urge that the Department be directed to consult with the State of South Dakota insofar as impacts on the quality and quantity of water in the James are concerned. It is my hope Garrison will demonstrate the success of large-scale irrigation in the Dakotas and thereby clear the way for a fulfillment of the commitment in the 1944 Act in South Dakota as well.

I know that the members of the Subcommittee do not need to be reminded, but once more for the record let me reiterate:

"South Dakota relinquished more than 500,000 acres and the two Dakotas more than 1 million acres for Pick-Sloan Missouri River Basin Progam facilities. The flood control, navigation, and hydropower benefits—largely or wholly enjoyed outside the Dakotas—have justified the Program in regional and national terms; but the Dakotas are left holding an empty bag of promises with respect to the irrigation development which was to offset our economic sacrifices. South Dakota alone was to have received nearly 600,000 acres of irrigation, but to date we have received Federal assistance for not one acre. North Dakota has estimated its losses at more than $90 million in gross business activity and about $34 million in personal income lost annually. South Dakota's losses would be similar."

Mr. Chairman and members of the Subcommittee, perhaps you can understand my zeal for water development in South Dakota—not so much because of what we've lost as because of what we stand to gain. There is enough water stored in the great reservoirs on the Missouri to cover my entire state to a depth of 6 inches. We want to put some of it to use and are looking desperately for ways to do so. Your consideration and your assistance will be deeply appreciated.

Thank you very much.●

COLUMNIST LOUIS RUKEYSER ON INFLATION: "STOP INFLATING THE MONEY SUPPLY"

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, as I recently observed in this body, the White House anti-inflation program is based on the mistaken rationale that inflation is caused by workers working, business doing business, consumers consuming, and producers producing.

Such reasoning, of course, is simply erroneous. The factory workers who reside and work in my Buffalo area congressional district are not deceived when they are told their wages should be regulated according to an artificial, Federal wage ceiling. The fact is they have not had a "real" increase in takehome pay since 1967 because inflation devalues their currency and just pushes them into higher and higher tax brackets. So if anybody is doing too much, it is the Federal Government by its adherence to an obsolete tax system which punishes all Americans for striving to improve the quality of their own lives and the quality of our national life.

As some of us know, the way to stop inflation is to stop inflating the money supply compared to the supply of goods.

An articulate financial columnist who understands this about as well as anybody is Louis Rukeyser who, in a recent column, succinctly described inflation as "a money disease."

At this point, Mr. Speaker, I insert Mr. Rukeyser's column from the March 19 edition of the Philadelphia Bulletin to my remarks:

INFLATION-KILLING SAFARI GETS LOST IN POTOMAC BUSH

(By Louis Rukeyser)

NEW YORK.—One reason our geniuses along the Potomac are proving so perennially inept at killing inflation is that they don't seem to have the faintest idea which animal they're shooting at.

Thus Energy Secretary James R. Schlesinger tells us, on national television, that he favors price decontrol on oil and gas but hesitates to implement this sensible step because the results would be inconsistent with the anti-inflation campaign.

Thus, Treasury Secretary W. Michael Blumenthal advises us that the causes of inflation include "wage settlements that substantially exceed the productivity and growth of the economy, [and] price increases that bring unjustified excess profits."

And, thus their boss President Carter, sternly pointing his gun in precisely the wrong direction, opines that success or failure in stopping inflation "will largely be determined by the actions of the private sector."

Wrong, wrong, wrong.

Rising wages and prices no more "cause" inflation than a baby gives birth to its parents. Higher prices may be the way the average person finally perceives inflation, but they are merely its pernicious symptoms. Inflation is a money disease.

The cost of the things we buy is relevant to a serious discussion of inflation only to the extent that the excessive printing of paper money is the cause of the higher price tags. Look at it this way: Even in terms of a constant dollar, changing forces of supply and demand will quite naturally raise some prices and lower others.

Two recent examples causing price increases unrelated to the fundamentals of inflation were the shutoff in production of Iranian oil and the shortage of beef cattle coming to market. These events did indeed send higher the prices for oil and beef; but, dear Washington children, that was not, repeat not, inflation.

Inflation occurs only when the government, whether overreacting to events like these out of general political profligacy, prints more money than the country has earned through the production of goods and services. And we've been doing it virtually nonstop—ballooning the U.S. money supply by 1,500 percent in less than 40 years. The theory is that the public is stupid: If it is made to confront the costs of runaway governmental expansion, it will rebel; but if the costs can be hidden through a surreptitious cheapening of the currency, it will just be confused.

And confused the public certainly is. Indeed the typical citizen is usually easy prey for economic demagogues, because he concludes that the economists themselves can't agree on the causes—while the supermarket down the street is clearly, villaniously raising the price of hamburger.

We know, for example, that burdensome energy prices and rising wages are not truly "inflationary" unless we crank up the printing presses to pay for them. (Japan and West Germany didn't; we did. Their inflation rate declined; ours soared.)

Even enormous, continuing budget deficits would not by themselves have created inflation—if the government had been willing to finance them directly, through current borrowing, rather than trying to hide them, through reckless expansion of the money supply.

Inflation is made at the Federal Reserve Board, under pressure from the White House and Congress. Further proof: Fortune magazine just tried to figure out how close the correlation was between each year's inflation rate and the previous five years' growth rate of the money supply. The answer, over a full quarter-century: Nearly perfect (0.9 out of a possible 1.0).

The way to stop inflation is to stop inflating: stop pretending that we can create more money than we have earned without cheating everyone who deals in dollars. All the rest is a smokescreen, convenient for diverting wrath and inciting class war, but hopeless for containing inflation. It's time to blow away the smokescreen and confront the beast in his one true habitat: He lives in Washington.●

A RECOLLECTION OF STELLA COUNSELBAUM

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MIKVA. Mr. Speaker, many of us in Chicago mourned the passing last month of a truly exceptional human being, Stella Counselbaum. Many of her closest friends were Chicagoans but her work and commitment for better human relations were known and honored throughout the United States. I recently received a copy of a letter that was sent to a Chicago newspaper by one who knew Stella well, Louis T. Olom. The letter captures the purpose and some of the highlights of a remarkable career, one that helped to make us all understand more deeply what we share as brothers and sisters. At this time, Mr. Speaker, I would like to share Mr. Olom's letter with my colleagues:

On March 1, Chicago, the Middle West and the entire country lost a magnificent person in the death of Stella L. Counselbaum at 83.

Her entire working life, which spanned the thirties and the late sixties, was devoted to the improvement of human relations. As the Program Director for the National Conference of Christians and Jews in Chicago, she arranged and directed programs to foster closer ties among Catholics, Protestants and Jews. Subsequently, she worked with the Anti-Defamation League where she fought to eliminate or reduce prejudice and bigotry aimed at people who were black, brown, yellow, white, ethnic as well as Jews.

For her outstanding successes, she was the recipient of 45 to 50 plaques and awards from national, regional and local academic, civic, religious, fraternal institutions and organizations. She was proud of them because they signified the community's recognition of her efforts to bring together people of different color, creed, nationality and religion into an indispensable harmonious fabric that makes it possible for democratic societies to work and prosper. To buttress her aims and methods, she sought out clergymen of different faiths as well as scholars and specialists in human relations who provided moral as well as intellectual substance to the hundreds if not thousands of programs she organized. For about 40 years, Stella Counselbaum pursued her purpose by disentangling the cobwebs of human prejudice and ethnocentrism.

I can remember attending a huge assembly at the Bethune Cookman College in Daytona, Florida, in 1947 or 1948 when she received the first honorary doctorate awarded by that college to a white woman. Our presence as two whites amidst a bevy of blackness was a dramatic experience I shall never forget. And when the late and beloved Mrs. Mary Bethune kissed and embraced her on stage, bedlam broke out.

Perhaps her proudest day came when she was named Chicago's Woman of the Day, as your morgue clippings will readily verify. And when the University of Chicago recognized her efforts to tap the insights of scholars to help solve human problems and presented her with the Alumna Citizenship Award, she was especially appreciative.

Stella Counselbaum's projects had long-lasting consequences unto this very day. She pushed for the introduction of elementary anthropology and human relations courses in the public schools of Chicago and environs. She was almost single-handedly responsible for the elimination of quota systems in colleges, universities and especially in medical schools across the country. She founded the Dorothy Kahn Club For Crippled Children that was at one time housed in Michael Reese Hospital. Priests, ministers and rabbis were constant guests in her home, mixing with young and old of every color, nationality and ethnic group. Generous of spirit, endowed with limitless energy and optimistic outlook, she was the living embodiment of a world without barriers of class, color or creed.

Jane Addams, that great Chicagoan of yesteryear, was an inspiring model for Stella. I hope that today's young women and men of Chicago will seek and derive inspiration from the work of both, for the battles they waged are never ended, never finally resolved.

It has been said that the city of Chicago weathered the storms of racial and religious conflicts and tensions more successfully than any other metropolitan center in the U.S. If this is true, then credit four decades of Stella's work in the vineyards of man, cultivating more agreeable and harmonious interpersonal relations, as one not-insignificant factor that helped make this possible. In so doing, she helped Chicago remain one of the world's finest cities. For she was a great lady for a great city.

Stella L. Counselbaum Day in Chicago, set aside years ago by a grateful city to honor her publicly, is recalled again as we mourn her death and express thanks for her having been with us. Not having had any children of her own, she adopted literally dozens of young people and helped steer them safely and intelligently through life's perilous shoals. I had the great fortune of having been one of them.●

ILLUSIONS AND DELUSIONS OF SALT II

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ASHBROOK. Mr. Speaker, in the last few weeks the American taxpayer has financed an administration road show that has tried to sell SALT II to the American public. Thankfully, there is still a majority of Americans who rightfully doubt this bill of goods. I submit for my colleagues' attention a recent article from the Reader's Digest that outlines some of the problems that any new arms agreement with the Soviets will have to address:

[From the Reader's Digest, May 1979]

THE FATEFUL ILLUSIONS OF SALT II

(By Ralph Kinney Bennett)

For more than six years now, the Strategic Arms Limitation Talks designed to fashion the SALT II treaty between the United States and the Soviet Union have produced a thick smog of political rhetoric and mystifying mathematics. When you penetrate this mist, you encounter two grave facts:

1. SALT II would not limit the number of missiles and nuclear warheads in the Soviet arsenal. Contrary to the impression fostered by our government, it would merely limit launchers, the devices from which missiles are fired. Accordingly, nuclear-weapons limitation, the primary objective of the United States when it entered the talks, is not in the agreement.

2. Despite our satellites, radars and other electronic sensing devices, we have been unable to determine the true size of the Soviet strategic missile force. Thus, accurate, unimpeachable data, the very basis for a rational agreement of any kind, are missing from SALT II.

In the light of these facts, the American people, through their Congress, must seriously question whether an arms agreement should, or even can, be made with the pathologically secretive Soviets.

Hidden Story. Common sense dictates that the most important factors in assessing Soviet strategic strength are the number and characteristics (range, accuracy, destructive power) of their missiles and warheads. From the outset of SALT negotiations, however, it became clear the Soviets would not share any such information. And, since it has been impossible by satellites and other technical means to gain complete, accurate knowledge, we have been forced to rely on imperfect and sometimes erroneous intelligence estimates.

A satellite camera cannot see through the roof of a missile plant. Furthermore, the Soviets often move missiles out of their factories at night, and in random batches, to frustrate estimates of their rate of production. And the four principal Soviet missile works—at Moscow, Gorki, Dnepropetrovsk and Bisk—are frequently hidden by thick cloud cover.

So, our common sense gave way to a curious kind of convenience. Since ICBM silos are extensive constructions not easily concealed, U.S. intelligence began counting launchers instead of missiles. "The primary currency of the [SALT] negotiations became limits on the number of launchers, not limits on missiles or their characteristics," says former SALT negotiator Paul Nitze. "This has proved to be the wrong currency."

Just how wrong can be judged by examining the evolution of Soviet missile forces. In recent years, 1200 Soviet ICBMs have been removed from their silos and replaced by more sophisticated models. Western intelligence sources puzzle over what happened to those 1200 "old" missiles. Satellite photographs reveal no trace of where the ICBMs were taken. (Between 200 and 300 have been fired in mass training exercises.) Some may still be nearby, in the huge factory-like buildings at each of the 26 ICBM complexes. Others may be in the extensive underground installations the Soviets are known to have been building since World War II.

The 1200 replaced missiles are only part of the hidden story. An ICBM must be periodically removed from its silo for maintenance, such as replacement of worn guidance gyroscopes (constantly spinning inside the missile). For this reason, Russian ICBM complexes keep a "maintenance float" of extra missiles. In addition, there is a "pipeline float"—missiles to replace damaged or malfunctioning ICBMs. These extras could constitute another 2000 operational ICBMs beyond the 1200 replaced missiles.

Beware a "Breakout." The possibility of such hidden missiles raises the question of what the Soviets plan to do with them. A close examination of Soviet capability and strategic doctrine provides a sobering clue.

When American ICBMs are launched, equipment in their silos is heavily damaged by takeoff blast. Skilled construction crews would need six weeks to repair a Minuteman silo to fire another missile. This is accepted because of our belief that a nuclear war would be one great, fiery "spasm" with no second round.

The Soviets have a decidedly different view: A nuclear war is to be fought and survived—no matter how destructive. The U.S.S.R. therefore emphasizes the re-use of missile launchers. The latest Soviet missiles are encased in a canister with a compressed-gas generator. The gas pops the missile out of the silo before the engines ignite to send the missile on its way, leaving the silo undamaged. With this "cold-launch" technique—an American idea once turned down by our Defense Department, then picked up by the Soviets—U.S. missile experts estimate that the Soviets could launch a second ICBM from the same silo in as little as two hours after the first.

When our negotiators brought up the reload-refire matter in the SALT II talks, the Soviets agreed not to develop, test or deploy a "rapid" reload system—but only after insisting that their launchers did not fall into this category. Nevertheless, satellite and other intelligence indicates that about half of Soviet silos have been or will be fitted with cold-launched missiles (SS-17s, SS-18s and newer ICBMs now being developed).

Many defense analysts are deeply concerned that the potential hidden storehouses of Soviet ICBMs, backed up by this refire capacity, may enable the U.S.S.R. to achieve a "breakout"—a sudden deployment of weapons that, as the Congressional special subcommittee on SALT put it, "could quickly tip the strategic advantage" in their favor.

Added Worries. Even by the conservative estimates used in SALT II, the Soviets will have at least 7000 thermonuclear warheads by 1985. Breakout could suddenly add many more. The United States stopped production of enriched uranium for nuclear weapons in 1964, hoping the Russians would follow suit. Instead, the Soviets increased production and continue it today.

And, though our atmospheric sensors give us a general idea of Soviet nuclear-weapons-material production, without their cooperation we have no *exact* knowledge of how many warheads they are stockpiling. One highly placed intelligence source in Washington says, "Altogether there could well be twice as many warheads in the Soviet arsenal as our SALT negotiators believe will be deployed."

An added worry is the SS-16 ICBM. The Soviets have used two stages of this large missile to create a smaller, mobile one—the SS-20. Although a protocol to SALT II would prohibit deployment of a mobile ICBM system before 1981, at least 100 SS-20s have already been deployed.

The Soviets claim this is an "intermediate-range" ballistic missile, poised mainly against NATO forces in Europe, but one group of these missiles has been spotted in the center of the Soviet Union at an apparent ICBM installation. And analysts are wary of Soviet claims that the SS-20 is not of intercontinental range. Our monitoring indicates that when the Soviets tested it they loaded on 1000 pounds of ballast. If this unnecessary weight was eliminated, the missile could easily be of ICBM range.

And the SS-16 itself is a subject of concern. Many SS-16 first stages were built, but then disappeared. These first stages could be quickly mated to the two stages that make up the SS-20, thus throwing another large ICBM into the strategic balance at some critical moment. Moreover, an SS-16—in fact, all Soviet ICBMs—need not be fired from a silo. They could be launched from virtually any pre-surveyed (for guidance) site, even from inside a building with a false roof.

How many SS-16s and SS-20s are there? We don't know.

Cat-and-Mouse Game. The Soviets can precisely gauge our missile force simply by attending appropriations hearings on Capitol Hill, reading the aerospace press or looking at easily obtained maps showing the nine Air Force bases where our ICBMs are located. By contrast, trying to learn about a new Soviet missile involves imprecise, long-range detective work.

For the most part, we rely on radar tracking of test firings and the reading of intercepted telemetry—the flow of electronic information sent back to the ground by the missile itself. Experts further attempt to get a "thumbprint" of a new missile by analyzing the type of silo, cranes and service vans at a launch site. But the uncooperative Soviets play cat-and-mouse with us by disguising equipment, encoding the telemetry coming from a missile and even hiding its true flight characteristics by adding or subtracting weight.

Our detective work has recently become even more difficult. The sale of the operational manual of our KH-11 satellite to the Soviets by a CIA employee has enabled them to take steps to elude the satellite's photographic and electronic sensing equipment. And the U.S. pullout from Iran, where we operated an extensive array of radar and sensing devices, has severely hampered eavesdropping on prime Soviet test ranges.

Intelligence analysts are proud of our surveillance technology, but they feel we may have been oversold on it by those eager to promote arms control. Some spy-satellite cameras can pick out objects the size of a pie plate. But the cameras can't penetrate darkness or clouds. And in covering the huge Soviet landmass, satellite analysts must look where they think they will find something. In the mid-1970s the Russians constructed four gigantic radar installations, possibly the largest in the world, near the Arctic Circle. It was two years before our satellites detected all of them, and then only after a tip from a defector.

Vast numbers of such Soviet military installations have been spotted by satellites, but remain shrouded in mystery. More than 150 heavily guarded, Pentagon-size structures, obviously of high military value, have been pinpointed all over the Soviet Union. But what goes on inside them?

The limitations of our surveillance systems make many experienced intelligence analysts incredulous at the smooth assurances of the State Department and the Arms Control and Disarmament Agency that we will be able to "verify" SALT II.

Raging Controversy. The Administration says SALT II is the "centerpiece" of American foreign policy, an important step in stopping the "arms race" while preserving strategic "equivalence." But SALT II critics point to the steady decline of U.S. strategic strength and the dramatic growth of Soviet power that have accompanied the protracted negotiations. They see the lack of true constraints in the treaty and the concomitant American trend of unilateral arms limitation (cancellation of the B–1 bomber, delay of the MX missile) as ensuring the Soviets, within the next half decade, the capacity to destroy our ICBM force while using less than half of their missile force.

Yet the real problem with SALT lies outside the treaty—in the great unknown concerning true Soviet ballistic-missile and warhead production. It seems almost inconceivable that the United States has allowed so many years of negotiations (and U.S. concessions) to go by without obtaining the most rudimentary information from the Soviets about their missile production. A rational revelation of their strategic inventory—and the certain means of confirming the figures—should have been the premier and absolutely non-negotiable demands of the United States. Unless that great unknown is pierced, SALT II limitations on "launchers" are meaningless, and neither an elaborate treaty nor the interest of Moscow in true "peaceful coexistence" can be counted upon.●

SOLIDARITY SUNDAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HOLLENBECK. Mr. Speaker, last Sunday, after being named honorary cochairman of Solidarity Day for Bergen County, I took part in issuing a proclamation establishing Sunday, April 29, 1979, as Solidarity Day for Bergen County, N.J.

PROCLAMATION FOR SOLIDARITY SUNDAY FOR SOVIET JEWRY

Whereas, the people of Bergen County, New Jersey are dedicated to the cause of Soviet Jewry and the struggles of all people to receive their freedom; and

Whereas, the plight of Soviet Jewry is best symbolized by the Soviet Jewish Prisoners of Conscience, who endure long years in labor camps because of their desire to emigrate; and

Whereas, Vladimir and Maria Slepak, Mark Dymshitz, Amner Zavurov, Ida Nudel, Leib Knokh and Iosif Mendelevich are Soviet Jewish Prisoners of Conscience whose cases are weighty indictments against the Soviet system of justice; and

Whereas, the people of Bergen County can best express their support for these Prisoners of Conscience and the three million Jews of the Soviet Union through public demonstration and massive action; and

Whereas, Solidarity Sunday for Soviet Jewry will be held on Fifth Avenue, New York City, on April 29 so that all people of good will can speak out for the Prisoners of Conscience; now therefore be it

Proclaimed, That April 29th be declared Solidarity Sunday for Soviet Jewry in Bergen County; and that Solidarity Sunday be dedicated to the freedom of all Soviet Jews and the release of the Prisoners of Conscience.

Along with Cochairman ANDREW MAGUIRE, I expressed my deep feelings upon being asked to serve as cochairman and to support Solidarity Day activities. During my first term in Congress I was proud to be a part of the activities of the Greater New York Conference on Soviet Jewry in coordination with the Bergen County Conference on Soviet Jewry and Aaron Wise, individually. A synopsis of my actions on behalf of prisoners of conscience and Soviet Jewry was published recently in "The Conscience of Congress," a document published by the Greater New York Conference on Soviet Jewry:

CONGRESSMAN HAROLD HOLLENBECK, ADOPTED PRISONERS OF CONSCIENCE IOSIF MENDELEVICH AND MEITA LEIKINA

Sent a telegram complimenting the GNYCSJ's "Solidarity Sunday" program. Wrote a letter to Ambassador Dobrynin concerning the case of Viktor Faermar. Sent letters to Soviet and U.S. officials on behalf of Iosif Mendelevich. Intervened on behalf of Lev Roitburd. Addressed letter of concern to Secretary of State Cyrus Vance about the well-being of Iosif Mendelevich. Maintained contact with the Mendelevich family. Wrote to the Prison Camp Commandant where Iosif Mendelevich is incarcerated. Accompanied Rivka Drori, sister of Iosif Mendelevich, to the Soviet Mission as she attempted to gain a visitor's visa to see her brother. Sent letters to Secretary General Leonid Brezhnev, Ambassador Dobrynin, Procurator General Rudenko calling for the immediate release of Meita Leikina. Corresponded with Mrs. Anna Rosovskaya, daughter of Meita Leikina. Sponsored an informal Congressional briefing session on U.S. Scientific Policy and Human Rights Violations, with Avital Shcharansky among the participants testifying. Addressed letters to Ambassador Dobrynin and Academician Gerasimov concerning human rights and science policy. Participated in the Bergen County Walk-A-Thon. Lit Freedom Vigil Torch. Communicated with Evgeny Feldman.

The personal exchange with Rivka Drori, sister of Ioseph Mendelevitch and Avital Shcharanksy and my encounter inside the Soviet Mission on behalf of Rivka Drori, who I accompanied there, were moments I can never forget.

I urge all my colleagues and constituents to participate, even if by thought or prayer alone, in this seventh Solidarity Sunday. In this way we can aid the efforts of the 85 constituent agencies of the Greater New York Conference on Soviet Jewry to focus international attention and concern upon the plight of Jews and Prisoners of Conscience in the Soviet Union who suffer from discrimination over their freedoms—emigration, religion, intellectual development, and free thought, to name several.

I have, toward that end, today introduced legislation calling attention to the horrifying situation which exists in the Soviet Union and expressing the sense of Congress thereon:

H. RES. —

To express the sense of the House of Representatives that the leaders of the Soviet Union should permit the emigration of Jews and other individuals wishing to emigrate from the Soviet Union, should remove restrictions in the Soviet Union on the practice of religion and the observation of cultural traditions, should remove restrictions surrounding individuals who undertake scientific and intellectual endeavors, and should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions.

Whereas April 29, 1979, has been designated as "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry;

Whereas on April 29, 1979, Americans of all faiths will join in demonstrations and rallies to express their solidarity with the three million Jews in the Soviet Union;

Whereas Solidarity Sunday symbolizes the unity of all Americans with the Prisoners of Conscience and others suffering from the Soviet Union's restrictive policies on emigration.

Whereas Solidarity Sunday serves to remind us of the restrictions on the practice of religion and the observation of cultural traditions, the lack of freedom in regard to scientific and intellectual pursuits, and the harassment of individuals in the Soviet Union who wish to emigrate, practice their religion, or observe their cultural tradition: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) The leaders of the Soviet Union should permit the emigration of Jews and other individuals who wish to emigrate from the Soviet Union;

(2) The leaders of the Soviet Union should remove restrictions on the practice of religion or the observation of cultural traditions;

(3) The leaders of the Soviet Union should remove restrictions on individual scientific and intellectual endeavors; and

(4) The leaders of the Soviet Union should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions or engage in free intellectual pursuits.

I, for one, pledge to continue my efforts and to urge all those I can reach to do likewise—not only to be aware but to Act.●

TAXES, INFLATION AND FAIRNESS: AN ANALYSIS BY MILLARD C. BROWNE OF THE BUFFALO EVENING NEWS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, it has been clear for some time that many of our tax laws and monetary policies are counterproductive.

On the one hand, the Government devalues the dollar by 10 percent yearly through its monetary policy, robbing those who cannot control their incomes of real buying power. Those who succeed in maintaining their buying power before taxes are pushed into higher tax brackets paying nearly 17 percent more in taxes for each 10 percent inflation.

The small saver is limited in the dividend he can receive on savings to only half the inflation rate. This means small savers lose about 5 percent of their money before taxes simply by putting it into a savings account, and then pay high marginal tax rates on the dividend.

We tax working couples who are married simply for being married, by not permitting them to file returns at the same tax rates as the unmarried. And at a time when generosity is being taxed heavily by the state of the economy, certain proposed reforms would increase the already severe tax penalty for most Americans, for making charitable contributions.

These are all provisions of the tax laws which must be changed in the interests of fairness and the economic well-being of all Americans.

Millard C. Browne, editorialist for the Buffalo Evening News, analyzed several of these tax provisions in a recent article, and I would like to share his penetrating observations with my colleagues.

The article follows:

CRAZY TAXES? MAYBE CRAFTY IS THE WORD

(By Millard C. Browne)

It may be risky to say this so soon after the tax-filing deadline, what with all those IRS auditors lurking out there somewhere. But everybody knows it anyway: Uncle Sam's tax laws are crazy.

They're crazy in a lot of ways, depending on your individual circumstances and viewpoint. Some are painful, others merely capricious. But in some ways the tax laws are also crazy like a fox—especially in the crafty way they harvest, for the greater glory of the U.S. Treasury, a bigger and bigger proportion of everybody's income with each new spin of the inflation spiral.

One area in which I think the tax laws are crazy is the way they reward people for borrowing and punish them for saving. They do this by giving no tax deductions whatever for any interest income you receive (except on tax-exempt bonds), while granting virtually total tax relief on all the interest you pay.

Some of the interest deductions seem sensible enough, as part of a social policy to encourage, say, home ownership. (Even here, though, if I were a renter, I would certainly feel that the law was crazily unfair to let my landlord deduct all the interest and taxes he paid, while it gave me no consideration at all for the rent I had to pay him to more than cover them both.)

Where the present tax policy seems to me to have no social justification whatever—and certainly no economic justification, in a year of rampant inflation when the government should be restraining credit and encouraging savings—is the topsy-turvy way it treats charge accounts vs. savings accounts.

Why should our tax laws encourage people to over-buy on the cuff by letting them tax-deduct all the interest they pay for letting charge-card payments lapse? And why, on the other hand, should they add tax-insult to inflation-injury for small savers by charging top tax dollar on every cent of interest earned—even though that interest does not begin to make up for the real loss every savings account suffers from today's double-digit inflation?

Another area where I think the tax laws are crazy—completely and indefensibly so—is their so-called "marriage tax." Or call it Uncle Sam's living-in-sin subsidy.

The way this works, as has been pointed out in our editorial columns a number of times, is that working couples who live together *married* are stuck to pay far higher income taxes than they would if they just lived together *unmarried*.

As hard as it is to believe the figures, they work out like this (according to a table in U.S. News & World Report): if two people are married, with one spouse earning $15,000 and the other $10,000, they have to file a joint return and will pay about $535 more in taxes than if they lived together unmarried and filed separately. And the higher their pay, the worse the penalty for being married. Thus on a $30,000 and $20,000 joint income, the extra tax for being married is $2,439. That's not just crazy; it's unconscionable, not to mention downright immoral.

President Carter, who seems to have no quarrel with any of the inequities cited here, has other fights to pick with the tax laws: over deductible three-martini lunches and other expense-account freebies, for instance. But one of his big reform ideas—what he calls tax "simplification" through causing more and more millions of taxpayers to shift from itemized to standard-deductions—seems to me to cause more social-policy headaches than it cures.

Some 77 percent of all taxpayers now use standard deductions, and the president wants to bump this up to 84 percent. (He'd do it by sweetening the standard while eliminating some of the itemized deductions). But just look what this does, for example, to charity.

It means that all those pleaders for worthy causes, whose clincher is, "your contribution is tax deductible," are really talking to an ever-shrinking minority of all taxpayers. The rest get no deductions for contributing that they wouldn't get anyway.

But all these quaint idiosyncrasies of the tax laws fade into insignificance for me when compared with the crazy-as-a-fox way your government has of using its progressive tax rates during a time of rampant inflation to rip off a bigger proportion of your income each year.

I think the best cure for that is the one cited in this space a year ago: an "indexing" law to automatically adjust all the basic components of your tax return—personal exemptions, tax brackets and tax rates—to changes in the price index.

What I said then I can only repeat: Forcing Congress to "index" your taxes is the only way I know to make the government face the inflation issue honestly. Then if it needs new money for new programs it will have to pass a law to raise your taxes—instead of doing it, as now, by constantly cheapening the dollar.●

ROCKY FLATS NUCLEAR WEAPONS COMPONENT PARTS PLANT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. WIRTH. Mr. Speaker, since 1951, Jefferson County, Colo., has been the site of the Rocky Flats Plant, a nuclear weapons component parts manufacturing facility. This plant, now run by Rockwell International under contract to the Department of Energy, is a vital part of our Nation's national security; its mission unique to any other facility in our nuclear weapons program.

For many years, Rocky Flats has been a source of concern in the community. Since 1974, when I was first elected to the Congress, I have attempted to work toward the solution of many of the problems which surround the plant. But despite all of the efforts made to increase safety and security at the Flats, one major issue still remains: should a plutonium weapons facility be located so near a major metropolitan area?

On April 9, I announced the beginning of a major review to assess the long-term future of Rocky Flats. This study is the result of a year of negotiations with Secretary of Energy James Schlesinger and other key DOE officials, and will be a key element in determining the plant's long-term prospects.

With the excellent cooperation of DOE and the people at Rockwell, this review will, I hope, clear up those uncertainties and allow a sound decision that is in the best interests of the American people.

Mr. Speaker, I would like to share with my colleagues the details of Rocky Flats and the upcoming analysis of the plant:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April, 1979.

DEAR FRIEND: Within our community the Rocky Flats facility has for many years provided a forum for some significant controversy and debate among concerned citizens, employees at the plant, public officials, and various interest groups. While the facility fulfills a critical mission within our present national defense structure, many arguments are made concerning the advisability of locating such a plant in the midst of a major metropolitan area. The uniqueness of the Rocky Flats mission, the size and location of the facility the varying assessments of its safety, and the number of people employed are factors which interact and add to the complexity of the issue.

With so many issues surrounding the Rocky Flats plant, and as the Congressman representing the District in which the plant is located, I have asked the Department of Energy to conduct a major analysis of the future of the Rocky Flats facility. I am pleased to announce that the DOE has agreed to undertake this major re-examination.

As outlined below, this is a complicated undertaking. I therefore thought that you might find it useful if I summarized the history of this new initiative, the factors to be included in the analysis, and the process to be followed.

HISTORY

Soon after I was first elected to the Congress in 1974, I met with Governor Richard Lamm, and we established the Lamm-Wirth Task Force on Rocky Flats. As newly-elected public officials, we wanted to know more about Rocky Flats, its new management (Rockwell), and about any new initiatives which would be warranted. We asked the Task Force to study Rocky Flats and to make any recommendations to us which they felt would be appropriate. To insure a balanced approach, we included as members of the Task Force every concerned community interest.

A number of recommendations came out of this process and these recommendations have been substantially implemented. At the federal level, these have included, among others, improved safety and security provisions for the plant, development of an alternative water supply for the town of Broomfield, safer transportation patterns of hazardous materials in and out of the plant, and closer community liaison. From time to time I have issued public reports on these extensive actions.

Remaining to be implemented is Recommendation No. 3 of the Task Force Report, concerning the long term future of the Rocky Flats plant. This recommendation, as made by the citizen Task Force, reads as follows:

"The Task Force recommends that Governor Lamm and Congressman Wirth request:

Congress and the President of the United States should reassess the Rocky Flats plant as a nuclear weapons component parts manufacturing facility. In reassessing the plant as a weapons manufacturing facility, consideration should be given to a program of gradually phasing out its present operation, possibly transferring those operations to a more suitable site, and decontaminating and converting the plant's facilities to a less hazardous energy related industry, such as solar energy research and development. In evaluating these alternatives, strong consideration should be given to maintaining the economic integrity of the plant, its employees, and the surrounding communities."

Since the Task Force issued its report, I have worked to find the best method of implementing Recommendation No. 3. This recommendation concerning the long-term future of the plant, has been an especially difficult issue because so many separate factors concerning Rocky Flats have to be considered. These include:

1. Defense Policy.—The work performed at Rocky Flats is closely tied to the defense capability of the United States. Until such a time as the United States need no longer manufacture or refurbish nuclear weapons in order to maintain our national security, the weapons-related work performed at Rocky Flats cannot be shut down without having another facility on-line to provide this manufacturing capability. Current figures estimate that moving that capability to another location would cost $2–3 billion and require substantial lead time (see No. 5 below).

2. Health Hazards.—Numerous studies have provided often conflicting evidence concerning the extent of public health danger of a plutonium facility located in proximity to residential neighborhoods. While plutonium health standards have been developed at various levels of government, they often differ in their conclusions, thereby adding to the uncertainty of those living in the area surrounding Rocky Flats. We do know that research on the health effects of nuclear materials is a relatively new science, and that much remains to be discovered concerning the possible effects of exposure to low levels of plutonium. Thus any decision concerning the future of Rocky Flats must recognize that further research may dictate that existing standards for employees within the plant and for the public in general, be modified.

3. Employment Base.—The Rocky Flats plant employs over 3,000 people, and is a major economic force in the Denver community. Therefore, any decision regarding the future Rocky Flats must demonstrate an understanding of the impact on plant employees and their families, and must account for their needs. The employment issue is further complicated by the need to know manpower projections and job descriptions at the plant, the demographics of the work force, and a projection for any potential retraining and relocation of employees. So that I might better understand these issues, over the past 8 months I have held extensive meetings at Rocky Flats to analyze which activities are plutonium related and which are not; what levels of employment exist and are projected in each of these areas; what the projected work loads at the plant may be over the next decade; and what possibilities exist for changing the present mission of the plant should future removal or conversion of some of the facilities at the plant be warranted.

4. Major Accident.—There exists a statistical chance that a major accident could occur at Rocky Flats. With present technology, I am convinced that every precaution has been taken to make Rocky Flats safe. However, prudent policy suggests that any long-term policy must continue to examine this issue.

5. Time Frame.—Few understand the problem of lead-time better than the residents to the Denver area. The negotiation for construction of the Foothills Water Treatment complex, for example, consumed six years and construction is just now beginning. Rocky Flats presents an even more complex picture. An alternative plant as technologically sophisticated as Rocky Flats will take years to design and construct. And should the decision be made to build another facility, lengthy planning, consuming a period of at least 10 years for site selection, environmental assessment, design and construction would be expected.

Acknowledging the complexity of the issues outlined above, I began in April 1978 extensive and detailed discussions with the Department of Energy about the future of Rocky Flats. I have also held many sessions with the prime government contractor, Rockwell International; with the bargaining unit at Rocky Flats, the United Steelworkers of America; with the Governor's office and other public officials; with the Rocky Flats Monitoring Committee; and with numerous citizens groups. My efforts were primarily concentrated, however, with the Department of Energy, the federal government agency responsible for the development of nuclear programs and having the ultimate administrative responsibility for Rocky Flats.

I am very pleased as a result of this effort the Department of Energy has decided to re-examine the long-term future of the Rocky Flats plant, and is beginning a major analysis of Rocky Flats, which will include at least all of the elements outlined above. Such an examination is the necessary first step towards deciding whether to relocate some of the missions now carried out at Rocky Flats. Concurrently, the government will examine employment disruptions that could result and will consider alternate programs for employees and for the contractor.

The Department will keep me informed of and involved in all aspects of this examination.

I have detailed the planned examination of the future of Rocky Flats in this letter because of your interest and concern. Ahead of us is a difficult task, but its complexity will be considerably intensified if people do not understand all of the factors involved. Conversely, the task will be made much easier if we are all working together to define the best possible future course for Rocky Flats.

Please let me know if you have any questions or comments about this initiative, or if you would like copies of other background material on actions I have taken during the past four years. I look forward to hearing from you and to working with you.

With best wishes,
Sincerely yours,
TIMOTHY E. WIRTH.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 8, 1979.

Hon. JAMES SCHLESINGER,
Secretary,
Department of Energy,
Washington, D.C.

DEAR MR. SECRETARY: Over the past few years I have had numerous discussions about the Rocky Flats nuclear weapons plant with officials of the Department of Energy and its predecessor agency, the Energy Research and Development Administration. You and I have personally discussed Rocky Flats on several occasions. In the four years I have been in the Congress, my own concerns, those of other State and local officials, and the community at large have accelerated sharply. As the social and community environment surrounding Rocky Flats has changed, concurrently I believe that it is now time to re-examine the impact of this change, with particular reference to recommendation No. 3 of the Wirth-Lamm Task Force, established in 1974 to examine Rocky Flats:

"The Task Force recommends that Governor Lamm and Congressman Wirth request:

"Congress and the President of the United States should reassess the Rocky Flats plant as a nuclear weapons component parts manufacturing facility. In reassessing the plant as a weapons manufacturing facility, consideration should be given to a program of gradually phasing out its present operation, possibly transferring those operations to a more suitable site, and decontaminating and converting the plant's facilities to a less hazardous energy related industry, such as solar energy research and development. In evaluating these alternatives, strong consideration should be given to maintaining the economic integrity of the plant, its employees, and the surrounding communities."

A variety of developments are familiar to you and others at DOE. The standards for soil, water and air around the Rocky Flats plant have been made more explicit, even within the broad range of disagreement over their acceptability. HUD has imposed various restrictions on home-building in the area. DOE has helped to fund an emergency water supply for the town of Broomfield. The Federal Aviation Agency is considering more stringent flight standards over Rocky Flats. The Department of Transportation has helped in the review of programs for the transportation of dangerous materials.

At the same time, a major effort has been made to assure the operational safety and security of the plant. The General Accounting Office has conducted three audits of safety and security since 1975. The Department has instituted more stringent requirements for the transportation of hazardous materials in and out of Rocky Flats. Major upgrading initiatives have been taken with regard to building security and efficiency at the plant.

Despite these efforts and the cooperation of all the parties who have worked hard to assure safety and security, controversy continues to swirl around Rocky Flats. I think we would all agree that if the decision were to be made again, the government would not locate the plant so near a major and expanding metropolitan area.

As a result of these developments, I believe the Administration has a responsibility to develop plans for eventual relocation of some of the missions now carried out at Rocky Flats. This conclusion is based on two broad themes:

First, the increasing vigor of the controversy surrounding Rocky Flats and the transportation of material in and out of the plant raises security issues that I do not believe prudent policy should ignore. While we are involved in a strategic arms confrontation with the Soviet Union, I do not believe that we should subject this capability to risks that might compromise our defense posture.

Second, despite the best efforts of all concerned, significant fears and misgivings about the presence of Rocky Flats persist. Residents in the area continue to hear conflicting reports about the potential hazards of radiation, and the drafting of emergency response plans raises the spectre of catastrophe. Well publicized conflicts between agencies over acceptable standards and the disclosure of the impact of Nevada testing 20 years ago add to the climate of discomfort and unease.

Consequently, prudent public policy for all concerned suggests that DOE should undertake an analysis of the situation at Rocky Flats. This analysis should include:

Identification of alternative sites for the plutonium capabilities now resident at Rocky Flats;

Projection of the potential loss of manpower at Rocky Flats, assuming relocation of the plutonium capability and comparison of these projections to normal attrition and retirement;

Analysis of alternate uses for the plant that would insure retention of the highly skilled manpower presently associated with plutonium fabrication;

Development of a timetable for relocation of the plutonium fabrication facilities.

In closing, let me emphasize again the constructive and careful cooperation that has characterized our negotiations to date. This includes DOE officials; State, county and local officials in Colorado; the Rockwell management and the employees at the plant; and the community at large. With rare exception, a spirit of cooperation, and an understanding of the complex issues involved, have permeated the discussions of the last four years.

Most careful and analytic observers of the situation at Rocky Flats understand that we face a complex combination of issues: national security; employment and economic base; environment and safety; and community response. I believe that the parties to each of these variables understand that other perspectives exist; and I believe that no single group will view its own interests narrowly, without examining and understanding the views of others.

I am sure that the development of a careful program for the future of Rocky Flats will meet with the same kind of understanding. Thank you, and I look forward to hearing from you.

With best wishes,

Sincerely yours,

TIMOTHY E. WIRTH.

DEPARTMENT OF ENERGY,
Washington, D.C., March 26, 1979.

Hon. TIMOTHY E. WIRTH,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. WIRTH: Secretary Schlesinger has asked me to respond to your letter of March 8, 1979, regarding relocation of certain facilities of the Rocky Flats plant near Golden, Colorado.

Your objective review of the extensive efforts made by the Department of Energy (DOE) to insure safe and environmentally acceptable operations at the Rocky Flats plant is appreciated by the Secretary. It is my belief that in recent years the DOE and its Rocky Flats contractor, Rockwell International, have successfully demonstrated responsible management of operations at the plant and a full awareness of the need to work closely and openly with the state and local governments and the public in assuring plant and off-site safety. I believe we have established a basis for confidence that the plant operations do not impose a threat to the health or social well-being of the local populace or to the quality of the environment. It is my intent, with the support of the Congress, to continue these efforts to insure that the plant does not pose any threat to the local community. I appreciate and welcome your support of these measures.

I am, of course, aware of the recommendation made in 1975 by the Lamm-Wirth Task Force and the actions taken by this department and its predecessor to respond. In particular, I have noted the Task Force recommendation to reassess the Rocky Flats plant as a manufacturing facility for components of nuclear weapons.

The continued operation of the Rocky Flats plant does remain under public discussion, although I believe that a large part of the impetus and support for this discussion is based more on opposition to nuclear weapons in general than on any specifically identified potential hazard. Nevertheless, I do agree that the longer-range issues involving public acceptance of continued operations warrant attention at the policy-making levels in this department.

As you know, the Rocky Flats plant provides certain unique facilities which are critical to the national security of the United States. However, while an alternate (or replacement) facility capable of performing the work done at Rocky Flats might add a potentially useful redundancy to the weapons production complex, I do not believe that such an alternative facility is warranted at this time.

While I do not consider that immediate action to convert certain of the Rocky Flats facilities and to replace them elsewhere is appropriate, I do believe that it would be useful now to reassess the operations at Rocky Flats to take into account the potential for changing future requirements, for more stringent standards of worker safety (e.g., standards concerned with exposure to toxic materials or radioactivity), or for the aging of facilities which might indicate the advisability of significant modifications or additions to the plant. This reassessment should include an analysis of whether the operations involved should be continued at Rocky Flats or relocated to another site.

Because changing conditions might credibly warrant the future removal or conversion of some of the facilities now at our Rocky Flats plant, I will direct Major General J. K. Bratton, the DOE Director of Military Application, and Mr. Herman Roser, Manager of the DOE Albuquerque Operations Office, jointly to initiate an anlaysis to: identify the possible conditions under which a shutdown or relocation of certain or all of the current Rocky Flats operations might be indicated; identify tentative alternate sites; determine the time phasing and the cost of relocation compared to modifications at Rocky Flats; and identify employment impacts at Rocky Flats, giving particular attention to alternate positions for the affected work force. You will be kept promptly informed as the analysis generates significant planning information or results in policy or operational decisions.

I assure you that our actions in addressing the future of the plant will be developed carefully with a view toward the best interests of the citizens concerned and with the need to meet our recognized national defense requirements. I am impressed with the way you and your staff have dealt with this matter, and I look forward to continued close communication with you and your staff on aspects of policy determinations on the future of the Rocky Flats plant.

Sincerely,

DUANE C. SEWELL,
Assistant Secretary for Defense Programs.●

PROFITS IN THE UNITED STATES

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SENSENBRENNER. Mr. Speaker, the recent upswing in business profits has met with widespread criticism among many public officials and commentators. One dissenting voice is that of William Simon, former Secretary of the Treasury. His comments were excerpted and condensed from "The Role of Profits in the United States," by the ACU Education and Research Institute. I would like to make these comments a part of the RECORD:

The average American appears badly confused about the amount and importance of profits in the U.S. economy.

For example, a comprehensive public opinion poll conducted in 1970 by Opinion Research Corp. asked the question:

> Just as a rough guess, what percent profit on each dollar of sales do you think the average manufacturer makes after taxes?

The average response was 28 cents of profit after taxes for each dollar of sales. The actual figure was 4 cents.

Most of those questioned apparently confused the percentage markup of retailers with the actual profit left after deducting operating expenses and taxes. Even the owners of stock participating in the poll, supposedly a more financially sophisticated group, gave an average estimate of 23 cents.

Public perceptions of corporate profit have become less and less accurate over the years. The estimate of profits in 1970 was seven times the actual figure. The closest given was in 1945, when respondents estimated profits at three and one-half times the actual level. The most recent study, in 1975, turned up an average estimated after-tax profit figure of 34 cents on each sales dollar, about seven and one-half times the actual figure.

For more than a decade American corporate earnings have been in the midst of a virtual depression.

This fact has been obscured by constant talk of "obscene" and "soaring" profits—and by accounting techniques which take no account of inflation. If depreciation were based on replacement rather than historical costs and if inventory figures were adjusted for inflation, real profits would have declined steadily from 1965 to 1970, both as a share of national income and as a percent of sales. By 1973 both measures were at a level approximately one-half their 1965 figure.

Adjusted earnings figures have also declined compared to the replacement value of capital assets. This rate of return on invested capital also reached a peak of 10 percent in 1965 and then declined to a level of 5.4 percent in 1970 before recovering to 6.1 percent in 1973. The sluggish economy of 1974 and early 1975 further reduced the profit figures. Profits have recovered somewhat since then, but are still well below the earlier figures.

Even more serious than the misconceptions surrounding the level of profits are those concerning the nature of profit itself. These misconceptions have made many Americans hostile to profits—and unaware of their true nature.

The essence of profit is a positive gain from economic activity after all costs are paid. This idea is applicable to an individual, a family, a business firm, a nation, or the entire international economy. Like other forms of earnings, profits are a reward for productive activity: specifically, committing capital and bearing risk.

Profits are created in a variety of ways. Perhaps the most basic source of profit is the development of a new idea leading to a new product or service, an advance in design, the utilization of new materials and production processes, improved distribution and service systems, reduced costs or other innovations. In a competitive environment profits from new ideas are usually short-lived, as competitors strive to catch up or develop new initiatives of their own. In other situations a longer-lasting comparative advantage may be created by superior management, production and distribution methods, better access to raw materials, advanced research and development efforts or other unique capabilities.

By rewarding these capabilities, profits provide an incentive for more innovation and investment—the only true source of economic growth and jobs.

One can observe the importance of capital investment to productivity and economic growth by comparing the American record with those of three successful competitors: Japan, West Germany and France. Fixed investment in these countries in the years 1960–73 totaled 35.0, 25.8, and 24.5 percent of national output respectively; the corresponding figure for this country was 17.5 percent.

During the same period output per manhour grew at a rate of 10.5, 5.8, and 6.0 percent, respectively, in the three former countries, while the U.S. figure was 3.3 percent. In fact, the United States ranks last among seven leading industrial nations on both counts. And the gap is increasing. Not coincidentally, the U.S. tax structure bears more heavily on corporations than does that of almost any other industrial nation.

In short, profits lead to more capital investment, more jobs, higher wages and an increased real standard of living. The basic issue was put into proper perspective by Samuel Gompers, who served as president of the American Federation of Labor from 1886 until 1924, when he commented that:

> The worst crime against working people is a company that fails to make a profit.●

REMEMBRANCE OF THE HOLOCAUST

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HUGHES. Mr. Speaker, today we commemorate the needless deaths of 6 million men, women, and children whose only crime was that of being Jewish.

Although it was not the first wholesale extermination of a people on account of their religion, it was the most complete and massive instance of genocide that has ever been perpetrated. The extent of this wanton destruction of life is almost incomprehensible.

A generation has gone by since these terrible crimes were revealed to the world. Attitudes have changed. The deep psychic wounds of the world that were opened with the revelation of the Nazi atrocities have started to scar. The memory blurs and unpleasant things are easily put out of our minds. We cannot permit this. Some things must be remembered.

While memories of specific atrocities of the Nazis' total inhumanity to man have receded from our memory, a new and growing awareness of the inate worth of man has grown from a single fragile stalk. This stalk has grown taller with deeper roots over the years, but it is still quite fragile. We must continually cultivate that stalk, for a nation that does not, faces the ultimate danger of a loss of human rights.

We will never have the luxury of taking human rights for granted. Those who wish to destroy these rights are clever and insidious. If we sit back and ignore their efforts we could be faced with a situation that leads to the abrogation of rights for the many. Apathy is the ultimate enemy.

As we commemorate the holocaust it is fitting that we call upon God's blessings for our country. There is a Jewish prayer that is a particular favorite of mine and I would like to share it with you now:

> Bless our country that it may ever be a stronghold of peace, and its advocate in the council of nations. May contentment reign within its borders, health and happiness within its homes. Strengthen the bonds of fellowship among all the inhabitants of our land. Plant virtue in every soul, and may the love of Thy name hallow every home and every heart.

This is what we are striving for. A contented people ever vigilant and ready to defend the rights of mankind and to remember the lessons of the past as we live each day and plan for the future. A remembrance such as this will help us attain that goal.●

IMPLEMENTING THE MIDDLE EAST POLICY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MAZZOLI. Mr. Speaker, as did many of my colleagues, I attended the March 26, 1979, White House signing of the peace treaty between Egypt and Israel.

I also had the honor, with my colleagues, of welcoming President Sadat and Prime Minister Begin when they visited the House of Representatives to make personal reports on the peace treaty signed the day earlier.

Israel and Egypt have been ravaged by wars for over 30 years. Certainly, the people of these two nations are entitled to raise their families and to live their lives in peace.

President Carter, President Sadat, and Prime Minister Begin worked tirelessly to hammer out this historic document of peace.

But, that was the easy step. Now comes the harder, more vexing, step of implementing the terms of that document.

There are formidable barriers to a complete and final peace in this troubled part of the world. New barriers crop up every day.

We must be prepared to support with our energies and our intellects—and with our prayers—the worthy efforts of our President and these two courageous and far-seeing Mideast leaders as they "wage peace" in the months and years ahead.

However, the prize is worth the efforts. For, these can—and, pray God, will—lead to a moment when all the world together will proclaim in a loud voice: Peace. Shalom. Salaam.●

WHALEBOAT WARFARE AT SHOAL HARBOR

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HOWARD. Mr. Speaker, I would like to take this opportunity to commemorate a noteworthy event in our Nation's history. Two hundred years ago, on April 28, 1779, a brave group of patriots defended the cause of American liberty in what has come to be known as Whaleboat Warfare at Shoal Harbor.

These courageous patriots were known as the whaleboatmen. Deriving their living from the sea, these hearty men could maneuver their 30-foot, oar-propelled boats through the seas swiftly and accurately. Having been trained by an anonymous patriot, the "Spy Mariner," these proficient whaleboatmen engaged the British fleet anchored in Shoal Harbor, between Sandy Hook and Staten Island, under cover of darkness, fog, and storm. Then, as they had throughout the war, the men took retaliatory measures against the British fleet for their attacks on the Monmouth County countryside. On over 79 occasions during the course of the Revolutionary War, these men attacked the British vessels, causing havoc and destruction in the sea lanes between New Jersey and New York, which later were to serve as the British retreat route.

It was the actions of these brave seamen at Shoal Harbor and other spots along the east coast that contributed to the development of the U.S. Navy. For their heroic deeds during the War of Independence, I join my constituents at the Shoal Harbor Spy House in commemorating the Bicentennial of Whaleboat Warfare at Shoal Harbor, Port Monmouth, N.J.●

HOUSE OF REPRESENTATIVES—*Wednesday, April 25, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Eternal Father, Lord of Heaven and Earth, make us aware of the glories of Your eternal creation. We pray that we will be sensitive to Your presence and purpose in the whole of the universe, for the Heavens declare Your glory and the firmament proclaims Your handiwork.

Though we see life in the perspective of our own heritage and tradition, yet enable us to gain a sense of awe and gratitude and wonder as we fix our eyes on high, realizing that we are all one people living in one creation, for You are one God, and in You do we trust. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 3091) entitled "An act to extend for 1 year the provisions of law relating to the business expenses of State legislators," disagreed to by the House; request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Long, Mr. Talmadge, Mr. Moynihan, Mr. Boren, Mr. Dole, and Mr. Packwood to be the conferees on the part of the Senate.

OBSCENE OIL PROFITS NEED EXPOSURE

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, yesterday the first quarter reports of several major oil companies indicate tremendous profits—superprofits up to 81 percent above last year for one of the industry leaders.

These profit levels occur before they reflect the fallout from the Iranian crisis and before they reflect the "outer space movement of oil profits" resulting from the high-speed propellant of decontrol.

These levels of oil profits have also been suppressed by the profit-concealing devices which are uniquely built into tax laws for the oil industry. These inequities are secretly buried in the tax returns of the oil companies. Although the tax-writing committees of the Congress have the power to look at tax returns, I do not ever recall an occasion when this authority was used. I will move that we take a look.

From all that I can determine without this actual access to vital information, I estimate that the profits of American oil companies are reported at less than one-half their true dimension.

If the American people really knew the truth about oil profits for certain elements of the oil industry, they would constitute a light touch on the biggest freeloaders on the American scene.

THE FIRST STEP TOWARD NORMALIZED RELATIONS WITH RHODESIA

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, the 95th Congress passed, and President Carter signed into law, a measure which calls upon the President to lift our embargo against trade with Rhodesia upon his determination that certain conditions have been met.

Those conditions were the establishment of a new government as the result of free and open elections that were witnessed by impartial international observers.

As a result of the elections there, participated in by a majority of the voting age population, black and white, Bishop Abel Muzorewa will become that nation's first black Prime Minister. Millions of black voters exercised their franchise in the face of threatened violence by terrorists. Indeed, some paid with their lives for defying those threats, but the terrorists were defeated.

Scores of witnesses have attested that the elections were free and honest, certainly by Third World standards.

It is time now for the Carter administration to recognize that the solution it has pursued for Rhodesia has been rejected by those most directly affected—the Rhodesian people themselves, blacks and whites. The strong turnout is convincing evidence that Rhodesia's black people want a government that is peacefully chosen with their participation, not one that is forced upon them by guerrillas armed and supported by other nations.

President Carter can demonstrate his true dedication to bringing peace and stability to that part of Africa by accepting the decision reached by the Rhodesian people. We should move immediately to lift the sanctions against American trade with that nation and to normalize diplomatic relations. As Bishop Muzorewa himself has said, the people have demonstrated that the ballot, and not the bullet, should determine their future. In his words, and I quote, "What more do you want of us?"

□ 1505

A TRIBUTE TO MARVELLA BAYH

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, yesterday Indiana and the Nation lost one of our most remarkable citizens in the death of Marvella Bayh, the wife of my close friend and our distinguished colleague, Senator Birch Bayh, of Indiana.

Warm and outgoing, gracious even in the knowledge of her grave illness, Marvella Bayh was a woman of rare personal courage and deep religious faith.

Mr. Speaker, for nearly 20 years, I have seen the citizens of Indiana inspired by Mrs. Bayh's effective speaking on behalf of her husband, and after being afflicted with cancer in 1971, she used that ability to campaign against our most dreaded disease.

Marvella Bayh's many articles and speeches on cancer prevention stressed the importance of regular examinations and of not smoking. But still more she emphasized a psychological dimension of combating cancer—the importance of facing the truth while maintaining hope—a dimension that was of great inspiration to millions of Americans.

Less than a month ago the District of Columbia Chapter of the American Cancer Society honored Marvella Bayh with its Hubert H. Humphrey Inspirational Award, citing her as "the woman whose spirit and courage in her personal fight against cancer are a lasting inspiration to cancer patients and to all Americans."

Mr. Speaker, Marvella Bayh's leadership in the fight against cancer as well as her devotion to the rights of women will leave her a respected and enduring figure in our Nation's history.

Mr. Speaker, I know that I join their many friends here and in Indiana and the many millions whom Marvella inspired in extending, on behalf of my wife, Mary Ellen and me, my deepest sympathy to Birch and his son, Evan.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to my colleague and friend, the gentleman from Indiana (Mr. Myers).

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Speaker, I join my colleague in expressing the sympathy of the membership of this body and especially the people of Indiana on the passing of a very fine person. The Bayh family are constituents of mine, and I have known them for quite some time. Marvella Bayh was vivacious, talented, and a beautiful person, most importantly, she possessed the strength that all of us would like to have. Even though she knew she had this very, very severe illness and that it was going to be terminal, she was very strong through all of it. She was the kind of person, I guess, that we always want our loved ones to be, and we can certainly cherish the fact that we knew her as a friend. I join my friend, the gentleman from Indiana (Mr. BRADEMAS), in extending my wife, Carol's and my sympathy to both BIRCH and Evan, and all of their many, many friends.

Mr. HILLIS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Speaker, I thank the gentleman for yielding and I thank him for taking these few moments in recognition of the wife of our colleague, the senior Senator from Indiana.

Mr. Speaker, I think I speak for all citizens of my district and my Hoosier State, when I say that our hearts are saddened at the passing yesterday of the wife of our senior Senator. I refer, of course, to the death of Marvella Bayh, whose fight against a dread disease is well known. Hers is a legacy of courage matched by few, and worthy of the admiration of all.

Marvella will be remembered as a lady who saw opportunity in adversity and once described the period since being afflicted with cancer as "the greatest growth period of my life." These years afforded her, she said, an opportunity to put her priorities in order and be useful in her own right. Whenever possible, she spoke out, with courage and advice, on cancer and the importance of seeking early help in detection of the disease and adjusting lives accordingly.

I extend condolences to her husband and son, with the knowledge that the story of Marvella Bayh, her spirit, and the great value she placed on human life will for many years to come be an inspiration to them, and to all who knew her, and to millions who knew her story.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his comments.

● Mr. GILMAN. Mr. Speaker, I rise with sadness in my heart. A woman whose long, strenuous battle we have all witnessed has passed on. Marvella Bayh, a profile in courage, who shared with us her love for life has departed.

Cancer caused Marvella Bayh's death. It caused her demise, but it did not conquer her will.

In life as in death she was a symbol of courage, hope, and peace for millions in the world community.

Marvella taught us that each day was a gift from God; each breath was a gift to be cherished; each smile was a gift from the heavens, which she passed on to those around her.

She once said:

> I have learned to value life, to cherish it, to put my priorities in order, and to begin my long-postponed dream of being useful in my own right.

There is little more one can say about such a wonderful human being. I join with my colleagues in expressing my deepest sympathy to Senator BAYH, and his son, Evan, on their great loss.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in tribute to Marvella Bayh.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE URGE TO SPEND

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, unfortunately the urge to spend is just too great around here. Sometimes the campaign rhetoric lasts a day or two, sometimes a month, and, as we saw yesterday, about 20 minutes. If anybody wishes to examine the RECORD, it would be very easy to see what happened. At 4 o'clock, a vote was recorded 207 to 196 cutting the State Department authorization a mere 10 percent. If we go a few more pages in the RECORD, we will see that 20 minutes later enough Members changed their vote that that same measure that passed at 4 o'clock lost at 4:25 by 199 to 203.

□ 1510

What would have happened, Mr. Speaker, had the TV cameras been showing the activity in the well of the House, where there was a great effort to change votes. What a shock that would have been to Mr. Average Taxpayer to see the arm twisting.

Now, I think we all know what happens around here quite often, and I think the campaign rhetoric melts very quickly. I hope that is not followed many times in the rest of this session, but I would have to say, as one who witnessed it seven times in the last 2 years, several times on Ashbrook amendments, that we are off to another good start. It is awfully hard for the spenders to stay away from the cookie jar.

UN-PENNY WISE AND IMPOUNDMENT FOOLISH

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I bring to my colleague's attention to an article that appeared in the Washington Post on April 13. The article discussed the majority leader's idea on how to balance the budget.

According to the article, and I quote:

> Wright's plan would take the responsibility for where to cut off of Congress back and place it on the President's . . . the President would have the power to impound funds to balance the budget.

Impounding of appropriated funds? Is that what I really read? That's right. Only a few years ago the majority was calling impoundment the sin that cries to heaven for vengeance. Some of the more far-out elements in the majority were arguing that impoundment was an impeachable offense. Now we have the spectacle of the majority leader embracing this hitherto unnatural political act.

I believe the majority is being unpenny wise and impoundment foolish by adopting such a stance. It hardly befits a party that admires "Profiles in Courage" to meet the challenge of a balanced budget by running away and allowing somebody else to do it.

If the majority does not have the intestinal fortitude to make the difficult decisions, then we in the minority will have to show you how to do it.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the distinguished majority leader.

Mr. WRIGHT. I must say that I am deeply disappointed in the distinguished gentleman from Illinois' attributing to me a motive which is not my own, based upon a newspaper story which was thoroughly inaccurate and which characterized the position of the majority leader in a posture exactly 180 degrees from the direction in which the majority leader was facing.

Far from authorizing any President to exercise unilateral judgment in selecting places to reduce expenditures, the proposed legislation which I showed to the lady reporter who put such an awkward misconstruction upon it in the newspaper would have directed the President, in event of a situation in which revenues were insufficient to cover expenditures, to reduce all controllable expenditures by a given percentage. That percentage would be prescribed by Congress, not by the President. The President would have no discretion whatever to do otherwise. Thus the relative spending priorities would be preserved in exactly the same balance that Congress in its good judgment had established them in the budget resolution.

I appreciate the gentleman's bringing this up on the House floor in order that this correction may be made. I should think that the gentleman from Illinois, instead of trying to make wry humor out of a serious attempt to make it possible for Congress to establish a procedure to keep the budget in balance, would be applauding us and joining us and trying to help us to do it. So the question is, does the gentleman from Illinois really want a system that will provide for a balanced budget, or does the gentleman from Illinois merely want a continuing issue by which he can make wry humor at the expense of those who are trying to solve the problem?

□ 1515

CONGRESS SHOULD PASS WINDFALL PROFITS TAX MEASURE

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, in the last 2 days, front page headlines in all the newspapers herald the profit reports of the major oil companies; Texaco, 81 percent; Gulf, 61 percent; Exxon, 37 percent, and others. The list is endless. Granted, some of the increase reflects the strengthening of the U.S. dollar relative to foreign currencies. However, without the higher value of the dollar the profits scenario, as outlined by the Wall Street Journal, would still be staggering.

In response to the 1973–74 oil embargo, the oil industry has seemingly created its own unified cartel in the United States. Through a tacit agreement between companies, the industry has been able to manipulate prices and profits at the expense of the consumer.

When does it all end? Last year alone, the Nation's eight largest companies reported a near-record, after tax profit of $9.4 billion. This year, the tight world oil supplies that resulted from Iran's production cutback has been parlayed into an increase in gasoline prices by the oil companies. As a result, today companies are announcing, not near-record, but, in fact, record profits thus far.

The industry cries out at the mere mention of the words "windfall-profits tax." But how can Congress even consider not passing that measure when the public continues to be gored by the bull market for the oil industry?

They assure us that the additional $16 billion in profits would be "plowed back" to invest in new exploration. Do they expect us to believe that? Their investment portfolios presently consist of companies manufacturing electronic games, computers, telecopiers, and Montgomery Ward department stores. One company even considered investing in Ringling Brothers, Barnum and Bailey. Mr. Speaker, I say to you that the only circus in town this summer will be right here in the Nation's "Big Top" with the oil lobbyists walking the tightrope between the public and the Congress.

Let us hope that these profit figures today will be the necessary incentive to cause the show to be cancelled. The time has come for every Member of this body to stand up and collectively ward off the assailants.

UN-PENNY WISE AND IMPOUNDMENT FOOLISH

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I yield to the gentleman from Illinois (Mr. MICHEL) the minority whip.

Mr. MICHEL. I thank the gentleman for yielding to me. I hope that the majority leader (Mr. WRIGHT) is still on the floor because if I am in error, then I want to apologize openly and publicly to my distinguished friend.

As he well knows, I was on a trip to the Soviet Union, came back, and read the newspapers to catch up on the news. As I said, the quotation was from an April 13 story in the Post when I was not here to hear what the gentleman said personally, and assumed the newspaper account to be accurate. As I said in my initial remarks, I could not believe what I was reading. If I have done injury to my friend, I surely want to apologize to him publicly.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

I am grateful for the comments made by my friend, the gentleman from Illinois (Mr. MICHEL). Most certainly the apology is accepted fully and in a whole spirit.

If the gentleman erred, perhaps it was only in believing that which he describes as scarcely believable and in attributing to an erroneous newspaper account an element of truth. I will share with the gentleman later, and more privately, a copy of a letter I wrote, on the day that story appeared, to the lady reporter who wrote the misconstruction of my statements and the gross misrepresentation of the contents of the legislative draft which I had shared with her.

Mr. MICHEL. If the gentleman from Indiana will yield further, I just want to assure the majority leader that he is going to have all the cooperation in the world on this side of the aisle to balance the budget.

Mr. WRIGHT. I thank the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, I yield back the remainder of my time.

RAW POLITICS ON THE FLOOR OF THE HOUSE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, yesterday we saw one of the most blatant examples of raw politics on the floor of the House. I am talking about the unfortunately successful effort to overturn the 10-percent cut in the State Department authorization bill the House voted for yesterday afternoon.

Although I am only a freshman, it certainly came as no surprise to me that such quick switches take place around here. But, the political persuasion that took place in the well during the last 7 minutes of voting yesterday was beyond belief.

The most outrageous fact of all this, however, is that the American people were denied the right to see this spectacle over taxpayer-financed House television.

The reason is that the leadership of the Congress controls the television system, and has decided that actual voting cannot be broadcast over the air.

If the American people want to view voting on the floor, they have to come here and sit in the galleries. That is the only way they will ever get to see what actually goes on.

Although the House leadership has said it is opening up the House to all Americans through television, this looks like just another coverup.

Whom are we kidding? How long can we allow this travesty to continue?

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

One might say there is sort of an iron curtain here in the House that descends at the time we vote.

Mr. LUNGREN. Yes, just to show total votes and not exactly who is voting and how they are voting.

REPORT ON RESOLUTION PROVIDING FOR EXPENSES OF SELECT COMMITTEE ON COMMITTEES

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–102) on the resolution (H. Res. 234) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 2283, COUNCIL ON WAGE AND PRICE STABILITY EXTENSION

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I call up the conference report on the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Pursuant to clause 2, rule XXVIII, the conference report is considered as having been read.

The gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. McKINNEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report provides for a 1-year extension of the statutory life of the Council on Wage and Price Stability, to September 30, 1980, and increases the dollar authorization for the Council for both the current fiscal year and the next fiscal year. The dollar increase, to about $7 million this year and $8.5 million for fiscal 1980, will permit an expansion of the staff of COWPS to 233 persons, an increase necessary to monitor the program of nonmandatory price and wage standards announced by the President last October. I should add that this proposed staff of 233, while a sizable increase for COWPS, is only a small fraction of the numbers that were needed in the past to administer mandatory controls when we had them.

On these two central features of the legislation—a 1-year extension and the higher dollar authorizations—the Senate and House bills were identical. There was no issue in conference. The conference dealt only with subsidiary amendments, which I will summarize briefly.

The Senate added two closely related amendments, which the House conferees accepted, aimed at assuring that the wage and price standards are designed in such a way as to foster, rather than hamper, improved productivity. These amendments do not mandate any specific change in the standards, but their purpose is something I believe the House will welcome. One of them requires a report to Congress by July 1 of this year on the issues involved in shaping the standards so as to give as much incentive is possible for higher productivity.

Another amendment was a technical one that I offered in the House to bring the law into conformity with the Budget Act. That amendment was accepted by the Senate conferees.

The final amendment, added by the Senate ind accepted by the House conferees, does not deal with the Council on Wage and Price Stability but rather amends the Humphrey-Hawkins Act, which we adopted last year. The Members will recall that the Humphrey-Hawkins Act specifies numerical goals for reduction of our twin problems of unemployment and inflation in the years ahead. This amendment adds another goal—a modest reduction in the percentage share of Federal spending in the gross national product. This is a goal that I imagine most Members of the House can support in principle. The reduction would be from an estimated 21.6 percent of GNP in the present fiscal year and 21.2 percent in the President's budget for fiscal 1980 to 21 percent in fiscal 1981 and then down to 20 percent by fiscal 1983. Whether or not one regards such a reduction as desirable, the amendment is in no sense mandatory. The President, in drawing up his budget, would be required to aim at these specified figures "or the lowest level consistent with national needs and priorities," which of course permits the President to adopt a higher figure. The budget target under this amendment also takes second priority to the goal in the act of reducing unemployment. So that is another area for discretion by the President and Congress.

Mr. Speaker, I urge passage of the conference report on H.R. 2283.

□ 1520

Mr. KEMP. Mr. Speaker, will the gentleman yield for a question?

Mr. MOORHEAD of Pennsylvania. I will be glad to yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate very much the subcommittee chairman's yielding. I would like to ask him a question that is very much in my mind.

I believe the gentleman from Pennsylvania is aware of the fact that I am one of a group of Representatives and Senators who have announced an intent to appear as amicus curiae in *AFL–CIO* v. *Kahn* (D.D.C. No. 79–802) and to urge the court to rule that the Congress has not granted the President the authority to enforce his so-called voluntary pay and price standards by a debarment sanction and that indeed this attempt to use the procurement power is a form of a mandatory control barred by section 3(b) of the COWPS Act. Based on the House committee report, the floor debate, and the conference report, it is my understanding that the bill extending that act does not grant the President any new power and indeed does not attempt to get into the legal question presented in the AFL–CIO case much less to influence the outcome of that case. I rise to inquire of you as the floor manager of this legislation whether that understanding is correct.

□ 1525

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I will say to the gentleman that his understanding is correct, but I want to make clear that the House committee's decision not to "attempt to get into the legal question," as you phrased it, was not predicated on any position, either pro or con, regarding the rulings which you have just stated you are asking the court to make. The committee's report stated that "a substantial controversy exists which the committee did not seek to resolve on the issue of whether the Executive, in its anti-inflation effort, has exceeded the authority granted by Congress." That statement accurately and completely summarizes our legislative intent in this regard.

Mr. KEMP. Mr. Speaker, I appreciate my friend's comments.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me?

Mr. MOORHEAD of Pennsylvania. I would be delighted to yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I might point out to the gentleman from New York (Mr. KEMP), my friend and colleague, as well as to the chairman of the subcommittee, that if the Stratton-Weiss amendment which we offered, or attempted to offer to this bill originally, and which was ruled out of order improperly, in my judgment, had been adopted, there would have been no such problem. Because the section to which the gentleman from New York (Mr. KEMP) referred was, of course, eliminated in our substitute, which gave to the President the authority which would be up to him to utilize or not, to impose mandatory price and wage controls.

I recognize the temper of the House and I am not surprised that the conference report comes back still without any positive reference to mandatory price and wage controls or, indeed, any reference to the total futility of the voluntary system that is now in effect. But so that at some future time I might have an opportunity to say, "I told you so," let me comment on the fact that since this measure left the House of Representatives, even the great czar of inflation, Dr. Kahn, from my own great State of New York, has acknowledged that if this voluntary system is not working, and it sure is not working, then the only other step available is mandatory price and wage controls.

In addition, a very scholarly treatise appeared in the Washington Post, I think it was either last Sunday or two Sundays ago, analyzing the handling of this mandatory controls by President Nixon, and pointing out some of the flaws that resulted when he so abruptly terminated that authority after the 1972 election. But while these controls were in effect they really did stop inflation.

In addition to that, we also had another scholarly analysis by Professor Galbraith, as to how mandatory controls might be applied in the current situation. Nothing else that has been tried by either this President or the previous President has so far succeeded.

So I would hope that sooner or later this House will respond to the will of the American people and put in the mandatory controls that the people actually want.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, as always, the gentleman from New York states his case very eloquently.

□ 1530

Mr. McKINNEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to accept the conference report on H.R. 2283. The changes from the legislation which the House adopted on a bipartisan vote of 242 to 175 are not substantive in nature. Their purpose is to set goals for us which, if met, will improve the state of our economy and help reduce inflation. These are worthy objectives against which it would be difficult to argue from either side of the aisle.

I would have preferred to see the final version of this legislation more closely resemble the bill reported to the House by the Banking Committee. But I am a political realist. H.R. 2283, as amended, is the only game in town and we must accept that fact.

As was demonstrated so often during the recent events in Pennsylvania, the public has a basic distrust of the ability of the Government to deal with crises. We have an energy crisis but most Americans do not believe it exists. We have an economic crisis caused by inflation which the public recognizes, but they doubt that the Federal Government can or will do anything about it.

Let us show the people that we can act in a responsible fashion by acting favorably on this anti-inflationary legislation. COWPS may not be the best answer, but for now it is the only reasonable answer.

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to my good friend, the ranking minority member of the full committee, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I would like to urge the adoption of the conference report on H.R. 2283. As I said when the House passed our version of this bill last month, I had at that time some reservations about the bill reported out by the House Banking Committee and I hoped that several amendments offered by the minority would be carefully considered.

Not only did the minority amendments receive full consideration, several were adopted and have improved the quality of this legislation. Also, the amendments that were added by the other body are not inconsistent with the goals that I, and many of my colleagues on both sides of the aisle, would like to reduce the impact of inflation on our economy.

There can be no disputing the need to increase American productivity. Any attempt to focus more attention on that problem and to publicize efforts to correct it deserves our support. Likewise, the language in the Senate bill which sets goals for reducing the share of Federal outlays as a percentage of GNP should be supported. The only criticism I might offer is why has it taken Congress so long to do this.

Once again I would like to urge my colleagues to extend the Council on Wage and Price Stability. Our constituents deserve our cooperation in trying to fight back against inflation. This Council has been created for monitoring purposes. We should support this activity, especially with regard to Government actions.

The country needs an inflation-monitoring agency like COWPS. It has been said previously that if this Council did not exist, we would have to create one. The best step is for us to accept the bill that is before us. I ask my colleagues to join with me in that support.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I would like to ask my colleague, the chairman of the subcommittee, whether or not the changes in the conference report incorporated those changes that were made around 4 o'clock in the morning on the last day of the session when there was an amendment under construction or productivity studies, for councils, and for development of productivity in various plants.

When that proposal left the Committee on Banking, Finance and Urban Affairs last year, it was open to all workers in industry. At 4 o'clock in the morning on that last day, as I remember it, those productivity councils were open only to those industries that were organized.

Has that been changed, or does that still remain the same?

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, that bill or that legislation of which the gentlewoman speaks has nothing to do with this. This legislation really only talks about focusing attention on the need to increase productivity in both the public and private sectors of the economy. It focuses attention on the need to move toward full employment and take into consideration the need to stimulate productivity and to monitor wages and prices to bring them in compliance. It is a direction to the Council on Wage and Price Stability.

Mrs. FENWICK. It does not exclude anybody, then?

Mr. MOORHEAD of Pennsylvania. No.

Mr. McKINNEY. Mr. Speaker, if I may comment further, it also asks the Council on Wage and Price Stability to report to the Congress by July 1, 1979, as to how productivity can be made a part of the guidelines and used in the formula.

Mrs. FENWICK. Mr. Speaker, I thank my colleagues for their response.

Mr. McKINNEY. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, I rise in opposition to H.R. 2283 dealing with the reauthorization of the Council on Wage and Price Stability generally because of my philosophical opposition to both voluntary or involuntary wage and price controls which, in the history of this country, have never worked and never will.

As a matter of fact any time that the Federal Government has tried to control wages and prices in an effort to deal with inflation, it has added fuel to the fire resulting in unbearable inflation afterwards.

But more specifically I oppose this legislation in protest over the Congress implying that today's unconscionable inflation is the fault of the American people, and that implication, by this legislative body, is in itself unconscionable.

Normal inflation has existed since the beginning of civilization and normal inflation is caused by wages going up, as well they should when they are meritoriously deserved, followed by price increases to compensate for the increased operating expense.

That is normal inflation that the American people can live with, but what the American people cannot live with is oppressive overinflation which is not the fault of the American people.

It is the absolute fault of Congress, you people here in this Chamber, who have, over the last 5 years, collectively embarked on an irresponsible spending spree that has resulted in the Federal budget increasing from $270 billion to $500 billion.

That is a a 60-percent increase in just 5 years, and during the same 5-year period, you have increased the national debt from $475 billion to $830 billion. That is an 80-percent increase in just 5 years, and this irresponsible action by this body has created the overinflation that has devalued the American dollar by more than 40 percent during that same 5 year period, and is breaking the back of all American citizens today.

So, do not blame the American people. It is the Congress that must shoulder the blame and come up with the solution to end the unacceptable spiraling inflation we are faced with today.

And we will not accomplish it by passing this "pass-the-buck" legislation we have before us now.

What we should be considering is legislation to force the Congress to be more fiscally responsible, and that can only be done by enacting a constitutional amendment requiring a balanced budget.

That is the only way that we can lick overinflation that is literally robbing the American people of a decent standard of living today.

□ 1535

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I believe it is fair to say today that the President's voluntary wage-price control program is in a shambles. The February Consumer Price Index (CPI) climbed at an annual rate of 15 percent. The March figures, to be released tomorrow, are expected to be equally discouraging.

The reasons for this accelerating rate of inflation are easily traced to a number of factors: First, without standby authority for the wage-price control program there is no psychological leverage that ultimately can be utilized to curb inflation; second, the President has largely abandoned the elements of his own program (for example, he gave up real wage insurance in the face of the Teamster's strike and congressional resistance); third, the voluntary wage-price program did not even cover approximately 60 percent of the items included in the CPI; and fourth and most crucially the level of corporate profits has soared to an unprecedented amount—44 percent annually. Exxon Corp., the Nation's second largest industrial corporation, reported that its profits rose a net 37.4 percent in the first quarter of this year. This is 23.1 percent higher than its profits in the previous year.

These appalling statistics should alert us to another action that will drive up prices even faster and further—the President's decision to decontrol the price of oil will soon destroy what is left of the voluntary anti-inflation program.

Today, we are considering the conference report on reauthorizing the Council on Wage and Price Stability (H.R. 2283). When this measure originally came before the House, the distinguished dean of the New York delegation and I offered amendments to give the President standby authority to impose wage, price and profit controls. From the facts I have cited, it is apparent that such a provision is desperately needed. I intend to vote in favor of H.R. 2283, because it is probably better than nothing, but what is urgently demanded by the American people is standby mandatory wage and price controls. Such an initiative offers us the only path out of our current economic morass.

□ 1540

The question is, Will the Congress and this administration act in time to prevent absolutely economic chaos in this country?

Mr. Speaker, I thank the gentleman for yielding.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. Moffett).

Mr. MOFFETT. Mr. Speaker, I think it really needs to be said, as I think the gentleman from New York (Mr. Stratton) and the gentleman from New York (Mr. Weiss) said needs to be amplified on, the fact that, as it stands now, the Council on Wage and Price Stability and the other mechanisms of voluntary apparatus are not hitting inflation at all, that it is really harming people the most.

If, by the magic of our broadcast telecast apparatus here, someone back home, somewhere in the country, is watching or listening to this debate, I think they would find it mostly irrelevant, if they had just come back from the grocery store or had their heating bill come in the mail or stopped by the gasoline station. The fact of the matter is that about 80 percent of the people in this country spend about 70 percent of their income on four basic necessities, energy, health, housing, and food.

I am sorry that the gentleman from New York, (Mr. Solomon), who spoke about the balanced budget, is not here, because the fact is you could balance the budget tomorrow, and you would not begin to touch the inflation in those four basic necessities.

The President has made a decision to decontrol oil, which most of the Republicans will support, of course, and a few Democrats, but that decontrolled situation is going to cost consumers about $65 billion through 1985 and give them nothing in return, but nothing, not increased production to speak of, not much conservation.

So they see us here voting on a bill which may deserve support as the only game in town, as my colleague from Connecticut says. I am not speaking forcefully against the bill, but it is increasingly becoming obvious that it is irrelevant to the inflation that is hitting them hardest, 17 percent energy inflation in the last 3 months annualized, 17 percent food inflation in the last 3 months annualized and all the rhetoric about a balanced budget, if you did it tomorrow, it would not begin to touch upon the inflation that is hitting people hardest.

The only thing that will do it, as imperfect and messy as it might be, are mandatory controls and protection in those areas; and until that happens, people are going to continue to be overburdened by those price increases in the basic necessities. We might as well face it and look for another apparatus.

I thank the gentleman.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I have no further requests for time.

I urge the adoption of the conference report, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Cotter). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. McKINNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 240, nays 168, not voting 26, as follows:

[Roll No. 100]

YEAS—240

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Byron
Carr
Cavanaugh
Clausen
Clay
Coelho
Conte
Corman
Cotter
Coughlin
Danielson
Daschle
Derrick
Dicks
Dingell
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Ginn
Glickman
Gonzalez
Gore
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Steed
Stewart
Stokes
Studds
Swift
Synar
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Weiss
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—168

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bethune
Bouquard
Bowen
Breaux
Broomfield
Brown, Ohio
Burgener
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conyers
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
English
Erdahl
Erlenborn
Findley
Forsythe
Gibbons
Gingrich
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hinson
Holt
Hopkins
Horton
Ichord
Jacobs
Jeffries
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDonald
McEwen
Madigan
Markey
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
Nolan
Paul
Petri
Pritchard
Pursell
Quayle
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Williams, Mont.
Wilson, C. H.
Winn
Wydler
Wylie
Young, Fla.

NOT VOTING—26

Anderson, Ill.
Annunzio
Chisholm
Conable
D'Amours
Dellums
Diggs
Dixon
Dodd
Emery
Ford, Mich.
Fowler
Frenzel
Gilman
Goldwater
Gray
Hubbard
Jenrette
Lewis
Long, La.
O'Brien
Pashayan
Rose
Stark
Thompson
Waxman

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Jenrette against.

Mr. Dellums for, with Mr. Conable against.

Mr. Stark for, with Mr. Frenzel against.

Mr. Thompson for, with Mr. Goldwater against.

Mr. Anderson of Illinois for, with Mr. Lewis against.

Mr. Gilman for, with Mr. O'Brien against.

Mr. Gray for, with Mr. Pashayan against.

Until further notice:

Mrs. Chisholm with Mr. Waxman.

Mr. Ford of Michigan with Mr. Emery.

Mr. Diggs with Mr. Rose.

Mr. Dodd with Mr. Dixon.

Mr. Long of Louisiana with Mr. Hubbard.

Mr. D'Amours with Mr. Fowler.

Mr. LOTT and **Mr. NOLAN** changed their vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the conference report just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1543, TRADE ADJUSTMENT ASSISTANCE PROGRAM IMPROVEMENTS

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96-103) on the resolution (H. Res. 236) providing for the consideration of the bill (H.R. 1543) to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 3354, NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT FOR FISCAL YEAR 1980

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 228, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 228

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

House Resolution 228 provides for the consideration of H.R. 3354 which authorizes appropriations for the conservation, exploration, development, and use of the naval petroleum and oil shale reserves and for other purposes. The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services.

H.R. 3354 was reported from the Committee on Armed Services pursuant to the provisions of the Department of Energy Organization Act, Public Law 95-91, which places administration of the naval petroleum and oil shale reserves under the jurisdiction of the Secretary of Energy and provides for annual authorizations. As reported, H.R. 3354 authorizes appropriations of $85,210,000 for fiscal year 1980. While this amount is $10.3 million higher than the President's budget request, the additional funding reflects the committee's belief that oil and gas exploration programs should be continued at the Navy Petroleum Reserve No. 1 at Elk Hills, Calif., and No. 3 at Teapot Dome, Wyo., and at the Naval Oil Shale Reserve No. 2 in Utah. Naval Oil Shale Reserve No. 2 is located in the Overthrust Belt which is considered to be one of the most promising recent domestic oil and gas discoveries.

The Office of Naval Petroleum Reserves in the Department of Energy had recommended continuation of the exploration program, but this request was denied at a higher level in the administration. The committee agrees with the Office of Naval Petroleum Reserves that the exploration program should be continued to determine the extent of untapped oil and gas supplies at the reserves. Since the enactment of the Naval Petroleum Reserves Production Act of 1976, Public Law 94-258, the naval petroleum reserves have been producing at maximum efficient rates and that oil has been sold on the open market. It seems clear that further exploration and development of those reserves is necessary to insure maximum oil and gas production capacity for the use of our Armed Forces after 1982 when the fields will revert to standby conditions.

The bill also provides for the Department of the Navy to continue to detail 16 commissioned officers to the Department of Energy for management and operation of the naval petroleum and oil shale reserves. This requirement was added, because the committee believes that despite the fact that oil produced in these reserves is now sold on the open market, the national defense character of those fields must be preserved and that can be best accomplished with continuing naval input and advise.

Mr. Speaker, in light of the major national security interests the continued development of the naval petroleum and oil shale reserves represents, I urge adoption of House Resolution 228 so that the House may proceed with the consideration of H.R. 3354.

□ 1605

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas (Mr. FROST) has ably described the provisions of the resolution. I know of no objection to the rule, Mr. Speaker. I would like to point out there is an increase in authorization for development of the naval petroleum and oil shale reserves. The bill authorizes more drilling for more exploration for more deposits. We all know that we face a critical oil crisis, and it is important that we get down to business to solve it. Besides, I feel that, after the 1976 act expires and ends the period of time that the oil can be sold directly to the consumer outside of the naval circles, we should start thinking about reserves for the Navy itself and our military.

As I said, Mr. Speaker, I know of no objection to the rule. I urge the adoption of the rule and the bill when it comes up for passage.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1610

NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT FOR FISCAL YEAR 1980

Mr. STRATTON. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. STRATTON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3354, with Mr. ZABLOCKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. STRATTON) will be recognized for 30 minutes, and the gentleman from Tennessee (Mr. BEARD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York

Mr. STRATTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 3354 is a bill to authorize appropriations for the conservation, exploration, development, and use of the naval petroleum and oil shale reserves for fiscal year 1980.

Before discussing the provisions of the bill, I believe that a brief summary of the history of the naval petroleum and oil shale reserves would be helpful.

Between 1912 and 1923 four naval petroleum reserves were established: No. 1 at Elk Hills, Calif.; No. 2 at Buena Vista Hills, Calif.; No. 3 at Teapot Dome, Wyo.; and No. 4 in Alaska. In addition, three naval oil shale reserves, Nos. 1 and 3 in Colorado and No. 2 in Utah, were set aside for the Navy between 1916 and 1924. The Elk Hills Reserve is presently estimated to contain approximately 1 billion barrels of oil, while Teapot Dome is estimated at approximately 42 million barrels.

After a brief period in the early 1920's, when the reserves were under the administration of the Department of the Interior and were leased to several oil companies, administration of the reserves was returned to the Department of the Navy where it remained until 1977. During World War II the reserves were produced in order to supply petroleum for national defense needs. Except for those two brief periods of production, the management of the reserves was geared to consevation of the oil so that it would be available when needed by the Armed Forces.

As a result of the 1973 oil embargo, the Congress sought to bring all available domestic fields into production. Legislation was introduced in the 94th Congress to authorize production of the naval petroleum reserves at the maximum efficient rate of production (MER); that is, the maximum rate which could be achieved without detriment to the ultimate recovery of the fields. That legislation was opposed by our committee, which proposed that the reserves be produced, but only at a level necessary to provide funding for their complete exploration and development and put them in condition to be produced, on short notice, in the event of a national defense need. Unfortunately, the majority of the House favored maximum production of the reserves. The result was the Naval Petroleum Reserves Production Act of 1976, Public Law 95–258. That law directed production of the reserves at the maximum efficient rate for a period of 6 years, with an option for extension of the production period if the President found such a necessity and neither House of Congress disapproved the continued production.

The 1976 act also took Naval Petroleum No. 4 in Alaska away from the Navy and transferred it to the Department of the Interior. That reserve, which is adjacent to the Prudhoe Bay Field in Alaska, is estimated to contain from 10 to 33 billion barrels of oil. The loss of that reserve, which is owned completely by the Government and is largely unexplored and undeveloped, dealt a serious blow to the concept of providing a ready source of petroleum to the Armed Forces in time of crisis.

In accordance with the Naval Petroleum Reserves Production Act, production of the reserves began on July 3, 1976. Between that time and March 1979, 56,277,708 barrels of oil have been produced at the naval petroleum reserves. All of that production has been sold for consumption by the civilian economy. Those sales have realized more than $1 billion in revenues which have been deposited in the general funds of the U.S. Treasury.

At the time of our committee hearings in 1975, it was estimated that the maximum efficient rate of production for the Elk Hills Reserve would be 300,000 barrels of oil per day when the field was fully developed. That estimate was based on the assumption that production would be minimal until the field was fully developed. Since production has been going on for almost 3 years, the estimated MFR has been reduced. During our hearing in March, the Department of Energy witness estimated that the MER would be somewhere between 200,000 and 220,000 barrels early in 1982. I should point out that figure does not reflect any reduction in the estimated ultimate recovery from the field, which is 1.1 billion barrels, but only the rate at which the oil can be produced without detriment to the ultimate recovery.

Production at Elk Hills in March 1979 averaged 143,047 barrels of oil daily. The production at Teapot Dome at that time averaged 4,290 barrels daily. I should point out that two-thirds of Naval Petroleum Reserve No. 2 at Buena Vista Hills, Calif., is privately owned. As a result of that ownership, the Government has been required to produce its portion of the field in order to prevent the oil from being drained by adjacent landowners. Currently the Government's royalty on that production amounts to 400 barrels per day. Consequently, Buena Vista Hills is now a reserve in name only.

Production at Elk Hills has not attained the level of 300,000 barrels per day, which had been forecast at the time of the hearings in the 94th Congress, and probably never will. There are several reasons; the principal reason being that the field is still under development. Wells are being drilled, gas recovery plants and other facilities are still being constructed. But even if those facilities had all been in place in July 1976, the pipelines from the field would have been inadequate to transport more than 100,000 barrels per day from the field. Pipeline connections from the field have been increasing ever since that time. Today the existing pipelines in the vicinity of Elk Hills are capable of transporting approximately 186,000 barrels daily which is an increase of 20,000 over the capability 1 year ago. That is more than adequate for transportation of the current Elk Hills production. To handle future production the Government is negotiating for an additional 25,000 barrels in a pipeline running from the vicinity of Elk Hills to the Los Angeles area. That capacity will accommodate the production anticipated during the coming year.

The Department of Energy had intended to construct a pipeline to connect with the proposed Sohio pipeline from Long Beach, Calif., to Midland, Tex. Since then Sohio announced that it is abandoning its proposed pipeline, and then indicated some reconsideration with the final outcome still in doubt, the Department of Energy may have to make new plans for that additional pipeline capacity. The Department also intends to submit legislation to amend the 1976 act which ordered construction of a pipeline capable of carrying 350,000 barrels per day. Since production of that magnitude will never be achieved at the Elk Hills field, construction of a 350,000-barrel pipeline would be imprudent.

The naval oil shale reserves are estimated to contain 26 billion barrels of shale oil. Approximately 1.5 billion barrels are recoverable using current technology. Activity at those reserves, however, is limited to drilling core holes to evaluate its shale resources and to evaluate underground water supplies, identification and evaluation of surface water supplies, and initiation of an air quality monitoring capability. These activities are part of a predevelopment plan for the naval oil shale reserves which began in June 1978.

One final item on the history of the reserves is that administration and jurisdiction were transferred from the Department of the Navy to the Department of Energy by the Department of Energy Organization Act, Public Law 95–91, on August 4, 1977. Since that time uniformed personnel of the Navy have been detailed to the Department of Energy to staff the Office of Naval Petroleum Reserves which carries out the management of the reserves, with special emphasis on the needs and procedures of the Navy and the other armed services when it comes to petroleum.

That brief history of the naval petroleum reserves should help to place in context the actions of the Committee on Armed Services on H.R. 3354.

The principal purpose of H.R. 3354 is to authorize funding for the Department of Energy for the naval petroleum and oil shale reserves during fiscal year 1980. This funding is required to carry out the provisions of the Naval Petroleum Reserves Production Act of 1976. The bill was reported pursuant to section 660 of the Department of Energy Organization Act, Public Law 95-91, which provides that "appropriations to carry out the provisions of this act shall be subject to annual authorization."

Mr. Chairman, I would like briefly to outline the principal features of the bill. First, it authorizes a total of $85.2 million for conservation, exploration, development and use of the naval petroleum and oil shale reserves. That is $10.3 million more than was requested by the Department of Energy. Those additional funds were added by the committee to provide for oil and gas exploration at Naval Petroleum Reserve No. 1 at Elk Hills, Calif., and at Naval Oil Shale Reserve No. 2 in Utah. The Office of Naval Petroleum Reserves in the Department of Energy believes that unproven oil and gas deposits exist at both those reserves and had requested funds for exploration. That request, however, had been denied at higher levels in the Department of Energy. In view of the recent exploration which has added 26 million barrels of oil to the proven reserve at Elk Hills and Teapot Dome, our committee believes completion of the exploration program appears essential. Accordingly, we have authorized the funds necessary to complete the exploration program at Elk Hills and at Naval Oil Shale Reserve No. 2 in Utah. That oil shale reserve is located near the Overthrust Belt, one of the most promising new domestic oil and gas fields. Our committee believes that an oil and gas exploration program should be carried out as expeditiously as possible to determine whether that reserve does, in fact, contain any oil and gas deposits.

H.R. 3354 also provides that the Navy shall continue to detail 16 commissioned officers to the Department of Energy for management and operation of the naval petroleum and oil shale reserves. This requirement was added by the committee when we were advised in the hearings that the Navy intended to withdraw all naval personnel presently assigned to the Department of Energy for management of the naval petroleum reserves. The committee believes that the national defense character of these reserves must be preserved and, obviously, that cannot be done without some continuing naval input and advice. The authorized period for the production of oil and gas out of the naval petroleum reserves under Public Law 94-258 will expire in July 1982. If world petroleum conditions at that time permit, the Committee on Armed Services believes that the reserves should then revert to a shut-in standby condition ready to produce immediately in the event of a national defense emergency.

Our committee further believes that in such a situation uniformed Navy personnel would be more attuned to conservation of these oil fields than would civilians of the Department of Energy who are oriented toward maximum production of the fields, regardless of national defense requirements. Accordingly, we believe that retention of the uniformed Navy personnel in the management of the naval petroleum reserves is essential to preserve their national defense character and to return to the concept of conservation of the petroleum for national defense needs at the end of the production period authorized by the Naval Petroleum Reserves Production Act of 1976.

Mr. Chairman, I urge my colleagues to join in support of H.R. 3354.

□ 1620

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be glad to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. The gentleman has made a very excellent and very succinct statement on the need for this bill.

I would like to ask the gentleman a question, and I am only sorry I was not able to talk to the gentleman a little earlier so that the gentleman would have had a chance perhaps to check on this.

The gentleman mentioned the fact, with regard to Elk Hills, that it has been proposed the Elk Hills pipeline be tied into the Sohio pipeline. I inform the gentleman that this morning the Committee on Interior and Insular Affairs, in at least a show of support for the idea, passed out of committee legislation designed to remove some of the legal roadblocks and speed up the process. It was a show of support for that idea. It may help.

Mr. STRATTON. Mr. Chairman, I am delighted to hear that.

Mr. LAGOMARSINO. Mr. Chairman, there is a matter in which I have been quite interested for several reasons; it right be very desirable to move oil by pipeline from California to the gulf coast and to Middle America. One of the ways of doing that is by pipeline from the coast, perhaps even including some of the offshore production, to the vicinity of Elk Hills and then perhaps use the pipeline that Elk Hills would use.

There also is considerable oil, perhaps as much as 13 billion barrels, not very good quality but considerable oil, in the Central Valley of California that could be produced and shipped east, particularly if it is able to be blended with the Elk Hills oil.

I would ask the gentleman what would his reaction be to an amendment to the bill which would merely give to the Department of the Navy the authorization, not required or directed, merely the authorization, to be able to use any excess pipeline capacity for moving other oil.

Mr. STRATTON. Mr. Chairman, I am not sure I could commit myself on that as an amendment but perhaps when we get to the 5-minute rule we might explore it.

At the present time the Department of Energy is the agency which has the authority and what has been happening in the past and what is projected is that any existing pipeline capacity, private or public, will be utilized for getting Elk Hills oil out so I do not think there is any conflict between the procedure being followed now and what the gentleman is proposing.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I will be happy to yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I think the point you are making is a very well thought out point in using excess capacity on this pipeline.

□ 1625

I can understand the chairman's situation and mine also in not having explored this. I feel that we could rather than committing to an amendment at this time at least assure the gentleman that we will, in the near future, get together with the Navy and the Department of Energy and see if there are any problems. If there are no problems, take this language to conference and have it included if necessary language is required.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman.

Mr. STRATTON. Mr. Chairman, is the gentleman suggesting that the pipelines which are built to get the oil out of Elk Hills might be available for private companies in the vicinity to utilize for any excess oil they might have; is that correct?

Mr. LAGOMARSINO. That is correct. It would be only oil, only their capacity that was excess to the Navy and would only authorize the Navy to be able to use that excess capacity for other oil.

Mr. STRATTON. I think in the past the Navy has actually been using somebody else's pipeline to get the oil out of Elk Hills.

Mr. LAGOMARSINO. That is correct.

Mr. STRATTON. So I would think there is no particular problem, but we will explore it.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I would be glad to yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, first of all, I congratulate the gentleman on a very good and a very comprehensive statement and a good history of this entire issue. I think it is very helpful for all Members.

One of the issues that I have been concerned about as a member of the Subcommittee on Appropriations which has jurisdiction over the Department of the Interior, and thus the Department of

Energy as it relates to the development of our oil shale resources, is the question of whether in fact at this point in time, because of national security implications of not having an adequate energy supply, both for our country and both for our defense agencies, is whether we ought to go ahead on a much faster pace in developing the oil shale deposits that we have in these reserves and, in fact, go to full scale demonstration plants in order to demonstrate the technology that we have. We have studied it. We have looked at it. It just seems to me we might move at a faster pace because of the things the gentleman mentioned in his earlier statement.

Mr. STRATTON. Well, I think the gentleman is making a very fine point. My understanding is that under any existing technology the oil that would come out of oil shale would be far more expensive than OPEC oil or the U.S. decontrolled oil that everybody is complaining about right now; but certainly we ought to be developing those techniques and that, I would think, would more properly be the responsibility of the Department of Energy with respect to its other available areas.

What we are trying to find out as far as the naval reserves are concerned is just how much shale oil is actually there. I do not think that the Office of Naval Petroleum Reserves would be in a position to conduct the experiments that the gentleman mentions; but I would agree with the gentleman that we ought to find out how to do it and do it expeditiously and as cheaply as possible.

Mr. DICKS. Mr. Chairman, the gentleman is correct. It is the responsibility of the Department of Energy; but the gentleman also has a great background and understands thoroughly our national security problems.

I would just point out that one other aspect of this is the development of the strategic petroleum oil reserve. As of this day we have only stored 81 million barrels out of the billion barrels we are supposed to have in the ground by the early 1980's. It just seems to me as part of our policy we are going to have to be more aggressive in developing the naval petroleum oil reserves with the cooperation of the Navy in order to ensure that we have these supplies and can use them if we are in a national emergency, particularly because we are so dependent on foreign oil and the shipment of foreign oil to this country.

Mr. STRATTON. Absolutely. I might point out, as long as we are sending messages to the Department of the Interior, I would hope that they would undertake the exploration of Petroleum Reserve No. 4 up in Alaska. That has been reported to have reserves perhaps almost as great as Mexico; but my understanding is that they have only gone up there and tried to drill a couple of wells and have given up.

I do not think we ought to put Alaska into the deep freeze if it does have, in effect, the kind of oil that we need. We ought to be developing and exploring vigorously up there as well.

Mr. DICKS. Mr. Chairman, if the gentleman will yield further, one final point. The gentleman is absolutely correct about the situation in Alaska. The funding for that drilling is being drastically cut back. I think the gentleman is correct. We ought to go ahead and drill enough wells to determine what the potential there is before we cancel out the existing programs we have underway.

□ 1630

Mr. STRATTON. Mr. Chairman, the gentleman is absolutely correct.

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman will yield, I would like to commend the gentleman from the State of Washington (Mr. Dicks) for pointing out to this House the critical nature of this problem as to the national strategic reserves of this country in case of emergency. The gentleman's figures were absolutely accurate.

Over 2 years ago it was stated that as the result of a $7 billion appropriation, this country would set aside 1 billion barrels of oil for a national emergency. Now over 3 years later, we only have 82 million barrels in reserve. This would supply our country for approximately 10 days of its oil needs if we were to have a total embargo or cutoff of our imported oil. So it is a critical problem and one we need to face up to immediately.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I thank the gentleman from Tennessee (Mr. Beard) for his comments.

I would point out that this is not just an energy problem for this country, it is also a national security problem, because with 50 percent of our oil coming in from abroad, if that supply were to be disrupted, we have only 9 days or 10 days' supply in our strategic oil reserve. It just seems to me that in this entire context we have not only a very serious energy problem but a national security problem which I think the entire membership of the House should be made aware of.

Mr. STRATTON. Mr. Chairman, I thank the gentleman from Washington (Mr. Dicks).

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield briefly to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I will speak very briefly and ask a question in pursuit of the general theme here discussed.

We have heard, and it is admitted, that the strategic oil reserve program is a disappointment.

What is the truth about our military situation? How much better off are we positioned militarily for the needs of defense? What assurances do we have that whatever oil supply is extant is sufficient and adequate?

Mr. STRATTON. Mr. Chairman, frankly, based on the information we have received from our hearings, I would not be sanguine in any degree in that regard.

We are selling the oil we are getting out of the naval reserve. We are not positioning it specifically for the Navy or for the armed services. The amount of oil that has gone into the strategic reserve would keep us going for about a week, I think, the way we use it in the Nation as a whole, and nothing apparently has been done to try to insure that if we are going to convert, as the President has suggested, to oil-fired carriers instead of nuclear carriers, we would have that oil positioned where it is needed. We have to have that oil positioned around the Mediterranean and the Persian Gulf and Diego Garcia. Frankly, the Navy has not done very much in that regard.

So we have a lot to do. But the House in its wisdom 6 years ago took most of this responsibility away from the Navy and away from our committee.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for his response.

Mr. STRATTON. Mr. Chairman, I reserve the balance of my time.

Mr. BEARD of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in full support of H.R. 3354 and also urge my colleagues to support it.

The Armed Services Committee was opposed to the proposal to produce the naval petroleum reserves at the maximum efficient rate, which resulted in the Naval Petroleum Reserves Production Act of 1976, Public Law 94–258. Last year the Armed Services Committee reported out a bill, H.R. 12557, which would have reduced the authorized production at Elk Hills, Naval Petroleum Reserve No. 1, from the maximum efficient rate to a level which would generate enough resources to pay for completion of all exploratory and production drilling and construction of development facilities. That bill was never cleared by the Rules Committee for floor action. At this point, I do want to stress the need for continuing the exploration and development of the naval petroleum reserves and of the Naval Oil Shale reserves.

At present, under Public Law 94–258, the petroleum products produced from these reserves is completely sold for public consumption and the funds generated from those sales go into the U.S. Treasury. While the Treasury last year realized approximately $480 million from these sales, the production did nothing to enhance the national strategic petroleum reserve which could be used in the event of an emergency. It is interesting to note that the 1 billion barrels of recoverable oil in the ground at the Elk Hills Naval Petroleum Reserve is more than 10 times the amount now stored in the national strategic petroleum reserve.

I need to remind my colleagues that we have authorized and appropriated over $7 billion to assure that 1 billion barrel strategic petroleum reserve to be available in case of an emergency. But after 2 years we have only 83.4 million barrels in storage as of April 15, 1979. To put it in perspective, that quantity of oil is equivalent to about 10 days of supply for the United States if our imports should be cut off.

There is another point that I feel I should stress. That is the need for continuing the professional management of the naval petroleum reserves. During the last 40 years the Navy has built up a professional corps of lawyers and petroleum engineers who have done an outstanding job of managing these reserves without a hint of scandal. Testimony from DOE witnesses indicates that this professional team of naval officers which have been detached to the Department of Energy for management of the Office of Naval Petroleum and Oil Shale Reserves will be returned to the Navy for other duty in the near future. Of course, they would have to be replaced, but we could find no indication that DOE could replace that Navy team with professionals who would be imbued with the philosophy of conservation of the naval petroleum reserves for emergency use. As a result, our committee believed it essential to continue the 16 naval officers in their present positions and included such a requirement in the bill. We believe that retention of the Navy management will preserve the defense character of the reserves and continue the philosophy of conservation at the end of 6 years of production as directed by Public Law 94–258.

Mr. Chairman, it is my opinion that we are coming into a period in our national history in which many of our decisions will be dictated by the availability of oil. Certainly the Department of Defense must be alarmed at its complete dependence on petroleum for its mobility and transportation fuels. The sad shape of the strategic petroleum reserves, which is nowhere near the 1 billion barrels goal, means that the naval petroleum reserves are presently the only real stockpile of oil in the United States. Thus, I believe we must look forward to 1982 when Elk Hills will be completely explored and developed and that at that time it should be shut in and returned to the Secretary of the Navy for standby custody.

Mr. Chairman, this is a good bill, and I urge my colleagues to support it to the fullest.

Mr. Chairman, at this time I yield 5 minutes to my colleague, the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I certainly want to commend the chairman of this committee for his efforts. I worked hard with the gentleman some years ago in trying, along with him and others, to get us to allow this committee to retain jurisdiction over this particular supply. We also worked hard at that time toward developing a strategic reserve for the Nation.

But I must be frank and say that I am concerned about what this bill is doing today and the policy which the Congress has in this particular bill with respect to Elk Hills. It seems to me to be an extension of the President's announced policy, which in essence is to "drain America dry first and fast." It seems to me that the objective of his decontrol program which is to emphasize additional and fast production of this country's limited oil reserves.

We are now at Elk Hills again, and I have a possible amendment I may introduce to this bill. However, if I can discuss this amendment with the committee chairman, I may not offer it. But it seems to me to be very disastrous for us at this time to be promoting commercial exploitation of the Elk Hills reserves. It is very difficult for me to see what advantage this gives us at a time when Elk Hills is producing commercially from an area that has, from all my understanding, an oil glut of 500,000 barrels of oil a day.

In essence, we are compounding our problems here, and what we are doing is competing with other American oil. We may be reducing the amount that is coming out of other commercial sources in that area, and there is doubt we are doing anything to help the balance-of-payments situation.

Secondly, at a time when we still, as has been mentioned previously, have a serious problem with our strategic oil reserves, let me ask this: Why are we draining a readily available reserve with an increasing commercialization program at a time when we could, on the other hand, increase our ability to produce from these areas and put them under cap and then have them available in an emergency situation?

□ 1635

As I understand it, of course, some production is necessary to keep the wells going. About 25,000 barrels of oil a day is necessary to keep the independents dependent on these refineries going.

But may I ask the gentleman why he has sort of shifted his policy as to really promoting or sanctioning the commercialization from these reserves instead of trying to reduce the commercial production?

Mr. STRATTON. If the gentleman will yield, I am glad the gentleman asked that question, and I am delighted to have an opportunity to respond to it. By trying to shortcut my statement I perhaps did not emphasize enough that the position of the Committee on Armed Services, at the time that this original legislation came up, was that we ought not be pumping out our naval petroleum reserves at the maximum rate simply because they are reserves, and the more you develop them, the more you try to get to the maximum efficient rate, the more you are pumping out. We have already, as I said, pumped out 57 million barrels of oil in getting the reserves up to only about two-thirds of our capacity.

It is my understanding that the gentleman was considering offering an amendment to try to reduce the rate at which we are producing; and, as far as I am concerned, I would be prepared to accept that kind of an amendment. It seems to me that it would be better for us to have a slightly slower rate of production, 150,000 barrels a day, perhaps, and keep more oil in the reserve than to get it up to 220,000, which is the objective now especially since it is going to take us another 3 years of production to get to that rate and another 57 million barrels of oil will be depleted again.

I think the main thing is to make sure that if and when the emergency occurs that we have those reserves in a position so that we can turn the tap, so to speak, and the oil starts flowing out and there is a pipeline between Elk Hills and whatever refinery is the nearest one to it.

We did not have that situation in 1975, and in the enthusiasm and panic of the moment the House decided, "Let's pump that Elk Hills reserve to the maximum, we might not be able to drive our automobiles." I think now we have a chance to reconsider that.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 2 additional minutes to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman from New York (Mr. STRATTON) for his comments. My problem right now is to see what I can do. This came up so quickly that I must say I am caught not quite as prepared as I would like to be for an amendment, but I am seriously concerned about the issue. I was wondering what the intentions are of the committee from this point on. As the gentleman knows, this came off the calendar and into today's schedule rather quickly, and I want to know what the committee is going to do with, hopefully, trying to reduce the drainage of this very important reserve in the interim between this and the rest of the year.

Mr. STRATTON. Mr. Chairman, I will say to the gentleman from Vermont, in all candor, the committee was so beaten up by our experience back in 1975, when we were totally repudiated by the House in trying to save some of this for the Navy—those were in the days when the military and the Navy were not in particularly good odor, and we were running out of gasoline and oil—and they said, "Take it out of the Navy reserve, the heck with it, produce it as fast as possible." We were, frankly, surprised when we appeared before the Committee on Rules yesterday that they were approaching this question from the very same point as the gentleman from Vermont, saying, "Why are you guys producing it so fast? Why don't you slow down? This is supposed to be a reserve for our defense." And we had to remind the committee that they themselves had taken the position back in 1975, which at the time was very frustrating to our committee, that we ought to allow the Department of Energy, or the Department of the Interior, as it was at that time, to pump as fast as they could.

□ 1640

So I think that if there is any serious support for the gentleman's position—and I gather there is—I am sure our committee would not only support it, but we would welcome it; and we would do all we could to carry it out in a conference.

Mr. JEFFORDS. There is some doubt as to whether I could get an amendment ready. I do have a bill. I have to see how usable that bill is in amendment form. I would intend to introduce the bill, anyway.

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 1 additional minute to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. I wonder, if I were to introduce the bill, whether the committee would be interested in pursuing it as another vehicle or whether it would be preferable to try it on the amendment procedure.

Mr. STRATTON. I can certainly assure the gentleman of the committee, if it is introduced as an independent bill, we would be delighted to hold hearings on it and to see if we could not move it along. I think, conceivably, we might be able to get it introduced in the other body if there is interest over there.

Mr. THOMAS. Mr. Chairman, would the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. The question the gentleman asked the chairman was what was Elk Hills doing for the balance of payments. Elk Hills happens to be in my district, and my district produces half of the crude oil currently produced in California. One of the things Elk Hills does is to add about 140,000 barrels a day of a light, sweet crude type of low-sulfur oil that allows us to blend it with some of the heavy crude oil that is produced in some other portions of California and my district and Alaskan oil. If this oil from Elk Hills were not produced, we would probably have to import from Indonesia about 140,000 barrels a day for blending purposes for refining.

Although in some ways we do have an oil glut in California, it is the type of oil that is produced in Elk Hills that is so important. It is of a quality that is essential if we are to refine additional California-produced crude.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. JEFFORDS) has again expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 2 additional minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I yield to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Another thing that is occurring is that, as we are drilling below the Steven Sands, which is the primary source now of oil produced at Elk Hills, we are actually expanding the profitable capacity of Elk Hills.

We are currently talking about the possibility of 25 to 30 million additional barrels of proven reserves in sands below the Steven Sands level, so what currently is occurring at Elk Hills is one producing a type of crude that cannot be replaced by domestic oil. It would have to be replaced by foreign crude oil, probably from Indonesia; and secondly, this drilling and improved production capacity at Elk Hills is actually expanding the production at the Naval Petroleum Reserve No. 1.

Mr. JEFFORDS. I thank the gentleman for that. I would like to point out, regardless of how you look at it, we are draining a valuable reserve dry at a time we do not have an adequate strategic reserve. I think it is a very shortsighted policy.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, I would like to underscore what the gentleman from California said and to support his statement. This issue has been decided over and over and over again for the last 4 years. Both our own committees and the House Armed Services Committee looked at it, and the Interior Investigations Committee looked at it. I think most of the people have come to a reasonable belief that the production of Elk Hills is an important thing. First off, you are not going to lessen your dependence. You will increase our dependence on Indonesian crude oil, as the gentleman said, if we shut off Elk Hills. It is not just that there is an oil glut. It is the kind of oil. I hope that the gentleman would refrain from offering his amendment.

I would go along with the chairman of the Investigations Subcommittee's suggestion that the hearings process in our committee would be the best way to deal with that issue.

Mr. JEFFORDS. I would only point out, if you are able to produce, you have drilled the wells and have them available and keep them in working order; and you do not become more dependent, you become less dependent because you have more available for a long time to replace that oil which you were importing, but are no longer able to do so.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mr. BEARD of Tennessee. I yield 2 minutes to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I would like to be able to say that the legislation before us today is timely, but that would not be entirely accurate. I support H.R. 3354, but I would like to discuss the necessity for a synthetic fuels program at this time.

The bald fact is that the House should have been considering vital energy legislation 10 or 20 years or even 30 years ago today.

We are shamefully late. And my earnest hope is that we are not too late.

I know the House is familiar with the often-quoted remark of Sir Edward Grey, the British Foreign Minister, at the beginning of the First World War. He looked out over London and saw the lights being turned off in anticipation of an air raid.

"The lights are going out all over Europe," he said. "God knows when they will be turned back on again."

Today, in this very city, a paraphrase of that memorable statement suggests itself:

The gasoline pumps are beginning to dry up all over the country. God knows when they will be turned back on to full gush again.

The real tragedy, Mr. Chairman, is that the fuels crisis—and the fast-approaching crunch—could have been prevented.

Administration after administration and Congress after Congress have behaved as if blind to all sources of energy except petroleum.

We have neglected the development of our oil shale. We have neglected the development of solar and thermal energy on any meaningful scale. We have been dazzled by the dream of nuclear power while overlooking many of the realities of its production and use.

Worst of all, we have danced merrily down the garden path of fool's paradise, virtually ignoring our vast resources of coal.

Coal is readily available, it is plentiful, and it is obviously the solution to a great part of our energy crisis.

I tell you flatly that to ignore a real, genuine role for coal in our national energy policy is not merely foolish, it is downright irresponsible.

In his recent energy address to the Nation, the President gave coal only the briefest mention—and even that did not suggest that the administration and its Department of Energy is even today aware of the real crisis.

Mr. Chairman, I am talking about a crisis not only of energy, but of our national security.

How can the President, how can any Member of this Congress, rest easily upon his pillow at night, knowing that our security and our defense depend so heavily upon fuel sources beyond our national boundaries.

Six years ago, we learned what can happen to this country and its economy when oil producing nations decide to embargo oil shipments to the United States.

I say we learned 6 years ago. But we evidently have forgotten the lesson. Today, we are even more dependent upon foreign sources of fuels than we were in 1973. And our consumption of petroleum keeps on climbing upward.

What have we done about shifting to a more dependable supply of energy? Well, we spent 2 years passing an energy bill. We created a Department of Energy.

But we have not taken any real, meaningful steps to ridding ourselves of dependence upon foreign petroleum.

We have not moved with speed and decision to develop these alternate sources of energy, right here in our own land, to make us independent.

We had some good sounding oratory a few years ago about making ourselves energy independent by 1985. Not the most naive citizen of this country believes that for 1 minute—and why should he.

What have we done in the past 6 years to make ourselves energy independent, and to protect our national security in this vital area? The answer is almost too painful to admit.

I do believe that the security of the United States is in serious jeopardy. And

I believe that the situation of our economy is equally critical.

We can have neither an adequate defense nor a sound domestic economy without an uninterrupted supply of energy.

Authorities tell me we are presently dependent upon imports of 8 million barrels of oil each day, and 1 trillion cubic feet of natural gas each year. This gas, on a heating valve basis, is equivalent to about one-half million barrels of petroleum daily. So, actually, our total energy imports is equivalent to 8.5 millions barrels of petroleum a day.

Now, let's look what that means in terms of jobs.

Dr. Chalmer G. Kirkbride of Washington, speaking recently at Texas A. & M. University, quoted studies that show energy consumption in this country in 1975 was equivalent to 154 barrels of oil per employed person.

This 8.5 million barrels of oil we import, then, is needed to support the employment of more than 20 million workers in America. This is the word of Dr. Kirkbride.

If we have a new oil embargo—or if our supply is interrupted for any one of several possible reasons—20 million American jobs would very likely go by the boards.

The outward ripple of such a catastrophe would be felt in every corner of the economy, and the economic damage would be almost unthinkable.

At the end of March, we had 5.9 million unemployed in this country. Can you imagine the impact of an additional 20 million jobless, bringing the total to nearly 26 million unemployed?

Our transportation industries would be severely crippled. The electric power industry could not begin to supply the needs, the blackout would become commonplace in American cities, large and small.

In these remarks today, I do not ignore our own considerable production of domestic petroleum and natural gas. And we all hope that recently announced actions by the administration will indeed spur domestic exploration and production.

But if we push domestic oil and gas production to the limit, we will still be far short of the total energy needs of the country.

That is why it is absolutely essential that we begin now to build a synthetic fuels industry where none exists today.

Because we are so keenly concerned with the employment outlook in this country, and with the present high unemployment in some of our domestic coal fields, the Subcommittee on Employment Opportunities of the Committee on Education and Labor will begin hearings into the matter on May 9.

Under Chairman Hawkins, the subcommittee will also explore the availability of adequate and technically trained manpower to operate the synthetic fuels industry that must be developed.

We know that we have the capacity to convert our vast coal and oil shale resources into environmentally clean fuels.

Notwithstanding the slowness of motion by the Department of Energy and the oil industry, we do have the technology to do this. The scientists and engineers assure us that technology is the least concern in getting synfuels industry off the ground.

To date we have no plan, no strategy, and no comprehensive way to make use of the Nation's 4 trillion tons of coal and 730 billion barrels of shale oil.

I am told by the Congressional Research Service that it is unlikely that there will be any significant commercial production of oil or gas from coal or shale by 1985 under current economic and policy conditions.

In fact, the CRS has projected that even if substantial Federal incentives were offered, commercial production levels by 1990 are projected to be less than 100,000 to 200,000 barrels equivalent of synthetic oil per day.

With respect to coal gasification, CRS suggests that with major Federal incentives, production levels might reach 250 to 310 million cubic feet of high-Btu gas per day. Commercial production of oil shale by 1990 is likely to be less than 200,000 barrels a day.

Although these amounts are small, we must recognize that they represent a start on this new industry.

What I want to urge this Congress to do is to junk this projected timetable and get started on something at an accelerated rate—right now.

We cannot wait for 1985 or 1990. An Arab embargo could come next month or next year. I am told that most authorities expect another embargo sometime, and the question is only—When?

I just do not want the Congress to stand around here with its finger in its ear, waiting for that to happen. This is too serious a matter to put off.

I admit that, economically, there is no way that a synthetic fuels industry can be justified today. But we can certainly justify it on the basis of our national security. We should recognize no dollar mark on the cost of national security.

Frankly, I think this matter is too important to be left to the Department of Energy.

The time has passed for seminars and symposia. We cannot waltz around any longer with theories and experiments. We have to break some ground and build some plants.

We have to get some synthetic liquids and gases flowing out of the spigots.

The urgency of the situation demands that the Department of Energy take on this responsibility.

This cannot be done for pennies. It cannot even be done for millions. This is a multibillion-dollar program.

Dr. Kirkbride, whom I quoted earlier, notes that 17 percent of the total electric power generated in this country comes from petroleum as the primary fuel, and 14 percent from natural gas. About 100,000 megawatt generating capacity will have to be converted to alternate fossil fuels as the primary energy source. If this capacity were to be built today, it would cost $100 billion.

There is a prototype for rapid creation of our synthetic fuels industry. When we lost our rubber supplies at the outset of World War II, we created a synthetic rubber industry in short order. We did not wait for any 6 or 10 or 15 years. We threw our muscles and money into the breach and built it.

President Roosevelt chose William M. Jeffers, a railroad executive, to run the Office of Rubber Director. Jeffers was a "take-charge" kind of executive whose ear just was not tuned in to the word "no." He had a staff of only a couple of dozen people, but they bulldozed the American synthetic rubber industry into being.

He called the leaders of the petroleum rubber, chemical, and other industries to Washington and told them the job was theirs. Before the week was out, final decisions were made as to which company would do what, and the whole project got moving.

The plants were built by the Reconstruction Finance Corporation at a cost of about $700 million. The Government owned the plants, but the private companies operated them for a fee. They got the job done, and America's war machine rolled to victory on synthetic rubber turned out by William Jeffers' plants.

It is not likely that any 1942 corporation executive would have risked his stockholders' money in a venture to make synthetic rubber.

Today, it would be a rash corporation executive indeed who would risk his stockholders' money in a synthetic fuels industry starting from scratch.

So you see the situation with respect to synthetic rubber and synthetic fuel is comparable.

I am persuaded that the methods we used in 1942 to get the rubber industry up on its feet can be just as successful in 1979 as we try to birth a synthetic fuels industry.

Let us let the Defense Department build some synthetic fuel plants, starting this year, and then draft the private sector to operate them under some fair and reasonable financial arrangement.

I want to emphasize again, Mr. Chairman, that I am not talking about theoretical matters. Nor am I talking about science fiction.

The conversion of coal and shale into synthetic fuels—clean, environmentally acceptable fuels—is real and practical.

It is operating this very day in the Union of South Africa.

That nation recognized, long before ours, the dangers for energy dependence. As far back as 1947 it established the Liquid Fuel and Oil Advisory Board.

The South African Coal, Oil and Gas Corporation (SASOL) was incorporated in 1950 with all the shares held by a government company. The SASOL organization invited several internationally known companies to submit proposals for a coal-based synthesis plant. One of the successful bidders was the M. W. Kellow Co. of the United States. By 1955, the first gasoline was produced from South African coal. The production facilities were expanded in 1966, and I am told that presently the one plant provides feedstock for three refineries.

By 1974, the Union of South Africa had announced plans for a second major plant. Since the nation has little or no petroleum resources of its own, it is heavily dependent upon foreign sources.

After South Africa lost its Iranian suppliers recently, a major upsurge of activity has commenced on the new plant. Now, I understand, an American company is employing 20,000 workers to speed the new SASOL plant to completion. When it is in operation next year, SASOL will supply about one-third of the nation's automotive fuels market.

Mr. Chairman, those Members who have been around here for a while recognize that this is no new crusade of mine. It is but the latest move in a long-running effort to rectify a national energy policy which I believe is deficient.

Back in the spring of 1953—26 years ago—I took part in debate on this floor in which we fought as hard as we could to keep the administration then in power from dismantling the coal conversion plants we had operating at that time.

We had two liquifaction conversion plants operating in Louisiana and Missouri. They were producing liquid fuel from coal at a cost of only about 2 cents a gallon more than the cost of similar grade fuel then being produced from petroleum.

But the big oil companies had the ear of the administration and of the 81st Congress, and we lost our fight on this floor. Those little plants, and other conversion work associated with coal, were closed down.

And today, we can see the folly of our actions back there in 1953.

I contend that creation of a new synfuel industry is our quickest and surest road to energy independence. The President, you will recall, talked about our energy challenge in terms of a "moral equivalent of war."

This Congress should make sure that the drive for energy independence takes on the aspects of an "economic equivalent of war," too.

For make no mistake—the well-being of the American economy is at stake. A drain of $40 billion or $50 billion a year for overseas oil purchases is intolerable. But it is compounded by the threat of ruin should our OPEC suppliers decide to impose a new embargo.

Here is one American who does not like to live under that kind of threat, and I think there are millions of others who feel likewise.

I think this Congress should move forward as if this were the most important thing we have to do this year. For to tell you the truth, it is.

☐ 1650

Mr. FITHIAN. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I do yield, Mr. Chairman, to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. I thank the gentleman for yielding.

I want to associate myself with the gentleman's remarks. I think coal has been the orphan child of the energy family about long enough. If we are going to seriously address ourselves to the problem, we must deal with the greatest source of energy this country has.

I thank the gentleman for yielding, Mr. Chairman.

Mr. PERKINS. Mr. Chairman, the gentleman is exactly right. We have the energy in this country today, even metallurgical mines, are only working 3 days a week. The National Steel mines in my county, 800 or 900 miners, are only working 3 days a week, where they use their own coke.

I feel we have been derelict in responsibility, very much so, in not tackling this problem long before this time, Mr. Chairman. It is my hope to make every contribution I possibly can, along with other Members of this Congress who are interested in developing a sound energy policy.

If little countries like South Africa do it, why in the world cannot this country do it? We are long overdue and I think it is time to get moving. We should be moving and should not procrastinate any longer.

☐ 1655

Mr. BEARD of Tennessee. Mr. Chairman, I yield 5 minutes to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I wonder if I can get the gentleman's attention there just for a couple questions.

On page 2 of this report at the bottom of the page it says:

> Naval Oil Shale Reserves Nos. 1 and 3 are located in Colorado. Naval Oil Shale Reserve No. 2 is located in Utah. These reserves contain an estimated 26 billion barrels of shale oil. Approximately 5.1 billion barrels are recoverable using current technology. Those recoverable reserves are capable of sustaining a production rate of 250,000 barrels per day for 50 years.

Mr. Chairman, it looks to me like we have enough potential in oil shale to probably replace Saudi Arabia in terms of our oil needs.

I am wondering how much of this 7 million that is going into this area is actually being used for development of technologies in oil shale. It is my understanding that 5 of the 7 million is really to explore for oil in the oil shale lands, rather than in oil shale technology.

Could the gentleman enlighten me on that particular issue?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I would be glad to respond. Perhaps the gentleman was not here at the time that I had the colloquy with the gentleman from Washington (Mr. DICKS) on this same subject.

There is no question about the fact that we have vast resources of oil shale, conceivably rivaling the fluid oil that is available in the Persian Gulf; but the problem is that we cannot produce that oil in usable form except at extraordinarily expensive rates.

There is plenty of complaint about what Iran is charging and what Saudi Arabia is charging and what is going to happen when the President removes the controls on new American oil. The cost of a barrel of shale oil, as I understand it, would make that look like pretty cheap stuff; so until we reach the point where that kind of thing can be economically produced, as I understand it, all we are doing is trying to explore the extent of this shale oil just to find out how much is actually available, whether it is 26 billion or 25 billion or 30 billion or whatever.

Mr. MARRIOTT. How much money is actually going in this bill in R. & D. technology?

Mr. STRATTON. None, because we are not in the technology field. All we are doing is providing authorization for the Department of Energy to manage the Naval petroleum reserve.

As I said to the gentleman from Washington, I would urge them to begin some work on technology so that we could utilize their shale oil, just as I would urge them to start doing some drilling up at Naval Petroleum Reserve No. 4.

I think we have done so well preserving the flora and fauna in Alaska that we could also get a little oil to keep the Navy going.

Mr. MARRIOTT. I would certainly agree with the gentleman and go on record saying that we have enough oil shale in this country to give us 10,000 quads of energy a year.

We were hearing a while back that we could not develop oil shale because the price was this and this and this. Now the price is $18.55 and in some cases $20 and $25 a barrel. It is my understanding that oil shale can be developed very economically at around a $20 a barrel price.

I would urge this committee or any committee or the House as a whole to begin to develop the technology now to get at this oil shale, because I think that is the hope of the future in terms of meeting our energy needs and ridding ourselves of the battles with the shackles imposed by the OPEC cartel.

Mr. STRATTON. I would say the gentleman is not just whistling Dixie. I would agree with him completely; but the gentleman may remember it was only 3 or 4 years ago that the Japanese took a look at this land to see if they could not do something economically with it and they have a lot more money than we have; and yet they backed off because it was a little too expensive; but perhaps with the changes that have taken place in the price of a barrel of oil, it might be a little more economical.

Mr. MARRIOTT. I might indicate, we have had experts come before us and from our discussion of the facts we have put together, they did testify that they can in fact develop oil shale land at a $20 or $22 a barrel price. Certainly if that is true, we should encourage them.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. BEARD of Tennessee. Mr. Chairman, I yield the gentleman from Utah 1 additional minute.

Mr. MARRIOTT. I believe we ought to do all we can to begin increasing our potential in that area.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, here we have a bill from the Committee on Armed Services, on which we are debating national energy policy. The gentleman from Kentucky (Mr. PERKINS) expressed a concern because we do not have a national energy policy. The gentleman is right. Perhaps the situation here on the floor is one reason why. Here we are debating national energy policy on a bill brought out of the Armed Services Committee dealing only with the question of management of certain naval oil reserves, not including the Alaska reserves, not including the oil shale reserves, not including all our other reserves.

I suggest this is not the vehicle on which we should be debating matters of such import that require a very extensive hearing, by committees that deal with energy policy.

Mr. MARRIOTT. It is my understanding this bill did provide funds for oil shale research.

Mr. SEIBERLING. Only on the Naval oil shale reserves.

Mr. STRATTON. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. WEAVER).

□ 1700

Mr. WEAVER. Mr. Chairman, I thank the distinguished subcommittee chairman, my good friend, the gentleman from New York (Mr. STRATTON), for yielding this time to me.

Mr. Chairman, when the Elk Hills bill first came to the Committee on Interior and Insular Affairs where it had original jurisdiction, I was one of the few to oppose it in that committee. I felt it was a tragic mistake to open up the Elk Hills Naval Petroleum Reserve for general use.

The argument was that it could be taken out now when we needed oil today, and that it was not necessary for our naval forces at this time.

I asked then, and I ask today: what is a reserve for? A reserve is for the time we run out, the time when our naval forces will no longer have any oil.

I can only say that Elk Hills is in one of the best possible locations for a naval petroleum reserve. It is situated near some of our great naval bases. The pipeline will not have to run far in order to get that oil to our ships.

Let us take a moment to ponder our reserves in Alaska. Let us take a moment to ponder how easy it would be for an enemy to interdict the oil pipeline and to block the port of Valdez. How simple that would be. In a war the Alaskan oil would be useless to our military.

Yet here we take the Elk Hills oil, which was originally established as a naval petroleum reserve, and consume it and throw it away and squander it, much to the detriment and to the danger of our future in this country.

What will happen to this country when we have no oil anymore and the Soviets and the Chinese still have oil?

Mr. Chairman, I will be offering an amendment to this bill to maintain Elk Hills as a naval petroleum reserve.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, at the risk of arousing the ire of the gentleman from Ohio (Mr. SEIBERLING), I want to return to the subject of oil shale. Every time we discuss oil shale in this body the misinformation that floats around the Chamber is astounding to me.

Most of the oil shale is, unfortunately, located in my congressional district. We have approximately 600 billion recoverable barrels of oil in those rocks that are located in northwestern Colorado, eastern Utah, and Southwestern Wyoming.

Contrary to the statements that are made, we do have the technology to get the oil out if the ground. As a matter of fact, the Navy has already tested 100,000 barrels of the distillate and has found that it works quite well.

It does cost an approximate billion dollars to develop an oil shale complex that will produce 50,000 barrels a day. Now, depending upon the way we finance that and depending upon how we can calculate interest factors and everything else, we come up with figures of from $15 to $25 per barrel.

The people in Colorado are terrified over the way the Government is approaching the development of oil shale. We know that resource will not be allowed to sit in the ground and be wasted. We cannot get the Government or this body to become interested in developing a rational governmental approach, the so-called modular approach, whereby we would build modules of plants that will produce about 10,000 barrels a day. We would then, after we perfect that, go on and build another 10,000-barrel-a-day plant and ultimately build a plant that would produce up to 50,000 barrels a day, which is estimated to be the most efficient.

We cannot get the Government or the Congress or its various committees to really analyze this approach so that we can develop this resource in a rational manner.

What we are afraid of and what I am convinced is going to happen—because we cannot get the Congress to deal with this thing realistically—is that when the crunch really comes, people in the Federal Government will rush to Colorado, and then we will approach the development of oil shale in a crisis atmosphere, and we will all be damaged as a result of that.

□ 1705

This whole process could be eased by a rational governmental approach Whether it is in the Department of Defense or the Department of Energy—it really is not important as to who does it—we need to start it.

I have talked with the gentleman from New York, and he feels there is nothing particularly that can be done about it at this time. But the Department of Defense has indicated an interest, and it seems to me that the security requirements of the country are such that we ought to be approaching the development of our oil shale resources in a calm and rational manner, because you cannot develop an oil shale plant in the same amount of time as you can drill a well. To develop an oil shale industry takes several years. You cannot just make the decision now and start getting oil next year. It takes a long, long period of time. I cannot understand why we cannot get people to be interested in that process. I have been talking about it until I am blue in the face around here. I am sorry to take so much time, because I have mentioned it so many times. But the notion that oil shale cannot be developed is a faulty one, and it has been mentioned here on the floor time after time after time.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Texas.

Mr. ROBERTS. Would not this be an excellent place to require some of the plowback we are talking about the major oil companies are going to have to invest? I appreciate the statement the gentleman made, but if we got the major oil companies interested in development it will take a monstrous amount of money. If we can require this, it might be helpful in avoiding just the possibility the gentleman was talking about.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 2 minutes to my colleague, the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I hesitate, also, to incur the disapproval of the gentleman from Ohio, and I also hesitate to follow such a scholarly dissertation as our colleague, the gentleman from Colorado (Mr. JOHNSON), has given us, but I would like to bring another subject into this discussion. This seems to be the only time we have to discuss at least, some of our energy problems. The subject is the liquefaction of coal. I understand we are now at the third generation of technology, the first being that used in Germany during the war, the second being used in South Africa lately, and now in America we have the third generation. We can use coal from Ohio, Illinois, or Kentucky, high sulfur coal. The sulfur content is irrelevant if you want to liquefy coal. It seems to me, as the gentleman from Texas was saying, that like shale, we ought to intensify our work on the liquefaction of coal. We have million and millions of tons of coal, and we cannot use it easily. In this system the sulfur content is irrelevant and the coal can be used.

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, a very good point has just been made. The oil shale discussion was also very good.

Mrs. FENWICK. I know.

Mr. SEIBERLING. But here we are, with a very narrow bill, debating national energy policy. This is not the appropriate bill to try to legislate a national energy policy.

Mrs. FENWICK. We have no other time. At least there may be some people here who will not be here when energy is discussed. Let us discuss the important things: shale and liquefaction.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I do not think that is an accurate statement. What good does it do to have a reserve oil shale if you cannot get it out of the ground? We are asking: Should not there be money in this bill to work on the technology to make the oil shale worth something? That is the issue.

Mr. STRATTON. Mr. Chairman, will the gentleman from Tennessee (Mr. Beard) yield some time to me so that I can make a response to the gentleman from Colorado (Mr. Johnson)?

Mr. BEARD of Tennessee. I yield 2 minutes to the gentleman from New York (Mr. Stratton).

Mr. STRATTON. Mr. Chairman, I would like to make a couple of comments. It is not often that the gentleman from Ohio has any kind remarks for the Committee on Armed Services or for any of our actions.

□ 1710

But, I think what has transpired here makes it perfectly clear to me that on this energy issue our committee was a little more perspicacious 5 years ago than was the House as a whole. One of the reasons why we are debating these questions is that we do recognize some of these problems, and, as has already been indicated, the armed services are one of the major users of energy and so it is important that we have a viable energy policy for them.

I would also like to ask a question of the gentleman from Colorado (Mr. Johnson), I am only a farm boy from upstate New York and I do not understand very much about oil, but I just had an exchange with the gentleman from Utah (Mr. Marriott) on the subject of oil shale. It is my understanding that it is a great resource, but at the present time it was still economically too costly to produce. Does the gentleman say that that is not true?

Mr. JOHNSON of Colorado. No, I said depending upon one's bookkeeping, it costs between $15 and $25 per barrel to produce; that the oil companies right now have to face the problem of investing a billion dollars now to get back a 50,000-barrel-a-day capacity. That ininvestment at the present time, without any kind of a Government program, is prohibitive because they are afraid of the Government's future actions down the road which would change or make this investment perhaps worthless.

The difference between oil shale and drilling for crude is that you drill a well for crude and get your money back within a short period of time, whereas with oil shale it requires this enormous investment right at the beginning. The ultimate payback policy, however, is such that you will get your return at the rate which depends upon how you keep your books. But, there are all kinds of figures we have received, and it comes to between $15 to $25 a barrel.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BEARD. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. JOHNSON of Colorado. Let me point out what does not make a whole lot of sense to me: The United States is going to invest between $10 and $15 billion to buy foreign crude and put it in the ground. At present-day prices, that means about $15 billion for foreign crude to put in those salt domes in Texas. If we chose to spend the $15 billion, it would develop an oil shale industry that would be exploiting this resource from now on out, and we are not even starting that kind of program.

Mr. STRATTON. I would say to the gentleman that if the armed services and the Navy ever get back the authority over their own petroleum reserves, I can assure the gentleman we will take a serious look at oil shale production.

Mr. BEARD of Tennessee. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, I think the gentleman from Colorado has made a point, but it needs to be expanded. That is this: The problems of developing oil shale—and I have been out and looked at it as a member of the House Interior Committee—are tremendous. There are not only tremendous economic problems, but they are tremendous environmental problems in disposal of spent shale which has many carcinogens in it. How do we keep it from floating around in the air and getting in the water.

Then, there is the problem of getting enough water to convert the hydrocarbon from the shale to a usable form. The oil shale is found in a very arid area. The gentleman from Colorado (Mr. Johnson) knows there is, in developing oil shale, a critical problem of the water which is already scarce for agriculture, for ranching, and for urban uses. It seems to me that to be debating this complex subject in the context of a bill that is limited to supplying naval petroleum needs is the wrong way to go about it.

□ 1715

This should be debated, and there should be hearings before, the Commerce Committee, the Committee on Interior and Insular Affairs, as well as the Committee on Armed Services. In that way, perhaps, we can develop a national policy.

● Mr. DANIEL B. CRANE. Mr. Chairman, today the House will be considering the conference report on H.R. 2283 to extend the authority granted by the Council on Wage and Price Stability Act to September 30, 1980. If passed it will, of course, mean that the Council on Wage and Price Stability shall remain in existence for over another year.

It is very strange that this Council, which was created to help fight inflation, must be considered a cause of it. Let us not forget that the Council came to the Congress asking for more than a 7-percent increase in its present $1.7 million budget. It also wants to increase its staff from less than 40 employees to over 230.

An article in the May, 1979 edition of Money magazine highlights these points. The article, entitled "Losing Battle," succinctly points out why the Council on Wage and Price Stability extension should be opposed. I commend the article to the attention of my colleagues.

The article follows:

[From Money magazine, May 1979]

Losing Battle

President Carter's wage and price guidelines seem to be sinking into the inflation quagmire. Prices are going up half again as fast as when the guidelines were issued. And last month the government was turning a blind eye to the likelihood that, under their new contract, the Teamsters would get substantially more than the 7 percent a year increase the rules allow.

A glance at the published guidelines would have told you it wasn't going to be easy. The 11 pages of governmentese include such formulas as:

$$BPRC=\left(\sqrt{\sum_i S_i\frac{P_i(77)}{P_i(75)}}-1\right)\times 100$$

The Administration is especially irked at the noncompliance of small and medium-sized businesses. It seems the corner candy store owner hasn't been applying that formula to the price of egg creams.

The Council on Wage and Price Stability perseveres nonetheless. The regular council staff numbers only 39—fewer than the American Battle Monuments Commission. The council has asked Congress for an increase of somewhat more than 7 percent in its current $1.7 million budget. To hire 233 more inflation fighters, it wants an additional $5.3 million. That's a 312 percent increase.●

Mr. STRATTON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 3354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated to the Department of Energy for fiscal year 1980 for conservation, exploration, development, and use of the naval petroleum reserves and the naval oil shale reserves under chapter 641 of title 10, United States Code, the sum of $85,210,000, of which—

(1) $5,300,000 shall be available for exploration of Naval Petroleum Reserves Numbered 1 and 2;

(2) $52,911,000 shall be available for operation and maintenance of Naval Petroleum Reserves Numbered 1 and 2;

(3) $16,089,000 shall be available for operation, maintenance, and development drilling of Naval Petroleum Reserve Numbered 3;

(4) $5,010,000 shall be available for oil and gas exploration of Naval Oil Shale Reserve Numbered 2; and

(5) $2,000,000 shall be available for exploration of Naval Petroleum Reserves Numbered 1, 2, and 3.

Sec. 2. During fiscal year 1980, there shall be detailed to the Department of Energy for service in the Office of Naval Petroleum and Oil Reserves not less than sixteen commissioned officers of the Navy.

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments?

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: At the end of the bill, add the following new section:

SEC. 3. None of the funds authorized to be appropriated under the first section of this Act shall be available for production of Naval Petroleum Reserve Numbered 1 (Elk Hills), but such funds may be used with respect to such reserve for such exploration, development, and operation as may be necessary to maintain the capacity of such reserve to be returned to full production as rapidly as possible.

Mr. WEAVER. Mr. Chairman, this amendment would do one very simple thing: It would keep the oil established back in 1912 as a naval petroleum reserve in the ground as it should be. I look toward the day when we can have a full blown national security oil reserve bill developed in this country so that we can put more than just Elk Hills in a petroleum reserve for our national security purposes, put other oil deposits in this Nation before they are all gone. But right now I think that every day that we pump this oil out, there are less barrels of oil for our future military needs. Every single day weakens the security of this Nation. The safest possible place in the event of attack for the oil we need to fight off that attacker would be in the ground.

I find the idea of buying oil and putting it in salt domes to be the height of asininity. I cannot imagine a better place than deep underground, so long as we have developed to the fullest extent the oil field itself so that it is ready to have the oil taken out.

My amendment allows use of all the funds for the full exploration, for the full development, and for the full operation, if necessary, to maintain the capacity of such reserve to be returned to full production as rapidly as possible when we need it. This reserve is used as a national security reserve. Oil pumped from it. When? During World War II.

I might point out that as the Nazis were in their last throes, their last throes of waging that war, they had to go back to using shale, synthetic gasoline. Sometimes their planes were not up in the air when they were needed. We need all the oil we possibly can get at a future time, and that is what a reserve is all about. If we use a reserve now, it is gone. When the oil is gone, it is gone. That reserve must stay there until it is absolutely necessary for immediate urgent national security. I might point out that when the day comes, and it is coming, as we burn up our oil in this Nation at an immoral rate, when we have none and the Soviet Union and China and the other nations continue to have oil, we will be groveling at their feet, and our children will have to grovel at the feet of these other nations. That is not the America that I want to leave to my children. I want it to be a strong America, and we will need oil to make it strong.

I ask, Mr. Chairman, that my amendment be adopted, which secures this oil, and keeps it in the ground so that it will be there when our Navy needs it.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the distinguished gentleman from Texas.

Mr. GONZALEZ. I have just a question to ask the gentleman about the content of his amendment. Did I correctly interpret the reading of it to mean that the gentlemen is concentrating on Reserve No. 3?

□ 1720

Mr. WEAVER. This deals only with Elk Hills. I am glad you raised the question. Elk Hills is close to our major naval bases, an excellent location.

The oil in Alaska could be interdicted so easily if we came under attack. The pipeline could be bombed, the Straits of Valdez could be blocked, that Alaska oil will be just locked up in the event of a war.

Elk Hills is in a strategic area and nothing could be better as a petroleum reserve for our Navy.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to my friend from Utah.

Mr. MARRIOTT. I agree with the philosophy of what you are saying. How much oil is in Elk Hills now? How much would be used for transfer and is that not a small enough amount to not cause any security problems?

Mr. WEAVER. Mr. Chairman, would the gentleman repeat his question?

Mr. MARRIOTT. How much oil is in the Elk Hills reserve now? How much would be taken out of that reserve and is that not a sufficiently small amount as to not really cause a security problem?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. WEAVER was allowed to proceed for 2 additional minutes.)

Mr. WEAVER. Mr. Chairman, they are pumping at the rate of 119,000 barrels a day.

During the debate on the Elk Hills bill when we took it out of the reserve it was said it could pump 300,000 barrels a day probably for as much as 25 years. I am simply saying every drop we take out is one less drop we will have for security, our national security in the future.

Mr. MARRIOTT. Are there not 4 billion barrels of oil in Elk Hills?

Mr. BEARD of Tennessee. Will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. In the No. 1 Elk Hills area there are 1.1 billion barrels that we know of.

Mr. STRATTON. Mr. Chairman, I move to strike the last word and reluctantly rise in opposition. I would like to speak to the remarks of the gentleman from Oregon (Mr. WEAVER). Virtually everything he says I agree with. I think the gentleman perhaps does not entirely understand how this operation functions. As the gentleman indicates in his amendment the gentleman is prepared to expend any funds that may be necessary for the exploration, development and operation necessary to maintain the capacity of such reserve to be returned to full production as rapidly as possible.

The fact of the matter is, in the tight budget situation we have, the only money that is available for exploring and developing Elk Hills and returning it to the condition where, in an emergency, we can turn on the spigot and get the maximum efficient rate of flow is from a production that is now going on.

We are in a somewhat Catch 22 situation in the sense that in order to make sure that enough wells have been drilled so that you can get the maximum flow, you must pump some of the oil out. We have been doing this now for a period of 3 years and 57 million barrels have been pumped out.

The public law under which we operate will expire by 1982 so that means we have 3 more years to go. We are at an estimated rate of 145,000 barrels a day and the projection is that the maximum efficient rate would be 220,000 barrels a day and we ought to reach that by 1982.

We have, as I said, pumped out in the last 3 years 57 million barrels so in the next 3 years it will probably be another 57 million barrels. That is 114 million barrels, but as the gentleman from Tennessee has pointed out we have 1.1 billion barrels in the reserve.

□ 1725

So I think that while we do not like to see any of it pumped out if we are going to do what the gentleman from Oregon wants us to do, we have got to pump some of it out to get the money to get it to maximum utility. I think in that event the gentleman's amendment, perhaps, is working against the gentleman's real objective.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Certainly, I yield to the gentleman from Oregon.

Mr. WEAVER. Certainly the Committee on Appropriations can appropriate money under the authorization of the bill to develop and explore, can they not, if it is in our national interest, if it is in the interest of national security? They can appropriate the money. There is nothing prohibiting them from doing that, is there?

Mr. STRATTON. Well, I think, considering all the other needs of the United States, considering the interests of the 435 Members of this body, that we ought not to hope that perhaps the Committee on Appropriations can find money somewhere in a tight budget. We have got the money here in the value of this oil.

Mr. WEAVER. Mr. Chairman, if the gentleman will yield further, one brief point more. It is established then that the Committee on Appropriations can appropriate the money if they find it in the national interest and security and at the rate we are pumping now, I say to my dear friend who feels the same way I do about this.

Mr. STRATTON. Absolutely.

Mr. WEAVER. That at the rate we are pumping now, the oil, according to the gentleman from Tennessee's estimates, will be gone in 20 years. Think of that, 20 years.

Mr. STRATTON. Mr. Chairman, I would like to reclaim my time. The point is that our position is, and I should have mentioned that, that when we reach this 220,000 barrels a day rate, we put the whole thing into standby status, exactly as the gentleman wants. We are not contemplating doing this for the next 10 years, 20 years. I forgot to point that out.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. Of course, I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, first of all, I would like to see what it feels like to be able to say that the gentleman from Tennessee totally agrees with the thrust and direction of what the gentleman from Oregon is saying. I agree with the gentleman. I only wish the gentleman was as concerned about the reserves in the all-volunteer service as the gentleman is about the reserves in the oil; but I will take what I can get.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, if the gentleman would yield further, if the gentleman would look back at the voting of the members of the Committee on Appropriations back when we were fighting and pleading to maintain the oil reserves for our national defense needs, the gentleman would see why our chairman and myself are so very skeptical about what their attitude would be in appropriating dollars to further develop this area.

Mr. STRATTON. Mr. Chairman, let me just say to the gentleman from Oregon that I think perhaps the proper way to go would be to give our committee an opportunity to hold hearings on this subject. Our whole vent is the same as his. Our purpose is to put this Elk Hills situation into a freeze position as of 1982 with 1.1 billion gallons of oil in the ground. We do not have to transport it to some salt dome in some Midwestern State. It is right there. At that time we will have a spigot which we can turn on and it will produce 220,000 barrels every day and there will be a pipeline that will take us down to the Sohio line and it will be immediately available to go into that new nuclear carrier that we hope the House will approve in a few weeks; so as I say, I hate to oppose the gentleman's amendment, but I would hope that perhaps the gentleman might withhold it and give us an opportunity to explore all of the details of this situation.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, there are those in this Chamber who know of my longstanding advocacy for keeping the Elk Hills reserves for military use during an emergency. I have argued that it makes no sense to pump dry a valuable resource when, given the present world climate, that oil could become a crushing necessity. Elk Hills is the only source of high quality crude oil on the west coast, and I see no pressing need to either sell it, or pump it out of the ground to fill up storage areas in other parts of the country.

However, this is not the time to shut Elk Hills in. In accordance with the Naval Petroleum Reserves Production Act of 1976, Elk Hills was to be built up over a 6-year period to a state of full production, ready to go in the event of an emergency. The reserve is nowhere near a state of full production and will not be until some time in 1982. What this means is, should a crisis occur prior to that time, the reserve would not be able to do its complete job. It will be in 1982, but not now.

I agree with my friend, the gentleman from Oregon (Mr. WEAVER)—in theory—that the reserves at Elk Hills be retained for emergency use should the need arise. But I am also certain in my own mind that this is not the time to shut Elk Hills in. We must assure that the reserve is capable of full production in the event of an emergency.

We will have to do a lot more drilling of exploratory and development wells at Elk Hills. We still have to construct gas processing plants. One such plant will be finished this fiscal year, with another to follow. There are pipelines, transportation systems and many other associated facilities that have yet to be completed. All of these are scheduled to be in place and operating by 1982.

This is not the time to stop our effort to bring Elk Hills up to a level of full production. When the need arises, we will need Elk Hills oil and need it quick. The ships of our Pacific fleets will not have the luxury of time to wait while we pick up where we left off with the necessary construction at the reserve.

Let us not be hasty in deciding this issue. We want our national defense system to be as ready as we can make it. Elk Hills is a vital part of that national defense system, and Elk Hills is not yet ready. Let us finish the job we have started while we still have the time.

□ 1730

Mr. RUNNELS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I agree in part with what my friend, the gentleman from Oregon (Mr. WEAVER), is trying to do, but I will ask those Members who have been here for many years if they will stop and ask themselves this question: Why are we in the position we are in today?

If we can recover the oil in Elk Hills so quickly in a time of emergency, why are we only producing 119,000 or 140,000 a day?

Oil in Elk Hills is just like oil every place else. It is locked in, in hard rock and sand formations. Each well will only give up so many barrels a day, no matter what you do to it. So they must drill the wells and prepare them to produce a maximum amount of oil per day.

The reserve system in America was dreamed up to provide that we would go to salt domes. I will ask the Members to envision with me that this room we are in right now is a washed-out salt section in Louisiana or any other place, and that the bore hole is right in the middle of this room at the top. They would fill this room with crude oil at the rate of 140,000 barrels a day, because that is all those wells will produce, and in a time of emergency 145,000 or even 300,000 barrels a day will not make a pimple on a gnat's eye, and this country would be hurting and suffering in a moment's time.

If we are going to spend $50 billion this year for foreign oil and give it to the sheiks of foreign nations, that has to tell us that we only have half enough oil in this Nation today.

Now, if we have this room full of oil, we can suck it out of here in 1 day with centrifugal pumps because it is in a jug. It is not going anywhere, and we can get it out in a hurry. But we cannot get it out of the ground in a hurry.

I think it is obvious that the drilling and completion and production of these wells is most important. I, too, do not believe that we should be wasting this oil. I think it should be stored in a readily available situation.

But we in Congress and in the executive branch of Government have a double standard for ourselves versus the rest of the country. Some of this oil is old oil, and we all passed a bill and said that old oil had a price control of $5.35 a barrel. I will ask the Members to check the record and see if the Federal Government is only getting $5.35 a barrel for this oil in Elk Hills.

If they think they are, they are sadly mistaken. We auction this oil off. It has no price controls on it. So we are getting nearly the world market price for the Elk Hills oil, and I am not arguing about that. But the oil that they sell in Elk Hills is sold, and the money is then supposedly used to buy other crude to put in the salt domes for storage.

□ 1735

We must realize that there are differences in crude. There is sour crude and there is sweet crude. This is the reason we have a surplus of crude. I have said this many times on the House floor. This is the reason why you have 500,000 barrels a day surplus of sour crude from Alaska on the west coast today, because the refineries in California cannot refine sour-type crude. It is the reason you must take it to a refinery that can refine sour-type crude. The crude at Elk Hills, much of it, is sour-type crude. What we need is sweet crude from other countries so that you can refine it all in the United States.

It is said that it is close to our naval reserves and our naval ports. We have them on both sides of this country. We do not just have them on the west coast.

I would hope that the gentleman from Oregon and the rest of the Members will stop and think. Let us continue to drill wells, to complete them, and then let us do what we need to do, and that is to see that it is in ready form, stored in a proper place, quit using it as we are doing today, quit auctioning the oil off. But I am telling the Members that it must be in ready form. It cannot wait in the rock situation at the bottom of the Earth, as it is today, because when we need it we cannot get it.

Mr. THOMAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I not only want to associate myself with the remarks of the gentleman from New Mexico, but applaud them. It is obvious he has the knowledge of the industry. And one of the things that I think I am going to offer is a trip to my district and an examination of the site of Elk Hills, so that you can realize that there is not a jug under the ground at Elk Hills and that the money that the chairman so clearly indicated, about $500,000,000 a year, which may or may not be authorized, is needed to drill those very holes to not just increase the ability to remove the oil in an emergency, but to also, as I indicated earlier, find new oil, which is what we are doing at Elk Hills. Since it is not a jug and there are varying sands and rocks carrying oil at varying stratas underneath the ground—and we have not drilled sufficiently in the area to know what the full proven capacity is—and of course, you cannot, until you decide you have drilled enough holes or as many holes as you want to drill. We can if you will examine the area of Elk Hills, put many more holes in the ground and increase our proven capacity at Naval Reserve No. 1, and that by expending this money generated by the production of oil it is almost possible, if we maintain that 6-year period that we are dealing with in current legislation, to expand proven reserves equal to the amount that we have removed.

Remember we are not dealing with a magic oil jug, but it is possible, because of the way in which oil reserves are proven under the ground.

Let me emphasize the need for this relatively sweet crude. The gentleman from New Mexico said Elk Hills is sour, compared to some of the oil that is pumped in the surrounding area, it is sweet to us. You have to combine that sweet crude with some of the heavy crude in the area, to dilute the heavy crude to move it through pipelines to the refineries. It is difficult to move some of the oil produced in the area that produce the so-called oil gluts in California. We need it to blend for pollution requirements for refining capacity. If we did not have this oil available at about 140,000 barrels a day, we would have to import it to be able to use that other crude we have available in California, and that is 140,000 import barrels of oil, probably from Indonesia if we want to maintain the refining capacity that we have.

So for all of those reasons I invite you to come out to Elk Hills. The gentleman from Oregon is certainly one of the first to be offered the trip. I certainly hope we take this as a bill offered in committee.

□ 1740

I would certainly hope that we take this as a bill in committee, as was suggested by the chairman, to fully examine all these questions, not as an amendment that is not fully aired in terms of all of the ramifications and significance of it.

Mr. CARR. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

I also want to associate myself with the remarks of the gentleman from New York, my good friend, who knows so much about energy and has educated some of us.

I would like to, in that footnote, just give you some figures given to us by the Treasury Department as to why we ought not support this particular amendment. You can sum it up on one word. Inflation. We are concerned about balancing the budget. If this amendment were to pass, according to the Treasury Department, it would hurt our balance of payments by over $600 million a year. Hurting our balance of payments by $600 million a year hurts the strength of the dollar abroad. It hurts our fight on inflation. Furthermore, the other side of the coin is that the U.S. Government would lose, by 1981, about $2 billion worth of revenue. That revenue would have to be made up in increased taxes. We all know we are not going to do that. So it would be part of an increased deficit, or it would be coming out of other priorities which our Nation sorely needs. So, if you want to fight inflation, if you want to ease the budgetary problems of this country, you will oppose this amendment.

Mr. WEAVER. Mr. Chairman, would the gentleman yield for a moment?

Mr. CARR. I yield to my friend, the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Is the gentleman saying that in 10 and 20 years from now, there will not be any inflation? And can the gentleman also comment on what will happen to the price of oil and inflation in this country when we have no more oil? Can you imagine the costs, the rise in food prices, when there is no oil to produce our food? Can you imagine the cost then of inflation?

Should we not be setting aside some oil for the future, particularly for national security reserve?

Should we not be cutting back our use now today so that we can do this for tomorrow?

Mr. CARR. I would answer the gentleman and say that I am with him in our efforts to have a conservation program in this country, but shutting in Elk Hills does not conserve petroleum. Shutting in Elk Hills does erase the fact that there are fewer barrels of oil in the ground worldwide today than there was yesterday. Shutting in Elk Hills is not going to erase the crunch that we are going to face in energy. In fact, it could make it a good deal harder.

The gentleman mentioned it being an immoral thing to use our oil. I trust he does not really mean it is immoral to use ours but not immoral to burn up the rest of the world's. I think the gentleman and I agree that we ought to have worldwide conservation, but this particular amendment does not fit into that scheme.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. WEAVER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: Page 2, add section 3:

Provided, however, That nothing in this act or any other provision of law shall detract from the reserve nature and purpose of these installations herein named and in no event, shall any present or future oil and gas produced at installations be produced in such quantities as to detract or subtract from the defense reserved purposes of said installations.

Mr. GONZALEZ. Thank you, Mr. Chairman.

I offer this amendment with some trepidation only because the distinguished chairman of this subcommittee has already offered such good leadership that I have found myself following it, I would say, in 99.9 percent of the time, but in this case, as we have gleaned from the discussions this far, I think this amendment, and I say so modestly, will serve the purpose of reconciling the obvious conflicts that are reflected in this debate.

□ 1745

That is that we either have a reserve or we do not. The nature of a reserve is such that we do not use it as we would any other producing facility that is not defined and set aside as a reserve. With reference to the fact that it has the peculiar feature of having the purposes of being a military or defense reserve, my amendment actually is intended only to do basically one thing, and that is to express the congressional intent of continuing the use of these installations as defined primarily and primordially as defense conservation or reserve installations and, secondly, to make sure that the congressional intent is carried out and will attempt to reconcile that purpose with the production and use of the production that might result because of the enactment of this bill and the production that hopefully will result, because, obviously, if we have unrestrained production and use, we do not have a reserve. So this merely underlines the congressional intent to continue the use and to continue the existence of this defense reserve installation exactly as that, as a defense installation reservation. That is the only intent of the amendment. I think its wording is clear and self-explanatory.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Utah.

Mr. MARRIOTT. I thank the gentleman for yielding.

Could the gentleman tell us what the difference is between this amendment and the one that was just defeated?

Mr. GONZALEZ. As I understood, the one we just entertained was an attempt to actually limit the appropriation for development, as this is called for in this bill, to one of three installations, and also I think it would proscribe the actual allocation and production and thereby prevent the research and development that this bill calls for. Mine does not do that. Mine enthusiastically would endorse the purpose of this bill but merely reaffirms the congressional intent not to divert the purpose of the installations from reserve defense installations.

Mr. MARRIOTT. As we interpret the amendment, this is exactly the same amendment that just went down but worded differently. That is why I am confused about this amendment.

Mr. GONZALEZ. I am afraid the gentleman has either misinterpreted mine or I have misinterpreted the previous amendment. But if the gentleman will recall the reading of the previous amendment, he had reference to suspending the appropriations called for in this bill. I do not do any such thing. I think the purpose of this bill is great, and that is to provide the development and research of this particular installation. What I am doing or attempting to do is to reaffirm the fundamental purposes for which these installations have been built up by our Government to begin with. We have had the experience where in 1976 that purpose was more or less tampered with and changed by this very same House. This merely reiterates the fundamental purposes. At least, that is my intent.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from California.

Mr. THOMAS. I thank the gentleman for yielding.

In the amendment the language "future oil and gas produced * * * be produced in such quantities as to detract or subtract from the defense reserved purposes of said installations."

Mr. GONZALEZ. Yes.

Mr. MARRIOTT. Would not any quantity detract or subtract from the defense reserve?

Mr. GONZALEZ. I would not think so because I do not see how we could then stay within the purposes of the installation today and have the rate of production that I am sure is controlled by that very purpose, that is, to maintain the integrity of the reserve qualities of the installation.

Mr. MARRIOTT. Who would determine what quantities were in such amount?

□ 1750

Mr. THOMAS. I would like to determine the quantities to see whether it detracts or subtracts.

Mr. GONZALEZ. I am glad you asked that question because it also brings up another danger that I thought we could offset here.

Remember, we are placing this really under the jurisdiction of the new Department of Energy. There must have been some hesitancy because the committee went to the extent of providing for 16 naval officers to make sure they are a part of the administrative process. What I say is, no matter what the Energy Department programs by civilians may dictate in the future, they shall be constrained by the basic purpose of the defense nature of the reserve.

Mr. STRATTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to ask a question of my friend from Texas. I share the view of the gentleman from Texas that these installations are military reserve installations and they should be operated as such. The gentleman is quite right that our reference to retaining naval personnel in the Department of Energy's Naval Petroleum Reserve Bureau is designed to bring that home.

However, I am not a lawyer and I am told there are some rather vague phrases in here that are subject to some question of interpretation. I wonder whether the gentleman from Texas again might not be willing to trust the members of this subcommittee, at the same time we examine the issue raised by the gentleman from Oregon, if we could also consider his formulation and see if we cannot nail it down a little more clearly and precisely, because this is exactly what we want to do, but we want to make sure we are not disturbing the authorization bill at the same time.

Mr. GONZALEZ. Mr. Chairman, I want to assure the distinguished chairman my intention certainly is not to bring about anything that would provide any further contradictions along the basic policy lines with which I think we are in agreement. I will admit to the fact I have no particular pride of authorship. We would not be in this amendatory process if we had a perfect bill drafted. I can say the same thing for my amendment.

I think this is a reasonable request.

Assuming my attempt here will be given serious consideration I would ask unanimous consent, Mr. Chairman, that I be allowed to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STRATTON. I want to thank the gentleman for his courtesy. I assure the gentleman we will give this very serious consideration. I am not myself a lawyer. My immediate reaction would be to accept it but my legal advisers tell me perhaps we ought to make sure everything is in proper order.

I can assure the gentleman we will do everything to get that thought into the bill.

Mr. GONZALEZ. I thank the gentleman, Mr. Chairman, and I have confidence in the goodwill that I believe is reflected in my amendment and I think my wording will reveal no contradictions and the vagueness I think will be resolved by sober and considered judgment.

Mr. STRATTON. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the Members would like to know that today the House Committee on Interior and Insular Affairs approved a bill to expedite the southern tier pipeline running from southern California to Texas, the so-called Sohio pipeline. Hopefully that is going to resolve one part of this problem; namely, how to utilize the surplus on the west coast resulting from the flow of oil from Alaska.

□ 1755

The amendment of the gentleman from Oregon and the amendment of the gentleman from Texas and the discussion we had here today reveal how we feel in our bones that we are in a terrible dilemma. On the one hand, we simply cannot afford, either from a strategic standpoint or an economic standpoint, to go on depending upon the precarious middle east for half of our imported oil, which, in turn, is half of our total oil supply.

On the other hand, there is no prospect of developing sufficient petroleum in the United States to supply our current demand. Obviously, we need an emergency reserve, for economic reasons, as well as military ones. If we had only enough oil to run the military and the rest of the country ground to a halt, we would not be able to sustain an effective military operations very long.

We have to do something to reduce not only oil imports but the drain on such domestic oil resources as we have. Obviously, conservation is the only short-term solution. It cannot be debated effectively on the basis of a bill dealing with the very narrow subject range of this bill. But it certainly is time we did, and I hope, in connection with a bill to extend oil price controls, we can have a full-fledged debate on what should be our national oil policy and our national energy policy. In my opinion gasoline rationing is the most effective way to achieve conservation in the short run.

I think that this has been a healthy debate. I commend both the gentlemen who offered the amendments for bringing it about and for stimulating our thinking on the broader issues surrounding our precarious national energy situation.

The CHAIRMAN. There being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Murphy of Illinois) having assumed the chair, Mr. Zablocki, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes, pursuant to House Resolution 228, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 394, nays 12, not voting 28, as follows:

[Roll No. 101]

YEAS—394

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—12

Bedell
Burton, John
Carr
Collins, Tex.
Holtzman
Jacobs
Maguire
Miller, Calif.
Moffett
Nolan
Paul
Weaver

NOT VOTING—28

Chisholm
Conable
Conyers
Coughlin
D'Amours
Dellums
Diggs
Dixon
Emery
Evans, Ga.
Fish
Frenzel
Gray
Hubbard
Jenrette
Kemp
Long, La.
Mathis
O'Brien
Pashayan
Rose
Roybal
Stark
Thompson
Vander Jagt
Walgren
Waxman
Wilson, Tex.

☐ 1810

The Clerk announced the following pairs:

Mrs. Chisholm with Mr. Conable.

Mr. Dellums with Mr. Pashayan.

Mr. Stark with Mr. O'Brien.

Mr. Thompson with Mr. Kemp.

Mr. Gray with Mr. Emery.

Mr. Dixon with Mr. Evans of Georgia.

Mr. Mathis with Mr. Frenzel.

Mr. Diggs with Mr. Coughlin.

Mr. Long of Louisiana with Mr. Walgren.

Mr. Waxman with Mr. Charles Wilson of Texas.

Mr. D'Amours with Mr. Conyers.

Mr. Jenrette with Mr. Hubbard.

Mr. Rose with Mr. Roybal.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1815

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 3354.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TOMORROW, WHILE HOUSE IS IN SESSION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may be permitted to sit tomorrow while the House is in session.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TOMORROW, WHILE HOUSE IS IN SESSION

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries may be permitted to sit tomorrow while the House is in session, just for hearings and no markup.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MAKING IN ORDER ON MONDAY, APRIL 30, 1979, OR ANY DAY THEREAFTER, CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 107, BUDGET FOR U.S. GOVERNMENT FOR FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, April 30, 1979, or any day thereafter, to consider House Concurrent Resolution 107, setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, will the gentleman from Connecticut kindly explain the purpose of his request?

Mr. GIAIMO. If the gentleman will yield, Mr. Speaker, the purpose is so that we can begin consideration of the budget resolution on Monday next. Under the act there must be a 10-day layover of the report. The report was sent to the printer in time on Friday, April 13. Unfortunately, the Printing Office was delayed because of the holiday on Monday, and the report did not come back until Wednesday. Therefore, it has not been available for the full 10 days as required under the act. This would enable us to proceed with consideration of the Budget Act, because all Members have had the report for a considerable period of time because of the recess, and I do not think any harm would occur.

Mr. SENSENBRENNER. Mr. Speaker, further reserving the right to object, is the gentleman's intention to have general debate only on Monday and no debate or votes on amendments?

Mr. GIAIMO. As I understand it, the leadership's intention is to have general debate on Monday only and amendments thereafter on the following days.

Mr. SENSENBRENNER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will this in any way prohibit the full report of the committee from being available?

Mr. GIAIMO. If the gentleman will yield, no. The committee report is available and has been available.

Mr. ROUSSELOT. Yes, but this will not hold that up at all?

Mr. GIAIMO. Not at all.

Mr. ROUSSELOT. So the gentleman is only talking about a 10-day layover?

Mr. GIAIMO. That is right. What it is, is a curtailment. I do not know how many days—9 days? Eight days? We have had the report available for 7 rather than 10 days.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was granted a leave of absence for part of today's proceedings on account of official business in order to participate in a meeting of the Presidential Commission on World Hunger in Chicago.

On the question of passing the conference report on H.R. 2283, the Council on Wage and Price Stability Reauthorization, I was paired in favor of the report. Had I been present, I would have voted "yes."

CHINESE LEADER SAYS CUBANS IN CAMBODIA

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. PRICE. Mr. Speaker, in the course of an extensive meeting in Peking with Vice Premier Deng Xiaoping of the People's Republic of China on April 16, members of the House Armed Services Committee were told that "there are signs of Cuban troops in Cambodia."

Deng continued:

> According to what we have learned, the Soviets are the advisers and the Cubans are the soldiers.

Deng made that statement while discussing the Vietnam invasion forces and Russian support of the Vietnamese incursion into Cambodia.

The House Armed Services Committee delegation, led by Chairman Melvin Price, visited the People's Republic of China during the period April 14–21, 1979, with the principal stop in Peking where conferences were held with Chinese Government leaders.

The Vice Premier, in discussing the Vietnamese question, came down strongly on the Soviet cooperation with, and presence in, Vietnam. He alleged that the Russians established themselves in Vietnam "long ago in bases built by the United States, such as harbors and airports." He indicated that not only Camranh Bay but also Danang, were candidates for Soviet bases.

Chairman Price stated:

> The Vice Premier and other Chinese leaders covered a wide range of subjects in our discussions. The common theme was a need for mutual cooperation and friendship between the United States and the People's Republic of China.

Mr. Price added:

> The Chinese stated that they now know they need military modernization and the introduction of advanced equipment.

Gen. Wu Hsiu-chuan, Army Deputy Chief of General Staff, admitted that in the early days of the recent so-called border war with the Vietnamese they had trouble fighting on the Vietnamese terrain. Stated Wu:

> One of the most important things we learned was to have good topographic information . . . During the first few days our forces were not well adjusted in fighting in that kind of terrain, but the commanders in the lower levels saw this weakness very soon and modified their tactics.

The Chinese leaders brought up with the delegation the possibility of introducing U.S. advanced military technology into China so the Chinese could improve their military equipment.

In discussing Taiwan, Vice Premier Deng, as well as Ambassador Hao Te-ch'ing, President of the Chinese People's Institute of Foreign Affairs, were adamant that Taiwan is China's problem but that as soon as Taiwan agreed to join the "motherland" the problem could be solved.

Deng stated:

> Subsequently they can keep their social system and people to people relations with the United States and others. The income of the people of Taiwan will not be lowered, their living standard and way of life will not change. We even say that they would be allowed to keep their own armed forces under the condition that they are a local government and a part of China.

A similar description of that proposition was also put forward by Ambassador Hao.

In touching on a variety of other subjects of mutual interest to the United States and the People's Republic of China, the Chinese leaders agreed that they were sympathetic to President Sadat of Egypt and are trying to maintain good relations with all of the Arab countries. Also, the Chinese did not see a SALT II treaty as being wrong but were common in the belief that such an agreement would not restrain or bind the Soviets.

The Chinese see the Soviets viewing Vietnam as only another pawn on the Soviet chessboard. Russia's purpose, say the Chinese, is to control all of Indochina through a greater Indochina federation and then to move against the rest of Southeast Asia.

In Nanking the committee had a unique opportunity to visit the 179th Division of the People's Liberation Army (PLA) and was able to tour the base as well as observe an extended battlefield exercise with the use of live ammunition. That exercise clearly demonstrated the intensity of the training regimen. That visit was one of the highlights of the trip to China.

The delegation visited a Chinese commune of about 23,000 people, which consisted of a variety of activities, including manufacturing of clothes and electrical products, as well as animal husbandry and a fish hatchery. That stop was in Shanghai.

The final stop was at Canton, where at the request of the delegation there was an extended visit to the annual trade fair where the committee had an opportunity to examine the extent of the Chinese industrial base.

Chairman Price concluded:

> We intend to publish a report on the visit to the People's Republic of China at an early date, which will include our findings and conclusions, but I believe we can say at this time that we were pleased with our reception and found the attitude of the people we met to be generally cooperative and friendly.●

☐ 1820

CONGRESSMAN GONZALEZ REPORTS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. Gonzalez) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, always, ever conscious of the privilege, and having full respect for these privileges of the House, such as the use of this forum and trying to be very respectful of that privilege, I have sparingly in the 17 years I have had the honor of serving here, taken time during the period called "special orders" that gives us in the House the opportunity to address ourselves to those things that are pressing and which have some sense of priority in representing our constituencies.

Also, having respect for this privilege.

I rise on this occasion, and as briefly as possible under the circumstances, to render an account of where I am on several subjects that I have previously discussed in addressing the House.

There are four subjects that I consider to be of vital concern, not only to my district, but to the Nation, that I have discussed here before.

The first has to do with what I call King Crime. I had promised to return to the floor and bring the House up to date on what had happened since I first alluded to what I considered to be the No. 1 social problem in our country. There are specific occurrences in my district in respect to King Crime: The attempt on the life of the Federal assistant district attorney, James Kerr, and the Sante Bario case which, unfortunately, tragically, and sadly, ended in this terrible announcement yesterday of the death of Sante Bario.

Briefly, I referred earlier this year to the success, and the insidiousness and the pervasiveness, of organized crime in our country.

□ 1825

I attributed the attack on the life of the Federal District Attorney Kerr of the western district of the Federal judiciary of Texas as a manifestation.

Now I have not reported on that lately because there have been at long last, some positive developments. I believe that my speaking out has helped attain the concentrated effort of the appropriate Federal agencies, from the Justice Department to the Drug Enforcement Agency, to the Presidency itself. A meeting with the special assistant to the President on this matter helped to focus attention to this problem and has led to the arrest of several individuals. Now, whether or not, these arrests actually address themselves to a solution of this case remains to be seen; we must wait for these matters to be considered and acted upon by our judicial system. At least we have continued to focus attention on this. My fear was that, as has often been the case in other instances, once it happens and it recedes into immediate past history, it is lost sight of.

The basic problem, the runaway power of this huge enterprise known as organized crime in the country remains the same. I think the Congress inescapably will have to confront it in a realistic way, sooner or later.

With respect to the Sante Bario case, as a result of my speaking out, as a result of going on record here, I had a meeting with the head of the Drug Enforcement Agency and his chief assistants, and with other law enforcement agencies, both on the Federal, State, and local level. Unfortunately, his death yesterday, after having been in a state of coma, unconscious, just vegetating away since last year, affords no real opportunity to resolve this case. After my meeting with the head of the Drug Enforcement Agency and his men and others, I think that certain aspects of this case were clarified to a certain extent. There are some aspects that still leave me very much concerned and I will express my concern on future occasions here through this forum.

I think the significant thing there, and the thing that still left me somewhat dissatisfied, after my conversations with these highly placed law enforcement agents, is the intimacy that exists between known established criminals themselves, who happen to be in some convenient association with the law enforcement agencies, but which, in my understanding, belief, and fear, gives the very criminal element that is temporarily supposedly aiding and abetting the law enforcement agencies a tremendous leverage in behalf of crime; but I will go into that later.

The second issue that I would like to discuss is the question of the international banking situation, the takeover of tremendous financial resources of our country by foreign owners and the implications of this takeover. I will speak further on this at a later date, but in the meanwhile, I am garnering some facts that I think will be meaningful to the House and to the Members. Unfortunately, I have been unable to engender interest in my colleagues on the Banking Committee to look into this immediately. I think the situation demands attention, but I have not been able to communicate this urgency or sense of urgency to my colleagues. I will continue to try.

Interest rates, my third subject matter, continues to be my No. 1 priority; but again, I am engaged first in attempting to formulate some policy that will result in action on the committee that has jurisdiction, the Banking Committee.

The fact that the country is being flagellated, punished with the highest prime interest rates in the history of the Nation, I think should be disturbing and ominous. There is no awareness of it apparently in or out of the Congress as to exactly what can or should be done. I have formulated some suggestions. I communicated them to the chairman of my committee, the distinguished gentleman from Wisconsin, over three and a half weeks ago, but as yet I have had no response.

I look forward to further discussion with him, and others, on this matter.

□ 1830

Mr. Speaker, the final subject matter is one I discussed with the Members last week, and it has to do with the questions and the occurrences that resulted and were specifically dramatized at Three Mile Island in Pennsylvania. That question is one which actually in my case revived a concern that had begun with me in my first year in the Congress, 17 years ago.

At a military installation in the heart of my district at Kelly Air Force Base and adjacent to it, we had a tremendous explosion 17 years ago. Miraculously, nobody was killed. The explosion happened at Medina Ordnance Base, which is right in the city and adjacent to Kelly Air Force Base.

It also happened that it was a revelation to me, because I made a visit to the site after the explosion and was appalled at the risk that the citizens, in and around San Antonio, and all through the area, were facing daily, because not only was there ordnance and certain types of explosives, including dynamite, present, but also had nuclear warheads, and for one of those to have gone awry would have meant great destruction of life and limb and property. The potential for loss was tremendous.

As a result of that explosion, however, that facility was removed from my district, and I think I had a hand in it.

There have been some persons, who have raised questions about my speaking out and making certain requests of the President, the Congress, and the powers that be as of 2 weeks ago. I requested—and again I repeated this last week—that we have a moratorium on future and present construction of nuclear fission types of commercial plants in the country.

I have made a further request that those now in operation be suspended, particularly those we know to be dangerous because of information that I received after the Pennsylvania catastrophe.

I have had access to individuals, some of whose names I have not disclosed.

And I hope not to disclose their names, because I am afraid that when I do, if I were compelled to do that, I would destroy their economic livelihood because of the nature of the business. In the case of three of my sources, the names have since been publicized, and there is not that fear now associated with disclosing their names.

However, their information has been very disturbing—highly disturbing. These are men who know about these matters. They have served as inspectors of nuclear plants.

I could not in good conscience have this information and not take this position and speak out in the manner I have without feeling that I had abdicated a trust and that I had been delinquent in the sense of discharging a most fundamental and serious moral obligation.

So, Mr. Speaker, I wanted to sum up where I stand on these four important subjects I have discussed with Members of the House in previous special orders, and I will return to them again at a later time. There is much to be done, as well as said.

Mr. Speaker, I yield back the balance of my time.

UNITED STATES POLICY MUST CHANGE NOW; A REPORT ON ELECTIONS HELD IN ZIMBABWE-RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 30 minutes.

● Mr. BAUMAN. Mr. Speaker, the returns are now in from the elections held last week in Zimbabwe Rhodesia and it is clear to any impartial observer that the electoral process was conducted in a free and fair manner which might be the envy of any nation. As chairman of the American Conservative Union (ACU) I commissioned a team of four distinguished Americans to serve as observers of these elections and they have just returned from that mission after 8 days in Rhodesia. I did so only after the Carter administration and the House of Representatives refused to send official observers.

More than 200 observers and newsmen from many nations did go to Rhodesia and the overwhelming consensus is that these elections were properly conducted under the most trying conditions with terrorist threats and actual violence by the so-called Patriotic Front guerrillas.

It is plain to me that the Carter policy toward Rhodesia has failed miserably and that discredited policy must now be changed. The President should now exercise the mandate Congress gave him last year in the so-called Case-Javits amendment and lift economic sanctions against Rhodesia immediately. I also believe that the new government of Bishop Abel Muzorewa should be accorded diplomatic recognition by the United States.

Toward that end I am today introducing a concurrent resolution cosponsored by many of my colleagues of both parties which I hope will receive prompt action in Congress. I insert a copy of the resolution at this point in my remarks:

H. Con. Res. 110

Concurrent resolution expressing the sense of Congress that economic sanctions against Rhodesia Zimbabwe should be lifted and that United States diplomatic recognition should be granted to that nation

Whereas section 27 of the International Security Assistance Act of 1978 provides for the nonenforcement of sanctions against Zimbabwe Rhodesia contingent upon a Presidential determination that the Government of Zimbabwe Rhodesia has demonstrated its willingness to participate in, and negotiate in good faith at, an all-parties conference and that a government has been installed chosen by free elections;

Whereas the Transitional Government of Zimbabwe Rhodesia has unanimously agreed to participate in, and negotiate in good faith at, an all-parties conference held under international auspices, on all relevant issues;

Whereas the leaders of the Patriotic Front have rejected all invitations extended by the United States and Great Britain to participate in any such conference;

Whereas the Transitional Government of Zimbabwe Rhodesia has successfully conducted free elections in which all political and population groups were invited to participate freely, after having invited the presence of impartial outside observers to monitor such elections and despite the Patriotic Front's publicly declared intention and attempts to disrupt such elections by intimidation, terrorism or military attack;

Whereas international observers and news media have monitored such elections and reported on their validity; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Congress finds and declares that—

(1) the Government of Zimbabwe Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and

(2) Zimbabwe Rhodesians have approved through free elections the transfer of power to a black majority government.

(b) It is the sense of the Congress that the President, not later than ten days after the installation of the black majority government pursuant to such elections, should determine that the provisions of paragraph (2) of section 27 of the International Security Assistance Act of 1978 have been substantially complied with and should not enforce sanctions against Zimbabwe Rhodesia.

(c) And further, it is the sense of Congress that the President, not later than 10 days after the installation of the black majority government, should take such actions as may be necessary to establish diplomatic relations between the United States and Zimbabwe Rhodesia.

Sec. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President.

Mr. Speaker, the four observers sent to Rhodesia by the American Conservative Union are each distinguished U.S. citizens whose integrity is well established. At this point I include with my remarks a statement issued today which summarizes their findings as well as a press statement released earlier today:

ACU Observer Team Issues Preliminary Report on Rhodesian Elections: ACU Chairman Bauman Calls for Lifting of Economic Sanctions and Recognition of Rhodesia

Washington.—American Conservative Union Chairman, Rep. Robert E. Bauman (R. Md.) today called on President Carter to lift economic sanctions against Rhodesia and recognize that country. Bauman issued this request at an ACU news conference attended by the ACU "election monitoring" team that Bauman sent to observe the recent Rhodesian elections.

"Our four-member ACU election-monitoring team has reported that the Rhodesian elections were free, fair and above board," Bauman said. "In fact, in some respects, the Rhodesian elections were more fair than some elections in our country.

"The Rhodesians have met the provisions set forth in the International Security Assistance Act, which was adopted by Congress last year and signed by the President. They have demonstrated their willingness to have an all-parties conference with no pre-conditions. And they have had elections which, in the minds of the international observers—which included the ACU team—were fair and free. It is my opinion, and the opinion of the leadership of the American Conservative Union that economic sanctions against Rhodesia should be lifted, and that our government should move to recognize that country," Bauman concluded.

Bauman presented the preliminary report of the ACU delegation to Rhodesia. The team included syndicated columnist and author of two books on Africa, *Smith Hempstone*; former Alaskan Congressman *Howard Pollock*; former director of the Office of Public Safety for the Agency for International Development (AID), *Byron Engle*; and journalist and CBS commentator, *M. Stanton Evans.*

The ACU observers travelled several thousand miles around Zimbabwe-Rhodesia, visiting 36 polling places and interviewing several hundred persons. According to their preliminary report, the ACU team found the voter turnout for the election to be "impressively large," with the final tally at close to 65%. "Ballot security was observed," according to the report, and the secrecy of the ballot was "well guarded at all polling places" that the ACU team visited. Ineligible voters were turned away, and the voting they witnessed was not manipulated by the government.

In the conclusion of the report, the ACU observers stated:

"While voters understandably did not have a sophisticated grasp of the political issues at stake in this election, our questions on this point brought one consistent answer: the belief (or hope) that it would bring about an end to the fighting. Subsidiary themes included the belief or hope that the election would: a) produce a government representing all the people; b) "make things better" in terms of jobs (including the possible lifting of sanctions).

These responses confirmed the findings that the enormous turnout was not coerced, and that voters were participating of their own free will."

A complete copy of the ACU preliminary report on the Rhodesian elections is available at the ACU office. The final report will be issued shortly.

The American Conservative Union is the largest conservative lobbying organizations in the country, with membership in all fifty states and state chapters in 42 states. Some 75 Members of Congress serve on ACU's Advisory Assembly.

Preliminary Report of the American Conservative Union Observer Delegation to the Rhodesian Elections

(M. Stanton Evans, Delegation Chairman; Byron Engle, Smith Hempstone and Howard Pollock.)

For the past week, members of the American Conservative Union (ACU) delegation have observed procedures in and surrounding the conduct of the popular vote for the 72 common roll seats in the new Parliament of Zimbabwe Rhodesia.

This is a preliminary report on our observations and conclusions during the five-day period of the elections. A more fully detailed report will be issued shortly.

I. PROCEDURES

Like other observer delegations and journalists, the four members of the ACU delegation among them traveled several thousand miles back and forth across Zimbabwe Rhodesia to observe polling techniques in widely varied settings and political/military circumstances.

The polling places visited included the Eastern territory bordering Mozambique, tribal trustlands and farming areas around Bindura, the urban townships of Salisbury, the Belingwe tribal trustlands area, Fort Victoria, and Bulawayo.

In these areas, we were able to visit 36 polling places, and interview 156 voters, nearly all of whom were black. In addition, our group conducted an aggregate of 221 interviews other than those with voters in the polling places.

The people with whom we talked included members of the government, polling officials, political spokesmen, local press personnel, supporters of external leader Joshua Nkomo, university students protesting the election, etc. Our main concern throughout, however, was to assess the attitude of voters toward the election, and to determine as best we could whether the balloting was "free and fair", as stipulated in American legislation relating to our nation's policy toward Rhodesia.

II. CHECKPOINTS

It was apparent early on to most observers that the major concern in the election was not a matter of favoring one candidate or party over another, but the size of the total vote. Individual parties and candidates had obvious reason to want their vote totals enhanced at the expense of others, and we did make inquiries on this subject. The principal stake of the transitional government as a whole, however, was in having as large a vote as possible, to demonstrate popular support for the internal settlement, and to communicate to the world the advent of black majority rule.

If there were a dominant motive for irregularity, therefore, it would have pointed in the direction of inflated vote totals. We accordingly focused our attention as much as possible on checkpoints and methods which would cast light on this question. In general, the checkpoints and methods employed were the following:

1. Whether ineligible voters were in fact turned away by polling officials.
2. The disposition of spoiled ballots.
3. The sealing of ballot boxes.
4. The fluid used to prevent repeat voting.
5. The secrecy of the ballot.
6. The effects of martial law on the voting.
7. The spontaneity, or lack of it, of voters as reflected in interviews and other observations at polling places.
8. Visits to polling booths not on the official itinerary.
9. Talking to voters in private, away from officialdom.
10. Cross-checking with other observers for leads and observations.

In addition, our delegation was represented at the counting of ballots.

III. CONCLUSIONS

From our observations and interviews to date, we draw the following preliminary conclusions:

1. As all commentators have noted, the turnout for the election was impressively large, and will apparently reach 65 per cent of the total estimated electorate when the final tally is completed. (This was written as of 2 p.m. totals on the last day of the voting. The actual recorded percentage vote was 63.9 per cent). It should also be noted, of course, that this was a multi-party election, with four parties contesting openly for voter approval (five in one district).

2. The well-known military situation in the country obviously limited the ability of observers to move about at will in large groups. Random trips were permitted, however, to polling places and areas not on the official agenda, and members of our delegation (and others) availed themselves of this opportunity.

It was apparent to us that the prevailing security measures were necessary to the conduct of the election, and that the mission of the security forces was to protect the voters rather than to intimidate them. The voters seemed well aware of this, as exhibited by their obvious lack of apprehension concerning the presence of security forces and several statements to the effect that they were voting because they felt it was safe to do so. The guns, that is, were pointing out, not in.

3. Ballot security procedures were observed. Secrecy of the ballot was well guarded at all polling places we visited. Voters ineligible by reason of age were in fact turned away. The fluid used to prevent repeat voting appeared to work effectively. Also, while the pace of our schedule made it difficult to check the sealing of ballot boxes on a consistent basis, we did spot-check this and conferred with local press men who monitored it constantly. On both counts, the procedures seemed to be in order. We also spot-checked (without advance notice that we wished to do so) provisions for setting aside spoiled ballots, and found that these were being followed as prescribed.

4. The voting in the areas we surveyed was not, so far as we could tell, manipulated. The government expended a great deal of effort to publicize the election, explain procedures, and urge people to vote—something that occurs in our country as well and is generally thought to be commendable. In addition, it was apparent that the political parties made every effort to turn out supporters, persuade voters, and get people to the polls. This also occurs in our country and is considered perfectly acceptable. Considering the fact that the present election was the first one-person, one-vote election in Rhodesian history, such activities would seem to have been even more necessary and desirable here in Rhodesia than in the United States.

5. There have been allegations of people being forced to vote against their will, by their employers or by auxiliary forces. While we of course cannot say categorically that no such thing occurred anywhere in the country, we were unable to confirm any of these allegations in our voter interviews. The responses we received indicated that the people wanted to vote. Attitudes ranged from effusively enthusiastic in most places—a mood confirmed by huge crowds of dancing, singing and laughing demonstrators—to guardedly hopeful in some areas (such as Bulawayo) where opposition to the internal settlement is concentrated. In no case did a voter tell us he or she had been forced to vote. There were several instances, however, in which respondents said they had been warned not to vote, but did so anyway. A visible manifestation of this of this attitude was the voting at Keyara, where we saw rural residents continue to walk to the polls despite a guerilla attack a few kilometers distant.

6. While voters understandably did not have a sophiscated grasp of the political issues at stake in this election, our questions on this point brought one consistent answer: The belief (or hope) that it would bring about an end to the fighting. Subsidiary themes included the belief or hope that the election would (a) produce a government representing all the people; (b) "make things better" in terms of jobs (including specific mention of the possible lifting of sanctions). These responses confirmed the finding that the enormous turnout was not coerced, and that voters were participating of their own free will.

7. In summary: In the polling places we observed, and on the evidence we were able to assemble, the Zimbabwe Rhodesian elections of April, 1979, were conducted on a free and fair basis.

Members of the delegation: Byron Engle (former consultant with the Agency for International Development), Howard Pollock (former Congressman from Alaska), Smith Hempstone (journalist), and M. Stanton Evans (journalist), chairman.

The American Conservative Union is the largest conservative organization in the United States, engaged in political advocacy, lobbying, and legislative analysis.●

VOLUNTEER TAX CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKinney) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, each year millions of people make substantial contributions to improving the lives of others through giving of their time and themselves in volunteer work for worthwhile organizations. Presently, nothing is done to encourage or assist volunteer workers for the time they donate to these organizations or repay them in some form for the expenses incurred in performing these services.

The week of April 22–28 has been officially designated "National Volunteer Week" and, therefore, I would like to call to the attention of my colleagues legislation I introduced today which would provide a tax credit to volunteer workers engaged in the treatment, care, or rehabilitation of the physically handicapped or mentally ill. This is a multifaceted bill in that it will not only fill a vital community need but at the same time, assist in holding down the soaring costs of medical care. Enactment of this bill will also provide an incentive for increased community involvement in areas which are sometimes overlooked in the general concept of volunteerism.

The credit provided in this legislation would be available to any individual who has performed at least 50 hours of service, without compensation, for a qualified organization for the physically handicapped or mentally ill. The amount of the credit would equal 70 percent of the number of hours worked multiplied by the Federal minimum wage, with a maximum credit of $750—$1,500 in the case of a joint return. The tax credit mechanism is employed in the bill to avoid the inequities which sometimes occur when the deduction method is utilized.

Under the present tax code, financial contributions are deductible but the contribution of ones time is not. This bill corrects that disparity in the law and recognizes that time and effort are equally valuable. In fact, for many organizations which care for the physically handicapped or mentally ill, a donation of time and talent is more necessary and valuable than a monetary contribution.

I must stress that this bill is not designed to supplant personnel already employed by such organizations but rather, the opposite is true for its implementation will provide a vital supplement to already overtaxed staffs. Passage of this bill would establish an appropriate way to thank and encourage those dedicated individuals who give of their time to help others. I would hope that passage of this bill would provide deserved recognition for the significant efforts of many thousands of volunteers.

Finally, I recognize that there are a number of worthy fields this type of legislation could be ultimately applied to but at this time, the greatest need is in the areas of physically handicapped and the mentally ill. Consequently, the bill is geared to a 5-year experimental period and with meritorious results, it could be broadened at that time.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. Fenwick) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, yesterday I was unable to be present for three recorded votes which concerned H.R. 3363, to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communications Agency, and the Board for Internation Broadcasting.

Had I been present, I would have voted as follows:

Rollcall No. 97 on second consideration of the Ashbrook amendment, "nay";

Rollcall No. 98 to move the previous question, "aye"; and

Rollcall No. 99 on final passage of the bill, "aye", as the list of pairs will show.●

THE ELECTRIC VEHICLE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Corcoran) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am

today introducing legislation whose purpose is "to lessen our dependence on foreign oil imports by advancing alternative transportation systems." The "Electric Vehicle Act of 1979" is a companion bill to S. 624, introduced March 12 by Senator JAMES A. MCCLURE of Idaho.

This bill encourages the production and sale of electric vehicles—commonly referred to as EV's—by allowing EV's to be included in the computation of the corporate average fuel economy standards—CAFE standards. These CAFE standards are defined within Public Law 94-163, the Energy Policy and Conservation Act (EPCA), and mandate fuel economy standards for automobiles produced in, or imported into, the United States.

I became aware of the influence the CAFE standards have on auto manufacturers' decisions regarding their new car models during the March 13 and 14 hearings on the subject by the Energy and Power Subcommittee. By allowing manufacturers to include EV's in the computation of their fuel economy, this legislation would provide an incentive to the manufacturers to produce this type of automobile.

EV's are better than gasoline-powered vehicles in terms of emissions and noise and are suitable for a sizable percentage of the type of driving missions undertaken by Americans. Thus, this bill, with only a very insignificant cost to the Department of Energy, would provide the incentive to the auto manufacturers to do what they should be doing—developing alternative, marketable vehicles which do not rely on gasoline for fuel. As you may know, over 40 percent of the petroleum used in the United States today is utilized for surface transportation—our bill is designed to reduce that percentage.

The Congress previously expressed its concern about U.S. dependence on foreign sources of petroleum when it passed the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976 (Public Law 94-413). In that act, the policy is clearly stated: "The expeditious introduction of electric and hybrid vehicles into the Nation's transportation fleet would substantially reduce the use and dependence on foreign sources of petroleum." Under Public Law 94-413, the Department of Energy funds research, development, and demonstration projects which promote the use of electric vehicles. For instance, the U.S. Postal Service is experimenting with over 300 EV's under the provisions of Public Law 94-413. The legislation I am introducing today would complement Public Law 94-413 by encouraging private sector use of EV's. I should emphasize that this legislation does not require anything of the auto manufacturers or anyone else—it simply allows EVs to be included in the computation of the corporate fuel economy standards.

Support for the use of EV's has been expressed by one of the Nations' largest private fleet operators, the American Telephone & Telegraph Co. (A.T. & T.) and by the Nation's largest automobile manufacturer. A.T. & T. is one of five companies participating in a DOE electric vehicle demonstration program. A.T. & T. operates over 177,000 vehicles throughout the United States. A.T. & T. has stated:

> With the present state of electric vehicle technology, as many as 20,000 of its vehicles could be electric powered. If the operating range can be extended, another 20,000 A.T. & T. vans and trucks might be operated with electric power.

In a recent talk on the "Commercial Electric Vehicle Program at General Motors," a GM official stated that:

> Battery electric vehicles, built with today's technology can have a number of significant advantages over an internal combustion vehicle in selected applications where the range limitation of the vehicle is not important.

Some of these are:

A substantial reduction in noise;

Elimination of vehicle exhaust emissions;

Low energy costs;

Reduction in petroleum requirements; and

A reduction in maintenance costs.

After describing GM's electric vehicle program, the GM official made the following comment:

> In the last session of Congress, a bill was introduced which proposes to give "miles per gallon credit" to electric vehicles in proportion to their petroleum savings. Needless to say, this approach could provide an incentive for the development and production of electric vehicles.

In the January 1979 second annual report to Congress for fiscal year 1978 on the electric and hybrid vehicle program, the Department of Energy "recommends that further consideration be given to the applications and means of inclusion of electric vehicles in an automobile manufacturer's corporate average fuel economy calculations." The report goes on to say: "Based on preliminary studies, it appears that such an action might provide a strong incentive for the major automobile manufacturers to produce significant numbers of electric vehicles in the near term without Government support. Such an action would require amendment of the Motor Vehicle Information and Cost Savings Act."

Mr. Speaker, for the benefit of my colleagues, I would like to insert in the RECORD at this point the text of "The Electric Vehicle Act of 1979." Members may also want to refer to Senator MCCLURE's statement (4663-4665) made at the time of his March 12 introduction of S. 624.

H.R. 3718

A bill to lessen our dependence on foreign oil imports by advancing alternative transportation systems

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Electric Vehicle Act of 1979".

SEC. 2. Section 503(a) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2003(a) is amended by adding at the end thereof the following new paragraph:

"(3) In the event that a manufacturer includes electric vehicles in its fleet, the average fuel economy shall be calculated in the following manner:

"(A) The Secretary of Energy shall determine equivalent petroleum based fuel economy values for various classes of electric vehicles. Determination of these fuel economy values shall take into account the following parameters:

"(i) the approximate electrical energy efficiency of the vehicles considering the vehicle type, mission, and weight;

"(ii) the national average electricity generation and transmission efficiencies;

"(iii) the national average percentage use of petroleum in electricity generation; and

"(iv) the specific driving patterns of electrical vehicles as compared with those of petroleum fueled vehicles.

"(B) These equivalent petroleum fuel economy values shall be used in the determination of corporate average fuel economy standards as required in section 502.

"(C) The Secretary of Energy shall propose equivalent fuel economy values within 4 months after the effective date of this paragraph. Final promulgation of the values is required no later than 6 months after the proposal of the values.

"(D) The Secretary of Energy shall review these values on an annual basis and shall propose revisions, if necessary.".●

CONGRESS FORCED TO DETERMINE FUTURE OF BANKING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the persistent cries from the Capitol that Congress, not the regulatory agencies, should be the sole creator and final arbiter of public policy have been muted somewhat by last week's court of appeals decision finding certain popular banking services to be illegal. In response to three separate lawsuits, a three-judge panel unanimously ruled that banking agencies had overstepped their authority by permitting automatic transfer systems for banks, share draft accounts for credit unions, and EFT terminals for savings and loan associations. In so doing, the court has forced Congress to take action on issues which it has steadfastly sought to avoid.

Last November, when the Federal Reserve Board granted permission to banks to offer automatic transfer services, I warned that it was taking an action which should have been left up to the legislative branch. What was tantamount to interest on checking accounts was a substantive change in the way banks have operated, not merely a simple new service banks sought to offer their customers. At that time, however, Congress was content to allow the regulatory agencies to run the show, and determine the future of banking in America. The recent court decision has put the ball back where it belongs—in the hands of Congress. By its decision, the court has not passed judgment on the propriety of the banking services it declared to be contrary to law. It simply reset the tilt in the balance of power between the executive and legislative branches.

The court's controversial decision reveals two important facts about financial institutions today. First, regulatory changes have granted new powers to different classes of institutions, causing them to lose some of their congressionally mandated distinctions. Second, there are still enough differences between and among types of financial institutions that there exist substantial differences of opinion on policy issues which Congress has now been handed the task of deciding. Each of the three lawsuits which sought to end the banking services involved were brought by groups representing institutions which stood to lose their competitive edge if the services continued unabated. Banking is an area in which there is rarely a consensus within the regulated industry as to what legislative course is most desirable. The history of banking legislation, therefore, has been one of juggling the often conflicting demands of large and small rural and urban. thrift and commercial banking institutions.

Now that legislation in response to the ruling is inevitable, Congress will be beseiged by representatives of every type of financial institution, each asserting the validity of its cause. And this is as it should be. But the danger in such a system is that one major component may be left out of consideration. That is the consumer. In Congress efforts to arrive at an equitable legislative solution which will satisfy most financial institutions, the rights and needs of the consumers are often pushed off into a corner. While discussing the relative merits of automatic transfer services on the competitive balance between thrifts and banks, we risk losing sight of how the issues affect the individuals who must pay as much as $5 per month for the service, because their balance does not meet the requirements of the banks.

Hearings are already planned to consider the issues raised by the court's decision, and I intend to be present to assure that there is a voice for the people who keep banks in business—their depositors. A customer's relation to the banking industry is no longer a voluntary one, but a compulsory one. Few people in today's society are capable of conducting their financial affairs without the services of banks. Yet because of their sheer economic power, financial institutions have become emboldened enough to make demands contrary to what is in the public interest. Whatever the specific outcome of Congress consideration of the issues presented to it, it must be one in which highest priority is given not to the selfish interests of certain financial institutions, but to the interests of the people they were created to serve.●

NEBRASKA EXPLORING ENERGY ALTERNATIVES TO PREVENT SHORTAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, the premiere topic for discussion in the United States today is energy. How much do we use? How much do we need to use? What are our reserves? Will our reserves be adequate to meet ever-increasing demand? What alternative energy sources can be brought on line to make an early contribution to power generation? Precisely where should we be concentrating our limited financial resources to encourage research and development of alternative energy sources? What can we do to prevent shortages? How dependent are we on foreign oil? How can we reduce our dependence? And of course, what do we do if there is a severe interruption in the availability of oil to run our oil-based economy?

These questions are not easily answered and increased public debate is important. Each State in the Nation has developed its own means and attitudes toward energy supply and consumption. In my State of Nebraska significant efforts are being made to reduce consumption of energy while maintaining the ability to help feed not only our own people, but people all over the world. To further acquaint my colleagues with the energy situation in my State of Nebraska, I offer the following article entitled, "Nebraska Exploring Energy Alternatives to Prevent Shortages" which was published in the Midlands Business Journal of March 28, 1979. The article follows:

NEBRASKA EXPLORING ENERGY ALTERNATIVES TO PREVENT SHORTAGES

(By Marlene M. Slade)

Depending on who you talk to in Nebraska, we are either approaching an energy crisis or we'll have no shortages unless we create them with mandatory allocations, increased government regulations, and rationing. One point everyone agrees on is that the days of cheap energy are over.

To look at the total energy picture in our state, it is necessary to break energy down into its many components and examine each one.

NATURAL GAS

The future looks good for Nebraska as far as natural gas is concerned, according to William A. Henry, marketing operations manager for Northern Natural Gas Company.

Northern is a major pipeline supplier of natural gas, selling their gas to seventy-one distributors in eastern Nebraska, most of Iowa and Minnesota, and parts of South Dakota, Wisconsin and Michigan.

The company is one of the largest in the country with over 20,000 miles of pipeline. One of Northern's largest retail customers is People's Natural Gas.

Henry said that while natural gas is available, the same is not true with oil supplies.

"There is sufficient crude oil on an international level but the question will be how much we're willing to pay for it," he explained.

International relations and politics play major roles in the oil supply picture, according to Henry.

Natural gas, on the other hand, is primarily domestic with only a small amount imported.

Henry said that natural gas supplies have been improving the past couple of years due to legislation resulting in increased drilling.

"We deal with about 6,000 sources and even with our recent colder than normal winter, no one had to go without natural gas," he said.

He also emphasized that natural gas is still cheaper than oil or electricity. He anticipates some increase over the next several years but does not expect costs to become prohibitive or supplies to dwindle.

"Consumers have really been good at conserving energy and that certainly has a positive effect, too," Henry added.

Plans are underway to pipe natural gas to the Midwest from Canada and Alaska by the mid-1980s.

"The natural gas industry as a whole looks good for the future," Henry concluded.

OIL EXPLORATION IN NEBRASKA

Drilling for oil first started in Nebraska in 1949 in an area just north of Sidney. Since that time most exploration in the state has been in the Panhandle and in Red Willow County in south-central Nebraska.

In 1977 Nebraska and other Midland states contributed about 100 per cent in all U.S. oil production, according to U.S. Bureau of Mines statistics.

Oil exploration in Nebraska is expected to exceed last year's but production is not expected to increase appreciably. Nebraska produces about 6 million barrels annually. Drilling remains good in the state and is expected to increase.

PROPOSED COAL SLURRY PIPELINE

Kansas-Nebraska Natural Gas based in Hastings is a partner in a project to build a pipeline which would transport coal. This fairly new technology, moving coal by pipeline rather than rail, has created some controversy and legal involvements with the railroads who are refusing easements across their tracks, according to a Kansas-Nebraska spokesman.

Kansas-Nebraska Natural Gas, in partnership with Energy Transportation Systems, Inc., believes that urban communities will look increasingly to coal, in place of oil and natural gas, as a reliable and economical source of energy. The company sees slurry pipelines as environmentally and economically superior as a means of delivering the coal.

Originating in the coal fields of the Powder River Basin in Wyoming, the pipeline would run underground 1,378 miles in its route to the Mississippi River. It would cut through the western part of Nebraska with coal delivered en route or transferred to barges for further shipment on the waterway system.

Kansas-Nebraska Natural Gas is looking for completion of the pipeline in 1983 after a two year environmental impact study and an approximate two year construction period.

AGRICULTURAL ENERGY NEEDS

The Federal Department of Energy has ordered that eight million gallons of gasoline available for domestic use be directed toward agricultural needs.

According to Rep. John Cavanaugh, D-Nebraska, this insures that there will be enough gasoline for spring field work.

He said that an additional allocation of 400,000 barrels of crude oil for agriculture will be made sometimes before spring farming begins.

While the government appears to be doing all it can to help farmers in their fuel needs, agricultural economists in this area say the petroleum situation is uncertain.

Reasons for concern cited most often are that U.S. imports about 50 per cent of its crude oil which causes a heavy reliance on world affairs and that farmers need fuel at certain critical points to insure protection.

Most economists agree that the needs of agriculture will be met as any disruption in food production would have serious political consequences.

Marvin Duncan, agricultural economist with the Federal Reserve Bank of Kansas

City, Missouri, recently completed a study for the Federal Reserve Bank on energy alternatives for farmers. He predicts that farmers will be forced to conserve energy as fuel prices rise.

He said he is most concerned about the lack of a sense of urgency in both the political and public sectors because alternatives to petroleum use are rather limited.

Alternatives would be solar energy, methane gas, and motor fuel extracted from oil shale or coal but they would not be practical until the cost of crude oil exceeds the cost of the alternatives.

GASOLINE

In 1940 the price of regular gasoline in the Omaha/Council Bluffs area was 15.4 cents. It rose to 30 cents in the late 1950s and today hovers around the 74.5 cent mark for unleaded.

Although the Department of Energy denies that gasoline rationing is likely anytime soon, they have published a comprehensive plan outlining ways for consumers to keep vehicles and equipment operating if rationing becomes a reality.

Some petroleum industry officials believe rationing would happen if oil imports were reduced 20 per cent.

Secretary of Energy James R. Schlesinger has said that gas rationing would be contemplated if the shortage of oil goes beyond 10 per cent of the country's normal supply.

According to Nebraska officials, Nebraskans are beginning to trade their large cars for smaller ones, and some are reacting to talk of gas shortages by removing their auto emission control systems to get better gas mileage.

During the past month most oil companies limited deliveries to dealers, trimming supplies slightly now to avoid severe shortages this summer.

The Nebraska Gasoline Retailers Association, representing more than 100 stations in the Omaha and Lincoln areas, has hired an attorney to help members cope with the new rules and regulations. The Department of Energy's new gasoline allocation formula is one of the most recent. It was created to prepare for a possible summer shortage.

The effect of the allocation plan is to reduce the amount of gasoline most stations in Nebraska will receive during the next three months test period by 10,000 to 14,000 gallons.

There are those who doubt there is a fuel shortage at all, insisting there is no crisis unless we create one by resorting to mandatory allocations and rationing. Others blame the big petroleum companies for falsely creating a shortage to force prices up.

ELECTRICITY

Nebraska Public Power District predicts it will have no problem meeting the needs of its customers this year which includes the increased demands by farmers with electrically powered irrigation systems.

The completion of the 650,000 kilowatt Gerald Gentleman Unit No. 1 power plant near Sutherland will be a real boost to the NPPD system, according to company officials. A second 650,000 kilowatt plant is scheduled for completion at Sutherland in 1981.

ENERGY AND WATER VITAL TO FARMERS

Energy will have the most technological and economic impact on Great Plains agriculture during the next 20 years, Howard W. Ottoson said at a recent seminar in Lincoln.

Ottoson is director of the Institute of Agriculture and Natural Resources Experiment Station in the capital city.

As costs of energy increase, users will economize, decrease use and waste less, he predicted.

He also looks for a trend toward developing new, less costly forms of energy and substituting other resources such as solar power.

The other major consideration to farmers will be the availability of water. He expects farmers to irrigate more land in the future while industrial and residential users will be competing for some of the water presently used for agriculture.

Ottoson said that the amount of water allocated to agriculture will face increasing regulations regarding its use and when irrigation is no longer possible or profitable new technologies will emerge for a dryland economy.

All in all, the battle for water may become a major issue in the Midwest in the future.

SUMMARY

It is apparent that some forms of energy will not be in short supply in the near future while we will see shortages in other forms. Alternatives are being explored and thought about by more and more people and all of us, in one way or another, are seeking ways to conserve energy. One thing is certain, we will be paying more for the energy we use.●

SUMMARY OF TESTIMONY ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS: NO. 3

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

● Mr. VANIK. Mr. Speaker, as I have previously reported—CONGRESSIONAL RECORD, page H2308—the Subcommittee on Trade of the Committee on Ways and Means is currently conducting major hearings on the Tokyo round multilateral trade negotiations (MTN) and the legislation necessary to implement that massive trade agreement.

We have invited the full participation of all other committees interested in areas of the MTN, and I would again like to extend an invitation to each Member of the House of Representatives to join us in these hearings so that they may better understand this complex trade agreement.

I include in the RECORD at this point additional staff summaries of the testimony being received this week. I hope that the Members and their staffs will have the opportunity to review this material.

The staff summary of testimony follows:

Summary of the Statements of Hon. Barry Goldwater, Jr., and Hon. Robert Lagomarsino

Congressmen Barry Goldwater, Jr. and Robert Lagomarsino testified on the needs of the U.S. citrus industry. Both stressed the importance of a tariff concession from the EC in citrus, a quick resolution of the pending case filed by the citrus industry under section 301 of the Trade Act of 1974, and the passage of implementing legislation providing Presidential authority to prevent injury to producers of perishable crops.

The Congressmen expressed their belief that the EC's preferential tariff on fresh oranges is in volation of MFN and hoped that an EC concession on this issue would help rectify the situation. In any case, it was recommended that the citrus industry's case under section 301 should not be affected by any amendments to the newly-negotiated trade package.

Both stressed the need for legislation to provide the President domestic authority to take emergency action to prevent serious injury to producers of perishable crops when imports cause serious market disruptions.

Testimony of California Almond Growers Exchange (by Steven Easter, Introduced by Representative Tony Coelho)

The Exchange "believes that the proposed trade package represent distinct gains for U.S. agriculture" and supports the agreement.

Some tariff concessions by foreigners will result in gains for U.S. almond exports, but the Exchange is disappointed at failure to achieve better access in EC and urges continued negotiations.

The exchange supports Codes, but is concerned that other nations may not accede or comply with them, and legislation may someday be necessary to compel compliance.

Group urges judicial review "from adverse decisions in cases brought by domestic producers seeking relief from alleged violations of the trade laws" including 301 cases. Review should lie in federal courts, not Customs Court.

Testimony of National Council of Farmer Cooperatives (by Robert N. Hampton) and The National Grange (by Robert M. Frederick)

COOPERATIVES

"Our primary goal has been to gain more open and fairer access to markets abroad, and we believe that orderly and expanding trade in world markets would be seriously jeopardized by a failure of the Tokyo Round. While the short-term gains for U.S. agriculture in the Geneva agreements have been quite limited, there are important potential long-term benefits in the more significant 'non-tariff barrier' negotiations."

Urge provisions for prompt relief of dairy industry from injury from subsidized competition; "a formula which would further minimize any detrimental effects of additional cheese imports on U.S. dairy farmers"; improved access for U.S. exports through further negotiations; avoidance of grains agreements not in accord with farm-group recommendations.

THE GRANGE

1) The Grange believes that the Tokyo Round trade package meets its objectives.

2) Points out that U.S. agriculture's approval of subsidy "disciplines" on the EC Common Agricultural Policy should not be interpreted as U.S. acceptance of export subsidies or the CAP.

3) Recommends further negotiations to gain increased access to foreign markets, supports the "cathedral" and the continuation of the trade advisory committees.

4) Has some strong reservations over increased cheese imports and suggests that the legislation should spell out ways that the subsidy and countervailing codes can be administered quickly to relieve the dairy industry from unfair competition and abuse of section 22 quotas.

Summary of Testimony, National Cattlemen's Association, Sam Washburn, Chairman, Foreign Trade Committee

While expressing support for the total MTN package, Mr. Washburn's testimony focused on the Cattlemen's concerns with four aspects of the negotiations: access agreements, the Subsidies Code private sector involvement, and the safeguards codes.

The Cattlemen's Association was dissatisfied with the access agreements on beef to both Japan and the EEC. Agreements reached with Japan will raise the present quota from 16,800 metric tons (M.T.) to 30,800 M.T., with the stipulation that more beef will be allowed access if U.S. producers can create demand above the agreed levels. Washburn expressed that this agreed level is not proportional to the amount the Japanese market could absorb. In addition, the Livestock Industry Promotion Corporation in Japan controls 90 percent of the beef imports and through a variety of surtaxes, and other charges can restrict future demand and thus effective access.

In the EEC agreements, NCA once again felt access levels were too low. Washburn spoke against the fact that U.S. access of 10,000 M.T. would be subject to a 20 percent ad valorem duty and that the U.S. has agreed to accept 5,000 M.T. of the EEC's subsidized beef for sale in our markets. NCA feels the agreement legitimizes subsidization of exports and thus is fundamentally wrong.

NCA expressed, in agreement with STR, that the principles of the Meat Import Law and Voluntary Restraint Program should be excluded from any Safeguards Code by wording in the implementing legislation.

In the areas of subsidies and countervailing duties, NCA objects to the requirement of the injury test procedures proposed in the subsidies code on two grounds:

1. Products produced or marketed under government subsidy constitute a prima facie case of injury to a domestic industry. The U.S. should impose countervailing duties to the extent of the subsidy;

2. Countervailing duties on subsidized products should be imposed until producing and consuming nations grant access to their markets for U.S. goods equivalent to access given them in U.S. markets.

In terms of an injury test, NCA feels cyclical inventory fluctuations make it virtually impossible for the cattle industry to attribute loses or prove injury as proposed in the code. Thus if an injury clause is included in the final version of the subsidies code, consideration must be given to the differences within the agriculture and livestock meat industry as distinct from other industries. Additional considerations for determining impact on the domestic cattle industry should include: stage of the cattle cycle, rate of cow slaughter, consumption, weather, effects on allied industries, and rural business communities.

Lastly, Mr. Washburn said NCA would like to see the private sector advisory groups continued and given more latitude, staff, and support. He hopes recommendations of the private sector groups could be more regularly acted upon.

Summary of Testimony by Peter E. Marble, Chairman, Agriculture Technical Advisory Committee on Livestock and Livestock Products

Mr. Marble's testimony expressed the view that U.S. agricultural approach to MTN has been flawed in three major respects:

1. U.S. agricultural access into foreign markets was not pressed on a basis that is reciprocal to that extended to agricultural or industrial imports to the U.S.

2. U.S. private enterprise market has been stripped of reasonable defenses against foreign schemes of government subsidy, supply, and market management.

3. U.S. private sector representation in international trade problem solving has been neglected in favor of a continuum of international bureaucracies. Governments are adopting unsuccessful government solutions managed by bureaucracies in place of those oriented to the market, and private enterprise.

In addition, Mr. Marble spoke out against the requirement of an injury test for domestic farmers against foreign subsidized goods. He also commented that implementing legislation should stipulate that no unsubsidized U.S. agricultural commodity should be subject to a level of foreign imports that exceeds the reciprocal opportunities guaranteed to U.S. farmers for their exports. Mr. Marble recommended that farmers or their elected representatives be the principal U.S. representatives to international commodity agreements.

Lastly Mr. Marble discussed the role and reorganization of the private sector advisory committees. In the future, he said, the committees should be structured as one group directly responsible to Congress; advisory to the Administration, subject to its own rules, with chairmanship access to a limited, privately-directed staff, granted a modest budget for committee member and staff expenses for at least two meetings a year, and the groups representation should reflect that of the presently constituted ATAC's in proportion to agricultural production and sales.

Summary of Testimony by Sheldon J. Hauck, President, National Soybean Processors Association

Mr. Hauck spoke in support of passage of the trade agreements and their enabling legislation.

NSPA commends U.S. negotiators for Brazil's concession to phase out export subsidies. Also, though pleased with Japan's agreement of a zero-duty binding on imports of soybeans, NSPA feels that in subsequent negotiations with Japan efforts should be made to obtain a zero-duty binding on soybean meal and oil.

Lastly, NSPA hopes the Office of STR is granted funding to support its full staff in order to ensure that the spirit and intent of the new GATT agreements are enforced.

Testimony of Rice Millers' Association (RMA) by Stephen Gabbert, Executive Vice President

RMA congratulates Amb. Strauss "for a job superbly done. We are gratified that a major barrier to the sale of American rice in Europe has been reduced." RMA strongly supports Subsidies/CVD Code: "Of particular importance to U.S. rice exporters are the limitations placed by the Code on subsidies that displace U.S. agricultural products in third-country markets."

Testimony of National Milk Producers Federation by Patrick B. Healy, Secretary

Federation "unanimously expressed opposition to any trade agreement which would expand dairy product imports, relegate the countervailing duty statute to a dead letter through the addition of an injury test, and expressed opposition to any package of trade agreements or legislation of which these items were a part."

Testimony describes in detail nature of domestic milk support programs and importance of import limitations for the operation of those programs.

Testimony notes that dairy industry will be affected, adversely, by increase in cheese quotas and imports, and "nullification of the CVD statute by the specific recognition of the right of exporting nations to employ export subsidies and the addition of an injury test to the U.S. CVD statute." Testimony presents detailed discussion of the nature of the cheese quota changes, noting that the industry has frequently been faced with administrative actions increasing the size of the quotas—and that such further increases are likely in the future. Federation also expressed concern about ability of importers to circumvent quota definitions, and notes that 1978 cheese import statistics distorted by late surge of imports designed to avoid CVD fees. Testimony estimates costs to dairy farmers of milk displaced by increased imports. Federation notes that CVD code injury test is time-consuming and unreliable protection against subsidized imports.

Recommendations of Subcommittee on ways to prevent undercutting "an improvement" but "does not . . . remove the basic objection of the dairy farmer."

Testimony briefly discusses International Dairy Agreement, which does not seem to have much impact on U.S. farmers.

Testimony discusses problems created by casein imports and commends Subcommittee request for an ITC study of casein.

In conclusion, testimony expresses disappointment that advice of private sector not followed more closely and notes "We do not feel . . . that a case can be or has been made for the sacrifice of a significant segment of the dairy industry in exchange for some hoped for gain in other areas."

Testimony of Ruth Robbins, First Vice President, League of Women Voters, April 24, 1979

In keeping with the historic stance of the League of Women Voters—in support of trade liberalization—first Vice President Ruth Robbins announced the League's support of the MTN agreement. "Such a policy serves the political and economic interests of this country and its citizens, collectively and individually, because it paves the way for political harmony among nations, promotes economic development at home and abroad, and expands consumer choice." However, she also expressed several concerns held by the LWV.

On import relief, all safeguard actions, both government and industry, should be reported. The League recognizes the necessity of selective temporary safeguards "to allow industries severely injured by a rapid influx of imports a time to adjust." However, she stressed that this relief should not be permitted to damage our foreign relations. The LWV feels that the best way to satisfy both the needs of our domestic producers and those of other nations is through "a more effective trade adjustment assistance program." The LWV "supports the reform of the Trade Adjustment Assistance Program as contained in H.R. 1543."

On subsidy/CVD Codes, Robbins noted the League's great support of the procedures outlined in the negotiations which levy countervailing duties according to the effect of the foreign subsidies, not their mere existence. On the other hand, she did advise that legislation which sets a minimum investigation period "might only serve to encourage determinations based on inadequate information simply to meet statutory guidelines." In addition, U.S. countervailing duty law should clearly state that "injury shall, unless otherwise specified, be taken to mean material (i.e. important and consequential).

Likewise, she expressed the necessity of adequate time in antidumping investigations to insure that the findings are "founded on as thorough an understanding of the evidence as possible."

The LWV supports special efforts to help LDCs in trade.

In conclusion, Robbins stressed that translation of the MTN codes into domestic law should reflect the intent of the negotiations and that "too many concessions made to get political support could negate the progress made in the(se) negotiations . . . (and) call into question our credibility and reliability in future negotiations."

Testimony of Richard Maxwell, First Vice President, American Importers Association, April 24, 1979

Representing the American Importers Association (AIA), Richard Maxwell, First Vice President, although choosing not to comment on the MTN package as a whole, offered some suggestions to improve its provisions. The AIA is concerned that the "cumulative impact" of amendments to CVD and Antidumping laws may "transform these laws from fair trade laws into 'legal' barriers to trade. . . .".

In the area of Countervailing Duties, the AIA recommends (1) longer time limits for investigations than either the House Subcommittee on Trade or the Senate Committee on Finance; (2) that implementing legislation should use the term "material" injury; (3) that proposals should not be implemented that restrict Treasury's ability to determine "net subsidy"; (4) that confidentiality of information should be totally preserved at the administrative level; (5) that current procedures of Provisional Bonding be retained; and (6) that injury test provisions should be extended to all countries that have acceded to the code.

Concerning Antidumping, Maxwell urged that (1) there be no reduction in the time permitted to conduct an antidumping investigation; (2) that there be continuation of the current practice of requiring bond until such time as goods have been determined actually to be dumped; (3) that Section 205(b) referring to cost of production and section 206(a) which mandates arbitrary addition of 10 percent for general expenses and 8 percent for profit, be eliminated from the Antidumping Act; and (4) that every importer have its duties assessed on the individual merits of that entry.

Additionally Maxwell suggested that no changes be made in the time limits for the Escape Clause (Section 201) of the Trade Act of 1974; that U.S. law should be amended to give full effect to the new Valuation Code; that the F.O.B. basis of Customs Valuation be retained; and finally that neither an automatic licensing system nor an import auction be implemented.

He also strongly recommended that only changes necessary to the implementation of the MTN be included in such legislation.

Summary of the Statement of the Joint Industry Working Group Customs Valuation

Mr. Richard D. Langer, Vice President of the CDC, testified before the Trade Subcommittee on behalf of the Joint Industry Working Group, a widely-based ad hoc coalition interested in the subject of customs valuation.

The group strongly endorsed the Valuation Agreement and applauded the success of the negotiators in Geneva in arriving at an excellent agreement on this difficult subject. Mr. Langer did, however, present suggestions for refinements in the implementing legislation.

The primary concern of the group was that legislative implementation should be as comprehensive and specific as possible, leaving only a necessary minimum to administrative discretion, regulations, and judicial clarification. To this end, sections of the agreement dealing with "royalties", "assists", and the valuation mandates of Section 500 need to be rewritten for clarification and U.S. needs to assist exporters in invoking international dispute settlements and provide technical assistance to foreign customs services.

The administration of the Agreement was also of concern to the Joint Industry Working Group. Specifically, the group felt that the Statement of Administrative Action should adequately reflect those parts of the agreement not amenable to codification, and carefully differentiate between those parts of current administrative practice that are consistent with the agreement and those that are not. The Group stressed the need for draft legislation to be made public as soon as possible and made a large number of technical recommendations for inclusion of code language in U.S. legislation, use of GAAP accounting to be included in U.S. law, tightening of section 500, and improvements in proposed administrative regulations.

Finally, Mr. Langer expressed the group's interest in the maintenance of the traditional U.S. practice of FOB valuations.

Summary of the Statement of William A. Barringer on Behalf of Arter, Hadden, and Hemmendinger

Mr. Barringer's submitted statement before the Trade Subcommittee on behalf of the Washington law firm of Arter, Hadden, and Hemmendinger on proposed changes in procedures for investigations under the Antidumping and CVD laws, which he feels will create substantial barriers to full and fair investigations. The firm supports the testimony of American Importers Association.

The first major concern of the firm are the proposed timetables for antidumping and CVD investigations. The firm feels that the proposed limit for a preliminary determination by Treasury should be increased from 75 to 180 days after initiation of the investigation to permit the collection of more complete and accurate evidence. Any shortenings of the time periods should be instituted between the preliminary and final determinations of Treasury, for which a period of 60 days is suggested.

Of concern to the firm is the potential adjudicative problems caused by increasing access by counsel for interested parties to submissions in antidumping proceedings. It is felt that a liberal access policy could substantially complicate proceedings.

Another interest is that the definition of "injury" and "net subsidy" as well as the use of remedies, provisional measures, suspensions and discontinuance procedures be directed toward remedial rather than punitive actions. "Injury" should be demonstrably "material," the definition of a "net subsidy" should be flexible, provisional measures should be avoided, and whenever suspensions, remedies or discontinuance proceedings can be utilized, they should be.

In short, injury should be firmly established and foreign producers ought to be given a number of opportunities to alleviate U.S. objections prior to completion of an investigation in order to promote good relations between trading nations.●

MONTHLY LISTS OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The February 1979 list includes:

NATIONAL DEFENSE

Military and Civilian Managers of Defense Manpower: Improvements Possible in Their Experience, Training, and Rewards. Volume I—FPCD–79–1, February 16. Volume II—FPCD–79–1A, February 16.

Opportunities to Streamline the Air Force Headquarters Structure in the Pacific. FPCD–79–27, February 8.

Improvements Can be Made in the Management of Naval Recruit Training. FPCD–79–22, February 9.

Observations on Office of Management and Budget Circular A–109—Major System Acquisitions by the Department of Defense. PSAD–79–9, February 20.

A Time to Consider Alternative Sources of Quick-Response Sealift Capability. LCD–78–244, February 7.

Marine Amphibious Forces: A Look at Their Readiness, Role, and Mission. ICD–78–417A, February 6.

Letter reports

The Army's technician program is not fully achieving its objectives because about 46 percent of the Army Reserve dual-status technicians (military reservists who are also civilian employees of the Reserves) cannot be mobilized with their Reserve units. FPCD–79–18, February 26.

INTERNATIONAL AFFAIRS

Changes Needed for a Better Peace Corps. ID–78–26, February 6.

Agency For International Development Needs to Strengthen its Management of Study, Research, and Evaluation Activities. ID–79–13, February 12.

ENERGY

Review of the Department of Energy's Controversial Termination of a Research Contract. EMD–79–21, January 2.

Use, Cost, Purpose, and Makeup of Department of Energy Advisory Committees. EMD–79–17, February 2.

Higher Penalties Could Deter Violations of Nuclear Regulations. EMD–79–9, February 16.

Letter reports

Award of an Energy Department contract for an oil recovery project should be delayed until the merits of the project and the technical and financial capability of the proposed contractor are determined. EMD–79–24, February 9.

The Federal Government must develop an overall energy conservation plan which establishes specific goals, provides for measuring progress toward those goals, and contains standby initiatives which can be put into effect if sufficient progress is not being made. EMD–79–34, February 13.

Where are the delays in the hearings processes of the Federal Energy Regulatory Commission? EMD–79–28, February 13.

NATURAL RESOURCES AND ENVIRONMENT

Federal Response to the 1976–77 Drought: What Should be Done Next? CED–79–26, January 31.

Congress Needs Reliable Cost Estimates and Established Priorities for Allocating Funds for Water Resources Projects. PSAD–79–13, January 29.

Cleaning up Commingled Uranium Mill Tailings: Is Federal Assistance Necessary? EMD–79–29, February 5.

Congressional Control Over Appropriations to the Corps of Engineers Can be Strengthened. FGMSD–79–12, January 31.

Better Understanding of Wetland Benefits Will Help Water Bank and Other Federal Programs Achieve Wetland Preservation Objectives. PAD–79–10, February 8.

Mining Law Reform and Balanced Resource Management. EMD–78–93, February 27.

Alternatives to Protect Property Owners From Damages Caused by Mine Subsidence. CED–79–25, February 14.

An Assessment of DOD's Pollution Control Progress and Future Cost. LCD–79–303, January 26.

Letter reports

Few communities are encountering problems in financing the local share of constructing waste treatment projects. CED–79–35, February 13.

Cost of expanding the Redwood National Park. CED–79–34, January 15.

AGRICULTURE

Sugar and Other Sweeteners: An Industry Assessment. CED–79–21, February 26.

Food Salvage Industry Should be Prevented From Selling Unfit and Misbranded Food to the Public. HRD–79–32, February 14.

COMMERCE AND HOUSING

Comparative Growth in Compensation for Postal and Other Federal Employees Since 1970. FPCD–78–43, February 1.

TRANSPORTATION

Better Management of Metro Subway Equipment Warranties Needed. PSAD–79–41, February 27.

The Drinking-Driver Problem—What Can Be Done About It? CED–79–33, February 21.

COMMUNITY DEVELOPMENT

Domestic Housing and Community Development. CED–79–44, February 5.

SOCIAL SERVICES

More Effective Management is Needed to Improve the Quality of the Summer Youth Employment Program. HRD–79–45, February 20.

Early Childhood and Family Development Programs Improve the Quality of Life for Low-Income Families. HRD–79–40, February 6.

Student Eligibility and Other Problems in Federally Funded and Operated Schools in Puerto Rico. HRD–78–173, January 5.

The Federal Program to Strengthen Developing Institutions of Higher Education Lacks Direction. HRD–78–170, February 11.

HEALTH

Actions Needed to Stop Excess Medicare Payments for Blood and Blood Products. HRD–78–172, February 26.

Federal Hospitals Could Improve Certain Cancer Treatment Capability by Sharing. HRD–79–42, February 7.

Letter reports

Use of nutrition supplements in cancer treatment. HRD–79–46, January 22.

HEW's preparation and release of the listing of physicians and group practices receiving over $100,000 in Medicare payments was poorly managed. HRD–78–32, February 7.

INCOME SECURITY

Welfare Payments Reduced: An Improved Method for Detecting Erroneous Welfare Payments. GGD–78–107, February 5.

Erroneous Supplemental Security Income Payments Result from Problems in Processing Changes in Recipients' Circumstances. HRD–79–4, February 16.

VETERANS AFFAIRS

High Cost of Military Attrition Can be Reduced. FPCD–79–28, February 16.

ADMINISTRATION OF JUSTICE

Correctional Institutions Can Do More to Improve the Employability of Offenders. GGD–79–13, February 6.

GENERAL GOVERNMENT

Federal Budget Outlay Estimates: A Growing Problem. PAD–79–20, February 9.

Difficulties in Evaluating Public Affairs Government-Wide and at the Department of Health, Education, and Welfare. LCD–79–405, January 18.

Letter reports

Clarification needed of congressional intent of the Public Buildings Cooperative Use Act, governing acquisition and renovation of historical structures. LCD–79–302, January 25.

Allegations of unfair treatment of a moving company by the GSA and FAA were unsubstantiated. CED–79–48, February 21.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 257–6241.●

LEGISLATION TO LIMIT THE USE OF TAX-EXEMPT BONDS FOR HOUSING

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● **Mr. ULLMAN.** Mr. Speaker, today with Mr. REUSS, Mr. ASHLEY, Mr. CONABLE, and Mr. STANTON, I have introduced a bill which will amend the Internal Revenue Code to limit the use of tax-exempt revenue bonds for residential housing.

Traditionally, the Federal Government's subsidized housing program has been directed at providing shelter for those people who do not have the personal, financial resources with which to purchase or rent satisfactory housing. To this end, the prevailing subsidized housing programs have involved multifamily rental housing projects. State housing agencies historically have followed the same pattern, although they have issued $5.7 billion in single family bonds since 1970, with $2.8 billion in such issues in 1978.

A major change in the use of tax-exempt bonds to finance single family mortgages came in July 1978 when Chicago, Ill., issued $100 million in tax-exempt bonds. The proceeds from the issue were used to finance home mortgages for families with incomes up to $40,000. Because of the low rate of interest (7 percent) attributable to the exemption of the interest from Federal taxation, it was possible to provide the mortgages about 2 percentage points below the prevailing market rates for mortgages.

Since July at least 50 different localities have issued mortgage subsidy bonds for single-family housing. By April 1, 1979, $1.6 billion in such bonds have been sold. About $1 billion in these tax-exempt bonds were sold in the first 3 months of this year.

It is easy to understand the response of local governments to this opportunity to provide lower interest costs on mortgage financing for single-family, owner-occupied homes. It is also easy to understand why investment bankers and other underwriters are eager to market these bonds and why investors are willing to purchase them.

Despite its popularity, the use of tax-exempt revenue bonds to finance these private investments is poor public policy. The primary goal of Federal housing policy has been to provide shelter for low-income families. Any additional Federal resources for housing should be for priority purposes and be subject to the discipline of the budget process.

But the use of tax-exempt revenue bonds for these mortgages has other, broader implications. The increased funds for mortgages leads to increases in the prices for labor and materials used in building homes and for all other activities in which those skills and resources can be used. This exacerbates inflation and bids away resources that can be used more productively to construct badly needed new plant and manufacturing capacity.

The increase in tax-exempt bond issues will tend to increase the rates of interest for all tax-exempt bond issues. This is due to the fact that higher rates are necessary to attract additional investors. The higher rates, in turn, increase the interest costs to all State and local governments for their usual capital programs such as schools, hospitals, streets, and highways.

Not only does the issue of these bonds reduce the effectiveness of monetary policy, but these tax-exempt bonds make it more difficult to bring the Federal budget into balance. As bond buyers shift from taxable bonds or deposits in financial institutions to tax-exempt bonds, Federal revenues are reduced, and the budget deficit is increased.

Use of these bonds for housing purposes also is an ineffective way to administer a housing program. In fact, it amounts to a subsidized housing program with no exercise of any judgment or restraint over the use of the funds by either the administration or Congress. There are no controls over the allocation of funds among programs nor with respect to total budget expenditures. It funds programs for which Congress has refused to provide through the normal budget process.

Exemption from the Federal income tax is an expensive form of subsidy for the Federal Government. The loss of tax revenue because of the exemption from taxation for the interest income is greater than the interest saving to the State and local governments. This development occurs because the tax rate that would apply to the interest income is greater than the percentage relationship between the interest rates on tax-exempt bonds and on taxable bonds.

BAN ON MORTGAGE SUBSIDY BONDS

The bill which I have introduced is a simple bill. It provides that the interest income on mortgage subsidy bonds shall not be exempt from the Federal income tax.

A mortgage subsidy bond is defined as any obligation that is part of an issue from which the proceeds are used directly or indirectly for mortgages on owner-occupied residences. The denial of tax-exempt status applies to any obligation which is issued as part of an issue of which all or a significant portion of the proceeds are used for mortgage subsidy bonds. The restriction also applies to any other owner financing of an owner-occupied residence through the issue of tax-exempt obligations.

An exception is provided for any obligation which is part of an issue from which substantially all the proceeds are to be used to provide residences for veterans. The exception is applicable only when the payment of the principal or interest on the obligation is secured by the general obligation of any State, territory, or possession of the United States, or the District of Columbia.

ALLOWABLE TAX-EXEMPT HOUSING OBLIGATIONS

In order to assure that the Federal Government continues to meet its responsibility to assist its low- and moderate-income citizens in obtaining decent shelter, the exception under present law (Sec. 103(b)(4)) which permits tax-exempt financing for certain residential real property has been amended. Under the amendment, this exception for residential real property is limited to projects for lower or moderate income rental housing which meets the requirements of section 167(k)(3)(B) which relates to the depreciation deductions on the rehabilitation of housing for low- and moderate-income persons. Under these rules, the determination of what is low- or moderate-income will be made by the Secretary in a manner consistent with the leased housing program of the United States Housing Act of 1937.

EFFECTIVE DATE

The new restrictive definition of eligibility for issuing tax-exempt housing bonds goes into effect today, April 25, 1979. A transition period of 1 month is applicable to obligations issued before May 25, 1979, if the issue is made pursuant to a binding written agreement to sell the obligation, if the agreement was entered into before April 25, 1979.●

PANETTA INTRODUCES BILL TO PROVIDE ESTATE TAX RELIEF TO FAMILY FARMERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation to help preserve family farming in America. As my colleagues are aware, this has become an increasingly urgent problem, as it is proving more and more difficult for families to maintain their farms through more than one generation.

A major part of this problem has been the inability of families to compete with the extensive capital resources available to large-scale corporate farm interests. Rising costs of production, escalating land prices, and adverse weather conditions have forced thousands of family farmers out of agricultural production and thousands more to give up their right to own the land they work from day to day. Since 1950, in fact, farms have been going out of business at a rate of 2,000 per week, causing a 50-percent decline in the number of farms in America.

As my colleagues know, the key decision for a family on whether or not to continue to hold on to its farm very often centers on how to pay the estate tax on the farm property. Current tax law takes this problem into account, granting alternate, or use, valuation of property, as well as time extensions for payment of taxes, to most farms that continue as family operations. However, the estate tax is still a burden for these families, and it is often the catalyst in a decision to sell the property. Clearly, this problem must be alleviated.

The bill I am introducing today would provide a substantial exemption from estate taxes for all but the wealthiest family farms. The exemption would serve as an alternative, not a supplement, to use valuation. Farm property valued at up to $250,000 would be totally exempt from the estate tax, and a partial, graduated exemption would be granted to those with farm property valued at less than $835,000.

Under my bill, the exemption would be subject to the same restrictions that exist for use valuation of property. Thus, the farm would have to comprise at least 50 percent of the gross estate, it would have to be passed on to a member of the decedent's family, and the family would have to maintain material participation in the operation of the farm. If within 15 years of the decedent's death the heir disposed of the property, the property would become eligible for the estate tax under the same procedure that applies for use valuation.

The problem of concentration in agriculture is becoming more acute with each passing year. We have reached the point where the largest 5 percent of farms in the Nation account for 50 percent of the sales of agricultural products, while the smallest 50 percent account for only 5 percent of sales. These are disturbing figures, and the situation is rapidly going downhill.

These are not only trends and statistics, though. We are talking about individual families who want to carry on the work of their parents and grandparents. Through no fault of their own, they are being squeezed out of this birthright, and I believe we in Congress can and must help to preserve for them the opportunity to maintain their farms.

Our Nation simply must commit itself to preserving family involvement in the farms of America. This bill is a step in that direction.●

MINOR DISPUTE RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ECKHARDT) is recognized for 5 minutes.

● Mr. ECKHARDT. Mr. Speaker, today I am introducing legislation to help State and local governments improve their forums for resolving consumer disputes and other minor civil disputes. For a number of years, I have been interested in ways to provide the ordinary citizen or the small businessman involved in a consumer dispute with access to inexpensive and speedy justice. I think the bill I have introduced today goes a long way toward accomplishing this goal.

A number of studies have recently highlighted the dilemma faced by the ordinary citizen when he or she is involved in a dispute involving a small amount of money. The costs of hiring a lawyer to pursue a claim through the courts is so great in comparison to the dollars involved in the dispute that it simply is not feasible for the average citizen to pursue a claim. Thus many legitimate grievances go unredressed.

The consumer whose $100 auto repair job does not solve the car's defect cannot afford the costs of hiring a lawyer to recover his money. Similarly, the small businessman who has not been paid for his goods or services knows that the expense of going to court to collect will exceed the costs on the transaction. Or the individual whose neighbor's loud stereo keeps him awake night after night cannot afford the time and expense to obtain an injunction to halt the nuisance.

As a recent report by the American Bar Association pointed out, guarantees of individual rights ring hollow if there is no forum available, in fact, for their vindication. Statutory rights become empty promises if adjudication is too long delayed to make them meaningful or the value of a claim is consumed by the expense of asserting it. The Chief Justice of the Supreme Court has expressed similar concern, noting that:

> There are many conflicts that fall into today's classification as minor disputes, which no one is solving and which ought to be resolved if we are to avoid the frustrations, tensions, and hostilities that often flow from unresolved conflicts.

Fortunately, there are ways of resolving minor disputes economically, fairly, and quickly. A few State and local governments as well as some business groups have been experimenting with arbitration and mediation procedures for resolving consumer and other minor civil disputes. In some areas, neighborhood forums have been established which use members of the community to help resolve disputes through mediation and other informal methods. There is also an indication that small claims courts can be improved so that they are more responsive to the individual citizen with a minor dispute.

Unfortunately, not nearly enough is being done to provide such informal and easy-to-use forums for resolving minor disputes. The bill which I have introduced today will provide an incentive to State and local governments to improve existing forums, and it will encourage them to try new methods. The bill establishes a grant program for local governments and private nonprofit organizations. Under the program, if a qualified group can show that they intend to establish a dispute resolution forum which satisfies criteria in the bill, they are eligible for a grant to assist them. The criteria are designed to insure that the forums will be inexpensive, easy to use, and readily accessible to the ordinary citizen. The criteria also assure us that Federal dollars will not be spent on ineffective programs. At the same time, the bill gives State and local governments flexibility to develop forums which best serve their needs.

The need for this legislation is well documented. I think it will enable us to take a major step forward in making justice available to the ordinary citizen. As a result, much of the frustration and hostility now engendered when disputes go unresolved can be relieved.●

CRUDE OIL DECONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, on April 5 the President announced his decision to decontrol domestic crude oil and impose a 50-percent windfall profits tax on the profits this act would give the oil industry.

The President's decision will escalate the already rapidly rising cost of energy, bringing undue hardship on many people in this Nation. While I understand the reasons behind his decision, I do not believe his action will cut oil consumption significantly, nor will it lead to a large increase in the amount of crude oil produced in the United States.

I would like to take this opportunity to insert in the RECORD my comments on the President's energy program, along with two articles from the Washington Post which support my position:

STATEMENT ON THE PRESIDENT'S ENERGY PROGRAM

President Carter has proposed some hard and difficult choices with respect to oil and gasoline.

He is quite correct when he points out our dependency on foreign oil. The latest figure is that we import 45 percent of our present consumption of crude oil.

The President's program for decontrol rests on two key but weak assumptions. First, President Carter assumes higher prices for gasoline and heating oil will cut consumption. Personally, I am skeptical that increased prices will force people out of their cars or to lower their thermostats more than they already have.

Second, the President assumes decontrol and windfall profits will encourage the oil companies to increase exploration for new oil in the United States.

The second assumption ignores two key points. In 1978 under price controls, the profits of the oil companies rose to record levels, and the industry already plans a record capital spending year for 1979. This suggests that profits are already more than adequate for increased exploration for domestic oil. Moreover, it is widely known that undiscovered domestic reserves of readily available oil are not very large and they pale in comparison to our yearly production.

It is for this reason I would have preferred to see the implementation of a windfall profits tax as a pre-condition for decontrol. The President does have the authority to decontrol on June 1st, but this gives the Congress very little time to enact a windfall profit tax prior to the onset of decontrol.

My impression of the President's proposed tax is that it is considerably weaker than the tough but fair windfall profits tax I introduced on April 4th. I believe we must raise substantial revenues to put into effect the President's proposal to modify the impact of higher energy costs on the poor, the elderly, and those living on fixed incomes. It is these people, along with the middle class, that will be hurt the most by decontrol.

[From the Washington Post, Apr. 12, 1979]

THE FALSE HOPES OF DECONTROL

(By Hobart Rowen)

Many independent thinkers, including editorial writers at The Washington Post and The New York Times, have convinced themselves that phasing out price controls on domestic oil, as proposed by President Carter, is the right policy. At least, they seem to believe, there is no reasonable alternative in sight.

But decontrol is predicated on twin premises, both of which are faulty. The first is that "Americans will react by insulating their houses, driving less and spending their money on things other than oil"—The Post.

The second is that higher prices will result in greater production, lower oil imports and regaining control "over the policies of the oil cartel—and its diplomacy in the Middle East"—The Times.

If only such results could be delivered! The basic flaw is the assumption that a free competitive market will utilize the price mechanism to balance out supply and demand.

But as the world has come to realize painfully in the past five years, there is no "free" or "competitive" market in oil. The price is set by the OPEC cartel, and we are marching to its tune.

If the advertised results were certain or even likely, decontrol might be defended. But every bit of evidence of the past few years shows that decontrol will neither discourage consumption nor add to supplies in an important way.

The oil industry itself doesn't claim that the combined potential of greater supplies and reduced consumption add up to more than 800,000 barrels a day in an economy that uses almost 20 millions barrels a day. That's peanuts. And the cost is enormous: an annual windfall when decontrol is complete of $17 billion in extra oil-company profits.

Let's examine first The Post's asertion that a consumption decline will follow price increases triggered by decontrol. The administration estimate (probably too low) is that decontrol will add 4 cents to 5 cents a gallon to retail gasoline prices over the next 30 months.

But in the economists' phrase, gasoline (and, to an even greater extent, heating oil) is highly "inelastic"; People tend to buy the product (or must buy it) regardless of price.

Thus, the price of gasoline at the pump has gone from around 40 cents to 70 cents a gallon since 1973 without appreciably changing driving habits. A few more pennies will hurt in low-income brackets, but won't affect the average American's love affair with the automobile.

Significantly, real savings in gasoline consumption in this country since 1973 can be traced more to fear of supply shortages or interruptions than to price hikes. Thus, Congress can claim credit for forcing Detroit to make smaller cars, and economy-wise consumers have kept up the pressure on the U.S. industry by showing a preference for efficient imports.

How about The Time's claim that production will increase, once there is decontrol? That is even less credible. The fact is, as Sen. Henry M. Jackson (D-Wash.) points out, that U.S. companies already have all the incentive they need to search for new oil. There is virtually no price ceiling on new oil, which accounts for about one-third of U.S. output.

What happens under decontrol is that the industry in stages re-prices its "old oil"—two-thirds of total output—from $6 to the world price, now about $16 a barrel. If there is any "extra" output, it's because the owners have been holding back production of old oil, anticipating decontrol. The Congressional Budget Office puts this potential trickle at 200,000 barrels a day. More optimistic estimates run to 400.000 barrels.

So holding out the hope that decontrol magically produces lots more oil is to further a delusion. Worst of all, Carter's decision to decontrol, regardless of congressional willingness to recapture a share of that $17 billion bonanza for the companies, was an abdication of political leadership.

The solution to the energy problem is to gain control of the supply of oil and its use. The President and Congress can limit the inflow of OPEC oil—by quotas and a government buying corporation if necessary. *That's* the way to gain some leverage over OPEC policy.

Such an effort would have to be accompanied by mandatory conservation measures for industrial and private use. It might require rationing. It would involve a real effort to expand mass transit, and expand renewable sources of energy.

All the president has done by going ahead with decontrol is to assure the nation that energy will cost more, inflation will worsen, and the oil companies will prosper. There is no assurance of a major reduction in consumption or acceleration of supplies. Company shareholders may cheer, but why should anyone else?

[From the Washington Post, Apr. 25, 1979]

WHY DECONTROL WON'T WORK

(By Ellen Berman)

In an effort to reduce America's increasingly alarming dependence on foreign oil, President Carter proposes to remove the federal prices controls that now apply to two-thirds of all domestic petroleum output. Decontrol would push the price of this oil to the OPEC cartel price—theoretically discouraging consumption and stimuating domestic oil production. Decontrol is estimated, however, to cost consumers up to $16 billion a year in higher prices for such essentials as gasoline and home-heating oil. And that enormous sum would go directly into the coffers of the major multinational oil companies. Before we fork over these bills, we need to ask some hard questions.

For our $16 billion expenditure, how much will decontrol reduce oil imports and increase domestic production? Even the White House claims decontrol will achieve only a negligible increase in domestic oil production, some 660,000 barrels per day by 1985 out of 20 million barrels per day of total U.S. consumption, just 3 percent above current use—not much help in cutting imports. Estimates by the Congressional Budget Office are even lower. And recent history suggests there might be *no* rise in production at all: Between 1972 and 1978, domestic oil prices jumped a dramatic 179 percent, yet U.S. petroleum output actually declined.

Will higher prices encourage conservation? The CBO estimates that by 1985 decontrol, at best, would reduce current levels of energy, consumption by only 1.7 percent—again not much of a savings for $16 billion in higher fuel bills. Energy price hikes, in fact, have had little conservation effect to date: Home heating oil prices shot up 184 percent since the embargo, yet consumption actually rose 17 percent. The painful truth—abstract economic theory to the contrary notwithstanding—is that energy is so vital a commodity that price manipulation is not a sensible way to achieve conservation. Trying to solve our energy problems by sharply escalating prices is an invitation to economic and social catastrophe.

And how fairly would these higher costs be shared? Skyrocketing energy prices have already bitten cruelly into the fixed budgets of the elderly and the poor; inadequate home heating and cooling caused the deaths of several dozen elderly persons last year alone. The average poverty family now spends $1,100 of its meager $3,300 annual income on energy; that figure will rise to over $1,400 under President Carter's decontrol plan. The White House contends the poor and elderly would get a whopping $100 of special help from the proposed windfall-profits tax, but lesser seers than Jimmy the Greek know that even this half-hearted gesture will be further eviscerated. The oil companies beat it before; their favorite senators and representatives are already wheeling up their multimillion dollar artillery to do it again.

Nor will inequities be confined to the poor and elderly; the beleaguered middle class will not only see its own energy bills jump precipitously, but will foot the national bill for decontrol's damaging side effects—more welfare, greater medical costs and more support for aging parents who can no longer make ends meet.

Finally, what about inflation? Decontrol makes a shambles—or a sham—of the anti-inflation program President Carter calls his No. 1 priority. How can the president expect the public to believe in a program that sanctions exorbitant increases in essential commodities while asking workers to limit salary increases to 7 percent?

The president's proposal for decontrol is a singularly ineffective, inequitable and inflationary approach to our energy problems. If decontrol is not the answer, what is? A combination of imaginative programs and policies that require strong leadership and disciplined public response.

First, the White House should immediately place oil and gas prices under the anti-inflation guidelines, since there is no justifiable reason for treating them differently from all other basic necessities. And Congress should extend the expiration date of controls on crude oil so that producers are signaled emphatically that the United States will no longer accede to every ransom demand.

Second, the conservation measures outlined in the president's speech—enforcing the 55-mph speed limit; redirecting excess electric generating capacity from utilities now dependent on oil to non-oil fired generators; efficiency standards for buildings; mandatory thermostat settings and reductions in unnecessary lighting—will yield savings greater than those alleged from decontrol, yet will cost absolutely nothing.

Finally, the government should move to assert *its* control over the most critical sector of our national economy, rather than abdicating this control to foreign governments and to major multinational corporations, which, after all, have no public accountability and no underlying responsibility for the public welfare.

It should limit the amount of oil we may import. This might not even require rationing—because we survived the embargo without it—but even rationing could be tolerated if the public felt the burdens were equitably shared. Oil imports should be channeled through a federal import purchasing authority so that our massive buying power can be used *en bloc* to bargain with the OPEC cartel. And a federal fuels corporation charged with developing all or a portion of our vast energy resources on public lands would end our exclusive reliance on the private oil companies.

The alternatives suggested would give the nation an energy policy that is effective, non-inflationary and, most important, fair to all citizens. With this program, the president can build the confidence and credibility he needs. And this program, unlike decontrol, would work.●

TRIBUTE TO MICHIGAN STATE SENATOR JOHN F. TOEPP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ALBOSTA) is recognized for 10 minutes.

● Mr. ALBOSTA. Mr. Speaker, I would like to bring to the attention of my colleagues the untimely death of my friend and former colleague in the Michigan State Legislature, State Senator John F. Toepp.

Senator Toepp served one of the largest senatorial districts in the State of Michigan for 14 years. During that time, he was the finest of legislators whose first priority was working hard for those people who initially sent him to the State capitol. I still hear, today, from many of my constituents who live in Senator Toepp's district, of his dedicated service to them. In the Michigan Legislature, we all appreciated his fairness and kindness regardless of political party. His dedicated, hard-working nature will be sorely missed by those who served with him.

My wife and I would like to join the many residents of central Michigan in extending our deepest sympathies to his wife, Catherine, and to his seven children. They can certainly be assured that Senator John Toepp's long and respected record of public service will always be an example that others in public life can look up to and follow.●

TRIBUTE TO THE LATE HONORABLE DONALD H. MEAD, NEW YORK STATE SUPREME COURT JUSTICE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, the central New York community lost a leader last week. He was not a leader in the popularly accepted sense—flamboyant, aggressive, and ambitious—but a leader with a different style, a style that used example, diligence, and a quiet, graceful sense of humor to live a happy, productive life that can be a model for all of us.

New York State Supreme Court Justice Donald H. Mead, former mayor of Syracuse, died April 19, 1979.

Judge Don Mead was a life-long friend and neighbor, a man whose impeccable character and unquestioned honesty was reflected in his open, pleasant countenance.

A native of Syracuse, he was a graduate of the Syracuse University College of Law, and, from a sense of community commitment, became involved in local political affairs in his twenties.

Serving on the Onondaga County and Syracuse City legislatures in the late thirties and early forties, Judge Mead also served as assemblyman in the New York State Legislature. Most area residents recall Judge Donald Mead as the competent, mayor of Syracuse in the mid 1950's. He was a county judge for 5 years before being elected to the State supreme court bench in 1965.

Involved deeply in community service, Judge Mead was a member of the United Cerebral Palsy Association of Syracuse. He was a former chairman and board member of the American Red Cross, Hiscock Legal Aid Society and the Supreme Court Justices Association of New York State.

A winner of many awards, one of his favorites was the "Tipp-Off" Award, presented annually by the Irish community of Syracuse to an individual whose community pride and leadership were judged outstanding during the previous year.

The rector of St. Mark's Episcopal Church, in his eulogy last Monday, said:

> He had that intangible gift, that most precious quality—a sense of humor. He will long be remembered with love as mayor, as jurist, as father and as friend. He was graceful in every sense of the word, theologically as well as socially.

To those well-expressed thoughts, Mr. Speaker, I would add only that our city and community were better for Donald Mead's presence. We was the kind of sincere, intelligent, and unaffected human being who knew both the seriousness of life and the joy of giving so much to it.●

MCPL NUCLEAR ALERT SERIES: I

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous mater.)

● Mr. SEIBERLING. Mr. Speaker, as one of the bipartisan group, Members of Congress for Peace Through Law (MCPL), I commend to the attention of my colleagues an editorial which appeared in the New York Times during the recent recess, and which, therefore, may have escaped the attention of many of us.

The editorial praises the Carter administration's decision to cut off aid to Pakistan, given that country's apparent nuclear ambitions. But the editorial also points out that we continue to give aid, and to ship uranium to India, despite India's detonation of a nuclear device 5 years ago.

Mr. Speaker, the issue of proliferation of nuclear weapons on the subcontinent is critical. Neither Pakistan nor India has signed the Non-Proliferation Treaty. And while both countries have placed some of their nuclear facilities under international safeguards, there is no assurance that all of them are safeguarded. As a result, the distinction between peaceful and military applications of nuclear power becomes increasingly hazy, and the risk of "letting the nuclear genie out of the bottle" grows even higher. The alternative appears to be to pressure India, as well as Pakistan, to open its nuclear facilities to inspection.

MCPL was formed in 1966 to help Members of the House and the Senate, on a bipartisan basis, coordinate their efforts to move to a more secure and peaceful world, including efforts to reduce the threat of nuclear armaments. With worldwide attention focusing on bilateral SALT negotiations between the United States and the U.S.S.R., we must not forget that other countries are "catching up" with the nuclear powers, and that without massive international efforts to control proliferation, our survival, and that of our children, will become ever more precarious.

I insert the editorial from the April 16, 1979, edition of the New York Times:

BAN THE BOMB IN SOUTH ASIA

The Carter Administration was right to cut off economic aid to Pakistan for surreptitiously starting to build a plant to produce nuclear explosives. But Pakistan was only doing what rival India did a decade ago, so trying to prevent the spread of nuclear weapons now requires effective measures against India as well.

Thirty years into the nuclear era, only the five permanent members of the United Nations Security Council have acquired nuclear weapons. This exclusivity may not last indefinitely. Besides India, a dozen other countries are pushing on the door. But the world should welcome every effort to defer such proliferation—especially when military rivals are involved.

The United States is engaged in an uphill struggle with Argentina, urging it to accept inspection safeguards and other restraints in a reactor deal with West Germany. Thanks to American pressure, Brazil is having sober second thoughts about a similar German deal. A show of American determination in southern Asia now can enhance the chances of avoiding a nuclear arms race in Latin American and elsewhere.

Pakistan's interest in nuclear weapons was stimulated in 1974 when India diverted materials from a civilian program to explode a plutonium device. Canada immediately cut off atomic supplies for India but the United States kept hoping to obtain assurances of no further weapons development. Economic aid to India has not been cut off and three Administrations have continued to send nuclear fuel for an American-built power station near Bombay.

But no adequate assurances have been received. On the contrary, Prime Minister Desai threatens to extract plutonium explosive from spent fuel rods at the station without the American consent that past agreements require. His reasoning is clever—too clever. He contends, correctly, that the United States promised to supply fuel during the reactor's lifetime. But the fuel contract required India to comply with American law and changes in it. Now the law has changed. Last year's Nuclear Nonproliferation Act requires an end of atomic fuel shipments next March to any nation, like India, that rejects international inspection of *all* its nuclear facilities. When the shipments cease, says Mr. Desai, so will the agreement, leaving him free to use the American rods for plutonium production.

As the Pakistani reaction shows, there is more at stake here than clever debate. The United States has shipped India 95 tons of enriched uranium—enough to produce tons of plutonium and hundreds of bombs. President Carter has been protecting India from fuel cut-offs to give negotiations a chance and to encourage that nation's return to democracy. Surely the time has come to draw the line.

The Nuclear Regulatory Commission has twice come close to canceling fuel shipments to India but the White House kept pressing for more. Another application is now pending. The commission should not again be pressured if India refuses to guarantee that there will be no diversion of the fuel. The President could also make it clear that he will not countermand the mandatory cut-off next March. And then, perhaps, the negotiations with India, as well as Pakistan, would take place in a different climate.

At least Mr. Desai no longer contends that there is value in "peaceful" nuclear explosions. He also promises not to authorize a second atomic test. But he is 82 years old and no successor can be bound by the promises he makes. Unless all Indian nuclear facilities are thrown open to inspection, Pakistan and the rest of the world cannot be sure that the weapons program has halted.

Pakistan has proposed that South Asia be a zone free of nuclear arms, posing the choice of nuclear weapons for both India and Pakistan or for neither. For America to stop shipping fuel to India may help the New Dehli Government make the wiser choice.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Gilman (at the request of Mr. Rhodes), on Wednesday, April 25, 1979, on account of official business.

Mr. D'Amours (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 50 minutes, today.

(The following Members (at the request of Mr. Marriott) and to revise and extend their remarks and include extraneous matter:)

Mr. Bauman, for 30 minutes, today.
Mr. McKinney, for 5 minutes, today.
Mrs. Fenwick, for 5 minutes, today.
Mr. Corcoran, for 5 minutes, today.

(The following Members (at the request of Mr. Donnelly) and to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Vanik, for 15 minutes, today.
Mr. Brooks, for 5 minutes, today.
Mr. Ullman, for 5 minutes, today.
Mr. Panetta, for 5 minutes, today.
Mr. Eckhardt, for 5 minutes, today.
Mr. Cotter, for 5 minutes, today.
Mr. Albosta, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Marriott) and to include extraneous matter:)

Mr. Young of Alaska.
Mr. Mitchell of New York.
Mr. Lent.
Mr. Gingrich.
Mr. Findley.
Mr. Wydler.
Mr. Hillis.
Mr. Davis of Michigan.
Mr. Hagedorn.
Mr. Derwinski in three instances.
Mr. Brown of Ohio.
Mr. Michel.
Mr. Badham.
Mr. Bob Wilson.
Mrs. Snowe.
Mr. Paul in four instances.
Mr. Roth.
Mr. Broomfield.
Mr. Gilman.
Mr. Daniel B. Crane.
Mr. Green.
Mr. Ritter.

(The following Members (at the request of Mr. Donnelly) and to include extraneous matter:)

Mr. Biaggi in 20 instances.
Mr. Mavroules.
Mr. Kildee in two instances.
Mr. Barnes.
Mr. Jacobs in three instances.
Mr. Kogovsek.
Mr. Mazzoli in two instances.
Mr. Reuss.
Mr. McDonald in three instances.
Mr. Ottinger.
Mr. Florio.
Mr. Coelho.
Mr. Charles H. Wilson of California.
Mr. Dingell in two instances.
Mr. Gephardt.
Mr. Eckhardt.
Mr. Stump.
Mr. Ford of Michigan in two instances.
Mr. Yatron.
Mr. Blanchard.
Mr. Jenkins.
Mr. Miller of California in two instances.
Mr. Long of Maryland.
Mr. Ginn.
Mr. Bingham.
Mr. Edgar in two instances.
Mr. Fisher in two instances.

ADJOURNMENT

Mr. DONNELLY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Thursday, April 26, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1395. A communuication from the President of the United States, transmitting his views on the termination of the Clinch River Breeder Reactor project and alternatives for breeder reactor research and development (H. Doc. No. 96–104); to the Committee on Science and Technology and ordered to be printed.

1396. A letter from the Acting Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report covering fiscal year 1978 on enlistment and retention incentives for reservists, pursuant to 10 U.S.C. 2134 and 37 U.S.C. 308b and 308c; to the Committee on Armed Services.

1397. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Army Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

1398. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to provide for the transfer of the facilities and related property of the Sinai Field Mission; to the Committee on Foreign Affairs.

1399. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on his department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1400. A letter from the Assistant Secretary of the Interior, transmitting a report on the amounts of money spent by the Commonwealth of Massachusetts, the city of Lowell, and nonprofit entities in furtherance of the Lowell National Historical Park, pursuant to section 103(d) of Public Law 95–290; to the Committee on Interior and Insular Affairs.

1401. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of the receipt of various project applications under the Small Reclamation Projects Act of 1956, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

1402. A letter from the Secretary of Agriculture, transmitting the annual reports for fiscal year 1978 on the administration of the Animal Welfare Act and the Horse Protection Act, pursuant to sections 25 and 12 of the respective acts; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

1403. A letter from the Comptroller General of the United States, transmitting a report on Indochinese refugees (ID–79–20, April 24, 1979); jointly, to the Committees on Government Operations, Foreign Affairs, and the Judiciary.

1404. A letter from the Director, Energy and Minerals Division, U.S. General Accounting Office, transmitting a recommendation that all future Department of Energy analyses of uranium resource demand include the losses of uranium during the milling of uranium ore; jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRADEMAS: Committee on House Administration. House Resolution 234. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees; with amendment (Rept. No. 96–102). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 236. Resolution providing for the consideration of H.R. 1543. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974 (Rept. No. 96–103). Referred to the House Calendar.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3464. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, and for other purposes; with amendment (Rept. No. 96–104). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN (for himself, Mr. Reuss, Mr. Ashley, Mr. Conable, and Mr. Stanton):

H.R. 3712. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on mortgage subsidy bonds will not be exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 3713. A bill to name the Jamaica Bay Wildlife Refuge portion of the Gateway National Recreation Area, Queens, N.Y., the Herbert Johnson Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. AMBRO:

H.R. 3714. A bill to amend title 28 of the United States Code to establish a separate judicial district for the counties of Nassau and Suffolk, N.Y.; to the Committee on the Judiciary.

By Mr. BAUMAN (for himself, Mr. Ashbrook, and Mr. Carney):

H.R. 3715. A bill to amend the United Nations Participation Act of 1945 with respect to the enforceability of Executive orders which apply measures against Rhodesia; to the Committee on Foreign Affairs.

By Mr. BONKER (for himself, Mr. Pease, and Mr. Wolpe):

H.R. 3716. A bill to repeal the provisions relating to Uganda of the act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved October 10, 1978; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mr. BROOKS (for himself and Mr. Preyer):

H.R. 3717. A bill to amend section 2504(b) of title 44 to extend for 5 years the authorization of appropriations for the National Historical Publications and Records Commission; to the Committee on Government Operations.

By Mr. CORCORAN (for himself, Mr. Maguire and Mr. Mottl):

H.R. 3718. A bill to lessen our dependence on foreign oil imports by advancing alternative transportation systems; to the Committee on Interstate and Foreign Commerce.

By Mr. ECKHARDT (for himself, Mr. Broyhill, Mr. Corrada, Mr. Forsythe, Mr. LaFalce, Mr. Lagomarsino, Mr. Minetta, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Vento, Mr. Waxman, Mr. Whitley, and Mr. Wolpe):

H.R. 3719. A bill to provide financial assistance for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolution of minor civil disputes, and for other purposes; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. PANETTA:

H.R. 3720. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax; to the Committee on Ways and Means.

By Mr. EVANS of Georgia:

H.R. 3721. A bill to amend the Controlled Substances Import and Export Act to increase the criminal penalties for the smuggling of 100 pounds or more of marihuana; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. FINDLEY:

H.R. 3722. A bill to amend the Social Security Act to make needed improvement in the programs of supplemental security income benefits, aid to families with dependent children, child welfare services and social services, and for other purposes; to the Committee on Ways and Means.

By Mr. FISHER (for himself, Mr. Barnes, Mr. Fauntroy, Mr. Harris, Mrs. Holt, and Mrs. Spellman):

H.R. 3723. A bill to require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator; to the Committee on Public Works and Transportation.

By Mr. FOUNTAIN:

H.R. 3724. A bill to provide the Secretary of Agriculture with flexibility in the imposition of marketing penalties for peanuts; to the Committee on Agriculture.

By Mr. GEPHARDT:

H.R. 3725. A bill to amend title 18, United States Code, to prohibit the counterfeiting and forgery of social security cards, and the sale of such forged or counterfeited social security cards; to the Committee on the Judiciary.

H.R. 3726. A bill to amend the Social Security Act with respect to the issuance of social security cards; to the Committee on Ways and Means.

H.R. 3727. A bill to amend title XI of the Social Security Act to limit civil liability of health care providers for damages arising in connection with health care treatment paid for under the Social Security Act to the extent that such damages include the cost of health care services for which payment may be made under that act; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. GIBBONS:

H.R. 3728. A bill to repeal the statutory authority to impose quotas on certain imported meat and meat products; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 3729. A bill to amend title XIX of the Social Security Act to disqualify individuals from medical assistance if they voluntarily transferred more than $3,000 worth of assets during the 24 months before they applied for such assistance; to the Committee on Interstate and Foreign Commerce.

Mr. HAMMERSCHMIDT:

H.R. 3730. A bill to eliminate the mandatory retirement age for certain members of the Foreign Service Retirement System; to the Committee on Foreign Affairs.

H.R. 3731. A bill to amend the Federal Aviation Act of 1958 to eliminate the age limitation presently imposed on certain pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 3732. A bill to amend title 38, United States Code, to establish within the Department of Medicine and Surgery of the Veterans' Administration the position of Assistant Chief Medical Director for Geriatrics and Extended Care and to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans' Administration.

H.R. 3733. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 3734. A bill entitled "Tax Credit for the Elderly Improvement Amendments of 1979"; to the Committee on Ways and Means.

H.R. 3735. A bill to eliminate the benefit reduction which is provided for supplemental security income recipients in certain long-term care institutions when such institutions do meet the standards established by States under section 1616(e) of the Social Security Act, to authorize payments to States to cover the cost of training and compensating personnel to inspect such institutions, and for other purposes; to the Committee on Ways and Means.

H.R. 3736. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a highway vehicle will be determined in the same manner as the business deduction for such expenses; to the Committee on Ways and Means.

H.R. 3737. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3738. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3739. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mrs. HECKLER:

H.R. 3740. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 3741. A bill to amend the Internal Revenue Code of 1954 to provide that petroleum coke will not be treated as a petroleum product for purposes of the energy tax credit and for purposes of the denial of the investment tax credit and rapid depreciation for certain boilers fueled by petroleum products; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 3742. A bill to amend the Internal Revenue Code of 1954 to apply to married individuals filing separate returns the income tax rates applicable to unmarried individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. JEFFORDS:

H.R. 3743. A bill to amend chapter 641 of title 10, United States Code, to close the Elk Hills Naval Petroleum Reserve to commercial production, and for other purposes; to the Committee on Armed Services.

By Mr. JENKINS:

H.R. 3744. A bill to amend the Internal Revenue Code of 1954 to exclude from the definition of an unrelated trade or business qualified convention and trade shows activities carried out by an organization described in section 501(c)(3); to the Committee on Ways and Means.

By Mr. JOHNSON of California (for himself and Mr. Harsha) (by request):

H.R. 3745. A bill to provide for the improvement of the Nation's airport and airway system, for the modification of airport and airway user taxes, and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. LENT:

H.R. 3746. A bill to amend title 5 of the United States Code to change the date of the legal public holiday of Memorial Day from the last Monday in May to May 30; to the Committee on Post Office and Civil Service.

By Mr. McKINNEY:

H.R. 3747. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for any individual who performs voluntary service for any organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 3748. A bill to provide for a uniform national 3-year statute of limitations in actions to recover damages for personal injury or death, arising out of a maritime tort, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 3749. A bill relating to the siting, construction, and operation of liquefied gas facilities in, or in close proximity to, the coastal zone, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 3750. A bill to amend the National Labor Relations Act to repeal the provision which permits States to prohibit agreements requiring membership in a labor organization as a condition of employment; to the Committee on Education and Labor.

By Mrs. SCHROEDER:

H.R. 3751. A bill to authorize certain appropriations to the Office of Personnel Management, the Merit Systems Protection Board, the Special Counsel of the Merit Systems Protection Board, and the Federal Labor Relations Authority; to the Committee on Post Office and Civil Service.

H.R. 3752. A bill to authorize certain appropriations to the Office of Personnel Management, the Merit Systems Protection Board, the Special Counsel of the Merit Systems Protection Board, and the Federal Labor Relations Authority; to the Committee on Post Office and Civil Service.

By Mr. YATRON:

H.R. 3753. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had current connections with the railroad industry, had at least 5 years of service, had attained the age of 65, and had not yet retired, as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

By Mr. FINDLEY:

H.J. Res. 305. Joint resolution to amend the Constitution of the United States to provide for balancing Federal outlays and receipts; to the Committee on the Judiciary.

By Mr. NICHOLS:

H.J. Res. 306. Joint resolution designating the period from February 10 through February 16, 1980, as "National Defense Week", to the Committee on Post Office and Civil Service.

By Mr. BOB WILSON:

H.J. Res. 307. Joint resolution establishing a Bill of Rights for members of the Armed Forces; to the Committee on Armed Services.

By Mr. BAUMAN (for himself, Mr. Rhodes, Mr. Ashbrook, Mr. Fountain, Mr. Broomfield, Mr. Hyde, Mr. Ichord, Mr. Bowen, Mr. Lagomarsino, Mr. Derwinski, Mr. Rousselot, Mr. Winn, Mr. Montgomery, Mr. Guyer, Mr. Cheney, Mr. Michel, Mr. Goodling, Mr. Robert W. Daniel, Jr., Mr. Barnard, Mr. Charles Wilson of Texas, Mr. Quayle, Mr. Findley, Mr. Gilman, Mr. Stump, Mr. Runnels, Mr. Sensenbrenner, Mr. Satterfield, Mr. Carney, Mr. Philip M. Crane, and Mr. Daniel B. Crane):

H. Con. Res. 110. Concurrent resolution expressing the sense of Congress that economic sanctions against Rhodesia Zimbabwe should be lifted and that U.S. diplomatic recognition should be granted to that nation; to the Committee on Foreign Affairs.

By Mr. NOWAK (for himself and Mr. Wolpe):

H. Con. Res. 111. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the commercial killing of new born harp seals; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAVANAUGH (by request):

H.R. 3754. A bill for the relief of Anna M. Kalkowski; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 3755. A bill for the relief of St. Paul's Episcopal Church, Riverside, Conn.; to the Committee on Ways and Means.

By Mr. GREEN:

H. Res. 237. Resolution to refer the bill, H.R. 3705, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of the rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 190: Mr. Kelly, and Mr. Mica.

H.R. 501: Mr. Dornan.

H.R. 601: Mr. Martin.

H.R 968: Mr. Nelson.

H.R. 1071: Mr. Montgomery, and Mr. Livingston.

H.R. 1900: Mr. Dan Daniel.

H.R. 1921: Mr. Jeffries.

H.R. 2444: Mr. Alexander, Mr. Young of Missouri, and Mr. Davis of Michigan.

H.R. 2588: Mr. Broyhill, Mr. Hansen, Mr. Andrews of North Dakota, and Mr. Leach of Iowa.

H.R. 2599: Mr. Bailey.

H.R. 2600: Mr. McDonald.

HR. 2679: Mr. Derwinski, Mr. Buchanan, Mr. Brown of Ohio, and Mr. Michel.

H.R. 2697: Mr. Shelby.

H.R. 2735: Mr. Blanchard, Mr. Corrada, Mr. Gilman, Mr. Lundine, and Mr. Murphy of Pennsylvania.

H.R. 2769: Mr. McCloskey, Mr. Lewis, and Mr. Shumway.

H.R. 2975: Mr. Pashayan, Mr. Mineta, Mr. Gudger, Mr. Jeffords, and Mr. Dellums.

H.R. 2982: Mr. Roe, Mr. Findley, Mr. Kemp, Mrs. Chisholm, and Mr. Corcoran.

H.R. 3111: Mr. de la Garza, Mr. Patten, Mr. Whitehurst, Mr. Breaux, Mr. Ginn, Mr. Lagomarsino, Mr. Pepper, Mr. Pease, and Mr. Zeferetti.

H.R. 3345: Mr. Murphy of Pennsylvania, Mr. Winn, Mr. Lehman, Mr. Richmond, Mr. Stokes, Mr. Mitchell of Maryland, Mr. Patten, Mr. Diggs, Mr. Vento, Mr. Evans of the Virgin Islands, Mr. Dougherty, Mr. Corrada, Mr. Marriott, Mr. Donnelly, Mr. Ottinger, Mr. McHugh, Mr. Weiss, Mr. Mineta, Mr. Panetta, Mr. Gudger, Mr. Hawkins, Mr. Burgener, Mr. Lowry, Mr. Flood, Mr. Beard of Rhode Island, Mr. Guarini, Mr. Wolpe, Ms. Ferraro, Mr. Bonior of Michigan, Mr. Pepper, and Mr. Nolan.

H.R. 3349: Mr. Sabo, Mr. Dornan, and Mr. Roe.

H.R. 3463: Mr. Grassley, Mr. Marlenee, Mr. Gray, Mr. Marks, Mr. AuCoin, Mr. Corrada, Mr. Ottinger, and Mr. Baldus.

H.J. Res. 161: Ms. Ferraro, Mr. Mazzoli, and Mr. Simon.

H. Con. Res. 102: Mrs. Holt.

H. Res. 190: Mr. Dougherty, Mr. Ratchford, Mr. Brodhead, Mr. Bowen, Mr. AuCoin, Mr. Bennett, Mr. Winn, Mr. Bafalis, and Mr. Vento.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

110. By the SPEAKER: Petition of the city council, Fall River, Mass., relative to oil price controls; to the Committee on Interstate and Foreign Commerce.

111. Also, petition of the National Association of Evangelicals, Washington, D.C., relative to religious freedom; jointly, to the Committees on Ways and Means, Post Office and Civil Service, and the Judiciary.

SENATE—*Wednesday, April 25, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. PAUL E. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, we thank Thee for high moments when the veil is lifted, the barriers are down and we know we are with Thee. And we thank Thee for those hours of daily duty when we work aware of Thy nearness. May the time of prayer and the time of work be indistinguishable this day and every day. We offer to Thee our work as our worship. As we work and worship keep our eyes on the distant goal, the coming of Thy kingdom on Earth.

We commend to Thy love and care Thy servants BIRCH and Marvella BAYH and their family that they may abide with Thee forever. Through Him who is the Resurrection and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., April 25, 1979.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 3 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MARVELLA BAYH—THE CONCLUSION OF A VALIANT STRUGGLE

Mr. ROBERT C. BYRD. Mr. President, I am certain that I speak for all my colleagues in extending to Senator BIRCH BAYH, his son Evan, and to all the other members of his family, the deepest condolences on the death of his wife Marvella.

Each of us realizes the unparalleled contributions that our mates make to our lives, both as Senators and as persons. The Senators' wives are special and distinguished women in their own right.

But Marvella Bayh, in addition to the strength and encouragement that she lent to her husband's life and career, succeeded in achieving a place in the hearts of millions of Americans that was unique. Through her talents, beauty, intelligence, and, above all, her faith and courage, Marvella Bayh established a significant role for herself in the life of this country. Moreover, in her personal struggle against cancer, she became an inspiration for others who are likewise victims of that same tragic illness.

In her fight for health, Marvella Bayh did not lose her love for life or those around her, and she did not relinquish the desire to serve others. She gave unstintingly of her time to the American Cancer Society, and did much to promote an understanding of the causes of cancer, and the problems confronted by those who suffer from it. In addition, her interest in the conquest of this dreaded disease has done much, I believe, to spur the search for its ultimate defeat.

All of us miss this vivacious and charming lady, and none of us shall ever forget her. I am sure that the prayers of all the Senators and millions of people across this Nation are today with the families of Senator BAYH and his wife. We shall ever be indebted to Marvella Bayh for the inspiration that she offered us in her valiant fight against cancer.

My wife Irma and I extend our deepest personal sympathies and condolences to Senator BAYH and to his son and to his family.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is to be recognized for not to exceed 3 minutes.

The acting minority leader is recognized.

MARVELLA BAYH

Mr. STEVENS. Mr. President, as one who has just recently gone through a similar experience to that which our colleague Senator BIRCH BAYH faces now, I want to join the majority leader in offering my condolences to the Senator and his family.

What the majority leader said is absolutely correct about Marvella Bayh. She was an inspiration, not only to women, but also to many of us men who have had to deal with the problems of cancer, and the problems related to our own family lives.

I recall one time when I was taking a position here on the Senate floor that was opposite to that of the distinguished Senator from Indiana. I received a note. I opened it up. It was a personal note in which Marvella told me to keep it up, I was right. I looked up and there she was in the gallery.

I sent that note over to the distinguished Senator from Indiana thinking that perhaps that little bit of lobbying might change his mind, but it did not.

She was a woman of courage, Mr. President, that is my point, and she was not afraid to state her position.

She and BIRCH and Ann and I have had many great times together.

As I said, I join the distinguished majority leader in trying to help perpetuate the memory of a great lady of the Senate.

OPENING UP TOO MUCH WILDERNESS

Mr. STEVENS. Mr. President, this morning the New York Times has an editorial about opening up too much wilderness.

I will not take away time from the Senate to comment upon this editorial at length, but I do think it demonstrates the problem the New York Times and other representatives of the great free press in this country have created for themselves.

They are now facing a dilemma caused by their own shortsightedness, in my opinion, in not trying to seek a balance in terms of the degree of protection that is required in the national interest of Federal lands and the amount of national interest there is in ascertaining the extent and nature of the resources that are on those Federal lands.

The time has passed for the old concept of multiple use. That question is no longer relevant, in my opinion. We are now talking about compatible uses of Federal lands. We are talking about the ability to use Federal lands not only to preserve the wilderness aspects of them, but also to have compatible utilization of the other resources in those lands, which include some nonrenewable resources as well as renewable resources, such as forest development.

Mr. President, I ask unanimous consent that the editorial from the New York Times be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

Opening Up Too Much Wilderness

How much of our still unspoiled national forests should be opened to development and how much preserved in pristine wilderness? After a two-year study, the Carter Administration has concluded that most of the remaining lands should be devoted to multiple uses, such as logging, mining, grazing, oil and gas recovery, and recreational activities involving motorized vehicles. Only a minor portion would remain "wilderness," without roads, improved campsites or permanent structures and accessible only by foot, horseback or canoe. In our view, the plan puts too much emphasis on exploitation at the expense of preservation.

More than 100 million acres—well over half the acreage in national forests—are already open to development, and 15.6 million acres are already protected as wilderness areas. The new plan addresses the last 62 million acres of undeveloped roadless land around the country. It would designate 36 million acres for multiple use, 15.4 million acres as wilderness and 10.6 million for further study.

There are strong interests in favor of development. Lumber companies contend that the additional timber will hold down prices, encourage more housing and retard inflation. Oil companies anticipate valuable discoveries in the "overthrust belt" in the Rocky Mountains; some 95 percent of this area has been left open for exploration. Cattlemen who graze their herds in forest pastures complain that their job becomes very difficult if vehicles are barred from fence repair. And promoters believe the areas will serve the greatest number of tourists if camp grounds, boat landings and ski lifts could be built, and visitors are allowed to drive as well as hike in.

But there is value, too, in preserving wilderness. In an increasingly urban nation, millions seek a recreational experience deep in the woods. The pristine land provides a refuge for wildlife, a resource for ecological study and a source of unpolluted water for areas that are running short. Some of these goals could theoretically be served by "multiple-use" forests that are wisely managed. But conservationists doubt that any development is possible without lasting damage.

How to balance these interests? The Administration's plan errs on the side of development. Although 15.4 million acres of wilderness sounds like a substantial amount, the figure is inflated; it includes 5.5 million acres in Alaska that are already protected by the lands settlement pending for that state. Elsewhere, conservationists complain that some of the most cherished wild areas have been gerrymandered, preserving only mountain tops and canyon sides that could not in any case be developed.

It would be more prudent to err on the side of conservation before priceless wilderness is lost for minimal development gains. Development is irrevocable; there is no need to make final judgments now. Congress should designate the most controversial lands for "further planning." That would allow some exploration for oil and minerals but give everyone a chance to review and reflect upon the Administration's course.

MARVELLA BAYH—A GREAT FRIEND AND A GREAT WOMAN

Mr. BAKER. Mr. President, yesterday the Senate lost a great friend and the Nation lost a great woman. Marvella Bayh was, of course, the wife of our friend and colleague from Indiana, a wonderful wife and a devoted mother. But she was also a remarkable woman who approached life, and even death, very much on her own terms.

The sadness we feel today is mitigated, at least to some degree, by the vivid memory of her courage, her hope, her faith, and her indomitability. So strong is the spirit of Marvella Bayh that she will surely live forever in our midst.

In the last years of her life, Marvella Bayh devoted herself to a personal crusade against cancer, traveling throughout the country and bringing the whole subject of cancer out of the realm of superstition and into the light of scientific and social concern.

She said last fall:

> These years since cancer came to me have been the most rewarding, the most fulfilling, the happiest in my life. I have learned to value life, to cherish it, to put my priorities in order, and to begin my long-postponed dream of being useful in my own right.

Our own words pale before these words of strength and courage. No memorial, no eulogy of ours would be as fitting, nor as gratifying to her, as would a renewed and perhaps an enlarged commitment to the conquest of cancer.

I urge my colleagues to join me today in making that commitment, in making Marvella Bayh's life and death the catalyst for progress she so much hoped for.

Our deepest sympathy goes to our friend BIRCH and his son Evan at this time of sorrow.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The majority leader has 1 minute remaining.

Mr. ROBERT C. BYRD. Does the Senator wish another minute? Did the Senator from Texas need another minute?

Mr. BENTSEN. Yes.

Mr. ROBERT C. BYRD. I yield my additional minute to the Senator.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized for not to exceed 11 minutes.

Mr. BENTSEN. I thank the distinguished majority leader.

MARVELLA BAYH

Mr. BENTSEN. Mr. President, I cannot let this occasion pass without joining the majority leader and the minority leader to speak of Marvella.

As one who has just lost a loved one within this last month to cancer, it was interesting to see Marvella during all of her problems and afflictions being concerned with others, really, giving love and comfort to others who shared some of the same problems, who had a great insight into the concern and the love that one has for a family under those kinds of conditions.

She was a great lady. We can take comfort in knowing that she has gone to everlasting peace and to everlasting love, and this following very shortly after the week of the Resurrection.

So I join my colleagues in our concern and our prayers and our sympathy for BIRCH at this time, for the loss of a wonderful woman.

S. 1003—TAX POLICY TO HELP AMERICAN BUSINESS MAINTAIN A STRONG COMPETITIVE POSITION IN WORLD TRADE

Mr. BENTSEN. Mr. President, together with Senator DANFORTH, I am introducing legislation today designed to simplify and clarify certain provisions of the Internal Revenue Code as it relates to U.S. exports.

It is generally agreed, Mr. President, that this is the year of trade in Congress. Congressional consideration of the multilateral trade negotiations and the legislation that may be required to implement them has served to highlight many of the problems encountered by American business in the increasingly carnivorous world of international trade.

As we review trade issues and the nature of our competition, it has become apparent to me and other Members of the Senate that this country must make an urgent, concerted effort to improve its performance in international trade. The consequences of a $30 billion trade deficit are alarming and apparent.

We must act to insure that American exports are not discriminated against in foreign markets. We must provide timely and effective relief to American industries injured by unfair trade practices such as dumping and subsidies. We must help awaken the American business community to the importance of exports and provide institutional support for American firms seeking to export. And we must remove, wherever possible, bureaucratic or legal impediments to maximum export performance in our economy.

In an effort to spur the sort of investment that will keep us export competitive and increase productivity in our economy, Senator DANFORTH and I recently introduced legislation to provide tax credits for research and development expenses and to provide faster depreciation. To enable American business to remain competitive with foreign firms, many of which are State-owned, we have suggested amendments to the Webb-Pomerene Act that would permit American firms to form consortia for export contracts. We have also sponsored legislation that reduces substantially the time periods for countervailing duty and dumping investigations while providing for judicial review of these decisions.

Since the entire purpose of the MTN exercise currently being reviewed by Congress is to facilitate international trade and reduce inequities in the trading system, it follows that our own laws should be consistent with this objective and with our international obligations. We can be sure, Mr. President, that our competitors in the international marketplace will not overlook any opportunity to give their exports a competitive edge.

The legislation I am introducing today addresses some of the complex and ambiguous provisions of existing tax law that tend to hinder American exports and punish smaller companies seeking to enter the export market. I sincerely hope that Senate consideration of this legislation will help focus attention on the vital link between trade and tax policy in our country.

The legislation has three main provisions:

First, business will be given simplified and specific rules for calculating a reasonable tax deduction for foreign bad debt losses. Such losses may now be deducted on the basis of experience. However, because of the variation among foreign accounts receivable, a simple rule of thumb for computing additions to a bad debt reserve will provide certainty and simplicity. This would be particularly helpful to new firms entering the export market that have not had experience in foreign trade. Our proposal would be identical to existing French law. A firm may deduct from income, the higher of first, 15 percent of taxable export income, or second, 2 percent of the total outstanding export credits appearing on the balance sheet at the end of the year. In any event, the total amount in the special reserve for export credits may not exceed 5 percent of the outstanding export credits appearing on the balance sheet at the end of the year.

Second, the tax code would be clarified to allow favorable treatment for certain market development expenses. Under section 174 of existing tax law, certain research and experimental expenses are, at the taxpayer's election, either deductible in the year incurred or amortizable over a period of 60 months or more. Our bill will clarify that the following expenses are eligible for similar treatment under section 174: First, foreign market studies, second, foreign marketing expenses, and third, foreign patents. This will remove in part certain ambiguities under existing law and be particularly helpful to firms new to international trade.

Third, businesses would be entitled to a tax deduction representing currency fluctuation losses on export credit which have not been repaid by the end of the taxable year. The purpose of this provision would be to allow a more proper accounting for losses attributable to currency fluctuations. The provision clarifies section 165 of the Internal Revenue Code relating to losses.

These are modest tax changes designed to simplify existing accounting and computation rules, particularly for small- and medium-sized firms.

In order to increase the U.S. competitive position, we must boost the productivity of American business. One method to achieve this would be to liberalize depreciation deductions to promote the investment needed to modernize equipment and machinery. For example, earlier this year, I introduced S. 231 which would increase the so-called Asset Depreciation Range (ADR) from its present level of 20 percent to 30 percent. Under present law, taxpayers are allowed to decrease the guideline life of eligible machinery by 20 percent. The legislation would increase this to 30 percent. Under existing law, if the normal life of a given piece of equipment is 10 years, a business can depreciate that equipment over 8 years. Under my bill, this would be reduced to 7 years. Furthermore, the legislation would substantially simplify ADR. The complicated annual Federal form would be eliminated and salvage value be disregarded for computation purposes.

Investment tax incentives must recognize the particular needs of small business. Accordingly, S. 231 would allow small firms to use a very simple table with shortened useful lives for depreciation purposes. It would give small firms the opportunity to choose useful lives for assets which are shorter than the useful lives that other businesses can use.

The President's inflation adviser, Mr. Alfred E. Kahn, said that he would surely like to see more liberal depreciation as a way to encourage investment and give a boost to the sagging rate of productivity improvement.

Federal Reserve Chairman G. William Miller said that faster depreciation is the most effective method to increase investment for the modernization of our manufacturing capacity.

Faster depreciation and R. & D. tax incentives would provide a positive incentive for U.S. trade consistent with our international obligations. In light of our staggering trade deficit of about $30 billion, prompt congressional action on such legislation is needed.

Mr. President, I sincerely believe that these proposals are in the national interest since they will serve to improve our ability to compete effectively in world markets and take full advantage of increasingly important export opportunities.

Mr. DANFORTH. Mr. President, today I am pleased to join Senator BENTSEN in introducing a bill providing tax incentives to promote U.S. exports. This bill is one in a series of measures which a number of us have introduced to help improve our Nation's serious balance of trade deficit.

On January 25, 1979, Senator BENTSEN, I, and 10 of our colleagues, introduced the International Trade Laws Reform Act of 1979, S. 223. The purpose of that bill was to assure that our Nation would have the proper and effective tools needed to counter unfair and illegal trade practices of foreign competitors. On March 21, 1979, I introduced S. 700, a bill to encourage corporations to spend more money on research and development by granting a 10-percent tax credit for such expenditures. Senator BENTSEN is a cosponsor of this bill.

On April 4, 1979, I joined with Senator BENTSEN and two of our colleagues in introducing the Export Trade Association Act of 1979. The purpose of that bill was to encourage more American firms to market their goods and services abroad and enable them to compete more aggressively with their foreign counterparts.

The proposal we are introducing today was drafted in recognition of the fact that marketing goods in foreign countries involves different risks than those incurred in marketing goods here at home. It would create a number of tax changes to help eliminate some of these barriers to increased U.S. foreign trade.

Specifically, this bill does the following:

First, it provides for a separate bad debt reserve to be established for export receivables;

Second, it clarifies the tax treatment of certain export-related research and development expenditures; and

Third, it allows a current deduction for certain foreign currency fluctuation losses on accounts receivable from export sales.

The elimination of our $30 billion annual trade deficit is a matter of utmost importance. In recent years, all major categories of U.S. exports have grown too slowly. In 1976 and 1977, capital goods exports experienced no real growth. Agricultural exports, which grew rapidly in the early 1970's and now account for over 20 percent of the U.S. total, increased by only 5 percent in value in 1977. The recent increase in the overall U.S. trade deficit reflects a continuing deterioration in our foreign trade position. The conclusion that we must do a better job of encouraging American firms to export their production is inescapable.

Mr. President, there is no easy way of eliminating our current balance-of-payments deficit. However, I feel this bill is the sort of careful, measured step which we must take immediately in order to change the disastrous course we now appear to be on.

S. 1004—SUSPENSION OF DUTY ON IMPORTED FREIGHT CARS

Mr. BENTSEN. Mr. President, together with Senators JAVITS, BAUCUS, DOLE, and MELCHER, I am introducing legislation today that would suspend for a period of 2 years the 18-percent duty currently charged against imported railway freight cars. This legislation is identical to H.R. 3046 introduced by Congressman FITHIAN et al. on March 19 in the House of Representatives. A similar bill of mine was passed last year by the Senate but not by the House.

Mr. President, this Nation faces a freight car shortage of very significant dimensions. The number of new cars ordered from domestic manufacturers has more than tripled since 1976. The American Railcar Institute reported a domestic railcar manufacturing backlog of over 96,000 units on January 1 of this year—an increase of 20,000 units since the Senate last considered duty suspension for imported cars. Domestic producers are scheduled to deliver approximately 84,000 units during 1979, which would result in a carryover backlog of 12,000 units at the end of the year.

It is apparent from the foregoing statistics that, at least in the short term, our domestic producers will be unable to fulfill the demand for freight cars.

This shortage is a matter of very real and pressing concern to the farmers, businessmen, exporters, and consumers of our country. It inhibits our ability to move important commodities—grain, fertilizer, coal, and industrial production—throughout the economy. It contributes to economic dislocations at a time we can least afford them.

In an effort to help relieve the freight car shortage without infringing on the legitimate concerns of American manufacturers, we are proposing a 2-year suspension of the 18-percent duty currently charged against imported cars. I want to stress, Mr. President, the temporary nature of this measure and assure my colleagues and interested parties that this suspension will not be casually or automatically renewed after 2 years. We are proposing a temporary measure to deal with a temporary shortage—one we cannot realistically expect our domestic producers to meet in full. If, at the end of the proposed 2-year suspension period, domestic manufacturers are able to meet domestic demand for freight cars, I for one would be prepared to oppose further duty suspension.

There is a second significant aspect of this legislation, Mr. President, which pertains to our bilateral relationship with Mexico. Mexico, a country of enormous importance to the United States, is attempting to cope with massive unemployment problems. The Mexicans have traditionally exported freight cars to this country duty-free, under the provisions of GSP. Last March, however, Mexico lost its GSP status when we ceased to make major purchases of freight cars from other foreign suppliers, and imports from Mexico exceed 50 percent of our total freight car imports. At this point, the freight cars we need so urgently became liable for an 18 percent duty.

I think there is a broad agreement in this Chamber that the United States and Mexico should be actively searching out areas in which we can cooperate to our mutual advantage. We should be looking for opportunities to establish our relationship on a firmer, more enduring basis.

It is clearly to the advantage of Mexico to produce and market freight cars, and I would submit that it is also in our economic and foreign policy interest to encourage such activity, so long as it does not adversely affect our domestic producers. In this regard, it is important to understand that over 50 percent of the components of a Mexican freight car are manufactured in this country.

To the extent that we are able to encourage, in this time of need, increased freight car imports from Mexico, we create additional employment opportunities in that country. We help relieve transportation bottlenecks at home. We provide additional business for American producers of freight car components. We help hold down the cost of freight cars and resist inflationary tendencies. And we demonstrate to our friends in Mexico that the United States of America is willing to pursue new areas of cooperative endeavor with our neighbors in this hemisphere.

I sincerely hope, Mr. President, that the Senate will agree with this assessment and act promptly to suspend the 18 percent duty on imported freight cars.

Mr. JAVITS. Mr. President, I am pleased to join Senators BENTSEN and DOLE in introducing a bill today that would suspend the duties on railway freight cars imported from Mexico. I urge my colleagues to join us in support of this measure which is in the mutual interest of both the United States and Mexico and which will help alleviate a serious problem in the United States.

Mexico has been a major supplier of the U.S. freight car market. In 1977–78, Mexico exported $40 million worth of freight cars to the United States, the first deliveries of which were duty free under the General System of Preferences (GSP). However, Mexico subsequently exceeded the 50 percent-of-all-United States-imports GSP limitation; and the 18-percent duty was, therefore, imposed in March 1978.

The 18 percent has prevented Mexico from supplying an important part of the U.S. market even though the United States cannot get enough freight cars elsewhere nor can the domestic producers meet the domestic demand in a timely manner. This is demonstrated by the fact that, according to the ICC, there is currently a 2-year backlog of 104,000 cars in pending freight car orders with U.S. producers.

This sizable backlog is causing a serious agricultural problem. Large amounts of agricultural commodities, including Mexican purchases of U.S. commodities, cannot be moved to markets because of the crippling freight car shortage.

It is also important to note that half the value of a Mexican freight car is comprised of United States-manufactured components. Domestic producers of component parts would benefit from a duty suspension because they supply the Mexican manufacturer with a substantial portion of the finished product.

Senator BENTSEN and I have worked very closely with the United States-Mexico Quadripartite Commission to improve our relations with our important neighbor to the South. At a time when our friendship with Mexico is particularly important and especially sensitive, I must point out the importance of this bill in helping to rectify a situation that if rectified will work in both the United States and Mexico's interest.

FIRST CONCURRENT BUDGET RESOLUTION FOR 1980, 1981, AND 1982

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Congressional Resolution 22, which will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 22) setting forth the recommended congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982 and revising the Second Concurrent Resolution on the Budget for fiscal year 1979.

The Senate proceeded to consider the concurrent resolution.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Indiana is recognized to call up an amendment.

AMENDMENT NO. 150

(Purpose: To reduce the budget authority and outlay amounts for the food stamp program for fiscal year 1980 to the amount authorized by law)

Mr. LUGAR. Mr. President, I call up amendment No. 150 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR) proposes amendment No. 150.

On page 8, line 16, strike out "$212,400,000,000)" and insert in lieu thereof "$211,362,000,000".

On page 8, line 17, strike out "$183,700,000,000" and insert in lieu thereof "$182,724,000,000".

The ACTING PRESIDENT pro tempore. The Senator from Indiana is recognized.

MARVELLA BAYH

Mr. LUGAR. Mr. President, at the outset of this debate, which will end with a rollcall vote and in which the majority leader will indicate that the Senator from Indiana (Mr. BAYH) is necessarily absent, let me simply say that throughout the year of 1974, Birch and Marvella, and their son Evan, my wife Charlene, I, and our four boys, spent 1 year together in Indiana. We came to know each other very well. We have very deep affection for each other, and it seems like just a day ago, although it was 5 years, but I very much appreciate the tremendous witness that Marvella Bayh brought to the life of our State and into the life of her family.

My sympathy is with Birch and Evan and their family today, and I know I speak for all the citizens of our State.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LUGAR. I am happy to yield.

Mr. MUSKIE. I think it is most appropriate that the distinguished Senator should begin this session of the Senate with a word of tribute to Marvella Bayh. I and my wife Jane have known her, of course, for all of the years that we have been together in the Senate.

She was a remarkable lady, intelligent, alert, optimistic, and filled with the joy of living even at times that she knew she did not have much more time to live. She added something, an important dimension to every life she touched, and we will all miss her. She was a gallant lady, and I am happy to join with my good friend in paying this brief tribute to her, and I am sure there will be others before the day is over.

Mr. LUGAR. Mr. President, I am

deeply grateful for the touching comment of the senior Senator from Maine.

Mr. MUSKIE. Mr. President, will the Senator yield just a moment?

Mr. LUGAR. I am happy to yield.

Mr. MUSKIE. Mr. President, I ask unanimous consent that William Hoagland of the Congressional Budget Office be accorded the privilege of the floor during the debate on the pending amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 150

Mr. LUGAR. Mr. President, amendment 150 deals with the problem of this budget process in the food stamp area. It is a very difficult problem, touched obviously with budgetary considerations but even more, as I am certain we shall discover in this debate, with vast human dimensions. Very clearly this is the reason that the issue has been a very troubling one for those who are deeply interested, as I am and as all of our colleagues are, in the nutrition of Americans, in the problems that are faced by those who are in poverty, especially the very young, the aged, and the disabled. Clearly, the food stamp program has been a human program. It has been an outpouring that reflects the concerns of this country and, therefore, a discussion of its limits, expanse, and eligibility is always touched with deep emotion, and certainly that is not absent from the current debate.

I make this point at the outset because very clearly the case for the Budget Committee's recommendation of $7.2 billion in the fiscal 1980 budget for food stamps is a reflection of apparently what it would take to meet all of the eligibility standards that have now been set up by Congresses as they have started the food stamp program and amended it many times.

I quote from testimony given by the Assistant Secretary of Agriculture, Carol Tucker Foreman, to the Agriculture Committee, in which she states the case for lifting the present statutory cap on food stamp expenditures, which is approximately $6.18 billion, and she suggests in her testimony, and I quote:

> 1. We do not believe food stamp benefits or eligibility criteria should be reduced. Food stamps serve the poor and needy of our fellow Americans. Our last survey of food stamp families found that the average food stamp family had gross income of only $3,600 a year. This average family also receives an average food stamp benefit of only 30 to 35 cents per person per meal.
>
> Food stamp benefits are set in accordance with the Thrifty Food Plan, the least expensive food plan ever devised by a government agency. The Department's last decennial National Food Consumption Survey found that only 10 percent of the families spending at this level for food received 100 percent of the Recommended Daily Allowances for the basic nutrients, and only 50 percent of the families even received two thirds of the RDA's.
>
> When one considers the overwhelming bulk of food stamp recipients are the elderly, disabled, children, and one-parent families, and the remainder almost entirely the unemployed and the working poor, we believe it would be a grave error in national policy to reduce these benefits.

That, Mr. President, is the basic case for what the Budget Committee has suggested, namely, that eligibility should not be changed, that food stamp criteria should not be changed, but, Mr. President, if one accepts this premise on the face of it there are conflicting estimates as to where this leads in terms of the budget.

Without trying to make an exhaustive list of sources of estimates, these have ranged upwards to $7.5 billion, other estimates are $6.9 billion, and the Budget Committee apparently has split the difference at $7.2 billion. The Budget Committee has recognized, as my amendment does, that the current law says $6.18 billion. In other words, there is anticipation that at some point the administration or a Member of this body will present legislation removing the statutory cap that we have adopted in the past.

Indeed at the time of the Agriculture Committee consideration of recommendations to the Budget Committee, the Agriculture Department at that time was asking for approximately $6.9 billion and the committee voted by a vote of 9 to 8 to allow that $6.9 billion to proceed. The Budget Committee has gone an additional $300 million beyond the Agriculture Committee recommendation.

I think it is fair to say, Mr. President, that in a vote on removing the cap, the vote within the Agriculture Committee might very well be that close and conceivably could be reversed going the other way.

In light of that, let me simply say that the disturbing implications of what is occurring I think are seen vividly from figures that come from my own State of Indiana. Figures are hard to come by on the explosion of the food stamp problem presently. The U.S. Department of Agriculture has given one release for January 1979 and, on March 22, the USDA said preliminary estimates show that 17.8 million people participated in the food stamp program in January, an increase of 1.7 million people over the previous month. Indeed, there are estimates that after the February figures are in that 17.8 million will have increased to at least 18.8 million persons, up another million persons.

In the State of Indiana, however, where figures are presently more exact, the administration of the program I believe has been exceptionally able.

The Department of Public Welfare of the State of Indiana indicates that during February the State's monthly value of food stamps issued increased to over $7 million, a 42.6-percent increase over December's $4.9 million. In other words, Mr. President, after 2 months of the new rules of eligibility, the most prominent of these being that cash is no longer required for the stamps, the amount being paid out in the State of Indiana has increased in the figures of February over last December by 42.6 percent.

Indeed, households are up in terms of eligibility; 25.4 percent more households used food stamps during February of 1979 than during February of 1978, to use a year-to-year situation.

Mr. President, this is in the face of the fact that unemployment statistics were more favorable in Indiana during that year-to-year period.

The case is often made, that the estimate of the Budget Committee, assumes that unemployment may be more serious next year. The estimate is often 6.8 percent unemployment as opposed to the current 5.7 percent.

All I am saying is that in the State of Indiana unemployment improved from February of 1978 to February of 1979, and 25.4 percent more households are now on the rolls eligible for food stamps, and the payments are up 42.6 percent just since December.

I am suggesting, Mr. President, that although the Budget Committee has attempted to reach a rational compromise between estimates, the hard facts of the matter are that no one has any idea what food stamp costs may be if one proceeds on the assumption that eligibility rules will not change, and that essentially things will move along as they are, and the budget will pick up the pieces wherever they may be.

That may indeed be the final decision of this body. It may be, Mr. President, we will say in the food stamp area that there is no way you can estimate the cost of it, but whatever the cost of it may be, it is a worthwhile program and that we will simply add to the deficit.

Mr. President, I think it is not a subtle point to suggest that the same predicament found in food stamps is found in many other transfer payment programs, if not in all of them. It is a dilemma with which the Senate has not yet grappled. It may do so today or it may not do so, but it will have to do so in a number of instances this year, and in other programs, and that is the idea of budget items that are uncontrollable, supposedly really beyond our rational discussion and tailoring or augmenting. A case could be made, for example, to take a look at the most prominent of all transfer payment programs, the social security program. Very clearly we have had difficulty in estimating what the payments would be to those who are eligible, particularly after indexing for changes in the cost of living over the years, and indeed we have.

This body, and the House of Representatives, debated at some length increases in social security taxes barely 2 years ago, with recognition that we were clearly paying out much more in benefits than we were taking in.

The quid pro quo was not precise, but there was a thought that the program would simply be in jeopardy in due course if additional revenues were not coming in to meet the payments going out.

But in the case of food stamps there has not been debate on the floor of the Senate as to how increases in the food stamp program would be paid for, if, in fact, they fall far beyond the cap of our estimates or anybody else's estimates. The assumption simply is that the deficit would rise, that in a hidden way the American people would pay for the transfer payment program through inflation of the currency or through whatever mechanisms are required to finally pay the piper in this particular situation.

The food stamp program is not alone in that respect, Mr. President. We take the assumption that if a program simply runs beyond the amounts we think they are going to cost, and they are an uncontrollable item, then we pay it, and we pay it essentially through Federal borrowing, and we have toted up the deficit.

It is not a new debate, and I draw your attention, Mr. President, to the debate that was held on this subject, in fact, last year in which I rose to propose at that time that the food stamp appropriations be cut by $250 million.

It was a test case to see really how the Senate might deal with this problem. My distinguished colleague, for whom I have very great respect, Senator HENRY BELLMON, from Oklahoma, said just this as the major argument to what I had to say on that occasion:

> Since coming to the Senate I have consistently opposed action to liberalize or to increase the costs of the food stamp program. Nevertheless, I must oppose this amendment—

Namely, the Lugar amendment to cut by $250 million the appropriations for food stamps:

> I must oppose this amendment as being unworkable. I, like the sponsor of the amendment and the majority of the Senate, favor any reasonable measure to curb fraud and abuse in the food stamp program. The amendment, while symbolic of this concern, will have no impact on the administration of the food stamp program because the program is mandated by law as an entitlement. The appropriation contained in this bill for all practical purposes is only an estimate of the program requirements. Actual program levels and program costs will be determined by the number of participants claiming benefits and adjustments in the cost of food.
>
> If we fail to appropriate an adequate amount of money for the program, we will have to make a supplemental appropriation in the latter part of the fiscal year. Since this program is an entitlement, should the Federal Government fail to make the necessary funding available, recipients would have a valid legal claim against the Government which would have to be satisfied under a judicial judgment.

Mr. President, I think we had better see clearly the parameters of what we are discussing today. The Senator from Oklahoma (Mr. BELLMON), in expressing not only his own viewpoint but, I gather, the viewpoint of the Budget Committee at that point. He, in effect, made the argument that what we were engaged in with regard to the appropriation amount at that time was simply a symbolic exercise. The Senator from Oklahoma said if people are entitled, they have a legal claim and we will have to pay.

Indeed, Mr. President, it could therefore be said of the argument that we are having today that whether it be $7.2 billion, as the Budget Committee has estimated, $6.188 billion as the law currently allows—and this is the position that I am taking—$7.5 billion as some have estimated, or millions or billions more to that, it simply does not matter. This entire debate is an exercise in futility because, having turned on the engines, if you are entitled, the Federal Government could be sued successfully to get the money, and at some point in a supplemental we would come along and make up the difference.

Mr. President, I do not believe the Senate has lost that degree of control over this program or any other, and the point of my argument today is that we are going to demonstrate that we still have control; that at one point in our history we adopted legislation which said that the fiscal cap for fiscal 1980 would be $6.188 billion. That has not yet been removed. It remains. Honest men and women in this body may argue that we ought to spend more on the food stamp program in due course, but I am hopeful they will not argue that whatever limits we have, whatever budget we adopt, are simply therefore of symbolic value.

Now, conceivably the argument could be made that we ought to change the eligibility requirements; that, in fact, that is the heart of the matter, and that people have entitlement, and they add up to something more than we are willing to pay, and we ought to have a debate on who, in fact, is eligible and, indeed, I think we ought to have that sort of debate. But, in the meanwhile, I have offered legislation, S. 982, which gives the Department of Agriculture considerable latitude in determining how food stamp apportionments might be made.

I make this point, Mr. President, because it will be stated that in the event my position prevailed today and a cap was continued, the Secretary of Agriculture is mandated to make pro rata cuts for all classes of Americans who appear to be eligible, the very most poor as well as those who are less poor, across the board.

That has been an interpretation given by legal counsel. I do not necessarily agree with it, but to clear up the subject, it appears to me that the Secretary ought to have wide latitude to make certain the very most needy in our country are supplied with food stamps to meet that need, and that we feather out at the top edge of the margins those persons who are less needy. That, it seems to me, is a rational and sensitive response to the situation, if the Department of Agriculture was willing to take a look at the situation, and if indeed this body was willing to take a look.

For example, the report to Congress by the Comptroller General of the United States of June 13, 1978, dealing with Federal domestic food assistance programs and entitled "A Time for Assessment and Change," points out in a rather dramatic presentation that householders receiving food stamps also receive, on an average, funds for food from at least 2 other of the 13 programs now dispensing food assistance. Indeed, Mr. President, the food stamp program is often represented as almost standing alone, as a unique situation, but it is in fact 1 of 13 food programs, and the average food stamp family is involved in at least 2 others, and indeed a large percentage of the food stamp families, 21.5 percent in the last analysis of the 1973 distribution, were involved in at least 4 programs. Moreover, 89.5 percent of food stamp recipients are also invloved in a given number of public welfare programs other than specifically programs dealing with food.

The recommendation of the Comptroller General at that point was opposed to the blanket formulas we have now adopted, and that we have more of a rifleshot approach—in other words, that the grants be tailored to meet the specific needs of specific families.

The estimate by the Comptroller General, if this position was adopted, was that well over half a billion dollars a year could be saved. That has been disputed by the U.S. Department of Agriculture, but there has been no estimate made, to my knowledge, as to why that is in error, or to what degree. The USDA apparently feels that the administrative burden of tailoring food stamp programs to recipient needs would be excessive, though again there has been no estimate of how excessive that cost of administration would be.

So it seems to me that on the face of it, we have one valid suggestion of sizable import, namely, to maintain the program, says the Comptroller General, but to take a look at the specific families, and a tailoring to their nutritional needs.

Furthermore, a further bit of advice the Comptroller General gives Congress is to cash out the food stamp program and make certain that everybody knows the extremes of income coming into the lives of people who are recipients, as opposed to making the case that the average family has an average income of $3,600, when, upon analysis, after every kind of aid is totaled up, those figures move upward markedly. We are talking about the difference that would be apparent if we take into consideration all of the various elements of support that are available.

In addition, recommendations have been made, and in fact, in fairness, the USDA has entertained a number of thoughts in preparation for this base about better administration of the program. I shall not go into rhetoric about massive fraud and difficulties of that variety. As a matter of fact, there are pretty good statistics provided by the people administering the food stamp program that indicate State by State variations in the way the program is administered. Let me say, Mr. President, that these statistics indicate a substantial error rate.

The error rate with regard, at least, to dollars in error in the United States of America, for the July to December 1977 period, is estimated to be 4.3 percent of the entire program, and this is on the basis of sampling, analysis, and fairly accurate figuring by the USDA.

But the varieties of experience and estimates are illuminating. For example, in the State of Indiana a 1.1 percent error rate was found with regard to basic eligibility, and a 4.1 percent error rate was found in regard to overpayment. That is, in comparison with dollars that should have been paid, 4.1 percent more was paid. But in nearby Illinois, for example, in terms of the dollar overpayment, it was at 12.7 percent, which is a substantial variation. As I look down the list, Mr. President, in terms of situations in the double-digit figures, that is, 10 percent or above in terms of overpayment, I noticed the District of Columbia at 12.3 percent, Massachusetts at 10.1 percent, New York 10.5 percent, Pennsylvania 11.4 percent, as aforementioned Illinois at 12.7 percent—there are a number of situations, Mr. President, in which by analysis of the USDA substantial overpayments are occurring.

There are also a number of States in which the rate of over-issue apparently is less than 5 percent, and a good number in fact get down to 2's and 1's. Analysis, I think, clearly indicates to the USDA and most of those who have examined this that there needs to be substantial shoring up of administration with regard to basic eligibility and the inequity of payments. Indeed, Mrs. Foreman has testified that the USDA is working assiduously to achieve this. But anyone who argues that the program is well administered State by State, given these sort of figures, it seems to me, has a very difficult road to hoe, and the fact is that the USDA hopes that a good bit better administration will occur.

But I would suggest that one effect of retaining the cap is to insure that that sort of equity occurs. It is vastly unfair, Mr. President, for the welfare administrator or the food stamp administrator of one State to pay out substantial sums of money while others are attempting to keep close to the guidelines, so that there are vast inequities among the States; and there ought to be pains and penalties attached to that.

Other arguments that will be made against my amendment today, I am sure, will include the arguments that those who are interested in improved administration are insensitive to the problems of the poor, are trying to invade privacy, and, in a sense, would make things even more miserable for people who already have many problems in their lives.

Mr. President, we are going to have to grasp the essential point, I believe, that the American people, as a whole, working people, some who are not working, are paying for these benefits in one way or another. It has thus far been a fairly painless process. There has not been money in and money out. If, in fact, the American public was to vote today in a national referendum, and the issue was the one facing this body, namely, resolved, that we shall raise the amount to be paid for food stamps by $1 billion, I doubt that a majority of the American public would favor that proposition.

As a matter of fact, I think a number of States would have substantial reservations about raising the sum by $1 billion.

If we added to that thought, resolved, we shall raise food stamps by $1 billion, and we shall increase taxes by whatever the percentile rate is to meet that cost, Mr. President, is there a Member of this body who believes that the American public would offer that type of proposition any support whatsoever? The obvious answer is no. The only reason for the Budget Committee's opportunity to raise this to 7.2 and 7.5, and maybe whatever, through supplementals, is that the American public has no idea of this debate. It has no idea as to how food stamp levels ever got to where they are. They have no idea, really, about eligibility. The American public is coming to a polarized attitude about the food stamp program, which is dangerous to the program and ultimately will lead to something other than the fairly miniscule tailored reforms I am suggesting.

I am talking today, Mr. President, about a situation in which, with the retention of the cap, finally the USDA must reform the program. It must simply take a look at how administration is occurring in the State. It must take a look at the work requirement program. It must take a hard look at what unemployment statistics really are in this country and how they correlate with eligibility. It cannot proceed as it has, willy-nilly, to increase eligibility.

I have cited the figures from Indiana and for 1 month the figures given for the United States of America without implementing the rest of the program because, Mr. President, I believe all Members ought to be on notice that whereas millions of additional Americans are suddenly using food stamps in the fourth year of recovery, very rapidly some other aspects of the bill we passed in 1977 and amended, as I recall, last year, will come into play.

Some Americans are going to be leaving the rolls. At this point, unless I miss my bet, Mr. President, Members will be on the floor offering amendments to increase eligibility or to restore persons to the rolls who have been sheared off through the fact that they are no longer eligible and sort of moving up through the middle ranks of eligibility.

I simply make this debate at this point not because it is the final answer of the year on food stamps. Indeed, I suspect we shall have the debate again and again until it is finally resolved. I do it because it is so important right now that we appreciate what is occurring in the transfer payments, the so-called uncontrollable sector of our budget; that we appreciate the American public does not support an action which says that persons are entitled to this program whatever we appropriate, whatever the budget says, whatever the Budget Committee says. The American public is totally disenamored with this process and we better get ready to face up to that. Members will have an opportunity to face up to that during the rollcall vote which I hope shall follow this debate.

Mr. President, I reserve the remainder of my time.

Mr. HELMS. Will the Senator yield for a question?

Mr. LUGAR. I am happy to yield to the distinguished Senator from North Carolina for a question.

Mr. HELMS. I commend the Senator for this sponsorship of this amendment, which I am delighted to cosponsor with him. Does the Senator feel that this Congress made a commitment to the American people in this regard last year when this cap was placed?

Mr. LUGAR. Without any doubt the American people were given assurance when we went into the so-called reform of the food stamp program. The senior Senator from North Carolina, now the ranking member of the Agricultural Committee, knows of the debates we had there about the program. We took what many felt was a gamble but, nevertheless, one which insured that the very poor received food stamps by removing the cash requirement. The argument was made that most of the poor in this country never got the food stamps because of that. But given that situation, we said if we are going to serve those who are really poor, we are going to have to put a cap on this program. In other words, we cannot reform a program and add deliberately those that we now discover have not even been getting the benefits for these 4 years without saying that at the top end of the spectrum some people will be less eligible.

Mr. HELMS. And that was understood at the time.

Mr. LUGAR. We said then to lock it in we will put the cap in at 6.18.

Mr. HELMS. And that was understood at the time?

Mr. LUGAR. I believe so. There was no doubt in the debate we had on my amendment last year to cut the appropriation by $250 million. No one at that point raised the thought that we were going to see, within a year's time, a request for another $1 billion.

Mr. HELMS. I thank the Senator for yielding.

Mr. LUGAR. Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

I ask unanimous consent that Marshall Matz and Steve Storch of the Agricultural Committee staff be granted the privileges of the floor during the consideration and vote on the pending amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I have listened with a great deal of interest to the remarks of the distinguished Senator from Indiana. I was struck by his emphasis on the fact that what we are dealing with here is only estimates. Well, that is what the entire budget resolution deals with, estimates—budget estimates which we receive from the President and evaluate; estimates which we receive from the authorizing committees, including the Agricultural Committee, of which the Senator is a member; estimates of the Appropriations Committee. What else can one do when one is building budgets for 3 years into the future except estimate what Government activities are going to cost?

If that is an argument against a particular program such as this one, it is an argument against the whole budget process. We must instead find some precise and guaranteed way, according to the argument of the Senator from Indiana, to nail down the precise dollar costs of every activity in the Federal Government, whatever the economic conditions may be, for the next 3 years.

I have not heard the Senator suggest any way in which that can be done.

Mr. President, describing this budget as made up of estimates is something different than saying there is no evidence upon which the Budget Committee based its estimates. Let me emphasize again that we based our estimates on the information and recommendations that we received from the sources which I have described.

Mr. President, yesterday we considered two amendments which would have substantially reduced the defense function. Those proposals to reduce spending in defense were overwhelmingly rejected, notwithstanding a rather widespread feeling in the Congress and in this body that defense is being treated more favorably than other programs.

One of those amendments was a so-called transfer amendment, to transfer funds from defense to so-called social and human programs. That was rejected overwhelmingly.

Now it is proposed we go the other way and drastically cut—and I will describe it is—a program to deal with the poor. The Senator from Indiana has described food stamp participants as having an average income of $3,600 a year. May I add a statistic to that? Food costs for that group of Americans amount to up to 50 percent of their budgets compared to 16 percent for Americans generally. That is the problem we are talking about.

What is responsible for the growth in the program? Elimination of the purchase requirement is one of the factors. The elimination of that program feature is bringing into the program what kind of people? The evidence is that it is bringing into the program people whose average income is about $3,600 a year.

Apparently, the Senator from Indiana feels that the new ones at that income level ought not to be made eligible for the program, and that we ought to restrict the program to those who are already benefiting at that average income.

Mr. President, the Senator and the distinguished Senator from North Carolina are members of the Committee on Agriculture. That is the committee which has the responsibility for writing legislation, eligibility requirements, and presenting its recommendations to the Senate. The Budget Committee does not do that. The Budget Committee undertakes to respond to the program as it is in the light of economic conditions, insofar as we can anticipate them, relying upon estimates from the various sources which I have identified and, adding to that, the Congressional Budget Office.

The Congressional Budget Office begins with economic assumptions. The economic assumptions which we adopted were those of the Congressional Budget Office. The Congressional Budget Office assumed unemployment of 6.7 percent in the fourth quarter of 1979, and 6.8 percent in the fourth quarter of 1980, compared to the President's assumption of 6.2 percent. Obviously, that differs and, if we are going to be intellectually honest, projects a higher potential caseload for programs such as this, so that you cannot compare the numbers in the President's budget for this program with the numbers in our program.

The fact is, Mr. President, that, using our economic assumptions, our deficit is $11 billion lower than the President's, notwithstanding our estimates for this program. So we try to be consistent in that respect. We adopt economic assumptions after reviewing all of the evidence and testimony that we get, and we get testimony from the whole spectrum of economists in this country, as well as the administration, CBO, and the Joint Economic Committee of this Congress. It is on the basis of that that we finally achieve a consensus. That is not to say that there is no disagreement. That is the underlying economic basis for the Budget Committee estimates.

If we were prudent with respect to defense expenditures, and I do not know how the Senator voted on those amendments, those cuts yesterday were overwhelmingly rejected. I suggest the Senate give us the credit for the same prudence with respect to other functions of the budget.

What are the numbers with respect to this function of the budget? Food stamps is part of function 600, which is the income security function. Our numbers are $212.4 billion in budget authority and $183.7 billion in outlays. Senator LUGAR proposes to reduce both those numbers by $1 billion, but wholly in the food stamp program. Our recommendation there is 7.2 in budget authority and 7.2 in outlays.

The Congressional Budget Office estimate was $7.55 billion. We reduced CBO's estimate, which was based on their economic assumptions, which we had adopted. We reduced their estimate by $350 million, accepting the President's proposals for efficiencies, and adding $200 million more of ours in efficiencies that we are asking the appropriate committees to help us make possible. So the $7.2 billion represents a reduction in CBO's estimate of what this program would cost.

What would the Lugar amendment do? What would be its effect on the people involved? I pointed out that the number of participants is growing, in part because of the elimination of the purchase requirement. That elimination is bringing in people at the average income of $3,600, which is the average for the food stamp program as a whole. Congress can decide, if it wishes, that either the number of people whose income is only $3,600 should be reduced to what we can afford, leaving the others to shift for themselves, or we can reduce, pro rata, the amount which will be allowed for these people whose income is $3,600.

What is the average price per meal under the food stamp program? It is 33 cents. A pro rata reduction to reflect the Lugar amendment would require reducing that 33 cents by 18 percent. Eighteen percent of 33 cents is only pennies, you can say, but it is a large chunk for each recipient of this program when one considers that the average recipient whose income is $3,600 spends up to 50 percent of his income for food.

(Mr. MORGAN assumed the chair.)

Mr. MUSKIE. There is another reason, Mr. President, why this estimate has gone up. That is that the price of food has escalated, compared to what was assumed when the cap was written into law by the Committee on Agriculture. It was estimated at that time that food prices would rise 3 to 4 percent a year and that unemployment would steadily decline. What has happened? Food prices rose 20 percent in 1978 and 1979 alone—20 percent instead of 3 to 4 percent—and the projected unemployment rate, which I have already described, is higher, or will be higher than it was when the ceiling was established in 1977.

Do we take no account, do we just blind ourselves to those facts? The Senator from Indiana talks about the Budget Committee using only estimates. We use estimates based on facts. The Senator apparently prefers to blind himself to the facts and criticize the estimates. The facts are that food prices have gone up by several times over what was estimated when the cap was set and unemployment is projected to be higher. The elimination of the purchase requirement has brought in more poor people—not rich people—into the program.

Those three factors are what are responsible for the estimate which the Budget Committee brings here, and which the Budget Committee approved 11 to 1—a Budget Committee that is not noted as a wild, liberal, free-spending group. All you have to do is look over the membership. But the facts are the facts, and we present them.

If the Agriculture Committee decides the program costs too much, notwithstanding any reduction in the impact upon people who rely on it, that is their prerogative as the legislative committee. And if we do not want to spend the amount of money that is provided for in this budget, the Congress, of course, has the prerogative of stiffening the eligibility requirements, reducing that 33 cents per meal or just arbitrarily cutting off some poor people, if it wishes. We do not mandate that. We do not mandate that they spend what we provide. All we do is provide what the facts tell us is going to be required. If they choose not to look at those facts, that is their prerogative.

Then the Senator used the argument that correction of widespread fraud and abuse could be used to reduce the cost. I have yet to hear anybody suggest how you get at fraud and abuse except by proceeding against people guilty of fraud and abuse in this program as you do in the private sector: Turn the law loose on them. What guarantee does an aggressive law enforcement program give us as to how much money might be produced in savings in a given year? We have already assumed $350 million, in this budget, of savings from that source and from efficiencies.

In the Agriculture Committee, of which the Senator is a member, they had 8 votes out of 17 votes on retaining the cap; there is where he ought to fight the battle for changing the program. But when he comes to us and tells us that we are responsible because we have, based on the facts as we know them, made room in the budget for the operation of the program under current eligibility guidelines, and not totally at that—we have asked for efficiencies of $350 million—then he is fighting the wrong battle in the wrong place, as far as I can see.

So, Mr. President, I think the Budget Committee was responsible in bringing this estimate to the floor. I voted for this estimate. The committee voted 11 to 1 for this estimate.

The Budget Committee, in presenting tight budgets to the Senate, yesterday defended the defense program against cuts, and by God I am going to defend this program, which is addressed to the poor people of this country, against cuts.

I think we have asked all we can reasonably ask without forcing the retrenchment upon people who get 33 cents a meal, whose food costs are 50 percent of their budget, whose average income—and this figure from the Senator from Indiana coincides with the one I have—is $3,600. Mr. President, that is no place to cut.

Mr. President, I yield 10 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I thank my distinguished former chairman for yielding.

I listened with interest to a portion of my colleague from Indiana's statements. I certainly share his concern about the food stamp program. But I find myself in total agreement with the distinguished Senator from Maine.

Mr. President, since 1975 I have been actively involved with the food stamp program. For an even longer period of time, I have been concerned with Federal spending, and cognizant of the need to balance our Federal budget. It is for this reason that I follow this debate today with deep interest, for its concerns two issues that I give serious attention to.

The Senator from Indiana (Mr. LUGAR) proposes to cut the food stamp program by over $1 billion in the first concurrent budget resolution. While I am basically in sympathy with what Mr. LUGAR is attempting to accomplish, I am unable to support his amendment. I realize that these are tough times monetarily. On the heels of proposition 13 we now hear a national call to cut Federal spending, balance the Federal budget, and reduce the Federal budget deficit. Like other Members of the Senate, however, I would not like to see the poor and needy of this Nation bear the brunt of the burden of this call for budget balancing and reduced Federal spending. I am afraid that if the Lugar amendment were accepted, this would be the result.

In 1977, the Congress made substantial changes in the food stamp program. Although the administration has not yet implemented all of these changes, there were drastic reductions made to the program to insure that only the very poor are eligible for benefits.

Having been actively involved in what we thought were appropriate reforms in the food stamp program in 1977, having made a number of changes to restrict the benefits, to, in effect, lower the level of income to make one eligible for benefits, at the same time eliminating the purchase requirements, which this Senator supported, because it was justified, if, in fact, the program was to be for the poor, and then to say that now since that has been successful, and more people who should come into the program are coming in, we ought to reduce those costs, is not very persuasive.

I might also underscore, as the distinguished Senator from Maine has indicated, the estimates early on were about half what they should have been insofar as increased food costs were concerned. Even without the elimination of the purchase price, we have exceeded the cap, as I recall, nearly a half billion dollars.

I know the food stamp program is not popular. If we want to cut something, get up and rail against the food stamp program, because it is not a popular program. There were a lot of abuses in the food stamp program and probably still are abuses in the food stamp program, or any other program that affects 15 million, 16 million, or 17 million people.

I realize that we are in tough times monetarily and I commend the Budget Committee for the difficult decisions they have to make.

There is this call to cut Federal spending. I am not suggesting that is the intent of the Senator from Indiana, because I would like to join with him and perhaps change the law in the Agriculture Committee if, in fact, it should be changed, but we cannot really change it on the floor today.

Maybe the Secretary should be given more discretion, or maybe we should go back now after a year of the program with the purchase price eliminated and take another look.

But let me just repeat very briefly some of the changes made in 1977 because we had long drawnout, expensive, protracted hearings, and we had very close votes in the Senate Agriculture Committee.

Before doing that, let me suggest that the food stamp program has grown, no doubt about it. But we are going to have hearings on Monday in the Nutrition Committee and we will be told by experts in the field that because of the food stamp program and because of the efforts of, yes, the distinguished Senator from Dakota (Mr. McGOVERN) and others who served on the Nutrition Committee for sometime, we will hear on Monday that 10 years after we began our efforts, millions of Americans are better off and that poverty-caused malnutrition has been reduced. Poverty, we will be told, is still a fact of life in America, but in the area of food, there is a difference, according to the field foundation medical team.

These are not partisans, these are not promoters of food stamp programs that will be testifying on Monday. They are a team of medical experts who will talk about the impact the food stamp program has had over the past 10 years.

Prior to that program, we had a commodity program and there were 8 or 9 million people participating in that commodity program. Somehow, some of us from farm States could justify the commodity program as being sort of an indirect benefit to our farmers, and it is more difficult to justify it, perhaps, if we use the food stamp program.

But the commodity program was phased out. It was not effective and did not provide proper nutrition in many cases. So, along came the food stamp program.

There were a lot of abuses. We had statements made on the floor of the Senate and in the committee where airline pilots were qualifying for food stamps, where people with extensive real estate holdings were qualifying for food stamps, and that was corrected.

1977 AMENDMENTS

Under the 1977 food stamp bill, the net income eligibility limits were reduced by $1,200 yearly for a four-person family. The net income was placed in the poverty level. Anyone whose net income did not fall beneath the limit simply was ineligible to participate.

That is a pretty good requirement. It was a change in the right direction and answers the justified criticism of many in the Congress and many Americans that we had to do something to tighten up the program.

We enacted stronger work requirements, a job search requirement was mandated, and strict, immediate penalties for fraud were also written into the program.

I might add, they were the efforts of the distinguished Senator from North Carolina. They were added to the bill by a unanimous vote, because it was widespread, as the distinguished Senator from North Carolina pointed out in the committee.

In addition, we tried to tighten up assets a person might have to qualify for food stamps, so that any family or recipient who has a car worth over $4,500 in fair market values does not qualify for food stamps. College students are no longer eligible unless they were a tax dependent or could have been a tax dependent of a person who is eligible to receive food stamps. The itemized deduction which had long been subject to abuse was replaced with a monthly standard deduction. As a work incentive, there was allowed a 20 percent disregard for work-related expenses, and a combination child-care/shelter care deduction for working families or families in regions with severe weather conditions, respectively.

Mr. MUSKIE. Will the Senator yield for a moment?

Mr. DOLE. Yes.

Mr. MUSKIE. The Senator referred to the committee's concern with fraud.

Is it not true that as much of the fraud was due to vendors at the time there was a purchase requirement as to beneficiaries of the program, and that is one of the reasons why the purchase requirement was eliminated?

Mr. DOLE. That is right.

There was a lot of vendor fraud and that was the very issue addressed by the distinguished Senator from North Carolina, which was a good amendment.

But after all these reforms were enacted, the net result was removal of about a million persons from the food stamp rolls and reduced benefits for another 3 to 4 million persons.

I regret that the administration has been so slow in implementing the 1977 program, for I sincerely feel that we made progress in cleaning up the program, and wish that we had reports and figures to show whether or not the program is now working as we intended. Unfortunately, most of the changes made in the program are only now being implemented.

I think they should move with more rapidity to clean up the program. If they had, I do not think the distinguished Senator from Indiana would be offering an amendment today. So, I fault those in charge of administering the program.

Unfortunately, a little late, we are now seeing all these changes implemented.

THE CAP

Another provision in 1977 was to put a cap on food stamp spending, and that has been discussed in great detail by the distinguished chairman of the Budget Committee (Mr. MUSKIE).

I assume, and I agreed with the effort to put a cap, it has now been rather clearly demonstrated that we used the wrong assumptions, at least the Department did. The price of foods increased. Certainly, everybody understood the price of foods increased. It has increased for food stamp recipients like it has for everyone else.

The cap was designed to allow Congress to maintain its authority over program costs. However, I maintain that through our budget process—with committee recommendations, the budget resolution, and the appropriations process—we have adequate controls over spending. Nonetheless, when the cap was first established, it was determined largely on the basis of projected increases in food prices and in the unemployment rate. Unfortunately, food prices were estimated to increase annually at 3 to 4 percent between 1977 and 1981. Instead, the price of food is increasing at double this rate. Also, when the cap was established the unemployment rate was projected to be 5.7 percent by the Congressional Budget Office. Now, the new projections set an unemployment rate of 6.2 percent by 1980.

Mr. President, the increases we are experiencing in these two areas has a direct impact on the cost of the food stamp program. A 1-percent increase in the unemployment rate adds 750,000 persons to the food stamp rolls. A 1-percent increase in the cost of food adds $50 million to the cost of the program.

It is true, as the Senator from Kansas indicated earlier, that when we eliminated the purchase requirement, we made it possible for more deserving people to participate in the program. That was the purpose of the amendment. As the Senator from Maine has stated, we eliminated a lot of vendor fraud when we did that.

It is true that the elimination of the purchase requirement 2 years ago has recently added to the cost of the program. However, the USDA reports that even had the purchase requirement not been eliminated, program costs would exceed the cap by $400 million due to increases in food and unemployment. Given these facts, I feel that it is not right to maintain the cap when the basic information used in figuring it has since proven incorrect. As has been stated, when we used the CBO figures, which the Budget Committee did not do, they knocked off about $350 million from the projections of CBO.

We cannot make our Nation's poor shoulder a disproportionately heavy burden for the economic ills in our society. Already these factors have made their lives more difficult, and to cut food stamp benefits would be like imposing a surtax on this population. I do not believe that this is a fair manner by which to reduce Federal spending. I would rather support the recommendation made by the Budget Committee, and then if the Senate wishes to change the program, the agriculture committee can once again review this matter.

Mr. President, it has become obvious to me that we will reach the cap not so much because the program is being mismanaged but because too many ineligible persons have crept on to the rolls. Our economy has dealt a devastating blow to the program. The poor cannot control food prices, inflation, or unemployment. Yet they must bear their effects. It would be indefensible to punish the poor, because we in Washington have failed to solve our economic woes. The food stamp program is the only public assistance program which offers help to the working poor, and I am afraid that should the cap not be lifted, benefits will be cut and low income workers will find it more attractive to give up their jobs for welfare. I believe that Government assistance programs should serve as work incentives, and I think that the food stamp program does serve in this capacity. I will, therefore, be disappointed if we impose such severe restrictions on the recipients that meeting the eligibility requirement serves as a work disincentive.

CONCLUSION

So I just suggest this: There are going to be faults in the food stamp program. This has been dubbed the "Oversight Congress." Those of us on the Agriculture Committee have a responsibility, and certainly the distinguished Senator from Indiana has carried out that responsibility. I am willing to join him, and I am certain every other member of the Agriculture Committee is willing to join him, in trying to figure out more ways to reduce spending. But if we are going to take a billion dollars out of the food stamp program, from $7.2 to $6.7 billion, someone is going to suffer. People are going to suffer. Elderly people are going to suffer.

The program is not faultless. We made a lot of improvements in 1977. Perhaps we need to go back to the drawing board or back to the authorizing committee.

Therefore, I feel compelled to vote against this amendment. The Senator from Kansas, I might add, has not been widely praised for his efforts in the food stamp program. For some reason, Republicans are always supposed to be against these kinds of programs. We are not supposed to be concerned about the hungry or the needy or the poor.

I say again that the benefits in the nutrition area are largely due to the efforts of the distinguished Senator from South Dakota (Mr. McGOVERN).

When I went on a field trip with the Senator from South Dakota, I wondered what the real motive was. We are all a little suspect. I learned, after years on that committee, that his motive was to try to help the American people and to try to serve the undernourished and to try to find a better balanced diet for American people who could not afford it otherwise. That was the motive of the Senator from South Dakota.

I assume that we have made mistakes along the way, but from whom are we going to cut the benefits? What legislative change are we going to make? What would be the top limit for participation?

It has been said that the average food stamp meal cost is 33 cents. If you reduce that 18 percent, that is talking about only a few cents. I cannot believe that anybody in this Chamber could survive on a 33-cent-per-meal allotment.

I suggest that the program is being scrutinized closely. Those of us who support it certainly want to restrict the fraud and the abuse. Everyone is opposed to that.

As I said, I do not claim that the food stamp program is faultless. Although considerable improvements were made in the 1977 act, I am sure that there is still room for even further refinement. I do suggest, however, that the appropriate place to legislate changes is in the authorizing legislation, rather than through the funding process. The Senator from Indiana (Mr. LUGAR) and I share many concerns about this program, and I would hope that in the future we can work together to make improvements in its operation. At this time, however, I feel compelled to vote against this amendment, for I do not feel that it carries out the intent of the law nor that it serves the food stamp recipient in a responsible manner. I hope that my colleagues will give this matter serious consideration, and will vote in support of the Budget Committee's recommendation.

Mr. President, I ask unanimous consent to have printed in the RECORD additional reasons for support of the food stamp program, questions that I believe would have to be answered before we could properly address the questions raised by the Senator from Indiana, and a summary of the reforms in the 1977 food stamp bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUPPORT FOR THE FOOD STAMP PROGRAM

USDA reports that even if we had not eliminated the purchase requirement, the program would exceed the cap by $400 million due to increased food costs and unemployment.

The level of the cap was determined based on CBO's estimate that food prices would increase 3–4% annually from 1977 to 1981. Instead, food is increasing in price at twice this rate.

When setting the cap, CBO projected an

unemployment rate at 5.7%. Now, the unemployment rate is projected to be 6.2% by 1980.

A 1% increase in the unemployment rate adds 750,000 persons to the food stamp rolls.

Each 1% increase in the cost of food adds $50 million to the cost of the program.

Over half of the food stamp families have incomes below $3,600.

3/4 of the food stamp families have incomes below $4,800.

Only 3% have incomes above $9,000. In order to qualify for benefits with a $9,000 income, there must be at least 7 persons in the family With 7 persons the coupon allotment is $77 for the family, or roughly 12¢ per meal per person.

The cost of food impacts directly on the food stamp program because benefits are based on the Thrifty Food Plan, the cheapest of 4 food plans designed to cover basic, elementary nutritional needs. When food prices increase, it necessarily takes more money to purchase foods which meet the minimum nutritional standards.

USDA estimates that food stamp recipients spent $1.62 billion of their food stamp bonus on meat. This figures represents $810 million in increased retail demand because of the food stamp program.

USDA also estimates that $816 million is spent by food stamp recipients on dairy products. This amounts to a $108 million increase in retail demand due to the food stamp program.

QUESTIONS

1. For whom do you plan to cut benefits?

2. What legislative changes do you plan to introduce and how much money do you think they would save?

3. Under the changes you propose, what would be your top income limit for participation?

4. One reason why the cost of the program has increased so drastically is because of the tremendous increase in the cost of food. If food continues to rise in price even after we legislate changes, are you willing to let the Department make pro rata cuts to keep the costs under the cap?

5. Because food stamps is the only public assistance program which benefits the working poor, food stamps often make up the difference between work and welfare for low income families. If these poor working persons are cut from the program, how many do you thing would find welfare a more lucrative alternative than working?

6. The USDA reports that approximately 17 percent of the food stamp caseload is elderly. Therefore, it seems impossible to make cuts in the program without also cutting benefits to the elderly. Many elderly persons now complain that the '77 amendments were too harsh on them, and the Select Committee on Aging has already held hearings on the possibility of relaxing the eligibility requirements for the elderly. How do you reconcile that sentiment with what you plan to do?

7. Why do you oppose looking at this program in committee and legislating tighter eligibility guidelines, better fraud control, and other reforms which would answer your concerns in a more specified manner?

8. Currently the average food stamp benefit is about 33 cents per meal. What do you think should be the average benefit level?

REFORMS IN THE 1977 FOOD STAMP BILL

Net income limits were reduced by $1,200 yearly for a 4-person family.

College students were made ineligible for food stamps unless they were a tax dependent or could have been a tax dependent of a person who is eligible for food stamps.

Stronger work requirements.

In order to qualify for food stamps, a recipient cannot possess a car worth over $4500 in fair market value.

1 million persons were cut from food stamps, and 3–4 million persons had their benefits reduced.

Strict, immediate penalties for fraud were written into law.

A job search requirement is mandated.

For the first time in the program a net income limit was established. Net income was set at the poverty line (equals $6500 for a 4-person family). Itemized deductions were replaced with a $65 monthly standard deduction. In addition, working families are allowed to claim a child care deduction, and in regions with severe weather conditions, a shelter care deduction may sometimes be claimed. Also, a 20 percent disregard for work related expenses is allowed to working households as a work incentive.

Mr. MUSKIE. Mr. President, I yield 5 minutes to my distinguished colleague and right hand on the Budget Committee, Senator BELLMON.

Mr. BELLMON. I thank my chairman, the Senator from Maine.

Mr. President, when the food stamp program was reauthorized in 1977, many of us thought it was a mistake to eliminate the purchase requirement. We were concerned that enrollments and costs might increase substantially when the purchase requirement was eliminated. Therefore, a ceiling on appropriations was put in the law to guard against runaway costs.

Let me cite a few statistics to show what has happened.

In October of 1974, the enrollment in the food stamp program was 15 million people. Remember, this was a period when recession became significantly worse. From October of 1974 to April of 1975, the enrollment went up from 15 to 19.5 million. By September of 1977, enrollment was down from 19.5 to 16 million, and at that time the food stamp amendments of 1977 were adopted—in September of that year.

Enrollments had been dropping during the previous 2 years as the economy improved. By November of 1978, enrollment was down to 15.5 million, and this was the last month before States began implementing the new law.

By February of 1979, even though the economy was still getting better, the enrollment in the food stamp program had gone up from 15.5 million in November to 18.9 million in February, which is the last month for which we could get statistics.

It is obvious that under this new law, the enrollment is rising at a rapid rate.

It is not possible to predict how much enrollment costs will rise or perhaps even flatten out and go down under the 1977 legislation when it is fully implemented.

Some of the changes which were designed in the 1977 law to save money have not been put into effect. I refer to such things as lower income limits and deductions.

The 1977 amendments were supposed to make the program easier to administer and, we hope, less costly to administer, and perhaps some of those savings will be realized.

Senator HELMS and Senator LUGAR and others on the Agriculture Committee are proposing legislative changes that are aimed at holding down the program's costs, and it is too soon to know whether or not those changes are going to receive approval by Congress.

Clearly, there is likely to be a need for money above the $6.2 billion cap; and the Budget Committee's recommendation, which I support, assumes that this increase will be approximately a billion dollars in fiscal year 1980.

It is my hope that as the changes that are intended to save money are implemented, we will see these costs flatten out and perhaps go down. But there is no way the Budget Committee can anticipate what may happen. All we can do is look at the current situation.

If the Agriculture Committee does find ways to save money—by cutting error rates, by changing eligibility rules, or by other action, so that we can operate within the cap or close to it—we will take that into consideration at the appropriate time. But we cannot do it as we did with the first resolution, because we do not have any realistic way of anticipating what the savings may be.

We can reassess the situation on the second budget resolution if there is basis for such reassessment.

None of us wants the benefits going to eligible and deserving poor people to be ratcheted up and down by Federal policies. If there is one group that is least able to cope with frequent or sudden changes in the laws that affect their economic well-being, it is the older people and the poor people who benefit from this program.

We need a stabilized, well-run food stamp program as an important component in the Nation's efforts to help poor people, and I do not believe it is in the Nation's interests that we keep changing the rules for those who depend heavily upon the income support they receive from this program.

The Budget Committee's recommendation puts the responsibility for dealing with the cap issue and other related questions where it belongs—with the Agriculture Committee, which has oversight responsibilty for food stamps.

I say to the Senator from Indiana that our committee will gladly and faithfully reflect changes in the food stamp law which the Agriculture Committee recommensd and Congress approves, but we cannot anticipate what those changes may be. It would be false to cut funds in the face of rising food costs and before there is any clear indications that the law will be changed or what the full implication of the 1977 law may be.

Mr. President, the Senator from Indiana read a statement during the debate that I made on the floor during debate on the USDA appropriations bill last year.

Senator LUGAR apparently feels that my statement indicated that Congress is obligated to pay whatever this program costs irrespective of the cap on appropriations.

Mr. President, I wish to make clear that the question before the Senate when I made the statement which Senator LUGAR read was an appropriation within the cap. I see that as a far different issue than the one now before us.

I agree that there is danger of runaway costs in this program unless aggressive action is taken to implement the money saving features of the 1977 law.

I want to keep the pressure on the Department of Agriculture and on the Agriculture Committee to take lawful actions which will hold down these costs. I believe the budget recommendation does that.

We assumed that $350 million savings from tighter administration, and this is $200 million more than the administration said it could achieve.

So the Budget Committee is doing the things Senator Lugar appears to want.

I hope Senator Lugar and the Agriculture Committee will succeed in bringing to the Chamber a bill to realistically hold down costs even further, and I would support such changes to get better control into this program, but I hope the Senate will stick with the Budget Committee recommendation which puts the responsibility for leading the Senate to a resolution of the funding cap issue where it belongs and that is back with the authorizing committee.

The Budget Committee has no choice but to face reality and the reality is that food costs more than it did in fiscal year 1979 and that there are more participants in the food stamp program under the new law and, therefore, an increase in funding for the program simply must be provided.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of amendment 150: Senator Hayakawa, Senator Jepsen, Senator Zorinsky, Senator Helms, Senator Stevens, and Senator Harry F. Byrd, Jr., of Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LUGAR. I am happy to yield.

Mr. YOUNG. Does the Senator have time?

Mr. LUGAR. Will the Senator withhold for just a moment?

Mr. YOUNG. Yes.

Mr. LUGAR. Mr. President, I wish to yield 3 minutes each to four of my colleagues in the following order. First of all, 3 minutes time to the senior Senator from North Dakota (Mr. Young), and then to the Senator from North Carolina (Mr. Helms) 3 minutes, and then to Senator Hayakawa of California 3 minutes, and Senator Armstrong of Colorado 3 minutes.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. YOUNG. Mr. President, I thank the Senator and I think I can complete it in 3 minutes.

I wish to read a letter from the Stark County Social Service Board of Dickinson, N. Dak., dated March 27, 1979:

Dear Senator Young: We are writing to express our dissatisfaction with some of the new food stamp regulations that were implemented in North Dakota on March 1, 1979.

Our main concern is with the allowance of depreciation as a deductible expense for a farming operation. Under the previous regulations, depreciation was not allowed, however, the new regulations do allow full depreciation, as listed by the client on his 1978 income tax return.

We would like to cite two examples of families that have been certified for participation in the food stamp program in our agency in the last month.

Family "A"—9 members in household:

Former Regulations: (no depreciation) 1978 Net Annual Income=$5,052.91. Monthly Income=$1,254.41. Monthly Food Stamp Bonus=$105.00.

Current Regulations: (depreciation allowed) 1978 Net Annual Income=$2,236.58. Monthly Income=$186.38. Monthly Food Stamp Bonus=$363.00.

Family "B"—5 members in household:

Former Regulations: (no depreciation) 1978 Net Annual Income=$9,398.43. Monthly Income=$783.20. Monthly Food Stamp Bonus=$59.00.

Current Regulations: (depreciation allowed) 1978 Net Annual Income=Loss $3,505.57. Monthly Income=Loss $292.13. Monthly Food Stamp Bonus=$227.00.

The letter ended as follows, signed by all members of the Board.

We feel that this allowable expense gives an unfair advantage to the self-employed persons, while the wage earner, or Social Security recipient, and the taxpayer suffer the injustice.

We request your investigation of this specific regulation of the new food stamp program.

Sincerely,
Stark County Social Service Board.

Mr. President, I ask unanimous consent that the entire letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Stark County Social Service Board,
Dickinson, N.D., March 27, 1979.

Senator Milton R. Young,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Young: We are writing to express our dissatisfaction with some of the new food stamp regulations that were implemented in North Dakota on March 1, 1979.

Our main concern is with the allowance of depreciation as a deductible expense for a farming operation. Under the previous regulations, depreciation was not allowed, however, the new regulations do allow full depreciation, as listed by the client on his 1978 income tax return.

We would like to cite two examples of families that have been certified for participation in the food stamp program in our agency in the last month.

Family "A"—9 members in household.

Former Regulations: (no depreciation) 1978 Net Annual Income=$15,052.91. Monthly Income=$1,254.41. Monthly Food Stamp Bonus=$105.00.

Current Regulations: (depreciation allowed) 1978 Net Annual Income=$2,236.58. Monthly Income=$186.38. Monthly Food Stamp Bonus=$363.00.

Family "B"—5 members in household:

Former Regulations: (no depreciation) 1978 Net Annual Income=$9,398.43. Monthly Income=$783.20. Monthly Food Stamp Bonus=$59.00.

Current Regulations: (depreciation allowed) 1978 Net Annual Income=LOSS $3.505.57. Monthly Income=LOSS $292.13. Monthly Food Stamp Bonus=$227.00.

We feel that this allowable expense gives an unfair advantage to the self-employed persons, while the wage earner, or Social Security recipient, and the taxpayer suffer the injustice.

We request your investigation of this specific regulation of the new food stamp program.

Sincerely,
Stark County Social Service Board.

Mr. YOUNG. I do not believe the Budget Committee has authority to change the law, but this is an example of how the regulations have been changed to make it so unreasonably liberal to some people. For example, I am a farmer myself. You could be worth a million dollars. If you happen to lose money one year you could get the food stamps free. This same thing applies to businessmen or other self-employed people.

So I am going to support the amendment, hoping it will bring about some better regulations and better operation of the program, and to help the poor people who need this food.

The PRESIDING OFFICER. The Senator from North Carolina (Mr. Helms).

Mr. HELMS. I thank the Chair and my distinguished colleague from Indiana.

Mr. President, the able Senator from North Dakota has underscored the reason and the purpose of this amendment.

I receive communications almost constantly in North Carolina along the same lines, I say to the Senator, and the bottom line, if I could use that old cliche, is that if Congress does not do something at every available opportunity to cut down on this program and to make it fair and equitable to the taxpayers, then there is something akin to a revolt going on out across America. At least, that is the reading I have of it as I travel around North Carolina.

I thank the Senator from North Dakota for reading that letter in the Record, and I am inclined to search out a few of my own letters that I have received and put them in the Record also.

Mr. President, I am in strong support of the Lugar amendment. As I mentoined earlier, I am honored to be a cosponsor of it.

The amendment seeks to adjust the budget resolution to provide for no more than the authorized funding limit for the food stamp program. That is all. And it provides for the highest possible responsible—and let me emphasize the word "responsible"—spending for the food stamp program.

I think it should be said over and over again that there is not a Member of this Senate, not one, who objects to helping the truly needy and the truly worthy of this country. Certainly the Senator from North Carolina is heartily in favor of helping anyone who cannot help himself or herself. But the plain fact is that the food stamp program is out of hand. It is out of hand, and this Congress should miss no opportunity to do whatever it can to take effective action, and that is the purpose of the Lugar amendment, and that is all the Lugar amendment addresses itself to.

Congress made a commitment, Mr. President, to the public in 1977 when an authorization ceiling or, as we call it around here, a cap was set for the food stamp program. We know that the cap was our commitment to hold this inflationary engine in line.

If Congress had intended to create a program that would operate without constraint, there would have been no cap and there would have been no provision instructing the Secretary of Agriculture to reduce program costs when the appropriation level is appoached.

Those who wanted to take the risk of appearing to be reneging on this clear commitment to the taxpayers of this land will have to do that according to their own judgment. But the Senator from North Carolina will not do that. The Senator from North Carolina feels that we must fulfill our commitment.

Congress must not attempt to relieve itself of its responsibility by simply ignoring its clear commitment. The bureaucrats at the USDA's Food and Nutrition Service have apparently felt no compulsion to run this program in a responsible manner. That is why we find these bureaucrats implementing participation-expanding provisions of our 1977 Food Stamp Act while ignoring participation-controlling provisions. As a result, in January alone the food stamp rolls swelled with more than 1.7 million new participants. That is an incredible 11 percent increase in food stamp recipients in just 1 month. I shudder to think of how large a participation increase the February figures, as yet undisclosed, will reveal.

Surely I am not alone in receiving correspondence from frustrated local program administrators who find it impossible to control this program because they are so bound up in Federal regulations. These local administrators know the people who need help and they are sickened when they see the food stamp budget swamped by so many able-bodied people who choose not to work. The time has long since left us when we can afford the waste that has come to be the primary characteristic of the food stamp program.

Mr. President, the ability to reduce program costs exists. The mechanism is in place. Unfortunately, there has been no incentive strong enough to get the attention of the Food and Nutrition Service bureaucrats. The Senate should support Senator LUGAR's amendment. To do so would not only keep our public commitment, but send a clear message to the Food and Nutrition Service that we demand a lean program. It will tell them in a message loud and clear that we will not tolerate their wasteful and careless maladministration of this program.

Mr. President, we must adopt an attitude of fiscal responsibility by voting a budget level no higher than the cap and, in so doing, force the Food and Nutrition Service to put its house in order, and to restore fiscal responsibility to this out-of-control program.

I want it to be firmly on the record, Mr. President, that a vote for the Lugar amendment is one for fiscal responsibility and sound management of the food stamp program.

And, by the same token, a vote against the Lugar amendment is most assuredly a vote for waste, extravagance, and a callous disregard for the taxpayers and the truly needy in this land.

I hope I am accurate in my assessment that any Senator who votes against the Lugar amendment will forthrightly admit to his constituents that he has voted to increase spending for this waste-ridden, multi-billion dollar program by more than one billion dollars, because that is exactly what he will be doing.

I thank the Senator from Indiana for yielding to me.

The PRESIDING OFFICER. The Senator from California (Mr. HAYAKAWA).

Mr. HAYAKAWA. Thank you, Mr. President.

I thank the distinguished Senator from Indiana.

Mr. President, I have agreed to cosponsor the Lugar amendment to the budget resolution to reduce the spending level for income maintenance programs.

This reduction is intended to keep the level of food stamp spending under the cap set by the Agriculture and Food Stamp Act of 1977. The proponents of that legislation agreed to that cap in order to get the bill passed. The new law has only been enforced for a few months, and already people are crying out that we need more money for this program.

When we considered the Agriculture and Food Stamp Act of 1977 I voted to do away with the purchase requirement. I now regret having voted that way. I supported the change because I felt this would make the food stamps available for the very poor who could not afford the purchase, and that the change would eliminate administrative costs. The result of this change has been an onslaught of food stamp applicants, many of them fraudulent. The increase was 1.7 million people between December and January of this year. Most of these new applicants are not the poor who were able to participate for the first time, as the program was intended. The door has been opened for anyone to try to get away with fraud. Eliminating the purchase requirement has made food stamps that much easier to apply for by those who cheat the system. We should continue to make food stamps available to the very poor who need them, but cut out that fat, those who do not need them and those who are taking advantage of a system with too many loopholes.

The Senator from California has taken the trouble to send his staff to California offices of the food stamp program, and I wish to report some of the abuses.

California food stamp offices are filled daily, and the remarkable thing is the number of people there who are illegal aliens who do not even speak English. There are bilingual workers who help them, but they are not permitted under the present regulations to question their applications without documentation that would strongly suggest ineligibility.

The only questions they can ask are about identity, residency, and for work registration as required. Even if fraud is uncovered, it is almost impossible to get the money back from illegally received stamps. In addition the district attorney's office does not want to be backed up with food stamp cases. So the abuses are rampant. Checks are made almost impossible anyway because the system operates with 17 computer systems which are not compatible with each other.

The Food Stamp Act provides 30 days for workers to process cases. However, because of so many loopholes in the regulations, almost every applicant asks for expedited services. This backs up the workload, and those really in need do not receive expedited services because of the tremendous backlog.

This is a real injustice to the truly poor people, to the people who deserve the benefits of this program, and for whom the program was set up.

The abuses, I am finding out, and the staff is finding out, go much further than that. For example, an American citizen who marries a man who is an illegal alien and has two children born in this country does not have to count her husband's income in determining eligibility for food stamps. For example, that man could earn $600 a month, but unless he made an official declaration that, say, half of that money goes for support of his two children, his wife does not have to count that money as income in determining eligibility for food stamps.

This loophole has worked quite conveniently for many people who abuse the system, robbing the poor people of their food stamp benefits. People referred to as community advocates often advise people on how to abuse the system. These community advocates often counsel people to declare that they are illegal aliens even though they are not. These community advocates show people how to get food stamps that they are not entitled to only if they agree to buy their food from a certain grocer. That community advocate then gets a kickback from the grocer.

Other fraudulent activities include counterfeiting of food stamps, illegal trafficking of food stamps, mail theft, and robbery. Little is done to try to control this. In Los Angeles County alone in 1978 there were 21 robberies of food stamps from mail trucks. Losses are in the millions of dollars nationwide.

During the terrible snowstorm this past winter there were over $100,000 worth of food stamps stolen from an office in Baltimore. There is no way to trace these stamps, and anyone can use them once they get them.

Back in 1977 my efforts to protect the taxpayers from these abuses through the use of photo identification cards was rejected by the Senate. We need some way to protect the interest of the poor. Without that protection the program is jeopardized, and I am very concerned about the poor who really need it most.

Food stamp administrators in the State of California roughly estimate that 20 percent of the food stamp applications verge on fraud, that because of certain misrepresentations these applicants are not entitled to food stamps. In filling out an application, assets are easily understated or hidden. Misrepresentations are frequently made about the number of dependents. These statements are rarely checked anyway, so if a person lies on an application, it is almost a certain ticket to easy welfare. In addition, errors in filling out application forms with respect to the number of dependents can result in a person's getting more than their fair share of the benefits.

This is really an injustice to the truly poor people, to the people who deserve the benefits of this program.

The people in my State have spoken through proposition 13, and I have a responsibility to represent them and to work toward a balanced budget. Many others have promised their constituents to seek ways to cut the budget and bring some commonsense to our wild Federal spending habits—now is a chance to follow through on some of those promises. The new food stamp regulations have barely been enforced, and the wrinkles have not yet been ironed out of the system. Let us give this program a chance to work before we rush to raise the spending level by another $700 million.

Many people claim that if you do not support every increase in any welfare program then you are against the poor. Baloney! I am not afraid to say that enough is enough. I support food stamps for the poor, and for those who legally deserve them. But when are we going to begin eliminating the abuses that are rampant in this food stamp program? If the fraud and abuse are cut out, not only could we avoid raising the spending cap, we could save money.

When the Senate Agriculture Committee took up this issue during the committee mark-up of budget recommendations, they asked for spending increases of up to $700 million—$700 million! May I point out that this amount is more than double the total research budget under the Department of Agriculture.

This budget increase recommendation passed by only one vote, with one member of the committee not voting. I am very concerned that this cap which people want to lift was only put on this program when it was revised in May of 1977. I think that before we rush to raise the spending limit for food stamps that we should make a supreme effort to correct abuses in the program.

Many people have tried to create a sense of urgency in trying to lift the spending level for this program. But we are not talking about a small sum of money, we are discussing spending differences of $700 million. The food stamp regulations enforcing the Food and Agriculture Act of 1977 have not even been given a chance to work. We need not rush into this thing with our eyes closed as many people would suggest. If we find that later in the year we do need to reconsider the issue, we can address the food stamp matter in the second concurrent budget resolution. Pretending that there is urgency in the matter and that we must raise this funding level today is misleading and I oppose those efforts.

Mr. BELLMON. Mr. President, will the Senator yield me 3 minutes?

Mr. ARMSTRONG. Mr. President, I would be pleased to yield a minute of the time that I have been yielded.

Mr. BELLMON. No, that is all right.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the courtesy of the Senator from Indiana in yielding me a moment to express my support for the amendment which he has offered.

I have listened to the debate to this point, and I just want to make the observation that if there ever was a Federal program out of control, it must be the food stamp program.

I have been reviewing during the last few minutes the progress of this program, and I note with interest but, I must say, with a degree of dismay, since its establishment in 1965 expenditures for this program have grown from $36 million to an estimated $6.7 billion to the present time.

I am also convinced that the suggestion that the only way we can control expenditures for food stamps is by injuring the legitimate interests of the poor is simply not in accord with the facts, as I understand them.

I would direct the attention of the Senators to page 368 of the committee report in which I have outlined some potential savings which are estimated at $2.5 billion in the food stamp program.

The amendment proposed by the Senator from Indiana does not go as far toward effecting the savings as many others think are possible. He has taken a very mild course, a very moderate course. He is saying that further increases in the program above existing law, the existing cap, should not be permitted at this point in time.

By adopting the Senator's amendment we are simply saying to the Committee on Agriculture and to the Senate and to our colleagues in the other body that we do not want to reduce existing benefits, cut below the existing law, the existing spending level, but merely that we have to have some reforms before this program runs further out of control.

So with that thought in mind I certainly hope the majority of this body will see fit to support the Senator's amendment.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, I think the point needs to be made here that much of what has been said in defense of the Lugar amendment is in the form of arguments that would seem to support a change in the law, and with some of these I certainly agree, but they are not the sort of arguments that can be made to justify the Budget Committee's ignoring the fact that we have a law on the books; that under the terms of that law the cost of this program is going to go up, and unless the Budget Committee provides funding we simply are not meeting our responsibility.

I have in my hand a statement that has been delivered this morning by the Comptroller General of the United States, Mr. Elmer Staats. On page 3 of his statement he has this comment to make about the food program benefits gaps and overlaps. I quote the Comptroller General:

> In June 1978 we reported on overall benefit gaps and overlaps and administrative inconsistencies in 13 major domestic food assistance programs. By participating in several such programs simultaneously, which is specifically sanctioned by the programs' authorizing legislation, households can receive more in food benefits than the average amounts American families of comparable size spend for food, and more than is needed to purchase a thrifty food plan diet. We estimated that if food stamp allotments alone were tailored to meet the differing nutritional needs of household members of different ages and sex, over a half billion dollars might be saved each year.

This is not only in food stamps but 13 programs, most of which are under the Committee on Agriculture:

> Administrative inconsistencies among the 13 programs include different eligibility criteria relating to income and asset limits and exclusions from income, different requirements for verifying income, and different accounting periods for measuring income.

What I am saying is the Budget Committee will be very happy, will be delighted, if the Committee on Agriculture will come to Congress with proposals to change these programs, we will gladly reflect those changes in any future budget resolution. But, at the present time, and lacking changes in the law, I do not see that the Budget Committee has any option except to face reality and make provision for the costs of the program as they now stand.

I hope the Committee on Agriculture will take seriously the recommendations that the Comptroller General is making, and tighten down on these programs to eliminate the overlaps that are apparently widespread.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise to respond briefly to the Senator from Oklahoma, who has made the point eloquently that I attempted to make earlier.

Mr. Staats has, in fact, talked about the 13 programs, the overlaps, the abuses of several programs by food stamp families, and suggested that $500 million could be saved. Indeed, it could.

The Senator from Oklahoma has mentioned that we have no option but to follow the law. That is the point of my amendment. The point of my amendment is simply a memo to the Senate that the law says there is a cap of $6.18 billion now. That is the law.

Very clearly there is a conflict of law that we are discussing. The conflict comes because of so-called entitlements or expectations or the evidence that the senior Senator from Maine has mentioned about the use of the program: The thought that if things simply run their course, that clearly more money would be spent than the law allows under the cap of $6.18 billion.

The point I have tried to make consistently is that the retention of the cap, the retention of the pledge we made to the American public that we would not spend more than this amount of money for food stamps, we knew a good number of the hazards of that course. Maybe we were not aware of all of them, but that is the pledge we made when we passed the last law on the cap.

That is the question we had when we passed the last law on the caps. We are going to have to go back and find the duplications. We are going to have to examine the fraud the Senator from California mentioned seriously, in a way that the U.S. Department of Agriculture, in my judgment, has not been rigorous enough in doing.

I do not support the idea, as was suggested, that people who are poor should not be able to use food stamps. In fact, I voted to do away with the cash requirement, with the very thought the Senator from Maine has expressed, that those who are really poor might finally get to the program. But I am suggesting, through the legislation I have introduced, S. 982, that the USDA, and specifically the Secretary, ought to have the authority to set aside those who are less needy, those who have incomes substantially greater than $3,600 a year. Everybody in the program is pegged at that point, and I think we all know, looking at the program, that one can have a five-figure income, as a matter of fact, under some circumstances, and still be eligible; that one can in fact, as was suggested by some of my colleagues, have very substantial holdings, but have a bad year, and suddenly become eligible; that one can be involved in any number of circumstances in life and become eligible.

Those are things we have to look at, retain the cap, and, in my judgment, define the amount of money Congress wants to spend on this particular program.

I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself 1 minute, and then I will yield to the Senator from South Dakota.

The point we are making, may I say to the Senator from Indiana, is that what he wants to do is the responsibility of the legislative committee. I know he would like the Budget Committee to assume the responsibility for reducing benefits by 18 percent, but we do not have the authority to do that legislatively, and to make room for it without any assurance that the Agriculture Committee will exercise its authority in that way would be irresponsible.

With respect to these people who have got more than $9,000 in annual income, on the average that number is minuscule in percentage terms: 3 percent. That is mainly large families, who have enough members so that with the per capita allowance that is the result. The $3,600 figure is a fair representation of the income of people who benefit from this program, and if you want to get at the 3 percent by cutting the vast majority whose income is less than $3,600 by 18 percent, that is one route, but it is not a route that the Budget Committee can take, and certainly not one we chose to take.

How much time does the Senator from South Dakota wish?

Mr. McGOVERN. Ten minutes.

Mr. MUSKIE. I yield 10 minutes to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, when I came to the floor some time ago the Senator from Kansas (Mr. DOLE) was speaking, and said some very flattering things about my part in the Nation's nutritional programs.

I simply want to respond by saying that from the very beginning, this effort to eliminate hunger and malnutrition in the United States, which was given new force some 10 years ago and has been proceeding steadily ever since, has from the beginning been a bipartisan effort, in which Senator DOLE has played a central role. One of the reasons why the nutritional programs are as strong as they are in the United States is that they, from the very beginning, have had a strong bipartisan base.

The facts are that the 1969 war on hunger, which began with the White House Conference on Food and Nutrition, was begun by the Nixon administration; and no matter what other deficiencies that administration may have had, they did make a very remarkable commitment, some 10 years ago, to the elimination of hunger in this country. That commitment has been kept by Congress, and is one that we certainly do not want to jeopardize by the amendment now before us.

The Senator from Indiana, with whom I have had the privilege and the pleasure to serve on the Committee on Agriculture, has referred here repeatedly to the commitment that Congress made to the American people in 1977, by placing a $6.2 billion cap on Federal expenditures under the program. But the Senator knows that that ceiling, which was placed on the cost of the food stamp program in 1977, was placed there on the basis of the best estimates we had available to us at that time, that food prices would rise by 3 to 4 percent a year and that at the same time the unemployment rate would decline. The whole commitment to the ceiling was predicated on those estimates, which have now proved to be inaccurate. Instead of a 3 to 4 percent increase in the cost of food, every housewife knows, without being told by these statistics that we had from the Congressional Budget Office, that the actual price increase has been 10 percent a year.

The commitment we made to the American people was to see to it that no citizen went hungry in this country because of lack of income. That was the commitment, and we estimated we could meet that commitment with a $6.2 billion ceiling.

Mr. President, there is nothing about an action of Congress in 1977 that is so sacred it cannot be adjusted to meet the new conditions that face us in 1979. One Congress cannot bind another by legislative enactment. The commitment that really counts, that I think the American people are holding us to on moral and political grounds, is that we said in that 1977 Food Stamp Reform Act that we were going to provide a minimum level of benefits. No family, in this richest of all countries, should go hungry at a time when we know we have enough agricultural abundance and food in this country to meet the needs of all of our people.

The issue before the Senate today is not whether the error rate in the food stamp program should be reduced. Everyone is in favor of that. The congressional budget resolution now before us, calling for funding of $7.2 billion, is predicated on the Budget Committee's assertion that the administration has to save some $355 million in administrative changes in order to stay within that $7.2 billion recommendation by the Budget Committee. So we have already sent a message to the Department of Agriculture if we approve the Budget Committee's recommendation. We have said, "Find some way to save $355 million in the administration of this program."

I tried to send that kind of a message to the Pentagon yesterday, with a recommendation, not of an 18 percent cut in the defense budget, which is what is being proposed here in the budgets of the poor, hungry people, but of eight-tenths of 1 percent. That was all we tried to recommend in the way of a message to the Pentagon, and it was defeated on this floor by a vote of 69 to 24. If we were to recommend a cut in military spending commensurate with what the Senator from Indiana is proposing on nutrition here today, we would have to cut that military budget by $20 billion.

So to talk about a $1 billion reduction in food stamp benefits to the people of the United States is not a message to the Department of Agriculture, it is a message to the poor of this country that they are going to eat less in 1980 and 1981 than they have in the current year.

You cannot save a billion dollars by administrative actions alone in a $6 billion program. If you could, the Senate Committee on Agriculture would not have taken over 3 years of careful investigation of this program to present to the Senate the 1977 Food Stamp Reform Act. That act did tighten up the food stamp program and remove most of the abuses that the Senator from Indiana and his supporters are talking about here today. We did eliminate 1 million of the higher income participants in the program at that time. We reduced the benefits to 5 million or 6 million other Americans participating in the program, to the point, Mr. President, where I fear we have actually worked a hardship on many of our people, especially the elderly citizens of this country, by the tightening up we have already done in the program.

I supported those food stamp reforms, but it was an austere, tough bill that we passed here in 1977. It has eliminated the kind of abuses that the Senator from Indiana and others are talking about here today. Over one-half of all food stamp households participating in the new food stamp program have incomes of less than $3,600 a year.

Three-quarters, 75 percent, of all the families in the United States participating on food stamps—I am talking about family income—have less than $4,800 a year in income.

Mr. President, Senators make that much in a month and we have subsidized meals in the Senate dining room. I am not complaining. But I want to point out to my colleagues that when we talk about food stamp participants as though they are ripping off the Treasury of the United States and then look at the fact that the overwhelming majority of these families have less than $4,800 a year in income, it becomes clear this is hardly a luxury program.

Only 3 percent have incomes over $9,000 a year, and all of those are very large families who are receiving only minimal assistance under this program.

All the talk about pro rata reduction of food stamp benefits if we run short of funds versus some other method is a specious argument. It is really a prostitution of the term to call people with incomes of $6,000 "high income people," and people with $3,000 income "low income people." In today's inflationary situation they are in trouble anywhere in the range of $3,000 to $6,000.

I might add, Mr. President, that it is my firm conviction——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGOVERN. Will the Senator yield me 5 additional minutes ?

Mr. MUSKIE. I yield.

Mr. McGOVERN. It is my firm conviction that if we did not have the food stamp program and other nutritional programs on the books in this country, the long-term bills that our society would have to pay would be much greater. There are studies which have been made by the Department of Agriculture indicating that where a family gets an approved, commonsense diet, it can reduce their medical bills by as much as one-fourth.

Those are bills which would come due if we eliminate, as the amendment of the Senator from Indiana would do, some 18 to 20 percent of the benefits under this program.

That is the message we are going to send if this amendment is agreed to.

(Mr. BOREN assumed the chair.)

Mr. McGOVERN. Mr. President, if there are errors in the administration of the food stamp program, and there are, if there is some fraud, and there doubtless is—some people even cheat on their income tax, respectable, wealthy people—there are always a few people who are going to cheat under any kind of Government program—the answer is not a slash of 18 percent in the entire operating budget of the program, which would would have the effect of reducing the benefits to everybody in the program; the answer is well thought out antifraud, antierror legislation.

Where are the bills to do that? Why have not the Senators who are making these speeches about the abuses in the program introduced legislation to have it brought before the Agriculture Committee, which is the appropriate committee, and to target it on the problems that they are talking about? We do not deal with abuses in other parts of the Government by 18 to 20 percent slashes in the total budgets of those programs, particularly when those cuts come 2 years after the Congress has completed one of the most thorough reforms of the program ever undertaken.

Mr. President, I think the bottom line here today is much more fundamental than some of the points which have been made. It is whether food assistance is a luxury to be granted when it is convenient, where there is no pressure on the budget, or whether we regard it as we do national defense, as an essential item in a democratic society. It is a charade to talk about saving $1 billion through administrative efficiency.

So let us get to what we are talking about here today. Only poor people get food stamps. The question is, should we cut food aid to the poor in years where we are having trouble balancing the budget? That is really the question, Mr. President.

I think we should not, and that the Lugar amendment should be rejected.

Earlier this week I had the privilege of visiting the floors of the Chicago Board of Trade and the Chicago Mercantile Exchange. At those exchanges, trillions—not millions or billions—trillions of dollars in futures contracts are traded every year. Last year, the United States exported some 27 billions of dollars in agricultural products.

The question facing the Senate today is whether the most richly endowed Nation on Earth, a Nation that does $1 trillion in trading in futures contracts, is responsible for the needs of its poor and its hungry.

Mr. President, I know it is popular in some quarters to assail the food stamp program. Let me just say that there is no social program on the statute today, in my judgment, with the possible exception of social security, which has reached more people in a beneficial, healing, constructive, and strengthening way than the food stamp program.

We can regard this as one of the great success stories in American Government.

When the Committee on Nutrition meets on Monday we are going to hear the report of the Field Foundation on the 10-year record that the Congress and the Nation has made in the battle against hunger in the United States. They are going to report that this is one of the great success stories. I have been proud from the very beginning to be associated with this program. I am perfectly willing to be evaluated as a public servant on what has happened in our nutritional programs. I have seen some of the deficiencies, I have seen the Congress move to correct those deficiencies. We can continue that effort. But let us not destroy one of the great programs, one that has brought strength to so many Americans.

The long-term results of that kind of effort will be to defeat the very concerns that ought to be uppermost in our minds.

References have been made here today about this program being out of control, as though it is just sort of careening down the road with no sense of prudent growth. The truth of the matter is that it was not until 1974 that we first had food stamps offered in all 3,000 counties. At that time, 15 million people were on the food stamp program.

In the 5 years since it has gone up to 19 million and then declined again.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McGOVERN. By and large this is a program which has been under tight control and has been doing very well indeed.

Mr. President, I ask unanimous consent that a memorandum from the Education and Public Welfare Division of the Congressional Research Service, dated March 5, 1979, enclosing a tabulation entitled, "Participation in the Food Stamp Program Since July 1974," be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D.C., March 5, 1979.

To: Senate Committee on Agriculture, Nutrition, and Forestry.

From: Education and Public Welfare Division.

Subject: Participation in the Food Stamp Program since the deadline for national availability of the program, July 1974.

Attached is a table listing, month-by-month, the number of persons, nationwide, participating in the Food Stamp Program since July 1974. The 1973 amendments to the Food Stamp Act set July 1974 as the date by which it was expected that all States would have Food Stamp Program in operation statewide. A few States did not enter fully into the program until late in 1974 and the early months of 1975.

JOE RICHARDSON.

Participation in the food stamp program since July 1974

Year/month		*Persons*
1974	July	13, 949, 049
	August	14, 306, 354
	September	14, 473, 855
	October	15, 223, 777
	November	16, 132, 660
	December	17, 182, 938
1975	January	17, 887, 020
	February	18, 617, 398
	March	19, 224, 514
	April	19, 287, 101
	May	19, 289, 100
	June	19, 196, 589
	July	18, 699, 071
	August	18, 626, 234
	September	18, 500, 068
	October	18, 653, 000
	November	18, 053, 825
	December	19, 021, 223
1976	January	18, 643, 185
	February	18, 559, 432
	March	19, 164, 828
	April	18, 580, 628
	May	18, 101, 374
	June	17, 981, 717
	July	17, 345, 871
	August	17, 386, 966
	September	17, 038, 583
	October	17, 026, 853
	November	17, 174, 057
	December	17, 515, 488
1977	January	17, 343, 950
	February	18, 377, 261
	March	17, 560, 435
	April	17, 133, 163
	May	17, 004, 971
	June	16, 679, 201
	July	16, 264, 973
	August	16, 513, 794
	September	16, 097, 027
	October	15, 911, 261
	November	16, 008, 593
	December	16, 162, 882

Participation in the food stamp program since July 1974

	Year/month	Persons
1978	January	16, 356, 888
	February	17, 072, 870
	March	16, 829, 180
	April	16, 251, 680
	May	15, 857, 077
	June (preliminary)	15, 563, 881
	July (preliminary)	15, 550, 150
	August (preliminary)	15, 691, 699
	September (preliminary)	15, 270, 168
	October (preliminary)	15, 481, 076
	November (estimated)	15, 579, 000
	December (estimated)	16, 066, 000

Source: U.S.D.A., Food and Nutrition Service.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the Senator from Nebraska, a very valuable member of our committee.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, when the Senate considers the First Concurrent Budget Resolution for fiscal year 1980, Senator Lugar intends to offer an amendment on the floor to reduce spending for the food stamp program by $1 billion below the level recommended by the Budget Committee. We are strongly opposed to this amendment and urge you to join us in supporting the funding level recommended by the Budget Committee.

The Senate Budget Committee provides for $7.2 billion in funding for the food stamp program for fiscal year 1980. This amount is $200 million less than the amount which the Congressional Budget Office estimates is necessary to prevent across the board reductions in food stamp benefits to low income households. The $7.2 billion figure recommended by the Budget Committee assumes that this $200 million shortfall will be made up through administrative efforts to tighten the eligibility determination process. It should also be pointed out that the CBO estimate of $7.4 billion also includes an assumption that $155 million will be saved through administrative efforts. Thus, the $7.2 billion figure contained in the First Concurrent Budget Resolution already calls for administrative savings of $355 million.

Few programs have received closer congressional scrutiny in recent years than has the food stamp program.

The food stamp program was extensively debated in both the 94th and 95th Congress. The 1977 Food Stamp Amendments made sweeping changes in eligibility and benefit levels, which trimmed more than a million persons from the eligibility rolls and reduced benefits for several million more. As a result of these amendments, over half of all food stamp households have incomes of less than $3,600 a year. Three-quarters have incomes of less than $4,800 a year. Only 3 percent have incomes over $9,000 a year; these are all very large families and are eligible for only minimal food stamp benefits.

The 1977 amendments also placed a $6.2 billion ceiling on Federal expenditures under the program. The $6.2 billion ceiling was based on CBO estimates at the time, which assumed that food prices would rise by 3 to 4 percent a year and that unemployment would steadily decline. Instead, food prices rose by nearly 20 percent in 1978 and 1979 alone and unemployment remains significantly higher than originally estimated.

At the time the ceiling was established, there was no expectation that it would prove inadequate. Because of adverse economic conditions, however, CBO now estimates that the ceiling must be lifted to at least $7.4 billion. The Senate Budget Committee, the General Accounting Office and the Department of Agriculture have all determined that unless the ceiling is lifted, the Department of Agriculture has no option under the law except to reduce food stamp benefits to all recipients, on a pro rata basis.

In its March 15, 1979 Report to the Budget Committee, the Senate Agriculture Committee stated that it "anticipates legislation to change the current law with respect to the authorization ceiling" so as to prevent any reduction in benefits to eligible households. The President's budget also proposes to lift the ceiling to avoid any benefit reductions.

The average food stamp benefit is only 33 cents per meal. Unless the present ceiling is lifted, CBO estimates that benefits received by all food stamp participants would have to be reduced by 18 percent in fiscal year 1980. If the Department of Agriculture were to begin benefit reductions halfway through fiscal year 1980, the loss of benefits experienced by each family during the final 6 months of the year would average 36 percent.

Restrictions in deductions for medical care and excess shelter costs made by the 1977 amendments have worked a particular hardship on low income elderly. Legislation to address this problem would cost roughly $50 million; it is important to leave room in the resolution for this legislation.

Senator Lugar, by citing the growth in the food stamp program, implies that the program is out of control. In fact, the program's growth has been the result of numerous congressional decisions to slowly replace the family commodity program with the food stamp program. The food stamp program did not become a national program reaching all 3,000 counties until late in 1974. At that time approximately 15 million people participated in the program. Since 1974 the program has grown and declined in direct relation to changes in the unemployment rate.

Senator Lugar suggests that by adopting his amendment "we will be sending a message to USDA." We fail to understand what the message will be. The Department of Agriculture already intends to include in the bill it will be sending to the Hill many provisions aimed at reducing the error rate in the program and providing for greater administrative efficiency.

The only message that will be sent by the passage of Senator Lugar's amendment will be to the poor of America—and the message will be clear. The Congress will be asking lower income Americans to bear a disproportionate share of the burden of inflation.

I also join my distinguished colleague from Indiana in saying we do not want waste, we do not want corruption, we do not want misuse of these programs. But at a time when we have cut the programs, at a time when food costs are going up faster than almost anything else save the defense budget, I think it is irresponsible for those on this floor to make a cut in such a program as this at a time like this, when the Budget Committee had already made what I think is a reasonable and responsible cut in the face of the future of increasing food costs.

I thank the Chair very much. I hope that our colleagues will go along, once again, with the Budget Committee on our recommendation.

Mr. MUSKIE. Mr. President, I thank my friend and I yield my remaining time, which I think is about 2 minutes, to the distinguished Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator.

Mr. President, I rise to oppose the amendment of the distinguished Senator from Indiana and to associate myself with the remarks of the distinguished Senator from South Dakota. Let me say that I do not think any apologies are due for what has been accomplished by the food stamp program. It has had its mistakes, but in the sense of delivery of product, in the sense of oversight—I might add, there has been far more oversight here than there has been on the defense budget over the years—in the sense of an end to be achieved, no apologies; none whatsoever. Indeed, I think what we do for the weakest elements of our society, is very much the measure of a civilization and the measure of this country. Yet the mood now, in these times, the political wisdom of these times, is to use the excuse of a weakened economy to turn our backs on the weakest elements of our society. This is one example of it.

I remind my colleagues on the floor that one of the biggest investments this Nation ever made, $7 million to buy Alaska, was made at a time when the Nation was literally bankrupt. We are getting that back many fold this year—probably about $7 million every 2 hours.

The main investment we have to make is in human beings and the quality of life. You can talk national defense until you are blue in the face. We have no defense unless we have a motivated people. A motivated people have to be fed and a motivated people have to be housed and a motivated people have to have a job. That is the essence of our defense. It is also the essence of the greatness of this country.

I very vehemently oppose not just the amendment itself but the concept as it is presented here, on the floor of the Senate. I hope the amendment will be defeated.

Mr. LUGAR. Mr. President, I rise to make just a few short remarks. First of all, we have not advocated today a cut in the food stamp program. The cap under which we are now operating calls for an increase in the food stamp program in fiscal 1980. I think that is clear. The cap is $6.18 billion, substantially greater than the amount estimated for last year. So we are talking about more food stamps and serving more people.

Secondly, the senior Senator from South Dakota (Mr. McGovern) mentioned that I have alleged that the program was careening out of control. I am not asserting whether those pictorial words precisely fit the predicament, but I have cited statistics from the State of Indiana—and I cited those because those are the only ones available for 2 months, January and February, on where the new food stamp program is going. I simply say that a 42.6-percent increase in payments—and that is from $4.9 million to over $7 million paid out—is a very substantial increase. This is from December of 1978 through February of 1979—42-percent increase. If that is not careening out of control, it is clearly moving very rapidly in that direction.

This is not a program now that is under control. The Budget Committee has tried to make an estimate and the senior Senator from Maine is correct: that is all it can try to do, make an estimate, split the difference between two estimates of $6.9 billion and $7.5 billion. I have alleged that neither one of those is likely to be close.

The facts of life are that unless we stick to the cap and retain the discipline that is required with what we have already proceeded to do, the American people have no assurance of how much money will go into this program and no idea of how it will be paid for except through a larger deficit. It is simply inconsistent with the mood of the American public, and I hope the mood of this body, moving toward some fiscal sanity, moving toward a balanced budget down the trail, to allow a program, which we have defined clearly today almost as one of assuring entitlement, to move on in this fashion.

Again and again, the Agriculture Committee has asked USDA for better administration and pledges have been made and some performance has occurred. But I found, at least in my limited experience as an administrator, an executive in local government, that when a situation of this kind occurs, there is only one way to bring it under control. That is to say, "We are going to spend *x* number of dollars on a worthy objective, a compassionate objective, more money than we have ever spent before, but that will be it. Now, those of you who must administer the program had better get to it."

I have offered the legislation that gives the USDA authority to do precisely that. No need to take away food stamps from the poorest of the poor, but every need to administer this program well. We owe that to the American people, some assurance that we are in control because, in fact, if the Budget Committee's recommendation is passed, my prediction—and we will go back to this, I am certain, as we debate this issue again—is that $6.9 billion will not cover it; $7.2 billion will not cover it. I have no idea what will cover it and the American people deserve to know, and they hold us responsible for saying what the allocation of resources ought to be.

This is no longer an estimate problem. I am suggesting we fix it at $6.18 billion, the cap, and the reiteration of the law we now have. No estimate, but assurance to the American public that we are in control and holding USDA responsible for successful administration.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), and the Senator from Tennessee (Mr. Sasser) are necessarily absent.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

I further announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

The PRESIDING OFFICER. Have all Senators voted? Do other Senators desire to vote? Are there other Senators desiring to vote?

The result was announced—yeas 30, nays 61, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—30

Armstrong
Boren
Byrd,
  Harry F., Jr.
Cochran
Domenici
Ford
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Morgan
Nunn
Proxmire
Roth
Schmitt
Simpson
Stennis
Stevens
Thurmond
Tower
Warner
Young
Zorinsky

NAYS—61

Baker
Baucus
Bellmon
Bentsen
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Eagleton
Exon
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schweiker
Stevenson
Stewart
Stone
Talmadge
Tsongas
Wallop
Weicker
Williams

NOT VOTING—9

Bayh
Biden
Chafee
Durkin
Gravel
Long
Percy
Sasser
Stafford

So the amendment (No. 150) was rejected.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Jeff Lewis, of Senator Domenici's staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Delaware is recognized to call up an amendment.

UP AMENDMENT NO. 86

Mr. ROTH. Mr. President, I send to the desk an amendment to Senate Concurrent Resolution 22.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. Roth, for himself, Mr. Stone, Mr. Hatch, Mr. Armstrong, Mr. Cochran, and Mr. Proxmire) proposes an unprinted amendment numbered 86, in the nature of a substitute.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, strike out all after "concurring)," and insert in lieu thereof the following: That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that:

A Budget Balanced in 1981

(a) In order to achieve a balanced budget in fiscal year 1981, the following budgetary levels are appropriate for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1980: $494,000,000,000;
Fiscal year 1981: $560,000,000,000;
Fiscal year 1982: $610,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1980: —$ 9,500,000,000;
Fiscal year 1981: —$11,500,000,000;
Fiscal year 1982: —$54,900,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1980: $588,200,000,000;
Fiscal year 1981: $622,100,000,000;
Fiscal year 1982: $672,800,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1980: $522,000,000,000;
Fiscal year 1981: $560,000,000,000;
Fiscal year 1982: $600,000,000,000;

(4) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1980: —$28,000,000,000;
Fiscal year 1981: —0—;
Fiscal year 1982: +$10,000,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1980: $890,700,000,000;
Fiscal year 1981: $921,200,000,000;
Fiscal year 1982: $959,500,000,000;

the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1980: $60,700,000,000;
Fiscal year 1981: $91,200,000,000;
Fiscal year 1982: $129,500,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the preceding subsection of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal years beginning on October 1, 1979, October 1, 1980, and October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1980:
(A) New budget authority, $137,800,000,000;
(B) Outlays, $124,300,000,000.
Fiscal year 1981:
(A) New budget authority, $148,100,000,000;
(B) Outlays, $135,800,000,000.
Fiscal year 1982:
(A) New budget authority, $157,900,000,000;
(B) Outlays, $147,000,000,000.

(2) International Affairs (150):
Fiscal year 1980:
(A) New budget authority, $11,500,000,000;
(B) Outlays, $7,300,000,000.
Fiscal year 1981:
(A) New budget authority, $12,900,000,000;
(B) Outlays, $7,400,000,000.
Fiscal year 1982:
(A) New budget authority, $11,900,000,000;
(B) Outlays, $7,200,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1980:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,500,000,000.
Fiscal year 1981:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,400,000,000.
Fiscal year 1982:
(A) New budget authority, $5,200,000,000.
(B) Outlays: $5,200,000,000.

(4) Energy (270):
Fiscal year 1980:
(A) New budget authority, $18,400,000,000;
(B) Outlays, $6,400,000,000.
Fiscal year 1981:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $7,200,000,000.
Fiscal year 1982:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $7,200,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1980:
(A) New budget authority, $12,500,000,000;
(B) Outlays, $11,700,000,000.
Fiscal year 1981:
(A) New budget authority, $13,000,000,000;
(B) Outlays, $12,300,000,000.
Fiscal year 1982:
(A) New budget authority, $13,700,000,000;
(B) Outlays, $13,200,000,000.

(6) Agriculture (350):
Fiscal year 1980:
(A) New Budget authority, $5,000,000,000;
(B) Outlays, $5,300,000,000.
Fiscal year 1981:
(A) New budget authority, $5,200,000,000;
(B) Outlays, $7,000,000,000.
Fiscal year 1982:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $7,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1980:
(A) New budget authority, $6,700,000,000;
(B) Outlays, $3,100,000,000.
Fiscal year 1981:
(A) New budget authority, $5,700,000,000;
(B) Outlays, $3,600,000,000.
Fiscal year 1982:
(A) New budget authority, $6,100,000,000;
(B) Outlays, $3,400,000,000.

(8) Transportation (400):
Fiscal year 1980:
(A) New budget authority, $18,700,000,000;
(B) Outlays, $18,200,000,000.
Fiscal year 1981:
(A) New budget authority, $19,900,000,000;
(B) Outlays, $18,600,000,000.
Fiscal year 1982:
(A) New budget authority, $19,700,000,000;
(B) Outlays, $19,300,000,000.

(9) Community and Regional Development (450):
Fiscal year 1980:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $7,900,000,000.
Fiscal year 1981:
(A) New budget authority, $9,200,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1982:
(A) New budget authority, $9,100,000,000;
(B) Outlays, $8,800,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1980:
(A) New budget authority, $26,000,000,000;
(B) Outlays, $27,400,000,000.
Fiscal year 1981:
(A) New budget authority, $27,400,000,000;
(B) Outlays, $27,000,000,000.
Fiscal year 1982:
(A) New budget authority, $27,600,000,000;
(B) Outlays, $26,800,000,000.

(11) Health (550):
Fiscal year 1980:
(A) New budget authority, $56,500,000,000;
(B) Outlays, $52,500,000,000.
Fiscal year 1981:
(A) New budget authority, $66,900,000,000;
(B) Outlays, $58,500,000,000.
Fiscal year 1982:
(A) New budget authority, $77,300,000,000;
(B) Outlays, $64,900,000,000.

(12) Income Security (600):
Fiscal year 1980:
(A) New budget authority, $210,300,000,000;
(B) Outlays, $181,500,000,000.
Fiscal year 1981:
(A) New budget authority, $232,100,000,000;
(B) Outlays, $197,600,000,000.
Fiscal year 1982:
(A) New budget authority, $260,500,000,000;
(B) Outlays, $217,600,000,000.

(13) Veterans Benefits and Services (700):
Fiscal year 1980:
(A) New budget authority, $21,100,000,000;
000;
(B) Outlays, $20,500,000,000.
Fiscal year 1981:
(A) New budget authority, $21,300,000,000;
(B) Outlays, $21,000,000,000.
Fiscal year 1982:
(A) New budget authortiy, $22,600,000,000;
(B) Outlays, $22,600,000,000.

(14) Administration of Justice (750):
Fiscal year 1980:
(A) New budget authority, $3,900,000,000;
(B) Outlays, $4,300,000,000.
Fiscal year 1981:
(A) New budget authority, $4,000,000,000;
(B) Outlays, $4,100,000,000.
Fiscal year 1982:
(B) New budget authority, $4,000,000,000;
(B) Outlays, $4,000,000,000.

(15) General Government (800):
Fiscal year 1980:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1981:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):
Fiscal year 1980:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,500,000,000.
Fiscal year 1981:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $8,600,000,000.
Fiscal year 1982:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $8,700,000,000.

(17) Interest (900):
Fiscal year 1980:
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.
Fiscal year 1981:
(A) New budget authority, $57,700,000,000;
(B) Outlays, $57,700,000,000.
Fiscal year 1982:
(A) New budget authority, $58,400,000,000;
(B) Outlays, $58,400,000,000.

(18) Allowances (920):
Fiscal year 1980:
(A) New budget authority, —$3,300,000,000;
(B) Outlays, —$2,900,000,000.
Fiscal year 1981:
(A) New budget authority, —$4,100,000,000;
(B) Outlays, —$3,700,000,000.
Fiscal year 1982:
(A) New budget authority, —$4,100,000,000;
(B) Outlays, —$3,700,000,000.

(19) Undistributed Offsetting Receipts (950):
Fiscal year 1980:
(A) New budget authority, $19,700,000,000;
(B) Outlays, —$19,700,000,000.
Fiscal year 1981:
(A) New budget authority, —$20,600,000,000;
(B) Outlays, —$20,600,000,000.
Fiscal year 1982:
(A) New budget authority, —$22,700,000,000;
(B) Outlays, —$22,700,000,000.

REVISIONS TO THE SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1979

SEC. 2. Pursuant to section 304 of the Congressional Budget Act of 1974:

(a) Section 1 of H. Con. Res. 683 is revised as follows:

(1) The recommended level of Federal revenues is $457,200,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $100,000,000.

(2) The appropriate level of total new budget authority is $559,800,000,000.

(3) The appropriate level of total budget outlays is $493,800,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $36,600,000,000.

(5) The appropriate level of the public debt is $833,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $3,900,000,000.

(b) Section 2 of H. Con. Res. 683 is revised as follows:

(1) National Defense (050):
(A) New budget authority, $127,200,000,000;
(B) Outlays, $114,500,000,000.

(2) International Affairs (150):
(A) New budget authority, $12,000,000,000;
(B) Outlays, $7,700,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,400,000,000;
(B) Outlays, $5,200,000,000.

(4) Energy (270):
(A) New budget authority, $7,600,000,000;
(B) Outlays, $7,400,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $12,900,000,000;
(B) Outlays, $11,300,000,000.

(6) Agriculture (350):

(A) New budget authority, $8,300,000,000;

(B) Outlays, $6,200,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,900,000,000;

(B) Outlays, $2,900,000,000.

(8) Transportation (400):

(A) New budget authority, $19,800,000,000;

(B) Outlays, $17,000,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,900,000,000;

(B) Outlays, $9,500,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $32,600,000,000;

(B) Outlays, $29,500,000,000.

(11) Health (550):

(A) New budget authority, $53,100,000,000;

(B) Outlays, $49,700,000,000.

(12) Income Security (600):

(A) New budget authority, $193,700,000,000;

(B) Outlays, $160,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20,400,000,000;

(B) Outlays, $20,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,200,000,000.

(15) General Government (800):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,500,000,000;

(B) Outlays, $8,600,000,000.

(17) Interest (900):

(A) New budget authority, $52,400,000,000;

(B) Outlays, $52,400,000,000.

(18) Allowances (920):

(A) New budget authority, $700,000,000;

(B) Outlays, $700,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$18,100,000,000;

(B) Outlays, −$18,100,000,000.

Mr. ROTH. Mr. President, I ask for the attention of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROTH. Mr. President, I offer this amendment together with Senators STONE, HATCH, ARMSTRONG, COCHRAN, and PROXMIRE. I also ask unanimous consent that the name of the Senator from South Carolina (Mr. THURMOND) and the Senator from California (Mr. HAYAKAWA) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, this amendment would restrain the growth rate of Federal spending enough to provide needed tax relief in 1980 and 1981 and beyond, as well as a balanced budget by 1981.

The budget resolution recommended by the Senate Budget Committee achieves a balanced budget by 1981. In doing so, the committee has followed the mandate of the Byrd amendment and the Long amendment and the wishes of the American people. However, the Budget Committee is balancing the budget by imposing massive tax increases on the American people in 1980 and 1981. I do not believe the American people want Congress to balance the budget by allowing taxes to increase.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. DOMENICI. Mr. President, may we have order? The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROTH. I thank the Senator from New Mexico.

As I said, Mr. President, I do not believe that the American people want Congress to balance the budget by allowing taxes to increase. I believe this majority of my distinguished colleagues and the American people want Congress to balance the budget by curbing the growth rate of Federal spending.

By delaying any tax cuts until 1982, the Budget Committee is proposing to balance the budget on the backs of the American taxpayer. Rather than reducing the budget's deficit by reducing Federal spending, it is attempting to balance the budget by allowing taxes to increase on the American people. If the Budget Committee's recommended budget resolution is adopted, practically every taxpayer in this country faces substantial tax increases in 1980 and 1981.

According to both the Joint Tax Committee and the Congressional Budget Office, inflation and social security tax increases will amount to at least $19 billion in fiscal 1980 and $36 billion in fiscal 1981. Under the Budget Committee's recommendation, Federal tax receipts are allowed to increase by 10 percent in fiscal 1980 and nearly 15 percent in fiscal 1981. In these 2 years alone, the Federal tax receipts will increase by nearly $120 billion.

Despite the national mood for tax relief, the Budget Committee's resolution calls for the tax burden to increase to unprecedented levels. If the recommended budget resolution is adopted, in 1980 and 1981 Federal taxes as a percent of GNP will reach the highest level ever experienced in this country in peacetime.

Mr. President, the heavy drag of Federal taxes on the American people is the largest single barrier to healthy noninflationary economic growth.

High rates of taxation are strangling economic growth, choking off private initiative, pushing up prices, and retarding savings, investments and productivity growth.

Without tax cuts in 1980 and 1981, the increasing tax burden will throw the economy into a recession, further increase Federal spending, and cause substantial budget deficits.

Tax rate reductions will increase the incentive to work, save, and invest and expand the production of goods and services in the economy. And by increasing real economic growth, we will reduce the need for excessive Government spending on social welfare programs to correct the Government's economic mistakes.

Taxes can be reduced and the budget can be balanced by 1981 if the growth rate of Federal spending is restrained.

Despite the claims of fiscal austerity, I believe the spending levels proposed in the recommended budget resolution are much too high.

With inflation roaring at near double-digit levels, I believe we must take steps to further reduce the level of Federal spending. I agree with the minority members of the Budget Committee that Federal spending levels can and must be cut by an additional $10 billion in fiscal 1980.

The Budget Committee has recommended Federal spending increase by an average of 8 percent a year in 1980 and 1981. My amendment would restrain the growth of Federal spending to less than 7 percent a year, placing the Federal Government under the same restraints the President has established for business and labor.

There is no question hard choices are necessary to reduce Federal spending. But there is no question these steps are necessary to restrain inflation. However, my amendment would not require massive cutbacks in Government programs.

The amendment would reduce the Budget Committee's spending levels by less than 2 percent in 1980, and still allow Government spending to increase by 6 percent.

As the minority members of the Budget Committee have pointed out, further reductions in the budget are possible without hampering any of the critical responsibilities of the Federal Government.

In fact, substantial reductions in Federal spending can be achieved merely by focusing on fraud and waste in Government spending programs. Deputy Attorney General Benjamin Civiletti has testified before the Budget Committee that fraud and waste consume between $5 billion and $50 billion of the Federal budget. Clearly, curbs on spending growth can be achieved without harming useful Government functions.

The amendment I am proposing provides restraints on Federal spending, phased-in tax reductions, and a balanced budget in 1981, as well as succeeding years.

Under this amendment, spending is restrained enough to provide modest tax cuts of $10 billion in fiscal 1980 and $25 billion in fiscal 1981. Further substantial tax cuts are provided between 1982 and 1984, totaling $75 billion in fiscal 1982, $110 billion in fiscal 1983, and $138 billion in 1984.

By combining these tax cuts with spending restraints the fiscal 1980 budget deficit is held to $28 billion, and I emphasize again that the budget is balanced in fiscal 1981.

Between 1982 and 1984, growing budget surpluses provide an opportunity to reduce the national debt.

Specifically, I am proposing spending levels of $522 billion in fiscal 1980, $560 billion in fiscal 1981, and $600 billion in fiscal 1982. These spending levels represent reductions from the budget resolution of $10 billion in 1980, $16 billion in 1981, and $14 billion in 1982. This represents a restraint on the growth of spending of only about 2 percent.

This amendment retains the Budget Committee's recommended spending levels in 1980 for national defense, science and space, energy, natural resources and environment, transportation, veterans benefits, general government, and general purpose fiscal assistance.

Reductions are proposed in foreign aid

($600 million), the CETA countercyclical jobs program ($2.2 billion), health programs (medicare/medicaid reimbursement and fraud reform), ($1.1 billion), welfare and food stamps programs ($2.2 billion), Federal travel spending ($750 million), and categorical grants to the States ($2.5 billion). Minor reductions ($100 million) are made in Agriculture price supports, the Census Bureau, the Urban Development Action Grant, and Legal Services.

These spending restraints can and must be made in order to provide tax relief to the American people. In fact, just 6 months ago, the Senate and the House overwhelmingly endorsed an amendment setting spending and tax levels at approximately the same levels I am proposing in my amendment.

The resolution recommended by the Budget Committee sets spending levels which exceed last October's coalition amendment by $8 billion in 1980, $16 billion in 1981, and $18 billion in 1982.

The revenue levels exceed the coalition amendment levels by $16 billion in 1980, $34 billion in 1981, and $18 billion in 1982.

Rather than reduce spending and revenue levels, the recommended budget resolution calls for more Federal spending and higher Federal taxes.

I urge the Senate to adopt this amendment to reduce the tax drag on our economy and to curb the growth rate of Federal spending.

A vote against this amendment is a vote for more Federal spending, more inflation, and higher taxes for all Americans.

A vote for this amendment is a vote for Federal spending restraint, noninflationary economic growth, and tax relief for all Americans.

Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of my amendment.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

ROTH AMENDMENT

The Roth Amendment provides restraints on Federal spending, phased-in tax reductions, and a balanced budget in 1981.

Under the amendment, spending growth is restrained enough to provide modest tax cuts of $10 billion in fiscal 1930 and $25 billion in fiscal 1931. Further substantial tax reductions are provided between 1932 and 1934.

By combining the tax cuts with spending restraint, the fiscal 1930 budget deficit is held to $28 billion and the budget is balanced in fiscal 1931. Between 1932 and 1934, growing budget surpluses provide an opportunity to reduce the national debt.

The following charts compare the proposed Roth Amendment with the Budget Committee's recommendations.

	1980	1981	1982	1983	1984
Budget Committee recommendation:					
Outlays	532	576	614	652	689
Revenues	504	576	615	696	775
Deficit/surplus	−23	0	+1	+44	+86
Tax cuts (gross)	0	0	55	75	100
Roth amendment:					
Outlays	522	560	600	640	688
Revenues	494	560	610	674	750
Deficit/surplus	−28	0	+10	+34	+62
Tax cuts (gross)	10	25	75	110	138

As the figures show, taxes can be cut and the budget can be balanced if the growth of Federal spending is restrained to less than 7 percent a year, the same restraints the President has established for business and labor.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROTH. Yes.

Mr. PROXMIRE. I congratulate the distinguished Senator from Delaware on his amendment. I think it is an excellent amendment. Of course, as the Senator knows, I wish we could cut more. We tried that but we were unable to do it. This is a modest approach. After all, the Senator is not trying to cut $30 billion, which I wanted, or $20 billion, but only $10 billion.

Furthermore, he is specific in the areas where we make the cuts. Anyone, even the enthusiasts for the program, admits we can make changes in these programs. As I look at them, by and large, they would not have an adverse effect on the poor. The poor would be benefited, because it would ease the inflationary aspect.

Let me ask the Senator if it is not true that by reducing taxes, while the effect on the price of many things may not be a sharp reduction, the fact is that taxes are part of the cost of living. Taxes are part of what every American has to pay if he does not want to go to jail or if he does not want to pay a big fat fine.

So when the Senator proposes a reduction in taxes, which he does, is it not true that that also will ease a very important part of the inflationary burden for the American people?

Mr. ROTH. The Senator from Wisconsin is absolutely correct. I would, in answer to him, first like to point out that both he and I testified before the Budget Committee on specific areas where we thought additional spending restraints could be achieved, and I would like to compliment him for the contribution he thereby made.

He is absolutely right that part of the increase in the cost of living is an increase in Federal taxes.

I wish to illustrate the very point the Senator from Wisconsin is making. A family of four that earned $10,000 in 1978 paid a total Federal tax of $1,051 or an average tax rate of 10.5 percent.

In the current year, because of inflation and because of the increase in social security taxes, if this family of four earning $10,000 gets a cost-of-living increase to offset inflation, it will make something like $10,900. However, instead of paying $1,051, it will be paying $1,186 in Federal taxes. Its average tax rate will be increasing from 10.5 to 10.9 percent.

The same thing is true of the family of four earning $24,000. That family of four will see its total Federal taxes go up from 1978 to 1979 from $3,251 to $3,646 or an increase in its average tax rate from 16.2 to 16.7 percent.

So the Senator is absolutely correct that part of the problem, part of the increase in cost of living, is Federal taxes.

What we are talking about in our amendment, of which the Senator from Wisconsin is a cosponsor, is to provide a very modest amount of tax relief, only $10 billion in the first year.

I point out we are not specifying how the tax cut should be made. That will be determined in the future. Rather, we are trying to do two things: one, give some real tax relief to the American people; and, second, to move this economy in a new direction where we have real growth, a real increase of productivity, without inflation.

Mr. PROXMIRE. One other question: The Senator does not simply make a 1-year amendment. This is an amendment which would cover, as I understand it, 1981 and 1982 as well as 1980, so it is a 3-year amendment.

My question is, the Senator proposes a $16 billion reduction in taxes in 1981 and, as I understand it, the Budget Committee will provide to the Senate a balanced budget in 1981 in any event. Is the Senator simply saying what he would do would be to reduce spending by $16 billion below what the Budget Committee would recommend in 1981; is that correct?

Mr. ROTH. Yes, that is correct.

Mr. PROXMIRE. I see.

Well, again I think that is certainly a moderate goal. It is realistic. I think any notion that it is going to go these years without a tax reduction flies in the face of all our historic experience and our political experience. With inflation what it is, and what it is going to be, we are simply going to have that kind of tax reduction. We should have it.

The Senator has made a very powerful case for it, and if we are going to be realistic about what is going to happen in 1981 and 1982 the Senator has sketched a realistic and responsible way to go.

I am delighted in having the honor of cosponsoring his amendment.

Mr. ROTH. As I indicated, I appreciate the support of the Senator from Wisconsin. I think it is important that we give a signal to the American people and the American economy that Congress is making real restraints, that Congress is interested in promoting the growth of the private sector and is willing to take the steps necessary to enhance savings, to enhance investment, and increase productivity.

Mr. HATCH. Mr. President, I join in cosponsorship of this amendment of the distinguished Senator from Delaware.

Mr. President, the Senate Budget Committee has recommended increasing the real tax burden on the American people by $19 billion in fiscal year 1980 and $34 billion in fiscal year 1981. You will not find this stated anywhere in the report of the committee on this budget resolution. However, the committee has chosen to achieve its mandate of producing a balanced Federal budget in fiscal year 1981 by allowing inflation and automatic increases in social security taxes to raise revenues and to balance the budget. In other words, the budget has been balanced on the backs of the American taxpayers, that is, if we really reach a balanced budget during those years, and I have serious questions about that.

The Budget Committee made its first crucial decision on how to achieve a balanced budget when it voted to consider spending levels first, and to consider the appropriate level of revenues as its last item of business. Despite the Proposition 13 mood sweeping the country, the committee decided to subvert the interests of the taxpayers to the interests of the big-spending special interest groups. After all the decisions were made on the appropriate levels of spending for various functions, the revenues were adjusted to fit the spending package so that the fiscal year 1980 budget deficit would not be too large, and so that the budget could be balanced in fiscal year 1981.

I believe that the message we have been getting from our constituents over the past few years is that the taxpayer should be put first for a change. The proper procedure for the Budget Committee to have followed would have been to determine the appropriate level of revenues to extract from the American taxpayers, and then to fit their spending decisions within that overall figure. At least that is my opinion.

So, in its recommendation for this budget resolution,the Budget Committee has deliberately determined to allow taxes to increase in real terms on the American taxpayer in fiscal years 1980 and 1981. Increases in social security taxes resulting from the 1977 Social Security Act amendments will add $11 billion to the tax burden in fiscal year 1980 and $17 billion in fiscal year 1981. As taxpayers move into higher income tax brackets, solely as a consequence of inflation, their real tax burden will increase by $8 billion in fiscal year 1980 and $17 billion in fiscal year 1981. I was disappointed that the Budget Committee failed to comprehend the damage that these automatic tax increases will have on our economy.

I believe that the committee is unable to comprehend the damage that results from these automatic increases because the econometric models used by the Congressional Budget Office, upon which it relies for its economic projections, do not understand the dampening effect that high marginal tax rates have upon economic growth.

I believe that the committee assumes optimistically high levels of economic growth continuing as the tax burden increases. I therefore believe that the committee's projections of revenues for fiscal years 1982 and 1983 are unrealistic, being based on these optimistic, unrealistically high projected rates of real economic growth. If these optimistic levels of revenues are not achieved in these future years, the Federal budget will again move out of balance. The Senate should consider, as the Budget Committee did not, the harmful economic effects that higher and higher marginal tax rates have on our economy by destroying the incentives to work and produce, to save and invest.

The committee, in addition to recommending that marginal tax rates be allowed to increase, also recommended that the real average tax burden on American taxpayers be allowed to increase as a consequence of inflation and social security tax increases. The committee has decided to let the average burden of taxation, as a percentage of GNP reach the highest levels experienced since World War II, except during the period of the Vietnam surtax. The Vietnam surtax was in large part responsible for the 1970 recession. We certainly do not want to repeat that experience. Over the past 25 years, tax revenues as a percent of GNP have averaged 18.6 percent. If the 2 years of the Vietnam surtax are removed, tax revenues have averaged 18.4 percent of GNP. This percentage has never exceeded 20 percent except at the time of the harmful Vietnam surtax. However, the Budget Committee, in this budget resolution, recommends allowing tax revenues to become 20 percent of GNP in fiscal year 1980 and 20.6 percent of GNP in fiscal year 1981. Only in fiscal year 1982 does the committee recommend beginning relief from this historically high level of taxation. It then recommends reducing the average burden of taxation to approximately 19.6 percent of GNP during the period of fiscal year 1982 to 1984. However, this modest reduction in the average burden of taxation still leaves it about 1 percentage point higher than its historical average.

In spite of this historically high burden of taxation, the committee projects real economic growth of 5.8 percent in 1982, 5.6 percent in fiscal year 1983 and 4.2 percent in fiscal year 1984. However, since 1956, real economic growth has exceeded 4 percent only once for a period of more than 2 consecutive fiscal years. This was during the period following the Kennedy tax cut, when real economic growth averaged 5.4 percent between 1962 and 1966. During this time, the tax burden was below its historical average, at 18.2 percent of GNP, a level achieved by drastic reduction in marginal tax rates, which affect economic behavior and economic growth. I therefore find it hard to understand how the Budget Committee can project such a high rate of real economic growth for future fiscal years under a policy where the average tax burden and marginal tax rates would be at the highest levels ever by historical comparison.

Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Delaware has used 25 minutes. He is allotted 35 minutes.

Mr. ROTH. Mr. President, do I have 35 minutes remaining?

The PRESIDING OFFICER. Remaining.

Mr. HATCH. Does the Senator from Delaware care if I take another 5 to 10 minutes?

Mr. ROTH. I yield 5 minutes to the Senator from Utah.

Mr. HATCH. Although the increase in the average tax burden is bad enough, it also masks the progression of the bulk of taxpayers into higher and higher tax brackets where work and saving incentives are reduced, and where tax shelters divert increasing shares of savings into relatively inefficient uses. The committee's recommendation merely reduces the tax burden to its level of the past few fiscal years, which is also high by historical comparison, and leaves the high marginal tax rates, disincentives, and distortions intact.

The committee could have done much more to stimulate the real economic growth it hopes to achieve for future fiscal years by recommending revenue reductions that would have allowed a much more substantial increase in the average tax burden and in marginal tax rates.

If we are to achieve any acceptable level of real economic growth and real increases in productivity in our economy, we must restore the incentives to work and produce, to save and invest. A tax rate reduction would restore these incentives and revitalize our economy. Without a tax rate reduction, the economy will continue to stagnate as it has in the past several years, with high levels of inflation, low levels of real economic growth, declining productivity, and high levels of unemployment. The Congress will never be able to balance the Federal budget.

The Roth amendment is designed to accommodate a tax rate reduction in fiscal year 1980 of approximately $12 to $14 billion, which would require a net reduction in revenues of $10 billion. It would protect the goal of achieving a balanced Federal budget in fiscal year 1981 by reducing spending by a comparable $10 billion amount. I think the Senate should understand that, while the Budget Committee succeeded in accomplishing its mandate from the Senate to report a balanced Federal budget in fiscal year 1981, the committee failed to respond to the mood of the country. The American people are indeed asking for a Federal budget that is in balance as soon as possible.

However, the American people do not expect the Congress to balance the Federal budget by increasing taxes, or by allowing inflation and social security increases to raise taxes automatically. When the American people are asking for a balanced budget, they are really asking the Congress to control Federal spending.

The Senate should adopt the Roth amendment to achieve what the American taxpayers really desire. The Roth amendment would not even completely offset the automatic increases in revenue resulting from inflation, and social security tax increases in fiscal year 1980. It would offset large portions of these however. But the most important aspect of the Roth amendment is that it would allow a reduction in marginal tax rates, which would begin to restore incentive to our private economy. By increasing after-tax rewards, through a tax rate reduction, Congress can stimulate the additional saving and investment that is needed to create more productive jobs, and to improve the productivity of the American people. This is the only hope for achieving real, sustainable economic growth and a higher level of prosperity for American workers.

Finally, it is my fear that the recommendation of the Budget Committee to achieve a balanced Federal budget in fiscal year 1981 by allowing the real tax burden to increase on the American taxpayers was designed to show the American people how painful it is to have a balanced Federal budget. I believe that it may be the purpose of some members of the committee to reduce the pressures coming from the grassroots for a balanced Federal budget by allowing taxes to increase to achieve this balance, rather than by restraining spending to achieve the balance. Through the Roth amendment, the Congress can accomplish what the American people really want—to achieve a balanced Federal budget through restraint of Federal spending, not by allowing automatic increases in the burden of taxation on the American taxpayer. The Federal budget can be balanced without the painful increase in the burden of taxation recommended by the Budget Committee. The Roth amendment accomplishes this task. I encourage my colleagues to support it.

I also encourage all of us to consider the fact that Elmer Staats, the Comptroller General of the United States, and Benjamin Civiletti, the Deputy Attorney General, have both indicated that there is waste in the Federal Government, through fraud and mismanagement, amounting to somewhere between $5 billion and $50 billion; and I believe it is far closer to the $50 billion figure. So, Mr. President, I hope that my colleagues will give consideration and support to the fine effort of the Senator from Delaware. I support and applaud him. I think he has fought a very lonely battle, in many ways, over the last couple of years, but I do believe the American people are with him, and I hope he will prevail today.

Mr. HARRY F. BYRD, JR. Will the Senator from Maine yield for a question before he responds to the Senator from Delaware?

Mr. MUSKIE. Yes.

Mr. HARRY F. BYRD, JR. Has the Senator from Maine been able to get the figures on the trust funds?

Mr. MUSKIE. I think if the Senator will consult with Sid Brown of our staff; he has the figures. If they are not complete enough, we will make sure that they are.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. MUSKIE. Mr. President, I am sorry I missed the early part of Senator Roth's statement. I was occupied elsewhere. However, I have listened to part of his statement and I have listened to the statement of the Senator from Wisconsin and to the statement of the Senator from Utah, who is a member of the Budget Committee. With respect to his statement, I would just have this to say: It was clear throughout the deliberations of the Budget Committee that Senator Hatch was in basic disagreement with the means chosen by the majority of the Budget Committee to fulfill its responsibility. But I was not aware that we differed as to the goals we were trying to achieve. To have our efforts described as he has, as a deliberate effort to inflict unnecessary pain upon the American taxpayer in order to demonstrate that a balanced budget is difficult to achieve, I find very hard to swallow.

Today, the Senator voted to cut the food stamp program. What kind of pain is he seeking to inflict? His approach to the challenge of balancing the budget can be just as painful to Americans as he asserts our approach is. I reject that kind of characterization of the Budget Committee's motives or the means it has chosen. I simply want to make that very emphatic at the moment. I understand his disagreement with the Budget Committee procedures, with the Budget Committee's economic assumptions, with the Budget Committee's actions taken on the spending side of the budget, and with the Budget Committee's actions taken on the revenue side of the budget. That is his prerogative. As a matter of fact, there was not much he agreed with as we proceeded through the budget process, and that is his prerogative.

But to attribute the kind of motivation I just heard him describe I think is taking quite a bit of liberty with a committee which worked long, hard, and conscientiously. As presiding officer I gave every opportunity to every member of the committee to express his point of view, to make statements, to offer amendments, and there was full and free debate. I do not think anyone listening to that debate can fairly ascribe to any member of that committee, including the Senator from Utah, the kind of motivation he ascribed to the majority just a few moments ago.

Mr. President, addressing myself to this amendment, I do not know how much of the material I am going to refer to at the outset has already been inserted in the record by the Senator from Delaware, but I want to be sure it is there.

First of all, Mr. President, under the Roth amendment he projects outlays for fiscal year 1980 at $522 billion, for fiscal year 1981 at $560 billion, and for fiscal year 1982 at $600 billion.

Revenues in fiscal year 1980 he projects at $494 billion, in fiscal year 1981 at $560 billion, and in fiscal year 1982 at $610 billion.

He projects a deficit in 1980 at $28 billion, which is essentially the committee's deficit, the deficit in 1981 at zero, and in 1982 a surplus of $10 billion.

The outlay change from current law under the Roth amendment would be a minus $16 billion in 1980, a minus $21 billion in 1981, a minus $20 billion in 1982.

He would reduce taxes from current law by $10 billion in 1980, $25 billion in 1981, and $75 billion in 1982.

His numbers compared to the subcommittee mark are these: In 1980 he would reduce the committee mark for outlays by $10.4 billion, in 1981 by $15.7 billion, and in 1982 by $14.3 billion.

Then he would propose a tax reduction under the committee mark of $10 billion in 1980, $25 billion in 1981, and $20 billion in 1982.

If those numbers are accurate, and I think they are, may I say that the subcommittee staff has been unable to duplicate those numbers, apparently because Senator Roth's staff did not include in their revenue estimates the revenue loss, described by economists as negative reflow, resulting from the cuts of Federal spending due to their negative effects on GNP.

We have estimated revenues under the the Roth proposal using standard Budget Committee methodology and also, of course, including all other adjustments to revenues assumed by the committee. With these estimates we arrive at these conclusions:

Revenues in 1981, instead of being $560 billion, as Senator Roth projects them, would be $553.1. We would have not a balanced budget in fiscal year 1981 under the Roth proposal but a deficit of $6.9 billion.

With respect to fiscal year 1982, instead of revenues of $610 billion as projected by Senator Roth, we would have revenues of $598.8 billion and a deficit of $1 billion in fiscal year 1982.

In order to achieve a balanced budget in fiscal year 1981, Senator Roth's tax cuts would have to be reduced by $8.5 billion, so that instead of a tax cut of $25 billion it would be closer to $16 billion.

Under the Roth amendment, unemployment would be about the same as under the committee recommendation in fiscal years 1980 and 1981 but a little lower in 1982 because of earlier and larger tax cuts.

The inflation rate would be no different through 1982 but it would be higher in subsequent years.

Senator Roth proposes a list of specific outlay reductions. Let me say just a word about those. It is a long list. I ask unanimous consent that there be included in the Record a table showing the functions in which those cuts would be made.

There being no objection, the table was ordered to be printed in the Record, as follows:

ROTH AMENDMENT

DISTRIBUTION OF FISCAL YEAR 1980 OUTLAYS COMPARED TO SENATE BUDGET COMMITTEE RECOMMENDATION

[In billions of dollars]

	SBC Mark		Roth amendment		Roth compared to SBC	
	BA	O	BA	O	BA	O
050	137.8	124.3	137.8	124.3		
150	12.0	7.9	11.5	7.3	−0.5	−0.6
250	5.7	5.5	5.5	5.5	−6.2	
270	18.4	6.4	18.4	6.4		
300	12.5	11.7	12.5	11.7		
350	5.0	5.4	5.0	5.3		−.1
370	6.8	3.2	6.7	3.1	−.1	−.1
400	18.7	18.2	18.7	18.2		
450	9.0	8.0	8.5	7.9	−.5	−.1
500	29.0	29.8	26.0	27.4	−3.0	−2.4
550	58.1	53.6	56.5	52.5	−1.6	−1.1
600	212.4	183.7	210.3	181.5	−2.1	−2.2
700	21.1	20.5	21.1	20.5		
750	4.2	4.4	3.9	4.3	−.3	−.1
800	4.3	4.2	4.3	4.3		
850	8.5	8.5	8.5	8.5		
900	56.0	56.0	56.0	56.0		
920	.8	.8	−3.3	−2.9	−4.1	−3.7
950	−19.7	−19.7	−19.7	−19.7		
Total	600.6	532.4	588.2	522.0	−12.4	−10.4

Mr. MUSKIE. Let me refer to just some of them, if I may. Bear in mind that in 1980 and 1981, in order to achieve balance in 1981, the Committee on the Budget has already cut, and a lot of those cuts were painful in the committee. After we had taken our first run at 1980 and 1981 we were $9 billion away from a balance. We had to find $9 billion more in cuts in order to achieve a balance in 1981. It was that difficult.

Mind you, we had Senators representing many points of view, many political philosophies, with differing interests in particular programs across the board. So we squeezed every dollar we could in order to get down to the outlay numbers that we propose. Now Senator ROTH would reduce those by more.

Let me cite some of his in 1980: In function 400, he would reduce Amtrak and ConRail, would cut 25 percent of rail funds in fiscal year 1980 and 50 percent in fiscal year 1981. This is an area where, I thought, the Senate had a pretty broad consensus that one of the things we must do in this day of the energy crisis is expand our public transportation. We have understood, for all the years of the budget process, that energy and transportation were high-priority items. The Roth proposal would cut as I have indicated.

In function 500, Senator ROTH would phase out CETA countercyclical jobs in fiscal 1980. We had that debate yesterday, a long debate. The committee voted to phase those jobs out in 1981. The proposal was to phase them out in 1980. We debated that proposal and the Senate overwhelmingly rejected it by a vote in the order of 60 to 20—something in the 60's to 20. Now, Senator ROTH depends upon that for a $2.4 billion further cut in the 1980 budget. How realistic is that? Just how realistic is that?

He would also make small cuts in middle-income student assistance and library programs.

In function 550, he would cut $400 million in medicare and medicaid and another $600 million in medicaid savings related to AFDC; in other words, $1 billion in this function, which, of course, is the entitlement function affecting the poor and the elderly.

He would hold the current law for health research.

With respect to function 600, he would propose a $900 million cut by way of savings in AFDC—another $900 million; $300 million in savings in the SSI program; a half billion dollar savings in food stamp legislation. We have already had that issue debated all morning, and a Senate vote that was overwhelmingly in favor of the committee's mark. Two hunded million dollars in the lunch subsidy for the nonneedy, $200 million in emergency fuel assistance—again, a program designed to help those at the bottom of the ladder deal with the escalating price of heating oil and gasoline for essential needs.

In function 920, the Senator proposes cutting $2.9 billion in categorical grants, without specifying where. These categorical grants are not found in function 920. The categorical grants which, with revenue-sharing, amount to $82 billion, are scattered through the 19 functions in the budget. But that was too much work to get at those categorical grants and propose which ones to cut. That is a very easy way to make the cut, because nobody sees his program or his interests jeopardized by the proposed cut. It is simply a $2.9 billion across-the-board cut in categorical grants without specifying which ones would be hurt.

Mr. President, I suggest to Senators that they look at that $2.9 billion figure and seek to identify where it would impact, whose interests would be hurt, whose constituents would be hurt. We have heard a lot about pain. Let me say again what I said yesterday, that achieving a balanced budget in 1981 does inflict pain—not because anybody, neither the Senator from Maine nor the Senator from Delaware, wishes to deliberately inflict pain on anybody.

The program is enough to balance the budget in 1981. We are hurting programs that help people. There is no question about that. If we cut even further, as proposed by Senator ROTH, we shall hurt people even more, not because that is Senator ROTH's deliberate intent, but because that is the effect, and it is that pain which prompted the Budget Committee to seek a moderate cut, which still achieves a balanced budget in 1981.

Mr. President, let us look at a comparison of the two proposals.

It appears doubtful that the Roth amendment can achieve budget balance in either 1981 or 1982.

The spending cuts exceed those recommended by the Budget Committee by about $10 billion in fiscal year 1980 and by nearly $15 billion in fiscal year 1981 and fiscal year 1982. The recommended budget required considerable sacrifice of national objectives, and achieving the Roth spending cuts would be even more difficult and I have already described it.

While the Roth spending cuts are larger and more anti-inflationary than the committee recommendation, the tax cuts are larger and more inflationary. On balance, the Roth proposal would become, over time, more inflationary than the committee recommendation.

Roth-Kemp advocates have maintained that tax cuts increase the supply capability of the economy to such an extent that they have no inflationary effect. This argument has been found to be invalid by CBO and many other analysts.

First, the supply response lags behind the demand response. Obviously, industrial capacity in the steel, machinery and construction industries is required to produce the additional equipment and plant that will eventually enlarge productive capacity. The extent to which the current capacity is made available depends on the extent to which households not only save a part of the tax reduction they receive but are induced by the tax reduction to save a larger fraction of their total income than they would have without the tax cut. In addition, additional labor supply may be forthcoming if individuals respond to the prospects of higher after-tax earnings by being more willing to work. Both of these behavioral responses are likely to occur, however, only after a long gradual adaptation, and not in the almost instantaneous fashion assumed by the Roth proposal.

Second, what will be the magnitude of the supply responses—and there must be supply responses to make the Roth theory work—once they begin to occur? A survey and evaluation of the relevant literature was commissioned by this committee last year. This concluded that the positive response of the labor supply to tax reduction is limited to married women, who account for only approximately 23 percent of the labor force. The question of whether saving responds positively is very controversial. The most generous estimate—due to Prof. Michael Boskin—is that the proposed tax reduction of almost 25 percent in 1982 would increase personal saving by 18 percent or about $23 billion. This would be a big enough increase in saving, or reduction in consumption, to offset about 0.2 to 0.3 percentage points of the inflationary effects of ROTH's combination of spending and tax cuts in the 1982–83 period. But shifting this amount from consumption to investment—as the Roth-Kemp argument assumes—would not amount to a rapid increase in the capital stock. The amount of reduced consumption and increased investment is only 0.6 percent of the capital stock. Thus, the process of increasing the size of the capital stock is a very slow one, which would not have the impact on the 1981 and 1982 budgets projected.

Mr. President, I really do not think it is necessary for me to comment further. Further comment would mean a repetition of the arguments I have already made. We have made an analysis of all the proposed functional cuts that the Roth proposal assumes. I could go through those in detail, but I think the basic issue before us is, No. 1, whether the economic policy reflected would work; No. 2, whether the additional cuts in program are realistic—and the whole assumption of the argument I heard after I came into the Chamber was that no cuts had been made, that the Budget Committee had not made any cuts, that the Senate had not approved any cuts.

That is contrary to the facts. What Senator ROTH is arguing is similar to what Senator PROXMIRE argued yesterday, that after you had made cuts, you could make more cuts, and then, after you had made those, I suppose you could make even more cuts, and there is no limit, that the effect of spending cuts is bound to be beneficent because it makes possible cuts in taxes that would be beneficent.

Well, it is is not quite that simple. I do not think we can repeal government. Certainly not repeal the essential functions of the Government as they relate to national defense, to the human needs of people who cannot care for their own needs out of their own resources, for the functions and the role the country is demanding we play in developing alternative energy sources, and the whole range of Government activities.

With the Budget Committee made up, as ours is, with people like Senator BELLMON and others on both sides of the aisle, this is not a committee of wild-eyed spenders. This is a committee of people who have divergent views about what the needs of the country are, but not one of them would propose repealing government, and they are a reasonable cross section, I think, of the Congress as a whole, maybe more conservative, whatever the word "conservative" means these days.

But a budget, if it is to be endorsed by the Congress, must appear to be a fair distribution of the resources of this Government to a majority of each House of the Congress. None of us can have our own way with respect to either the priorities or the mix of tax and spending policies which are reflected in the budget. We have to get a majority. The record of the Budget Committee over the last 5 years is that, without exception that I can think of, the Budget Committee result has been pretty much endorsed by a substantial majority of the Senate, at times a close majority in the House, because it was felt there that the human needs were not adequately addressed.

By and large, the Congress has approved what the Budget Committees, after long hours and days of work, have produced.

For me to say there is nothing in the budget that I would not cut if I had my druthers would be a misstatement. To say there is nothing in our budget Senator Bellmon would not cut if he had his druthers would be a misstatement. To say there is nothing in the budget we presented that no member of the committee would cut if he had his druthers would be a misstatement.

But what we produced is a budget that got a substantial majority vote in the Budget Committee because it represented a consensus of what would be a fair distribution of resources and what represented a moderate approach to a very complex and difficult economic future which lies ahead of us, which no one can predict with precision, not Senator Hatch who seems so certain he has the right crystal ball, and not anybody else who feels he has the right crystal ball.

I have not heard a single economist in 5 years as chairman of the Budget Committee who has boasted to me of his last year's economic predictions.

The members of the Budget Committee are no better. Senator Roth is no better. Senator Hatch is no better. Senator Muskie is no better. We do the best we can based upon the testimony that is given us by so-called experts, Then, based upon those assumptions, we seek to evaluate program needs based upon the advice we get from the administration, from the authorizing committees, from the Appropriations Committee and its subcommittees, and from the members of the Budget Committee who have expertise in amazingly wide ranges of activities of the Federal Government.

That is what the budget process is all about. It is not the Budget Committee. It is the Budget Committees plus the Membership of both Houses, plus the committees of both Houses, with analytical assistance from the Congressional Budget Office.

We all have a responsibility in this, and I think the budget before us is a fair representation of a consensus in these two bodies.

Time will tell whether I am right or not, and it may come very soon on the vote on this amendment. But I do oppose this amendment and urge Senators to vote against it.

Mr. BELLMON. Will the Senator yield 5 minutes?

Mr. MUSKIE. I do.

Mr. BELLMON. Mr. President, I believe it goes without saying that along with many other Members of this body I favor reductions in Federal spending.

In fact, I believe reducing Federal spending and achieving a balanced budget may be the single, most important and most pressing policy issue the Congress faces.

It is an issue very much in the minds of the American people. The Congress, I believe, should and does desire to respond to this public demand.

I also share Senator Roth's desire to reduce taxes and to retire a portion of the national debt as much as we possibly can. I was an original sponsor of the Nunn, Chiles, Bellmon, Roth, Danforth amendment of last year which undertook to limit Federal spending and provide substantial tax reductions.

But, Mr. President, I do not believe Senator Roth's proposal is a realistic alternative to the budget resolution recommended by the Budget Committee that is before the Senate. And I am well acquainted with Senator Roth's proposal, because it is similar in many respects to a package of spending reductions and tax cuts that I offered in committee on behalf of the Republican Members.

Many of the spending reductions contained in the Roth amendment reflect priorities which are shared by many on the Budget Committee, but not a majority. The Republican package that I offered in committee was defeated by a vote of 12 to 8. As I said, the Roth amendment is quite similar.

The Roth amendment, for example, would achieve a $2.6 billion reduction in function 500 by phasing out title VI countercyclical jobs in fiscal year 1980 and reducing both youth programs and the private sector initiative.

As our chairman pointed out on yesterday, by an almost 2-to-1 vote, on Senator Byrd's amendment to phaseout title IV, it suggests that this proposal does not have majority support.

I would like to be sure Senator Roth understands this. The budget resolution is a carefully constructed compromise among various views as to how a substantial reduction in Federal spending should best be achieved. And I believe that the committee membership reflects a full range of the Senate's own views.

The budget resolution, therefore, does not reflect the priorities of any one Senator or group of Senators. There were spending reductions I fought for—and lost, and some others I won. For other Senators there were increases and reductions they believed to be extremely important. Some carried the committee's support, others did not. No single Senator nor single issue bore the burden of the committee's commitment to spending restraint nor benefited from its favor.

Mr. President, I would like to applaud Senator Roth for his efforts. He and Senator Proxmire came before the Budget Committee on March 6, on behalf of the "SOB," group—save our bucks group. They made some very constructive suggestions which were considered by the Budget Committee.

We considered their proposals and incorporated some of them into the budget resolution now before the Senate.

I would like to give some examples. For instance, Senator Roth wanted a $2.5 billion cut in budget authority for CETA. The Budget Committee recommends—the resolution before us—most of this cut. We have recommended a $1.9 billion cut for CETA.

Senator Roth wanted to deny funding for the targeted fiscal assistance program. The Budget Committee has taken that recommendation and we assume no funding for the targeted fiscal assistance program.

Senator Roth wanted the Budget Committee to cut $2 to $3 billion from the budget for fraud and abuse anticipated savings. The Budget Committee's recommendations cut $3.8 billion from HEW programs in which the HEW Inspector General says that there are significant losses from fraud, abuse, and mismanagement. So we took his full recommendation in that connection.

The Budget Committee also assumed a $350 million saving from better management of the food stamp program by the U.S. Department of Agriculture.

In addition to that, Senator Proxmire had other recommendations which the Budget Committee considered.

The Budget Committee cut budget authority for housing assistance programs by $9 billion and outlays by $0.1 billion below current law and $12 billion below the Banking Committee's recommendation.

So we assumed all the changes in the housing assistance program suggested by Senator Proxmire even though he had been outvoted on those recommendations in his own committee.

In this case, the Budget Committee agreed with Senator Proxmire that the future costs of these programs look so large that we should take action now to limit the growth of those costs to some reasonable level.

So I say to my friend from Delaware that the budget resolution represents a consensus worked out over many long days of debate between people with very strongly held different points of view. It does achieve a balance in 1981, and this is an objective that many considered impossible when our deliberations began. I believe it is a result that is realistically attainable and achievable, that it should not be put aside lightly.

I urge that we stay with the Budget Committee's conclusions and that we not depart from our carefully thought out consensus by adopting the Roth amendment.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado.

Mr. ARMSTRONG. I appreciate the Senator yielding.

Mr. President, as I have listened to the debate for the past 2½ days, I have been impressed by the rhetoric which has been called forth in support of the budget resolution. Words such as "cuts," "slashes," "reductions," "savings" have occurred over and over again during the course of the discussion of this resolution.

One might logically suppose that the result of all this cutting and shrinking and slashing and hacking and reducing would be a budget that was smaller than the one which was adopted by this body last year. Alas, this is not the case, and I would like to take a moment to put the matter in proper perspective.

After all that has been said and done, the budget is going up by perhaps 10 percent over that of last year. I think it would be well for Senators to recall that, within the service of many who are in this Chamber, the budget has risen from less than $100 billion to more than $500 billion at present. Even 2 years ago—just 2 years ago—in fiscal 1977, we were talking about a budget of only $400 billion.

So for the Budget Committee—of which I am priviledged to be a member—to come before the Senate and suggest that a proposed budget for fiscal 1979 of $493 billion and $531 billion for the following year is an austere, lean budget, it seems to me, is really a contradiction in terms.

The proposed spending cuts which have been suggested by Mr. Roth are proper. I support them. But more than that—and the reason why I have sought recognition—I urge the justice of the tax cuts which have come to be known as the Roth-Kemp tax plan.

If Congress enacts the budget which is now pending before this body, it will be endorsing a $58 billion tax increase in the next 2 years. I would be glad to have a balanced budget. I have been for it; I have been fighting for it. But the concept in this budget resolution of balancing the budget by increasing taxes is offensive to the basic economic needs of this country. It amounts to what Mr. Roth has said over and over: It is balancing the budget on the backs of the Nation's taxpayers.

All Mr. Roth has suggested is a moderation of the rate of tax increase for fiscal 1980 and 1981—certainly a modest proposal. It seems to me that the case for this kind of moderation—that is, a reduction from the present rate of increase—rests on two major premises.

The first is fair play for the Nation's taxpayers. The median-income family in this country has seen its taxes tripled within the last 10 years. This means that after inflation and taxes, the average family of four in this country has less spendable income to take care of itself—to provide for education, clothing, food, shelter, and so on—than it had 5 or 10 years ago. In fairness, I think the taxpayers deserve some consideration; and the amendment now pending would give it to them.

The second premise upon which the case for tax reduction rests has been well stated by Senator Roth, Senator Hatch, and others, and that is to give a break to the Nation's business firms and investors in order to create the kind of economic prosperity which was once commonplace in America and which is now out of vogue. Taxes have risen so high that we have literally discouraged investment in new business enterprises, in capital, in plants, in equipment for the kinds of things that create new jobs and economic prosperity.

It is no secret that the stock market is plunging, that the dollar is weakening on international exchanges, that our unemployment rate has risen. Many economists used to say that you could not have inflation and unemployment at the same time, but this has been disproved. It is obvious to me that there is something wrong with our economy, and I think it is increasingly clear to the Nation's taxpayers.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. ARMSTRONG. Mr. President, will the Senator yield me 1 additional minute?

Mr. ROTH. I yield.

Mr. ARMSTRONG. Mr. President, what is needed is a tax reduction, the kind of tax reduction that will encourage investment, that will encourage risk taking, that will encourage entrepreneurship, that will encourage a return to the economic vitality on which America is premised.

I am convinced that there is a consensus in the country for spending reductions and for tax cuts.

I compliment the Senator from Delaware for bringing this matter before the Senate today. I am not surprised that he has done so, because during the last several years he has been the leader in this body in bringing this crucial issue into focus. In large measure, the Senator from Delaware already has won his victory, because it is an accepted idea that spending restraint and tax cuts are essential at some future date. Even the Budget Committee has agreed to that concept for 1981–82 and beyond.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ARMSTRONG. I will yield in a moment.

What the Senator from Delaware is saying—and I join him in saying it—is that we should not delay 2 more years in giving that tax break.

I have little time remaining, but I will yield whatever time I have to the Senator from Maine.

Mr. MUSKIE. I will use my time, in response to what the Senator has said.

Mr. President, twice today, I heard it said, one way or another, that the Budget Committee had to be pulled, yelling and screaming, into the acceptance of tax cuts to eliminate tax increases due to inflation. The Senator from Utah said we were insensitive to this. The Senator from Colorado—I find him a very welcome member of the Budget Committee—has said this about the Budget Committee.

However, if the Senator will examine our reports from the time we were constituted, he will find that we highlighted the point of tax increase due to inflation and the need to project plans down the road to deal with it. Even in this budget, we have done that.

It is interesting that since the Budget Committee was created, we have had three tax cuts, totaling $39.9 billion in current prices and $45.4 billion when all are calculated in today's prices—whatever that is.

The second point I make is that during the period the budget has grown as the Senator has indicated, GNP has grown in even greater proportions. To pretend that inflation can raise GNP, but have no effect on the budget is to live in an unreal world. If we translate both into real terms, that is another thing. However, during the period the Federal budget has gone up from $400 to $500 billion, GNP has grown more. Since the Budget Committee has been in effect, we have reduced the budget as a percentage of GNP.

The final point I wish to make is this: It is a strange coincidence, perhaps, but Senator Roth's proposed tax cuts through fiscal year 1982 total $55 billion. We program a $55 billion tax cut in 1982, after achieving a balance in 1981.

I already have made the point that Senator Roth's plan would result not in balance in 1981 but in a deficit of $6.9 billion; and in order to offset that, he would have to reduce his tax cut by more than $8 billion. So that, in effect, for that 3-year period he is proposing—or would have to propose—a lesser tax cut than the committee proposes in 1982.

What is involved is timing—timing designed to avoid hurting people who depend on the spending side of the Federal budget for relief against the pressures of inflation and the unfairness that goes with inflation; and, second, to keep the economy on a moderate course so that we can achieve a tax cut in 1982. More than that, we project an even higher tax cut than that in 1983 and a $100 billion tax cut in 1984.

So, to pretend in all this rhetoric that the Budget Committee is insensitive to the effect of inflation on taxes is to blind oneself to the record of what the Budget Committee has proposed.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 24 minutes remaining.

Mr. ROTH. I yield myself 5 minutes.

Mr. President, first I pay my respects both to the chairman of the Budget Committee and the ranking member. I think they both have done an excellent job in their capacity as the leaders of the Budget Committee, and I recognize that it is indeed a difficult job.

But I also recognize that it is their concept that the Senate should accept without change the recommendations of that committee.

Mr. MUSKIE. Mr. President, will the Senator yield on my time?

Mr. ROTH. I yield on the Senator's time.

Mr. MUSKIE. I have been faced with that assertion many times, and I do not take any such position. I take the position that as chairman of the Budget Committee I have the responsibility for presenting the Budget Committee's recommendation with all of the persuasion that I can. I do not deny the right of the Senate to change that in any way, and I have never said that, and yet I keep hearing that argument repeatedly. I do think I have a responsibility. If as chairman of the Budget Committee I do not believe in the product we produce I should let someone else manage the bill. That is something different than to say that I deny the right of the Senate to change it in any respect and in all respects that a majority wishes which is not the same thing.

Mr. ROTH. I accept the comments of the distinguished Senator from Maine and merely point out that I for one am seeking to change the direction of the budget resolution.

I also point out that there were a couple of things said that were not accurate as to what I am proposing. For example, I have not proposed during the next 3 years any cuts in transportation or student aid. That may have come from the recommendations made by the minority but that was not part of my recommendations.

I also point out that while we are proposing a tax cut we are not necessarily saying what the nature of that tax cut should be, I do not think it is any particular secret that I am an advocate of Roth-Kemp tax legislation. But under our amendment it could well be that it would be the will of the Finance Committee and Congress to move in another direction. Other possibilities would include such changes as a reduction in social security taxes. It could provide greater incentives for investment in new plant facilities. So I want to make it very clear to my colleagues that they are not necessarily voting for any particular tax reform or tax proposal.

Mr. President, whenever we talk about greater restraint in spending we overlook what is happening to the American working people. They are suffering from inflation from many directions, and as the distinguished Senator from Wisconsin pointed out, one of the biggest increases in the cost of living is taxes. I do not happen to think a family of four earning $10,000 is wealthy. And I think it is a serious matter when a man with a family of four finds his taxes increasing from $1,051 to $1,356 by 1980. A family of four earning $20,000 finds that their taxes are increasing from $3,251 in 1978 to $4,022 in 1980. I think this growing tax burden places a tremendous burden on these families, including the family of four earning $30,000 that pays $5,300 in taxes in 1978 and will be paying $6,650 in 1980 if the budget resolution of the Budget Committee is accepted.

So No. 1, I do think that we have to recognize that a great burden is being assumed by the working people, if it should be the will of the Senate to accept the recommendation of the Budget Committee.

Mr. President, I am equally concerned about the direction that this country is going. I recently spent some time in Tokyo at a conference dealing with the economies of the world, especially the economy of the United States. Great concern was expressed by economists and leaders of foreign countries that the United States has one of the lowest saving rates in the world, at least of the industrialized countries of the world. It amounts to something like less than 5 percent, compared with 15 percent for West Germany and something like 22 to 25 percent for Japan. They expressed concern that our productivity is the lowest in the world, and I think it is about time that we take some steps to increase savings and productivity.

The Senator from Maine disputed the numbers in my amendment. You can argue with any figures. You can argue my figures. Very candidly, one can argue the figures of the CBO. The CBO does not accept the figures of the President. All of the figures are guesstimates.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. ROTH. I yield myself 3 additional minutes.

We all know that economists' predictions are based upon looking into a crystal ball. They are much better in hindsight than foresight. But that should not prevent each one of us from using our best judgment as to what is necessary to move this country in the right direction.

I happen to think the Roth proposal, which is cosponsored by a number of people from both sides of the aisle, is a valuable contribution in that it proposes a balanced budget in 1981, with tax cuts in 1980 and 1981. I also propose a $10 billion further restraint in spending. I do not think there are many American working people who think the Federal budget is reflecting that much tightness, that it is tight and austere and has no fat in it. When they realize the Federal Government has 456,000 cars, vehicles, and buses, and one vehicle for every six employees in the Federal Government, I think the American people are not going to consider that very trim or austere.

So, I think there are ways and means of cutting this budget further without hurting the basic needs and requirements of the American people.

But more important, we must provide incentives for real growth in the economy, a growth that will mean not only more for the working people, but also will create jobs in the private sector for the unemployed; and, most important, will also provide more money for the Federal Government in future years from an expanding economy.

Mr. President, I hope the Senate will vote in favor of this amendment because it represents a clear chance to change the direction of this country in the direction of real growth and real productivity without inflation.

I yield back the floor.

Mr. MUSKIE. May I say to the Senator I have nothing further.

Mr. ROTH. I am ready to yield back the remainder of my time.

Mr. MUSKIE. Has the Senator gotten the yeas and nays yet?

Mr. ROTH. No.

I will ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ROTH. Mr. President, will you withhold that call? I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator has yielded back his time.

Mr. ROTH. I have not. I said I would, but I have not yet.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I yield back the remainder of my time. I understand the manager on the majority side has yielded back his time.

Mr. MUSKIE. Yes, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in family.

Mr. STEVENS. I announce that the Senator from Kansas (Mrs. Kassebaum) and the Senator from Illinois (Mr. Percy) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Exon). Is there any other Senator who wishes to cast a vote?

The result was announced—yeas 36, nays 56, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—36

Armstrong
Baker
Boren
Byrd, Harry F., Jr.
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Nunn
Proxmire
Pryor
Roth
Schmitt
Schweiker
Simpson
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—56

Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson

Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Pressler
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Tsongas
Weicker
Williams
Young

NOT VOTING—8

Bayh
Chafee
Durkin
Gravel
Kassebaum
Long
Percy
Stafford

So Mr. ROTH's amendment (UP No. 86) was rejected.

The PRESIDING OFFICER. Under the previous order, the Chair will recognize the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum and ask that it be charged against my time.

The PRESIDING OFFICER. The Senator has no time until his amendment is called up.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the time for the quorum call be charged against my time even though I have not submitted the amendment at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 87

(Purpose: To decrease total new budget authority and total outlays for fiscal year 1980 and 1981)

Mr. DOMENICI. Mr. President, in behalf of myself and Senator ARMSTRONG, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for himself and Mr. ARMSTRONG, proposes an unprinted amendment numbered 87.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 2, line 19, strike out "$600,600,000,000" and insert "$588,100,000,000".

On page 2, line 20, strike out "$637,500,000,000" and insert "$625,600,000,000".

On page 2, line 24, strike out "$532400,000,000" and insert "$523,000,000,000".

On page 2, line 25, strike out "$575,700,000,000" and insert "$565,100,000,000".

On page 4, line 5, strike out "$137,800,000,000" and insert "$137,500,000,000".

On page 4, line 6, strike out "$124,300,000,000" and insert "$124,900,000,000".

On page 4, line 8, strike out "$148,100,000,000" and insert "$147,800,000,000".

On page 4, line 9, strike out "$135,800,000,000" and insert "$136,100,000,000".

On page 4, line 25, strike out "$5,700,000,000" and insert "$5,500,000,000".

On page 5, line 1, strike out "$5,500,000,000" and insert "$5,400,000,000".

On page 5, line 3, strike out "$5,600,000,000" and insert "$5,500,000,000".

On page 5, line 4, strike out "$5,500,000,000" and insert "$5,400,000,000".

On page 6, line 25, strike out "$18,700,000,000" and insert "$18,300,000,000".

On page 7, line 1, strike out "$18,200,000,000" and insert $17,800,000,000".

On page 7, line 3, strike out "$20,800,000,000" and insert "$19,900,000,000".

On page 7, line 4, strike out "$19,500,000,000" and insert "$18,600,000,000".

On page 7, line 10, strike out "$9,000,000,000" and insert "$8,400,000,000".

On page 7, line 11, strike out "$8,000,000,000" and insert "$7,800,000,000".

On page 7, line 13, strike out "$9,800,000,000" and insert "$9,200,000,000".

On page 7, line 14, strike out "$8,500,000,000" and insert "$8,400,000,000".

On page 7, line 21, strike out "$29,000,000,000" and insert "$26,000,000,000".

On page 7, line 22, strike out "$29,800,000,000" and insert "$27,400,000,000".

On page 7, line 24, strike out "$28,500,000,000" and insert "$27,400,000,000".

On page 7, line 25, strike out "$28,800,000,000" and insert "$27,000,000,000".

On page 8, line 6, strike out "$58,100,000,000" and insert "$56,500,000,000".

On page 8, line 7, strike out "$53,600,000,000" and insert $52,500,000,000".

On page 8, line 9, strike out "$68,700,000,000" and insert "$67,000,000,000".

On page 8, line 10, strike out "$60,000,000,000" and insert "$58,600,000,000".

On page 8, line 16, strike out "$212,400,000,000" and insert "$210,100,000,000".

On page 8, line 17, strike out "$183,700,000,000" and insert "$181,300,000,000".

On page 8, line 19, strike out "$236,000,000,000" and insert "$233,100,000,000".

On page 8, line 20, strike out "$201,600,000,000" and insert "$198,700,000,000".

On page 9, line 1, strike out "$21,000,000,000" and insert "$21,000,000,000".

On page 9, line 2, strike out "$20,500,000,000" and insert "$20,400,000,000".

On page 9, line 4, strike out "$21,800,000,000" and insert "21,700,000,000".

On page 9, line 5, strike out "$21,500,000,000" and insert "$21,400,000,000".

On page 9, line 11, strike out "$4,200,000,000" and insert "$3,900,000,000".

On page 9, line 14, strike out "$4,300,000,000" and insert "$4,000,000,000".

On page 9, line 15, strike out "$4,400,000,000" and insert "$4,200,000,000".

On page 11, line 1, strike out "$800,000,000" and insert "—$2,300,000,000".

On Page 11, line 2, strike out "$800,000,000" and insert "—$1,900,000,000".

On page 11, line 4, strike out "$600,000,000" and insert "—$2,500,000,000".

On page 11, line 5, strike out "$600,000,000" and insert "—$2,100,000,000".

Mr. DOMENICI. Mr. President, there is on the desk of each Senator, and in the hands of the staff of the committee, an explanation of this amendment called Comparison of Revenue and Outlay Figures Between the Senate Budget Committee Resolution, As Reported, and the Domenici-Armstrong Amendment.

On page 2 of that document there are two or three errors. I read them and then offer the explanation for the record.

Under General Purpose Fiscal Assistance, the budget authority figure under our amendment would be 8.5, outlays for fiscal year 1980 would also be 8.5. The budget authority and outlays for fiscal year 1981 would be 8.6 and 8.6 respectively.

The total budget authority shown beneath the double lines for fiscal year 1981 would be 625.6, with outlays of 565.1. The revenues for fiscal year 1981 would be 565.7.

Under Tax Cut, the proposed tax cut for fiscal year 1980 would be 9.4 instead of 8.5 and for fiscal year 1981 would be 10.6 instead of 9.4.

With these changes, I ask unanimous consent that the summary be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMPARISON OF REVENUE AND OUTLAY FIGURES BETWEEN THE SENATE BUDGET COMMITTEE RESOLUTION, AS REPORTED, AND THE DOMENICI-ARMSTRONG AMENDMENT

[In billions of dollars]

Function	Fiscal year 1980		Fiscal year 1981	
	SBC	Domenici-Armstrong	SBC	Domenici-Armstrong
Defense (050):				
Budget authority	137.8	137.5	148.1	147.8
Outlay	124.3	124.9	135.8	136.1
International Affairs (150):				
Budget authority	12.0	12.0	13.5	13.5
Outlay	7.9	7.9	8.0	8.0
General Science, Space, and Technology (250):				
Budget authority	5.7	5.5	5.6	5.5
Outlay	5.5	5.4	5.5	5.4
Energy (270):				
Budget authority	18.4	18.4	5.0	5.0
Outlay	6.4	6.4	7.4	7.4
Natural Resources and Environment (300):				
Budget authority	12.5	12.5	13.1	13.1
Outlay	11.7	11.7	12.6	12.6
Agriculture (350):				
Budget authority	5.0	5.0	5.3	5.3
Outlay	5.4	5.4	7.5	7.5
Commerce and Housing Credit (370):				
Budget authority	6.8	6.8	5.8	5.8
Outlay	3.2	3.2	3.7	3.7
Transportation (400):				
Budget authority	18.7	18.3	20.8	19.9
Outlay	18.2	17.8	19.5	18.6
Community and Regional Development (450):				
Budget authority	9.0	8.4	9.8	9.2
Outlay	8.0	7.8	8.5	8.4
Education, Training, Employment, and Social Services (500):				
Budget authority	29.0	26.0	28.5	27.4
Outlay	29.8	27.4	28.8	27.0
Health (550):				
Budget authority	58.1	56.5	68.7	67.0
Outlay	53.6	52.5	60.0	58.6
Income Security (600):				
Budget authority	212.4	210.1	236.0	233.1
Outlay	183.7	181.3	201.6	198.7
Veterans' Benefits and Services (700):				
Budget authority	21.1	21.0	21.8	21.7
Outlay	20.5	20.4	21.5	21.4

COMPARISON OF REVENUE AND OUTLAY FIGURES BETWEEN THE SENATE BUDGET COMMITTEE RESOLUTION, AS REPORTED, AND THE DOMENICI-ARMSTRONG AMENDMENT—Continued

[In billions of dollars]

Function	Fiscal year 1980		Fiscal year 1981	
	SBC	Domenici-Armstrong	SBC	Domenici-Armstrong
Justice (750):				
Budget authority	4.2	3.9	4.3	4.0
Outlay	4.4	4.4	4.4	4.2
General Government (800):				
Budget authority	4.3	4.3	4.8	4.8
Outlay	4.2	4.2	4.6	4.6
General Purpose Fiscal Assistance (850):				
Budget authority	8.5	8.5	8.6	8.6
Outlay	8.5	8.5	8.6	8.6
Interest (900):				
Budget authority	56.0	55.4	57.7	57.0
Outlay	56.0	55.4	57.7	57.0
Allowances (920):				
Budget authority	.8	−2.3	.6	−2.5
Outlay	.8	−1.9	.6	−2.1
Undistributed Offsetting Receipts (950):				
Budget authority	−19.7	−19.7	−20.6	−20.6
Outlay	−19.7	−19.7	−20.6	−20.6
Total:				
Budget authority	600.6	589.0	637.5	626.8
Outlay	532.4	523.9	575.7	566.3
Revenues	503.6	495.1	576.2	566.8
Deficit/surplus	−28.8	−28.8	+.5	+.5
Tax cut	0	9.4	0	10.6

Mr. DOMENICI. Mr. President, I introduced the amendment to the Senate budget resolution in behalf of Senator ARMSTRONG and myself. I shall try to make my explanation as brief and as simple as possible.

In my opinion this amendment does three important things: It cuts about $11.6 billion in budget authority and about $8.4 billion in outlays from the recommendations of the Senate Budget Committee for fiscal year 1980. It provides for a tax cut of $9.4 billion in 1980. It achieves a balanced budget in 1981, with a $10.6 billion additional tax cut and an equal cut in outlays of $10.6 billion. Therefore, what we accomplish by our amendment may be categoried thus: For each dollar of additional cuts in Federal expenditures for the years 1980 and 1981, we provide a dollar in tax relief. So, it might be called the dollar-for-dollar amendment.

We will be doing what the American people have been telling us they want done and what this Senator believes is good economic policy; that is, to provide a balanced budget as soon as possible, and to do so by cutting expenditures and by cutting taxes. What we are saying is, that in the next 2 years, we are providing for the Finance Committee to cut taxes $20 billion and cut the expenditures of our Federal Government $20 billion. We get a balanced budget. At the same time, we know the Budget Committee has provided a so-called lean and austere budget. I said yesterday that I commend them for their hard work and their diligence in cutting more than the President recommended. But I truly believe that if, having made those cuts and then are unable to tell the American people that their taxes are going to be cut, or, that we will prevent their taxes from rising as much as they have, then I truly believe that we will have done only half the job.

As I said yesterday, I believe there is a chance—and I would say a probability—that the 1981 budget will not be balanced if we use the economic assumptions and the expenditures provided by the Budget Committee.

I am not going to project that we will spend more money, or that we will have a bigger recession. I am merely going to say that we will cut taxes, at least in 1981. To the extent that we do, we shall have a deficit if we have not cut some expenditures. That is why Senator ARMSTRONG and I, even though it is difficult in a number of instances to offer an additional functional cut as we have, nonetheless feel it must be done if the American economy is going to prosper and our people continue to grow, have initiative, and make America able to provide for its people. Second, with taxes projected to go up almost $60 billion in those 2 years, social security increases, and the categorical creep that exists in the income tax structure (called bracket creep), the new tax on real growth amounts to $60 billion. It just seems to us we ought to be honest and say there is going to be a cut, and since there will, we want a balanced budget in 1981. The only way to have it is to cut more from the expenditure columns, the budget authority, and the outlays the Senate Budget Committee labored over so long and hard.

I want to say that we have spared very few functions. The list I have turned in, that my good friend from Colorado, our staffs, and I have worked on is, in my opinion, an equitable, fair, and yet, sensible cut. We have not held any function of Government inviolate from some kind of cut. We have cut each and every one, some more than others, obviously.

My good friend from Colorado will explain some of the cuts in detail. I commend him for his diligent work and understanding in those areas, but I want to talk about one of the cornerstones of this amendment.

For the 5 budget years that this Senator has served on the Budget Committee, we have been told by Governors, and by all kinds of management experts, that the categorical grant program of this country, from the categorical grants for water and sewers down to the tiniest categorical grant program in education, are laden with red tape; that the expense of administering them is beyond reason; and that, in many instances, this expense forced upon the user because it is either take it that way or do not get anything. In many cases, in terms of administration, these categorical grants cost 15 or 20 percent to administer and run. What we have done is provide for about $2.7 billion in cuts for the categorical grants.

Yet, we have held at current levels general revenue sharing, which we believe is efficient, which we believe can be directed by the States, cities, and counties to the places where there is most need.

The way we have handled our categorical grant cut is to take 5 percent of all categorical grants, more or less, that are not pass through grants that go from a State to an entitled individual—we have excluded those from our cuts—and any categorical grant that the Budget Committee cut 5 percent or more we excluded. On the others, we estimated 5 percent to be $2.7 billion. We have lumped that, but we have provided a mechanism permitting the authorizing committees of the Senate to decide which of the categorical grant programs can be either consolidated or cut to accomplish the saving. We feel that it is high time that the Budget Committee find a mechanism to get at these ever-growing categorical grants, which everyone knows are wasteful, which everyone at the local level is willing to say can be consolidated and streamlined.

We have had testimony from the Governor of Vermont, representing the Governors—and I note that sitting in the chair is a former Governor of Nebraska, and a distinguished member of the Governor community of America. The Governor of Vermont testified that if we could streamline, block, consolidate, they could get by with 5 to 20 percent less and do the same job. Yet we sit idly by, hamstrung by authorizing committees that insist that their particular area of categorical grant is God's gift to solving some social problem. And instead of consolidating, instead of being cut, they grow, not only in numbers but in dollars, almost geometrically. We believe we have to make a giant step to make some sense in this area.

Having said that, I say to my good friends in the Senate that I know that the American people truly want a cut in the budget, but I think they also want a cut in their taxes.

I do not believe they are going to relish a balanced budget when they find out it is tied to increased taxes. I believe the dollar-for-dollar approach makes sense in the area of $10 billion each year, which is more or less what we have provided. The exact figures proposed are $9.4 billion in fiscal year 1980 and $10.6 billion in 1981, in expenditure cuts and recommended tax cuts. I think this is what the American people deserve.

I say to my friends in the Senate that we did not come in and just say, "Here is $9.4 billion in cuts, find it somewhere."

So I beg my Senate friends not to go down this list and vote against it because we had to cut $100 million out of science and technology, that might be someone's proper favorite, but rather, look at the fact that if we are going to do this dollar-for-dollar approach we must cut something, and we have taken it upon ourselves to say that there will be no function that is immune. We will find some savings in every one.

I hope those who want a strong military will understand there could be no two stronger proponents of military preparedness than the sponsors of this amendment. Yet, we have a slight budget authority cut over the Budget Committee, not an outlay cut, but a budget authority cut.

We feel there is some room to cut out authority in some of the programs, we have cut $300 million.

Even though we are both strong proponents of basic research and space programs, we find a $100 million cut is justifiable, and so on.

But as in all these situations, we have to weigh the overall benefit of this approach and what it will do for our country and its people versus some of our own little preferences.

The test is truly whether or not we can have a balanced budget in the U.S. Congress or whether we have to rely upon outside forces, such as a constitutional amendment. If everyone looks at his particular pet and says that we cannot go along with DOMENICI and ARMSTRONG because we do not want to cut $100 million in space, or we do not want general government to get cut a small amount, then we will never be able to arrive at a balanced budget.

I use that word "never" understanding of what I am saying, because, with all of the good efforts of the Budget Committee, I predict without a doubt that under the format presented we will not have a balanced budget in 1981.

I say that because we will cut taxes for the American people in 1980 and 1981. It is an election year. History dictates it. Sound economics mandate it, and it is going to happen.

We will be back here then saying, "Well, if they would have done what we said, we would be in balance," because the way the amendment mandating the 1981 balanced budget reads, it only mandates us to bring it here and vote on it. It does not mandate anybody to follow it.

So it is pure speculation and an exercise in some kind of prudent activity of predicting how we will do it. It is on that score that the Senator from Colorado and is $9.4 billion in cuts, find it somewhere." down this list and vote against it because I say, "Let's see what we can do so that we will come closer to really having a balanced budget in 1981 than the recommendations of the Budget Committee."

Now, if my friend from Colorado would like to take some of the functions and explain how we arrived at them, I would be delighted to yield as much time as he needs.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time have I used?

The PRESIDING OFFICER. The Senator used 17 minutes, plus 3 in a quorum call.

Mr. DOMENICI. Twenty minutes; and under the order I have 1 hour. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield as much time as the Senator desires; however, if we get down to 5 minutes remaining, I would appreciate the Chair telling us about that.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate my colleague's yielding to me at this point in the debate. I can assure him I will not speak at length.

He has stated so well and eloquently and with such great persuasion the case for the Domenici-Armstrong dollar-for-dollar spending and tax cut amendment that I can foresee no doubt that such an amendment will be very popular in this Chamber.

I was disappointed, I say to my colleagues, that the amendment proposed a few minutes ago by Senator ROTH did not carry. I would have liked to have seen a tax cut and a spending cut of the magnitude Senator ROTH proposed. I thought it was wise and well-advised.

But the measure which Senator DOMENICI and I now bring to the floor recognizes the political reality of this Chamber, that when it comes to make cuts in popular programs it is a painful exercise, and even though I might be willing to make deeper cuts than others, it was impossible to muster the support to pass the amendment offered by Senator ROTH.

What we have pending here, however, is an amendment far less sweeping now, as my colleague (Mr. DOMENICI) pointed out. We have not taken a meat-ax approach. We have very carefully gone through and sifted each measure and function in picking up a portion here and there, sparing few, if any, of the functions from some reduction.

We have put together a responsible, carefully balanced, series of proposed reductions from the committee figure.

I stress that what we are reducing from is the committee recommendation. In few if any cases, and I will mention a couple of exceptions, but in very few cases are we actually reducing from last year's level of appropriation.

Indeed, if we buy the pack of spending and tax reductions which Senator DOMENICI and I have offered, the overall budget will nonetheless go up by some $30 billion in fiscal 1980 over the current spending level of $493 billion.

In other words, if we buy our package of reductions from the committee mark, we will still have Federal spending of $523 billion.

Mr. President, during debate on the previous amendment, some of the reasons why restrictions in spending and tax cuts are needed were spelled out.

I believe the vast majority of the people of the country are prepared to support that concept. In fact, I sense that a new consensus for spending restraint and restraint of taxing is shaping up very quickly.

But, rather than rehashing that, I would like to discuss briefly some of the functions which are addressed in the amendment which Senator DOMENICI and and I are offering.

As my colleague pointed out, we make a very modest reduction in the budget authority for national defense, but significantly, because of restraint in the other areas, we are able to accomodate a $600 million increase in defense outlay for fiscal 1980 and an additional $300 million in 1981 for programs which we think are urgently needed.

Mr. DOMENICI. Mr. President, will the Senator iyeld?

Mr. ARMSTRONG. I yield.

Mr. DOMENICI. Mr. President, if there are sufficient Senators in the Chamber, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, in looking at the various functions my colleague from New Mexico and I are proposing in this amendment, we have not spared those that are close to our hearts.

He has mentioned function 250—science, space, and technology—and I say that both on the grounds of my own personal interest in the space program and my belief that it contributes to the long-term welfare of the country, I am sorry to see this cut. The manufacturing and research of space-related programs is an important contributor to the economy of my State. So when I suggest a modest reduction in this area, it underscores how serious I am about the need to control spending.

The next function on our list is function 400, which involves further cuts in the Amtrak program. A week ago today, I visited southern Colorado, where an Amtrak train has been canceled. I said to my friends in Trinidad, Colo.:

> I know you would like to keep this train, but this program has failed.

Amtrak is not going to be in existence in the United States in a few years. It has not attracted ridership. It has been enormously costly. The General Accounting Office has found it to be wasteful of dollars and energy. We should get out of this program promptly.

The cut we are suggesting here, which does not abolish Amtrak but merely requires reductions, is a cut in an area that is near and dear to the hearts of some of my constituents. But if we are sincere about getting the budget under control, we have to have some cuts in areas that affect us personally.

We have suggested cuts in function 600, the income security function—in fact, the largest amount of dollars in that area—and they result from suggested savings in the AFDC program and food stamps.

I suggest that, at their leisure, the Members of the Senate may wish to read the committee report beginning at page 362, in which we outline a number of proposed changes in the welfare programs which could result in savings—not of $2.5 billion, as suggested by the Domenici-Armstrong dollar-for-dollar amendment, but, indeed, a spending reduction of $4.4 billion.

These are savings that would not affect any truly needy persons. These are administrative reforms. These are measures to root out fraud. They are a tightening up of the regulations. They are not off-the-wall suggestions, something we have dreamed up overnight. These recommendations have been developed carefully, many of them by the Senate Finance Committee, some of them by the administration and, to a lesser extent, by other agencies.

The bulk of the $4.4 billion in savings outlined, beginning at page 362 in the committee report, are indeed, reflective of reforms which the Senate previously approved on two occasions.

So I stress that what we are talking about in saving $4.4 billion in this function is not something that is extreme. It is not drastic. It is something which, in fact, in large measure, has been endorsed previously by this body.

Even so, Senator Domenici and I have not suggested taking out of this budget resolution the full amount of the $4.4 billion in savings which are readily available. We have recognized what we think is the political reality and the timing and the complexity of enacting such legislative changes. Therefore, we are suggesting taking out of function 600 only about $2.4 billion.

There are a number of other cuts in here. I will refer to one more spending reduction, and that is function 900. We are proposing a saving which I think will be popular with every taxpayer in this country and, I trust, with every Senator, and that is a saving in the interest on the national debt. We are going to spend a little less and reduce the deficit well below a little less. The sum and substance of it is exactly as Senator Domenici has expressed so well. We are talking about some restraint on the spending side of fiscal year 1980 and fiscal year 1981 in order to accommodate a tax cut during this biennium. I think that is only realistic in terms of the political realities of this Chamber and this country.

As it now stands, the committee's resolution will impose a $58 billion tax increase over the next 2 years. Senator Domenici and I are saying, "Let us at least moderate it. Let us not let the full $58 billion burden required by this resolution fall on the taxpayers of this Nation."

It may be easy to stand in this Chamber in 1979 and say that we are going to cut taxes in 1980; that it is not necessary, this, that, and the other thing; that we are going to postpone a tax increase until 1981. But I suggest that as the election draws closer, the interest in this Chamber in a tax cut is going to be more and more keenly expressed. I will guess that there will be a tax cut of some proportion, perhaps even larger than we are allowing for in this resolution, under our amendment; that a tax cut of some proportion very likely will be enacted by Congress. The real question then will be whether we have the spending restraint built into the program to accommodate such a tax cut, if and when it comes. If we adopt the Domenici-Armstrong dollar for dollar, spending and tax reduction amendment, we will have room for tax relief and a balanced budget.

I urge the adoption of the amendment.

Mr. DOMENICI. Mr. President, how much time do we have remaining on the amendment?

The PRESIDING OFFICER. Twenty-nine minutes remain.

Mr. DOMENICI. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield myself 5 minutes. Then, so far as I am concerned, we will be ready to vote.

Mr. President, I should like to propound a couple of questions to the sponsors of the amendment.

As I understand the impact of the amendment, the total cuts would be $9.4 billion in outlays for fiscal year 1980. When we look at where the cuts would occur, we find that social programs cuts are $8.3 billion, and there is an increase in outlays for defense of $.6 billion.

I wonder whether the Senator from New Mexico agrees or feels that that is realistic, given the makeup of the Senate, whether or not we can expect this body to go along with cuts in excess of $8 billion in social programs and an actual increase in defense.

Mr. DOMENICI. I say two things to the Senator from Oklahoma.

Yesterday, when the Senator from South Dakota was proposing a cut in the defense budget, the Senator from Oklahoma and the Senate heard my explanation of why we should not cut that. I believe that in it there was a summary of how fast social programs have grown during the past 12 years and that, in real dollars, defense spending has gone down.

So I say to my good friend that while it is important to assess what is realistic, on some occasions it also becomes important to decide what we think and feel very strongly about.

So, it might not be realistic, but I believe it is proper; and since I do, I am willing to say to the Senate that we can afford to cut some social programs that are not working, but we cannot afford, the world situation being what it is, to cut our military.

I believe—and the Senator will correct me if I am wrong—that as it concerns social programs and the defense mark, about the third day of the budget markup, we voted on a proposal that looked much similar to this, and I recall that the good Senator from Oklahoma proposed it. Is that correct?

Mr. BELLMON. That may very well be correct. The likelihood is that at that point the Senator from Oklahoma learned a valuable lesson—that is, that this will not fly. When we have a cut of some $9.4 billion, it is very likely, given the makeup of the Senate and the attitude of the Members, that defense will have to take its share, which in this case would be some $2.2 billion.

Mr. DOMENICI. That is one reason why I could not support Senator Proxmire in his cut, because I do not think we can cut $28 billion. As the Senator knows, that would be draconian.

I thought that, under his approach, if it ever did become effective, it would be sort of across the board, perhaps 2 or 3 percent from everything; and I do not think military could take the $5 billion or $6 billion that would be forthcoming from it.

Mr. BELLMON. Mr. President, many things in this resolution do not exactly please the personal desires of the Senator from Oklahoma. However, after days and days—and the very long days—we spent debating the resolution in committee, I think we finally have reached a consensus that accomplishes the objective that the Senator from Oklahoma most desires, and that is a balance and some restraint on the growth of Federal spending, some reductions in programs where we believe there is waste. I am concerned that if we disturb the terms of the resolution as we have brought it to the floor, we may undo what was a very carefully worked out compromise and, in effect, wind up with a worse result.

For that reason, I will oppose the Domenici amendment.

Mr. DOMENICI and Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator from Colorado.

Mr. ARMSTRONG. I thank the Senator for yielding.

I wish to take a moment to also comment on the inquiry of the distinguished ranking minority member of the Budget Committee, the Senator from Oklahoma.

I think that the question which he has raised about whether or not defense is taking its cuts along with the other budgetary functions is one that concerns all of us.

During the discussion in the Budget Committee deliberations over and over again we were told, "Look, defense has to take its share; Defense has to bear its part of the burden; we cannot increase Defense while cutting everything else."

After hearing that for several days in the Budget Committee, I thought perhaps I should look into the situation and find out just what has been happening to defense spending as compared to nondefense spending.

Despite the rhetoric and the contention that defense spending has been rising while other budgetary functions have been standing still or declining, that simply is not borne out by the facts.

Mr. President, I ask unanimous consent that at this point in the Record I may be permitted to print a brief table which outlines spending by functional categories for the years 1958 through 1982.

There being no objection, the table was ordered printed in the Record, as follows:

COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1958–82

[In billions of dollars] [1]

	Current prices						Constant (fiscal year 1972) prices					
			Nondefense						Nondefense			
Fiscal year	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other	Total outlays	National defense	Total nondefense	Payments for individuals	Net interest	All other
1958	82.6	43.7	38.9	19.4	5.6	13.8	141.9	74.0	67.9	28.0	16.2	23.7
1959	92.1	46.0	46.1	21.2	5.8	19.2	153.9	75.3	78.6	30.1	16.5	32.0
1960	92.2	45.2	47.1	22.9	6.9	17.2	150.8	73.8	77.0	32.1	16.3	28.6
1961	97.8	46.6	51.2	25.9	6.7	18.6	157.1	74.8	82.2	35.8	16.2	30.2
1962	106.8	49.0	57.8	27.1	6.9	23.8	168.7	77.2	91.5	37.1	16.6	37.8
1963	111.3	50.1	61.2	28.7	7.7	24.8	170.7	76.8	93.9	38.8	16.8	38.3
1964	118.6	51.5	67.1	29.8	8.2	29.1	177.4	77.0	100.4	39.7	16.7	44.0
1965	118.4	47.5	71.0	30.5	8.6	31.9	173.3	69.3	103.9	40.1	16.7	42.7
1966	134.7	54.9	79.8	34.3	9.4	36.1	187.9	76.3	111.6	44.2	16.4	50.9
1967	158.3	68.2	90.0	40.1	10.3	39.7	212.1	92.0	120.1	50.1	16.1	53.8
1968	178.8	78.8	100.1	46.0	11.1	43.0	229.5	101.4	128.1	55.6	16.9	55.6
1969	184.5	79.4	105.1	52.8	12.7	39.6	223.1	97.9	125.3	60.9	15.5	48.8
1970	196.6	78.6	118.0	59.8	14.4	43.9	220.8	90.3	130.5	65.1	15.0	50.4
1971	211.4	75.8	135.6	74.6	14.8	46.2	223.0	81.2	141.8	77.2	15.2	49.4
1972	232.0	76.6	155.5	85.3	15.5	54.7	232.0	76.6	155.5	85.3	15.5	54.7
1973	247.1	74.5	172.5	95.9	17.3	59.3	233.2	70.0	163.2	92.2	15.4	55.6
1974	269.6	77.8	191.8	111.1	21.4	59.3	231.9	69.7	164.0	98.0	14.3	51.6
1975	326.2	85.6	240.6	142.7	23.2	74.7	253.5	67.1	186.4	113.3	14.6	58.4
1976	366.4	89.4	277.0	167.4	26.7	82.9	266.6	65.6	201.0	124.2	16.4	60.4
1977	402.7	97.5	305.2	182.6	29.9	92.7	272.7	66.7	206.0	126.0	17.4	62.6
1978	450.8	105.2	345.6	195.4	35.4	114.9	283.2	67.3	216.0	125.9	17.8	72.3
1979 estimate	493.4	114.5	378.9	213.2	43.0	122.6	284.1	68.3	215.9	126.6	17.5	71.7
1980 estimate	531.6	125.8	405.7	237.7	46.1	121.9	286.2	70.4	215.9	132.0	17.2	66.7
1981 estimate	578.0	137.0	440.9	258.0	46.7	136.2	294.2	72.5	221.7	135.1	16.2	70.4
1982 estimate	614.9	148.2	466.7	276.8	45.0	144.8	299.9	74.7	225.1	138.4	15.5	71.3

[1] The amounts of earned income credit in excess of tax liabilities are shown as budget outlays rather than as negative budget receipts. Accordingly, the budget totals have been adjusted retroactively.

Note: The 1976–78 data have been revised retroactively to include the exchange stabilization fund in the unified budget instead of with the off-budget Federal entities. Profits on gold sales are now treated as a means of financing rather than an offsetting collection. The budget totals have been adjusted retroactively, starting with 1975.

Source: "U.S. Budget in Brief, Fiscal Year 1980," p. 81.

Mr. ARMSTRONG. Mr. President, I shall not comment on it at length because the figures are self-explanatory, but the bottom line is this: Measured in 1972 constant dollars, that is dollars which are adjusted for inflation, national defense spending has decreased by $8 billion since fiscal year 1972. National defense spending, measured in constant dollars, is down $33 billion since fiscal year 1968. And incredibly the current level of defense spending is $5 billion less than it was 20 years ago in fiscal 1958.

So defense has been going down and rather steadily year after year for two decades.

By the same measure nondefense spending items have soared. The nondefense budget categories are up $60 billion since fiscal 1972, up $86 billion since fiscal 1968, and up $140 billion since fiscal year 1958 by the same standard of measure, that is, constant 1972 dollars.

So I appreciate the Senator's inquiry. I share the conclusion of the Senator from New Mexico that to have a modest increase in defense spending and a small moderation in the enormous growth of the nondefense portion of our budget is well justified by the trends of this year and the last 20.

Mr. BELLMON. Mr. President, I am willing to yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I want to say to my good friend from Oklahoma that I told the leader I would speak about 3 or 4 minutes and then yield the remainder of my time and so I do not want the Senator from Oklahoma to yield back his time assuming that I would not speak again because I will speak for a couple of minutes.

Let me just summarize and give a few people some really well-entitled thanks.

I thank the members of the Budget Committee staff on the minority side for the help they have given the Senator from Colorado and myself. Even though we spent many hours on the Budget Committee in order to put this together in a manner that we could bring to the Senate, it was difficult, and we appreciate their assistance.

To my good friend from Colorado I appreciate his supporting what I would probably call a middle-of-the-road approach. I think he genuinely feels there is not a large enough tax cut. And speaking of accommodation, I think he is accommodated to the reality that we indeed could not find broad support for cuts of any larger nature than this, and under our dollar-for-dollar theory we did not want to provide tax cut consequences of which we know nothing. For every dollar in expenditure cuts we are providing only $1 in tax cut potential. I thank him for that.

He may think a little differently than that in terms of economic philosophy, but together we are providing some moderate approach to what I think is something the American people truly want.

Let me close by saying that I hope my good friend from Oklahoma understands my great respect and esteem for him and for the work that he puts forth on the Budget Committee. I do not generally offer such a major departure or change from the budget resolution, but I felt very strongly about the fact that we have to provide a tax cut or we are being unrealistic. Having come up with that in my own mind, I tried to come up with a realistic assessment of how much further we could cut in each year and then left it up to the institution to decide how they would provide the best kind of tax relief for our people and for the economic conditions that might be in existence next year and the year after.

Having said that, I yield back the remainder of my time.

(Mr. CULVER assumed the chair.)

Mr. EXON. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. EXON. Mr. President, I wish to ask a question or two of my two distinguished colleagues on the Budget Committee who are sponsoring this amendment, and I first say that, as the Senator from New Mexico and the Senator from Colorado know, we worked very long and very hard in that committee and in many instances the three of us voted down the line on some of the things that had to be cut.

I have a question or two, though, that I wish to pose to them because while I am tempted to go along and vote for this particular amendment, after many of the ridiculous amendments, in my opinion, that have been brought forth in this Chamber on the work of the Budget Committee in general, I compliment both Senators for having the courage to do a workmanlike job in going through the budget to say this is where it should be cut.

I have been quite disturbed, frankly, in listening to the debate in this Chamber during the last day or so by Senators making cuts in the budget but not having the courage to stand up and say where those cuts will be made.

So I compliment my two colleagues for coming up with a program that is much more reasonable than anything that we have heard in this Chamber regarding the budget up until this period of time.

I am very much concerned, though, over the fact that one of the reasons in the argument that I have been listening to is if we would adopt the amendment that the Senator is suggesting we would, therefore, provide a budget cut I think of about $9 billion, was it, in 1980? Is that right?

Mr. DOMENICI. Yes.

Mr. EXON. And about what $11 billion or $13 billion in 1981?

Mr. DOMENICI. Eleven billion dollars.

Mr. EXON. I share the Senator's concern if we adopt the full Budget Committee recommendations, which I hope we do, and that is one of the reasons I cannot support the Senator's amendment or any of these others. I think we have to stick to generally what the Budget Committee came up with which I emphasize once again while not providing a budget cut in 1980 or 1981 would provide for a budget cut of $55 billion in 1982. I recognize taxes are going up.

Mr. DOMENICI. The Senator is speaking of a tax cut.

Mr. EXON. I beg the Senator's pardon.

Mr. DOMENICI. The Senator is speaking of a tax cut. He said a budget cut.

Mr. EXON. I said a budget cut. I mean a tax cut, $55 billion tax cut for 1982, as we did in the Budget Committee.

The Senator has tried to offset that argument, it seems to me, by suggesting that if we adopt the Senator's amendment, we would be providing a tax cut of some $9 billion which might lead to offset the temptation to cut taxes during an election year.

I am just wondering if the Senator could respond for me as regards if we would cut taxes by $9 billion in acceptance of the Senator's amendment, that would likely forestall an additional tax cut that we would all fear might come along next year and throw us once again into a deficit position. Could the Senator respond to that question?

Mr. DOMENICI. Let me say to my good friend from Nebraska that it has been my pleasure and privilege to get to know him over the weeks of service on the Budget Committee and I commend him for the diligent effort and time spent and the knowledge that he has acquired in this short period of time.

The best I can say is this: If the $9.5 and $10.5 billion or $9 and $11 billion will not have some effect at cushioning our extravagant temptation to cut taxes and create a deficit, then certainly zero in the budget for both years in terms of tax cuts has appreciably more of an incentive built into it to violate the budget.

I cannot predict whether 9 and 11, followed in the outyear by a $25 billion or $30 billion tax cut would be acceptable to this body as an approach to a real balanced budget, instead of breaking it in 1981. But I think it has a lot better chance than none, and that is one point I made early on.

In addition, I do believe that a tax cut is necessary when America's productivity is what it is. I think we are going to find ways at looking at our tax structure and saying "How can we make the economy more productive?"

Those kinds of selective productivity-oriented tax cuts are the ones that I personally hope would occur in 1980 and 1981 if the Domenici-Armstrong amendment is passed, with the large personal decline coming later.

We are trying to stimulate growth in this economy, which is what is needed today, and I do not believe we are going to wait. So I do think the 9 and 11 has a far better chance than 0 and 0.

Mr. EXON. I thank the Senator, and I thank him for yielding me time.

Mr. DOMENICI. I believe the Senator has yielded back all the time in opposition.

Mr. BELLMON. Mr. President, I offered to yield back the time and there were no takers. Our chairman is now present, and he may have something further to say.

Mr. MUSKIE. May I have 5 minutes? I do not want to take any more time.

Mr. DOMENICI. Surely.

Mr. MUSKIE. I think I should say a word or two about this amendment, lest Senators will be in doubt about my position.

Basically this amendment raises the same issues as the previous amendment, and that is, it undertakes to cut spending more deeply in both fiscal year 1980 and fiscal year 1981 than the committee proposal; and, second, it proposes in lieu of that, in lieu of the spending cuts, roughly a tax cut of the same proportions.

Does the amendment cover just 2 fiscal years?

Mr. DOMENICI. Yes, it does, I will say to my friend.

Mr. MUSKIE. In those 2 fiscal years the tax cut proposed would total how much, $17.9 billion, and the 1982 year is not used.

Now this compares, Mr. President, with the alternative budget that is on the calendar which the committee proposed pursuant to the mandate of the Senate in the debt ceiling bill a short time ago.

That alternative budget proposed a tax cut of $19 billion in 1981, but it would delay a balanced budget until 1982. The committee unanimously supported the balanced budget in 1981 which foreclosed a tax cut in 1981 unless spending should be reduced further.

Considering the difficulty the Budget Committee faced in cutting spending in 1981, to the extent that it did, I do not regard the proposed cuts by the distinguished Senator from New Mexico as realistic. In the Budget Committee there were two alternative packages of cuts proposed, my own, which included cuts, a combination of cuts, and increases in revenues due to different management policies; and then there was the alternative proposed by Senator BELLMON which, I think, was roughly the same amount, roughly $8 billion.

Those were presented as alternatives. The committee adopted mine.

What the Senator now proposes is to add, in effect, what Senator BELLMON offered in committee as additional cuts to the cuts the committee approved in my package of cuts.

So what you have is a much deeper cut than anybody in the committee proposed at the time of the committee markup, and for a very real reason. As I said a few moments ago in response to the arguments for the Roth amendment, a budget has to be supportable by a majority of both houses of Congress, and it has to be appropriately sensitive to the real needs of the people of this country on the spending side of the budget as well as on the tax side of the budget. I think what the committee has proposed is just that kind of a vehicle.

In this proposal, for example, we have again before us issues we have already decided. There are CETA cuts in this proposal, not as deep as those that were proposed earlier, but, nevertheless, CETA cuts, an issue we have already decided overwhelmingly.

There are food stamp cuts, an issue we debated all morning and rejected overwhelmingly earlier today.

So I ask you, Mr. President, and my colleagues in the Senate, is this a realistic package of cuts? I mean, how many times do we have to raise and debate and resolve these issues before we conclude what the consensus of this Senate is with respect to these cuts? That is the first point I would make, that in order to put together a package of cuts this large the Senators had to include items we have already debated, discussed, and resolved. Of course, we can continue to do that.

Second, the staff has only been able to take a very rough cut at the revenue implications of the Senators' proposal, but the fact is that for 1981 the staff tells me there may not be a balanced budget in 1981 under the Domenici proposal because the effects of feedbacks or reflows are not allowed for. The best tentative estimate we can get is that there would be a resulting deficit of $4 billion in 1981 instead of a balanced budget in 1981. This is the same effect, although a lesser effect, of the kind that I described in connection with the Roth amendment which we decided earlier today.

With that, Mr. President, I do not think the time of the Senate would be usefully employed if I were to go into further detail on the spending cuts. I think that undoubtedly had been discussed earlier while I was absent from the floor, and I see no point in belaboring them.

I think a lot of these cuts were cuts that were considered in committee and resolved by the committee one way or another.

The proposal, I know, is one which is consistent with the position Senator DOMENICI has consistently taken, so I understand his motive in bringing the proposal to the floor. I have valued his contribution to the Budget Committee. But, having said that, I really disagree with the thrust of his amendment, its implications, both economically and budgetwise, and I urge the Senate to reject the amendment.

With that I see no need to add anything further.

Mr. DOMENICI. Mr. President, will the Senator just yield a minute to respond on two technical points?

I would say to the Senator, and he knows the great respect I have for him—I just want to correct an assumption—we did not provide for the effect of reflows for a $20 billion tax cut in arriving at balance in 1981.

Neither did we provide for any negative drag for cutting around $9.5 billion in each year because having cut taxes dollar-for-dollar we could find no formula, so we assumed a wash. I want the Senator to know that. I do not have any reflows to arrive at a balance.

Second, Mr. President, I want to say yes, the cuts are basically the cuts that Senator Bellmon offered in committee. But in any function where your final mark provided a cut in whole or in part similar to Senator Bellmon's cut, we have not duplicated the cut. I want the Senator to know that.

Mr. MUSKIE. I understand.

On the question of reflows, I checked that carefully with the staff, and they insist—and I am talking about the staff economists—that dollar-for-dollar spending and tax cuts would not usually wash, that there will be reflows that are not accounted for, and that it is therefore likely there would be a deficit in 1981.

Under accepted CBO methodology, I am told the dollar-for-dollar does not wash. That is not peculiar to the Senator's amendment; it is just that the methodology does not produce a wash, and that is the methodology that CBO consistently uses.

Mr. DOMENICI. How far off is it from washing? Do you happen to have the formula?

Mr. MUSKIE. No, just that it is consistent.

Are you ready to yield back?

Mr. DOMENICI. Yes.

Mr. MUSKIE. Mr. President, do we have the yeas and nays?

Mr. DOMENICI. Yes.

The PRESIDING OFFICER. Yes.

● Mr. TOWER. Mr. President, I must regretfully announce that I personally will not be able to support the Domenici-Armstrong amendment as offered by my colleagues.

I am very much in favor of achieving a balanced budget and of relieving the heavy tax burden borne by the American public. At the same time, however, I have a grave concern regarding our Nation's declining military posture. I know my colleagues share this concern.

The amendment calls for a national defense budget below the President's request in both budget authority and outlays. The Senate Armed Services Committee recommended an increase in the national defense budget levels above the President's request. I support that recommendation and I will offer an amendment later today to that effect.

The amendment of my colleagues does provide for an increase in defense outlays above the Budget Committee's recommendation, but the new budget authority is actually decreased below that contained in the budget resolution.

Mr. President, as I have often argued before, and as pointed out by my colleague, Senator Armstrong, in his minority views on the budget resolution, outlays do not buy more future defense, only new budget authority can do that. Outlays are a measure of past obligations.

I am concerned that we may well need more future defense to arrest the adverse trends in our military force balance.

I, therefore, reluctantly conclude, Mr. President, that I cannot support my colleagues' amendment.●

Mr. MUSKIE. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico (Mr. Domenici). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), and the Senator from Louisiana (Mr. Long) are necessarily absent.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The result was announced—yeas 38, nays 55, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—38

Armstrong
Baker
Boren
Byrd, Harry F., Jr.
Cannon
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Nunn
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Stewart
Stone
Thurmond
Wallop
Warner
Zorinsky

NAYS—55

Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Cranston
Culver
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Talmadge
Tower
Tsongas
Weicker
Williams
Young

NOT VOTING—7

Bayh
Chafee
Durkin
Gravel
Long
Percy
Stafford

So Mr. Domenici's amendment (UP No. 87) was rejected.

The PRESIDING OFFICER. The Senate is not in order.

Mr. DANFORTH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senate is not in order. The Senator will suspend until the Senate is in order.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. The Senate is not in order.

Mr. NELSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NELSON. Does the rule require that Senators take their seats when there is a request for order?

The PRESIDING OFFICER. There is no rule requiring that. It would be desirable.

The Senator from Pennsylvania.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. ROBERT C. BYRD. I will take 1 minute, Mr. President.

The PRESIDING OFFICER. Will the majority leader suspend? The Senate is not in order.

I think the majority leader is entitled to the courtesy of a Chamber that is in order. Before we begin, the Senate will be in order. If staff in the Chamber want to continue conversation, they will leave the Chamber to carry those out.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Chair. The Chair is enforcing the rule as the Chair has a duty to do. The present occupant is doing an exemplary job of it.

Mr. President, I merely take a minute out of the time on this side of the aisle to express the hope that the Senate can complete action on this resolution today. This will mean that we shall have a late session, but that is in accord with the promises that have been made by the leadership from the beginning, that we could expect long sessions on Tuesdays and Wednesdays. We have been on this resolution now for 3 days and it is hoped that we can complete action on the resolution today, thus clearing the way for completion of action on the Department of Education bill tomorrow, and the airport noise abatement bill. I believe it can be done. If Senators can, where possible, yield back as much of their time as they feel they can do, the Senate can complete the job. Our respective cloakrooms should announce to Senators that it will be a long day.

I thank the distinguished Senator for his patience.

AMENDMENT NO. 175, AS MODIFIED

(Purpose: To establish a No Real Growth Federal Budget policy by reducing outlays for fiscal years 1981 and 1982, and reducing revenues for fiscal years 1981 and 1982 while maintaining a balanced budget)

Mr. SCHWEIKER. Mr. President, I call up amendment No. 175, as modified, which modification I send to the desk.

The PRESIDING OFFICER. The amendment as modified will be stated. The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Schweiker) proposes an amendment numbered 175 as modified.

Mr. SCHWEIKER. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 2, line 9, strike out $576,200,000,000" and insert "$570,200,000,000".

On page 2, line 10, strike out "$615,000,000,000" and insert "$607,800,000,000".

On page 2, line 15, strike out "+$4,700,000,000" and insert "−$1,300,000,000".

On page 2, line 16, strike out "−$49,900,000,000" and insert "−$57,100,000,000".

One page 2, line 25, strike out "$575,700,000,000" and insert "$570,200,000,000".

On page 3, line 1, strike out "$614,300,000,000" and insert "$607,800,000,000".

On page 3, line 6, strike out "+$500,000,000" and insert "$0".

On page 3, line 7, strike out: "+$700,000,000" and insert "$0".

Mr. SCHWEIKER. Mr. President, I call this amendment the "no-real-growth Federal budget" amendment. This amendment would limit the growth of Federal spending to the inflation rate for the next 3 years. It would also provide for tax cuts in fiscal year 1981 and fiscal year 1982 while achieving a balanced budget in fiscal year 1981.

The reason why this amendment should be passed is an important one. The American people should not sacrifice by holding their pay requests below the rate of Consumer Price Index increases to fight inflation while the Federal budget grows at a rate above the Index. As a matter of principle, the "standard of living" for the Federal Government should not be rising while the people's living standards are falling.

Using the inflation assumptions for fiscal years 1979–82 cited by the committee in its report, I find that the committee resolution proposes Federal spending in fiscal years 1981 and 1982 which will exceed levels necessary to limit the growth of the Federal spending to the inflation rate. In fiscal year 1981, outlays have been set by the Budget Committee at $5.5 billion above the amount necessary to cover inflation, and in fiscal year 1982 they are set at $6.5 billion above the required amount to keep real spending constant—I want to emphasize that that we are using the inflation assumptions made to the CBO and the Budget Committee—my amendment eliminates this spending in excess of inflation.

It is imperative we adopt right now the principle of no-real-growth Federal spending for the next 3 years if we expect the taxpayers to have any confidence that Congress is truly serious about fighting inflation, cutting back Federal spending and balancing the budget.

Under my amendment, Federal spending would grow no more than the rate of inflation for the next 3 fiscal years—policy of "no real growth." The amendment also lowers the tax burden by $12 billion more than the Budget Committee during fiscal years 1981–82 while still balancing the fiscal year 1981 budget. These two changes—cutting Federal spending growth to the inflation rate and cutting taxes—mean that Government and taxpayer will bear an equal responsibility in controlling rising prices.

Spending under the Schweiker amendment is $5.5 billion lower than the Budget Committee calls for in fiscal year 1981, and $6.5 billion lower in fiscal year 1982. Revenues under the Schweiker amendment are the same as under the committee resolution in fiscal year 1980, but $5.5 billion lower in fiscal year 1981 and $6.5 billion lower in fiscal 1982, reflecting the tax cuts I propose.

I urge your support for this no-real-growth Federal budget amendment to hold the line on Federal spending for the next 3 years, to cut taxes for fiscal year 1981 and fiscal year 1982, yet still let us achieve balanced budgets in fiscal years 1981–82.

It is really a very simple amendment. It simply says, Mr. President, that if we are going to have wage guidelines, and if we are going to ask the public to tighten its belt, we ought to ask the Government to do just the same thing—nothing more, nothing less. Mine is a very moderate amendment, a very reasonable amendment. It simply says if we can ask the American people to limit their pay increases to the rate of inflation, we certainly can ask the Federal Government to do the same thing.

Yet, this amendment gives the Federal Government complete budgetary flexibility. My amendment establishes overall spending totals for fiscal years 1981 and 1982. If we determine within that overall figure, that some things have priority and should receive funding at levels above an inflation only increase, so be it. But it means we also have to fund some programs at levels below inflationary increases to do this. It gives us the flexibility in Appropriations, in Finance, and in Budget, to do what we ought to do, which is sort out what is important and what is not. But it does say that we are going to instill the same discipline on the Federal Government and on the growth of the Federal Government that we are now instilling on the public through wage-price guidelines.

Passage of my amendment would send a message that we are going to do something about our own extravagance and that, for the next 3 fiscal years, we are going to keep our own house in order. I think keeping our own house in order will alleviate present widespread criticism of the Congress. All kinds of constitutional amendments are pending that point to this problem: Federal growth and spending has become excessive and must be stopped. There are all kinds of magic formulas for doing this. This amendment requires no magic. It achieves this objective simply and directly. As a matter of budget policy, for the next 3 years, we are going to apply the same yardstick to ourselves we apply to the public. We are going to take in our own belt, too.

I hope the Budget Committee sees fit to accept this amendment, and that its logic becomes an established principle that we consider before we approve budgets. If we follow this principle in the future we will not have the inflation that we have had in the past.

I think the Budget Committee is to be commended for the progress they have made. The fact that their 1980 fiscal year budget includes a no-real-growth target in the 1980 budget is commendable. I think they should be complimented. But I should like to see us extend this principle by applying it to the next 2 fiscal years. Then, we can tell the American people that this is a 3-year plan worthy of their support.

Not only are we going to hold Federal spending to the inflation rate for fiscal year 1980, but we intend to do it for fiscal year 1981 and 1982. Not only can we then have balanced budgets in fiscal year 1981 and beyond, as the Budget Committee has proposed, but we can have a tax cut that is $6 billion more than the one the Budget Committee proposes and another small one in fiscal year 1982. My amendments lets consumers spend more of their own money while we are still balancing the budget.

Mr. President, I withhold the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield to no one in zeal for a balanced budget and paring back the size of the Federal budget. However, Mr. President, I can say that this amendment, like the three that preceded it, is not the way to do it.

Mr. President, on the Budget Committee we met for a period of over a week, working into the night. I think the majority was dedicated to deep cuts, as much of a cut as possible in every category. After a long period of time, Mr. President, the committee by a vote of 10 to 8 voted out the present resolution which provides for a balanced budget in fiscal year 1981.

Mr. President, that was not easy. It provided for deep cuts, painful cuts in many categories. Over $1 billion from the strategic petroleum reserve program, a painful cut. Over $900 million from national defense, a cut many of us did not want to see. $300 million from foreign aid. Deep cuts in the CETA program. Other cuts that no one on the committee liked to see in the abstract.

But in the total overall picture, Mr. President, we were able to put together a compromise that provides for this balanced budget in fiscal year 1981.

There are many arguments that can be made about this particular proposition and why it is unsound. I will not make all of those arguments because I think the pattern is clear, Mr. President. We have beat the last three amendments by margins of virtually 2 to 1. So I do not think it is necessary to extend the debate here to recover all those grounds we have covered.

Let me just mention a few of the high points.

First of all, the Senator, without the aid of the economists that we have on the Budget Committee, I think has made a fundamental error in his figures, principally because he failed to figure the reflow, the negative reflows that are caused by the tax cuts.

According to our figures, Mr. President, if we use the Senator's figures on outlays, projects and tax cuts, we would actually end up with an unbalanced budget, in deficit for fiscal year 1981 by $300 million.

We would end up also with a deficit for fiscal year 1980 to the tune of $6 billion.

So here in the name of fiscal austerity, in the name of paring down the Federal budget, this amendment would actually allow for Federal deficits when I think it is the No. 1 priority of this committee and of this Senate to pare that budget as quickly as possible and particularly by fiscal year 1981. That is No. 1.

No. 2, Mr. President, this amendment, like the others, does not specify where those cuts would come from.

It is very easy in the abstract to say that we will cut across the board, we are going to pare down the effects of Government, cut the fat, going to economize.

All of this becomes generalities that all of us subscribe to in general, but which few of us can vote for us in specifics when those cuts are not carefully considered.

So it is with this, Mr. President, no specifications of cuts.

Where would they come from? National defense? Some would say we have already cut that too much.

Would it come from social security? In the first place, in my judgment, to cut social security payments, in addition to causing a revolution in this country, would be totally impractical.

What this amendment would assume is that the authorizing committees would cut current law, not current policy which allows for inflation, but current law, which is the present law of the land, that the authorizing committees would come in and slash some $5 billion from current law.

Where is that going to come from? Does he assume that will be a cut in social security, medicare, medicaid, the entitlement programs?

Mr. President, excuse me, that is $5 billion more than the committee has already assumed. The committee has already assumed some cuts. For example, $5.2 billion from current law, the committee has already assumed.

It is unrealistic, Mr. President, to assume that these authorizing committees will cut this additional $5 billion.

In sum, Mr. President, this committee has cut as deeply, as selectively, as is possible, in my judgment, to do, by a close margin, by 10 to 8.

I think it is fair to say that 8 of the 18 who voted against that resolution thought the cuts contained in the present resolution were much too deep, were much too diffcult, both for human problems, human needs in this country, as well as the economy of the country. But 10 of the 18, I think, bit the bullet and have cut this budget as deeply as can be done.

If we are going to make further cuts, Mr. President, it ought to be on a selective basis so that all Senators will know what programs. National defense, put the figure out and let us vote on it. Social security, food stamps, whatever that program that is considered to be cut, put it out on the floor and let us vote on that program.

But an across-the-board cut, Mr. President, really does not satisfy anything because it makes assumptions that are unrealistic, that I do not believe this Senate or this Congress is ready to swallow.

Mr. President, I believe this amendment is sort of some of Roth-Kemp, as they have called the tax cut, and we have beat that by something like 60 to 36, as I recall it.

I do not think it is necessary to go much more deeply than I have into the debate of this matter. If the Senator from Pennsylvania is willing, I would be willing to yield back the remainder of my time.

Mr. SCHWEIKER. I have just a few more things and I will be glad to.

Mr. President, I would like to respond for just a few minutes to some of the arguments the distinguished Senator has made.

I still have not heard an argument against the main thrust of my amendment. Why are we unwilling to live under the same standard that we impose on our people?

I did not hear one word answering that in the Senator's argument. This is the issue. Why will we not take in our belt and say, "If it's good enough for the American blue collar workers to sacrifice to slow inflation, why is it not right for the Federal Government to do the same?"

Mr. JOHNSTON. Will the Senator yield?

Mr. SCHWEIKER. I have not heard one answer or one argument. We have heard a lot of figures, but not one argument on that score.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. SCHWEIKER. Yes; I will.

Mr. JOHNSTON. Well, for one thing, the Budget Committee and the Armed Services Committee, and I think this Senate, are not willing to say that we treat national defense the same as the ceiling on wage and price stability; that we are aware full inflation produces 3 percent.

Now, that is the biggest increase in this budget and that exceeds the wage and price stability ceilings.

Is the Senator suggesting we ought to cut back national defense to the ceilings of wage and price stability?

Mr. SCHWEIKER. Again, the Senator did not hear what I said. I said in my opening remarks that there would be some functions that obviously we would want to set above the inflation spending rate and some below the rate.

That is exactly what the Budget Committee did for 1980. You did that. That was your procedure. I accepted it. You did it for 1980, but you did not do it for 1981 and 1982.

You have recommended to us that some functions grow faster than the inflation rate and some less, but the average growth rate was the same as you expect inflation to increase.

I say, if you do it in 1980, why can you not do it for 1981 and 1982 in terms of specified cuts?

I am a little confused about that argument.

My cuts are very modest. One percent is all I am talking. Five billion dollars 1 year, $6 billion another year, 1 percent.

Now, the Budget Committee's responsibilities include reporting to the Senate a budget resolution next year as well as for this year. That is your job. So, why throw the ball here?

My goodness, I have to believe the Budget Committee can locate 1 percent in this budget to cut by next year.

Mr. MUSKIE. Will the Senator yield?

Mr. SCHWEIKER. Not yet.

A 1 percent cut should not cause anyone difficulty.

What is wrong with everybody taking in their belt in the same way? Why will we not say that the Federal Government has to do the same thing everybody else has to do? That is how we got into our present mess. Twenty years ago we decided we could increase spending faster than the housewife. And we could increase spending more than an average person or company.

All I am saying is that we should be consistent. What better rule is there to follow? We ask our people to do more than the Federal Government is willing to do. If we cannot control our own bureaucratic growth, how can we ask other people to control their private spending? That is all the issue is.

I would like to challenge the Senator's figures when he says that my budget is out of balance $300 million. If it is, that is still quite a record, to be out of balance $300 million, compared to $29 billion that he is out of balance this year. I would like to challenge the figures, because I gave the Senator a revised copy of my amendment and it uses his inflation and outlay figures.

So I would like to know specifically why the figures in 1981 and 1982 are wrong, when I have used his assumptions.

Mr. MUSKIE. As I understand what the Senator is saying so vociferously, it is this: 1 percent is a large number when you look at our figures and a small number when you look at your proposal. Why can we not take 1 percent? Yet, as I look at our budget numbers for fiscal year 1980, we are one-tenth of 1 percent less than inflation; in fiscal year 1981, 1 percent above inflation.

If 1 percent is small to the Senator when he talks about his proposal, it is not any bigger when you look at the Budget Committee's figure. For 1982, outlay growth is one-tenth of 1 percent above inflation. It is the Senator who is making a great deal out of figures of that size, not the Budget Committee. That is the first point.

Second, the Senator has not taken our figures. He has reduced spending by an additional $5 billion, he says. Those are not our figures. Also, he figures in no reflows.

I have made the same point with the two previous amendments. The CBO methodology is that you take reflows into account, and that methodology shows that your budget would be $300 million in deficit in 1981, when our mandate, I say to the Senator—he is trying to impose another mandate—our mandate was to balance in 1981.

The Senator's amendment would put us out of balance and breach our mandate: $300 million may not be much to the Senator, but $300 million is as much to me as the 1 percent the Senator talks about.

I do not know what scale the Senator uses. He uses one for the Budget Committee and a different one for himself.

I repeat the point that the distinguished Senator from Louisiana made effectively a short time ago. We had a specific mandate—a balanced budget in 1981 and another in 1982. We met that mandate.

If it is the wish of the Senate to spell out all details of the budget and offer all guidelines, we will try to follow them. But we met those two, and those are two we were never required to do under the budget system as it was established in 1974, but we did it.

If the Senator thinks it is a simple matter, in a week or 10 days of labor, to put together specific budget resolutions for 3 years running, in addition to revising the current one—in other words, we have had to deal with four yearly budgets in this resolution—it is not.

I will not agree to let my committee take any backseat to a commitment to budgetary austerity.

The difference is minus one-tenth of 1 percent in 1 year, plus one-tenth of 1 percent in another, and the minor 1 percent that the Senator uses to describe his own proposal. That kind of rhethoric may be persuasive on some point but certainly not on substance.

I repeat what the distinguished Senator from Louisiana has said: We have had the same arguments on three successive amendments. The difference is that the numbers for reduction in tax cuts are reduced with each successive amendment. I do not know whether there will be another one, but the basic arguments would be the same.

As I look at what we did with the 1981 budget in order to balance it, we had to cut $9 billion after the first run; and what the Senator wants us to do is to cut another $5 billion on top of that. If he thinks that is as simple as uttering the words "1 percent," he should try to sit through a budget markup for a week, until 11 or 12 o'clock at night, and see for himself.

It is not quite that simple.

We have met our mandate. With respect to the 1981 budget, it is not finally in place when we vote for this. It is a commitment. It will be embodied as the first year in a first budget resolution a year from now. That is the time for the Senator to argue to the Budget Committee to meet the standard he seeks to impose on us now.

What is the good of having a Budget Committee, if every Senator is going to impose his own standard about this, that, and the other? Why not write the budget on the floor of the Senate in total, and see how you can do it? I think the Budget Committee has done a job that I did not expect it to be able to do in meeting the mandate of the budget debt ceiling.

I do not disagree with the Senator's right to offer an amendment. However, when he does it with the kind of rhetoric he has used, to suggest that the Budget Committee has come out of this exercise as a wild and spending committee, I object to it.

I urge the Senate to reject the amendment.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BELLMON. Mr. President, I will take only a minute.

I invite the attention of the Senator from Pennsylvania to the chart on page 14 of the report, which shows that the outlay growth, under the terms of the Budget Committee recommendations, is a reduction of 0.1 in 1980. It is an increase of 1 percent in 1981 and a small increase in 1982 of 0.1, and reductions in 1983 and 1984 of 0.5 and 0.6.

I also refer to the point made by Senator JOHNSTON, that the reason for the increase in 1981 is that defense is up almost 3 percent.

The Budget Committee has done the very thing the Senator from Pennsylvania wants us to do, except the 1 year when we have a slight increase, because of the funds made available for the defense budget.

I believe we have reached the objective, and to go further would be a great mistake and would upset the balance we have achieved in this resolution.

Mr. SCHWEIKER. I say to the Senator from Oklahoma that I have page 14. Is the Senator from Oklahoma talking about the alternate budget? I was not discussing the alternate budget. That is on page 14.

I submit that he is citing incorrect figures. I go to page 12 of the report and I read the figures: The Budget Committee has come out with recommendations that set spending 8.1 percent higher for 1 year and 15.4 percent higher for 2 years.

Mr. MUSKIE. That is the alternate budget.

Mr. SCHWEIKER. On page 12.

Mr. BELLMON. On page 14, the chart I read refers to the committee recommendation which is for balance in 1981. It is not the alternate budget.

Mr. SCHWEIKER. It is the alternate budget in 1982, and we are arguing about fiscal year 1982. That is where he says it is one-tenth of 1 percent.

Mr. MUSKIE. If the Senator will look at page 14, at the bottom of the page, it says "Committee recommendation, balance in 1981." That is the budget that is before us.

Mr. SCHWEIKER. Which year is that?

Mr. MUSKIE. 1981.

Mr. SCHWEIKER. That is not at issue.

Mr. MUSKIE. Yes, it is at issue.

Mr. SCHWEIKER. The year at issue is 1982.

Mr. MUSKIE. If the Senator will look at that table, the 1982 projections are there, the 1983 projections are there, and the 1984 projections are there for outlays. They show reductions in 1983 and 1984, which is what Senator BELLMON read from, and the Senator from Pennsylvania challenged him by saying that is the alternate budget. It is not. It is the budget before us.

Mr. SCHWEIKER. If the Senator reads that, he will find that the inflation rate is different from the growth rate by 1 percentage point. That is the point. Inflation goes up 7.1 percent, and spending goes up a full point above that, at 8.1 percent. The figure is there, on page 12.

Mr. MUSKIE. The table says "Outlay Growth Less Inflation (percent), minus 0.1." That is for 1980. For 1981, it is plus 1.0; 1982, plus 0.1; 1983, minus 0.5; 1984, minus 0.6.

That, I take it, is the point the Senator's amendment is driving at, and as the Senator from Oklahoma has said we have achieved in 3 of those 5 years what the Senator is driving at. In 1982 we come to one-tenth of 1 percent from it and in 1981, because of the defense budget we come above it. That is what that table says.

Mr. SCHWEIKER. The Senator did not hear me initially. I commended the Senator for reaching a balance in 1981. He somehow assumed I had not said that. I did commend the Senator and commend him for reaching a balance in 1981. I did take issue and still do with the 1981 and 1982 recommendations. We could argue figures all day, but it is clear to me that we are getting back off the track in 1981 and 1982. I will not pursue it here in the Chamber anymore, because it is obvious the committee has the position that the Senate is not entitled to work its will, that we have no input into this thing, and that only the Budget Committee sets budgetary policy.

I understood that the Senate had a right to propose amendments and had a right to offer objections.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. MUSKIE. For the second time today I have heard this argument that we of the committee think the Senate does not have a right to work its will. I have never said that. Senator BELLMON has never said that. Of course, the Senate can work its will. But if I cannot defend the product of the committee, being chairman of it, then I should yield the chairmanship to someone else.

When the product of that committee is not accurately portrayed in my judgment in the Chamber it is my job to defend it.

Apparently the Senator believes that he should be able to argue for an amendment and we should be silent. That is as unfair a statement to make of the Senator's position as it is of him to say that we do not think the Senate has a right to work its will. Of course, it has.

If the Senate chooses to adopt the Senator's amendment that is the Senate's prerogative.

I have been here 21 years. I am not stupid enough to think the Senate has not the right to do anything it wishes.

Mr. SCHWEIKER. Mr. President, I wish to ask the chairman how many amendments has the committee accepted today or yesterday.

Mr. MUSKIE. It has not accepted any.

Mr. SCHWEIKER. How many amendments has the committee accepted from the floor today or yesterday?

Mr. MUSKIE. What kind of test is that, may I ask the Senator.

Mr. SCHWEIKER. It is the test of give and take.

Mr. MUSKIE. When the Senator proposes legislation in his committee does he do it with the assumption that he is going to compromise what he thinks is right in that legislation just to accept amendments? I mean is that the test of good legislation, that you just adopt amendments, because they are offered? Or do you look at the merits?

I never heard that kind of a rationale given as a test for the soundness of legislation. I never heard it in all my life. I have seen bills passed in this Chamber before without amendment and not just mine. Were they unsound bills, because no amendments were accepted? And I have seen bills on which amendments were accepted by floor managers with everyone knowing they were going to be dumped in conference. Is that sound legislation? What kind of a test is that?

Mr. SCHWEIKER. I think, Mr. President, it is a fair test and if you are going to have give and take in the Chamber there should be some give and take in the committee position and they should be willing to acknowledge that some one of us here has an idea or two that maybe should be incorporated in the Budget Committee's recommendation.

I do not believe any committee is 100 percent right. I do not see very many committees come out here and take the position they are 100 percent right and there is no give here and no give there and no give here.

I think that is the point and that is the issue, but we have prolonged it, and I am willing to yield back whatever time I have remaining, Mr. President, if the other side is or if they wish to speak again before we vote.

I ask, though, that there be a rollcall vote on my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), and the Senator from New York (Mr. Moynihan) are necessarily absent.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Sasser). Have all Senators voted?

The result was announced—yeas 40, nays 52, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—40

Armstrong
Baker
Bentsen
Boren
Byrd,
  Harry F., Jr.
Cannon
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Ford
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Nelson
Nunn
Proxmire
Pryor
Roth
Schmitt
Schweiker
Simpson
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—52

Baucus
Bellmon
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Cohen
Cranston
Culver
Eagleton
Exon
Glenn
Hart
Hatfield
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Packwood
Pell
Pressler
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Talmadge
Tsongas
Weicker
Williams
Young

NOT VOTING—8

Bayh
Chafee
Durkin
Gravel
Long
Moynihan
Percy
Stafford

So Mr. Schweiker's amendment (No. 175), as modified, was rejected.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. Metzenbaum) may be recognized to call up his amendment now, without prejudice to the other orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 88

(Purpose: To increase both budget authority and outlays for function 500 by $100 million. These increases are intended to hold services in title III of the Older Americans Act constant with inflation and accommodate a slight increase for the President's proposal for a Meals-on-Wheels program)

Mr. METZENBAUM. Mr. President, I call up an amendment which is at the desk.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with the concurrence of the author of the amendment, the manager of the bill (Mr. Muskie) and the ranking minority member (Mr. Bellmon), that the time on this amendment be limited to 40 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I yield myself 8 minutes.

I offer an amendment——

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. Metzenbaum) proposes an unprinted amendment numbered 88.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19, strike "$600,600,000,000" and insert "$600,700,000,000".

On page 2, line 20, strike "$637,500,000" and insert "$637,700,000,000".

On page 2, line 21, strike "$687,200,000,000" and insert "$687,500,000,000".

On page 2, line 24, strike "$532,400,000,000" and insert "$532,500,000,000".

On page 2, line 25, strike "$575,700,000,000" and insert "$575,800,000,000".

On page 3, line 1, strike "$614,300,000,000" and insert "$614,500,000,000".

On page 3, line 5, strike "$−28,800,000,000" and insert "$−28,900,000,000".

On page 3, line 6, strike "$+500,000,000" and insert "$+400,000,000".

On page 3, line 7, strike "$+700,000,000" and insert "$+500,000,000".

On page 7, line 21, strike "$29,000,000,000" and insert "$29,100,000,000".

On page 7, line 22, strike "29,800,000,000" and insert "$29,900,000,000".

On page 7, line 24, strike "$28,500,000,000" and insert "$28,700,000,000".

On page 7, line 25, strike "$28,800,000,000" and insert "$28,900,000,000".

On page 8, line 2, strike "$28,700,000,000" and insert "$29,000,000,000".

On page 8, line 3, strike "$28,600,000,000" and insert "$28,800,000,000".

Mr. METZENBAUM. Mr. President, the amendment I offer today, in connection with a number of cosponsors, will restore the cuts recommended by the Budget Committee for nutritional and supportive programs authorized under the Older Americans Act.

Mr. President, I would like to make it clear that this is not a partisan issue. This is a concern that transcends party lines. The amendment before us is cosponsored by Members on both sides of the aisle. I am proud that Senators Williams, Javits, Hatfield, Kennedy, Eagleton, Levin, Culver, Pressler, McGovern, Tsongas, Riegle, Bradley, Chafee, and Randolph have joined with me in this effort. This broad-based support exists outside the Senate as well. Over 20 national organizations, representing the elderly, farmers, consumers, nutrition, religious, environmental and labor groups, have endorsed this amendment.

Specifically, the amendment increases funding in step with inflation for the nutrition and supportive programs—transportation to meal sites, senior centers, nutrition education for example—that provide vital services to this Nation's senior citizens. If this amendment is not adopted, 30,000 meals that are served each day to senior citizens in community centers across the country will no longer be available.

The amendment will keep a full one-fifth of those centers from closing their doors on the poor, aged, and the infirm. This amendment will, in other words, insure that the people who built this country, who fought for this country, and who must now exist as best they can on meager pensions will not suffer hunger.

This is not a budget busting amendment. It does not call for major increases in program levels. It simply—Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Ohio may proceed.

Mr. METZENBAUM. This amendment simply adjusts for the inflation rate that affects individuals and governments alike and accommodates the President's new meals on wheels initiative.

The amendment will increase total spending by $100 million. It will have a miniscule effect on the Federal deficit projected for fiscal year 1980. And it will have no adverse impact on the prospect for a balanced budget the following year.

In addition, by keeping the meals programs operating, the amendment will make it possible for many elderly Americans to continue to live independently. Without these programs many old people will be forced into institutions. That is tragic. And inevitably, it is also very expensive for the taxpayers of this country.

Mr. President, I believe in fiscal restraint. As a member of the Senate Budget Committee I worked hard to find ways to deliver services to the American people in the most equitable and cost-effective means possible. But I do not believe that we should be blind in our pursuit of fiscal restraint.

I do not believe, Mr. President, that we should sacrifice programs for the truly needy in the interest of some symbolic commitment to budget cutting for the sake of budget cutting.

The PRESIDING OFFICER (Mr. PRYOR). Will the Senator please suspend while the Senate comes to order? Senators will please take their seats. Those who have business to conduct will please do so outside.

The Senator from Ohio may proceed.

Mr. METZENBAUM. I thank the Chair.

I do not believe that domestic programs for our elderly citizens—programs with a proven record—should be abandoned in a frenzy to balance the budget.

I believe that we must retain the programs that serve those who can no longer defend themselves—our senior citizens, the poor, the sick. It is time to face up to our commitments to the less fortunate. And it is time to stop—to stop and take stock of what the proposition 13 passion means in practice.

In this instance, expressions like "belt tightening," "fiscal restraint" and "no more deficit" mean that tens of thousands of older Americans will be denied their basic nutritional needs.

Today, millions of older Americans face a choice between buying the food they need to survive and paying their heating and utility bills.

Today, the poor in this country—and the poor too often means the elderly—must pay up to 35 percent of their income for food.

We cannot afford to let the weakest members of this society shoulder the burden for the rest of us.

But that is exactly what will happen if this amendment is not successful. Those least able to fight will be the first casualties in the battle against inflation. And to what end?

Mr. President, I support an austere budget.

I support restraint in Federal spending.

But I cannot support cuts like this one—cuts that remove muscle, not fat from Federal programs.

We fought hard to enact programs that embody this Nation's compassion, concern, and commitment to its senior citizens. We cannot now go back upon our promise.

I urge adoption of the amendment.

I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

I will say at the outset, Mr. President, that I agree with everything the distinguished Senator from Ohio has said.

The second point I would make is that there was no discussion of this program specifically in the Budget Committee.

The third point I would make is that there was no proposal and no discussion on any proposal to cut this program in committee.

This program is part of Mission 6, as we break down the functions of the budget, and we did not specifically address this one. Surely, this one is one that is deserving of the kind of consideration that the Senator from Ohio is proposing.

Mr. President, we are not a line item committee. We did not deal with this as a line item. We did not deal with it at all, specifically.

I repeat, the Budget Committee does not assume reduced funding for elderly feeding and other service programs. It assumes funding at current law levels. In this budget resolution many programs have been reduced below current law. These programs have not.

The Budget Committee recommendation to the Senate represents a series of careful, sometimes painful, compromises producing a balanced budget in fiscal year 1981, and we ought not to be undoing those compromises $100 million at a time when problems such as this one raised by the amendment of the Senator from Ohio can be handled within the amounts provided by the Budget Committee.

I repeat that the Budget Committee is not a line item committee. The Budget Committee's assumption that these programs will be funded at current law levels is not binding on the Appropriations Committee when it makes individual funding decisions on these programs. Out of the more than $300 billion that would be allocated to the Appropriations Committee under this budget resolution, it seems likely to me—indeed, I think it seems certain to me—that additional funds for programs serving the elderly could be found if that committee saw fit to do so.

Services to the elderly are also provided through State and local governments. These governments can decide where funding increases are necessary, and they should be looked to for any such increases they deem necessary.

Let me say this finally about this program of nutrition for the elderly. It is a program that all of us have seen in action. It is a program which none of us could conceivably, I do not believe, do anything but support to the fullest. I have never seen a better program for the elderly, in my judgment. Its merit is reflected in its growth. The nutrition program for the elderly, beginning in fiscal 1974, grew to $125 million in fiscal year 1976, and has since grown to the present level of $250 million, an increase of 100 percent.

All aging programs have experienced similar growth in recent years from a level of $261 million in 1976 to $500 million currently, an increase of 92 percent. And over the same period, Mr. President, inflation has taken 25 percent.

So the Budget Committee has supported these programs over these years, more than supported them, and supported them not only above the rate of inflation but has supported them to the degree that they have grown as I have suggested.

There is ample room in this function as approved by the Budget Committee for the Appropriations Committee to take the decision urged by the Senator from Ohio on the floor today.

I oppose his amendment not because I oppose what he wants to do, but because, Mr. President, if you lift the kinds of ceilings we are talking about in this budget resolution you make room not necessarily for that which could be provided for anyway, but make room for additional spending which may not be justified.

One of the purposes of these ceilings is to keep the pressure on, to squeeze out those programs that do not merit the kind of support that this one does in a time of economic stringency.

So I support the Senator's objective.

I will make one other point. The House is $600 million higher than we are in this mission. So there is ample room in conference to do what the Senator proposes.

Mr. President, I would urge that we not depart from the basic philosophy of the budget resolution, which is to set ceilings. We do not line itemize. We did not, by any explicit action taken by the Budget Committee, vote to do anything about this program by way of reduction. That is not our intention, we have never stated it, it is not assumed. There is enough money in the mission, let alone the function, to achieve what the Senator from Ohio desires.

For that reason, Mr. President, I cannot support the amendment of the Senator.

I yield at this time to my good friend from Oklahoma.

Mr. BELLMON. I thank my friend.

Mr. President, the Budget Committee's recommendation, as has just been said, does not reduce funds for elderly feeding programs. I hope that point is repeated often enough so that every Member will clearly understand it.

We assume funding these programs at current levels.

The committee recommendation also assumes a permanent increase, and I underscore that, of $200 million for block grants to States for social services programs under title XX of the Social Security Act. Out of this additional $200 million for title XX funds, each State must provide—and I want to underline that—at least three social services to the elderly. These funds can be spent on elderly feeding programs if the States believe these programs are the greatest area of need.

So there is already room in the budget for a substantial increase in feeding programs for the elderly, depending upon the decisions that States and Governors may make.

The National Governors' Association has repeatedly said that they prefer block grants, because they consider funds that come down with fewer strings on them are available for the highest priority uses and they can use these funds in a much more efficient way. The Governors have even gone so far as to offer to accept reductions in categorical programs if we will allow them to be exchanged for more block grant funds. But as we described above the committee is not recommending cuts in the categorical programs, but is recommending increases in the block grants. So we are giving the Governors the best of both worlds.

Thus, there are extra funds for this program if the Governors believe the priority for this program is higher than for other needs.

The nutrition program for the elderly has had enormous growth during its relatively short life. From its beginning in 1974 the program grew to $125 million in fiscal year 1976, and has since grown to a present level of $250 million. This is an increase of 100 percent since 1976.

All aging service programs have also had explosive growth in recent years, from a level of $261 million in fiscal year 1976 to $500 million currently, an increase of 92 percent.

The Metzenbaum amendment would nearly triple the President's requested increases for these programs. The President has asked for a $38 million increase; Senator METZENBAUM's amendment would provide a $100 million increase. As our chairman has already pointed out, the House Budget Committee recommendation for social services is $600 million higher than the Senate committee level, and it is certain that this issue will be negotiated and probably compromised in conference.

Our recommendation to the Senate, which is a resolution which results in a balanced budget in fiscal year 1981, represents a series of very carefully agreed-to compromises. If Senator METZENBAUM can come along and add a $100 million increase for a program he feels is meritorious, then 100 other Senators can each find some worthy purpose and add their own $100 million. We can then easily undo the compromises that have made it possible for us to have a balanced budget by 1981.

In addition, Mr. President, Senator METZENBAUM has stated that his amendment will increase funding for these programs to keep pace with inflation. The fact is that the Metzenbaum amendment represents a 20-percent increase for these programs. Even though inflation is a problem, and we all recognize it and we all deplore it, it is not anything close to 20 percent and there is clearly no need for an adjustment of this kind on the basis of taking inflation into account.

It is for these reasons that I oppose efforts to amend this resolution as the Metzenbaum amendment would do. I agree that these goals are appealing. There are many other appealing goals that we have had to overlook and put aside. While we agree readily that elderly feeding programs have been well run, that they are very important for those they touch, we believe their legitimate needs can be met within the spending targets of the resolution as reported, particularly since it provides, as I have already said, a $200 million increase for block grants.

And the rules for spending these block grants include the requirement that elderly needs be considered and, clearly, elderly feeding needs should be and can be met with these additional funds.

Mr. President, I believe sincerely that we have taken care of the problem that Senator METZENBAUM has described and there is no justifiable reason for adding the $100 million that his amendment would add to the budget.

Mr. STENNIS. Will the Senator yield for a unanimous-consent request?

Mr. BELLMON. Yes.

Mr. STENNIS. Mr. President, I ask unanimous consent that Mr. Rex Buffington be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, let me address myself on the subject to the comments by the distinguished chairman.

I do appreciate very much his indication of support for the concept. I understand full well the point that he makes with respect to the question of whether it is or is not a line item.

I have to say to the Senate that, quite often, it seems to me that we are in a Catch 22 situation on a matter of this kind. If an amendment is to cut or increase an area, then the question is, What assumptions are being made in proposing the amendment?

We find that here is $100 million that has been taken out of this mission, and there is reason to be concerned that that $100 million will be coming out of these very programs to feed the seniors to which this amendment is directed. Let me say what this amendment intends to do. It does not provide for a 20-percent increase, as suggested by my good friend from Oklahoma but, rather, provides for about a 12-percent increase for the 2 years that are involved and then provides for about $23 million for the meals on wheels program for which funding is needed.

I yield to the Senator from Maine.

Mr. MUSKIE. Let me make the reverse point. Adding $100 million to the ceiling does not assure that that $100 million will go to this program.

Mr. METZENBAUM. I could not agree more.

Mr. MUSKIE. In other words, all we are doing with the Senator's amendment is adding $10 million for spending that may or may not go to this program. So the difference between the Senator and myself is this: I think the priority of this program is so high that it will get priority attention in the Appropriations Committee, it will get priority attention in the conference with the House. The House has more in this function than we do, as it usually does in this function. I should be amazed if that priority were not reflected in the final result for this program.

If every Senator were to adopt the approach that this amendment does, that in order to guarantee—which it cannot—that a pet program or a good program, a sound program, may not be cut short, he ought to be sure to add enough money to take care of it, the result Senator BELLMON has described would surely follow.

Mr. METZENBAUM. I understand the point that the Senator from Maine makes and I know there can be no specific assurance with respect to any amendment to the budget, either up or down. It cannot make the program or break the program, the final responsibility resting with the authorizing committee and the Appropriations Committee.

Mr. MUSKIE. Let me make another point. I am as strongly for this program as the Senator is and I am going to fight for this program in every forum in which I can. But the Senator's amendment forces me into the position of voting as though I did not support it.

I do not know about other Members of the Senate, but what I am saying to the Senator and other Senators is that there is ample room in this budget to do what the Senator wants if that is the decision of the appropriate committee. We are not deciding its fate here today.

If the Senator's amendment loses, I suspect this program will still get the kind of funding which he desires. So we are not deciding the fate of the program here, and should not vote as though we were, but should vote on the broader question of whether or not we should add to a more than $300 billion appropriation $100 million to provide some kind of uncertain guarantee to provide for this one.

I assure the Senator that, so far as I am concerned—and I repeat that I am as strongly for this as he is. I have watched this program in action in every corner of my State and I think it is one of the most compassionate, humane, just, and right programs we have in the whole range of Federal programs. I think it is going to be defended as such and I think the record of the numbers that I quoted earlier indicates that that is the view of the Congress.

That is all I wanted to say.

Mr. METZENBAUM. In view of the fact that the House has a figure that is, I think, $600 million higher than the Senate Budget Committee's on this subject, could the Senator from Maine see his way clear—and I know it is a difficult question that I am asking him—to accept the amendment, since, apparently, there will be a compromise in the conference committee? Would that be at all feasible?

Mr. MUSKIE. I do not like to start that practice, which is a tradition on this floor with some. Let me say to the Senator that in this function, we have always compromised upward with the House, because the House has always been higher than we have been in this function. I expect that we would compromise higher in this and I would be amazed if this were not one of the reasons.

Mr. METZENBAUM. Since I well understand the concern of the Senator from Maine about starting a tradition and I share with him that kind of concern, would the Senator from Maine be willing to accept the amendment at the very conclusion of the debate on this subject if we held the vote up until that point, so that it would not be a tradition? There would be nothing following.

Mr. MUSKIE. I have said what I said because I know of some other amendments whose sponsors would be delighted to have a precedent of the kind that the Senator is urging upon me, and I do not think it would be wise.

Mr. METZENBAUM. It never hurts to try.

Mr. MUSKIE. I think I have said enough for the Senator to know how I feel about this particular program.

Mr. METZENBAUM. I see that the distinguished chairman of the Labor and Human Resources Committee has arrived. I understand he would like some time.

Mr. WILLIAMS. Just a moment, to associate myself completely with the Senator from Ohio on this amendment, and with all of the principles that it brings to our deliberations and all of its necessary effect on the lives of the low- and fixed-income elderly poor.

This deals with food, which is the essence of life. I am sure that most, if not all, Members known, from their own constituencies, the numbers of older people who are waiting in line to be taken into nutrition programs. But the money has not been there.

What this amendment does is merely keep intact what we have. It does not even reach beyond to the total need that is out there, that we all know so well.

Mr. MUSKIE. Will the Senator yield?

Mr. METZENBAUM. May I ask, how much time is left?

The PRESIDING OFFICER (Mr. Burdick). The Senator has 6 minutes remaining and the Senator from Maine has 9 minutes.

Mr. MUSKIE. I yield on my time.

Mr. President, I would just like to repeat what I said to the distinguished Senator from Ohio with respect to the action of the Budget Committee, I think it might be reassuring to the Senator.

No. 1, we did not deal with this program specifically. We dealt with the overall mission. So this program was not specifically addressed. It was not reduced by any specific action taken with reference to it in the Budget Committee.

What we have done is set overall numbers, overall numbers on this function, $300 million.

There is absolutely nothing to prevent the Appropriations Committee from achieving what the Senator from Ohio desires.

I, personally, have been 100 percent for the program from the beginning. If the program had come up specifically in the committee, I would be surprised if we had not moved in the direction suggested by the Senator from Ohio.

Mr. YOUNG. Will the Senator yield?

Mr. MUSKIE. Yes.

Mr. YOUNG. What the chairman said, the Senate Appropriations Committee is very friendly toward this program. I would be very much surprised if they did not appropriate this much authority.

Mr. MUSKIE. I think that is certain. Whatever happens to this amendment, I think the objective of the amendment would be achieved.

In addition, the House has $600 million more in this function, as it usually does in conference, and I fully expect to move toward the House figure because this is very important in getting budget resolution votes on the House side.

So I would be surprised if we did not achieve the objective sought by the Senator's amendment.

I just wanted the distinguished Senator from New Jersey, who has been such an effective chairman of the Human Resources Committee, to understand that there is no confrontation here with the Budget Committee.

I cannot support the amendment because the effect would not assure the objective. The effect would simply be to add $100 million to the resolution which could be spent for other purposes in the function.

With respect to the overall function, the House has $600 million more in this mission 6, function 600, and $2 billion more in the function.

So I would be amazed, I say to my good friend from New Jersey, that the objective sought by this amendment is not achieved, whatever happens to this amendment, and we are not in the process of deciding the fate of this program on this amendment.

Mr. WILLIAMS. Just one clarification, is it function 500 or 600?

Mr. MUSKIE. Five hundred. I am sorry, I misspoke myself.

Mr. WILLIAMS. The Senator from Maine is doing a masterful job here. I give him full credit for this whole budget resolution before us.

But a strong vote here for the Metzenbaum amendment would certainly be encouraging to the Appropriations Committee, I would think, to spotlight this particular program, the nutrition program for the elderly. It would help to assure that we do not have a cut there, because nutrition is the essence of life.

Mr. MUSKIE. May I make another point that I made to the Senator from Ohio?

Some of us have an obligation to try to make the budget process work and amendments of this kind will put us in a position of appearing to oppose programs which we support, when we believe we made room for worthwhile programs. If every program were to seek this additional insurance as a message to the Appropriations Committee, we would have to raise this budget by probably $5 million to accommodate everybody who would like to buy this insurance for their programs.

What we have an obligation to do is make room for the meritorious programs, those that are high priority— and this is one, in my judgment—but squeeze out the low-priority ones.

This is not that kind of program, but in order to maintain that discipline, and I guess that is my job and I asked for it, I have to put myself in the position of appearing to vote against a program which I strongly support, and other Senators may be likewise.

Mr. WILLIAMS. May I say that the Senator from Maine has brought to us all a great measure of discipline.

I will talk now about things I would have liked to see in the budget.

Mr. President, inflation hits hardest those on fixed incomes. As prices for necessities such as food and housing increase, the number of elderly persons needing help increases significantly. While the Budget Committee has cut services all across the budget—except in defense—in an effort to decrease inflation, it is grossly unfair to cut services to those who are hurt the most by inflation. Yet that is exactly what the assumptions in this budget represent for programs for the elderly. The least we should do in the elderly programs is maintain current services by adding in the amount necessary, which is approximately $100 million, to make up for the loss in services due to inflation.

Currently 563,000 senior citizens are served each day by the nutrition programs under the Older Americans Act. According to testimony presented to the Labor and Human Resources Committee, there are 800,000 senior citizens who are not now receiving services but who are eligible, and who are on waiting lists to participate in nutrition programs. Thus, the Congress should give high priority to increasing the nutrition program. Instead we have a budget before us which will result in a decrease in the number of meals served.

We can simply not stand by while inflation literally leaves hungry our fixed-income elderly. I therefore support the amendment offered by Senator Metzenbaum which will increase budget authority and outlays in function 500 by $100 million. This will provide the increase keyed to inflation needed to maintain this Older Americans Act program at its current service levels. This is the least we can do for our elderly population, which has suffered so seriously from inflation. The cut in services for programs for the elderly, when increases are so desperately needed, is a prime example of the misplaced priorities contained in this budget resolution.

Mr. President, this is the only point I have risen to urge, most earnestly, as an exception to what I know is the necessary objective of the Senator from Maine.

Mr. MUSKIE. I understand, and I did not really expect to divert either of my two friends from their course. But I wanted the record to reflect what I think is really possible under this amendment and what my position is with respect to this program. I think it will be worked out, whatever the vote on this amendment.

I understand the Senator, as chairman of his committee, has to carry out that responsibility in accordance with his conscience and his sense of what is right, so I do not quarrel with what either of my friends are doing. I might wish they were not, but I do not quarrel.

Mr. WILLIAMS. I thank the Senator from Maine.

Mr. JAVITS addressed the Chair.

Mr. METZENBAUM. I thank the Senator from New Jersey.

Mr. President, do I still have 6 minutes remaining?

The PRESIDING OFFICER (Mr. Baucus). The Senator is correct.

Mr. METZENBAUM. Mr. President, I yield 2 minutes to the distinguished Senator from New York.

Mr. JAVITS. I thank my colleague.

Mr. President, I rise in strong support of the amendment of the Senator from Ohio (Mr. Metzenbaum) to add $100 million to function 500—"Education, Training, Employment & Social Services"—for the specific purpose of providing some additional room in the budget for fiscal year 1980 for the elderly nutrition programs.

As it has done in so many of the domestic and human resources programs in the federal budget, the committee has made a very deep cut in the social services mission of function 500, to wit: In outlays $100 million below current law. (Current law being the 1979 amount plus an allowance for any increases mandated by law.)

And in several other missions the Budget Committee has made similar sharp cuts below current law. In mission 4 of function 500—training and employment—the committee cut $1.6 billion below current law; in mission 1 of function 550—health care services—the committee went $1.8 billion below current law; in mission 5 of function 600—the nutrition programs—the committee cut $300 million below current law; and in mission 1 of function 600—social security—the committee cut $600 million below current law.

In these five missions—social services; training and employment; health care; nutrition; and social security—all the people programs, Mr. President—$4.4 billion or 84 percent of the total $5.2 billion Budget Committee savings from current law takes place.

And there is not one cent in this budget for the targeted fiscal assistance program, on which the severely distressed cities of our country depend upon so desperately.

Clearly, Mr. President, our domestic and human resources programs have been forced to shoulder a disproportionate share of the burden of necessary budget cuts to get the deficit down below $30 billion.

At the same time, Mr. President, I do not see a comparable willingness on the part of the committee to spread the burden of budget reductions equitably among all programs. Agriculture, for example, function 350, is $200 million above current law. The Budget Committee recommends that mission 1, the "Farm Income Stabilization Program" be funded at $4.1 billion, $200 million above the current law figure and the President's reestimated request of $3.9 billion. So we have this entitlement program that gets a $200 million increase, while other entitlement programs get cut to the bone—where is the equity in that? In this particular case, full funding of farm price supports is provided for, which are part of an entitlement program of farm income stabilization.

The advocates of full funding for this program argue that, because farm price supports represent an entitlement, such a level of funding is required by statute. Yet those same advocates deny the existence of an identical kind of entitlement in education programs—to wit, the impact aid program, which requires sequential funding of a school district's entitlement based upon the number of federally affected children residing therein. By adhering to the President's recommendations not to fund the "B" category children in impact aid, which includes those children in federally-supported public housing, these so-called proponents of entitlements in farm price supports are actually turning the entitlement mandate on its head.

Moreover, in the recommendation that outlays for title I concentration grants, which is itself an entitlement program, should be available due to a reduction in the impact aid entitlement, the whole entitlement concept, supposedly such a sacred cow for the farm price support program, is rendered virtually meaningless.

In my judgment, Mr. President, this unwillingness to spread the burden of budget cutting equitably among the various competing functions in the budget represents discrimination against the poor, the unemployed, the elderly, the sick and the distressed cities of our country.

Senator **Metzenbaum** has focused upon a particularly egregious example of this discriminatory budget cutting—the elderly nutrition programs. The Budget Committee's mark on the social services subfunction is well below that recommended by the Labor and Human Resources Committee. It is also $0.1 billion below the "tight and lean" mark recommended by the President.

While such a cut may appear eminently responsible on paper, we must understand what its effect will be—to further reduce services to a portion of our people most in need of social services—to wit, elderly persons living on fixed incomes. The nutrition services to which our amendment is targeted supplement in-kind the already meager fixed incomes of the elderly so susceptible to the eroding effects of inflation. I should add that virtually 60 members of this body last year made a commitment to improved nutrition services to the elderly by co-sponsoring an amendment to the Older Americans Act, which authorized an increase of $100 million for senior nutrition programs.

Having made that commitment, it is unconscionable that we should turn our backs on those whom we have acknowledged as most in need. Indeed, the increase provided for senior services in this amendment barely begins to meet the mandate of the authorization statute; nevertheless, given the present realities of this budget, it is the precious little we can reasonably expect, and I urge the passage of the Metzenbaum amendment.

Mr. President, I wish to join in the colloquy with Senator **Muskie**, but I want to take this separate time to state what I have in mind.

I think this is more. I think this is symbolic. Senator **Williams** and I—I used to be ranking member of that committee, I am still a member of it—are deeply distressed by the fact that it looks like, and I know it was not done designedly, but there is real discrimination here when we compare what has been done for agriculture, where we went over and above what the law requires, and what has been done for these social services, training and employment, health care, nutrition, social security, which takes 84 percent of the $5.2 billion Budget Committee savings from current law. That is what bothers me.

So I have been with the Senator all the way and I hope to stay with him on through this. But I really need to vote for this as a symbol, a sense of protest in terms of what looks on the record like taking it, really, out of the big cities and the big city problems.

Again, I know the Senator's problems. He has a committee. He has to deal with them and work something out. But when we make this comparison, as I say, when we look at the agriculture picture, and I am not moving to cut it, or anything else, I understand the problem, but when we look at it and see that is more than low, and then look at the way the knife has been applied to these social programs which mean so much to us in the major cities of the country and which have taken the great bulk of this cut, we have to find some way to vent our feelings in a protest.

So I shall support this because of the symbol and I hope it will have an effect on the conferees.

Mr. MUSKIE. May I say to my good friend from New York, I fully understand his point and do not quarrel with it. As a matter of fact, it is not a bad point for all three of the Senators to make in the light of the three amendments we have just dealt with.

The proponents of those three amendments all suggested it is a simple matter to cut another $5 billion, another $10 billion, another $15 billion from the budget.

Here is an example of a relatively small program, as the total budget goes, where the pain is real, and the case is being made for that. I do not object at all when the case is made, so long as Senators understand what happened in the Budget Committee, if it happened, and what is really at stake.

Mr. JAVITS. I thank the Senator.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the name of the Senator from Virginia (Mr. **Warner**) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I will conclude my remarks, rather than speaking to the merits of the issue, by pointing out that this amendment has tremendously broad support from a host of organizations: National Council on the Aging, National Council of Senior Citizens, National Association of Area Agencies on Aging, American Association of Homes for the Aged, Grey Panthers National Organization, Community Nutrition Institute, Food Research Action Group, National Association of Nutrition and Aging Services Program, Inter-Religious Task Force on U.S. Food Policy, Consumer Federation of America, Congress Watch, National Farmers Organization, National Farmers Union, Rural America, Bread for the World, American Federation of State, County, and Municipal Employees, International Ladies Garment Workers, United Auto Workers, AFL–CIO, and Environmental Policy Center.

Mr. DOMENICI. Is anyone left out?

[Laughter.]

Mr. METZENBAUM. The only ones left out, as of this moment, are 51 Members of the Senate. Since I think it is time for them to have an opportunity to indicate their position on this subject, I am prepared to vote.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. DOLE. Mr. President, as I have watched the deliberations concerning this first budget resolution, it is quite evident that the Congress has finally heard the electorate's demand for less Government spending. We have finally realized that our economy cannot sustain more and more spending, and that eventually we will have to balance the budget. Given these fiscal restraints, it becomes imperative that all programs be scrutinized to see which merit no increases in funding, which deserve cuts, and which should be increased. I think that the budget committee has done a commendable job in preparing the fiscal year 1980 budget, and I appreciate all the work which members and staff have put into this budget resolution.

Having said this, there is one area which I think legitimately deserves an increase in funding, and that falls under function 500, mission 6, which deals with social services. Specifically, I am referring to services for senior citizens, and in particular, nutrition programs. Recognizing the value of nutrition programs for seniors, last year the Congress approved an expansion of the nutrition programs when it reauthorized the older Americans act amendments of 1978. A separate program for home-delivered meals was added to the congregate meals program, largely in response to constituent demand for this type of program.

Because the 1978 amendments were not approved until after the fiscal year 1979 appropriations bill was passed, funding for senior services for this current year were based on a continuing resolution at fiscal year 1978 levels. Even with the additional emphasis placed on nutrition services. There was no new money for fiscal year 1979.

I am concerned that the fiscal year 1980 budget recommends no new money for senior services, which has the effect of holding spending to the fiscal year 1978 level. While I am as committed as any of my colleagues to balancing the budget, I think that we must do so in a responsible manner. We must assess carefully all programs, and be prepared to increase funding where it is necessary.

After having done that with this particular program, I think that an increase in funding for senior services can be justified. It has been proved that the maintenance of adequate daily nutrition promotes good health, and offers protection against illness. As a group, senior citizens tend to be one of the most vulnerable populations within our society for illness, and I think that it is our responsibility to see that their interests are protected under the budget. Through authorizing legislation we have indicated our support for nutrition programs for seniors, and I think it is now our responsibility to see that they are adequately funded.

Besides this obligation which the Congress has to protect and promote the health of our citizens, I would like to remind my colleagues that maintenance of good health is cost effective in the long run. It is much cheaper to provide a meal in a congregate setting or deliver it to a person's home rather than to provide hospital care. While I believe the merits of nutrition programs transcend economic arguments, the cost factor is important, and should be recognized.

Based on these feelings, I have decided to support the Metzenbaum/Williams amendment to add $100 million to the budget for senior services. Without additional money in this area, services will have to be cut to cover the cost of inflation, and I think that that is a reduction which we cannot afford to have. While we need to trim fat from Government programs, if we do not add some increase to senior services, we will be cutting into the heart and muscle of these programs.

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, as already has been said, ample provision has been made in the budget to take care of the elderly feeding program. A $200 million increase is available for block grants, all or part of which can be used for this purpose.

The point that is being missed is that the people Senator METZENBAUM is allegedly trying to help are the ones most hurt by inflation. We often hear of the almost pitiful condition of those on fixed incomes, who find food prices going up, find fuel prices going up, find housing costs going up.

The purpose of the Budget Committee, and the purpose of the Senate and Congress, is to bring about a balanced budget, to bring inflation under control, and to help stabilize living costs for those on fixed and low income.

What we do here, if we adopt the Metzenbaum amendment, is to unbalance our budget by this amount. We may have a budget imbalance in fiscal year 1981. It may no longer be in balance. In effect, it will exacerbate the the problems for the people he is trying to help.

We have taken care of this need. There is no reason to add this $100 million, and I urge the defeat of the amendment.

• Mr. PRESSLER. I join in supporting the amendment being offered by the distinguished Senator from Ohio to restore funds for the elderly feeding program.

South Dakota has benefited from the meals-on-wheels program and the hot meal program administered in senior citizen centers throughout the State. These nutrition programs are particularly important in States like South Dakota where there is a proportionately large population of older citizens.

During my service in Congress, I have strongly supported the Older Americans Act; in fact, I cosponsored the measure when I was a member of the other body. One of the reasons for my support was the success of the hot meal programs which have benefited senior citizens across the Nation.

While I firmly believe we must reexamine many of our spending priorities, it seems pennywise and pound foolish to cut the elderly nutrition programs administered under the Older Americans Act.

The Select Committee on the Aging found that one quarter of our Nation's senior citizens live in poverty or near poverty. For many elderly persons, these nutrition programs represent the only well-balanced, hot meals they receive.

I urge my colleagues to support the amendment being offered by the distinguished Senator from Ohio.•

WE MUST NOT REDUCE THE ELDERLY'S CONGREGATE AND HOME-DELIVERED MEALS PROGRAM

• Mr. CULVER. Mr. President, I am pleased to join today as a cosponsor of this amendment to the fiscal year 1980 budget resolution to prevent a reduction in the elderly's congregate and home-delivered meals programs. As reported to the Senate floor, I believe this budget resolution contains a serious oversight. By providing no increase whatever for the effects of inflation on the elderly congregate and home-delivered meals, the budget recommendations now before us would actually reduce the number of meals served to the elderly by some 32,000 a day.

The amendment I am cosponsoring would compensate for the higher costs of food, transportation and other necessities in the nutrition and social services programs, under title III of the Older Americans Act. While allowing a continuation of the congregate and home-delivered meals at their present levels, this amendment would also accommodate the President's request for an additional 40,000 home-delivered meals each day—which Congress mandated through the 1978 amendments to the Older Americans Act.

At a time when older Americans must struggle to cope with the spiraling costs of food, utilities and medical costs—all of which are rising faster than the Consumer Price Index from which social security and other benefits are adjusted—we cannot in good conscience actually reduce the number of meals served daily. The cost of food alone has risen some 13 percent in the last 12 months. But, unfortunately, by failing to provide for even a minimal increase to offset the effects of inflation, the budget resolution's current funding levels would effectively deprive about 32,000 senior citizens of a daily balanced meal either served at a congregate site or delivered to their home.

Such a reduction would undermine the very cornerstone of the Federal Government's efforts to assist the elderly. The elderly congregate meals programs is widely regarded as one of the most successful and popular Federal programs for senior citizens. And next to social security, the congregate and home-delivered meals programs are the most relied upon, and the most visible, Federal initiatives on behalf of the aged. The current program serves some 479,000 congregate meals each day. In my own State of Iowa—which has the third highest proportion of senior citizens among the 50 States—congregate meals are regularly cited among the most utilized and most needed of all services, by elderly respondents in surveys conducted by area agencies on aging. I believe there are few things the Federal Government can do that are more important than providing these deserving individuals with well-balanced meals once a day, and we must not reduce the rolls of senior citizens participating in these nutrition programs.

Congregate meals is a simple program and an effective one. It is organized around several sensible, cost-saving yet humane devices—usage of volunteer help, church and other charity facilities, USDA commodity foods, voluntary cash contributions, an eligibility test based simply on age 60, a limited local funding match, and administration on the local level. The congregate meal site is often the focal point for providing other needed supportive services for the aged, such as transportation, recreation, counseling, and legal services. Perhaps just as importantly, the congregate site provides an opportunity for senior citizens to visit with their friends and escape the isolation that too often plagues them.

Congress recognized the unique role home-delivered meals can play for the homebound elderly when it voted last year in the amendments to the Older Americans Act to separate the authorizations for the congregate meals program and the home-delivered meals program. We repeatedly emphasized the inadequate level of home-delivered meals funding and the need for a higher, more realistic appropriation. An estimated 3 to 4 million older Americans are confined to their homes, unable to take part in congregate meals.

Often these homebound senior citizens are unable to cook nutritious meals for themselves. The present level of some 84,000 home-delivered meals per day falls far short of the need, and unless we increase the funding through this amendment, the number of homebound elderly served with these daily meals will actually decrease. Even President Carter's austerity budget recognized the mandate for additional home-delivered meals and recommended funding for an extra 40,000 such meals a day. This amendment would compensate for increased costs faced by the home-delivered meals program and allow the additional 40,000 meals a day President Carter proposed.

Mr. President, I am well aware of the budgetary constraints we are properly operating under in these inflationary times. But an austerity budget does not imply that 32,000 senior citizens must be deprived of a daily balanced meal. Three-fourths of the elderly people who participate in these nutrition programs are low income and, I can assure my colleagues, many if not most of them are already living on austerity budgets of their own. What group of people is more vulnerable to the cruel effects of inflation than retirees relying on limited incomes and precious savings eroded by decades of inflation? I cannot believe the American people or the Congress—in the justifiable quest to control Federal spending and responsibly balance the budget—would choose to deny 32,000 elderly persons of a balanced meal once a day. To allow such a reduction in the level of these nutrition programs would be to impose unfairly the sacrifice of our fight against inflation on those least able to afford it.

I hope my colleagues in the Senate will recognize the vital role these elderly meals programs fill, and I urge them to support this amendment to at least maintain our present level of congregate and home-delivered meals.●

● Mr. KENNEDY. Mr. President, I am pleased to support the amendment introduced by Senator METEZENBAUM to increase both budget authority and outlays for function 500 by $100 million. As I understand it these increases are intended to hold services in title III of the Older American Act constant with inflation and accommodate funding for the home-delivered meals program.

In 1971 I introduced the legislation that created the nutrition for the elderly program which until last session had been under title VII of the Older Americans Act. The purpose of the act is to achieve for the older people of this country the health, honor, and dignity to which they are entitled. Every Member of Congress is familiar with the nutrition for the elderly program and the crucial role it plays in the lives of millions of our senior citizens.

Since 1972 the congregate meals and home-delivered meals along with other vital support services available have been making a difference in the quality of life for older people in every State. There are presently 1,000 projects and 9,000 sites across the country where an estimated 11 million individual services are provided annually through the aging network. Elderly citizens in rural and urban areas all benefit from these services.

Last year the Congress clearly showed its support for the elderly nutrition programs by its decision to increase the authorization levels for the congregate meals program and further by its support of a separate authorization for the home-delivered meals program. Mr. President, I believe passage of this amendment would be a further sign of Congress commitment to this program and to our elderly.

I also believe this would improve the Senate's position when we go to conference with the House. As you know the House has already approved a $149 million increase for nutrition services to the elderly. I might add that President Carter specifically recommended $23 million for the new funding authority for home-delivered meals.

Mr. President and colleagues, I think it is very important that the Senate speak loudly and clearly on this issue.●

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, if the distinguished chairman of the committee is prepared to yield back the remainder of his time, I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. TALMADGE (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished Senator from Louisiana (Mr. LONG). If he were present and voting he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from New York (Mr. MOYNIHAN), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I also announce that the Senator from Indiana (Mr. BAYH) is absent because of death in the family.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Illinois (Mr. PERCY) and the Senator from New Mexico (Mr. SCHMITT) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 68, nays 21, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—68

Baker
Baucus
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Heflin
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Simpson
Stevenson
Stewart
Stone
Thurmond
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—21

Armstrong
Bellmon
Biden
Byrd,
  Harry F., Jr.
Cochran
Exon
Goldwater
Hayakawa
Helms
Huddleston
Humphrey
Jepsen
Johnston
McClure
Muskie
Nunn
Proxmire
Schweiker
Stennis
Stevens
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Talmadge, against.

NOT VOTING—10

Bayh
Chafee
Durkin
Gravel
Long
Morgan
Moynihan
Percy
Schmitt
Stafford

So Mr. METZENBAUM'S amendment (UP No. 88) was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan (Mr. RIEGLE) is recognized to call up an amendment.

UP AMENDMENT NO. 89

(Purpose: To reduce budget authority and outlays for fiscal years 1979 through 1982 in the national defense function in order to assume no funding for the purchase of Iranian ships)

Mr. RIEGLE. Mr. President, I have an amendment at the desk which I would ask to have the clerk report at this time.

The PRESIDING OFFICER. The clerk will report.

Mr. MUSKIE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The clerk will suspend. The Senate will be in order.

The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an unprinted amendment numbered 89.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, unless someone prefers that it be read. I will explain it in detail in the course of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 6, strike "$124,300,000,000" and insert "$123,900,000,000

On page 4, line 9, strike "$135,800,000,000" and insert "$135,700,000,000

On page 12, line 19, strike "$127,200,000,000" and insert "$126,400,000,000

On page 12, line 20, strike "$124,500,000,000" and insert "$114,200,000,000, and wherever necessary for mathematical consistency, make appropriate changes in total budget authority, total outlays and the deficit for the affected fiscal years.

Mr. RIEGLE. Mr. President and colleagues, I yield myself such time as I may need.

Let me say at the outset to my colleagues that it is my intention not to yield for questions or other comments until I have had a chance to put a case before the Senate that I think needs to be heard and considered.

Mr. President, at the outset I wish to say that I do not enjoy the prospect of opposing two of my friends here in the Senate, the chairman of the Budget Committee and the chairman of the Armed Services Committee, Senators MUSKIE and STENNIS, on this particular issue. I want to say that I have the highest personal and professional regard for both men, and while I have very strong feelings about this issue I will endeavor to put my case forward and try to thrash this issue out with goodwill and with reason.

First, I shall try to explain the history of the Iranian ship situation, because it may well be the most interesting problem that will come before the Senate all year. The issue involves $1.35 billion in budget authority, and that is a lot of money. But that is not necessarily the best measure of the importance and the meaning of this issue. It should not determine our decision about these four ships that the Shah ordered back in 1974, and now cancelled by the new government.

When I went on the Budget Committee this year, I went on knowing it was to be a difficult task to decide among the competing national spending priorities and to try to restrain the Federal deficit. The pressure clearly is on us to achieve a balanced budget sometime soon.

We were able to do that for fiscal year 1981, and I and a large majority on the committee, voted to support a budget path that could produce that.

Many have already noted how painful it was to cut budget item, after budget item, after budget item in order to try to live within the tighter fiscal constraints that are on us.

Most of our attention was given to fiscal years 1980 through 1982, but we also had to consider urgent supplemental requests for the remainder of this fiscal year 1979 through the end of September.

As often happens, a lot of things get swept together in a supplemental at the tail end of a fiscal year. I believe they do not get the kind of scrutiny, that they deserve—not from the President, not from the Congress, not from the press, not from citizens. Our attention tends to be focused on the coming fiscal year, in this case fiscal year 1980.

As a result, strange things can happen, and strange things do happen.

I have been in Congress now—this is my 13th year. I have seen it happen in years past. I can say I have seen some of it happen this year, and that is the reason I am here today.

One of the items that appears in the supplemental request for 1979 concerns Iranian ships.

It turns out that back in 1974, the Shah of Iran ordered some ships that he wanted. He ordered four Spruance class destroyers from the Ingalls Shipbuilding Division of Litton Industries. Those ships were ordered to suit the needs of the Iranians. They had some special modifications, such as heavy air conditioning, for operations in the Persian Gulf, and I understand they also were to have certain other peculiar features. I have not yet been able to find out from the Navy what they all are. I am told they are classified, but I intend to find out.

Recently, as the position of the Shah began to collapse, the Bakhtiar government canceled two of those ships. Then after the Shah fell from power the new government canceled the order for the other two.

Today they are under construction in the Ingalls shipbuilding yards in Pascagoula, Miss. The ship that is farthest along is about 40 percent complete. The last ship is about 10 percent complete.

These Iranian destroyers, are intended to defend a fleet against attack from the air. But there is a problem with these particular ships. They are being equipped with a radar and weapons control system called the Tartar air defense system. That air defense system includes radar, fire control, guns, missiles, all integrated into a computer controlled system. This system was originally developed in the 1950's and has gone through a series of improvements. However, the Tartar system simply has been overtaken by developing Soviet and ship missile technology. I do not want anyone to misunderstand this point. If any of my colleagues is in doubt about that part, or if things they hear later in this debate raise doubts in their minds, they ought to do their own checking with an independent source before they cast their vote.

With the advent of the Soviet Backfire bomber and the advances in Soviet missile technology, the Navy, several years ago, decided to shift procurement to the far more sophisticated Aegis air defense system. The Litton/Ingalls Shipbuilding Division now has a contract to produce the first Aegis-equipped ship using Spruance class hulls similar to those of the Iranian ships. The fiscal year 1980 budget resolution assumes funding for a second Aegis ship. We are no longer procuring Tartar systems.

I would say to my colleages that an Aegis-equipped destroyer is capable of much more accurate firepower than is a Tartar-equipped ship. I am taking care not to reveal anything that is classified information, and security constraints prevent me from illustrating the superiority of Aegis over Tartar. Therefore, I urge every Senator to do his own checking, and not simply what I say about the relative capabilities of the different systems. This is no surprise and no secret. It is nothing new. The Senate Armed Services Committee, 4 years ago, in 1975, came to that decision.

In 1975, the Senate Armed Services Committee considered a request for a new nuclear cruiser to be equipped with a Tartar air defense system. The systems on the ships that were ordered by the Shah of Iran. Back in 1975, the Armed Services Committee had many of the same members it has today; 4 years ago, the committee flatly refused to authorize that ship and this is what it said in its committee report. This is what the Senate Armed Services Committee said to the Senate in 1975:

> The committee has carefully considered this request and believes it inappropriate to build any ship, and especially a nuclear ship, with a weapons system that is clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship.

Now, that quotation is important because this is the Senate Armed Services Committee, which just the other day, 4 years later, suddenly discovered that four of these ships were available, and despite what it had said to us years go, decided that American taxpayers ought to pick up four ships with this equipment. Indeed, they were great bargains.

I might say to the Senate that the vote in the Armed Services Committee, importantly, was not a unanimous vote. There were dissenters, as there ought to have been. The fact that there was divided opinion in the Armed Services Committee on this issue is a significant point.

Four years ago, the committee laid it out in clear, plain, understandable language that it believes that it is inappropriate to build any ship with this weapons system, because it is clearly inadequate to meet the projected threat.

Well, I am glad the Armed Services Committee gave us that advice 4 years ago. It was prudent advice. It was good advice then, and it is even better advice today, because the Russians have moved ahead. The speed of Soviet missiles is much greater than it was then. They are continuing with further developments, and we need the Aegis technology. We need it as soon as we can have it. But we are not going to get Aegis into our fleet faster if we take the limited defense dollars and squander them on technology and ships that are inadequate to today's threat, as these ships are.

Senators will hear that, to the contrary, this is a great bargain, and that the United States is going to save money if it buys these ships. I urge you to be very wary of that assertion. These ships will cost the United States $1.35 billion. It is a very substantial item. And that is just the beginning of the cost. It does not take a genius to figure out what the Defense Department will want to do. No sooner will they have the ships in operation than they will say, "Look, we want to remove this Tartar equipment, because it does not do the job, and replace it with the Aegis equipment."

And the cost of conversion at that stage will be enormous. I hope we do not have to pay that bill. That is a foolish way, in my judgment, to go about meeting our future needs.

So far I have quoted only the statement from the Armed Services Committee. Let us see what the Defense Department thinks, or at least what they thought early this year, when they prepared their 5-year shipbuilding plan. This plan was completed before the Navy knew that these Iranian ships were available.

If you look at the Navy's 5-year plan, you will not find one ship of the type ordered by the Shah. Here is that plan. Anyone who wants to look at it is welcome to. There were none of these ships in the plan because that is not what the Navy planners believed was needed. Ships of this type were such a low priority item that not one appeared in the plan.

But now what has happened? Suddenly these ships have become the centerpiece of an urgent supplemental request from the Defense Department.

And there is tremendous pressure. Believe me, there is tremendous pressure. I do not have to tell my colleagues that, because they have been experiencing it. We have not just heard from the defense contractor directly involved. People are getting phone calls from Boeing. Navy people are running all over the place. I have never seen as much action on one item as I have in this case. I think Dwight Eisenhower was right: there is a military-industrial complex, and it is at work today on this issue.

The whole complex wants these four ships. Why? I am not quite sure I know. Some of the reasons I can figure out and some are not quite so obvious. Whatever we do with these ships, this problem is one we are going to have to deal with again whatever the outcome of this amendment.

There seems to be some problem with the Iranian account with which these ships are being financed. When I tried to determine how much was in the account, how fast the account has been drawn down, what rate we are spending on the ships, and so forth and so on, I find there is not a lot of money left in the account. I cannot get straight answers. That troubles me. I would have hoped that the accounting procedures, methods, and systems would be able at least to give straight answers.

The closest I can come to an answer is that as of April 1 about $343 million left in that account. I think we are going to have to go back in time and see what was in that account on earlier dates and learn the speed at which the funding level has come down. But as of that date, the closest they can come to an answer is about $343 million.

Here is the problem, Mr. President: If we do not buy these ships, termination costs will have to be paid out of the Iranian Government's account in the Foreign Military Sales Trust Fund. The People who ordered the ships, the country of Iran, will be liable for those termination costs. That is why the Iranian Government had to deposit funds in that account, to protect against that possibility. If this project is canceled, they will have to pay for the work that has already been completed but not paid for, they also have to cover the cost of the profit for the percentage of the ship that has already been built. They have to make arrangements for severance pay for the workers.

Those are not liabilities of the United States. Do not let anyone persuade you that they are. We did not place the order. This order was an order from the country of Iran. These are their ships. They are the ones who wanted these ships, not us.

So that $343 million, as of the first of the month, was in that account to cover these liquidation costs. I am told that amount would be adequate to cover the liquidation costs. Obviously, if the project were terminated we would have these partially completed ships sitting down there. There would be the question of what happens to them. But American taxpayers would have no liability to fork out money for these Iranian ships. The project would end.

Well, instead, the Defense Department has been drawing down this account. It is not clear to me, that anybody has the authority to continue this project out of this account. As I understand it, the first two ships were canceled, by the Bakhtiar government. As I understand it, Iran was willing to let us spend from that account for a while in the expectation that we would find some other buyer.

Well, the Bakhtiar government is gone now. I do not know what the meaning is of any agreement with a government that does not exist.

It is also my understanding that when the next two ships were canceled, the new Iranian Government may not have signed an agreement to permit continued spending from the account. If that is true, it raises a very interesting question about whether anyone has the authority to spend money out of that rapidly shrinking fund. But funds are being spent, I am told, at the rate of about $7 million a week. I am told, however, that the Defense Department is trying to cut that spending rate down a bit because they may be reaching the point where they have just enough left to cover the termination if this whole deal goes belly up.

I want some better answers and I hope my colleagues do. I suspect most do. One of the things I intend to do, and I hope I will be joined in it, is to find out exactly what has happened to the Iranian account. It has occurred to me as I have been going through this thing, and as I suddenly see so many players working so hard to get the United States to buy these outmoded ships, that it is just possible that there is a problem in the Iranian account that everybody would just as soon not have to deal with, at least not right away.

I hope that is not the case. The numbers, insofar as I have been able to find out, are as I have presented them here. But, clearly, the funds are being depleted and it is not clear to me that the United States can—in the case of the last two if not all four—spend another nickel of that money. I am not sure that anyone has the right to do that.

But that is not the major issue today. It is an important side issue. So let us just note that it is there.

There are a lot of people who have suddenly gotten interested in these ships. Some would have us believe that our only option is to rush in and buy these ships. I think that is wrong. We do not need the ships. They are outmoded for American needs. The Navy has not wanted them before. They would cost us a lot of money.

Some people will say, "Well, now the Navy wants them." Sure, the Navy wants them under the changed circumstances. They are free ships. They do not have to go out and fight for them in the normal budget process. Of course the Navy will take four free ships. I am sure the Air Force would take four free airplanes if we could find them.

Sure, the Navy will take them if they do not have to go through the rigorous fight for limited defense dollars that every other project has to go through. I am not surprised that the Navy is willing to take free ships. They are delighted to do it.

More is involved here. As I understand it, some 2,000 to 3,000 ship workers are at work on these ships in Mississippi. I think the way this is going to look to the American public, because these are outmoded ships and because they do not meet our future defense needs, is that it is going to look very much like a public works project. It is going to look like a bailout for a shipbuilding company. It is going to look like the Senate has two standards for deciding whether or not we are going to spend money.

One standard is the vigorous one we usually apply, and which the Budget Committee did apply, to all of the human service areas: Elderly feeding programs, housing assistance, jobs, health assistance, right down the list. We made cuts in virtually every one, and deep cuts, because we felt we had to, because we do not have the money to spend in the amounts that we would like.

That is one standard.

Here is the other standard: Suddenly there are four ships available that Iran ordered years ago. We did not order them. We did not ask for them. But they became available so, we can rush to snap them up. After all, it is only $1.3 billion.

Somebody will say, "But that is a bargain because if you went out to order the same ships today, you would have to pay a lot more for them." But of course, you would not do that. The Navy had not proposed to order any because they are incapable of adequately defending our fleets against the Soviet threat. So, the savings are quite irrelevant because you would not go out today and order the same ships.

Maybe if we went out and ordered them today they would cost $1.8 billion instead of $1.3 billion. Some would say, "Look at this terrific bargain. We are going to save a half billion dollars if we buy these ships."

But the savings are a delusion because we do not save anything. In fact, we spend a very large amount.

I say to my friends on the other side of the aisle, who fight so hard to hold the budget down, you ought to consider whether we ought to hold that deficit down by not spending $1.3 billion for ships that do not meet our defense needs.

I also find it peculiar that the administration—despite the talk about economy in government—decided they would go along with this request, too. They also want the ships; they will take two now, two later. Some people want all four now. If the budget impact were to show in fiscal 1980 or 1981, I am not sure the administration would be that interested in these ships. There is a lot more attention paid today to the deficit in 1980 than there is to the deficit in 1979.

I doubt that there are five people in this Chamber who know what the latest projection is in terms of the projected deficit for 1979. But I will say this: If we go ahead and buy these four ships, the deficit is going up. We are going to have to spend large amounts of money.

You know where the money goes? Let us lay this on the record, too, because we have not just the injury of losing money on ships we do not need, but there is an insult that goes with it.

Of this $1.3 billion that we are being asked here to provide in budget authority $570 million is going to Iran. Iran is going to get that money. We are going to take these ships off the Iranian Government's hands, obsolete though they are for our needs, and we are going to buy them out. So we are going to end up crediting Iran with that amount of money.

I think if I went to people in Michigan and I said, "Look, how do you feel about it? You know, you want economy in government, you think we are wasting money in Washington, and with good reason. Do you think we ought to buy four ships we did not order, with a weapons system that the Senate Armed Services Committee, 4 years ago, said was inadequate? Do you think we should send nearly $600 million of your tax dollars back to Iran in order to get those ships? Yes or no, do you want to do that?"

I can tell you how that referendum would come out. I doubt that you could get 15 percent of the people in my State to agree. I dare say, if we put that on a referendum on a ballot in most States, I do not think the ships would do much better—I doubt people are in favor of spending money that way.

This is why people are cynical and frustrated, why they do not like government; because they know we have two sets of standards. When certain items come along, with billion-dollar price tags, when one shipyard has an interest in or one group has an interest—well, the funds start to flow. We can make room for that. There is room for that. We can make that accommodation.

If the congressional budget process is going to mean anything, then I think we are going to have to stop playing that game. We have wasted too many billions of dollars exactly that way. If we vote for these Iranian ships—four, three, two, or one—we are going to be wasting American tax dollars. I do not want to see that happen.

Now, I want to say a couple more things. We took this issue up in the Budget Committee. This is not the first time we have debated this. Those Senators who are not on the Budget Committee might be interested to know that we debated this issue, over a stretch of maybe 5 days, for probably an hour and a half. That is a long time, probably as long as we spent on any item we discussed in the entire budget markup. That was devoted to this subject, because there is great controversy about it.

I offered a motion in the Budget Committee. I put the transcript of the Budget Committee meeting in our own record here in the floor, and it is there for everyone to look at. I offered an amendment in the Budget Committee markup to strike out all money for the Iranian ships, all four ships, $1.3 billion. I stressed the intent of my motion time and time again. The committee record itself will bear that out. We finally voted on it and, by a vote of 11 to 9, the Budget Committee voted to accept that amendment and not to finance any Iranian ships. At least, that was my understanding as the author of that amendment, and of most of the other members, including some, whom I have talked to since, who opposed me on the issue.

But, somehow, after that vote was taken, before budget resolution report was published, an amazing thing happened. If you take the Budget Committee report and you look on page 268, I think it is—let me just see if that page number is right. It is page 267. If you look at that page under function 050, national defense, there is there a 7-line explanation of what was done in this area. I will buy a steak dinner for anbyody in the house that can find one mention of Iran or Iranian ships in those seven lines. It is not there, despite the fact that that was the issue that we spent more time on than other. Not a syllable.

I suggested language covering this issue that I thought ought to be in there. It was delivered to the staff. The staff looked at it. I understand that they discussed it at length. But someone decided not to use that language and not to inform me of that until these documents were printed.

But there was more. I had moved to knock out $1.3 billion for four ships. But when the numbers were finally printed, lo and behold, funding was reduced by the amount for not four ships out only two ships. Again this was done by the staff without talking to me about it or letting me know this was their interpretation.

Well, it is a little awkward to find that out after the fact. All these documents are printed, the wheels are turning, the process is moving. It is an embarrassment to everybody involved.

What does a member of the Budget Committee do? There is not much you can do at that point except come to the floor and lay out the facts. And try to make it clear what action the committee took.

Most of the members of the Senate Budget Committee, whether they voted for my amendment or against it, understood that we were proposing to knock out all four ships. I submit the record to everybody's interpretation.

Therefore, I have offered an amendment, which is at the desk.

I am proposing to change the numbers in the fiscal year 1979 supplemental.

So as to accommodate the recommendation of the Senate Armed Services Committee and take every item—every single item—for which they have requested budget authority except for the four ships. Except for the four ships.

(Mr. BIDEN assumed the chair.)

Mr. RIEGLE. My amendment would provide every penny for every item that the Senate Armed Services Committee has recommended as being needed for national defense and it will omit only the money they had included for the four ships.

Let me address one other point. Some people say, "Well, what's going to happen to these ships? Are they just going to sit down there rusting?"

I do not want to see that happen, and it really is not my intent. I want to make that crystal clear that that is not my intent.

I am certain that there are workable, sound, and cost effective solutions to this issue. I have spent a good deal of time to determine how we can take advantage of the work that has been done to date rather than just buying four ships we do not need, with equipment that is inadequate.

I believe there is a way out of this problem. I think there are probably several reasonable ways out. I will just suggest the best one I have been able to find. That will save us this $1.3 billion and we will not have to go out and buy ships that are out of date and outmoded.

These *Spruance* class hulls may actually offer us an opportunity to get ships that the Navy has included in its 5-year plan. If we can change them—if we do some reprograming. We do that all the time. That is the smart way to solve this problem. But if we do that, we can get needed ships faster and at less cost, than it was thought possible just a few months ago.

So this may be the one of the few really good pieces of news to come out of recent events in the Middle East.

But if we just give the Navy an unexpected $1.3 billion in supplemental funds, that rare opportunity will be lost. The Navy bureaucracy is almost certain to solve this problem the fastest way it can, and the American Navy will get four ships equipped essentially the way the Shah ordered them back in 1974.

This is just one option, there may very well be a better option.

First, let us consider DDG–996. That hull is the last of the four to be started.

Fabrication started last September and the keel is scheduled to be laid this coming July. Labor progress was only 9 percent completed as of March 26.

Navy Secretary Claytor has testified before the Senate Armed Services Committee that this ship could be completed as the second of our badly needed Aegis ships.

My staff and I have checked with several Navy experts and there is no reason why that ship could not be equipped with Aegis.

Some equipment ordered by the Shah would not be needed, but there is no reason for the American taxpayers to buy that extra equipment, unless it is needed for some other ship at some point in the future.

The fiscal 1980 budget request of the President and the first budget resolution that is before us now includes $825 million in budget authority for an Aegis ship to be built on a *Spruance* class hull. That is precisely the hull now under construction in Pascagoula. By making use of the work that is completed to date on DDG–996, the U.S. Navy could have that second Aegis ship faster than would otherwise be possible.

In fact, I am told by CBO that by taking advantage of the Iranian order, the cost for the total Aegis ship would be $100 million less than the $825 million anticipated in the fiscal year 1980 budget.

A second hull is DDG–994. Fabrication was started on that in April, 1978. The keel was laid in October of last year. Labor progress was about 18 percent along on March 26.

Except for a number of items ordered by the Shah, this ship is the same as the DDH–997 for which $310 million was appropriated in fiscal year 1978. That DDH–997 would be built on a *Spruance* class hull. It would be equipped primarily for antisubmarine warfare but is essentially the same as the Iranian DDG–994.

Long lead-time items have already been ordered for the DDH–997, using up about $60 million of the appropriation, but $250 million remains available to take over the Iranian hull and complete it according to criteria desired in the Navy's 5-year plan. The Navy would have to reprogram only about $65 million from other projects to finance that second ship.

A third hull is DDG–993. Fabrication was started in October 1977, and the keel laid in June 1978. Labor progress is 35 percent complete. The fiscal year 1980 budget includes $225 million to upgrade one obsolete DDG–2 destroyer by equipping it with a TARTAR air defense system. Conversion of a DDG–2 would provide a less capable ship than the Iranian destroyer would be.

We would need about $315 million to procure the Iranian DDG–993. However, $225 million would be available by delaying the DDG–2 conversion and another $100 million would be available in the fiscal year 1980 budget if an Iranian hull were used for the Aegis ship. As a result, the Navy would actually get a better ship. That is the way we ought to be using our scarce resources.

The fourth hull is DDG–995. This is a tougher problem to solve.

Fabrication started last August. The keel was laid last February. By taking the steps I have indicated already, there would be sufficient funds in the Iranian trust fund to continue work on this ship until the Navy could either work that ship into its fiscal year 1981 budget or find a foreign buyer. I think it is more likely we could find a foreign buyer for one ship and not four.

I will only take another moment or two and then I will yield the floor and reserve the remainder of my time.

I think I have just outlined an intelligent way to take advantage of the Iranian hulls to meet the legitimate needs of the Navy, as outlined in the 5-year plan.

We save taxpayers almost all of the $1.3 billion and we end up with better ships than we otherwise would have.

But buying the Shah's ships would be a mistake for this country. I think the record shows it. We may have to vote on these ships several times because I am going to try to knock them out several times, if I have to.

I hope we can stop this course of action today but if we do not, we will have to vote on these ships again with the authorization and vote on them again with the appropriation; because I do not think the national security interests of this country support these ships. Others who have a different view, and they will be heard from shortly.

I suspect that, sooner or later, the public is going to catch wind of the Iranian ships. They are going to find out about it. They may not find out about the difference between TARTAR and AEGIS on a classified basis. One of the reasons some of this information is classified—not just so that the Russians will not find out, but sometimes so that our own people will not find out.

If the public ever does find out exactly how obsolete these ships are, those who vote for them are going to have a hard time explaining their support.

These are the kinds of bailouts that have gotten us into the financial trouble we are in today: Special arrangements, special situations, trying to help here, trying to help there. It is only a billion dollars; it is only a half billion dollars. That is why we are in this financial trouble today. People want us to put a stop to this.

If we are going to make cuts in all human service areas, and we have done it—and I have voted for most of those cuts, although I did not want to do it—then we are going to have to apply the same standard to boondoggles of this sort.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield myself 5 minutes.

Mr. President, at the outset, I should like to address a point that the Senator makes, in which he suggests that somehow he was abused by the budget process or by the staff of the Budget Committee in the treatment of this question in the committee report.

The parliamentary situation at the time dealing with the fiscal year 1979 supplemental involved Senator DOMENICI's proposal to adopt the President's defense supplemental. Senator DOMENICI explained that the other day on the floor.

Senator RIEGLE's motion was to strike that part of the supplemental which represented Iranian ships. There were just two ships in the President's supplemental. Therefore, in implementing the Riegle motion, which carried by two votes, the staff eliminated the funds for the two ships that were in the supplemental.

Having done that, as I have said over and over again on the floor of the Senate for 5 years, that action would not prevent the Senate from approving the two ships which were deleted from the supplemental. It would not prevent the Senate from approving the authorization for those two ships. It would not prevent the Appropriations Committee from approving the funding of those two ships.

All that motion does is to limit the total amount of funds available in the national defense function of the budget for fiscal year 1979. It is then up to those on the Appropriations Committee to decide how those funds shall be spent. The priorities of the Budget Committee are not binding on the priorities of the Appropriations Committee for the national defense spending. It is that simple.

The debate, as Senator RIEGLE rightly describes it, involved all four ships because he was against all four ships. But he could no more strike four ships from a budget that had only two ships in it, than he could write the authorization bill for the defense supplemental in the Budget Committee.

Those are the simple ABC's of the budget process. There is nothing amazing—to use one of Senator RIEGEL's favored words—about it.

He implied in what he said that the Iranian ships are not mentioned in the Budget Committee report on the budget resolution for fiscal year 1980. I refer Senators to page 319, the top of the page. This is rollcall vote No. 121:

Riegle motion to delete Iranian ships from supplemental in function 050 (National Defense). Motion agreed to, 11 yeas—9 nays:

And the vote is described.

Senator RIEGLE has chosen not to refer to that.

Now I turn to page 267 of the report. With respect to the supplemental, the report did not mention any items that were excluded from that item. It mentioned the things that were included. The report says this with respect to function 050:

> The committee recommends an increase of $0.2 billion in budget authority and $2.1 billion in outlays over the amount agreed to in the Second Concurrent Resolution for FY 1979 to accommodate a portion of the supplemental request made by the President, including additional funds for both strategic and tactical warfare forces, the FY 1979 pay raise for civilian and military personnel of Department of Defense, and other defense pay items.

What was the portion that was excluded? How much was excluded? What was excluded was $0.6 billion in budget authority, and that was the precise amount represented by the two Iranian ships that were before the committee in the supplemental.

So I suggest that Senators look at page 266 for the amounts provided—$127.2 billion in budget authority. If the President's full supplemental request including ships had been approved, the amounts available for national defense in fiscal year 1979 would have been $127.8 billion in budget authority.

There is nothing deceptive about this report to anybody who knows how to read it and who knows what it is supposed to represent.

I take issue with the suggestion, to use the Senator's words, that something remarkable took place here to somehow deprive him of his rights or to blind the Senate as to what took place in the Budget Committee. There would be no way to conceal that debate. It was the longest debate, the most vigorous debate, of the entire week that we spent in marking up the budget resolution.

Who am I to try to conceal that from the Senate or the public? My staff never before has been accused of doing something like that in all the 5 years I have been associated with it. I reject the accusation and I reject the idea that there was an error. That he was arguing all four ships—yes. There is no question about that.

However, I say that when the numbers represented by the two ships were presented to Senator RIEGLE through his staff, those numbers were not challenged. It is those numbers that resulted in the $127.2 billion in budget authority.

I simply want to lay that matter to rest.

The second point I want to make, Mr. President, with respect to the Budget Committee action in approving the defense function is this: We did provide less in the function than the President recommended. With respect to the fiscal year 1980 defense budget, for example, the Senate Budget Committee targets for national defense were based on general agreement with the President's budget request level, with a few modifications aimed at greater efficiency within the Department of Defense.

These included, first, a 3-year phaseout of the commissary subsidy; second, efficiency in nonreadiness O. & M. activities; third, 25 percent absorption of the fiscal year 1980 pay raise of civilian and military personnel of the DOD, and reallocation of the savings from this pay absorption to the tactical forces—where the bulk of the NATO-related defense forces are found; and fourth, the revision of the cost-of-living adjustment for military retirees from a semiannual to an annual basis.

With respect to the 1979 supplemental, it included many items other than the Iranian ships. So if you took more than the amount for two ships out of the supplemental, the Budget Committee would have been blindly rejecting other items in the President's request which were never mentioned during the debate on the ships. Nor were they mentioned in the rest of the markup debate on the 1979 supplemental.

The only items debated in the defense supplemental were the ships, and we deleted all of the money from the ships that were before the committee. We did not write the supplemental authorization bill in the Budget Committee. We have no right to do so. As a matter of fact, the budget resolution finally approved by Congress is not even law and does not have to be signed by the President. It is a discipline imposed upon us by ourselves. So it cannot have the effect of law.

Only by writing a law can we authorize the ships. But that will occur during debate on the defense supplemental authorization bill which the Senate will consider next week. That is where the four ships are. That is where they still are. And that is the only place where they can be either authorized or not authorized.

We cannot authorize or deny them. We can reduce the amount available in the national defense function for all defense activities, but we cannot establish the priorities within that function. Nor can we itemize and mandate what shall be done with any item.

If the Senator's amendment this afternoon were adopted, the Senate could still go through the process and approve the four Iranian ships.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. MUSKIE. I yield myself 2 additional minutes.

The Senate could still do that. That should be understood.

It is the same point I made to Senator METZENBAUM in connection with his amendment. His amendment has been approved, but that still does not guarantee that what he sought to achieve with that amendment will result because the final decision rests with the conference. Subsequent to that the decision rests with the Appropriations Committee and its crosswalk procedures.

So even though that amendment passed, there is no guarantee it will be implemented.

And the same thing is true with this one. This issue should be debated next week during floor consideration of the authorization bill. That is where it should be debated. That is when the experts on both sides of the issue will be on the floor prepared to enlighten the Senate on the merits or demerits of these ships.

I am not a member of the Armed Services Committee. What we undertake in the Budget Committee is to provide recommendations concerning what the level of defense spending should be. The setting of priorities within the recommended total is outside our jurisdiction. We did all that we could do to implement the vote on the Riegle motion in committee by deleting the ships that were before us—in the sense that we reduced the total funding levels by the amount associated with the two ships in the supplemental.

Four ships were not before us. I make that as plainly as I can. When we are through with the budget resolution in this Chamber, whatever we do with it, we go to conference with the House of Representatives. The authorization bill for the supplemental will be before the Senate next week. Subsequent to that time it moves to the Appropriations Committee where, depending upon the level Congress has approved for the authorization bill, it will be funded in accordance with the procedures established by law and the priorities set by the Appropriations Committee.

In order to fund four ships, under the budget resolution as reported, the Appropriations Committee will analyze all defense items that were contained in the President's supplemental defense bill and establish its priorities for what they consider urgent. Now how did the supplemental arise? It came from the fact that the President vetoed the nuclear carrier last summer.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. MUSKIE. I yield myself 1 additional minute.

The President vetoed the carrier last year. The supplemental is intended to provide programs that the President regards as of a higher priority than the vetoed carrier. That is the basis of the supplemental submission. The Congress, of course, does not have to agree with the President's judgment as to what is urgent and what represents priority requirements and spending levels.

The Budget Committee recommended reducing the President's request below the $2.2 billion amount that he deemed justified as a result of the veto last year.

Mr. President, that presents the case from the Budget Committee point of view. I will leave the merits of the ships and all the other questions that have been raised, and to which I am no expert, to those experts among us.

I agreed to yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. Let me pass.

Mr. MUSKIE. Then I yield 2 minutes to the distinguished Senator from New Mexico, and then I will yield to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the distinguished Senator from Maine, and I will try to use only 2 minutes.

I wish to address my remarks to my good friend from Michigan, and what I am going to say I mean in all sincerity.

I believe here in the Chamber today the Senator from Michigan has made the same kind of accusation, in a sense, that he made in the committee about these ships. I want to say to him that I really do not think he needs to do that to make a case. The Iranian ships are a good case without having to impugn the staff that has worked diligently for 5 years. It is basically a corps staff. I have been there 5 years. And they are minority and majority staff members, each Senator contributes. I do not think that they have any reason to try to affect some amazing kind of deceit.

I think it detracts immensely from the Senator's case by even resting it one iota on that kind of position.

Second, I believe it is wrong to imply that this Senate will be bamboozled into buying four ships we do not need because they are in Mississippi, or some such thing. Even today the Senator used the words "pork barrel" again, and he knows what that means. That means that not only one or two Senators and not only this committee and not just the Armed Services Committee, but it means people in the White House, it means two full committees, authorizing and appropriations, two House committees, and two Budget Committees are all going to buy over $1 billion worth of ships for some kind of pork barrel over in some State that has two Senators just like the States of Michigan and New Mexico.

I make that argument to the Senator for the very same reason that I talk about the amazing deceit of something not shown up in here, because I think the Iranian ships are a case for the Senator and he has made the case beautifully without having to make that kind of circuitous argument that after you hear someone tell you you really did not mean that I think you even wonder whether you ought to make it that way.

I just say I do not think the Senate should be concerned about those kind of issues.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DOMENICI. Mr. President, may I have 1 additional minute yielded to me?

Mr. MUSKIE. I yield 1 additional minute to the Senator from New Mexico.

Mr. DOMENICI. I say I really believe Senator MUSKIE and Senator BELLMON in the years that they have headed this committee would not put up with staff, or anyone else that perpetrate some kind of deceit in the report to make their case. In fact, they win so many without having to do it I think they would be reluctant to ask anyone to put anything in here that was not so.

Lastly, the press was present throughout the entire debate. It was a wide open meeting. The issue that the Senator from Michigan made was made for anyone who wanted to report it and hear it, and it is made in technical language here. And I think it negates the Senator's case by implying that someone with some impropriety has to use that approach in order to defeat you.

I honestly offer this to the Senator because he has made a good case but weakened it with those two approaches.

I thank the chairman.

Mr. RIEGLE. Mr. President, I wonder if I could yield myself a minute to respond?

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Let me say to my friend from New Mexico, for whom I have a great fondness, as he knows, and I always welcome his observations whether I agree with him or not, I would not want him to think I am resting my case today by any means on a question of how the Budget Committee documents are presented. If I did not make it clear, let me say that I think it is an interesting side point, but it does not get to the substance of the argument.

I did not think I would have to be here today making this case, because I thought we got this done in committee.

Second, I would note that the House Budget Committee saw fit to strike all these items. The Senator mentions other committees that have taken a look at these items. As a matter of fact, the House Budget Committee, which may or may not be more detached than the Senate Budget Committee, knocked out all of these items. In fact, there is no money, as I understand it, for a defense supplemental.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. MUSKIE. Mr. President, I yield 15 minutes——

Mr. STENNIS. Yes.

The PRESIDING OFFICER. How much time is yielded?

Mr. STENNIS. I thank the Senator, and I wish the privilege——

The PRESIDING OFFICER. Will the Senator withhold? How much time was yielded, how much time did the Senator from Maine yield?

Mr. MUSKIE. Yes, I asked the Senator if he would like 15 minutes.

The PRESIDING OFFICER. That is all we wanted to know, 15 minutes.

The Senator from Mississippi.

Mr. STENNIS. Mr. President, if I may, I want to use my time in trying to get back to the picture of what has happened to our Navy and what we are doing about it. That certainly is not a personal question, but that is what is on my mind tonight, and I know on the minds of many who share that thought.

We stumbled through those Vietnam war years putting the money somewhere else, not on the Navy, and the Navy suffered.

We went on into other years now and there has been great division about what kind of ships to have, just where to put the money. Then we found a literal mountain of claims and add-ons and changes, $4 billion which had accumulated—part due to inflation, of course—that had to be appropriated and settled.

Shipyards were almost overcome, so that took some time. In the meantime, we had three or four different Navies proposed. The committees could not agree. At one time we said we had a Rickover Navy, and we had a valuable Member here, a Taft Navy, and we had another admiral or two. We were not able to agree enough, and we were dropping ships by the wayside.

So coming on rapidly then down to the last year, we still could not agree on what ships to buy, and we wound up here in a deadlock.

We put in a nuclear carrier which represented the view of the Congress. The President—and I do not criticize him—vetoed it. We ended up with a great vacuum. That is what gave rise to this supplemental bill.

May we have less distraction, Mr. President, I do not say quiet. This is serious business we are dealing with here now. We are down to the point where we had the supplemental brought in, really prepared before fiscal year 1980 was finished. The original supplemental request was submitted before the fall of the Shah of Iran.

It had a ship in it with the Tartar air defense system on it, just exactly like the one we are talking about, the so-called Iranian ships.

Talk about it being antiquated or out of date, someone who was sore might have said that because a ship of their selection was not in, but few others, if any, will stand up and say it. These ships were testified to here just a few days ago by the exceptional Secretary of the Navy, a man of great intelligence, depth, grasp, and learning, that these are what the Navy needs, this is what the Navy wants.

There is also testimony here in our record by Secretary Brown that says this is what he wants, what he needs. It is on the OMB budget, and it is in the President's budget.

Cancellation of two destroyers came in soon after the Shah of Iran or the government over there had stopped paying any more money into the trust fund. That was in January that they stopped paying. Maybe with some wise, unfathomable knowledge we should have just dropped everything and stopped then. But, thankfully, they did not do it and thus sacrifice the ships. They went on spending some more of that money.

So that when Iran canceled the destroyers, the administration, the Navy, the admirals, the Secretaries, all immediately recommended two of these ships.

Talk about them being antiquated, with all deference, that is ridiculous in view of all the facts and all the proof here on these matters.

Talk about them being antiquated, with all deference, that is ridiculous in view of all the facts and all the proof here on these matters.

Later the other two destroyers that were canceled by the Iranian Government were permitted to be carried forward and requested in fiscal 1980, even though they did not increase the ceiling. So the four ships are before this body now in one way or another. In my judgment and that of our committee, there was no way to settle it, but either take them or reject them. We thought the best way was to take all four at once.

I endorse what the Senator from Maine has said that the real issue here is in the supplemental bill that will be taken up, presumably, next week. We will have a recommendation in there for the four ships.

I think this resolution here will be passed, certainly it will be passed. It will have the money that I believe is necessary to cover even four if that is the choice of this body.

So let us get down to business. All these years what has been happening? I do not go around waving the Soviet flag and saying that the Russians are 10 feet tall. I am not afraid of them. But I know that the years we have been dragging some they have been expanding, growing, going to an oceangoing navy. There is no dispute about that, more strength here, more strength there, the greatest navy by far they have ever had by many miles. They are comers, let me repeat they are comers.

We are still superior. I do not buy this stuff about a thin edge closeness as to who is superior. I feel, I am confident, that we are now. But if we go turning our backs on four modern ships that are needed, regardless of some suspicions someone might have, some innuendos, when the proof is overwhelming, it is right down the line as to what we need. Just a few weeks ago we had to send another task force out with the carrier. These are the very kinds of ships that are needed. The Navy is operating with a shortage now, which is uncontradicted evidence. Our carrier task forces, those that we have, are operating with a shortage, of what is considered desirable strength in these kinds of ships, these destroyers. Everything on them is modern, everything, except that there is an incoming successor to the Tartar system that is thought to be superior. But it will be used on larger ships.

Our language there in 1975 related to a cruiser anyway, as I understand it, a nuclear powered cruiser. Anyway the ships are needed now. And what are we doing? We are still arguing over little things, petty things.

I do not think the Senator is trying to impugn the integrity of the staff, so pass it by. There is no basic fact that can be seen. Let us get down to ships, not individuals.

What are we going to do? Again, are we going to fritter away time and opportunity, close our eyes and ears to these warnings that come to us year after year after year?

I tell you, go read what the Chief of Naval Operations says. I am not an alarmist. I do not wave the Soviet flag of superiority and fear. I am not persuaded by some of those stories that travel around this time of year about appropriations. But Admiral Hayward has made a marvelous statement in his testimony this year, this year of fiscal edicts.

That is what we ought to be using our time on now, anyway. This supplemental is needed. It is so clear, though, that we ought not be spending much time arguing it. How much time have I used?

The PRESIDING OFFICER. The Senator has used 10 of his 15 minutes.

Mr. STENNIS. I thank the Chair. I do not know of anything crooked or dirty or devious or questionable about anything that has been done about any money. We have not had a scintilla of that out of the Pentagon, or anywhere, about this Iranian money or any kind of money.

We have been paying the bills so far. If we just go on and act now, we can pick these vessels up at a bargain, and these are the first ones that we have ever seen that are a bargain, in my days here—that can be put in the fleet. All four of them will be in the fleet within, well, just a little over 2 years. Thirty months at the utmost. Two of them will be in the fleet within 2 years, and the other two will be in within 30 months. That means out on the ocean, on battle line.

I am glad to yield to our colleague from Texas. I call him "admiral" sometimes anyway, with good cause. I yield 6 minutes to the Senator from Texas.

Mr. TOWER. I thank my distinguished colleague, the chairman of the committee.

Mr. President, I believe that anyone who has paid attention to evolving Soviet naval doctrine over the past 25 years could come to no conclusion other than that we should avail ourselves of the opportunity to acquire these four DDD–993's at what is, in reality, a great bargain price.

In the past 25 years, the Soviet Navy has evolved from a coastal defense navy under Admiral Gorskov, who has been their chief of naval operations over this period, to a blue water capable navy, with an enormous global capability, a navy that outnumbers us in numbers of ships, though not in tonnage, and does not possess the added dimension of an aircraft carrier that will accommodate fixed-wing aircraft.

Why is that navy expanding? Do the Soviets have the same logistical necessity to protect the sea lanes as the United States?

The Soviet Union does not, because most of what it requires is subsistance and future maintenance of its own military posture. It derives from sources in the land mass which it dominates. The only things the Soviets require from other climes, in effect, are perhaps some chocolate, some bananas, and a little bauxite. Why, then, do they need a blue water navy?

The answer to that is that they seek to pursue certain global objectives.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. I yield the Senator 7 minutes.

Mr. MUSKIE. Mr. President, how much time does the Senator require?

Mr. TOWER. Five.

Mr. MUSKIE. I yield him 5 minutes.

Mr. TOWER. The fact is that they pursue certain global objectives contrary to the interests of the free world, that require them to have an offensive naval capability, and this is a fact that we must reckon with. In point of fact, what we project to build in our regular authorization program for fiscal year 1980 is inadequate, and if we pursue current shipbuilding plans into the 1980's, we are going to fall below so-called option 1 presented in sea plan 2000 by the Navy last year, and in falling below option 1, we are assuming an unacceptable risk, and will concede to the Soviet Union a significant margin of naval superiority.

We had better add these ships to our inventory, or we will certainly be sorry later on. Admiral Hague observed, in New York 2 days ago:

> Air and naval bases in Afghanistan, the Middle East, and along the African coast give the Soviet Union the ability to snuff out the oil lifelines leading from the Persian Gulf to the west.

What happens if we get into a dustoff? We can fight now only one engagement at a time. We have to win our first engagement and then redeploy our fleet, let us say, from the Mediterranean to the Norwegian Sea. We had better avail ourselves of these ships.

Let me put to rest the maze of misinformation that has been put before the Senate today, I am sure unwittingly, by the distinguished Senator from Michigan.

In point of fact, the fire control system represents the latest in digital technology. It is more capable than any other system that we have. It is the best system in our inventory, and will be until the Aegis comes into the inventory in 1984.

In addition, the chairman has alluded to the fact that the Tartar system will be upgraded with the EM–2 missile, which will give a vastly extended range and capability, and, when married to the joint particle information distribution system, will make it a very useful system in our fleet.

So do not be misled by allegations of obsolescence. They are simply not true. Therefore, I urge the Senate to defeat the amendment offered by the Senator from Michigan.

I regret that he referred to it as pork barrel politics. I do not know who he thinks is playing pork barrel politics, because he did not name any names. But certainly any of us who are concerned about the maintenance of American naval supremacy can do no less than support the acquisition of these much-needed additions to our fleet.

Mr. YOUNG. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield to the Senator from North Dakota for a question.

Mr. YOUNG. The point that I am concerned about, that has not been mentioned: How much saving would there be on these four ships, since they were ordered 2 years or more ago? How much saving would there be on inflation and increased cost now, and how much did the Iranian Government put into them?

Mr. TOWER. Approximately an $800 million saving. We are buying these for $1.3 billion, and saving approximately $800 million. I cannot give you a precise figure, but that is an approximation. So, in effect, we are getting them for approximately 60 percent of what they would cost us otherwise.

Mr. YOUNG. I thank the Senator.

Mr. RIEGLE. Mr. President, I want to yield 5 minutes to the Senator from Nebraska, but before I do, I must say I am reminded of the story of the woman who found a fur coat that was for sale for $3,000.

They marked it down to $2,000 so she bought the coat. She came home and told her husband about how much she saved. He grumbled, "That's the kind of savings I can't afford."

Let me yield, if I may, to the Senator from Nebraska.

Mr. EXON. I thank my friend from Michigan.

Mr. President, as a very new Member of this body, I am continually confused about what goes on. I am confused, while I work very hard, in the Budget Committee. Maybe some of the questions I am going to ask my distinguished colleague from Maine, or my good friend from the Armed Services Committee, on which I serve, can straighten me out on some of these things.

I am confused because I am at least one member, and maybe after the vote we will take on this I may be the only member, of the Budget Committee who has voted right down the line for what I though the Budget Committee wanted in each and every case. Do not hold me to that because somewhere along the line I, too, might break over.

I noticed what I think is a great deal of consistency in the voting record of this body. I noted with interest the vote in this body on the Metzenbaum amendment which was before us. It was very clearly outlined by the chairman of the Budget Committee that we did provide for the money, $100 million, that Senator METZENBAUM got up on the floor and said should be put back there. I say it was in there in the initial instance.

We can get up and say we do not talk about line items, but we do continually. We did it in the Budget Committee and we are doing it here on the floor.

I guess I am also puzzled, Mr. President, by the voting record of the Members of this body, some of whom have voted for $28 to $29 billion in wholesale, mass slashes in the Federal budget. Others have voted for a $10 billion mass slash in the budget. Yet some of the people who voted for $28 or $29 or $10 billion cuts are the same ones who come along and, when we talk about special interest groups that they have to face at the ballot boxes back home, vote for a $100 million increase, as was done here on the last amendment offered by Senator METZENBAUM, and which is the only time that the recommendations of the Budget Committee have been broken up to this time.

I stand in support of the amendment offered by the Senator from Michigan.

I think if we are indeed going to talk about balancing the budget, this is the place where these ships are not fundamentally needed to our defense. Indeed, if they were, I would have suggested that the Navy would have requested these ships in the 5-year shipbuilding program, but not one was included. The only time that we heard of ships of this class was a request originally for one, I believe, in the supplemental budget request which was sent down for this current fiscal year.

Therefore, as a very new Member who is very much confused. I will continue to support what I think was the interest and the vote of the majority of the members of the Budget Committee, whether it was two ships or whether it was four ships. At least, I think and I believe that the amendment offered by the Senator from Michigan was the intent, at least, of the majority of the Budget Committee. Therefore, I urge the support of my colleagues for that amendment, including all of the members of the Budget Committee. I thank the Senator for yielding.

Mr. RIEGLE. I thank the Senator very much for his comments, which I believe are very important.

Mr. METZENBAUM. Mr. President, I yield 3 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Thank you, Mr. President.

Mr. President, I associate myself with the remarks of the distinguished ranking member of the Armed Services Committee, Senator TOWER of Texas.

This is a matter which was carefully considered by the committee only after we received testimony from those who are best informed on the subject, namely the Secretary of the Navy and the Chief of Naval Operations. It is not a decision that in any way, in my judgment, was based on the particular need for a State to be awarded a contract for construction of naval vessels.

Speaking on behalf of my colleagues in the Armed Services Committee, having examined this matter and having listened very carefully to every word thus far stated in this debate, I want to associate myself with the remarks of the chairman of the committee, in which he stressed that the United States needed these ships. We are at a crossroads in the history of our Navy. We will face a decline in naval strength and be unable to defend these United States, which is, in reality, an island nation dependent on the high seas.

(Mr. MATSUNAGA assumed the Chair.)

Mr. WARNER. These ships are not only needed but they are capable. I take issue with the Senator who brings forth this amendment. I am familiar with this weapons system. It is the best we have in the United States today and we need more of them in our fleet.

Mr. President, this is a serious matter we have before the Senate.

It is serious for at least two reasons if not more.

First, we are talking about whether or not we should spend a very substantial amount of taxpayers' funds at a time when we have a Federal deficit.

And second, this is a serious matter because we are talking about our national security. We are talking about strengthening our Navy.

Now, I want to see our Nation's budget balanced and I intend to work hard to achieve that.

But I also have a responsibility to my constituents and to this Nation to insure that we have a strong defense. That is the most fundamental purpose of our Government.

You have all heard it so many times, but our Nation truly is an island nation. We depend on the seas for our very existence.

Our economy depends on the unimpeded flow of raw materials and energy to this Nation and the free flow of our exports as well. Ninety-nine percent of our overseas trade is carried by ship. We are totally dependent on overseas sources of strategic materials. We are heavily dependent on overseas sources of oil and it is getting worse year by year.

Our survival depends on our access to the seas and that is why we have a navy.

We need a strong navy. It must be capable of keeping open the sealanes even against a most determined effort by any other nation.

Until recently, our Navy had the unquestioned capability to do just that.

But now, thanks to many lean years in Navy budgets combined with a determined effort on the part of the Soviets to build up their navy, we no longer can be sure of our maritime interests.

Our Navy has declined considerably over the last 10 to 15 years, not just in size but in overall capability. And all this has taken place while our commitments have remained the same or even increased.

Throughout the 1960's the United States maintained 15 attack carriers and at least 12 antisubmarine (ASW) carriers with a total active fleet of nearly 1,000 ships.

Now we are down to 12 combined ASW and attack carriers and an active fleet of 455 ships.

We have a more modern fleet now, but numbers do count. Our current fleet is spread too thinly in trying to meet its peacetime commitments.

A vivid example of just how thinly stretched our Navy is can be found in the recent attempt to send a so-called "task force" into the Indian Ocean.

With the crisis in Iran and the following instability in North and South Yemen, President Carter was persuaded that a U.S. Navy presence in the region would be helpful.

The only trouble was—his closest available aircraft carrier, the U.S.S. *Constellation*, was some 5,000 miles away in the Philippines and would take close to a week to get to the Persian Gulf region.

In addition, I am told there was a good deal of uncertainty as to whether the Navy would be able to get enough fuel to the carrier once it arrived on station.

The *Constellation* was also overdue for repairs and due to return home to the United States at the time it was ordered to the Indian Ocean. The only other carrier readily available was the U.S.S. *Ranger*, which was needed to fulfill U.S. commitments in the North Pacific region.

Any way you look at it, when the chips were down and the President needed a naval task force, all he could muster was one carrier almost 5,000 miles away and a few escort ships. It was a pretty sorry showing of so-called U.S. maritime superiority.

I could cite other examples such as the fact that the Navy has admitted in testimony before Congress that in time of war they could not guarantee keeping open the sealanes beyond Hawaii.

I submit that the U.S. policy of maintaining maritime superiority is in serious jeopardy.

Admiral Hayward, Chief of Naval Operations, testified just a few weeks ago that if we continue with the current Carter shipbuilding program:

> * * * by the mid to late 1980's the United States will lose its slim margin of superiority * * * we would become inferior * * *.

Now, during the course of our naval decline, the Soviet Union has not been sleeping. They have in fact been engaged in a massive naval buildup developing a navy capable of challenging the U.S. Navy in every ocean in the world.

The Soviet Navy presents a direct and serious threat to our Nation's interests.

There has taken place an alarming shift in the balance of naval power. This cannot be disputed. It is now only a question of when we will lose our slim margin of superiority and lose our ability to defend our Nation's interests at sea unless we start a major naval buildup now.

The Soviet naval threat is the most serious we have ever faced, and yet what has been our Nation's response to date:

Our Navy has declined to the lowest level since before World War II.

The Carter administration has cut the Ford administration's proposed shipbuilding plan in half.

The administration requested only 15 ships this year, 5 of which are unarmed, civilian-manned sonar ships.

We have an opportunity now to do something about this precarious situation which threatens our vital national interests. We have an opportunity to buy four modern capable ships at a bargain price and get delivery of those ships in about 2 years.

We need more ships—we need more ships with the anti-air and the anti-submarine capabilities of these ships.

Even with these ships, and we will still need a lot more, we will still have a serious shortfall. But, at least it is a step in the right direction.

Now, I understand that the charge is made that these are obsolete ships that we do not need.

Those who say that are badly misinformed—and I suspect they are armchair strategists with little real experience.

These four ships have a very substantial antiair, antimissile, antisubmarine and antisurface capabilities.

They have modern engineering redundancy, damage control and survivability features built in.

The antiair missile system—the Tartar D—is one of the best in the world today. It will soon be upgraded with the SM–2 missile. Until the Aegis system is deployed, it is the best there is—and we need more of it.

When Aegis is deployed, it will not be deployed in sufficient numbers to provide protection for all the fleet and, therefore, the missile system on these ships will be a valuable and needed addition to our air defense capability.

In addition, this missile system can be integrated into an Aegis air defense system, thus adding additional numbers of missiles to the system.

Our carrier battle groups are already drastically short of modern antiair ships. We now have only 35 and, according to the official studies on this by the Navy, the Defense Department and the National Security Council, we need more than 70 such ships at our 12 carrier task force level.

Both Secretary of Navy Claytor and Admiral Hayward have made clear statements on the importance of these ships, and Under Secretary of Defense Dr. Perry has also testified as to the valuable contribution these ships would make to our naval force posture.

I have great faith in the soundness of the testimony of these experts, especially when pitted against the arguments of the arm chair strategists.

We have to build up our Navy, the threat is real.

These ships would be a valuable step in that direction.

We can have them at an early date—some 3 or 4 years earlier than if we started to build new ships now.

And—importantly—we can save money. These ships are now available at a bargain price. We can save some $200 million per ship over the price of building one starting this year.

If we don't buy them now, everybody is the loser. We need more of these types of ships. We will only have to buy them later at a higher price, and we may bankrupt a valuable shipyard in the process.

It is time the administration and the Congress stopped telling the American people that everything is all right—that the trends are bad but we are OK for now.

If the American people sat through the classified briefings and saw just how serious the threat is, they would vote for these ships—and many more besides—and they would be willing to pay for them.

The American people depend on their Senators and Congressmen to study these matters and to make judgments for them.

The threat is real—the time is now.

Mr. RIEGLE. Mr. President, I yield 2 additional minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 2 minutes.

Mr. EXON. Mr. President, I would like to respond and maybe ask a question of my distinguished colleague from Virginia, a former Secretary of the Navy for whom I have great respect. Before I do that, I want to emphasize that I agree completely with him on the idea of porkbarrel. I know of no porkbarrel with regard to the issue on which we very honestly disagree at this time. I suspect that the distinguished Senator from Virginia and the other members of the Armed Services Committee who supported the purchase of these ships in the Armed Services Committee, and some of their colleagues who supported them in the Budget Committee, are very sincere in their belief that these ships are needed.

Well, there is no porkbarrel in this so far as this Senator is concerned.

Would the Senator please respond, if he could? I ask my friend from Virginia: If these were so vital to the defense of the United States, of which the Navy is an important part, how is it that the Navy did not see fit to include any of these ships in their 5-year shipbuilding program? In fact, seemingly, they only decided they wanted them after those ships were canceled by Iran. Can the Senator answer that question?

Mr. WARNER. I would be happy to respond. I know of no member of the Armed Services Committee who is learning with greater interest and more rapidly than the Senator from Nebraska. This issue of the ships was carefully considered by the Secretary of Defense and the Secretary of the Navy at a time when they had no knowledge about the precipitous fall of Iran. It was only following that debacle that the issue arose as to whether or not the Navy should take the opportunity to get four ships at a considerably reduced price. Every single dollar we have in the defense budget is bady needed for defense.

It was only after that event that the decision was made to go forward and request the Senate authorization for these ships.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the distinguished Senator from Oklahoma.

Mr. BELLMON. Mr. President, I yield 1 minute to the Senator from Alaska.

INVITATION FROM ALASKA NATIVE HEALTH BOARD

Mr. STEVENS. I will only take 30 seconds, Mr. President. It is a nongermane comment.

I just want to state to the Senate that the members of the Alaska Native Health Board are in room S–207 executing a very important historic document with the Indian Health Service. On their behalf I would like to ask every Member of the Senate following the next vote to stop by and say, "Hello." They have some whale meat, seal meat, and some Alaskan treats that you should and could participate in at least once in your life.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes.

Mr. BELLMON. Mr. President, much of the debate that has taken place here in the last hour and a half can and should and most likely will be repeated when the supplemental bill comes to the floor. What we are talking about is a line item, which is not what the budget process is all about.

What we did in the markup was reduce the 1979 weapons supplemental from $2.2 billion down to $1.6 billion. I vote for the Riegle amendment. I did it on the basis that it seemed to me that giving the military another $2.2 billion on top of what I thought was a very generous appropriation last year was going beyond a reasonable action that our committee could take. So I voted to reduce the supplemental appropriation accordingly.

I did not vote for or against the Iranian ships. That is a decision we shall have to make when the supplemental comes to the floor for debate next week or whenever we get to it.

There is no way here today that we can fund these ships. We are simply voting on a total and it will be up to us later to decide what we use the money for. That is not the purpose of the budget process and I think we are all getting thoroughly confused when we talk about trying to decide here today the issue of these ships.

I oppose the Riegle amendment for an additional reduction in the fiscal year 1979 supplemental weapons program. I think the Budget Committee acted responsibly and I intend to support the resolution as it now stands.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the distinguished Senator from South Carolina.

Mr. THURMOND. I thank the distinguished Senator from Maine.

Mr. President, I rise in opposition to this amendment. I do it for two reasons: The first is on the merits of the amendment. I want to say that these ships are badly needed and that this administration has cut the ship requirement promulgated by President Ford in half already. I think it would be a great mistake not to buy these ships, especially when we can buy them at $200 million less than we would pay ordinarily. This is an opportunity to get these ships and get them at a bargain price.

The country needs the ships. The Navy says we need the ships. The Defense Department says we need the ships. The administration says we need the ships. I think we ought to get the ships. Because of the changes in Iran, we have an opportunity to get some extra ships earlier and at a lower cost. We should seize this opportunity.

It is noted that these will not be Aegis type ships. That is true, but their weapons suite is effective and costs a great deal less than the Aegis system. If the Senate wishes to add the Aegis system to these ships that will have my support also, but I doubt the proponents of this amendment favor that action.

In closing, Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a letter I have received from Navy Secretary Graham Claytor on the Navy's need for these four ships.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. The next point is the procedure. As the distinguished Senator from Oklahoma just stated, this is no place for line items. If the able Senator from Michigan wishes to offer an amendment later, when this matter comes up, he will have the opportunity. But this is no place for it. If we go off on amendments here on this budget resolution to eliminate or to add funds for tanks or funds for planes, funds for missiles or anything else, then we are changing the whole procedure and we are changing the entire procedure in the Senate. I think it is a bad precedent we have set. If we set that precedent in this case, it is going to come back to haunt us in the future.

I hope the Senate will kill this amendment.

EXHIBIT 1

THE SECRETARY OF THE NAVY,
Washington, D.C., April 19, 1979.

Hon. STROM THURMOND,
United States Senate,
Washington, D.C.

DEAR SENATOR THURMOND: I am writing to assure you of the Administration's support for the procurement for the U.S. Navy of the four DDG-993 destroyers being built under an FMS case for Iran and to emphasize the desire of the Navy to have these ships. The Chief of Naval Operations and I are in full agreement on the real need the U.S. Navy has for these very capable surface combatant ships.

I have enclosed three memoranda which discuss the basic issues raised on this procurement proposal. I hope they are adequate to answer your questions. If they do not, please call the Office of Legislative Affairs, 697-7146.

These ships have the same weapons capability as our modern VIRGINIA Class nuclear-powered guided missile cruisers and the same propulsion plant and inherent survivability of our modern SPRUANCE Class destroyers. They are sorely needed to bolster our force levels for the present and through the 1980's. The taxpayers will save over $200 million for each ship by taking advantage of this opportunity as compared to contracting for a similar ship at this year's prices.

I hope you will consider our concern and be able to support us when the Budget Resolution for the 1979 Supplemental comes to the floor of the Senate on 23 and 24 April.

Sincerely,

W. GRAHAM CLAYTOR, Jr.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from Texas.

Mr. TOWER. I thank my colleague from Oklahoma.

Mr. President, I just want to respond briefly to what the Senator from Virginia said to the question raised by the Senator from Nebraska.

In fact, one such ship as those that are being considered now was requested in the original supplemental for fiscal year 1979 that we did receive. That was before there was any knowledge or awareness of the fact that the Iranian ships would be available to us.

There is another aspect of this. This is an anti-aircraft-warfare ship. The fact that the Iranians will not be putting these four ships into the Persian Gulf and in the areas required to protect our vital oil logistical lines is all the more reason why we should require this additional AAW capability, because we can no longer count on the Iranians doing that job for us. That represents a net loss to the naval strength of the United States and its friends and allies, and we must make up for them by acquiring these ships for our own use.

In fact, Secretary Brown has suggested that it is perhaps time for us to deploy a fleet in the Indian Ocean. We do not have the ships to deploy a fleet in the Indian Ocean. Yet this is a vital area to us, through which 70 percent of the free world's oil supply flows. So it is essential that we acquire additional ships to be able to maintain this vital function of keeping these sealanes open.

We really should expand our shipbuilding program. We do need a fleet in the Indian Ocean. We need a task force in the Norwegian Sea.

As far as our ability to carry out our commitments in this part of the world are concerned, it would be a tragedy if we failed to take advantage of the opportunity to acquire these ships at 80 percent of the original cost.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, maybe, if I may, I can yield myself a minute and a half at this point.

The PRESIDING OFFICER. The Senator is recognized for a minute and a half.

Mr. RIEGLE. I do not want the impression left that our Navy is in worse shape than it is. We have presently, under construction or funded, 113 warships and support ships, totaling over 1 million tons. Ships funded by Congress but not built, plus Carter's add-ons, for 1980, will cost over $40 billion. With the lion's share of the Pentagon budget, the Navy's share has increased dramatically from $24 billion in 1972 to nearly $44 billion in 1980. The active-strength U.S. Navy as of January 1979 was a total of 535 different ships.

If you take a look at ships under construction or funded by Congress for construction as of January 1979, it is a substantial program.

Whether or not we need more, I think, is a question that ought to be debated. But let us not go backward. Let us not go back to yesterday's technology when what we need is the most advanced technology to defend our fleets. Again, I ask people to look at the classified data for themselves. Take a look at the difference between Aegis and Tartar. If we are not going to get Aegis ships as fast as possible, we are kidding ourselves about getting this defense job done.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, may I have 3 minutes?

Mr. BELLMON. How much time is remaining?

The PRESIDING OFFICER. The Senator from Michigan has 3½ minutes; the Senator from Maine has 14 minutes.

Mr. BELLMON. I yield 5 minutes to the Senator from Mississippi.

Mr. STENNIS. I thank the Chair.

As I say, Mr. President, what this is all about is trying to build a more modern Navy for the future—not tomorrow or not next year, but for those future years—8, 10, 12, 15 years from now.

I was talking about the 5-year plan. Those shift and change, of course, with opinions, with change of personnel. But there is always a scramble and never enough room for all that we want to put into these plans or into these budgets.

For instance, that 5-year plan, I am advised, did have a new DDX, which is an even more advanced ship of this general type. They do have, I think, in some of the current requests, a DDG-2 modernization plan, where they are going to try to modernize an older ship and make it serve part of the purpose here.

You will find that it is a fight over money morning, noon, and night, in the Pentagon, among the services and within the groups within the services. That explains a lot of these matters. But here, if the 5-year plan is of any value, what they say now about their need for these particular ships—the Senator from North Dakota wanted to know about the money part. Here is the actual cost now of a new ship of the kind that we are talking about. That would be $543 million.

The cost we are getting them for is $340 million.

So, there in round numbers is $200 million savings under current cost, not for one ship, but on each ship. Four times that would be $800 million, and that is not just chicken change.

Then if we just let them sit there and rust out, we get no ships and we incur a possible liability for termination charges of some kind that could run as high as $200 million. So this is serious business, Mr. President.

I want to read, if I may, two brief quotes here, from as good authority as I know on the whole subject matter, of just a few days ago.

I was doing the questioning. Secretary Claytor was the witness. He says:

> Mr. Chairman, could I add, we should emphasize that these ships are to be battle-group escorts, these are fleet escorts.

That is what we sent out to the Indian Ocean the other day:

> They are support for the greatest threat that there it to a battle group which, of course, is the air threat to the Soviet Backfire bomber and they will work extremely well with AEGIS ships when we have an AEGIS.

That is the coming system in that field.

Further, on this testimony here referring to these ships, I will bring forth now a short witness.

We went to the bottom dollars here on getting their opinion and Dr. Perry was in the same hearing.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Who yields time?

Mr. STENNIS. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I have had no additional requests for time.

Mr. STENNIS. I will take a minute to read this.

Mr. MUSKIE. I yield the Senator another minute.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, following that testimony by Claytor, he said:

> One of the things that I think has not been sufficiently made clear is that the *Virginia* class CGN—the *Virginia*, the *Mississippi*, the *Arkansas* and the *Texas*—which are our most capable existing cruisers are identical almost down to the last jot and tittle with the DDG-993 class that we can now get from the standpoint of armament.

That is the ship we are talking about.

> They have the same armament, the same guns, the same detection apparatus, the same ASW, the same everything and yet they require about I think it is 40 percent or so smaller crew. They are going to be cheaper to operate.

That is what the Secretary of the Navy says, in contrast with another story we have, with all respect to him, he thinks they are antiquated and out of date, that they have seen their best days.

We are dealing with cold steel here and nothing short of it is going to build up our Navy.

We have talked this thing for years and years and I hope this is the year of action. I believe this will kick it off.

Mr. RIEGLE. Mr. President, I yield myself another minute, if I may.

Let me ask the chairman of the Armed Services Committee about the Senator's committee report, relating to the 1976 authorization, which was reported in 1975. I am sure the Senator was here when I made this quote before. I am quoting now from his committee language where he said:

> The committee has carefully considered this request and believes it inappropriate to build any ship and especially a nuclear ship with a weapons system that is clearly inadequate to meet the projected threat within a relatively short period of time after delivery of the ship.

We are talking here about the DLGN-38 ship, which is the *Virginia* class cruiser, and I do not understand how the committee could take that position 4 years ago and now turn around and decide that something it said was clearly inadequate, is now, 4 years later, adequate.

That is what I do not understand.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. If the Senator will yield time, I do not have it otherwise.

Mr. MUSKIE. I yield to the Senator.

Mr. STENNIS. Well, mainly, that is a reference there to a nuclear cruiser, a much larger ship, much more expensive. A different purpose, at least.

Also, that is a systems change.

We have now a more modern *Tartar D*, that is the more modern type of that same system.

It never has been something to sneeze at, but, naturally, goes from one family to another.

The Senator has found one isolated sentence in some old report that goes back into a reason for not having done this or done that. We have testimony before us covering a whole lot of things that we cannot put in the bill.

Here is some testimony that relates to it. Mr. Claytor said this:

> They are not nuclear, of course, which is a disadvantage, but from the standpoint of cost of operations, they are going to be extraordinarily capable, and the idea that they are obsolete, which has also been suggested to me, is just nonsense.

Now, that is his judgment, spoken some 10 days ago.

I thank the Senator.

Mr. RIEGLE. Mr. President, may I inquire how much time I have left?

The PRESIDING OFFICER. The Senator from Michigan has 2 minutes left.

Mr. RIEGLE. Two minutes.

Let me use 30 seconds. I just want to say again to the chairman that I do not want to misquote the RECORD, but it is here and it says: "The committee believes it inappropriate to build any ship"—any ship. Then it goes on to say: "And especially a nuclear ship."

But before that it says: "Build any ship with a weapons system that is clearly inadequate to meet the projected threat," and so forth.

I did not write that language. That came from the Armed Services Committee in 1975, and it raises a question.

THE PRESIDING OFFICER. The Senator's time has expired.

Who yields time? Does the Senator from Maine yield time to anyone?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Virginia?

Mr. WARNER. Two minutes.

Mr. MUSKIE. Two minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 2 minutes.

Mr. WARNER. I thank the Chair, and I thank Senator MUSKIE.

Mr. President, I would like to reply to the statement raised by the proponent of this amendment:

> In the report of the Senate Armed Services Committee on FY 76 budget, the comment was made (page 56) that the TARTAR D weapons system is inadequate to meet the projected threat. The Navy strongly objected to that observation then and strongly objects to it now.

I am reading from a position paper supplied to me by the Secretary of the Navy, Mr. President.

> In point of fact, the TARTAR D fire control system of the DDG-993s and the CGN-38 class ships represent the latest in digital technology, and is much more capable than the Navy's older AAW systems. Until AEGIS arrives, TARTAR D is the best there is. After AEGIS is introduced in the fleet beginning in FY 1984, the TARTAR D will make a valuable contribution to the AAW defense of the force by combining existing high speed secure data links with the battle management capability of AEGIS, which would facilitate assignment of targets to non-AEGIS equipped ships. The capability of TARTAR D ships will be further improved by the incorporation, about 1985, of the SM-2 missile capability, as delineated in the table below, and the introduction of the Joint Tactical Information Distribution System (JTIDS) which will provide a higher speed, jam resistant, secure data link through Time Division Multiple Access (TDMA) technology.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. MUSKIE. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. MUSKIE. I am prepared to yield back my time.

Mr. RIEGLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has a minute and a half.

Mr. MUSKIE. Mr. President, I yield to the Senator from Colorado (Mr. Hart) such part of my 3 minutes as he may use.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HART. I thank the Senator from Maine.

Mr. President, I just want to make a few brief observations.

First, I think I was the first Member of the Senate to raise issue with regard to these ships. In the process of raising these issues—perhaps as many as a dozen—in the Armed Services Committee, there was considerable debate in the committee. I am convinced, after that debate, that roughly a third of those arguments were made, a third are still in doubt, and I think I was correct on about a third of those.

I disagree with the Senator from Mississippi and the Senator from Texas with regard to the modernization of the armaments on these ships, but in other regards I think the Navy's arguments in favor of the ships have merit of their own.

I believe the Senator from Michigan has performed a valuable service in keeping these arguments alive in the Budget Committee and on the floor of the Senate; and to the degree that some of those arguments, which I initially raised, are accurate, I think he has performed a very valuable service for all our colleagues. However, I do want to disassociate myself in two regards from arguments he has made. It has to do with the good faith of the Senator from Mississippi, the chairman of the committee, and his motives in supporting these ships. My years of service on the Armed Services Committee have led me to conclude that the belief and conviction of the Senator from Mississippi are strongly motivated by his views about the national security of this country. I believe that is firmly his position on these ships, and that is the primary motivation he has.

Second, I think the argument made by the Senator from Maine with regard to the scope of the Budget Committee's actions is a valid argument, and I associate myself with it.

I believe there was confusion in our debate in the committee about the number of destroyers. The Senator from Michigan is right in bringing that argument to the floor of the Senate. But I think the step taken by the Senate Budget Committee was an appropriate one; and to the degree that it permits funds for these ships to be allocated or appropriated, I think that was a justifiable position of the Budget Committee and one that should be upheld.

Finally, Mr. President, my principal arguments against these ships had to do with whether the funds to be used for these ships would take away from the modernization program and the shipbuilding program. I am assured by the Secretary of the Navy that that is not the case, that any funds in the fiscal 1979 appropriation and in the fiscal 1980 authorization are separate and apart from any new shipbuilding program the Navy may wish to undertake or that Congress may wish to direct it toward.

In that regard, my strong feeling is that even though I believe there are some strong arguments against the acquisition of four of these ships, the steps taken by the Budget Committee and the one taken by the chairman are valid.

The PRESIDING OFFICER. All time of the Senator from Maine has expired.

The Senator from Michigan has a minute and a half remaining.

Mr. RIEGLE. Mr. President, I say in response to the Senator from Colorado, with regard to the chairman of the Armed Services Committee, that I do not question and I have not questioned and I will not question his good faith on this issue. It is obvious to me, as I think it is to everybody, that he cares very deeply about these ships and he believes in them. He has followed the matter closely. So there is no question about that; and no one should attach that thrust to my remarks.

Nevertheless, I believe this: If the Senate approves these Iranian ships, I think that is going to be the most powerful symbolic message that comes out of the 1980 budget process. Senators may not want it to be that way, but I believe that is the way it will be. We have cut in area after area after area. Yet, somehow, we are going to find the money for a low priority such as these ships—at least, that will be the use if this amendment is not agreed to, and if subsequent amendments to deny the funding for these ships are not agreed to. A "no" vote makes it clear that there are two ways to look at problems: One set of programs is measured one way, and another set of programs is measured another way.

If we want to strengthen the Navy—and I am for that—let us expedite the delivery of Aegis. We can do that by using the partially completed ships. Let us not finish those ships with technology that is out of date, not when we already have made the decision, and in fact the Armed Services Committee in the past has made the decision, to go to the new technology.

The PRESIDING OFFICER. All time has expired.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from Iowa (Mr. Culver), the Senator from North Carolina (Mr. Morgan), and the Senator from New York (Mr. Moynihan) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) and the Senator from New Mexico (Mr. Schmitt) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER. Is there any Senator who wishes to cast his vote?

The result was announced—yeas 26, nays 62, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—26

Biden
Bradley
Burdick
Church
Cranston
Eagleton
Exon
Goldwater
Hatfield
Heinz
Kassebaum
Kennedy
Leahy
McGovern
Metzenbaum
Nelson
Pell
Pressler
Proxmire
Riegle
Roth
Schweiker
Stevenson
Tsongas
Weicker
Zorinsky

NAYS—62

Armstrong
Baker
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Ford
Garn
Glenn
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Laxalt
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Muskie
Nunn
Packwood
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—12

Bayh
Chafee
Culver
Durkin
Gravel
Long
Morgan
Moynihan
Percy
Schmitt
Stafford
Williams

So Mr. Riegle's amendment (UP No. 89) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. Stennis was to be recognized to call up an amendment at this time. Would the Chair recognize Mr. Stennis for a statement?

The PRESIDING OFFICER. The Senator from Mississippi is recognized. Does the Senator from Mississippi yield to the Senator from West Virginia?

Mr. STENNIS. I think it would be appropriate for me to take a minute or 2. Mr. President, this leaves the matter now, so far as this subject matter is concerned, and the vote speaks for itself. The matter will all have to come up, no ships, two ships, four ships, or whatever, in the passage of the supplemental authorization bill which the leader has assured me he is going to offer, as I understood him, to take it up on Tuesday next.

In view of that, I do not see where another vote now would add anything to the situation. My proposal was going to depend, on whether I offered it or not was to depend, on the outcome of this amendment and the vote thereon.

So I just announce to the leadership and the Senate that I will not offer any amendment further on this question.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. It is my understanding that he will not call up his amendment?

Mr. STENNIS. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. Stennis to call up an amendment now be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Hatch be recognized at this time to call up an amendment, without prejudice to Mr. Tower or Mr. Kennedy, both of whom under the order entered were to precede Mr. Hatch.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered. The Senator from Utah is recognized.

UP AMENDMENT NO. 90

Mr. HATCH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. Hatch) proposes an unprinted amendment numbered 90.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 1, insert the following new section:

"Sec. 4. In accordance with section 301 (b) (1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c) (2) (C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both."

Mr. HATCH. Mr. President, my amendment—and I do not intend to take very much time on it, I would like to save the time of my colleagues—but my amendment would add a section to the budget resolution, as anticipated under section 301(b) (1), that would provide the flexibility to have a reconciliation process after the second concurrent resolution on the fiscal year 1980 budget. The exact language of my amendment was added as a provision of the budget resolution reported by the House Budget Committee. It allows for a procedure under which all or certain bills and resolutions providing new budget authority or providing new spending authority for fiscal year 1980 will not be enrolled until the second concurrent resolution has been agreed to, and if so determined at that time, until a reconciliation bill or reconciliation resolution has been completed.

All appropriation bills and bills or resolutions providing new spending authority not subject to the appropriations process would be held at the desk and not enrolled until completion of the second budget resolution, and if it were determined to be necessary at that time, until completion of the reconciliation bill or resolution. This will allow this Budget Committee and the Senate more flexibility to change spending levels in the second concurrent resolution. Without the reconciliation provision, the Congress loses the flexibility to reduce spending in the second budget resolution if economic circumstances make it desirable. If all appropriation bills and other spending authority bills have already been enacted into law, the Budget Committee and the Congress have very little flexibility to reduce the overall spending ceilings at the time of the second budget resolution.

Flexibility at a time of economic uncertainty, such as we now face, is imperative. The economic circumstances of the past few years have all but baffled economic forecasters. Although the employment rate targets of the second concurrent resolution for fiscal year 1979 have been met, the Budget Committee and the Congress terribly underestimated the inflationary impact of its fiscal policy determinations in the second budget resolution.

There is much indecision about the appropriate economic assumptions to use for fiscal year 1980. Many people believe that while CBO's inflation projections may be on target, their unemployment estimates may be exaggerated. However, some forecasters believe that inflation will run even higher than that projected by the CBO.

We should certainly allow ourselves as much flexibility as possible to deal with this responsibility in the second concurrent resolution. If inflation indeed exceeds the estimates of the Congressional Budget Office, then Congress should have flexibility to reduce inflationary pressures in the second budget resolution by reducing the spending levels.

The only way that Congress can assure itself of this flexibility is by attaching a reconciliation provision to the first concurrent budget resolution. I therefore hope that the Senate will join me in attaching this language to the budget resolution, which is already a part of the House budget resolution, and it seems to me basically a technical change that would give us as Senators and the Budget Committee itself more flexibility in a process that is absolutely crucial to the United States of America.

I would hope that my colleague will give favorable consideration to this matter. I think it is worth their consideration, and I ask them to vote for this amendment. I reserve the remainder of my time.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HATCH. I am happy to yield to the distinguished Senator from Washington.

Mr. MAGNUSON. As I read the amendment, the Senator would practically abolish the Appropriations Committee, would he not?

Mr. HATCH. I do not believe so. I do not believe it would do that.

Mr. MAGNUSON. If we waited until September 15 to enroll the appropriation bills, and the fiscal year begins October 1, we would not be able to pass any appropriation bill involving the 1980 budget.

Mr. HATCH. Well, the Senate could pass them. They just would not be law.

Mr. MAGNUSON. What is the use of passing them if they would not be law?

Mr. HATCH. They could become law, but we would have the flexibility of cutting the budget if we wanted to.

Mr. MAGNUSON. We would have 2 weeks.

Mr. HATCH. That is better than the system we have now.

Mr. MAGNUSON. Oh, well——

Mr. HATCH. The system we have now does not allow any flexibility. And what if we have the inflationary problems I have been describing here? What if the CBO appears to be wrong, and we need to cut in order to decrease the inflationary pressure?

Mr. MAGNUSON. Does the Senator realize that the Appropriations Committee, over the years, has been under the budget every year for the last 18 years?

Mr. HATCH. Yes, and I commend them.

Mr. MAGNUSON. That is a pretty good record. Do not abolish it tonight.

Mr. HATCH. I do not believe this amendment does that, with all due respect to my friend from Washington. I think it does give flexibility where it may very definitely be needed, and I think is needed. We have run into this bind in the past, and I am trying to alleviate it. I think it is purely a technical alleviation, and it is already in the House resolution. Our colleagues over there believe it is a valid amendment, and I certainly do, and would like to press it.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. Ford). Who yields time?

Mr. MUSKIE. Mr. President, having been one of the authors of the Budget

Act, I can tell the Senator precisely why this language was put into the Budget Act.

There is no justification in our experience since the Budget Act was created to trigger this procedure. Let me read what it says:

> The First Concurrent Resolution on the budget may also require—(1) a procedure under which all or certain bills and resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the concurrent resolution required to be reported under section 310(a) has been agreed to, and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution,

So, it is left to the judgment of the Budget Committee to implement this procedure.

What does that mean? It means exactly what the Senator from Washington, in his typical blunt fashion, has said it means. It means that we would suspend the enactment of appropriation bills into law until the second concurrent resolution on the budget has been adopted.

In other words, appropriations bills would start flowing through the process after the first budget resolution was approved, and both Houses would act on them, but they would be held at the desk unenrolled, piling up, until after the second budget resolution was adopted.

This provision was put in the Budget Act as a fail-safe device, in the event the system envisioned by the Budget Act did not work.

In other words, in the event Congress ran wild with appropriations bills and spending bills between the first and second budget resolutions, the Budget Committee could recommend that this procedure be followed in order to have a handle on the budget process before it was finished.

But we have had the reverse experience with the appropriations bills. Under the leadership of Senator MAGNUSON and his predecessor, the Appropriations Committee could not have been more responsible. As a matter of fact, last year the Appropriations Committee came in under the ceiling set in the first budget resolution. It would be an insult to the Appropriations Committee, a slap in the face of a committee which has met its responsibilities under the Budget Act, to now handcuff it in this fashion.

This is not what was intended by the Budget Act. It is not justified by our experience under the Budget Act. I would remind Senators that between the time the President presented his budget for fiscal year 1979 and the time we acted on the first budget resolution for 1979, the budget was reduced by $22 billion. That could not have been done without the help of the Appropriations Committee. Why should we turn around at this point, just because we see some fancy language in the Budget Act, and do that kind of thing?

There is another point I should mention. If we let these appropriations bills pile up at the desk, and the Senate second budget resolution has not been adopted, the President, whoever he may be, could choose the particular appropriations bills he wanted to veto. It would give the President a power he does not now have, simply because we have piled them up on the table, to pick and choose which ones he will sign, which he will not, and which he will veto.

There is nothing in our experience in the past 5 years to justify such an amendment. The amendment is in the House budget resolution. We will be curious to know why the House adopted it, and shall hope to determine that in conference. We do not need to accept it in conference, and really, there is no justification to do that.

I believe this amendment is without any merit whatsoever. It is a procedure that is available to us in the event we might need it under circumstances that have not yet occurred, or have even come close to occurring.

I want to take this occasion to thank the distinguished chairman of the Appropriations Committee, not only for his responsible leadership of the Appropriations Committee this past year, but for his invaluable contribution to the Budget Committee. This year, in addition to his enormous responsibilities as chairman of the Appropriations Committee, he is the ranking Democrat on the Budget Committee, and he sat through the long sessions of the Budget Committee on the budget resolution and became an integral part of the budget process at that end as well. I do not see any reason why we should hand this gratuitous insult to him and to the members of his committee, who have been as responsive to the responsibilities of the budget process as any Senator on this floor.

Mr. President, I reserve the remainder of my time.

Mr. HATCH. Mr. President, I do not think there is any desire on anyone's part to insult any committee, certainly not the Appropriations Committee, and most certainly not the distinguished chairman of that committee.

But every year when we reach the time when people want to try and reduce some of the appropriations we receive the argument that the appropriations bills were already passed and enrolled and there is nothing that can be done about it. All I am doing is following the leadership of the House Budget Committee. If there are any insults, they may be to the House Budget Committee, which apparently is being criticized here for having put through this amendment in committee because of the need for flexibility. The appropriations bills will have already been passed, they just will not be enrolled, in order to provide for the flexibility.

I doubt that it would be used, but if we need to use it we would be able to, where otherwise it is almost impossible under our past experience over the last 2 years to pull an appropriations bill and reduce it if someone wants to. All I am saying is that this is a worthy amendment because it gives the Senate its flexibility.

I think it gives the Budget Committee flexibility. I do not think it denigrates the Appropriations Committee, which can pass all the appropriations bills it wants. I cannot conceive a President of the United States not signing an appropriations bill since he is responsible for paying the bills of the United States of America, at least of the executive branch of the United States, and would have certain political liabilities for not signing the appropriations bills. That would be a first in the history of the country.

I assume, Mr. President, you can think of any excuse to say that this is an amendment that you do not like. I very strongly respect the distinguished chairman of the Budget Committee. He is one of my dear friends. He certainly works hard at this job. I want to please him as much as I can, as I serve on that committee. But I just sat through the past 2 years where every time you want to reduce something at that crucial time in the Senate process, you get hit in the face with the idea that the appropriations bill has been passed and enrolled and it would be too difficult to do.

Now if, in fact, we reach a point where, because of unreliable forecasts, mistaken information, or forecasts that do not work out for any reason that the Senate has to have the flexibility to change, or at least a majority of the Senate wants the flexibility to change, an appropriations amount, then this would enable the Senate to do so without denigrating the process.

I would doubt that this would be very often used except in a case where we do have the need for such flexibility.

With all due respect to my brilliant and energetic colleagues, the chairmen of these two important committees, I would recommend that my colleagues vote for this amendment to give themselves more flexibility and to stop the basic arguments that always arise at that particular time in the process.

Mr. President, I ask for the yeas and nays, and I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator yield back his remaining time?

Mr. HATCH. I will in a moment.

Mr. MUSKIE. Mr. President, we have flexibility now. The two budget resolutions give us that flexibility. The first is the target and the second is the ceiling. We created the two resolutions in order to give us the flexibility to deal with unanticipated events, emergencies, and changes in the economic situation.

The Budget Act also provides a reconciliation process for us to do the same thing.

In fact, we have had ample opportunities in the last 5 years to adjust our budgets to the most traumatic economic experiences this country has experienced in this century. We were born as a committee just a matter of a couple of months before we were plunged into the deepest recession since 1940.

When the committee was born, it was told by the President of the United States that the next year we would have a balanced budget. Three months later he told us we would have a deficit of $52 billion. That surely was not an anticipated event.

Since then, we have faced the challenge of a declining economy in that period, and we have helped, I think, to preside over a growing economy since. I see nothing in our performance on the economic front or the appropriations front to suggest that the process has not been flexible enough to meet our needs.

On this particular subject, Mr. President, the Budget Committee filed a report last year as prescribed by section 301(b) of the Congressional Budget and Impoundment Control Act of 1974. On this particular subject, this is what that report said:

> The congressional budget process is now entering its 5th cycle. During this time the Senate Budget Committee has not found it necessary to recommend any additional procedures in the budget resolution to enforce budget discipline. Most committees of the Congress have been extremely cooperative in adhering to the budgetary limits of the budget resolution. Procedures established in section 301(b), however, provide an important tool to give Congress flexibility in the enforcement of the budget process. These provisions should remain available in the event that Congress determines such action is necessary to enforce budget discipline and to implement the purposes of the budget act.

The conclusion was that we did not need them then.

Second, Mr. President, may I say that this amendment was not offered in the Budget Committee. The language of the statute clearly gives the Budget Committee the option to recommend this procedure. It was not recommended to us in committee as a possible recommendation to the Senate. I knew nothing about it until a few moments ago when the text was presented to me. It is fortunate that my recollection of the writing of the Budget Act was reasonably clear on this point so that I could respond.

I do not think that these few minutes are a sufficient consideration of this proposal to justify its adoption by the Budget Committee as a recommendation or its adoption by the Senate as a procedure.

We will go to conference and we will find out why the House committee did what it did. If they are persuasive, then we can consider what they have to say and bring it back to the Senate. I doubt that they will be, but if the Senate adopts this provision now it will be nailed in place without any case having been made for it in the 5 years' experience of the budget process.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, that is exactly what I want to do, to nail it in place. I agree with the statements of the chairman of the Budget Committee that we have flexibility to increase spending in the second resolution. It is only because generally, and I think past history has shown, you can easily pass a supplemental appropriations bill. We have found that it is very difficult to reduce appropriations that have already been passed and enrolled. That is the difference. It does not hurt us either way to have that flexibility. It does not interfere with the appropriations process, in my opinion, and I do not think in the opinion of those in the House, nor does it interfere with the budget process. All it does is to give the Senate equal flexibility.

I think we have argued it and I think there are clearly two sides of the issue. I am prepared to submit it to a vote. I would be willing to yield back the remainder of my time if Senator Muskie will yield back the remainder of his time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. Both sides have yielded back their remaining time. The question is on agreeing to the amendment of the Senator from Utah. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. Moynihan), the Senator from Iowa (Mr. Culver), the Senator from Kentucky (Mr. Huddleston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Hawaii (Mr. Matsunaga), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) and the Senator from New Mexico (Mr. Schmitt) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER. Does any Senator wish to vote or change his vote?

The result was announced—yeas 15, nays 69, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—15

Armstrong
Boschwitz
Domenici
Garn
Hatch
Hayakawa
Helms
Humphrey
Jepsen
McClure
Roth
Simpson
Thurmond
Tower
Wallop

NAYS—69

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Durenberger
Eagleton
Exon
Ford
Glenn
Goldwater
Hart
Hatfield
Heflin
Heinz
Hollings
Inouye
Jackson
Javits
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stennis
Stevens
Stewart
Stone
Talmadge
Tsongas
Warner
Weicker
Young
Zorinsky

NOT VOTING—16

Bayh
Chafee
Culver
Durkin
Gravel
Huddleston
Kennedy
Long
Matsunaga
Morgan
Moynihan
Percy
Schmitt
Stafford
Stevenson
Williams

So Mr. Hatch's amendment (UP No. 90) was rejected.

UP AMENDMENT NO. 91

Mr. HATCH. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Utah (Mr. Hatch), for himself and Mr. Roth, proposes an unprinted amendment numbered 91.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 2, line 19, strike out "$600,600,000,000" and insert in lieu thereof "$599,500,000,000".
>
> On page 2, line 20, strike out "$637,500,000,000" and insert in lieu thereof "$636,400,000,000".
>
> On page 2, line 21, strike out "$687,200,000,000" and insert in lieu thereof "$686,100,000,000".
>
> On page 2, line 24, strike out "$532,400,000,000" and insert in lieu thereof "$531,300,000,000".
>
> On page 2, line 25, strike out "$575,700,000,000" and insert in lieu thereof "$574,600,000,000".
>
> On page 3, line 1, strike out "$614,300,000,000" and insert in lieu thereof "$613,200,000,000".
>
> On page 3, line 5, strike out "$28,800,000,000" and insert in lieu thereof "—$27,700,000,000".
>
> On page 3, line 6, strike out "$500,000,000" and insert in lieu thereof "$1,600,000,000".
>
> On page 3, line 7, strike out "$700,000,000" and insert in lieu thereof "$1,800,000,000".
>
> On page 3, line 10, strike out "$890,700,000,000" and insert in lieu thereof "$889,600,000,000".
>
> On page 3, line 11, strike out "$921,200,000,000" and insert in lieu thereof "$920,100,000,000".
>
> On page 3, line 12, strike out "$959,500,000,000" and insert in lieu thereof $958,400,000,000".
>
> On page 3, line 15, strike out "$60,700,000,000" and insert in lieu thereof "$59,000,000,000".
>
> On page 3, line 16, strike out "$91,200,000,000" and insert in lieu thereof "$90,100,000-000".
>
> On page 3, line 17, strike out "$129,500,000,000" and insert in lieu thereof "$128,400,000,000".
>
> On page 11, line 1, strike out "$800,000,000" and insert in lieu thereof "—$300,000,000".
>
> On page 11, line 2, strike out "$800,000,000 and insert in lieu thereof "—$300,000,000".

On page 11, line 4, strike out "$600,000,000" and insert in lieu thereof "—$500,000,000".

On page 11, line 5, strike out "$600,000,000" and insert in lieu thereof "—$500,000,000".

On page 11, line 7, strike out "$700,000,000" and insert in lieu thereof "—$400,000,000".

On page 11, line 8, strike out "$700,000,000" and insert in lieu thereof "—$400,000,000".

Mr. HATCH. Mr. President, the amendment I have sent to the desk is a revision of my amendment No. 157.

This is an amendment to the Function 920 of the budget, the allowances function. This amendment is designed to accommodate the following reductions: a $200 million reduction in the Federal payroll to encourage agencies to restrict their use of overtime pay; a reduction of $200 million for Federal agencies to reduce their filmmaking activities; a reduction of $200 million for reduction in the size of the Federal work force, to be accomplished through a 1-percent attrition in the Federal work force; and a $500 million reduction in Federal travel expenses.

Mr. President, this budget resolution recommends real tax increases for the American people of $19 billion in fiscal year 1980. For many taxpayers, this will mean a reduction in their real after-tax incomes. Many taxpayers have been experiencing this decline in their real after-tax disposable income for several years as inflation has pushed them into higher tax brackets. This budget resolution once again proposed no relief for our overburdened taxpayers in fiscal year 1980. However, this budget resolution in no way restricts the extravagant expenditures of the Federal Government and Federal employees. I propose to reduce funding in this budget resolution to encourage Federal Government agencies to reduce their expenditures on items considered extravagant by the American taxpayers.

For instance, in fiscal year 1978 the Federal Government spent $5.9 billion to transport persons and things. In fiscal year 1980, the President's budget proposed spending $7.0 billion on transportation of persons and things. This amounts to a 19-percent increase in Federal Government transportation costs over a 2-year period.

In a study issued on July 21, 1978, the GAO reported that—

> Federal employees frequently have not obtained available discount airline fares because the General Services Administration and other Federal agencies have inadequate financial controls and oversight of agency travel. As a result, millions of dollars have been spent unnecessarily on commercial air travel.

In another study issued on February 28, 1978, the GAO reported that—

> General Services could save millions of dollars by purchasing vehicles and furnishing them to agencies instead of leasing them.

And in this time of fiscal austerity, the Government could certainly be more restrictive about the use of Federal funds for travel purposes. I, therefore, propose reducing the amount of money in the fiscal year 1980 budget used for travel purposes by $200 million. This would still allow for a 3-percent increase in travel expenditures above the fiscal year 1979 level. That is hardly a recognition of the problems facing our taxpayers in America, but at least some recognition that perhaps we will try to restrain it at this time. The American taxpayers should certainly be able to expect their Government to live with this increase for travel expenditures in fiscal year 1980.

The GAO has also been critical of the use of overtime pay by Federal Government agencies. In a report of December 21, 1978, the GAO commented:

> Certain deficiencies in agency control systems which permit overtime abuse to occur appear to be widespread. These include: improper or missing authorizations for overtime; lack of adequate batch controls, record counts, and control totals, which permit unauthorized changes in information affecting employees' pay; and failure to provide feedback to supervisors on overtime paid to employees, which allows improper overtime payments to remain undetected.

For instance, the GAO found that at the Department of Justice, about 500 employees were paid over $5 million in 1977 for over 1,000 overtime hours each. An additional 13,000 employees were paid for between 200 and 500 overtime hours each, which totaled over $43 million. Also, about 9,000 Department of HEW employees who were paid a total of over $27 million for between 200 and 500 overtime hours each.

Mr. President, the American taxpayer should not have to fund large overtime payments to Federal employees when better management of personnel at these agencies would result in large reductions in overtime needs. I, therefore, propose cutting $200 million of the $1.5 billion the Federal Government spends on overtime pay.

Mr. President, it has been estimated that the Federal Government spends $600 million a year to make films. I fail to see why the American taxpayer should fund the Federal bureaucracy's competition with Hollywood. I, therefore, propose reducing funding for Federal filmmaking by $200 million in fiscal year 1980.

In 1978, President Carter issued an Executive order proposing a 1.5 percent reduction in the Federal work force through attrition. However, no provision is made in this budget resolution for a reduction in the size of the Federal work force. The American taxpayers think the Federal Government is too large. And they believe that the Federal work force has been expanding at an alarming rate over recent years; $200 million could be saved in fiscal year 1980 by a 1-percent reduction in the Federal work force through attrition. That is .5 percent, a half percent less than President Carter suggested. I, therefore, propose saving this money for the American taxpayers.

In summation, Mr. President, I am proposing a $1.1 billion reduction in the allowanced function of the budget to accommodate these reductions in funding for Federal overtime pay, Federal film making, Federal travel, and for a reduction in the Federal work force. These are reductions which I believe the American taxpayers want us to make. I hope Congress will respond to the will of the American taxpayers and adopt this amendment.

More importantly, I hope we do not send total discouragement through the halls of the General Accounting Office, because almost everything they have recommended this year for this fiscal budget in 1980 has been almost totally ignored by the Budget Committee or at least appears to be almost totally ignored by the Budget Committee and these, in particular, I think are reasonable requests which could not help but satisfy many taxpayers in America, although a number of these are above last year's expenditures.

I yield to the distinguished Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator yielding.

I compliment him on presenting this amendment. I think he has accurately appraised the mood of the American public in expressing on their behalf the sense of concern about the excesses of Federal spending.

In many cases I am sure that the public's concern is perhaps exaggerated and in some cases the public's understanding of the Federal budget processes is really not well understood in many cases, but I think the public is correct in its belief that in a lot of the day-to-day overhead items which contribute so much to the total cost of Government we have not been as careful as we should be.

I am one of those who think we should have a trustee relationship with the taxpayers. When we undertake to spend the public's money on travel, film making, overtime, and the other things that the Senator's amendment addresses itself to, we should be not just as careful as if it were our own money, but even more careful.

I think the Senator's amendment, based as it is on the reports of the General Accounting Office, is approaching the problem with a degree of precision and almost surgical skill rather than a meatax approach. I think that is what the Senate wants to do, and I think it is a proper approach on a budgetary item of this kind.

So I rise not only in support of the amendment, Mr. President, but to compliment my colleague for his perspicacity in offering it.

Mr. HATCH. Mr. President, I thank my distinguished colleague and friend from Colorado.

I shall just make this short continuation of my remarks:

Over the last 2 years, as we have raised generally across-the-board budget cuts of certain percentages we have been criticized for not pointing out to the Budget Committee and to the Senate places where we should cut.

I am honest to say I have at least 200 amendments that can point out where we should cut. I do not intend to bring them up on this resolution. But the problem is that now that we are pointing them out I do not see a propensity on the part of our colleagues here in the Senate to save the taxpayers' money.

I am going to be very interested in the way this particular amendment fares, because if I were to pick out four perfect places to cut the Federal budget, it would be these four. There are many others that may be a lot better than these, but these four are certainly worthy of being cut. I am hardly asking for anything, but what the President has asked us to do. And I think these areas are areas that have irritated every taxpayer at one time or another.

I am hoping that my colleagues will consider voting for this amendment. I am also hopeful that they will consider voting for all good amendments that are not wholesale cutting but trying to get some restraint on the part of the Federal Government as far as areas where really we have a good reason to cut and I think areas where taxpayers of America will be very pleased if we did cut.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I suspect there may well be and probably is abuse in the use of travel allowances and in the use of overtime, and there may be positions in the work force that could well be eliminated by attrition.

Whether or not those abuses to the extent that they exist are accurately reflected by the numbers in this amendment I do not have the faintest idea. The Budget Committee is not an oversight committee over the activities of the Federal agency. It is not our responsibility to get into the line-item details of these budgets.

The Senator from Utah says that, because he has decided, without ever presenting figures to us before, that these are good sound figures, therefore, his amendment is a good amendment and his unilateral judgment is sufficient. The Senator is a member of the Budget Committee. If he had made such a study of these items that he had come up with these conclusions why, may I ask, did he not offer them in the Budget Committee?

All he would have had to do is to say, "I propose reducing function so and so by so many dollars, because I have found on examination that there is abuse of travel of so much." There is no such evidence presented to us. He has never offered this amendment to us and never discussed it with us.

I wonder what initiatives he has taken in the committees in which he is a member. Every committee has oversight responsibilities. I would be interested in knowing what the facts are.

There is abuse in travel, and I discussed this a few moments ago with the distinguished chairman of the Appropriations Committee once I learned what this amendment was all about, and I only learned about it a few moments ago. That was no time, surely, to investigate the facts. And the chairman said:

> Yes, there is abuse in some agencies.

In some agencies, they found them underfunded. For example, there is the Mediation Board, which finds it now has to travel all over the country to a greater extent than ever before and needs an increase in travel allowances. Here we have this proposal without any discrimination.

Let me give Senators a couple of statistics here. This amount, this $1.1 billion, if distributed equitably across the board would apply 60 percent of the cut to the Department of Defense. And we have had I do not know how many votes here in the last 2 days against any cuts in the Department of Defense. I did not hear the Senator from Utah voting for those cuts in the Department of Defense, some of which approximated what will come out of the Department of Defense if his amendment passes. I think he voted against every cut in the Department of Defense.

As to travel allowances and transportation of persons, 59 percent is expended by the military for obvious reasons. As to transportation of things, 81.9 percent of the allowance is expended by the military for obvious reasons. So if this cut were equitably distributed, the Department of Defense should absorb something like 60 percent of the $1.1 billion, or $660 million. We just had an amendment to reduce the Department of Defense appropriations by about that amount. If it had been supported, it could have been used to squeeze out travel.

But has the Senator examined the Department's request for travel this year? The only growth in travel allowance this year is $500 million for the Department of Defense. Has the Senator examined that? Is it justified? Is it abused? Are not these legitimate questions that somebody should ask somewhere so that we know whether or not those questions have been answered or do we think that nobody in Government should travel?

Well, if we think somebody should, is it 10 percent of what they now do? Twenty percent? Thirty percent? Forty percent? Fifty percent? Sixty percent? Should you not have some facts?

If agencies differ in their propensity to abuse these prerogatives, should not the examination be made on a case-by-case basis or do we condemn everybody no matter how careful they may be in using these allowances?

I do not know. Maybe the Senator from Utah has asked these questions of these agencies. Maybe he has gone through them one by one, I do not know. But without more information I am not about to just act blindly, without any preparation but a few minutes, and all I have been able to do is ask questions about it and to get the impact on the Department of Defense, and I can give it to you for other agencies as well, if the Senate were interested. As a matter of fact, it might be a good idea to put this computer printout in the RECORD. This is what is in the President's budget, so it is rather voluminous, and if it proves necessary I can put it in the RECORD. In any case it is available.

But that is my reaction to it. The Senator is proposing something to me I did not hear about before. He did not propose it in the Budget Committee of which he is a member. He never asked us to consider it. Never gave us any case for it, never any facts, whether it is an abuse or whether abuses exist or any agency on which it would impact, and without any evidence, Mr. President, it is not the Budget Committee's job to examine the Government's spending in this detail, and we did not do it in this detail, so I am not prepared to support the amendment on the little evidence that the Senator from Utah has presented.

I reserve the remainder of my time.

Mr. HATCH. Mr. President, I would just like to point out to my colleague that these are not my findings. These are the GAO's findings that we have this problem. I am not asking for any unprecedented cuts here.

Federal filmmaking, they have $600 million in this budget, and I am suggesting that they cut $200 million, because I do not think the Federal Government needs to be that much in the filmmaking business, and I am not sure there is going to be much disagreement from the taxpayers. In fact, I have heard lots of complaints about this.

So far as Federal overtime pay, we are asking for less than the President of the United States, with all of his staff and resources, has asked for. He has asked for 1.5 percent. I have asked for 1 percent. I do not know what you have to do around here to support the President of the United States, but I think that is a reasonable figure.

Mr. MUSKIE. I can answer that question. Do it the way we tried to do it. Examine his proposals, ask for the justification, measure your judgment against his, and if you agree, support it. If you do not, disagree and do not support it.

Mr. HATCH. That is what I have done.

Mr. MUSKIE. You have not done it for us. I do not have any facts. I have not read your GAO report. Why did you not present this in the Budget Committee?

Mr. HATCH. Well, because I presented a number of amendments, and I had many others, and it was very apparent it was going to go nowhere in the Budget Committee, so I am taking it to the floor of the Senate, which I have a right to do, as a U.S. Senator.

Mr. MUSKIE. Of course, you have the right to do that. I have the right to say that you did not offer it in committee where you had the responsibility——

Mr. HATCH. I am going to do it. The committee continually said that we should not go into these items because we are not a line item committee.

Mr. MUSKIE. The committee did not, no, no.

Mr. HATCH. Last year——

Mr. MUSKIE. The Senator attended the Budget Committee long enough to know better than that. We have to, in considering the ceilings, the overall targets of functions, consider what makes them up not on a line item basis——

Mr. HATCH. That is right.

Mr. MUSKIE (continuing). But to justify changes in the numbers we are considering.

That does not mean that we mandate our idea of what the line items ought to be for the Senate as a whole. It is simply that we offer reductions——

Mr. HATCH. I agree.

Mr. MUSKIE (continuing). To justify what we propose.

Now, you never offered this.

Mr. HATCH. Is the Senator suggesting that I am not acting within my rights to bring this to the floor of the Senate rather than before the Budget Committee?

Mr. MUSKIE. I never suggested that. Since you played a very active role in the Budget Committee, and the Senator will agree to that, you never offered this amendment, and you never offered the evidence to substantiate it. Is that not a statement of fact?

Mr. HATCH. That is a statement of fact on this particular amendment.

Mr. MUSKIE. That is all I said.

Mr. HATCH. But the Senator will have to admit that I played a very active role in the committee.

Mr. MUSKIE. I have not disputed that.

Mr. HATCH. I was there most of the time when the committee was going to midnight. Realizing that this amendment was not going to pass, in my judgment, I decided to defer and wait until I came to the floor. That is my right.

Mr. MUSKIE. I am not disputing your right to do it, and I said at the outset of my remarks that you had attended the committee sufficiently to know how to operate and what we try to do. We considered a lot of amendments from a lot of members. We stayed there a long time, and we did not cut anybody off. If you——

Mr. HATCH. That is correct.

Mr. MUSKIE. If you cut yourself off that is your prerogative.

Mr. HATCH. That is right.

Mr. MUSKIE. But we did not cut you off.

Mr. HATCH. No; you did not. I would say that I was treated with total respect by the chairman and by all the other members of the committee, and I have no gripes about that. But I still have the right, I think, to make the decision, as you aptly pointed out, to bring this to the floor rather than to bring it to the committee if I believed the committee was not going to consider it in the proper context anyway.

Mr. MUSKIE. That is a great vote of confidence in the committee.

Mr. HATCH. That expresses my confidence.

Mr. MUSKIE. The committee devoted itself to the detail of this budget sufficiently to justify a different evaluation of its sense of responsibility. I think this committee worked harder than any Budget Committee I have known.

Mr. HATCH. I agree with that.

Mr. MUSKIE. And what in their behavior justified your conclusion in your own mind that we could not, would not, consider a worthy case I do not understand. I think the committee was willing to consider any worthy case for reducing the budget. We had to reduce the budget and we accepted many amendments to reduce the budget and to cut it, and we gave them careful consideration from whatever source, from the Republican side of the committee, from the Democratic side of the committee.

We never gave any committee member any justification for believing that he would not have an opportunity to present his amendments. If he had any doubts about it, it either had to be because he did not have confidence in the amendment or for some other reason. I do not understand, but I think it is a statement of fact to the Senate that you never offered this amendment, never gave us the justification.

Now you ask us in a few minutes to take something that impacts on agencies in this detail across the board to condemn them all, to cut the defense budget by $660 million, if the cuts are distributed equitably, and to do that on the spur of the moment.

This is just as late in the Senate's consideration of this bill as any day in the committee's consideration of it.

Mr. HATCH. Mr. President, may I ask who has the floor?

Mr. MUSKIE. And the Senate as a whole is not in as good a position to consider the details of your case as the committee was. So why do you think you can get a better hearing here than you could in the Budget Committee?

Mr. HATCH. I know I will get a better hearing here.

Mr. MUSKIE. All right.

Mr. HATCH. I do not have any doubt about it.

Mr. MUSKIE. That is your judgment of the Budget Committee.

Mr. HATCH. Whether it passes or not is beyond me, but all I can say is that I believe 100 Senators are going to give this full consideration, and they will pass it up or down, vote for it up or down, and that will be fine with me, and I can accept it. I think it is a right that I have.

Let me just add this: I had many amendments, and I will add that the distinguished chairman of the committee, who happens to be my friend, and I am his, has never indicated any desire to stop any Senator from bringing up whatever amendments he wanted to before the Budget Committee.

On the other hand, we were constantly aware, all of us, that we only had so much time to get our work done before the recess. We were constantly aware and made aware that the committee was not a line item committee, although it seemed to me some treated it that way, including myself from time to time.

I think we were made constantly aware that if we did not bring it up there we had the right to bring it up on the floor, and I believe I am exercising that right within the framework of the U.S. Senate.

Last but not least, regardless of all of these arguments which, I think, are off the point, I have asked for a $200 million reduction from a $600 million Federal budgetary amount for filmmaking.

I fail to see why any Senator is going to have any difficult time making a decision, even at 8 o'clock in the evening, with regard to spending $600 million in filmmaking. He may not agree with my figures, and he has a right to vote me down on it. I can accept that, and I will.

With regard to Federal overtime pay I do not know of any Senator who would disagree with GAO that there is an abuse of that.

I do not know of any who would say there is not an abuse of filmmaking by the Federal Government. With regard to the Federal work force, the 1-percent attrition is ½ percent less than President Carter requested. He asked for 1.5 percent. He said he would attrition the Federal work force by that amount. I am asking for a 1-percent attrition, which is less than he asked for. I have to presume that he did a lot of work on that before asking for the 1.5 percent, with his awesome resources.

With regard to the fourth item, the chairman of our committee said he agrees there is an abuse of Federal travel. Last year we spent, in the Federal Government, $6.6 billion for Federal travel. This year the Budget Committee does not hold the line. It does not reduce it. It comes up with $7 billion, or $400 million more, when they admit the program is fraught with fraud. Nobody else seems to be making any effort to solve that problem, so I am trying, to the best of my ability.

All I ask is that we hold the line and reduce it by $100 million under last year. There is nothing minuscule about these figures, nothing that takes any superabundance of ability, brains, or staff work. This is something I think any Senator can make the decision on, up or down. This is all I am asking.

Regardless of whether the Budget Committee is a line item committee, regardless of whether I should bring all 250 amendments up in committee or wait until my time on the floor, where I think some of the 100 Senators might be persuaded, the Budget Committee's responsibility, in my judgment, is to safeguard the taxpayers of America, and in my opinion we ought to be able to, as members or not as members of the Budget Committee, bring up items on the floor which we think safeguard and help the taxpayers of America.

Last but not least, all I am asking is that we consider the fact that these are areas that are intensely complained of by the American taxpayers, with much justification, where the GAO itself has come out and complained, and even the President of the United States, in a number of these areas, has complained. It is time we saw some effort on the part of ourselves as Senators to change that particular approach. I think we ought to do it.

I think the amendment is a good amendment. I think it is within the framework of what the President would want, and I think it is within the framework of what the GAO would want. I think we ought to listen to them, and I think our society would be better off if we do. That is all I am asking.

I respect the distinguished Senator

from Maine, but, on the other hand, last year I stood right here on the floor. Senator ROTH had an across-the-board budget cut, and the year before it was the same thing, and got it flung in my face, "Show us where to cut."

Well, here are four little instances that are showing you where to cut, that are not overwhelmingly significant, but are within the GAO recommendations and within the President's recommendations, and you would think the world had fallen apart.

I hope my colleagues will give consideration to this proposal in spite of the problems that apparently arise; and I will also add that I am going to bring up any amendment on the floor of the Senate that I feel is beneficial for my taxpayers in Utah and for the rest of the taxpayers in America, regardless of whether the Budget Committee likes it or not. That is the way it is going to be. I am going to try to do it respectfully and make arguments that are reasonable, in my opinion. And I am prepared to do that any way I can.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. SARBANES). The time of the Senator from Utah has expired.

Mr. MUSKIE. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 24 minutes remaining.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah. The yeas and nays have been ordered, and the clerk will call the roll.

● Mr. ROTH. Mr. President, I am pleased to support this amendment by the Senator from Utah. I commend Senator HATCH for his efforts to reduce government spending in a responsible manner. Senator HATCH has chosen areas of Government spending which I firmly believe have gone unchecked for too long.

GOVERNMENT TRAVEL

In particular, I applaud a $500 million reduction in Government travel. I recognize a certain amount of Government travel is necessary in the ordinary course of conducting business. There are often instances when there is an appropriate need to travel, including travel for informational purposes, oversight, and necessary direct contact. To label all Government travel as unnecessary would be reckless. But to allow the Government travel budget to continue rising unchecked would be irresponsible. I believe Government travel can be reduced by $500 million in fiscal year 1980 without adversely affecting the performance of Government employees.

By utilizing modern means of communication, such as the telephone and teletype, the need for Government travel can be reduced. Moreover, when there is a need for Government travel, Government employees should be more conscious of cost saving methods of travel, such as traveling by train instead of flying.

Unless something is done, the Federal Government's travel budget will set a new record and soar to an astonishing cost of $7.9 billion. Since 1974, the cost of Federal employee travel has risen by 40 percent. Every year, the President and OMB announce Government-wide initiatives to reduce Government travel. Yet, also every year, the President asks the Congress to increase the Government's travel budget.

At a time when inflation and the need to conserve energy have caused millions of Americans to cut back or cancel their travel plans, the Federal Government has increased its travel budget nearly $400 million in just 1 year, if we allow this year's budget to pass in its present form.

A reduction in Government travel will not only save the taxpayers money, it will force Government employees to travel inexpensively and only when necessary. Such a move would not only set an example for the concerned people of this Nation that its Government is also willing to make sacrifices, it would also save untold millions of dollars in energy costs, as well as save in gasoline consumption.

FILM MAKING

Another area where taxpayers' money has not always been spent wisely is Government film making. While many films produced by the Government possess educational value, there have also been many abuses.

The Federal Government has made Washington, D.C., into a "Hollywood on the Potomac," spending an astonishing $500 to $600 million a year making films on endless subjects. While the amount of money spent on films is bad enough, it is even more distressing to review some common film titles, such as: "Sanitary Design for Drinking Fountains," "How to Succeed With Brunettes," "Identification of Some Common Sucking Lice," and "Days of a Tree." This amendment would curtail the production of such masterpieces by reducing film making by $200 million.

REDUCTION IN OVERTIME PAY

Overtime pay for Government employees is another area which has clearly gotten out of hand. During the last fiscal year on which figures are available, 1977, the Federal Government paid out—excluding the Postal Service—approximately $1.5 billion for overtime work by executive agency employees. This figure represents a rise in the overtime pay of $300 million from 1976.

A fitting example of the situation is in the area of Government chauffeurs. Things have gotten so out of hand that some chauffeurs earn so much overtime pay their salary is higher than some of the lesser VIP's they chauffeur around.

REDUCTION BY ATTRITION OF CIVILIAN PERSONNEL

The final reduction included in this amendment would maintain the reduction by attrition in the civilian personnel payroll. We are all aware of the tremendous growth in the size and cost of the Federal Government. There are currently over 2.1 million persons on the Government's official civilian payroll.

This amendment would simply continue the hiring freeze imposed by President Carter last October 24. This would result in a savings of $200 million in personnel costs in fiscal year 1980 alone.

CONCLUSION

Mr. President, none of the reductions contained in this amendment would hinder the effectiveness of the Federal Government. This amendment would trim those programs which for years have spent Government money without regard for taxpayers who every year must pay for more and more money wasted.

More important, it would send a message to the American taxpayer that this Congress will no longer finance films such as "How to Succeed With Brunettes"; will no longer allow excessive overtime pay to Federal employees; and will put a lid on the massive Federal payroll.●

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I also announce that the Senator from Indiana (Mr. BAYH) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Is there any Member in the Chamber who desires to vote who has not voted?

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—41

Armstrong
Baker
Boren
Byrd, Harry F., Jr.
Church
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Nunn
Packwood
Proxmire
Roth
Sasser
Schweiker
Simpson
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—44

Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
DeConcini
Eagleton
Glenn
Hart
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Stevens
Stewart
Tsongas

NOT VOTING—15

Bayh
Chafee
Durkin
Gravel
Long
Morgan
Moynihan
Percy
Pressler
Schmitt
Stafford
Stennis
Stevenson
Weicker
Williams

So Mr. HATCH's amendment (UP No. 91) was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts (Mr. KENNEDY) is recognized to call up an amendment.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the distinguished Senator from Massachusetts, I ask unanimous consent that Mr. TOWER may proceed with his amendment, after which the Senator from Massachusetts will proceed with his.

Mr. KENNEDY. That is perfectly satisfactory.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Chair recognizes the Senator from Texas (Mr. TOWER) to call up an amendment.

AMENDMENT NO. 176

Mr. TOWER. Mr. President, I suggest the absence of a quorum and suggest that the time be charged to me.

The PRESIDING OFFICER. Will the Senator allow us to state the amendment, so the time will then run on his amendment?

Mr. TOWER. I ask that the clerk state the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk read as follows:

> The Senator from Texas, for himself, Mr. HATCH, and Mr. ARMSTRONG, proposes an amendment numbered 176.
>
> On page 2, line 19, strike out "$600,600,000,000" and insert in lieu thereof "$602,600,000,000".
>
> On page 2, line 24, strike out "$532,400,000,000" and insert in lieu thereof "$534,700,000,000".
>
> On page 3, line 5, strike out "—$28,800,000,000" and insert in lieu thereof "—$31,100,000,000".
>
> On page 3, line 10, strike out "$890,700,000,000" and insert in lieu thereof "$893,000,000,000."
>
> On page 3, line 15, strike out "$60,700,000,000" and insert in lieu thereof "$63,000,000,000."
>
> On page 4, line 5 strike out "$137,800,000,000" and insert in lieu thereof "$139,800,000,000".
>
> On page 4, line 6, strike out "$124,300,000,000" and insert in lieu thereof "$126,600.000,000".

The PRESIDING OFFICER. Under the previous order, there is a 1-hour time limit on the amendment.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, the amendment that I have proposed, along with Senators ARMSTRONG, HATCH, HUMPHREY, and THURMOND, would add $2 billion in new budget authority and $2.3 billion in outlays to the budget category of national defense.

The net effect of this amendment is to increase the President's national defense budget recommendation by $1.6 billion in budget authority and $0.6 billion in outlays while restoring the $0.4 billion reduction in budget authority and $1.7 billion reduction in outlays recommended by the Budget Committee.

Mr. President, I applaud the Budget Committee's overall efforts to reduce the budget deficit and move our country one step closer to a balanced budget. I strongly support the goal of a balanced budget and look forward to working with my colleagues on both sides of the aisle in meeting this objective.

However, Mr. President, with all due respect for the Budget Committee, I firmly believe they have erred in their determination that the national defense budget can be decreased below the President's recommendation for fiscal year 1980. In fact, my view, and the view of the majority of my fellow members of the Senate Armed Services Committee, is that the fiscal year 1980 national defense budget levels must be increased above the President's budget recommendation. An increase is desired in order to provide the Senate Armed Services Committee and the full Senate the flexibility and latitude to meet national defense requirements beyond those provided for by the President's budget—if such requirements are judged critical in the course of our consideration of the defense budget. There is ample evidence that this may be the case.

Mr. President, the paramount responsibility of government is to protect its people from its external enemies. If economies are to be made at a time when we are faced with a growing external threat, then they must be made in other nondefense areas. We must not compromise our Nation's security as a gesture of fiscal restraint. The American public has indicated time and again that it will not stand for this and will demand we do otherwise. The overwhelming thrust of popular reaction against government spending has not been directed against defense. In fact, recent polls show more people support increasing defense spending than reducing it. The American people have a growing concern regarding the declining U.S. military posture relative to the Soviets. I share their concern.

This is not to suggest, Mr. President, that the Budget Committee would in any way mean to compromise our national security through their action. We all know this is not the case. I must, however, respectfully differ with their judgment that the national defense budget should be decreased and again point out that the Senate Armed Services Committee—in the course of its annual detailed and comprehensive consideration of the defense budget—felt the need to recommend to the Budget Committee that the defense budget be increased above the President's request.

My amendment, which increases the level of budget authority by $1.6 billion above the President's request for national defense, is consistent with this recommendation of the Senate Armed Services Committee. The recommendation was overwhelmingly approved by our committee by a vote of 11 to 2.

The intent of this recommended increase in the budget ceiling for national defense is not to commit to specific defense programs or, for that matter, even to commit to an increase in defense spending. The intent is to provide the Senate Armed Services Committee—and the Senate—the latitude—the flexibility, if you will—to be able to address national defense requirements which it may deem critical and which are not provided for in the President's request. These recommendations, if forthcoming, will be the consequence of our exhaustive and conscientious review and evaluation of the President's defense budget request which is now ongoing. Only at the completion of this process will we, as a committee or as individual members of the committee, be in a position to put forth specific recommendations. We must, however, have the latitude to address requirements which we may find critical in the final analysis. That is all I am asking and that is all the committee has asked.

Let me explain to you why the flexibility that an increase in the national defense budget category offers is absolutely essential.

First, I have a growing concern, in fact, an uneasiness, with the continuing adverse trend in the United States-Soviet military force balance. I believe most members of the Senate Armed Services Committee share this concern. In the committee hearings this year, we have repeatedly heard our military experts present these trends and express their concerns. Let me identify four general areas of concern.

STRATEGIC FORCES

We are all now familiar with the reality that the former U.S. position of strategic superiority has slowly eroded to what is now referred to as "essential equivalence". It is now acknowledged that this based ICBM's being vulnerable to a Soviet first strike in the early 1980's—I repeat, in the early 1980's. This, of course, is a concern of all of us. What immediate steps we may choose to take to mitigate this are still being debated. It is envisioned that the mobile missile concept (M-X) will provide a solution by the mid- or late 1980's. However, even for this approach, the fiscal year 1980 funding required is not certain at this point. This is only one of our concerns due to the declining strategic force balance.

MARITIME FORCES

For the second year in a row, our Chief of Naval Operations has testified that the trend in United States-Soviet maritime force levels is not acceptable and is a matter of serious concern. We have received testimony indicating that, while the Soviets are building larger, more and more sophisticated ships in greater numbers, the U.S. shipbuilding trend is toward fewer ships—with only 11 or 12 ships a year planned for fiscal years 1982–84—forecasting an inevitable decline in U.S. forces levels in the mid-1980's.

Let me note that the only edge in a

quantitative way that we have over the Soviets in naval power is in tonnage. They outnumber us enormously in terms of numbers of ships. We have greater tonnage. The aircraft carrier is the adding dimension. However, now the Soviets, in terms of tonnage, are equalling the United States in their annual shipbuilding program, and so in due course they will not have only more ships, but more capital ships than the United States.

We cannot lose sight of the fact—the undeniable fact—that U.S. naval superiority is an absolutely essential requirement.

"Naval parity," or worse, "naval inferiority," is totally inconsistent with this country's national security interests. The requirement for maritime superiority simply recognizes the geographic reality, and consequent strategic implications, of our Nation being an island nation. What steps we must take—what investments we must make now—in terms of numbers and types of ships in order to retain our maritime superiority are now being considered by the committee. Measures beyond those provided for in the President's budget may well be required. That we must retain maritime superiority is beyond dispute.

THEATER NUCLEAR FORCES

In the gray area of theater nuclear forces, the trend again is ominous. Our European allies are seriously concerned over the shift in balance in favor of the Soviets with their deployment of the SS-20 medium-range ballistic missile and with their further deployment of the Backfire bomber. Furthermore, it recently has been reported that the Soviets have begun deploying a new tactical nuclear missile, designated the SS-21, with yet two other new missiles under development.

Incidentally, Mr. President, this is the Soviet response to our President's announcement that he would delay production and deployment of the enhanced radiation weapon to see if the Soviets would act with similar restraint. This is the Soviet response. They have not deployed the SS-21, and we still have no word from the White House as to whether or not we will proceed with plans to deploy the enhanced radiation warhead.

General Haig, U.S. Commander-in-Chief, U.S. European Command, testified before the Senate Armed Services Committee this year that the Soviets have now transformed Western superiority in theater nuclear forces into current Soviet advantage. General Haig went on to indicate that it is increasingly urgent to remedy imbalances in our theater nuclear capabilities vis-a-vis the Soviets. I must agree with General Haig's assessment. What the committee must now decide is whether planned initiatives are sufficient to reverse this imbalance.

CONVENTIONAL FORCES

Finally, it is well known and accepted that the United States and its NATO allies suffer a disadvantage relative to the Soviet Union and the Warsaw Pact in conventional forces—a disadvantage we are actively addressing. But again, we must assess the sufficiency or adequacy of these actions.

It is the possible consequences of these overall trends and the "force balance" in these critical areas that causes my concern and contributes to my uneasiness.

Second, in addition to these advantages in military force balance, the other disturbing trend is the increasing share of its resources that the Soviet Union devotes to military spending. This increasing investment in future military systems can only further exacerbate the adverse trends. The security of future generations must be our concern. Our decisions today will decide the level of investment in their security.

The fact is that the Soviet Union is outspending the United States in defense spending. The U.S. defense outlays have remained essentially constant—in 1980 dollars—at a level of $125 billion for over a decade—if we exclude the wartime expenditures of the United States in Southeast Asia. During the same period, Soviet expenditures have steadily increased from a point of approximately equal expenditure to a point today where they are outspending us by $50 billion. I repeat: Today, the Soviets are outspending us by $50 billion in defense spending. They are securing the future of their next generations.

What I am proposing with my amendment is to give us the option—only the option—to take those steps which we may feel are essential to insuring the security of our future generations. This is an option we cannot afford not to have.

There are those who would argue that an increase in the defense budget levels is not appropriate, that it would be at the expense of nondefense spending. They would argue further that the national defense budget must be similarly reduced with nondefense spending in this time of austere budgets and fiscal restraint—that the national defense budget is not sacrosanct.

No one, Mr. President, contends that the national defense budget is sacrosanct. As a matter of fact, the Senate Armed Services Committee probes very, very deeply into every request for defense spending. But that is not the issue. The point is that the argument for a reduction in defense spending—along with nondefense spending—in the interest of fiscal restraint fails to recognize some crucially important facts.

The fact is that defense spending has dramatically decreased relative to nondefense spending during the last 25 years. In the mid-1950's, defense outlays and nondefense outlays were approximately equal at a level of $125 billion in 1980 dollars. Today, defense outlays as proposed for fiscal year 1980 are still about $125 billion, while nondefense outlays have climbed markedly to a level above $400 billion. From a level of approximately equal spending in the mid-1950's, nondefense spending now outstrips defense spending by over 3 to 1. Defense spending has been reduced relative to nondefense spending. It clearly has not been held sacred.

The second crucial fact is one that is often overlooked. What determines our level of defense spending is not completely in our control—contrary to some popular views. To guarantee our Nation's security, we must provide for national defense spending at a level sufficient to meet the threat. The Soviet Union—as I have previously mentioned—has steadily increased its defense spending over the past decade, until today it is projected that they will outspend us by $50 billion in 1980.

These two crucial facts overwhelmingly convince me that we cannot reduce our defense spending; that, in fact, we must increase our defense budget levels to provide us the option to take steps we may find necessary to guarantee our national security.

Let me repeat. The national security of our Nation cannot be compromised in the name of fiscal restraint. The American public will not allow this and will demand we do otherwise.

The American public has expressed a growing concern over the adverse trend in U.S. military posture relative to the Soviets. While the American taxpayers want relief from their heavy tax burden, they have made it clear that they will not settle for an inferior military capability relative to the Soviets. They see this as neither prudent nor required. In fact, polls show that they support increased defense spending over decreased defense spending. I share their view and their concern.

I offer this amendment in the spirit of providing the Senate the option—the latitude—to meet those defense requirements which we may judge critical and which are not provided for in the President's defense budget request.

I appeal to my colleagues to join me in supporting this amendment. I sincerely believe the future security of our Nation may be at stake.

Mr. President, I am not naive. I have been around this body for 18 years, and I know what the likelihood is in a vote on this issue.

In fact, we in Congress run behind popular sentiment in this country. If we submitted every spending program that we have included in this budget today to a popular referendum, many of those we authorize to fund would be defeated by the public, but defense would come out on top. That is the popular view.

However, what we respond to in Congress is well-organized, highly vocal, well-disciplined pressure groups that have political clout; and their clout, in the aggregate, exceeds that of the general public.

So I have no faith, really, that we are going to respond to the popular will, that we maintain the United States of American in a No. 1 position in defense capability, because we will not discipline ourselves to establish an order of priorities so that we cut from the bottom of the priority ladder.

It is the paramount and first responsibility of a national government that it defend its people against external enemies.

But we are not going to face up to that responsibility. I am terribly pessimistic that we are going to do what is necessary over the next 2 years to maintain the United States in a credible military position vis-a-vis that of the Soviet Union.

I know what will happen here tonight. I know what will happen. As I say I am not naive. I have been here 18 years. But I am ashamed of what is going to happen because I rather feel this amendment is going to be rejected because it is convenient for us right now to reject it because it is a little bit easy to follow the general trend of wanting to balance the budget and just take it out of anything and everything and not establish priorities at all. "No, do not do that because then you have to cut some programs that may be popular with some powerful constituencies in the country."

So we will fail again as we have failed so often in the past to put the first priority on the defense of the people of the United States and mark my words: the rejection of this amendment alone will not ultimately reduce us to a position of national inferiority but the rejection of this amendment in the aggregate along with a similar action next year and the year after that will assure that we will be inferior militarily in the last 1980's, and if we are not willing to face up to our defense responsibilities now we had better understand we are going to face a bow wave here in 2 or 3 years and we are going to have to either decide that we can afford to maintain a position comparable to that of the Soviet Union or maintaining such a position is not worth what it costs.

And that is the choice we are going to have to make. But the longer we delay the more it is going to cost us to try to maintain a position comparable to that of the Soviet Union.

Let me say this: Social programs are important. Domestic programs are important. Balancing the budget is important. All of these things are important. Maintaining a standard of living below which we should allow no one to fall in this country is important. But if we fall into a position of military inferiority which if we pursue our present course we are going to do, then in 10 years we will be isolated in this world. The Soviets will have the political and economic dominance of the world. They will control not only our external sources of supply but our external markets as well. And then we will lack the resources to provide a minimum standard of living for our people, to provide for the social and economic disadvantaged, and that is where we are going.

I suggest, Mr. President, that we are at this point without vision, and to recite that noble statement from Proverbs, "Where there is no vision the people perish."

Mr. HUMPHREY. Mr. President. will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. HUMPHREY. That is an incredible coincidence.

Mr. BELLMON. How much time does the manager of the bill have?

The PRESIDING OFFICER. There was 1 hour on the amendment equally divided between the sponsors of the amendment and the manager of the bill.

Mr. BELLMON. How much time does the Senator from New Hampshire desire?

Mr. HUMPHREY. Two minutes.

The PRESIDING OFFICER. No time has been used by the manager of the bill so there are 30 minutes available.

Mr. BELLMON. I yield 2 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

Mr. HUMPHREY. Mr. President, I agree with the distinguished colleague from Texas that Congress is way behind the public mood. Surveys show that Americans are concerned about our defense. They are concerned about the Russian buildup and the threat to our position of leadership in the free world. They are even so concerned that they are will to bear a higher tax burden.

It is time that Congress became synchronized with the mood of the country.

I have the privilege of serving on the Armed Services Committee on which our friend from Texas is the ranking minority member. I am as disturbed as he is by all of these trends, unmistakable signs, always a downtrend for the United States capabilities and an upward-sloping trend for the Russian capabilities.

It just seems to me that perhaps we are living through the mid-1930's once again. We are trying our very best to ignore some very clear warnings and we do so at our peril.

So I commend the Senator from Texas for his courageous statements of a few moments ago, and I am going to support him wholeheartedly.

I thank the Chair.

Mr. BELLMON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER (Mr. Proxmire). The Senator from Oklahoma is recognized.

Mr. BELLMON. Mr. President, the Senate Budget Committee recommended a ceiling for national defense which shows real growth of about 1 percent in budget authority and 1.2 percent in outlays. This resolution does reflect the Senate Budget Committee's awareness that we need to enhance our defense capabilities, and provisions were made for a stronger defense for the country.

The committee recommended showing real growth in defense at a time when cuts were being made in other programs totaling some $5.2 billion in outlays. So I feel that the resolution the committee has recommended is responsible in the defense function and that it does reflect what has been described here as a growing national demand that we strengthen our defenses.

The Senate Budget Committee recognized the need to counter growing Soviet trends toward superiority in strategic and tactical military capabilities. This is reflected in our defense numbers.

The Senate Budget Committee resolution does not affect any of the President's readiness or R. & D. programs. The figure recommended for defense fully provides for the President's programs in defense readiness and in weapons R. & D.

All of the Senate Budget Committee's recommendations for defense savings are in nonreadiness areas. The committee reallocated these savings to be put back into the tactical warfare mission. The objective here was to provide additional budgetary resources for NATO programs and make it possible to enhance military capabilities in the area where the greatest threat seems to lie as a result of Soviet buildups in numbers of offensive forces.

The Senate Budget Committee's recommendation actually increases the President's request for tactical procurement and thereby responds directly to the concerns that have been voiced by Senator Tower and others. These additional funds for tactical programs can be used to improve ground forces, tactical air capabilities, theater nuclear forces, and naval capabilities.

In the strategic area, the Senate Budget Committee recommendation provides exactly what was requested in the fiscal year 1980 defense budget. This will enable the MX, Trident submarine, and strategic cruise missile programs to proceed at the rate requested by the Pentagon.

Mr. President, the Armed Services Committee and other authorizing committees are requesting appropriations that would have put this budget another $38 billion in the red. I think we all recognize the truth of what has been said here tonight. I certainly agree with the view expressed by Senator Tower that we need to make defense our No. 1 priority and make certain that this country is not slipping into a position of inferiority. But, at the same time, we have to look at other problems such as the problem of inflation. If the Budget Committee had granted the request of all the authorizing committees this budget would be tens of billions of dollars out of balance for 1980.

This would cause another wave of crippling inflation and would serve to weaken the strength and well-being of our country in a way which could equal the consequences to which Senator Tower has alluded.

I feel that the committee has dealt with the defense mission adequately. It was often necessary to decline requests from all authorizing committees for what were, I am sure, highly justifiable requests for increased spending, in order to achieve our budgetary objectives. We had to deal with the Armed Services Committee requests on the same basis.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. I yield myself an additional 2 minutes.

Let me make some other point: The Senate resolution as it now stands is some $2.5 billion above the House of Representatives, in budget authority for defense, and it is $300 million above the House of Representatives in outlays.

The defense budget is a matter that is always highly controversial when we get into conference with the House of Representatives. I can say to my friend from Texas that if his amendment passed it would have very little chance of surviving during the conference with the House of Representatives.

We are going to have a hard time holding our number as it is. We will do our very best. I can assure him of that.

I am afraid that the adoption of a defense budget number that was another $2 million higher that we would make it even more difficult to defend our recommendation as responsible and asking only what was truly required to defend national defense needs.

While I agree with the emphasis placed on the defense function, I must reluctantly oppose the Tower amendment and urge its defeat.

Mr. TOWER. Mr. President, will the Senator yield me 2 minutes on his time?

Mr. BELLMON. I yield 2 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 minutes.

Mr. TOWER. I thank my colleague from Oklahoma for his generosity in yielding to me on his time.

Let me note that what the Senator from Oklahoma has said is that we have to treat defense like everything else. We know what would have happened if we had that attitude in World War II that we give equal priority.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. TOWER. Yes.

Mr. BELLMON. We are not treating defense like everything else. Defense gets an increase. Other programs get a cut.

Mr. TOWER. Yes, but the point is we have to look at the threat, which is not controlled by us. In fact, with the President's budget recommendation, with the budget authorization, we have an actual decline in defense spending. We have asked our allies to increase theirs by 3 percent. You figure a real inflationary increase of 9 percent, and we are actually spending less on defense this year, so we are going with a 1-percent decline. With my amendment we would go with less than one-half of 1 percent decline, so we are still declining.

Let us make no mistake that we are spending less on defense while nondefense spending is going up at a tremendous rate.

Again, with respect to what the Senator from Oklahoma said—and I do not question his concern about national defense because I know he has it—but, in fact, we had better get our stuff together and establish a system of priorities around here so that we spend what is necessary to meet the threat and reduce the less essential spending of national Government to the extent that we balance the budget. We can have an adequate defense and still balance the budget if we will just order our priorities.

Mr. President, because I have little doubt about what the outcome of this will be—and I am really very sorry to do this—I think it would be unfortunate if the committee went to conference in a posture of having a proposed increase being defeated in the Senate, because I think my colleagues have not had the opportunity to address themselves to this issue. We spend too little time considering measures of this sort, so we can hardly be considered deliberative on them. I am sure there has not been the time to debate this adequately or to discuss it. I think many Senators in their passion for trying to bring the budget into balance and to reduce spending, which is a proper passion and one which I share with them, might vote against this. So, quite frankly, Mr. President, to avoid a record defeat—and I think it is tragic that I have to stand here and say this—I withdraw my amendment.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized for the statutory time.

UP AMENDMENT NO. 92

(Purpose: To increase budget authority and outlays for the Administration of Justice function and total budget authority by $100,000,000 in order to increase funding for the Law Enforcement Assistance Administration)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself and the Senator from South Carolina (Mr. THURMOND), which I ask the clerk to report.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. THURMOND proposes an unprinted amendment numbered 92.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 11, strike out "$4,200,000,000" and insert "$4,300,000,000."

On page 9, line 14, strike out "$4,300,000,000" and insert "$4,400,000,000."

On page 9, line 17, strike out "$4,300,000,000" and insert "$4,400,000,000."

On page 9, line 18, strike out "$4,200,000,000" and insert "$4,300,000,000."

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator agree to a time agreement of 40 minutes?

Mr. KENNEDY. That would be fine, evenly divided, and I hope we will be able to beat that. We will desire a vote on this amendment.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes.

This amendment raises the amount of the budget allocation for the Law Enforcement Assistance Administration from $446 million to $546 million, which the administration had actually requested.

Mr. President, what we are considering here—at $446 million—is just about half of what was actually appropriated for LEAA in 1975, even without inflation factored in. What we are asking for is an extremely modest commitment of the resources of the Federal Government to work with local police and State agencies in meeting the problems of law enforcement and crime.

The amount of money that is actually spent in fighting crime is overwhelmingly local. Ninety-five cents out of every dollar that is spent in fighting crime originates at the local level.

The real function and purpose of LEAA is to work with local law enforcement groups, with local communities and local agencies, to try to provide a special incentive to local communities to combat crime. The goal is to have LEAA programs eventually assumed by local law enforcement and State agencies.

In the last 5 years there has been extraordinary success in the LEAA program. A great percentage of the programs that have been developed and fashioned by the Law Enforcement Assistance Administration have eventually been picked up by local agencies and by State justice systems; in this way LEAA has really made an important contribution in the battle against crime.

Mr. President, we have seen in the past year some rather distressing trends in the growth of crime. Until last year there had been a gradual decline in crime as measured by the crime statistics. But in the last year crime has again increased, particularly violent crime, and particularly violent crimes against the person.

We also have seen a steady growth in white-collar crime.

So, Mr. President, the amount of resources which we are asking for is based essentially upon the experience of the past. Yesterday we passed out of the Judiciary Committee by a unanimous vote the new law enforcement legislation which really builds on the essential lessons of the past. I will just take 2 or 3 minutes of the Senator's time to mention some of the programs which have been particularly effective:

One is the career criminal program. Twenty-six of these units, which were actually started by the Law Enforcement Assistance Administration convicted 5,000 repeat offenders, who have received an average sentence of 17 years in prison. Because of that particular program, 65 additional units have been created. This program demonstrates that programs initially aided and supported by the LEAA in States such as New York and California are replicated in community after community.

The antifencing programs known as "Sting," have recovered over $114 million, and conviction rates have been 98 percent. These too are being picked up by a number of local jurisdictions.

The economic crimes projects, special fraud and public corruption units, have been established in 70 district attorneys' offices. These prosecutors are especially trained to combat embezzlement and other white collar frauds. There have been 2,100 convictions. These programs are being accepted and underwritten in Washington, Colorado, Texas, and Florida, to name a few.

The victims and witness assistance programs, the treatment of alternatives to street crime projects, the civil disorder and antiterrorism programs: I could go on, Mr. President.

It seems, Mr. President, that this is a barebones request. It effectively restores what the administration had requested. This program is broadly supported by judges across the country, and efforts have been made to work with the judges in the States. Our colleague and member of the Judiciary Committee, Senator Heflin, has taken a particular interest in that aspect of the program. LEAA has made a significant difference in the general administration of justice in the field of corrections as well as supporting imaginative and creative police work.

Mr. President, we have just listened to a debate about national defense; we will, under this budget resolution, spend $138 billion to protect the security of the American people from outside aggression. What we are asking for is $546 million to protect the American people from crime and violence within our Nation.

With $138 billion expended for security against attack from overseas, certainly we are warranted and justified in requesting $546 million for meeting threats to the security of the people here at home.

Mr. President, I am glad to yield half of what time I have remaining to the Senator from South Carolina. How much time did I use, Mr. President?

The PRESIDING OFFICER. The Senator has used 6 minutes. He has 14 minutes remaining. The Senator from South Carolina is recognized for 7 minutes.

Mr. THURMOND. Mr. President, I am pleased to cosponsor and support the Kennedy amendment to the concurrent budget resolutions on the LEAA program.

Any further cut in the budget of the Law Enforcement Assistance Administration would be disastrous to law enforcement and criminal justice in the United States. The President's recommended appropriation of $546 million is already so low that it jeopardizes implementation of the very legislation that he proposed less than 1 year ago.

The budget for LEAA is already quite lean. In fiscal year 1975, LEAA distributed $602 million directly to the States on a population formula basis. By fiscal year 1979, formula grant allocations had dropped to $410 million. The President's recommendation for fiscal year 1980, for this program we are trying so hard to revitalize, would cut the State and local formula share by another $87 million, or 21.2 percent.

It is a credit to State and local criminal justice officials that they have been able to do so much with so little. Any additional decrease, however, would tie the hands of those who continue to rely on LEAA as the primary motivation for innovation in this field. Certain items in the proposed budget can be cut no further. It is thus apparent that States and localities will be the ones to suffer from any additional decrease. There is a real danger that some jurisdictions will no longer find it worthwhile to participate in the LEAA program. The incentive for accomplishing the policy promoted by Congress in drafting this legislation will be gone.

Crime still ranks very high among the concerns of Americans, particularly those in our cities. Yet less than 1 percent of the Federal assistance that will be awarded next year will be allocated to the Government's only program specifically designed to help State and local governments address their law enforcement and criminal justice problems. Multiple billions of dollars are going for health care, income maintenance, wastewater treatment, airport construction, highways, and education. The resources that Congress is allocating to criminal justice assistance are meager by comparison.

Mr. President, in recognition of the importance of dealing with crime, State and local governments have devoted increasing amounts of their own resources to this area. At the same time, however, the LEAA budget has been continually cut. Where is the Federal leadership that we were promised 10 years ago?

I would like to point out some of the things we will lose if Congress fails to keep the LEAA program viable:

The law enforcement education program, under which nearly 100,000 criminal justice professionals receive higher education each year;

New victim/witness assistance programs, planned to provide sensitive treatment to persons involved with the criminal justice system;

Antiarson projects, designed to reduce this swiftly increasing major crime;

Community anticrime projects, which permit all-important citizen input in crime prevention activities;

Treatment programs for drug-abusing offenders, which have been evaluated a saving the public money;

Programs aimed at protecting special classes of citizens, including the elderly children, and women;

"Sting" antifencing projects and special efforts, which have proved successful in prosecuting career criminals;

Initiatives planned to prevent white collar and economic crimes;

The continued development of computerized information systems, which have brought police, courts, and prosecutors into the 20th century.

These are only a few of the efforts we stand to lose, if decisive action is not taken now to prevent the erosion of LEAA support. Each State could produce numerous success stories about things which would not have been accomplished had it not been for LEAA. Evidence of the need to continue these activities is all around us. The biggest crime we could collectively perpetrate would be to let our States and localities down by failing to support them in this area.

Mr. President, on February 7, 1979, I made remarks on the Senate floor on S. 241, the proposed Justice System Improvement Act of 1979. This bill, which would reauthorize and extend the LEAA program for the succeeding 5 fiscal years, was reported unanimously from the Senate Judiciary Committee yesterday. At the time of introduction of the bill I commented on the President's budget for the agency for the coming fiscal year.

Mr. President, I ask unanimous consent that an extract of those remarks be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. This amendment would restore budget authority for LEAA only to the level of the President's budget. We are not requesting the Senate to approve any budget-busting increases. I do not favor such increases. We are simply asking that the present program be reduced only by $110 million below the present level, which is the amount the President recommended.

Mr. President, in closing, I want to say that next to defense, I do not know of any program that is more important. The first function of government is to protect its people. We need a Defense Department to protect us against our external enemies. We need good law enforcement to protect us against internal enemies, those who would take the lives of and commit crimes against their fellow citizens.

Mr. President, yesterday I met with the International Chiefs of Police here in Washington. They are very intent——

The PRESIDING OFFICER. The Senator's 7 minutes have expired.

Mr. THURMOND. Will the Senator yield me 3 more minutes?

Mr. KENNEDY. Will you be able to finish more quickly than that?

Mr. THURMOND. One more minute?

Mr. KENNEDY. Surely.

Mr. THURMOND. They are very intent upon this budget being restored at least to the current level. The President cut it by $110 million. We think that was a mistake. Then the Senate Budget Committee cut it another $100 million. We can at least restore this amount to that which the President recommended. We make a great mistake if we do not do that, in fairness to our people, for the protection of citizens of the United States. I hope we will restore the budget at least to what the President recommended.

Exhibit 1

Mr. Thurmond. Mr. President, the administration's fiscal year 1980 budget request makes a mockery of the statements previously made by officials in private meetings and public hearings. The President has requested only $546 million for the entire Office of Justice Assistance, Research, and Statistics, compared to the $617 million which LEAA received in fiscal year 1979. If funds separately authorized under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, are deducted, the request for the Justice System Improvement Act falls below $500 million.

Mr. President, I ask unanimous consent that the table comparing the LEAA fiscal year 1979 and the OJARS fiscal year 1980 budgets be inserted in the Record at this point.

Without objection, the table was ordered to be printed in the Record, as follows:

COMPARISON OF LEAA FISCAL YEAR 1979 AND OJARS FISCAL YEAR 1980 BUDGETS

[Dollars in thousands]

OJARS, fiscal year 1980 request	Amount	Amount	LEAA, fiscal year 1979 actual
State and local administration	$34,800	$50,000	Part B formula.
Juvenile justice formula	30,375	63,750	Juvenile justice formula.
Criminal justice formula	257,408	296,668	Parts C and E formula.
National priority grants	36,301	78,170	Parts C and E discretionary.
General criminal justice grants	36,301		
Training and manpower	3,918	29,168	Training and manpower (including LEEP).
Technical assistance	12,000	12,000	Technical assistance.
Community anticrime	10,000	7,000	Community anticrime.
Urban crime prevention	1,000		
Juvenile justice special emphasis	10,125	21,250	Juvenile justice special emphasis.
National Institute for JJDP	5,500	11,000	National Institute for JJDP.
Concentration of Federal efforts	1,000	1,000	Concentration of Federal efforts.
JJDP technical assistance	3,000	3,000	JJDP technical assistance.
Public safety officers' benefits	15,000	2,500	Public safety officers, benefits.
Executive direction	$10,685	$11,730	Executive direction.
Administration services	10,839	12,378	Administrative services.
National Institute of Corrections	9,884	9,920	National Institute of Corrections.
Subtotal	497,936	609,434	
Research, evaluation, demonstration (NIJ).	25,000	25,000	NILECJ.
Criminal justice statistics progress (BJS).	19,643	19,643	NCJISS.
Executive direction	3,768	3,768	Executive direction.
Subtotal	[1] 48,411	48,411	
Total	546,347	647,925	

[1] 551 positions.

[2] 729 positions.

Mr. THURMOND. If approved as requested, grants to States and localities on a formula basis for criminal justice programs would decrease 16 percent from last year; if the cuts in juvenile justice are included, the total drop would be more than 20 percent. This is ludicrous. The administration is recommending action that would assure its own proposal cannot work.

Reduced funding is not the only damage proposed to the LEAA program in the 1980 budget. The law enforcement education program (LEEP), which assists nearly 100,000 criminal justice officials receive higher education each year, would be eliminated. Funding for innovative juvenile justice and delinquency prevention activities would be cut in half, so that it will be extremely difficult to continue important progress in removing noncriminal children from jails and prisons and separating young people in facilities from adults.

In 1976, Congress gave LEAA new responsibilities to assure that there would be program accountability and more responsiveness The Justice Department responded by closing LEAA regional offices and reducing the already-small agency by 200 people. For 1980, when more direct services will be required of LEAA, another drastic personnel cut is recommended. While the administration is being consistent in its illogical approach, the negative results of this decrease would be severe. I intend to work with Senator KENNEDY to restore to the 1980 budget at least the minimum amount of dollars and personnel necessary to make this program work effectively.

It is obvious, Mr. President, that criminal justice assistance to States and localities is a low priority of the Department of Justice. Congress has recognized that crime is essentially a local problem that must be dealt with by State and local governments if it is to be controlled effectively. However, Congress has also reiterated on a number of occasions its belief that the Federal Government should provide constructive assistance to these governments in combating the problem. Enactment of the Justice System Improvement Act, as well as appropriation of adequate funds to implement it, will assure that the prophecies made by some regarding LEAA will not become self-fulfilling.

Mr. KENNEDY. Mr. President, I yield 2 minutes to the Senator from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. President, I would like to make just a few comments in support of Senator KENNEDY's amendment. I spent this past weekend in my home State of Michigan, and while I was there I had an opportunity to discuss with various professionals and residents what LEAA has meant to my own State.

Its impact has been truly remarkable. In Wayne County, my home county, and our largest county, LEAA funds have assisted the implementation of the following programs, to name a few:

911, an emergency phone system, which has doubled the number of phone calls to the police;

A crime prevention bureau, which provides assistance to the neighborhoods in organizing self-help programs;

Forty minipolice stations;

Several methods to increase police response time;

A shortened period of time between arrest and trial from 8 months to 2 months; and

Various crime analysis programs.

The Governor of Michigan has brought to my attention eight exemplary LEAA funded programs on a statewide level. The first is a comprehensive community crime prevention program which focuses on neighborhood watch systems. It was reported, for instance, that in one community of Detroit 55 out of 155 blocks were organized into neighborhood watch groups, and 50 percent of the residents qualified for Neighborhood Watch signs.

The results of this activity were a decrease in burglary of homes by 48 percent, a decrease in burglary of businesses by 39 percent, a decrease in armed robbery of 69 percent, and a decrease in larceny of 80 percent. In an area not so organized, there was no significant decrease in crime.

Second, a career criminal program which has significantly increased the conviction, incarceration, and sentencing of those persons who can be identified as career criminals.

Third, a one day/one trial jury program, which in Wayne County has saved over $300,000 on total jury payroll.

Despite this kind of evidence, it has been proposed by the administration that we cut the fiscal year 1980 LEAA budget by 17 percent, with a 50-percent decrease in money for juvenile justice. The recommendation of the Senate Budget Committee would make an additional cut of another $100 million.

Though LEAA makes up a small part of the overall budget for criminal justice, it permits the implementation of those programs that would otherwise not be possible because of the overextension of funds for basic law enforcement and corrections. LEAA provides the creative possibilities of new programs and alternatives to an old system that clearly needs improvements.

Moreover, it focuses on the neighborhood and local level, where the job really needs to be done. As was shown in the Kansas City preventative patrol experiment of 1974, conducted by the Police Foundation, citizen participation and assistance in reporting crime made more of a difference than the number of police on patrol in a neighborhood. We need the freedom to engage in new ideas and new ways to handle the old problems of crime. LEAA gives the State and local governments—the entities that best know what is happening on a day to day level—that opportunity.

While I would like to see the LEAA budget as reported by the Budget Committee increased by $200 million, to renew it to the 1979 funding level, we must also be sensitive to the public concern for a balanced budget. I, therefore, support Senator KENNEDY in his amendment to increase the LEAA target by $100 million, restoring it to the President's recommended budget level, and to the minimum amount which is mandated by our responsibility to the citizens and public servants back home who want the Federal Government to reward programs that work and programs which support State and local initiative.

Mr. KENNEDY. I yield 2 minutes to the Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise to support the amendment of the Senator from Massachusetts. Having been a prosecutor in the State of Arizona, we have been very fortunate that predecessors in this body were enlightened to pass LEAA and to fund it substantially. It resulted in significant law enforcement benefits for the State of Arizona.

Just 1 month ago LEAA approved a four-State effort, including the States of Arizona, New Mexico, Colorado, and Utah, to combat the flow of narcotics from the south, from Mexico and other countries.

Without this effort, quite frankly, the State of Arizona and the other States in the quad-State effort would not be able to implement the intelligence network which is necessary in these kinds of efforts.

That is only one of the numerous efforts that have been partially funded by LEAA in the State of Arizona.

The juvenile nonstatus offender program, which has had national prominence and which was founded by LEAA, has been picked up by the local government now and is extremely successful.

Court reform has long been needed in the State of Arizona and in the Southwest. Thanks to LEAA and due to the funds, and this body allocating and voting in support of those funds, Arizona has been able to step forward into the 20th century in its court programs since the legislature has come forward to pick up the cost of the vast majority of those particular programs.

I hope the body tonight will give serious consideration when we are in a time——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DeCONCINI. I ask for 1 additional minute.

Mr. KENNEDY. I yield 1 additional minute.

Mr. DeCONCINI (continuing). At a time when we are trying to balance the budget, and when the supporters of this amendment are committed to supporting that budget, that we cast an affirmative vote to support the Senator's amendment. It is a good investment in law enforcement; it is a good investment in the judiciary improvements. I commend the Senator for his remarks, and the ranking Republican (Mr. Thurmond) for his support of this amendment. I thank the Chair and the Senator from Massachusetts.

The PRESIDING OFFICER. Who yields time?

The Senator from Maine.

Mr. MUSKIE. Mr. President, this is another example of the fact that the exercise of budgetary restraint does have some measure of pain for those who are interested in particular programs and responsibility for particular programs. I do not quarrel with the concerns of Senator Kennedy and his associates, but this is a place where we found it necessary to cut. The cut was not that much.

Let me say just these few things that disturbed the members of the Budget Committee as we addressed this particular program.

First of all, it was the general impression that LEAA has earned a reputation as a Federal funding program which has been abused by State and local governments, and subverted for unintended purposes.

It also appears that it has failed to achieve a measurable reduction in crime.

Second, there have been several negative evaluations of LEAA, and none have been primarily positive.

Further, there is no guarantee that the projected authorizing changes will be successful in removing current abuses of the program.

The Budget Committee's recommendation is intended to continue funding for LEAA, but at a reduced level. Although the committee's funding recommendation does not address substantive programmatic tradeoffs, it has recognized that LEAA only provides about 3 percent of State and local criminal justice expenditures. Because Federal grants represent such a small share of total expenditures, the committee's recommended funding reduction could not severely impact present State and local criminal justice operations.

In striving to achieve budget balance by fiscal year 1981, the Budget Committee was faced with the choice of substantially reducing general revenue sharing, or cutting categorical grants. It chose to hold revenue sharing harmless, and to reduce categorical grant programs, such as LEAA.

The Kennedy amendment suggests the Congress can have it both ways. It cannot, if we are to meet the requirements of budgetary restraint and balance in 1981.

If Congress increases categorical grants above the assumptions of the budget resolution, and, after all, if it can be done with respect to one program it can be argued that it ought to be done with others, it should be prepared to cut general revenue sharing.

That may be the desire of some, but at this point the committee finds it necessary to oppose the Kennedy amendment. I yield 3 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I join the chairman in opposing the Kennedy amendment. I would like to point out that the recommendation which is before the Senate is a compromise reached by Budget Committee members after careful consideration. There was a considerable amount of sentiment on the committee that given LEAA's track record this program should be subject to a much deeper cut or even termination.

The committee was inclined, as the chairman has said, to preserve general revenue sharing, but the categorical programs, which are generally opposed by the Governors in preference to general revenue sharing, we felt had not proven themselves and, therefore, needed careful evaluation or, in some cases, reductions. This is one of those.

At a time when it is necessary to exercise Federal restraint, a funding reduction for a Federal program which has clearly not met its intended objectives seems to be wholly justified:

The program has not reduced crime.

It has not, so far as we can tell, improved the administration of criminal justice since most authoritative evaluations of LEAA have indicated that State and local projects have neither been highly innovative nor successful in achieving stated objectives.

The LEAA program is not intended to subsidize State and local operations. Most projects have emphasized program application and implementation rather than the testing of new concepts and approaches.

So this is just another way of transferring Federal funds back to the State and local governments.

The advancement of knowledge through research and evaluation has not occurred since studies have found efforts in this area to be of low quality and of very little use.

State and local governments do not appear to be highly dependent on LEAA. LEAA grants currently comprise less than 3 percent of total State and local government criminal justice expenditures.

This program is up for reauthorization in 1980 and the administration has proposed a restructuring of the agency. At this point we cannot tell what the restructuring will mean, but it is very likely that it could be done at a considerably lower cost than has been used in the past and, therefore, the committee recommends this small reduction. I strongly support the committee and oppose the Kennedy amendment.

The PRESIDING OFFICER. The Senator has 1 minute left.

Mr. KENNEDY. I believe if we had 6 minutes we could wrap this up.

Mr. MUSKIE. I yield 6 minutes.

Mr. KENNEDY. I yield 1 minute to the Senator from Alabama.

Mr. HEFLIN. Mr. President, my observations and experience as a former chief justice of the supreme court of Alabama, may provide me with a different insight as to what the LEAA program has meant to State and local governments since its inception than some Members of this body may possess. When I assumed my duties as chief justice of the Alabama Supreme Court in 1971, I surveyed a court system that was essentially unchanged since the turn of the century and which was basically designed for an agrarian economy of the 19th century and which was exceedingly provincial in nature. The corrections program was in disarray and disrepute and for a good reason. The police departments around my home State were struggling hard but were largely undermanned, undertrained, and unprofessional. Juvenile justice programs were practically nonexistent.

At about the time I became a judge, the Law Enforcement Assistance Administration was beginning to make its presence felt in my State. Just as I began to work for court reform in Alabama, others within corrections, on police forces around my State, and citizens concerned with the rehabilitation of young people in trouble began to mobilize efforts to modernize and improve, or in some instances, create new programs to expand the administration of justice in Alabama. All of these programs were touched by the Law Enforcement Assistance Administration and in a large measure they owe their very existence to grants from this program.

Admittedly, in some cases, the money was not wisely spent. Nevertheless, we learned as we went along and before many months passed, the positive effects of this investment began to bear fruit. Within my State our police departments became professionalized. Our corrections system became professionalized. Juvenile justice programs were established around my State and began to pay dividends.

In the area of primary concern to me at that time, the State court system, great strides were made. We were able to pass a new judicial article to our State constitution which completely revamped our State court system bringing our court system into the 20th century and preparing the way for the courts on into the 21st century. These results could not have been achieved had it not been for the LEAA program.

Mr. President, yesterday the Judiciary Committee reported S. 241, the Justice System Improvement Act. This legislation represents the distillation of a great deal of debate over the nature and scope of the LEAA program over the past decade. The committee recognized that the fundamental responsibility for the control and prevention of crime rests with the State and local governments. But, we, at the Federal level can and should make an important contribution in the area of training and research, in the area of collection and evaluation of crime statistics, and in the area of controlling crime with interstate aspects. For the LEAA to accomplish its mission, however, it must be adequately funded. Mr. President, the administration has proposed an austere budget for the LEAA of only $536 million. This represents a drastic cut in LEAA funding over the current year's funding level and even the administration's figure would spell an end or a reduction to many important programs which State and local governments are in the process of executing right now.

The Judiciary Committee has recommended a budget of $700 million which is slightly larger than the budget authorized for the current year, but which is necessary if the programs to be established by the revised and restructured LEAA program are to be fully effective.

Mr. President, for reasons which are not entirely clear to me, the Budget Committee has inexplicably slashed the LEAA budget to a bare bone $400 million in budget authority and $600 million in outlays. Mr. President, if the Judiciary Committee's recommendation is not accepted or if the alternative recommendations of Senator KENNEDY are not accepted by the Senate, then in my State and probably in the State of every Senator in this room programs that are vital for the welfare and safety of our people will be curtailed or eliminated.

We are talking about programs which have taken young people off the streets and put them into useful and productive careers. We are talking about programs that have improved our police departments and our corrections programs immeasurably. We are talking about programs that have caused our courts to become more streamlined, more modern, and more efficient.

Mr. President, in my judgment, we cannot afford to turn our backs on our State and local governments at this critical juncture. The great strides that have been made in my State and which I know have been made in almost every State in the Union, must be allowed to go forward. Although I am a strong supporter of any movement toward fiscal responsibility and even though I am the sponsor of an amendment which would require us to balance the Federal budget under a constitutional mandate, I feel that we must be careful with the programs which we decide to cut. Although many programs probably deserve to be cut down or eliminated in their entirety, certainly the Law Enforcement Assistance Administration is not one of them. I urge my fellow Senators to give their support to the amendments which would restore at least the LEAA budget to a more reasonable level.

The statement which has been made and which appears in the written document which has been passed out to me is the most persuasive argument of the effectiveness of the LEAA program. That is the statement there has been only 3 percent of total State and local criminal justice expenditures that can be related to LEAA.

I challenge any Member of this body to point out a Federal program where 3 percent has brought the benefits that the LEAA program has brought to the administration of criminal justice in this country.

As I said, I had the experience of going through a court reform procedure. It could not have been accomplished without LEAA. The police forces of this country, since the passage of the Omnibus Crime Control and Safe Streets Act in 1968, have become greatly professionalized. The correctional systems have been improved. The juvenile justice program has been greatly improved in this Nation. In my judgment, we are making a great mistake by not going back to the present allocation that the present expenditures make. I am willing to support at this time the position of Senator KENNEDY.

Mr. KENNEDY. Mr. President, I yield to the Senator from Delaware for 2 minutes.

Mr. BIDEN. Mr. President, I want to address the very difficult questions we now confront regarding the proper level of funding for the Law Enforcement Assistance Administration in the first concurrent resolution on the budget for fiscal year 1980.

I appreciate and understand the rationales and motivations behind the range of LEAA budget proposals that my colleagues have suggested and will suggest. I feel, however, that as chairman of the Judiciary Committee's Subcommittee on Criminal Justice, as a member of the Judiciary and Budget Committees, as one who has held several days of hearings on LEAA and spoken with LEAA officials, and as one who has taken a strong interest in LEAA's development over the past decade, I can help to orient the Senate in our evaluation of the LEAA program.

On the night of the Budget Committee's vote to fund LEAA at $400 million in the next fiscal year, I introduced a motion which would have shrunk the agency even farther. My motion would have provided only $100 million to LEAA for fiscal year 1980. Of course, there are other members of the Budget Committee who would like to eliminate the program altogether.

I would like today, however, to argue for a budget authorization for LEAA the same as that recommended by the President, $546 million.

It was my intention in introducing the Budget Committee motion to authorize LEAA at $100 million to eliminate the agency's block grant activities. Distinct block grant systems for each of planning, general criminal justice, juvenile justice, and correctional functions account for over $400 million in LEAA's fiscal year 1979 budget. The evidence available to me indicated that these parts of the LEAA program, while accounting for billions of dollars of expenditures since LEAA's establishment in 1968, had not been very effective.

It is true that in some jurisdictions, these block grant funds have enabled State and local criminal justice agencies to institute innovative and often successful projects, but by and large, they have not induced criminal justice improvements commensurate with their size. A 1975 survey of 350 State and local officials found that less than 8 percent believed LEAA grants were a great success in combating crime.

LEAA itself did little to track and evaluate the activities funded by this outflow of hundreds of millions of dollars each year. A variety of GAO reports and numerous internal LEAA task forces and work groups argued that LEAA should reform its evaluation practices and put a larger portion of its budget into them. In spite of this, however, a 1976 GAO study found that of the 3,821 LEAA funded projects that it reviewed, only 649 (17 percent) had been evaluated. Of the evaluations that GAO examined, only 16 percent were considered to assess adequately the projects outcome or progress toward a goal. A further GAO study in 1978 found that evaluation projects generally did not meet needs, were inadequate in number, and of questionable quality.

In short, considerations such as these, 10 years of interest in the program, and 1 year of oversight jurisdiction and hearings in the Criminal Justice Subcommittee convinced me that billions of dollars of LEAA block grants had not made much of a contribution to the state of criminal justice in this country. LEAA's block grant activities had proven themselves diffuse and unstandardized. Instead of being focused on the most serious, fundamental problems in the police, courts, and corrections systems, they were dispersed over a vast field of dissimilar problems. Some of these problem areas were important. Others were not. In any event, they were problems that the State and local governments should have funded.

In contrast to this, however, LEAA has left a strong imprint in some of the most progressive and positive development in criminal justice. Improved crime analysis and investigative practices, career criminal projects, unified court systems, court administration techniques, and important correctional programs all depend on LEAA for their support and design. They stem, however, from LETT's discretionary grants and from the agency's national research and statistical activities.

When I argued in the Budget Committee for authorizing only $100 million for LEAA for the next final year, I wanted to keep only this core of essential and successful criminal justice activities—a core consisting in research, statistics, and demonstration projects and which would cost approximately $100 million based on fiscal year 1979 expenditures.

Since the night of the Budget Committee vote, however, the LEAA bill has gone through a variety of changes. Yesterday, the Judiciary Committee voted out the LEAA bill, the Justice System Improvement Act of 1979, and agreed to accept an amendment which I proposed to focus the agency's activities more on the most fundamental problems in America's police, courts, and corrections systems. Because the LEAA bill now includes not only this amendment but amendments offered by my Judiciary colleagues Senators HEFLIN, LAXALT, THURMOND, and MATHIAS which together provide a clearer focus to the program, I would like to argue that we fund LEAA at $546 million, President Carter's request, for the next fiscal year.

What my amendment does is require the Director of the Office of Justice Assistance, Research, and Statistics (the proposed successor to LEAA) to submit a "sunset" report to the Judiciary Committees of the Senate and House, at the end of 4 years. This sunset report would be an analysis of LEAA's contribution toward dealing with 18 measurable problems in the Nation's criminal justice system. The intention has been to select for this report only fundamental, perennial problems in each of the police, courts, and corrections systems.

Included in this list are such things as improving law enforcement agencies as measured by arrest rates or the hourly productivity of police officers, reducing the time between arrest or indictment and disposition of trial, increasing the rate at which prosecutors obtain convictions against career criminals, and reducing the rates of violence among prison inmates.

Under the terms of this sunset report would be used by Congress and the President in determining whether LEAA's grant activities should be continued if there has not been a "substantial contribution" made in a majority of these 18 specific areas.

This amendment would achieve three important objectives. First, it would require LEAA to assemble a comprehensive, intelligible analysis of the state of American criminal justice in 18 central aspects (something we now lack). Second, it would induce the LEAA administration and program participants to apply LEAA resources to essential and not petty uses. Third, it would require vigorous evaluation of LEAA funded programs.

The terms of this amendment would mean that Congress wanted LEAA "to put up or shut up" in these 18 major, problem areas. This sunset report amendment provides a specific statement of congressional objectives. It enables us in Congress to point to specific problems and say that LEAA is spending money to solve these. This would be very different from the past when LEAA's stated purpose was the amorphous, useless generality of "improving criminal justice." It enables us to say exactly what we mean by "improving criminal justice."

Mr. President, I recommend to my colleagues that we seriously consider inclusion of goal specifications such as that contained in my LEAA sunset report amendment in all legislation authorizing grant-in-aid programs. This is especially true now when the need for reducing Federal spending is widely and strongly felt. Surely we must cut Federal spending, waste, and interference.

However, we are often confronted with a lack of objective measures by which to evaluate and prioritize these programs. I feel certain that by including specific objectives in authorizing legislation we will produce either of two situations. Either evaluation and statistics will show a program to be ineffective as compared to its objectives, in which case no amount of lobbying and self-interested obfuscation will conceal this fact, or they will show the program to be successful, in which case no amount of indiscriminate rhetoric about cutting back all government will detract from this success.

I hope that by submitting a sunset report in 4 years LEAA will be able to show itself to have been successful in contributing to improvements in 18 of the most serious problems in criminal justice.

Given the pervasive plague of crime and the urgent problems of the criminal justice system, I feel strongly that a focused program of Federal assistance is worth at least what the President requested. I urge the Members of the Senate to authorize $546 million for LEAA for next year.

Mr. President, as I said, I support the increase notwithstanding the fact that it was I in the Budget Committee who introduced the motion to cut LEAA. The reason I did at that time is because I felt then that the legislation was not meeting its objectives; in a sense, it did not state the objectives of the LEAA. As it was functioning to date, it was not a wise expenditure of the dollars and cents of the American taxpayers and the Federal Government.

As recently as yesterday, a series of amendments, in addition to a fundamental rewriting of LEAA, was passed by the Committee on the Judiciary. At the time that I introduced the motion to reduce LEAA's budget, that had not been done and there was serious question as to whether or not it would be done. All the objections which Senator BELLMON read with regard to the LEAA program were objections that others and I raised and some additional ones.

But we have, I think it is fair to say, in the new legislation, which I anticipate Congress will accept, dealt with almost every single one of those objections, where the program has been tightened significantly. We have dealt specifically with the question of whether or not LEAA has a set of objectives and a specific agenda. Consequently, Mr. President, I think moving back to the President's budget of $500 million is wise and useful, because with the new legislation, with the new constraints which Senator KENNEDY, in rewriting the bill, put upon the LEAA organization, I think we shall have corrected those ills that were cited earlier. Consequently, I should like to suggest to my colleagues that the increase of $100 million back up to the $500 million figure is a reasonable one.

I see the Senator from Oregon standing. I sincerely hope he will not do that awful thing of reminding me of what I said last week.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, who has time?

Mr. BELLMON. How much time is remaining to the sponsor of the bill?

The PRESIDING OFFICER. Ten minutes remain on the amendment.

Mr. BELLMON. I yield time to the Senator.

Mr. PACKWOOD. Mr. President, I can assure the Senator from Delaware that I have forgotten what he said last week. I do not intend to bring it up again.

LEAA is a gigantic, revenue-sharing State crime control program. My attorney general in Oregon used to laugh with me when I would go back and see about rewriting the general revenue sharing hopes into LEEA grants. If we want revenue sharing, that is fine. I support it. It is a fine program. But do not disguise it under LEAA.

It is not innovative, it is not imaginative, it has not stopped crime, it has not done anything it was supposed to do when it was founded. It should not be cut back; it ought to be abolished.

It does not meet one criterion of what it was hoped it would do when it was founded. Now we are trying to find new standards to justify a program that should have been abolished years ago. I hope this increase will not be accepted.

Mr. KENNEDY. I yield to the Senator from Maryland.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. KENNEDY. If I may have the attention from the Senator from Maine, there are just 2 minutes. Will he yield some time?

Mr. MUSKIE. Yes, I yield 2 minutes.

Mr. MATHIAS. Mr. President, Thomas Jefferson once observed that "the purse of the people is the real seat of sensibility." As elected officials, the purse strings of the American people are in our hands—and in this inflationary period, that is a weighty responsibility.

Inflation is probably the most talked about topic in America today. But I say to the Senator from Oregon, crime follows closely on its heels. In the interests of curbing inflation, Government spending must be curtailed. At the same time, it is important that we recognize the consequences of limiting government expenditures in certain key areas. Money must be spent prudently with an eye to cost-effectiveness.

Let me cite two impressive examples of cost-effective programs funded by the Law Enforcement Assistance Administration.

I think if the Senator from Oregon is

looking for some examples, we could cite a number, but just these occur to mind.

Between 1974 and 1979, $4.7 million was spent on 66 antifencing, or "sting" programs. This $4.7 million outlay resulted in the recovery of over $135.7 million worth of property. Just yesterday the Washington Post and the Washington Star reported the return of Rembrandt's "A Rabbi" to French Ambassador Francois de Laboulaye. This painting was recovered last year in a "sting"-type operation by the FBI, which is the very kind of innovative program which the LEAA has supported and fostered.

Thirty-six federally funded career criminal programs costing a total of $19 million resulted in the identification and prosecution of 8,509 defendants between May 1975 and December 1978; 93.9 percent of these defendants were convicted for 12,881 crimes. Although it is difficult to quantify exactly what this conviction rate means in terms of dollars saved, I think we would all agree that the money spent on such programs has resulted in substantial benefits for the criminal justice system and for the American people.

Commonsense demands that we take a cost-effective approach to spending.

It is not good commonsense to strip funding indiscriminately from the only comprehensive program of Federal assistance for criminal justice improvements at the State and local level, the Law Enforcement Assistance Administration. Nor is it good commonsense to fund critical programs at a level so low as to render them virtually ineffective.

Yet that would be the effect of the recommendation of my colleagues on the Senate Budget Committee.

Without question, the life of LEAA has been a turbulent one. Those who have studied the track record of the agency carefully, however, conclude that the results of LEAA's efforts in recent years have been neither as bad as its opponents charge nor as good as its proponents claim. Certainly there have been problems. There have also been successes. I believe that we have learned from the past. We can make improvements and I think we will. We must, because a program of Federal assistance for State and local criminal justice improvements is desperately needed. But to be effective, it must be funded adequately.

The drastic budget cut reported by the committee may well have grave repercussions for ongoing, successful LEAA-supported programs. It may seriously impede progress in the field of criminal and juvenile justice. Finally, it threatens the goals of S. 241, the Justice System Improvement Act, which reauthorizes and restructures the Law Enforcement Assistance Administration.

I am convinced that S. 241, reported favorably yesterday by the Judiciary Committee, is a good bill. It reduces significantly the redtape which has clogged the channels of communication between the States and LEAA in the past. Local governments will have greater control over the disposition of funds, while large cities and counties will be guaranteed a fixed share of funds. And equally important, programs which have proven to be effective will be given greater emphasis than in the past.

Now, more than ever, State and local criminal justice systems need the support of the Federal Government. As a result of numerous proposals to improve the efficiency of the Federal judicial system, it is likely that in the near future local governments will be expected to assume responsibility for certain matters previously handled at the Federal level. This alone poses an obvious burden for State and local criminal justice systems. To deny them the benefit of adequate Federal aid at this time could well be catastrophic.

The proposed reduction in LEAA funding seems to be premised on the assumption that State and local governments are capable of assuming the burden of a Federal cutback. But the Federal Government does not have a monopoly on budgetary problems. The Judiciary Committee has been told again and again about the financial problems plaguing State and local criminal justice planners. We must not forget this crucial factor. While financial restraint is an admirable goal, it must be sought in a responsible manner. The reduction in LEAA funding approved by the Budget Committee fails this test.

Mr. DANFORTH. Mr. President, could I have 1 minute in opposition to the amendment?

Mr. MUSKIE. Yes, I yield the Senator 1 minute.

Mr. DANFORTH. Mr. President, it was my misfortune to spend 2 years of my life as chairman of the Missouri law enforcement assistance program. On the basis of that experience, in which I struggled vainly, and spent about half my time trying to bring order out of this chaotic program, I can tell the Senate that I relish the opportunity to vote against this amendment. [Laughter.]

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Will the Senator yield me 2 minutes?

Mr. MUSKIE. I yield 2 minutes to the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I rise in strong support of the amendment offered by the distinguished chairman of the Judiciary Committee (Mr. KENNEDY) to restore the fiscal year 1980 budget authority for the Law Enforcement Administration to $546 million, the level recommended by the President.

As my colleagues may know, the 96th Congress later this year will consider legislation critical to the future of the Federal role in assisting States and localities in the war on crime in America. S. 241, the proposed Justice System Improvement Act, which I understand will be reported by the Judiciary Committee in the very near future, will reorganize and restructure the Law Enforcement Assistance Administration. Under the provisions of S. 241, many of the longstanding deficiencies of the overall LEAA program will be corrected, thus making LEAA more efficient and productive in assisting our local governments in crime prevention and criminal justice system improvement programs.

I am optimistic, and I know many of my colleagues will join me in this feeling, that the enactment of the LEAA reorganization bill will be a necessary new beginning for the Federal commitment to assist the Nation in the struggle to combat crime.

However, Mr. President, if we allow the budget for the new LEAA program to be reduced to $446 million for fiscal year 1980, the level which has been recommended by the Budget Committee, we will be seriously damaging the already limited Federal role in local crime prevention. It is clear, I am afraid, that the important and long overdue improvements in the LEAA program which will be made through the enactment of the Justice System Improvement Act, simply will not work if we permit LEAA's budget to be slashed by a whopping $100 million.

As the distinguished Senator from Massachusetts has said, all of the substantive reforms envisaged in the LEAA reorganization bill, which will substantially reduce bureaucratic redtape and provide new formulas and priorities to target LEAA money to local areas of greatest need will be undercut if we do not furnish the agency with the kind of financial support we know it needs to give it a fighting chance to work.

Mr. President, since the creation of LEAA under the Omnibus Crime Control and Safe Streets Act of 1968, the agency has been severely criticized by the Congress and the American public for not making significant progress in reducing crime and delinquency in this country. Critics of LEAA have charged that the agency has, in its 10-year existence, only subsidized the ineffectual criminal justice system it was created originally to reform. This persistent and wholly warranted criticism of LEAA has led members of the administration and some of our colleagues to call for drastically reduced funding of LEAA. In essence, I believe they are calling for the phasing out of the Federal role in crime control and criminal justice improvements.

I, too, Mr. President, have been critical of the overall effectiveness of LEAA over the years. Indeed, it is my view that the agency has failed to provide the national leadership that is needed in order to foster significant improvements in our criminal justice system. However, I strongly believe that giving up on the LEAA program of assistance to State and local governments—and that is what we will do if we allow this reduced budget authorization to carry—is certainly not the answer to the crime problem in this Nation, which, as we all know, continues to worsen.

Mr. President, I need not recite the results of national opinion polls which clearly indicate that crime across the Nation is one of the greatest concerns of a majority of Americans. I am sure that Senators are fully aware of public opinion on crime nationally and within their individual States. But I will say this: The people of Hawaii have indicated to me through post cards, letters and opinion polls that crime to them is of grave concern, a domestic concern even equal to that of inflation. I might emphasize that we in Hawaii have never had a crime problem similar to comparable areas on the mainland. Nevertheless, we have been experiencing steady increases in crime over the last several years. From 1975 to 1978, robberies were up in Hawaii by 40 percent; aggravated assaults were up by 13.5 percent; burglaries were up by 10 percent; larceny was up by 30.6 percent; motor vehicle thefts were up by 13 percent; and forceable rapes were up by 7.9 percent. Our State, which in terms of economy is dependent to a great degree on a health tourism industry, cannot afford to lose control of crime.

Like other States, Hawaii has responded to these increases in crime by developing successful new programs with LEAA grant assistance, such as career criminal and victims/witness assistance programs, and innovative "sting" operations, among others.

However, Mr. President, many of these State and local criminal justice programs are seriously threatened by budget cuts at LEAA. There is no doubt in my mind that a majority of Hawaii's LEAA supported programs will be scaled down or will die under the budget for LEAA recommended by the Budget Committee. The lightly populated outer island counties of Hawaii will be particularly affected by this action, because these rural jurisdictions do not have the money to fund criminal justice programs on their own.

I have in my hand, Mr. President, a telegram which I just received from Mr. Boyd Mossman, president of the Hawaii Prosecuting Attorney's Association, eloquently expressing the deep concern of my State's prosecutors over the reduced budget authority recommended for LEAA by the Budget Committee. As a former Prosecuting Attorney for the city and county of Honolulu, I know that these local officials are at the front lines of our criminal justice system, and I certainly respect their opinions. Reading from this telegram, Mr. Mossman says:

> Just as inflation is running rampant, so is crime, and it has been doing so for some time. Without adequate Federal assistance, State and local efforts to combat crime will naturally be hampered. We recognize the myriad of other Federal programs requiring funding, but hope that efforts against crime in America will be given the priority needed for the safety and security of each individual of our counties, States, and Nation.

Mr. President, I find it unconscionable for the administration and the Congress to budget cut at the expense of the only major Federal program providing needed financial and technical assistance to States and localities for law enforcement and criminal justice initiatives. Certainly, if the people of my State could speak here today, they would support the Congress' efforts to balance the Federal budget and hold the line on Government spending. But I am also certain that my constituents would strongly oppose the curtailment of the Federal role in the war on crime, which is reflected in the Budget Committee's recommendation for LEAA.

With the enactment more than 10 years ago of the Omnibus Crime Control and Safe Streets Act, the Federal Government made a firm commitment to State and local governments to strengthen and improve law enforcement and criminal justice at every level. A commitment was also made to the American people that through the cooperation of Federal, State, and local governments, our streets and neighborhoods would again be made safe. We must not abandon these commitments at a time when we are about to correct the deficiencies of LEAA, and set the agency on a new course, which will finally allow it to make a more meaningful contribution to the war on crime.

Mr. President, for these reasons, I strongly urge my colleagues to support the amendment offered by the Senator from Massachusetts.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. Moynihan), the Senator from Mississippi (Mr. Stennis), the Senator from Illinois (Mr. Stevenson), the Senator from Alabama (Mr. Stewart) and the Senator from Michigan (Mr. Riegle) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

On this vote, the Senator from Louisiana (Mr. Long) is paired with the Senator from Alabama (Mr. Stewart). If present and voting, the Senator from Louisiana would vote "yea" and the Senator from Alabama would vote "nay."

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy), the Senator from New Mexico (Mr. Schmitt), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Zorinsky). Have all Senators voted?

The result was announced—yeas 38, nays 46, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—38

Baker
Baucus
Bentsen
Biden
Bradley
Burdick
Chiles
Cochran
Cohen
Culver
DeConcini
Dole
Durenberger
Ford
Hatfield
Heflin
Inouye
Javits
Kennedy
Laxalt
Leahy
Levin
Mathias
Matsunaga
McGovern
Metzenbaum
Pell
Pressler
Randolph
Ribicoff
Sarbanes
Sasser
Stevens
Thurmond
Tsongas
Wallop
Young
Zorinsky

NAYS—46

Armstrong
Bellmon
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Cranston
Danforth
Domenici
Eagleton
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Lugar
Magnuson
McClure
Melcher
Muskie
Nelson
Nunn
Packwood
Proxmire
Pryor
Roth
Schweiker
Simpson
Stone
Talmadge
Tower
Warner

NOT VOTING—16

Bayh
Chafee
Durkin
Gravel
Long
Morgan
Moynihan
Percy
Riegle
Schmitt
Stafford
Stennis
Stevenson
Stewart
Weicker
Williams

So Mr. Kennedy's amendment (UP No. 92) was rejected.

UP AMENDMENT NO. 93

(Purpose: To increase budget authority and outlays in the income security function (600))

Mr. CHILES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Florida (Mr. Chiles), for himself, Mr. Kennedy, Mr. Chiles, Mr. Church, and Mr. Eagleton, offers an unprinted amendment numbered 93.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 24, strike "$532,500,000,000" and insert "$532,800,000,000".

On page 2, line 25, strike "$575,800,000,000", and insert "$576,100,000,000".

On page 3, line 1, strike "$614,500,000,000", and insert "$614,800,000,000".

On page 3, line 5, strike "$28,900,000,000", and insert "$29,200,000,000".

On page 3, line 6, strike "$400,000,000", and insert "$100,000,000".

On page 3, line 7, strike "$500,000,000", and insert "$200,000,000".

On page 8, line 17, strike "$183,700,000,000", and insert "$184,000,000,000".

On page 8, line 20, strike "$201,600,000,000", and insert "$201,900,000,000".

On page 8, line 23, strike "$221,200,000,000", and insert "$221,500,000,000".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. ROBERT C. BYRD. Mr. President, I wonder whether the Senator would be agreeable to limiting the time on this amendment to 30 minutes, equally divided.

Mr. CHILES. That would give us 15 minutes to a side. That is agreeable.

Mr. ROBERT C. BYRD. I make that request, and I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHILES. Mr. President, I offer this amendment on behalf of myself and Senator KENNEDY, Senator CHURCH, and Senator EAGLETON.

I feel that the committee has done an excellent job in trying to balance the human needs and the necessity of reducing Federal spending. However, in this one area of social security, I think the committee has assumed too great a reduction. Therefore, we are proposing to restore $300 million to the income security function—that is function 600—for the years 1980, 1981, and 1982.

We have developed these numbers in a way to not upset the committee's critical goal of balancing the Federal budget in 1981.

Each of us has our own assumptions about how these spending levels should best be reached.

But it is my feeling that in trying to assume $600 million worth of savings it is going to be impossible for Congress to enact all of those particular savings proposals.

It is clear to me that some reduction of unnecessary benefits is going to be necessary in order to protect the fiscal integrity of the social security trust fund. However, there are only so many ways of getting there. We have been presented lists of proposed reductions by the President and others to achieve the level of savings assumed by the Budget Committee. But as I looked at those lists, it seemed to me that most of the items would impose unfair burdens on retired people. In most areas of the budget you can assume an overall level of savings and assume that you will cut a little from this program, a little from that, to get your savings. In social security you have to think of a list of benefits to individuals which you are going to eliminate or alter. That is why, when the Budget Committee was writing the resolution, I offered a motion for the reduced level of savings which is reflected in this amendment. Unfortunately the committee went all the way up to the President's level of savings in 1980. I just do not see any acceptable way to achieve those savings.

One proposal which I find totally unacceptable is elimination of the $255 lump sum death benefit which is paid when an insured person dies. While elimination of this benefit would save $200 million in 1980, benefits to cover the cost of burial are a critical factor in how an elderly person faces his retirement years. Eliminating that payment would give older people a tremendous feeling of insecurity, and feel that we had gone back on a critical benefit we had promised them.

Mr. BENTSEN. Mr. President, could we have order?

Mr. DOMENICI. Mr. President, we cannot hear the Senator.

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

Senators will please take their seats or retire to the cloakroom for their conversations.

The Senator from Florida.

Mr. CHILES. I happen to think that is going to be a very hard benefit for Congress to knock out. I think it would cause an awful lot of our elderly citizens to feel that we were going back on committments that we have made to them.

Another provision is to eliminate the benefits to parents under age 62 when their child reaches age 16 instead of age 18, as provided in current law. To me that places an intolerable burden on widows who have no means to support their children between age 16 and 18, when they are mostly in school.

On the other hand, there is a proposal to make some savings to eliminate the college benefits for children from the time that they are 18 and over 18, and this might well be something that we can do. I am not sure whether Congress is going to be able to limit that benefit by the year 1980. That means that those people who are ready to put their children in school this next year would lose those funds. So I feel that would be more realistic to say that you are going to eliminate that in 1981.

We have another provision that would offset the amount of social security benefits paid to Federal retirees. I happen to think something needs to be done in that area, but we have a study underway now, a Presidential study looking at that area, and I doubt very seriously if Congress is going to act until that study reports back in regard to the levels of payments.

In addition, it would seem unwise to go ahead with the proposal to offset the amount of social security benefits paid to Federal retirees at this time, since the entire relationship between social security and Federal retirement systems is very complex, and a congressionally mandated study of that relationship is underway. Some other proposals have been suggested for eliminating retroactive payments to persons who do not file until past their date of eligibility, or to hold off payments until the first full month of retirement. Either of those would leave people without payments for some period.

So again we are trying to assume that we are going to get $600 million worth of savings right away I think is just assuming too much.

I made this same move in the committee but somehow the majority on the committee felt that it was going to be possible to obtain this kind of savings, but it seems to me that we have a strong commitment to our senior citizens that we are going to stand behind the social security and I think their benefits, and I think there is a lot of insecurity out there now as to what is going to happen and I think that we could be sending the wrong signals if we went into a program in this kind of depth.

Finally, I am strongly opposed to any proposal to place a cap on the level of cost-of-living adjustments provided to retirees. Active workers can bargain for full cost-of-living increases, but the indexing provisions of social security and Federal retirement are the only protection against rising prices for the elderly. Capping those adjustments would therefore place a disproportionate burden of inflation on retirees.

I believe this list of objections demonstrates why we need to restore some money to this part of the budget.

I do believe we can improve the financial position of the social security trust fund by phasing out some benefits which have outlived their original purpose and which are duplicated by other Federal spending programs. These reductions would not place a burden on the elderly.

In fiscal terms, the major savings proposal is phasing out the extra benefit to students if they stay in school between ages 18 and 22. Benefits to survivors who are not in school stop after age 18. The student benefit was added before we had any general Federal aid program for postsecondary education. Since then, Congress has adopted the basic educational opportunity grants program, on which we are now spending over $3 billion a year. We spend over $5 billion total for aid to higher education. I have supported high levels of funding for those programs and will continue to do so. But as we start new programs and try to target them to persons with the greatest financial need, we have to trim back some old programs. My figures do not assume total elimination of the student benefit, but a 4-year phasedown, with offsets by other programs. Most importantly, I do not assume that the phasedown will begin until 1981, so that students will have time to plan. A second reform which I have supported is elimination of the minimum benefit for new applicants only. That benefit was started when a lot of people with low earnings would have received less than $10 a month and the paperwork would have cost more than the benefit.

Since then, Congress has created a special minimum benefit (which I support) for workers with a long history of low wages. The outmoded provision which I think we should eliminate is the one that allows someone who retires from the civil service or military to work a minimum number of quarters in private employment and collect $122 a month of social security on top of their Federal pension.

Finally, it has become clear that the disability insurance program has major problems both in its legislative provisions and in the way it is being administered. The benefit structure discriminates between old and young persons and can even provide benefits that exceed predisability earnings levels. The House Ways and Means Committee has already reported a reform bill and I believe the Senate will act this year. While many provisions will be worked out in Congress, I think it is reasonable to assume the overall amount of savings in disability insurance that were proposed by the President.

Mr. President, I have gone through

this discussion to show why I think some level of savings from current law is desirable in this function, but why I think some restoration is necessary. My other cosponsors may have different assumptions, but we have come together on a reasonable overall level of spending which I hope the Senate will accept.

Mr. President, I ask unanimous consent to print in the Record a fact sheet on the social security amendment to the first budget resolution.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

Fact sheet: Social security amendment to first budget resolution; Senators Chiles, Domenici, Kennedy, Church, Eagleton.

Adds to function 600 (income security) $300 million in outlays for fiscal years 1980, 1981, and 1982. No change in budget authority.

	1980	1981	1982
Function 600 total:			
Committee recommends	183.7	201.6	221.2
Amended total	184.0	201.9	221.5
Mission 1: General retirement and disability insurance:			
Current law	122.7	138.3	151.9
President's budget	−.6	−1.7	−2.9
Committee cut	−.6	−1.2	−2.1
Amendment restores	+.3	+.3	+.3
Amended reduction from current law	−.3	−.9	−1.8

Mr. CHILES. I reserve any time that I have remaining.

Mr. MUSKIE. Mr. President, I am beginning to understand more today the high political risks I assumed when I took over the job as chairman of the Budget Committee, and I would be delighted to accept the rationale for this amendment, as it would make it possible for me to accept it. But I simply cannot, and I can only give the Senate my frank and honest evaluation of what it means.

We are led to believe that this amendment would restore 60 percent of the social security reductions assumed by the Budget Committee in this function. While in fiscal year 1980 this would be the case, since this amendment would restore $300 million of the $500 million in reductions assumed in the budget in fiscal year 1980, this amendment would restore only 25 percent of the cumulative savings assumed in the budget over the next 3 years. In other words, this amendment does not restore most savings. It merely postpones them 1 year.

While this amendment contemplates benefit cutbacks of only $200 million in fiscal year 1980, these reductions would quadruple in fiscal year 1981, an election year, and double again in fiscal year 1982.

I do not have to remind Senators how unlikely it is that Congress will vote to quadruple social security cutbacks in an election year.

For this reason, this amendment is, in all candor, a Trojan horse. It promises to preserve budget balance in fiscal year 1981 on the premise that Congress will do what we know it will not do, enact greater benefit cuts in an election year. And if it will not do that, the effect of this amendment is to threaten the budget balance that the Budget Committee has reported to the Senate for fiscal year 1981.

Furthermore, this amendment would not even achieve the level of savings reccommended by the Finance Committee. In its March 15 recommendation to the Budget Committee, the Finance Committee recommended savings for income security programs within its jurisdiction of $700 million in fiscal year 1980. If this amendment is adopted this budget would call for savings in these programs of only $600 million, $100 million less than recommended by the Finance Committee.

The practical effect of this amendment would be to eliminate practically all of the social security savings assumed by the Budget Committee. Given the House Budget Committee version of the first budget resolution, the House assumes only about $60 million in savings in social security programs as compared to the $500 million assumed by the Senate Budget Committee.

So this amendment is likely to lead to an even greater addition to the deficit than just $300 million by compromising the Senate conference position in advance.

So, to repeat, the adoption of this amendment would threaten the spending pattern recommended by the Budget Committee to balance the budget in fiscal year 1981 and fiscal year 1982.

May I say this in addition, that none of the reductions assumed by the Budget Committee would affect the fundamental protections the social security system was designed to provide.

In a program in the magnitude of social security, about $117 billion in fiscal year 1980, the savings assumed by the Budget Committee are relatively small, less than one-half of 1 percent of the program.

No program is sacred and above receiving regular legislative review from Congress.

The assumed reductions are reasonable in the light of the important competing concerns over the status of the national economy.

May I remind Senators that inflation impacts upon elderly citizens as severely as any other element of our population, and we have learned, I would hope, in the 3 days that we have been considering this budget that there is no way to balance this budget by finding some universally unpopular program to assume all of the cuts that must be taken in order to achieve balance.

I hope we have learned that in order to balance the budget we have to take relatively small cuts in a lot of popular, worthy, meritorious programs in order not to impose too heavy a burden on any single program but to share the burden of reductions among a lot of meritorious programs.

I could have voted in terms of my heart and my feelings of compassion and my reaction to the merits of a lot of the programs that Members would like to increase. But it simply is not possible and at the same time meet the mandate that the Senate imposed on us, and may I remind Senators that when the Debt Ceiling Act was before us there were a lot of Senators who argued that the approach of going through the Budget Committee to achieve balance was too moderate.

It was necessary to mandate a balance then and there before we could see the impact upon specific programs. We were soft on a balanced budget by adopting the formula that we finally adopted, which said to the Budget Committee, "You produce balance in each of 2 years, and let us look at it."

Well, we have done what you told us to do. We have done exactly what you told us to do. We provided a balance for 1981. We produced one for 1982, and we took the tougher of the two, 1981 instead of 1982.

Now we are beginning to get amendments to whittle away the small surplus we had provided for 1981.

This amendment, in all candor, and I have gone over it with staff and tried to see it the way of the sponsors who convinced themselves that it would not bust the budget in 1981, and my evaluation of it is as I have described it, and for me to support this amendment would be for me to vote to undercut and to threaten the balanced budget in 1981 to which I committed myself to the Senate to provide and to offer to this body, and that I will not do. So I will not support this amendment.

The PRESIDING OFFICER. The Senator from Massachusetts. Who yields time?

Mr. KENNEDY. Mr. President, will the Senator yield 5 minutes?

Mr. CHILES. Can I take just a couple of minutes, and then I will be delighted to yield.

I listened with interest to the chairman of the Budget Committee, and I do not want to dispute his assumptions. But the Budget Committee and the assumptions they made and the assumptions he is making are on the basis of the $600 million cut, that we have savings of $600 million in 1980, and those savings would grow to $1.2 billion in 1981, and that would grow to $2.1 billion in 1982, so he is assuming a growth or the committee was assuming a growth from 1980 to 1981 to 1982.

We are making the same kind of path. We are asuming $300 million in savings, a cut of $300 million, in 1980; $900 million in 1981, and $1.8 billion in 1982, and a lesser figure with exactly the same pattern.

So the arguments as to whether the committee is going to do something in an election year on savings are just as valid really to our amendment as they are to what the committee has done to start with.

What we are saying is we hope the Committee on Finance will come out with savings and we hope Congress will adopt those savings. We hope it will do it this year. But we think many of those savings, even if they put them in this year, some of them will not go into effect until 1981.

I am just not sure and I do not know whether you think we will cut out college benefits for children over 18 in the year in which they are ready to enroll in college, and I think it will just be tough to do. I hope they pass it. I intend to vote for it, and if Congress passes it we will have more savings. I am not sure it is a realistic thing to do, but I am sure the same cost savings we are talking about can work just as we are talking about in the kind of cut I am producing.

As to what the Committee on Finance said, the Committee on Finance in its letter to the Budget Committee said that they think they can make savings of $700 million, and they included the social security, and they also included all the welfare programs. It was a total of what they expect.

Now the Budget Committee took those figures of what the Committee on Finance said they hoped they would be able to do, and we have taken $400 million out of the welfare program. We have effected some cost savings in that. So that is $400 million of what the Committee on Finance said they thought they could save. If you take another $300 million—and that is what I am talking about in my amendment—4 and 3 make 7, and that is what the Committee on Finance said they felt was the savings total. Four hundred million dollars we have already taken in welfare, and I am saying we take $300 million out of this, not $600 million, because I do not think the Committee on Finance said to us that we are going to take $600 million out of this. I think they said $700 million out of the total program. So I think that is what we have done.

I will be glad to yield.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. The Senator from Florida has explained very well both the intent and the impact of this particular amendment. In it, we restore outlays of $300 million in each of the 3 fiscal years, 1980, 1981 and 1982 for social security programs. The point I would like to raise is that we have heard argued here that there should be no sacred cows. But we are not talking about sacred cows, only about proceeding cautiously in this area.

The fact of the matter is, Mr. President, that we are talking about the most vulnerable groups in our society. We are talking about the disabled, we are talking about the elderly, we are talking about the orphans who are covered by the social security system.

But there has not been much in hearings that I know about, either by the Committee on Finance or any other committee, on the ramifications of cuts in any of these particular programs. There have not been hearings on the various aspects of the programs, eligibility or benefits.

If we do not mitigate these cuts we risk playing Russian roulette with the people who are entitled to protection. The fact is that the Finance Committee, in its recommendaion to the Budget Committee, did not specify where cuts in the social security program should be made or even if cuts should be made in the social security program.

Nor did the Budget Committee say where the cuts should be made. During discussion, some suggestions were made about where they should not be made, but no positive warning was sounded.

The Commission on Social Security, which Congress set up in 1977, has not yet reported on their study of financing and benefits.

Mr. President, sudden and unguided changes should be avoided, where possible. It is possible to do it here. When the livelihood of the elderly, disabled, and orphaned is at stake, we should study the options first, make only the cuts which are least harmful and give the most time possible for adjustment.

Mr. President, under the social security system, there is a sense of reliance by people paying into the program over a long period of time.

The social security program is one in which people make contributions for their own coverage. In return, they are entitled to a fair set of benefits, which will fairly protect them from a loss of wages and the consequences of such a loss. This is an essential principle of this system. Changes and reductions in social security programs should be undertaken as cautiously as possible, creating the least harm to the recipients who had been counting on these benefits and giving as much notice as possible of cuts that may be made so that people may try to prepare for them.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. If the Senator will give me just 1 more minute, then I will yield.

A good example of the changes under consideration is one in which people would not begin getting old age benefits until the beginning of the next month after they hit the age of eligibility.

That is all well and good for people who are executives who can pick to retire at the end of the month in which they hit the right age, but for the neediest people it will create a real hardship. It seems to me such a proposal should be given the kind of attention and the kind of study it deserves.

Under the amendment offered by Senator CHILES, myself and others, we still see a reduction of $200 million from current law. The Senator from Florida has pointed out it is still going to be possible to balance the budget in the 1981 and 1982 years even with the acceptance of this amendment. But we will give the committees, the Committee on Finance and the other committees that have an interest in these matters, a better chance to review these programs so as not to make particularly hurtful cuts, and to choose cuts with the least traumatic effect.

I yield for a question.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. If the Senator will yield 1 more minute.

Mr. STONE. Has the Senator from Massachusetts noticed the cover of the current issue of U.S. News & World Report, dated April 30, on which the question is asked, which the Senator from Florida has heard all over his State, "Social Security—Will It Be There When You Need It?"

Is it not a fact that there are two feelings of uncertainty that people who are about to retire or have already retired have? One is that we will not properly fund social security, but the other is that we will legislate the benefits out of existence.

Mr. KENNEDY. The Senator is quite correct and the Board of Trustees of the Social Security Old Age and Survivors Insurance Trust Funds has reported that the fund is actuarially sound, so there is no crisis requiring many benefits out of existence.

There are a series of programs that have benefited people for a number of years. Those should not be scrapped, without understanding the ramifications.

Mr. STONE. What will that do to the confidence of the beneficiaries of the remaining parts of social security, when they see something like that?

Mr. KENNEDY. I think it will shake their confidence. I think an argument can be made that people have a sense of entitlement when they have paid in, and when altering the system the people's expectations are entitled to at least thoughtful consideration.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes, I am glad to yield.

Mr. MUSKIE. The Senator is aware, I am sure, that under the Budget Act we were careful to write provisions into the act, and even to change the dates of the fiscal year, to make it possible for the authorizing committees to prepare their programs by March 15.

The fact is that the committee held several days of hearings before markup, and the Finance Committee has recommended $700 million of savings before reporting to us.

We do not, as the Senator knows, hold markup hearings before the Budget Committee. That is the job of the authorizing committees. The Senator's argument is that before we can consider the First Budget Resolution, we must give all committees the opportunity to conduct extensive hearings on programs of the kind that are held year round, which would mean we would have to delay the first budget resolution until——

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. MUSKIE. Mr. President, I will take the time I have just used on my time, and continue to use my time, and not erode the Senator's time.

That would put us exactly where we were before the budget process. If we did not consider overall spending, or limitations on it, until every committee has had a chance to pass its authorization bills, or justify their cases, or the reverse of that, the Budget Committee would never recommend a change in the law as a way of reducing spending.

The fact is that 75 percent of the budget is uncontrollable. Because of contractual obligations and existing requirements of law, 75 percent of it is uncontrollable, as the distinguished Senator from Florida knows. So in order to get a balanced budget in 1981 we had to recommend changes in the law.

I do not know how we can have it both ways. Either we just drift along with the present division of 75 percent or more uncontrollable, with the Budget Committee powerless to recommend changes, and the Budget Committee will not be allowed to recommend changes until the authorizing committees have taken the weeks and months necessary to hold comprehensive hearings on all programs, or we continue the present system, in which the authorizing committees have until March 15 to give us their recommendations.

It seems to me that if the authorizing committees have given us their recommendations, we ought to have a right to rely upon those as thoughtful, considered recommendations. So I am puzzled as to what route the distinguished Senator from Massachusetts would want us to follow.

Mr. KENNEDY. I find, Mr. President, if the Senator will be good enough—since he is the only one with time left—to yield me 3 minutes, it does seem to me, Mr. President, that there is considerable difference between those programs which are authorized and appropriated for, and entitlement programs, in which individuals pay in over a period of years and have a sense that, because of law, they are entitled to certain benefits. Perhaps the Senator from Maine has a different view on that than I do.

Mr. MUSKIE. Will the Senator yield on that point?

Mr. KENNEDY. If I can just finish, I do think there is an important distinction between these matters. On the question of delaying the eligibility for social security for 1 month, for example, I think the American people have felt that they should be able to receive that benefit when they reach the age of eligibility; it has been in the law.

I certainly do not say that social security laws and benefits should not be changed. There may be outmoded benefits, there may be benefits that do not reach the right people.

But I am saying that this is an area in which benefits go to the elderly, the disabled, and the orphaned. This is an area in which people have paid contributions and have expectations.

And our amendment allows room for continuation of some more of the programs, and allows more time to decide which of the programs should be modified, and for people to adjust.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. KENNEDY. If I could finish my thought, just for 2 minutes, then I will be glad to——

The PRESIDING OFFICER. The Senator from Florida has no time remaining. The Senator from Maine has 3 minutes remaining.

Mr. MUSKIE. Mr. President, I had promised to yield to the distinguished Senator from Oklahoma. If I can use 1 minute, what the Senator from Massachusetts is saying——

Mr. KENNEDY. Could I have 1 more minute?

Mr. MUSKIE. Well, I only have 3 minutes left.

Mr. KENNEDY. Well, I think I did agree to a consent agreement requested by the majority leader for a 40-minute time limitation, but I cut my previous amendment down from 2 hours to 30 minutes, and I would like to ask unanimous consent to be able to continue for 2 minutes.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the distinguished Senator from Massachusetts be permitted to continue for 2 minutes.

The PRESIDING OFFICER. The Senator can yield time off the bill.

Mr. MUSKIE. I will be happy to yield the Senator 2 minutes off the bill, if that is permissible.

Mr. KENNEDY. The final point that I would make quotes the Senator himself, Senator MUSKIE, in introducing S. 2 on January 10, 1977. He stated:

> By applying the sunset concept to all programs, Mr. President, we have tried to insure that the process is neutral to all sides. The only exceptions we have made are for interest on the national debt and a handful of programs like social security, into which people have paid with the expectation of later benefits from the Government.

I do think this a somewhat special program. I appreciate the effort made by the Budget Committee. But it does seem to me that the more responsible course of action would be by voting for the amendment of the Senator from Florida.

Mr. MUSKIE. Mr. President, I yield myself 1 minute.

What the Senator is really saying to me is that no change should be made in social security, even though the children of the wealthy receive the same benefits as children of the poor in the case of a parent's death, and even though wealthy retirees draw higher social security benefits than low and moderate income individuals.

In other words, the assumption is that these benefits all go to the poor, for real needs that cannot otherwise be met, and that we should not look at it, and that the Budget Committee ought not to take any action at all that would press the appropriate committees of the Senate and Senators themselves to look at such situations.

I have been chairman of this Budget Committee long enough to know that rooting out all of the inequities, trying to make a program more equitable and more sharply targeted and focused upon the beneficiaries that we seek to benefit, is a difficult thing to do.

But I also think we have to try.

Mr. President, politically I am not really stupid. I understand that what I am saying here, the position I am taking, is not going to make many friends for me across the country. It would be much easier for me to accept the rationalization of the Senator from Florida. He is a good member of the Budget Committee. He is committed to it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. I will take 1 minute from the bill.

He is committed to it.

It would be easy to convince myself that probably he is right. Why do I not accept his argument? I cannot. If I do not say to the Senate, "Look, there are places you ought to look at even in what appear to be the most sacred corners of this budget for savings, because the stake of the elderly in the fight against inflation is as high as that of anyone else, and if you do not think it is necessary for all of us to swallow some inflation in order to deal with it, you are not living in a real world."

If all of us, if every American, finds the way to offset last year's losses to inflation, we automatically build into this year's economy the same amount of inflation. Until we learn that, we are not going to wipe it away. And if we do not, the people who are hurt are the people the Senator is trying to help with this amendment.

Let us not fool ourselves with our own rhetoric. I would like to take the politically easy course on this amendment. You bet your boots I would. But I will not.

I yield back the remainder of my time, of which I suspect there is none.

● Mr. BELLMON. Mr. President, it is interesting that the sponsors of this amendment do not include anyone from the Finance Committee. Apparently Senator LONG and others on Finance have not found the Budget Committee's recommendations so troublesome that they felt it necessary to come here and seek amendments to this budget.

The Finance Committee told the Budget Committee it could save $700 million in the function 600 (income security) programs under its jurisdiction. The Budget Committee thought Finance ought to do a little better than that and assumed savings of $500 million in social security and $400 million in AFDC—a total of $900 million.

Finance Committee would be free, of course, to achieve savings in other function 600 programs under its jurisdiction—unemployment insurance, general revenue sharing, supplemental security income. The Finance Committee could also achieve greater savings than the Budget Committee assumed in medicare and medicaid which are in function 550.

In other words, the Finance Committee has a wide range of choices—in addition to social security—to achieve the savings this resolution assumes.

Yet there are a lot of ways in which savings can be achieved in these programs among younger workers. Bitter opposition to recently passed social security tax increase. Virtual rebellion revolt. There is a growing demand for rollback of payroll taxes. The only ways that can be done are either to achieve some savings, or to impose some new type of tax, or use general revenues which Congress has consistently, and I believe wisely refused to do.

The Budget Committee did not assume cuts as deep as the President suggests. He would have reduced social security costs in fiscal years 1981 and 1982 by a total of $1.3 billion more than the Budget Committee assumed. If the Chiles amendment were to pass, the Senate would be $2.2 billion above the President in spending for social security in fiscal years 1981 and 1982 period.

Senator Chiles' amendment would also make the assumed savings in income security programs under the Finance Committee's jurisdiction $100 million less than the Finance Committee said it could save, same difference with Senator Chiles because railroad retirement is not under Finance Committee jurisdiction.

Mr. President, this amendment together with the Metzenbaum amendment approved this afternoon, would, as Senator Muskie has pointed out, create a problem in balancing the budget in fiscal year 1981. This amendment destroys the balanced budget in 1981.●

● Mr. CHURCH. Mr. President, I am pleased to join Senator Chiles in offering the pending amendment to the congressional budget resolution.

Social security, Mr. President, is a program of guaranteed benefits paid from trust funds composed of earmarked taxes which can only be spent for such benefits. Any social security amendment must be considered the first and foremost in the context of social security itself, not the overall budget.

Unlike most other budgetary items, social security proposals must be addressed in specific terms. Any reduction entails reducing a particular benefit. The Budget Committee's report, on the other hand, simply states:

> The Committee recommendation assumes actions by the Congress to achieve the outlay savings beginning in FY 1980 and FY 1981 in social security programs, but not necessarily those proposed by the President.

President Carter has made specific recommendations to reduce social security benefits, and the Senate may approve some of them. As the President and his advisers propose, the Senate may decide to phase out social security benefits for college students, or to place a ceiling on disability payments, or even to limit the burial benefit to those in need. But my position on amendments to social security is not to approve them with a blindfold on, without knowing what I am approving, not on a vague notion that social security benefits ought to be reduced.

The Senate Budget Committee's recommendation is not only ill-conceived, it is also most untimely. Many Americans are concerned whether their social security benefits are secure. Others wonder how insulated social security really is from general revenue expenditures. The Budget Committee's unspecified cutback serves only to exacerbate these fears. It does a disservice to what must not be doubted: That social security is secure, and its trust funds are separate and distinct.

In fact, Mr. President, the social security trust funds have always been in surplus. The Board of Trustees for the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds have just certified as to this surplus in their 1978 annual report:

> The Social Security Amendments of 1977, enacted on December 20, 1977, restore the financial soundness of the cash benefit program throughout the remainder of this century and into the early years of the next one. Beginning in 1981, the short-range and medium-range annual deficits of the old-age and survivor insurance and disability insurance trust funds that were projected in the 1977 annual report are eliminated because of the amendments . . . Under the intermediate set of assumptions, the outgo of both trust funds combined is expected to exceed income in each calendar year through 1980. After 1980 it is estimated that income will exceed outgo in every year until the turn of the century.

Mr. President, social security is financially sound, and the American people deserve to be absolutely assured of this. They also deserve deliberate debate over any proposed change in their benefits. We must not replace unfounded doubts over the general financial health of social security with well-founded doubts over vague proposals to change benefit payments in midcourse.

In my view, Mr. President, the suggestion made by the administration and the Senate Budget Committee that proposed social security reductions will produce trade-offs in other parts of the Federal budget is simply illusory. Such reductions only add to the already ample reserve in the social security trust fund, which cannot be transferred to pay for any other part of the Federal budget. Social security is not in deficit; general revenues are, and only changes in that part of the Federal budget can affect them.

I do recognize, however, that the Budget Committee does have a responsibility to try to anticipate actions Congress may take which would affect social security. The President has recommended such cuts, and the Senate Committee on Finance indicated to the Budget Committee that it would consider them. Although it is misleading at best to apply such reductions to the over-all budget, the Budget Act does call for the inclusion of social security in congressional budget resolutions.

In the budget resolution now pending, the committee has met the congressional mandate, which I strongly support, to balance the Federal budget in fiscal years 1981 and 1982. It estimates surpluses for those years, and I could not support any amendment which would rupture them.

In my judgment, public understanding about managing the budget, as a whole would be improved if there were general recognition that social security is separately financed. I have introduced legislation, S. 235, which would clarify the real situation by making the Social Security Administration independent from the massive general revenue bureaucracy of the Department of Health, Education, and Welfare, and taking social security trust fund operations out of the unified budget.

Before yielding the floor, Mr. President, I want to say a few words about the distinguished senior Senator from Florida, who is the new chairman of the Senate Committee on Aging and the primary sponsor of the pending amendment. It is his first floor amendment for the elderly since becoming chairman of the committee. As the former chairman, I can attest to Senator Chiles' diligence in his service on the Aging Committee. But he has also been an outstanding Member of the Senate Budget Committee, and his concern for the taxpayer is well known. In drafting this amendment, all Senators, but especially Senator Chiles, have been mindful of budgetary arguments. Senator Chiles offered this restoration of social security cutbacks during the committee markup on the budget resolution. I wish to commend his efforts, both then and now, for both the elderly and fiscal responsibility.●

● Mr. JAVITS. Mr. President, I favor this amendment which would add $0.3 billion in outlays to function 600—specifically for social security—in the fiscal year 1980 budget resolution.

The Budget Committee has recommended a reduction in the general retirement and disability insurance outlay (function 600, mission 1) from the current law level of $122.7 billion level to $122.1 billion, a reduction of $0.6 billion. The committee report states that this recommendation "assumes actions by the Congress to achieve outlay savings in fiscal year 1980 and fiscal year 1981 in social security programs, but not necessarily those proposed by the President." I do not think the committee can assume a $0.6 billion social security reduction well before there has been adequate consideration of the merits of the proposals the President and others have advanced.

Social security changes recommended by the President in his 1980 budget include:

First, phaseout of benefits paid to dependent children, age 18 to 22, attending postsecondary schools; second, cessation of benefits paid to an adult caring for children when the youngest child reaches age 16 (instead of 18; third, elimination of the $255 lump-sum death benefit to survivors; fourth, repeal of the requirement that all social security recipients be guaranteed at least $122 in monthly benefits; fifth, reform of the disability insurance program allegedly to eliminate opportunities for abuse by, for example, providing new maximum family benefits and increased incentives for disabled beneficiaries to return to gainful employment; and sixth, offset of social security benefits by $1 for every $3 of pension income received from Federal employment that is not covered by social security.

As a long-time advocate of increased social security benefits for those in need, I do not wish to anticipate the President's proposed cutbacks before proof. There are areas in the Federal budget where belt-tightening is appropriate, but I question the justice and wisdom of making widows, dependent children and disabled beneficiaries bear the brunt of our budget reductions before the evidence is in. Abuses can and should be corrected, but the burden of proof is on the administration to show that its proposals will not really harm people in need.●

Mr. MUSKIE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. Moynihan), the Senator from Michigan (Mr. Riegle), the Senator from Mississippi (Mr. Stennis), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy), the Senator from New Mexico (Mr. Schmitt), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Exon). Have all Senators in the Chamber voted?

The result was announced—yeas 49, nays 36, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—49

Baker
Baucus
Bentsen
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Eagleton
Ford
Hatfield
Heinz
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Stevens
Stewart
Stone
Talmadge
Tsongas
Warner
Young

NAYS—36

Armstrong
Bellmon
Biden
Boren
Boschwitz
Byrd,
Harry F., Jr.
Cochran
Domenici
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Muskie
Nunn
Proxmire
Roth
Schweiker
Simpson
Thurmond
Tower
Wallop
Zorinsky

NOT VOTING—15

Bayh
Chafee
Durkin
Gravel
Long
Morgan
Moynihan
Percy
Riegle
Schmitt
Stafford
Stennis
Stevenson
Weicker
Williams

So Mr. Chiles' amendment (UP No. 93) was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Before we take up the next amendment to bust the budget, the Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Chair.

Mr. President, does the manager of the bill want to proceed in a different way? I want to submit the amendment and speak briefly on it, but if the Senator wants to proceed differently, that is all right with me.

Mr. MUSKIE. As far as I know, there are two more amendments, one to be offered by the Senator from Washington (Mr. Magnuson) and one by the majority leader. If we can get those out of the way and get to third reading——

Mr. PROXMIRE. I want to submit my amendment before third reading.

Mr. MUSKIE. I know, but the Senator is going to withdraw it.

Mr. PROXMIRE. I might talk myself into persisting.

Mr. MUSKIE. I know we have that predilection in this body, but I hope the Senator might restrain himself. That is what we are trying to do, because there are a number of colloquys and similar efforts to the one the Senator is going to make. There are many here, and other Senators are pushing me to get this thing done.

Mr. PROXMIRE. If the Senator will go ahead and yield to Senator Magnuson and Senator Byrd, then I shall follow them.

Mr. MUSKIE. I yield the floor to the Senator from Washington.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

UP AMENDMENT NO. 94

(Purpose: To increase budget authority and outlays in the income security function)

Mr. MAGNUSON. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. Magnuson) proposed an unprinted amendment numbered 94.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 7, strike "$559,800,000,000", and insert "$560,300,000,000".

On page 12, line, 9, strike "$493,800,000,000", and insert "$494,400,000,000",

On page 12, line 12, strike "$36,600,000,000", and insert "$37,200,000,000".

On page 14, line 3, strike "$193,700,000,000", and insert "$194,200,000,000".

On page 14, line 4, strike "$160,700,000,000", and insert "$161,300,000,000".

Mr. MAGNUSON. Mr. President, this is a very straightforward amendment. It would raise the function 600 by $500 million in budget authority and $600 million in outlays for fiscal year 1979.

The amendment does not affect any other fiscal years.

I know we voted on an amendment here just previous to reduce the amount on function 600, which deals with the food stamp program, but that was directed to fiscal 1980, 1981, and 1982.

This money is for this fiscal year—and it would be my intention that these funds be used for the food stamp program in an expected supplemental appropriation.

This amendment is necessary because of new reestimates in the food stamp program's needs for 1979.

Mr. President, let me emphasize that my amendment does not deal with an item that the Budget Committee rejected. The fact is that this issue never came before the Budget Committee because at the time of markup the administration had not yet provided us with its new estimates for the food stamp program.

I am confident that if the Budget Committee had known of this technical estimating problem, it would have provided the funds without complaint.

But it did not know of the problem. Now—just this week—the administration determined that the food stamp program faces a funding crisis.

Unless we do something, the crisis will hit this summer.

The situation is grave. Unless additional fiscal year 1979 funding is approved, food stamp benefits could be cut by as much as one-third for all participants in July, August, and September; or, each participant could have his allotment cut by one-half in August and September; or, he could receive no benefits at all in September.

As I said, the situation is grave. Let me remind Senators of who the program beneficiaries are, who will suffer if the necessary additional funding is not provided.

The majority of food stamp recipients are the elderly, disabled, and children in one-parent families.

More than half of all households in the program have gross incomes of less than $3,600 a year.

The average family receives an average food stamp benefit of only 30 to 35 cent per meal.

Data from the best current sources show that 60 percent of food stamp households have no liquid assets and 95 percent have liquid assets of less than $1,500.

If the amendment is not approved, cuts will come hard on the heels of cuts already experienced as a result of implementation of the major features of the Food Stamp Act of 1977. In Oregon, 65 percent of the households using food stamps had their benefits reduced an average of $10, and 7 percent were terminated from the program. In Florida, 55 percent of the caseload had benefits reduced or terminated. In New Hampshire, the figure was 80 percent; in Maine it was 75 percent.

If the amendment fails, the cuts from July, August and September will be at least 12 times as deep as the March 1 cuts implementing the 1977 Food Stamp Act.

In summary, let me say only that this increased funding represents the lowest estimate of the additional funding necessary to avoid a crisis this summer.

Because there is some margin of uncertainty regarding the exact funding needs, the administration indicated it would prefer a supplemental of $700 million. I told them, however, that neither I nor the Senate was in any mood to provide any funding increased above the absolute, bare-bones minimum. On that basis, they decided reluctantly that they would accept $500 million.

So, we have trimmed as much as we can. I urge my colleagues to give their approval to this amendment.

WHAT WENT WRONG TO BRING THIS PROBLEM ABOUT?

First, all the estimates made for the food stamp costs assumed only a 3 percent annual inflation rate for food costs when the new authorizing legislation was enacted in 1977.

All of us who have been grocery shopping lately wish that had proved to be true.

The actual inflation rate in food costs has been more like 10 percent per year.

Even the inflation rate in food costs assumed as recently as January—when the President's budget was received—have turned out to be too low.

A second factor is that under the new law, many more poor families are now entering the program.

These are families who could not afford to buy food stamps in the past.

Now that the most needy no longer must pay to buy food stamps, more of the truly needy are participating.

Both the Department of Agriculture and the Congressional Budget Office had estimated that new people would enter the program, but they did not predict that those new families would enter the program as quickly as they have.

Another significant factor has been the growth rate of new families entering the food stamp program in rural areas.

So it is an emergency. I have discussed this with the chairman of the committee and other members of the committee, the ranking minority member, and I hope the committee will accept this.

I want it clear, it does not affect the present budget, nor the 1981 or 1982. It merely adds the ceiling to the present budget restrictions, which is 1979. I was not quite convinced with the administration appraisal, but, after going into it in some detail, I am convinced.

The mistake was made downtown. When they estimated the food stamp recipients, they did not estimate the greater number coming in after we took the caps off. But, over and beyond that, for the inflation estimation, they estimated that food costs would go up only 3 percent.

Well, everyone knows food costs have gone up 12 percent, 14 percent, and 15 percent, and this is the big item in the food stamp program, the cost of food.

I do not think this Congress wants to have a food stamp program cut altogether. We cut it in the 1980 budget and we are going to cut it, I guess, a little bit in the 1981 and 1982.

But this is of an emergency nature.

Mr. MUSKIE. Mr. President, the distinguished Senator from Washington has, to the best of my information, stated the facts that he has developed with respect to his amendment.

The fact is that this problem did not surface at the time of the Budget Committee markup. It deals with the 1979 fiscal year alone. It does not impact on 1980, 1981 or 1982.

The underestimate of the needs of the program for 1979 are attributable, first, to the sharp rise in food costs, from 3 to 4 percent, which was used as a basis of the estimate, erroneously, in my judgment, to 20 percent, and in part to the additional caseload generated by it.

Mr. MAGNUSON. If the Senator will yield, and we expect and have the promise they will send up a supplemental for the exact amount they think they need, and then we will have a little leeway in the Appropriations Committee to give the exact amount.

But their best estimate now involves the $500 million.

Mr. MUSKIE. This morning the Senate with respect to fiscal year 1980 held the food stamp program at the level recommended by the Budget Committee to protect the current level of benefits of 33 cents per meal, on the average.

Now, without this appropriation in 1979, this summer benefits could be reduced by as much as one-third, or even one-half, and that could hit us in July.

I suspect that the reaction to that kind of administrative action would really precipitate a very difficult time for a lot of people who would not be in a position to protect themselves.

So I think in that sense it is an unanticipated, unexpected emergency that the Budget Committee was not asked to consider, that we did not consider, that we did not act upon in one way or another.

In that light, it seems to me that we ought to respond to the situation presented by the Senator from Washington, who is chairman of the Appropriations Committee, and give the Appropriations Committee the necessary room to do what the facts justify when the Appropriations Committee considers the problem in connection with the supplemental.

Mr. MAGNUSON. I yield to the Senator from Kansas.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. MUSKIE. May I yield first?

Mr. BELLMON. I thank my friend, the chairman of the Budget Committee.

Mr. President, what seems to have happened here is this: When the new food stamp bill became law, it included provisions both to make the program more liberal and to tighten it down and make certain higher income people ineligible. The administration apparently has gone ahead at a rapid rate and opened up the program to let new people in and to increase benefits by the elimination of the purchase requirement, but they have not moved at the same time to put into action those provisions which would have tightened down the program as the law requires and in this way reduce the cost.

The statement that this amendment does not affect 1980 or 1981, in my opinion, is not entirely accurate; because if Congress comes along now and bails out what I consider to be a blunder by the administration by providing all the money they think they need, then this is certainly going to discourage them from implementing the provisions that will tighten down the program for future years.

In my judgment, if we take this action, it will increase the cost of the program in 1980 and probably in future years. I think we need to send a message to the administration that when Congress passed the law, we intended that they follow the law, not just the provisions that liberalized it. They have been very slow to implement the tightening down provisions; and if we give them all the money they want, there will be no incentive to tighten it down in the future. I believe there is time, in the remainder of this fiscal year, if they will apply themselves to that purpose, to tighten the administration down the way the law requires.

I am not in favor of bailing out what I consider to be this bureaucratic failure to follow the law, and I do not believe the Senate should give them all the money they want.

When it is appropriate, I am going to move to reduce Senator MAGNUSON's amendment by $200 million in BA and $200 million in outlay. I think they need some help, but I do not think they should get it all.

Mr. LUGAR. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I ask this of the Senator from Maine: I have this information in my office, but I do not have it at my desk. This program started in 1965 at $34 million. It is now up to $6.8 billion, according to my recollection. Can the Senator confirm the accuracy or inaccuracy of that figure?

Mr. MAGNUSON. I think it is $6.1 billion.

Mr. HARRY F. BYRD, JR. While the figures are being obtained, I point out that this program has skyrocketed perhaps more than any other program that Congress has passed.

Mr. MUSKIE. The food stamp program was mandated on a nationwide basis for the first time in 1974. Prior to that time, it was on a pilot basis. Then it was provided in combination with the commodity program which was phased out in 1974. So, to make comparisons, I think you would have to add these other programs.

Mr. HARRY F. BYRD, JR. I do not agree with the Senator at all.

Mr. MUSKIE. The Senator asks me a question. If the Senator would prefer to answer the question himself, that is fine.

Mr. HARRY F. BYRD, JR. Will the Senator give me one figure? What is the figure in the budget for the food stamp program for the current year?

Mr. MUSKIE. For which year?

Mr. HARRY F. BYRD, JR. For fiscal 1979.

Mr. MAGNUSON. It is $6.1 billion.

Mr. MUSKIE. $6.3 billion at the present time.

Mr. HARRY F. BYRD, JR. For 1979?

Mr. MUSKIE. As of now, it is $6.3 billion. This amendment would take it to $6.9 billion.

Mr. HARRY F. BYRD, JR. We are speaking of 1979?

Mr. MUSKIE. That is correct.

Mr. HARRY F. BYRD, JR. It is $6.3 billion, and the Senator from Washington wants to add $500 million to that, to bring it to $6.8 billion. Is that correct? That is the figure I gave a moment ago—$6.8 billion.

Mr. MUSKIE. Let us make sure what we are talking about. I was talking about outlays. The outlay figure would be $6.9 billion.

Mr. HARRY F. BYRD, JR. It would be $6.9 billion in outlays for fiscal 1979?

Mr. MUSKIE. BA would be $6.6 billion.

Mr. HARRY F. BYRD, JR. What would it be for fiscal 1980?

Mr. MUSKIE. It would be $7.2 billion. The CBO estimate for 1980 would be $7.55 billion. The Budget Committee has mandated $350 in savings through efficiency and management, and the program is at $7.2 billion in the 1980 budget.

We had an extensive debate on this all morning today. The reasons why the program has risen——

The PRESIDING OFFICER. The Chair is having difficulty hearing the Senator from Maine.

Mr. MUSKIE. I thought the Chair had heard enough about this in the Budget Committee, and I thought I was saving the Chair. I apologize to my colleagues.

The principal reasons why are twofold: One, the cost of food has risen from the 3- to 4-percent inflation estimated at the time of the 1977 changes in the law to 20 percent. You do not have to ask the Budget Committee or anybody else what has happened to the cost of food. My wife reminds me every week. Increases in the cost of food affect recipients of food stamps as much as they do U.S. Senators. That is the principal reason for the increase.

Second, in the 1977 revision, we eliminated the purchase requirement for two reasons: One, the purchase requirement was resulting in a lot of fraud among vendors. That was one reason why the committee recommended eliminating the purchase requirement. Two, the purchase requirement was deterring many people at the income levels which the program was intended to help from applying for it. The average income of more than half the recipients is $3,600 or less. The people who have come into the program as a result of the 1977 law are coming in at that income level. In other words, many people who the law says are trying to get by on an income that is insufficient, who are being kept out of the program, are coming in.

So the elimination of the purchase requirement was designed to achieve those two objectives.

In addition, the 1977 law undertook to apply some restrictions to the program; and those restrictions, so far as my State was concerned, had impacted adversely on 75 percent of the recipients of the program—in other words, reduced their benefits.

Finally, I say to the Senator that the average meal for recipients in this program is 33 cents. What we are talking about with the Magnuson amendment is dealing with a problem which conceivably could reduce what is available for a meal to 22 cents.

As someone pointed out today, we have a restaurant downstairs that is subsidized, and I suspect that it is subsidized by more than 22 cents per meal.

This is where we are with this amendment. The situation, as Senator MAGUSON has pointed out, is real. Senators can decide either to take this action, which will protect the 33-cent meal and avoid the 22-cent meal, and cover these recipients for the hot summer months of July, August, and September, or not. That is the clear issue.

The other facts we discussed pretty thoroughly this morning, and the numbers are as I have described them just now and this morning.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. President, this program has gotten totally out of line. The increase in the program has been tremendous. I am surprised that it would be advocated on the floor of the Senate tonight, after the votes that have been taken today on this budget resolution, to increase by $500 million the funds for the food stamp program, which now exceed substantially $6 billion. I think it is totally unjustified.

I ask unanimous consent to have printed in the RECORD at this point a table showing the tremendous increases in the food stamp program over a period of years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual food stamp expenditures for fiscal years 1965 through 1979, inclusive

[Dollars in millions]

Year	Outlays	Budget authority
1965	34.4	55.6
1966	69.5	100.0
1967	114.1	139.5
1968	184.7	184.9
1969	247.8	279.9
1970	576.8	596.9
1971	1,567.8	1,666.2
1972	1,909.2	2,285.0
1973	2,207.5	2,495.7
1974	2,844.8	2,995.4
1975	4,599.0	4,869.4
1976	5,632.0	5,196.4
1977	5,398.8	5,506.2
1978	5,498.8	5,618.4
1979*	6,320.7	6,015.3
1980*	6,876.6	6,926.5
Total	45,407.7	46,168.7

*Estimated.

Mr. HARRY F. BYRD, JR. Mr. President, I ask for the yeas and nays on the amendment offered by the Senator from Washington.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, before we vote on this amendment, I call the attention of the Senate again to the testimony given this morning by Elmer Staats, the Comptroller General, before the Subcommittee on Agriculture of the Appropriations Committee.

On page 3 of his testimony Comptroller General Staats has this to say. He is referring to the food program benefit gaps and overlaps. He says:

> In June 1978 we reported on overall benefit gaps and overlaps and administrative inconsistencies in 13 major domestic food assistance programs. By participating in several such programs simultaneously, which is specifically sanctioned by the programs' authorizing legislation, households can receive more in food benefits than the average amounts American families of comparable size spend for food, and more than is needed to purchase a thrifty food plan diet. We estimated that if food stamp allotments alone were tailored to meet the differing nutritional needs of household members of different ages and sex, over a half billion dollars might be saved each year.
>
> Administrative inconsistencies among the 13 programs include different eligibility criteria relating to income and asset limits and exclusions from income, different requirements for verifying income, and different accounting periods for measuring income.

This is Elmer Staats, our hired hand, the man who runs the GAO. He is telling us this food stamp program alone is so badly administered it is wasting a half-billion dollars.

To me it is unrealistic to come in here at the 11th hour—we had no warning of this earlier in the budget markup—and ask for a half-billion dollars to bail out a program that our own Comptroller General is saying is wasting that much money every year. It just does not make any sense.

I am not against the food stamps, but I am against this idea of administrators of these programs being so lax and so careless that they run out of money and then they come running up here and ask us to bail them out.

I cannot support this amendment.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. BELLMON. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I point out that if you want to talk about the pros and cons of the food stamp program that is a legislative matter. This is merely an amendment to take care of this year which the GAO agrees that if fiscal relief is not forthcoming the cuts were made and the cuts must be made on a uniform basis, and it just means that the food stamp program will stop.

If you are going to stop the food stamp program that is one thing. But if you are going to provide it for 1979 that is another thing. Of course, this was not taken up by the Budget Committee. That is exactly why we are here with the amendment, because I am sure the Budget Committee would have voted some relief, because of the fact of the two things that the Senator from Maine pointed out, the fact that they underestimated by only 3 percent inflation costs and that more people came in legitimately under the law.

Now if the Senator from Oklahoma wants to change the law that is one thing.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Either we are going to provide for it as prescribed by law or we are not going to.

Mr. BELLMON. Will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BELLMON. As I said earlier, the law does provide for the elimination of the purchase requirement and the administration has put that part into effect, but it also tightens down eligibility and the administration has not put that part of the law into effect.

Mr. MAGNUSON. All right.

Mr. BELLMON. So what they come here asking us for is money to let them go on with the same lax administration that has already been followed for the first half of this fiscal year. If we do this, they will never tighten the program.

Mr. MAGNUSON. I have no evidence of any lax administration or waste in any program such as this.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, will someone yield me a few minutes time, 3 or 4 minutes?

Mr. MUSKIE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 45 minutes.

Mr. McGOVERN. Mr. President, will the Senator yield me 3 minutes?

Mr. MUSKIE. I yield 3 minutes to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I think the point Senators must keep in mind is the one that the Senator from Washington made, that he is not increasing anyone's benefits with the proposal that he is making here tonight. We are not changing the guidelines one iota on the food stamp program. We are not liberalizing anything. No one is going to get any more under the terms of the Senator's proposal here tonight than they were promised under the 1977 Food Stamp Reform Act.

What the Senator is trying to do is to offset the misjudgment that was made not only by the administration but by the committees of Congress, the Congressional Budget Office, and everyone else, as to what food was going to cost, and in order to get the amount of food that we committed ourselves to under the 1977 act it is imperative that we approve the figure that the Senator from Washington has proposed.

But this is no expansion of the program in terms of benefits. It is designed to prevent the poorest people in this country from suffering approximately a one-third reduction in their present food benefits for the summer and fall months.

So the Senator from Washington is absolutely right. This is really a management decision that is necessary to make.

I do not think it is mismanagement on the part of the administration. It is the fact that because we did not have the foresight either here in Congress or in the executive branch to properly forecast what the inflation level would be. So I am hopeful that we will keep the commitment that we wrote in the law in 1977 in the Food Stamp Act and approve the proposal of the Senator from Washington.

Mr. MUSKIE. Mr. President, I shall just take a couple of minutes.

Mr. President, I know the Senator from Oklahoma does not want to shut down this program and I know that he believes that by enforcing some of the restrictions imposed on the program in 1977 money can be saved.

But I doubt that the savings can be realized in time to deal with this problem that is going to hit in July.

I wish that we could somehow conduct a hearing here and get the facts as to those possibilities. We cannot.

The Appropriations Committee can, and I hope the Appropriations Committee will explore that and if savings can be achieved administratively to absorb part of this increase it should be done.

But we cannot make that judgment with precision tonight. I just dislike to contemplate the impact of the kinds of reductions that are possible this summer if we do not take the action that the Senator from Washington is asking for here tonight.

With respect to the comments of the Senator from Virginia as to whether or not this is justified, the answer to that question depends upon whether you think there is a problem affecting people who will go hungry if we do not act or there is not, or whether the Government has any responsibility for them.

I surely have indicated my willingness to impose budgetary restrictions that are unpopular here today, yesterday, and the day before. But that does not mean that I must be blind to every real problem or emergency that arises.

I wish we had more facts. I wish we could be certain how much we could save by administering the program as tightly as possible. But we cannot make that determination tonight with enough precision to satisfy me at least, and I am sure that the Senator from Washington will undertake to make that kind of a finding, and I am willing to rest some confidence in him and his committee.

Mr. MAGNUSON. I merely wanted to repeat that the Appropriations Committee will take a look at this. The supplemental will be up here within 30 days, I think, and we will take a look at it. If it only amounts to $300 million, fine. But we need a little leeway until we can get all the facts. But the fact is that unless there is some money put in here, and they estimate $500 million is the figure, why in July, August, and September one-third of the people getting food stamps are not going to get them and the amount per meal is going to go down from 33 cents a meal to 20 cents even of those who get them. Even for those who get them, and these are elderly people, too.

You can talk all you want to, the Senator from Virginia and the Senator from Oklahoma, about the abuses in the food stamp program. We are not here to determine that. There is waste in all these programs, I suppose. But this is the law and this is what the people expected, and this is what we should do. It does not affect the 1980, 1981, and 1982 budget. The projections for the 1980 budget are much higher and for 1981 they are higher, above the $6 billion. I thought it was $6.1 billion, but it is $7.2 billion.

In the meantime, if you do not like the food stamp program go to the proper committees and have it cut out. You cannot legislate here tonight.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, will the Senator yield 2 minutes to the Senator from New Mexico?

Mr. MUSKIE. Yes. I yield time to anybody who wants it and who is willing to stay here long enough to consume it. I yield 2 minutes.

Mr. DOMENICI. I will just take 1 minute. I am not going to argue the merits, but I just want to make the point that Senator Muskie and Senator Bellmon, who have labored hard here for 3 days, in many instances you have made this body and many of us who support this budget process vote with the Budget Committee to save $100 million, and just a little while ago on a most controversial issue many of us supported the Budget Committee to save $300 million.

Now, Senator Bellmon said at the 11th hour, and he was almost literally right, it was 11:15, we are being asked to approve $500 million, and we are just being told that somebody made a mistake.

Well, let me tell you I am not going to vote for it. I am going to vote for anyone who will support getting more information about this.

If you want to reduce this budget process to a mockery where people who will stand up here and support a Budget Committee for $100 million worth of savings, and then tell us to support a request for $500 million because there is some kind of mistake, some failure to account, then this process is not going to work very long.

I do not believe we can go out there to our people and say, "Well, it isn't going to have any effect on 1980 and it isn't going to have any effect on 1981."

You are probably right, but $500 million is $500 million, whether it is in 1980, 1981, 1983, or 1979, and I do not think we ought to be voting for it at the last minute, based upon somebody saying the administration acknowledges that they made a mistake.

I am just as willing to believe Senator Bellmon, who says they made another mistake. They did not make any savings when they should have, and that is just as credible as a $500 million plus mistake. I do not think we ought to approve it, certainly not the full amount if we find some way to cut it. We ought to give some credibility—those people who have faith in this process ought to be given a little justification here tonight, and not to just vote and have $500 million spent at the last minute.

I thank the Senator for yielding.

Mr. MUSKIE. My good friend, I do not think I deserve that abuse.

Mr. DOMENICI. I was not directing it at you.

Mr. MUSKIE. But you were looking directly at me.

Mr. DOMENICI. I was looking at whoever proposed it.

Mr. MUSKIE. I am asked as the Budget Committee chairman to consider increases, decreases, to present my judgment to this body, to present my judgment here. Now the Senator is telling me that I cannot do that without his approval, and that if I undertake to present a problem, and emergencies are not predictable—we did not have this before the Budget Committee.

Mr. DOMENICI. That is correct.

Mr. MUSKIE. So I was supposed to anticipate it and present it before 11 o'clock tonight? I mean suppose an earthquake hit the Senator's State last night, and you know we are asked to consider increased disaster relief.

Mr. DOMENICI. Mr. Chairman, did you yield to me? Could I finish and then I am not going to argue?

Mr. MUSKIE. I thought you had finished.

Mr. STEVENS. Mr. President, who controls the time if the Senator from Maine supports this amendment? Parliamentary inquiry.

The PRESIDING OFFICER. If the Senator from Maine——

Mr. MUSKIE. Mr. President, you do not need to answer the question. I will sit down and say nothing more on the subject, and nobody can get time from whatever source they can get it.

Mr. DOMENICI. Would Senator BELLMON yield me time?

Mr. BELLMON. How much time?

Mr. DOMENICI. Half a minute.

Mr. BELLMON. Let us be generous, 2 minutes.

Mr. DOMENICI. I want to say to the Senator from Maine I truly did not direct those remarks at you. You are entitled to support the $500 million. I am merely making a point for many people who are supporting this process that it is pretty difficult at this hour, after having voted some hard votes to save $100 million here and $100 million there, to vote for $500 million.

Mr. MUSKIE. Mr. President, will the Senator yield to me, since I have no time?

Mr. DOMENICI. I would be glad to yield to you.

Mr. MUSKIE. I cast those hard votes, too.

Mr. DOMENICI. You did more than I.

Mr. MAGNUSON. Is the Senator from New Mexico directing his remarks to the Senator from Washington?

[Laughter.]

Mr. DOMENICI. I guess I would say who else?

Mr. MAGNUSON. It is not my fault that this amendment is coming up at this hour. I have been wanting to go home since 7 o'clock.

[Laughter.]

Mr. DOMENICI. I do not think it is anybody's fault. I think it must have come down from the sky, I will say to my good friend.

Mr. BELLMON. Mr. President, let me make one brief comment and then I will be glad to yield to the Senator from Indiana.

Characterizing this request for $500 million as an emergency I think sort of misses the point. There is no emergency. There are still 5 months to go in this fiscal year, over 5 months. If the Department gets a signal from Congress to tighten this program down they have all this time to do it. It is a program that is running at a rate of almost $7 billion a year, and tightening down to save $500 million is not that serious. It would not require that serious an effort. It would not mean a lot of people doing without food stamps. It would mean they would begin to enforce the full law, not the easy part of the law. That is what we are trying to do tonight.

I yield 3 minutes to the Senator from Indiana.

Mr. LUGAR. Mr. President, earlier today I suggested an amendment that would have retained the cap, which is presently the law. It is $6.88 billion for fiscal 1978 for food stamps.

This is not a new question. It may be a new question before the total body this evening, but the Committee on Agriculture discussed this at some length at the time the request for $6.9 billion for fiscal 1980 was suggested, and by a vote of 9 to 8 within the Committee on Agriculture a $6.9 billion request went to the Budget Committee. That has subsequently been increased to $7.2 billion and was confirmed by a vote of roughly 61 to 30 about 12 hours ago.

Now the request at this hour for $500 million additional is, in my judgment, totally unwarranted. The point, in fact, is that the cap exists. The cap, in my judgment, ought to stay. We have made a compact of trust with the American public at the time we went into the new reform in food stamps and liberalized the program.

Unless the cap exists the USDA has no incentive whatever to effect the reforms the Senator from Oklahoma has talked about and, in fact, the reforms are there, the money is there to be saved, and the money must be saved.

At this hour of the night to suddenly suggest an additional amount of $500 million is, in my judgment, outrageous. I am just hopeful that Members, despite their fatigue with the subject, will appreciate that the Committee on Agriculture has plenty of time to reform the program prior to an emergency that may come down the pike, and despite all the alarms thrown up by the administration which has maladministered a program, if one has ever been maladministered. I ask for the rejection of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I never knew that amendments became outrageous because you presented them at any time the Senate was in session.

Your amendment was presented this afternoon. That was not outrageous, and neither is this. We are in session, are we not? We have a right to present amendments. I do not understand the statement.

Mr. LUGAR. I would respond that $500 million without study and without really——

Mr. MAGNUSON. Now wait a minute, as to the study, I said we are going to send up a supplemental appropriation.

The Appropriations Committee is going to look at it and see how much is actually needed. They suggested that they need six. I cut it to five. I would be glad to join with the Senator from Oklahoma and make it four, and then we will see exactly what we need to appropriate, and if it is three or two, all right, but I am not going to have the food stamp program cut off abruptly because someone does not like the legislative merits of the food stamp program.

We have got nothing to do with it. You ought to go to the proper committee. You lost in the committee, did you not?

Mr. LUGAR. Not on this issue. They voted nine to eight for 1980.

Mr. MAGNUSON. Then we could go ahead with a different perspective, and we would not need to appropriate so much money. But the law is there; you cannot change it. We just want some working room to find out exactly. Within 60 days the supplementals will come up, and this will be one of them. I think we can work with $300 or $400 million, and I will guarantee you that I will cut it; I will recommend that it be cut.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. MAGNUSON. If it is more, I will try to find that money and appropriate it.

Mr. BELLMON. Mr. President, I send an amendment to the desk and ask that it be reported.

Mr. MAGNUSON. I ask unanimous consent to change the figures.

Mr. HARRY F. BYRD, JR. I object.

The PRESIDING OFFICER. The Chair would remind the Senator from Oklahoma that a second degree amendment is not in order. Until all time has been used or yielded back on the first degree amendment.

The Chair would inform the Senator from Washington——

Mr. HARRY F. BYRD, JR. If the Senator from Washington would permit me a comment, I might not object.

Mr. MAGNUSON. I am permitted to modify my own amendment in the first degree.

The PRESIDING OFFICER. The Chair would inform the Senator from Washington that since the yeas and nays have been ordered, it will require unanimous consent for him to modify it.

Mr. HARRY F. BYRD, JR. Mr. President, is there any time available to discuss $500 million?

Mr. BELLMON. Mr. President, I am

glad to yield the Senator such time as he may desire. I yield 3 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, first I commend the distinguished Senator from New Mexico for his statement here this evening. I commend the distinguished Senator from Indiana (Mr. LUGAR) for his statement this evening; and I commend the distinguished Senator from Oklahoma for bringing out the facts of the GAO report.

As one who has been on this floor, just as all of us have, for 2 days or 3 days on this budget resolution, and as one who has supported the budget resolution right down the line, I find it very discouraging that here we are confronted with an increase of $500 million in fiscal 1977 for a program——

Mr. MUSKIE. 1979.

Mr. HARRY F. BYRD, JR. In fiscal 1979, for a program which is now $6,300 million. The Senator from Washington would add $500 million more to that.

Mr. President, if we are ever going to get the finances of this Government in some sort of shape, we are not going to do it by adopting such amendments as that offered by the Senator from Washington tonight to increase this program by $500 million for fiscal year 1979. Whether or not that will make an impact in 1980 and 1981, I do not know; my guess is that it will. My guess is that the Budget Committee will come in next year and tell us that it does. But that is just a guess, and I cannot prove it, obviously.

But I would hope that the Senate would not, tonight, retrace all the steps it has taken today and yesterday in supporting the Budget Committee, and in one fell swoop, by one vote, appropriate in tax funds $500 million.

The Senator from South Dakota says no one is going to get any extra benefit from it. Well, the taxpayers are going to pay for it. The taxpayers are going to pay $500 million extra for it, whether anyone else gets benefit or does not get benefit. The money will go somewhere, and I think it will be a great mistake to increase this program under the conditions that exist today.

There is no emergency. This Congress is going to be in session a long time. I urge the Senate to vote down this amendment, or any modified version of it, because I do not believe that this is the way that the Senate should operate, if it really is serious about getting its budgetary affairs in order.

Mr. MAGNUSON. Now, Mr. President, I amend the proposal I made, the figures of which are in five categories, to a total of $400 million.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. It there objection to the modification?

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HARRY F. BYRD, JR. Mr. President, have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. MAGNUSON. Mr. President, I withdraw my amendment, and I present a new one.

The PRESIDING OFFICER. That will require unanimous consent also. Is there objection?

Mr. HARRY F. BYRD, JR. I object.

The PRESIDING OFFICER. Without objection——

Mr. HARRY F. BYRD, JR. I object.

The PRESIDING OFFICER. Objection is heard. Who yields time?

Mr. BELLMON. Mr. President, I am happy to yield the Senator from Maine such time as he may require.

Mr. MUSKIE. Mr. President, all we are doing is killing more time. If we have an up or down vote on Senator MAGNUSON'S amendment, and he loses, he can offer the amendment that he wishes to offer now, and it will save a rollcall vote and save time. He can do it either way, of course. The way the budget resolution operates, numbers can be changed at any time. By blocking his change now, we are just delaying the resolution of the real issue, which he and Senator BELLMON are in agreement upon, and I do not know why you want to waste time.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question?

Mr. MAGNUSON. Surely.

Mr. HARRY F. BYRD, JR. What will your amendment do?

Mr. BELLMON. It reduces the outlays $200 million below the first amendment.

Mr. MAGNUSON. It will be at 400.

Mr. BELLMON. It would increase by $400 million over the budget.

Mr. MAGNUSON. It would increase by $400 million over the budget, instead of $500 million.

Mr. HARRY F. BYRD, JR. I have no objection to that, provided I get a yea or nay vote on it.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. BELLMON. Mr. President, so we will understand, the original Magnuson amendment would have increased budget authority by $500 million and outlays by $600 million. The revised amendment would increase both by $400 million.

Mr. MAGNUSON. That is correct.

The PRESIDING OFFICER. Without objection, the amendment is so modified. The Senator will send his modification to the desk.

Mr. BELLMON. It is at the desk.

Mr. MAGNUSON. Now, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. HARRY F. BYRD, JR. Not on the new amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield to the Senator from Kansas.

The PRESIDING OFFICER. The yeas and nays have been ordered on the amendment as modified.

Mr. DOLE. Mr. President, will the Senator yield me just 2 minutes?

Mr. BELLMON. I yield.

Mr. DOLE. I think we have had a lot of talk about the food stamp program, but not about the reforms that have tightened up the program. My view is that I hope we can spend less than $400 million, but let us not prejudice the poor people because of faults at the Department of Agriculture.

What will happen if the cap is not lifted for fiscal year 1979?

The situation is grave. Unless additional fiscal year 1979 funding is approved, food stamp benefits will be cut by as much as one third for all participants in July, August, and September; or, each participant would have his allotment cut by one half in August and September; or would receive no benefits at all in September.

It is too late for administrative or legislative action to create program savings to offset the existing deficit. The Agriculture Department's General Counsel and GAO agree that if fiscal relief is not forthcoming, cuts must be made on a uniform pro rata basis to all households. To do otherwise would be illegal.

Additionally:

The majority of food stamp recipients are the elderly, disabled, and children in one-parent families;

More than half of all households in the program have gross incomes of less than $3,600 a year;

The average family receives an average food stamp benefit of only 30 to 35 cents per meal; and

Data from the best current sources show that 60 percent of food stamp households have no liquid assets and 95 percent have liquid assets of less than $1,500.

If the amendment is not approved cuts will come hard on the heels of cuts already experienced as a result of implementation of the major features of the Food Stamp Act of 1977: In Oregon, 65 percent of the households using food stamps had their benefits reduced an average of $10, and 7 percent were terminated from the program. Eighty-nine and seven-tenths percent of the elderly and disabled in Oregon lost benefits. In Florida, 55 percent of the caseload had benefits reduced or terminated. In New Hampshire, the figure was 80 percent; in Maine it was 75 percent. The reforms were on the cutting side.

If the amendment fails the cuts during July, August and September will be at least 12 times as deep—on a monthly bases—as the March 1 cuts implementing the 1977 Food Stamp Act.

So there are reforms on the other side. They are not all on the liberal side putting more people into the program. And it is not any fault of the food stamp recipient that the USDA did not implement these reforms until March 1. Once they are implemented it is going to create the emergency that the distinguished Senator from Washington mentioned. I think it is a good compromise.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. Do Senators yield back their remaining time?

Mr. HARRY F. BYRD, JR. Will someone yield a half-minute?

Mr. BELLMON. I yield.

Mr. HARRY F. BYRD, JR. If the Senator from Virginia is correct, the Senate will now be voting to increase spending by $400 million.

Mr. BELLMON. That is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that this be a 10-minute rollcall vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. If the Senator will yield, I want to say to my friend Lawton Chiles I am sorry I voted against his amendment on social security and I wish the Senate would permit me to change my vote. I will not ask that the Senate indulge me.

I would support this for social security beneficiaries long before I would support at 11:50 p.m., at this hour of the night, $400 million for food stamp programs with no hearings. I apologize to my friend.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BELLMON. I do.

The PRESIDING OFFICER. Does the Senator from Washington yield back his time?

Mr. MAGNUSON. I do.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. May we have order in the Senate? We are limited to 10 minutes and we must move along quickly.

The assistant legislative clerk resumed and concluded the calling of the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. Moynihan), the Senator from Connecticut (Mr. Ribicoff), the Senator from Mississippi (Mr. Stennis), the Senator from Illinois, (Mr. Stevenson), the Senator from Michigan (Mr. Levin), and the Senator from Michigan (Mr. Riegle) are nessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh), is absent because of death in the family.

I further announce that, if present and voting, the Senator from Michigan (Mr. Levin) would vote "aye."

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy), the Senator from New Mexico (Mr. Schmitt), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford), is absent due to illness.

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to cast a vote?

The result was announced—yeas 54, nays 30, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—54

Baker
Baucus
Bellmon
Bentsen
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Ford
Glenn
Hart
Hatfield
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Packwood
Pell
Pressler
Pryor
Randolph
Sarbanes
Sasser
Stewart
Stone
Talmadge
Tsongas

NAYS—30

Armstrong
Boren
Boschwitz
Byrd, Harry F., Jr.
Domenici
Exon
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Nunn
Proxmire
Roth
Schweiker
Simpson
Stevens
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—16

Bayh
Chafee
Gravel
Levin
Long
Morgan
Moynihan
Percy
Ribicoff
Riegle
Schmitt
Stafford
Stennis
Stevenson
Weicker
Williams

So Mr. Magnuson's amendment (UP No. 94), as modified, was agreed to.

UP AMENDMENT NO. 95

Mr. ROTH. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. Roth) proposes an unprinted amendment numbered 95.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 19, delete the numeral and insert in lieu thereof "$600,600,000,000."

On page 2, line 20, delete the numeral and insert in lieu thereof "$637,500,000,000."

On page 2, line 21, delete the numeral and insert in lieu thereof "$687,200,000,000."

On page 2, line 24, delete the numeral and insert in lieu thereof "$532,400,000,000."

On page 2, line 25, delete the numeral and insert in lieu thereof "$575,700,000,000."

On page 3, line 1, delete the numeral and insert in lieu thereof "$614,309,000,000."

On page 3, line 5, delete the numeral and insert in lieu thereof "—$28,800,000,000."

On page 3, line 6, delete the numeral and insert in lieu thereof "+$500,000,000."

On page 3, line 7, delete the numeral and insert in lieu thereof "$700,000,000."

On page 11, line 1, delete the numeral and insert in lieu thereof "$400,000,000."

On page 11, line 2, delete the numeral and insert in lieu thereof "$400,000,000."

On page 11, line 4, delete the numeral and insert in lieu thereof "$100,000,000."

On page 11, line 5, delete the numeral and insert in lieu thereof "$100,000,000."

On page 11, line 7, delete the numeral and insert in lieu thereof "$130,000,000."

On page 11, line 8, delete the numeral and insert in lieu thereof "$100,000,000."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ROTH. Yes.

Mr. ROBERT C. BYRD. I understand it is agreeable with the author of the amendment, with the manager of the bill, and with the ranking member that time on this amendment be limited to 10 minutes, equally divided. I ask unanimous consent to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, my amendment would restore the original budget resolution figures for spending, budget authority and deficit by reducing travel and film making by $400 million. This would offset the $400 million that have been added by the Metzenbaum and Chiles amendments by reducing the allowance functions by $400 million for 1980. It would further reduce it by $500 million in 1981 and $600 million in 1982.

Mr. President, I find it hard to believe that we are asking the American people to tighten their belts when we cannot agree at least on one area of reduction. What I am proposing, I want to repeat, is to offset the $400 million increase that has been added by the two amendments I referred to above by reducing from the allowance function $200 million for nondefense Government travel and $200 million for film making.

Mr. President, all I am suggesting is if we want to add more in one area, we must also find an area to subtract. We have robbed Peter to pay Paul. I am now proposing that we pay Peter back. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Mr. MUSKIE. Mr. President, I have discussed this with the distinguished Senator from Oklahoma (Mr. Bellmon) and we are prepared to support this cut for two reasons: One, I think the case made earlier by the distinguished Senator from Utah pointed up what the Senator from Washington, the chairman of the Appropriations Committee, agrees is an area that needs to be disciplined and supervised in order to reduce abuses in these areas. I thought the amount he suggested was too large without more detail as to justification, and I was concerned that such a large cut might result in doing damage in areas, especially the defense area, which we ought to avoid.

The $400 million that Senator Roth's amendment proposes, I think, is a reasonable target to try to achieve savings. We are willing to support it, but for another reason as well.

We have adopted amendments that have, in fiscal year 1981, breached our balanced budget in that year. This amendment will help us get back to that point. I think for these two good reasons, we will support the amendment and we urge our colleagues to do so as well.

Mr. ROTH. I thank the distinguished chairman of the Budget Committee, as well as the ranking member. I should like to add Senator Hatch as a cosponsor, and Senator Helms.

Mr. President, I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. I ask that it be 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all rollcalls during the remainder of the evening be 10-minute rollcalls.

Mr. BAKER. Mr. President, reserving the right to object, I am not prepared at this moment to do that. I shall try to do that a little later.

Mr. President, I have no objection.

Mr. LEAHY. Mr. President, reserving the right to object, is that all rollcalls until sunrise?

The PRESIDING OFFICER. That was not made clear.

Mr. LEAHY. If so, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes.

Mr. HATCH. I ask unanimous consent that we dispense with the rollcall votes on the amendment before us.

Mr. LEAHY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Long), the Senator from North Carolina (Mr. Morgan), the Senator from New York (Mr. Moynihan), the Senator from Mississippi (Mr. Stennis), the Senator from Illinois (Mr. Stevenson), the Senator from Hawaii (Mr. Inouye), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Michigan (Mr. Riegle) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams) is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy), the Senator from New Mexico (Mr. Schmitt), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to vote?

The result was announced—yeas 83, nays 0, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—83

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Young
Zorinsky

NAYS—0

NOT VOTING—17

Bayh
Chafee
Gravel
Inouye
Levin
Long
Morgan
Moynihan
Percy
Ribicoff
Riegle
Schmitt
Stafford
Stennis
Stevenson
Weicker
Williams

So Mr. Roth's amendment (UP No. 95) was agreed to.

AMENDMENT NO. 174

(Purpose: Provide funds to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment of coal hauling rail transportation systems)

Mr. MELCHER. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. Melcher) proposes a printed amendment numbered 174:

On page 5, line 10, strike out "$18,400,000,000" and insert in lieu thereof "$18,500,000,000".

On page 5, line 11, strike out "$6,400,000,000" and insert in lieu thereof "$6,500,000,000".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I have talked with the distinguished author of the amendment. My understanding is that he intends to speak only briefly.

Mr. MELCHER. That is right.

Mr. ROBERT C. BYRD. I ask unanimous consent that the time be limited to 5 minutes, equally divided, in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, the railroad transportation disaster that will be recommended by the Milwaukee Railroad's bankruptcy trustee, Stanley Hillman, when he seeks a Federal court order to embargo over 7,000 miles of Milwaukee tracks on May 4 cannot be allowed to happen. Trustee Hillman will propose to a Chicago Federal judge on that date—9 days from now—that a core of 2,400 miles of Milwaukee lines be left operating and that the judge order the discontinuance of Milwaukee service on the other 7,000 plus miles of Milwaukee Railroad tracks through the procedure of a court ordered embargo. It is, in fact, abandonment without following the prescribed Federal law which permits only the Interstate Commerce Commission to rule on abandonment through the procedures required under the United States Code. Hillman's plan is unprecedented and must be stopped to allow for more thoughtful procedures in the public interest.

There are at least three key points in the public interest that must be addressed. In my opinion the first of these is the question of surface transportation needs of the area. The discontinued lines would be in North and South Dakota, Montana, Idaho, and Washington. The Milwaukee's service area covers 13 States from Chicago to Seattle, and Portland; from Terre Haute, Indiana, and Kansas City, Mo. to Ontonagon. Mich., and Duluth, Minn. Much of the Indiana, Michigan, Missouri, and southern Iowa service would be lost under the Hillman plan in addition to all Milwaukee service in the previously mentioned States. The Milwaukee is a coal-hauling train out of Montana and North Dakota with connections to all the States of the Midwest and South, with important barge connections on both the Mississippi and the Missouri. The Milwaukee Railroad is one of two railroads that serve the world's largest coal deposit—the Fort Union Coal Deposit—underlying parts of Montana, Wyoming, North Dakota, and South Dakota. Coal shipments out of this area is totally dependent upon railroad transportation and almost all of the mines in the area were short of rail cars in 1978 causing the mines to fall behind in contracted sales of coal for utility and industrial plants in the Midwest States. Grain shipments out of the Great Plains have been chronically slow and delayed for years. 1978 was no exception—grain hauling by railroads fell far short of the needs of farmers and elevators in this vast grain producing area of the Midwest and Northwest.

Trustee Hillman on Monday announced that direct service orders by the Interstate Commerce Commission could be instigated by the Interstate Commerce Commission if the Federal judge agrees to his proposition of embargoing the more than 7,000 miles of Milwaukee Railroad lines on May 8. Direct service orders to the Burlington Northern, the other railroad in the Northwest, would be an order that could not be fulfilled since the Burlington Northern has not been able to meet all of its coal and grain hauling obligations during 1978. There is only one conclusion that can be drawn on the question of adequate rail service to the area if Hillman's proposal for embargo is agreed to by the Federal court. That conclusion is that a bad situation for freight service will be worsened. Even with the Milwaukee operating, the service is not sufficient at this time and can only be worse if the Burlington Northern is left to do it all.

Second, it is in the public interest to consider the integration of the Milwaukee Railroad service and its scores of connections with other railroads and barge service on either the Mississippi or Missouri Rivers. With its Davenport, Iowa, and Council Bluffs, Iowa, and Omaha, Nebr., and Kansas City, Mo., connections, the Milwaukee performs significant interconnections in the country's intermodal transportation system.

Third, it is in the public interest to review Hillman's plan in terms of antimonopoly, antitrust evaluations. While our Secretary of Transportation, Brock Adams, can skim over the top of the issues, speaking of strong railroads surviving and weak railroads consolidating, and can attempt to convince the public that deregulation of railroads serves the national interest, Congress and the Justice Department must assess the effect of such a sweeping railroad abandonment leaving the Burlington Northern not only the dominant railroad in the Northwest, but the only railroad. Without the Milwaukee Railroad's Minnesota to west coast lines operating, only the Burlington Northern will remain in the entire Northwest as an exclusive railroad monopoly. There would not only be a lack of any competition, there would be a further deterioration of service which is now inadequate. This whole scheme must be assessed on the basis of antitrust by both Congress and the Justice Department.

The assessment by Congress, the Interstate Commerce Commission, and the Justice Department could not possibly reach any conclusions in the time frame announced by Milwaukee's trustee, Hillman, and his request of the Federal court on May 4 to order the sweeping and unprecedented embargo of over 7,000 miles of Milwaukee track by Federal court to be effectuated on May 8. It must be our responsibility here in Congress to draw the attention of the public and the Federal court that immediate emergency actions will be undertaken. On April 10, I introduced a bill that requires the Secretary of Energy to intervene in any abandonment procedure of a railroad that hauls coal. Not only would the Secretary of Energy be required to intervene in the proceedings but he would also be authorized under the terms of the bill to make grants and loans for railroad cars and locomotives for the purpose of hauling coal for railroads that are not financially capable of meeting such costs. The bill is cosponsored by Senators MAGNUSON, YOUNG, PRESSLER, my colleague, MAX BAUCUS, and Senator BURDICK. We seek immediate hearings on the bill because of its emergenecy nature and anticipate that both the hearings and the Senate committee's action on the bill will occur within a few days.

In addition, I have introduced an amendment to the concurrent budget resolution adding $100 million to Senate Concurrent Resolution 22 for the Secretary of Energy's authorization for needed funds to assist the Milwaukee and other similar railroads that do haul coal but are not financially able to purchase or lease the necessary equipment. Both from the standpoint of trustee Hillman's actions concerning the Milwaukee and from the standpoint of the Nation's need to utilize coal as a fuel necessary for our generation of electricity rather than oil or gas or shut down nuclear plants, we must immediately act in the public interest on my bill or some similar legislation.

I believe that action by Congress will serve notice to the Federal judge that a precipitious decision on Hillman's request would preclude far better solutions by Congress for the Milwaukee Railroad than is presented by the trustee.

Over 10 million tons of coal in Montana, Wyoming, and North Dakota that was mined and contracted for sale was left undelivered for lack of coal cars in 1978. That is part of the reason the Nation's coal production dropped in 1978.

Senator McGOVERN also has a bill which will aid the Milwaukee which I have discussed with him. Senator McGOVERN's bill is also an emergency bill with great merit to help marginal railroads. Coal that was mined was sold but awaited coal cars in 1978 and consequently was undelivered to plants that had contracted the coal. I am submitting the following list by States:

MONTANA

Westmoreland Coal Company: Absallaka Mine, 406-248-7803, 500,000 tons.

Decker Coal Company: Decker Mine, Bob Johnson—307-672-3401, 1.9 million tons.

Knife River Coal Mining Co.: Savage Mine, Doug Kane—701-223-1771, 0.

Peabody Coal Company, Rosebud-Colstrip Mine, Big Sky Mines, Kinney Kempf—303-371-7990, 400,000 tons, 135,000 this year already.

Western Energy: Colstrip Mine, Chad Oliver-Billings (he says 1.5 million), 406-259-6054 h, 406-245-3191 w, 1.1 million tons.

Jim Murphy/406-723-5421 (x2145).

Total, 3.9 million tons.

WYOMING

Decker Coal Company, Big Horn Mine, Bob Johnson, 307—672-3401, 300,000 tons.

Amax Coal Company, Belair and Eagle Butte Mine, Gary Root, 317—266-8444, 2,100,000 tons.

Carter Mining, Rawhide, Caballo Mines, Lee Reed, 307-682-3203, -0- tons.

Kerr-McGee, Jacob's Ranch Mines, Ed Schumaker, 307—939-1216, 1 million tons.

ARCO Coal Company, Coal Creek, Black Thunder Mines, Joe Ackler, 303—575-7156, 2 million tons.

Northern Energy Resources, Pacific Power and Light, Dave Johnson Mine, -0- tons.

SUNEDCO, Cordero Mine, Fred Kraft, 214—233-2600, 1.018 million.

Total, 6,418,000.

NORTH DAKOTA

Baukol-Noonan Inc., Center Noonan Mines, 701—852-2304, 130-150,000 tons.

Consolidated Coal, Velva and Stanton (Glen Herald) Mines, Tom Fritz, 303—770-1600, -0- tons.

Knife River Coal Co., Gascoyne and Beulah, 200,000 tons.

North American Coal Companies, Coteau Properties, Indian Head, -0-.

Husky Industries, No. 2 Dickenson Mine, Leroy Eckhardt, 404—393-1430, -0-.

Total, 350,000 tons.

Grand Total (Montana, N.D., Wyoming), 10.668 million tons.

Mr. MELCHER. The Department of Energy lists 190 electrical generating plants either under construction or in planning stages in 19 States that will be completed by 1989 or before, all of which are designed to use coal as the fuel and which would be served directly by the Milwaukee Railroad are served by rail or barge connections. These plants, many of which will be completed in 1980, 1981, and 1982, will if all completed generate 90,000 megawatts of power. The need for additional coal and coal transportation is obvious.

The list follows:

ARKANSAS

Year of completion, county, company name, and megawatts.

1980, Jefferson, Mid So. Arkansas Power and Light, 700.

1981, Jefferson, Mid So. Arkansas Power and Light, 700.

1983, Independence, Mid So. Arkansas Power and Light, 700.

1985, Independence, Mid So. Arkansas Power and Light, 700.

1986, unknown, Mid So. Arkansas Power and Light, 700.

1988, unknown, Mid So. Arkansas Power and Light, 700.

COLORADO

Year of completion, county, company name, and megawatts:

1979, Moffat, Colorado-Ute Electric Assn., 380.

1979, Moffat, Colorado-Ute Electric Assn., 380.

1979, El Paso, Colorado Springs City of 200.

1980, Morgan Public Service Co. of Colorado, 552.

1981, Morgan, Public Service Co. of Colorado, 500.

1983, Moffat, Colorado-Ute Electric Assn. 447.

1983, Unknown, Public Service Co. of Colorado, 470.

1983, Unknown, Tri State Gen. and Trans Assn., Inc., 500.

1984, Moffat, Oak Creek Power Co., 800.

1984, Unknown, Public Service Co. of Colorado, 470.

1984, Unknown, Tri State Gen. and Trans. Assn., Inc., 500.

1985, Moffat, Oak Creek Power Co., 800.

1985, Moffat, Oak Creek Power Co., 800.

1985, Larimer, Platte River Power Authority, 255.

1985, Unknown, Tri State Gen. and Trans. Assn., Inc., 500.

1985, El Paso, Colorado Springs City of, 200.

1986, Unknown, Public Service Company of Colorado, 470.

1987, Unknown, Public Service Co. of Colorado, 470.

ILLINOIS

Year of completion, county, company name, and megawatts:

1981, Shoshone, Illinois Service Co., 600.

1983, Latah, Central Illinois Light Co., 440.

1986, Sangamon, Undesignated, 192.

1986, Unknown, Commonwealth Edison Co. 550.

1987, Williamson, Southern Illinois Power Coop, 350.

1977, Unknown, Souland Power Coop, 450.

1987, Unknown, Central Illinois Public Service Co., 600.

1987, Unknown, Commonwealth Edison Co., 550.

1989, Latah, Central Illinois Light Co., 550.

INDIANA

Year of completion, county, company name, and megawatts:

1979, Gibson, Public Service Co. of Indiana, Inc., 669.

1979, Posey, Southern Indiana Gas & Electric Co., 265.

1979, Jasper, Northern Indiana Public Service Co., 556.

1981, Sullivan, Hoosier Energy Division of, 490.

1982, Sullivan, Hoosier Energy Division of, 490.

1982, Gibson, Public Service Co. of Indiana, Inc., 668.

1982, Spencer, AEP: Indiana & Michigan Electric Co., 1300.

1983, Pike, Indianapolis Power and Light Co., 532.

1983, Posey, Southern Indiana Gas & Electric Co., 265.

1983, Jasper, Northern Indiana Public Service Co., 388.

1983, Spencer, AEP: Indiana and Michigan Electric Co., 1300.

1985, Unknown, Indianapolis Power and Light Co., 650.

1985, Jasper, Northern Indiana Public Service Co., 388.

1985, Wayne, Richmond Power and Light (IN), 100.

1986, Montgomery, Crawfordsville Electric Light & Power, 11.

1987, Unknown, Indianapolis Power and Light Co., 650.

1987, Switzerland, Indianapolis Power and Light Co., 650.

1987, Posey, Southern Indiana Gas & Electric Co., 530.

IOWA

Year of completion, county, company name, and megawatts:

1979, Woodbury, Iowa Public Service Co., 640.

1980, Storey, Aimes City of Electric Utility, 66.

1981, Wapello, Iowa Southern Utilities Co., 726.

1982, Muscatine, Muscatine City of, 165.

1983, Louisa, Iowa Illinois Gas & Electric Co., 650.

1985, Guthrie, Central Iowa Power Co-op, 550.

1985, Unknown, Allied Power Co-op of Iowa, 550.

KANSAS

Year of completion, county, company name, and megawatts:

1980, Wyandotte, Kansas Board of Public Utilities, 250.

1980, Pottawatomie, Kansas Power and Light Company, 720.

1982, Pottawatomie, Kansas Power and Light Company, 720.

1982, Wyandotte, Kansas Board of Public Utilities, 300.

1984, Unknown, Sunflower Electric Coop, 300.

1984, Pottawatomie, Kansas Power and Light Co., 720.

LOUISIANA

Year of completion, county, company name, and megawatts:

1980, Pointe Coupee, Cajun Electric Power Coop, Inc., 559.

1981, Pointe Coupee, Cajun Electric Power Coop, Inc., 559.

1982, Rapides, Central Louisana Electric Co., 558.

1982, Calcasieu, Gulf States Utilities Co., 615.

1982, Calcasieu, Gulf States Utilities Co., 615.

1983, Pointe Coupee, Cajun Electric Power Coop, Inc., 559.

1985, Pointe Coupee, Cajun Electric Power Coop, Inc., 559

1986, Pointe Coupee, Cajun Electric Power Coop, Inc., 559.

1986, Unknown, Mid So. Louisiana Power & Light Co., 700.

1986, Unnkown, Mid So. Louisiana Power Co., Inc., 530.

1986, De Soto, Cen. and S.W. Southwestern Elec. Power, 719.

1986, Unknown, Mid So. Louisiana Power & Light Co., 700.

MICHIGAN

Year of completion, county, company name, and megawatts:

1979, Marquette, Upper Peninsula Generating Co., 90.

1980, Ottawa, Consumers Power Co., 770.

1982, Unknown, Upper Peninsula Power Co., 90.

1982, Ottawa, Grand Haven Board of Light & Power, 100.

1982, Branch, Coldwater City Board of Public Utilities, 25.

1982, Marquette, Marquette City Board of Light & Power, 43.

1983, St. Claire, Detroit Edison Co., 697.

1984, Unknown, Upper Peninsula Power Co., 90.

1984, St. Claire, Detroit Edison Co., 697.

1985, Unknown, Upper Peninsula Power Co., 90.

1987, Unknown, Upper Peninsula Power Co., 90.

?, Unknown, Michigan South Central Power Agency, 50.

MINNESOTA

Year of completion, county, čompany name, and megawatts:

1980, Itasca, Minnesota Power & Light Co., 555.

1983, Brown, New Ulm Publich Utilities Co., 40.

1984, Sherburne, Northern States Power Co., 800.

1986, Unknown, Minnesota Power & Light Co., 555.

1987, Sherburne, Northern States Power Co., 800.

1989, Unknown, Northern States Power Co., 800.

MISSOURI

Year of completion, county, company name, name, and megawatts:

1980, Platte, Kansas City Power & Light Co., 726.

1981, Scott, Sikeston Board of Municipal Utilities, 235.

1981, Randolph, Associated Electric Coop Inc., 670.

1985, Greene, Springfield Utilities, 250.

1986, Jasper, Empire District Electric Co., 300.

1986, unknown, Missouri Public Service Co., 100.

1987, Platte, Kansas City Power & Light Co., 726.

NEBRASKA

Year of completion, county, company name, and megawatts:

1979, Otoe, Omaha Public Power District, 575.

1981, Platte, Grand Island Water & Light Department, 110.

1981, Adams, Hastings Utilities, 75.

1981, Lincoln, Nebraska Public Power District, 650.

1986, Antelope, Nebraska Public Power District, 650.

NEW MEXICO

Year of completion, county, company name, and megawatts:

1979, San Juan, Public Service Co. of New Mexico, 534.

1982, San Juan, Public Service Co. of New Mexico, 534.

1984, unknown, Plains Electric General & Trans Coop, 330.

1988, San Juan, Public Service Co. of New Mexico, 534.

19??, San Juan, Public Service Co. of New Mexico, 500.

19??, San Juan, Public Service Co. of New Mexico, 500.

19??, San Juan, Public Service Co. of New Mexico, 500.

NORTH DAKOTA

Year of completion, county, company name, and megawatts:

1979, McLean, Coop Power Association, 550.

1980, McLean, Coop Power Association, 550.

1981, Mercer, Otter Tail Power Company, 414.

1981, Mercer, Basin Electric Power Coop, Inc., 438.

1983, Mercer, Basin Electric Power Coop, Inc., 438.

OHIO

Year of completion, county, company name, and megawatts:

1981, Adams, Dayton Power & Light Co., 661.

1985, Adams, Dayton Power & Light Co., 661.

1986, Unknown, Buckeye Power Coop, 600.

1987, Unknown, Columbus & Southern Ohio Electric Co., 403.

1987, Athens, Columbus & Southern Ohio Electric Co., 444.

1990, Athens, Columbus & Southern Ohio Electric Co., 444.

OKLAHOMA

Year of completion, county, company name, and megawatts:

1979, Rogers, Cen. & Swl. Public Service Co. of Oklahoma, 450.

1979, Mobile, Oklahoma Gas & Electric Co., 567.

1980, Mobile, Oklahoma Gas & Electric Co., 567.

1980, Rogers, Sln. & Swl. Public Service Co. of Oklahoma, 450.

1981, Mayes, Grand River Dam Authority, 490.

1982, Choctaw, Western Farmers Electric Coop, 376.

1982, Unknown, Western Farmers Electric Coop, 400.

1983, Unknown, Oklahoma Gas & Electric Co., 515.

1983, Mobile, Oklahoma Gas & Electric Co., 700.

1985, Mobile, Oklahoma Gas & Electric Co., 500.

1985, Unknown, Oklahoma Gas & Electric Co., 500.

1986, Unknown, Oklahoma Gas & Electric Co., 500.

1987, Unknown, Oklahoma Gas & Electric Co., 500.

1988, Unknown, Oklahoma Gas & Electric Co., 500.

TEXAS

Year of completion, county, company name, and megawatts:

1979, Fort Bend, Houston Lighting & Power Co., 734.

1979, Rusk, Utilitexas Power & Light Co., 793.

1979, Fayette, Lower Colorado River Authority, 600.

1979, Hutchinson, Southwestern Public Service Co., 37.

1979, Goliad, Central & SWI Central Power & Light, 550.

1980, Titus, Central & SWI Southwestern Electric Power, 558.

1980, Fort Bend, Houston Lighting & Power Co., 600.

1980, Fayette, Lower Colorado River Authority, 600.

1980, Potter, Southwestern Public Service Co., 360.

1980, Atascosa, San Miguel Electric Coop, 409.

1981, Milan Texas Utilitexas Power & Light Co., 591.

1982, Unknown, Texas Municipal Power Pool, 460.

1982, Titus, Central & SWI Southwestern Electric Power Co., 558.
1982, Lamb, Southwestern Public Service Co., 568.
1983, Fort Bend, Houston and Lighting Power Co., 600.
1984, Henderson, Texas Utilitexas Power & Light Co., 793.
1984, Robertson, Texas Utilitexas Power & Light Co., 793.
1984 Freestone, Houston Lighting and Power Co., 750.
1984, Harrison, Central & SWI Southwestern Electric Power Co., 719.
1985, Rusk, Texas Utilitexas Power & Light Co., 793.
1985, Lamb, Southwestern Public Service Co., 568.
1986, Robertson, Texas Utilitexas Power & Light Co., 793.
1986, Freestone, Houston Lighting and Power Co., 750.
1987, Unknown, Central & SWI West Texas Utilities Co., 640.
1988, Unknown, San Antonio Public Service, 500.
?, Unknown, Central & SWI West Texas Utilities Co., 104.

UTAH

Year of completion, county, name of company, and megawatts:
1979, Emery, Utah Power and Light Co., 400.
1983, Washington, Nevada Power Co., 250.
1983, Emery, Utah Power and Light Co., 400.
1984, Washington, Nevada Power Co., 250.
1985, Unituh, Desret GNT, 360.
1985, Emery, Utah Power and Light Co., 400.
1987, Millard, Los Angeles Dept. of Water & Power, 820.
1988, Millard, Los Angeles Dept. of Water & Power, 820.
1989, Millard, Los Angeles Dept. of Water & Power, 820.
1989, Millard, Los Angeles Dept. of Water & Power, 820.
1987, Unituh, Desret GNT, 360.

WISCONSIN

Year of completion, county, company name and megawatts:
1979, Buffalo, Dairyland Power Coop, 350.
1980, Kenosha, Wisconsin Electric Power Co., 617.
1982, Marathon, Wisconsin Public Service Corp., 322.
1982, Kenosha, Wisconsin Electric Power Co., 617.
1983, Sheboygan, Wisconsin Power & Light, 400.
1985, unknown, Wisconsin Electric Power Co., 400.
1986, Outagamie, Kaukauna, City of Elec. & Water Depts., 150.
1986, Marathon, Wisconsin Public Service Corp., 350.

WYOMING

Year of completion, county, name of company, and megawatts:
1979, Sweetwater, Pacific Power & Light Co., 508.
1980, Platte, Basin Electric Power Coop Inc., 550.
1980, Platte, Basin Electric Power Coop Inc., 550.
1982, Platte, Basin Electric Power Coop Inc., 550.
1983, Campbell, Pacific Power & Light Co., 330.
1986, unknown, Utah Power & Light Co., 500.
1988, unknown, Utah Power & Light Co., 500.

Mr. YOUNG. Mr. President, this is a very important matter. I associate myself with the comments of the Senator from Montana.

In North Dakota there is a big, new generating plant of more than 400 megawatts, and coal is hauled by train now. If the train is discontinued, it will take 600 to 800 trucks to haul coal some 300 miles. That gives some idea of the loss in oil alone if this railroad is discontinued.

Mr. MELCHER. Mr. President, a bill was introduced on April 10 by myself, my colleague from Montana, Senator Baucus, as well as Senator Magnuson, Senator Young, Senator Burdick, and Senator Pressler, which we hope would alleviate this situation.

I yield to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? There are 2½ minutes now for those in opposition to the amendment.

Mr. MELCHER. I yield to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. Does the Senator wish some time?

Mr. PRESSLER. I have no time. If any time is yielded to me, I have a short speech.

Mr. MUSKIE. I am happy to yield time to the Senator.

Mr. PRESSLER. Mr. President, I strongly support Senator Melcher's amendment. It is of vital concern to the economy of South Dakota. It is our only major railroad. I do not accept all Milwaukee's figures, but it seems that this is the best stopgap approach.

Mr. MUSKIE. I yield 1 minute to the Senator from Washington.

Mr. JACKSON. Mr. President, I should like to state, as chairman of the Committee on Energy and Natural Resources, that we have scheduled hearings on Senator Melcher's bill for Monday, April 30. We intend to move expeditiously, in light of the urgent situation that exists in connection with the operation of the Milwaukee Railroad.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield myself 2 minutes.

Mr. President, it is apparent that a real problem exists for certain midwestern railroads, and I am sympathetic to the concerns of the Senator from Montana. If we are to increase the use of coal in solving the country's energy problems, railroads will certainly have to play a significant role in transporting the coal. The Senator from Montana has every right to be concerned about the continuation of services by the Milwaukee Railroad. I understand that the reorganization proposal announced Monday would concentrate operations on only 2,400 miles of the present 9,800-mile system. That is a dramatic proposal indeed. I am not an expert on Federal transportation programs. However, I understand that there are existing programs which could be used, and are explicitly designed to assist railroads in emergency situations.

I would hope that these alternative funding sources could be thoroughly explored before adding new funding.

I know that the Senator has a proposal for a new program under the Department of Energy and that it will receive a hearing shortly, possibly next week. If the authorizing bill is enacted, I am sure that the proposals will receive every consideration within the funding targets recommended by the Budget Committee. The functional totals recommended by the committee have not assumed this new initiative to assist coal-haul railroads. However, we are not a line-item committee. It remains the responsibility of the Appropriations Committee to allocate funds among specific programs that must compete for funding within the recommended targets.

I believe that, with all of these funding alternatives, there should be an opportunity to put together a package of assistance which will address the problems that concern the Senator. For that reason, I do not feel his amendment is necessary—at least not at this time. Later, if these numerous sources of assistance do not prove adequate, there will be another opportunity, during consideration of the second budget resolution, to consider the Senator's proposal.

Mr. MELCHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. MELCHER. Mr. President, I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, on the basis of the finding of the eminent chairman of the Budget Committee that if the authorizing legislation is passed, funding likely would be available in the concurrent resolution, and on the assurance of the chairman of the Energy Committee, Senator Jackson, that hearings will start on the bill on Monday, I withdraw my amendment.

UP AMENDMENT NO. 96

(Purpose: To increase budget authority and outlays in the community and regional development function in order to accommodate expected SBA disaster assistance needs)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment for myself, Mr. Bentsen, Mr. Stewart, Mr. Stennis, Mr. Bellmon, Mr. Boren, Mr. Heflin, Mr. Young, Mr. Domenici, and Mr. Burdick.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), on behalf of himself and others, proposes an unprinted amendment numbered 96.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 21, strike "$687,200,000,000" and insert "$687,100,000,000".

On page 2, line 24, strike "$532,400,000,000" and insert "$532,600,000,000".

On page 3, line 1, strike "$614,300,000,000" and insert "$614,200,000,000".

On page 3, line 5, strike "—$28,800,000,000" and insert "—$29,000,000,000".

On page 3, line 7, strike "+$700,000,000" and insert "+$800,000,000".

On page 7, line 11, strike "$8,000,000,000" and insert "$8,200,000,000".

On page 7, line 16, strike "$9,700,000,000" and insert "$9,600,000,000".

On page 7, line 17, strike "$9,000,000,000" and insert "$8,900,000,000".

On page 12, line 7, strike "$560,200,000,000" and insert "$560,700,000,000".

On page 12, line 9, strike "$494,200,000,000" and insert "$494,500,000,000".

On page 12, line 12, strike "$37,000,000,000" and insert "$37,300,000,000".

On page 13, line 18, strike "$8,900,000,000" and insert "$9,400,000,000".

On page 13, line 19, strike "$9,500,000,000" and insert "$9,800,000,000".

Mr. ROBERT C. BYRD. Mr. President, this amendment deals with the funding allowance assumed for disaster relief insurance in the revisions to the second concurrent resolution for fiscal year 1979 now pending before the Senate as section 2 of Senate Concurrent Resolution 22.

This amendment would add $500 million in budget authority and $300 million in outlays to Function 450, Community and Regional Development, for increased disaster assistance. These are the fiscal year 1979 figures.

There would also be some impact from this proposal in other years.

In fiscal year 1982, the budget impact would be favorable. In this year loan repayments received by the disaster revolving fund would reduce that fund's budgetary needs, and therefore reduce projected budget authority and outlays.

That is the total budget impact of my amendment.

The need for the amendment stems from the fact that the budget resolution, as reported, does not include disaster assistance funds for the recent tornadoes and floods which have ravaged several southern States.

The funds were not included in the budget resolution because at the time of the Budget Committee's markup it was uncertain how much additional funding would be needed to assist tornado and flood victims. I have reduced that figure to $500 million.

According to the Office of Management and Budget, the States for which the additional disaster loan money is intended are Texas, Oklahoma, Mississippi, Alabama, New Mexico, Minnesota, and North Dakota.

This amendment would simply update the budget resolution targets to accommodate the funding necessary to provide disaster assistance to the victims of recent floods and tornadoes.

I am very familiar with the need for disaster assistance. Two years ago, my own State of West Virginia was hit by a devastating flood. Damages for the residents of southern West Virginia and eastern Kentucky averaged almost $9,000 per home. Business losses resulting from the temporary closing of coal mines exceeded $30 million. Federal assistance played a major role in accelerating the pace of recovery.

Mr. President, I urge the adoption of this amendment

Mr. President, I ask unanimous consent that the time on this amendment be limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEVERAL SENATORS. Vote! Vote!

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 97

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) offers an unprinted amendment numbered——

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment to be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 24, strike "$532,400,000,000" and insert in lieu thereof "$527,400,000,000".

On page 3 line 5, strike "$28,800,000,000" and insert in lieu thereof "$23,800,000,000".

Mr. PROXMIRE. Mr. President, first, I want to make it clear that I have the greatest admiration and respect for the distinguished Senator from Maine. I think he has done a marvelous job on this bill, as he always does. He has demonstrated, in my judgment, his wizardry because he has been able to persuade the Senate to reject virtually all the reductions which have been proposed.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MUSKIE. I know that every time the Senator begins in that fashion. I had better sit tight and listen. [Laughter.]

Mr. PROXMIRE. I thank the Senator. I also pay tribute to the distinguished Senator from Oklahoma, the ranking Republican member, who also has done an outstandingly fine job, as has the entire committee.

Mr. President, the fact is that we have not done enough.

The gnawing, biting problem is inflation, and this is still an inflationary budget resolution, a highly inflationary budget resolution.

Consider the economic assumptions of the Budget Committee for fiscal 1980 when this budget will be having its effect on the economy:

First: Three percent-plus growth rate—that means a period of economic expansion, certainly a time when we should have a balanced budget.

Second: Eight percent inflation—close to the highest in the Nation's history, certainly the highest that responsible Government officials have ever anticipated, and that is on top of 3 percent growth. The higher rate of inflation makes it easier to balance the budget in 1980 when inflation is assumed to be near peak levels.

Third: The most explosive increase in jobs in recent history over the last 3 years, particularly in the last 3 months.

Fourth: Interest rates on riskless Government obligations averaging from 7 to 8 percent, near the record highs the country has experienced. These rates can only be moderated by an economic slump which no one wants or a truly restrained fiscal policy with a balanced budget which the Senate is about to deny the country in voting for this resolution.

Mr. President, if a student in economics I were given this scenario in fiscal policy, that is, there is 3 percent-plus growth, 8 percent inflation, rapidly expanding employment, and sky-high interest rates, and asked, "Should under those circumstances the Federal Government balance its budget?", there is no way he could get a passing grade if he said no.

This morning Dr. George Eads came before the Banking Committee for confirmation as a member of the Council of Economic Advisers.

This was a brilliant man with a doctorate from Yale and an outstanding background of economics appointed by the President as the newest member of the Council of Economic Advisers.

I asked him whether under the circumstances I described we should have a balanced budget, and his answer was as it had to be, yes.

There are lot of alibis. We may be about to move into a recession is one. The answer to that is that we always may be moving into a recession. The reasons we have had the outrageous record of 16 deficits in the last 17 years of unparalleled economic expansion is because Presidents and Congressmen always feared we might be moving into a recession. Recession is hypothetical. A maybe-maybe not proposition. Inflation is here right now. It is big. It is visible. It is hurting everyone. and the Senate's answer is to foist another nearly $30 billion Federal deficit on the country.

Alibi two, a balanced budget is fine but let us reach it gradually. How gradual can you get? Ten years since the last one and 10 years of general growth and expansion. Now they say we are moving toward a balanced budget, not this coming year but 2 years from now. Next year it will be the same weary story. They tell us we will balance the budget in 1982 for sure. The fact is that if we cannot balance the budget in a year of solid growth such as we assume in 1980, we will never be able to balance the budget. Inflation is rampaging. This is no time for a gentle pitty-pat cure. but it is time for a tough, sharp, emphatic answer.

Alibi three is that the balanced budget will hurt the poor. The fact is inflation will hurt the poor much more. Less than 25 percent of the budget is of any benefit to the poor. There is no reason we cannot target and protect that 25 percent.

Alibi four, a balanced budget will gut vital Federal programs like defense, education, and public works. Some may think these programs will not be improved by reductions, which I happen to think, and they may feel that we need to increase them. If so, if we do, we need more defense or public works or other programs, we should raise the taxes to pay for them, not run an inflationary $30 billion deficit.

What we need is not a commitment that we probably will not keep to balance the budget in 1981 or 1982. Such a commitment is irresponsible as well as foolish. What we need is a commitment to enact budgets that will be in balance whenever the economy is growing at or above the historic average.

If we have stagnant growth in 1981 we should have a deficit. If we have a recession we should have a bigger deficit. But if we grow at 3 percent or better we should have a surplus, and certainly if we continue to have inflation of 6 percent or more and grow at 3 percent or better, as the Budget Committee tells us we can expect in 1980, we should have a surplus.

What this Senate is doing is saying we will not balance the budget in 1980, which begins 5 months from now and ends almost a year and a half from now, even if we have growth of the economy of 3 percent or 4 percent in that year and inflation of 8 percent, all of which are extraordinarily favorable conditions for balancing the budget, but we are being told that whatever the economic conditions are in 1981 we will balance the budget then.

Mr. President, that kind of position is unrealistic and irresponsible.

I plead with Senators MUSKIE and BELLMON to work to change the basis for balancing the budget from a particular year to particular economic conditions; that is, substantial growth—2½ percent or 3 percent or 3½ percent—combined with substantial levels of inflation should always dictate a balanced budget. The more severe the inflation the more substantial should be the surplus.

Consider: The committee's budget will not be in balance in 1980 with 3½ percent growth or 4 percent growth or 4½ percent growth even with 8 percent inflation. It would take 5 or 6 percent growth in fiscal 1980 to create economic conditions that would so increase revenue and hold down expenditures that the budget would be barely in balance, and such growth would be highly inflationary. Such rapid economic growth should be accompanied by a substantial and I mean a very substantial surplus to stem the inflationary pressures.

Why does not the committee in the future come forward with a budget that will be in balance given a reasonable growth in the economy and a reasonable level of inflation?

On the other hand, the recommended expenditures and revenues should project a deficit, yes, a deficit if growth is too slow and a larger deficit if we move into a recession.

Economic conditions in 1980 are not predictable. We have to guess. But that does not prevent us from acting responsibly. Rather than decide that we should or should not have a balanced budget in 1980, what we should do is to adopt a level of expenditure and revenue that will bring us into surplus whenever we have substantial rates of inflation and growth exceeding 3 percent, and in deficit when we are below that level. Unfortunately, we have not done this.

If we did this the budget would do what it should do economically. It would restrain inflation when growth is exuberant and inflation is threatening; and it would stimulate the economy and encourage economic growth when the economy is stagnating and unemployment is growing.

Mr. President, I withdraw my amendment.

Mr. MUSKIE. Mr. President, at this point I am pleased to engage in a colloquy with Senator KENNEDY.

Mr. KENNEDY. Mr. President, as the Senator from Maine is aware I am concerned over the fact that, although the resolution recommended by the committee contains major reductions in some forms of Federal spending, it requires no reductions at all in tax spending. The chairman has stated forcefully on many occasions in the past 3 days of this debate, all spending programs should bear some of the pain of budget cuts. If so, then tax spending programs should share in this burden, too.

In reporting the resolution, the Budget Committee said, on page 5 of the report:

> Under the Committee's recommendations, even the highest priority programs have not been spared a share of the pain. This is a highly disciplined recommendation. But it is an equitable one. Neither defense, nor public welfare programs, nor any of the Federal Government's other major enterprises are spared a share of the burden which must be borne if this Congress is to balance the budget in 1981.

In fact, however, one of the Federal Government's major enterprises has been spared any share of the burden. Despite its claim to vigorous restraint, the resolution asks no restraint at all in one of the largest areas of Federal spending—the spending that is carried out through the tax laws.

For fiscal year 1980, Federal spending through the tax laws will reach the record total of $168 billion, and will climb to $268 billion by 1984 if no restraint is adopted. In recent years, tax spending has been growing significantly faster than spending through appropriations. Yet the budget resolution makes no attempt to restrain this form of Federal spending.

Nothing turns on whether a Federal dollar is spent as a tax subsidy or as an appropriation. Any spending program can be enacted either as a direct outlay or a tax benefit. Last year, for example, one of the most vigorous Senate debates took place over whether the use of tuition tax credits or direct education grants was a better method of providing billions of dollars in increased Federal aid for education.

Federal law now contains 89 different tax spending programs. They exist in all of the budget functions into which appropriations are divided. In some cases, the dollar amount of tax spending program equals, or even exceeds, the level of appropriations in the same budget function.

Large reductions would be necessary if cuts in tax spending were required in the same proportion that outlays are to be reduced by the resolution reported by the committee. I submit for the RECORD a table that illustrates this point:

	S. Con. Res. 22: Reductions in outlays from current policy		Proportional reductions in tax spending	
	Dollars in billions	Percent	Dollars in billions	Percent
Fiscal year 1980	$11.7	2.2	$3.7	2.2
Fiscal year 1981	21.6	3.6	6.9	3.6
Fiscal year 1982	35.0	5.4	11.6	5.4

Thus, if cuts in tax spending were required in the same proportion as the cuts in outlays proposed by the committee, nearly $7 billion in cuts in tax spending would be required in fiscal year 1981, and nearly $12 billion would be required in fiscal year 1982. The point is clear—the committee has asked enormous reductions in some types of Federal spending, but no reductions at all in tax spending.

Appropriations should not be required to bear the entire brunt of the spending cuts necessary to achieve our budget goals. There is no reason for a large component of the Federal budget to be made immune from scrutiny or exempted from bearing its fair share of the fiscal austerity to be imposed. Our spending targets can be met. But they must be fairly met. Does the chairman of the committee share my concern?

Mr. MUSKIE. As the Senator knows, I am sympathetic to the principle he has raised that tax expenditures must be given comparable scrutiny in developing budget resolution aggregates as is given to direct spending programs.

I would point out to the Senator that this year, in contrast to past years, the first resolution allows for no significant tax reductions which could be used to enact substantial new tax expenditures.

I am sympathetic to the Senator's desire to reduce the level of tax expenditures below current policy in a similar fashion to the direct spending reductions below current policy in this budget. However, no proposals to achieve such reductions in specific tax expenditures in fiscal year 1981 have been developed so far this year.

If substantial progress is made in the coming months to develop tax expenditure reductions to be effective in fiscal year 1981, an adjustment in the second resolution revenue floor could be made to reflect the tighter budget discipline these reductions would cause.

Mr. President, are there further amendments to be proposed?

FEDERAL RETIREMENT COST-OF-LIVING ADJUSTMENTS

Mr. STEVENS. Mr. President, the Budget Committee has recommended a reduction in outlays in fiscal years 1980–84 for the Federal employee retirement systems. The Budget Committee specifies the changes in the law that would accommodate the reduction in funds. They suggest that the provision of law providing for semiannual cost-of-living adjustments instead be changed to provide annual cost-of-living adjustments.

Mr. President, I have an amendment that would restore the money retired Federal employees are currently entitled to and allow the committees with jurisdiction over these areas to make their own recommendations. Disregarding the merits of the Budget Committee's recommendation, momentarily, the Budget Committee is suggesting that Congress make a change in the law that it is unprepared to make. Mr. President, the Federal Government is presently conducing a number of studies on the Federal retirement systems. In addition, we recently reported out of the Governmental Affairs Committee a bill authorizing a Pension Commission, established by the President by Executive order, whose purpose is to investigate the present status of this Nation's retirement systems, including the Federal ones, and to recommend changes in light of the country's overall direction and needs. Simply making haphazard changes in the current situation before we see the overall picture may prove to be detrimental to the citizens and economy of this country in the long run.

In fact, earlier this year the President also planned to recommend to Congress that we change the cost-of-living adjustments to an annual basis. However, he changed his mind. He, too, wants to see the Commission's report. I fear we would be making a big mistake to set a precedent here by reducing a number of individual's statutory entitlement without any hearings and without the background information to make intelligent decisions. And look who are being affected, retirees; the one group who have no other way to combat inflation except by cost-of-living adjustments. It is well known that those on fixed incomes are the ones who suffer the most from the debilitating effects of inflation. Who knows, after we receive the recommendations from the different studies, we may ultimately propose that the cost-of-living adjustments be made on an annual basis, but at least at that time we would be aware of the effect on individual's lives and be able to offset the loss in income by some positive steps. I feel if we permit these reductions to pass, we will be setting a dangerous precedent; we will be legislating without any knowledge of its effect; and we will be diminishing a group's ability to fight inflation while we ridiculously rationalize that this reduction is to help combat the same inflation. I ask unanimous consent that the text of my amendment be printed in the RECORD for the information of Senators.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 8, line 17, strike out "$183,700,000,000" and insert in lieu thereof "$183,800,000,000".

On page 8, line 20, strike out "$201,600,000,000" and insert in lieu thereof "$202,100,000,000".

On page 8, line 23, strike out "$221,200,000,000" and insert in lieu thereof "$221,200,000,000" and insert in lieu thereof "$221,800,000,000".

On page 2, line 24, strike out "$532,400,000,000" and insert in lieu thereof "$532,500,000,000".

On page 2, line 25, strike out "$575,700,000,000" and insert in lieu thereof $576,200,000,000".

On page 3, line 1, strike out "$614,300,000,000" and insert in lieu thereof "$614,900,000,000".

Mr. STEVENS. I now yield to the distinguished chairman of the Subcommittee on Civil Service and General Services.

Mr. PRYOR. I thank the ranking member of the subcommittee and my good friend from Alaska for yielding.

Mr. President, I am very concerned by the action which the Senate Budget Committee has taken with regard to recommending a revision in the current twice a year cost-of-living adjustments which are given to Federal retirees.

The current twice a year formula was adopted by the Congress in 1976, when the previous 1 percent add-on formula was eliminated. The once a year "kicker," as it was sometimes called, had been adopted by the Congress in 1969. However, the "kicker" formula was criticized for being too costly and overcompensating Federal retirees. As a result, the Congress amended the Legislative Appropriation Act of 1976, on the floor of the Senate replacing the kicker with the current system of twice a year adjustments. These adjustments, which are made on March 1 and September 1 of each year, are based on the percentage change in the Consumer Price Index published for a 6-month period ending 3 months before the actual change is granted.

Now, less than 3 years after repeal of the "kicker," we have another proposal to change the method of computing cost-of-living increases for Federal retirees.

In the last decade, inflation has risen at a very high rate and we have found greater reliance on retirement benefits by the American people. Currently, demographic trends indicate that not only will there continue to be a greater reliance on retirement benefits, but that the number of people in the age 65 years and over category will also increase. In an effort to better prepare the Congress and the Nation for what lies ahead in retirement futures, the President established a Commission on Pension Policy and the Governmental Affairs Committee recently reported legislation which will provide a statutory base for the Commission, as well as to continue its work for the next 2 years. The Pension Commission will assess the present financial status of our public and private pension plans and make recommendations to the Congress for a coordinated national policy which will serve as a model for the future development of pension systems in our country.

Senator STEVENS, the distinguished ranking minority member of the Civil Service and General Services Subcommittee, which held hearings on this issue, asked the Commission to specifically look into the Federal Civil Service Retirement System and we expect them to report recommendations for the program's improvement. I believe the Pension Commission can help to provide the Congress with the information which it needs to insure that equitable benefits are provided to our Federal retirees, without overcompensating them and without jeopardizing their financial security. We should give them this opportunity.

I feel it is also important to mention that Senator STEVENS and I sent a letter to the chairman and ranking minority member of the Budget Committee before that committee's markup expressing our concern that the committee not make any recommendations which would endanger retiree benefits. I ask unanimous consent the letter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PRYOR. In our letter we expressed concern that according to information contained in the 56th annual report of the Board of Actuaries of the Civil Service Retirement System, annuities for retired employees averaged approximately $590 per month and annuities for survivors of employees and their annuitants averaged approximately $230 per month. I am personally very concerned about the effect of the action recommended by the Budget Committee on those former Federal employees and their survivors who are on fixed incomes which are extremely low by today's standards. Any change in the level of their benefits could yield unknown financial consequences which might be disastrous.

I am very much concerned with eliminating unnecessary inflationary costs and I certainly commend the efforts of my colleagues on the Budget Committee. However, I believe the area of providing adequate benefits for our Nation's retired population is an area which deserves much greater consideration.

Some say that Federal retirees enjoy greater retirement benefits than social security recipients. It should be pointed out, however, that social security benefits which are now adjusted only once a year are exempt from taxation, while civil service annuities are fully taxed by the Federal Government (after the employee has received retirement benefits equal to his contribution to the fund).

When Congress authorized automatic cost-of-living increases in civil service annuities the House of Representatives committee report said such action was taken, because it was believed to be "the responsibility of the Government to maintain the annuities of its retirees and survivors at a level that will give them a living comparable to what they had, and rightfully expected to have, at the time of retirement." I believe we still have this responsibility.

EXHIBIT I

Washington, D.C.,
April 5, 1979.

Hon. EDMUND S. MUSKIE,
Chairman, Senate Budget Committee,
Russell Office Building,
Washington, D.C.
Hon. HENRY BELLMON,
Ranking Minority Member,
Senate Budget Committee,
Russell Office Building,
Washington, D.C.

DEAR SENATORS: It has come to our attention that the Senate Budget Committee is currently considering budget proposals requiring changes in the current method of computing cost-of-living increases for federal retirees, and their survivors.

We are as concerned with eliminating unnecessary inflationary costs as any Member of Congress. However, in our efforts to reduce budgetary levels we must be mindful of the effects on the individual citizens, especially those on fixed low incomes. According to the 56th Annual Report of the Board of Actuaries of the Civil Service Retirement System, which was submitted to the Congress on March 27th, 1979, annuities for retired employees averaged $590.00 per month and annuities for survivors of employees and annuitants averaged approximately $230.00 per month.

As the Chairman and Ranking Minority Member of the Governmental Affairs Subcommittee on Civil Service and General Services, which has jurisdiction over the civil service retirement system, we would like to express our concern over any action by the Senate Budget Committee which could possibly jeopardize the financial stability of certain federal retirees and their survivors. We believe it is necessary that Congress ascertain the extent of the hardship that changes in the cost-of-living adjustment for federal employees may cause, as well as, secure a complete picture of the cost savings involved before initiating such action.

As you may know, our Subcommittee recently held hearings on legislation to continue the work of the President's Commission on Pension Policy. The purpose of the Commission is to conduct a comprehensive review of the nation's federal, state, local and private retirement, survivor, and disability systems and to develop a coordinated national policy for future growth of retirement systems. The need for and implications of actions such as those being considered by the Senate Budget Committee will certainly be topics for the Commission's review. Additionally, other important and useful studies of federal employee retirement systems are now in progress. Any piecemeal changes could ultimately lead to serious problems in the future.

During the course of the Senate Budget Committee's deliberation, we hope that consideration will be given to the issues which we have raised. If we can be of any additional assistance in this regard please let us know.

Sincerely,

TED STEVENS,
DAVID PRYOR.

Mr. PRYOR. I yield back to the Senator from Alaska.

Mr. STEVENS. Now, the distinguished Senator from Maine has agreed to provide me his views of the effect that the Budget Committee's recommendations have upon the authorizing committees and upon the law.

What assumptions does this resolution make with regard to cost-of-living increases for Federal civilian and military retirement benefits?

Mr. MUSKIE. The Budget Committee assumed that cost-of-living increases for Federal civilian and military retirees would be changed from a semi-annual basis to an annual basis, beginning in July 1980. The savings assumed from this change, which would require a change in existing law, were as follows:

For the income security function 600, $0.1 billion in fiscal year 1980, $0.5 billion in fiscal year 1981, and $0.6 billion in fiscal year 1982, for cumulative savings over the next 5 years of $2.5 billion;

For the defense function 050, $0.1 billion in fiscal year 1980, $0.2 billion in fiscal year 1981, and $0.2 billion in fiscal year 1982, for cumulative savings over the next 5 years of $0.7 billion; and

For the budget as a whole, $0.2 billion in fiscal year 1980, $0.7 billion in fiscal year 1981, and $0.8 billion in fiscal year 1982, for a cumulative savings over the next 5 years of $3.2 billion.

Mr. STEVENS. To what extent would these assumptions be binding on the authorizing committees with jurisdiction over these programs?

Mr. MUSKIE. As you know, the Budget Committee does not make detailed policy choices. Our job is to set spending targets for each of the major functions and missions of the budget. In order to do so in a responsible way, the committee has always discussed major policy options when establishing the targets for each function and mission, and these choices are described generally in our report. We would be shirking our duty if we simply set spending targets for each function and mission without discussing the policy implications of our decisions. It is well understood, however, that our detailed policy assumptions are not binding on the Congress. The requirements of the Budget Act will be met if the costs of the policy decisions made by the appropriations and authorizing committees and the Congress as a whole do not exceed the targets established in the budget resolution.

One further point should be clarified. While it is true that the budget resolution before you is expressed in functional terms, these functional targets are not the only yardsticks by which compliance with the budget resolution is measured. The Budget Act requires that the budget resolution totals be allocated to the appropriations and authorizing committees according to the budgetary decisions included in each concurrent budget resolution. Each committee is required to file a "crosswalk" report which describes how that committee plans to spend the money allocated to it.

Mr. STEVENS. If the changes in law contemplated by this budget resolution are not adopted, would equivalent savings have to be achieved elsewhere?

Mr. MUSKIE. Yes, if the budget targets of this budget resolution are to be met, the Congress would have to achieve comparable savings elsewhere. This means that if the Governmental Affairs Committee does not act as this budget assumes it will, comparable savings would have to be achieved through other action by that committee, or other committees' program funds would be penalized to the extent these savings are not achieved.

Mr. STEVENS. I thank the Senator from Maine for so graciously answering my questions. I now yield again to the Senator from Arkansas.

Mr. PRYOR. I thank the Senator.

Do the budget resolution and report reaffirm the sole responsibility of authorizing committees to decide what programs should be changed and to set priorities within their authorizing jurisdiction?

Mr. MUSKIE. As I have often said before, the Budget Committee is not a line-item committee. The assumptions which we use in reaching our targets are not binding on the authorizing committees. But again let me emphasize that if the authorizing committees do not act to achieve the savings assumed by the Budget Committee, other comparable savings would have to be achieved by that committee or other committees, or the budget adopted by the Congress would be breached.

Mr. PRYOR. I thank the Senator.

I yield back to the distinguished Senator from Alaska.

Mr. STEVENS. Mr. President, under the circumstances, I will not offer my amendment.

Mr. BELLMON. Mr. President, I have found the comments made by my colleagues during this colloquy informative, but also somewhat troubling.

The Budget Committee assumed some modest savings in Federal military and civilian retirement programs.

As my colleagues have already pointed out, the Budget Committee simply assumed—as did the House Budget Committee—that there would be an orderly transition from the present twice-a-year cost-of-living adjustments to once-a-year adjustments.

Social security, veterans pensions, veterans compensation, and the supplemental security income program all adjust benefits once-a-year.

I do not see why Federal retirees should be favored more than the recipients of these other programs in making cost-of-living adjustments.

The argument that we should not rush into this—but rather should wait for various studies to be finished—leaves me with the feeling that there is a bit of a stall going on.

There have been plenty of studies of the Federal retirement systems.

I have here on inch-thick one issued in December 1978 by the General Accounting Office. It is entitled "Need for Overall Policy and Coordinated Management of Federal Retirement Systems."

It deals with the fragmented situations that we now have in Federal retirement and with issues such as unfunded liability of Federal Retirement Systems."

Let me read a quote from page viii of this report:

> In 1976, three major retirement systems—uniformed services, civil service, and Foreign service—reported unfunded liabilities in excess of $273 billion, an increase of 75 percent since 1970. Conservatively, these liabilities

are expected to increase to $349 billion by the end of fiscal year 1986.

And there is another new report, this one by the Congressional Budget Office—also issued in December 1978—on "Options for Federal Civil Service Retirement: On Analysis of Costs and Benefit Provisions."

This report discusses options for saving money in Federal civilian retirement.

It examines particularly some of the features of the Federal retirement system which are more generous than practices followed in non-Federal employment—including the twice-a-year cost-of-living adjustments.

The CBO report concludes that the Federal Government is currently spending 15.6 percent of salary and wage costs on retirement benefits—and that this would be cut to 9.4 percent—or by over one-third, if a retirement plan similar to the typical private sector plan were in use.

In short, Mr. President, there are many opportunities for savings in the Federal retirement systems we now have.

If the authorizing committees do not like the specific change the Budget Committee assumed, there are plenty of other possibilities they can consider to save the modest amounts of money the Budget Committee assumed.

I hope the colloquy here today—and the attention the Budget Committees in both Houses are giving to this important question—will help generate some action on the many issues in need of attention.

Mr. CHILES. Mr. President, I would like to clarify the situation regarding cost-of-living adjustments for civilian and military Federal retirees. I would like to point out for the record that this issue cannot be considered in isolation without recalling the circumstances which brought it into being.

The semi-annual cost-of-living adjustment was created by my modification of Senator HOLLINGS amendment to eliminate the "1 percent kicker" back in 1976. When we looked at the cost-of-living issue then, it became clear that the extra 1 percent over the actual change in prices was too big a benefit in times of rapid inflation. But we also became aware that it was put in to compensate for the long lead time under the old system, where no cost-of-living increase occurred until the Consumer Price Index went up 3 percent, then stayed there for 3 months. The extra 1 percent was put in to make up for the fact that in the 1960's, when inflation was low, it took as much as 25 months to get any adjustment. When inflation went from 3 to 5 to 10 percent, the extra 1 percent added on top of each increase became too much of a bonus. But when we replaced it, we decided to put some regularity into the system. Since increases had been occurring every 8 or 9 months, we chose semi-annual as most appropriate. This was not without precedent, since the food stamp reform bill had also provided a semi-annual adjustment.

The total picture, then, was a true reform. We examined the goal which Congress had intended to achieve, and found a less costly way to achieve it. While we made major savings—about a billion dollars a year—from taking out the 1-percent kicker, we paid a small price to offset delays and put the system on a regular basis. The total savings assumed by the Budget Committee for elimination of the semi-annual adjustment was $100 million in outlays out of a total defense function of $124 billion, that is, eight-tenths of 1 percent, and $100 million in an income security budget of $184 billion, or one-half of 1 percent. My first question, Mr. President, is just how much savings did the Budget Committee assume from eliminating the semi-annual adjustment?

Mr. MUSKIE. Should be $100 million in function 050—defense—and $300 million in function 600—income security—outlays only.

Mr. CHILES. What we are talking about then, Mr. President, is saving $100 million of outlays out of a total defense function of $124 billion—that is, eight-tenths of 1 percent—and $100 million in an income security budget of $184 billion.

If the committees and Congress can find other ways to make that small amount of savings within those large functional totals, then we will still be within the budget resolution. We discussed this issue of different assumptions about how to achieve the totals when we marked up the budget resolution in committee, and I think it is important to set it straight out here for the record.

Mr. President, as I made clear in the beginning of my remarks, I believe the semi-annual cost-of-living adjustment for Federal retirees was a reasonable compromise, which was made within the context of a major budgetary savings. To take back that compromise now would be a breach of faith with the retirees. I do not think it is going to happen, and I for one will oppose any legislative attempts to repeal the existing law. There are lots of other ways we can find to make those small amounts of savings in those large functions. That is why I have not offered an amendment to add money to the resolution. But I am glad we had this opportunity to set the record straight.

Mr. LEVIN. Mr. President, I have followed the debate on the first concurrent budget resolution with great interest. The budget process is a complicated one, and as a new Member of the Senate, I want to express my appreciation to the Budget Committee for their care and patience in guiding the Senate through this important process.

I recognize that the purpose of the first concurrent budget resolution is to set appropriate levels of spending for the various budget functions, and for missions within those functions, and not to consider the budget line item by line item. I understand that it is important for us to get a handle on the overall budget picture, so that we are not legislating program by program without any awareness of the overall impact and distribution of the Federal budget we approve. Nevertheless, I am concerned that there may be a number of areas where the spending levels set in this resolution will not prove to be adequate, and where it may not be possible at this time to specify precisely how much additional money may need to be spent. I hope that sufficient flexibility remains following the passage of this resolution so that some targets may be altered as consideration of certain programs progresses, or as additional information become available.

I would like to address several specific areas where I believe the spending levels we are considering today may prove to be inadequate, but where for a variety of reasons it may not be possible right now to adjust those targets. The first of those is energy.

The President has proposed a phased program to decontrol domestic crude oil prices. That will result in additional revenues to the Government, through the additional taxes which the industry will have to pay as its profits increase. Above and beyond the existing corporate income tax, the President has proposed, and I support, a windfall profits tax to recoup a substantial portion of the money which would otherwise go to the oil industry, so that the Government can use that money for investmants in long-term independence, and for the protection of low-income families from the impact of rising energy prices. But, as Senator MUSKIE himself has indicated, we do not yet know the nature or the fate of such a windfall profits tax, so we cannot yet include such revenues into this budget resolution with any degree of certainty.

I am troubled about the adequacy of the transportation target in light of a growing concern over the proposed DOT plan to cut Amtrak routes by 43 percent. I will be sending a letter to Senator RUSSELL LONG, chairman of the Surface Transportation Subcommittee, tomorrow, in which I will request that the committee seriously consider several amendments to Amtrak's authorization. I think it only fair that the Senate be put on notice that such efforts, if successful, will mean an increase in the Amtrak budget and transportation function. Although this means more money, the United States must maintain a national rail passenger system not only because it has the potential to be the most energy efficient and safe transportation mode and can derive its fuel from sources other than imported oil, but because a majority of Americans want it.

The DOT plan presents problems, however. First, the route cutbacks are too drastic. Although some routes must be cut, DOT has simply gone too far and threatened the future of the entire system. I favor a reevaluation of the route system to save the more promising routes. At a minimum, there should be enough money in the Amtrak budget to maintain the passenger service level of the track on those routes that may be cut but that might have future use.

Second, the President's proposed budget takes $69 million in labor protection costs out of the capital budget. This is somewhat deceptive. For one, labor protection is not a capital expense—there is nothing that Amtrak will own after it makes that kind of outlay, and second, precious money for equipment has been taken from the Amtrak system. I suggest a separate pool for labor protection and a reevaluation of the capital budget.

Third, section 403(b) funding is simply not sufficient. Since the Amtrak system is being reduced, States should be given the opportunity to compensate for the loss through section 403(b). I favor and there appears to be growing support for the concept contained in Congressman PEASE's bill which would establish a separate fund for section 403(b) moneys and authorizes $25 million to the program.

Fourth, provision must be made for a grace period for the implementation of the commuter routes in the DOT plan. States have not been given sufficient notice to budget these new moneys. In Michigan it will cost an additional $150,000 to run the Jackson-Detroit train as a commuter. The State should be given lead time to include this amount in its budget so the train can continue to operate.

These and other concerns are shared by several of my colleagues.

I am concerned that the budget authority target for the disaster loan program for fiscal year 1980 may also not be sufficient. I believe that there is a strong feeling on the part of numerous Senators that disaster loans should be provided at subsidized interest rates. The Small Business Committee made that recommendation to the Budget Committee. Yet the Budget Committee included only $312 million in budget authority for disaster loans assuming that interest rates would not be subsidized. I do not know whether the Senate will ultimately follow the lead of the Small Business or of the Budget Committee; but I do know that the Senate should be aware of the legitimate concern of many Members about this issue.

I am also concerned that the targeted amount for the CETA program may not be adequate. There seems to be a feeling that the reduction in the CETA public service jobs positions from 625,000 in fiscal year 1979 to 367,000 for fiscal year 1980 may be too deep and may need to be adjusted. We need to also be concerned about the budgetary ripple effects of such a deep cut in the number of CETA jobs. While CETA is not an inexpensive program, it does save taxpayers at the Federal, State, and local level large amounts of money that might otherwise have to be expended in the form of unemployment compensation or public assistance. It also generates tax dollars, from taxes on CETA wages and from the secondary taxes on the products which those wages buy; these tax dollars may be lost. That loss is difficult to estimate because we do not know how the various levels of government will respond to the cuts.

Another area which needs attention is general purpose revenue, specifically, countercyclical fiscal assistance. The Budget Committee did not follow the President's recommendation which allowed $300 million for countercyclical fiscal assistance. The amount could accommodate refunding of the Antirecession Fiscal Assistance Act which expired in 1979. Countercyclical fiscal assistance cannot be ignored. When the Antirecession Act expired.

Hopefully, my colleagues will agree with me that this program is necessary and that the Budget Committee targeted level of zero for this program may not be consistent with the wishes of many Members of this body.

The Budget Committee has invested a great deal of time and effort in its deliberations on this budget resolution, and has worked hard to establish an aggregate ceiling on Federal spending, and priorities for various budget areas. I am concerned, however, that the spending levels not be considered so hard and fast that they cannot be reevaluated in light of future changes, or future committee deliberations. I look forward to working with the members of the committee, and other Members of the Senate, through the remainder of the process of defining an appropriate Federal budget for fiscal year 1980.

Mr. RANDOLPH. Mr. President, Congress is working to bring the national budget in line. This is a necessary effort. I believe strongly, however, that the responsibility of Government is service to the people practical projects and programs to benefit our citizens.

The Department of Transportation's proposed restructuring of Amtrak all but eliminates rail passenger service in West Virginia. I am convinced that this service must be a critical component of a balanced transportation system. Our national transportation policy must include a fair and equitable transportation network which serves rural areas as well as metropolitan centers.

The question of scarce energy supplies must be considered prior to accepting a dismembered rail passenger system, as proposed by the Department of Transportation. Our energy problems are deepening and we must plan for our future transportation needs in this era of resource constraint.

We must encourage alternatives to automobile travel; clearly trains have the capability to provide such a reasonable alternative. The energy saving potential for trains is a reality. We must not destroy the Amtrak system now. It will be more costly to rebuild our rail passenger service in the future.

Mr. WILLIAMS. Mr. President, the drafting of a Federal budget is an arduous task which requires the combined efforts of the administration, through the President's budget request, and the Congress which depends on its Budget Committees to recommend spending and revenue levels. The process requires literally thousands of policy decisions in order to arrive at budget targets such as those currently pending before the Senate. Chairman MUSKIE and his fine staff, Senator BELLMON, ranking minority member, and the members of the committee have conscientiously labored to prepare this budget, and we must be grateful for their efforts.

Development of the budget requires an understanding of the economy, and decisions must be made within an economic context. Analysis of the current status of the U.S. economy is causing deep concern among policymakers about economic prospects over the next 2 years. The index of leading economic indicators has been declining for several months and economists are predicting a period of low growth or no growth. The prospects of a recession are very real and most disconcerting. The already high rate of inflation is accelerating, and prospects for significant reductions in the inflation rate are not promising in light of the dominance of uncontrollable external factors such as the Iranian oil situation, OPEC price increases, and depreciation of the dollar in world markets.

The unemployment situation is especially distressing. On the crest of an economic boom period we have not been able to lower unemployment below 5.7 percent, which should serve as a warning that we cannot ignore unemployment problems, expecting macroeconomic policies to lead us to an acceptable rate of unemployment.

Thus the current state of the economy is cause for alarm and the budget and economic policies planned for fiscal year 1980 and beyond are of critical importance to the economic stability of our country. For that reason, I view the budget before us with grave reservations. In an economic situation such as exists today our goals must be to sustain economic growth, to lower unemployment and to control inflation. We must adopt policies or methods which will lead toward realization of these goals.

The budget before us is characterized by commitments to austerity and restraint, a measure of which is appropriate given the high rate of inflation. But it is folly to apply fiscal restraint to the education, health care, and employment and training programs that directly affect the ability of American workers to get and hold a job. The debilitating effects on the unemployed from loss of resources and lagging economic growth must be recognized. Concern for inflation cannot be allowed to overshadow the grim prospects of rising unemployment and lowered growth expected in the months ahead.

Recent economic forecasts by the Congressional Budget Office warn of an increase in unemployment of 7.2 percent. At this level, over 7 million Americans would be counted as unemployed. The pool of "discouraged workers" who are not counted in the official rate because they have stopped looking for work in despair of finding a job, may include about 1 million additional persons. And those working part time because no full-time work is available would add another 4 million to the number of persons who are unemployed or underemployed because sufficient work is not available.

Unemployment of this magnitude is unacceptable. In formulating its fiscal and economic policy for the coming years the Congress must make every effort to insure that steps to control inflation and balance the Federal budget are not designed in a way that would impede the reduction of unemployment. Under Public Law 95-523, the Full Employment and Balanced Growth Act of 1978, the primary focus of economic policy must be on reducing unemployment toward the 4 percent goal established under the act. These fundamental principles of inflation and unemployment policies which are mutually reinforcing were agreed to by the Congress last year after long and major commitment that must not be allowed to fade in our concern over inflation.

I am concerned that this budget ignores the need for a balanced approach to economic policy. The political clamor for a balanced budget has shifted attention away from our overall goal of economic stability. A balanced budget is one method which can help us achieve economic stability. Balancing the budget is a tool; it is not a goal. The use of the balanced budget tool is not a panacea, and it will not assure prosperity or eliminate high inflation. If we choose to balance the budget as a method of helping to control inflation, we must also consider additional methods of achieving our goals in relation to employment and economic growth.

Moreover, we must recognize that balancing the budget will do very little to eliminate high inflation, since much of our inflation is caused by external factors related to world markets. To promise that a balanced budget will end high inflation is to perpetrate a hoax on the American public. In addition, we must recognize that there are negative as well as positive results from cutting Federal spending.

CBO estimates show that an intolerable increase in joblessness would result from efforts to reduce inflation by resorting to fiscal restraint alone. The CBO estimates that a reduction of $15 billion in Federal expenditures would reduce inflation by no more than 0.2 percent over the next 2 years, but it would result in a 0.3-percent increase in the unemployment rate and the loss of nearly 450,000 jobs. A $25 billion cut in Federal spending, according to these estimates, would reduce inflation by 0.4 percent, but at a cost of 0.6 percent higher unemployment and 900,000 jobs. These spending cuts would not reduce the deficit by a like amount, because a slowdown in the economy reduces tax collections and calls forth a number of automatic increases in spending in programs such as unemployment compensation. It is a rule of thumb, according to the CBO, that a 1-percent rise in unemployment increases the Federal deficit by roughly $20 billion, while a 1-percent rise in inflation adds roughly $3 billion to the deficit. The CBO estimates that a $15 billion spending cut would reduce the deficit by only $10 billion.

In pursuing our economic goals, I believe we must exercise some measure of fiscal restraint. I also support efforts to achieve a balanced budget. It is, however, precipitous and foolish to push for a balanced budget too quickly, ignoring the effects on employment and growth.

Mr. President, last year the Congress passed the Full Employment and Balanced Growth Act which set forth economic goals in relation to employment, growth and inflation. I am afraid this budget does not present a balanced approach to these economic factors. I urge the Budget Committee members and the Senate as a whole not to become so entangled in the politics of budget balancing that we lose sight of our goals thus harming rather than helping the economy.

The budget resolution before us contains a spending path for fiscal year 1980 which will produce a deficit of just under $29 billion. I support the effort of the Budget Committee to reduce the deficit to this level. However, I believe the priorities reflected in the Budget Committee proposal are regretable. This budget will cut services to fixed income elderly, to the handicapped, to the unemployed and to those in need of educational and social services. It is appalling to me that we expect those less fortunate in our society to bear the brunt of our current economic problems. We are further hurting with this budget those who are most hurt by inflation. Therefore, while I support the total spending and revenue levels in this resolution for fiscal year 1980, I object to the priorities assumed within the total by the Senate Budget Committee, and I urge the Senate budget conferees and the Appropriations Committee to reorder these priorities.

In addition, though the only actual targets in this resolution are for fiscal year 1980, estimates are given of expected spending levels and action with regard to revenue levels for fiscal year 1981 and fiscal year 1982. Given the current uncertainty in the economy, I do not believe the 1981 and 1982 figures can be given much credibility. While it is important to look ahead to the impact of a budget on future years, I want to emphasize that the outyear figures in this resolution are only estimates of what could happen and will be subject to reconsideration in budget resolutions for succeeding years.

I believe that to expect enactment next year of the path presented to us for a balanced budget in fiscal year 1981 is foolhardy, given the chances that there will be a recession in fiscal year 1980. In addition, the 1981 assumptions would have us move from a deficit of $28.8 billion to a surplus of $0.5 billion in only 1 year, a reduction so sharp that it would present great hazard to the economy. We must move to a balanced budget without wrecking our economy through intemperate action.

It is with some trepidation that I vote for this budget. I understand the difficulty of preparing a budget given competing demands for limited resources. However, I urge the Budget Committee to continue the established policy of the Congress to weigh carefully the need for a balanced economic policy which addresses unemployment and growth as well as inflation. The long-term economic stability of this country is far too important to be relegated to secondary concern behind short-term political maneuvering.

In addition, as the budget and appropriations process continues for fiscal year 1980, I urge a reordering of priorities so we do not do further harm to the elderly and less fortunate in our society. I also want to make very clear that I am voting on the actual overall spending totals and revenue for fiscal year 1980, and, as is appropriate, that I reserve judgment on fiscal year 1981 or 1982 levels to the time that we consider resolutions specifically for those years.

Mr. CRANSTON. Mr. President, I would like to seek clarification of the impact of the Budget Committee's recommendations in function 300, and particularly the assumptions made in the committee report under mission 3, on the land and water conservation fund, and more specifically on funding for the Santa Monica Mountains National Recreation Area.

Last year the Congress recognized the importance of saving the Santa Monica Mountains, and authorized a total of $125 million for acquisition of national recreation area lands. It was contemplated that the National Park Service would purchase some 40,000 acres of undeveloped land for public recreational use. But if we do not move quickly with the acquisitions, property values will rise and we would not be able to buy as much parkland for our money. Moreover, major portions of the Santa Monica Mountains are threatened by urban development and may be lost forever for park use unless adequate Federal funds are made available this year. I know the Senator from Maine shares my deep commitment for preserving our national heritage for public enjoyment.

The President's fiscal year 1980 budget for the Santa Monicas contain only $13 million for the land acquisition. But the authorization through 1980 is $55 million, and the National Park Service could effectively use this entire sum. To reduce money for the Santa Monica Mountains National Recreation Area and other park acquisitions under the land and water conservation fund is a false economy since the longer we wait, the higher the land values will be and the higher the ultimate park cost, if we can create the park at all.

I note in the Senate report on the first concurrent resolution on the budget that the committee is recommending that the budget for mission 3—the recreational resources mission in the natural resources function—function 300—which includes the land and water conservation fund land acquisition program, be funded $200 million in budget authority below current law levels and $100 million below the President's in budget authority—at $1.7 billion in budget authority. Is that correct?

Mr. MUSKIE. Yes, those are correct budget authority figures.

Mr. CRANSTON. I am very deeply concerned about the committee's actions in this regard because even at current law levels, the amount would permit the acquisition of some parklands over the next 5 years but would still leave a backlog of currently authorized land acquisitions like the Santa Monica Mountains by 1984.

Will the first concurrent resolution targets constrain the Senate Appropriations Committee's ability to allocate funds within the function 300 total in such a way as to provide any increase for specific park projects like the Santa Monica Mountains?

Mr. MUSKIE. No; we are not a line item committee. It remains the responsibility of the Appropriations Committee to allocate funds among specific, competing programs as they see fit.

Mr. CRANSTON. Since the rate of inflation in land prices is significantly higher than the overall inflation rate, park acquisitions are particularly adversely affected by funding even at current law levels. It is my understanding that the House Budget Committee recommended substantially higher levels of funding for the natural resources function—$12.8 billion as compared with $12.5 billion. I would hope that when this matter goes to conference between the House and Senate that the conferees would seriously consider accepting higher levels of funding for parks which would in the near-term future save the Government money and could permit the park acquisition program to proceed.

Mr. THURMOND. Mr. President, for several days, the Senate has been debating Senate Congressional Resolution 22, the first concurrent resolution on the budget. This measure proposes a budget deficit of $28.8 billion in fiscal year 1980 and a balanced budget in fiscal year 1981 and fiscal year 1982.

For the first time since the budget process was instituted 5 years ago, the Budget Committee's recomendations hold spending some $5 billion below the levels that would be reached if current programs were simply allowed to continue as now provided in Federal law. However, I believe that further reductions in the budget are possible without significant damage to any of the critical responsibilities the Federal Government will be required to fulfill in fiscal year 1980 and beyond. Deeper cuts in spending are necessary to bring the fiscal year 1980 budget into balance.

Mr. President, the American people want a balanced Federal budget. They want less Government, not more. The only way that I know to give the American people what they want is to further reduce spending, trim this $28.8 deficit, and balance the budget in fiscal year 1980.

A balanced budget is required in the constitution of 26 of the 50 States. I am proud to say that my home state of South Carolina is among these. In 38 States, the legislatures are completely limited or severely restricted from incurring a debt to cover deficiencies in revenue. These States realize necessity of a constitutional restraint to prevent careless spending and high deficits. It is time that the Federal Government comes to this realization before mounting deficits completely overpower us.

Recent public opinion polls show that the American people realize that inflation is now their biggest problem. Inflation erodes earning power, discourages savings, and cruelly squeezes those on fixed incomes. The connection between Government overspending and inflation is undeniable.

This legislation does provide for a balanced budget in fiscal year 1981 and fiscal year 1982. This is an admirable step in the right direction. However, the committee proposes to balance the budget by allowing taxes to increase $58 billion over a 2-year period—not through a reduction in spending. This means that there will be no tax relief for the American people until 1982 and later years. In my opinion, this is not the proper route to take.

Mr. President, as our colleague Senator ROTH has pointed out, this resolution is tantamount to "balancing the budget on the backs of the taxpayers."

In 1980, social security taxes under the reported committee recommendation will rise an estimated $11 billion. In 1981, these taxes will rise another $17 billion and in 1982 another $25 billion.

Workers whose cost-of-living wage increases push them into higher tax brackets will have to pay an additional $8 billion in income taxes in 1980, $17 billion in 1981 and $26 billion in 1982.

As for taxpayers who receive real—that is constant dollar—income increases through job advancement, promotion, and so forth, the effect of the Federal graduated income tax structure will raise their taxes by $1 billion in 1981, and $7 billion in 1982. These are onerous and unjustified increases to place upon the already overburdened American people.

The average American is grossly overtaxed to support a bloated and wasteful Federal bureaucracy. The American people are fed up with impersonable and unresponsive bureaucrats regulating every facet of their lives. I submit that the average taxpayer does not feel that he gets his money's worth for the taxes he pays. The time is long overdue to return matters of State concern to the jurisdiction of State legislatures.

Mr. President, the American people have reached the saturation point with Government regulation, high taxes, and spending programs riddled with fraud, abuse, and waste. We must act now to regain the American people's confidence in the U.S. Government. We must act to restore worker incentive, boost productivity, encourage innovation, and reinstate the dollar as a stable currency in the world community. The very survival of our economic system, and indeed our way of life, is at stake. We must learn to live within our means and the only way to do that is to exercise fiscal restraint.

Mr. President, yesterday I voted against an amendment by Senator PROXMIRE to cut $28.8 billion from the budget. I voted against it not because I am against balancing the budget, because I am. The reason I voted against it was because the amendment would have cut nearly $5 billion out of the military budget. I am opposed to any further cuts in our defense spending. It is already a lean budget and an across-the-board cut of $5 billion would seriously undermine our military and defense posture.

I also supported earlier today an amendment to restore the budget of the Law Enforcement Assistance Administration to its current levels. This action simply puts the LEAA program back to the level that has been intended by the Congress in order to assist States and local governments in their efforts to fight crime. Of all the Federal programs funded with taxpayer's money, this particular program benefits directly States and localities. I have supported funding of this program in the past, and continue to do so today.

Mr. President, I want to see a balanced budget as soon as it can be achieved. This overall budget resolution, however, fails to meet this goal. Therefore, even though I am in favor of certain, limited increases in specific areas, I cannot support the general levels of spending set by this legislation. I intend to vote against adoption of the first concurrent resolution on the budget.

● Mr. PELL. Mr. President, the Senate's debate and consideration of the budget resolution has demonstrated dramatically the difficult economic and budgetary problem that confronts the Congress and the American people.

First, there is broad and general agreement in the Congress and among the American people that Federal Government spending must be restrained and the Federal budget must be balanced as an essential part of the battle to end inflation. I share that conviction.

Our consideration of the budget resolution has made it clear that balancing the budget and placing real restraints on growth of Federal Government spending is difficult and painful, both for the Congress and for the American people.

We have seen in the debate in the Senate and in the amendments offered to the budget resolution that there is no part of the Federal budget that can be slashed or even substantially reduced without affecting the lives, the pocketbooks, or the economic interests of some significant segment of the U.S. population or economy.

In my view, those who contend that the Federal Government budget can be balanced with the snap of a finger simply by eliminating waste are wrong. There is waste and inefficiency in the Federal Government, just as there is in any large organization, and every effort must be made to eliminate waste and to rout out fraud and abuse. But to contend that those efforts offer a painless way to balance the budget is a disservice to the American people because it serves only to shield the American people from the hard realities and the hard choices that must be made to restrain Government spending.

In our democracy effective Government action requires the fullest possible participation in the decisions that Government makes. We in the Congress need realistic, knowledgeable public participation in the effort to eliminate Government deficits and to combat inflation.

Simplistic slogans and sweeping denunciations of Government in general are not helpful in that process.

In bringing the Federal budget into balance, we have, as I see it, two possible approaches. Like an overweight person trying to rid himself of excess poundage, we can either resort to surgery or we can slim down by dieting. Neither is pleasant.

Under the surgical approach, we could slash Government spending immediately by whatever amount necessary to balance the budget. Actually an amendment was offered to this bill that would do just that. It would have cut Government spending by $28 billion in the coming fiscal year in an effort to balance the budget in the 1980 fiscal year. I voted against this meat cleaver surgery because I believe such a drastic approach would have severely jolted our entire economy and perhaps precipitated a severe economic recession.

Instead I have supported the approach taken by the Senate Budget Committee under which the Federal Government would be placed on a strict diet that will slim down the Federal Government budget to a healthy balance in the fiscal years 1981 and 1982.

Even this course has required difficult decisions. The budget resolution either restrains growth or provides actual reductions in programs that are worthwhile and that serve justifiable national objectives.

But that is the basic nature of the budgeting and dieting—it requires that we control our appetites for good things.

The overriding fact which must not be forgotten is that balancing the Federal budget is one essential step that must be taken to help bring inflation under control. And bringing inflation under control has to be the first priority of Government policy.●

● Mr. BENTSEN. Mr. President, I would like to discuss the function 400-transportation recommendation contained in the pending resolution. Under the highways mission the report sets forth a recommendation of $8.4 billion. The discussion goes further with the statement that this level would provide the same program as fiscal year 1979. This is equivalent to the program for Federal-aid highways with the obligation ceiling set forth in the Surface Transportation Assistance Act. However, the actual authorizations for fiscal year 1979 approached $8.7 billion.

The authorization level contained in the same legislation for fiscal 1980 is approximately $9.0 billion. Thus, the recommendation of the Budget Committee for an $8.4 billion program level would be a substantial reduction in the program.

The Federal-aid highway program is of a unique nature. The spending rate in the program is not controlled by the appropriations process but rather by the authorizing committee which provides contract authority. The total authorizations is available to the States for obligation on the first day of each fiscal year. No appropriation is required for this apportionment. This program is funded from the Highway Trust Fund specifically designed to receive revenue from the users of the system. Obligations are incurred when the projects of the States are approved by the Secretary of Transportation.

Thus, to control the spending by the States, we must set an obligation limitation which will limit the dollars which the various States may obligate under the Federal-aid account or reduce the level of authorizations contained in the 1978 act.

With the authorizations for fiscal year 1980 already in place and spending authority controlled by the Environment and Public Works Committee, the first mission in function 400 transportation is established for budget authority and outlay purposes. Other budget authority and outlays must then conform if the target recommended by the first concurrent resolution for fiscal year 1980 is to be maintained.

The Senate must be cognizant that the spending authority for the highway program is in place by virtue of enactment of the 1978 Surface Transportation Assistance Act. If the $18.7 billion recommended for transportation in the first concurrent resolution is to be held, other appropriated transportation programs must be reduced accordingly. The 1978 law was the most reasonable bill possible which still meets our highway transportation needs. The Committee on Environment and Public Works is not prepared to reduce highway spending below the level recommended in our March 15 report.

The House and Senate conferees did recognize that spending would possibly be at a lower rate in the first few years and therefore set an obligation limitation of $8.5 billion for fiscal year 1979. In its report to the Budget Committee for fiscal year 1980, the Committee on Environment and Public Works recommended a similar level for fiscal year 1980. This was based upon an analysis of the ability of the States to obligate authorizations.

The members of the Committee on Environment and Public Works feel very strongly that the 1978 Surface Transportation Act is an example of our ability to write legislation which recognizes the fiscal problems facing this country today. The final product of the 1978 conference committee was only slightly above the recommendation of the President and substantially reduced the program proposed by the House Committee on Public Works and Transportation. The final legislation reduced the House level by nearly $16 billion. This demonstrates the Senate Committee's commitment to fiscal responsibility. The recommendation for an obligation limitation for fiscal year 1980 is responsible and we will work with the Appropriations Committee to establish the level of spending by setting such limitation.

The Federal-aid highway program is in fact unique and the provision of contract authority from the Highway Trust Fund does not lend itself to easy budgetary limitations. The method which has been used in the past, obligation limitation, has worked well to manage the outlays for the program. I see no reason that this cannot continue to be the case in the future.

I further believe that the obligation recommendation of the Committee on Environment and Public Works as contained in its March 15 budget report of $8.5 billion for Federal-aid highways will keep outlays at a level which will not significantly impact the fiscal year 1980 budget and will restrain outlays in future fiscal years.●

● Mr. STEVENSON. Mr. President, I compliment the distinguished chairman and the members of the Budget Committee on the job they have done in developing and reporting out the first concurrent resolution on the budget for fiscal year 1980. I appreciate fully the difficulties involved in this effort.

Senate Concurrent Resolution 22, as reported, also contains budget authority and outlay recommendations for fiscal years 1981 and 1982. The Congressional Budget Act of 1974, however, requires the establishment of budget levels for fiscal year 1980. The budget ceilings for fiscal years 1981 and 1982 in Senate Concurrent Resolution 22 are of no legal significance, and the House resolution included no amounts for fiscal years 1981 and 1982. The Senate will again consider the fiscal 1981 numbers next year and the fiscal year 1982 numbers 2 years from now.

Mr. President, I make these points because of the "going out of business" projection for the civilian space program in function 250 that first appears in Senate Concurrent Resolution 22 for fiscal years 1981 and 1982 and accelerates in fiscal years 1983 and 1984 as one studies the committee report (Senate report 96–68). These projections apparently are based upon the President's budget forecasts and do not appear to have considered the recommendations of the Committee on Commerce, Science, and Transportation. This is unrealistic. For example, fiscal years 1983 and 1984 merely represent the run-out costs of prior year programs. There is no provision for new initiatives in space science and applications.

The Committee on Commerce, Science, and Transportation recommended an authorization level for the civilian space program that permitted limited initiatives in fiscal years 1981–84. However, even these recommended levels reflected only a level NASA budget, adjusted for inflation. I am confident that as the Space Shuttle achieves operational status over the next 2 years, the requirements for at least a level NASA budget will be clear to Senators.

A cursory review of the Budget Committee report does not reveal a comparable funding trend for any other function. Even Mission No. 1, Science, in function 250 is continued at the fiscal year 1980 level. The civilian space program contributes substantially to our national research and technology base, yet today we are investing less than we did in fiscal year 1973, and we propose to reduce this level much more. On the other hand, for example, I note we propose to gradually increase the allocation of resources for international development programs over the 5-year period. Should we do more for our friends abroad than we are willing to do for our own economic well-being? Other nations are stepping up their space activities. Are we to let ours decline just as the Space Shuttle opens up space for routine utilization on Earth? I think not. But I do not propose any amendments to the Budget Committee projections for the "out years" since the resolution only pertains to fiscal year 1980, and quite evidently these outer year figures reflect little consideration to the future in space. I do believe it is important for the record to show that these estimates will require careful reexamination as we approach these resolutions in the future.●

● Mr. NELSON. Mr. President, the Senate now is considering the First concurrent resolution on the budget for the fiscal year 1980 which begins on October 1, 1979, and ends on September 30, 1980. This legislation establishes an overall Federal spending ceiling and also incorporates spending targets for the various activities carried on by the Federal Government such as national defense, energy, agriculture, education, training, employment, and social services, and health. The purpose of this legislation is to give the various authorizing committees of the Congress an overall fiscal policy budget within which to make more discrete determinations as to the future course of Federal programs and policies.

The Senate Budget Committee, chaired by the distinguished Senator from Maine, Mr. MUSKIE, has reported legislation to the Senate which provides for a fiscal year 1980 budget deficit of $28.8 billion. This recommended budget is $11.8 billion lower than President Carter's fiscal year 1980 proposal, when estimates of unemployment, inflation and interest rates are made on a comparable basis.

The Budget Committee is to be commended for recommending a budget deficit which is substantially lower than the level recommended by the President and which is in line with the current mood of the country to reduce Federal spending. The Senators who serve on the Budget Committee have worked long and hard to fashion a budget which would be acceptable to the full Senate. The committee held 12 days of hearings and 6 days of mark-up sessions on the budget document and some 137 motions to amend the budget were considered by the committee. This volume of work demonstrates the comprehensive and thorough consideration given to the legislation that is before us today.

Mr. President, I agree with the Budget Committee that the fiscal year 1980 Federal deficit ought to be held to the lowest feasible level commensurate with national needs and priorities and with the general economic and political conditions that now prevail in this country. In sum, I support the Budget Committee's goal of reducing the budget deficit to $29 billion in fiscal 1980 and achieve the President's goal of a balanced budget in fiscal 1981 which begins on October 1, 1980. I have no disagreement with the Budget Committee on its overall fiscal policy recommendation. But the budget document that is before the Senate is much more than just a roadmap of a general fiscal policy. It is a description of our national priorities and of where, as a Nation, we are prepared and willing to go.

With respect to the priorities established by this resolution, Mr. President, I cannot agree with a number of important determinations made by the Senate Budget Committee. In my judgment, the committee has brought before the Senate a document that has one basic, but all-important flaw: It fails to place the same rigorous restraint on defense spending that has been imposed on every other area in which the Federal Government has sponsored programs. In so doing, the Budget Committee has placed a significantly harsher burden on important domestic programs than otherwise would be necessary. This is simply not acceptable so far as I am concerned.

Under the Budget Committee's resolution, the Defense budget would be increased to fully compensate for inflation. Not only would that budget maintain the curent level of services but it would even permit an increase in real dollars of some $1.3 billion to begin new programs. On the other hand, the domestic programs will be unable to maintain their current levels of service, and most certainly will be unable to expand the level of services provided to the public.

More specifically, the Budget Committee has included the following assumptions in its overall budget plan:

> Social security benefits will have to be reduced by $600 million next year;
>
> The dairy price support program will be cut back beginning in fiscal year 1982;
>
> A quarter of a million summer youth jobs will be eliminated and the Youth Conservation Corps will be entirely phased out;
>
> The elderly nutrition program which provides a hot and nutritious meal to five hundred thousand seniors each day will be reduced by twenty percent because it will not receive an inflation adjustment which is necessary to maintain current service levels;
>
> Veterans educational programs as well as health and income maintenance programs will be cut back;
>
> Child nutrition expenditures will be reduced by over $300 million dollars, including a virtual elimination of the special milk program and reduced reimbursement rates for the school lunch and breakfast program;
>
> Funding levels requested by the President for the WIN program—an employment and training program for AFDC and Food Stamp recipients—and for Child Welfare Services—funding for adoption and foster care—were cut;
>
> Federal support of railroad service in many States will not be sustained and Federal-aid highway funding will be reduced;
>
> And, vital energy programs to explore and develop alternative energy resources will not be initiated.

In recommending these program constraints, the Budget Committee stated on page 5 of its report:

> The Committee recommends the imposition of rigorous restraint, spread widely across the gamut of Federal activity. Under the Committee's recommendations, even the highest priority programs have not been spared a share of the pain. This is a highly disciplined recommendation. But it is an equitable one. Neither defense, nor public welfare program, nor any of the Federal Government's other major enterprises are spared a share of the burden which must be borne if this Congress is to balance the budget in 1981.

Mr. President, I do not agree with this statement. In my judgment, the Budget Committee has not equitably shared the burden across the gamut of Federal activities. The Defense budget has been increased beyond basic adjustment for inflation while important and widely supported domestic programs will be significantly reduced below their current service levels. Under the committee's resolution, major new weapons systems would be deployed and research and development on other exotic weaponry also would be permitted. For example:

A new, large deck aircraft carrier to be funded at the rate of $1.6 billion;

Full-scale development of the MX mobile missile would be permitted at a cost of more than $250 million;

The Federal Government will be picking up the $725 million tab for two frigates currently under construction by Litton Industries in Pascagoula, Miss., on the basis of an order placed by the Iranian Government. This order was later canceled by the Iranian Government after the fall of the Shah. The Budget Committee is proposing that the U.S. taxpayers buy these two frigates, yet this expenditure cannot be justified in terms of U.S. defense needs and we should not expect American taxpayers to pay for the Iranian ships or bail out Litton Industries.

And, research and development for the B-1 bomber would be supported by a Federal contribution of $50 million.

To further slant the imbalance between Defense spending and domestic programs, the Pentagon would be granted appropriations to cover the full amount of this year's anticipated 5.5 percent pay raise, while every other agency of the Government will be expected to absorb a part of these inflation adjustments in their budgets.

In all due fairness to the Budget Committee, it should be noted that all of these decisions were made in view of President Carter's commitment to our NATO allies to increase defense spending in real terms. At the same time, however, two of our closest allies—West Germany and Japan—whose economies are currently much stronger than our own and who each spend substantially less of their gross national products on defense than does the United States will not be required to increase their defense responsibilities to NATO.

Mr. President, a budget that asks thousands of our Nation's senior citizens to forgo a hot meal each day, a budget that eliminates a program—the Youth Conservation Corps—which provides meaningful summer employment opportunities to teenage Americans and a budget that assumes that the dairy price support program will be reduced in future years while increasing military expenditures to an all-time record high level of $137.8 billion is not wise, prudent economics, or justifiable.

The American public has indicated its strong desire for a restrained budget. But there is no indication whatsoever that it wishes Congress to increase defense spending at the expense of vital and important domestic programs.

The Nation's long-term stability, productivity and security would be better served if the Federal budget was tilted more toward productivity, economic growth, job opportunities for youth, education, and nutrition programs for the young and the old.

A country can only be as strong as its people. And if we are prepared to reduce programs that insure our Nation's population of its strength and health, then we are jeopardizing the basic inherent strength of our country.

At a time when inflation is our most critical national problem, and at a time when every Federal dollar must be carefully accounted for, we in Congress must take a hard look at Pentagon spending and judge whether it is consistent with our national goals.

Proponents of even greater defense spending constantly harp on alleged threats to our national security as a justification for that spending.

In the fifties, these people promoted the idea of a "missile gap" which were later revealed to be illusory. In the sixties, "hawks" told us that we would be fighting the Chinese in San Francisco if we did not spend $100 billion and tragically sacrificed 50,000 lives in a futile intervention in Vietnam. I would suggest caution in listening to similar voices at the present.

For 33 years, the United States and the Soviet Union have pumped fantastic amounts of money into a deadly arms race that has left us both less secure. We kicked off the nuclear weapons age in 1945, and it was only a matter of time before the Soviets caught up. Each new advance in weaponry by one country is eventually matched or otherwise neutralized by the other. This action-reaction cycle has come to have a life all its own. Whole industries are built around nuclear weapons technology. In both the United States and the Soviet Union numerous "think tanks" of scientists, mathematicians, military theorists, strategic arms experts and political analysts are hard at work designing giant nuclear chess games that frighten each side into further escalation of the arms race. Every theoretical threat the "think tanks" can conceive, forces one side to respond with a new weapon system and the other side to the new reality.

The arms race is a gruesome competition which neither side can win, and the last three decades have shown all too well the folly of trying. But, the psychology of the contest is such that there simply is no incentive for either country to restrain its nuclear arms program. That is why I support the SALT II Treaty. It will be among the most important foreign policy documents of this generation.

At this time, however, I believe that our national security would be better served by meeting the needs of thousands of unemployed and despairing ghetto teenagers, the old people desperately wondering how they will pay their next home heating bill and the inflation-ravaged middle class, rather than by funding every new weapons system that the Pentagon's doomsday theorists can dream up.

Mr. President, the misguided priorities of the budget resolution now before the Senate can only be realized by closely examining the implications of several of the decisions that are contained in the budget.

The Budget Committee's recommendation on the budget does not provide for sufficient funding to operate the elderly nutrition program at current levels, let alone expand to those who are not yet served by the program. The elderly nutrition program provides nutritional meals to persons age 60 and over at congregate meal sites, or directly to the homebound in communities.

Under the Budget Committee's recommendation, the elderly nutrition program would have to be reduced significantly. For example, the number of meals served to senior citizens in Wisconsin through that program would be reduced by 20 percent. It has been estimated that Wisconsin would face a reduction of 3,500 meals per day in the number of meals provided to its senior citizens.

If Congress does not enact legislation to reduce impact aid payments for "B" students, the Head Start program also would not receive the funds necessary to keep pace with inflation.

The Head Start program provides comprehensive developmental services, including education, nutrition, health, social, and psychological services to low-income children. There are currently 400,000 children served by the Head Start program nationally, 5,000 of whom are located in communities throughout Wisconsin.

Head Start program costs grow not only because of inflation, but also because the program employs thousands of low-income persons who are paid near the minimum wage. The mandatory minimum wage increases and social security tax increases have a disproportionate impact on this program. Without sufficient funding levels the Head Start program would have to cut at least 5,000 children currently being served from the program, and hundreds of low-income parents would lose their jobs.

Dairy farmers do not fare any better. The Budget Committee's recommendations assume that dairy price supports will be reduced beginning in fiscal year 1982. The committee is not specific on the amount of savings that would occur from such an action, but any person knowledgeable about dairy farming will tell you that it will dramatically affect dairy farmers, and ultimately wind up costing American consumers dearly as well.

On April 11, 1979, Dr. Alice Rivlin, director of the Congressional Budget Office (CBO) testified before the Dairy and Poultry Subcommittee of the House Agriculture Committee. In her statement, Dr. Rivlin testified as to the CBO's analysis of the effects of milk price supports over the next 5 years at four alternative support levels—75, 80, 85, and 90 percent of parity.

The major conclusion of this analysis is that adequate supplies of milk will be attained with the support price at the current 80 percent of parity. The CBO found that there are somewhat greater risks of price instability and interruptions in supply which result from a 75 percent of parity. Dr. Rivlin had the following comment on maintaining 80 percent of parity:

> If the minimum support price is continued at 80 percent of parity for the next five years, annual receipts from the sale of milk would average about $18.0 billion and annual retail spending for dairy products would average $37.3 billion. In real terms, the incomes of dairy farmers and the retail prices of dairy products would continue at current levels.
>
> Annual CCC (Commodity Credit Corporation) purchases would average 3.6 billion pounds, or about 3 percent of milk production, a level historically associated with relatively high price stability. Annual Federal budget outlays would average approximately $600 million. In short, 80 percent of parity would provide price stability and, as compared with the recent situation, would not cause any major changes in dairy farmers' incomes, consumer prices, or Federal budget outlays. (emphasis added)

Mr. President, the dairy price support program has been an integral part of the U.S. food policy for 30 years—since 1949. The 80 percent dairy price support minimum is absolutely essential to provide American consumers an adequate supply of milk and dairy products at a fair price and to guarantee the Nation's dairy farmers an income that will keep farmers and their families in business. This basic premise is supported by the analysis provided by Dr. Rivlin's agency.

Those who would oppose maintaining an 80 percent parity level in future years demonstrate that they just do not understand the nature of family dairy farms. Those family dairy farms that have survived—and many have not—have done so because the present price support program works, but also because of their dedication to their profession and to the willingness of the entire farm family to take an active role in the operation of the dairy farms.

The family works together in good times and bad, on holidays and on every day of the week to milk the herd twice a day. The family sacrifices the ordinary return it should receive for its manual labor, not to mention the return it could otherwise expect in the marketplace for the money it has invested in its venture. Other than our Nation's farmers, I know of no other economic group in America that frequently works for less than the minimum wage.

Simply stated, the facts demonstrate that the 80 percent minimum price support for dairy products works well not only for the farmers, but also for the American consumer.

Prior to the institution of the 80-percent minimum guarantee, this Nation's dairy farmers were caught in boom and bust cycles. This forced thousands of farm families out of business, and jeopardized the remaining dairy herds left intact. In turn, this economic climate produced instability and uncertainty as to whether the American public could be insured of an adequate supply of milk and nutritious dairy products.

The price support system is now working as intended. It benefits dairy farmers and consumers alike. The income floor has only cost the U.S. Treasury a de minimus amount. In 1978, the Government purchased $240 million in dairy products representing about 3 percent of all the milk produced in the United States. By contrast, the European Economic Community purchased 15 percent of its collective dairy supplies in 1978 at a cost of some $4 billion and at a basic support level higher than our own.

Mr. President, I cannot support the assumption of the Budget Committee that dairy price supports will be reduced. Such an assumption defies good sense as well as the economic analysis of the Congressional Budget Office.

There is one additional point about the budget resolution that I find especially disturbing. And that is that the budget resolution's assumption about the projected rate of unemployment—6.8 percent in 1980—indicates a need for continuing those programs which effectively serve the unemployed and their families in times of need. I cannot recall a time since World War II that this country has reduced its assistance to the unemployed and their families during a period of economic decline. Yet this is what the Budget Committee has recommended.

A 6.8-percent unemployment rate will mean that some 7 million Americans will be out of work, most of whom are minorities, youth and the hard core, structurally unemployed. For them, this budget document is harsh medicine. They are being told, in effect, "you are losing your job, your security and your dignity, but don't worry about that, our country will protect you and your family from any hypothetical threat from our adversaries that can be dreamed up by our defense analysts."

CONCLUSION

Mr. President, at the very outset of the debate on the fiscal year 1980 budget I stated that the issue which would have to be resolved by the Congress is not how much total Federal money would be allocated, but rather where it would be spent. In my judgment, the Senate Budget Committee's recommendations do not reflect the spending priorities that will best serve the Nation. Therefore, when the final vote on the first concurrent budget resolution occurs, I must, in good conscience, vote in the negative.●

● Mr. BRADLEY. Mr. President, I do not intend to take a great deal of the time of the Senate, but it seems to me that the consideration of the first concurrent budget resolution this year should not conclude without one comment. At times during the debate on this resolution, I sense that we may have gotten a little ahead of ourselves in the budget process, as I have come to understand how it works in my admittedly short time in the Senate.

It seems to me that the debate on this resolution and on many of the amendments would be better suited to an appropriations bill, or at least to the second concurrent resolution. We are not setting spending limits now, nor are we appropriating any funds. The first concurrent resolution merely sets budgetary goals that are not binding on the Congress and that have in fact been modified every year, as Congress has progressed through the various steps of the budget process.

The goals set in this resolution are extremely restrictive; they are over $11 billion lower than even the administration's tight budget for fiscal year 1980. A lean Federal budget does have some symbolic value in helping to fight inflation, but many experts agree that it provides little additional help beyond that. To the extent that the budget goals proposed in the first resolution remain unchanged later in the year, Federal fiscal policy will force those in our society who are least able to absorb financial sacrifice to bear the heaviest burden in our symbolic effort to fight inflation. This would be bad enough if we could look forward to a healthy economic future. Unfortunately, the situation is the reverse. Current predictions are for an economic slowdown and increasing unemployment over the next year. I do not need to elaborate how unemployment disproportionately affects various economic and racial groups. It will be our poor, our minorities, our youth, and our unskilled, low-wage workers who will experience the hardships in far greater numbers than the rest of us. If by some chance Congress does ultimately enact a budget in 1980 that comes close to the proposed first concurrent resolution as reported from the Senate Budget Committee, and if this occurs in the context of rising unemployment and continued inflation, the results will be very harsh and quite unjust. In my view, the budget goals proposed in the resolution now under consideration will indeed need to be modified as we move through the budget process later this year.

As chairman of the Subcommittee on Revenue Sharing, Intergovernmental Revenue Impact, and Economic Problems, I have some responsibility to see to it that legislation reported to Chairman LONG, the full committee and the Senate will seek to alleviate the worst aspects of economic stagnation and unemployment through well thought-out legislation on targeted fiscal assistance and countercyclical and general revenue sharing. I intend to do that, and I do not regard the first concurrent resolution, as reported, to be binding on the Finance Committee or the full Senate as it moves to the consideration of this legislation.

There can be no argument that the first concurrent resolution in any way precludes consideration of revenue sharing legislation that does not exceed the budget totals finally set in the second concurrent resolution. Moreover, these legal requirements should be reemphasized in the context of the politics of the moment, when it seems that the fever is so irresistible for cutting programs without much regard for either their merits or the human needs they meet. I can only hope that a more serious effort is made to address these very real and serious problems by the time that we begin consideration of the second concurrent resolution and the number of fiscal year 1980 appropriations bills.

Mr. MUSKIE. Mr. President, the Senator from New Jersey is correct that the spending targets in the first budget resolution for fiscal year 1980 represent recommendations to the Congress. We expect, however, that once they are adopted by the Congress, the Congress will do its best to live within them.

The Senator is also correct that the Finance Committee has the leeway to recommend its own desired mix of legislation, which can include countercyclical and targeted fiscal assistance, so long as it stays within the given spending targets. The most important element of the budget resolution is the overall and functional targets. It is well recognized and understood by all that changing conditions may dictate a need for a different mix of spending legislation than was contemplated at the time the first budget resolution was enacted.●

Mr. MUSKIE. I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the concurrent resolution, as amended.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. STEVENSON) and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I also announce that the Senator from Indiana (Mr. BAYH) is absent because of death in family.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG), the Senator from North Carolina (Mr. MORGAN), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

On this vote, the Senator from Illinois (Mr. PERCY) is paired with the Senator from Arizona (Mr. GOLDWATER). If present and voting, the Senator from Illinois would vote "yea" and the Senator from Arizona would vote "nay."

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to vote?

The result was announced—yeas 64, nays 20, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—64

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
Melcher
Metzenbaum
Muskie
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Riegle
Sarbanes
Sasser
Simpson
Stevens
Stewart
Stone
Talmadge
Tsongas
Wallop
Warner
Young

NAYS—20

Armstrong
Byrd, Harry F., Jr.
Domenici
Garn
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Laxalt
Lugar
McClure
McGovern
Nelson
Proxmire
Roth
Schweiker
Thurmond
Tower
Zorinsky

NOT VOTING—16

Bayh
Chafee
Goldwater
Gravel
Inouye
Long
Morgan
Moynihan
Percy
Ribicoff
Schmitt
Stafford
Stennis
Stevenson
Weicker
Williams

So the resolution (S. Con. Res. 22), as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. MUSKIE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of Senate Concurrent Resolution 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I move that Senate Concurrent Resolution 23 on the legislative calendar be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, may I say very briefly that while I do not want to prolong this ceremony at this time, I just want to say "thank you" to Senator BELLMON, the members of the committee, and the staff, who have worked so dedicatedly through this whole long day and the days that have preceded it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TSONGAS. Yes.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, and that Senators be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROPRIATE TECHNOLOGY WEEK

Mr. ROBERT C. BYRD. Mr. President, I have been requested by the distinguished Senator from Massachusetts (Mr. TSONGAS) to call up Calendar Order No. 85, Senate Concurrent Resolution 11, and at his request I do that.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. BAKER. Mr. President, will the Senator yield to me before he begins?

Mr. TSONGAS. I yield.

Mr. BAKER. I thank the distinguished Senator from Massachusetts. I rise only to state that there is no objection to proceeding with the consideration of this item at this time. It appears on our calender, and we are prepared to proceed.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 11) designating "Appropriate Technology Week."

Mr. TSONGAS. Mr. President, by supporting Appropriate Technology Week, the Senate demonstrates a commitment to the small communities of this Nation. With ever increasing shortages of energy supplies, food, and housing, individuals and groups must begin to practice self-reliance.

From New England alone, more than 1,500 proposals were submitted for the appropriate technology small grants program of the Energy Department. These applications demonstrate that our communities have begun to put a high value on appropriate technology.

The Appropriate Community Technology Fair and Conference beginning this weekend on the Mall in Washington emphasizes the advantages of appropriate technologies:

Use of renewable resources.

Capital saving.

Labor intensive including job training opportunities.

Ecologically-sound applications.

Community self-reliance.

This resolution signifies that the Senate recognizes the immense role that appropriate technology can play in communities throughout the land. But more important, we are supporting Appropriate Technology Week for the simple reason that alternatives must be found to combat the ever-increasing shortages of energy supplies, food, and housing.

Mr. President, I will not take further time. I think the resolution is obvious on its face. As I have stated, next week there will be activities down on the Mall to celebrate Appropriate Technology Week.

I urge the adoption of the concurrent resolution.

The concurrent resolution was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

Whereas April 27 through May 1 has been designated as "Appropriate Technology Week" throughout the United States; and

Whereas appropriate technology is energy saving, anti-inflationary, labor intensive, decentralized, easily maintained, environmentally sound, capital saving, and fosters free enterprise and competition; and

Whereas the American people, industry, and labor should be made aware of the realization and potential of appropriate technologies; and

Whereas Federal, State, and local governments should promote and encourage further development, refinement, and deployment of appropriate technologies; and

Whereas the realization and the promise of appropriate technology will be observed and celebrated on the Washington Mall from April 27 through May 1, 1979, through the ACT '79 Fair/Conference: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the 27th of April through the 1st of May 1979, be proclaimed "Appropriate Technology Week", and that the people and the representatives of government, industry, and labor in the United States be urged to participate in the programs, discussions, demonstration, celebrations, and other activities to mark the week.

GENOCIDE AND THE DEMISE OF IDI AMIN

Mr. PROXMIRE. Mr. President, last week while the Senate was in recess, the regime of Idi Amin finally collapsed. News reports indicate that the few remaining vestiges of his battered army are dwindling and that Amin may have already taken refuge in Iraq with his family. This is indeed refreshing news and marks the overthrow of one of the most brutal tyrants the world has seen since Adolf Hitler. Idi Amin is guilty of the wholesale slaughter of hundreds of thousands of Acholi and Langi tribesmen as well as Christians. Beyond this, he has represented oppression and spread fear throughout Africa for the last 8 years.

Mr. President, as we hail the demise of Idi Amin, we should ask ourselves what efforts this body made to stop genocide? Sadly, the answer is nothing.

Polite condemnations have clearly had no results, and only display weakness. There is one way, and one way alone, we can make a positive step toward abolishing once and for all the most heinous of crimes.

For the last 30 years, the Genocide Convention has been awating ratification. In that time, millions upon millions of people have been murdered in horrible as well as meaningless crime.

For 30 years now the Senate has dragged its feet to ratify the only international treaty which serves to end mass murder. The time has come for us to positively assert ourselves and rectify this abysmal record. We must act now to ratify the Genocide Convention.

Mr. President, I yield the floor.

MARVELLA BAYH

Mr. WILLIAMS. Mr. President, yesterday, this Nation lost a brave and exceptional woman. Yesterday, Marvella Bayh lost her battle against cancer.

I join with my colleagues in mourning the death of Marvella, a remarkable person who was willing to accept her fight against our most dreaded disease, and to help others deal with such a traumatic experience.

Since first learning of her breast cancer 8 years ago, Marvella dedicated her time and energy to traveling throughout the Nation to talk with other cancer victims and their families. She sincerely shared in their worries, their fears, and their hopes. She was so appropriately honored with several treasured awards for her fine work and courage.

Mr. President, through the strength of her husband and her son, her family and friends, Marvella Bayh's relentless strength and determination benefited so many who most needed a guiding hand through a dark and troubled period. She was an inspiration to us all. Jeanette and I extend to Birch, Evan, and the Bayh family our deepest heartfelt thoughts and sympathy.

TRIBUTE TO MARVELLA BAYH

Mr. DOLE. Mr. President, it is difficult to find words to adequately express the admiration mingling with the sorrow I feel at the death of Marvella Bayh. In the tenacious struggle she fought against a lethal disease, she has provided inspiration to all who believe that life is greater than death, that Dylan Thomas was right in telling us: "Do not go gentle into that good night."

Life is short, but truth works far and lives long. Marvella Bayh spoke the truth. She was a woman whose vitality seemed boundless, whose sense of the future was everpresent. She drank deeply from the spring of life and gave generously to all who came into her own life. She was a woman who found identity through giving; to her husband, her son, her personal and professional associates, and to the millions who admired her heroic struggle to prolong both life and service to others.

When Eleanor Roosevelt died, it was said that she would rather light one candle than curse the darkness. Marvella Bayh lit many candles during her time with us, and gave others the courage to forsake the darkness imposed by cancer. She was a woman whose courage never outweighed her sense of humor, whose public and private lives inspired other women as did few contemporaries.

To her family and friends, Elizabeth and I extend our deepest sympathy. We extend also our admiration, for having shared life with so remarkable a woman. By her example, she has enriched life for each one of us, and shown once again that the best weapon against death's onslaught is a good and noble life. Marvella Bayh lived such a life, and scored such a triumph.

As long as we dare to hope, to put our faith in goodness and kindness and compassion, we will remember Marvella. And she will live among us.

DEATH OF A COURAGEOUS WOMAN

Mr. KENNEDY. Mr. President, all of us were saddened yesterday to learn of the death of Marvella Bayh. She was a courageous woman throughout her life, and she was never more courageous than in her well-known battle with cancer over the past 8 years.

Her example inspired millions of Americans who learned of her struggle. She gave hope to countless others suffering from serious illness. She brought a new determination to all of us to find better ways to prevent and treat and cure the disease that finally claimed her life.

Marvella Bayh has been a close friend of the Kennedy family ever since she and Senator Bayh first came to Washington 17 years ago. They were both with me in 1964 and survived the tragic plane crash that took the lives of others.

Over the years, we shared many delightful times together, and Marvella's spirit, talent, and enormous vitality graced every gathering she attended.

Now, at this sad time, as we recall so many happy memories, the Kennedy family also shares a deep sense of grief and loss at her death. Her brave fight against her illness is a noble example of the triumph of the human spirit over the afflictions of the body. I mourn her passing and I extend my deepest condolences to Senator Bayh and his family.

HUMPHREY CALLS ON PRESIDENT TO PRODUCE, DEPLOY NEUTRON WEAPONS, BECAUSE OF SOVIET DEPLOYMENT OF SS-21 IN EAST EUROPE

Mr. HUMPHREY. Mr. President, I am disturbed by the revelation this week that the Soviet Union has begun to deploy the SS–21 missile in East Europe.

The effect of these medium-range missiles would be to alter the nuclear tactical balance in West Europe, particularly in the countries of our NATO allies.

This most recent development leaves little doubt about the true nature of Soviet intentions. The fact that the Soviets are demanding in SALT II that the United States restrain its arms program while they continue to introduce new weapons systems left and right will most certainly be reflected in the forthcoming Senate debate on the SALT II Treaty.

For that reason, Mr. President, I have written a letter to President Carter calling on him to reconsider his position of last year and immediately order the production and deployment of U.S. neutron weapons in Europe.

I reminded the President that on April 7, 1978, he indicated that in deferring his decision on neutron weapons, he would ultimately be influenced by the degree of Soviet restraint in the Soviet conventional and nuclear arms program.

Since that time, however, the Soviets have shown little, if any, restraint, as the recent deployment of the SS–21 demonstrates.

Mr. President, I ask unanimous consent that the contents of my letter to President Carter be printed at this point in the Record.

There being no objection, the letter was ordered to be printed in the Record as follows:

The President,
The White House, Washington, D.C.

Dear Mr. President: In view of the recent deployment of the Soviet SS-21 in East Europe, I call upon you to reconsider your position and order the production and deployment of U.S. neutron weapons in Europe.

The latest Soviet action leaves the United States with no choice but to restore a nuclear tactical balance in West Europe.

It is inconceivable to me that the Soviet Union would deploy the missile at this critical time when the strategic arms limitation treaty is about to be considered by Congress. But, of ccurse, they have.

This most recent development leaves little doubt about the true nature of Soviet intentions. The fact that the Soviets are demanding in Salt II that the United States restrain its arms program while they continue to introduce new weapons systems left and right will most certainly be reflected in the forthcoming Senate debate of the Salt II Treaty.

On April 7, 1978, you indicated that in deferring your decision on neutron weapons, you would ultimately be influenced by the degree of Soviet restraint in the Soviet conventional and nuclear arms program. Since that time, the Soviets have shown little, if any, restraint, as this most recent development clearly demonstrates.

The immediate production and deployment of neutron weapons will help erase some of the tactical superiority which the Soviet Union and other members of the Warsaw Pact enjoy. Our firm response also would demonstrate beyond any shadow of a doubt that we intend to enjoy world peace, but from a position of strength.

Sincerely,
Gordon J. Humphrey,
U.S. Senator.

Mr. HUMPHREY. The SS–21 was deployed as United States and Soviet negotiators were hammering out the final stages of the SALT II Treaty.

Despite the urging of our allies, particularly the West Germans, our SALT negotiators did not push to have the SS–21 included under the terms of the treaty.

Consequently, the treaty does not satisfy European security concerns, as evidenced by their growing anxiety over deployment of the SS–20, SS–21, and the Backfire bomber, in addition to our failure to make a decision to produce neutron weapons.

With the deployment of the SS–21 in East Europe, our European NATO allies will be that much more vulnerable to any Warsaw Pact invasion.

It certainly will intensify the issue of modernizing our own NATO tactical missile forces and place pressure on our NATO allies to approve plans for their own modernization.

An article in the April 24 New York Times outlines clearly the impact of the Soviet deployment of the SS–21 and the concern now for the vulnerability of our allies.

Mr. President, the immediate production and deployment of U.S. neutron weapons in Europe will help erase some of that tactical superiority which the Soviet Union and its Warsaw Pact allies enjoy.

Our firm response also would demonstrate beyond any shadow of a doubt that we intend to enjoy world peace, but from a position of strength.

Mr. President, I ask unanimous consent that the New York Times article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Missile Is Placed in Europe by Soviet; 2 More Are Expected

(By Richard Burt)

Washington, April 23.—The Soviet Union has begun to deploy a new nuclear-armed missile in East Germany, a step that Carter Administration officials described today as raising the risk of a stepped-up arms race in Europe.

The officials said that the missile, designated the SS–21 by American intelligence analysts, was recently observed with Soviet forces in East Germany. It is described as the first new nuclear missile deployed in Eastern Europe in over a decade and as one of three short-range missiles that the Soviet Union has recently developed. A White House official foresaw the others showing up in Eastern Europe in the coming months.

The SS–21 is described as belonging to the class of so-called tactical nuclear missiles that the United States and the Soviet Union have deployed on the territory of their European allies since the mid-1950's. Both have several hundred short-range nuclear missiles there, as well as nuclear bombs that can be carried by fighter aircraft.

The Russians' evident decision to expand their shorter-range nuclear arsenal comes as Moscow and Washington are reaching the final stages of a treaty limiting strategic—that is, long-range—weapons. The SS–21 would not be limited under the treaty, and Administration aides view the Soviet deployment as a worrisome sign that an accord covering strategic arms could have the effect of increased competition in shorter-range missiles in and around Europe.

With a range of about 75 miles, the SS–21 is believed to be similar in design to the American Lance missile, which was deployed in Western Europe in 1972. Also included in the Russians' effort to upgrade their nuclear capability directed against Western Europe is a new intermediate-range missile, the SS–20, which was deployed last year and is based in western areas of the Soviet Union.

Several Western European leaders, including Helmut Schmidt, the West German Chancellor, have expressed concern over new Soviet nuclear deployment, and have privately urged President Carter to include the weapons in the negotiations with Moscow. So far the talks have not focused on nuclear arms deployed in Europe, but Mr. Carter has said that after the completion of the treaty he wants to make that category of weapons a prime subject of a new round of negotiations.

Secretary of Defense Harold Brown and the defense ministers of the major Western European countries are scheduled to meet at Homestead Air Force Base in southern Florida tomorrow for two days of secret talks on whether the North Atlantic Treaty Organization should modernize its short-range nuclear arsenal in response to the Soviet weapon. In particular, officials said, the ministers will address the sensitive subject of developing and deploying a nuclear missile that would be based in Western Europe and would be capable of striking targets in the Soviet Union.

Although senior Defense Department officials are pressing allied governments to agree to a plan for the missile by the end of the year, many Europeans are skeptical and are said to be asking that the Administration investigate the possibility of conferring with the Russians on a limitation on new tactical nuclear arms in Europe. Officials said that the appearance of the Soviet SS–21 in East Germany would be likely to intensify this issue by putting increased pressure on West Germany and other countries to approve American plans for modernizing NATO's tactical missile forces.

In addition, some Pentagon officials argued that it could raise once again the controversial question of the deployment of the American neutron weapon, an enhanced-radiation device designed for use against personnel. A year ago, after a long and divisive debate in NATO over whether to deploy it aboard short-range American missiles in Europe, Mr. Carter decided against production. However, he said that he would reconsider if the Soviet Union failed to exercise restraint in nuclear deployments.

The discovery of the SS–21 in East Germany has already led some military officials and aides in the National Security Council to suggest that it might be timely to review Mr. Carter's decision. However, White House officials said that with a meeting between President Carter and Leonid I. Brezhnev, the Soviet leader, likely to be announced in the coming weeks, the chances of a review of the neutron decision were slim.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:34 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1301. An act to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes.

The message also announced that, pursuant to the provisions of section 2(a), Public Law 93–379, the minority leader has appointed Mr. DeWitt Stephen Hyde of Bethesda, Md., as a member of the District of Columbia Law Revision Commission.

At 4:47 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 2283, an act to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 3363. An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board of International Broadcasting.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DeCONCINI, from the Committee on the Judiciary, without amendment:

S. 567. A bill to amend title 28 of the United States Code to allow the United States attorney and assistant United States attorneys for the Eastern District of New York to reside within twenty miles of the district (Rept. No. 96–94).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry.

Read P. Dunn, Jr., of Maryland, to be a Commissioner of the Commodity Futures Trading Commission.

(The above nomination from the Committee on Agriculture, Nutrition, and Forestry was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT OF REPORT ON S. 388

Mr. STEWART. Mr. President, I ask unanimous consent that Senate Report No. 96–93 to S. 338, the Employee Stock Ownership Act, be star printed for the purpose of making a change in the report to conform it to the language of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself and Mr. DANFORTH):

S. 1003. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of certain items relating to export activities of American firms; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. JAVITS, Mr. BAUCUS, Mr. DOLE, and Mr. MELCHER):

S. 1004. A bill to suspend the duty on freight cars until the close of June 30, 1981; to the Committee on Finance.

By Mr. LAXALT (for himself and Mr. CANNON):

S. 1005. A bill to terminate the authority to make grants to the Las Vegas Valley Water District under the Act of August 27, 1954; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN:

S. 1006. A bill to permit the emergency use of the pesticide mirex on imported fire ants in accordance with certain health and safety standards of the Environmental Protection Agency; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHURCH (by request):

S. 1007. A bill to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes; to the Committee on Foreign Relations.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 1008. A bill to amend the Social Security Act to provide for inclusion of the services of licensed registered nurses under medicare and medicaid; to the Committee on Finance.

By Mr. DURENBERGER:

S. 1009. A bill for the relief of Susan Katherine Adamski; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. JAVITS):

S. 1010. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on Governmental Affairs.

By Mr. DURENBERGER:

S. 1011. A bill to modify the project for flood protection at Winona, Minnesota; to the Committee on Environment and Public Works.

By Mr. BAKER (for himself and Mr. SASSER):

S. 1012. A bill to provide for the participation of the United States in the International Energy Exposition to be held in Knoxville, Tennessee, in 1982, and for other purposes; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. 1013. A bill to require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator; to the Committee on Commerce, Science, and Transportation.

By Mr. HART:

S. 1014. A bill to establish a national system of maternal and child health and preventive care, and a system for protection against catastrophic health care costs; to the Committee on Labor and Human Resources.

By Mr. PRESSLER:

S. 1015. A bill to encourage farmers to establish shelterbelts for the purposes of reducing soil erosion, protecting crops and livestock, and establishing wildlife habitat areas; to the Committee on Finance.

S. 1016. A bill to provide a program for an "Operation Bootstrap" for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities, and for other purposes; to the Select Committee on Indian Affairs.

S. 1017. A bill to establish an art bank in the Congress for the purpose of selecting American works of art for display in the House and Senate Office Buildings; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. DANFORTH):

S. 1003. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of certain items relating to export activities of American firms; to the Committee on Finance.

(The remarks of Mr. BENTSEN when he introduced the bill appear earlier in today's proceedings.)

By Mr. BENTSEN (for himself, Mr. JAVITS, Mr. BAUCUS, Mr. DOLE, and Mr. MELCHER):

S. 1004. A bill to suspend the duty on freight cars until the close of June 30, 1981; to the Committee on Finance.

(The remarks of Mr. BENTSEN when he introduced the bill appear earlier in today's proceedings.)

By Mr. LAXALT (for himself and Mr. CANNON):

S. 1005. A bill to terminate the authority to make grants to the Las Vegas Valley Water District under the act of August 27, 1954; to the Committee on Energy and Natural Resources.

LAS VEGAS VALLEY WATER DISTRICT

● Mr. LAXALT. Mr. President, I am introducing today with the distinguished senior Senator from Nevada (Mr. CANNON) a bill to terminate the authority to make grants to the Las Vegas Valley Water District under the provision of Public Law 666 of the 83d Congress, approved August 24, 1954.

Public Law 666 was enacted as a vehicle for the Las Vegas Valley Water District to acquire U.S. Government property for construction of facilities to produce, distribute, and store domestic water for the benefit of the citizens of Clark County. However, because of Public Law 666, the water district is denied the privilege to acquire Government land under the more favorable costs and conditions which are available to all other public, nonprofit and governmental entities under the Recreation and Public Purposes Act.

Mr. President, Senator CANNON and I only seek to eliminate this present inequity. This bill would in effect repeal Public Law 666. However, section 2 of his bill will protect the water district's rights in the properties it has heretofore acquired under Public Law 666. I ask the Senate to give this bill prompt consideration.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act granting to the Las Vegas Valley Water District, a public corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada," approved August 27, 1954 (68 Stat. 864), is amended by adding the following new section at the end thereof:

"Sec. 4. No land may be granted under the provisions of this Act after December 31, 1979.".

Sec. 2. Nothing in the amendment made by the first section of this Act shall in any manner affect any grant made on or before December 31, 1979, under such Act of August 27, 1954.●

By Mr. CHURCH (by request):

S. 1007. A bill to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes; to the Committee on Foreign Relations.

SPECIAL INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

● Mr. CHURCH. Mr. President, I introduce by request a bill to authorize supplemental international security assistance for fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis of the legislation, and the letter from the President to the President of the Senate dated April 9, 1979.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special International Security Assistance Act of 1979".

CONSTRUCTION OF AIR BASES IN ISRAEL

Sec. 2. Part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"Chapter 7—AIR BASE CONSTRUCTION IN ISRAEL

GENERAL AUTHORITY

"Sec. 561. It is the policy of the United States to support the peace treaty concluded between the Government of Egypt and the Government of Israel on March 26, 1979. In furtherance of that policy, the President is authorized—

(1) to construct, and to enter into contracts for the construction of, air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States, to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel, and

"(2) to furnish as a grant to the Government of Israel, on such other terms and conditions as he may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the sum appropriated pursuant to section 562(a) of this chapter.

"AUTHORIZATION AND UTILIZATION OF FUNDS

"Sec. 562. (a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.

"(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make such funds available in such amounts and at such times as required by the Government of the United States to meet these costs incurred, in advance of the time when payments are due, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, as provided in appropriation acts.

"(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for this purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by

Israel to carry out its undertaking to provide such additional funds.

"WAIVER AUTHORITIES

"Sec. 563. (a) It is the sense of the Congress that the President should take all necessary measures consistent with law to ensure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

"(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons at any one time may be engaged under section 636(a)(3) of this Act for the purposes of this chapter."

SUPPLEMENTAL AUTHORIZATION OF FOREIGN MILITARY SALES LOAN GUARANTIES FOR EGYPT AND ISRAEL

Sec. 3. (a) In order to support the peace treaty between Egypt and Israel and related agreements, the Congress finds that the national security interest of the United States is served by the authorization and appropriation of additional funds to finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements.

(b) In addition to amounts otherwise authorized by section 31(a) of the Arms Export Control Act to be appropriated for the fiscal year 1979, there is authorized to be appropriated to the President to carry out the Act $370,000,000 for the fiscal year 1979.

(c) Notwithstanding the provisions of section 31(c) of the Arms Export Control Act, funds made available pursuant to subsection (b) of this section may be used only for guaranties for Egypt and Israel pursuant to section 24(a) of the Arms Export Control Act, and the principal amount of loans guaranteed with such funds shall not exceed $3,700,000,000 for the fiscal year 1979 of which amount not less than $2,200,000,000 shall be available only for Israel and not less than $1,500,000,000 shall be available only for Egypt. The principal amount of such guaranteed loans shall be in addition to the aggregate ceiling authorized by section 31(b) of the Arms Export Control Act for the fiscal year 1979.

(d) Loans guaranteed with funds made available for the fiscal year 1979 under subsection (b) of this section shall be on terms calling for repayment within a period of not less than thirty years, including an initial grace period of ten years on repayment of principal.

SUPPLEMENTAL AUTHORIZATION OF ECONOMIC SUPPORT FOR EGYPT

Sec. 4. (a) It is hereby determined that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Egypt in order to promote and economic stability and development of that country and to further support the peace process in the Middle East.

(b) Accordingly, there is authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, $300,000.000 for the fiscal year 1979 for Egypt, in addition to amounts otherwise authorized to be appropriated for such chapter for the fiscal year 1979.

(c) The amounts appropriated pursuant to this section may be made available until expended.

Section-by-Section Analysis of the Proposed Special International Security Assistance Act of 1979

I. INTRODUCTION

The proposed Special International Security Assistance Act of 1979 (hereinafter referred to as "the Bill") amends the Foreign Assistance Act of 1961 (hereinafter referred to as "the FAA") and contains free-standing provisions in order to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements.

II. PROVISIONS OF THE BILL

Section 1. Short title

This section provides that the Bill may be cited as the "Special International Security Assistance Act of 1979."

Section 2. Construction of air bases in Israel

This section adds a new chapter 7 to Part II of the FAA. The chapter consists of three sections.

(a) Section 561 contains two subsections as follows:

(1) Subsection (a) declares that United States policy supports the peace treaty concluded between Egypt and Israel on March 26, 1979. The treaty requires Israeli evacuation of the Sinai within three years after the date of the exchange of instruments of ratification. In order to replace the Israeli air bases located at Etzion and Etam on the Sinai peninsula that are to be evacuated, this section authorizes the President to construct, and to enter into contracts for the construction of air bases in Israel for the Israeli Government. The extent of construction authorized by this section will be as agreed between the United States and Israeli Governments. This may include secondary facilities and infrastructure involved in the construction of these air bases as may be agreed upon between the two governments under the authority of chapter 7.

(2) Subsection (b) authorizes the provision of grant assistance to the Government of Israel for purposes of chapter 7. Such assistance consists of defense articles and defense services acquired from any source and provided on such terms and conditions as the President may determine consistent with grant assistance. The value of the grant assistance may not exceed the sum appropriated pursuant to section 562(a).

(b) Section 562 contains three subsections as follows:

(1) Subsection (a) authorizes the appropriation of $800 million to the President to carry out chapter 7. This sum represents the value of the assistance granted to the Government of Israel. The funds appropriated are authorized to be appropriated on a "no-year" basis, that is, to remain available for obligation until expended; this will ensure that the construction authorized by chapter 7 may be implemented as quickly as the work dictates, without regard to fiscal periods of availability.

(2) Subsection (b) authorizes the President to incur obligations and to enter into contracts in such amounts as may be necessary to complete the construction work agreed pursuant to section 561 FAA. This authority is, however, subject to the requirement that the Israeli Government agrees to provide such additional funds, above and beyond the amounts appropriated under subsection (a), to the United States Government in such amounts and at such times as may be required by the United States Government to meet those additional costs in advance of the time the payments are due.

(3) Subsection (c) provides that such funds provided by the Government of Israel may be credited to the appropriation account established to carry out the purpose of this section. Funds, consolidated in this account, will be used in accordance with section 632 (d) FAA and will be administered by the United States Government in a manner which does not distinguish between the appropriated funds and the funds provided by the Israeli Government. The consolidated funds will remain available without fiscal year limitation for the purposes of chapter 7 until expended. The funds provided by the Government of Israel may be refunded by the United States Government only to the extent, and when the President determines, that those funds are not needed for the completion of the agreed work. The source of the funds required to be provided by Israel under this chapter is a matter for determination by the Government of Israel. Financing available to the Government of Israel pursuant to the Arms Export Control Act and subject to the procedures agreed with the United States Government for the use of such financing may, but need not, be such a source.

(c) Section 563 contains two subsections as follows:

(1) Subsection (a) expresses the sense of Congress that the President should take all measures consistent with law necessary to expedite the construction of the air bases pursuant to chapter 7, including the exercise of his waiver authority under section 633(a) FAA. The requirement of construction within the three-year period envisaged in the peace treaty between Egypt and Israel and related agreements can only be met if certain provisions of law regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government are so waived in accordance with existing statutory authority. The President has exercised his authority under section 633(a) FAA by Executive Order No. 11223 of May 12, 1965. Additional provisions of law that may be waived for purposes of chapter 7 include: 40 U.S.C. 541–544, 759; 31 U.S.C. 723a; and 50 U.S.C. App. 2168.

(2) Subsection (b) authorizes the provisions of section 636(a)(3) FAA (which is currently applicable only to Part I FAA) to be used for the purpose of chapter 7 of Part II FAA. This authority permits contracting with individuals for personal service abroad. Such individuals are not regarded as United States Government employees. No more than sixty such individuals at any one time may be engaged in the performance of personal services under the provisions of section 563(b) FAA. This authority is needed to meet start-up schedules expeditiously.

Section 3. Supplemental authorization of FMS loan guaranties for Egypt and Israel

This section is a free-standing provision of law, that is, it does not amend any other law such as the Arms Export Control Act. The section contains four subsections as follows:

(a) Subsection (a) is a finding by the United States Congress, in support of the peace treaty between Egypt and Israel and related agreements, that the supplemental authorization and appropriation of additional funds for FMS financing under this section serves the national security interest of the United States. These additional funds will finance procurements by Egypt and Israel through the fiscal year 1982 of defense articles and defense services for their respective security requirements.

(b) Subsection (b) authorizes the appropriation of $370 million to the President for the fiscal year 1979 to carry out the Arms Export Control Act. This authorization is in addition to the funds authorized by section 31(a) of that Act.

(c) Subsection (c) authorizes the issuance of guaranties pursuant to section 24(a) of the Arms Export Control Act for loans to Egypt of $1,500 million and for loans to Israel of $2,200 million with the use of the funds authorized by section 3(b) of the Bill. Section 24(c) of the Arms Export Control Act requires that 10 per centum of the principal amount of such guaranteed loans must be obligated out of funds made available to carry out the Arms Export Control Act and placed in a reserve account for the payment of claims under guaranties issued pursuant to the Arms Export Control Act. An appropriation of $370 million pursuant to section 3(b) of the Bill is sufficient to guaranty $3,700 million in aggregate loans to Egypt and Israel.

These guaranteed loans are in addition to the aggregate ceiling authorized by section 31(b) of the Arms Export Control Act for the fiscal year 1979 and are not subject to the provisions of section 31(c) of that Act, relating to terms under which credits are extended to Israel.

(d) Subsection (d) establishes special terms under which guaranteed loans authorized by the Bill will be extended to both Egypt and Israel. These terms call for repayment of the $3,700 million within a period of not less than 30 years, which period shall include an initial 10 year grace period on the repayment of principal. It is expected that the loans will be made by the Federal Financing Bank in accordance with the provision of the Federal Financing Bank Act of 1973 (12 U.S.C. 2281 et seq.).

Section 4. Economic support for Egypt

This section consists of three subsections, as follows.

(a) This subsection states the determination of Congress that the national interests of the United States would be served by the authorization and appropriation of additional funds for economic assistance for Egypt. The provision of these additional funds is critical to promoting the economic stability and development of Egypt, and is an essential part of the ongoing Middle East peace process.

(b) This subsection authorizes the appropriation of $300,000,000 for economic support for Egypt pursuant to chapter 4 of Part II of the Foreign Assistance Act, in addition to the amounts otherwise to be authorized and appropriated for that chapter.

(c) This subsection provides that the amounts appropriated pursuant to this section will remain available until expended. It is intended that this additional amount will be obligated over the period through fiscal year 1982.

THE WHITE HOUSE,
Washington, D.C., April 9, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I hereby transmit a bill "to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes," and urge its prompt enactment. The bill authorizes appropriations of $1,470,000,000 to finance programs totalling $4,800,000,000.

The bill authorizes the President (1) to enter into contracts for the construction of air bases in Israel, as contemplated by the Treaty, to replace air bases on the Sinai peninsula, and (2) to furnish as a grant to the government of Israel $800,000,000 in defense articles and services for such construction. In addition, the bill authorizes appropriations of $220,000,000 to guarantee $2,200,000,000 in loans to Israel to finance procurement through fiscal year 1982 of defense articles and defense services.

For Egypt, the bill authorizes appropriations of $150,000,000 to guarantee $1,500,000,000 in loans to finance procurement through fiscal year 1982 of defense articles and defense services. In addition, the bill authorizes appropriations of $300,000,000 in economic assistance to Egypt.

The supplemental assistance to Egypt and Israel authorized in the attached bill will provide tangible evidence of U.S. dedication to the peace process. It will clearly demonstrate to the people of these two countries—more than words alone—that we will help them reap the advantages of peace. The costs set forth in the bill are directly related to implementation of the Peace Treaty. Swift Congressional action to enact the bill will demonstrate U.S. capacity to move quickly and decisively to support our friends in the Middle East.

Unless both Egypt and Israel are confident of their security, enduring peace can neither be solidified between them nor broadened to other parties. This legislation will demonstrate that while the United States continues as an active and responsive partner in the pursuit of a comprehensive Middle East peace we will continue to be sensitive to the security concerns of Egypt and Israel.

We believe the proposed security assistance legislation should be viewed as an integrated whole. All elements of the package—FMS financing, grant and economic assistance—complement one another in providing the type of comprehensive program called for under current circumstances.

Construction of air bases in Israel is not only a critical element in that country's security, but is essential in order for Israel to fulfill its undertaking to withdraw from the Sinai within the three-year period agreed in the Peace Treaty. This withdrawal is, of course, of vital importance to Egypt and to the continued momentum of the entire peace process.

The provision of direct assistance to Egypt will ensure that the Egyptians understand that our sensitivity to Israel's security requirements is paralleled by a concern for their security and national development. Provision of FMS financing to Egypt will enable the Egyptian government to begin modernization of its armed forces. In turn, this will enhance Egypt's capabilities to fulfill legitimate needs for self-defense to meet any threats which might arise.

Both Egypt and Israel face immediate economic problems as they enter the post-Treaty era. The financial cost to Israel of withdrawal from the Sinai will be substantial. For its part, the Egyptian government has an urgent and critical need to demonstrate to its people the economic benefits of peace. The proposed legislation will provide funds to move quickly to meet some new requirements; we likewise will work to accelerate implementation of our current programs.

Prompt and favorable action by the Congress on the attached legislation will provide the clearest possible signal of U.S. determination to support the results achieved thus far in the Middle East and will give impetus to the search for a comprehensive settlement. The peace process must not be allowed to languish. We seek your support for a good beginning designed to sustain momentum towards a wider peace.

Sincerely,

JIMMY CARTER.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 1008. A bill to amend the Social Security Act to provide for inclusion of the services of licensed registered nurses under medicare and medicaid; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today, on behalf of Senator MATSUNAGA and myself, I am reintroducing a bill which I first introduced in the 94th Congress to amend the Social Security Act to provide for inclusion of the services of licensed-registered-nurses under medicare and medicaid.

Mr. President, a number of things are occurring in this country that indicate trends in the area of health and disease. Because of these new trends it is necessary for us to reexamine and change current laws so that the needs of the people can be met.

First of all, the cost of health care in this country is continuing to escalate at an alarming rate, and yet many people are not able to receive the health care they need. In some areas, health services are scarce or simply unavailable. In other areas, services are available but not utilized to their maximum.

We are moving toward some form of national health insurance, but we must be careful that in enacting a health insurance law we do not perpetuate the deficiencies of the present system. One step we can take now to improve the present system is to provide for better utilization of all of our health care personnel.

Registered nursing education has changed drastically over the last decade. Present educational programs require nursing students to be more assertive, more independent, more accountable, and to be able to provide a wider variety of services to the patient and his family. In many areas of the country where there is a physician shortage—or where there are no physicians at all—registered nurses increasingly are providing health care services to mothers, children, and families. The problem is that many services these nurses are well-qualified to perform are not reimbursable except under the direct supervision of a physician.

Nurses are health professionals in their own right—ready and able to function in a vastly expanded role. It is ironic that our present health care system and methods of reimbursement militate against utilization of nurses in a way that would make health services more widely available and at the same time contribute to the containment of health care costs.

A second trend that is occurring at the present time is the fact that patients no longer spend a great deal of time in large comprehensive centers. Figures indicate that 66 to 85 percent of the patients are cared for in the community setting.

Because of the escalating costs of health care and because patients are more comfortable being cared for in their home setting, there is a great desire on the part of health care professionals to meet these needs of the patient.

Home health services to the elderly by nurses can frequently prevent the need for costly hospitalization or placement in a nursing home. But again, medicare and medicaid, and in fact most health insurance plans, encourage not cost containment, but the most expensive kind of care in the acute care institutions.

A third fact about health care needs today revolves around the issue of chronic disease. Many people with chronic diseases are living and functioning in communities longer than ever before due to the sophistication of treatment knowledge. These individuals need a variety of high quality care. One way of meeting this need for high quality care in the community at reasonable costs is through the services of the registered professional nurse.

The Public Health Service in its most recent forward plan for health notes the need for a reappraisal of medicare and medicaid reimbursement policies. The Public Health Service says it plans to study the potential benefits of greater utilization of nonphysician professionals including the possibility of direct payment for their services.

I am glad to see the U.S. Public Health Service moving in this direction, but I do not believe that we need more study of the value of extending the use of nurses services and providing for inclusion of such services under medicare and medicaid.

In this connection, I would like to point out that in many cases services now performed by a nurse practitioner, for example, are reimbursable once they are recommended by and/or provided under the supervision of a physician. In other words, reimbursement does exist. If the law recognizes the consumer's right to have direct access to nursing services, then in all likelihood there would be a reduction in present costs, because of the elimination of the physician's fees which in most cases, are paid to him only for supporting the "claim" forms.

I believe that the need for and the benefits of inclusion of services of registered nurses in all settings including nursing homes, hospitals, rural clinics, the patients' home, and ambulatory care centers under medicare and medicaid are already more than apparent. I hope that my colleagues will join me in moving for action on this legislation.

Mr. President, I request unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1008

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means all those health care services performed by a registered professional nurse within the scope of professional nursing practice as defined by State law.".

Sec. 2. (a) Section 1905 (a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) health care services performed by a registered professional nurse within the scope of professional nursing practice as defined by State law.".

(b)(1) Section 1092(a)(13)(B) of such Act is amended by inserting after "through (5)" the following: "and (18):.

(2) Section 1902(a)(13)(C)(i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a)(13)(C)(11)(I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a)(14)(A)(1) of such Act is amended by striking out "and (7)" and inserting, in lieu thereof "(7), and (18)".

Sec. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.●

By Mr. MATHIAS (for himself and Mr. Javits):

S. 1010. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on Governmental Affairs.

COMMISSION ON THE INTERNATIONAL APPLICATION OF ANTITRUST LAWS

● Mr. MATHIAS. Mr. President, on April 10, 1979, I introduced a package of bills that would get this country moving in the direction of a coherent, effective export program.

One bill would set up a standing Cabinet-level foreign trade executive committee that would report on a monthly basis to the Congress on programs undertaken to increase exports and the results they have had. The committee would also make recommendations to Congress on legislation needed to improve our export performance.

Another bill would help discourage unfair trade practices by our overseas competitors. The bill would amend the antitrust laws to include dumping within the definition of behavior that is prohibited by those laws.

I also joined with Senator Danforth, Senator Javits, and Senator Bentsen in introducing a bill that would expand the Webb-Pomerene exemption to cover services. Currently, it covers only manufactured goods.

These bills are only a small beginning, and much remains to be done. For many years I have been troubled by the fact that our antitrust laws have straitjacketed U.S. manufacturers in international trade. With our deteriorating trade balance and the increased competition from abroad, I think the time has come to clarify the antitrust rules that guide U.S. business abroad. For this reason, I now join with my distinguished colleague from New York (Mr. Javits) in proposing a 12-month Commission to study the extraterritorial aspects of U.S. antitrust laws and the various court rules that impinge on the enforcement of these laws overseas. Too often, U.S. manufacturers are barred from setting up the joint ventures available to their foreign competitors, and they lose business as a result. Also, foreign companies often perpetrate patently anticompetitive acts and then hide behind the skirts of the foreign government by saying "I was told to do it by my government," or "I can't bring that evidence into court, because my government has a law that forbids me to do so." I think that this area of law requires close and immediate scrutiny if we are to respond to the Nation's need for increased exports.

The Commission we propose will provide a forum for the study of the effect U.S. antitrust laws have on U.S. business abroad. I would expect the commission to study the Sovereign Immunity Doctrine, the Act of State Doctrine, the Foreign Compulsion Defense, the Affects Doctrine, and the Noerr-Pennington Doctrine. The Commission would also examine how U.S. antitrust laws interface with those of other nations, and what we might do to promote the doctrine of competition worldwide.

Once these areas are studied in depth, the Commission would make recommendations to the President and the Congress on what changes, if any, we should make in our antitrust laws to insure they promote competition without handicapping U.S. business abroad.

If export promotion is to become a top national priority—which it must—we need a team effort, with the Federal Government removing unwarranted barriers and substituting creative incentives to export, and with business making a greater and more aggressive commitment to exports.

I am pleased to join with Senator Javits in introducing the bill to establish a Commission on the International Application of U.S. Antitrust Law.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1010

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. There is hereby established a Commission to be known as the Commission on the International Application of Antitrust Laws (hereinafter referred to as the "Commission").

PURPOSES OF THE COMMISSION

Sec. 2(a). The Commission shall—

(I) Conduct a comprehensive study of and make recommendations concerning the international aspects of the antitrust laws of the United States, the applicable rules of court, related statutes, administrative procedures, and their applications, their consequences, and their interpretation by the courts and Federal agencies;

(II) make periodic reports to the President and to the Congress respecting its activities and make a final report to the President and the Congress respecting such study.

(b) Such study shall specifically address the effect of said laws and rules, and their interpretations, upon—

(1) sovereign immunity;

(2) the act of state doctrine;

(3) the defense of "foreign compulsion";

(4) the "affects doctrine";

(5) the exemptions under the antitrust laws with respect to associations under the Webb-Pomerene Act and corporations under the Edge Act;

(6) difficulties of enforcing U.S. court orders extraterritorially; and

(7) problems relating to reciprocal enforcement of antitrust laws between nations.

MEMBERSHIP OF THE COMMISSION

Sec. 2. (a) Number and Appointment.—The Commission shall be composed of 18 members appointed by the President, within 90 days from the date of enactment of this Act, as follows:

(1) four from the Executive Branch of the Government, one of whom shall be the President's Special Representative for Trade Negotiations who shall chair the Commission;

(2) four from the Senate, upon recommendation of the President of the Senate;

(3) four from the House of Representatives, upon recommendation of the Speaker of the House of Representatives; and

(4) six from private life.

(b) Representation of Varied Interests.—The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the international aspects of the antitrust laws.

(c) Political Affiliation.—Not more than one-half of the members of each class of members set forth in clauses (2), (3), and (4) of subsection (a) shall be from the same political party.

(d) Vacancies.—Vacancies in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION; QUORUM

SEC. 3. (a) VICE CHAIRMAN.—The Commission shall select a Vice Chairman from among its members.

(b) QUORUM.—Ten members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 4. (a) MEMBERS OF CONGRESS.—Members of Congress, who are members of the Commission, shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—Notwithstanding section 5533 of title 5, United States Code, any member of the Commission who is in the Executive Branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not in excess of the highest rate for employees compensated at the rate of GS–18 of the General Schedule under section 5332 of title 5 of the United States Code, and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive not exceeding $200 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

POWERS OF THE COMMISSION

SEC. 5. (a)(1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

(2) In case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, shall, upon application by the Attorney General of the United States, have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, to produce evidence if so ordered, or to give testimony on the matter under inquiry. Any failure to obey such order of the court may be punished by the court as a contempt thereof.

(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the Executive Branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) POWERS.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $200 a day for individuals.

(d) CONTRACT AUTHORITY.—The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

FINAL REPORT

SEC. 6. The Commission shall transmit to the President and to the Congress not later than one year after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the Commission, including its recommendations for administrative, judicial, and legislative action which it deems advisable. Any formal recommendation made by the Commission to the President and to the Congress must have the majority vote of the Commission as present and voting.

EXPIRATION OF THE COMMISSION

SEC. 7. Sixty days after the submission to Congress of the final report provided for in section 6, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATION

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary to carry out the activities of the Commission.

EFFECTIVE DATE

SEC. 9. The provisions of this bill shall take effect upon enactment.●

● Mr. JAVITS. Mr. President, today I join my esteemed colleague, Senator MATHIAS, in introducing a bill to establish an 18-member bipartisan Commission that would be charged with examining the international applications of U.S. antitrust laws and making recommendations to the President and to the Congress as to their revision.

The bill, which I cosponsor provides a 1-year period for this study so that the fundamental relationships between our antitrust laws and our increasingly complex U.S. economy can be thoroughly analyzed and so that proposals for revision, particularly as they relate to the effects of U.S. antitrust policy on our international commerce, may be given careful and thoughtful review.

I am firmly convinced that the issues relating to the application of antitrust exemptions and immunities to international trade are among the most important and difficult ones confronting us today. I have long supported efforts to widen the inquiry into a broader assessment of the effects of U.S. antitrust policy in international commerce.

Last year, I had the honor to serve for 6 months as a member of the National Commission for the Review of Antitrust Laws and Procedures. At that time, I emphasized my strong convictions on this matter in a letter to the Chairman of the Commission, Assistant Attorney General John Shenefield.

I ask unanimous consent that my letter along with Mr. Shenefield's reply be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Regrettably, a judgment was made that the National Commission was not to be the appropriate forum for such deliberation. Consequently, our report failed to address those applications of U.S. antitrust law which affect our international trade practices, confining itself to recommendations on the narrow Webb-Pomerene exemption.

While the conclusions of the Commission's Business Advisory Panel, which was appointed at the recommendation of the President's Task Force on Export Policy expressly to advise the Commission on international antitrust matters, were similarly confined to the Webb-Pomerene Act, members of the panel—in their separate views—noted the shortcomings of their recommendations and urged a comprehensive review as an essential element of a rational antitrust policy.

Mr. President, the bill which you have before you today is designed specifically to focus and to elaborate on those areas of antitrust law which have been overlooked heretofore.

While our present antitrust laws may have served as a positive instrument of economic policy, embodying and protecting values key to U.S. traditions since the enactment of the Sherman Act in 1890, the market structure of our economy and with it the character of competition have evolved so dramatically since that time that it is possible that our antitrust laws have ceased to respond to vital national economic needs.

As certain members of the business advisory panel concluded in their separate views, it is no longer productive or timely to divide U.S. antitrust policy into separate compartments—one addressed to domestic markets served principally by U.S.-based enterprises, and a second addressed to "foreign commerce" issues, involving restraints on import competition and export opportunities.

As a nation, we can ill afford to ignore that the U.S. economy since the 1950's has been fraught with changes—changes which are fundamental and irreversible. These changes are best measured by the growing importance of imported manufactured products as a percentage of U.S. domestic consumption and of exported manufactures as a percentage of U.S. domestic production. Imported manufactures, which accounted for 7.1 percent of GDP in 1967, have risen to 17 percent of GDP in 1977. Similarly, exported manufactures, which in 1967 accounted for 9.5 percent of GDP, were estimated at 17.8 percent in 1977.

Ironically, as the management of our domestic economy and the export sector have become increasingly interdependent, U.S. export growth in real terms has been slowing. This slackening has resulted in a steadily shrinking market share for U.S. products overseas and can be attributed in part to the slow growth rates in the economies of the U.S. traditional trading partners. At the same time, however, U.S. industries have failed to expand exports in faster-growing economies at a similar pace as their competitors, many of whom are backed by state-owned enterprises or foreign governments.

The changing character of the U.S. economy can also be measured by the increasing role of transnational investment. Exaggerated declines in the value of the dollar have led to a reversal of the traditional flows of U.S. investment into foreign countries, which characterized the 1950's and 1960's, and to an increasing role for foreign capital in the U.S. economy in the late 1970's.

For the most part, I support fair import competition and growth of foreign investments in the United States as healthy developments and believe that increased global economic interdependence has served major U.S. political as well as economic objectives. I further believe that antitrust objectives have benefited from the "macro" evolution of the U.S. economy and that incentives to promote efficiency, quality, innovativeness, and improved resource allocation have been generally furthered by these trends.

However, we must not lose sight of the fact that these same elements represent solid claims against the United States that ultimately must be financed through expanded domestic production capacity and through the export of real goods and services.

It is generally accepted that the post-World War II growth of world prosperity is closely correlated with the dramatic expansion of international trade and that the reversal of this trend could have serious economic and political consequences both in this country and abroad. Many experts contend that uncertainty about the enforcement of U.S. antitrust laws extraterritorially is the greatest single inhibitor to increased foreign trade and investment. For this reason, we can no longer afford to ignore the weak economic performance of the United States in international markets. As U.S. industry comes under increasing pressure to meet growing international competition head on, we must strive to foster a more favorable climate in which U.S. corporations can expand their economic horizons.

It is in this context that our antitrust laws and policies must be reviewed. Our antitrust laws, as interpreted by the courts, have not kept pace with the changes I have detailed. Perhaps, the courts are not to be blamed for this, since the judicial function is to interpret statutes consistently with their purpose. However, Congress has the responsibility for insuring that our laws and their objectives are kept up to date; antitrust policy in changing times should be made by Congress and not the courts. It is my hope that the Commission to be established by our bill would give full considerations to the implications of these changes, particularly with respect to U.S. competitiveness in international markets, for antitrust policy.

We should consider whether it is feasible or desirable to weave into the fabric of our international antitrust jurisprudence the concepts of mutuality and reciprocity so as to redress any real grievances or hardships burdening U.S. businessmen respecting foreign competitors. It might also be appropriate and not inconsistent with the competition policy expressed in the Sherman Act for the courts to consider, in applying what is recognized to be a judicial rule, a weighing of the favorable effect upon exports.

Key members of the business advisory panel, in their separate remarks to the Commission's report, also called for the inclusion of a new element of "rule of reason" in antitrust analysis. Namely, they referred to setting up new criteria that would determine the ability of U.S. enterprises to meet foreign competition in domestic markets and to compete effectively with foreign-based enterprises in world markets.

As these members were quick to point out, this suggestion does not make a case for conduct which is collusive or unfairly exclusionary. As I noted earlier, the concerns of the Sherman Act would survive intact. What would be clarified are certain other implications of U.S. antitrust policy which relate, among other things, to current suggestions to attach per se consequences to disapproved market structures. In short, the Commission which Senator Mathias and myself propose would enable Congress to assume a timely and authoritative posture in the development of antitrust policy, which is basic to the economic future of the United States, both domestically and abroad.

Exhibit 1

U.S. Senate,
Washington, D.C. August 25, 1978.

Mr. John Shenefield,
National Commission for the Review of Antitrust Laws and Procedures, Department of Justice Building, Washington, D.C.

Dear Mr. Shenefield: As you know, our National Commission for the Review of Antitrust Laws and Procedures is directed to study, among other things, the various exemptions and immunities from the antitrust laws. I believe that the issues relating to the application of the antitrust exemptions and immunities to international trade are among the most important and difficult ones which confront us today and that they should be reviewed by the Commission.

The Webb-Pomerene Act exemption and other statutory provisions were created by the Congress in an effort to enable American businessmen to compete overseas on an equal footing with their foreign competitors, whose cooperation with each other was seldom restricted by antitrust laws. There appears to be substantial agreement that the Act has not achieved its expressed purpose and that an effort to assure that United States business is not unnecessarily disadvantaged by antitrust constraints in competing with foreign firms continues to be of great national importance.

The report of a task force of the Chamber of Commerce of the United States in 1974 concluded that, in selling goods and services overseas, U.S. exporters and overseas contractors are unfairly and discriminatorily restricted by U.S. antitrust laws. A study by the National Association of Manufacturers similarly concluded that United States companies are handicapped in their international competitive efforts as exporters and foreign investors by the extraterritorial application of U.S. antitrust laws. These complaints continue to be repeated on a regular basis in such business publications as The Wall Street Journal and Business Week.

I proposed that we consider at least some of the following pertinent issues, with a view to recommending any desirable legislative or other appropriate action:

(1) The exemption for export activity: This would involve review of the Webb-Pomerene Act itself, the need for expansion of its scope, and improvements in the manner of its implementation.

(2) Facilitating joint ventures: Businessmen point out that the joint venture form of doing business has many benefits in overseas markets, but that such undertakings are often deterred by the wide scope of the applicable U.S. antitrust law to such ventures, and by risks and uncertainty therefore associated with such ventures. In addition, U.S. businessmen are finding, more and more, that they must negotiate with or compete against monopolistic foreign buyers or sellers, in the form of foreign government sponsored entities or cartels. The question of antitrust exemptions, permitting U.S. firms to cooperate with each other so as to equalize the bargaining positions in these confrontations, is another pertinent aspect of the impact of the antitrust laws on joint ventures. (I am aware that the Antitrust Division has sought to allay these and similar concerns of U.S. business by making its Business Review Procedure available and by its recent issuance of the "Antitrust Guide for International Operations", but the concerns remain.)

(3) The question of compliance by U.S. businessmen abroad with the dictates or urgings of foreign governments that are contrary to U.S. antitrust contraints: The plight of the U.S. firm which invests abroad and receives a demand from the foreign host state which is contrary to our antitrust laws must be examined, including the proper scope and possible codification of the act of state and foreign sovereign compulsion doctrines.

(4) Clarification of the test for the application of U.S. antitrust law to international transactions: One point that businessmen find very confusing relates to the test for when the Sherman Act prohibits conduct outside the United States by U.S. and foreign comapnies. As you know, the classic legal statement of this test is that foreign conduct that has an "intended effect" on U.S. commerce is subject to the Sherman Act. *United States* v. *Aluminum Company of America*, 148 F. 2d 416 (2d Cir. 1945). However, in December 1976 the U.S. Court of Appeals for the Ninth Circuit held that this "effects" test is "incomplete because it fails to consider other nations' interests. Nor does it expressly take into account the full nature of the relationship between the actors and this country." *Timberlane Lumber Co.* v. *Bank of America*, 549 F.2d 597, 611–12 (9th Cir. 1976). The "Antitrust Guide for International Operations" cites the *Timberlane* decision and states that: "the U.S. antitrust laws should be applied to an overseas transaction when there is a substantial and foreseeable effect on the United States commerce; and, consistent with these ends, it should avoid unnecessary interference with the sovereign interests of foreign nations" [*Id.* at 6–7].

U.S. businessmen find these various statements to be confusing and inconsistent. A clarification of the test of the applicability of the Sherman Act to foreign conduct could reduce this confusion and lead to a greater willingness by businessmen to engage in foreign trade and investment activities.

(5) Our fragmented approach toward antitrust and international transactions: Un-

like many other nations, we do not have centralized decision-making in this area, so as to permit prompt overall judgments in the national interest on questions of exempting particular international activity from the antitrust laws. Such overall judgments require a balancing of such considerations as export policy, balance of payments, and diplomatic issues, as well as antitrust enforcement policy. Instead ours is a fragmented approach, involving different government agencies which espouse sometimes conflicting policies in international antitrust matters because of their individual mandates. Legislation to centralize the decision-making in this regard may warrant consideration.

(6) The role of the private antitrust lawsuit: To the extent that it is determined that the national interest warrants antitrust exemption or immunity for an international activity, the conduct arguably should be protected from the threat of private antitrust litigation, as well as government action.

(7) Facilitating licensing of technology abroad: It has been suggested that U.S. licensors of technology are at a competitive disadvantage in relation to foreign licensors whose arrangements need not comply with U.S. or comparable antitrust strictures.

I recognize that we have time constraints on the completion of the Commission's work, but I submit that these are pressing issues that deserve our attention in this current work.

Sincerely,

Jacob K. Javits,
U.S. Senator.

U.S. Department of Justice,
Washington, D.C., September 27, 1978.

Hon. Jacob K. Javits,
U.S. Senate,
Washington, D.C.

Dear Senator Javits: This is written in response to your thoughtful letter of August 25 sent to me in my capacity as Chairman of the National Commission for the Review of the Antitrust Laws and Procedures. Your letter suggests that seven issues relating to possible and existing exemptions and immunities especially applicable to antitrust enforcement in United States foreign commerce might profitably be considered by the Commission during its four remaining months of work. I certainly agree with you that application of the antitrust laws to international trade raises several important and difficult issues. I am pleased to receive your letter and bring it to the attention of our other Commission colleagues.

It is, of course, for the Commission as a whole to decide upon your request. Speaking as Commission Chairman I would make two preliminary observations. First, one of the issues you propose for consideration, review of the Webb-Pomerene Act, is indeed already scheduled on the Commission agenda. Shortly, you will receive an issue paper prepared by the Commission staff, setting forth the options for modifying or continuing the present antitrust exemption contained in that law. Second, it should be noted that along with this issue, several other difficult and important ones are already on our agenda. I doubt that we have the time to begin even preliminary review of the other six issues you put forward. We would all no doubt agree that it is important for the Commission to review thoroughly and deliberately those issues it has already agreed to tackle.

Given the importance of the six issues you raise, in addition to that relating to the Webb-Pomerene Act, I would like to take this opportunity to respond, not in my capacity as Commission Chairman, but as Assistant Attorney General in charge of the Antitrust Division. You express the following concerns:

1. You suggest that United States antitrust law may inhibit United States exporters from forming joint ventures to exploit business opportunities in foreign markets and to equalize bargaining positions. You suggest the possible appropriateness of a specific exemption to limit that "deterrent" impact;

2. You suggest that the problem of United States firms caught between conflicting laws or policies of the United States, on the one hand, and a foreign sovereign having jurisdiction over them, on the other, should be examined;

3. You suggest that the existing legal standard for applying antitrust law to transactions in foreign commerce is imprecise and therefore may be excessively confusing to businessmen. You say that if the standard is clarified it could encourage businessmen to increase foreign trade activities. You do not suggest a specific exemption or immunity to address this problem but presumably do not contemplate an unambiguous standard which increases the scope of United States jurisdiction in foreign commerce and thereby increases the probability of the very conflicts referred to in issue 2 above;

4. You suggest that there might be a rationalization of antitrust enforcement in foreign commerce with a centralized authority to balance antitrust policy with such considerations as export promotion, balance of payments and diplomacy;

5. You suggest that the Federal Government, when it concludes that no antitrust enforcement can be in the national interest, should have the power to prevent private antitrust lawsuits; and

6. You refer to suggestions that United States licensors of technology are at a competitive disadvantage in relation to foreign licensors due to antitrust laws. You do not propose a specific exemption or immunity to address this "problem".

My first comment is general and applies to each of the six issues you raise. For many years now some, but by no means all, American businessmen have made the antitrust laws a principal scapegoat for difficulties they encounter in expanding their international trade opportunities. However, when called uopn to document this charge, these same businessmen are either unwilling or unable to do so. They fall back to a defense that "this is a perception", whether the underlying facts. Your letter refers to a 1974 report of the United States Chamber of Commerce which is representative of the type.[1] Because of the importance of the charges, the Antitrust Division prepared a careful response which exposed that Report's total lack of foundation. This response is set forth in a letter from my predecessor, Thoma E. Kauper, to Arch N. Booth, then Chief Executive Officer of the Chamber (a copy is enclosed). As you know, the Antitrust and Monopoly Subcommittee of the Senate Committee on the Judiciary held hearings, at which you testified, on the charges made in the Chamber report. No concrete evidence supporting the Chamber view was forthcoming from the several witnesses. One notes that the Subcommittee did not then proceed with a fuller investigation of the matter. Nor should it now.

We have just been through a similar experience in sessions of President Carter's Export Policy Task Force. As you are aware, this is an interagency group directed by the President to recommend changes in Federal Government policies to promote United States exports. At Task Force meetings the relatively isolated critics of effective antitrust enforcement have been unable to put forth a single concrete example of legitimate antitrust inhibitions preventing United States export opportunities.

Why then are the antitrust laws perceived as a problem? A comment made to me by the general counsel of a large multinational corporation is suggestive. His comment related especially to the issue you raised about inhibitions on foreign joint ventures. This gentleman observed that once you begin joint venture negotiations with a large enterprise there are often a variety of reasons, totally unrelated to antitrust law, which lead you eventually to conclude that the joint venture would be a mistake. Perhaps you discover that the other firm is badly managed. Perhaps you conclude that, after all, you can do the job alone and thereby reap the benefits exclusively for your firm. To state frankly the real reasons for termination is to offend gratuitously the other firm. It is not good business to gratuitously offend anybody. Therefore, the easiest course is to blame the breakdown on antitrust law. "I think it would be great but my antitrust lawyers won't let me do it."

The second factor which generates the hue and cry about antitrust inhibitions is that it is a neutral excuse for unsatisfactory performance. It is much more comforting to blame a firm's declining export position on United States antitrust law, or similar "malevolent" outside forces, than it is to attribute it to the firm's devoting insufficient resources to export opportunities, to its personnel's unwillingness to study foreign languages and really understand foreign markets as well as other international competitors are doing, or to the United States industry's insufficient ability to obtain the aggressive support of United States commercial agencies to help overcome non-tariff barriers to foreign markets. Blunting antitrust enforcement in foreign commerce will not solve these problems.

The concerns you refer to are often the very ones raised by foreign governments most opposed to a broad regime of international open markets. Any wholesale pruning of antitrust law is necessarily a pruning of competition and a cutting back of the very stimuli which have invigorated United States industry and benefitted the United States consumer and the aggressive and innovative enterprise.

Let me now address, briefly, each of the six issues you raise for consideration, beyond the question of the Webb-Pomerene Act. As to the facilitation of joint ventures, the discussion of that subject, at pp. 3 through 7 of the attached Kauper letter, remains valid. Additionally, we, last year, published the *Antitrust Guide for International Operations* expressly to address the so-called "business inhibition" problem.[2] I note, parenthetically, the Guide was deemed to be most reassuring and constructive by many of the private business leaders comprising President Ford's Export Council which assisted the Antitrust Division in its preparation. At p. 21 the Guide states what I believe is an accurate reflection of the current law. This current law should facilitate foreign joint ventures. It is about as clear as complex law dealing with complex questions ever gets.

"Normally, the Department would not challenge a . . . joint venture whose only effect was to reduce competition among the parties in a foreign market, even where goods or services were being exported from the United States. The rules are even less stringent where a limited "one shot" type of venture is involved creating a special limited competitor for a special limited purpose. Such short term consortia are useful where large risks or dollar amounts are involved . . . or where complementary skills are required (as with the typical construction joint venture.)"

You refer to the idea expressed by some others that where foreign cartels exist it may be necessary and appropriate to encourage United States cartel-like arrangements to equalize bargaining positions. While there is some theoretical justification for promoting an aggregation of consumer interests where there is already a high concentration of producers, I can see no theoretical justification for encouraging the cartelization of

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Footnotes at end of article.

those producers who are not yet participants in an existing producer cartel. If foreign firms have organized a producer cartel seeking monopoly profits, that provides an excellent opportunity for non-cartelized U.S. exporters to underbid the cartel at more competitive prices and thereby promote U.S. exports. By encouraging U.S. firms to join the cartel one would be reducing the export potential for U.S. products, because U.S. exporters would have to agree to the cartel's static market allocation arrangement.

It should usually be possible to distinguish joint ventures which promote efficiencies and assist the flow of commerce from such cartel-like anticompetitive arrangements. Where there is concern as to whether a proposed arrangement is likely to be legal or illegal, the business review procedure of the Department of Justice is available for guidance. We believe this procedure can be a constructive tool to reduce uncertainties and thereby promote exports, and I am committed to making it accessible and responsive to the needs of the international business community for assistance in dealing with the complexities in this area.

As to the second issue you raise, the appropriateness of United States antitrust law deferring to foreign laws or policies where there is an actual or potential conflict, automatic deference would be a serious blow to the goal of competition in United States markets. As Attorney General Bell observed in a recent speech in Australia (copy enclosed):

"... if you never applied the antitrust laws to persons or actions located outside your territory (even if encouraged by foreign governments), the result will be that the values of others, alien to our own values, will be forced upon us in our own territory. We do not assert antitrust jurisdiction in United States foreign commerce to meddle in matters which do not affect us. We do assert it where necessary and appropriate to promote the significant United States interest in maintaining competition in United States markets."

Increasingly foreign governments are encouraging quasi-private and often secret international cartel activity aimed at the United States market. This activity can cause significant injury to important United States enterprises (as we alleged in the recent information brought against the Gulf Oil Corporation in the uranium industry (a copy of which is enclosed)). Even more disturbing, such anticompetitive activity can injure large numbers of American consumers by charging them excessive prices and thereby fueling inflation. We could, of course, pass an unambiguous law saying that in all such situations United States law must give way. But I do not believe that the American people would stand for it. Nor should they. Associate Attorney General Egan has discussed this in the enclosed speech.[4] Among its many disadvantages, such a rule, in its search for clarity and for removing American multinational corporations from legal risk taking, would mean that the antitrust laws could never be used to prevent an American firm from causing boycott injury to a class of other American enterprises pursuant to a foreign governmentally directed boycott. It would be totally contrary to the theory of our prosecution in the *Bechtel* case (copy of the Complaint and the Competitive Impact Statement are enclosed) [5] and to the rationale for the Export Administration Amendments of 1977.

This second issue merges into the third issue you raised, the need for clarification of the boundaries of United States foreign commerce antitrust jurisdiction. If the United States is not to abandon 70 years of antitrust enforcement in foreign commerce, that enforcement will necessarily, from time-to-time, lead to conflicts of law and policy with other foreign jurisdictions. Until there is an international treaty that provides it, we will lack a comprehensive framework for resolving those international disputes which arise. Nonetheless, our experience has shown that it is possible to resolve disputes on a case-by-case basis, with those governments willing to do so, by giving expression to the principle of comity, the principle of equity and fairness between nations. Comity like equity, is an imprecise but irreplaceable concept. Our legal tradition suggests that it is best developed not by an ambitious statute but by the enriching experience of our common law process. The application of the principle of comity will necessarily involve some business risk, even after the courts have fixed some pathmarks. But this is precisely the problem the business review procedure is designed to address. If a United States firm finds itself pulled in one direction by the policies of a foreign government, and pulled in another by the dictates of United States laws, it should bring its problem to us or to the Federal Trade Commission. Contrary to the implication of many of the charges made, we are eager to assist enterprises which are seeking ways to comply with United States antitrust laws. I am enclosing a copy of a recent address I made at a meeting of the American Bar Association on this subject.[6]

In our view the process of standard-setting as to foreign commerce jurisdiction is well under way in the *Timberlane* case which you referred to in your letter.[7] The decision by the Ninth Circuit in that case adopts the principle of comity as essential to proper application of United States antitrust law. In fact, given that opinion, it now seems much less true that the law in this area is confusing and inconsistent. This principle of comity was first enunciated in 1965 as Section 40 of the *Restatement (2d) of the Foreign Relations Law of the United States* promulgated by the American Law Institute. With the *Timberlane* decision this principle is even more clearly established in the law today than it was in 1965. Furthermore, the so-called "effects" doctrine you refer to, first enunciated in the *Alcoa* case,[8] has been consistently followed in a long line of subsequent decisions and is now a clear and incontrovertible basis for establishing the applicability of U.S. antitrust law, subject only to applicable defenses and considerations of comity.

As to the fourth issue, the possible need for rationalization of federal antitrust enforcement, such a process of rationalization tends to be the norm in those countries where there is a relatively weak commitment to competition and relatively modest enforcement of such antitrust laws as do exist. In our antitrust laws, as you know, Congress has made it clear that competition is to be "the fundamental principle governing commerce in this country." [9] A governmental agency to monitor United States antitrust policy is incompatible with that Congressional mandate. It is also incompatible with prosecutorial independence, the insulation of our law enforcement institutions from political pressures so that particular prosecutions are determined by principles of law. The Department of Justice is continually open to receive the views of the Department of State and other relevant agencies and persons with special expertise relevant to our appropriate exercise of our prosecutorial responsibilities. This has been a satisfactory way to assure that the Department of Justice avoids taking action which contradicts the foreign policy interests of the United States while, at the same time, assuring that prosecutorial decisions in particular cases are not interfered with. If we err in our prosecutorial judgments such as, perhaps, by seeking excessive jurisdictional authority in some future matter, we are subject to the discipline of the courts to which we properly look with deference under our system of law.

There is one form of rationalization which might be constructive but which, I believe, is beyond the proper scope of this Commission's activities. That is a need for greater harmony between the decisions of the International Trade Commission under Section 337 of the Tariff Act of 1930 and the antitrust law as applied by United States courts. The International Trade Commission must not be permitted to claim an "antitrust" enforcement role which it would then use to achieve anticompetitive purposes and effects. If, however, the ITC chooses to use the authority Congress has granted it under Section 337 to promote competition, consistent with fair trade practices and existing antitrust and international law, I would welcome the ITC to the ranks of antitrust enforcers.

As to the fifth issue you raised, regulation by the Federal Government of the types of private litigation that may properly be brought in U.S. foreign commerce, I have serious reservations. As you know I am doubtful about centralized government regulation as a panacea to all of the problems of "unruly" situations. The private treble damage remedy has been a vital and constructive tool promoting competition in U.S. markets. I am unaware of any significant number of frivolous and disruptive private actions in the foreign commerce area which justify such a radical dulling of this tool. On the contrary, there are several private suits such as *Timberlane*, and *Continental Ore Co.* v. *Union Carbide & Carbon Corp.*, 370 U.S. 690 (1962), which exhibit highly constructive decisionmaking. In those few instances where irresponsible private litigation is brought, concerned Federal agencies can file *amicus* interventions to suggest to the court what the applicable law should be. We have done this in the past and will continue to do so. Even assuming the Federal Government, reviewing one set of facts, concluded that a public suit as to particular international activity was not in the public interest, that would not necessarily lead to the conclusion that *no* private suit would be warranted or that the facts that the Government reviewed were all of the pertinent facts.

Some uncertainty, some risk-taking and occasional diplomatic friction is not a heavy price to pay for the benefits of a strong set of antitrust laws promoting competition, and a domestic legal framework in which the benefits of competition cannot be eroded by political decision-making. Abuses of this process can be generally avoided by good case law, which our courts are developing, by responsible judicial decisionmaking—which has generally been exhibited in this area—and by responsible leadership of our antitrust enforcement agencies, making prudent enforcement decisions and actively seeking accommodation with foreign governments where legal conflicts arise.

Your final question suggests that U.S. licensors of technology may be at a disadvantage vis a vis foreign licensors, because the latter usually do not have to comply with U.S. or comparable antitrust rules. This assumption does not square with our understanding of recent worldwide trends. The Competition Directorate of the EEC has in the last decade prosecuted licensing restrictions with a vigor and severity which is arguably greater than U.S. enforcement in the area. The EEC has under consideration draft licensing guidelines which are the subject of much controversy in Europe. They are viewed by some as more stringent than U.S. rules on comparable subjects. Most of the larger developing countries have, since 1971, instituted elaborate schemes to screen technology licenses by all foreign investors.

In an effort to achieve sensible and uniform standards for international technology licensing, the Antitrust Division has partici-

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Footnotes at end of article.

pated actively with the U.S. Patient Office and State Department in seeking to negotiate a U.N. Code of Conduct for the Transfer of Technology. Agreement on this code may not be possible due to differences in national approaches on the subject, but this would be because many nations' rules on licensing restrictions are more stringent than the U.S. antitrust approach, not because they are less stringent.

In the experience of the Antitrust Division the complaints of U.S. technology licensors on this score usually involve frustration either over inability to perpetually fence a foreign licensee out of the United States market, or to impose exclusive grantback provisions on the foreign licensee. Such constraints are plainly aimed more at prevention of foreign competition in the United States domestic market than promotion of United States exports. U.S. antitrust tolerance of these strictures would not only run counter to the international trend in technology transfer agreements, but would allow impediments to new entry into United States domestic markets by innovative foreign firms initially licensed by United States firms. Such restraints might have worked 20 years ago but are hardly popular or appropriate today in either developed or developing nations. Increasingly, foreign countries regulate transfers of technology, and exclusive grantbacks, and barriers to export by the licensee are high on the list of disfavored provisions.

Exclusive grantbacks are discussed in detail in the Department's *Antitrust Guide.*[10] The Department's enforcement views were set forth in such detail precisely to allow private antitrust counsel, who will continue to provide the vast majority of antitrust guidance in our economy, to gain insight into Justice Department legal analysis in the entire licensing area. This is not to say that the *Guide's* few examples have brought total clarity and predictability. The antitrust aspects of technology licensing remain difficult, but I suggest that the subject is far beyond the appropriate purview of this Commission.

I have tried to deal with each of the specific issues raised in your letter. My skepticism over the validity of the general assertion that the antitrust laws exert a major drag upon successful foreign operations has colored the response. I trust that you will understand why I am unable to recommend that the Commission spend any of its limited time and resources on this area, with the one exception of consideration of the Webb-Pomerene Act.

Thank you for your thoughtful presentation, and for providing me and the Commission this opportunity to consider the points raised.

Sincerely yours,
JOHN H. SHENEFIELD,
Assistant Attorney General,
Antitrust Division.

FOOTNOTES

[1] Final Report on U.S. Antitrust Laws and American Exports, Task Force on International Trade and Investment of the Chamber of Commerce of the United States, February 26, 1974.

[2] U.S. Department of Justice, Antitrust Division, January 26, 1977.

[3] Address before Law Council of Australia, Sydney, July 17, 1978, pp. 6–7.

[4] Address before Business Law Sec., The International Bar Assn., Atlanta, Ga., November 3, 1977.

[5] United States v. Bechtel Corp. et al., Civ. No. C–76–99 (N.D. Calif.) complaint filed January 16, 1976; Competitive Impact Statement filed January 10, 1977.

[6] "The Extra-Territorial Impact of U.S. Antitrust Laws: Causes and Consequences," Sec. of International Law, ABA, New York, N.Y., August 9, 1978.

[7] Timberlane Lumber Co. v. Bank of America, 549 F.2d 597, (1976).

[8] United States v. Aluminum Company of America, 148 F.2d 416 (2d Cir. 1945).

[9] City of Layfayette v. Louisiana Power & Light Co., No. 76–864, March 29, 1978; —— U.S. ——, 55 L. Ed. 2d. 364, 98 S. Ct. 1123 (1978).

[10] pp. 42–45, Case I.●

By Mr. MATHIAS:

S. 1013. A bill to require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator; to the Committee on Commerce, Science, and Transportation.

NOISE ABATEMENT AT AIRPORTS

● **Mr. MATHIAS.** Mr. President, the bill I am intoducing today directs the Federal Aviation Administration (FAA) to develop and implement a comprehensive noise abatement program for the two airports it operates—National Airport in Arlington, Va., and Dulles Airport in Chantilly, Va.

This bill directs the FAA to tailor a noise abatement plan for Dulles and National that would deal with several important areas: Aircraft operating procedures on landings and takeoffs; reduction of incompatible land uses adjacent to the airports; and cooperation with State and local governments to help devise land-use programs.

This is the second year I have introduced this legislation in the Senate. A similar bill is being introduced in the other body by Representative JOSEPH FISHER.

For too long, the citizens of Maryland, Virginia, and the District of Columbia have been pawns in the aircraft noise game which goes on day and night in the Washington metropolitan region. Aside from the noise problems associated with Concorde flights at Dulles, the most severe and persistent aircraft noise problems are associated with flights into and out of Washington National Airport.

This 38-year-old overused airport dates from the prejet age. An average day at Washington National involves 600 aircraft operations—60 operations per hour, or one flight per minute. Now even to the layman, that volume of air traffic could spell disaster.

And, in fact, National Airport has been the scene of a major air disaster. On November 1, 1949, a Bolivian P–38 fighter plane making practice landings at National, sideswiped an incoming Eastern Air Lines DC–4 passenger liner killing all 55 passengers abroad. Among those killed was Representative George Bates, the ranking Republican on the House District Committee, who had worked so hard to obtain approval for the Auchincloss plan for D.C. home rule. Also killed was the famed New Yorker cartoonist, Helen Hokinson.

The P–38 was piloted by an expert pilot who was the director of civil aviation in Bolivia.

This mid-air crash, the worst at National Airport, was strikingly similar to another more recent air tragedy at San Diego. As my colleagues will recall, that air disaster also involved a major commercial passenger plane carrying 134 people and a small private plane carrying 2 persons. All of those passengers were killed as well as eight others on the ground.

Since I introduced this bill on March 22, 1978 of the last session, there have been encouraging developments: the FAA installed 15 noise monitors up and down the Potomac River; the FAA publishd a proposed policy on the future role of National and Dulles Airports; the Congress passed and the President signed into law airline deregulation legislation. So we are making progress toward addressing not only the noise problem, but the safety and consumer costs of commercial aviation.

But the speed of FAA action on the noise problem, particularly as posed by National Airport, can hardly be characterized as supersonic. Here are just a few instances of my attempts as well as those of Washington area citizens to prod the FAA to reach a decision on National.

A citizen suit filed against the FAA by the Virginians for Dulles first spurred that agency to begin work in earnest on a comprehensive policy for aircraft operations, types of aircraft, and related noise for all three airports within the Washington metropolitan region. The suit resulted in the FAA-proposed airport policy and accompanying environmental impact statement of March 1979.

Prior to the publication of that proposed policy and EIS, on December 27, 1977, I had asked the FAA for its reaction to a bill similar to the one I am introducing today. Two and a half months later, in a letter dated March 13, 1978, the FAA said in essence "we're working on it. Just give us some time." Here, in part, is what FAA Administrator Langhorne Bond wrote me:

> The Federal Aviation Administration (FAA) is in the process of preparing a comprehensive policy statement and an accompanying environmental impact statement with respect to the operation and future roles of Dulles International and Washington National Airports. Both the draft policy statement and the draft environmental impact statement should be available to the public for comment within a month. A notice of proposed policy will be published in the Federal Register and public hearings will be held. In the preparation of these draft statements, noise abatement has been one of the primary considerations. . . .
>
> As the FAA has nearly completed its development of policies for the future operation of Washington National and Dulles International, it appears the FAA will soon be fulfilling the primary objectives of your draft bill. Furthermore, as you may know, section 105 of the proposed "Airport and Aircraft Noise Reduction Act", H.R. 8729, would require the FAA to prepare and publish a noise compatibility program for both National and Dulles. I believe that this provision would also meet the needs addressed in your draft bill. We expect Congressional action on H.R. 8729 soon.
>
> Therefore, as activities which address your concerns are already underway and near completion, I would recommend that you await the results of those efforts before deciding whether further legislation is necessary.

As my colleagues know, an Airport and Aircraft Noise Reduction Act did not pass the 95th Congress.

The draft environmental impact statement prepared by the FAA on its Metropolitan Washington Airport policy proposed 32 alternative ways to reduce noise. In May of last year, four public hearings were held by the FAA on those alternatives. Judging from the copies of testimony by a number of concerned citizen groups which I received, there did seem to be a consensus as to the most desirable alternative. That alternative would have reduced the number of flight operations at National to 20 per hour (from the present 60) between 7 a.m. and 9 p.m. Night flights between 9 p.m. and 9:30 p.m. were to be limited to 20 operations per hour and a curfew on flights would take effect at 9:30 p.m. This means that airlines could not schedule flights into or out of National after 9:30 p.m. and before 7 a.m. The citizen testimony further supported a jet use ban after 10:30 p.m. and before 7 a.m. And lastly, the introduction of wide-bodied jets at National was favored only if those operations were counted within the 20 per hour maximum; that they be phased in on a 2-for-1 basis with the phaseout of two-engine jet flights; or that they be phased in on a seat-for-seat exchange for current two-engine jet flights.

Numerous civic associations in the Potomac River Valley banded together to form a group called Maryland Citizens Concerned About Aircraft Noise (MCCAN). They, in conjunction with a Virginia citizens group, Virginians for Dulles, met and worked together to coordinate their testimony before the FAA, so that there would be no doubt as to where the citizens stood on this issue. I ask that the charter of MCCAN and its position paper on this legislation and the FAA draft environmental impact statement be printed in the RECORD at the conclusion of my remarks.

I also ask that the comments of the Virginians for Dulles on the FAA's proposed policy for National Airport also appear at the conclusion of my remarks.

It is now 1 year since the FAA proposed its policy for the two airports for which it is the operator. Hearings have been held. And yet, no decision has been reached.

In September of last year, I again wrote to the FAA Administrator asking when the FAA would make a firm decision and publish its policy. On October 20 of last year I received a reply from the Administrator, which I will include following my remarks.

I, along with other Washington area Members of Congress, have now received two "Aircraft Monitoring Reports" for last October and November on levels of aircraft noise at National and Dulles Airports. These are highly technical reports, which do not lend themselves to easy interpretation by the layman. These reports result from data collected by the 15 noise monitors which the FAA has installed along the flight paths of National and Dulles.

Reportedly, instant noise readings were to be shown on display boards to be installed in National's main lobby, identifying airplanes and their noise levels as they pass each of the monitors. The same type of board was also to be installed at FAA headquarters.

Although, I have not seen such a display board at National, I am encouraged that the FAA has taken these positive steps and is monitoring aircraft noise. I am concerned that the agency make good use of this data, putting it to work as part of its policy, and taking necessary actions with those airlines which flagrantly create excessive noise. And I certainly hope, the agency will be able to produce a more readable summary report for those of us who are not acoustical engineers.

But it has become clear to me that we must continue to prod the FAA to reach a decision on this issue. The bill which I am introducing here today simply directs the FAA, as the operator of two airports within the National Capital Region, to implement its own published "Aviation Noise Abatement Policy" of November 1976 at those two airports.

The legislative history of the Noise Control Act of 1972 described some of the serious adverse effects of aircraft noise.

> The effects of noise on people takes many forms, and can be physiological or psychological in nature. These effects include permanent hearing loss, interference with speech communciation, stress reactions which could have significant long term health implications, interference with communication and disturbance of sleep. Moreover, noise may have sociological impacts within families and in communities. In addition, it has been demonstrated that acoustical energy can cause damage to buildings and structures.

The daily, hourly, and even more frequent assaults on the senses of Washington area residents by those thundering behemoths must end. The clear responsibility for the continued noise, traffic jams, and precarious safety of air travelers into and out of National Airport lies squarely with the Federal Aviation Administration.

I think the heavy demand by existing and potential new air carriers to serve the Washington region can easily be met by the two other existing, underutilized airports in the region—Dulles International and Baltimore-Washington International.

Dulles, the only other airport owned and operated by the FAA, was established and funded by Congress and the American taxpayer. Yet this magnificent space-age terminal at its peak travel hours has only 30 operations per hour—half the number of hourly operations of National. This is mismanagement of Federal tax dollars and a waste of a perfectly situated airport.

Baltimore-Washington International Airport, centrally and conveniently located, as its name suggests, in the Baltimore-Washington corridor, is capable of serving this mass market to a much greater extent than at present. It, too, is underused. It is ideally located away from dense population centers but conveniently accessible by bus and limousine service via the Baltimore-Washington Parkway. In addition, it will be served by a rail station in the next few years as part of the Northeast Corridor rail improvement project. I am proud to have played a role in assuring that BWI will be served by high-speed rail from both Washington and Baltimore.

We are very fortunate in this region to have the choice of three major airports. Few other cities can claim such a convenience for air travelers. Clearly, the FAA has the solution to its problem at National Airport at hand. Baltimore-Washington International Airport and Dulles can easily accommodate the overflow of flights from National. Once National flights are diverted to those two airports, I am confident that more and better ground transportation will quickly appear to serve those airports. I, for one, will continue to support convenient access to both regional airports.

The air traffic controllers at National are to be commended for their professional performance under exceedingly demanding conditions of 60 operations per hour—one flight per minute.

But we should not kid ourselves. National Airport is a disaster waiting to happen. It is bound to occur with such heavy usage and such a wide mix of aircraft types creating all sorts of strange, and unanticipated air turbulence.

We must not let an air disaster at National become the spark for action here. The time for decision is now. I ask unanimous consent that the text of my bill and the other material I have referred to be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., October 20, 1978.

Hon. CHARLES MCC. MATHIAS, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATHIAS: Thank you for your letter of September 18 in which you requested an expected date for the publication of the policy for the operation of Metropolitan Washington Airports and the accompanying final environmental impact statement. As you are aware, the Federal Aviation Administration (FAA) released a proposed policy and draft environmental impact statement in March for public review. Public hearings were conducted in May to receive oral testimony. Written comments were accepted until the close of the comment period in early August Since the close of the comment period, the FAA has evaluated the transcripts of the oral testimony and numerous written comments from the public review of the proposed policy and draft environmental impact statement The next step will be to adopt a final policy and prepare a final environmental impact statement.

I expect the publication of a firm policy and final environmental impact statement early next year. You will receive a copy of these publications as soon as they become available. Your interest is most appreciated.

Sincerely,

LANGHORNE BOND,
Administrator.

CHARTER OF MARYLAND CITIZENS CONCERNED ABOUT AIRCRAFT NOISE (MCCAN)

Whereas, Washington National Airport (WNA) was designed and built prior to the use of commercial jet aircraft and is, by virtue of its location and present utilization, incompatible with modern environmental planning concepts and needs; and

Whereas, WNA has and continues to serve as the primary commercial jetport for the Washington metropolitan area; and

Whereas, the present overutilization of WNA by jet aircraft imposes an intolerable and unacceptable noise burden on the residents of the Washington metropolitan area who live under the WNA flight paths; and

Whereas, aircraft noise pollution is hazardous to human health and may cause hypertension, stress reaction, increased heart rate, blood pressure, blood cholesterol and ill effects on the digestive and respiratory systems; and

Whereas, the Federal Aviation Administration (FAA) has not, as proprietor of WNA and Dulles International Airport, recognized the need to take substantial, effective and expeditious action radically to reduce the noise burden generated by WNA; and

Whereas, the residents of the communities presently exposed to the WNA noise burden and other concerned citizens have not, in the past, effectively joined together to effect meaningful and expeditious change in the operation of WNA,

Now, therefore, the Maryland Citizens Concerned About Aircraft Noise (MCCAN), is hereby formed in accordance with the following principles:

1. We shall work together to support the secure passage of legislation in the United States Congress to require the FAA meaningfully and substantially to reduce the noise impact created by the use of WNA.

2. We shall make every effort to encourage and obtain action by local and State governments in the Washington metropolitan region to help effectuate the goal of reducing the noise impact of WNA flights.

3. We believe that WNA can no longer serve as the primary airport for the Washington metropolitan area, especially since two alternative jetports—Dulles and Baltimore-Washington International—exist, are planned for major commercial jet use, and are underutilized at this time.

4. We will cooperate with other area citizens and organizations, emphasizing our common goal of effecting a radical reduction of aircraft noise generated by WNA.

5. We will continue to press for specific, mandatory noise abatement measures at WNA.

6. We will take all necessary and available action possible to relieve the citizens of the Washington metropolitan area of the WNA jet aircraft noise burden.

MCCAN Position Paper

Maryland Citizens Concerned About Aircraft Noise (MCCAN) takes the following positions:

1. We endorse and support S. 2785, sponsored by Senator Mathias, and H.R. ---, sponsored by Representative Steers and endorsed by other area Congressional representatives.

2. We support the Council of Government resolution of July 13, 1977, which would require:

(a) extension of the river flight path for both arrivals and departures as far as possible beyond current limits;

(b) make mandatory the FAA's currently recommended take-off and approach procedures for noise abatement at WNA, consistent with safety;

(c) a study of implementation of sanctions for violations of the maximum aircraft noise emission levels as part of the F.A.A.'s monitoring system;

(d) reduction of engine power until higher altitudes are reached;

(e) an immediate reduction in the number of flights at WNA and diversion of flights to Dulles and BWI;

(f) Imposing stronger curfew restrictions and elimination of the "grandfather" cities outside WNA's current 650-mile nonstop radius limit.

3. As to the FAA's draft Environmental Impact Statement, dated March 15, 1978, we believe:

DEFICIENCIES IN THE EIS STUDY

(a) The EIS is deficient for its complete failure to focus on the noise impact out to and just beyond the 10-mile DME marker at which aircraft reapply full power.

(b) The EIS fails to focus on the overall noise impact in Montgomery County, which is exposed to all northeast-bound flight noise, and, in its river corridor, all WNA noise.

(c) The EIS is deficient because it fails to address the single most significant factor in jet aircraft noise—flight paths. The FAA failed completely to address the flight path question in considering alternatives.

THE FAA RECOMMENDATIONS AND PROPOSED POLICY

(a) We disagree with the FAA's failure to eliminate the seven grandfather cities from its 650-mile nonstop radius limit.

(b) We disagree with the FAA's failure to reduce the 650-mile nonstop radius limit.

(c) We disagree with the FAA's failure to reduce its present schedule ceiling of 40 commercial jet flights/hour under IFR conditions.

(d) We support the FAA's decision to eliminate scheduled jet flights after 9:30 p.m.

(e) We support the jet use ban after 10:30 p.m. and before 7:00 a.m.

(f) We favor the introduction of wide-bodied jets only under the following circumstances:

(i) they will count toward the limit on commercial operations per hour;

(ii) they will be phased in on a two-for-one phase out of two-engine jet flights; or

(iii) they will be phased in on a seat-for-seat exchange for current two-engine jet flights.

RECOMMENDED CHANGES IN THE FAA EIS

(a) redefine the future role of WNA, eliminating it as the primary airport for the Washington region by 1990.

(b) Effect an immediate reduction in the number of flights per hour in accordance with Case Alternative 32.

(c) Undertake a thorough study of flight path alternatives to the present Potomac River corridor.

(d) Impose mandatory take-off and approach procedures, consistent with safety, to replace the advisory operational procedures now in effect.

(e) Introduction of wide-bodied aircraft strictly on a seat-for-seat exchange with smaller aircraft, or on a two-for-one reduction in the use of WNA by smaller commercial jet aircraft.

Comments on FAA's Proposed Policy for National Airport

On March 20 the Federal Aviation Administration (FAA) issued the court-mandated Environmental Impact Statement (EIS) and proposed policy for Washington National Airport. The proposed policy can be summarized as follows: (1) The 650 mile perimeter for nonstop service will be maintained except for the seven "grandfather" cities. Use of National for longhaul service to and from any point in the United States will continue to be permitted, provided the aircraft makes a stop within the 650 mile perimeter. (2) The present rules permitting 40 scheduled air-carrier operations per hour, exclusive of extra sections, and 20 general aviation operations per hour when weather conditions do not permit more, will be maintained. (3) Air-carriers will not be allowed to schedule operations after 9:30 p.m. (i.e. 30 minutes earlier than at present), and FAA will stop violating the curfew, which it has been doing in the past by peak scheduling 37 flights between 9:30 p.m. and 10:00 p.m. just before the cut-off hour. (4) Aircraft creating more noise than 98 EPNdB at landing and 89 EPNdB at take-off at FAR–36 test procedures reference point will be prohibited after 10:30 p.m. at National. This will affect the air-carriers presently using National and some private and business jets, but not a number of general aviation jets. (5) The less noisy airbuses will be allowed to use National, and the passenger flow will be permitted to grow to an annual rate of 18 million by 1990, an increase of some 40% above present levels. Commercial jet operations are estimated to increase by some 30%.

What FAA proposes is actually a substantial increase of flight operations at National, a substantial increase in terminal facilities and a substantial expansion of landside facilities. FAA states that its proposed policy for National has four principal objectives. One of these is "to insure that the roles and uses of the airports are as compatible as possible with the changing demands and expectations of the community, especially with respect to environmental quality." What exactly are these demands and expectations? When FAA in 1966 introduced jets at National, the public, which was not consulted, protested the decision as being arbitrary and environmentally damaging. In 1967 more than 10,000 residents signed petitions against the heavy use of the airport and the resulting intolerable noise impact on the Greater Washington Metropolitan Area. Since then numerous protest meetings have been held, a law suit has been filed, and irate protests by phone and letter have reached FAA by the thousands. Furthermore, the National Capitol Planning Commission has objected strongly to FAA's policy of maximum use of the airport, and the Metropolitan Washington Council of Governments as well as the Council of the District of Columbia have passed unanimous resolutions requesting substantial reduction of operations at National and diversion of flights to Dulles and Baltimore Washington International (BWI) airports. A year ago residents, representatives of local governments and representatives of several hundred citizens associations overwhelmingly declared that the aircraft noise levels from National were intolerable, damaging and unnecessary and requested reduction in operations and transfer of flights to Dulles and BWI. The wishes of the community could hardly have found stronger and clearer expression.

For FAA to claim that the purpose of its proposed policy is to meet these demands is hypocritical as it is absurd. For the proposed policy defies and contravenes the community's demands in nearly every way possible. Compared with the present unacceptable conditions, it results in more aircraft overhead, more noise, more pollution, more congestion; it refuses to consider transfer of flights to Dulles and BWI and adds insult to injury by brazenly proposing an expansion of the terminal facilities at National to accommodate an annual passenger rate of 18 million by 1990, an increase of some 40% above present levels. What then will be the effects of the proposed policy on the Metropolitan Area."

NOISE

The residential neighborhoods as well as historic sites, monuments, hospitals, schools, recreational areas, etc. will be exposed to less noise at night after 9:30 p.m. than at present, but to more noise between 7:00 a.m. and 9:30 p.m. due to an increase in operations at National. The report's discussion of the proposed policy noise impact compared with the present impact seems calculated to confuse and deceive the reader. For example, the report states (p. 82) that in comparing the two "it can be seen that the length of time above the noisier peak levels of 85 dBA and above will generally remain the same over time due to the increased operations." However, what the text does not say, but a study of the relevant tables reveals, is that the length of exposure to noise levels between 65 dBA and 75 dBA, and between 75 dBA and 85 dBA are considerably longer under the proposed policy. Any decrease in noise, which would occur under the proposed plan would mainly have been because of the Government's jet engine retrofit program requiring more stringent noise standards to be met by carrier aircraft by 1985. However, that benefit is more than wiped out by the increase in operations.

POLLUTION

Under the proposed policy the total emissions caused by operations at National will generally be increased. Carbon monoxide would increase by 33% above the 1976 levels, total hydrocarbons by 27%, and nitrogen oxides by 37%. The airport related pollutant concentration would increase at all receptor points due to the introduction of the wide body aircraft and from surface transportation emissions, due to increase of enplaned and deplaned passengers. The air quality standards are expected to be violated at several of the receptor points (p. 127, 139, 131).

CONGESTION

The two major access routes to National, which are also major commuter routes, are, in the words of FAA, operating at or near capacity during peak hours. Under the proposed policy the over-all airport related average daily traffic is expected by 1990 to increase by 35% with resultant traffic noise and pollution (p. 83). As for the airport's terminal facilities, which, with present passenger volume are very congested, the proposed plan allows an increase of 5 million passengers by 1990. The annual utilization of National's airfield capacity is at present 125%, according to the Council of Governments' report, "The Future of Washington's Airports." The proposed policy envisages a much larger number of operations, among which are those of some 135 daily of the airbusses; this without additional runways.

FAA informs us that its other proposed policy objectives are (1) to rationalize the role and use of the two Washington airports from an overall transportation viewpoint; (2) to achieve fuller utilization of existing and planned capacity at the airports; and (3) to reduce unnecessary constraints on the use of equipment at the airports.

As regards the alleged objective (1), it must be remembered that FAA maintains that National is the area's shorthaul airport (shorthaul is defined by FAA as lengths up to 500 miles), while Dulles provides all levels of airline service. However, the proposed policy does not consider making National a shorthaul airport serving only flights inside the 650 mile radius. The proposed policy continues to accept direct flights from seven so-called "grandfather" cities outside the 650 mile radius and does not even mention but continues to allow longhaul service from all over the United States, including many from West Coast cities, as long as they make a scheduled stop within the 650 mile radius. National Airport which FAA always likes to emphasize as the area's shorthaul airport has in fact as many aircarrier operations from outside the 650 mile radius as the total number of aircarrier operations at Dulles. It is interesting to note that at the airport which Congress designated to be the area's principal jet airport, aircarrier operations have declined from 63,412 in 1969 to 55,876 in 1977, obviously because of FAA's policy at National. But FAA now wants to "rationalize" Dulles as a satellite to National by, so to speak, putting Dulles in mothballs for the next two decades by way of its proposed policy and expansion of terminal facilities at National. Forty years after Dulles opened, it will have half the passenger load and substantially less carrier operations than the 16 times smaller National; that is if FAA succeeds in imposing its will.

As regards objective (2) of the proposed policy, which is to achieve fuller utilization of existing and planned capacity of the two airports, the policy makes it clear that what FAA has in mind is the further expansion of National at the cost of Dulles. National has for years been used beyond capacity with highly objectionable consequences for the community, but FAA now intends to expand its terminal facilities to allow even more intensive use, instead of transferring flights to Dulles and BWI.

Objective (3) of the proposed policy is, according to FAA, "to reduce unnecessary constraints on the use of equipment at the airports." This means to permit airbuses to use National; for there are no constraints of this kind at Dulles. However, allowing airbuses to use National should only be agreed to by the community to the extent that it serves to reduce aircraft noise and results in reduction of the 40 carrier operations per hour. If such conditions are not imposed, their introduction at National will only result in increased noise, congestion and pollution. What will happen, as regards number of operations, can be seen by comparing the present operational data with those projected for 1990 if airbuses are introduced. On a typical day in 1990 under the proposed policy there will be an increase in operations to 903.6 operations. Among others, standard body commercial jets will increase from 543.6 to 560, and wide body jets from 0 to 135.4, an increase of some 30 percent (p. 69, 77).

In the court-mandated EIS, FAA has been obliged to consider alternatives to the existing policy. In addition to the existing and proposed policies, FAA has, therefore, sketched 32 alternative policies (Cases) showing miscellaneous mixes of reduced airline quotas, use of wide body aircraft and other operational restrictions. But while the FAA recommended policy is based on carrier aircraft scheduled from 7:00 a.m. to 9:30 p.m., the other alternatives considered are based on aircarrier aircraft scheduled from 7:00 a.m. to 10:00 p.m. The 30 minutes respite in FAA's proposed policy is obviously offered as an attractive bait, so that the public will swallow the introduction of wide body aircraft without requesting a reduction in the 40 per hour barrier quota. One seeks in vain for another explanation of why the 30 minutes respite has not been considered in any of the other 32 alternatives.

Of the alternatives listed in the EIS, Case 32 is the one which best meets the community's demand for a substantial reduction in noise and pollution at National and with impart on a comparatively small number of people. In line with the suggestion of the Council of Governments' report, "The Future of Washington's Airports," it reduces the hourly carrier quota from 40 to 20, permits introduction of wide body aircraft, and allows only commercial traffic at National. While peak levels of noise will be approximately the same as under the FAA proposed plan, the duration of noise exposure will be cut approximately in half. Other important positive aspects of Case 32 compared with the FAA proposed policy will be seen in the following comparison:

	FAA proposed policy	Case 32
Operations on typical day	903.6	475.7
Passenger load annually	18 million	13.88 million
Emission loadings	22767.32 lb.	17440.98 lb.
Airport improvement cost	$63.17 million	$47.43 million

It should be noted that the number of passengers using National in 1990 will not be reduced in comparison with the number of passengers using the airport in 1977. The introduction of wide body jets with their large passenger capacities will by and large compensate for the cut in frequency of arrivals and departures. Furthermore, it will lead to better utilization of seat capacity, reduce fuel consumption and possibly result in cheaper fares.

Virginians for Dulles recommend that the 9:30 curfew in the FAA proposed plan be applied to Case 32, and that all operations at National be prohibited after 10:30 p.m. The policy should be implemented immediately, and the reduction in operations should be completed within three years. We believe that the community will be able to live with the negative effects of the Case 32 policy with the above mentioned additional constraints. In the past, National and Dulles airports have been operated by FAA under policies which completely subordinate social and human impacts to the convenience of the majority of airtravellers using these airports. The policy we recommend reverses these prirorities moderately, and, we believe, reasonably. We consider the inconvenience of 15 additional minutes travel for a fraction of the airports' passengers, elimination of some nonstop flights to National and similar minor drawbacks a small price to pay for a substantial reduction in the intolerable noise harassment. It also would reduce pollution, congestion and hazard, which the residents of the nation's capital and its suburbs for so long have been subjected to. The policy we propose, furthermore, is in accord with the type of policy FAA proclaims should be followed in metropolitan airport planning. The FAA proposed policy is not.

We want to add a few general comments on the EIS: FAA is required by law to prepare the EIS in good faith objectivity. This requirement we think has not been met. Among others, the report contains a number of misleading and slanted statements favouring the FAA proposed plan. It also places undue emphasis on discussion of the proposed policy in comparison with the 32 alternatives. We shall here draw attention to how FAA manages in one way to place its own proposal in a deceivingly favourable light compared with the other alternatives. FAA proposes an earlier curfew from 10:00 p.m. to 9:30 p.m. only in the case of its own proposed policy, not for any of the other 32 alternatives. Using the NEF methodology in which each aircraft operation after 10:00 p.m. equals 16 daytime operations of similar aircraft and flight track before 10:00 p.m., the result becomes highly deceiving for the layman. Thus the NEF 30 contours for the FAA proposed policy with its 903 daily operations are about the same as the contours for the Case 32 with its 475 daily flights. If you are not well informed and on your guard, the maps show that the noise of 903 aircraft equals that of 475 aircraft. (Exhibits V–7 and VIII–5).

VIRGINIANS FOR DULLES,
The Executive Committee.

S. 1013

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That section 611 of the Federal Aviation Act of 1958 (49 U.S.C. 1431) is amended by inserting at the end thereof the following new subsection:

"(f) The FAA shall, for each airport which he operates, after consultation with the EPA—

"(1) prepare a comprehensive aircraft noise abatement plan, which shall (A) be based on an integrated approach to his proprietary and air traffic control functions, (B) take into consideration all measures discussed under the heading of 'Additional Federal Action' and 'Protecting the Airport Environment' as subsections C and D of section III of part 2 of the Department of Transportation's 'Aviation Noise Abatement Policy' published November 18, 1976, and (C) be designed to minimize the aircraft noise impact of such airport's use, consistent with safety,

"(2) publish such comprehensive aircraft noise abatement plan in the Federal Register in draft form within 180 days of the date of enactment of this subsection, permitting a period of 120 days thereafter for citizens and local governments to hold public hearings and make comments thereon, and publish such final comprehensive aircraft noise abatement plan in the Federal Register not later than 390 days after such date of enactment,

"(3) within 775 days of such date of enactment, after notice and evidentiary hearing, adopt for each such airport procedures and regulations, mandatory on all concerned including Federal Aviation Administration personnel, implementing such aircraft noise abatement plan,

"(4) establish and maintain an aircraft noise monitoring program at each such airport, publishing the results thereof at least semiannually, and

"(5) review annually thereafter each aircraft noise abatement plan taking into consideration its monitored results and any technological or other relevant developments, and, after consultation with the EPA and with the affected local governments, adopt such changes in the plan and in the mandatory procedures and regulations implementing it as the FAA determines, after notice and hearing, to be in the public interest, bearing in mind his responsibilities as set forth in subparagraph (1) of this paragraph.".●

By Mr. HART:

S. 1014. A bill to establish a national system of maternal and child health and preventive care, and a system for protection against catastrophic health care costs; to the Committee on Labor and Human Resources.

MATERNAL AND CHILD HEALTH PROTECTION BENEFITS AND CATASTROPHIC MEDICAL EXPENSE REIMBURSEMENT ACT

● Mr. HART. Mr. President, today I am introducing the Maternal and Child Health Protection and Catastrophic Medical Expense Reimbursement Act. There will be a serious, and long overdue, national debate this year over national health insurance. The primary question before us is not whether our current health care system needs improvement—it does. The question is, what sensible program can we afford. This proposal is both workable and affordable, and I introduce it today as an alternative for consideration in this important debate. The legislation responds to long-standing domestic needs of this country. First, the present system is a major contributor to inflation. Second, gaps existing between those who have health care and those who do not need to be bridged.

The United States spent over $160 billion on health care last year, making the health care industry our country's third largest. Health care costs constitute more than 9 percent of our gross national product and are rising at a rate roughly double those of the consumer price index. In return for this high price, most people will receive some health care; too many will receive inadequate or no health care as a result of geographical location, or inability to afford services; others will face financial ruin resulting from catastrophic medical expenses; and all will pay for overuse of costly and unnecessary services. Government at all levels will pay more than 40 percent of the total health care cost, making health care one of the most heavily subsidized of all industries. This area, Mr. President, should be among the first where Congress improves the efficiency of Government and restrains inflation.

Again, today's major question must be, what kinds of changes in our present system can we afford. Mr. President, the system reform proposed in my bill would save money now and in the future. Two examples reflect the potential savings this legislation can bring about. In 1978 this country paid $10.6 billion for 3 million births and the treatment of 17 million preschool-age children. If those services had been provided in the manner intended by my plan, the cost would have been $4.4 billion. That is a savings of $6.2 billion of the national health care total in 1 year. It will cost an average $50,000 in 1978 dollars to treat each child born last year over that child's lifetime if we retain the present system. If, instead, each child were to be provided the routine, preventive services advocated in my plan, that cost could be reduced by 20 percent or more. A 20 percent reduction in the national health care bill translates into tremendous yearly savings. And, as significant as the yearly figures are, they pale in comparison to the future savings to be had by making the cost-effective policy changes set forth in my legislation.

My proposal is predicated upon several basic principles which must be embodied within any responsible health care strategy proposed in these times. First, there must be a new balance between cost-efficient preventive health services and the more costly crisis-response health care which dominates our present system. My legislation promotes such a balance by providing preventive health care for preschool-age children and pregnant women as a foundation for a system of universal preventive health care.

Second, while this bill provides comprehensive health care for only a segment of the population, it also protects all persons from financial ruin as a result of catastrophic medical expenses.

Third, a successful program must provide built-in incentives for providers to control costs. My bill gives incentives to providers who will offer efficient quality services without relying on ineffective Government-mandated caps on fees.

Fourth, to avoid excessive administrative costs, a well-planned program should make maximum possible use of the private sector and existing Government administrative mechanisms. I have very carefully used existing definitions, administrative structures, and divisions, and have, in both the catastrophic and comprehensive care portions of the legislation provided for extensive use of private industry.

Fifth, any health proposal must have strong and diverse political support.

My legislation begins a comprehensive health care strategy using pediatricians, obstretricians, and general practitioners—well-known progressive segments of the medical profession. The basic concepts of the bill have already enjoyed a positive response from numerous segments of the population. The Maternal and Child Health Protection and Catastrophic Medical Expense Reimbursement Act of 1979 is a synthesis of the best concepts and mechanisms in various health care proposals. It provides a firm common ground upon which all interested groups can meet to reach common goals.

I offer this proposal as a step in the right direction. It is a step moving forward in the effort to assure adequate health care to all our people. While neither I nor any other responsible member of this body can advocate moving recklessly into the establishment of a new national health care system, the health and fiscal consequences of further delay are ominous. No one can deny that the rapid rise in the Nation's health care bill is detrimental to the economic well-being of the country. And the fact that the level of public health has not increased commensurate with the increase in cost illustrates the inherently inefficient nature of the current system. Restructuring that system does not necessarily mean an increase in the Nation's total health expenditures. But it does mean a more cost-efficient allocation of dollars already being spent in a wasteful manner.

This legislation is within our political, administrative and fiscal grasp. By initiating it now, we could make a limited, and therefore manageable, start on reform of the present system while meeting the unfulfilled present needs of the public. The experience provided by this limited effort will become the sound foundation upon which the Congress, after appropriate review, can build a comprehensive program by affordable increments to include the entire population. This program presents us with the opportunity to improve not only the health of our people but the health of the economy.

THE CASE FOR BEGINNING WITH CHILDREN

Children and pregnant women have been selected as the starting point for a national health care plan for several reasons. Children are the citizens of this Nation's future. Their level of health, as their level of education, forecasts the Nation's future. If we elect to invest that famous ounce of prevention in their health today, it will yield a pound of dividends to the country in the form of higher productivity and lower health care expenditures in the future. While the majority of persons in the country receive some acceptable level of health care today, two groups—children and the elderly, especially the indigent—are the exceptions.

Despite the growth of health problems in recent years, we have left our children behind. In 1960, 20 percent of Federal health care dollars was spent on children as compared with only 10 percent by 1975. It is estimated that 10 million children receive no health care whatsoever. Many of these children are from families whose incomes fall just above the level for medicaid eligibility. Immunization against childhood diseases is generally agreed to be one of preventive medicines' greatest successes. Yet, as of 1976, about 40 percent of the Nation's children 1 through 4 years of age remained incompletely immunized against many childhood diseases. Fifty percent of children screened by the early and periodic screening, diagnosis and treatment program require treatment for two conditions, and at least 25 percent have severe dental disorders. About 25 percent of women who give birth each year do not see a doctor in the critical first trimester of pregnancy. For pregnant teenagers this figure is an astounding 70 percent. Mothers with little or no prenatal attention have been shown to give birth to children with low birth weight and to premature infants at three times the rate of adequately treated pregnant women. Despite an abundance of rhetoric and a growing body of knowledge on the wisdom of preventive health care, we have done little to encourage or promote such care.

Consider the economic consequence of our continued unwillingness to act upon our knowledge. A study of children treated under title V of the Social Security Act showed that hospitalization was decreased 40 percent for children given preventive treatment services and follow-up when compared with those who did not receive those services. In another study, children receiving preventive check-ups, personal outreach and counseling services had an 8 percent decrease in total hospital days over the 2 years of the study. Children not receiving those services spent 17 per cent more days in the hospital at a total cost 50 percent greater than the treated group. The medicaid program in North Dakota has expended 40 percent less per capita for medical treatment of children receiving preventive services than for those who did not. Hospital costs were 48 percent lower in the treated group. Even high cost perinatal intensive care pays in the long run. At an average 1978 cost of about $5,000 per capita, it is still less expensive to provide that care than to pay the $9,000 to $24,000 yearly cost of maintaining the badly handicapped child which results from no care at all.

Premature and low-birth-weight infants are a particular problem in the United States because the high cost of treating them often prevents needed care and results in lifetime handicaps and increased morbidity. If a group of 150 premature children is examined, typically 50 will die soon after birth, 50 will have brain damage and cost $24 million to care for during their lives and 50 will survive and be normal. If prenatal care were available to all 150 infants, the typical result would be 25 deaths, 10 survivors with brain damage and 115 surviving to be normal. Cost of initial care would be $1.5 million, but the savings of $19 million in long-term care would be recovered in 2½ years.

We pay $1 billion annually for the care of mentally retarded children alone, and mental disorders affect an estimated 15 percent of the U.S. population in any given year. The President's Commission on Mental Health (1978) estimated the direct cost of mental health services for 1976 to be about $17 billion. That represents approximately 12 percent of our total national health costs. The costs, both human and economic, are tremendous.

A similar case can be made for preventive dental care for children. Periodontal disease is the most widespread degenerative disease in the United States today, and it is almost entirely preventable with routine dental care. The cost of treating the 95 percent of our population that have dental decay, the 80 percent of all adults who have periodontal disease and the 50 percent of persons over age 65 who have lost all their teeth represents a staggering sum which could be reduced substantially if proper preventive dental care were instituted as a national policy beginning with children.

The case for providing comprehensive health care to children is strong, and continued delay in implementing this policy is not justifiable. The care most children need is predictable, readily produceable and relatively inexpensive. In 1978, per-capita health care expenditures for children under 19 years of age were about $350 compared with about $750 for persons aged 19 to 64 and about $2,000 for those over 65. Good health care for pregnant women is also predictable, fairly produceable and, while not inexpensive (about $1,700 in 1979), has proved time and again to be of tremendous value in improving the health of infants.

Because care for both groups is relatively uniform, predictable and inexpensive, a great deal of it can be delivered by nurse practitioners and other professionals working in consort with physicians. This ability to share responsibility for health care results in the most efficient use of health care resources. This is a necessary improvement to our health care system and is especially important for medically underserved areas. Because care for these two groups of individuals has accepted and defined characteristics lends it to easier quality review than for other types of care. And, the routine and predictable nature of the care decreases the need for costly hospitalization and use of exotic procedures, thus, this area becomes less susceptible to overutilization and its inflationary effects.

In summary, focusing on children clearly improves their health and offers tremendous long-term savings. It is absolutely imperative that we begin now to allocate greater resources to good health care and health promotion early in life instead of paying for costly hospitalization and treatment resulting from lifetimes of too little medical attention and bad health habits. This maternal and child health protection program is a foundation for national health care and not a plan for continued national sickness assistance.

CATASTROPHIC MEDICAL EXPENSE REIMBURSEMENT

Although it would be most desirable to bring the entire population under the comprehensive health care provisions of this bill, realistically we must phase in population groups as fiscal circumstances allow. Until comprehensive health care services can be provided to all people, we must provide protection against financial catastrophe due to medical expenses. My bill, therefore, has a catastrophic medical expense reimbursement provision.

This proposal is based on a realization that a financial catastrophe is income-related. Once an individual's affordable range of expenses is exceeded, this insurance relieves the individual of any further financial burden. This program will thus allay the fears of financial ruin of middle-income families and relieve the financial strain that even routine and usual health care costs place upon indigent and low wage earner families.

Mr. President, I share with my colleagues a strong commitment to balance the Federal budget. I have defined a detailed, economically informed, and practicable plan to accomplish this at other times on the floor of the Senate as well as during Budget Committee deliberations. I want to assure my colleagues that the health care plan I propose today is fully compatible with my proposal to balance the Federal budget by fiscal year 1981 for several reasons.

First, the legislation states specifically that benefits under this program cannot begin before January of 1982. As a practical matter, the bulk of the program costs could not accrue earlier than fiscal year 1982. Startup costs to initiate the necessary organization which would eventually deliver the benefits would equal approximately $700 million spread over the course of 2 years. These expenses can be accommodated within the budget I envision for 1981, 1982, and the out years thereafter.

Second, our best estimate to date is that the cost of this legislation if fully implemented would be about $18 billion a year. However, this program would replace some existing Federal health care programs which cost about $5 billion. The net cost to the Federal budget in 1982 will be about $13 billion. In fiscal year 1982 my proposal for a balanced budget will produce a Federal surplus which would pay for this new program and therefore retain the balanced budget we will have achieved in 1981.

Third, my plan has built-in cost controls. In the maternal and child health portions of the bill, overall costs for medical benefits are held down by the cost-saving incentives of a capitation payment program. The catastrophic insurance I suggest will not pay for expenses in the range incurred by most people. The burden for generally affordable expenses will continue to be borne by the individual and relief would be available only after the point where expenses as determined by income become unaffordable. This is an incentive to all to avoid unnecessary health expenditures.

Fourth, my proposal avoids the creation of a new bureaucracy. My proposal would make maximum use of existing successful organizations for administration and quality review.

Fifth, there would be the long-term savings for Federal spending I described earlier resulting from the emphasis placed on preventive health care in my legislation.

Finally, my legislation contains a built-in guard against runaway costs for an inefficient or unaccountable program—it contains a sunset clause. This sunset provision requires that Congress evaluate the program after 5 years to determine its success before the program can be expanded or even before it can be reauthorized.

The following provides a more specific explanation of the legislation I offer today:

TITLE I—MATERNAL AND CHILD HEALTH PROTECTION

1. Benefits.—The centerpiece of this plan is the provision of comprehensive health services for children beginning at birth. Pregnant women and pre-school children (birth–6) who are legal residents of the United States would be provided all medical, dental, and mental health services needed to attain and maintain good health. It is particularly intended that routine medical attention and preventive-type services be emphasized. Coverage would be universal and without any deductible or coinsurance so that no financial barrier will prevent access to high quality care.

2. Providers.—Services mandated by the Maternal and Child Health Program may be provided directly by licensed health care practitioners who elect to participate in the program, or through indirect providers who contract with licensed practitioners to provide the required services. Participation by providers would be entirely voluntary. However, payment for covered services would be made only to participating providers. Providers would be free to continue to practice on a fee-for-service basis simultaneous with participation in the Maternal and Child Health Program.

3. Payment.—The only form of payment made to participating providers would be by capitation. Providers would enroll patients who wished to participate on an annual basis and would be responsible for managing enrolled patients' entire health care including hospitalization, referrals and prescriptions. There will be a financial limitation on the providers' total liability for medical expenses. For expenses exceeding the provider's liability, the program would pay for necessary services on a cost-for-service basis. The amount of the capitation payment would be varied by geographical region to reflect regional differences in cost. It is particularly intended that regions with restricted access to providers, mostly rural and inner-city areas, would have capitation rates sufficient to either attract providers to the region or to pay the added costs of taking the patients to the providers. The only restriction on participating providers will be that they provide the agreed, quality services in return for the capitation fee. Providers would thus have positive financial incentive to make cost-efficient medical decisions.

4. Administration.—At the Federal level the program would be administered by the Secretary of Health, Education and Welfare in conjunction with a National Maternal and Child Health Protection Board. The Board would operate within an existing Federal health agency but would serve as the identifiable focus for the national child and maternal health strategy. It is intended that children and mothers eligible to receive benefits under this act not to be eligible to receive health benefits under any other Federal health program, and the Board would be responsible for assuring that all Federal services to eligible individuals be coordinated under this Act. The Board would be composed of providers and other professionals expert in the delivery of health care services. Its duties would include negotiating and determining capitation rates, assisting the Secretary to establish, where necessary, systems for quality assurance, program and policy review and the making of appropriate recommendations for program improvement.

The program would be administered locally on the basis of divisions identical to those made under the Public Health Service Act—Health Service Areas. Quality assurance would be made by the Professional Standards Review Organizations established in that same Act. Within each Health Service Area would be established an Area Maternal and Child Health Protection Advisory Board composed of providers and consumers. Area Advisory Boards would negotiate capitation rates with area providers and make recommendations to the National Board, would oversee quality assurance and would make recommendations to the National Board regarding the overall functioning of the program in its specific area.

5. Financing.—Funding would come from general revenues plus money derived from a reduction in the personal exemption for eligible recipients of $1,000 to $900. The financing scheme places at least some burden on those eligible to receive benefits, but also uses revenues derived from a progressive income tax structure. It does not impose regressive and inflationary payroll taxes.

TITLE II—CATASTROPHIC MEDICAL EXPENSE REIMBURSEMENT

1. Benefits.—For all legal residents of the United States (except for those participating in the program established under Title 1 of this Act), this legislation provides health insurance which pays 50% of out-of-pocket expenses equaling 10–20% of modified gross income and 100% of expenses thereafter. This insurance would be purchased by the Federal government from any private sector carrier who wishes to participate in the program. Individuals would be free to purchase additional insurance, but payments under the catastrophic policy would begin only after the 10% of income deductible was satisfied. Health insurance premiums would be counted toward the deductible.

2. Payment.—The only form of payment made to participating carriers would be by capitation. Carriers would agree to enroll beneficiaries in their area on a nondiscriminatory basis and without regard to medical history. The payment would be negotiated for each health service area.

3. Administration.—The administrative mechanisms for this Title would be virtually identical to those for the Maternal and Child Health Protection Program. Nationally there would be a Board which would work with the Secretary of Health, Education and Welfare within the framework of existing health care programs. The National Board would be composed of professionals expert in the financing and delivery of medical services and would be responsible for negotiating and determining capitation rates and working with Area Boards whose composition would include professionals and consumers.

4. Financing.—This program would be funded through general revenues for the same reasons discussed above. In addition, the 3% tax deduction for medical expenses and the 1% deduction for health insurance premiums would be repealed.

GENERAL PROVISIONS

The Maternal and Child Health Protection and Catastrophic Medical Expense Reimbursement Act would be terminated five years from its effective date unless extended by an Act of Congress. It is intended that this initial phase of the program serve as a period of development and refinement of its concepts and mechanisms from which recommendations for future expansion of the comprehensive health care provisions can be made to other age groups.●

By Mr. PRESSLER:

S. 1015. A bill to encourage farmers to establish shelterbelts for the purposes of reducing soil erosion, protecting crops and livestock, and establishing wildlife habitat areas; to the Committee on Finance.

SHELTERBELTS ACT OF 1979

● Mr. PRESSLER. Mr. President, today I am introducing the Shelterbelt Act, legislation which I originally proposed in the House of Representatives during the 95th Congress.

The bill is designed to encourage farmers to establish shelterbelts in order to reduce soil erosion, protect crops, and livestock, and provide wildlife habitat areas.

Having grown up on a farm in South Dakota, I am intensely aware of both the costs and the tremendous benefits of our shelterbelts and windbreaks.

Most farms on the Great Plains, like my own, still benefit from the massive program of tree development which countered the crisis of the 1930's when several million acres of irreplaceable topsoil were lost due to severe drought and wind damage.

The Great Plains shelterbelt project combined with the less comprehensive programs of recent days have made an invaluable contribution to the conservation of our soil and water resources. However, these efforts are inadequate to meet today's expanding needs.

Many of our old shelterbelts are in a state of decay, others have been destroyed due to the overwhelming pressure on farmers for maximum production.

Furthermore, many potential windbreaks have not been developed due to a lack of financial incentives and technical assistance.

In South Dakota, for example, three-fourths of our shelterbelts were planted between 1936 and 1965; only 10 percent were planted in the past decade. In addition, the deterioration of our older shelterbelts has accelerated to the point where over 18 percent—nearly 43,000 acres in South Dakota—will seriously deteriorate in the next 10 years according to State forestry estimates.

We must renew our commitment to an aggressive conservation effort. By providing for the reestablishment, rehabilitation, and cultivation of windbreaks throughout the United States, the Shelterbelt Act of 1979 will foster this renewed effort to preserve our land and water resources.

Barriers of trees and shrubs significantly reduce wind velocity, evaporation, and wind erosion. Properly managed windbreaks have been shown to reduce wind velocity up to 78 percent with an equally amazing reduction in the erosion of irreplaceable topsoil. Reduced wind velocity also helps to prevent the uncovering of newly planted seeds and the possibility of firing, wind breakage, and crop blowdown. Fields protected by the tree barriers have also shown reductions in evaporation up to 31 percent and twofold to threefold increases in soil moisture from trapped snow and reduced runoff.

In addition to these primary goals, Mr. President, shelterbelts and windbreaks yield many other proven benefits to both man and nature. Offering protection from harsh winter winds, shelterbelts have significantly reduced weight loss in cattle and have reduced home heating costs up to 30 percent. Windbreaks also provide the single most important source of food and cover for many species of wildlife. Aside from the overwhelming environmental and economical benefits, many individuals are most impressed with the great aesthetic value of our trees, shelterbelts, and field windbreaks.

A primary cause of the decline in shelterbelt development is the lack of economic incentive under present programs to meet the growing costs of tree development, approximately $120 per acre. Under the pressures of skyrocketing land values and the national goal of peak production, farmers are induced to remove valuable tree belts.

We can overcome these influences by undertaking an aggressive development program to convince farmers of the long-term benefits of windbreaks and shelterbelts and by the provision of management and technical assistance.

Neither of the two programs which provide funds for three development designate this development as a priority conservation practice. In some cases, for example, shelterbelt expenditures represent less than 1 percent of total budgets. The result is a lag in shelterbelt development on the Great Plains due to a shortage of funds for cost-sharing, technical assistance, and the promotion of shelterbelts and windbreaks.

Moreover, Mr. President, with drastic cuts in the President's budget for the Great Plains and agricultural conservation programs, it is likely that shelterbelt development would receive even less attention.

Resource conservation incentives represent a national priority of the greatest magnitude. Our soil and water resources are too vital to the long-term economic stability of the Nation to allow shortsighted budgeting attempts to cut the programs which keep these resources strong. Prime agricultural farmland which stands unused during periods of surplus must be protected from high erosion hazards. Measures must be taken now to guard against the severe damage that can result from drought and wind in the years ahead. This threat is illustrated, for example, by the reduction of topsoil—taking 1,000 years to build an inch—from a national total of 30 inches to 6.

The Shelterbelt Act provides a comprehensive cost-sharing program directed specifically at shelterbelt development and management. Through grants to county Agriculture Soil Conservation Service offices, farmers would be fully or partially reimbursed for the cost of purchasing and cultivating seedlings. These grants would also include funds for technical assistance.

As an additional incentive, farmers would receive a full tax credit on lands set aside for the development of shelterbelts and field windbreaks.

We must take action now to protect essential resources for decades to come. Without a comprehensive program of shelterbelts and windbreak development, the attendant loss of water and land resources, agricultural productivity, and wildlife habitats will be a loss of national proportions.

I urge my colleagues to join in support of the Shelterbelt Act of 1979 to perpetuate tree planting efforts to preserve these vital resources.

Mr. President, I ask unanimous consent that the text of the Shelterbelt Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1015

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. ESTABLISHMENT OF WIND EROSION CONTROL AND WILDLIFE HABITAT AREAS.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified land conservation expenditures paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed by subsection (a) for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(A) section 33 (relating to foreign tax credit),

"(B) section 37 (relating to credit for the elderly),

"(C) section 38 (relating to investment in certain depreciable property),

"(D) section 40 (relating to expenses of work incentive programs),

"(E) section 41 (relating to contributions to candidates for public office),

"(F) section 42 (relating to general tax credit),

"(G) section 44 (relating to purchase of new principal residence), and

"(H) section 44A (relating to household and dependent care services).

(2) CARRYOVER OF EXCESS CREDIT.—If the amount of the credit allowable under subsection (a) for any taxable year (determined without regard to paragraph (1)) exceeds the limitation provided in paragraph (1), the amount of such excess shall be treated as a qualified land conservation expenditure paid or incurred by the taxpayer in the succeeding taxable year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED LAND CONSERVATION EXPENDITURE.—The term 'qualified land conservation expenditure' means any amount paid or incurred by the taxpayer to establish or maintain a wind erosion control and wildlife habitat area on any land—

"(A) which was used in a trade or business of producing crops, fruits, or other agricultural products or for the sustenance of livestock; and

"(B) which is held by the taxpayer and is located within the United States.

"(2) WIND EROSION CONTROL AND WILDLIFE HABITAT AREA.—The term 'wind erosion control and wildlife habitat area' means any area—

"(A) which is established and used exclusively for purposes of providing vegetative cover for wind erosion control or wildlife habitat;

"(B) which is at least 4 feet in width and is not more than 50 feet in width;

"(C) which is at least 50 feet in length; and

"(D) which meets such requirements as the Secretary of Agriculture shall by regulations prescribe.

The regulations prescribed by the Secretary of Agriculture under paragraph (D) shall provide that not more than 10 percent of the area of any farm may be treated as a wind erosion control and wildlife habitat area.

"(d) DENIAL OF DOUBLE BENEFIT.—If a credit is allowed under this section for any qualified land conservation expenditure incurred with respect to any land—

"(1) the basis of such land shall not be increased by any portion of such expenditure; and

(2) no deduction shall be allowed under any provision of this chapter for any amount not properly chargeable to capital account.

"(c) RECAPTURE OF CREDIT IN CASE OF DISPOSITIONS, ETC.—

"(1) IN GENERAL.—If—

"(A) the taxpayer was allowed a credit under this section for qualified conservation land expenditures paid or incurred during any taxable year with respect to any land which is a wind erosion control and wildlife habitat area; and

"(B) the taxpayer disposes of such land or such land ceases to be a wind erosion control and wildlife habitat area within 3 years after the close of the taxable year referred to in subparagraph (A),

the tax imposed under this chapter for the taxable year in which such disposition or cessation occurs shall be increased by the amount of the credit allowed under this section with respect to such expenditures.

"(2) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—Paragraph (1) shall not apply to—

"(A) a transfer by reason of death, or

"(B) a transaction to which section 381 (a) applies.

For purposes of this subsection, the taxpayer shall not be treated as disposing of any wind erosion control and wildlife habitat area by reason of mere change in the form of conducting a trade or business so long as such area is retained in the trade or business and the taxpayer retains a substantial interest in the trade or business.

"(3) SPECIAL RULE.—Any increase in tax ununder paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit allowable under this subpart.

"(4) CARRYOVERS ADJUSTED.—In the case of any disposition or cessation described in paragraph (1)(B), any carryover under subsection (b)(2) shall be adjusted by reason of such disposition or cessation.

"(5) ADJUSTMENT TO BASIS.—If the tax imposed under chapter 1 is increased under paragraph (1) by reason of any disposition or cessation or an adjustment is made under paragraph (4), the basis of the land to which such increase or adjustment relates shall be increased by the amount of such increase or adjustment.".

(b) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Establishment of wind erosion control and wildlife habitat areas.".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1977.

SEC. 3. If a government of a State or of a political subdivision of a State does not receive during any fiscal year beginning after the date of enactment of this Act payments of a real property tax on wind erosion control and wildlife habitat areas (within the meaning of such term under section 44B(c)(2) of the Internal Revenue Code of 1954), the Secretary of Agriculture shall pay the government an amount which the Secretary determines that the government did not receive during such year as such payments.●

By Mr. PRESSLER:

S. 1016. A bill to provide a program for an "Operation Bootstrap" for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities, and for other purposes; to the Select Committee on Indian Affairs.

OPERATION BOOTSTRAP: A REMEDY FOR LAGGING ECONOMIES ON OUR INDIAN RESERVATIONS

● Mr. PRESSLER. Mr. President, in my time in the U.S. House of Representatives and the U.S. Senate, I have become increasingly disturbed by the alarming rates of unemployment and underemployment that exist on and near our Nation's Indian reservations. The situation can be best understood if we look to my home State of South Dakota as an example:

South Dakota is unique in that it has 9 Indian reservations partially or entirely within its boundaries—and of an approximate population of 685,000, over 30,000 of our citizens are Indian.

However, the problems facing South Dakota are not unique, particularly in other rural States with large Indian populations. Three especially serious socioeconomic problems provide an ever-present challenge to States such as ours:

First. Instability of per capita income;

Second. Unemployment and underemployment; and

Third. Outmigration.

The per capita income of South Dakotans, whether they are directly involved in agriculture or not, is dependent on the success of the crops. Any climatic or national-global occurrence which is detrimental to the agricultural sector has an adverse effect on the economic status of South Dakota. Thus, we have seen the per capita income of South Dakotans at 98 percent of the national average in a bumper year like 1973, while in 1976 the percentage dropped to 83. In 1978, the percentage had only grow to 85 percent of per capita income.

Coupled with this instability of income is the fact that the income levels of nearly 11.6 percent of all South Dakota families fall below the defined poverty level. This poverty is especially pronounced in our 10 heavily Indian populated counties, and has ranged from 27 percent of the families living in poverty in the county of Mellette to a startling figure of close to 50 percent in Washabaugh County.

Although South Dakota usually has a more favorable unemployment rate than that of the Nation as a whole, 1976 brought statewide unemployment to a high of 5.7 percent. South Dakota has a special unemployment problem, though. Unemployment among our Indian people reached 55 percent in 1977 compared to 3.3 percent in the State as a whole. Among the Yankton tribe, that figure rose as high as 89 percent. The lowest rate of unemployment on a South Dakota reservation was 9 percent in Flandreau, with the remaining seven reservations averaging unemployment rates of about 51 percent. Nationwide Indian unemployment averages about 45 percent, compared to 6.0 percent for the Nation as a whole.

There is also a disguised unemployment in rural States such as South Dakota known as underemployment. This underemployment is a major problem because the goods and services—which could have been produced by full utilization of the existing manpower in our State—have not materialized, and the income that could have been generated has not been received, largely due to a lack of job opportunities. Underemployment contributes to a lower standard of living for people of South Dakota.

The shortage of employment opportunities also has resulted in a steady outmigration of South Dakotans through the years. It is estimated that from 1970 to the end of 1976 alone we lost over 7,200 citizens through net outmigration. Each year we lose a great number of young people as they leave the State to find jobs. In addition, the drought has caused a large number of our farm families to leave. We cannot afford to lose either our young people or those hardworking farmers without whom South Dakota can have no economy.

To relieve the situation that exists in South Dakota and other rural States, I have introduced legislation based on the "Operation Bootstrap" concept so effectively used in Puerto Rico. That program, begun during the early 1950's, provided tax incentives to private industries locating in Puerto Rico. It was so successful that over 121,500 new jobs were created directly, and as many as 300,000 indirectly. At the same time, the real standard of living on the island has risen 537 percent over the past 30 years, largely due to the "Bootstrap" idea. I believe that a similar program on our Indian reservations can enable these severely depressed economic areas to "pull themselves up by their bootstraps." and to experience the same kind of stability and growth as Puerto Rico through incentives provided under our free enterprise system.

In brief, the legislation I have introduced "to create meaningful jobs and improve conditions among Indians and non-Indians on reservations and in other communities" offers the following incentives for job creation:

First. New private industries locating on and existing private industries already in operation on our Indian reservations would be completely exempt from Federal income taxes for the first 10 years in which they qualify for such incentives after this legislation is enacted. Ranching and farming operations are considered industries for the purposes of this act.

"New private industry" is defined as: A new private industry sufficiently capitalized for purposes of this act that has been approved for location on a reservation by a majority of the qualified resident voters of the tribe and the Secretary of the Interior, and which will—after location on the reservation—employ at least 50 employees, half of which must be Indian, that shall be paid whichever is higher of: First, the Federal minimum wage under the Fair Labor Standards Act of 1938; second, the State or local minimum wage for similar employment; or third, the prevailing rate of pay for persons employed in similar occupations in the same area. A ranching or farming operation would qualify if it employs at least 25 employees.

"Existing private industry" is defined as: Private industry in operation on the reservation, prior to the enactment of this legislation, which already meets the requirements necessary to qualify for the incentives provided under this act or which expands to meet such requirements.

Second. During the following 5 years, the bill offers new private industries a special tax deduction—20 percent of the original cost of the property—that is, buildings, equipment, and so forth—or of its market value at the end of the 10-year period of tax exemption, whichever is higher. Existing private industries would be allowed an identical deduction based on the cost or value of property, if the investment is necessary for expansion of the industry so it can qualify for the incentives provided in this bill.

Third. During the 5 years following the 10-year free tax period, this legislation would also provide a tax deduction every year in which an Indian employee, who has been taken off the welfare rolls because of the employment opportunities afforded by this legislation, remains continuously employed in qualifying new or existing private industry.

It is important to note that no new private industry could locate on an Indian reservation without the approval of both the tribe and the Secretary of the Interior, and that this legislation would encourage both new and existing industries to remain in operation and to continue to hire and keep their Indian employees.

Legislation similar to mine was introduced in the House of Representatives in 1960. Hearings were held and the proposal received the support of Indians and non-Indians throughout the country, but it was never brought up for consideration in Congress.

I believe the time has come for us to take another look at this concept. The problems plaguing South Dakota and its reservations and neighboring communities—instability of income, unemployment and underemployment, poverty and outmigration—face other States as well. Rural America needs an economic "shot in the arm," and I believe our free enterprise system and private industry, with the encouragement of "Operation Bootstrap for American Indian Reservations," can provide the boost we need.

Mr. President, I ask unanimous consent that the bill that I am introducing be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1016

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the purposes of this Act are to bring about industrial development and economic advancement within Indian communities in order to aid in bringing Indian economic well-being more nearly to the level of the non-Indian community by authorizing tribal action which will enable Indians to attract and retain new private industry and retain existing private industry within Indian reservations and among Indian communities, in order to promote gainful employment of Indians, and by authorizing steps to improve the lot of Indians, including self-help on the part of the Indians and Indian tribes and Indian communities, legislative and corporate action by such Indians, tribes, and communities which will accord assurances and security to industries availing themselves of the benefits of this Act, and tribal action for self-help notwithstanding regulations or review by the Secretary of the Interior.

SEC. 2. As used in this Act:

(1) The term "tribe" means any Indian tribe, band, or other identifiable group living on one reservation or tract of trust land, and receiving direct services from the Bureau of Indian Affairs.

(2) The term "Indian" means any recognized member of a tribe.

(3) The term "new private industry", when used with respect to the location of such industry on the reservation occupied by a tribe, means a new private industry sufficiently capitalized for purposes of this Act and approved for purposes of such location by the majority of the qualified resident voters of that tribe and by the Secretary of the Interior, and which (except in the case of a ranching or farming operation) will employ at such location not less than fifty employees who shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such title applied to the employee and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations in the same area. A ranching or farming operation meets the terms of this definition with respect to the minimum number of persons to be employed if it employs at its location on the reservation not less than twenty-five employees.

(4) The term "existing private industry", when used with respect to such an industry located on a reservation occupied by a tribe, means such an industry which was in operation, prior to the date of the enactment of this Act, on such reservation, which is sufficiently capitalized for purposes of this Act and approved for purposes of receiving benefits and incentives under this Act by the majority of the qualified resident voters of that tribe and by the Secretary of the Interior, and which (except in the case of a ranching or farming operation) employs at such location, during the period in which that industry receives any benefit or incentive under this Act, not less than fifty employees who shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such title applied to the employee and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations in the same area. A ranching or farming operation meets the terms of this definition with respect to the minimum number of persons to be employed if it employs at its location on the reservation, during the period in which it receives any benefit or incentive under this Act, not less than twenty-five employees.

SEC. 3. None of the provisions of this Act (except section 4) shall apply with respect to any tribe until the majority of the qualified resident voters of the tribe have voted to accept the provisions of this Act in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose).

SEC. 4. The Secretary of the Interior shall cause to be drafted a model corporate charter embodying the provisions and purposes of this Act which shall be circulated to each tribe, whether or not the tribe has voted to accept the privileges of this Act, and whether or not the tribe is operating under a charter approved by the Secretary before the date of the enactment of this Act.

SEC. 5. (a) Any Indian tribe which has accepted the provisions of this Act may adopt an appropriate constitution and bylaws, or, in the case of a tribe which already has a recognized constitution and bylaws, may adopt amendments thereto, which shall become effective, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, when ratified by a majority vote of the adult members of the tribe, at a special election authorized and called by the Secretary of the Interior under such rules and regulations as he may prescribe. Any such constitution and bylaws may be revoked, in accordance with such rules and requirements as the Secretary of the Interior may prescribe, by a majority vote of the adult members of the tribe in a referendum (which may be conducted in connection with regular tribal elections or in a special election called for the purpose). Amendments to the constitution and bylaws thereafter proposed may be ratified and approved by the tribe in the same manner as is provided in this section for adoption by the tribe of the original constitution and bylaws.

(b) Upon the adoption of a constitution and bylaws, as provided in subsection (a), the tribe shall be a body corporate, with such powers as are prescribed in this Act, and to the extent not inconsistent with this Act or any other law, shall have the powers provided by such constitution and bylaws.

SEC. 6. (a) Each tribe which has accepted the provisions of this Act shall, in addition to any corporate powers which it otherwise may have or may be provided, have authority, without the approval of the Secretary of the Interior, to purchase, sell, exchange, pledge, mortgage, or hypothecate property of every description, real and personal, in trust or fee status, on such conditions, if any, as the tribe may provide, and in the case of any exercise of such authority (other than a purchase) without approval of the Secretary of the Interior with respect to any such property which was immediately before the date of such exercise, held in trust for that tribe by the United States, that tribe shall thereby waive any claim or demand it may otherwise have had against the United States arising out of the sale, exchange, pledge, mortgage, or hypothecation. Except to the extent that this subsection authorizes the sale, exchange, pledge, mortgage, or hypothecation of property without Secretarial approval, no provision of this Act shall be regarded as affecting or impairing any claim which the tribe may have against the United States.

(b) Any existing lawful debts of any tribe which has accepted the provisions of this Act shall continue in force, except as such debts may be satisfied or canceled pursuant to law.

(c) The individually owned property of members of any tribe shall not be subject to any corporate debts or liabilities of the tribe.

(d) The Officers of each tribe which has accepted the provisions of this Act shall maintain accurate and complete public accounts of the financial affairs of that tribe which shall clearly show all credits, debts, pledges, and assignments, and shall furnish an annual balance sheet and report of financial affairs to the Secretary of the Interior. A summary of the balance sheet shall be published in a local paper of general distribution within the area of the community or reservation of that tribe within thirty days after the date of compilation of such balance sheet.

(e) Each tribe which has accepted the provisions of this Act shall have the following corporate powers, in addition to any corporate powers which it otherwise may have or may be provided—

(1) to appropriate and use any tribal moneys (including those held in trust) as an incentive to the location of new private industry or to the retention of existing private industry on the reservation occupied by the tribe;

(2) to negotiate and execute contracts with private industry, Federal, State, and local governments;

(3) to extend to new private industry or to existing private industry on the reservation occupied by the tribe a binding waiver of tribal taxes for a period which may not without extension, exceed fifteen years;

(4) to borrow money from any commercial organization or from established programs of the Federal Government and if desired, to place tribal properties, real and personal, in trust or fee status, as collateral;

(5) to deposit corporate funds, from whatever source derived, in any National or State bank to the extent that such funds are insured by the Federal Deposit Insurance Corporation, or by a surety bond, or other security;

(6) to pledge or assign (for periods not to exceed ten years) chattels or future tribal income due or to become due;

(7) to lend funds from the tribal treasury to any new private industry locating on the reservation, or for expansion of new or existing private industry operating on the reservation, where such location or expansion will further the economic well-being of the members of the tribe; and

The Secretary of the Interior may delegate to such tribe, upon reqeust, such authority as may be needed for the purposes of this Act.

(f) Before any per capita distribution is made by any tribe which has accepted the provisions of this Act to its members, not less than sixty days advance notice must be given to the Secretary of the Interior, who may prohibit such distribution to the extent that he determines, and so notifies the tribe before the expiration of such sixty days, that the sums set aside for per capita payments do not represent income over that necessary to defray corporate obligations to members or other persons; to establish an adequate reserve fund; to construct necessary public works; to cover the costs of public enterprises; to pay the expenses of tribal government; or for other necessary corporate needs. Such notice by the Secretary shall be fully documented to show the tribe why approval was not given.

(h) All officers of any tribe which has accepted the provisions of this Act, who shall have responsibility for handling tribal moneys under this Act, shall be bonded in such amounts as the Secretary of the Interior may from time to time determine.

(i) In the case of malfeasance, misfeasance, or nonfeasance in office by officials of any tribe which has accepted the provisions of this Act, where such malfeasance, misfeasance, or nonfeasance is at the expense of individual members or the membership of a tribe at large, the Secretary of the Interior shall have full rights of investigation and review, including authority to set aside any such action, and including the right to seek assistance of courts of competent jurisdiction to that end.

Sec. 7. (a) Any person who (as determined by the Secretary of the Treasury or his delegate) establishes, after the date of the enactment of this Act, a new private industry, or who is an existing private industry, on any reservation occupied by a tribe shall qualify for the incentives provided by this section. Any such person shall not qualify for such incentives for any period during which less than half of the employees of such industry employed on the reservation are Indians.

(b) No tax shall be imposed by chapter 1 of the Internal Revenue Code of 1964 on the income of any person qualified for the incentives provided by this section to the extent that—

(1) such income is attributable to the operation of a new private industry or an existing private industry established on a reservation occupied by a tribe, and

(2) such income is received or accrued during any of the first ten taxable years ending after such investor first qualifies for the incentives provided by this section with respect to such new private industry or existing private industry.

(c) In the case of any capital investment made by any person qualified for the incentives provided by this in any new private industry on a reservation occupied by a tribe and in the case of any capital investment made by any person qualified for the incentives provided by this section in any existing private industry on a reservation occupied by a tribe in order for such existing private industry to qualify for such incentives, the basis of the property of such person in such industry as of the end of the tenth taxable year ending after such person first qualifies for the incentives provided by this section shall, for purposes of the Internal Revenue Code of 1954, at the election of such person, be the higher of—

(1) its fair market value at the end of such tenth taxable year, or

(2) its cost.

In addition, at the election of such person, the deduction for depreciation allowed with respect to such property under chapter 1 of such code may, for the eleventh through the fifteenth taxable year after such person first qualifies for the incentives provided by this section, be computed at the rate of 20 per centum of the basis of such property.

(d) Where any member of a tribe who is receiving welfare income at the time he is employed in a new private industry or an existing private industry on a reservation occupied by a tribe by any person who has qualified for the incentives provided by this section remains continuously employed in such industry during any taxable year, such person shall be allowed a deduction from gross income, for the purposes of the Internal Revenue Code of 1954, in addition to any other deductions otherwise allowable, for any of the first five taxable years beginning after the tenth taxable year after such person first qualifies for the incentives provided by this section during which such member of the tribe remains continuously employed. Such deduction, for each year in which allowable, shall equal fifteen times the monthly welfare payment being made to such member of a tribe at a time he was first employed.

Sec. 8. (a) The Secretary of the Interior shall provide services to Indians under the various programs which the Secretary of the Interior is authorized to administer which provide benefits or services to Indians, including programs providing adult education and vocational training, on a priority basis with the view toward cooperating in the training of employable Indians for positions in new private industries located on a reservation occupied by a tribe under the provisions of this Act.

(b) The Secretary of the Interior is authorized to lease for rentals, which may range from a fair market rental downward to nominal or no rentals, depending on the attraction of industry, any surplus or excess Federal lands (including improvements) under his jurisdiction.

(c) The Secretary of the Interior is authorized, in his discretion, to lend Federal funds to be used in conjunction with tribal funds in such ratio as the Secretary may prescribe for construction of buildings and other facilities for investors seeking to qualify, or already qualified for the incentives provided by section 7, but only if the rentals to be paid by the industry over a period not exceeding fifteen years equal the original investment in Federal and tribal funds, plus interest thereon at a rate of 8 per centum per annum.●

By Mr. PRESSLER:

S. 1017. A bill to establish an Art Bank in the Congress for the purpose of selecting American works of art for display in the House and Senate Office Buildings; to the Committee on Rules and Administration.

CONGRESSIONAL ART BANK: BRIGHTENING HALLS OF CONGRESS

● Mr. PRESSLER. Mr. President, just imagine the long, grey tunnels which connect the House and Senate Office Buildings and the U.S. Capitol filled with colorful paintings by contemporary American artists. That would be part of the effect of a Congressional Art Bank bill which I have introduced in the Senate.

The bill, which would authorize Congress to select recent American artworks for display in congressional offices, tunnels, and halls, would be an important first step toward using Federal buildings for cultural purposes. If enacted, the bill would give critical exposure to contemporary American artists, and help beautify the often drab Halls of Congress.

The Congressional Art Bank would resemble the 5-year-old Canadian Art Bank in purpose, but not structure. The Canadian model, part of the government's Canada Council which supports the nation's cultural life, buys contemporary Canadian art and leases it to government offices for 12 percent of the cost of the work annually. For about $1 million a year, Canadian citizens can view as many as 3,800 paintings and sculptures in Federal buildings and public places across the country. An additional 3,500 works are stored in the bank's giant Ottawa warehouse to which only dealers are admitted. If a dealer or individual wishes to buy a work, the government may sell it back to the artist at the original cost plus a handling charge, but is not obliged to do so. The bank thus has the potential ability to affect the Canadian art market by withholding works.

The Congressional Art Bank would provide the same exposure to American artists as its Canadian counterpart provides Canadian artists. Since the congressional version would only borrow American works for a 6-month period, it could not significantly influence the U.S. art market. The congressional program would be directed by a five-member board—two appointed by the Speaker of the House, one by the President of the Senate, and one each by the House and Senate minority leaders. This would provide a more diverse directorate than one which is appointed solely by the administration in power. The program, which would be directed on a daily basis by an executive director and staff, could be extended after the first year if successful.

Mr. President, in reintroducing the Congressional Art Bank bill, I am looking for suggestions from artists, art lawyers, and those who buy or simply appreciate contemporary American art. A recent Louis Harris survey shows that 64 percent of the American people would be willing to pay an additional $5 a year in taxes if the money were used for cultural purposes; 47 percent would be willing to spend an extra $25. The American business community likewise donated $221 million to the arts in 1976, nearly $100 million more than in 1967, and more than double the Government's 1976–77 budget for the National Endowment for the Arts. This growing public commitment to the arts convinces me of the potential support for a Congressional Art Bank, and I look forward to public comment on it.

In considering the project, however, it is worth reviewing the success of a similar program in New York City.

Recently, the New York Organization of Independent Artists (OIA) sponsored and financed a 100-piece exhibit of works by 44 contemporary American artists in the U.S. District Courthouse in Foley Square. The exhibit was authorized under a recent, though little-known bill, the Public Buildings Cooperative Use Act, which encourages the use of public buildings for cultural purposes. The OIA footed a $400 bill for the exhibit, but won widespread media and public attention for the artists.

The OIA project put private interests to work to encourage the flourishing of American artistic life; the Congressional Art Bank would put Government to work in the same way. Such projects are more suited to the United States than the Canadian Art Bank because they place government in the role of a promoter, not a determinant of cultural life. The American people, as art buyers and gallery goers, set the Nation's artistic standards and tastes. By bringing artists and their admirers together, yet leaving the choice up to the people, Government insures the Nation's artistic freedom and vitality.

And by bringing American art into the Halls of Congress, Mr. President, it will bring life and warmth to an often somber place.

I ask unanimous consent that the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF ART BANK

Section 1. An art bank is established in the Congress for the purpose of selecting American works of art for display in the House and Senate Office Buildings in accordance with the provisions of this Act.

BOARD OF DIRECTORS

Sec. 2. (a) The art bank shall be administered by a board of directors. The board shall be composed of five members, who shall serve without pay. The members of the board shall consist of—

(1) two individuals appointed by the Speaker of the House of Representatives;

(2) one individual appointed by the President pro tempore of the Senate;

(3) one individual appointed by the minority leader of the House; and

(4) one individual appointed by the minority leader of the Senate.

(b) The duties of the board shall include—

(1) soliciting the transmittal of works of art to the art bank;

(2) determining the suitability for display of any work of art transmitted to the art bank; and

(3) determining, in consultation with the Joint Committee on the Library and the Architect of the Capitol, the manner and location of any display of a work of art.

EXECUTIVE DIRECTOR

Sec. 3. The board shall be assisted in its administration of the art bank by an executive director. The Speaker of the House, in consultation with the President pro tempore of the Senate, the minority leader of the House, the minority leader of the Senate, and the Architect of the Capitol, shall appoint the executive director, establish a salary to be paid to the executive director, and provide for the employment and compensation of such staff as is considered necessary to enable the executive director to assist the board in the administration of the art bank.

TRANSMITTAL OF WORKS OF ART

Sec. 4. (a) Any person who is a United States citizen and who creates a work of art may transmit such work of art to the art bank not later than two years after the date on which such work of art is completed by such person. Any cost of such transmittal shall be paid by such person. No work of art transmitted to the art bank by any professional agent of such person shall be displayed under section 5.

(b) No person shall receive any compensation for the display under this Act of any work of art created by such person.

(c) Any work of art transmitted under subsection (a) shall be returned to the person creating such work of art after any display of such work of art under section 5 or after the board has determined that such work of art is not suitable for such display. The cost of such return shall be paid by the art bank.

DISPLAY OF WORKS OF ART

Sec. 5. (a) Any work of art transmitted under section 4(a) which is selected by the board for display may be displayed in any location in the House and Senate Office Buildings which the board considers appropriate, including any office, corridor, or tunnel in any such building.

(b) No work of art shall be displayed under subsection (a) for more than six months.

COMPENSATION FOR DAMAGE TO WORKS OF ART

Sec. 6. (a) The board shall take such action as may be necessary to assure the compensation of any person who created any work of art for any damage, loss, or theft of such work of art occurring after the receipt of such work of art by the art bank and before the return of such work of art to such person under section 4(c). No compensation made by the board under this section shall exceed an amount determined by the board, in consultation with the Speaker of the House, the President pro tempore of the Senate, the minority leader of the House, the minority leader of the Senate, and the Architect of the Capitol, to be the maximum amount of compensation to be made to any person under this section.

(b)(1) The board may require any person seeking to transmit a work of art under section 4 to transmit to the board a description of such work of art and an estimate of the financial value of such work of art.

(2) Any person seeking to transmit a work of art under section 4 who is not required to transmit a description and estimate under paragraph (1) may transmit such a description and estimate to the board.

(3) Upon receiving any description and estimate from any person under paragraph (1) or (2), the board shall determine the maximum amount of compensation that the board will pay to such person under subsection (a) for any damage, loss, or theft of the work of art involved and shall notify such person of such determination.

(c)(1) In determining the amount of any compensation to be made to any person under this section, the board shall take into consideration the amount of any compensation such person may receive from any other source for any damage, loss, or theft of the work of art involved.

(2) The board may require any person seeking compensation under this section to furnish to the board any information that the board considers necessary to make its determination under paragraph (1).

(3) Any determination by the board of the amount of any compensation to be made under this section shall be final.

CONTRIBUTIONS TO ART BANK

Sec. 7. The board may accept and expend any moneys contributed to the art bank.

REPORT

Sec. 8. Not later than two and one-half years after the date of the enactment of this Act, the board shall transmit a report to the Congress. Such report shall include—

(1) a detailed description of the operation of the art bank;

(2) an evaluation of whether the art bank should continue in operation; and

(3) any recommendations of the board for legislative or other action relating to the operation of the art bank.

AUTHORIZATION OF APPROPRIATIONS

Sec. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

DEFINITIONS

Sec. 10. For purposes of this Act—

(1) the term "art bank" means the art bank established under section 1;

(2) the term "board" means the board of directors of the art bank established by section 2(a);

(3) the term "executive director" means the executive director of the art bank appointed under section 3;

(4) the term "House and Senate Office Buildings" means the Cannon, Longworth, and Rayburn House Office Buildings, the Dirksen and Russell Senate Office Buildings, and the related structures of such buildings; and

(5) the term "professional agent" means any person who receives, from any other person who creates any work of art, any compensation for any service rendered by such person relating to the sale or display of such work of art.●

ADDITIONAL COSPONSORS

S. 40

At the request of Mr. Ford, the Senator from Alabama (Mr. Stewart) and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 40, a bill to extend the period for SBA disaster low-interest loans from October 1, 1978 to October 1, 1979.

S. 198

At the request of Mr. Sarbanes, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 198, to permit the burial of Chief Turkey Tayac in Piscataway, Md.

S. 299

At the request of Mr. Culver, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 299, a bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes.

S. 336

At the request of Mr. Mathias, the Senator from Montana (Mr. Baucus) and the Senator from New York (Mr. Moynihan) were added as cosponsors of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 463

At the request of Mr. Church, the Senator from Minnesota (Mr. Durenberger) and the Senator from Nebraska (Mr. Zorinsky) were added as cosponsors of S. 463, a bill to provide for an economically viable sugar industry.

S. 625

At the request of Mr. Wallop, the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Kansas (Mr. Dole), the Senator from North Carolina (Mr. Helms), the Senator from New Hampshire (Mr. Humphrey), the Senator from Nevada (Mr. Laxalt), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977.

S. 643

At the request of Mr. Kennedy, the Senator from New York (Mr. Javits), the Senator from South Dakota (Mr. McGovern), the Senator from West Virginia (Mr. Randolph), the Senator from Rhode Island (Mr. Pell), and the Senator from Connecticut (Mr. Ribicoff) were added as cosponsors of S. 643, a bill to amend the Immigration and Nationality Act to revise the procedures for the admission of refugees, to amend the Migration and Refugee Assistance Act of 1962 to establish a more uniform basis for the provision of assistance to refugees, and for other purposes.

S. 697

At the request of Mr. Sasser, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of S. 697, a bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 711

At the request of Mr. Burdick, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 711, a bill to encourage schools of medicine and osteopathy to establish courses in geriatric medicine.

S. 816

At the request of Mr. Hayakawa, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 816, a bill to amend the Social Security Act to provide that any alien receiving benefits under certain needs related provisions of such act shall be considered to be a public charge, to provide for attribution of a sponsor's income and resources to an alien, and to provide for a 3-year residency requirement for aliens who receive certain benefits.

S. 871

At the request of Mr. Domenici, the Senator from Mississippi (Mr. Cochran) and the Senator from Wisconsin (Mr. Proxmire) were added as cosponsors of S. 871, a bill to amend the Public Buildings Act to require that parking fees be charged at all parking lots and facilities owned or operated by the United States.

S. 967

At the request of Mr. Melcher, the Senator from North Dakota (Mr. Young) and the Senator from North Dakota (Mr. Burdick) were added as cosponsors of S. 967, a bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment.

SENATE JOINT RESOLUTION 41

At the request of Mr. Burdick, the Senator from Michigan (Mr. Levin), the Senator from Alaska (Mr. Stevens), the Senator from Arkansas (Mr. Bumpers), the Senator from South Carolina (Mr. Thurmond), and the Senator from Minnesota (Mr. Durenberger) were added as cosponsors of Senate Joint Resolution 41, authorizing "National Family Week."

SENATE JOINT RESOLUTION 62

At the request of Mr. Pell, the Senator from Indiana (Mr. Bayh) was added as a cosponsor of Senate Joint Resolution 62, to set aside May 18, 1979, as "National Museum Day."

SENATE RESOLUTION 127

At the request of Mr. Domenici, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor of Senate Resolution 127, directing the U.S. Senate to maintain the number of persons in its employ at no more than the number employed on March 31, 1979.

SENATE CONCURRENT RESOLUTION 25—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO VOCATIONAL AND TECHNICAL SKILLS AND LIBERAL ARTS AND HUMANITIES EDUCATION

Mr. PRESSLER submitted the following concurrent resolution, which was referred to the Committee on Labor and Human Resources:

S. Con. Res. 25

Whereas it is of vital importance to the continued growth and development of the United States that unemployment and under employment be minimized;

Whereas it is the role of our institutions of postsecondary education to adequately provide their graduates with the knowledge and skills necessary for productive employment;

Whereas job protection surveys indicate that there will be a significant increase in the demand for persons with vocational and technical skills; and

Whereas the liberal arts background provided by traditional four-year college and university education programs is vital to the personal enrichment of the individuals who attend those institutions and to the quality of life in society: Now, therefore be it

Resolved by the United States Senate (the House concurring), That it is the sense of the Congress that there should be an increased emphasis by the Congress, the Office of Education in the Department of Health, Education, and Welfare, and any other agency of the United States which administers education programs, with respect to the provision of education in both vocational and technical skills and the liberal arts and humanities to all full-time or part-time students pursuing postsecondary education programs, and the encouragement of such students to participate in both types of education.

● Mr. PRESSLER. Mr. President, 4 years ago, on my first day in the Congress, I spoke of the need for a strengthening of the vocational education systems in the United States. During those years, this need was answered in part by the enactment of the Vocational Education Act amendments which I cosponsored. This was only one step, however; and because I believe so strongly in our Nation's need to fully utilize the talents and resources of our people, I would like to call your attention today to the manpower demands of the future, the importance of lessening the great division that currently exists between vocational education and our traditional 4-year college and university education programs and of considering a "marriage of the humanities and the trades."

The manpower needs of our society are rapidly changing. According to the most recent studies by the U.S. Department of Labor, employment in this country is expected to rise by 29 percent between 1974 and 1985. Approximately 13.1 million college graduates will be entering the civilian job market in that decade. However, job openings requiring college graduates will total only 12.1 million. Thus 1 million of our Nation's most highly educated young people may very well be forced to seek employment in skilled jobs for which they are not prepared.

I believe that we, the makers of education policy in this country, must realize that it is time we seek to provide our college graduates with vocational skills in addition to their traditional 4-year college education. Presently, a student who opts for a traditional 4-year college or university program gives up the chance to take vocational training. Individuals who choose the vocational and technical school route generally give up the opportunity to gain a background in liberal arts and the humanities. The resolution I am introducing today expresses the sense of Congress that there should be a blending of vocational and technical training with education in liberal arts and the humanities.

Mr. President, with increasing shortages of natural resources, we must make the best use—and reuse—of all materials and human skills and talents. In addition, the present combination of economic problems facing the Nation and its people, and the current rates of unemployment and underemployment, demand that we work to provide the graduates of our institutions of higher education with the knowledge and skills necessary for productive employment. I also believe that a renewal of the work ethic could be a major factor in restoring our country's fiscal health as well as its morale. Thus, I urge your attention and favorable consideration of this resolution, and a "marriage of the humanities and the trades."●

SENATE CONCURRENT RESOLUTION 26—SUBMISSION OF A CONCURRENT RESOLUTION PROHIBITING USE OF FEDERAL FUNDS FOR FOREIGN TRAVEL

Mr. PRESSLER submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. Con. Res. 26

Resolved by the Senate (the House of Representatives concurring), That (a) notwithstanding any provision of law, rule, or other authority to the contrary, and except as provided in subsection (b), no Federal funds shall be made available for the expenses of foreign travel by any Senator or Representative, or any officer or employee of either or both Houses of Congress.

(b) Payments of Federal funds for expenses of foreign travel described in subsection (a) may be made if such travel is specifically authorized by a recorded vote of the House involved. Such vote shall be taken before the travel is performed.

Sec. 2. As used in this resolution—

(1) the term "foreign travel" means travel outside the United States;

(2) the term "Representative" or "Senator" means a Representative in, or Delegate or Resident Commissioner to, the Congress or U.S. Senate; and

(3) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

● Mr. PRESSLER. Mr. President, I am pleased to submit legislation to require a recorded vote for congressional trips.

Mr. President, with the Easter recess just over, many Senators and Congressmen have been traveling abroad at taxpayers' expense and the public has been asking questions. This has prompted me to act.

The Senate concurrent resolution, similar to the one recently introduced in the House of Representatives, requires disclosure of the trip's cost and a recorded, simple, majority vote by the appropriate House.

While serving in the House of Representatives, Mr. President, I repeatedly spoke out against Members receiving pay raises without recorded votes. This is part of the same problem. I would sometimes and under certain circumstances support raises and trips: But I want a vote.

I do not think there is anything wrong with a necessary trip, but I do feel there should be a vote.

Some trips are necessary, but some are a waste of money. I am certain that I will take a trip at some point. I certainly would not object to the various delegation trips from being submitted to a rollcall vote.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF EDUCATION—S. 210

AMENDMENTS NOS. 177 THROUGH 179

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted three amendments intended to be proposed by him to S. 210, a bill to establish a Department of Education.

DEVELOPMENT ASSISTANCE AUTHORIZATIONS, 1980 AND 1981—S. 588

AMENDMENT NO. 180

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to S. 588, a bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal years 1980 and 1981, to make certain changes in the authorities of that act, to authorize the establishment of an Institute for Technological Cooperation, and for other purposes.

EARTHQUAKE ASSISTANCE TO YUGOSLAVIA

● Mr. KENNEDY. Mr. President, I am submitting today an amendment to the pending foreign assistance bill, S. 588, to provide $20 million in rehabilitation and reconstruction assistance to the earthquake victims in Yugoslavia.

The Congress has repeatedly responded to the urgent humanitarian needs of earthquake victims wherever they may exist, and I am confident we will do so again for the people of Yugoslavia.

The full scope of the disaster which struck Yugoslavia in the early morning hours last Sunday is now clear. A major earthquake registering 7.2 on the Richter scale hit the southern Adriatic coast, leaving a tragic path of destruction and collapsed buildings in its wake, affecting the lives of more than 300,000 people.

Extensive damage has been reported to ports and port facilities, to community facilities, hospitals, and to coastal hotels and tourist facilities. An estimated 23,000 homes have been destroyed, displacing over 100,000 people.

The international community is responding to Yugoslavia's needs, but much more remains to be done. I commend our Foreign Disaster Assistance Office in the Agency for International Development for dispatching immediate relief supplies totaling some $1.4 million, and for sending a field team to assess additional needs.

However, it is clear that additional funds will be needed, since the estimated loss now totals at least half a billion dollars. The purpose of the amendment I am introducing today is to provide necessary authorization legislation for additional funding that clearly will be needed in the days ahead if we are to respond to the humanitarian needs among the earthquake victims of Yugoslavia as we have in the past to Romania, Italy, Guatemala, and elsewhere.

Mr. President, I want to express my deep sympathy and concern to the people and Government of Yugoslavia, and I am confident that our Government, in concert with others in the international community, will respond generously to the rehabilitation and reconstruction needs in Yugoslavia.

I ask that the text of the amendment and related background material be printed at this point in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

AMENDMENT No. 180

At an appropriate place in the bill, insert the following new section:

"Sec. . Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. . Yugoslavia Earthquake Relief, Rehabilitation and Reconstruction.—(a) Notwithstanding any other provision of law, the President is authorized to provide assistance on such terms and conditions as he may determine, for relief, rehabilitation, and reconstruction purposes among the people who have been victimized by the recent earthquake in Yugoslavia. There is authorized to be appropriated to the President to carry out the purposes of this section $20,000,000 for the fiscal year 1979, which amount is authorized to remain available until expended.

"(b) Notwithstanding any other provision of law, the amount authorized to be appropriated in subsection (a) of this section may be used only for the purposes specified in this section. The authority contained in section 610(a) of this Act may not be used to transfer funds made available under this section.".

YUGOSLAVIA—EARTHQUAKE

DATA

Date: April 15, 1979.

Location: Southern Adriatic coast of Yugoslavia—Bar Bijela, Budva, Dubrovnic, Hercegnovi, Kotor, Petrovac, Sutomore, Sveti Stefan, Tivat, Ulcinj, Zelenika.

Dead: More than 150.

Injured: 1,000 (reported).

Homeless: More than 100,000 (reported).

People Affected: More than 300,000 (estimated).

Damage: Ports and port facilities, vessels, hospitals, 23,000 homes (estimate), and 4,000 other buildings (estimate) damaged or destroyed; communications and transportation disrupted; and coastal hotels and tourist facilities damaged or destroyed.

GENERAL SITUATION

The earthquake, with its epicenter in the Bay of Kotor, struck at 7:20 A.M. on April 15 and measured 7.2 on the Richter scale. It was felt from Austria to Greece and damage extended from south of Dubrovnik, Yugoslavia to the Albanian border.

The first aftershock occurred at 3:15 P.M. on April 15 and 20 more ranging from 5 to 6 on the Richter scale continued into the evening hours causing even further damage, especially in the Montenegrin coastal areas. Shocks were felt as far away as Venice, Naples, and Rome.

Damaged buildings continue to collapse in the wake of minor tremors.

Rainfall and recurring aftershocks (350 total within 48 hours) are hampering recovery efforts.

The Director of the Republican Seismological Institute in Sarajevo stated this to be the most powerfully registered earthquake to hit Yugoslavia in the last 20–30 years.

Yugoslav scientists said the first earthquake (excluding aftershocks) was the most powerful in 70 years.

Bar:

Port of Bar, with its rail tie to Belgrade, is the major supply link for Serbia and other southern republics.

Town extremely damaged and 30 persons were killed.

Port of Bar warehouses and docks damaged or destroyed, therefore ships may be diverted to other ports for offloading.

Fires broke out at the port.

The very large Jugopetrol oil storage tank at the port was reported cracked (the tank holds more than one million tons of oil).

Hotel and tourist facilities destroyed.

Bijela: Shipyard mostly destroyed.

Budva: Residential areas and the port were either damaged or destroyed; hotel and tourist facilities destroyed.

Dubrovnik: Airport was closed temporarily but has been reopened; minor damage to residential areas.

Herceg novi: Hotel and tourist facilities destroyed.

Kotor:

Hospital severely damaged.

12 people reported killed.

80 percent of the town damaged.

Port destroyed.

Road leading to the town was closed.

Nearly all of the population was evacuated to a soccer field where tents were provided.

Hotel and tourist facilities destroyed.

Sveti Stefan, Petrovac, and Sutomorc: Minor damage to hotels.

Tivat: Airport is closed; 80 percent of the town damaged.

Ulcinj:

Severely damaged with 70 percent of the town and the entire water system destroyed.

60 people were killed.

20,000 people homeless.

All hotel and tourist facilities destroyed.

Zelenika: Port was destroyed.

The most immediate needs were medical assistance for the injured, emergency shelter, and sanitation teams to handle cleanup.

Electricity, water supplies, and telephone services were cut off in most areas.

Relief efforts were hampered by landslides and the severing of communication and transportation facilities.

Road traffic is being restored but some areas remain inaccessible due to landslides and collapsed roadbeds.

The Bar-Titograd railroad that carries freight from Port of Bar to eastern and southern Yugoslavia was severely damaged.

Problems exist in deploying relief supplies over a large area whose terrain makes travel difficult even under normal situations.

ACTION TAKEN BY THE GOVERNMENT OF YUGOSLAVIA (GOY)

President Tito appealed to all republics in Yugoslavia to assist earthquake victims.

The GOY prefers to handle relief operations and provide for its own people. It has organized supplies for transport by helicopter and set up rescue stations.

The Federal Secretariat for Foreign Affairs described the immediate need of victims as medicines, blankets, tents, and food.

The Deputy Secretary of Foreign Affairs was appointed coordinator of the GOY's disaster assistance program.

Montenegrin Executive Council appealed for 20,000 blankets.

Blood plasma, bottled water, blankets, tents, and medicines were airlifted into the affected area.

Field hospitals were set up for those requiring emergency medical aid care.

The Civil Protection Headquarters in the Municipality of Kotor assisted victims.

Macedonia sent a team of surgeons and a team to help identify bodies.

Hundreds of people in Belgrade donated blood.

The Yugoslav Red Cross sent medical teams, medicaments, tents, blankets, sheets, and other necessary items.

Health authorities in Bar, Budva, and Ulcinj began mass immunization against typhoid.

ASSISTANCE PROVIDED BY THE UNITED STATES GOVERNMENT (USG)

The U.S. Ambassador to Yugoslavia, Lawrence S. Eagleburger, made a disaster determination on April 16, 1979, and exercised his $25,000 disaster authority.

The following supplies from USG Disaster Relief stockpiles and commercial sources are in the process of being airlifted:

1,200 family size tents.

1,200 tent flies.

50 medium size tents.

654 double deck cots for 1,308 people.

20,030 wool blankets—5,000 of which are being contributed by Church World Service (CWS).

5,000 five-gallon collapsible water jugs.

Four 15 KW generators.

Five 2.5 KW generators.

Five water pumps.

One water purification unit.

Airlift of relief supplies began arriving in Titograd on April 19. Airlift of these supplies should be completed by early April 20.

On April 19, George Beauchamp, an operations specialist arrived in Belgrade to help coordinate disaster relief operations.

ASSISTANCE PROVIDED BY U.S. VOLUNTARY

Church World Service donated 5,000 blankets to the Serbian Orthodox Patriarch. These are part of the 20,030 wool blankets being airlifted by the USG.

The Seventh-day Adventist World Service/U.S. (SAWS/U.S.) is providing Swiss francs 40,000 (equivalent of U.S. $66,680) to the GOY. This matches the amount contributed by SAWS/Europe.

ASSISTANCE PROVIDED BY THE INTERNATIONAL COMMUNITY

SAWS/Europe contributed Swiss francs 10,000 (equivalent of U.S. $16,670) and tents and blankets valued at Swiss francs 30,000 (equivalent of U.S. $50,010).

ICRC sent a team of dogs trained to find victims buried under debris.

Federal Republic of Germany, Italy, League of Red Cross Societies, Scandinavia Red Cross, unspecific Scandinavian sources, and the United Nations expressed the desire to offer assistance.

ANNE C. MARTINDELL,
Director.●

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on reorganization plan No. 2 of 1979, to establish in the executive branch an independent agency to be known as the U.S. International Development Cooperation Agency, on Monday, April 30, 1979, at 10 a.m. in room 3302 Dirksen Senate Office Building.

Witnesses will include representatives of OMB, Sidney Weintraub of the Brookings Institution and former Assistant Administrator for Interagency Development Coordination, AID, the Deputy Assistant Secretary of State for International Finance and Development, and other witnesses.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources will hold a hearing on Monday, May 14, 1979, at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building to take testimony on S. 968, a bill to amend certain provisions of title V of the Public Utility Regulatory Policies Act of 1978 to expedite processing of applications for crude oil transportation systems.

Witness will appear by invitation only and will include witnesses from the Department of the Interior, Department of Energy and applicants.

Questions concerning the hearing should be addressed to Elizabeth A. Moler, staff counsel, at 224-0611.●

NOMINATION OF JAMES H. DUFFY TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION

● Mr. RIBICOFF. Mr. President, on Friday, April 27, the Committee on Governmental Affairs will hold a hearing on the nomination of James H. Duffy to be a commissioner of the Postal Rate Commission. The hearing will be held at 10 a.m. in room 3302 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES

● Mr. EAGLETON. Mr. President, last year as a part of the review of the fiscal 1979 Agriculture, Rural Development and Related Agencies appropriations bill, Members of the Senate and House were invited to testify and provide the subcommittee with their views.

The response was very helpful. Fifteen Senators testified and more than 25 others provided recommendations in writing. All of these were carefully considered in drafting the Senate version of the bill.

On April 26, 1979, the Subcommittee on Agriculture, Rural Development and Related Agencies will meet to take testimony from Members of Congress on the fiscal 1980 appropriations bill. We would welcome comments and recommendations.

Arrangements for testimony can be made by calling Ms. Irma Hanneman on the subcommittee staff on 4-7240.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. MATHIAS. Mr. President, on behalf of Mr. BAYH, I wish to announce that the Subcommittee on the Constitution, Committee on the Judiciary, has scheduled hearings on S. 506, a bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement for fair housing. The hearings are presently scheduled for Wednesday, May 2, 1979 at 9:30 a.m. in room 457 Russell Senate Office Building and May 24, 1979 at 9:30 a.m. in room 2228 Dirksen Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to Ben Dixon, Subcommittee on the Constitution, suite 102-B Russell Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly and Business Rights, will continue its hearings on S. 600, the Small and Independent Business Protection Act of 1979, on May 4, The hearing will begin at 9 a.m. in room 457 Russell Senate Office Building.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President: I wish to announce that the Senate Committee on Energy and Natural Resources will conduct a hearing on S. 967 on Monday, April 30, 1979 at 2 p.m. in room 3110, Dirksen Senate Office Building.

S. 967 is a bill introduced by Senator MELCHER for himself, Senator MAGNUSON, Senator BAUCUS and Senator PRESSLER to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment. The proposed legislation would require the Secretary of Energy to oppose the reorganization or abandonment of a railroad in the appropriate forum if reorganization or abandonment would reduce or curtail present or prospective coal shipments. The Secretary would also be required to provide loans or grants to maintain the shipment of coal.

The importance of holding hearings on S. 967 at an early date is heightened by the bankruptcy proceedings involving the Milwaukee Railroad which are presently being conducted in Chicago. Reports from these proceedings indicate that a substantial curtailment of service by the railroad may be imminent.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce hearings that will be held by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Government Affairs.

On Tuesday, May 1, 1979, at 10 a.m., the subcommittee will hold a hearing on nuclear proliferation: The situation in Pakistan and India. The hearing will be held in Room 357 of the Russell Senate Office Building.

On Thursday, May 3, 1979, at 9:30 a.m., the subcommittee will hold a hearing on Federal responsibilities for radiation protection. This hearing will also be held in room 357 Russell Senate Office Building.

If you have any questions regarding these hearings please contact the subcommittee staff at 4–2627.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT: HEARING CHANGES

● Mr. CRANSTON. Mr. President, I would like to announce that the hearing scheduled for Tuesday, May 1, before the Child and Human Development Subcommittee on oversight of the ACTION agency's older American volunteer programs has been postponed to a later date to be announced.●

SPECIAL HEARING ON CHILDREN'S "AGENDA FOR ACTION"

● Mr. CRANSTON. Mr. President, on May 1, the subcommittee will be holding a special hearing in recognition of "Save the Children Day 1979." The witnesses at this hearing will be a number of children presenting to the subcommittee an agenda for action, consisting of their concerns and suggestions for a better world. The agenda has been compiled by Save the Children, an international child assistance agency, from thousands of letters from children throughout the Nation. May 1 has been designated as "Save the Children Day" by the Governors in 30 States as a time to focus public attention on the needs of children.

This hearing will provide the subcommittee with a unique opportunity to hear directly from children about their concerns on issues affecting the entire country.

The hearing will be held in room 4232 Dirksen Senate Office Building from 10 a.m. to 11 a.m.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today, beginning at 10 a.m., to hold an executive meeting on Middle East peace.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, April 26, to consider two resolutions on gasoline rationing proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on extension of the Public Works and Economic Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the sessions of the Senate today and tomorrow, April 26, 1979 in order to hold hearings on S. 411, the pipeline safety bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a hearing on airline deregulation oversight.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider jurisdiction of the Department of Energy budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the sessions of the Senate today and tomorrow, April 26, 1979 in order to hold hearings on S. 611 and S. 622, the Communication act amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WELFARE REFORM

● Mr. ARMSTRONG. Mr. President, recently we have been seeing and hearing some curious definitions of welfare "reform," that call for adding millions more to the welfare rolls, swelling the costs by billions more in tax costs, imposing more mandates upon the States and limiting their flexibility, and making the welfare system even less responsive to the needs and wishes of both taxpayers and recipients by federalizing it.

This is not, I must underscore, what the overwhelming number of persons across this Nation mean when they issue an urgent call for welfare reform? What they mean—and I am convinced they are right—is that welfare should be limited to the legitimately needy, that fraud and abuse should be curbed, that work requirements should be strengthened, that family responsibility be reinforced, that persons who can and should be taking care of themselves should be required to do so, and that the overall result should be a reduction—not a growth—in the tax demands that welfare spending exacts from the working men and women of American.

The difference between these two kinds of "reform"—real welfare reform versus welfare expansion under the guise of reform—are spelled out most clearly in a recent article appearing in the January issue of Nation's Business. I ask that it be printed in its entirety in the Record—and I hope that its message will be heeded by all who are called upon to address this critical subject in the months and years ahead.

The article follows:

IS REAL WELFARE REFORM AN IMPOSSIBLE DREAM?

When Jimmy Carter was a presidential candidate, one of his major goals was to overhaul the national welfare system, which he described as wasteful, hopeless, subject to fraud, and enmeshed in bureaucratic red tape.

During the campaign and later as President, he insisted that welfare reform, in whatever form, should not cost a penny more than the existing system.

In August, 1977, President Carter unfolded his plan for ending the welfare mess. Members of Congress who would determine the plan's fate had scarcely finished reading the fine print when skepticism set in.

Many months of wrangling and controversy dogged the Carter plan, and Congress finally shelved it.

Careful analysis showed that the Carter method for reforming welfare, instead of holding the line on costs, would add at least $20 billion to the almost $40 billion already being spent annually.

Further, Congressional Budget Office figures indicated that the President's plan would add perhaps 10 million people to a national welfare family that now may number 50 million, according to some estimates. The CBO also suggested that more than one million people whose total family incomes exceed $25,000 a year would be included. An example is a deserted wife and child receiving welfare help who move back into the home of the wife's father earning $35,000.

Predictably, the mere hint that the government was going to up the welfare ante produced pessimism about the prospects for early enactment of the Carter plan.

It was not long, too, before critics began labeling the proposal a new, although well-disguised, attempt to establish a guaranteed annual income for the needy. President Johnson rejected the guaranteed income proposal as too radical. Presidents Nixon and Ford tried and failed to push variations of it through Congress. In poll after poll, Americans have consistently and overwhelmingly opposed the idea; at the same time they continue to favor financial help for the truly needy.

The President is now drafting a new welfare reform proposal which would add an estimated $6 billion to present costs. Despite the best presidential efforts, overall welfare reform remains elusive. Whatever small changes and improvements are wrought almost always depend on political considerations. Almost every reform plan has contained provisions that would add people to welfare rolls, cut back the number of welfare recipients, increase spending, or combine any of these. The number of senators and representatives needed to approve comprehensive reform has not been willing to risk voting the wrong way.

CUT COSTS, REDUCE ROLLS

American voters perceive welfare reform to mean cutting costs or, at least, containing present spending, reducing the number of people on welfare, and eliminating abuse and fraud.

President Carter's previous welfare reform plan came out strongly for work incentives, hence the name, Program for Better Jobs and Income.

Despite the attractive name, the program contained the old booby trap of guaranteed income in addition to other provisions which, its critics claim, would guarantee soaring welfare costs.

The President's program hardly moved at all through the first session of the 95th Congress in 1977. Mr. Carter was forced to admit publicly that the program would cost more money, not hold the line as he had promised.

This fact and others led to compromises in the efforts to move the legislation off dead center. Some of the compromises were foredoomed because their net result was to expand welfare coverage and increase costs.

WHITE HOUSE ACCEPTANCE

Among the skeptics was the redoubtable Russell B. Long, the Louisiana Democrat who heads the Senate Finance Committee and whose voice in welfare matters is heard throughout Congress. Early last year, he said that the Carter program showed every indication of making more people dependent on welfare benefits. If the plan would not actually reduce the number of people on welfare, he said, he would oppose it.

A coalition of senators, representatives, governors, mayors, and others drafted a compromise bill that won White House acceptance. But the compromise also failed to move when an analysis revealed that it might hike welfare spending by as much as $14 billion above the present cost.

Then California voters put the unlikely phrase, Proposition 13, in the history books. Their massive approval of the initiative to reduce property taxes was a clear signal to Congress that taxpayers had had enough of ever-increasing government spending. And that included welfare. The *coup de grace* on welfare reform in 1978 was swift and silent—the bill died in committee.

President Carter, like other presidents before him, may have underestimated the hydra-headed nature of the creature he was trying to reform. However, he had the prescience to observe at a press conference in May, 1977, that "the complexity of the system is almost incomprehensible."

Perhaps a major reason why Mr. Carter's welfare plan failed is captured in Martin Anderson's book, "Welfare." It says:

"The thrust of Carter's plan is to further the idea of a guaranteed income, expanding welfare into the heart of the middle class of America. This is not welfare reform. This is a potential social revolution of great magnitude, a revolution that, if it should come to pass, could result in social tragedy."

Mr. Anderson, whose book was published early this year by the Hoover Institution at Stanford University, was a member of the small White House working group that developed President Nixon's ill-fated Family Assistance Plan. Mr. Anderson was the only group member who concluded that the plan was unsound.

The welfare professionals at the Department of Health, Education, and Welfare are gearing up for another attempt in 1979 to restructure the welfare system. The White House has hinted that Mr. Carter again wants to tie relief payments to a work requirement that able-bodied people on welfare would have to take jobs.

BROADENING THE SCOPE

Robert B. Carleson, a leading expert on welfare who has testified for the Chamber of Commerce of the United States, says that the combinaton of inflation and the anti-spending mood of the country could dampen any drive to broaden the scope of welfare.

"I'd like to see us use this momentum (from Proposition 13)," he says. "The business community and others who pay taxes should not slow down in the fight to achieve real welfare reform."

Mr. Carleson, who was state director of social welfare under former Gov. Ronald Reagan of California and later U.S. Commissioner of Welfare under President Nixon, serves on the National Chamber's Panel on Welfare Reform Proposals.

In testimony before a Senate Finance subcommittee last year, he said that true welfare reform cannot take place until control of welfare is removed from Washington.

"The states should have maximum freedom to create and tailor their own welfare programs," he says, "because the closer the implementation of the programs is to the people they are designed to serve, the more likely it is that the programs will meet the needs of those individuals who cannot help themselves."

Despite enjoying a $30 billion surplus year, Mr. Carleson says, state and local governments are still crying for fiscal relief from welfare costs, and taxpayers are constantly complaining about the proliferation of welfare programs.

"Yet, a comparison of state and federal programs shows that the states have demonstrated an ability to control costs while the federal government has not," he adds.

Mr. Carleson is convinced that the welfare establishment—social workers, activist groups, and HEW professionals—will continue to press for incremental federalization of welfare. These supporters favor changes in existing programs without dismantling them and more authority for the federal government to determine how the programs should be run.

"Federal policies have been the greatest contributor to expanded welfare rolls," says Mr. Carleson. "Federal programs such as food stamps and Supplemental Security Income have resulted in many more persons drawing welfare than would have been eligible under state eligibility rules."

HOODWINKING PRESIDENTS

For example, the cost of the four major welfare programs—food stamps, SSI, Aid to Families with Dependent Children, and Medicaid—rose from $4 billion in fiscal 1966 to $37.7 billion in fiscal 1976. In the same period, the number of people receiving welfare aid soared from 8.4 million to about 44 million.

Mr. Carleson, like many other critics of the Carter welfare proposal, questions the validity of figures produced by HEW and the welfare establishment. Some critics say that these figures often disguise the real cost of expanded welfare and can even hoodwink presidents.

In Mr. Carleson's view, the President's 1978 plan would have cost even more than the $20 billion addition cited in some analyses.

"This figure appalled many members of Congress, but that estimate is low in my opinion," he says. "Sen. Long predicts the cost will soar to $60 billion in a few years. I would be more conservative in my prediction."

FULL-FLEDGED GROWTH INDUSTRY

Charles O. Hobbs, who with Mr. Carleson was an architect of welfare reform in California where spending was slashed by about $700 million, claims that welfare has become a full-fledged growth industry. It is composed of five million public and private workers distributing payments and services to almost 50 million beneficiaries. And HEW serves as general headquarters since it controls three fifths of all national welfare spending.

"Every attempt at national reform either has not been enacted or has resulted in even faster growth and higher costs, because the welfare industry, controlling the program design and evaluation process through the federal bureaucracy, has altered reform concepts to meet its own expansionary goals," he writes in "The Welfare Industry," published by the Heritage Foundation.

Mr. Hobbs says that the information the public receives almost always relates to only one or a few programs, thereby understating the overall cost of the system. For instance, the Carter plan covers only a fifth of national welfare spending.

COST GROWTH RATES

"The welfare industry studiously avoids publishing total system costs and cost growth rates," according to Mr. Hobbs. "Nevertheless, the public even on limited information, firmly believes that too much money is being spent on welfare. Yet every proposal produced or endorsed by the industry has meant increased welfare spending, and the industry has consistently fought proposals designed to cut costs."

Sen. Long recalls that when Medicaid was first proposed, HEW estimated it would cost only $238 million annually. By 1969, Medicaid was costing $2.3 billion a year. It is now running around $20 billion, with $12 billion of that coming from the federal treasury.

Another example is the social services program—counseling, day care, health care, homemaker services—on which HEW placed a $40 million annual price tag when it was enacted in 1962. Within a decade the cost had risen to 50 times that amount and was headed toward doubling that figure when Congress slapped on a lid.

"We have a right to be skeptical about HEW cost estimates associated with large new programs," Sen. Long asserts.

His reaction to President Carter's welfare reform plan last year was: "I believe all of us would be wise to face the fact that the overwhelming majority of the personnel who put the plan together at HEW were there before President Carter came on the scene, and they will be there after he is gone."

Sen. Daniel P. Moynihan (D.-N.Y.) was blunter: "The bill we received . . . was not drafted by the President. It was drafted by the bureaucracy."

The welfare establishment traditionally takes the position that state and local governments cannot handle the welfare problem. Some even say that the states are to blame for the welfare mess.

But the National Chamber and others cite many examples of how state and local governments—where they have control over welfare programs—have been able to reduce caseloads and costs while increasing benefits.

The most publicized of these accomplishments, of course, is the California experience. According to Mr. Carleson, the number of Californians on welfare rolls, which had been escalating at the rate of 40,000 a month, dropped by more than 350,000 over three and a half years. Conversely, welfare benefits jumped by more than 50 percent.

In Massachusetts, former Gov. Michael S. Dukakis spearheaded a drive that found jobs in private industry for 9,000 people on welfare, about 13 percent of the 70,000 welfare recipients in that state.

WORKING TOGETHER

"But that doesn't happen by accident," Mr. Dukakis says. "You have to make jobs for welfare recipients a priority. And you have to have state agencies that can work together to get results."

Oregon has found jobs for more than 20,000 welfare families—15,000 of them have dropped out of the welfare system completely. According to former Gov. Robert Straub, welfare spending in his state was cut by $3 million over two and a half years.

Mr. Carleson believes that the reason why so many mayors, governors, legislators, and county officials endorse federalization of welfare is that they rely so heavily on federal dollars.

"They may be willing to pay the price of federalization to get those dollars, but most declare that they have the expertise—rounded in day-to-day experience with these programs—to run the programs effectively, efficiently, and equitably," Mr. Carleson says.

"They recognize the need for reform at the state and local level, and they know what works best with their citizens. If all the federal regulations were dispensed with, they could make the best use of the federal dollars they get, cut out duplication and waste, control error and abuse, and fit their programs to the people's needs."

MOST GENEROUS PEOPLE

The financial burden of welfare on local governments is dramatically demonstrated by a U.S. Census Bureau report which showed that county governments in 1976 spent more on welfare—$7.1 billion—than on any other local service. In other words, more county funds were spent on welfare than on hospitals, police and fire protection, parks and recreation, and libraries combined.

Americans are among the most generous people on earth. Even at the height of President Johnson's War on Poverty, Americans were digging into their pockets to help the poor through private and public charities, with full knowledge that a growing share of their tax dollars was supporting federal poverty programs. However, today, Americans are beginning to question how these poverty programs are run, whether all the people on the receiving end are truly poor, and how many of their tax dollars are skimmed off by fraud or abuse of the system.

The Institute for Socioeconomic Studies, working with Pace University, recently studied the profusion of overlapping and sometimes contradictory benefit programs. The study turned up 182 individual programs which last year cost a staggering $248.1 billion—that is a billion dollars more than the entire federal budget in 1973.

Leonard M. Greene, president of the institute, commented: "It is surprising that in the current debate on welfare reform, no one really knows exactly how much government money is already helping the poor."

Poll after poll has shown that Americans are strongly in favor of continuing welfare for the needy. According to many of the same polls, an overwhelming number is convinced that many people are receiving welfare checks fraudulently and others are physically able to work.

In the case of fraud and abuse, this conviction is not unfounded. HEW, investigating its own operations, discovered it was taken for between $6.3 billion and $7.4 billion in 1977 through fraud, waste, and abuse, most of it in the area of welfare.

ANOTHER REFORM EFFORT

Another attempt at welfare reform will certainly be made in the 96th Congress. How vigorously President Carter will push for reform this time around is still somewhat uncertain. The National Governors' Association has already announced it is prepared to fight for a reform bill that would provide financial relief to hard-pressed state and local governments trying to cope with rising welfare costs.

In the closing days of the 95th Congress, Sen. Alan Cranston (D.-Calif.) introduced a limited reform bill aimed principally at ending the system whereby the states put up matching funds to acquire federal welfare dollars. The bill would substitute block grants which would not fluctuate as matching payments do when a state's revenues decline. According to the senator, this would permit the states to reduce welfare expenditures through better management.

This approach, he says, is a "first step toward changing a welfare system that works so badly that nobody likes it—neither the taxpayer who foots the bill nor the administrators who run the programs nor the recipients who supposedly benefit from them.

Can we really expect meaningful welfare reform? Yes, if ways are found to control costs, limit help to the truly needy, make the physically able work when jobs are available, and eliminate fraud and abuse.

Says Gordon L. Weil of the Institute for Socioeconomic Studies:

"Faced with continual escalation of welfare costs and continual complaints about rising taxes, the public and Congress will be reluctant to support welfare reform whose immediate impact is to drive up both. For many people, in and out of Congress, the bottom line on welfare is the bottom line on the balance sheet."

WELFARE MEANS WORK IN MILWAUKEE COUNTY

The general assistance rolls in Milwaukee County, Wis., were expanding so rapidly that the county government was forced to dip into other funds to keep the program going. Unlike other welfare programs, general assistance is financed wholly at the local level. In Milwaukee County, the money comes totally from local property taxes.

Milwaukee County Executive William F. O'Donnell decided to act. He created the Work Assistance Program which called for everyone on general assistance—single men and women and childless couples—to learn a trade, take a job if offered, or get off welfare.

In the first year of the program launched in July, 1977, 6,602 people moved off the general assistance rolls in Milwaukee County, saving about $10 million.

"I've stopped nursing these people," Mr. O'Donnell told NATION'S BUSINESS. "We reached the point where we had to stop kidding ourselves. This is money coming out of the pockets of the working people of our community. We are forcing welfare recipients to take jobs if they are physically able and the jobs are there."

Of the 6,602 people removed from the rolls and referred to the work program, 5,182 chose to participate. Of this number, 1,120 later dropped out, and 113 were referred back to general assistance for health reasons. At the end of the first year, 1,077 had jobs—807 in private industry—and the rest were in job-training programs.

One of those involved was Robert Ferguson who was trained as a welder and now works for Sit'n Rest Golf, Inc., a Milwaukee manufacturer of golf carts. He recalls his reaction when he was told he would be taken off welfare and given a chance to learn a trade:

"It was quite a shock, but it got me off my bottom.

"I didn't realize it, but I was getting hooked on welfare. Now I have learned that you can make it on your own if you try. I hope other people on welfare will see me as proof of that fact."

Mr. O'Donnell set up the program with about $1 million made available under the federal Comprehensive Employment and Training Act.

"The traditional methods of helping people get off welfare have not produced tangible results," he says. "We are redirecting the manpower training activity of the county from a social service to a business-need orientation; we want to coordinate with private industry to match jobs with trained workers."

Almost 100 Milwaukee area firms have hired former welfare recipients. The training and job-placement program is administered by the Jewish Vocational Service in cooperation with the Opportunities Industrialization Center and Service Employment Redevelopment.

Mr. O'Donnell says a lot of the credit for the success of the program goes to private employers who offer the best opportunities for long-term employment.

He adds: "What I tell private industry is simple: Give these people a chance."

THE STATE OF WELFARE ABROAD

The experiences of six European nations—Great Britain, Germany, the Netherlands, Norway, Sweden, and Denmark—show what happens when welfare payments and services are expanded far beyond helping the truly needy.

Rising welfare assistance is by far the largest item in each country's national and local budgets. In the 12 years between 1965 and 1977, total government spending rose from 35 percent to 62 percent of gross domestic product in Sweden, from 38 percent to 55 percent in the Netherlands, from 34 percent to 51 percent in Norway, from 37 percent to 47 percent in Germany, from 37 percent to 44 percent in Great Britain, and from 31 percent to 46 percent in Denmark. In the United States, expenditures increased from 27 percent to 33 percent.

The National Planning Association, which studied the welfare situation in these countries, reported that higher taxes and increased government borrowing followed welfare expansion. Direct and indirect taxes imposed on workers now range from a third to half of their gross earnings.

According to the association, rising employer contributions for social security are pushing production costs up to levels that discourage private investment and decrease competitiveness not only in foreign markets but also in domestic markets.

This loss of competitiveness has forced European governments to establish new barriers against imports.

"At the same time, a growing number of workers no longer sees the advantages of income earned for work compared with income obtained from the national welfare system," says the association. "The result has been increased absenteeism, labor turnover, and idleness."

FRAUD AND ABUSE ARE THE TWIN PLAGUES OF WELFARE

She lived in a neighborhood where the houses sell for $170,000. She owned a Porsche, a Cadillac, and a Mustang. She was on welfare.

Los Angeles authorities charged the woman, who claimed to have 47 children, with illegally collecting $239,587 in welfare payments as well as an undetermined amount of noncash benefits such as food stamps and medical services.

In Philadelphia, newspaper reporters uncovered a wide-open black market in phony credentials that were good for obtaining food stamps, medical care, and even drugs.

In St. Louis, a hospital administrator was accused of using Medicare funds to hire a belly dancer to liven up a staff meeting.

And in New Jersey, an investigation turned up a nursing home official who billed Medicaid for veterinary charges and airline travel for his pets.

These examples of welfare fraud and abuse are from hundreds on file with the National Welfare Fraud Association.

Dorothy M. Forney of Harrisburg, Pa., executive director of the Eastern Regional Council on Welfare Fraud and a founder of the national group, says the organization keeps tabs on welfare fraud and abuse and reports violations to the proper state and federal authorities. The organization occasionally lobbies when it feels it can influence legislation that would reduce fraud and abuse.

Any expansion of existing welfare programs, according to Mrs. Forney, will increase the likelihood of fraud and abuse.

"And I am absolutely in favor of decentralizing welfare if we are really serious about protecting the taxpayers' interests," she says. "State and local governments can do a much better job of reducing and even eliminating some of these fraudulent practcies."

Mrs. Forney has a four-point formula for handling the problem: prevention, detection, elimination, and prosecution.

The National Chamber also believes that basic changes are needed in the current welfare system. The Chamber supports:

Decentralization of welfare programs with maximum control exercised by the states.

Substantial federal financing through block grants, with the states required to match those funds to some extent—limited matching would promote fiscal integrity.

Pilot testing of any and all proposed welfare reform measures before any major changes are made in the existing program.●

PRESIDENT CARTER ON SALT

● Mr. CULVER. Mr. President, in an address to the American Newspaper Publishers Association today, President Carter detailed the importance of concluding a new strategic arms limitation agreement with the Soviet Union and the contribution which a SALT II treaty can make to enhance our own national security.

Since this is the most comprehensive statement on this crucial issue yet made by the President, I ask that the entire text be printed in the Record.

The address follows:

Text of the President's Address to the American Newspaper Publishers Association

I want, first of all, to commend and endorse the theme of this convention: the defense of the First Amendment and the freedom of the press.

Liberty of expression is our most important civil right, and the freedom of the press is its most important bulwark. We can never afford to grow complacent about the First Amendment. On the contrary, we must actively protect it always.

The American press has grown enormously since our nation's early days—not only in size and breadth, but in its conception of its own duties and responsibilities. The highest of those duties is to inform the public on the important issues of the day. And no issue is more important than the one I want to discuss with you today—the control of nuclear arms.

Each generation of Americans faces a choice that defines its character—a choice that is also important for what it says about our nation's outlook on the world.

In the coming months, we will almost certainly be faced with such a choice: whether to accept or to reject a new Strategic Arms Limitation Treaty. The decision we make will profoundly affect our lives—and the lives of people all over the world—for years to come.

We face this choice from a position of strength—as the strongest nation on earth—politically, economically and militarily.

Our alliances are firm and reliable. Our military forces are strong and ready. Our economic power is unmatched. Along with the other industrial democracies, we lead the way in technological innovation. Our combined economies are more than three times as productive as those of the Soviet Union and its allies. Our political institutions are based on human freedom. Our open system encourages individual creativity—and that, in turn, strengthens our whole society. Our values and our democratic way of life have a magnetic appeal for people around the world which a materialistic and totalitarian philosophy can never hope to rival.

For all these reasons, we have a capacity for leadership in the world that surpasses that of any other nation.

That leadership imposes many responsibilities upon us, but our noblest duty is to use our strength to serve our highest interest: The building of a secure, stable, and peaceful world. We perform that duty in the spirit proclaimed by John F. Kennedy in 1963: "Confident and unafraid," he said, "we labor on—not toward a strategy of annihilation but toward a strategy of peace."

In our relations with the Soviet Union, the possibility of mutual annihilation makes a strategy of peace the only rational choice for both sides.

Because our values are so different, it is clear that the United States and the Soviet Union will be in competition for as far ahead as we can see.

Yet we have a common interest in survival and we share a common recognition that our survival depends, in a real sense, on each other. The very competition between us makes it imperative that we bring under control its most dangerous aspect—the nuclear arms race. That is why the Strategic Arms Limitation Talks are so important. This effort by two great nations to limit vital security forces is unique in human history.

As the Congress and the American people consider the SALT Treaty which is now nearly complete, the debate will center around four basic questions:

Why do we need SALT II?

How is the Treaty related to our overall defense strategy?

Can Soviet compliance be verified?

How does the Treaty relate to Soviet activities which challenge our interests?

Let me address each question in turn.

First, why do we need a Strategic Arms Limitation Treaty?

We need it because it will contribute to a more peaceful world—and to our own national security.

Today, we and the Soviet Union, with sharply different world outlooks and interests, both have the ominous destructive power literally to destroy each other as a functioning society, killing tens of millions of people in the process. And commonsense tells us—as it tells the Soviet Union—that we must work to make our competition less dangerous, less burdensome, and less likely to bring the ultimate horror of nuclear war.

Indeed, the entire world has a vital interest in controlling the strategic arms race.

We have consulted closely with our allies, who count on us not only to maintain strong military forces to offset Soviet military power, but also to manage successfully a stable East-West relationship. SALT is at the heart of both these crucial efforts. That is why the leaders of France, Great Britain, the Federal Republic of Germany, Canada, and other nations have voiced their support for the emerging Treaty.

Some nations which have so far held back from building nuclear weapons will be strongly influenced by whether the two nuclear superpowers will restrain our own weapons. Rejection of the new Strategic Arms Treaty would seriously undermine the effort to control proliferation of these deadly weapons. And nothing would more surely damage our other critical efforts in arms control—from a ban on all nuclear testing to preventing dangerous satellite warfare in space: from equalizing NATO and Warsaw Pact forces to restraining the spread of sophisticated conventional weapons.

Every President since the dawn of the nuclear age has pursued the effort to bring nuclear arms under control. This is and must be a continuing process.

President Kennedy, building on the efforts of Presidents Truman and Eisenhower, signed the first agreement with the Soviet Union in 1963 to stop the poisonous testing of nuclear weapons in the atmosphere;

In 1968 under President Johnson, the United States and the Soviet Union joined other nations in signing the Non-Proliferation Treaty—an important step in preventing the spread of nuclear weapons;

In 1972 under President Nixon, the SALT I agreement placed the first agreed limits on the number of offensive weapons; and

The Anti-Ballistic Missile Treaty made an eduring contribution to our security.

President Ford continued at Helsinki and at Vladivostok. Each negotiation builds on the accomplishments of the last. Each agreement provides the foundation for further progress toward a more stable nuclear relationship.

Three Presidents have spent more than six years negotiating the next step in this process—the SALT II agreement. We have all negotiated carefully and deliberately. Every step of the way we have worked with our military leaders and experts, and we have sought the advice and counsel of the members of Congress.

An overwhelming majority of the American people recognize the need for SALT II. Our people want and expect continued step-by-step progress toward bringing nuclear weapons under control. Americans will support a reasoned increase in our defense effort, but we do not want a wholly unnecessary return to the Cold War and an all-out arms race, with vastly greater risks and costs. Through strength, we want world peace.

Let me turn to the second question—how SALT II is related to our overall defense strategy.

The strategic forces of the United States and the Soviet Union today are essentially equivalent.

They have larger and more numerous land-based missiles. We have a larger number of warheads, and significant technological and geographical advantages.

Each side has the will and the means to prevent the other from achieving superiority. Neither side is in a position to exploit its nuclear weapons for political purposes, nor to use strategic weapons without facing almost certain suicide.

What causes us concern is not the current balance, but the momentum of the Soviet strategic buildup. Over the past decade, the Soviets have steadily increased their real defense spending, while ours has had a net-decrease. In areas not limited by SALT I, they have launched ambitious programs to strengthen their strategic forces. At some future point, they could achieve a strategic advantage—unless we alter these trends.

That is exactly what I intend to do—with the support of the American people and the bipartisan support of Congress.

We must move on two fronts at the same time:

First, within mutually accepted limits, we must modernize our own strategic forces. Along with the strengthening of NATO, that is a central purpose of the increased defense budget I have submitted to the Congress—improvements necessary even in a time of fiscal restraint.

Second we must place more stringent limits on the arms race than are presently imposed by SALT I. That is the purpose of the SALT II Treaty.

The defense budget I have submitted will ensure that our nuclear force continues to be essentially equivalent to that of the Soviet Union.

This year we have begun to equip our submarines with new more powerful and longer-range Trident I missiles. Next year the first of our new, even more secure Trident submarines will be going to sea, and we are working on a more powerful and accurate Trident II missile for these submarines

Our cruise missile program will greatly enhance the effectiveness of our long-range bomber force. These missiles will be able to penetrate any air defense which the Soviet Union could build in the foreseeable future.

We are substantially improving the accuracy and power of our land-based Minuteman missiles. But in the coming decade missiles of this type based in fixed silos will become increasingly vulnerable to surprise attack. The Soviets have three-quarters of their warheads in such fixed-site missiles, compared to only a quarter of ours. Nevertheless, this is a serious problem—and we must deal with it sensibly and effectively.

The Defense Department now has under consideration a number of options for responding to this problem, including making some of our ICBMs mobile. I might add that the options we are evaluating would be far more costly—and we would have far less confidence in their effectiveness—in the absence of SALT II limits. For without these limits on Soviet warheads, the Soviet Union could counter our effort simply by greatly increasing the number of warheads on their missiles.

Let me emphasize that the SALT II agreement preserves adequate flexibility for the United States in this important area.

Our strategic forces must be able to survive any attack, and to counterattack military and civilian targets in the aggressor nation. We have had this capacity—which is the essence of deterrence—in the past; we have it today; and SALT II plus the defense programs I have described will ensure it for the future.

The SALT II agreement will slow the growth of Soviet arms and limit the strategic competition, and by helping to define future threats we might face, SALT II will make our defense planning more effective.

Under the agreement, the two sides will be limited to equal numbers of strategic launchers for the first time, ending the Soviet numerical advantage permitted in the currently effective SALT I agreement.

To reach these and new and lower levels, the Soviets will have to reduce their overall number of strategic delivery systems by 10 percent—more than 250 Soviet missile launchers or bombers. Naturally, the Soviets will choose to phase out their older systems, but these systems are still formidable. The missiles to be torn down are comparable in age and payload to our Minuteman II and Polaris missiles. Under the agreement, they will not be permitted to replace these systems with modern ones. Our own operational forces have been kept somewhat below the permitted ceiling. Thus, under the agreement, we could increase our force level, if necessary.

SALT II will also impose the first limited but important restraints on the race to build new systems and improve existing ones—the so-called "qualitative" arms race.

In short, SALT II places serious limits on what the Soviets might do in the absence of the agreement. For example, without SALT II, the Soviet Union could build up to some 3000 strategic weapons by 1985. With SALT, we will both be limited to 2250 such weapons.

This new arms control agreement will obviously serve our national interests. It will reduce the dangerous levels of strategic arms and restrain the development of future weapons. It will help to maintain our relative strength compared to the Soviets, and will avert a costly, risky, and pointless buildup of missile launchers and bombers—at the end of which both sides would be even less secure.

Let me turn now to the third of the four questions I listed at the beginning: How can we know whether the Soviets are living up to their obligations under this SALT agreement?

No objective has commanded more energy and attention in our negotiations. We have insisted that the SALT II agreement be made verifiable. We are confident that no significant violation of the treaty could take place without the United States detecting it.

Our confidence in the verifiability of the agreement derives from the size and nature of the activities we must monitor and the many effective and sophisticated intelligence collection systems which we possess.

For example, nuclear submarines take several years to construct and assemble. Missile silos and their supporting equipment are large and visible. Intercontinental bombers are built at a few plants and need major airfields. Our photoreconnaissance satellites survey the entire Soviet Union on a regular basis and give us high confidence that we will be able to count accurately the numbers of all these systems.

But our independent verification capabilities are not limited only to observing these large-scale activities. We can determine not only how many systems there are, but what they can do. Our photographic satellites and other systems enable us to follow technological developments in Soviet strategic forces with great accuracy. There is no question that any cheating which might affect our national security would be discovered in time for us to respond fully.

For many years we have monitored Soviet strategic forces and Soviet compliance with the SALT I agreement with a high degree of confidence. This overall capability remains. It was certainly not lost with our observation stations in Iran, which was only one of many intelligence sources we use for following Soviet strategic activities.

We are concerned with that loss, but we must keep it in perspective.

This monitoring capability relates principally to the portion of the agreement dealing with the modernization limits on ICBMs and to only a portion of such modernization.

The sensitive intelligence techniques cannot be disclosed in public, but the bottom line is that if there is an effort to cheat on the SALT agreement—including the limits on modernizing ICBMs—we will detect it, and we will do so in time fully to protect our security.

We must also keep in mind that quite apart from SALT limits, our security is affected by the extent of our information about Soviet strategic forces. With this SALT II treaty, that vital information will be much more accessible to us.

The agreement specifically forbids interference with the systems used for monitoring compliance. It prohibits any deliberate concealment that would impede verification. Any such concealment activity would itself be detectable, and a violation of this agreement would be so serious as to give us grounds to cancel the Treaty itself.

As I have said many times, the stakes are too high to rely on trust—or even on the Soviet's rational inclination to act in their own best interest. The Treaty must—and will be—verifiable from the day it is signed.

Finally, how does SALT II fit into the context of our overall relations with the Soviet Union?

Because SALT II will make the world safer and our own nation more secure, it is in our national interest to control nuclear weapons even as we compete with the Soviets elsewhere in the world.

A SALT agreement in no way limits our ability to promote our interests and to answer Soviet threats to those interests.

We will continue to support the independence of Third World nations who struggle to stay free.

We will continue to promote the peaceful resolution of local and regional disputes, and to oppose efforts by any others to inflame those disputes with outside force.

And we will continue to work for human rights.

It is a delusion to believe that rejection of SALT would somehow induce the Soviet Union to exercise new restraint in troubled areas. The actual effect might be precisely the opposite. The most intransigent and hostile elements of the Soviet power structure would be encouraged and strengthened by a rejection of SALT. The Soviets might well feel that they have little to lose by creating new international tensions.

A rejection of SALT II would have significance beyond the fate of a single treaty. It would mean a radical turning away from America's long-term policy of seeking world peace, the control of nuclear weapons, and the easing of tensions between Americans and the Soviet people under a system of international law based on mutual interests.

The rejection of SALT II would result in a more perilous world. As I said at Georgia Tech on February 20: "Each crisis, each confrontation, each point of friction—as serious as it may be in its own right—will take on an added measure of significance and an added dimension of danger. For it would occur in an atmosphere of unbridled strategic competition and deteriorating strategic stability. It is precisely because we have fundamental differences with the Soviet Union that we are determined to bring this most dangerous element of our military competition under control."

For these reasons, we will not try to impose binding linkage between Soviet behavior and SALT—and we will not accept any Soviet attempts to link SALT with aspects of our own foreign policy of which they may disapprove.

Again, SALT II is not a favor we are doing for the Soviet Union. It is an agreement carefully negotiated in the national security interest of the United States.

I put these issues to you today because they need discussion and debate, and because the voices of the American people must be heard.

In the months ahead, we will do all in our power to explain the Treaty clearly and fully to the American people. I know that Members of Congress from both parties will join in this effort to insure an informed public debate.

During this debate, it is important that we exercise care. We will be sharing with the Congress some of our most sensitive defense and intelligence secrets. And the leaders in Congress must insure that these secrets will be guarded carefully so that the debate itself does not undermine our security.

As the national discussion takes place, let us be clear about what the issues are—and are not.

Americans are committed to maintaining a strong defense. That is not the issue.

We will continue to compete—and compete effectively—with the Soviet Union. That is not the issue.

The issue is whether we will move ahead with strategic arms control or resume a relentless arms competition. That is the choice we face—between an imperfect world with SALT II and an imperfect, and more dangerous, world without it.

With SALT II, we will have:

significant reductions in Soviet strategic forces;

far greater certainty in our defense planning and in the knowledge of the threats we face;

flexibility to meet our defense needs;

the foundation for further controls on nuclear and conventional arms; and

our own self-respect and the earned respect of the world for a United States committed to the works of peace.

Without SALT, the Soviets will be unconstrained and capable of an enormous further buildup.

Without SALT, there would have to be a much sharper rise in our own defense spending.

Without SALT, we would end up with thousands more strategic nuclear warheads on both sides, with far greater costs—and less security—for our citizens.

Without SALT, we would see improved relations with the Soviet Union replaced by heightened tensions.

Without SALT, the long, slow process of arms control, so central to building a safer world, would be dealt a crippling blow.

Without SALT, the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace.

This is the inescapable choice we face. For the fact is that the alternative to this treaty is not a perfect agreement drafted unilaterally by the United States in which we gain everything and the Soviets nothing. The alternative, now and in the foreseeable future, is no agreement at all.

I am convinced that the United States has the moral and political will to control the relentless technology which could constantly devise new weapons of mass destruction. We need not drift into a dark nightmare of unrestrained arms competition. We Americans have the wisdom to know that our security depends on more than maintaining our unsurpassed defense forces. Our security and that of our Allies also depend on the strength of ideas and ideals, and on arms control measures that can stabilize and finally reverse a dangerous and wasteful arms race which neither side can win. This is the path of wisdom—and of peace.●

S. 871: THE NEED TO ESTABLISH PARKING FEES FOR FEDERAL EMPLOYEES

● **Mr. DOMENICI.** Mr. President, during the congressional recess, The Washington Star carried an interesting column by Jack W. Germond and Jules Witcover. It discussed the issue of free or very cheap parking for Federal employees.

As the sponsor of S. 871, legislation to require parking fees at Federal buildings and on Capitol Hill, I believe my colleagues will want to read this column with interest. It points out the unfairness of this special "free" benefit provided to those on the Hill, as well as to those who work for Federal agencies.

Mr. President, I ask that a copy of this article be printed in the Record.

The article follows:

FICTION AND FREE PARKING

You may be under the illusion that the focus of concern here these days is SALT II or inflation or perhaps the 1980 presidential election. Not so. It is parking.

It started when, in his energy message earlier this month, President Carter announced that "steps would be taken" to put an end to free and cut-rate parking for federal employes. The theory is that this would force more federal workers into car pools and onto buses and save gasoline.

And beyond that, Carter—whose faith in the goodness of his fellow man seems to know no bounds—suggested that private employers then might follow this example and save even more gasoline. Fat chance.

Predictably, the parking order has caused a great deal of squealing from the federal workers, the burden of it being that they are going to be robbed of a fringe benefit that was one of the things that made their jobs so attractive in the first place. Poor babies.

The real flaw in Carter's edict—other than the likelihood that it probably won't save enough gasoline to run a lawnmower—is that it doesn't go far enough.

It doesn't apply, of course, to Congress, which has control of about 8,000 spaces (including more than 200 reserved for the press), because presidents don't mess around with the prerogatives of Capitol Hill. And it doesn't cut back further on the number of federal cars that are used to ferry around officials with job titles far more imposing than their responsibilities and influence on the way the world goes around.

Special privileges for federal workers, at whatever level, are based on a couple of fictions.

One is that they are not paid as well as their counterparts in private business and, thus, are making a sacrifice to work for the government. That may be true in a few cases, but it is true in a few cases, but it is hardly the rule. On the contrary, the White House, bureaucracy and Congress all are well staffed with people who are living higher on the hog than they ever have elsewhere.

The second implication of special treatment is that their work is so important that they shouldn't be required to put up with cluding more than 200 reserved for the press), life's more pedestrian (a little more pun there) concerns. That may be true of the president and the people in the situation room in the basement of the White House, but you would have a hard time making that case for any large number of them.

Indeed, you can walk through the halls of a number of the major federal departments, reading the legends on the doors, and question whether the country would even notice if they simply went up in smoke.

Contrary to the theory of special treatment, a strong case can be made that federal officials and their employes should be obliged, as a matter of policy, to share the common experience, meaning all the irritations and aggravations of living in an American city these days. There is nothing that puts things into perspective any more sharply than paying $4.50 a day to park and then having to wait until the parking lot attendant deigns to bring your car, tires screaming, down the ramp.

Similarly, all the most influential federal officials should have the experience of driving himself through rush-hour traffic, stomach in turmoil and teeth gritted. It is quite different from riding in the back seat, reading a newspaper under your gooseneck lamp, while someone else does the swearing at the other drivers. If every top official in the Department of Transportation had always been obliged to drive himself to work and then find a place to park, Washington's subway would have been finished years ago.

Still another example lies in the special parking places reserved for the Supreme Court and members of Congress at National Airport, one of the great zoos of our time. The common traveler is obliged to drive endlessly around less convenient lots competing for a space or give up and park in the aptly-named "satellite" parking lot which is in the suburbs of Richmond.

The theory, of course, is that these big hitters need the convenient parking lots because their time is more valuable than yours and mine. Anyone who pays even minimal attention to either the court or Congress would question that proposition.

And, besides, when those congressmen fly out of National, they are usually just going home to inflict themselves on the electorate there. Is that a public purpose that deserves encouragement? You be the judge.

As for us, we're all the way with Jimmy Carter on this one.●

DEPARTMENT OF EDUCATION

● **Mr. RIBICOFF.** Mr. President, the Senate will soon resume debate on S. 210, the Department of Education Organization Act of 1979.

Establishment of the Department is supported by a very broad and diverse cross section of American life. Organizations representing educators, civil rights advocates, labor, parents, students, business, and States and localities are among the more than 100 groups working for this Department.

They know that education can no longer be administered within the mammoth confines of the Department of Health, Education, and Welfare. They know that Federal encroachment and interference in education can only increase if Federal education programs continue to be administered alongside nationally focused and federally centralized health and welfare programs in HEW. And, they know that local control of education can be preserved only if the Federal education structure is streamlined, accountable, and coordinated.

Mr. President, the National School Boards Association, which represents 90,000 school board members, reaffirmed yesterday their support for the Department of Education at their annual meeting in Miami. I ask that their letter, to Members of the Senate announcing this action be printed in the Record.

Further, I ask that a memorandum from the National Conference of State Legislatures, and a letter from the Honorable Coleman A. Young, mayor of the city of Detroit, Mich., both supporting the Department of Education, also be printed in the Record.

The material follows:

National School Boards Association,
Washington, D.C., April 23, 1979.

Dear Senator: Today, by a 4 to 1 margin, the Delegate Assembly of the National School Board Association Meeting in Miami overwhelmingly passed a resolution supporting the creation of a Department of Education. In its statement of reasons for this support, the delegates voted that presently, the responsibility for developing and implementing education and education related programs at the federal level is scattered among the Cabinet departments and more than fifteen other federal agencies. Such fragmentation results in tremendous administrative waste, not to mention the confusion created by such a system. The elevation of education to cabinet status would not only streamline and simplify the administration of education programs, but also would provide due recognition to the importance of education.

The Department of Education was a subject of several hours of debate on April 20. It received considerable attention before the vote today in a discussion which aired all the viewpoints.

NSBA is pleased to be able to officially renew its decade-long support of a Department of Education. We continue to work on behalf of the legislation and look forward to final passage of the bill in the near future.

For further information contact August W. Steinhilber, Associate Director for Federal Relations.

Hiroshi Yamashita,
President.
Thomas A. Shannon,
Executive Director.

Memorandum

Re Department of Education Bill S. 210.

To Members of the United States Senate.

From Representative John Bragg, Chair, State-Federal Assembly, Delegate Lucille Maurer, Chair, NCSL Education Committee.

We strongly urge you to complete floor action on the Department of Education bill (S. 210) as voted out of the Governmental Affairs Committee last March 14.

We believe that new language incorporated into S. 210 at NCSL's request provides limits to the federal role in education and goes far to ensure that a prospective federal Department would be responsive to state and local concerns.

NCSL language includes a "disclaimer" that the creation of a federal Department does not extend federal authority in education or diminish the legal responsibility that is reserved to the states, the local school systems and other instrumentalities, and tribal governments. In addition, it creates an Under Secretary with major responsibilities for intergovernmental relations and line authority over all Assistant Secretaries; importantly, the Under Secretary must consult regularly with a broad range of state and local policymakers concerning differences in federal and state education policies and assess the impact of federal initiatives.

We appreciate support of these key points. Please call upon our staff, Sandra Kissick or Bill Wilken (624–5423) to answer any questions you might have.

April 19, 1979.

Senator Abraham Ribicoff,
Chairman, Senate Committee on Governmental Affairs, Russell Senate Office Building, Washington, D.C.

Dear Senator Ribicoff: It is my understanding that Senate floor action on the legislation creating a separate cabinet-level Department of Education is scheduled to occur in the very near future. I joint with you in endorsing this legislation.

As Mayor of the City of Detroit, I strongly believe quality education for urban youth is essential to guarantee future employment opportunities as well as quality of life opportunities so long denied to so many. It is my hope that a cabinet-level, separate Department of Education will receive the kind of attention and advocacy necessary to provide those opportunities.

I thank you for your support.

Sincerely,

Coleman A. Young,
Mayor.●

CONSULTANTS

● Mr. ARMSTRONG. Mr. President sometimes we wonder why we continue to see the same proposals surface time after time from the executive branch, almost irrespective of who is occupying the White House. This has certainly been true of so-called welfare "reform" plans, which continue to be pressed by HEW, year after year; the President's plan in 1977 was little more than a dusted off version of the discredited "family assistance plan," which itself was a redraft of a plan that reportedly was turned down by President Johnson as too expensive.

And we wonder, too, at where they come from. Donald Lambro, writing in a recent issue of Policy Review, described the revolving door relationship that seems to exist between many executive departments and consulting groups around Washington. The Richmond News-Leader, in a recent editorial, interests usually win and the taxpayers incisively concluded that consulting appears to have become a game in which the "special interests usually win and the taxpayers inevitably lose." Many of these seem to have invented a new form of perpetual motion, sending to the Hill one form of program liberalization after another, then serving as the "experts" when these programs are considered. We must realize that each of these groups have their own form of bias as these proposals are reviewed.

I ask that the editorial appear in its entirety in the Record.

The editorial follows:

The Consulting Game

To innocent outsiders a Redskins-Cowboys clash would appear to be Washington's biggest game. But to experienced Washington watchers, the so-called "consulting" business is the most important game in town.

Consultants contract to do the government's work. Probably few taxpayers realize that many federal programs are administered by private consultants, not by career civil servants. For example, two private firms—not HEW—conducted the ballyhooed experiment with guaranteed annual incomes in Denver and Seattle.

Consulting pays well. Indeed, it pays so well that no one in Washington seems to know just how much the taxpayers spend on it each year. An article in *Policy Review* by investigative reporter Donald Lambro cites a survey that suggests 64 federal agencies pay $2 billion a year for 34,000 consulting contracts. Lambro suspects the actual total is higher still.

Although many prestigious consulting firms deal with poverty issues, consultants do not lead paupers' lives. The Urban Institute, a Liberal think-tank, is noted for its luxurious conferences. A participant at a recent welfare symposium told Lambro, "Cocktails began at 6:30. There were bars everywhere. This was followed by a buffet served by tuxedoed waiters, most or all of them Spanish-speaking. The menu included *boeuf bourguinon,* watercress salad, eclairs. The silver was Reed and Barton." For these poverty consultants, welfare pays rather well.

Perhaps the most costly feature of the consulting game is the cozy relationship between consultants and bureaucrats. Many consultants once worked for the government, conversely, many bureaucrats apprenticed with the same consulting companies. Lambro calls the relationship between HEW and poverty-oriented consultants "a club within a club." Because consultants often have a heavy interest in continuing the programs they are supposed to monitor, they lobby for increased appropriations for their pet projects. While the under-represented taxpayers foot the bills, consultants act as "expert" witnesses who tell Congress what programs must be funded.

Consulting was little known before the Great Society. Now it has made the big leagues. And like most government games, consulting is a game in which the special inevitably lose.●

MEL DUBINSKY

● Mr. EAGLETON. Mr. President, last Sunday, I was privileged to be able to attend a testimonial dinner in St. Louis in honor of my friend Melvin Dubinsky.

The dinner was sponsored by the Jewish Federation of St. Louis, the United Israel Appeal and the United Jewish Appeal, to salute Mel Dubinsky as one of Israel's staunchest and hardest-working American friends.

The honor was well-deserved. Mel Dubinsky has been intimately and actively involved with the State of Israel throughout that nation's entire history. Even before there was a State of Israel, Mel was there, giving unselfishly of his time and talents to raise hundreds of thousands of dollars for humanitarian causes in Israel.

Prior to the testimonial dinner, the St. Louis Globe-Democrat published a lengthy feature article on Mel's good works. I would like to call the article and Mel Dubinsky's philanthropy to the attention of my colleagues, and I ask that the following article be printed in the Record.

The article follows:

Melvin Dubinsky—A Staunch Friend of Israel

(By Mary Kimbrough)

He's an immigrant's grandson in the executive suite, a mover and a shaker who owns gilt-edged properties in downtown St. Louis. But he spends much of his time and billions of American dollars on behalf of the people of a gritty little country planted in the ancient sands of the Middle East, a beleaguered haven for refugees, a blood-spattered homeland for 20th century pioneers where the prayers of their fathers' faith have been muffled by the sound of guns from the very hour of its birth.

In 1948, Melvin Dubinsky was one of a group of American Jewish leaders invited to tour the displaced persons camps in Europe and go on to Palestine, the storied land of Jesus where the new State of Israel was even then being formed by the muscles and the minds of its new settlers.

He has never forgotten those he saw on that journey—torn, human remnants of wartime barbarism in Europe, and sturdy frontiersmen and sophisticated technologists from the western world returned to Zion.

He has been working for them ever since, a fund-raiser with the soul of an evangelist and the canny skill of a process server, a tireless traveler who will go anywhere in the world to collect money for his special people.

Sunday, the tables will be turned and the St. Louis businessman will be the receiver, not the giver. In tribute to his years of "dedicated service to the Jewish people," the Jewish Federation of St. Louis, the United Israel Appeal and the United Jewish Appeal will be hosts at dinner at the Breckinridge Inn, Lindbergh Boulevard and Clayton Road.

The gala dinner, at which Jewish leaders from throughout the country will join St. Louisians of all faiths, had to be sandwiched among his travel commitments for Israel. As national vice chairman of the United Jewish Appeal and chairman of the budget and finance committee of the Jewish Agency, which disburses philanthropic funds, Dubinsky covers some 100,000 miles a year in the United States and makes five or six trips to the Far East.

But even though he has found Israel, even in its most troubled times, a good place to visit, he wouldn't want to live there. His roots are first, in America, and, second, in the midwest, and here he will stay.

"My grandparents and great grandparents came from eastern Europe and settled here and found the joys of freedom," he said.

"So that is my heritage."

In his attractively decorated office on the 16th floor of one of the downtown structures owned by his company—Jack Dubinsky & Sons Real Estate—the tall, genial builder and developer, a blend of imposing power and gentle manner, looked back over the years and, reluctantly, recalled his role in the growth of Israel from a dream to a democracy.

Born in Breese, Ill., he grew up in University City, attended St. Louis University—the only Jewish student, he believes, in the School of Commerce and Finance—then joined his father, the late Jack Dubinsky, and his older brother, the late Harold Dubinsky, in the commercial real estate and development business he continues to head.

He was a gifted ice skater, winning the national indoor championship in Chicago in 1934—but flatly turning down an invitation to compete in the 1936 Olympics in Adolf Hitler's Germany. His skating partner was the late Lamar Ottsen who encouraged him to go to St. Louis U. and skate for that school.

"One of the most important things I learned from the Jesuits," he recalled, "was compassion."

That quality has stayed with him, along with the business and financial skills which have enabled him to rise in the corporate world as a dominant figure in commercial real estate. And that quality came to the fore in 1948 when, as a member of the Jewish Federation Board, he was chosen by the late Irvin Bettman to make the trip to Europe and to Palestine which was destined to change his life.

Even so, the journey to the land of his fathers was to leave its scars.

"At Dachau, they showed me a pile of ashes and told me they were hauling it away for fertilizer. At that moment, it was hard for me to have any forgiveness in my soul."

In Palestine, the first of hundreds of trips he would ultimately make to the new State, he found the bittersweet signs of struggle and hope, the stark memories of British government, the strange melding of ancient heritage and new technology, a 20th century anachronism out of the ruins of the past.

He found adventure and danger and disagreement even among the Israelis themselves. It was a country unified in its struggle for life, yet strangely divided on which path to take toward the longed-for peace.

In Palestine, he became the friend of such pioneer leaders as David Ben-Gurion, Golda Meir and Levi Eshkol, each later to become prime minister of the new Israel, and Elieser Kaplan, to become deputy premier.

They were operating what was then known as the Jewish Agency—in effect, a government within a government. Today, the Jewish Agency has been reconstituted as the body which manages Israel's major welfare programs, financed by the contributions Dubinsky and other leaders solicit from Jewish Federations and individual donors throughout the free world.

In Palestine, on that first visit, Dubinsky was the dinner guest of Golda Meir at her beach home in Tel Aviv. It was the beginning of a staunch friendship which was renewed time and time again as Mrs. Meir visited here or Dubinsky returned to Israel.

"I traveled with her all over this country, listened to her yarns," he recalled with a grin. "In my judgment, she was one of the greatest political leaders of our century. She was astute, but she had a certain humility. She was very courageous, willing to make decisions and stand by them.

"She had a marvelous sense of humor. She was a chain smoker, never used profanity, but her greatest quality was her compassion.

"In Palestine," he continued, "there were two political views. Haganah was the legal army which fought with the British at El Alamein and on through the war. They were backed by the overwhelming majority and they later fought the Arabs for Israel's independence.

"Others supported the Irgun, the extreme right ring, the terrorists. Ben-Gurion, who was then head of the Jewish Agency, declared this an illegal army.

"Ironically, Menachem Begin was a leader of that terrorist wing. My sympathies at the time were with Ben-Gurion, who felt any peace had to be won by negotiation. Now, to tell the truth, I'm not sure I was right. I think the Irgun actually accelerated the British leaving the area so that the Israeli could go on.

"We were fired on by Arab snipers. Now, on the way from Tel Aviv to Jerusalem you can still see some of the armored cars destroyed by the Arabs. They have been painted red and left there as a reminder of those days.

"At the time, the Israelis were stocking food because they knew there would be a siege of Jerusalem. They were bringing in supplies so the people could survive.

"They were idealists in a steel tank."

And so is Mel Dubinsky.

As much as he longs for peace, Dubinsky has never denied that the little country—a troubled island of democracy caught by the accident of geography and ancient enmities in a nest of predators—must be ready to defend itself every moment of its life. With 35 percent of its heavy taxes going for defense, he continues to raise millions in free-world contributions to provide funds for such welfare projects as education, health care and homes for the aged.

"Israel cannot afford to lose one war," he said. "When that happens, Israel is done.

"I guess I'm sort of a fighting dove."

He's also an olive branch in armor plate. Good will in the watchtower. Shalom and a big stick at the ready.

"I've been in Israel during or after every war. After the 1973 war, I was within 30 miles of Damascus and 65 miles from Cairo. The Israeli dead had been buried but they hadn't gotten around to burying the Arabs.

"In spite of the Arab attack, my reaction was that those people there, with their feet sticking out of the sand, were someone's brother or sister or father or husband.

"I don't think anything is gained by war, but at the same time there was no justification for the Arabs' having attacked Israel."

But what of the present and the future?

"I believe Begin is the right man in the right time and he has the overwhelming support of the Israeli people. Sadat is a brave man, and intelligent man. I believe he is on the proper course.

"Aligning himself with the west is his only hope. I'm not too concerned about what will happen between Egypt and Israel, but what Sadat's Arab brethen are going to do is a grave question. Syria and Iraq are 100 percent armed by the Soviets. Lebanon is in shambles. Iran is questionable.

"The people of Israel don't want to rule the Arabs. They want to assist them. If they could raise the standard of living, it would benefit the whole middle east."

However, he continued, the Israelis will "have a hard time accepting the PLO and Arafat because, first of all, the Soviets, and, second, because they are terrorists. And they will not recognize that Israel is a viable state.

"Israel answers everything I stand for. It is a democracy. It is western-oriented, and it is a haven and a refuge for the remnants of my co-religionists from the distressed parts of the world, just as America has always been."

Obviously, next to America, he loves that little country more than any spot in the world. But he doesn't call himself a Zionist.

"My definition of Zionism," he said, "is the same as Ben-Gurion's. If you're a Zionist, you come back to Israel to live. But certainly I have no objection if someone wants to be a Zionist anywhere in the world and help Israel."

"I want my co-religionists to live," he said. "I don't think history has been very good to them. I feel if people want a homeland and want to live as they did in Biblical times, they have a right to do it.

"I myself wouldn't want to live there. I love America. I thank the good Lord my ancestors caught the ship. But I want to be sure my co-religionists have the same rights as we have here, the same rights my ancestors had. Consequently, there's a certain comradeship I have with them."

Though he is separated from them by the miles, that comradeship has sparked a volunteer career spanning the local, state, national and international Jewish community. He is a former president of the Jewish Federation of St. Louis, and recently completed seven one-year terms as national chairman of the United Israel Appeal which allocates funds to welfare programs operated by the Jewish Agency, and which is responsible for resettlement and absorption of immigrants in Israel.

"You begin to feel like you're in Solomon's court trying to divide the funds," he said. "We allocate some $300 million a year."

Early in his volunteer fund-raising and administrative career for Israel, he was chairman of a $500 million Israel Bond Issue campaign, and national chairman of a one-day drive to sell Israel bonds throughout the United States. He has received the "BIG (Bonds of Israel Government) Wheel" award for "singular achievement in behalf of Israel's economic growth."

But he doesn't limit his civic and philanthropic work to his own religious faith. He is a member of the St. Louis University President's Council, a board member and past treasurer of Cardinal Glennon Memorial Hospital and was treasurer of the first St. Louis University expansion drive.

In tribute to him, national leaders with whom he has worked—including Max Fisher, chairman of the board of United Brands and former chairman of the United Jewish Appeal, Frank Lautenberg, president of the United Jewish Appeal, and Gerald Hoffberger, president of the Baltimore Orioles and of the United Jewish Appeal—are expected to attend the dinner.

"I wouldn't miss it," said Lautenberg. "Mel has served the Jewish community with great distinction. He has been a leader in every aspect of Jewish community life.

"He is one of the best-loved people I know." A selfless man. He and Harriette are cut from the same mold. They are gentle people, good souls."

Harriette Dubinsky, while her husband is busy with his international commitments, serves on the board of their temple, Shaare Emeth. She frequently accompanies him overseas and counts the Israeli leaders as her special friends, too.

They are the parents of Dr. Ira Dubinsky, a St. Louis psychiatrist; Sunny, the wife of Alan Pervil, a lawyer, now in the real estate firm with his father-in-law; and Janice, wife of Dr. Steward Paster, of Albuquerque. Each couple has two children. Dubinsky, with pride, identified the faces in the panorama of photographs in his office. It is a close and loving family group.

But as he was speaking, the telephone rang. There were travel arrangements to be made for another trip to Israel. The interview ended with a cordial goodby.

Mel Dubinsky hadn't time to talk more about himself. There was work to do for some people who live in a gritty little land across the world from the executive suite in downtown St. Louis.●

STATEMENT OF SENATOR STAFFORD DISCUSSING SUPPORT BY NEW YORK, IDAHO, WISCONSIN, AND VIRGINIA FOR S. 344

● Mr. DOMENICI. Mr. President, our colleague from Vermont (Mr. STAFFORD) is absent due to illness today. He had intended to place a statement in the RECORD, including letters from various governors analyzing S. 344, his bill to amend the highway beautification law. I ask that Senator STAFFORD's remarks and the letters be printed in the RECORD.

The material follows:

S. 344: THE GOVERNORS OF NEW YORK, IDAHO, WISCONSIN, AND VIRGINIA STATE THEIR STRONG SUPPORT

Mr. STAFFORD. Recently I wrote to the governors of the various states to seek their views on S. 344, my bill that would add new flexibility to the Federal billboard control law.

Several governors have already been kind enough to respond, expressing their views on this issue. Among the first to write to me to express their strong support for S. 344 are the Governors of New York, Idaho, Wisconsin, and Virginia. (Previously, I included in the RECORD the strong support of California for S. 344.)

Governor Carey of New York, for example, offered this conclusion:

"By enacting the amendments to the 1978 Highway Act, Congress has taken away the traditional freedom of the localities to adopt whatever land use controls they consider to be in their own best interest. State government is further threatened with a finding, by the Federal Highway Administration, of noncompliance and the accompanying penalties, in the event local zoning ordinances are enforced . . . You may be assured of New York's support for 344."

In his analysis, Governor Dreyfus of Wisconsin summed up his position as follows:

"I support S. 344 because it would return the basic decision-making power on sign regulation to the state. A state electing to go its own way would not be penalized by the withholding of highway funds, while states choosing to qualify would be eligible for 80 percent federal funding of sign acquisition costs. I do not know what course Wisconsin might choose under such a law, but I certainly agree that we should be allowed to make the decision."

Governor Evans of Idaho offered support of equal strength, again pointing out the severe problem of the 1978 amendments to the basic law:

"We agree with the scope and intent of S. 344. There is far too much detailed interference in the Beautification Program from the Federal level . . . We believe Federal Legislation which pre-empts a State or or its political subdivision from exercising their responsibilities and which creates obligations to the State regardless of its financial capability and without consideration for the availability of Federal matching funds is an unacceptable infringement on States Rights."

While I intend to place other letters, both positive and negative ones, in the RECORD at a later date, I submit these initial four letters for the RECORD.

The letters follow:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, April 16, 1979.

Hon. ROBERT T. STAFFORD,
Senate Office Building,
Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 27 relating to S. 344 which would amend the Highway Beautification Act by making participation voluntary on the part of the states. We in New York strongly support this proposed legislation and have advised several members of our Congressional Delegation and the American Association of State Highway and Transportation Officials of this fact.

We have been particularly troubled by the Beautification Act in its present form. New York was one of the very few states singled out for alleged noncompliance and threatened with a loss of highway funds. As a result of this selective enforcement, we have had to remove some signs which were essential to the tourist industry at a time when we are strongly promoting tourism in our state.

Many of our local governments have adopted strong zoning regulations controlling outdoor advertising in their own communities. By enacting the amendments to the 1978 Highway Act, Congress has taken away the traditional freedom of the localities to adopt whatever land use controls they consider to be in their own best interest. State government is further threatened with a finding, by the Federal Highway Administration, of noncompliance and the accompanying penalties, in the event local zoning ordinances are enforced.

You may be assured of New York's support for S. 344 and our Transportation Commissioner, W. C. Hennessy, will be glad to testify to our position at the forthcoming hearings.

Sincerely,

HUGH L. CAREY.

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Boise, April 18, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: We agree with the scope and intent of S. 344. There is far too much detailed interference in the Beautification Program from the Federal level.

There is the possibility that special interest groups would influence State Legislatures to materially alter existing State Laws to an extent that the progress and substantial funds expended to date would be lost. Idaho entered into the program in 1967 and as a consequence has completed 92% of the billboard program and 97% of the junkyard program at a total expenditure of 2.0 million dollars.

We also strongly support continued funding for those states that elect to complete the program.

Probably the most needed change in current Federal legislation is the removal or alteration of the Amendments contained in the 1978 Surface Transportation Act.

As we interpret the Act, the State is obligated to pay for signs removed under local zoning ordinances whether or not there are State or Federal funds available to make such payments. It can be argued that the local entity should be liable for such payments if they, by their actions, created the liability. However, it is the State's Federal aid funds that are in jeopardy and therefore in the absence of payment by the local entity, the State must pay to avoid a penalty.

This puts the State entity into a position of having to divert extremely scarce project funds to lower priorities at the whim of local zoning jurisdictions.

We believe Federal Legislation which preempts a State or its political subdivision from exercising their responsibilities and which creates obligations to the State regardless of its financial capability and without consideration for the availability of Federal matching funds is an unacceptable infringement on States Rights.

Thank you Senator Stafford for allowing us to comment on this proposed legislation. If further information is necessary, please don't hesitate to call on us.

Sincerely,

JOHN V. EVANS,
Governor.

OFFICE OF THE GOVERNOR,
STATE CAPITOL,
Madison, April 18, 1979.

Hon. ROBERT T. STAFFORD,
Dirksen Senate Office Building, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: I appreciate the opportunity to comment on S. 344, your bill to allow states greater flexibility in regulating outdoor advertising signs along interstate and federal aid primary highways.

Wisconsin, as a state of great scenic beauty and numerous tourist attractions, has recognized the value of billboard regulation by voluntarily enacting a state sign control law in 1959 and qualifying to receive the one-half percent federal aid bonus provided by the Federal-Aid Highway Act of 1958. However, our experience under the "mandatory" statutes enacted to comply with the Highway Beautification Act of 1965 has been mixed. Thousands of illegal signs have been removed and the erection of countless others has been prevented. At the same time, the acquisition of nonconforming signs has been a difficult and slow moving process—we still have over 19,000 to be acquired. And, as noted by the General Accounting Office report you referred to, there is no way for a passing motorist to know whether any given sign is legal, illegal or nonconforming.

I do not blame the federal law for all of our problems. Any state effort to strictly regulate outdoor advertising is bound to generate some degree of complexity. However, the present system creates such a byzantine interrelationship among local ordinances, state law, federal law, state administrative rules and federal regulations that it is difficult for state employees to understand the law and nearly impossible to explain it to the public.

In addition, as you note, the 1978 Surface Transportation Act created a new problem by requiring that compensation be paid for the removal of any sign along a controlled highway, even when the sign is removed solely because of a local ordinance. This has brought Wisconsin's local certification program (in which we delegate some aspects of sign control enforcement to communities that adopt standards consistent with state and federal law) to a halt.

I support S. 344 because it would return the basic decisionmaking power on sign regulation to the state. A state electing to go its own way would not be penalized by the withholding of highway funds, while states choosing to qualify would be eligible for 80 percent federal funding of sign acquisition costs. I do not know what course Wisconsin might choose under such a law, but I certainly agree that we should be allowed to make the decision.

Sincerely,

LEE SHERMAN DREYFUS,
Governor.

COMMONWEALTH OF VIRGINIA,
OFFICE OF THE GOVERNOR,
Richmond, April 18, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: It is a pleasure, on behalf of Governor Dalton, to respond to your March 27, 1979 communication requesting comments on the subject bill.

We share your concern over zoning intrusions and preemption of state and local police powers under the Federal Outdoor Advertising program pursuant to the 1978 Surface Transportation Act, as amended. There is considerable support for the argument that the existing program is not achieving its original goals, and would require 100 years and roughly one billion dollars to complete at current funding levels. If all the nonconforming signs were purchased and removed, the states could conceivably have fifty percent or more of their signs left standing.

When fully considered, we support in principle, the conversion of the highway beautification program to a voluntary state program.

Sincerely,

GEORGE M. WALTERS.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on April 5, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notification referred to follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 5, 1979.

Dr. HANS BINNENDIJK,
Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERICH F. VON MARBOD,
Acting Director.●

INSPECTOR GENERAL OF GENERAL SERVICES ADMINISTRATION

● Mr. EAGLETON. Last year, Mr. President, I was proud to sponsor legislation creating offices of Inspector General in 12 Federal departments and agencies. I am confident that these new offices will prove to be effective and aggressive protectors of the public dollar, and will ferret out hundreds of millions of dollars worth of waste and corruption in the years ahead.

I am pleased to note the recent swearing-in of the new Inspector General of the General Services Administration, Mr. Kurt Muellenberg. Mr. Muellenberg comes to the job from a position as head of the Justice Department's organized crime and racketeering section. He is well-suited to the job at GSA, and will play a significant role in resolving the scandals currently plaguing that agency.

Mr. Muellenberg was administered the oath of office by the very capable acting Administrator of GSA, Paul Goulding. Mr. Goulding's remarks on this occasion speak eloquently not only to the need to rebuild public trust in government, but also to the spirit in which this task must be undertaken. I would like to call Mr. Goulding's remarks to the attention of my colleagues, and I ask that they be printed in the RECORD.

The remarks referred to follow:

GOULDING ADMINISTERS OATH OF OFFICE TO MUELLENBERG

All of us know Kurt Muellenberg to have outstanding experience and ability. He is a distinguished graduate of the University of Maryland School of Law. He served recently as chief of the highly important Organized Crime and Racketeering Section of the Department of Justice. Now, he is the first of 12 Presidentially-appointed inspectors general to be confirmed by the Senate.

Experience and ability, however, are not the sole standards for judging public officials. Even more important are a person's character, his principles and his philosophy of public life.

In the relatively short time I've known Mr. Muellenberg, I have gained the greatest respect for his integrity, capability, judgment and dedication. I believe he shares the same values we will renew and reaffirm in this ceremony.

My own sense of purpose as a public official is strong. I believe in political reform. To me that means honesty, accessibility, impartiality and responsiveness. It means that any political action, any governmental action, must be based on principles and that action must be judged by its impact on the everyday lives of people.

During the past decade, the American people have endured a national nightmare: a disastrous and demoralizing war, disgrace in our highest offices and the most devastating energy crises in the history of the country. Notwithstanding the strides of the Carter Administration, it is little wonder that people are still discouraged, disillusioned and indignant with their government.

It is in times like these that we must be prepared to seek new solutions to our problems. An individual's experience is of great importance in these efforts. But we must be ever mindful of the historic American values which have given strength to our country—values of thrift when we find a danger of waste, of compassion when we find indifference to basic human needs.

The cherished values of our nation—justice and equality of opportunity, individual freedom, and government that serves the people—are expressed most eloquently and for all time in the Constitution and the Bill of Rights. Our government must measure up to its responsibility of giving new life to these values.

I believe it of the greatest importance that the American people regain their trust and confidence in government. A public office belongs to the people. To serve the people with faith, honesty and trust is the goal of my efforts. To play a part in restoring public trust is a task and responsibility which I welcome. You now share that awesome task and responsibility, Mr. Muellenberg. Welcome to the battlefield.●

AN OLD PERSPECTIVE ON A NEW FEDERAL REORGANIZATION PROPOSAL

● Mr. TALMADGE. Mr. President, in 1965, our former colleague, the distinguished Senator from Utah, Ted Moss, introduced legislation to move the U.S. Forest Service to the Department of the Interior, and to change the name of that department to the Department of Natural Resources.

That proposal was almost identical to the reorganization proposal now being offered by the administration, except that the present proposal being offered to Congress would also move the National Oceanographic and Atmospheric Administration to the Department of the Interior.

In 1966, a young instructor at the University of Minnesota, Carl Reidel, wrote a letter to Outdoor Life magazine, explaining why the Moss proposal was not a good idea.

Now Dr. Reidel is president of the American Forestry Association, a venerable and outstanding conservation organization, which is taking the lead in opposing the administration's attempt to create a Department of Natural Resources.

Dr. Reidel's comments in 1966 are little different from the official position of the American Forestry Association today.

The Moss bill failed because it was a bad idea, notwithstanding the high motives of the Senator. The administration's proposal will also fail because it is no more than warmed-over hash—an idea whose time will never come.

Mr. President, Dr. Reidel's 1966 letter makes the case why the Forest Service should not be moved to the Department of the Interior, and I shall submit that letter to be printed in the RECORD at the conclusion of my remarks.

In this connection, Mr. President, persons associated with the President's reorganization project recently released to at least one nongovernmental interest group a paper dated March 19, 1979, showing a proposed organization of the new Department of Natural Resources.

The paper shows that the direct line of authority for the regional offices of the Forest Service would emanate from a political appointee. The second person in command would be a forester. It is, therefore, clear that the proposed reorganization would seriously undermine the professionalism and effectiveness of the Forest Service and open the door to the possible exploitation of the national forests. As Dr. Reidel pointed out in his 1966 letter opposing the transfer of the Forest Service:

> The Forest Service was born of the intense conservation struggles of the early 1900's. President Theodore Roosevelt and his close friend Gifford Pinchot, America's first professional forester, took a firm stand against the despoilers and land grabbers of the country with a farsighted eye to the future—our present.
>
> The result of their historic conservation crusade was the Transfer Act of 1905. This act of Congress removed the National Forests, then called Forest Reserves from the politically entangled Department of the Interior and placed them under a new agency in the Department of Agriculture—the U.S. Forest Service. Pinchot was the agency's first chief. This act has long been considered one of the major milestones in conservation history.

From the earliest days of the Forest Service, the agency has had a chief who was a professional, who came from the ranks.

Every young forester who joins the agency has the potential of becoming chief. It is this professionalism that has led to high morale in the Forest Service.

The Forest Service handles more than a billion dollars a year in timber receipts and tens of millions of dollars in land transactions. There has never been a breath of major scandal attributed to the agency.

It is essential that we continually strive for economy and efficiency in Government. But we do not accomplish that by dashing our "centers of excellence" upon the rocks of political expediency. Instead we build upon excellence to create more excellence.

In its March 1 press release on the reorganization proposal, the White House claimed that the natural resources reorganization would save $100 million and eliminate 2,000 Federal jobs. On two occasions, the Subcommittee on Environment, Soil Conservation, and Forestry—which is chaired by Senator Melcher—has invited administration spokesmen to come and explain how these savings would be achieved. On both occasions, it was explained that the administration was not ready to do that, even though they have already spent $6.5 million and 2 years putting the proposed reorganization together.

Numerous Members of Congress have stated their opposition to the creation of this so-called Department of Natural Resources. In my judgment, it would not be a department of natural resources at all. As a conservationist, I will fight the proposed reorganization with all my strength, and I urge all of my colleagues in the House and the Senate to do the same.

The letter follows:

Page Teddy Roosevelt or, Here We Go Again

(Carl H. Reidel, the writer of this letter, is presently an instructor at the University of Minnesota School of Forestry. He holds a Bachelor of Science degree in forestry from the University of Minnesota, a Master of Public Administration degree from Harvard, and is now studying for his PhD degree in forestry. Reidel worked for the U.S. Forest Service for eight years, serving in positions from District Ranger to Regional Office staff.)

On August 19, 1965, Sen. Frank E. Moss, of Utah, introduced a bill in Congress (S. 2435) to change the name of the Department of the Interior to the Department of Natural Resources. Sounds good? Sure, it "sounds" good. Sportsmen are always interested in a move to strengthen conservation programs, especially one aimed at clearing some of the bureaucratic haze that surrounds federal conservation agencies.

Who could disagree with Senator Moss's statement to the Senate when he introduced the bill? He stated, "While thus expanding our (conservation) programs . . . we have failed to modernize the organization of the federal departments that must administer them. We are piling new tasks on an old executive structure . . . We do this because neither Congress nor the people have faced up to the size of America's resource management task."

How does Senator Moss propose we go about "facing up" to this task of modernizing" the federal departments? In a nutshell, besides changing the name of the Department of the Interior to the more appealing one of the Department of Natural Resources, he suggests shuffling several agencies in and out of Interior and creating a few additional top-level positions to further "coordinate" the federal programs. What we end up with is the same old bureaucratic haze under a new name, with a few new chiefs to supervise the already shorthanded Indians.

O.K., you say, let them play their game of musical chairs. How will that affect conservation so far as the sportsman is concerned?

When you finish Senator Moss's oratory on his proposed bill, you find one really significant item. The U.S. Forest Service is to be transferred from the Department of Agriculture to the Department of Interior . . . excuse me, Department of Natural Resources. "So what?" you say. "I didn't even know it was in the Department of Agriculture." Well it is, and a brief look at some past and recent history will show why that's just the place for the Forest Service, at least in preference to Senator Moss's proposal.

First, the Forest Service was born of the intense conservation struggles of the early 1900's. President Theodore Roosevelt and his close friend Gifford Pinchot, America's first professional forester, took a firm stand against the despoilers and land grabbers of the country with a farsighted eye to the future—our present.

The result of their historic conservation crusade was the Transfer Act of 1905. This act of Congress removed the National Forests, then called Forest Reserves, from the politically entangled Department of the Interior and placed them under a new agency in the Department of Agriculture—the U.S. Forest Service. Pinchot was the agency's first chief. This act has long been considered one of the major milestone's in conservation history.

Senator Moss's bill is essentially a proposal to wipe the historic Transfer Act of 1905 off the books and return the National Forests to the Department of the Interior. The Forest Service would become a sub-agency under an Assistant Secretary, who is an Under Secretary, who is under the Deputy Secretary and Secretary of the Interior.

This doesn't bother the Senator. He says that the Forest Service "will not be sunk without a trace in a bureaucratic morass, nor its 60 years of service forgotten." It may not be "sunk without trace" but it will be sunk in a "bureaucratic morass" nonetheless.

We must be careful not to condemn Senator Moss's proposal purely on the basis of his disregard for history. Just because Teddy Roosevelt and Pinchot believed that the Forest Service belonged in the Department of Agriculture in 1905 doesn't necessarily make it right for 1965. Or does it?

Let's look at some recent history. What has happened to the Forest Service during it's 60 years in the Department of Agriculture? For one thing, it has remained free from political influence below the legislative level. Every position in the organization, from chief to ranger, is filled with career conservationists—men with a degree in forestry, wildlife management, or related fields. These men are dedicated to the management of natural resources for the benefit of the general public. They don't have to answer directly to any special interests or political cronies. They can perform as professionals because they know that they have equal opportunity to rise to the top of the organization without outside influence.

What about the lands managed by the Forest Service—the 154 National Forests of America? The 186,000,000 acres in the National Forests is the largest area of productive forest and range lands in public ownership, and by far the best managed. This is the true measure of the Forest Service, the record is written on the land.

The key to this successful management is multiple-use management, a concept long recognized as the key to conservation. Multiple use simply means that no single use is recognized as the best use for all National Forest lands. Use of a given area is decided on the basis of public need and the capability of the land to sustain that use without damage to the basic resources, soil and water. It doesn't mean all uses on all areas.

Timber harvesting and livestock grazing have their place under good scientific management. Recreation and wildlife may have top priority in other areas best suited to this use. For example, the first Wilderness Areas in the U.S. were designated by the Forest Service, and the only Wilderness Areas presently covered by the Wilderness Preservation Act of 1964 are in National Forests. Hunting and fishing is permitted on all areas under regulations established by the states in which the land is located.

Multiple use means coordinated use of all resources—wood, water, recreation, forage, wildlife and minerals. This is management of natural resources.

Sure, the system isn't perfect and conflicts of use arise. But the professional conservationist free from special-interest pressures can resolve these conflicts in the interest of the public good. It's possible to point out examples of mismanagement in National Forests, but the concept of multiple use is sound and it's still hard to find public or private lands outside the National Forests that have fared better the past 60 years. If they have, it's a good chance that they were managed under methods developed by the Forest Service.

That's the record of the Forest Service during its 60 years in the Department of Agriculture. It was the first conservation agency in the U.S., and it is still doing the best job of managing lands under its jurisdiction—the National Forests.

Now, why not move the Forest Service to the Department of the Interior—the proposed Department of Natural Resources—and have all conservation agencies under one bureaucratic roof? The answer is to be found in the present Department of the Interior, where the Forest Service would become a sub-sub-agency under Senator Moss's proposal.

There are two good reasons why the Forest Service should not move to the Department of the Interior. First, take a look at political influence in the department. How many agency heads and field administrators are shuffled after a change in administration or a shift in party strength? Let's just say that compared with the stability of Forest Service leadership, it's a little too much to encourage top-quality professional performance at all levels.

Second, and certainly the most important reason, is that the Department of the Interior does not practice multiple-use land management. Sure, the department's publications say a lot about multiple use and "The Quest for Quality." Sure, Secretary of the Interior Stewart L. Udall talks about multiple use and is presently conservation's most stanch supporter. But that doesn't mean that the department is *practicing* multiple-use management. The record is written on the land, not on paper.

Take a good, hard look at how the department is set up. It's organized on a single-use, single-interest basis. The National Park Service manages over 20,000,000 acres for recreation only. Yet the National Parks contain countless acres of nonrecreation lands that are in dire need of management. Thousands of game animals die or are killed by rangers because the restriction against hunting prevents proper game management. Thousands of acres of stagnant timber are decaying in areas that the public never visits, or wants to. This is single-use management.

The Bureau of Reclamation continues to build dams and propose others where recreation and other resource values may be more important often where its sister agency in the Department, the Park Service, claims there should not be a dam. And, as a final blow, these dams often produce water to encourage increased production of already surplus farm crops. This is single-use management.

The Fish and Wildlife Service has little effective land management authority, since over 80 percent of the 27,000,000 acres it manages is in the interior of Alaska or the deserts of Nevada. Management of game and fish is inseparable from management of habitat.

The list doesn't stop here. The Bureau of Public Roads is interested in roads, wherever they may be located for engineering efficiency. The Bureau of Mines has an obvious interest, as does the various power administrations and the Indian Service.

The closest thing to a multiple-use agency in the Department of the Interior is the Bureau of Land Management, which manages half a billion acres of public domain land. But again, three quarters of this area is in Alaska or Nevada, and most of the remainder is submarginal land unclaimed under the various homestead laws. The Bureau has tried to free itself from political and special-interest influences, but it has a long way to go. Undermanned, underfinanced, and the captive of "advisory" boards interested in livestock grazing, the Bureau of Land Management is still a single-use agency.

Add it all up and you have a department made up of special-interest oriented agencies practicing various breeds of single-use management. This hardly seems to be the seedbed for a new Department of Natural Resources, and surely not the place to "sink" the Forest Service.

If we really want to modernize the organization of the federal departments administering our natural resources, as Senator Moss proposes, let's not do it this way. Putting one good apple in a barrel of suspect apples won't purify them all, not even if you give the barrel a fancy new name.

If we are really convinced of the need for a Department of Natural Resources, let's start with a multiple-use agency and build from there, and really create a NEW department. But, if that's too big a job for Senator Moss and his friends in the Department of the Interior, maybe he had better leave things as they are for a while. The Forest Service is doing a pretty good job of managing the bulk of the nation's conservation lands in the Department of Agriculture. Maybe we should change the name of the Department of Agriculture instead.

A new battle for conservation is shaping up and Senator Moss has handed the other side a new flag to wave. Many special interests will rally to that flag. Gifford Pinchot warned the side of conservation 50 years ago that such battles were to come when he said, "Still greater opposition is promised in the near future. There is but one protection, an awakened and determined public opinion."●

CLEAN AIR: IT MAKES BOTH DOLLARS AND SENSE

● Mr. CHURCH. Mr. President, recently, the tough air quality laws which have been enacted by Congress have come under fire from some quarters as being inflationary. Some people would have us believe that our choice is between clean air and runaway inflation. Well, that is just not the case.

A study recently completed by scientists at the universities of Wyoming, New Mexico, and Southern California shows that in 1977 the cost to industry for cleaning up air pollution from powerplants and factories came to $6.7 billion. However, the benefits from the Government-required controls amounted to $8 billion. It has also been predicted that dropping pollution to safe levels from factories and powerplants would bring about a 7-percent decline in illness and death, and save the country $16 billion in health costs.

Air pollution is a silent killer which presents serious problems in almost a fourth of the Nation's 3,200 counties. Moreover, of the 105 largest urban areas in the United States, 104 have air that is considered unsafe to breathe. We have made significant progress in cleaning up our skies, but in a lot of ways we have only succeeded in keeping things from getting worse. If we were to abandon the battle now, not only would it be bad from a health perspective, it would be bad from an economic perspective as well.

Mr. President, on March 30 there appeared an article in the Washington Post, which summarizes the economic study to which I refer. I ask that the article be printed in the Record.

The article follows:

Economic Gains Seen Exceeding Clean Air Costs

A new study of one major form of air pollution shows the country may be making money as well as improving the health of its citizens by cleaning up the air, the Environmental Protection Agency said yesterday.

As of 1977, the study said, the United States was spending $6.7 billion on government-required controls for pollution from power plants, factories, and other non-automotive sources, while reaping a benefit of more that $8 billion.

"One can draw a reasonable implication . . . that the health benefits alone from cleaning up air pollution appear to be substantially more than [the cost of] controlling particles and all other pollutants from stationary sources," said Alan Carlin of EPA's Office of Research and Development.

The study, conducted by scientists at the universities of Wyoming, New Mexico and Southern California under an EPA grant, concluded it is possible to measure benefits previously thought intangible. That could help government regulators, now under fire for the inflationary and other costs of regulation.

The study also said illness, or the prevention of it, may be a more important measurement of economic benefits than death statistics for those exposed to pollution.

"The likely economic benefits of air quality improvements are perhaps as much as an order of magnitude greater than previous studies had hypothesized," the report concluded.

A sample of 5,000 households nationwide determined there is a statistical association between time lost from work and lost wages, and living in an area where the air contains particulate matter such as soot, the report said.

If that form of pollution could be cut by 60 percent there would be a $36 billion benefit in increased labor productivity, it said.

In addition, it said a look at death rates in 60 cities indicates an additional $4 billion economic benefit from reduced mortality if particulate pollution dropped by 60 percent.

From 1970, when Congress passed the Clean Air Act, to 1977, particulate pollution dropped only by an estimated 12 percent.

The study also found that in the Los Angeles basin alone there would be an increase in real estate values of $950 million per year—or $500 per household—if smog were cut by 30 percent.●

OFFICE OF MINORITY CONCERN WITHIN ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

● Mr. INOUYE. Mr. President, I submit for the Record a copy of correspondence I recently received from Dr. Jules H. Masserman, president of the board of directors of the American Psychiatric Association, expressing the association's strong support for legislation which Senators Randolph, Matsunaga, and I recently introduced, which would establish an Office of Minority Concerns within the Alcohol, Drug Abuse, and Mental Health Administration.

This proposal, S. 925, is consistent with the recommendations of the President's Commission on Mental Health and is supported by almost all of our Nation's minority organizations. Further, a similar bill was recently introduced in the House of Representatives by Representative Carl Stokes on behalf of the Black Caucus.

I am especially pleased, therefore, that the American Psychiatric Association, which represents over 24,000 psychiatrists nationwide—in both academic institutions and various clinics and hospitals which provide direct services—has endorsed this bill. It is unfortunately true that even today mental illness has a very unpleasant stigma which can only be eliminated through considerable efforts by our Nation's mental health professions to educate our citizenry about the many new techniques which have been developed over the past years.

Accordingly, I am pleased that the American Psychiatric Association has taken the leadership in speaking out on behalf of various programs that they feel will benefit our Nation. They are a most progressive segment of our professional associations and I am sure that their expertise will be most helpful to us in our deliberations on this measure.

The correspondence follows:

American Psychiatric Association,
Washington, D.C., April 18, 1979.

Hon. Daniel K. Inouye,
U.S. Senate,
Washington, D.C.

Dear Senator Inouye: On behalf of the American Psychiatric Association, a medical specialty society representing over 24,000 psychiatrists nation-wide, ranging from the academic to the administrator to the individual in community, public health service or private practice. I would like to express support for your bill, S. 925, which would establish an Office of Minority Concern within the Alcohol, Drug Abuse and Mental Health Administration.

In December, 1978, the American Psychiatric Association's Board of Trustees approved a resolution calling for the APA actively to support S. 2373, your bill from the 95th Congress. As we read it, S. 925, introduced on April 9, 1979, revises and expands upon S. 2373. We applaud the inclusion of the additional responsibilities which the proposed Office of Minority Concerns would have compared to those proposed for the Division of Minority Mental Health Programs in S. 2373, particularly those related to research.

The APA's Board of Trustees directed that the appropriate APA component assist in the implementation of this recommendation. The Council on National Affairs (Minority Caucus) is the responsible entity, but the Division of Government Relations (through its Special Counsel and Director, Jay Cutler, who as you may know was formerly Minority Counsel and Staff Director to the Senate Human Resources Committee) will be the actual delegant.

While the Minority Center at NIMH has done a great deal to resolve some problems with minority involvement, the APA shares your concern that its size, budget and limited authority have prevented it from doing what is practicable. The Federal Government's cut-back in training funds, in particular, but the support of psychiatry, in general comes at a time when predictions for psycho-social difficulties in minority communities are greater than ever. The APA believes there is a need for minorities to establish a significant presence in research, training, service, and administration and that an essential way to achieve these goals is through the creation of the Office of Minority Concerns provided for in S. 925.

The American Psychiatric Association welcomes the opportunity of working with you again this year on this issue.

Respectfully,
JULES H. MASSERMAN, M.D.,
President.●

REFUGEE SUCCESS STORIES

● Mr. KENNEDY. Mr. President, over the years, I have closely followed developments in the admission and resettlement of Indochinese refugees in the United States. By and large, their resettlement in our country has been a success story—a story that not only continues one of the oldest themes in our Nation's history, but also is an extraordinary testament to the self-sufficiency and hard-work of Indochinese refugees.

Many articles and studies have been written in recent years on the rapid progress these refugees have made in normalizing their lives, and becoming productive and contributing citizens of our society. Yet, an article that appeared in today's Washington Star on the Vietnamese refugees in the Capital area captures this success story better than most.

As we consider legislation pending before the Judiciary Committee on overhauling our Nation's refugee programs and policies, I would like to share with my colleagues the experiences that recent refugees have had in the Washington area. Their story underscores again what the statistics have told us for some time: That refugees contribute to our country and enrich our society—not the other way around.

I ask that the text of today's Washington Star article be printed in the RECORD.

The article follows:

EASING INTO LIFE IN U.S.

(By Pattie Yu and Donia Mills)

The first wave of Indochinese refugees pouring into the United States after the fall of Saigon in April 1975, was accompanied by the alarming specter of strained schools and welfare rolls, heightened competition for scarce jobs and housing, and clogged public facilities.

While some of these problems developed in areas where less educated and skilled refugees clustered, the largely white collar group that came to the Nation's Capital has settled smoothly into local neighborhoods.

In fact, an obsessive desire to become economically self-sufficient has made the majority of Vietnamese refugees model citizens rather than public burdens, resettlement workers say.

"They are geared toward accomplishing their own needs—the family-takes-care-of-itself system," says Lynda Eubank, an assistant division chief of Arlington County's Social Services program.

One 1975 study of local refugees found that 29 percent were professionals and 44 percent former government or military personnel, with bureaucratic backgrounds that may have eased their adaptation to life in the Washington area.

American families, voluntary agencies and local church groups which sponsor refugee resettlement say most Indochinese here have been quick to adjust within three to six months after their arrival. Public assistance, food stamps, medical and housing aid serve only as a temporary catalyst, never a lifelong crutch.

A recently published survey by Dr. Darrel Montero of the University of Maryland reveals that the employment rate among the job-seeking refugees rose from 68 to 95 percent for men and 50 to 93 percent for women in the first two years of their residence here.

And, while three out of five former white collar workers are forced to take jobs below their level of education and experience, the average Vietnamese worker fares better here, in terms of income, than in his native economy

The average worker in Vietnam, who made the equivalent of about $50 monthly, can live as well in Washington on a $600 monthly salary.

Montero's study showed that the proportion of households with monthly incomes of $800 or more rose from 15 to 51 percent within two years after resettlement began.

Even though the great majority of refugees are employed, one out of three Vietnamese families currently qualifies for limited public assistance on the basis of low family income. But as of August 1977, public assistance payments accounted for less than 10 percent of the refugees' total income.

"They will take any job and prove that they are very efficient at it," says Ron Seguin, volunteer coordinator of DHR's Arlington Mental Health Services Division. "They don't look at it as a dead end, but as a stepping stone to higher jobs. They can do an awful lot with very little."

With 50 percent of the 1975 Indochinese arrivals under 16-years-old, refugees often begin their long road to the American dream by placing top priority on education for their children.

At home, education was always stressed as the means to a better life, Vietnamese say. And it is regarded as even more crucial to success in America.

Local schools, where refugees tend to be most visible, give the best index of where families have settled.

Indochinese refugees generally avoid moving to the District because of limited housing, high rents, and the "better schools" found in the suburbs.

In the District's public and private school system, there are only 60 Indochinese refugees.

In Arlington public schools, however, there are an estimated 500.

Fairfax reports 1,023 Indochinese, and Alexandria officials say their enrollment has totaled 120 over the past three years.

In Maryland, there are about 249 Indochinese refugee students in Prince George's public schools, with 488 reported in Montgomery.

Local school systems attempt to close the language gap with transitional bilingual classes or ESL (English as a Second Language) programs.

Depending upon their level of language proficiency, students are enrolled in either intensive, day-long ESL sessions, or for one or two supplemental periods along with standard courses.

Eventually the foreign-speaking students are "mainstreamed" into regular classes.

James McClure, guidance counselor at T. C. Williams High School in Alexandria, says the school's 26 Vietnamese students have proven "model students," the majority of whom work part-time.

"I wish all our students were as motivated," said McClure. "One of the reasons is, they have a cause."

This mission, for most, is financially to help their fragmented families begin life anew. Often it means juggling school schedules to pick up a few dollars working at part-time, menial jobs as many of their parents do.

They wipe tables and stack grocery shelves. They dole out change behind store counters and often enthusiastically volunteer for extra shifts, employers say.

"From a businessman's point of view, they have definitely earned their wages," says Charles Ford, personnel manager of High's. "And they feel successful that they are earning a dollar for a day's work."

"They go above and beyond what is expected," says Bill Bruce, an area supervisor of McDonald's

"They adapt very well to conditions. They are honest and seem eager to learn," says Raman Raj, assistant personnel manager of the Capital Division of 7-Eleven stores.

Raj says there are an estimated 100 to 150 Vietnamese refugee workers in assistant manager or clerk positions. At least three or four have advanced to managerial positions.

Ironically, the cooperative, nonaggressive behavior of the Indochinese newcomers often proves a disadvantage.

Organizers of several Northern Virginian refugee programs say there have been cases of landlords unfairly evicting Indochinese tenants because of neighbor complaints of "strange" cooking odors and the tendency of extended families to crowd together.

Indochinese refugees generally spurn advice to seek legal assistance through small claims courts. "They just don't want to make any trouble," says Pat Meline, coordinator of the Mini-Center, a human services center in Herndon.

"They are very highly motivated to be independent," says Lin Nemiroff, supervisor of Montgomery County's Indochinese Refugee Program. "But you often don't know the degree of suffering they are going through or what's on their minds. They are not used to tooting their own horns."

Whatever adjustment traumas they may be suffering, the refugees are certainly not venting their frustrations on the community.

Local police officials say that crime is practically non-existent in Asian communities, and that refugees are more likely to be the victims of crime.

"I suppose it's because of their family background," says Marge Besant, Fairfax County Police spokeswoman. "They are a peaceable people."

Prince George's Police spokesman John Hoxie says, "The only time we encounter problems with refugees is as victims of robberies at local stores, where many work." ●

DEPARTMENT OF NATURAL RESOURCES "FACT BOOK"

● Mr. MELCHER. Mr. President, in yesterday's mail, I got a letter from James T. McIntyre, Jr., Director of the Office of Management and Budget, extolling the merits of a plan to establish a Department of Natural Resources and enclosing a copy of a fact book, he said, on the proposal.

This was the sixth copy of the unsupported propaganda on this subject that has been sent to me. Two copies were of a fact sheet issued by the White House addressed to me when it was in the form for the President. Next, I was sent a fact book which contained virtually the same material as the fact sheet. Next came a rehash of the same propaganda in a printed sheet issued by the Office of Management and Budget. For some reason this was mailed to me twice. And now I have received the fact book again, direct from Mr. McIntyre's own signing machine with a cover letter that talks about waste, confusion, duplication, and all such undesirable things.

The wasteful, duplicating mailings of the various OMB poop sheets about their proposed new Department of Natural Resources is a classic example of exactly what they are talking about.

I got their message the first time.

As a consequence, I called a hearing to get at details about this Department of Natural Resources proposal. The poop sheet said it would save $100 million and 2,000 jobs. My Subcommittee on Forestry wanted to know exactly how that was going to be done. But the Office of Management and Budget would not send up a witness to explain how these savings were to be achieved. They were not ready with the details they said.

So, instead of a witness, I got more poop sheets which Mr. McIntyre describes as "going into detail," which is an exaggeration of the first order.

I am told that these unsupported propaganda fact sheets and fact books have been printed and circulated in great quantity. A couple of hundred of them were sent to a mining convention in Montana. Obviously, they are being distributed around Washington in profusion. I will not be surprised if they are dropped from helicopters tomorrow morning.

There is a surplus of propaganda, but not one witness to answer a few questions about the unsupported claims in the poop sheets.

Two things are obvious.

Mr. McIntyre needs to clean up his act down at the OMB and get rid of the wasteful, duplicating mailing lists that his supposedly well-organized agency is using, so we do not get six copies of their duplicating, unsupported propaganda sheets.

Mr. McIntyre also needs to get his all-under-one-roof agency coordinated so when it starts broadcasting claims of $100 million and 2,000 job savings for one of his reorganization plans, they have at least one employee prepared to back up that claim before a committee of Congress.

Personally, I do not wish to be told even one more time that this proposed plan will save $100 million and 2,000 jobs except by a witness with the facts to back it up and show us exactly how that is going to be done while improving service to the public.●

ORDER FOR RECESS UNTIL 12 NOON TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business this morning it stand in recess until the hour of 12 noon today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECOGNITION OF THE MAJORITY AND MINORITY LEADERS, SENATOR JEPSEN, SENATOR DANFORTH, AND SENATOR SASSER TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized—if the distinguished Republican leader is agreeable, I would like to limit our time to 3 minutes each on tomorrow. I ask unanimous consent that the time of the two leaders be limited to 3 minutes each on tomorrow, and that following the recognition of the two leaders on tomorrow, Messrs. JEPSEN, DANFORTH, and SASSER be recognized, Mr. JEPSEN for 15 minutes, Mr. DANFORTH for 5 minutes, and Mr. SASSER for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF EDUCATION

Mr. ROBERT C. BYRD. I ask unanimous consent that following the recognition of the three aforementioned Senators on tomorrow, the Senate resume its consideration of the Department of Education bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT ON A NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs have until May 11 to report on the nomination of Mary Fine Knowles to be Inspector General of the Department of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUNERAL ARRANGEMENTS FOR MRS. MARVELLA BAYH

Mr. ROBERT C. BYRD. Mr. President, while I am on my feet, the Air Force is providing two buses on Friday, April 27, for the funeral services for Marvella Bayh. All Senators and their spouses are invited to depart from the Senate steps via these buses at 10:15 a.m. for the 11 o'clock a.m. services at Washington Cathedral. The services are estimated to last 1 hour, and the buses will then return to the Senate steps immediately after the service.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock noon.

The motion was agreed to; and at 12:57 a.m. the Senate took a recess until 12 noon the same day (Thursday, April 26, 1979).

NOMINATIONS

Executive nominations received by the Senate April 25, 1979:

DEPARTMENT OF STATE

Walter Leon Cutler, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Lawrence A. Pezzullo, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant Colonel to colonel

Broome, Rex D., [redacted]
Carleton, John E., [redacted]
Carroll, John S., [redacted]
Cooper, Charles S., III, [redacted]
Culver David E., [redacted]
Davis, Russell C., [redacted]
Delitta, Sam F., [redacted]
Dubie, Clement F., [redacted]
Earnhardt, Harold C., [redacted]
Eide, Allan B., [redacted]
Gabriel, Kenneth O., [redacted]
Gunby, Philip E., [redacted]
Hall, Robert R., [redacted]
Hoppe, Keneth A., [redacted]
Jamison, Robert E., [redacted]
Konopisos, John W., [redacted]
Marchesiello, Dominick C., [redacted]
Masuret, Donald L., [redacted]
Peterson, Franklin D., [redacted]
Petrina, Gilbert E., [redacted]
Reeder Elwyn E., [redacted]
Richardson, Edward V., [redacted]
Ryherd, Clarence H., [redacted]
Scarborough, Melvis O., [redacted]
Smith, John L., [redacted]
Steeves, Robert G., [redacted]
Thompson, Leroy, [redacted]
Vogel, Joseph L., [redacted]
Wilkerson, Hugh D., [redacted]

MEDICAL CORPS

Adams, Michael, [redacted]
Chiofalo, Anthony, [redacted]
Durfey, John O., [redacted]
Markham, Sanford M., [redacted]
Wingert, John G., [redacted]

CHAPLAIN CORPS

Phillips, George R., [redacted]

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section

8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be captain

McGinnis, Lloyd P., [redacted].

To be first lieutenant

Stottlemyer, Keith D. [redacted].

DENTAL CORPS

To be captain

Hartsfield, Charles E., [redacted].

To be first lieutenant

Bashor, Ronald L., [redacted].
Faulkner, Victor M. [redacted].
Felt, McLane H., [redacted].

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Allen, Cyril R., Jr., [redacted].
Begen, Francis R., [redacted].
Bowers, Charles R., [redacted].
Brown, Robert J., [redacted].
Durand-Hollis, Gabriel, [redacted].
Evans, George E. C., [redacted].
Haller, Michael J., [redacted].
Hastings, John R., [redacted].
Heffron, John P., [redacted].
Huey, James R., Jr., [redacted].
Kim, Sarah, [redacted].
Lockwood, Gerald W., [redacted].
Miller, Richard F., [redacted].
Neal, Ronald H., [redacted].
Otis, Watson L., [redacted].
Richardson, Howard M., [redacted].
Robertson, Michael J., [redacted].
Shipper, John C., [redacted].
Simones, Antonio J. L., [redacted].
White, Adair W., [redacted].

DENTAL CORPS

To be lieutenant colonel

Ammerman, Thomas J., [redacted].
Lubow, Richard M., [redacted].
Williams, Howard J., [redacted].

The following persons for appointment as Reserves of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Bhatti, Tajammul H., [redacted].
Whiteford, Edwin W., Jr., [redacted].

The following officer for appointment as a Reserve of the Air Force (ANGUS) in the grade indicated under the provisions of sections 593, 8351 and 8392, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Sullivan, Charles, [redacted].

The following officer for promotion in the Regular Air Force, under the provisions of chapter 835, title 10, United States Code, as amended. Officer is subject to physical examination required by law:

LINE OF THE AIR FORCE

Captain to major

Floyd, Johnny B., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code:

MEDICAL CORPS

Lieutenant colonel to colonel

Urso, Philip J., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Christoffersen, Neil J., [redacted].
Coronado, Gill, Jr., [redacted].
Cronan, William C., [redacted].
Day, Allen R., [redacted].
Dedianous, Noel C., Jr., [redacted].
Dzialo, Walter F., [redacted].
Fixsen, Lowell D., [redacted].
Greves, John H. [redacted].
Grybko, Richard J., [redacted].
Hagberg, Russell C., [redacted].
Hollobaugh, Gordon F., [redacted].
Hosmer, Philip C. [redacted].
Kane, Francis E., [redacted].
Kost, Frederick J., [redacted].
Liebsack, Richard H., [redacted].
MacAllister, Roderick, [redacted].
Mallets, Thomas J., [redacted].
McCaw, Robert H., [redacted].
Ohlsen, John W., [redacted].
Pettengill, Arthur S., [redacted].
Porter, Charles P., [redacted].
Pray, Harold L., [redacted].
Rose, William W., [redacted].
Rudy, James D., [redacted].
Schellenger, Raymond D., [redacted].
Schubert, Norman L., [redacted].
Seymour, Francis J., Jr., [redacted].
Shaunessy, James P., [redacted].
Simpson, Cleveland, [redacted].
Smith, Orville L., [redacted].
Soves, Andrew P., [redacted].
Steblay, Louis A., [redacted].
Steele, Donald L., [redacted].
Stovall, Robert L., [redacted].
Sullivan, Regis A., [redacted].
Welch, Guy F., [redacted].
Wheeler, Steven E., [redacted].
Whiting, Hubert L., [redacted].

MEDICAL CORPS

Castro, Juan M., [redacted].
Nepomuceno, Normando R., [redacted].

NURSE CORPS

Myers, Arthur T., [redacted].

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line or staff corps of the Navy, subject to the qualifications therefor as provided by law:

Frederick A. Aalbue
Edward G. Abel, Jr.
Emilio D. Abordo
James M. Ackley
George R. Adams
Andrew A. Adamshick
Godwin L. M. Adan
Raymundo Aguilar
Donald G. Akiyama
Kurt A. Albers
John R. Albiso
Donald K. Albrecht
Kevin C. Albright
Theodore P. Algire
Marvin T. Allen
Steven P. Ambrose
Thomas C. Amirault
David S. Andrews
Orlando Anzalotta, Jr.
Thomas W. Arenz
George E. Argerake
Christopher J. Armitage
Lawrence L. Armor
Carey A. Arthur
Brian E. Aut
Douglas G. K. Auyong
Marc E. Backstrom
Edward C. Baden
Gregory V. Baka
George H. Baker, Jr.
Carl G. Balestrieri
Walter W. Ballard III
James E. Barnes III
Kenneth W. Barnes
Jon W. Bayless, Jr.
Steven H. Bazer
David A. Beam
Michael J. Beauchamp
Bradley R. Becker
Kevin J. Becker
Donald B. Beeler
Phillip A. Begley
Scott J. Belanger
Randall J. Belles
Christopher D. Bentley
Edward M. Berko, Jr.
Eric C. Berry
Louis J. Beyer, Jr.
Kenneth C. Bitter
Mario R. Bladuell
Gary R. Blazin
Robert E. L. Bond
Jeffrey L. Bontrager
Simon D. A. Boocock
Timothy R. Boone
William H. Borger III
Richard R. Bosco
John T. Botek
Howard J. Bouknight
Richard K. Boyd
John M. Boyle
Joseph J. Bradfield
Michael E. Brady
Ted N. Branch
Blaine D. Brandon
Paul W. Branum
Christopher J. Brehany
Allen K. Brewer
John P. Brigante
Bruce B. Brittain
Barry J. Brocato
Steven E. Brooks
Andrew T. Brower
Matthew G. Brower
Jeffrey A. Brown
Mark D. Browning
Scott A. Bruce
Andres A. Brugal
Jack D. Brummett, Jr.
Jack A. Bruno
Rodney E. Bryant
Robert L. Burell
Francis J. Burke III
Henry F. Burns
Robert A. Burns
Anthony K. Burrell
Daniel W. Bursch
Carey R. Butler
Michael P. Butler
Robert E. Buttrick, Jr.
John I. Byrnes
Christopher W. Cable
Christopher F. Cadiz
James C. Cain, Jr.
William J. Calkins, Jr.
Peter T. Callas
Nestor H. Camerino, Jr.
Nevin P. Carr, Jr.
Peter L. Carrier
Dale E. Carson
Daniel R. Carthey
Sean T. Cate
Gary E. Cerezo
Daniel W. Chang
Roger A. Chapa
Vahan Chertavian
James M. Chimiak
Anthony J. Chitwood
Erik N. Christensen
Kenneth E. Church
Stanley D. Clark, Jr.
Stephen F. Clark
Mark N. Clemente
James D. Cloyd
Robert N. Clyman
Kenneth D. Coburn
William D. Cochran
Matt A. Coleman
Herbert S. Colenda
David L. Coles
Randel D. Compton
Thomas J. Concannon
Tim K. Conlan
Joseph B. Conyers
Patrick W. Corkill
Daniel C. Corritore
Michael Coss
Gregory S. Costello
John T. Counts
Dewayne G. Cousin
James S. Crawshaw
Francisco A. Cruz, Jr.
Philip H. Cullom
Stuart L. Cummings
Timothy J. Cummins
John A. Current
Gregory S. Curtis
Sherman L. Curtis
Carl W. Dahmer
Mark F. Dancer
John T. Daniel
Kenneth R. Darin
Wayne A. Darinzo
Paul L. Darring
Gregorio G. Darroca
James C. Davis
Michael D. Davis
Michael A. Dean
Brian N. Decker
Mark W. Decker
Gerald F. Doconto
Kevin J. Delaney
David M. Dennis
Kevin H. Derbin
Bradley G. Deroos
Jonathan B. Dinsmore
Paul J. Dirito
Michael D. Divinnie
Charles B. Dixon
Francis J. Dombrowsk
Michael V. Domzalski
John M. Doswell
Charles V. Doty
Christopher J. Dowd
Michael P. Doyle
Almond J. Drake III
Christopher J. Drake
Richard B. Drehoff
Terry M. Druffel
Barry P. Driscoll
Terry M. Druffel
Timothy M. Dumbauld
Mark R. Duncovich
Joel B. Dykes
Robert W. Eadie
Bobby R. Eaton
Timothy P. Ebbinghouse
James W. Edmondson
Mark D. Edwards
John B. Eggleston
Robert E. Ehrhardt III
Roland L. Ellis
Wayne A. Elmer
David J. Emerling
Robert J. Engel
Daniel T. Enloe
Adreon M. Ensor
Jon J. Erickson
Michael C. Eriksen
James D. Estrada
Thomas J. Facer, Jr.
Joseph M. Fallone
James D. Fawcett
Benny A. Fegurgur
Michael J. Feidt
Micki L. Fernbaugh
Steven A. Fillipow
Michael S. Finley
Glynn R. Firmin
Thomas F. Fischer
Jonathan D. Fish
Dennis G. Fitzgerald
Richard D. Fitzpatrick
David E. Fleenor
Gary S. Fleshman
John M. Flynn
Timothy V. Flynn III
John A. Ford
Douglas S. Foreman
Michael J. Foreman
Thomas M. Forsythe
James R. Fothergill
Dennis R. Fox
Edward J. Francis
James Hagn Fraser
Douglas E. Fremont
Gary J. Fresquez
David A. Frey
David J. Frost
Jeffrey E. Frost
Stephen G. Gabriele
Jon Gahan
Michael E. Gallagher
Michael E. Gallant

Jeffrey S. Galway
Patrick C. Garcia
Raul R. Garcia
Michael J. Gault
John R. Gause, Jr.
Matthew A. Gebel
Frederick K. Gerheiser
Timothy M. Giardina
Michael A. Gibson
Thomas J. Gibson, Jr.
Christopher J. Giedlin
James P. Gigliotti
Robert J. Ginsberg
Ronald L. Glass, Jr.
Lanny B. Glover
James I. Godley
James F. Goodwin
Dominic L. Gorie
James R. Grabe
Robert G. Graham
William R. Granger
Steven D. Grant
Gary F. Gray
Walter S. Gray IV
William K. Gray
David G. Green
John L. Green
Nathaniel B. Green, Jr.
Robert D. Greer
Henry B. Gregorie III
Anthony Grenci
William H. Grider, Jr.
Frederick S. Griffith
Raymond J. Griffith
Theodore P. Griffith
Frederick J. P. Gross
Paul E. Grubbs
Eric M. Haas
John A. Hagelin, Jr.
Daniel L. Hammill
Timothy J. Hancock
Michael D. Hannan
Gregg T. Hanold
Paul T. Hanrahan
Bruce H. Hanson
Steven W. Hanson
Roy H. Harkins
Basil N. Harris, Jr.
Carl A. Harris
William T. Harris
Lawrence W. Harrison
Joseph C. Harriss
Joseph P. Hartigan
John R. Hartzog
Robert S. Harward, Jr.
Jeffrey R. Hashberger
Paul M. Hatch
David D. Havrilla
Christopher J. Hayes
Richard A. Hayes
William R. Hayes, Jr.
Jeff D. Headrick
Michael A. Hecker
Jerry D. Hedden
Steven G. Heida
Antony O. Heimer
Mark F. Heinrich
Joseph H. Hellner
Felix Hernandez, Jr.
Steven D. Herning
Thomas J. Herrmann
James M. Hicks
Samuel T. Hicks
Thomas E. Hicks
James B. Hillan
Shawn E. Hilvers
Tod E. Hirt
William E. Hogan
Steven D. Hogge
William P. Hoker
Kenneth A. Holder
Howell C. Hollis
Karl F. Holly
Michael J. Holoubek
Jack W. Holt
Starr W. Horton
Kenneth T. Houck
Douglas A. Houseman
Arthur T. Howell III
Donald C. Hubbard, Jr.
Robert Huddleston
Frank E. Hudik
Stanley P. Hudson
Ohlen M. Hunt
Peter A. Husta
Gregory T. Hutto
Edward R. Huyer, Jr.
Jerry L. Hyde
Ivars V. Ikstrums
David K. Inman
Frank S. Inscoe
Steven M. Ische
James A. Isom
David A. Jackson
George L. Jackson
Kevin B. Jackson
Kevin L. Jackson
Clifton D. Jacobs
Thomas S. Jacobsen
Jonathan G. Jaques
Stephen G. Jenkins
Dale A. Jensen
David J. Jerabek
Jeffrey B. Jerome
Joseph E. Johannes, Jr.
Arthur J. Johnson, Jr.
Jeffrey P. Johnson
Michael D. Johnson
Peter A. S. Johnstone
John E. Jolliffe
Philip C. Jolly
George S. Jones
Glenn R. Jones
Henry Jones
Sandy A. Jones
Steven C. Jones
William B. Jones, Jr.
Claude J. Jordan
Michael G. Jordan
Steven M. Jordan
Thomas M. Joyce
Bruce W. Kahl
John P. Kaiser
Kyle F. Kaker
George J. Karol III
David J. Karp
John W. Kasiski
William F. Kauffman
Paul M. Kaus
Douglas H. Kaye
Douglas W. Keiler
Larry P. Keller
Russel C. Keller
John F. Kelley
John C. Kennedy III
Michael E. Kennedy
Michael J. Kennedy, Jr.
Steven E. Kenyon
George F. Kiefer, Jr.
Ronald H. Y. Kim
John M. King
Michael F. King
Francis V. Klein
Robert A. Klocek
David K. Knab
Michael G. Knapp
Judson L. Knecht
Lindsey B. Knuth
Deane D. Kocher II
David S. Kolk
Anthony D. Konecny
James H. Korcal
Peter J. Koufos
Stephen R. Krause, Jr.
Steven R. Kremer
Michael E. Kreyenhagen
Daniel G. Kritikos
Kenneth J. Kropkowski
Rocky D. Kropp
David L. Krueger
Peter J. Krug
Glenn L. Krumel II
Mark A. Kuharik
John A. Kunert
Allan P. Kuong
Peter Kurzenhauser
Charles A. Kuzma
Thomas A. Kwiatkowski
Gary L. Labuda
Robert A. Lakis
Michael G. Lambie
Cory R. Lane
Mark A. Lange
Richard D. Lanning, Jr.
Neil M. Larimer
Louis S. Larragoite
Robert P. Larys, Jr.
Mark D. Lee
Raymond C. Lee
Richard E. Leeker, Jr.
Lawrence D. Leiter
Jeffrey A. Lemmons
Franklin P. Leon-Guerrero
Pedro A. Leon-Guerrero, Jr.
Robert M. Leszczynski
Jan M. Levin
Peter A. LeVoci
Thomas B. Lewis
Warren D. Lewis
Thomas D. Lindsey
Larry D. Linn
Michael L. Long
Richard E. Lopez
Ramon E. Luke
Cordial K. Luker
Henry B. Luna
Robert J. Luti
Richard N. Lynch
Harvey C. Lyon
John J. Lyons III
Warren R. McAuliffe III
John M. McCloskey
Ashton P. McCombs III
Philip J. McConkey
James F. McCormick
Leslie J. McCoy
Thomas K. McCulley
David K. McCullough
David M. McDonald
Thomas L. McDonald
Jeffrey E. McFadden
Geoffrey S. McFather
Edward F. McGinn, Jr.
Patrick E. McGrath
Stephen S. McKenzie
William P. McKinney III
William E. McLain
David W. McLarney
Patrick M. McLarney
Thomas A. McLernon
Gary W. McLoskey
Robert J. McNeely, Jr.
Thomas M. McPhilips
Robert W. Macek
William A. Macht
Brian H. Mackay
John L. Madden
Laurence R. Maguire
Michael K. Mahon
Todd P. Mairs
Craig L. Majkowski
Richard W. Malone, Jr.
Jeffrey S. Manor
Michael W. Many
David C. Marble
Michael P. Marciano
Charles J. Mark
William P. Marriott II
Richard L. Marrs
Ronald W. Marshall
William B. Martin
Dana C. Martinez
Stephen L. Mason
William R. Massie, Jr.
Kevin B. Mathison
John B. Matthews, Jr.
Roger G. Mau
George F. Mayer
William H. Meader
Corby J. Megorden
Anthony J. Mendiola
Mark S. Meredith
James W. Messenger
John G. Messerschmidt
Kirk A. Michealson
Stephan M. Mihacevich
Alvin B. Miller
Charles T. Miller II
Eugene A. Miller, Jr.
James D. Miller
John W. Miller
Joseph R. Miller
Steven C. Miller
Robert A. Mirick
William D. Mitchell
Edward J. Mitenius
Kenneth C. Molleson
Gregory A. Monroe
Maurice M. Montana
Timothy D. Moon
Kevin S. Moran
David T. Moroney
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David M. Morriss
Kenneth P. Morton
Justin R. Mostert
James H. Mower
Lyle K. Mueller
Timothy M. Mulcare
John J. Muldoon
Michael P. Muldoon
Joseph P. Mulloy
Harry A. Murphy II
Nicholas F. Mygas
Timothy J. Nagle
Robin P. Needham
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Michael E. Neller
Patrick H. Nettles
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Robert B. Newman
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Peter E. Nicolai
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David J. Norton
Edward V. O'Brien, Jr.
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James W. O'Connell
Richard B. O'Donnell
Arthur J. Ohanian
Timothy J. Olivier
David Olmstead
Dennis K. Olsen
David R. Olson
David J. Otterson
Walter E. Owen
Kenneth B. Painter
David A. Palmer
John W. Palmer
Kenneth J. Panos
Gregory S. Parker
Michael T. Parrott
Peter S. Parsons
John A. Pasko
Douglas A. Patton
Justin F. Pavoni
Stephen W. Payette
Richard D. Peck
John C. Pedigo
James V. Pendley
Russell S. Penniman IV
Clifton E. Perkins, Jr.
Richard K. Phares
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Renard T. Picchini
Scott T. Pickles
Ray A. Pietrzak
Phillip J. Pilewski
James T. Pinkston, Jr.
Philip C. Pirozzi
John S. Podoba
Mark R. Pohlmeyer
Paul E. Pohlmeyer
William R. Pong
Bradley D. Post
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Samuel D. Pratton
Paul M. Price
David W. Prothero
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David R. Pryde II
Scott J. Pursley
Ralph D. Quarles
John V. Quigley
Donald P. Quinn
Wilfred P. Quintong
Ronald G. Rahall
Michael C. Ranz
James E. Ratte, Jr.
Kenneth W. Raup
Richard S. Reasor
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Carl W. Rehling III
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Gregory R. Reinhardt
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William H. Resser
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Richard C. Reynolds
Lawrence S. Rice
David B. Rich
Donald P. Richards
Duncan W. Richardsor
Scott A. Riggin
Raymond B. Riley
William J. Rinke
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Mark S. Roberts
Jeffrey Rocker
Brian A. Rodgers
David M. Rogers
Jerry L. Rogers
Bradley B. Rohrs
Richard A. Roll, Jr.
Joseph J. Romano
Gregory G. Romanoff
Roger M. Rose
William S. Rose
Steven H. Ross
Gary L. Rossi
Robert J. Rubin
William K. Rucker
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Fernando A. Ruiz, Jr.
Thomas A. Ruth
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Robert C. Sain
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Brian L. Sanborn
Roger W. Sassman
Shannon D. Saunders
Robert L. Saylor
Randy J. Scanlon
Kurt D. Schafer
John F. Schneider
Steven G. Schock
Frank G. Scholley
Mark M. Schreiber
Mark D. Seaman
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John K. Selden
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Kirk A. Shaffer
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Michael M. Shatynski
Donis L. Shaw, Jr.
Wayne G. Shear
Mark D. Shell
Thomas J. Shelly
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Douglas C. Shepherd
Jefferson W. Sherman
David S. Shikada
Mitchell N. Shipley
David W. Shockley
James M. Showalter
Gilbert Shuga
Joel C. Shugars
Lindsey M. Silvester
Kevin P. Sinnett
Britt C. Skogstad
Michael S. Slaughter
Alvin R. Smith
Bradley E. Smith
Michael K. Smith
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Thomas G. Smith
Robert J. Smout
Ray L. Snell
Lyle W. Snide
Robert A. Solik
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Michael K. Sottung
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Bart R. Sparks
Ralph E. Spaulding
George O. Spencer III
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Stephen G. Squires
Sean G. J. Stackley
Charles R. Stancil, Jr.
Walter A. Stark
Mark A. Statler
James E. Staudt
Alan P. Steel
Parks E. Stephenson, III
Robert R. Sterling
James B. Stetson
Danny R. Stevenson
Michael R. Stewart
James A. Stokes
Douglas H. Stone
Keith G. Strong
Jack R. Stumborg, Jr.
Thomas J. Summerour, Jr.
Charles P. Sumner
Michael P. Susalla
Eric L. Sweigard
Dana E. Swenson
Michael J. Szostrak
Douglas M. Taggart
Robert M. Tata
John E. Taylor
Mark Tempestilli
Kennon P. Temple
Paul J. Tetreault, Jr.
Thomas K. Teynor
Doyle E. Thomas
Thomas W. Thompson, Jr.
Grant B. Thornton
William L. Tilton
Keith D. Tindall
Richard D. Tobey
Spencer P. Tolis
William J. Toti
Kevin F. Trail
Michael J. Trcka, Jr.
Guy W. Turnquist
Joseph F. Unger
Alexander L. Urrutia
Dennis A. Uthe
Wiley V. Utterback
Samuel E. Valdez
Joseph A. Valenti III
William D. Valentine, Jr.
Scott R. Van Buskirk
Paul M. Van Cleve
Michael A. Van Horn
Kenneth R. Vanderhorst
Roger E. Vanderwerken

James Vanlangen
David D. N. Vann
Stephen S. Voetsch
Robert J. Voigt
John E. Von Gohren
Daniel R. Vortherms
David W. Walker
Jay W. Wallin
Harvey T. Walsh III
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Brian D. Ward
James A. Ward
Richard C. Warner
Thomas C. Warren, Jr.
Patrick A. Wasilewski
Theodore J. Wasylkiw
Bernard T. Wawrzeniak
James M. Weckerly
Alan M. Weigel
Charles W. Weikel
Robert S. Weis
Michael R. Weiss
Michael K. Welch
William J. Welch III
Christopher G. Wenz
Richard C. West
Thomas S. Wetherald
Alan B. Whiting
Peter D. Whitney
Scott W. Whitney
Robert A. Wiesenberg
Richard D. Wilckens
Calvin R. Wilder, Jr.
Charles D. Willett, Jr.
Bryan S. M. Williams
James M. Williams III
John S. Williams
Edward T. Williamson
Michael L. Williamson
Mark S. Wilsey
Duane A. Wilson
Clifford C. Wilson
George H. Wilson
Joseph A. Wilson, Jr.
Robert J. Wilson
Mark R. Winsor
Gustav A. Wirth
James E. Wise II
John D. Withers
Thomas M. Wittenschlaeger
John A. Wolfe
Thurston E. Womble
Chester W. Wong
Charles C. Woodward, Jr.
Devertt D. Woolwine
Robert O. Wray, Jr.
Charles R. Wright
Paul T. Wright
David C. Wyatt
William J. Yalen
Leslie K. Yamashita
Brian S. Yanagi
David W. Yip
Richard A. Yocum
David G. Yoshirhara
Mark F. Young
David W. Zaiss
Eric Zeigler
Bradley D. Zell
James E. Ziolkowski
Glenn L. Zitka

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lawrence R. Baun
Robert J. Gallagher

The following-named temporary chief warrant officer to be appointed a permanent chief warrant officer, W-2, in the line, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Norman C. Horn

The following-named Navy enlisted candidate to be appointed a permanent chief warrant officer, W-2, in the line, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Lewis E. Stoops

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Medical Corps in the Reserves of the U.S. Navy, subject to the qualifications therefor as provided by law:

Brian S. Saunders

EXTENSIONS OF REMARKS

WE MUST CHANGE OUR WAYS

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DAVIS of Michigan. Mr. Speaker, despite both the recent efforts to achieve stability in the Middle East and the detection of plentiful sources of fuel within our hemisphere, our Nation's most vital import remains gaged by the will of foreign nations. This extreme dependence must be eliminated.

The decrease in production of oil by a once reliable supplier and the recent OPEC price increases have strained our economic productivity. We can regard this current strain as an indication of a future way of life. Thus, it is essential that this dependence on Middle Eastern oil be acknowledged by all.

We can satisfy our demand for energy only by encouraging the utilization of domestic energy resources and by gradually preparing our livelihood for the eventual depletion of our conventional energy sources.

Our current consumption of fossil fuels is exorbitant. Alternative energy sources must be developed and commercialized. In the meantime, however, we must recognize that our ability to cope with the future relies on a prompt social adaptation to new patterns of energy production.

In this regard, I would like to submit for the RECORD the following article which appeared in the Alpena News:

DIVERSIFY ENERGY SOURCES

The Khomeini government in Iran wants to resume oil exports to the industrialized countries, including the United States, and may even invite Americans back to work in its oil fields. There is no reason, however, for any of Iran's oil customers to feel relieved.

The United States, Japan and Western Europe would do well to consider a worst-case scenario where the availability of Iranian oil is concerned. Even if Ayotallah Khomeini manages to consolidate his power and quiet his country, it is doubtful that Iran's oil exports will return to the previous level of 5.5 million barrels a day—10 percent of the supply for the non-Communist world, and five percent of U.S. imports.

Energy Secretary James Schlesinger is not exaggerating, then, when he warns that the collapse of Iranian production poses a problem as serious as the 1973–74 Arab oil embargo. The embargo caused a sharp drop in supplies, but it lasted only a few months. The Iranian curtailment will last indefinitely.

Moreover, the ayatollah's new "Islamic republic" is showing signs of regarding its oil supplies as a weapon, the way some Arab leaders do. It can be presumed that Iran in the future would go along with any attempt by the Arab states to use oil to create pressure against Israel, a step which the deposed Shah Mohammed Reza Pahlavi refused to take. Thus, whether stability or further chaos lies ahead for Iran, its oil is nothing to count on.

None of the 18 nations belonging to the International Energy Agency has experienced a supply cutback serious enough to trigger the emergency sharing requirement of the IEA. It is possible, however, that if supplies get tighter later this year, we will be obliged to share some of our oil with other IEA members.

So far, increased production by Saudi Arabia and other exporters is covering more than half of the loss of Iranian oil on the world market, but the scramble for reduced supplies is driving up prices to the point that this is little comfort. Some oil has gone for a record $22 a barrel—57 percent above the $14 posted price of the OPEC cartel. An OPEC meeting in March could bring increases in the official price above those already scheduled for the balance of this year—a potential threat to economic growth and a setback in the fight against inflation.

What is emerging is not so much a visible "shortage" of oil but the kind of scarcity that disrupts the market for a commodity and bids up the price. It is beside the point whether our situation is any better or worse than it was during the embargo five years ago. This is simply the same problem, surfacing again to remind us of the vulnerability of our energy supplies to distant political events and the necessity of paying the going price for crude oil in the seller's market.

The cure for the problem is the same as it was five years ago: to diversify our energy sources so we rely less on oil, and particularly oil from the volatile Middle East to stimulate new production of oil here and abroad, and to reduce our per capita energy consumption through conservation.

The Japanese and Western Europeans are miles ahead of Americans in adjusting their economies and life-styles to the changing realities of the energy market. Where oil is concerned, we remain the country of conspicuous consumption, representing five percent of the world's population and using 30 percent of its energy resources. We can wring our hands because a revolution in Iran threatens our pursuit of the good life, but no one can say we didn't have fair warning.●

WULF ZALMANSON, SOVIET JEWISH DISSIDENT, IS RELEASED FROM PRISON

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. WYDLER. Mr. Speaker, I have some good news that I wish to share with my colleagues. Along with four other Soviet Jewish dissidents, my adopted prisoner of conscience, Wulf Zalmanson, has been released from prison.

Wulf was one of those tried and sentenced in the first Leningrad trial in 1970, and he received a sentence of 10 years at strict regime in a labor camp. I "adopted" Wulf about 4½ years ago, and have been writing to him and to Soviet officials on his behalf since that time.

Wulf had 14 months of his sentence still to be served when the personal pardon, signed by Soviet President Brezhnev, secured his release. Anyone who has ever given any thought to the conditions under which political prisoners exist in the Soviet "gulag" will surely rejoice to learn that a man has been spared 14 months of "strict regime." Furthermore, Wulf has been granted an exit visa to leave the Soviet Union.

To my knowledge, this personal pardon granting release to Wulf and the four others, all of whom were sentenced in the Leningrad trials and none of whom were eligible for early "parole" under Soviet law, is unprecedented. I hope and pray that this may be a harbinger of a new Soviet policy toward minorities and political dissidents, and that all prisoners of conscience in the Soviet Union may soon be released.●

ABYSMAL RECORD OF U.S.S.R. INTERNATIONAL RELATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. DERWINSKI. Mr. Speaker, at a time when we are concluding the SALT negotiations with the Soviet Union, it is well to remember the abysmal record of the U.S.S.R. in international relations.

My attention was recently directed to a letter, written by the Truth About Romania Committee to the Soviet Ambassador at the United Nations. The letter, which is self-explanatory, follows for the Member's attention:

TRUTH ABOUT ROMANIA COMMITTEE,
New York, N.Y., March 31, 1979.

H. E. Mr. OLEG ALEKSANDROVICH TROYANOVSKY,
Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the U.S.S.R. to the United Nations, New York, N.Y.

MR. AMBASSADOR: The Romanian Community of Greater New York is demonstrating today to protest the forcible annexation by your country, the Soviet Union, of three Romanian provinces inhabited by over 3½ million Romanians and to re-assert the rights of these people to self-determination.

You will certainly recall that on June 26, 1940, your government, taking advantage of the turbulent situation then prevailing in Europe, addressed an ultimatum to Romania demanding the cession, within four days, of the Romanian provinces of Bessarabia, Northern Bukovina and the Hertza district. Without awaiting the reply of the Romanian government, the Soviet armed forces invaded these territories the next day. Romanian troops were disarmed and the civilian population was prevented from fleeing.

This brutal and unprovoked act of aggression was devoid of any historic or ethnic justification. It was the direct consequence of the Non-Aggression Pact Stalin and Hitler concluded on August 23, 1939. By a secret protocol appended to the Pact, the two powers bearing responsibility for the outbreak of World War II, petitioned Poland and the Baltic countries. Germany declared herself disinterested in the fate of Bessarabia, while the Soviets affirmed their own interest in these Romanian lands.

France and Great Britain had given a guarantee to Romania, but were no longer in a position to honor it: France lay prostrate and Britain was in the process of evacuating its last troops from the continent. These were the conditions in which a whole province (Bessarabia), half of another (Bukovina) and the district of Hertza involuntarily came under Soviet rule. These were overwhelmingly Romanian-inhabited territories. They had formed the eastern half of the Principality of Moldavia from its very beginnings in the 14th century.

Following the incorporation of these lands, the Soviet Government undertook a brutal drive to russify its inhabitants. The Cyrillic (Russian) alphabet was substituted for the Latin in order to render more difficult the contact of the younger generation with Romanian culture; ancestral customs were prohibited; cultural ties with Romania were broken; hundreds of thousands of Romanians were deported to distant areas of the USSR, while other nationality groups were brought in to replace them.

The rape of Bessarabia, Northern Bukovina and the Hertza region stands out as an undeniable example of Soviet imperialism, of Soviet callousness toward weaker nations and, in the post-World War II years, of Soviet brutality in dealings with other "socialist" states. It stands as a permanent indictment of the Soviet rulers and their propagandistic slogans "about peace" and "friendship among peoples."

Americans of Romanian descent and Romanians residing in the U.S. strongly protest the continued colonialist subjugation of 3.5 million Romanians of Bessarabia, N. Bukovina and the Hertza region. They demand that the Soviet Government respect:

1. The 1711 Treaty of Lutzk between Tsar Peter the Great and Dimitrie Cantemir, ruler of Moldavia by which the river Nistru (Dniester) was recognized as the border between the Russian Empire and the Principality of Moldavia;

2. The decision of the freely elected representatives of the people of Bessarabia which on March 27, 1918 proclaimed that "by virtue of historic and national rights and on the basis of the principle that every people has the right to determine its fate, hereafter and forever unites with the Mother Country, Romania"; as well as the similar decision taken by the duly authorized representatives of Bukovina, on November 15, 1918;

3. The Declaration of the Ukrainian Rada of June 26, 1919, which recognizes the river Nistru as the final border with Romania;

4. The Charter of the United Nations which sets forth the fundamental right of people to self-determination (Chapter I, article 1, para. 2).

We believe to be speaking for the silenced people of Romania in declaring:

That the Romanian people never recognized and shall never recognize the incorporation of Bessarabia, Northern Bukovina and the Hertza region by the Soviet Union;

That the only way to redress the injustice inflicted on the Romanian people is to restore to the people of the aforelisted land the full exercise of their human rights including self-determination;

That there can be no friendly relations between the Romanian and Russian peoples as long as justice is not done.●

SENSIBLE INSIGHTS ON ENERGY CONSUMPTION

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. JACOBS. Mr. Speaker, Mr. Michael W. Hoff of Indianapolis, Ind., has sent along some sensible insights which do not require a Department of Energy to bring about:

APRIL 16, 1979.

Congressman ANDY JACOBS, Jr.,
Indianapolis, Ind.

DEAR CONGRESSMAN JACOBS: I have been watching with great interest the attempts by the Government to reduce oil consumption in the United States. I use the word attempt since most of the programs have not met with the expected success.

The main thrust of these programs seems to be aimed at the areas of largest consumption such as transportation. I have yet to see a program aimed at areas of small consumption that when put together account for a large portion of the consumption.

As an example, I use a gas powered lawn mower. Each time I cut my grass, I use about a half gallon. During a normal cutting season I will use in excess of eight gallons. Using my consumption as average, that would mean about 240 gallons would be consumed in a season on my street alone! I would be afraid to venture a guess on the consumption in the 11th District from lawn mowers alone. Think of the savings in both energy and money if push mowers were used instead of gas powered mowers! I think that this is a very practical alternative which I am going to put into practice.

Another idea I would like to present is to show home owners just where they need to put insulation to reduce heat loss in their homes. There was an insulation company in one of the northern states that offered to use infra-red film and take pictures of your home to show where heat loss was occurring. If you contracted with the company to correct heat losses, the pictures were free. If you didn't, you paid only for the processing of the film. It may have been a gimmick to get customers, but it helped greatly to reduce energy waste.

I would imagine that you and your staff could come up with even more ideas for savings by small users such as lawn mowers and small recreational "gas guzzlers." I would appreciate any thoughts you may have on this subject.

Keep up your good work in Congress!
Respectfully,

MICHAEL W. HOFF.●

HUMAN RIGHTS IN POLAND

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BLANCHARD. Mr. Speaker, I want to call my colleagues' attention to an incident which took place in Poland a little over a month ago. It has not received much publicity—but it is an incident which holds great significance for the cause of human rights. It stands as a clear and vivid example of the continuing repression of basic freedoms under Communist regimes in Eastern Europe.

On March 21, in Warsaw, Jacek Kuron, a Polish literary figure and one of the organizers of the well-known committee for the defense of the workers in Poland, was brutally attacked. The attack came after a "free university" lecture, which was to be held in Kuron's apartment, was canceled because Kuron's father had suffered a sudden heart attack. Despite numerous calls for help, no ambulance arrived—instead, a group of 50 men armed with night sticks broke into the apartment.

Kuron's wife and son and two other members of the committee for the defense of the workers were also severely beaten, suffering possible brain concussions and internal injuries. Kuron's father witnessed the beatings and suffered a second heart attack. The others were able to get him to a hospital only when the attackers left.

We cannot remain silent in the face of such brutal methods of intimidation and suppression. We cannot sit back and allow the victims of this oppression to stand alone and unsupported. We must make certain that incidents like this are made public; that violations of human rights are held up to the spotlight of world attention; and that those who are responsible are called to task.

By speaking out, we will at least be telling those who are most directly involved in the fight for their human rights and freedom—and, therefore, the most vulnerable—that they are not fighting alone.

Mr. Speaker, I call on each of my colleagues to join me in condemning the brutal attack on Jacek Kuron and his family and associates.●

ANNIVERSARY CELEBRATION OF BETH EL SYNAGOGUE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. OTTINGER. Mr. Speaker, on Saturday evening, April 28, the congregation of Beth El Synagogue in New Rochelle, N.Y., will gather to celebrate its 70th anniversary.

I am looking forward to attending the celebration and am pleased to share with my colleagues excerpts of "The Beth El Story: 1909–1979" written by Jacob Goldner:

THE BETH EL STORY: 1909–1979[*]

(By Jacob Goldner)

Three score and ten years ago, on March 3, 1909, fifteen humble men with high aspirations, representing about fifty Jewish families in New Rochelle, applied for a certificate of incorporaton as a religious institution in order "to foster, encourage, promote, induce and advance the study of the Hebrew language and its literature."

How they would "kvell" in the knowledge that their descendants and successors not only carried out these lofty aims, but in the course of time developed this institution to its present high level of Jewish community service and national prominence in the family of Synagogues associated with the Conservative Movement known as the United Synagogue of America. Among the founding leaders whose descendants are still associated with Beth El were Israel B. Cohen, Max Goldstein and Ben Seidenstein. Their successors in early Beth El leadership included Maurice LaVine, Israel Streger, Alfred M. Hackman and Maxwell James.

Not by any stretch of imagination or science fiction could David Hays, the first Jew born in New Rochelle—who arrived in 1732—nor even the fifteen founding fathers of Beth El in 1909, have ever envisioned the present Beth El architectural gem with its three separate superb facilities for serving three basic functions of a House of God (Beth El): 1) a magnificent Sanctuary that serves as a House of Worship; 2) a functional School Wing that serves as a House of Study; and 3) a Community Center with its outstanding auditorium (used also as a Ballroom) and meeting room facilities serving as a House of Assembly.

It was not until more than a century after the Hays family, particularly in the 1880's and 1890's, when the East European Jews fled from religious persecution, that any substantial numbers found a haven in New Rochelle as did the Huguenots, those other refugees from religious persecution two centuries before.

It was not until 1904, however, that the first Synagogue was erected in New Rochelle by the Orthodox Congregation Anshe Sholom on Bonnefoy Place in South New Rochelle. A few years later, in 1908, Temple Israel, a Reform congregation was organized. In 1909, Beth El (or Hebrew Institute, as it was then called) came into existence.

In 1950, Beth El's modern era began when, at the urging of some of its foresighted leaders, a four and one-half acre parcel of real estate, known as the Ernst Estate, bordering on Nothfield Road on one side and North Avenue on the other side, was purchased. Almost immediately, plans were launched for the erection of a new Synagogue and Community Center. The purchase, perhaps not entirely planned that way, nevertheless, was perfectly timed to coincide with the boom in New Rochelle's Jewish population in the Fifties that saw the number of Jewish families grow to nearly four thousand by 1960 as contrasted with just about two hundred at the turn of the century.

One of the most important and exciting decisions in the history of Beth El was made at the May, 1964 meeting of the Board of Trustees of the Synagogue. By unanimous vote, the Board adopted a resolution for the immediate planning and then construction of a new Synagogue to face North Avenue adjacent to the Community Center structure. In November, 1964, President Stanley I. Batkin, in furtherance of the Board's decision, appointed Sydney Mitchell to lead a million dollar New Synagogue Fund Raising Campaign. The Drive was now officially under way and plans were soon submitted for the construction of "a contemporary building with strong infusions of tradition" to quote President Batkin. Eventually, the cost of Beth El's new Sanctuary was to exceed a million and a half dollars.

We shall temporarily conclude this continuing story by quoting from our exteemed Rabbi Melvin N. Sirner's remarks, when notified of his election as Spiritual Leader of this congregation at the Congregational Meeting on May 10, 1976.

"Happily, Beth El Synagogue begins the coming new era with many valuable and treasured assets. As I have attempted to say many times, I believe that our greatest assets—and those of the entire Jewish people—are, first and foremost, human beings—*Nashamot.*"

"We are blessed with a long history and a core of veteran members of long standing whose interest in the Jewish life of our community—let it never be forgotten—has been steady and steadfast, spanning many years, often decades. Their wisdom and experience have benefitted us all, and we shall always value their help.

We have also been successful over the years—indeed to this very moment—in attracting many new Jewish families and individuals to our Synagogue. They come due to the depth and breadth of our religious educational, cultural and social programming. I am also confident that most come seeking and finding a sense of warmth, a feeling of community, a concern for the uniqueness which inheres in every individual.

I hope they find in Beth El a religious place which conducts its Services—those with a capital "S" and those with a small "s"—in a religious manner.

I believe that through great effort we have created a paradigm for integrating the veteran with the newly affiliated; for combining the wisdom of years with a receptivity and openness to the new and innovative. It seems to me that it is this combination which has given vitality and creativity to our people who have spanned millenia and lived in nearly every corner of the globe. It is this same unique and delicate combination which remains as a continual challenge to us in the future.

I know that there is so much good we can do. I assure you it can only be done together."

We pray that Beth El Synagogue in the years to come will remain true to its name "House of God"—and will continue to serve as a place for congregational prayer as well as one for lonely meditation; as a haven where one can, in the sanctity of God's presence, share life's moments of joy and find solace in time of sorrow; as a place for study and education; as a place to relax from daily mundane problems in an atmosphere of social congeniality; as an institution for the perpetuation of Jewish values; as an institution that will always be ready when needed to serve this congregation and the Jewish community from the cradle to the grave; and will continue to fulfill those modest objectives of the fifteen signers of the original certificate of incorporation in 1909 "to foster, encourage, promote, induce, and advance the study of the Hebrew language and its literature." ●

ASIAN COMMUNISM—WITHOUT ROMANCE

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. LOTT. Mr. Speaker, during this Nation's involvement in Vietnam, there were persons in the United States who idealized the Communist regime in North Vietnam as a freedom-loving, fair government. At the same time, these individuals cited the Governments of South Vietnam and the United States as cruel aggressors who would make capitalist slaves of the people of Vietnam. Time has proved these critics of our intentions to be wrong, as is pointed out in the following commentary by Mr. George F. Will, titled "Asian Communism—Without Romance." I commend it to your and my colleagues' attention.

ASIAN COMMUNISM—WITHOUT ROMANCE

(By George F. Will)

For several decades, since the Soviet Union lost its allure, many "progressives" have admired Asian communism—from a safe distance, of course. For such people, 1979 is becoming tiresome.

In January, Vietnam attacked Cambodia: War really is hell for a "progressive" when neither side can be called fascist. Cambodia's slaughtering of communists was an embarrassment, but so, too, was Vietnam's attack. It refuted the myth of "peace-loving" Hanoi, a myth concocted to serve the supreme myth: That Hanoi's war of aggression against South Vietnam was merely a welling-up of nationalist ardor.

Then China, which "progressives" have said "has so much to teach us," attacked Vietnam, destroying villages to "teach them a lesson." And in Paris, Jean Lacouture, a prolific journalist revered by Hanoi's Western friends, denounced himself and others for having been "vehicles and intermediaries for a lying and criminal propaganda . . . spokesmen for tyranny in the name of liberty."

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[*] Source Material: Gabriel B. Schonfeld and Stanley I. Batkin.

Lacouture confessed "shame for having contributed . . . to the installation of one of the most oppressive regimes [Cambodia's] history has known." And "with regard to Vietnam, my behavior was sometimes more that of a militant than of a journalist. I dissimulated certain defects of [North] Vietnam at war against the Americans. . . . I believed it was not opportune to expose the Stalinist nature of the [North] Vietnamese regime."

Michael Ledeen, writing in Commentary, says Lacouture's recantation is part of "the debate among French intellectuals over the nature of Communism—a debate which has now reached historic proportions." In France, philosophy, like wine, matures slowly, and some French philosophers, having read Solzhenitsyn, have concluded (better late than never) that the Gulag is the essence, not an accident, of communism.

It is quite French, this lighting upon the obvious with a proud sense of original discovery, but it is nonetheless welcome, especially because the debate is spilling into Italy. The debate there is helped along by an irony: As an Italian commentator has noted, Rome has a communist mayor who knows nothing about real communism, and a pope who knows everything about it.

And now comes another affront to "progressive" sensibilities—the movie "The Deer Hunter," winner of the Academy Award as best picture of the year. It is, primarily, a sympathetic treatment of the working-class young Americans who fought the Vietnam war. Although it deals admiringly with some martial virtues (such as bravery, loyalty and disciplined ferocity), it is in no way a celebration of war or of America's Vietnam involvement.

Nevertheless, it has been denounced by those among Hanoi's friends who cling to the old cause as if clinging to life. They detest the movie's stirring love of country, and even more its portrayal of Vietnamese communists as brutal, especially in the treatment of prisoners. That their many brutalities did not include one shown in the movie—forcing prisoners to play Russian roulette—is not the principal point of controversy. Those who denounce the movie as "reactionary" reveal how much their opposition to the American policy was rooted in anti-Americanism and a romantic assessment of Asian communism.

Captain John McCain of the U.S. Navy has not seen the movie. He saw too much of the reality. He was a POW for nearly six years, and experienced some of the "defects" of the North Vietnamese that the likes of Lacouture thought it would not be "opportune" to expose.

One day his captors told him he would be taken to meet someone identified as "an American actress who is for peace." He refused to see the actress, in part, he says, because he did not expect her to be the sort of person who would go home and tell the truth.

He also refused because of the experience of a POW who had agreed to meet with some other Americans in the "peace" movement. The "peace" people commanded the POW to confess war crimes. When he refused, repeatedly and adamantly, he heard a "peace" person suggest to his captors that "this young man needs to be straightened out in his thinking." He was hung by his wrists until an arm pulled from its shoulder socket.

For refusing to see the actress, McCain was confined for four summer months in an unventilated cubicle five feet long and two feet wide, and he was beaten and starved. Other prisoners suffering similar abuse also were made to suffer Jane Fonda's voice: The North Vietnamese piped into the cells recordings in which she urged prisoners to actively oppose U.S. policy, and told the world how well the prisoners were being treated.

McCain recounts this without passion. He is a professional who understands that he must know the enemy, but not take things personally.●

ATTACK ON PROFITS MISLEADING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. DERWINSKI. Mr. Speaker, in my judgment, the administration's rhetoric on the subject of profits is a disgraceful exhibition of political doubletalk. The administration obviously does not respect the fundamental principle of the free enterprise system.

An analysis of this misuse of the profits issue by the well-known columnist, Allan C. Brownfeld, appeared April 5, in the Lima, Ohio, News. His article follows:

ATTACK ON PROFITS MISLEADING

(By Allan C. Brownfeld)

President Carter's chief political adviser, Hamilton Jordan, has criticized business profits in the U.S. as "unnecessarily high," suggesting that the administration may take steps to curb them.

The chairman of the Council on Wage and Price Stability, Alfred Kahn, stated, "The very large increases in profits of American corporations will strengthen the widespread belief that many American businesses are not assuming their full responsibility to fight inflation. . . . The large increase puts business on trial in the eyes of the American people."

The fact is it is the Carter administration and not American business on trial—and it is the Carter administration which is responsible for our mounting inflation. It is this administration which has pushed for three increases in the minimum wage and has expanded the federal budget by 25 percent in two years. It is the administration which has presented a budget calling for a minimum deficit of $30 billion—and then told us it was "austere."

If one examines the figures carefully it becomes clear that dollar profits per unit of output in the past year actually declined about 1.5 percent while employee compensation per unit of output rose 8.1 percent. Government is trying to make profits "a scapegoat" for its own bad policies, said Jack Carlson, chief economist of the U.S. Chamber of Commerce.

Other businessmen point out that profits were not genuine because they contained a large inflationary element. When the costs of replacing inventories and capital equipment are correctly accounted for, they state, profits were far too low, especially if productivity, and living standards, which are falling, are to be raised.

The Wall Street Journal criticized the administration for what it called "predictable demagogy." The Journal declared, "If you are puzzled about why the Carter administration is suddenly demagoging corporate profits remember that it needs a scapegoat as its 'voluntary' wage-price program careens toward the total collapse that was always inevitable and is now imminent with February's 15 percent inflation.

"The question about profits ought to be whether they are high enough to keep the economy growing at the rates we would like. By this measure, despite the surface figures, the picture is dismal. The reported figures are seriously misleading because inflation produces a gross mismeasurement of corporate profits. Billions of dollars in inventories, plant and equipment used up in production are misreported as taxable profits instead of business costs."

Economists point out that true profit picture for last year is nothing like the 26 percent fourth quarter-to-fourth quarter gain in nominal terms highlighted in the government's report. After adjustment for inflation impact on depreciation and inventory valuations, pre-tax profits in 1978 were up only 10.7 percent from the year before, not much greater than the inflation rate. These, in addition, are official depreciation figures, which underestimate capital consumption and overstate true profit.

As a percentage of gross domestic product in the U.S. corporate profits in 1978 were only 5 percent, actually lower than the year before and about the average level for the inflationary 1979s. By contrast, the average return to industry from 1947 through 1965 was 8.6 percent. To return to a healthy economy, many economists argue, profits will have to be higher. The Journal states: "If profits were so great, the stock market would be booming, the economy would be rapidly accumulating capital and productivity growth would be rising rather than falling. The mismeasurement of profits causes real economic problems without being employed for political demagogy. A responsible government would take greater pains to put profits in their proper perspective."

Those working men and women who believe that high profits are against their own interests rather than necessary for their living standard to improve should examine the subject more carefully. If they do, they will find that all of us have an interest in profits. Without profits, there is no capital to invest and the economy comes to a halt, leading to unemployment and stagnation.

This was well understood by Samuel Gompers, who served as president of the American Federation of Labor from 1886 to 1924. He said, "The worse crime against working people is a company that fails to make a profit."

Profits have essentially three major functions: (1) a guide to prudent decisions; (2) a basic motivation for economic activity; and (3) a source of economic power and financial resources.

Former Treasury Secretary William Simon recently declared his concern "that the negative attitudes about profits held by much of the general public . . . may lead to restrictive public policies that would further reduce profits. This would curtail the pace of capital investment needed to create more jobs and to prepare for future growth and the real purchasing power of most Americans would suffer accordingly. It is important to realize that profits lead to more capital investment, more jobs, higher wages and, for most Americans, an increased real standard of living."

Instead of educating the American people to the realities of economics, the Carter administration is playing upon widespread economic ignorance to make a scapegoat of business and of profits. Even if such a policy were politically successful in the shortrun, it would be economically disastrous in the end.

"If we want to continue to improve the standard of living of Americans in the future," stated William Simon, "the best way to do so is to emphasize the sucessful aspects of our impressive economic system—in particular the role of profits."

Alfred Kahn and the others know this reality. Why do they choose to make political capital instead of economic sense? ●

INTELLIGENCE CHARTER LEGISLATION NEEDED

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MAZZOLI. Mr. Speaker, I would like to call my colleagues' attention to the following editorial which appeared in the April 15, 1979, edition of the Louisville Courier-Journal.

As the editorial suggests, there are many complex issues to be considered in developing charter legislation for the Central Intelligence Agency and the Federal Bureau of Investigation.

Among such issues are: The morale and effectiveness of the Nation's intelligence agencies; the need—which undergirded last year's foreign intelligence wiretap legislation—to give intelligence agents clear legal operating guidelines; the national need for effective intelligence gathering; and, the need to protect Americans against violations of their human and civil rights.

Though the issues are complex, they should not deter the Congress from drafting charter legislation.

I hope the distinguished House Select Intelligence Committee—of which I am privileged to be a member—will take up this vexing but vital national issue.

The editorial follows:

CIA FAILURES MUSTN'T SLOW CONGRESS PUSH FOR REFORMS

Though the barrage of criticism now is not as heavy as in the mid '70s, the Central Intelligence Agency is under fire again. This time, though, the complaints aren't directed at spying on American citizens and "dirty tricks" abroad. Instead, there is growing concern these days that the CIA is failing in its basic job: collecting and analyzing useful foreign intelligence and getting the results to policymakers, including the President.

The charges are serious. And so is the belief in some quarters that recent intelligence failures—in Iran and Afghanistan, for instance—are an argument for turning back the clock. By that reasoning, an effective CIA is one accountable neither to Congress nor to the American people, and efforts to reform the agency therefore must be dropped.

That's absurd. The sweeping investigations of the CIA in recent years by Congress, the press and President Ford's special commission undoubtedly contributed to its morale problems. They also have made the intelligence agencies of friendly nations wary of cooperating too closely with the CIA. But the CIA's most basic problems—the ones that seem to have led to its recent failures—predate the storm of adverse publicity of 1974–76.

One of these problems is the agency's heavy reliance on technical means of gathering information. Satellites, spy-planes and electronic eavesdropping are essential for monitoring military construction, missile tests, and deployment of troops, tanks and aircraft. But the most accurate reconnaissance satellite imaginable couldn't have foretold the Islamic revolution that forced the Shah to flee.

PREOCCUPATION WITH RUSSIA?

The lack of good political intelligence from Iran also reflects another CIA weakness. According to some close observers of the agency, the CIA for many years has devoted too much attention and resources to the Soviet Union, at the expense of intelligence-gathering elsewhere, especially in Third World countries. Yet U.S. interests, especially when we are so dependent on imported oil, can be greatly affected by political movements that have little or no connection with Russian intrigues. (Lev Navrozov, a writer who left the Soviet Union in 1972, argues that the CIA does a poor job gathering economic and political information even within the Soviet Union, despite enormous effort).

President Carter's appointment of Admiral Stansfield Turner to head the CIA may have compounded the agency's problems. Admiral Turner is, by most accounts, abrasive and aloof. Morale at the agency, already battered, has worsened. In 1977, he eliminated more than 800 mostly low-level jobs. Earlier this year, another 250 employees—many of them middle- and senior-level management officials—quit or retired.

The latest wave of resignations and retirements led Benjamin Schemmer, editor of the *Armed Forces Journal*, to write recently in *The Washington Post* that Admiral Turner has been a disaster. The CIA chief, according to Mr. Schemmer, is so eager to please the Carter administration that he has skewed agency reports to support administration policies.

Mr. Schemmer, and others, also charge that under Admiral Turner the CIA's traditional imbalance between information collection and analysis has tilted even more toward collection. The result, say the critics, is that the agency is swamped with more raw data than it can evaluate. Without analysis, much of the information is useless to the President and his foreign affairs advisers.

It's almost impossible for an outsider to tell whether these criticisms are valid. Admiral Turner, of course, defends his stewardship of the CIA. And while he concedes there are morale problems at the agency, he argues that this "hasn't affected the output of the organization."

Perhaps he's right. But if the current disenchantment with the CIA's performance means there will be changes, President Carter should move cautiously. Politics may dictate that Admiral Turner be replaced. But the agency has had five directors in six years. Another change at the top might simply create more confusion.

More important than the fate of Admiral Turner, though, is the move in Congress to adopt a charter for the CIA and to reorganize the intelligence community. It is essential, if the abuses of the past aren't to be repeated, that the CIA know and play by the rules.

The CIA has an essential but unpleasant role. Its agents can't be expected to behave like Boy Scouts. But they and their bosses can be expected to concentrate on their primary mission—gathering and analyzing intelligence—without engaging in dirty tricks that embarrass our country or invade the privacy of her citizens.●

CURB WELFARE ABUSE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FINDLEY. Mr. Speaker, today I am introducing legislation that I first introduced last year to curb a still very serious abuse of the welfare system. Many aliens take advantage of public assistance funds soon after arriving in this country. This differs from the problem of illegal aliens. Aliens legally admitted into the United States, according to figures supplied by GAO, receive over $72 million under the supplemental security income program each year.

Supplemental security income, or SSI for short, is a welfare program for people who are aged, blind, or disabled. It distributes between $5 and $6 billion annually to individuals who have not paid social security taxes long enough to be eligible for social security disability benefits or old age and survivor insurance. Funds for SSI come from the general revenues, not from the social security trust fund.

SSI has been used by some aliens with legitimate need, but many exceptions occur. Frequently, the following happens:

An alien wishes to immigrate to the United States and finds an American sponsor, as required by U.S. law. The sponsor becomes responsible for the immigrant's initial stay in the country by signing an affidavit.

In the affidavit the sponsor agrees to provide for the alien's needs should the alien become indigent within 30 days after arrival in the United States. Unfortunately, however, these affidavits cannot be legally enforced under current law. And aliens have applied for SSI payments prior to the termination of the 30-day requirement.

A recent GAO report indicates that of those aliens receiving SSI payments, 15,000 began collecting within 6 months of their arrival in the United States, 23,000 collected within a year, and more than 35,000 collected within 3 years.

The bill I am introducing would help correct this problem by providing a 5-year residency requirement before most aliens could qualify for SSI benefits. It would also change the legal status of the affidavit signed by the alien's sponsor. The affidavit would be treated as a legally binding contract.

Mr. Speaker, taxpayers are revolting against the fraudulent and wasteful use of tax dollars. This bill would help correct a major deficiency in our welfare system.●

THE CATASTROPHE IN IRAN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. McDONALD. Mr. Speaker, it is painfully obvious that the major share of blame for the loss of Iran, formerly a strong friend of our country, to an extremist, virulently anti-American dictatorship headed by Ayatollah Ruhollah Khomeini, belongs to the United States Government. Virtually every action taken by the administration toward Iran based on a warped and bizarre "human rights" program having no basis in the realities of the Iranian situation served to destabilize and undermine the Shah's authority. And finally, when at the strongest urging of American officials the Shah was persuaded to leave Iran instead of staying to rally support, and his designated Prime Minister, Shapour Bakhtiar, showed he was incapable of ruling or of commanding the loyalty of any Iranian faction, our Government sent our Embassy military attachés and Gen. Robert E. Huyser to convince the Iranian military leaders not to stage a coup against Bakhtiar and take control of the country.

Writing for the North American Newspaper Alliance, Col. Robert D. Heinl, Jr., has written the following article on the loss of Iran comparing it to measures taken in Vietnam which I commend to your attention:

THE CATASTROPHE IN IRAN

(By Col. Robert D. Heinl, Jr.)

Not that it should be any surprise, but the first foreign power to recognize the world's newest theocracy, that of Ayatollah Ruhollah Khomeini, has been the Soviet Union.

It is exactly 40 years since Molotov, then Stalin's foreign minister, told Von Ribbentrop, his opposite number in Berlin: "The focal point of the aspirations of the Soviet Union is south of Batum and Baku, and in the general direction of the Persian Gulf."

We need to be reminded of this remark. It underpins a judgment that doesn't yet seem to have penetrated the minds of the American public, let alone—based at least on his public statements—that of President Carter: In the destruction of the Shah and his succession by the baleful, xenophobic Ayatollah proclaiming an "Islamic republic," the United States, in terms of vital interests, has sustained a loss more grave than that of the war in Vietnam.

If ever the world has witnessed a high-stakes zero-sum game, it has been this century's contest between Russia and the West for Persia, its oil and its gulf.

For four decades, the very decades since Molotov staked out Russia's aspirations in Iran, the United States, gradually replacing Britain in what Kipling called "the great game," has invested its influence, diplomacy, intelligence assets, assistance and tutelage, and, above all, its national power in keeping Iran in the Western camp.

Since 1953, this effort has entailed unremitting support for Shah Mohammed Reza Pahlavi, ardent modernizer, iron ruler and firm friend.

All this has now been swept away.

It is platitudinous to the point of fatuity for President Carter to express "continued hope for very productive and peaceful relations with the new government of Iran."

Within less than 48 hours after Carter said, in February, "The people of Iran will continue to be our friends," the U.S. embassy in Tehran was being overrun and sacked by heavily armed guerrillas.

Pollyanna reactions such as the above give us an example of what Henry Kissinger meant when he recently characterized the administration's foreign policies as "childlike."

In briefest terms, U.S. national interests which have been compromised by the Shah's fall include the energy lifelines of NATO, Israel, Japan and, yes, the United States; the strategic balance of the Middle East and Indian Ocean; and the stability of the Persian Gulf.

By contrast, no one to this day has yet been able to define, in terms of hard national interests, what our strategic aims ever were in Vietnam and why. No conceivable objective for the Vietnam war approaches any one of those which have already been lost or gravely jeopardized by events in Iran.

By the criteria of modernity, sophistication, security and money value, the U.S.-supplied weaponry lost with the disintegration of the Shah's armed forces greatly surpasses on all counts what was written off with the fall of South Vietnam.

In Southeast Asia, the Communists got old-model M–48 tanks. In Iran, Ayattolah Khomeini now has up-to-date M–60s, samples of which are no doubt already on their way to Russian analysts.

And what is the status of over 75 F-14 fighters bought by the Shah, accompanied by their more than 500 top secret Phoenix missiles, with associated "black boxes," representing some of the most advanced and closely guarded air warfare technology the United States can boast? The short answer is that they all now belong to the ayatollah.

As a Pentagon spokesman euphemistically put the matter, these and other highly classified U.S. technological tidbits "are in the hands of the Iranian armed forces and are presumably being secured by them." What a relief.

In Vietnam, the rough dollar value of U.S. arms lost at the end was $2 billion. According to hasty figures put together by the Defense Department, four times that amount of U.S. arms, about $8 billion, remains in Iran. It's a safe bet that little or none of this enormous heap of military materiel will be applied to any future purpose the United States would find useful, or in support of any imaginable Western interest.

It's another safe bet that Soviet intelligence and technical analysts are now having a free run amid the U.S. weaponry and the secret files and communications equipment of the embassy ransacked during its period in guerrilla hands.

To protect or advance U.S. interests in Southeast Asia, which were more trivial by several orders of magnitude, Presidents Kennedy and Johnson ultimately committed 549,000 U.S. troops to Vietnam.

To signify U.S. concern over the impending fall of the Shah, the administration's belated signal was to fly an unarmed detachment of 12 fighters to Saudi Arabia.

When we merely asked to position 69 U.S. Marines at a Turkish-U.S. NATO base, Incirlik, to be ready to reinforce the 19 Marines at our Tehran embassy, the Turks demurred. While the embassy was being sacked and overrun, the 69 Marines were resting on their arms at Lajes in the Azores, still roughly 8,000 miles from the scene.

No doubt the time is past when, like Lord Palmerston over a century ago, we can say the proper messengers of foreign policy are a frigate and a battalion of the line.

On the other hand, when confronted by a debacle on the order of that sustained by U.S. interests in Iran, the president of the United States ought to be able to suggest more in the way of a national response than abiding by the 55-mile speed limit and turning our thermostats down to 65 degrees.●

SOVIET UNION'S ABYSMAL HUMAN RIGHTS RECORD

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MAVROULES. Mr. Speaker, several of our distinguished colleagues have recently completed a trip to the Soviet Union. In conjunction with their visit, the Soviet Government has granted pardons and exit visas to five Jews imprisoned for attempting to escape the country. In addition, a number of other Jews who had previously been denied permission to emigrate were given exit visas. This event should serve to focus our attention once again on the Soviet Union's abysmal human rights record, for although it is a step in the right direction, much more remains to be done.

Earlier this month the Freedom Van, composed of six relatives and friends of Soviet Jewish prisoners, visited Washington. One of the participants in this worthwhile event was Ammer Zavurov, brother of prisoner of conscience Amner Zavurov.

Amner Zavurov was born December 26, 1950, in Shakhrizyab, U.S.S.R. Until his arrest in December 1976 he worked as a matchmaker, and as a mechanic. In April of 1974 the Zavurov brothers applied for permission to emigrate to Israel. But for the last 5 years they have been the target of an incredible series of moves by the Soviet authorities, moves which, unfortunately, are typical of the treatment the Soviet Union has given its Jewish citizens.

The brothers received their exit visas in August, 1975. When they attempted to use the visas, they were told that they had been revoked because of anonymous letters the authorities had received against them. The Zavurovs were not told of the contents of the letters, nor were they allowed to learn the identity of their accusers.

Without their visas, the Zavurov brothers could not emigrate. Nor could they obtain work, since their internal passports had been confiscated after their visas were granted.

As a result, in December 1976, Amner and Amnon Zavurov were sentenced to 14 days in prison for "parasitism." Less than a month later, Amner Zavurov was sentenced to 3 years in prison for failing to have an internal passport.

Amner Zavurov could have accepted the return of his passport after his visa was revoked. In fact, he was ordered to do so by Soviet authorities. And yet, to accept the passport would have meant the end of his efforts to emigrate, the end of his dream of freedom. It would have meant resigning himself to a life of subjugation in a totalitarian state. This Amner Zavurov was unable to do.

In February of 1978, two of the Zavurov brothers were allowed to emigrate to Israel. Amner Zavurov remained in prison, because he would not give up his dream of living as a truly free man.

Amner Zavurov is a victim of perhaps the most oppresive legal system in the world today. His case is only one instance of the Soviet Union's frighteningly lengthy record of human rights violations, and some might ask why we should concern ourselves with a single man, of no particular importance to the world at large. And there are those who would attack us for intervention in Soviet internal affairs. The path we must follow, however, is clear cut.

This country was settled by many men and women who knew only too well the horrors of a police state, the fear of the knock on the door late at night, the feeling that in every shadow someone was watching and listening. There are those in America today who will never forget such memories. Nor must the rest of us forget our own history. Our national heritage of freedom and justice will not allow us to turn our backs on the victims of tyranny, wherever it exists. As long as there is one Amner Zavurov anywhere in the world, imprisoned on trumped-up charges, none of us is truly free.●

THE EMERITUS STATUS: KEEPING THEM BUSY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MAZZOLI. Mr. Speaker, I have had serious differences of opinions with the Legal Service Corporation over how it should best spend its money.

However, the following article from the April 16, 1979, Washington Post, illustrates that the corporation does sponsor some innovative, effective programs:

THE EMERITUS STATUS: KEEPING THEM BUSY

(By Lawrence Meyer)

Larry Mirel was teaching a course in poverty law at George Washington University Law School when the idea came to him. One of Mirel's students was a retired lawyer who wanted to work for a poverty law program in Washington, but he was afraid that he didn't know enough about the subject or the procedures. More than that, the retired lawyer was afraid his younger colleagues would reject him because of his age.

But where the retired lawyer had a problem, Mirel saw an opportunity to tap an available source of trained, seasoned legal talent. After a little preliminary work, he had a grant from the Department of Labor and was ready to give his idea a chance.

Mirel's idea could not have been simpler: On the one hand, Washington had any number of people who needed legal services of one kind or another but couldn't afford to pay for them. The demand for public interest lawyers far outstripped the apparent supply. On the other hand, Mirel had a gut feeling that some, if not many, of Washington's retired attorneys might want to keep a hand in their profession.

"There's a big difference between slowing down and stopping," Mirel said. "When you retire, you retire absolutely. That's nonsense." What he had in mind for lawyers who wanted to slow down but not stop was something in between—"emeritus" status.

Mirel set about to marry the need for skilled lawyers with the supply of older men and women who wanted to perform a service for the community for little or no pay. With a little help from the D.C. Bar, law schools and the D.C. chapter of the Federal Bar Association, Mirel sent out questionnaires to retired D.C. lawyers asking if they were interested in doing any work in public interest law.

About 90 retired lawyers said they were interested in doing some kind of work—full-time, part-time, in court, research, without pay or in a few instances for the minimum wage—either in principle or to establish eligibility for Social Security payments. Eventually, Mirel found positions for between 40 and 50 of those lawyers who said they were interested. He might have placed more, but he had some fairly firm rules that he followed.

Organizations who said they could use help had to have a clear idea what they were going to do with their emeritus lawyers. Work space had to be available, along with necessary office support when needed. The atmosphere had to be dignified.

About half of the people Mirel has placed in Washington are working for the Legal Services for the Elderly program of the American Association for Retired Persons. Others are working for Friends of Superior Court, representing the interests of battered children when their parents appear in court.

A former National Labor Relations Board attorney set up a hearing procedure for the United Mineworkers pension fund, at the fund's request, and then trained retired miners to serve as hearing examiners.

Mirel is convinced that there is no reason why his idea won't work in other parts of the country and for other professions. He has a grant from the semipublic, federally funded Legal Services Corporation to study the possibility of setting up pilot projects in three other locales—Los Angeles County, Cincinnati and in Iowa.

He has indications in California that the climate there is every bit as receptive as Washington's. During a recent visit, Mirel met a lawyer in his 70s who moved to California from the Midwest because his wife wanted to live in the sun. The lawyer, who had spent his professional life in courtrooms defending insurance companies, was being bored to death.

The man found his own solution. He walked into a Legal Services program Office and volunteered his services. He now works from 8 a.m. until 6 p.m. five days a week drilling eager, but green, young lawyers in courtroom tactics. "He's teaching them the tricks of a lifetime, and they love him," Mirel said. "And he's a happy man, doing what he wants to do."

Despite apprehensions expressed by Bar association officials that lawyers would object to cut-rate competition, Mirel says that no such complaints have been made.

In fact, he now is exploring the possibility of starting similar programs for other professions. An engineer in Missouri, for example, is trying to put together an emeritus program for retired engineers.

In Washington, Mirel says he has found both the school board and teachers' union receptive to the idea of using retired teachers as tutors for students having a hard time in school. To ensure the union's support, Mirel says he wants each position filled to be certified by the union as being noncompetitive and nonfillable by any active, salaried teacher.

Despite all the rhetoric of the last 25 years about using leisure time to greater advantage and enhanced pleasure, this country has not made any significant breakthroughs in finding ways to keep our older citizens active and productive when they want to be. From an economic perspective, considering the problems we face, we are wasting an enormous resource, especially at a time when rising prices and increased taxes make it even more difficult to cope with those problems.

About 24 million Americans are older than 65. That number will double in the next 50 years. In 1940, for each retired person, there were nine active workers. There now are six active workers for each retiree, and by the year 2000 there will be only three working for every retired person.

The population of the country is growing older but it is also growing more experienced. That's the other side of the coin. Some people who reach age 70, Mirel points out, "really don't want to work. They want to retire. Others are sick. Some need money. Leaving out those, I think you're left with hundreds of thousands of professionals who are ready for this kind of thing." ●

SIXTY-FOURTH ANNIVERSARY OF ARMENIAN GENOCIDE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DERWINSKI. Mr. Speaker, today we take special recognition of the 2 million Armenians who were massacred by the Ottoman Turks in 1915. This was the first instance of genocide warfare in the 20th century and remains one of the most shocking and deplorable acts ever perpetrated by one people again another. However, this historic event not only threatened the Armenian people with extinction which was the goal of the tyrants of the Ottoman Government; but also produced an unfortunate precedent, that of world inaction.

While we are caught up in the events of today and in trying to ascertain the future, it is important for us to review the events of the past. One such event was the systematic massacre of the Armenian people. Again, this year, we should remember those martyrs, and rededicate ourselves to a renewed reverence for human life.

The history of the Armenian people has been marked by long periods of subjugation to foreign rule. As early as the 16th century, nearly the whole country was overrun and held by the Ottoman Turks. The coldblooded massacre in 1917 by the Ottomans sought to completely eliminate the possibility that Armenia might someday become independent. Today, the historic Armenian area in what is now Turkey, is totally devoid of Armenian people, while the Soviet Union holds the Armenian people captive in the area known as Soviet Armenia.

Despite the years of subjugation by alien rulers, the Armenian people still manage to retain their national consciousness through their church, culture, and language. The Armenians were the first nation in the world to accept Christianity as their state religion, and were perhaps the oldest of the civilized races in Western Asia. Their sense of unity and national aspirations became so intense by the mid-19th century that the Armenians developed a strong desire for attainment of their goal of self-government.

However, at that time, the Turks set out to exterminate the Armenian Christian population within Turkish borders and attempted to eliminate some 2 million Armenians in the empire through deportation, contrived famine, and large-scale massacres. While many hundreds of thousands were able to flee to neighboring lands, many others, mostly women and children, were forced to adopt the Moslem faith and submit to servitude in Turkish homes. The Armenians paid with their lives for having entertained the ideas of human dignity and freedom.

Nevertheless, despite the crimes of the Ottoman Government, the Armenian people survived. In 1918, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little republic was formally recognized by the United States. However, weakened by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, there are tens of thousands of Americans of Armenian descent living in the United States, upholding the principles of liberty and justice we all cherish so dearly. But the scars of the crimes committed against their ancestors still remain.

The Armenian people have demonstrated thoughout history, their fortitude, stamina, and tenacity in maintaining their church, culture, and language. The existence today of this Armenian spirit is the foundation that will lead to the ultimate restoration of a free Armenian nation.

In remembering the severe injustices suffered by the Armenian people, we remind ourselves that crimes of this kind must not be repeated, and pledge to remain vigilant in opposing all such atrocities.●

STATE OF NEW YORK RECOGNITION OF CONGRESSIONAL MEDAL OF HONOR FOR WILLIAM JAMES INCIDENT AT LANZERATH

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. OTTINGER. Mr. Speaker, we have been hearing a lot in recent weeks about the Battle of the Bulge, the heroism of 18 men of the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Division, and particularly an undecorated hero of that incident, Pfc. William James (Tsakanikas).

Two bills (H.R. 3225 and H.R. 3407) have been introduced in the House of Representatives, and in the Senate, Resolution 135—on Will James' behalf. The purpose of the legislation introduced by Senator JAVITS and me is to authorize the President to take appropriate action to award the Congressional Medal of Honor to Pfc. William James Tsakanikas, posthumously.

Gov. Hugh Carey of New York issued a proclamation on April 6, proclaiming April 7, 1979, as, "Incident at Lanzerath Recognition Day." The proclamation follows:

PROCLAMATION

On December 16, 1944, an American Army intelligence and reconnaissance platoon of 18 men halted an entire column of German panzers, paratroopers and SS troops during the opening hours of Hitler's Ardennes offensive to encircle the American divisions in the Bulge and to seize Antwerp, Belgium.

The extraordinary bravery and heroism demonstrated by this American platoon has gone largely unchronicled and unrecognized. If Hitler's troops had not been held in the village of Lanzerath, Belgium for those critical 18 hours, the Germans could have won the Battle of the Bulge, and the entire face of the war in Europe would have been dramatically changed.

One of the undecorated heroes of the platoon was a New Yorker, PFC William James. He died in June, 1977, after undergoing 36 operations to reconstruct his face as a result of severe wounds suffered during his courageous stand in 1944 against overwhelming odds. On Opening Day of the 1979 baseball season at Yankee Stadium, his widow was honored and threw out the first ceremonial ball.

It is highly fitting for all New Yorkers to recognize the unsurpassed heroism exemplified by this platoon in the annals of World War II history. Efforts to bring recognition to its members should be encourage and supported.

Now, therefore, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim April 7, 1979, as "Incident at Lanzerath Recognition Day" in New York State.●

CAESAR BELTRAN, 1979 CALIFORNIA SMALL BUSINESSMAN OF THE YEAR

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BADHAM. Mr. Speaker, there are times when we learn of success stories so compelling that the mere retelling does not come close to describing adequately the pain, suffering and simple hard work that are necessary for an individual to succeed in our American system.

Today, I am happy to relate to my colleagues an incredible tale of an industrious man of foreign birth, who invested his life savings and borrowed additional funds to go into business for himself 12 years ago and today has built that business into one grossing more than $2 million a year.

That man. Caesar Beltran, who lives in Tustin, Calif. in the 40th Congressional District, which I have the honor to represent, has been selected for his outstanding management and success to be the 1979 California Small Businessman of the Year by the U.S. Small Business Administration.

It was in 1967 that Mr. Beltran and his wife, Fay, pooled their resources, borrowed what they could, and bought a small neighborhood grocery store in Santa Ana, Calif.

The first year the store, called La Chiquita or "Little One" in Spanish, grossed $73,000, a pittance for the low-profit grocery business.

But as the years went by, Caesar Beltran built his business steadily, without benefit of Federal loans or subsidies, repaying the original indebtedness and even sustaining a crushining loss as the result of an armed robbery.

Six years after Caesar and Fay Beltran opened their business, there were enough savings to purchase a full market, the Norriss Supperette in Santa Ana. Last year, Mr. Beltan was able to purchase a second store, La Grand Market, also in Santa Ana.

Building on this success, the earnings from the two stores, Caesar Beltan was able to finance the start-up of a liquor store. Even though he sold La Chiquita, the original store, it remains in family hands, with Caesar's brother, Jim, now owning and operating the store.

Mr. Beltran is a native of Chihuahua, Mexico, arriving in Orange County with his family when he was 4 years old. He attended Irvine Grammar School on the Irvine Ranch, graduated from Garden Grove High School and attended Fullerton Junior College.

In addition to his business activities, Caesar Beltran also has been active in his community. He has sponsored a girls' softball team, a boys' soccer team, and helped organize a Cub Scout pack. He is active in the Mexican-American Grocers Association and was a vice president and a member of the founding board of directors of El Banco del Pueblo, now known as the Santa Ana State Bank.

Caesar Beltran, his wife, Fay, their children Cindy, 11, and Kris, 9, and other members of their family will be present at a luncheon on May 3, 1979, in Santa Ana, when community leaders of Orange County will join with Federal officials to salute him as the California Small Businessman of the Year for 1979.

I am proud of Caesar Beltran, just as I am sure that all Members of this body are proud to know of a man who has made an important contribution to his community, his State, and to America.●

WGSM EXPRESSES SOME WELL-REASONED THOUGHTS ON THE FUTURE OF NUCLEAR POWER IN THE UNITED STATES

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. LENT. Mr. Speaker, thousands upon thousands of words were written and spoken in the wake of the near-disaster which occurred last month at the nuclear power plant at Three Mile Island, Pa. Unfortunately, much of the discussion was highly emotional and did little to enlighten an already confused public.

However, a radio station serving my Fourth Congressional District, WGSM, Huntington, Long Island, aired an editorial on April 8, just 10 days after the accident, which performed an admirable public service in offering some calm, responsible, judicious, and well-reasoned thoughts to WGSM listeners on the accident, and its possible effects on the future of nuclear energy in the United States.

Mr. Speaker, the thoughts expressed in the WGSM editorial are of value to all of us in the U.S. Congress as we begin to review the nuclear energy policies of our Nation in the light of the Three Mile Island accident. I offer the editorial to my colleagues at this time for their thoughtful consideration:

THREE MILE ISLAND

It's easy to jump to conclusions about the near catastrophe at the Three Mile Island nuclear plant. The anti-nuclear forces are calling for a cessation of construction of nuclear plants or, at least, of the plants manufactured by the company that constructed the Three Mile Island facility and they're even asking for the closing down of all nuclear plants.

Nuclear manufacturers are claiming that the concern about Three Mile Island is largely unwarranted. They point out there was no explosion, no one was killed, no one was even hurt and, indeed, that the emergency systems at the plant worked.

WGSM believes neither conclusion is justifiable and both are presumptuous and premature. Only time will tell if the hundreds of thousands of people who live in the vicinity of the plant will be affected adversely in future years. The imminent, uncontrolled danger at Three Mile Island, the touch and go nature of the entire event indicates we don't know as much as we thought we did about controlling nuclear energy. Present technology and procedures need a long, hard look, but, closing down or cessation of construction of nuclear plants is not warranted at this time.

We keep talking about the development of alternate energy sources. The world is running out of oil. Nuclear energy is one of those sources. It is part of the energy mix of the future. It will not solve all our problems. It's an expensive method of producing energy and a limited one as well. But, without it, our energy problems will be even worse than they are now.

If the public did not know it before, they must know now, nuclear power is not and never will be without danger. But, we can do better. Nuclear plants should be monitored directly by the federal government so that malfunctions can be detected instantaneously. Trained federal disaster teams, of the sort sent out after an airplane crash, should spring into action at the first hint of trouble and be in charge of the situation. One government spokesman, perhaps the team chief, on the scene should disseminate information and deal with the press.

The training of personnel at nuclear plants, the design of systems and the safety of basic construction can be improved. It should not, for instance, be possible for one person to override an emergency back-up system and jeopardize hundreds of thousands of lives as seemingly happened at Three Mile Island.

If there are no long term negatives from the mishap at Three Mile Island and this scary episode causes us to reappraise the role of nuclear energy, it could be a blessing in disguise.●

AMENDING THE DEFINITION OF AN UNRELATED TRADE OR BUSINESS WITH RESPECT TO CERTAIN QUALIFIED CONVENTION AND TRADE SHOW ACTIVITIES OF CHARITABLE ORGANIZATIONS

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. JENKINS. Mr. Speaker, I have today introduced a bill amending the Internal Revenue Code of 1954 to exclude from the definition of an "unrelated trade or business" the qualified convention and trade show activities of a section 501(c)(3) organization. This bill was passed by the House of Representatives last year as H.R. 12828 under a suspension of the rules but was unable to receive Senate consideration in the final weeks of the 95th Congress.

Under the code, section 501(c)(3) organizations are generally considered charitable organizations. Under the provisions on exempt organizations, an organization's "unrelated business taxable income" is its gross income from any unrelated trade or business less deductions which are directly connected with the carrying on of such trade or business. An "unrelated trade or business" is a trade or business the conduct of which is not substantially related to the exercise or performance by the organization of its exempt function.

The Tax Reform Act of 1976 amended section 513 of the Internal Revenue Code to exclude from the definition of "unrelated business taxable income" any income derived from a qualified convention and trade show activity carried on by an organization which is exempt under section 501(c)(5) and section (c)(6) of the code and which conducts regularly as one of its exempt purposes a convention or trade show activity which stimulates interest in, and demand for, the products of the industry in which the organization's members are generally engaged. It is believed that section 501(c)(3) organizations were inadvertently overlooked in the effort to complete congressional action of that act.

A colloquy between Senator LONG and Senator TALMADGE during the Senate's consideration of the conference report on the act indicates that section 501(c)(3) organizations were entitled to inclusion under the act although the conference committee draft had left it out. My bill would clarify this point.

Specifically, my bill would exempt from "unrelated business taxable income" any income derived from an otherwise qualified convention and trade show activity, including the leasing of exhibition space to suppliers who take orders from the organization's members, if a purpose of the organization in sponsoring the activity is the education of persons engaged in the industry on the development of new products and services or new rules and regulations affecting the industry.

The effective date in this bill is October 4, 1976, to coincide with the date of enactment of the Tax Reform Act of 1976. The revenue effect is negligible according to estimates of the Joint Committee on Taxation made last year. The bill was projected to decrease budget receipts by less than $1.0 million annually.

This bill will benefit charitable organizations which sponsor conventions to educate their members. These organizations under the existing Treasury interpretation cannot exclude income derived from their lease of space to exhibitors from their "unrelated business taxable income." Public hearings held in the Subcommittee on Miscellaneous Revenues of the Committee on Ways and Means last year documented the desirability of enactment of this bill.

Hopefully, the House will complete the action that we began last year by passage of this bill.●

A LOOK AT THE FORGOTTEN TAX CUT OF 1948

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. GINGRICH. Mr. Speaker, this week's edition of Human Events has an excellent article on the 1948 tax cut—the forgotten tax cut of American history.

The 1948 tax cut blunted the expected post-war recession and expanded jobs and production, without any noticeable increase of inflation. Most importantly, the tax cut allowed the working people of America to take home more of their paychecks.

I suggest there are lessons to be drawn from the 1948 tax cut which Congress should apply today.

There's one more reason why I think the Human Events article on the 1948 tax cut is significant. It is written by Frank Gregorsky, a junior at West Georgia College, where I taught geography and history until last year. Although he is still a year away from graduation, Frank's excellence in scholarship and writing is demonstrated by this achievement.

Finally, I am pleased that Frank will be serving as the LBJ intern in my office during his spring academic quarter. Frank has an active mind and a deep interest in better Government. His excellent research, good ideas, and commonsense are helping me to better serve the people of Georgia.

I invite each of my colleagues to read his article, which is reprinted here.

1948 TAX CUT: SOME LESSONS FOR 1979

(By Frank Gregorsky)

The fight for permanent reductions in the federal income tax will take on new importance if the U.S. economy slips into a recession this year. Advocates of the Kemp-Roth bill have already done much to convince the Congress and the public of the multiple benefits such a cut would bring to the nation, yet they spent much of 1978 contending with the pious hypocrisy of big-spending liberals. The latter claim that a tax cut the size of Kemp-Roth would cause "roaring inflation."

The tax cut forces will face similar arguments during this session of Congress, but important historical evidence exists which virtually demolishes liberal claims that permanent tax cuts will greatly worsen the inflation rate. This evidence is even more compelling than that of the 1964-65 Kennedy-Johnson tax cut, which has often been cited as proof that Kemp-Roth will do what its backers predict.

A Republican-controlled Congress passed a sweeping cut in the federal income tax in 1948. President Truman and his Keynesian advisers attempted to stop it, and predicted it would cause more inflation. Yet it made no obvious impact on inflation, and actually prevented the 1949 recession (one of the smallest of the post-war slowdowns) from being much worse than it was.

After the 1946 elections, the Republicans controlled Congress for the first time since the days of Hoover. They had exploited labor unrest, shortages, and high taxes, as well as the perception that Harry Truman was beyond his depth in the White House.

While not actually the majority leader, Sen. Robert A. Taft of Ohio called the GOP's shots on domestic policy in the upper chamber. He agreed with the move to cut taxes being launched by some of his House colleagues in early 1947, and complained that federal, state and local taxes constituted 30 percent of the national income. Taft said that high taxes discouraged "the use of brains, ability and hard work which lies at the very basis of developing our productivity, our prosperity, and our jobs." [1]

From March through July 1947, Round 1 of the tax fight between Truman and the GOP Congress raged. Two tax cuts were passed by impressive margins. Each was successfully vetoed by the President. Both bills would have cut taxes by from 30 percent in the lowest brackets to 10 percent in the highest brackets, as well as raised the personal exemption for those over 65 from $500 to $1,000. The first bill was to have been retroactive to Jan. 1, 1947; the second would have delayed the cuts until July 1, 1947.[2]

Leon Keyserling, Truman's CEA chairman, told his boss that such a massive tax cut was dangerous in view of 1947's double-digit inflation. Truman also preferred to keep his options open, since the government was running a slight budget surplus. He thought he might need it for foreign aid or social welfare spending.

Those seeking a tax cut, according to Susan Hartmann's masterly study, *Truman and the 80th Congress*, said that "In the long run . . . the tax reduction would contribute to a high level of employment and business activity by *strengthening managerial and investment incentive*" (emphasis added), and serve as a "hedge against recession and cumulative deflation." [3] The more conservative Republicans in Congress also viewed a tax cut as a way to prevent the President from enlarging New Deal-type programs.

Administration forces said that labor and material shortages were limiting production; therefore more risk capital would only be a sop to business and fail to expand the economy. Unemployment in 1947 averaged 3.9 percent, and that year saw a 12.3 per cent rise in consumer prices.[4]

Truman's two vetoes had made him the victor in Round 1. Round 2 began in January 1948, when Truman asked Congress for a forerunner of the McGovern "$1,000 Demogrant." The President wanted a $40 tax cut for every taxpayer and each dependent, to be offset by raising the corporate tax rate from 38 to 50 percent. Republicans replied that such a scheme would be more inflationary than anything they had come up with, because all of the effective relief would go to those that spent all of their income.[5] Actually, Truman knew his "shift-the-wealth" plan did not stand a chance in Congress, but it was to serve as a political prop for his populist electioneering in the 1948 campaign.

By late March, congressional Republicans had brought to the floor a tax cut bill designed to attract scores of moderate Democrats. It did, passing in both houses by veto-proof majorities.

Built upon the previous year's bills, the new bill included a feature popular with Democrats (but fought by Truman)—income splitting. This allowed a married couple with only one working spouse to divide their annual income by two, file a joint return, and take even greater advantage of the new lowered rates.

For a single person with no dependents, the bill cut taxes by from 10 to 100 per cent in the under-$10,000-brackets. Singles above that level got cuts of from about 10 to 5.5 per cent, on a more-or-less declining basis up into the highest income brackets. The income-splitting provision had the effect of vastly increasing the tax break for marrieds in certain middle-income brackets. For example, a couple with two dependents earning $20,000 would be entitled to a 34 per cent cut in their federal income tax.[6]

Truman's veto and the successful vote to override it both came on April 2, 1948. Noted the New York Times, "It was one of the worst defeats the Democratic President had suffered at the hands of the Republican-controlled legislature. . . . The House ballot was 311 to 88. . . . The Senate completed enactment of the bill by 77 to 10. . . . The tax cuts are retroactive to January 1. Employers will begin withholding at the lower rates on May 1. Overpayments in the first four months of the year will be refunded by the Treasury after taxpayers have made their final returns for 1948." [7]

"Reductions in taxes on 1948 income are provided every one of the 54,500,000 individual taxpayers," said U.S. News & World Report. "Some are to save much more than others, but the average saving is to be 21 per cent. The taxpayer base will be narrowed. With higher personal exemptions [raised from $500 to $600] for everybody and special exemptions for blind and aged persons [an additional $600], about 7,400,000 low-income taxpayers will be dropped from the rolls." [8] Of the $4,772,600,000 cut, only $199 million did not come from income taxes—it went for cuts in estate and gift taxes. There were no specific tax breaks for business.

It is important to note the relative bigness of the revenue loss Congress was voting—$4.77 billion out of a federal budget of about $40 billion in the space of one year. This is proportionately a greater cut than is involved in either the Kennedy or Kemp-Roth measures, which were or would be spread over two and three years respectively.

Also, it is very unlikely that a GOP Congress would have voted such a cut without an eye toward the $7-billion surplus the U.S. Treasury was sitting on in April 1948. This surplus did not seem to be acting as a brake on inflation, and Republicans preferred to pump it back into the economy via tax cuts rather than let the Democratic Administration earmark it for public works or foreign aid.

Surplus or no, Truman's veto message hit hard on the danger of fueling inflation: ". . . to reduce the income of the government by $5 billion at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our government. . . . The bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds supply . . . and when government expenditures are necessarily rising." [8]

Truman, as do his Democratic descendants in 1979, ridiculed the GOP pitch on incentive. "It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates." As his evidence, the President mentioned record corporate profits and industrial expenditures. "The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production." [9]

Truman made a stronger case for his anti-inflation warning than did opponents of the Kennedy tax cut in 1963 or opponents of the Kemp-Roth tax cut in 1978. After all, was unemployment not already low? Weren't corporate profits at new highs? Was demand not peaking? Was incentive not adequate with the present tax rates? Was inflation not better dealt with through controls (a Truman favorite) than through misguided efforts to boost production? Truman's economists no doubt felt sure they were giving him sound advice.

The Consumer Price Index in 1948 dropped slightly from mid-January to mid-March, then resumed its upward movement sharply in April. The tax cut went into effect May 1, and the rate of increase in the CPI slowed somewhat.

June, July and August saw rises greater than May's but less than April's. September saw another price decline which—surprise—began a trend that carried well into 1949. When food prices are separated from other items in the CPI, they are found to be the real culprit, contributing to most of the April through August price increases.[10]

The Index of Industrial Production began to rise in April. Second and third quarter corporate profits rose sharply, after having stayed level in the first quarter. The unemployment rate was about 1 percent lower in October than it was in April. By December 1948, the CPI was about where it had been on the day the "inflationary" tax cut took effect.[11]

As Time said about the bill when it passed Congress, the 1948 tax cut "at least and at last paid some attention to the usually overlooked middle class." [12] Everyone had benefited from it, in fact—the poor, the blind, the old, and, indirectly, business. On top of this, statistics indicate it had at least a mildly positive impact on the 1948 economy. Production and profits went up, unemployment went down, and the tax cut's effect on inflation was negligible or nil. Perhaps the increased production cancelled out what might have been expected to be an inflationary surge. In any event, 1948's overall rate of inflation was over 4 percent less than that of 1947.[13]

The Administration was probably dumbfounded but happy at this turn of events. Truman's economic credibility was diminished, but opponent Tom Dewey declined to defend the record of the Republican Congress against Truman's slashing attacks.

What if Robert Taft had won the Republican presidential nomination and faced Truman that fall? With his commitment to limited government, he surely would have spelled out the lessons of the tax cut. As it turned out, the voters (or at least the 49 percent that voted for Truman) repudiated the works of the 80th Congress by making its successor Democratic.

Truman's 1949 State of the Union speech came in the midst of falling prices and fears of a recession. Despite this, he asked Congress for a $4-billion tax increase—as well as higher Social Security payments, more "public power" and cradle-to-grave national health insurance. One month later the economy went into a five-month recession, which lasted through July 1949.

By late spring, the White House had given its tax hike idea a quiet burial. Sen. Walter George (D.-Ga.) had publicly stated that Truman's tax program, if passed, would cause a "sizable depression." [14] George and many other Democrats in Congress were no doubt doubly satisfied with their votes to override Truman's veto the previous spring.

Remember that, as the recession started in February, the Treasury was beginning to refund all the taxes that were overpaid in the first four months of 1948 (due to the retroactive nature of the tax cut). If this money

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Footnotes at end of article.

had stayed in the Treasury, how deep would the recession then have been? As icing on the cake, the 1948 tax cut that had increased everyone's standard of living was almost a year later working to modify a recession observers had feared would be much worse when it finally came.

How mild was the recession of 1949? Mild enough so that the GNP in constant dollars managed to grow that year (as it did not in the recession years of 1954, 1958, 1970 and 1975), although by only a tiny bit. Average unemployment in 1949 was 2 per cent higher than in 1948, but this was "compensated" for by a 1 percent drop in the CPI during 1949.[15]

"The recession of 1949 is turning out to be largely a businessman's recession," wrote U.S. News & World Report in August. "Business has reduced its buying [and] made sharp cuts in spending for new plant and equipment. Individual consumers, on the other hand, have gone ahead, spending freely."[16] A good case can be made that, had the tax bill included some breaks specifically for business, this "businessman's recession" would never have occurred at all!

Anyone, Keynesian or otherwise, would have to agree that the tax cut Truman tried to thwart and later sought to repeal (which would have been the effect of his tax hike) forestalled an economic disaster which his liberal CEA did not even see coming as late as January 1949. This, in my view, is one compelling reason why the liberal Keynesians who write our economic history seem to pretend that the 1948 tax cut never happened.

Noted H. A. Holmans: "If there ever was a case of broadly sound economic measures being taken in very good time through good luck rather than good judgment, this was it."[17]

Thirty years later another Democrat sits in the White House. As did Truman, Carter prefers to battle inflation with "controls" rather than increased production. As did Truman, Carter has grandiose designs on the Treasury for programs like national health insurance. As did Truman, Carter opposes any plan to transfer large sums of money from the government back to the taxpayers. As did Truman, Carter chooses to fight inflation ineffectively rather than hedge against recession constructively. As did Truman, Carter will not even utter the word "recession" until we are knee-deep in one.

If Democratic myopia at the top levels of power is as bad or worse than it was then, there is always hope for enlightenment elsewhere. Taft and his troops said that government was eating up 30 percent of the national income in 1948. Kemp and his allies can point to a 45 percent figure for government today. Taft said production and incentive would bring lower prices—Kemp has been saying that for years. Taft said that $10 billion for social welfare programs was turning the nation against its individualistic heritage. HEW is spending 20 times that amount today—and just about anyone favoring a tax cut in 1979 has the right to know what Joe Califano is doing to make this economy more robust!

The liberals say spending cuts must accompany tax cuts, yet they vote against both. The 80th Congress managed to cut a little from Truman's fiscal 1948 budget, but they voted a tax cut many times larger than the amount they trimmed the budget. If this was done in 1979, say the liberals, massive inflation would be touched off. It is the same thing their ancestors said in 1948.

The cut of 1948 was proportionately bigger than anything Messrs. Kemp and Roth propose in 1979, yet a booming, inflated economy, with higher demand and lower unemployment than we have today, put all that extra money poured back into it to work, producing (1) more goods, diminishing or negating attendant inflationary pressures; and (2) more jobs, bringing down unemployment. As an added bonus, the 1948 tax cut saved the U.S from having to face a severe recession in 1949. There is far greater chance of such a decline now, in 1979, as the American economy staggers under masses of regulations, limping along with a growth rate less than half its inflation rate.

The historical precedents of free market tax policies will serve well those who are fighting to save the American economy for the 1980s.●

FOOTNOTES

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[7] "Congress Kills Veto, Taxes Cut $4.8 Billion," the New York Times (April 3, 1948), p. 1.

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[11] Commerce Department charts as seen in "The Annual Economic Review," published in U.S. News & World Report (Jan. 13, 1950) pp. 64–68.

[12] "The Congress," Time (April 12, 1948), p. 20.

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[14] As quoted in U.S. News & World Report (April 8, 1949), p. 46.

[15] McConnell.

[16] "Business Leveling Out Now for Upturn Early in 1950," U.S. News & World Report (Aug. 19, 1949), p. 11.

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THE PROBLEM OF FRAUDULENT ADVERTISEMENTS UPON THE ALASKAN ECONOMY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, I would like to bring to the attention of our colleagues, a problem that has turned into a perennial affair. Every spring, publications in the lower 48 States seem to contain fraudulent ads telling job seekers to send in a certain amount of money in exchange for information that will get them high paying jobs in Alaska.

For example, some ads state that some "1,320 current employers—exist—in the Arctic." This is false. In conjunction with this falsehood, they offer to refund the paid-in fee of $9.95—and the $1 goodwill deposit—if the applicant does not obtain Alaskan employment within 90 days.

It is disheartening to learn that many unemployed people in the contiguous 48 States read these ads and then blindly take off for Alaska. These people arrive in Alaska broke, disappointed, uninformed and without means to return to the lower 48.

Mr. Speaker, Alaska has the highest unemployment rate in the Nation, and for the forseeable future, we have enough residents to fill all job openings. For your information, and for the information of my colleagues, the State of Alaska's Department of Commerce and Economic Development has estimated the overall rate of unemployment for 1978 to be 9.5 percent. The 1979 forecast is 9.8 percent. In some areas like Fairbanks, the current unemployment rate ranges from 14 to 17 percent.

I am not proud of these statistics, nor am I trying to discourage people from moving to Alaska. I am only cautioning people to research the facts about Alaska before attempting to take up residence in the 49th State.

Historically, Alaska has endured what is known as a "boom-bust" economy. As you know, for a period in the 19th century, thousands of people flocked to the fields of the Klondike in search of gold and fortune. The discovery of oil and vast quantities of other precious resources have only served to perpetuate this "boom-bust" economy. During the "boom" periods, jobs were plentiful to a certain degree. Currently, however, Alaska is going through a period of transition. The "boom" of the trans-Alaska pipeline is over and Alaskans are attempting to develop a more predictable and stable economic base. Misleading advertisements placed in certain publications only serve to do a disservice to Alaskans as well as the readers.

I urge my colleagues to take the responsibility of educating the constituents in their respective districts on this matter. Instruct them to disregard the myth about Alaska; encourage them to discover the facts about the Nation's 49th State.●

NEED FOR THE CVN CARRIER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BOB WILSON. Mr. Speaker, last year, when President Carter vetoed the defense authorization bill, he did it because the bill contained funds for a nuclear aircraft carrier. At that time, he also said that he would, in the fiscal year 1980 authorization bill, request funds for an aircraft carrier, but he did not say what kind. I think he should ask for the best we can build—the CVN, the *Nimitz*-class nuclear aircraft carrier.

I would not go into the reasons why we need the CVN. The reasons are many, varied, and compelling, and the following article by former Secretary of the Navy J. William Middendorf and former Chief of Naval Operation Adm. Thomas

H. Moorer, U.S. Navy, presents them most convincingly. I would hope that all of us here will have a chance to study their essay prior to our deliberations on the fiscal year 1980 defense authorization bill:

THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

(By J. William Middendorf II and Adm. Thomas H. Moorer)

On the 26th of March, Israel's Prime Minister Menachem Begin and Egypt's Anwar Sadat, with U.S. President Jimmy Carter acting as witness, signed the peace treaty between their two nations which history may later record as the first step toward a permanent and lasting peace between all nations in the Mideast.

That it was, however, only the first step of many which must still be taken was dramatically emphasized the very next day when OPEC (the Organization of Petroleum Exporting Countries) announced it would increase the basic price of oil by 9%—to $14.54 a barrel—and also permit each member country of OPEC to impose additional surcharges of as-yet-undetermined amounts.

The new OPEC increase (the first of several retaliatory measures taken) was the seventh since 1 January 1973, when the price was only $2.59 per barrel, and has caused serious apprehension among Western nations already concerned about the recent change of government in Iran and the increasingly dangerous military threat against Saudi Arabia and other countries in the Persian Gulf/Arabian Sea area.

Because of that threat, the Defense Department is now reportedly considering organization of a new U.S. naval force—which would be called the Fifth Fleet—to patrol those areas of the Indian Ocean considered essential to the interests of the United States and its allies around the world.

But those naval forces—which means, for most practical purposes, the Navy's carrier task forces—are already stretched very, very thin, and they are constantly overworked.

One reason they are overworked, of course, is that in one crisis situation after another successive commanders-in-chief have realized that the carriers are often the only immediately deployable instrument of national military power available to them. The most recent crisis sorties were those made by the USS *Constellation*, ordered by President Carter *twice* within a matter of weeks to the Indian Ocean.

It is worth noting that the Constellation was accompanied by two tankers. The tankers slowed her down, but without them she could not have continued operations.

Besides being overworked, our carriers are also overaged. Before another carrier of any type could be operational, only four of the 13 carriers now in the fleet would be less than 25 years old. The operational life of some of the larger-deck carriers is being stretched out, at a cost of hundreds of millions of dollars, through what is called a "service life extension program," or SLEP, but if experience with similar makeshift programs in the past teaches us anything it is that we almost always wind up with less capability than needed or anticipated. and at a much higher cost than originally projected.

All of the foregoing argues compellingly, in our opinion, for construction of at least one more nuclear carrier (or CVN) of the Nimitz class for the U.S. Navy.

As most informed Americans are aware, one of the major issues to be decided by Congress in its consideration of the Defense Department's budget for the new fiscal year (FY 1980) starting on 1 October is whether the aircraft carrier requested in the budget submitted by the President should be nuclear-powered or conventionally-powered.

There is no debate over whether the Navy needs another carrier. The President, the Secretary of Defense, Navy officials both civilian and uniformed, and the cognizant committees of Congress all are in unanimous agreement that the Navy does need at least one more aircraft carrier.

There are many—and we include ourselves in this category—who believe several more carriers are needed if the Navy is to be able to responsibly carry out all the worldwide missions which have been assigned to it.

The most important of those missions—except for conduct of full-scale combat operations—is crisis response, as President Carter recognized in his use of the Constellation.

"Calling out the carriers," of course, is nothing new. Former Secretary of State Henry Kissinger, in a speech at the Naval War College in Newport, R.I., said "In the crisis in which I was involved, the use of naval power, particularly the carrier, turned out to be almost invariably the crucial element."

In that same connection, it may also be recalled that on 15 April 1970 the late General Earle G. Wheeler, then serving as Chairman of the Joint Chiefs of Staff (following an earlier tour as Army Chief of Staff) testified that, even after the Vietnam War would be over, the Navy would need 16 carriers—"not on the basis of a peacetime situation, but on the basis of a possible future war. . . .

"We must recognize," General Wheeler told a Joint House-Senate Armed Services Subcommittee, "that if we have a war in which the Soviet Union is involved the war is not going to be confined to the Atlantic Ocean or to the Atlantic region. The Soviet Union is a two-ocean country as well as the United States, and therefore we will have a requirement for a carrier force to be deployed in the Pacific area.

"In addition to that," he continued, "we are going to have to have something for contingencies. After going over a great number of mixes of carriers needed under varying realistic contingencies, I came down on the number of 16 as being within a prudent level of risk."

In the nine years that have passed since General Wheeler's testimony, of course, the United States has suffered the loss of access to most of her important overseas bases and, with its allies, has grown much more heavily dependent on Persian Gulf oil.

During the same time frame the Soviet naval threat has increased—in both quality and numbers—at a much more rapid pace than earlier expected. It used to be asked, by those who opposed the U.S. Navy's carrier construction programs, why the Soviet Union doesn't build aircraft carriers, if they're such an essential part of a strong navy.

That question is no longer asked. The USSR has two small carriers operational—the Kiev and the Minsk (both of which were on fleet exercises in the Mediterranean last month)—and are building one more, possibly two. Some analysts also believe a large new surface ship now under construction in the Soviet Union might be the USSR's first nuclear carrier.

Despite the increased Soviet naval threat, despite the increased dependence of the United States and its allies on overseas sources of oil and many other raw materials, and despite the loss of several more overseas bases formerly available to U.S. land-based aircraft, it has been decided—largely because of what is referred to as "cost considerations"—that the U.S. Navy now only needs 12 aircraft carriers.

It also has been decided by the present administration—again, because of cost considerations—that the carrier requested in the FY 1980 budget should be conventionally-powered rather than nuclear-powered.

To further reduce initial acquisition costs of the FY 1980 carrier—which according to present Defense Department plans is the last one the Navy will *ever* be permitted to buy—the administration decided at the same time it should be a ship of a completely new "CVV" design and, at 62,500 tons, much smaller in size—and considerably less capable—than either the 94,000-ton Nimitz-class CVNs or the 81,000 ton (conventionally powered) John F. Kennedy CVs which are now the mainstays of the Navy's carrier force.

Last year, it will be remembered, the President vetoed the defense authorization bill because Congress had included in it funds for a nuclear carrier, CVN, which the President had not requested and which he said at the time would be: (1) too expensive; and (2) not needed. (He also said the same money could be better used on procurement of several smaller ships; to date, those ships have not been requested. In fact, the President has further reduced the Navy's five-year shipbuilding plan.)

For a number of reasons, not all of which were directly related to the comparative merits of a nuclear carrier vs. a conventional carrier, Congress failed to override the President's veto. A substitute bill virtually identical to the vetoed bill, but minus the carrier authorization, was then passed and signed into law.

The President had said in his veto message he would include funds for a new carrier in his 1980 budget request. He did not, however, specify what type of a carrier.

There are many knowledgeable defense analysts—in the Navy, in Congress, in the academic world, and in the media—who vehemently disagreed with the President's veto decision. They believed, and still do, that the overwhelming body of evidence and empirical data accumulated over the past quarter-century of nuclear-ship operations conclusively proves that another CVN would be not only significantly more combat-capable than either a CV or CVV, but also considerably more cost-effective than either of the latter ships—and perhaps even less expensive in absolute terms.

But that is irrelevant, for all practical purposes. It is not necessary to rehash last year's budget debate to suggest that, *this year*, the economic, political, and national security milieu in which defense budget decisions must necessarily be made have changed so much, and so recently, that the assumptions upon which the President's budget request is based are no longer valid.

Preparation of the annual Defense Department budget request is a long and complex process, which starts more than a full year before the approved request is submitted to Congress (at the beginning of the congressional session). Congress itself then conducts, through its Armed Services and Appropriations Committees, months of hearings—during which literally thousands of pages of testimony are developed before shifting to floor debate six to nine months later and finally enacting authorization and appropriations legislation for the President's signature. (The authorization bill tells the Defense Department and the Services what they can and cannot do and what programs may or may not be funded; the appropriations bill contains the legal authority to spend money for the programs authorized. A program can be authorized but not funded; it *cannot* be funded without first being authorized.)

The bills which eventually reach the President's desk *always* differ in numerous respects from those originally introduced—sometimes because of changes requested by the administration itself; sometimes because Congress differs from the administration in its perception of the nation's defense needs; and sometimes simply because outside events dictate changes not possible to anticipate.

That is what has happened this year. Within the past several months the United States has lost the right to use bases and facilities in Iran which were an integral part of the U.S./NATO defense structure in that important area of the world. The United States has also, within the same time frame and for reasons which may long be debated, broken formal relations with Taiwan thus incurring the risk of permanently losing the excellent port and air facilities on that island which for the past 25 years served this country, in effect, as a "fixed site aircraft carrier" strategically positioned off the east coast of the Asian mainland.

Whatever the political merits of the President's decision to recognize the People's Republic of China, the fact remains that part of the price paid is the possible (many would say probable) non-availability, for the foreseeable future, of an important overseas land base.

The loss of overseas bases is not an isolated phenomenon, unfortunately. The country's operational overseas base structure has been reduced from the 105 that existed 10 years ago to fewer than 40 today. (Among the more harmful recent losses are those of Cam Ranh Bay and other bases in Vietnam now being used by the Russians—just as they are also using former Wheelus Air Force Base in Libya. The United States is a double loser in such instances.)

Whether we stay or leave, overseas land bases cost money—much more money in the long run than do aircraft carriers. It is worth recalling that it cost the United States over $525 million just to build the massive complex of air bases used in Southeast Asia during the Vietnam War. Additional hundreds of millions of dollars were spent building logistics support facilities, petroleum and ammunition storage dumps, and defense installations.

Those assigned to defend our land bases in Vietnam, let there be no doubt about it, did their job well. Despite their best—and often heroic—efforts, however, over 400 allied aircraft were lost from ground attack alone, and more than 4,000 more aircraft were damaged.

In contrast, during the whole Vietnam War not one sea-based aircraft was lost or damaged on board any U.S. carrier as a result of enemy action.

Nevertheless, our overseas base structure is still immensely important to our overall defense program, and the loss of such previously available bases and facilities in Iran and Taiwan, and the annually less viable tenure of U.S. base rights in many other countries, plus an added burden on the Navy's already overworked aircraft carriers and makes it mandatory that those carriers be, if at all possible, increased in number. It also makes it imperative that the high quality of the carriers now in the fleet not be diminished in any way by the addition of ships of lesser capability, lesser endurance, and more limited in range, speed, payload, and safety—it has been repeatedly demonstrated that smaller and less capable carriers suffer much higher accident rates, in both peace and war.

There are other unanticipated changes which have also dramatically altered the FY 1980 defense planning assumptions.

One such change is the still precarious peace agreement between Egypt and Israel; another is the volatile situation on the Persian Gulf threatening the pro-Western regime in Saudi Arabia and her smaller neighbors. Lacking land bases in the immediate area, the only way the United States can contribute to continued stability in the region is through use of sea power.

And sea power in this instance, as almost everywhere else in the world, means aircraft carriers.

Aircraft carriers are over the horizon and out of sight. They do not violate national sovereignty or offend local political sensibilities. They are immune to insurgents, revolutionaries, and guerrillas and to changes in government which are so often followed by changes in national policy which say in effect, "Yankee Go Home!"

But carriers are far from invisible to those who threaten the peace. They are a message to friend and foe alike that the United States Navy is offshore, a short jet flight away, ready to carry out its defense commitments and to protect American interests in the area and the interests of America's allies.

Carriers are quickly deployable. The same carrier which today is enjoying a port visit to Naples could be in the Eastern Mediterranean tomorrow ready to provide powerful assistance to Egypt or Israel if either of those countries is attacked. And a carrier brings with it all of the airplane fuel, supplies, ordnance, spare parts, and repair and support facilities needed by the 90-plus aircraft it carries.

But why a nuclear carrier? Why not the CVV which the President has requested or the "compromise" option, another conventionally-powered Kennedy-class CV?

The answer can be stated briefly: A CVN is faster, safer, more combat capable, and more quickly deployable—and has infinitely more range—than either a CVV or CV; it is also much cheaper to operate.

Surprisingly, another CVN may, in addition, actually cost less to construct than a CVV. It is certainly more cost-effective than either the CVV or the CV. It could be delivered to the Navy at least a full year earlier than the as yet undesigned CVV could be delivered, and probably almost as soon as another CV could be operational.

Those statements require and deserve amplification.

Insofar as military characteristics are concerned:

The CVN carries 90–95 aricraft; the CVV 50–64.

The CVN has twice the propulsion power and carries 2.5 times as much aircraft fuel, and 1.5 times as much aircraft ammunition, as the CVV could carry.

The CVN has four aircraft elevators, four catapults, and four propeller shafts; the CVV would have two of each. (The Navy has not within the past 40 years built a carrier with only two shafts.)

The CVN has a higher maximum speed (classified, but officially conceded to be "about five knots faster" than any conventional carrier). The CVN can, in fact, with one shaft down, continue operations at a speed almost equal to the CVV's maximum speed.

The most important CVN advantages, however, are those which flow from nuclear propulsion. The CVN can literally steam around the world at maximum speed without ever having to refuel. The CVV (or the CV, for that matter) is limited by the fuel it could carry and also by the availability of the slow-speed refueling ships which have to accompany conventionally powered ships or rendezvous with them along the way.

There are also a number of intangibles which favor the CVN—intangibles which in a crisis could mean the difference between mission failure and "mission accomplished." The CVN has greater seakeeping qualities, for example. That translates into a more stable platform, which means fewer aircraft accidents, fewer lives lost, lower repair and replacement costs and the ability to sortie more aircraft more often, regardless of foul weather conditions. (Because of its freedom from fuel constraints the CVN can often avoid storm areas entirely by following a more circuitous transit; the more limited conventional carriers seldom have the same option.)

The more heavily armored CVN is also much more survivable in combat; its high speed makes it a tougher target both to find and to hit, and its heavy armor and high degree of compartmentation combine to ensure that, even if it is hit (by anything less than a nuclear weapon), it probably would not even have to cease regular operations.

The myth of "carrier vulnerability," by the way, is just that: a myth. A heavily armored high-speed ship at sea presents a rapidly moving, and maneuvering, target extremely difficult to find, much less to hit and to hurt. It is infinitely easier to target and destroy our fixed-site shore-based ammunition dumps, fuel depots, and air fields. The punishment a modern nuclear carrier can take was—unfortunately and unintentionally—demonstrated in 1969 when nine 500 pound bombs (the equivalent of six Soviet cruise missiles) exploded on the flight deck of the USS Enterprise, the Navy's first nuclear carrier (and the only non-Nimitz CVN). Despite the damage done, the Enterprise could have resumed flight operations within a matter of hours. Today's carriers, with a higher degree of compartmentation, better sprinkling systems, and generally improved fire fighting and damage control techniques, are even tougher and more survivable.

Now, the matter of cost:

According to the administration's budget presentations, the acquisition cost of the CVV would be about $1.6 billion; another CVN would cost an estimated $2.4 billion.

However, consider the following:

Incredibly, the cost of fuel is not included in that cost comparison. The CVN's reactor will permit it to steam for 13 years prior to re-coring. It is impossible to estimate the delivered cost of the fuel (literally millions of barrels) a CVV would use in a similar 13-year period of operation. The delivered cost which includes refining, processing, and storage costs as well as the very high costs of the tankers (convoyed and protected by other oil-burning ships) needed to carry and transfer the fuel to the carriers, can be three or four times the per barrel cost at the wellhead.

At last year's prices, according to several independent cost studies, the cumulative cost of CVV fuel and other expenses not calculated in the administration's analysis would have been sufficient to virtually wipe out the CVN/CVV differential. At today's new and higher OPEC prices, which almost certainly will be substantially increased several more times in the next 13 years, the combined ship-plus-fuel cost calculations should now favor the CVN by a large margin.

Among the "other expenses" not included in the administration's cost analysis, incidentally, were such line items as: the acquisition, operating, and personnel costs for the surface combatants needed to escort the tankers during a conflict situation; the extra base facilities therefore needed in the United States and overseas; the very high cost of the aircraft more likely to be lost from a CVV or CV than from a CVN; and the incalculable cost of the extra lives also more likely to be lost.

Just as incalculable, of course, are the horrendous costs which might be incurred by not having enough combat aircraft available when and where they are needed in time of crisis.

Or by having them available in sufficient numbers—but either too far away to do any good, or unable to get to the combat zone until three or four days after they are most needed.

In today's high-speed world of supersonic jets and instantaneous around-the-world communications, that three or four days might mean a new cost differential which would have to be counted in terms of battles, perhaps even wars, won or lost.

All of the arguments which, in our shared opinion, make the CVN such a logical choice over the CVV apply with almost equal validity in a comparison between the CVN and the CV. (The CV would cost an estimated $143 million more than the CVV to build, and proportionately more to operate over a 13-year period. It would be just as dependent on logistics support. It would carry not quite as many aircraft as the CVN, it would be less survivable than the CVN, and it would carry only half as much aviation fuel and two thirds as much aircraft ammunition as would a CVN.)

There is a final point of almost overwhelming importance which should be considered: Those who advocate construction of a CVV, or even a "compromise" CV, take it for granted that the oil needed by those oil-burning ships will be available anytime and anywhere it is needed. That is a most dangerous assumption to make in building a ship which might have to be deployed on short or no notice anywhere in the world—including: (1) Constellation-like sorties to the vast reaches of the Indian Ocean where the United States has one small refueling base, at Diego Garcia (the nearest alternative is Subic Bay in the Philippines, 4,000 miles away); or even (2) at a time of another oil crisis, to the more narrow confines of the Eastern Mediterranean to help preserve the new peace between Egypt and Israel.

Persuaded by the logic of the above cost considerations, and even more by the overwhelming greater combat capabilities of the CVN, there are already many members of both the House and Senate, Republicans and Democrats alike, who are committed to authorizing another Nimitz-class CVN in the FY 1980 defense budget approved by Congress.

Such action, they recognize, would risk another confrontation with the President. Too many confrontations of that type are not good for the country. And they are not good for our overall national defense program.

Another such confrontation should therefore be avoided if at all possible. And it could be avoided. The President himself could dramatically demonstrate his own continuing dedication to defense, as well as to preservation of the peace agreement in the Middle East which he helped engineer, by informing Congress that, in view of the many changes in the world situation which have occurred since this year's defense budget was prepared, he now supports construction of another nuclear carrier.

We most urgently recommend that he do so forthwith.●

GENERAL SALAN'S ANALYSIS OF CHINESE VIETNAMESE CONFLICT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. McDONALD. Mr. Speaker, Gen. Raoul Salan, 80, who was the French commander for Indochina 30 years ago, is still one of the greatest Western military authorities on Southeast Asia. Following the Chinese invasion of Vietnam, the French economic and political weekly, Valeurs Actuelles, on March 5, 1979, carried the following interview with General Salan which provided information not found in U.S. press articles on that invasion, which my staff has translated as follows:

General Salan's Analysis of Chinese Vietnamese Conflict

"Giap must be back in his little rubber-soled shoes at this minute." As he spoke General Salan unfolded the map of upper Tonkin where the Chinese attacked on February 17. He knows this region, every post, every village, every road and every crater. Forty years ago the French commander-in-chief in Indochina ordered him to prepare a defense of that zone, from Mon Cay to Cao Bang.

"I marked out the entire frontier," he recalled.

During the preceding wars, against the French expeditionary corps and the American forces, Giap's troops held the heights and fired on the valleys. Now the situation is reversed. What American aviators called "the craters of death", because they were packed with artillery, are now in the hands of the Chinese divisions.

Formerly number two under General de Lattre de Tassigny, then Commissaire of the Republic in Tokin and commander-in-chief in Indochina in 1952 and 1953, General Salan went on to analyze the situation for valeurs actueles.

"They (the Chinese) have launched their affair well," he resumed. He based his judgement on three observations covering the climate, the topography and the population.

It was the perfect moment for an attack. The climate is excellent. The dry season will last until April 15. On the Russian frontier with China, on the other hand, it is midwinter with temperatures as low as thirty degrees below zero (—20°F fahrenheit).

As for the terrain: The general described the frontier from Lao Cai, the gateway to China, to Dien Bien Phu, the exit towards Laos:

"The Chinese have built up their offensive on all of the good roads leading into Upper Tonkin. They hold the heights, they control the connecting roads and the two railroads. All of that zone is bordered by Kwangsi, in China, and is known as the country of a hundred thousand mountains. The same mountains continue into Vietnam.

It is obvious that the Chinese hold the advantage. They know every inch of the sector. In reality they have never quit it. Until 1940 Chinese pirates were active as far as Lang Son. Then the French built a line of small military fortifications on the summits. Later these were destroyed, then reoccupied and reconstructed by the Vietminh during the war in Indo China. It is this line which the Chinese invaded last week.

They are well installed there, perched on high, grassy peaks. These mountains are so covered with vegetation they have a natural camouflage covering countless paths leading down the Chinese side of the mountains over which supplies and munitions can be brought. It is an ideal field for the sort of war the Chinese fight: artillery on one side and men with their small arms and bearers on the other."

Then there is the population. "This is the third advantage of the Chinese," according to General Salan. "It is their country. All the length of the frontier one finds the Nung tribes, with the Chinese language and charactor, the Tho tribes, also of the same race as the Chinese and living on both sides of the frontier. With them are the Thais who by tradition have been friends of the Chinese.

Is it in the interest of the Chinese General Staff to go any further? Mr. d'Orowal asked.

"I do not believe that they will push on to the plains, General Salan replied. It would be a mistake. They would come out on the inundated delta. That is where we got bogged down. On the contrary, by staying on the heights they have undoubtedly inflicted heavy losses on Giap's army.

Mr. Teng Hsiao-ping quietly observed: A myth has had its day—that of the invincibility of the Vietnamese Army which boasted that it was the third military power of the world."

According to General Salan, Giap and Pham Van Dong (the head of the Vietnamese government) have grown old. They have committed two tactical faults and an error of judgment.

"Their first fault: The expulsion last year of two hundred thousand Chinese from Vietnam. In so doing, Pham Van Dong made Mr. Teng lose face. It was an unsupportable affront.

The second fault: The direct, massive invasion of Cambodia. General Salan has known for a long time that this was Giap's intention. It was inscribed in a telegram Ho Chi Minh addressed to his troops before his death and was made public in General Salan's book, "Indochine Rouge", published by Presse de la Cité in 1975.

This telegram, dated September 20, 1952, and decoded by French cryptographers, said: "Our strategic aim is to retake all of Vietnam, Laos and Cambodia, from the gate of China to Point Camau, from the coast of Indochina to the shores of the Mekong."

Giap took over twenty years to execute Ho Chi Minh's order. He did it, but in going too far he gave the impression that he was going to over-run the Indochinese Penninsula, including Thailand and Malaysia."

"In occupying Cambodia," said General Salan, "the Vietnamese gave the Chinese cause to worry when they were already on the alert on their northern frontier. So they decided to bar the gate in the south.

The error of judgment which Pham Van Dong committed was to think for a minute that his alliance with Moscow would intimidate Peking and that the Russians were totally committed to stand by him. What he did was give Peking an opportunity to demonstrate that an alliance with Moscow is not an assurance against any eventuality.

By attacking in mid-February, the Chinese gave themselves two months, before the end of the dry season, to wear down and break one by one the Vietnamese divisions that would be brought up to face their positions. This threw all of the Vietnamese occupation forces in Cambodia and Laos off balance.

General Giap keeps some ten heavy divisions in Cambodia but these are not enough to assure complete control. When he had to displace them to the Chinese front he ceased to be master of the situation. This was the trap that Teng Hsiao-ping intended for him."

When they had shown Giap what they could do the Chinese pulled back. The entire operation was an expression of Chinese contempt for Giap and his army, for more and more Chinese have boasted over the past 6 months that it was their generals who in reality defeated both the French and the Americans and that Giap was only a front.

What will happen next is anyone's guess as Russian naval units leave other waters to join Soviet Russia's 725 warships of all classes in the China Sea.●

TURKISH AID AND THE CYPRUS PROBLEM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. YATRON. Mr. Speaker, the House on March 29 approved a foreign military assistance bill which included $202 million in military aid for Turkey. On that date, I addressed my colleagues, pointing out that there has not been substantial progress toward a just solution of the Cyprus problem since this body lifted the embargo on arms to Turkey last year.

Now the administration is requesting an additional $150 million in military and economic assistance for Turkey.

In each of his 60-day reports to the Congress since the lifting of the embargo, the President has certified that Turkey is acting in good faith on the Cyprus problem. Yet all of the evidence suggests otherwise. Thirty thousand Turkish troops continue to occupy the island. Military exercises have been conducted in northern Cyprus by a government which we are told is teetering on the brink of financial catastrophe. Thousands of Greek Cypriots remain unaccounted for, 4 years after the illegal Turkish invasion. Hundreds of thousands of Greek Cypriots are still waiting to return to their homes in the occupied area.

The status quo on Cyprus, Mr. Speaker, does not reflect good faith actions by Turkey. Instead, continued Turkish intransigence is an affront to the House of Representatives, which itself acted in good faith in lifting the arms embargo.

Still another indication of Turkish refusal to respond to that act is the Turkish Government's policy toward the Greek Orthodox Church. More than anything else, this policy deeply wounds the Church's members around the world. Mr. Zachary Paul Geaneas, a career Foreign Service Officer assigned to the United States Mission to the United Nations, has recently prepared a monograph entitled "The Cross and the Crescent."

Mr. Geaneas' incisive analysis details the repressive Turkish policy toward the Church and suggests that this policy can only redound to the disadvantage of Turkey.

Turkey's policy toward the Greek Orthodox Church is but one facet of the continuing tragedy of Cyprus and her people. I strongly commend to my colleagues, Mr. Geaneas' excellent assessment of this grave problem, which follows:

THE CROSS AND THE CRESCENT

(By Zachary P. Geaneas)

The resurgence of religion as a potent force throughout the world has been clearly documented during the past several years. Most recently, the world has seen the power of an overwhelming Islamic fundamentalism. This new and vital force has had its effect upon the political arenas and its power is being clearly demonstrated in Iran where two governments were overthrown. Pakistan, Afghanistan, Turkey and, to a lesser degree, other Arabic nations also have been affected.

Many fear this resurgence, this return to the basic values of the Muslim and Christian religions. Others are concerned that a jihad or holy war will be declared against the Christian and other non-Islamic countries. I do not believe that this is a possibility. On the contrary, as men of God, the clergy of Christianity and the mullahs of the Islamic faith have more in common than most of us realize. Both religions advocate belief in God and passages of their Holy writings, the Holy Koran and the Bible, are astonishingly similar.

I believe that the Cross and the Crescent can and will exist, as they already have for so many centuries, in close proximity without serious conflicts or difficulties. Some alarmists, and fortunately they are few, believe that either the Cross or the Crescent must be supreme. Such beliefs are a disservice to God. The two religions are compatible and will coexist to the benefit of all our societies.

Unfortunately, unscrupulous leaders frequently use religion to fan emotions and to raise brother against brother. History is replete with such incidents and wars—perhaps the most infamous are the Crusades. Despite these events, and some of them are continuing to date, the coexistence and cooperation of Christianity and Islam throughout the centuries is rarely recorded in the annals of history.

Wars, like crime, get the front pages. Brotherhood, morality, love, charity, and the cohabitation of millions of people of these two major faiths are rarely recorded or even mentioned. A good example of this has been the ability of the Greek Orthodox Christians and the Muslim Turks to live with each other under the Byzantine and Ottoman Empires as well as the Turkish Republic.

The Patriarchate has been situated in the world renowned city of Constantinople/Istanbul for the better part of two milienia. Unfortunately, because of events that occurred in recent political history, the basic policy toward the church changed drastically. Despite increasingly hostile national policies, the majority of the Turkish and Greek people were able to live together, respecting each other's religious and cultural heritage.

The present status of the Patriarchate is an impediment to the freedom of religion that both Christianity and Islam so clearly profess. A brief examination of this situation as well as the simple expeditious way that it can be rectified is worthy of consideration.

Some time ago the College of Cardinals was convened in Rome to elect the head of the Catholic Church. For most Americans it was a very reasonable, practical and certainly a democratic way of electing a leader. More than two hundred cardinals travelled to Rome from throughout the world, first to represent their people at the funeral of Pope Paul and then to elect his successor. With the untimely death of Pope John Paul I, they again returned to Rome to be present at his funeral and to elect his successor, Pope John Paul II. It was clear to the entire world that their deliberations would be private and certainly without any outside interference. Upon their election of the new Pope, his name was announced to the waiting world.

When Patriarch Athenagoras died a number of years ago what transpired? How was his successor elected?

With the announcement of the death of his Holiness, Patriarch Athenagoras, the entire Orthodox world was plunged into mourning. The Primates of the National Orthodox Churches sent messages of condolence and many were present at the funeral services. The scenario up to this point is quite similar to what an American would expect to happen. The first glaring difference occurred when Archbishop Jacovos prepared to travel to Turkey as the head of the Greek Orthodox Archdiocese of North and South America and as a member of the United States Government's delegation to the Patriarch's funeral.

Because Turkish politicians had taken exception to Archbishop Iacovos' earlier activities on behalf of the Patriarchate, the Archbishop was refused entry into Turkey and thus denied the opportunity of paying his last respects to the Patriarch. Despite worldwide concern and pressure from people as well as governments, the Turkish bureaucracy remained implacable and refused to issue a visa to the Primate of the Greek Orthodox Church of North and South America.

Political expediency and distrust of anything Greek prevented the bureaucrats at that time from doing the compassionate and correct thing in permitting the Archbishop to enter Turkey. Thus the Archbishop was denied the opportunity of representing the millions of American Orthodox Christians at the funeral ceremonies.

The next discordant note was that the Orthodox Church, represented by the Holy Synod, could not be solely responsible for the election of the new Patriarch. The Holy Synod was required to submit to the governor of Istanbul a list of Bishops from whom the next patriarch would be chosen. To be eligible the bishops had to be Turkish citizens; this precluded the candidacy of Bishops living in the diaspora.

Upon receipt of the list, the Governor struck out names of those Bishops whom he believed could be troublesome to Turkish policy. It is quite astounding that a political official could play such an important role in the selection of a religious leader. Such interference could be minimally acceptable if, and only if, the Church and the State were of the same religion. In this instance, the Turkish State is Moslem and the Church, Orthodox Christian. That such a procedure would shock the conscience of the world would be anticipated by any reasonable person. Despite this heavy handedness, and because the Western World is not aware of the procedures for the selection of a Patriarch, this sequence of events elicited minimal adverse public opinion.

The Orthodox Church is not organized in the strong centralized manner of the Church of Rome. Orthodox Churches are decentralized on a national basis and there is a Patriarch for each of the Orthodox Churches of Romania, Russia, Bulgaria, etc. However, all national Orthodox Churches recognize the primacy of the Bishop of Constantinople in theological matters. This is not a new situation but one that has existed throughout the centuries. During the past fifty years the Turkish politicians have taken many actions which were inimical to the interests of the Patriarchate and the Orthodox Church in Turkey.

The closing of the world renowned Theological School of Halkis was accomplished with hardly a murmer of protest from the Christian West. Libraries and schools were closed. Church properties were confiscated or at best declared national treasurers so that control over these historic sites no longer vested in the Patriarch. As a result of this action, Orthodox ecclesiastical treasures are controlled by the Turkish Government. It is said that even in the very modest office building occupied by the Patriarchate, minimal repairs have to be agreed by the Turkish bureaucracy.

At best, the Patriarch and the Holy Synod are tenants by sufferance without any assurance that they could continue to occupy these historic premises in the future. Disinterest and an inherent distrust of all things Greek, are the motivating factors of the deterioration that is bordering on the deliberate destruction of churches of great renown. As a result, ecclesiastical treasures are slowly disappearing with the passage of time.

Yet, these policies were not limited to the physical properties of the Patriarchate but extended to interference in the international travel of members of the Holy Synod. Recently, the Turkish Government, announced to the world that such travel restriction would be lessened. Again, instead of condemning such restrictions, public opinion noted their lifting with a sigh of relief instead of condemning all interference in church affairs.

Even a casual observer would conclude from the very few examples noted above, that Turkish political policy was predicated upon continually restricting the activities of the

Patriarchate until it either withered or was forced to move.

If such be the policy, it would be prudent for the Turkish government to reexamine its goals as far as the Patriarchate is concerned. Its status must be changed from that of a virtual prisoner to an invaluable asset which would bring many advantages to the Turkish people. First, such action would result in moral approval from people of all faiths who believe in freedom of religion. Secondly, millions of dollars of foreign exchange would pour into the Patriarchate for restoration, maintenance and operation of historic churches, schools, museums and other church properties.

Large sums of money would come into Turkey every year to fund religious and charitable projects which would benefit people of all religions. Thirdly, hundreds of thousands of the Orthodox faithful would visit Istanbul each year to worship at the seat of Orthodoxy. Untold millions would be spent by these visitors and as a result tourism would become a viable source of foreign exchange for a hard pressed economy.

The Turkish people could be the recipient of these many and important benefits without the expenditure of a Turkish lira. First, an agreement, mutually advantageous, would permit the Patriarchate to function without interference in church affairs. These agreements could be worked out in a carefully worded concordat which would spell out the freedom of action as well as the responsibilities of both parties.

Secondly, church properties, especially those of religious, historic and architectural importance, would be returned to the Patriarchate so that the essential process of restoration may be begun immediately. A magnificent gesture which would wipe away the residue of centuries of hate and misunderstanding would be the return of one of the foremost churches of Christiandom, Agia Sophia, to the Patriarchate. World opinion would understand and applaud such action.

Failure to do so would be detrimental to Turkish interests and its mere presence, in a state of disrepair would be a continual reminder of religious and political intolerance Agia Sophia, restored, would rank with St Peters in Rome and St. Paul's in London.

The world is seeing changes that appear to be solving deeply ingrained disputes in Africa, in the Middle East and in Asia. With good will, the Turkish Government and the Patriarchate could resolve their differences, live in peace and bring economic, political and religious advantages to all people.●

TRIBUTE TO ROBERT L. TRACHTENBERG

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. COELHO. Mr. Speaker, on behalf of myself and my constituents in the 15th Congressional District of California, I would like to take this opportunity to express my gratitude to Associate Commissioner Robert L. Trachtenberg who has announced his resignation from the Office of Hearings and Appeals of the Social Security Administration, effective May 1, 1979.

Since coming to the Office of Hearings and Appeals in 1974, Bob Trachtenberg has truly succeeded in his assigned mission of reducing the backlog of social security claims awaiting hearings and providing claimants with fair and prompt hearings. As a member of former Congressman Bernie Sisk's staff at that time, I vividly remember the numerous complaints Mr. Sisk received from constituents who were waiting for their hearings to be scheduled or for decisions to be issued on their claims. Complaints to many congressional offices became such a sore issue at that time that the chairman of the Social Security Subcommittee, the Honorable James E. Burke, had some harsh remarks about the crisis in the disability insurance program during hearings his subcommittee held in 1975. Chairman Burke pointed out that:

> You have the people of this country up in arms. I recently made a trip around my district and half the people who talked to me were concerned with disability appeals they had pending.

He went on to say:

> We cannot sit here and allow that condition to exist. Every Congressman on the floor asks me daily what we are doing about this.

In the spring of that year, the appeals backlog in the Office of Hearings and Appeals had reached an alltime high of 113,000 cases. With the use of strong management initiatives and congressional assistance, under Bob Trachtenberg's direction the Office of Hearings and Appeals reduced the backlog to 74,416 pending cases by December of 1978. Of course, these results were not attained without the hard work and sincere dedication of the corps of administrative law judges and support staff throughout the country.

And, as might be expected, Bob Trachtenberg has also weathered some criticism of his efforts by various groups both in and out of the Office of Hearings and Appeals, over the manner in which the desired results were obtained, but that is usually the case when one is confronted with a difficult job to do as Bob Trachtenberg was.

Throughout my tenure with Congressman Sisk and during my own brief term in public office, however, I personally have not been aware of any instance in which a judge presiding over social security disability cases in my congressional district was called upon to sacrifice his judicial independence to achieve the goals of the Office of Hearings and Appeals.

Instead, during my association with Bob Trachtenberg and the judges serving the Social Security Administration, I have found a dedication to fairness and an open willingness to serve the public. Under Bob Trachtenberg's leadership, claimants who formerly had to wait 1 year or more for a hearing can now expect to receive a quality hearing and a decision within 150 days.

I think this in itself is evidence that the Office of Hearings and Appeals has met and can continue to meet the mandate of 1975. I think, too, that the record will show that Bob Trachtenberg and the personnel of the Office of Hearings and Appeals have worked well as a team to achieve results with which anyone concerned about expeditious and accurate service would be pleased.

I want to express my personal thanks to Bob Trachtenberg and the personnel of the Office of Hearings and Appeals, and I want to wish him success in his new appointment as the Deputy Commissioner for the Alcohol, Drug Abuse and Mental Health Administration of the U.S. Public Health Service. I know that I speak for my predecessor, the Honorable Bernie Sisk, and for the people of the 15th District of California in extending our thanks for a job well done.●

THE ADMINISTRATION'S EDUCATION BUDGET

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FORD of Michigan. Mr. Speaker, the President's budget for fiscal year 1980 has been the subject of considerable discussion in this body recently.

As the Chairman of the Subcommittee on Postsecondary Education and the ranking member of the Subcommittee on Elementary, Secondary, and Vocational Education, the proposed education budget has been a particular concern of mine.

I was impressed with the objectivity of an analysis of the budget request for education which has been prepared by the staff of the Democratic Study Group, under the able chairmanship of DAVE OBEY, who also serves with distinction on the Appropriations Committee. It is an excellent examination of the contents of the budget and the implications for education.

Mr. Speaker, because this report will be helpful as we make some hard decisions in the weeks and months ahead, I insert it at this point in the RECORD as a resource for all of us:

THE ADMINISTRATION'S EDUCATION BUDGET

This DSG Special Report deals with the Carter Administration's proposed FY 1980 education budget and the impact the proposals would have on states, local school districts, and students.

The Administration has requested a total of $14.3 BILLION in new budget authority for education programs. The reductions proposed by the President include the elimination of Category B impact aid funds ($288 million) and a $262 million cut in college student loan programs.

Although the education budget has not generated the intense controversy which marks other Administration domestic budget proposals, education groups will mount a major effort to restore funds for impact aid, higher education student loan programs, and education programs for the handicapped as well as to increase funding levels for other programs above their FY 1979 levels.

This DSG Special Report contains the following sections:

I. Introduction, page 3.

II. The Education Budget, page 5.

III. Arguments For and Against Specific Cuts, page 13.

SECTION I. INTRODUCTION

The primary goal of federal education programs is to assure all Americans equal access to a good education. The Federal Government's share of the cost of elementary and secondary education is 8.8%, with state and local governments assuming financial responsibility for the rest. For higher education, the Federal Government provides 21% of the total spent. In providing funds for education, the Federal Government attempts to:

Help states and localities improve their education systems.

Provide enriched education for the disadvantaged and the handicapped.

Provide federal assistance to help support higher education.

Promote research and the dissemination of information in the field of education.

Compared with other social spending programs, education does not fare badly in the Carter budget. Nevertheless, the total request for budget authority is $276 million less than the FY 1979 level. Most education programs were held to approximately the same dollar figures as in 1979, with few programs receiving increases. The majority of budget cuts are in two areas—impact aid and college student assistance.

Although budget cuts for education are not as deep as had been originally feared, many education groups are concerned about cuts in specific programs, notably impact aid and college student assistance and the fact that inflation has reduced the real dollar amounts available for education.

President's budget request

The President has requested $14.3 billion in new budget authority for FY 1980, $276 million less than budget authority in FY 1979. The Administration proposes to eliminate $288 million in funds for the Category B impact aid program and to cut $262 million from student loan programs. The budget asks for $658 million ($258 million for FY 1979 and $400 million for FY 1980) for a new concentration grants program for Title I of the Elementary and Secondary Education Act to be targeted to areas with high concentrations of poor children, and a $58 million increase in the largest of the education programs for handicapped students.

SECTION II. THE EDUCATION BUDGET AND ITS IMPACT

This section summarizes President Carter's FY 1980 budget request for education programs and its impact on students, states, and local school districts eligible for educational assistance. The education budget includes funds for the elementary and secondary education programs for low-income students, impact aid, programs for handicapped pupils, and college student assistance and loan programs.

Overview

The Administration has requested a total of $14.34 billion in new budget authority for education programs for FY 1980. This represents a $276 million cut from the FY 1979 level and is $1.1 billion less than CBO estimates is required to maintain education programs at their current level of activity. FY 1980 outlays are estimated at $13.32 billion, up from $12.66 billion in FY 1979. The increase in outlays results because most education programs are funded one year in advance; thus, the higher outlays reflect higher funding in prior years. The following table compares the Administration's FY 1980 budget request with the estimated FY 1979 funding level and with the Congressional Budget Office's (CBO) "current policy projection," an estimate of the funds necessary to maintain the current level of program activity:

EDUCATION BUDGET

[In millions; fiscal years]

Program	Administration estimate, 1979	Administration request, 1980	CBO current policy projection, 1980	Difference between administration request and CBO current policy
Elementary and secondary education:				
Budget authority	$7,765	$7,730	$8,394	−$664
Outlays	6,517	7,016	7,599	−492
Higher education:				
Budget authority	5,507	5,200	5,575	−375
Outlays	4,873	4,887	5,225	−337
Research and education aid:				
Budget authority	$1,339	$1,405	$1,468	−$63
Outlays	1,272	1,330	1,388	−58
Total:				
Budget authority	14,611	14,335	15,437	−1,102
Outlays	12,662	13,323	14,210	−887

Over half of the $276 million cut proposed by the Administration is due to a reduction in budget authority needed to continue current policies in the basic educational opportunity grant (BEOG) program for college students. According to the Administration, the decrease is possible because anticipated higher family incomes will reduce the total number of eligible students by 130,000. The other major cut in the education budget is the elimination of all Category B funding for impact aid.

Program Summaries

Higher Education Student Assistance

The Administration has requested $262 million less in budget authority for student loan programs in FY 1980 than was requested in FY 1979. The following chart compares the FY 1979 amounts with the FY 1980 requests:

[Budget authority in millions; fiscal years]

Program	1979	Administration request, 1980	Difference between 1979 and 1980
Basic education opportunity grants	$2,600	$2,444	−$156
National direct student loans	329	235	−94
Guaranteed student loans	972	960	−12
Supplemental education opportunity grants	340	340	
College work study	550	550	
State incentive grants	77	77	
Total	4,868	4,606	−262

CBO estimates that an additional $340 million is required to keep student assistance programs at their current levels. The Administration asserts that the most important student assistance programs can be continued at or near current levels with less than current funding because higher family incomes will make approximately 130,000 students ineligible for loans, and because improved management control and improved collections on old loans reduce the need for higher levels of funding. The President's student aid proposals however, are dependent on tenuous assumptions—particularly the assumptions of fewer eligible students and improved loan collections. CBO estimates the impact of the Administration's budget request will be fewer available loans, fewer loans for low-income students, and loans of smaller amounts.

Basic Education Opportunity Grants (BEOGs).—The Administration has requested $2.4 billion for the BEOG program for FY 1980, $156 million less than the FY 1979 level. Of the amount requested, $726 million actually represents funds left over from previous years rather than a request for new budget authority.

The BEOG program is the principal form of higher education student assistance and may be supplemented by loans from other assistance programs. The Administration estimates that its request will provide 2.6 million students with individual grants of up to $1,800 in the 1980–81 school year. The average grant is estimated to be $940, an increase of $50 over 1979.

CBO estimates that the Administration's request falls $753 million short of what will actually be needed to fully fund BEOGs in 1980. Estimates of BEOG program costs have traditionally been inaccurate and low, and chances of inaccuracy are greater this year because of changes made by the Middle Income Student Assistance Act passed last Congress. CBO and numerous education groups believe that the Administration has underestimated how much money will be needed to fully fund the program.

The Administration's budget estimates are based on a prediction that, due to the elimination of fraud and abuse, there will be a higher rejection rate, thereby continuing the decline begun in FY 1978 in the number of individuals participating in the program. CBO asserts that the FY 1978 decline in program participation resulted more from confusion over new procedures than from student ineligibility. The Administration's projections are also based on estimates of future economic growth, which may be overly optimistic. In addition, the President's budget proposals do not include an extra $15 million which HEW officials feel will be required if the Administration succeeds in phasing out social security post-secondary education benefits to the children of retired, disabled, or deceased workers.

The Administration has given oral assurances that it will request supplemental funds for BEOG's should its initial request prove inadequate. Most education groups believe that will be necessary.

The impact of underfunding the BEOG program will be greater competition for student loans in other programs, with students from low-income families likely to be most adversely affected.

National Direct Student Loans (NDSL).—The Administration wants to cut budget authority for the National Direct Student Loan program to $94 million below the FY 1979 level—to $235 million for FY 1980. Under the NDSL program, loans are distributed to schools by the Federal Government and the schools are responsible for collecting on the loans.

The Administration's request does not meet the statutory minimum appropriation of $286 million set by Congress in the Middle Income Student Assistance Act. The Administration assumes that, despite the budget cut, program participation will decrease by only 1% from 914,000 students to 902,000, because it expects schools to intensify their efforts to collect debts from students who have defaulted on loans. This will enable it to make a large cut in funds with only a marginal decline in student participation. The government's ability to improve collections is limited. In fact the most recent HEW figures show that the number of defaults has increased from 600,000 to 700,000.

The cut in the NDSL program could hurt low-income students who cannot attend college without government assistance. Should the Administration fail to increase collections by the 30% it estimates is necessary to maintain current participation levels, students from low-income families will receive fewer or smaller NDSLs.

While the Administration believes that full funding of BEOGs will offset the decline in NDSLs, it may not provide increased assistance to low-income students. The increase in BEOGs will accrue almost entirely to middle-income students.

CBO claims that the Administration's estimates overstate the number of grants that will be available to students under NDSLs. Should schools decide to increase the average loan to take into account the 16% inflation rate since 1978, only 853,000 students would be eligible for NDSLs in FY 1979 and 786,000 in FY 1980. Should schools, however, keep the average loan amount at the FY 1978 level of $710, it will be worth 16% less in real dollars.

Guaranteed Student Loans (GSL).—GSLs are unsecured loans provided to students through private lenders on which the government pays a 7% interest subsidy on behalf of each student as well as a special allowance to lenders to encourage their participation. The budget request represents the cost of the subsidy and the special allowance to the government.

The Administration proposes to cut funds for this program to $960 million in FY 1980, $12 million less than in FY 1979. CBO's current policy projection for the guaranteed student loan program is just over $1 billion. While the difference is not a large one, CBO estimates that it will result in $200 million less in loan capital available in FY 1980, totaling only $2.4 billion rather than the $2.6 billion the Administration estimates will be available. This means that 1.1 million students rather than 1.2 million will receive loans.

The impact of the reduction in GSLs will be felt primarily by low-income students with the greatest financial need. Fewer loans will increase demand and competition between middle- and low-income families. Higher-income families have a decided advantage because they are more likely to have established banking relationships and because private lenders see them as less likely to default on loans.

Fewer GSLs to low-income families combined with the cut in NDSLs could severely handicap low-income students in their effort to get a college education.

College Work Study (CWS).—The Administration has requested $550 million in FY 1980 for the college work study program, which provides part-time employment for students. This is the same level of funding as in FY 1979. Unspent FY 1979 funds combined with FY 1980 funds may not be sufficient to continue the current level of services for this program if social security student benefits are eliminated. CBO, however, asserts that CWS is probably being overfunded. Increased demand by middle-income students for BEOGs could reduce the demand in the CWS program. CBO also believes that the Administration's estimates of increased participation from 796,000 students in FY 1978 to 990,000 students in FY 1980 is too high.

Elementary and secondary education

The President is requesting $7.7 billion for elementary and secondary education programs for FY 1980, an increase of $65 million over FY 1979. The major cut in this category is the elimination of $288 million in Category B impact aid. Smaller cuts are recommended in various programs for the handicapped, although the largest of the programs to benefit the handicapped would receive a $58 million increase over the FY 1979 funding level. Funding of Title I of the elementary and secondary education Act, which is the largest federal elementary and secondary education program and provides funds to low-income school districts for the education of poor children, would not be increased.

Title I—Elementary and Secondary Education Act (ESEA).—Title I is the largest federal elementary and secondary education program. It provides funds to low-income school districts for the education of poor children and to states for state agency compensatory education programs.

The Administration has proposed funding Title I at the FY 1979 funding level of $3.1 billion, and amount that CBO estimates is $218 million below the amount required to maintain current services. While outlays will increase from $2.6 billion in FY 1979 to $2.8 billion in FY 1980 (reflecting past budget increases for the program), CBO figures show that an additional $211 million in outlays would be needed to maintain current services.

In addition, the Administration is requesting budget authority of $658 million ($258 million for FY 1979 and $400 million for FY 1980) for a newly authorized compensatory education program. This program provides grants to areas with higher concentrations of low-income students.

Although the proposed funding of the new grants program may partially offset the reduction in real dollars for present Title I programs for those school districts that qualify for additional grants, CBO asserts that if the total amount of funding for Title I is compared for 1979 and 1980, the President's FY 1980 budget still falls $105 million short of what is required to maintain the current level of services.

Impact Aid.—The Administration proposes to eliminate all Category B funds within the impact aid program. Impact aid is designed to help compensate school districts for the cost of educating students where the local tax base is reduced because of federal property ownership or student enrollment is higher due to the presence of a federal employer. Districts which include military bases, government offices, Indian lands, and public low rent housing are eligible for impact aid. Currently more than 4,000 school districts—25% of the school districts in the nation—receive impact aid.

Unlike most federal education assistance, impact aid can be used to pay for general operating costs such as heating, utilities, teachers' salaries, and instructional materials. Because impact aid funds are used to meet costs incurred by the entire school system, 23 million elementary and secondary school age children would be hurt indirectly by a cutback in aid. Impact aid is divided into two categories: Category A includes children whose parents live and work on federal property or on Indian lands; Category B includes children whose parents live or work on federal property.

The Administration's proposal to eliminate entirely $288 million in Category B aid in FY 1980 would affect more than 4,000 school districts with 23 million children throughout the country. It could result in higher local property taxes, decreased quality of education, or both. Although Category B aid represents just over half of the total amount of impact aid, there are far many more children benefiting from Category B assistance—2 million children—than from Category A—356,000 children. Of the 2 million children counted for Category B aid, 712,000 are poor children living in low rent public housing. CBO estimates that $346 million would be required for Category B in FY 1980 to maintain current impact aid service levels because of rising education costs.

Education of the Handicapped.—There are several federal programs for educating handicapped children. The largest of these is the state assistance grant program which provides funds to school districts for each enrolled handicapped child. Other programs for educating handicapped children include the special education personnel development program and the preschool incentive grant program that provides special education for children under age five.

Although the Administration proposes to increase funding for state assistance grants from $804 million in FY 1979 to $862 million in FY 1980, its request is approximately $400 million below the amount needed to sustain the level of federal financial commitment mandated by law. As the number of handicapped children served by the program increases and as local education agencies develop more comprehensive delivery systems, education groups believe that more funds will be needed.

CBO asserts that even the small cuts proposed by the Administration for the special education personnel development and preschool development grant programs will result in a lack of adequate funds to maintain current services. The Administration is proposing a $2 million cut in funds for the special education manpower development program from $57 million in FY 1979 to $55 million in FY 1980. The impact of the cut, combined with inflation, could result in 5,160 fewer persons receiving special training—91,990 in FY 1980 compared to 97,150 in FY 1979. The impact of the $2.5 million cut in the preschool incentive grant program—from $17.5 million to $15 million—will result in a lower per pupil expenditure. The per pupil expenditure of $80 in FY 1979 will be cut to $67 in FY 1980. CBO estimates that $85 per pupil is the amount required to continue to provide current services.

Vocational Education.—The Administration is proposing to fund vocational education programs at their FY 1979 level of $682 million in FY 1980. Vocational education groups assert that an additional $300 million is needed in FY 1980 if vocational educational programs are to accomplish the objectives for which they were established. Since 1974, the increase in federal support for vocational education has averaged only 3% annually, well below the rate of inflation.

The impact of the President's budget would be most severe on the group that needs vocational training the most—unemployed youths in economically depressed central cities. A larger amount of funds could help to decrease the flow of unskilled youths into the labor market by providing them with school-based training and help to stem the further deterioration of the nation's central cities.

SECTION III—ARGUMENTS FOR AND AGAINST SPECIFIC PROPOSALS

This section summarizes the arguments being made my proponents and opponents of specific proposals in the Carter Administration's education budget. (See note at end of section.)

Higher education student assistance

Arguments for the President's Budget.—Supporters of the President's budget argue that the most important student assistance programs can be operated at a higher level than in FY 1979 despite the spending reduction. Improvements in management control, detection of fraud and abuse, and collections from loan defaulters will make this possible. The reduction in funds for BEOGs is the result of rising family incomes which will eliminate some students who were previously eligible to participate in the program. All other students remain eligible, and, should the request for BEOGs prove too low to serve all eligible students, the Administration will request supplemental funds to assure full funding. Insofar as the cut in NDSLs is concerned, only 12,000 fewer students will be eligible for these loans, and BEOGs should be able to offset the decline in this program.

Arguments Against the President's Budget.—Opponents of the Administration's budget request for student assistance programs argue that it will hurt low-income students. They have greater need of financial help to attend college than other students. Yet, additional funds for BEOGs will accrue almost entirely to middle-income students. With more lower- and middle-income students competing for fewer NDSLs, fewer students from low-income families will be able to qualify for aid. Increased demand for BEOGs and other student aid programs could also create a larger demand for GSLs. As with NDSLs, greater competition for loans among middle- and low-income students would favor higher income families. Middle-income students are less likely to default, their families are more likely to have established banking relationships and private lenders seeking to maximize profits are more likely to lend to middle-income families. The Administration's FY 1980 student aid proposals are dependent on favorable assumptions that could easily go awry. If assumptions of fewer eligible students or improved collections prove wrong, fewer students will be able to attend college. The Administration's argument that the reduction in number of BEOG recipients is based on rising family incomes which eliminate some students who were previously eligible for loans is misleading, because the increase in income is due to inflation rather than an increase in real income.

Impact aid

Arguments for the President's Budget Eliminating Category B Payments.—Supporters of the proposal to eliminate impact aid Category B payments argue that the program is costly and wasteful, and point out that every President since Eisenhower has tried to end it. Impact aid funds are not used well to help those most in need; therefore, the program should have a lower priority in a time of budget austerity. Funds saved by eliminating Category B have been put into programs which can directly benefit the disadvantaged. Thus, education programs for the disadvantaged will actually increase $220 million over their FY 1979 level. Contrary to opponents' claims, school districts with Category B students do not necessarily lose tax revenues or experience financial difficulties. Because impact aid funds are not distributed based on real need, many wealthy school districts receive large sums of money merely because of the presence of tax-exempt federal property.

Arguments Against the President's Budget Eliminating Category B Payments.—Opponents of the President's proposal argue that eliminating Category B payments could result in an increase in local property taxes or a decrease in the quality of education, or both. The Federal Government is obligated to compensate districts for the loss of revenues associated with the presence of tax-exempt federal land holdings or federal employers. The loss in revenues hurts the districts' ability to cope with increased student enrollments. The U.S. government owns $101 billion in tax-exempt property. Most districts view impact aid money as a payment in lieu of taxes and use the funds for schools' general operating expenses, including heat, utilities, teachers' salaries, and instructional materials. Abruptly ending Category B payments would throw numerous local school budgets into chaos. School districts that rely on impact aid will face critical budget shortfalls forcing them to raise property taxes or lower the quality of education. Elimination of funds would hurt not only 23 million students who directly and indirectly benefit, but would add to the inflation burden on families. Congress should be going after waste in the federal budget, not important education programs.

Handicapped education budget

Arguments For the President's Budget.—Supporters of the Administration's budget for educational programs for the handicapped argue that it is adequate to meet the educational needs of handicapped children. Except for small cuts in three programs, funding levels will remain the same as they were in FY 1979. More important, funding for the largest of the programs—the state grant program—has been increased by $58 million. For those programs which have been cut, the cuts can be made up through other programs. Support for preschool programs can be provided through the state grant program; the objectives of the early childhood education program can be accomplished at a lower funding level; and, personnel receiving special education training can obtain support under the state grant program.

Arguments Against the President's Budget.—Opponents of the President's budget for educational programs for the handicapped argue that it does not live up to the federal mandate that all handicapped children are entitled to a free and appropriate education. Present financial resources are inadequate and the government's budget will throw more of the cost of educating the handicapped on the backs of state and local governments which are already hard pressed for funds. Full funding of early education programs are especially critical because studies have shown that with early intervention some handicapped conditions are reversible. It has also been shown that the multiplying consequences of a disability can be sharply curtailed if children are given attention at an early age. Schools are already laboring under a tremendous financial burden, and lack of adequate funding for programs for the handicapped will exacerbate those financial problems and lower the quality of education.

NOTE.—The arguments presented in this section are not DSG's arguments nor do they represent a DSG evaluation of the President's budget. As indicated, they are the arguments which supporters are making on behalf of the budget and which opponents are making against it. DSG attempts to summarize the arguments on both sides as strongly and cogently as possible.●

A BUSINESS PERSPECTIVE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, to help my colleagues who are having a difficult time explaining why the Federal Government spends so much of the taxpayers money, I have one area where Federal spending is actually helpful—the procurement business.

Each year, the Federal Government awards thousands of contracts worth billions of dollars to small and minority businesses across the country. I try to acquaint local businessmen and women in the Los Angeles area with how they can expand their opportunities through an annual conference.

This Federal Procurement and Trade Conference has met with a great deal of success. One of the reasons is the assistance I receive from major prime contractors in southern California—the aerospace industry.

These companies have an outstanding record in helping small and minority businesses. Opportunities are increasing and the result is a better economic outlook for our area.

This year, conference participants heard from Mr. Lawrence Kitchen, president of Lockheed Corp. Lockheed has an excellent record in their small and minority business program. According to Mr. Kitchen:

> Lockheed spent $359 million last year with small businessmen.

In recognition of their efforts, the Office of Minority Business Enterprise (OMBE) presented Lockheed with an award of excellence for their contribution to minority businesses.

I would like to include Mr. Kitchen's remarks in the RECORD because they address the problem of government interference in our free enterprise system.

Perhaps if government listened more, the budget would not have a deficit. As we all know, unnecessary regulation, paperwork, and redtape cost money, too.

The remarks follow:

POPULISM: DANGEROUS TO OUR HEALTH

(Remarks by Mr. Lawrence O. Kitchen)

Thank you, Congressman Wilson, ladies and gentlemen, for that kind reaction. I'm honored to be here among friends, a precious commodity each of us has need for from time to time.

In preparing for this moment, I obtained a list of those who have talked at Charlie Wilson seminars in the past. It's a heavyweight list. People like Senator Cannon, Secretary McLucas, Bob Anderson, Allen Puckett. Men of truly awesome stature.

Reminds me of the time God talked St. Peter into a round of golf.

God teed off first and hit a terrible slice into the woods. St. Peter got set, but before he could tee up his ball, there was a small earthquake in the woods. As fate would have it, the shaking was right under God's ball, which bounced out of the woods and into the center of the fairway. It was barely rolling, but a huge, solid-gold eagle swooped down, picked up the ball, flew 300 yards up the fairway and dropped the ball on the green. Then an after-shock came. The edges of the green slowly rose. The green became a funnel with the first hole at the bottom. God's ball rolled into the cup for a hole-in-one. St. Peter watched all this without saying a word. Then he turned to God and said: "Okay, do you want to play golf, or do you want to fool around"

As much as I'd like to be out on the course, I won't fool around any longer.

Today, I'd like to focus on some things that should be of interest and concern to all businessmen, be they large or small. Perhaps, along the way, I can puncture a mistaken premise or two voiced by people often labeled as "populists."

You know the populists, I'm sure. They are the descendants of a short-lived political party in this country back in the late 19th century. The Populist Party represented agricultural interests, advocated the free coinage of silver and wanted the government to control monopolies. Today, the populist has no party, but he claims to represent the common people. Common on the populist's terms of course. Populists use others to advocate their own strong beliefs along the way and, if they are seekers of public office, to pick up some stray votes at election time. Whereas experienced officeholders like Charlie Wilson have their fingers on the pulse of their constituents, populists don't restrict themselves in any way. They have the uncanny ability to know what to say on any given subject at any given time . . . anywhere. A populist, to hear him or her tell it, is everyone's advocate for the (quote) common good (unquote).

A populist never labels himself because it restricts his flexibility. I'd like to talk to you for the next few minutes about the approach of the populist as he uses a variety of groups to reach his objectives. Notably, the news media, business people, and . . . most important to this group . . . how the populist uses small businessmen.

The populist needs a large audience to spread his message. So, he turns to the news media. There he finds some allies, not because they are necessarily anti-business or anti-free enterprise, or certainly not because they are against democracy. It's just that good news is not what makes people turn the knob, good news doesn't make big headlines that you can read when you pass the newspaper rack. News, basically, is confrontation—by word or otherwise. The populist also benefits from the prevalent view of many that big is bad.

So, when a company or a businessman is reprimanded, that merely fuels the longtime thinking of many inside and outside the media. It also provides additional fodder for the populist to use later. Some of his discoveries warrant closer inspection, but few challenges to the populist are as effective as his original statement.

Now, let's consider television from the entertainment standpoint. One of our modern conveniences: You can do almost anything except drive a car while watching it. And from some of the things I see on the freeway, it seems some people are even trying that. Television has become a tremendous influence on human behavior. Television also has created the stereotyped businessman for its entertainment shows.

If you want to test this for yourself, simply take a few mental notes tonight when you switch on the set. Whenever a businessman appears in a show . . . and it isn't often, by the way . . . decide for yourself what kind of image he has. In the main, you'll find he's either an odd-ball, a cheat or both. Certainly not a nice person, and nobody we'd care to know. This is curious, especially to those who know that the three major television networks are three of this country's largest businesses.

When a person gets most of his information from the media and his concepts of life from televised entertainment, it's part of the reason why anti-business attitudes flourish. The other part is our own fault but, I'm happy to say businessmen are agreeing to publicly appear more often now and to shun the once tried-and-true low key approaches. We have a need to be heard.

So, you're wondering, what does this have to do with small businessmen? In a word . . . plenty. Lockheed spent $359 million last year with small businessmen: 60 percent of our purchase orders were placed with people just like you. No doubt with some of you. We have obligations as a supplier of equipment vital to the future of this and other countries. Obviously, if we succeed it is due greatly to the efforts of you, our suppliers. Without your dedication and your cooperation, it would be an impossible task for Lockheed or any other major contractor. You are the heart of this free enterprise system we all want to preserve. We could learn a lot from the individual efforts you give every day. Without sounding like a preacher, I just want to tell you we're proud to do business with a great many capable and essential small businesses.

Together, we both must challenge those who use us in the name of populism. Neither our image or yours is enhanced by some of the rhetoric that flows so freely back in Washington. You'll hear almost everything on capitol hill if you stick around long enough—and probably see most of it published in the Congressional Record.

Washington, D.C. presents a forum for every viewpoint. Everyone has a cause, and the more aggressive and more articulate capture the spotlight. My sense of what is right is strained and I become irritated when certain individuals and groups perpetuate distorted views of the real world. Over the years, outrageous statements develop into accepted facts.

Such as the myth, always expressed in overblown words, that big business is taking advantage of small business. Small businessmen don't complain about big business: they complain about big government.

Let's consider the minority businessman. For openers, he is of an ethnic group labeled as a minority. Correct? And minorities, from past performance, are exploited by majorities. Correct? The conclusion, therefore, has to be that minority businessmen are denied access to the mainstream or are exploited by majority businessmen. Correct? No! And here's why such a conclusion is totally wrong.

First, I think you'll agree that companies of all sizes are in business to make money. Surely not all of them succeed, but, suffice to say, they're trying.

Second, it follows that money will be made and people will be employed if the overall economic climate is sound. In order to make the climate sound, you certainly don't exclude anyone to the advantage of someone else, not if his success makes your community thrive. That wouldn't make sense. Empty stores and vast unemployment are alternatives detrimental to all.

Minority businessmen are, of course, small businessmen. They have a lot of catching up to do and aren't sufficiently developed to qualify as a big business. They need a hand, a lot of encouragement. Big businesses need to talk with the minority businessman about what he sells and how it can be used. There should be a sales training program to help the minority businessman to refine his marketing skills. Big businessmen should implement their purchasing programs to include, for consideration, what the small minority business has to offer. Minority business opportunity days should be arranged so that qualified minority suppliers can meet potential users of their goods and services.

I'm pleased to report that all this is being done, right now, in Los Angeles. Lockheed and more than 100 other major corporations are members of the Los Angeles regional purchasing council. It's really a million-dollar connection between big businesses and smaller ones. Good sense, and good business for everyone.

There are 42 regional purchasing councils in the United States and we're involved in most of them. Last year, Lockheed, alone, made 14,732 awards of business to 545 minority firms, an increase over 1977 of 36%. Those awards totalled 15 million 800 thousand dollars.

Like everyone else, we are faced with legal and paperwork barriers in the path to a healthy economy. But, at least, the basic size standards for small business haven't changed very much. And rules of thumb on such things as the number of employees a small business can have, and the amount of money they can make, are tangibles we can zero in on.

You can be sure we will overcome the red tape, as we did last year when nearly 82 percent of some 30,000 suppliers to Lockheed were small businesses.

We do business with suppliers in 49 of the 50 states. Our involvement with small business grows each year. Last year, our Lockheed-California company added 896 new small businesses to the roster of our suppliers.

Now, in these closing minutes, I'd like to offer a few suggestions of how to deal with the populists. Populists have been effective in recording our national priorities so that economic strength becomes secondary to international idealism and domestic transfer payments. They are hostile to business activities and suspicious of business motives.

Business, however, is mellower today. The "Caveat Emptor" style of doing business was deplorable and, while the pushing by consumerists and environmentalists served as a strong momentum, I believe the necessary changes in business philosophy came about primarily from intense competition in the marketplace.

Now, though, the string of populist victories is bringing us rapidly to the point where a businessman's fate is like the no-smoking warnings on cigarette packages. First, it was hazardous to partake: now it's plain dangerous. While we once believed there was a choice between free enterprise and socialism, the spectre of government-owned production and distribution is no longer the threat. The populists have found that control is possible without ownership. And they are getting that control—through taxation, through legislation, through regulation, through bureaucratic processes, and—as I said back at the beginning—through access to Americans, via publicity and the press. The control is there under the guise of (quote) making business more responsive (unquote).

Business, large and small, need to do some protecting of our own. We can penetrate the smoke screens of rhetoric, but we can't do it by waiting for someone else to speak out. There is a very real threat to us, amounting to a rip in the fabric of American free enterprise. It will get larger unless we are determined to do something about it.

Let's talk to our elected representatives about what we do and how efficiently our system can work. Let's challenge the doubters, and those who believe what they hear about big business exploiting small business, and about the so-called oppression of minority businesses. Let's shine the light of reality on a climate of negativity. And let's tell our own story, the story of free enterprise, instead of patting ourselves on the back and hoping someone else will do it for us.

It would be a shame if we lost our free enterprise system for any reason, but it would be a great tragedy were we to let it die simply because we didn't realize it was wounded.

Thank you very much.●

HOSPITAL COST CONTROL AND THE SHUR SYSTEM

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. HILLIS. Mr. Speaker, I have received many letters from hospitals and hospital associations detailing some major objections with the Department of Health, Education, and Welfare's proposed system for hospital uniform reporting. I have also talked to hospital administrators who voiced strong objections and concerns with complying with the proposed SHUR system.

HEW is considering implementing the SHUR system which will require thousands of dollars of additional administrative cost at a time when H.R. 2626, the President's hospital cost control proposal, is being considered by the Ways and Means Committee and the Interstate and Foreign Commerce Committee. H.R. 2626 would limit hospitals from increasing rates more than 9 percent per year. While the President's proposal has problems of its own which would place tremendous hardships on hospitals, implementation of SHUR would almost make it impossible for hospitals to stay within the 9 percent guideline considering the additional cost which would be associated with compliance.

The Ways and Means Committee and the Interstate and Foreign Commerce Committee should review the proposed SHUR system in order to determine if it is consistent with section 19 of Public Law 142 which mandated functional reporting by hospitals. After reviewing some of the comments I received from hospitals, it would appear that section 19 may have to be amended in order to reduce the burdens it places on hospitals. Certainly, both committee's should consider holding hearings to determine if any amendments are necessary.

In order that the Members of the House can benefit from some of the excellent letters I referred to earlier, I am placing two representatives samples in the RECORD at this point. Hopefully the Department of HEW will take into account the objections expressed in these letters. I urge all my colleagues to read the following letters and contact HEW requesting that the SHUR system be modified to meet the concerns of our hospitals which can ill afford the burdens SHUR would place on them.

INDIANA HOSPITAL ASSOCIATION,
Indianapolis, Ind., April 5, 1979.

MR. LEONARD D. SCHAEFFER,
Administrator, Health Care Financing Administration, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SCHAEFFER: The Indiana Hospital Association offers the following comments relative to the proposed rule, Uniform Reporting Systems For Health Services Facilities and Organizations, File Code PCO-185-P.

The Indiana Hospital Association is opposed to implementation of the proposed system.

The following comments are significant reasons why the IHA has taken this position:

1. Hospitals are not opposed to uniform reporting—under our rate review system hospitals report pertinent, useable financial and statistical information that permits comparison of hospital operations.

2. Hospitals do object to uniform accounting—that's what SHUR creates. It discards existing systems unless hospitals want to maintain records on a functional basis for the government and also maintain existing systems for day-to-day operating purposes.

3. Executive Order 12044 calls for a study of the economic impact of proposed regulations. No study was completed before the Notice of Proposed Rulemaking was published. SHUR will require substantial expenditures for implementation purposes and additional expenditures to maintain the system once it is implemented. At the same time, HEW and the Administration are calling for controls to limit hospital expenditures.

4. HEW will not test the system both as to actual cost of implementation and the benefit to be derived, because they do not want to delay implementation. Substantial expenditures may be made for a system that is not effective.

5. Government has mandated the system yet will only participate in the costs involved to the extent of Medicare/Medicaid patient load.

6. HEW wants payment to hospitals tied to the reporting system. It's on a functional basis and does not accommodate the differences between hospitals nor would it define accurately the cost of delivering care to Medicare/Medicaid patients. A principle of the Medicare/Medicaid program is that the government pay all of the costs associated with delivery.

7. Efforts to impact on reimbursement should be by the policy and regulation process, not as a by-product of a reporting system.

8. The requirements relating to functional cost centers must be modified so that only material amounts influencing a user's interpretation of the operation are reclassified.

9. Tremendous amounts of data are to be supplied. Who will use it and in what way? According to the proposed regulations, "upon request, any agency or organization" can get the information.

Different agencies require somewhat the same data but they do not coordinate their collection efforts. Information is available on existing reports that has not been utilized.

10. SHUR is not a system designed to fit a need—it is designed to provide any data that anyone might conceivably want.

11. The impact will be enormous on small hospitals because many of them have neither the technical staffing to implement the program nor the resources to purchase the expertise. Staffing to maintain the system may not be available in many communities.

12. HEW has taken authority for the plan from the Medicare/Medicaid Anti-Fraud and Abuse bill—this system does nothing to enhance detection of fraud and abuse.

13. Government Study of Implementation Costs of SHUR Manual—The IHA closely reviewed the two Indiana hospitals participating in the HEW financed study to estimate the cost of implementing the SHUR program. In reviewing these studies, the IHA learned that the CPA firm conducting the reviews was basing their cost estimates of SHUR implementation on the use of sampling techniques for determination of the reclassifications of wages and salaries from responsibility accounting centers to functional cost centers.

This technique violates the explicit instructions of the SHUR manual (page 1.29 of the September 1978 draft). The CPAs, when confronted with this fact, stated that implementation costs would be increased by approximately 30%, if sampling techniques were not allowed for these reclassifications. They further stated that it was their understanding that all of the 50 hospitals participating in the project were relying on sampling techniques specifically prohibited by the September draft of the SHUR manual.

While the IHA has not seen the final reports of the estimated implementation costs of the SHUR program, there is a strong concern regarding validity of the study if these errors were duplicated in the other 48 hospitals participating in the study.

14. Technical Comments—There are several technical matters with which the IHA has strong concern with the SHUR manual in its present form.

A. Materiality.—Most of the reclassifications which will be identified in the SHUR manual are immaterial and produce changes in functional cost centers which have little or no value from a comparative analysis standpoint. The threshold for materiality should be raised markedly.

B. Depreciation.—The requirement to record depreciation on major movable equipment by cost center will result in substantially increased costs for hospitals in obtaining appraisals, etc.

C. Inventory.—Maintaining usage records (for perpetual inventory) for pharmacy inventory is a practice that is not common in Indiana hospitals. The manual requires this if floor stock is maintained or transfers to other departments from pharmacy are made. The costs of maintaining this pharmacy inventory would be quite substantial in most Indiana hospitals.

D. Sampling.—Sampling and estimation techniques which are specifically prohibited by the SHUR manual would, in the opinion of IHA, result in valid, material reclassifications of expenses in most cases.

E. FICA taxes and employee fringe benefits.—Direct identification of FICA taxes and other payroll related fringe benefits would prove to be extremely expensive and not cost effective. Allocation of non-payroll related fringe benefits could be performed by HEW on a computerized basis as a result of any revised SHUR reporting form.

F. Non-routine maintenance.—Allocation of non-routine maintenance distorts comparisons, requires extremely complex recording of wages and salaries, FICA taxes and other costs. Results are potentially more misleading than helpful.

G. Data processing.—The allocation of data processing costs on CPU time is not an adequate basis of allocation. This time consuming chore would distort the functional costs as presently requested, and does not result in accurate allocation of data processing costs.

H. Many of the standard units of measure (sums) are not kept by Indiana hospitals and would be extremely expensive to generate.

Conclusion.—The uniform reporting system, which as stated above, is in essence a uniform accounting system, does not generate uniformity of operations. Many other factors, beyond the accounting system's capability, must be considered if comparability of hospital data is the true objective of the SHUR program. These items would include case mix, age of facilities, size of nursing units, seasonal population trends, medical staff composition, and many other factors.

15. Many of the major accounting firms in the country, as well as independent smaller firms are opposed to SHUR. That is strange when one considers the revenue opportunities the system offers them.

16. Alternative.—Expand present system of reporting direct costs, perhaps allocate them in a more detailed manner, with the objective of producing data which can be used to better compare hospitals to one another, and to be able to do so without undergoing the costly process of implementing a totally new system.

The Indiana Hospital Association urgently requests that comments offered by all hospitals and organizations be given careful consideration by HCFA with the objective of modifying the system to make it more effective in attaining its purposes, less burdensome to the industry, and much less costly to implement and maintain.

Sincerely,

ELTON TEKOLSTE,
President.

HOWARD COMMUNITY HOSPITAL,
April 17, 1979.

ADMINISTRATOR,
Health Care Financing Administration, Department of Health, Education, and Welfare, Washington, D.C.

DEAR SIR: I am a certified Public Accountant with sixteen years' experience in Public

Accounting and eleven years' experience in hospital accounting, eight of which have been as a Chief Financial Officer at this 200 bed hospital with a Comprehensive Regional Mental Health Center.

I have devoted a considerable amount of time and effort in analyzing your System for Hospital Uniform Reporting. The limitations on my time preclude my doing a complete analysis, however I have found several areas of great concern.

My first concern is the extreme difficulty in understanding and complying with this tremendously long and difficult document. In the certification statement you have to certify that you have "reconciled to reflect the Chart of Accounts, definitions, principles and statistics prescribed by the Secretary of Health, Education and Welfare . . ." How enormously difficult and expensive. We estimate that to get the system in place would cost us between $25,000 and $30,000 and the annual maintenance of this system would entail an additional $15,000 to $20,000. And all this in an era when we are making a very strong effort to contain our costs.

I think the reclassifications would cause us more trouble than anything that I came across in this system. If you can find a practicing C.P.A. who thinks that your tests of materiality are appropriate, I would appreciate your letting me know. At any rate, let me discuss some of the reclassification problems:

1. In our Laboratory we have people and use supplies in common. It would be next to impossible with our size operation (over 4,000 admissions) to use any rational method to divide the Lab into Clinical, Pathological, Blood, and Blood Processing. To accomplish the required break downs would surely exceed whatever gains are involved.

2. In Data Processing, I believe that your statistic is gravely flawed. As I understand it, we are to charge out our DP costs based on central processing time. That is not where the expense is. Our Programmers have developed an in-house system and programming time should be charged to the user or users that will benefit. The machine operator's time should be charged to the length of the run and not to the CPU time, which is quite different. And the key-punchers' time should be charged to the departments for whom they are punching charges, doing inventory, payroll, accounts payable, statistics, cash receipts, personnel information, preventive maintenance and so forth. I firmly believe that you should consider leaving Data Processing as a cost center and not requiring reallocation.

3. In our Accounting office we handle the Data Processing control. Frankly, I did not see this issue addressed, but is the cost of this service to be charged to the Data Processing Department?

4. We have a very great problem in the Business office area because we have a Patient Representative system which has to be allocated to areas as diverse as Admitting, Billing, Credit and Collections, Social Services, and Communications. They also do Out-Patient work and they relieve some of the business office jobs occasionally. In the interest of simplification, may I suggest that the business office be used as one cost center and the allocation merely be among in-patient, out-patient, emergency, ambulance and other appropriate services. In that general vein, may I also suggest that total costs of the Emergency Room be allocated between the emergencies treated on an Out-Patient basis and Emergency cases that are admitted.

5. Each functional cost center would have to have wages and FICA taxes and fringe benefits allocated to the cost center to which the employee worked. And when the employee has to be charged out of such a functional department, all the wages and fringes must follow. This could be done but only with enormous difficulty. We would have to have an extremely sophisticated computer system to handle the charging and allocations of something as simple as wages and fringes in these various cost centers.

6. From my reading, I understand that patient transportation has to be reclassified to ancillary departments. What if the person is transported to more than one ancillary department? Patient transportation in has been handled by the Nursing Unit, Volunteers, Service Representatives and others on occasion. Patient transportation out has also been handled by people working in a number of departments. May I suggest that patient transportation be used as a cost center and then allocated out rather than reclassified? Patient transportation simply does not need to be allocated. In the normal course, the ancillary department that provides the service also provides the transportation that is required.

7. EMT's from our Ambulance Service are currently stationed in the Emergency Room where they help and occasionally they work on nursing units. We do reclassify from Ambulance time into Emergency Room time now. I think only a minor part of their work should be classified to in-patient routine. But we have many other problems with nursing allocations. I understand you to mean that our nursing personnel that gives Psychiatric Ancillary Services has to be set up as a separate cost center; no charge would be made for this service. In our in-patient Psychiatric Unit I do not know what kind of Psychiatric Ancillary Services these people could give. In your revision I would appreciate very much your discussing the distinction between nursing personnel working in a Psychiatric Unit giving Psychiatric Ancillary Care. Also, minor amounts of time that nursing would spend drawing blood, getting specimens, doing discharge bed making, passing trays, cleaning up spills, etc. would have to be charged out to various other cost centers. Has the difficulty and expense of such nit-picking entries been submitted to any kind of cost-benefit analysis?

8. If I may, let me give my understanding of some of the other reclassifications that would have to be made under your system. Whoever changes light bulbs has to be charged to maintenance of plant. The Administrator's Secretary typically performs functions for the Medical Staff and a number of Department Heads; her time would have to be allocated accordingly. The IV teams would have to be classified as an in-patient routine function and allocated in that way and emergency IV's would have to be classified between the emergency patients admitted and the emergency patients treated and released. We would have to divide oxygen therapy into departments called Respiratory Therapy and Pulmonary Functions. When the Receiving Department takes in a delivery of pharmaceutical items, the costs of the Receiving Department would have to be reclassified to Pharmacy. This is also true when the Receiving Department brings in Dietary goods. If any department cleans its own area (such as Surgery, Dietary, Laundry, Maintenance) that department has to reclassify all this expense to Housekeeping.

In order to comply with your requirement that Equipment Depreciation be directly charged to the functional cost center, we would need to retain an appraisal service to make a detailed break down. You even go so far as to require that if more than one department utilizes the same equipment, depreciation has to be prorated to two or more users. Something like this would be most difficult to accomplish. If you think I exaggerate, please consider that we are a 200 bed hospital and that we have something on the order of 6,000 pieces of equipment.

The inventory as I understand it in the SHUR Manual will require considerably more work in record keeping and in pricing. May I point out that inventories are a small portion of hospital assets and the expense involved simply does not justify an extremely sophisticated system. In our case inventories are 2.125 percent of our total assets. Does it really matter if we show them as 2.124 percent of our assets or 2.126 percent of our assets?

You have an extremely complicated system for identifying compensation and hours worked. As I read it you have eleven classifications, some of which would require subclassifications if they are to be meaningful and be used with any appropriate system that we have in place at the present time. In Indiana, we have used a system of hours and rates for certain bench-mark positions, which has been very useful to the Indiana Rate Review System. Perhaps you could consider something on that order.

In addition to all the other burdensome work that you are creating for us, you are making us keep approximately fifteen statistics that we do not keep now and which I do not believe are routinely kept by hospitals. Perhaps some of these are valid and would prove useful, but some of them are also ridiculous:

1. You ask for laundry processed. Normally when the laundry comes in it is weighed and that is the statistic that is commonly used. Now we would have to weigh the production of finished laundry which is taken to many areas instead of the dirty laundry which comes into a centralized point. It seems to me that that should be rethought.

2. You asked us to keep track of surgery minutes. To what purpose? You could have anything from a biopsy under a local anesthetic to a complicated procedure that could use several technicians. The cases that different hospitals do are very diverse. When you mix up extremes such as is required under your system, you will get a meaningless answer.

I feel strongly that the Indiana Rate Review System, with its prospective reimbursement, has been most successful. We have saved the citizens of this state an enormous amount of money, because our rates are approximately 18% under the surrounding states. In our Rate Review process we have a system of Uniform Reporting that does not get into fantastically detailed financial and statistical data. May I suggest that in your Uniform Reporting, you would be well advised to review the Indiana system. In short, Uniform Reporting is a worthy concept, but the SHUR System, is far too burdensome and expensive.

Very truly yours,
RONALD GREEN, C.P.A.,
Director fiscal service.

"ADEQUATE CIVIL DEFENSE CAN HELP NATION SURVIVE"

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MITCHELL of New York. Mr. Speaker, this Nation has an urgent need for a civil defense system that will help maintain the strategic balance and adequately protect our populace in the event of a nuclear war. The United States is already 10 years and $10 billion behind the Soviet Union in civil defense preparedness. Yet there remains a great lack of understanding on the part of some Americans as to the aims and needs of our civil defense program. This problem has been thoughtfully addressed by Mr. John Bex, director of Region Two, Defense Civil Preparedness Agency. I would like to share his analysis of the problem with my colleagues in the House:

Adequate Civil Defense Can Help Nation Survive

(By John E. Bex)

A great amount of news media coverage is being devoted to civil defense during its present discussion period. While much of the material has been supportive, some reflects a strong opposition to any sort of civil defense capacity for the people of this nation. In fact, contempt toward civil defense seems to be something of a cottage industry for some individuals.

For the concerned opposition, I'd like to share these thoughts:

In anticipation that a nuclear exchange could occur in anger or by accident, we have these options: 1) Do nothing; 2) plan for seeking nearby shelter; 3) plan for evacuation to a distant, more secure area should time permit.

In the '50s it was thought that we would only have a few hours advance notice. Now, it is felt that we could have possibly a longer period, up to several days or a couple of weeks. Knowledgeable authorities have stated that the kill area of the total U.S.S.R. missile arsenal, if all impacted upon U.S. soil, would cover no more than 4 to 5 percent of all land area. Then it is reasonable to assume that, if one had the time and inclination, one could find secure shelter from fallout effects in the other areas of our country, where chances of survival would be good.

But what is it about civil defense that makes the small opposition so vocal? Civil defense has always been the element of national security most intimately related to citizenry; civil defense provides a system for reducing vulnerability of people and communities to damage, injury and loss of life and property resulting from disaster. Elected and appointed officials at the state and local levels of government depend on their civil defense organization for support in carrying out their disaster-related responsibilities.

Part of the reason for this "down-with-civil-defense" syndrome is a lack of understanding of civil defense reflected in such allegations as (a) the American public is not sold on civil defense, (b) civil defense cannot work, (c) civil defense measures make war more thinkable and are provocative, and (d) civil defense is gigantically expensive.

The allegations reflect a lack of knowledge of the facts, contribute to misinformation and serve to foster erroneous conclusions.

PUBLIC IS NOT SOLD ON CIVIL DEFENSE?

A large body of available public attitude information shows a consistent level of public support for all kinds of civil defense programs—fallout shelters, blast shelters and evacuation. Few public programs command such a broad base of passive support. Survey data since the 1960s show that 87 percent of the population surveyed are in favor of fallout shelters; 50 percent of the people surveyed felt that a person should go along with any fallout program the government proposes, while more than two-thirds of our people would not be opposed to "strategic evacuation."

According to research, the public regards civil defense as a government responsibility. People associate civil defense with national defense and trust the government in this area. They believe what needs to be done is being done. They believe more is being done than is the case and feel that even this is not enough.

CIVIL DEFENSE CANNOT WORK?

More than six out of every ten Americans estimate chances for survival in the event of nuclear attack are bad. People who live in highly industrialized urban areas estimate their chances as worse. Studies indicate that adequate civil defense can definitely reduce the vulnerability of the U.S. population to nuclear attack. For example, if there were no civil defense, about 20 percent of the population would survive. With in-place fallout protection provided, about 38 percent of the population would survive. With extensive relocation (evacuation) plus some fallout protection, between 71 and 87 percent would survive. With in-place blast and fallout protection, about 90 percent of the people would survive.

Civil defense cannot save all because in a war there will always be casualties. With knowledge and skillful use of modern protective measures, mass means of destruction will not destroy masses of people, but only those who neglect the use of those measures.

CIVIL DEFENSE MEASURES MAKE WAR MORE THINKABLE AND ARE PROVOCATIVE?

Survey data do not show preparedness measures make war seem more acceptable, more probable or less probable. The Soviets have been spending about one billion rubles per year on civil defense measures over the recent past. They do not seem to have worried whether it might be "provocative" to the U.S. Survey data show that just about two-thirds of the samples feel that such measures "make no difference" one way or another in this regard or that civil defense systems would be provocative.

CIVIL DEFENSE IS GIGANTICALLY EXPENSIVE

It's not as expensive as our national highway system; not as expensive as our growing defense budget. There must be a formula that proves by spending a dollar for Civil Defense at a certain level, you can save the expenditure of 10 on defense.

Building underground shelters that would protect all of our population with respect to fire and blast truly would be expensive. Our Congress, in the past, has ruled this option out.

If it is true, certainly one of our biggest concerns is the fact that the Russian people are being conditioned to the thought that you can fight a nuclear war and survive. This thinking and understanding on the part of the Russian people should be changed. Inasmuch as thus far no effort is being made on our part to bring this about, Crisis Relocation Planning (evacuation of likely target areas) appears to be a viable inexpensive option.

Civil defense warning systems over the years have undoubtedly saved thousands of lives. Recent example: Cincinnati warning its population about the 1974 April tornadoes; only three lives were lost. Civil defense training, education and public information is most important and very inexpensive.

On June 19, 1978, the president caused the long-stalled disaster preparedness pendulum to swing off dead center. He announced to Congress (and Congress approved) a comprehensive reorganization of the federal government's emergency preparedness and disaster program.

This announcement, widely applauded both in and outside of the disaster preparedness circle, is hailed as a major step in meeting vital public needs in times of grave hardship.

But along with the major surgery performed on reorganization, there is need to apply the scalpel to existing civil defense programs, not to do away with civil defense, as suggested by the small opposition, but to carve out a viable civil defense program.

The subject of civil defense merits national public debate.●

AIRCRAFT NOISE

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FISHER. Mr. Speaker, in Northern Virginia the phrase "the dawn comes up like thunder" has a very real meaning. For the thousands of citizens unlucky enough to live under or near the flight paths of planes using either National or Dulles Airports, the morning brings the roar of jet aircraft, at times without respite. And the noise and the air pollution continue all day, often long past the elusive 10 p.m. cutoff time.

To try to reduce the problem. I have introduced legislation to require the Federal Aviation Administration, which owns and operates National and Dulles Airports, to prepare and implement noise abatement plans for both airports. The plans would have to follow the outline described in the Airport Noise Abatement Policy published by the FAA in 1976. This document outlines measures that airport operators can take to reduce noise. These measures include aircraft operating procedures on landings and takeoffs, various operating restrictions, shifting flights to other airports, advice on land use planning, and other activities to be done in cooperation with State and local government officials. As the operator of two major airports, the FAA has the opportunity to be a leader in implementing its own suggestions and in abating aircraft noise. Unfortunately, it has not done so, but my bill would start the process in motion. The bill sets deadlines for each step of the planning process, including public hearings.

The FAA can also respond to citizen concerns about airport noise in its revision of the Metropolitan Washington Airport Policy, published in draft form in March 1978. The FAA can tailor the policy statement to reduce the use of National, where jet noise is a major problem, in favor of Dulles, which is designed for jet aircraft. The draft statement fell short of this goal. Recent press reports about the revised policy statement indicate little additional progress. The FAA is proposing to strengthen its night curfew, which is a vital step in providing relief from noise. It is also proposing to increase the operations allocated to commuter airlines. However, other aspects of the proposed policy trouble me. By removing the 650-radius limitation on flights, the way is opened for new long distance flights to come in at times when the hourly quota is not currently filled. In addition, the quieter wide-bodied aircraft which will be permitted into National will carry additional passengers, thus burdening airport facilities and ground transportation. Each wide-bodied aircraft operation should be a substitute for two smaller, noisier planes. .This would help reduce operations and overcrowding at National Airport as well as noise.

I hope that some of these problems can be eliminated and further improvements made in the policy statement before its final version is published.

While some noise must be expected from the operation of an airport, the FAA can take more steps to reduce the negative impact of National Airport on the citizens of the Washington metropolitan area. The bill that I have introduced to require noise abatement plans will require the FAA to make the efforts to reduce noise that it should have been making for years. There is still a chance for the FAA to improve its policy statement for metropolitan airports to better serve the citizens of this area. The struggle to make the airports good neighbors has been going on for a long time and I hope that we can see progress soon.

I am pleased to report that my five colleagues from the Washington metropolitan area are cosponsors of the noise abatement bill and that Senator MATHIAS is introducing the same bill in the Senate.●

RESPONSE TO OIL COMPANY PROFIT STATEMENTS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. DINGELL. Mr. Speaker, the recent overly large profits shown in the first quarter statements of the major oil companies come as no surprise to anyone who is familiar with the industry.

These profits come at a curiously opportune time: The administration has announced its support of a windfall profits tax, and there could scarcely be a better example of the concept of "windfall profit" than we see here. The necessity of such a tax is plain. My only real question is whether the tax proposed by the President is adequate to do the job. I suspect it is not. I am confident Congress will give this matter its closest attention when this legislation is finally drafted and presented for consideration, and I can promise my own close and undivided attention to the subject.

Another related matter will deserve careful review in the same context. This is the question of the end to which these profits are to be put. If they go to increased exploration for oil and gas and the development of alternate sources of energy and conservation, or if they go to ways in which the reserves which we can use may be better utilized, I will be both impressed and surprised.

I would not, I regret to say, be shocked to see a significant effort on the part of the oil companies to devote these increased funds toward the acquisition of wholly unrelated businesses and activities: Department stores, circuses, other conglomerates, and the like. That clearly cannot be allowed. I expect that there will be strong pressure brought to bear on the Congress to prohibit these types of expenditures, or even to require divestiture of the diversified activities by oil companies which have developed in the past. I have introduced legislation on this subject before. I would expect to consider carefully the necessity of such legislation in the very near future, if attempts are made by the oil industry and their friends to let these industries use these revenues in this way.●

THE GOP AND NHI

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PAUL. Mr. Speaker, the Republican Party's position on national health insurance is symptomatic of the reasons Republicans are still in such a minority position. The diagnosis given by Mr. Stanton Evans, one of the wisest political thinkers in Washington, in a recent issue of Private Practice, is very much to the point, as is his prescription. I would like to call it to my colleagues' attention, especially my Republican colleagues.

THE GOP AND NHI

(By M. Stanton Evans)

Political analysis trying to dissect the problems of the Republican Party need look no further than the issue of national health insurance. The Party's halting approaches to this important topic wrap in one convenient package the strategic confusions which have kept it mired in minority status for so many decades.

As often occurs in Washington, the discussion begins with a paradox: in an era of general disenchantment with government spending and regulation, health care remains one of the principal areas where it is still considered respectable, if not obligatory, to recommend a further dose of government intrusion. When it comes to airline or trucking regulations, even Senator Edward Kennedy, arguing for deregulation, contends that government is the source of the trouble rather than the remedy for it.

But Kennedy and his allies seem unwilling to generalize these lessons to the workings of our medical economy. While pushing for deregulation elsewhere, Kennedy has simultaneously been pressing hard for massive government intrusion into the realm of medicine, above and beyond the sizable interventions we already have.

The paradox goes even further. On this issue it would appear Senator Kennedy reigns virtually supreme. He is the capital's dominant spokesman on the health care question, and is constantly being quoted on the alleged need for national health insurance. His criticisms of our private health care delivery system are given enormous weight, even when they have small relevance to the facts. Exactly how and when he will push for NHI are perennial topics of speculation.

The Republican Party, in the meantime, has been conspicuous by its absence. Republican spokesmen are seldom quoted on health care issues, and if their statements or proposals are picked up at all, they are usually handled in perfunctory fashion. The real debate on national health insurance, so far as the media is concerned, is between Senator Kennedy, with his demand for comprehensive NHI, and President Carter with his piecemeal approach to the same objective. The Grand Old Party is not a serious factor in the equation.

The how and why of this peculiar situation tell us a good deal about the functioning of our political system, and about the condition of the Republican Party. They also make it relatively plain that there is going to be a lot more Federal intervention in the medical economy unless the Republican Party and other professed friends of private enterprise in Washington experience a sudden change of outlook. The course presently being pursued by the GOP is such as to make additional interference a virtual certainty.

On the face of it, there is no good reason for the continued momentum of political debate in the direction of NHI—of any description. Every opinion survey and virtually every political observer is agreed that the American people have had it with big government and big spending, and they would prefer increased reliance on private enterprise and local initiative. These are attitudes directly counter to the push for NHI.

The record of the private health care system, moreover, is not only good, but excellent. Under this system, we have seen average life expectancies increase from 49 years at the turn of the century to better than 70 years today; infant mortality rates have been cut in half in recent decades; major diseases have been eliminated; our physician-to-population ratio is the highest in the Western world.

Not surprisingly, given these accomplishments, most people, when questioned on the subject, say they are satisfied with the quality of medical care they receive.

In view of all this, why should we be witnessing a continued drift of public discussion in favor of further government intrusion into health care, up to and including demands that our medical system be taken over by a government monopoly? Why would a nation, generally happy with the quality of its health care and wary of big government, so much as consider national health insurance?

The answer to these questions is wrapped up in a single four-letter word: cost. The overwhelming problem with our health care delivery system today is said to be the problem of expense: it costs too much, allegedly, to spend a day in the hospital; the technology we are using is said to be too expensive: we have overbuilt and oversupplied our medical centers; we are spending too large a percentage of GNP on health care, etc.

Several possible rebuttals suggest themselves, and have been made effectively in this journal and elsewhere. For the moment, however, let me pass over the contradictions in the argument to acknowledge its basic nub of fact. As anyone who examines the movement of the hospital price index can see, during the past decade there has been an authentic problem of rapidly increased medical spending. The share of national resources devoted to health care has been rising, and the price of an average stay in the hospital has been moving steadily upward. And it is this perception, above all others, that is being used by proponents of NHI to advance the cause of government intervention.

It is precisely here that the performance of the Republicans—or lack of it—comes into play.

For it is clear that past intervention in the medical economy has caused the rise in cost that is being used to further arguments for expanded government intervention. To expand that level of intervention will only serve to make the problem worse. The proper remedy, therefore, is not to increase the government's role, but to decrease it.

To be specific, we now have reams of data from academic and official sources showing that the impact of Medicare and Medicaid—along with Federal tax favoritism toward group insurance plans—is chiefly responsible for the boom in health care costs since the middle 1960s. Because of these factors, our system of health care payment has been dramatically shifted to a third party basis in which someone other than the patient picks up the tab for medical services at the point of consumption. The effect has been a predictable explosion of demand, to which supply has only recently begun to catch up.

For some reason, Republican spokesmen in the official party structure exhibit almost no awareness of this evidence. If they know of it, they have apparently made a secret pact among themselves never to bring it up in public, as they sit back and let Senator Kennedy pound home the idea that rising health care costs are somehow the doing of the private sector. The result is that the Federal government's responsibility for the recent explosion in health care spending is a leading non-fact of our political discussion.

Why Republicans are so reluctant to dig in on this question is a bit of a mystery. Part of the problem, apparently, is that there is no major Republican figure who has staked out the issue of health care in a manner comparable to Kennedy's. The problem at this level may be said to be one of inattention; there just hasn't been anybody tending store for the GOP, doing his homework, tracking the effects of the existing programs.

If there is any hope of improved performance in this area, it rests with younger members of Congress who have exhibited interest in such issues. Phil Crane of Illinois, Mickey Edwards of Oklahoma and Ron Paul of Texas come to mind—all with solid backgrounds on the health care issue. However, all of these legislators have been drawn into other critical areas of debate in Congress, and none is presently functioning as a health care specialist for the GOP.

One sign of potential improvements is the work that is being done by the House Republican Research Committee, chaired by Representative Trent Lott of Mississippi. The committee has a Task Force on Health Policy headed by Representative Jim Martin of North Carolina, a former professor of chemistry who understands medical issues and pays attention to them. Under his direction, the Task Force has done some excellent research on health care problems and is trying to evolve appropriate legislative responses. Technically, this is the closest thing the GOP has yet developed as a counterweight to Kennedy's operation.

In substantive terms, the GOP has problems that are more serious still. One will search official Republican Party literature in vain for any clear exposition of the nature of our cost problems in the realm of medical care or of other aspects of the subject. Most of the available Republican utterances reflect a feeble understanding of economics, lack of acquaintance with the factual record, and lukewarm commitment to the Kennedy line, with changes here and there in matters of detail and emphasis.

Consider in this respect a brochure, brought out in December by the Republican National Committee, entitled "A Statement on National Health Policy." The work of the RNC's "Advisory Council on Human Concerns" (headed by former Housing and Urban Development Secretary Carla Hills) and, more specifically, of the subcommittee on health (headed by former Senator Hugh Scott), it is a pathetic document. Anyone reading it with any care could hardly wonder that the Republican Party is virtually impotent in the shaping of health care policy, since it has so little to say for itself and manages to say even that so badly.

To begin with, there is no discussion anywhere in this pamphlet of the facts concerning health care costs and their source. There are glancing allusions to the costs of Federal regulation generally and to "mismanagement" in the Medicaid programs, but no acknowledgement of the massive costs and spending problems created by the Federal government. Indeed, the document treats the Medicaid program as something good that needs to be made even better, if only the Carter administration would permit it to happen.

The reports asserts, for instance: "Despite the strides made through the Medicaid plan. 8 million persons below the poverty level are not eligible. And 49 million others live in areas inadequately served by health resources. To make care available to these Americans who lack access to medical services must be an immediate national goal. That no comprehensive administration policy currently exists to meet this need is inexcusable. We must particularly recognize the special needs of the inner-city and rural poor who do not qualify under Medicaid."

In other words, a Republican Party that allegedly favors private enterprise and wants to hold the line on Federal spending, has no real criticism to make the Medicaid program, speaks of this acknowledged fiasco in terms of the "strides" it has made, and attacks the Carter administration for having no "comprehensive policy" for making the program even bigger.

The rest of the pamphlet is written in a similar vein, frequently stressing real or imagined problems in the private delivery of heatlh care services and suggesting various forms of government action to redress the problem. One passage is a virtually litany of charges against the existing health care system:

"While 94 percent of Americans have some health protection, is is not always adequate, and six percent, or 12 million persons, have no protection at all. That 12 million Americans still lack medical attention because they either cannot afford it or have inadequate facilities nearby, it [sic] is a problem. Health care costs have been rising at a rate substantially greater than the rate of inflation. Seven million Americans this year will spend more than 15 percent of their incomes for health services. Many of our young people are dangerously under-immunized against crippling childhood diseases. The aged are too often neglected and left to substandard institutions through lack of other alternatives."

Evidently, the drafters of this Republican statement believe they can steal the Democrats' thunder on the health care issue by making their own denunciations of the private health care system in equally vigorous language. The principal difference is that the GOP—so far at least—retains a formal attachment to the idea of private medicine and a ritualistic opposition to comprehensive NHI. It believes that the problems thus described "can be solved without the Federal government taking over the financing and control of all US health services as some have proposed."

Suggested remedies from the Republican standpoint are pretty much a hodge-podge of *ad hoc* proposals, leading off in every conceivable direction: voluntary cost control efforts by hospitals, control efforts at the local level implemented by the states, extensions of Medicaid and Medicare coverage, Federal guarantees of private insurance programs, Federal provisions for catastrophic health expenses, mandatory provision of health insurance by private suppliers, more and better training for para-professionals, encouragement of HMOs, etc.

Apart from the merits or demerits of these proposals on other grounds, the most striking thing about them is that none so much as mentions the authentic problem in our health care economy today: the warping of our system of medical payments and incentives to encourage consumers to think of medical services as "free." No one reading this document would have any clear notion of the source of the "problems" in our health care system, and certainly would not absorb the message that the problem of cost is a creation of existing Federal programs.

On the contrary, the reader of these passages could only conclude that Senator Kennedy is right, after all: the major problems in our health care system are caused by deficiencies in the private market, and that these must be corrected by government action—although not, in the Republican view, the particular action preferred by Kennedy. The nature of the problem, in other words, is agreed to by all parties to the discussion, with the disagreements being limited to the question of how, exactly, to set about correcting things.

By approaching the matter in this fashion, the Republicans are making it virtually certain that further government intervention in the medical economy will occur, and that problems in our health care delivery system are going to be intensified. The battle is over before it has begun since the GOP, by its assertions and the nature of its legislative proposals, has accepted the Democratic analysis of the situation and bought the liberal definition of the issue. The problem is effectively defined as the failure of private enterprise; the solution as some further form of government intervention.

The very issue that most needs discussing in the debate about national health insurance is thus defaulted at the outset; all parties agree to focus their ire on private medicine, and to avert their gaze from the disaster created by government intervention. The public is thus deprived of essential information and is led to conclude that the problem with our medical economy is exactly the opposite of the factual record.

From all of which it may be seen that the Republican Party—with the Honorable exceptions alluded to—is actually aiding, rather than impeding, the drive for further government intervention in our medical economy. Indeed, it can be argued that, in a sense, the GOP is doing even more than Senator Kennedy to propel the country in this direction, even though this is not its objective.

The difference is that when Kennedy says the things he says or fails to say other things he might, his performance is to some extent discounted for partisan, personal, or ideological reasons. But when the Republican Party comes along in alleged opposition and actually confirms the gist of Kennedy's argument, the debate is effectively ended. There can be little doubt about a point on which Kennedy and the Republican National Committee agree. By making the critique of private medicine unanimous, the draftsmen of the GOP are helping to insure the triumph of the medical collectivists.●

SALUTE TO A HUMANITARIAN

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. GREEN. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the work of a fine member of my New York constituency, Ms. Vera Kay.

Ms. Kay has devoted her life and her substantial talent to the design of orthopedic appliances. She is one of the most respected and admired persons by the orthopedic surgeons and doctors for her ability in dealing with patients, and her dedication to the designing and fabricating of orthopedic appliances.

Now retired, Ms. Kay is still making the best use of her talents by volunteering 3 or 4 hours a day at the Lenox Hill Brace Shop in New York City.

In 1977, Vera Kay was honored by the mayor of New York City with a certificate of appreciation which read:

> To Vera Kay for outstanding contributions as a designer of Orthopedic appliances for the relief of human suffering, and her voluntary efforts on behalf of those with Orthopedic problems.

I would like to add my words of appreciation to Vera Kay for all that she has done for those afflicted with orthopedic problems.●

SOCCER—FAST GROWING ADDITION TO OUR SPORTS SCENE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. RITTER. Mr. Speaker, on Sunday, April 29, 1979, in my home district, the Pennsylvania Stoners soccer team will play its first home game in the American Soccer League. Today I would like to recognize that team as it enters the world of professional sports.

I find the recent growth of soccer's popularity in the United States and the country's increased interest in physical fitness to be very closely related. At a time when Americans everywhere are discovering and enjoying the benefits of a healthy, more active lifestyle, soccer is a sport that fits into that lifestyle especially well. Played on a large open field, with almost constant action, the game requires tremendous amounts of stamina and endurance. For many spectators, it becomes a natural inclination to join local youth and recreational soccer programs. There, to a lesser degree, they develop those same qualities of stamina and endurance while strengthening their cardiovascular and respiratory systems. Soccer, based on the simple skills of running and kicking a ball, encourages participation and good health. For health reasons alone, I welcome the Pennsylvania Stoners to the Lehigh Valley.

Additionally, led by General Manager Jeff Mohler and Coach Willie Ehrlich, the Stoners have made every effort to build their team around a nucleus of local high school and college players. I see this as a great way of fostering a strong bond between the team and the community, and giving residents still another reason to be proud of their community. The Lehigh Valley has a tradition of outstanding local soccer teams, including some of the best high school talent in the Nation, year after year.

In conclusion, I join my constituents in welcoming the Pennsylvania Stoners as a vibrant and positive addition to the Lehigh Valley, and wish the team success this season and in seasons to come.●

WINDFALL PROFITS TAX WOULD WORSEN ENERGY PROBLEMS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PAUL. Mr. Speaker, since Government is the cause of our present energy problems, more Government—in the form of a "windfall" profits tax—would only worsen the situation.

Recently Dr. Paul Craig Roberts has discussed this in the Wall Street Journal. I would like to bring his article to my colleagues' attention, by inserting it in the Record:

Oil Politics

(By Paul Craig Roberts)

Energy was never a problem for Americans until the government stuck its nose into it. The further in the nose went, the worse the problem became.

Of course, it is not the same problem for everyone. As the government knows, there's opportunity in adversity. The budget for the new Department of Energy is already equal to half of the after-tax profits of all the major oil companies combined, and it gets all that money without having to supply a single gallon of gasoline to the consumer.

For decades the oil industry managed to maintain the nominal price of gasoline constant, which meant that it fell in real terms. But gradually cheap energy was undermined by the government. In 1954 an old statute was reinterpreted so the government could regulate natural gas producers. Holding down the price reduced the supply and shifted a larger percentage of energy use to oil.

In the late 1960s the attack on cheap energy intensified. The depletion allowances were reduced, which lessened the accustomed profitability of the oil industry even as clean air standards forced coal users to switch to oil. Miles per gallon declined as safety and environmental regulations added weight and exhaust emission controls to cars. In 1971 the government slapped price controls on domestic production and, after the 1973 embargo, established a maze of regulations that subsidized the importation of foreign oil.

But the real blow came when the U.S. government helped the Arabs set up their oil cartel. Few people know this story because it is not in the government's interest to tell it, and the oil companies are intimidated.

It became clear to the oil companies that the OPEC governments—which had been gradually shoving them out of their equity in the oil that they found and developed—intended to turn the companies into tax collectors by forming a cartel and driving up the price to foreigners. The companies appealed to the Justice Department for an antitrust waiver so they could present a common bargaining front to the Arabs. They got it, but it didn't do them any good. G. H. M. Schuler, director of European operations for Bunker-Hunt Oil Co., testified before a Senate subcommittee in 1974 that State Department officials undercut the oil companies' bargaining position by telling the Arabs that the companies did not have the support of the U.S. government.

Some idealists in government saw in oil a way of extracting more foreign aid than the congressional appropriations process would disgorge. They actually believed that the Arabs would use the money to underwrite the economic development of the entire Third World.

Other sectors of the bureaucracy went along with the scheme for their own reasons. Patriotic elements, worried about the decline in American resolve and fearful that congressional liberals would rather put more Americans on welfare than defend our interests abroad, saw in the scheme a way of providing the shah and the Saudis with money to beef-up anti-Communist forces in the Persian Gulf and to pay African governments to expel the Russians. Since humanitarians and cold warriors each had a stake in the cartel, there was no incentive for either to point out the U.S. government's role in setting it up.

Much of the story is lying there in the public record. "Oftentimes the representative of the United States," testified Mr. Schuler, "becomes the representative of the country to which he is accredited." The lesson, said Mr. Schuler, is that once the producing states "recognized that they were not going to be restrained by the joint action of the industry, and that governments were not going to support industry, then the only thing to hold them back was their own self-restraint, and I do not think that is a realistic expectation. So the U.S. government and the oil companies by retreating in the face of demands, created a momentum which continues to carry through."

But our government learned a different lesson from the Arabs—how to turn the oil companies into tax collectors. The President is going to free the oil price so the government can tax the higher profits at higher rates. Some tongue-clickers are sure that talk about a windfall profits tax is just a political cover. But they badly underestimate the government's need for revenues so it can balance the budget without cutting into its spending programs.

Senator Long, oil friend or not, is nevertheless under pressure to come up with revenues for his colleagues to spend in order to fend off an attack on his own prerogatives. Big spenders have let him know that his Finance Committee cannot expect to continue handing out billions of dollars through "tax loopholes" when their spending programs are running dry. Sen. Long perceives that big spenders, cornered by the public's demand for a balanced budget, are dangerous animals. They will strip the Finance Committee of its hand-out power in order to replenish their own before they starve in their corner.

Freeing price but not profit is not decontrol. By skimming profits so deeply, the government would strip the oil companies of the ability to establish a private energy industry on the basis of new technologies and new energy sources. That task would fall to the government.

The President deserves more credit as a good agent of the government than he is getting. If he pulls this one off, he will be taking two steps forward under the guise of one step backward.●

FLUNKING FAIRNESS TEST

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. STUMP. Mr. Speaker, the following editorial in the News-Sun of Sun City, Ariz., was recently brought to my attention by Mr. W. J. Welbourne of Sun City. As we will be considering the implementation legislation for the Panama Canal treaties in the near future, I commend the editorial to the attention of my colleagues:

FLUNKING FAIRNESS TEST

If President Carter worked out an arrangement with Australia after telling the Aussies it wouldn't cost them a cent and then we sent Australia a bill for $5 billion, it would be an affront to Americans' sense of fair play.

We have no doubts whatsoever that the outcry from the American citizenry would be so great that the President would be forced to abrogate the treaty in order to let the Aussies off the hook.

Should Americans—or American presidents—be less fair to the American people?

President Carter told the American people they would not have to shell out money for giving away the Panama Canal to Panama. His Panama Canal Treaty negotiators told Congress that the American people would not have to shell out money for giving away the canal.

Now it seems that the treaty which would not cost us anything will cost us between $4 billion and $5 billion. For a country which is broke and heading for another $29 billion deficit (if all goes well—even broker if bad news develops), $4 billion is a heckuva lot of nothing.

Incredible as it sounds, the U.S. even plans to leave $70 million in the cash register when we pull out so that the Panamanians can have some operating funds. Nobody sells a liquor store or dress shop in Sun City and leaves even a penny in the till for the new owner. What kind of nonsense is our government attempting to pull off?

Sorry, Mr. Carter. We think you ought to tell the Panamanians we got a bad deal—if anybody has to shell out $4 billion, it ought to be the buyer, not the seller. The only fair thing to do is to cancel the deal right now. If Panama wants to work out something fair, then new negotiations could begin at any time.

But a deal simply isn't fair unless it's fair to all.●

SECRETARIES DAY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. ROTH. Mr. Speaker, the week of April 22–28, 1979, has been designated National Secretaries Week. The enormous contribution that secretaries make to the vitality of our national enterprises is often overlooked. Indeed, without the dedication and steadfastness of our secretaries, the work of the Congress and the Nation would come to a standstill.

I, for one, believe that the fine work of secretaries merits not only a special week, but also, a special day. That is why I am asking my colleagues to join with me in the following proclamation to designate today, April 25, 1979, as Secretaries Day.

PROCLAMATION—SECRETARIES DAY, APRIL 25, 1979

Whereas, in recognition of the secretary, the week of April 22–28, 1979, has been designated as Secretaries Week; and

Whereas, in keeping with the finest tradition of their profession, secretaries are accepting vital responsibilities and are performing important roles in commerce, industry, government, education, and the professions; and

Whereas, the efforts of these professionals and their many contributions to the nation's progress are significant; and

Whereas, to recognize the secretaries now doing their jobs diligently and to encourage others to enter this worthy career, it is essential that rightful acknowledgment be given their talents;

Now, Therefore, I Toby Roth, Representative of the 8th Congressional District of Wisconsin, do hereby proclaim the day of April 25, 1979, as Secretaries Day, and ask that all business and industry join in giving due recognition to this group, paying special attention to Wednesday, April 25, 1979, as Secretaries Day.●

THE GREAT OIL SHORTAGE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. JACOBS. Mr. Speaker, here is the disturbing eloquence of one of my fellow Hoosiers.

INDIANAPOLIS, IND.,
April 20, 1979.

Hon. ANDREW JACOBS, Jr.,
11th District Congressman,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: I hope this letter is not routinely shipped to your Indianapolis office for a cursory reply since I have already contacted that office by telephone and received no satisfaction.

My problem and the problem of many of your constituents is the astronomical cost of home heating fuel coupled with the hue and cry of the politicians and oil companies of a great oil shortage. Well, I have 200 gallons of fuel oil sitting in my basement and my tenant has 150 gallons of fuel oil sitting in the basement next door which Muesing Oil Company of Indianapolis refuses to pick up and recredit our accounts for a portion of the cost. Admittedly, this 350 gallons of oil will not solve the oil shortage; however, if there is a real shortage of oil this amount of fuel surely should not be wasted. We are asked to sit in uncomfortable homes and offices with the thermostat set at 65 degrees in winter and 80 degrees in summer while the oil companies are gouging us to death with high prices of fuel oil and gasoline for our cars, yet you and other politicians are doing nothing to curb these greedy corporate giants. If the oil shortage is real, why are the oil companies not being asked, or better forced, to make some sacrifice and conserve?

It appears to me that, all Muesing Oil is concerned about is that the 350 gallons of fuel oil has been sold to me and my tenant at a profit (cost 59.9 cents a gallon) and they do not want it back at any cost because they have enough oil to service their customers. An oil shortage? Who is fooling whom?

I am asking that pressure be brought to bear on the distributors of oil in general and Muesing Oil in particular to pick up and conserve oil remaining in homes after the former customers like myself have been forced to convert to cheaper natural gas furnaces due to the outrageous escalating cost of fuel oil. Is there no justice or must the consumer be forever left to the mercy of the corporate giants?

A copy of my letter dated 2 April 1979 sent to Muesing Oil is attached for your information. As of this date, I have received no reply.

Sincerely,
(Ms.) VIRGIE L. HORNBERGER.●

HON. CLEMENT J. ZABLOCKI, MARQUETTE UNIVERSITY ALUMNUS OF THE YEAR

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. REUSS. Mr. Speaker, recently a capacity crowd, including President Carter, filled the Milwaukee Performing Arts Center to honor my good friend Congressman CLEMENT J. ZABLOCKI as the Marquette University Alumnus of the Year. I was privileged to be among those honoring CLEM, from whom I have learned so much in the 25 years we have both represented Milwaukee in Congress. I want to share with my colleagues the remarks made that evening by President Carter and Rev. John P. Raynor, S.J., president of Marquette University, and CLEM's own moving address.

REMARKS AT SPECIAL RECEPTION, MARQUETTE UNIVERSITY ALUMNI ASSOCIATION ANNUAL AWARDS DINNER, MARCH 31, 1979

Hon. CLEMENT J. ZABLOCKI: Mr. President, Father Raynor, Mayor Maier, fellow alumni, I'm really thrilled. This is a personal privilege and a great honor for me to welcome the President of the United States—the peacemaker—our President, Jimmy Carter, to our state, to our community and to the University. As they say in Congress: I now yield to President Raynor, because I believe only a President should introduce the President.

Rev. JOHN P. RAYNOR, S.J.: Thank you very much, Congressman Zablocki. Ladies and gentlemen, we're very happy to have you here this evening. As you know, Marquette University sponsors this event in order to pay tribute to distinguished winners of our alumni service awards and also to the "Alumnus of the Year" of Marquette University—the Honorable Clement J. Zablocki. I'm very pleased to have you out in such numbers to pay tribute to these people. Among other things and other assets, we honor Clem Zablocki tonight because of his outstanding service to his country. And it gives me great pleasure indeed, to see that in our honoring of him, he's managed to attract to our presence tonight another admirer of great stature. So without further ado, ladies and gentlemen, I want to introduce to you, with great pleasure and out of great sense of privilege, the President of the United States.

The PRESIDENT. Father Raynor and Chairman Clem Zablocki, distinguished alumni and friends of Marquette University:

It's a great honor for me to be here. The last time I was at Marquette, I had achieved some degree of fame or notoriety during the campaign. And I will always remember that a large group of students were banging on the walls and pounding on the door, demanding the right to come into the auditorium which was already very crowded. This was quite a remarkable change from the earlier part of my campaign. [Laughter]

And because of the dramatic difference that occurred here at Marquette, I'll always remember with a great deal of gratification and friendship the attitude that your students expressed toward me.

You're honoring a very fine statesman, a man who is the chairman of one of the most important committees in the Congress.

When I was growing up as a Georgia young man, we almost took for granted that the chairmen of the important committees were Southerners. [Laughter] But I noticed that the Banking Committee, which is one of the most important of all, is headed by Henry Reuss, and the committee that has control of all the foreign affairs the House Foreign Affairs Committee, is headed by Clem Zablocki, both from this community.

I don't know what is the basis for this remarkable achievement. Obviously, sound judgment on the part of the voters, but maybe it's something in the Milwaukee beer that—[laughter]——

Clem and I have a good partnership when important matters arise. He's one of the very few leaders in Congress to whom I have to turn with increasing frequency, because his sound judgment and his awareness of not only parochial but national and international affairs is a great reservoir of advice and counsel and strength for me.

I've called on Clem also, because of his remarkable rapport with different people around the world, to represent me in important affairs. When Mrs. Meier died, I asked Clem to go to Israel to represent me. And with the investiture of Pope John Paul II, Clem, without too much urging on my part—[laughter]—agreed to go and make a great sacrifice to represent me there. It was a glorious event.

Clem has an achievement that I can't claim. He is the only person that I know personally who has played poker with my mother and won. [Laughter] Every time I see my mother, she says, "You have got to get that man Clem Zablocki back to play poker with me. I cannot stand to ruin my reputation by being a permanent loser."

Representative Zablocki. $2.65.

The President. $2.65—Mother will never forget it.

[Laughter.]

But I might also say that when we have important international events that take place, Clem is there. He's one of the top congressional advisers to our own negotiating team trying to hammer out the terms of a strategic arms limitation agreement with the Soviet Union. And I think this is the kind of role that Clem Zablocki plays in a very quiet and modest and unpublicized way, that the people in this room, who love him and admire him, ought to know about.

When I had extreme difficulty the last 18 months in arranging the basis for negotiating the peace treaty between Egypt and Israel, Clem Zablocki could always give me a sense of the Congress. And immediately after the signing ceremony Monday, I met with a tiny group of key congressional advisers. Clem Zablocki was obviously at the top of the list, to tell him the terms of the treaty, the agreements that had been consummated, and ask his counsel on how to proceed in the future. And now, of course, the honoring of American commitments in the House of Representatives is in the hands of Clem Zablocki, and I'm proud of it.

In many ways, a university is measured by the quality of its alumni. Marquette is a remarkable university because of many reasons. That's obviously one of them. I know that sometimes there are disappointments in things like the NCAA playoffs—[laughter]—which I will not mention tonight. But if the NCAA included as an athletic event the production of remarkable and distinguished alumni Clem Zablocki alone would still have Marquette in the finals. And I want to thank you from the bottom of my heart for producing such a great statesman and a personal friend. And I want to express my admiration for your sound judgment in choosing him the Outstanding Alumnus of the Year.

Thank you very much for letting me be part of it.

Alumnus of the Year—Remarks by Hon. Clement J. Zablocki

Father Raynor, Alumni Association President Dr. Paul A. Dudenhoefer, Mrs. Friedman, Alumni Award recipients, Fellow Alumni, and distinguished guests:

I am deeply honored to be here tonight to receive the 1979 Alumnus of the Year Award. I wish to thank the Selection Board for selecting me, and I thank you all for allowing me the opportunity to share this memorable experience with you. It is my great honor to be included with Janice Babcock, Margo Huston, Dr. Herbert Engel, Mr. James Harwood, and Dr. Russell McKenzie, in receiving awards at the 1979 Alumni Recognition Dinner.

I realize that politicians are not the normal recipients of this award, and I must admit that I was somewhat surprised at being chosen.

I sincerely want to express my appreciation for this distinguished award, and I would like to take this opportunity to tell you briefly what Marquette has meant to me.

When I reflect upon Marquette University, I am overwhelmed by the many ways in which Marquette affected my personal, and therefore, public life. I can honestly say that while I was attending this University I did not realize that so many of my later choices and decisions would ultimately rest upon the solid moral foundation I was obtaining at Marquette.

In all my classes—History, English, Math, Ethics—there was an underlying theme of Judeo-Christian morality that was to be a guiding force in many future decisions.

In discussing Christian education recently, Father Theodore Hesburgh of Notre Dame used four words to describe the approach to education that Christian institutions should take. These are: Competence, Compassion, Commitment, and Consecration.

I believe Father Hesburgh touched upon the key characteristics, but I would add one more particular to Marquette: Excellence. As Father Caldwell underscored in his homily at this afternoon's ecumenical thanksgiving service,

Marquette's dedication to moral and intellectual excellence has instilled its alumni with the goal to be good at whatever we choose to do, and to take personal responsibility for all actions.

Looking back at my years at MU, one individual in particular comes to mind. I would like to single out Father Raphael Hamilton, my English-History Professor. More than anyone else, Father Hamilton influenced my development at Marquette, particularly my spiritual development. Besides being my teacher, Father Hamilton was my Confessor! Of course he would not remember—after absolution he forgot who he forgave!

I can't recall whether at class or in confessional, nevertheless, I will never forget when he told me, "Greater than all the wealth in the world is your reputation and self-respect." Father Hamilton's words remain with me in my work in the U.S. Congress to this very day!

The counsel and guidance he offered in his most compassionate way took me through the pitfalls, temptations, and tribulations which were prevalent even when I went to college!

I would like to personally and sincerely extend my appreciation to him for sharing his knowledge and many insights with me.

Another professor of mine, Dr. William Lamers, former director of the School of Speech, had an influence on the career I chose. It was Dr. Lamers with his excellent oratorical ability who awakened my latent interest in politics. Dr. Lamers and his use of the spoken word made me realize the value of open and direct communication with those individuals with whom we live and work. I am deeply indebted to him also.

And, of course, there are others, but time does not permit me to name them all. These two are illustrative, not exclusive.

My friends, Marquette's reputation as a distinguished institution of higher learning ranks with the top universities. Almost 43 years ago, as if by osmosis, MU instilled intellectual excellence. In 1936 I left Marquette with cautious anxiety and unbounded eagerness.

At Marquette:

I learned to dream, but not to let my dreams go unbounded;

I learned to work toward change when I saw evil, but not for the sake of change alone;

I learned (in the words of the late John F. Kennedy) "That we cannot doubt our institutions without doubting ourselves first."

Marquette University, I am convinced, educates the "whole self." It instills in its students ambition—moral courage—a set of values—a sense of priorities—a respect for our fellow-man—and above all, a love of God.

It is this "wholeness" which, in my opinion, typifies education in the true sense. For, in developing our spiritual selves as well as our intellects, our contributions to society will take on extra meaning.

They will be purposeful. They will be responsible. And, they will be moral!

In this approach to education, we see Marquette's deep commitment to excellence materialized. We see Marquette producing individuals intellectually prepared to meet the challenges of the world and morally ready to follow their consciences. Even if the individuals may not fully realize upon graduation—as I did not—but all of us gathered here know it now!

In my work in the U.S. House of Representatives, I have been faced with many decisions which tested my commitment to my underlying moral values and personal code of ethics.

In issues ranging from the Middle East, to the elderly, to business and industry, to fiscal policy, a Member of Congress is faced daily with difficult and often sensitive questions.

Less than one week ago we witnessed the historic signing of the Peace Treaty between Egypt and Israel. Amid the many complexities, the historic animosities, the religious differences, and the intense emotions, a satisfactory treaty was agreed upon.

Special interests had to be overcome, compromises worked out, and unpopular decisions made!

I commend Egyptian President Sadat, Israeli Prime Minister Begin, and President Carter for persevering in their quest to achieve peace in the Middle East. Undoubtedly these three statesmen typify what I am discussing here today.

These great leaders followed their consciences and implored God in working towards the Treaty.

While this treaty is only a beginning, I hope we will soon see a permanent peace in the land where, ironically, the Prince of Peace began His teaching.

May we all learn from the example set by Mr. Sadat, Mr. Begin, and Mr. Carter.

Father Raynor, fellow alumni, and friends, I am deeply moved today. I am sincerely grateful for receiving the 1979 Alumnus of the Year Award, and I am proud to be associated with our distinguished University.

In receiving this award, I can assure you that it will be a further incentive to continue applying the principles learned during my years at Marquette!

I can only pledge to try to uphold the standards of excellence I learned at Alma Mater. All . . .

"Ad Majorum Dei Gloriam"

"For the greater honor and glory of God."●

ALASKA: CONSERVATION OPPORTUNITY OF THE CENTURY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. LONG of Maryland. Mr. Speaker, I cosponsored a strong Alaska lands bill last year, and once again this year, because the wildlife, scenic, and wilderness values of the remaining federally owned lands in Alaska will benefit the American people for centuries to come.

The Udall-Anderson substitute is more far-reaching than any land or wildlife measure we have considered during the 17 years I have been privileged to represent the people of Maryland's Second Congressional District in the House. Our upcoming votes on this bill may be remembered as the conservation votes of the century.

The values and benefits of the Udall-Anderson substitute to H.R. 39 are great, but the price tag is small. This bill puts 110 million acres into the national park system, the national wildlife refuge system, and the national wild and scenic rivers system, al lwithout cost to the taxpayers. There are no acquisition costs, because these lands are Federal lands, which the taxpayers already own—purchased for less than 2 cents an acre from the Russians in 1867.

The contrast with our other conservation programs is remarkable. As a member of the Appropriations Subcommittee on Interior, I can assure you we cannot buy land for 2 cents an acre these days. The vital expansion of the Redwoods National Park, which the Congress approved last year, will cost $400 million. We could have spared the taxpayers that expense if the Congress of a hundred years ago had done for the redwoods what the Udall-Anderson substitute does for our heritage of wildlands and wildlife of Alaska.

This bill will also give Alaska's economy a significant boost and greater stability. Last year, the Interior and Insular Affairs Committee examined and refined the boundaries of the proposed conservation areas, revising them to leave out lands having high value as sources of minerals, fossil fuels, or timber.

The result was last year's House-passed bill, of which the Udall-Anderson substitute is a further refinement. Moreover, the lands of greatest development potential have already been selected by the State of Alaska and by Alaskan Natives, and most of this will undoubtedly be developed. In fact, the Udall-Anderson substitute would speed up the transfer of these selected lands to the State and to the Natives.

As to the high values of the land selected by the State of Alaska, it is interesting to note the assessment made by the Alaska Department of Natural Resources: Their purpose was to assess those lands already selected, out of their unprecedented 104-million-acre statehood grant of Federal lands, and thereby to target selections of the remaining 30 million acres of their entitlement. That Department's November 24, 1977, assessment notes:

> The existing state selected lands provide a wide ranging balance of resource lands which can be used to support the Alaskan economy. In many cases, state selections have high graded lands for partricular resource potentials. This is exemplified by our selection at Prudhoe Bay for oil and gas resources and our selection of much of the best agricultural land in the state in the Matanuska, Susitna and Tanana River valleys.

Perhaps more important in the long run is the favorable impact the Udall-Anderson substitute would have on Alaska's tourist industry. The protection and growing public use of the new national parks, preserves, wildlife ranges, and wild rivers will result in lasting, stable income for Alaskans through tourism and related activities.

Mr. Speaker, the Udall-Anderson substitute to H.R. 39 is good for wildlife, good for wilderness, good for the American people.●

GAYLE HEGEL—PREMIER SWIMMER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FLORIO. Mr. Speaker, I would like to pay tribute to an outstanding young woman from my district, Ms. Gayle Hegel of Washington Township.

A resident of Whitman Square, Gayle was recently acclaimed by a local paper as one of the "premier swimmers" in the country.

Her career goes back to age 8 with the Whitman Square Swim Team and her coach, Hugh Merkle. Mr. Merkle entered Gail in the Gloucester County YMCA's year-round program, which she stayed with for 7 years. During all that time, Mr. Merkle taught and practiced with her, and he is still giving his support and guidance to her as she advances in the swimming world.

Currently holding well over 500 trophies and awards, Gayle is now swimming with the Mount Laurel Jersey Wahoos. She recently represented the Wahoos in the National AAU Championships in Los Angeles. She came away from the meet with a fourth place finish in the 200-yard individual medley, timed at 2:03.1 and a sixth place in the 400 individual medley timed at 4.22. Gayle also holds various State and national records, all of which compliment her position as the No. 4 swimmer in the United States.

Graduating from Washington Township High School this June, Gayle will begin a 4-year career at the University of North Carolina on a full swimming scholarship. But before she gets to North Carolina, she will be heading for San Diego, Calif., to compete in the Seventeen Magazine Open Meet from June 22 to 24.

This sprint across country is nothing new to Gayle, who gets up at 4 a.m. 3 days a week to train. She is often flying or driving around the continent, racing in Montreal, Florida, Kansas, Nebraska, South Carolina, Massachusetts, Colorado, and many more. Later this year, Gayle will be traveling to Texas to compete in the 1980 U.S. Olympic trials.

I have had the opportunity to watch Gayle swim on a number of occasions with the Gloucester County YMCA, and can say firsthand that we in the First Congressional District are certainly proud of this young woman's achievements.

Her parents, Connie and Ray, and brothers Brad, Bruce, Glenn, and Chris, encourage and support Gayle in all her efforts, and none feel they could be more proud of her than they already are.

Gayle Hegel is a credit to the district, and as we in the community are looking forward to her continued success during her career at North Carolina, I am both pleased and honored to have the privilege of noting her accomplishments at this time.●

THE ADMINISTRATION'S FOREIGN POLICY FAILURE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MICHEL. Mr. Speaker, when "inconsistency and a lack of fairness" are seen as the essential qualities of foreign policy, when foreign policy moves are greeted with "derision" by ones allies and when those allies wonder if it is safe to be a friend any more—wouldn't you say there are unmistakable signs of a debacle in foreign affairs?

I certainly would. And that is why an article by Lisa Myers of the Chicago Sun Times should be required reading. Ms. Myers' article contains all of the views quoted above plus much more evidence of the continuing decline in confidence shown by other nations in the administration's foreign policy. Our Nation is now perceived—and, I fear correctly—as a nation that zigs and zags its way through a series of blunders. This is the price our Nation has played for the promises, the unkept and indeed unkeepable promises made by candidate Carter in 1976.

At this point I wish to place in the RECORD, "Is Carter Foreign Policy Taking the Right Zig?", by Lisa Myers from the Chicago Sun Times, April 22, 1979:

IS CARTER FOREIGN POLICY TAKING THE RIGHT ZIG?

(By Lisa Myers)

WASHINGTON.—A respected European diplomat interrupted an interview to take a call from the home office. His government wanted to know what to make of an action by President Carter, whether it signaled a change in U.S. foreign policy.

"I told them that with this President one can never be certain," he recounted, "but that it appears that Carter's zig-zag approach to international affairs has taken a new zig."

Inconsistency and lack of firmness. To date, they are the hallmark of Carter's foreign policy, say a host of allied ambassadors interviewed by The Sun-Times.

In fact, perhaps the only predictable foreign policy trait of the Carter administration, some contend, is that it will either underreact in the face of adverse world events or make such grave tactical bunders as to appear weak in its response.

So, are U.S. allies distraught, wondering whether it pays or even is safe to be a friend of the United States anymore?

No, they are concerned, to be sure. No sane person relishes seeing the nation on which he relies for ultimate security in a period of decline both real and perceived.

But the vast majority of Western diplomats profess cautious optimism that the United States has begun to shake off the tortuous memories of Vietnam and reassume its proper role as the leader of the Free World. Once that happens, when it signals it is ready and willing to protect its vital interests, the seemingly endless string of global challenges and insults will decrease, many believe.

"When the U.S. nation as a whole reflects strength and self-confidence, we won't have to live with all the problems that we worry about today," said a European ambassador.

The diplomats, who insisted on anonimity, base their hopes on recent moves by the Carter administration and fundamental changes of attitude within Congress and the American public.

In the wake of the Iranian revolution, Carter has sought to ease apprehension about the reliability of U.S. commitments abroad through military and diplomatic efforts to shore up friendly governments. The leading example is North Yemen, which was on the verge of being overrun by its Soviet-supplied and Cuban-assisted neighbor, South Yemen. Because of North Yemen's close ties to Saudi Arabia and its location at the mouth of the Red Sea, it was viewed as both strategically and symbolically critical that the Persian Gulf state not become a victim of Soviet proxy forces.

Carter responded to the challenge by ordering the U.S. aircraft carrier Constellation to steam toward the Persian Gulf. Moreover, he invoked emergency legislation to speed delivery of $390 million in armaments, including F-5 fighter planes and tanks, to the embattled nation. When the Constellation left recently, the carrier Midway took its place.

"It is exceedingly important that he sent weapons this time, rather than unarmed fighters," one diplomat said. During the crisis in Iran, Carter sought to reassure the jittery Saudis with a flyover of unarmed U.S. jet fighters—a move cited with derision by Western observers.

Also pointed to as encouraging were statements by Defense Sec. Harold S. Brown and Energy Sec. James R. Schlesinger that the United States was prepared to intervene militarily if vital Saudi oilfields were threatened.

"Only a year and a half ago, such statements would have been sharply criticized both on Capitol Hill and in the media," an ambassador said. "This time, even [Senate Foreign Relations Committee Chairman Frank] Church (D-Ida.) endorsed the idea."

Church's response reflects a broad change of attitude within Congress as to the appropriate U.S. role in the world, observers say, a recognition of the limits of passiveness and the need for a more aggressive American posture.

Public opinion polls detect a similar concern among the general public. A survey by the Chicago Council on Foreign Relations found that Americans want the United States to play "a more important role" as a world leader and are willing to spend more for defense to achieve that end.

It is important to note, however, that the public's willingness to sacrifice money and, perhaps, lives is limited to close allies in Western Europe and Japan, as well as immediate neighbors. That, diplomatic observers say, is one of the major dilemmas confronting Carter, because Soviet challenges are not likely to occur in those places, but in areas where the United States has interests but no treaty commitments.

It is in the Third World, the ambassadors concur, where the United States has been most lacking in its response to Soviet adventurism. Most believe the mistakes date all the way back to when Cuban troops invaded Angola in 1975. Congress blocked plans by then-Sec. of State Henry A. Kissinger to intervene when the troops first were introduced on the African continent. Since then, the Cubans have been active throughout the Horn of Africa and observers see little hope of routing them.

Smaller allies complain that the United States has been remiss in coming to their aid, even when all they seek is some weapons for which they are willing to pay. The case of Morocco, a proven ally that sent troops to Zaire to help fight invading Soviet-equipped forces, is often cited as an example of how U.S. allies are left wanting while Soviet-aligned nations are outfitted to the teeth. Threatened by hostile Algeria on the east and rebels on the south, Morocco is embittered over the administration's delay of certain weapons shipments and a 25 per cent reduction of military sales credits.

The extent of America's perceived decline as a world power is mirrored by a Gallup Poll showing that the majority of British think the Soviet Union already is the most powerful country in the world, and West Germans polled split evenly over whether America or the Soviet Union is on top.

Perhaps more worrisome is that American, West German, Dutch, Japanese and British citizens believe 1979 will be a year in which Soviet power continues to grow and America's power continues to shrink.

The diplomats stress that it is critical that the United States reverse its image, which has contributed to Soviet mischief-making and led the Kremlin to believe it can operate "without fear of punishment" in most parts of the world.

"I see no need for immediate worry provided that the U.S. at vital moments shows readiness to act," one ambassador said.

But, added another: "Continuation of the U.S. retreat will allow the Russians to score more wins, and allies will wonder what to do. I could see the West Germans having very grave doubts. It's very dangerous for the allies."●

NATALIE PELAVIN—COMMUNITY LEADER

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased to take this opportunity to honor a prominent community leader in my district, Natalie Pelavin. For the past 2 years, Mrs. Pelavin has served as president of Temple Beth El, one of two Jewish congregations in the Flint area. Now, as her term draws to a close, I take great pride in affording her the recognition she so richly deserves.

Mrs. Pelavin is also a national board member of the National Federation of Temple Sisterhoods, and a past president of the Temple Beth El Sisterhood. She is a member of the National Women's Division of the United Jewish Appeal and the Women's Communal Service Committee of the Council of Jewish Federations. Mrs. Pelavin is also very active in the Flint Jewish community, serving on the board of governors of the Flint Jewish Community Council, as well as the Council's Jewish Education and Executive committees.

Mrs. Pelavin is a vice president of the Valley School. It is an independent school in the Flint area which plays an important role in the community, and Mrs. Pelavin plays an important role in the administration of Valley.

Mr. Speaker, individuals like Natalie Pelavin are an invaluable asset to all of us, for they contribute so much to the community. I wish her, her husband, Michael, and her sons, Mark and Gordon, continued success and good fortune.●

SUPPORTERS OF ALASKA LANDS LEGISLATION

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. GINN. Mr. Speaker, at the request of the organization, Georgians for Alaska, I would appreciate having printed in the RECORD, the following list of organizations in the State of Georgia which support the Udall-Anderson version of H.R. 39, the Alaska lands legislation:

ENDORSING ORGANIZATIONS

Albany Audubon Society.
Albany Humane Society.
Aquanaut Diving and Engineering Co., Inc., Atlanta.
Association for Georgia Archaeology.
Athenians for Clean Energy, Athens.
Athens-Clarke County Humane Society.
Athens Group-Sierra Club.
Atlanta Audubon Society.
Atlanta Council of Camp Fire Girls, Inc.
Atlanta Group-Sierra Club.
Atlanta Track Club, Inc.
Atlanta Whitewater Club.
Augusta Audubon Society.
Augusta Humane Society, Inc.
Bartram Trail Society, Inc., Lithia Springs.
Benedictine Oceanography Club, Savannah.
BioScience Club, Georgia Southern College, Statesboro.
Blue Ridge Mountain Sports, LTD of Georgia, Atlanta.
Blue Ridge River Touring, Carlton.
Buckhorn Mountain Shop, Inc., Gainesville.
Burke-Screven Bird Study Group, Sylvania.
Chattahoochee Chapter of Trout Unlimited, Atlanta.
Chattahoochee Valley Humane Society, Columbus.
Chattahoochee Wilderness Society, Atlanta.
Chehaw Wildlife Society, Inc., Albany.
Cherokee Audubon Society, Rocky Face.
Cherokee Garden Club, Atlanta.
Coastal Georgia Audubon Society, Brunswick.
Coastal Group-Sierra Club, Savannah.
Cohuttas Chapter of Trout Unlimited, Marietta.
Columbus Audubon Society.

Council of the Georgia Academy of Science.
Dalton Humane Society.
Deep Dene Garden Club, Atlanta.
Dekalb Humane Society, Inc., Decatur.
Diving World USA, Atlanta.
Dogwood City Grotto, Smyrna.
Ens and Outs (of the Unitarian Universalist Congregation of Atlanta).
Environmental Law Society, Emory University School of Law, Atlanta.
Film Forum, Atlanta.
Flint River Chapter of Trout Unlimited, East Point.
Georgia Animal Welfare Alliance.
Georgia B.A.S.S. Chapter Federation (Bass Anglers Sportsman Society).
Georgia Botanical Society.
Georgia Canoeing Association.
Georgia Chapter of American Society of Landscape Architects.
Georgia Clean Air Council.
The Georgia Conservancy.
Georgia Environmental Council.
Georgia Federation of the Blind.
Georgia Herpetological Society.
Georgia Ornithological Society.
Georgia Solar Coalition, Inc.
Georgia Tech Sport Parachute Club.
Georgia 2000.
Georgia Wilderness Society, Macon.
Georgia Wildlife Federation.
Golden Temple Natural Foods, Atlanta.
Hall County Humane Society, Gainesville.
The Hambidge Center, Rabun Gap.
High Country, Inc., Atlanta.
High Country Outdoor Rentals, Inc., Atlanta.
Historic Savannah Foundation, Inc., Savannah.
Hurricane Creek Protective Society, Alma.
H. V. Jenkins Outings Club, Savannah.
Jonah's Diving World, Inc., Augusta.
Ladies Golf Association of Dalton Golf and Country Club.
Macon Amateur Astronomers Club.
Morrow Junior Woman's Club.
Mountain Ventures, Decatur.
Museum of Arts and Sciences, Macon.
National Registry of Bicycling Roads, Decatur.
Nature's Last Stand Cafés, Atlanta.
Ocmulgee Audubon Society, Macon.
Ogeechee Audubon Society, Savannah.
The Ogeechee Canoe Club, Savannah.
Osborne Travel Service, Inc., Atlanta.
The Ossabaw Foundation, Savannah.
Peachtree Garden Club, Atlanta.
Rosewood Garden Club, Tifton.
Sand Hills Garden Club, Augusta.
The Savannah Jaycees.
Sevananda Natural Foods, Atlanta.
Southern Unity Network/Renewable Energy Projects, Atlanta.
Touch the Earth, Georgia State University, Atlanta.
Trustees Garden Club, Savannah.
Upper Flint River Audubon Society, Jonesboro.
Wilderness Southeast Outfitters, Inc., Savannah.
Wolfcreek Wilderness School, Inc., Blairsville.
Added since March 26, 1979:
Buckhead House of Travel, Atlanta.
Friends of the River, Atlanta.
S. E. Expeditions, Inc., Clayton.●

SMOKING, DRINKING, AND DISABILITY

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. GEPHARDT. Mr. Speaker, on Monday, April 2, 1979, I introduced H.R. 3374, a bill that would help the social security disability trust fund pay for cigarette-related and alcohol-related disabilities through an increased excise tax on cigarettes and a surcharge on alcohol. This would reduce the payroll tax from 6.65 to 6.6 percent in 1981. The bill currently has 12 cosponsors.

The disability trust fund would have been exhausted by this year without payroll increases and increased allocations to the fund from the old age, survivors and health insurance portions of social security. Smoking and drinking have a definite influence on the actuarial soundness of the disability program.

Data obtained from the social security disability rolls show that in an average year, $1.08 billion is expended for 45,000 awards linked to smoking. In 1969 there were roughly 35,000 such awards costing $840 million. By 1975 these awards dramatically increased to 53,000 at a cost of $1,272 billion. Total disability awards linked to smoking in the 7 year period were 315,000 in number costing $7.56 billion.

Three diagnoses account for most of the disability linked to smoking:

First. Malignant neoplasm of the trachea, bronchus and lung: In 1969, 7,000 disability awards were made with this diagnosis, of which 83 percent or 5,810 can be linked to smoking. The number of awards increased to 12,433 in 1975, of which roughly 10,300 were linked to smoking. Costs per year linked to smoking were $140 million in 1969, increasing to $247 million in 1975.

Second. Bronchitis and emphysema: On the average, 18,000 new disability awards are made each year, of which 67 percent or 12,000 can be linked to smoking, costing $288 million per year.

Third. Ischemic heart disease: This is the diagnosis most frequently made in the disability program. In 1969, 68,453 awards were made with this diagnosis, of which 22 percent or 15,000 were linked to smoking. Numbers of awards increased steadily to 122,223 in 1975, of which 27,000 were linked to smoking. Costs per year were $360 million in 1969, increasing to $648 million in 1975.

Alcohol consumption also has a significant role in depleting disability funds. In 1978, as part of an effort to evaluate the effect of alcoholism on social security disability beneficiaries, information was obtained through a study of cases reviewed by the Social Security Administration medical consultant staff. The study estimated that $876 million is paid yearly to disability insurance beneficiaries for whom there is some evidence of alcoholism or alcohol abuse. The study was limited to the information available in the claims folder and this figure does not include the cost of providing medicare protection to these disabled people. No new evidence was obtained.

The Social Security Administration does not obtain sufficient information through the disability claims and determination process to identify which disabilities are caused by alcohol abuse or alcoholism. HEW, however, has found that alcohol has a pervasive effect on the gastrointestinal tract, the liver, and the bloodstream. The brain and nervous system, heart, muscles, and endocrine system are also affected.

Alcohol is associated with cardiomyopathy, a disease of the heart muscle. Diseases of the coronary arteries, such as angina pectoris and myocardial infraction, increase with heavy alcohol consumption. Atrial fibrillation, a cardiac arrhythmia, appears in individuals free of overt heart disease, who are heavy consumers of alcohol.

The rate of total cirrhosis deaths increased by 36.6 percent from 1960 to 1970, followed by a gradual leveling during the early 1970's and a decrease of 6.3 percent from 1974 to 1975. Even though this decrease is encouraging, liver cirrhosis still ranked as the sixth most common cause of death in the United States in 1975, with up to 95 percent of the cases estimated to be alcohol-related.

Indisputably, alcohol is one cause of cancer. Heavy drinking increases the risk of developing cancer of the tongue, mouth, oropharynx, hypopharynx, esophagus, larynx, and liver.

Alcohol has a synergistic effect with tobacco that increases the risk of cancer. For example, one study showed that the risk of head and neck cancers for heavy drinkers who smoked was 6 to 15 times greater than for those who abstain from both. Another study showed a risk of esophageal cancer 44 times greater for heavier users of both alcohol and tobacco, as compared to 18 times greater for heavier users of alcohol only and 5 times greater for heavier users of tobacco only.

Research shows that alcohol often plays a major role in such violent events as motor vehicle accidents, and home, industrial, and recreational accidents.

Given these findings, one can hardly contend in good faith that cigarettes and alcohol have a minimal effect on the disability trust fund. The time has arrived for abusers of these products to help pay for their damages rather than spreading their costs through all of the sectors of society. I urge everyone to support H.R. 3374.●

CINCO DE MAYO—1979

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, 1979 marks the 117th anniversary of the Battle of Puebla. Known more widely as the Cinco de Mayo, this occasion celebrates a memorable event in the history of our neighbor to the south, the great nation of Mexico.

On Cinco de Mayo, the 5th day of May in 1862, the ill-equipped and greatly outnumbered Mexican Army defeated the French regular forces sent by Napoleon III to invade and capture Mexico. The full story behind this famous day is one I would like to share with you today, as millions of people in my home State of California and throughout this Nation prepare to observe this grand day in history.

Ever since the New World was first colonized, the countries of Europe had thought of these new-found lands as the source of fabulous riches. Enormous shipments of gold and silver were sent across the Atlantic Ocean, much of it from Mexico, during the time that country was ruled by Spain.

When the people of Mexico rebelled against this robbery of its treasure by a foreign power and formed their own government, all of Europe waited, watched and wondered if this experiment in independence would fail. European powers loaned money to the new Mexican Government, some intending to collect much more in return. When President Benito Juarez ordered a temporary suspension of payments on foreign debt in order to fight internal battles, Spain, Great Britain, and France were greatly angered and threatened to invade Mexico.

The Mexican nation came to terms with each of these European powers with the exception of France. The French refused to accept a settlement proposal and seized this as an opportunity to expand the Napoleonic Empire. French forces invaded the country and marched toward Mexico City.

Mexican troops under the command of Ignacio Zaragoza, the youngest General of Mexico at that time, were sent to the City of Puebla to halt the advance of the foreign troops. Joining the people of Puebla, Zaragoza's forces gave the French their first defeat on Mexican soil and proved that the French Army was not invincible, even though it was regarded as the finest in the world. The episode gave the people of the new nation the strength and inspiration to endure the eventual conquest by the French and to arise again 3 years later to drive out the foreign invaders and regain independence.

Mr. Speaker, overcoming foreign tyranny is part of our own history, too. Like our Fourth of July, the Cinco de Mayo is a time to recall past events which have made possible the freedoms we enjoy today in our hemisphere. It is also a good time to celebrate those rich customs and traditions we have inherited from the Mexican people. They have influenced our everyday living, adding a diversity and interest which characterizes many parts of our Nation.

On May 5, those of Mexican ancestry everywhere, including of course the Chicanos of California and elsewhere in our own country, will show an expression of solidarity by celebrating a proud moment in Mexican history. We should all join in observing this day as a landmark in a fight for freedom and the protection of a heritage we all share and enjoy to this day.●

NO MORE NUKES?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PAUL. Mr. Speaker, the troubles at Three Mile Island Nuclear Power plant in Pennsylvania have generated a critical mass of hysteria, but not much light on this important subject.

No form of mass energy production is completely safe, but I think it is significant that no one was hurt, let alone killed, in what everyone calls our most serious nuclear plant accident.

Thirty thousand men died in Pennsylvania mining coal, from 1870 until 1950. Men still die in West Virginia and other states, when mine shafts collapse or coal gas explodes. Medical scientists estimate that between 20 and 100 people die each year from lung disease, per coal-fired generating plant, because of the pollution produced. But no one suggests we outlaw coal.

The extensive safety systems at Three Mile gave days of warning to people in the area. There is no warning if a hydroelectric dam bursts or a tanker blows up.

Oil and gas can provide the vast majority of our energy needs, if the industry were deregulated with no new taxes added, so that profits could be reinvested in new exploration and production.

But nuclear energy will probably continue to be a vital and necessary alternate form of energy—far safer than coal and infinitely more practical than solar energy or windmills.

I say probably, because we don't really know what the free market would provide in nuclear energy, because of government subsidies.

Under the Price-Anderson Act, two pools of private insurance companies provide up to $140 million per incident in nuclear plant liability insurance. The government provides coverage above that, with liability limited to $560 million.

Insurance for nuclear plants—and everything else—should be left to the private sector. Not only would this save tax money, but it would prove the safety (or danger) of nuclear energy.

If the free market made insurance available, then everyone would know the plants are safe. No insurance company would risk hundreds of millions of dollars without being sure.

If no insurance were available at economic rates, the plants wouldn't be built And those already constructed would have to be shut down, since no utility would dare operate without insurance.

I believe we need nuclear energy, but I shouldn't make that decision. The free market, with its input of millions of creative minds, should decide.

If we leave energy decisions in the hands of government, we will end up shivering in cold, dark homes (or sweltering in hot ones), with empty gas tanks in our cars and silent businesses and industries.

Energy will determine the economic future of our country. It must be taken out of the hands of politicians and bureaucrats.●

TRIBUTE TO WESLEY L. MOORE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FORD of Michigan. Mr. Speaker, I would like to call your attention, and that of my colleagues, to a dedication service planned in my congressional district for the late Wesley L. Moore, a member of the Westwood Community School District Board of Education from 1968 until his death last July.

In memory of Mr. Moore, and in tribute to his outstanding community service, the Westwood Board is planning to dedicate an athletic field in his honor, and also will select two high school students each year to receive the Wesley L. Moore Memorial Award for promoting racial unity and understanding in the community.

The school board, in announcing these plans, adopted the following resolution:

> Whereas, Wesley L. Moore's ideals and goals, while serving the Westwood Community School District for 10 years, represents the best in all of us, and
>
> Whereas, Our hope is that what he strived for and dreamed of our becoming will continue to make new inroads and unite this District until one day we can and shall stand as an example to all people everywhere as to what can be achieved when people work together for the good of all humankind, and,
>
> Whereas, Wesley L. Moore always felt the need to constantly learn and improve on what is good, and change what is bad,
>
> Now Therefore be it resolved that the Allen-Robichaud Athletic Field be dedicated in his honor and hereafter to be known as the Wesley L. Moore Memorial Park, and,
>
> Be it further resolved that annually two students from the District High School shall be honored with the award of the Wesley L. Moore Memorial Award for distinction in promoting racial unity and understanding in the Community . . .

Mr. Speaker, I would also like at this time to have printed a biography of Mr. Moore, presented to me by Dr. Paul R. Hunt, superintendent of the Westwood Community School District:

BIOGRAPHY: WESLEY L. MOORE, 1926–78

Wesley L. Moore was born in Detroit, Michigan on August 5, 1926. His parents were William Henry and Clara Moore. Wesley was the youngest of three children; including a brother, William, and a sister, Geraldine.

He gained his education through the Lindburgh School, Henry Ford Trade School, Dearborn High School and Henry Ford Community College, all of which are located in the City of Dearborn, Michigan.

Wesley served his country honorably in the armed services branch of the United States Marines. He was in service from April of 1944 to August 1946.

On August 2, 1952, Wesley married his high school sweetheart, Shirley Wilson. From this union, five children were born: Kim Wesley, September 10, 1954; Kyle Rollin, November 19, 1957; Christopher Hoyt, January 25, 1959; Kelly Alison, June 11, 1962; and Curtis Keller, May 14, 1966.

As with many young couples, Wesley and Shirley lived in several locations during the first part of their marriage. Their first home was on South River Park, Inkster. They moved to Black Lake, Michigan, then to Pine Street in Taylor and finally to their home on Hanover in Dearborn Heights, in 1959, where they have resided for twenty years.

Wesley was an insurance salesman during the earlier part of his marriage. He later worked at Ford Motor Company and was employed at American Motors at the time of his death.

He was a very civic minded individual and was always involved in trying to make life a little better for other people. He served on the Board of Appeals for the City of Dearborn Heights. He was President of the Thorne

School P.T.A.; a member of the Board of Directors of the Dearborn Heights Baseball League; Coach of the Dearborn Heights Baseball League (his son, Kim, played on his team which was called the "Wild Cats"); District Commissioner for the Boy Scouts, where Kyle and Chris were involved. He was first elected to the Board of Education in 1968 where he held various officer positions for ten years: 1968, Treasurer; 1969, Secretary; 1970, President; 1971, Trustee; 1972, Trustee; 1973, President; 1974, President; 1975, President; 1976, Trustee; and 1977, Treasurer. Died July 19, 1978 while still in office.

Before Wesley was elected to the Board, there was great unrest and fear among faculty and students alike because of the deep racial problems erupting in the district at the Junior and Senior High Schools. He began asking questions and did not get satisfactory answers. The financial status of the district was terribly upsetting to him and answers were hard to get. Wesley and Shirley thought, in great length, of selling their home and moving away, but they realized that this was the real outside world that their children would someday have to face, so they decided to stay and try to make this District a responsibility to undertake. Wesley decided to run for the Board of Education and fight for what be believed this community badly needed. He went into the race for the Board of Education an unpopular candidate. He promised no favors and bowed to no one for votes for fighting for what he believed in.

During his tenure on the Board of Education, he always voted for what he, in all fairness, thought was right. He often stood alone in his convictions. He fought long and hard to change old ways of bookkeeping and budgeting. Through his efforts, an auditing firm was brought in to clear up any misunderstandings of finance. Business office procedures were brought up-to-date and expenditures brought to the Board for approval. He strove for good, strong, stable leadership in administration. He convinced other Board members that they were running a business and should be responsible for the community as such.

Wesley tried to rise above the petty nonimportant issues in the system to try to get the best for all students. He always tried to make the best of a situation by inserting a bit of humor into heated discussions. Many times his humor was misunderstood but he would stoically plod on, trying to bring order out of chaos. If Wesley heard of a child being expelled from school, he would personally visit the child's home to find out the facts of the case. When the Band Program ordered some uniforms and they were late in arriving, Wesley personally picked them up so that the students would have them for a performance. He spent many hours a day dealing with personal problems of parents and for students alike. He cared enough to always hear both sides of a story before making a judgment. He listened to community problems and, although he did not always agree or decide in your favor, he was fair and honest in his opinions. According to his wife, many, many times he spent sleepless nights fighting within himself, digging deep for seemingly unsolvable elusive answers to the problems in Westwood.

In striving to bring about peaceful race relations in the District, Wesley tried valiantly to mediate the hostile reactions of troubled people. He moved back and forth across the District trying to get people to respect each other, regardless of color. He carried the cross of frustration and distrust on his shoulders. Although he felt frustrated and defeated in this area, it was definitely through his efforts that many people, black and white, began to be able to appreciate one another. The seeds of peace which he planted will, in the long run, grow up into a tender plant of love and respect of each individual in the Westwood Community School District.

Wesley L. Moore is sadly missed in the District; however, the good works he did for his fellow man will stand as a monument through the sands of time.●

DINGELL CALLS FOR CLARIFICATION OF CBO ANALYSIS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. DINGELL. Mr. Speaker, since the President announced his intention to decontrol domestic crude oil prices over the next few years, several studies of the inflationary impacts of the President's proposal have been made. One such study was published by the Congressional Budget Office on April 16, 1979. There has been some confusion with respect to the estimates of the inflationary impacts of the President's proposal that were presented in the CBO study. I wrote to Dr. Alice Rivlin, Director of CBO, about the apparent misrepresentation of some of the inflation estimates in that analysis. As a result of that letter, CBO has revised the original April 16 analysis.

In order that any misunderstanding about the results presented in the original CBO study may be clarified, I would like to insert my letter to Dr. Rivlin in the RECORD.

The letter follows:

WASHINGTON, D.C., *April 23, 1979.*

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office,
Washington, D.C.

DEAR DR. RIVLIN: I am deeply concerned that the Congressional Budget Office's analysis of April 16, 1979, appears to have represented incorrectly the inflationary impacts of the President's crude oil decontrol proposal. I am writing to you in the hopes that any misunderstandings about the meaning of the inflation estimates in CBO's anlaysis may be clarified.

Page 8 of the CBO analysis states:

"CBO's initial estimates are that the rate of inflation would be about 0.1 percentage point higher in 1979, 0.3 percentage point higher in 1980, and 0.6 percentage point higher in 1981. The cumulative impact from now until the end of 1981 of the President's proposals is to increase the price level about 1 percent, which corresponds to an estimated 5 cents per gallon on gasoline. In subsequent years, there may be an additional 0.25 to 0.5 percent increase in the level of prices attributable to the feedback effects of the initial price rise associated with decontrol. Thus, the cumulative increase in the overall price level may be as high as 1.5 percent by 1983." (Emphasis Added)

My staff has talked with the members of your staff that prepared the analysis; they tell me that the words used in the paragraph above do not accurately describe what the numbers represent. The numbers described as changes in the "rate of inflation"' were derived by calculating the amount by which expenditures for a fixed amount of goods would increase as a result of the President's decontrol proposal (increased expenditures attributable to decontrol, divided by the Gross National Product and then multiplied by a "ripple" factor). They thus do not represent changes in annual inflation rates but instead represent increases in the general price levels or, equivalently, *cumulative* changes in the annual rates of inflation. According to CBO's estimates, the changes in the annual rates of inflation would actually be 0.1 for 1979, 0.2 for 1980 and 0.3 for 1981, which when added for all previous years yield the numbers presented in the analysis (0.1, 0.3 and 0.6 respectively). If these numbers are interpreted as annual *rates* of inflation, the increase in prices resulting from the President's proposal is significantly overstated.

When interpreted correctly, as described above, CBO's analysis indicates that the increase in the price level is .6 percent by the end of 1981. The hypothesized 1 percent increase, which was incorrectly characterized as the increase in the price level, is actually the sum of the increases in the price levels for the proceeding years: 0.1 percent plus 0.3 percent plus 0.6 percent. The figure was therefore derived by adding the sums of the changes in the annual inflation rates over a period of time. Likewise, the indicated 1.5 percent increase by 1983, which was derived from the 1.0 percent number, does not represent the amount by which prices would increase beyond base case levels as a result of the President's program.

If these adjustments are not made, CBO's estimates of the inflationary impact of the President's proposal appear to be nearly three times as high as those made by the staff of the Energy and Power Subcommittee. However, when properly represented, the apparent differences are significantly reduced: CBO's estimate of a .6 percent change in the price level by 1982 is close to the Energy and Power staff's estimate of a peak impact of .5 percent.

In order to correct any misunderstanding of the results of your analysis, I believe that you should clarify those results by precisely describing the methodology used in estimating the inflationary impacts of the President's Program and characterizing the results obtained. The result of such a clarification can only eliminate what is presently a false issue in the debate.

Sincerely,

JOHN D. DINGELL,
Chairman.●

LEARN TO EARN—CONFIDENCE THAT ENDURES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. JACOBS. Mr. Speaker, Joseph V. Machugh, the Bernard Baruch of Capitol Hill, has hit the nail on the point again, to wit:

LEARN TO EARN—CONFIDENCE THAT ENDURES

Few realists would challenge validity of concept—restoration of confidence in United States, its government and its people—is our current top priority. The word is of Latin derivation, meaning trust and respect; and is intangible like the word personality. Both readily are recognized; but, for each there is no central ingredient. Rather it is a compendium of specifics that make up personality and inspire confidence. The analogy recalls a cleavage of view on governmental restraint during World War II. The National Administration urged a piece-meal approach whereas that perennial Presidential Advisor, Bernard M. Baruch consistently advocated overall control.

Precisely how is confidence established among individuals, groups or nations? Early in Writer's career a loan was needed but collateral was not available. Bank offered a "character loan" insisting on repayment by monthly installments. Confidence prompted the loan and repayment confirmed respect. Achievements (significant jobs—well done) fire the fuels of confidence. They constitute firm foundation for respect. Confidence never is born full-grown nor is it won instantaneously. It takes time (perhaps much time) and testing for its consummation. Foundation and tests are building-blocks for "the house of confidence" proceeding under aegis of that implicit law of gradualness. Who ever saw evening shadows lengthen, springtime buds sprout on tree-branches or watched piquant, human adolescence in actual process of development?

Shortly after World War Two, the media reported Baruch as saying: "America was so strong militarily, industrially and psychologically—as to be able to repel attack by any single enemy or from any conceivable combination of hostile opponents." What hardy soul today would venture a similar assertion? So, what was basis for original assertion? America had been preponderant supplyer of men, money and material throughout that War—which ended abruptly with American Atomic Bombing of Hiroshima and Nagasaki! The Manhattan Project-development of the A-Bomb was a superb achievement in secrecy. Reconstruction aid for war-torn Europe under the Marshall Plan was unprecedented. Finally, with exclusive Atomic Monopoly, United States offered unilaterally (though never accepted) to give a proposed International Authority all secrets and administration for that powerful weapon. Such foursome of dynamic leadership—is the figurative diet on which confidence both feeds and thrives.

That earlier confidence can be revived but probably only by stages of transition, couple with a truly spiritual approach—using talents bestowed on a select few qualified to lead a march of progress in ultimate best interest of the human species. Its acid test: Will formidable challenges be resisted and will confidence endure? Spectaculars, like their sparked euphoria, often substantially subside. In Arthurian Legendry the sword-Excalibur, magically fixed in stone to be withdrawn by rightful King of England; and only Arthur did so. When mortally wounded, Arthur ordered Sir Bevidere to cast it in the lake—from whose water an arm clothed in white samite appeared to receive it.

Holy Writ says humility is touchstone for lasting success, implying avid desire to place one's own interest at the bottom and those of others at the summit. There is an infallible guideline to success, achievement and happiness. Since durability is the evaluant of confidence—could any admonition be more salutary for the welfare of all mankind than this trenchant and cogent counsel: learn to earn the pearl of great price—confidence that endures.●

THE ELECTION IN ZIMBABWE-RHODESIA

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BROOMFIELD. As the ranking minority member of the House Foreign Affairs Committee, I want to congratulate all the people of Zimbabwe-Rhodesia—be they black or white—on the success of their recent election. The Rhodesian people should be commended for the way in which they have carried out the mandated election—an election not only observed with intensity by the international community but also influenced by conflicting outside pressures.

Among those outsiders are the Soviet-backed Patriotic Front guerillas, who have made every effort to frustrate the Rhodesian election process. Under rival leadership, the Patriotic Front has not only condemned the Rhodesian internal settlement but the overall democratic process as well. As the Washington Star pointed out in an April 18 editorial:

> Rival guerilla leaders Joshua Nkomo and Robert Mugabe are contemptuous of the deal. But they are contemptuous of democracy, too. They care little for the wishes of most black Rhodesians, who are believed to favor the peaceful route to majority rule.

Moreover, the Washington Post, in an April 23 editorial, stated that—

> . . . it is inconceivable that the United States would expect the Patriotic Front, if it won the war, to hold elections of any kind.

What has been so equally troublesome is the administration's tragically misguided policy toward the Rhodesian settlement, and in particular, its belief that the so-called Patriotic Front must be brought into the political process. The administration has provided nearly blind support for the Patriotic Front. Moreover, the administration continues to balk on whether or not to lift sanctions against Rhodesia, an action required by the Congress if free and fair elections have been held and the new government has made a good faith effort to end the guerilla war.

Now that a civil rights activist from the respected human rights organization, Freedom House, has stated that Rhodesia, "has never had so inclusive and free an election," now that Rhodesia has complied with nearly every request the United States has made, now that nearly 65 percent of Rhodesia's black voters have cast ballots approving the internal settlement, it is time for the United States to lift the sanctions against Rhodesia. Our Government should immediately take the necessary steps to support the people of Zimbabwe-Rhodesia—not the people of the Marxist-oriented patriotic front. In short, we must continue to convey our concerns for the establishment of a free and democratic society in Zimbabwe-Rhodesia.

To be sure, the recent election in Rhodesia is a good beginning—but only a beginning. Under the leadership of the newly elected Prime Minister, the people of Rhodesia—unlike many other nations—can look forward to a future shaped by the democratic process as well as improved human rights.

Now that the people of Zimbabwe-Rhodesia have spoken, they wait with anticipation and concern the decisions of the United States and other major powers which will directly influence the ability of their new black majority government to cope with serious economic problems, aggravated by trade sanctions. If we truly support the democratic process in Africa, the United States should demonstrate its support for this democratically elected government by promptly lifting the sanctions now in effect.●

ISRAEL AND THE SUN

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BINGHAM. Mr. Speaker, today in the wake of the Iranian oil cutoff and the Three Mile Island accident, it is especially important that we consider the great potential of solar energy. One nation which has made great strides in the solar area is Israel, a nation sadly lacking in petroleum reserves but blessed with plenty of sunshine. A recent article in the ADL Bulletin (published by the Anti-Defamation League of B'nai B'rith) by Daniel S. Mariaschin, director of ADL's Middle Eastern Affairs department, represents an interesting look at the Israeli commitment to solar power.

I recommend Daniel S. Mariaschin's excellent article to my colleagues:

THE SUN—ISRAEL'S ENERGY ALLY

(By Daniel S. Mariaschin)

In the light of the political upheaval in Iran and the general unreliability of foreign oil sources, new interest has focused on an alternative energy source—solar energy. While the Administration's budget for fiscal 1980 includes a $644 million request for solar research and development, it falls short of expectations. The U.S. still has far to go in matching Israel's commitment to solar energy and its practical applications.

First-time visitors to Israel are immediately struck by the rooftop solar panels dotting the city skylines. The *dudei shemesh*, as they are called, symbolize the resolve of Israelis to overcome an accident of history and nature—the lack of domestic oil reserves and sufficient lumber as sources of fuel.

Israelis may bemoan the fact that their small nation was deprived of the vast petroleum bubbling underneath the barren landscapes of their often-hostile Arab neighbors. But ingenuity abounds in Israel, and long before it became fashionable in the oil-starved industrial West, a way was found to make hay from the more than 300 days of available sunshine. From its outset as a nation, Israel has been experimenting with and developing solar energy for residential and industrial use.

The solar panels were given impetus with major improvements developed in the early 1950's by Dr. Zvi Tabor, a scientist at Hebrew University. His system absorbs the sun's rays and through a simple network of copper tubing heats up to sixty gallons of hot water per day in metal tanks, sufficient for the average Israeli family.

One such family—my in-laws—was among the first in Petah Tikva to use the solar panels. In need of hot water for a family of eight, my father-in-law found the panels reliable, cost effective, and sufficient for the entire family. On overcast days, the backup electrical heating system is switched on.

Well over 30% of all domestic hot water heating in Israel is generated by the sun. It is a growing business in Israel, with four manufacturers producing the rooftop panels. One of them—Miromit—has entered into an arrangement with a firm in Denver, Colorado to produce the panels for sale in the United States.

Turning to a wider application of solar energy, Israel's huge Tadiran Electronics has developed a solar-powered absorption chiller which can provide air conditioning as well as space heating and hot water for apartment buildings, schools, hospitals and other institutions.

According to Yehoshua Tidhar, spokesman

for Tadiran's Applied Solar Devices Division, the absorption chiller's initial investment is substantially more than a conventional system, due largely to local plumbing costs. But, Tidhar adds, "By 1985, environmental and economic factors will make institutional and residential solar air conditioning cost effective and more beneficial than conventional systems."

Israeli technology has also developed a prototype incorporating the heating elements into the residential roof itself. Says Arthur Shavit, director of Research and Development for Israel's National Energy Authority, "You have to build a roof for a house anyway. Such a rooftop solar system is an improvement over the old system, it is more aesthetic and just as functional."

Israeli officials say their research is ahead of other countries, in some respects, as with the extraction of energy from solar ponds, where heat retention is conducted through a system of layers of salt. The cost is only 5% of the regular collectors, though somewhat less efficient.

Solar ponds have a variety of applications for heating, cooling, and water desalination. A few ponds are in operation on a small scale in Israel, most being one-half to one acre in size. They are ideal where adequate land is available at relatively inexpensive prices, and in addition to being practical, they are rarely disruptive to the environment. One such pool, for example, near the Dead Sea resort area, will soon provide both heating and cooling for a hotel now under construction.

Some cooperative ventures with American institutions are underway. A year ago a joint solar energy workshop was held in Israel with U.S. Department of Energy participation. There is also a working relationship with the State of California, including the establishment of a foundation to fund solar energy research and to exchange information and equipment.

Israel's leadership in solar energy research is all the more startling when one considers its budgetary restrictions—the current solar energy research and development budget in Israel is some $2 million. Energy research must complete with dozens of other needs for its share of Israel's budget, already burdened by one of the highest inflation rates in the world.

Solar energy is no panacea for oil independence, says the Energy Authority's Shavit. "We believe that a realistic target is not to be independent of oil, but to substantially reduce our dependence on petroleum by one-half through imports of coal, exploitation of oil shale reserves, nuclear energy and solar energy."

Israel's growing technological relationship with the sun is one bright spot in the often clouded picture of the Middle East. Israeli ingenuity, confronted with the challenge of being oil poor and an annual imported petroleum bill close to $1 billion, has turned to the sun for at least part of the answer to its energy needs.●

CHANGES AHEAD FOR MOTORISTS

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. EDGAR. Mr. Speaker, it is common knowledge that America's energy problems are closely related to its transportation problems. In a recent interview in U.S. News & World Report, Secretary of Transportation Brock Adams reviewed the Federal transportation policy and how it is responding to our energy needs. Among his observations:

First. Increasing gasoline mileage in autos is the single most productive step we can take to reduce demand on our petroleum supplies.

Second. At present, public transportation systems would be swamped if there were a 10-percent shift from automobiles. We have to build up this option for the future.

Third. Amtrak is incapable of making a dent in the intercity travel market, when viewed in the aggregate. A basic national grid of rail lines should be preserved, however, and we should support track improvement projects in places where there is a demonstrated market for train travel.

Fourth. Our highway system is falling apart faster than it can be repaired. Money for new highways must be channeled to the preservation of existing roads.

I commend the Secretary for his comments and I believe that these policies are absolutely necessary if we are to shift our transportation policy during a period of constrained Federal spending. Improvements in auto mileage, a focusing of Amtrak's efforts, and acceleration of highway maintenance all can occur without increased spending if the proper policies are implemented. In one area, however, increased spending definitely is required: that of public transportation. The fiscal year 1980 transit budget proposed by the administration has, in effect, $400 million less buying power than the 1979 budget has—the result of holding the budget constant during a period of steep inflation. Secretary Adams has said that he wants increased investment in public transit, and the President has approved the idea if the funds come out of his proposed Energy Security Fund.

Regardless of where the money comes from, we must step up our spending on public transit. Money is needed not only for new rail transit systems (erroneously lumped together as "subways" in the U.S. News interview), but also for preserving the systems we have and for expanding bus fleets. The administration time and again has acknowledged these needs, but the required financial commitment has not been forthcoming.

I urge mv colleagues to skim this interview with Brock Adams and to support efforts in this Congress to increase the Federal investment in public transportation.

The interview follows:

[Interview with Brock Adams, Secretary of Transportation]

CHANGES AHEAD FOR MOTORISTS

Q. Mr. Secretary, are motorists any better prepared to cope with a shortage of oil now than they were at the time of the Arab embargo of 1973–74?

A. Yes, to the extent that several new subway systems are coming on line—as in Washington, D.C., and Atlanta. We've put approximately 1 billion dollars into the New York subway system.

And we have improved gasoline mileage in autos, so people can go farther with whatever gas they have. But we have not scratched the surface of the total problem.

Q. How soon, if at all, do you expect lines to begin forming at gasoline stations?

A. I can't answer that, because I am not privy to matters such as the oil companies' reserve levels, the number of tanker ships en route or the adequacy of storage facilities. I don't know anybody in government, really, who is.

The oil market is completely in the hands of the American companies domestically and a cartel abroad that supply the American people with this information. We do talk to them. But the companies don't tell you that refining capacity in a region is overloaded, or that a company's supply of crude oil is inadequate, until it happens.

Q. Are any special steps being taken by the Department of Transportation in anticipation of gasoline shortages?

A. We are attempting to show people, particularly employers, how they can van pool and car pool their people to work. We do this in the federal government, as well. If you can get four people in a car—as opposed to just one—it becomes quite an energy-efficient vehicle.

We are also fighting to maintain the 55-mile-an-hour speed limit. This saves 200,000 barrels of oil a day. If we had full compliance, we'd save another 200,000. To put it into perspective: We got 500,000 barrels per day from Iran.

We've also gone after the auto industry to raise the gasoline-mileage rates. If we can get the mileage up, the petroleum used by automobiles could drop from as much as 7½ million barrels per day to 4½ to 5 million barrels.

At the Department of Energy, there is an allocation plan—if we get to that point—for where the oil is sent and how much people will get and when they'll get it.

Q. Why does the government take out after the auto industry so vigorously?

A. Because I want them to save our country.

Q. And to "reinvent the automobile," as you put it recently?

A. You bet. We face a shrinking total supply of petroleum. Our only protection is for Detroit to give us more miles per gallon in cars, or a car that uses different sources of energy—such as an electric car that in effect runs on coal. It's a national problem because everybody's in the automobile.

I'll get as many people out of cars and into mass transit as I can, but the most I can see doing so is 15 to 20 percent, if all works well.

Q. Will the auto industry succeed in meeting the legal requirement that each company's fleet of new cars average 27.5 miles per gallon by 1985?

A. I have no doubt, technologically, that they can do it.

Q. Then why is Detroit resisting the requirement so hard?

A. Their problem is economic and commercial. They're worried about selling those cars—afraid people will keep the larger cars they have now rather than buy new ones. Their marketing people are very nervous.

Q. Is there justification for those fears?

A. I don't think so, but they do. I can recall two recent newspaper headlines: One read, "Detroit Says Americans Will Not Buy Fuel Economy." The second headline said Washington, D.C., dealers cannot get enough Volkswagen Rabbits or Oldsmobile diesels to sell people, because the gas mileage is so good. You've got to pay to get on the waiting list for them.

Now, to me, that means the American people will buy fuel economy.

The industry's other problem is the development cost. Any change the companies make is so costly that they are very conservative in changing to any kind of new operation.

Q. Have you tried to deal with those concerns?

A. We've met with the auto companies twice. We've said the government is not just trying to cause a fight and that we want them to help us solve a national problem. I think that message is getting through.

I spoke with Henry Ford in Detroit not long ago. The last thing he said at a press conference was, "This isn't an automobile-industry problem; it's a national problem. And we're glad somebody finally is listening to what our problems are."

Q. Still, don't the companies want the mileage requirements scaled down?

A. Yes, because the faster the mileage must rise, the earlier they will have to incur development costs. If you're shifting, as Ford is, to a very advanced fuel-injection engine, you have to change production lines all across the country. It costs money, and they have to recover that money. So they would like to do it at a slower pace. What I must say to them is that I don't know how much time we have left.

Six months ago, two truisms existed in the energy area: One was that Iran was our safest and most stable source of oil in the Middle East. The second was that the Saudis would hold down the price, no matter what. Both of those axioms went out the window. So when you ask me how soon gas lines will form or how much time we've got to get a more fuel-efficient car, all I can say is that we'd better do it as quickly as we can.

I'm willing to listen to the industry's plea for more time, and to look at its problems so that nobody gets put out of business. But I can't sit here and say it's going to be all right and that they have an indefinite period of time to boost gas mileage.

Q. Are you saying, though, that you might indeed give the auto companies more time to meet the mileage requirements?

A. I don't think they have made a case for it yet. If we give them more time, our fleet of cars turns over more slowly, our oil imports rise faster, our dollar drain is more. It's a very bad time for a Secretary of Transportation to be saying to the American public: "The price of fuel is going up. Its availability is dropping. But we really are not going to try to get you a better car."

Q. So your strategy is to hold Detroit's feet to the fire—

A. I wouldn't phrase it that way, but I am pretty hard about it. I should add that the auto companies are trying. That's why I have suggested that the government take over some of the basic research for the industry. They are using all their engineers and all their resources just to meet the short-term goals. I am trying to get out of them a research agenda I can take to the President and say: "These are the things we have to do."

Q. Do your efforts to mandate more gasoline mileage collide with other government policies—such as the Environmental Protection Agency's exhaust-emission rules?

A. There's no question you have a conflict between emissions out of a diesel engine and a diesel's fuel economy. This has to be resolved by technology.

Q. Why not resolve it politically, by easing air-pollution rules for diesels?

A. I don't see how it can be, because politically the clean-air forces and the fuel-economy forces have their feet firmly planted. It's an unusual thing in politics—that both sides are able to marshal a majority for conflicting positions.

The environmental groups can manage a majority in Congress that says, "My God, we're not going to put out something that may cause cancer or will foul the atmosphere." But a majority also will agree, "We've got to have a more efficient engine." So I don't think we're capable yet of getting a political solution.

Q. Is public transportation a reasonable alternative for Americans in the event of another gasoline shortage?

A. Not at the present time. If we had a 10 percent shift of people away from their automobiles, it would swamp us—overload the public-transportation system. Trains, planes and buses all share only 15 percent of the travel between cities; the other 85 percent go by car.

Q. So when there is a gasoline shortage, what's going to happen?

A. People are going to drive.

Q. And travel less, too?

A. That is right, until we can build back their choices. My job now is to make people aware of that fact, and to build as many new public-transportation options for them as we can—before they're needed.

In a market-oriented society, it's very hard to build something and say, "You're going to have an operating loss on this until the day comes that people can't go in cars."

When that day comes and people can't drive as much, they would instantly want a public-transportation system, and operating losses would vanish. But you can't build a subway, for instance, in less than five years.

Q. Isn't it contradictory to talk about alternative choices for travel at the same time that you recommend to Congress that Amtrak's passenger-train routes be cut by 43 percent?

A. No. Amtrak's problem is that it is too large for the equipment and management organization that it has. And it has an insignificant impact on transportation. If you filled every train to standing room only, you still would carry less than 1 percent of the people traveling between cities.

We've tried to concentrate the money where we know people ride trains—in the Northeast corridor. We know that train travel in the Northeast can be brought to a point where it probably will break even financially. Outside the Northeast, you should preserve a national "grid" of passenger trains.

In the plan we gave Congress for restructuring Amtrak, you'll notice there's one route across the top of the country, one across the middle, one across the bottom, one down each coast and one down the middle.

From there, you can expand, as states or local areas want to share in the loss of a particular train.

Q. But if you have your way on cutting Amtrak routes, as of next October 1, hundreds of towns are going to have one less option in public transportation—

A. Not hundreds, really. We will serve most of the major metropolitan areas, and we'll carry 90 percent of the people who are riding Amtrak trains now.

You see, for every $3 of Amtrak costs, taxpayers pay $2 and passengers $1. I cannot justify that. Passengers ought to pay at least half the costs systemwide. In some areas, like the Northeast corridor, they will pay the full cost.

Besides, people go to meetings and say, "We want a passenger train here." But then you get up the next morning, and there's nobody on the train. So I have no problem shrinking Amtrak to a smaller size.

Q. Your department acknowledges that highways are falling apart today faster than they can be rebuilt or replaced. Do we have more highways than we can afford to keep up?

A. Not if we shift our money away from building a great, new highway system and put it into repairing what we already have. Right now, we do not have the money to repair all the roads, and the old system of having the states pay for repairs has come to the point where governors say they can't do it, either.

Q. So if present trends continue—

A. But they aren't. We turned the corner in last year's highway legislation. We got Congress to agree that gaps in the interstate-highway system will have to be finished by the early 1980s, or the gaps won't be built. Then the money will shift over for resurfacing, repair and so on.

I'm not sure that's enough, though. That's why I insist that if oil producers are to be allowed more money for their "old" oil, whose price is still controlled, then a portion of that money should be put into our roads and public transportation.

But if last year's law doesn't stick—if we go back to spending most of our 4-cents-a-gallon federal gasoline tax on new constructions—then, yes, we'll be in bad trouble.

Q. Do you advocate a higher federal gasoline tax?

A. I tried for 5 cents more last year, and lost. I told Congress: "The nickel is going to vanish in the total size of gasoline-price increases that will occur in the next two years; you won't even find it. You're going to pay it to the Arabs, instead." Well, that's what happened.

Q. Will President Carter ask Congress this year to further deregulate the trucking business?

A. We have just sent up a railroad-deregulation bill, and what happens on trucking depends upon what kind of success we have with railroads. Right now, the railroads are in very shaky condition.

When we move on truck deregulation, the first thing we'd want to deregulate would be truckload transportation—things such as paper products, food shipments, chemicals and heavy-industry goods.

Those are the same commodities that railroads compete for. So we have to deregulate rails if we're going to deregulate trucks.

Q. How far will you go in seeking to remove government control over railroads?

A. Our proposal would allow railroads to price their services up and down as the marketplace dictates, so they can get back into some lines of business they have lost.

Q. Will you encourage development of new subway systems?

A. Yes, but carefully—very carefully. We're still paying off the commitments that were made by the prior administration. It has taken us three years, and some we're still paying for.

Q. Are subways too expensive to build?

A. They are very expensive. I am telling people seeking new subways that they've got to show us how they will pay for their share of the project and how they will meet operating losses. I want to see an assured local source of funds, which is a sign that everybody there wants the subway.

It's a far cry from the old system, which was: "Well, if the federal government will put up 80 percent of the money, we'll scramble up some money some way and hope it gets finished."

Q. Are you about to authorize any new subways in the U.S.?

A. No.

Q. What cities are asking for them?

A. Detroit wants one, but doesn't have its plans finished. Miami's is approved but not under way. Atlanta is building an east-west subway and is proposing a north-south line. I have not approved ones being sought in San Juan and Honolulu. Buffalo is going ahead with a "light rail" system that is mostly above ground.

Q. If this country cannot afford to support Amtrak in its present form, can it afford transit buses for the handicapped that cost $250,000 apiece?

A. It's a real problem. But the law Congress passed and the guidelines drawn up by the Department of Health, Education and Welfare lead to the inevitable conclusion that you must have transportation accessible to the handicapped, which drives up the cost of buses as well as subway systems.

Q. But haven't American bus manufacturers indicated they won't bid to make such buses, because of the financial risks involved with new technology?

A. We won't know until the bids are opened on May 3. But if they don't bid, the buses will be made overseas, and we'll pay what it costs. We'll need 3,000 buses a year for cities.

What bothers me is that American manufacturers spent seven years getting ready for this new type of bus. And now that we get to the point of giving the go-ahead, they say they can't do it. What's been going on the last seven years? If the thing was impossible, someone should have gone to Congress and said so. I don't think it's impossible. But I don't build buses.

Q. Outsiders sometimes get the impression that the government, when it comes to energy and transportation, is a two-headed monster—the Energy Department going off in one direction and the Transportation Department trying to catch up or heading the other way—

A. I know, and it bothers me. I argue from time to time with the Department of Energy because it concentrates on production. It represents, in effect, the producers and refiners. We represent consumers—the people who drive automobiles and ride on airplanes, trains and buses.

I think that if you're going to give producers more money for their petroleum, a portion of that money—as much as 13 billion dollars a year—should go into mass-transportation projects. We could repair the interstate highways, construct coal roads, assist Amtrak and help develop alternative fuel sources such as coal gasification or oil shale.

I did not win that fight with the Department of Energy in the first two years. I'm prepared to make it again.

Q. With any different result?

A. I hope so.

Q. Why?

A. Because of our experience of the last two years. My department went up with a whole series of transportation bills, and we passed them all because people understood them. In other words, various groups could see that something was coming out of our legislation that was a plus. Americans are basically optimists, and they like that. The same kind of plus has to be built into the transportation-energy plan.

You don't just say to people that they're going to suffer; you have to add, "Out of this we will give you alternative choices for travel." I'd like to give this idea a try again, because the proposal got dropped completely the last time around, and it was a tragedy.●

REVENUE SHARING AND FEDERAL SPENDING

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mrs. SNOWE. Mr. Speaker, I would like to bring to my colleagues attention a column by David Broder which appeared in the Washington Post on Sunday, April 8, 1979. As I am sure my colleagues are aware, Mr. Broder is a highly respected columnist and reporter, and in this case his comments on the general revenue sharing program point to the heart of the question.

The idea behind the general revenue sharing program was to reverse the flow of money and power to Washington by returning a small portion of the Federal income tax revenue to the States and localities for them to spend as they saw fit, rather than as Washington officials ordered. This decentralization has proven extremely efficient and as an advocate of a restraint on Federal spending, I feel we must realize that the two concepts are not mutually exclusive.

Mr. Broder's column follows:

ANOTHER VICTIM: REVENUE-SHARING

(By David S. Broder)

One of the most painful lessons of our time is that "reforms" have unintended consequences. The liberals have littered the landscape with programs famous for the perversity of their effects. To cite but two examples: In the 1960s, "urban renewal" left great scars on the hearts of cities, and in the 1970s, campaign finance "reforms" spurred a flood of special-interest contributions.

Not to be outdone, the conservatives, in this time of growing influence, are proving that they can be every bit as shortsighted in the causes they espouse. As a case in point, consider the mounting evidence that the great conservative "tax revolt" may very well spur a new centralization of government power.

Proposition 13 in California has been hailed as the herald of a conservative charge against free-spending bureaucrats. But the main effect of the rollback in local property taxes has been to send local officials scrambling to Sacramento, seeking state funds to finance vital local services.

The upshot: A setback for home rule and local responsibility, and an increase in the authority of the state government.

A similar result may come from the current conservative drive for a balanced federal budget. Just as Proposition 13 shifted spending decisions, and therefore governmental power, from the localities to Sacramento, the balanced-budget drive is fueling a shift of power from the state to Washington, D.C. It is doing this by posing an imminent threat to one of the few federal programs of recent years, designed to increase, rather than hamper, local decision-making.

That program is general revenue-sharing, which currently sends about $4.6 billion a year of no-strings aid to localities and $2.3 billion of unencumbered money to the states.

The state portion of revenue-sharing is a prime target for this year's budget-cutting drive. The House Budget Committee has recommended its elimination from the fiscal 1980 budget and the Senate may well echo that judgment.

The argument is that, with all states being able to balance their budgets this year and many showing a surplus, it makes no sense for the deficit-ridden federal government to pump money into their coffers. That argument is coming not only from liberals who have opposed revenue-sharing ever since Richard Nixon pushed it into law in 1972, but from many budget-balancing conservatives as well.

Rep. Ralph Regula (R-Ohio), the ranking Republican on the House Budget Committee, says: "I've supported revenue-sharing in the past, but we're at the point where we don't really have any revenues to share." Sen. Henry Bellmon (R-Okla.), the ranking Republican on the Senate Budget Committee, another long-time supporter, says: "My position now is that revenue-sharing is a good idea that didn't work. The state legislatures are telling us to balance the budget, and we have to take that mandate seriously."

Both Regula and Bellmon said they would prefer to make the cuts in the categorical-aid programs, which make up the bulk of the $80 billion of aid Washington sends to state and local governments. But the programs—replete with guidelines and directives and legislative mandates manufactured in Washington—are, predictably, not the ones the Washington legislators or bureaucrats want to eliminate.

As Senate Budget Committee Chairman Edmund S. Muskie (D-Maine), another long-time supporter of general revenue-sharing, concedes, "It will be a very tempting target," because the simplicity of this program makes it easier to save money fast than in those programs where dollars take a long time passing through the bureaucratic maze.

Sen. Lloyd M. Bentsen Jr. (D-Tex.), who is out to kill revenue-sharing with the states, sees the prospects for success "getting better as we go along, because it's so much harder to kill other programs, so this looks more and more appealing."

What is forgotten—or minimized—in the current debate is that general revenue-sharing had a philosophical as well as a fiscal rationale. The idea behind it was to reverse the flow of money and power to Washington by diverting a small portion of the proceeds of the federal income tax to the states and cities, for them to spend as they saw fit, rather than as Washington officials ordered.

Sen. Richard G. Lugar (R-Ind.), one of the few balanced-budget advocates who is still a proponent of revenue-sharing, argues that the threat to that program is "just part of the huffing and bluffing the spenders do to make the bad dream [of a balanced budget] go away."

He reserves some criticism for fellow conservatives who would sacrifice revenue-sharing to the cause of a balanced budget. "They don't look at the whole cloth," Lugar says, "or realize that restraint on spending and devolution of authority are not mutually exclusive at all."

Lugar may be right philosophically, but political trends are likely to prove him wrong. State governors believe they can muster the political clout to keep revenue-sharing alive through 1980. But even they are not optimistic about what will happen then. Sooner or later, the balanced-budget "reform" will almost certainly doom revenue-sharing and accelerate the centralization of spending power in Washington.

Ironic, yes. But that's the way it is with "reforms."●

WELCOME JOHN E. MOSS

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. ECKHARDT. Mr. Speaker, for 12 years I had the honor of knowing and serving in the U.S. Congress with John Moss. He was a dedicated and tireless public servant. His contributions were many. When he retired last year the U.S. Congress lost a valuable resource. The American people lost an able advocate.

This week John Moss returned to the Capitol to visit with some of his former colleagues. It is fitting that he returns in a new role as honorary chairman of the National Committee for Automobile Crash Protection. In that position he continues his longstanding advocacy of safer automobiles. The committee is a coalition of more than 50 medical, insurance, labor, consumer, law enforcement, and disability organizations which advocate the early implementation of automatic crash protection, such as air cushions and automatic safety belts, in automobiles. Those of us who have listened to countless hours of testimony on this subject and those of us who see the value in saving the 9,000 lives and preventing the hundreds of thousands of injuries with these safer cars, appreciate his continued advocacy and wish him well.

Several weeks ago the Washington Post printed an article entitled "The Man Who Perfected Oversight." Especially in this Congress, which I notice the press has dubbed "the oversight Congress," we could search for but it is doubtful that we could find a better model than John Moss.

I insert the Washington Post article in the RECORD:

THE MAN WHO PERFECTED OVERSIGHT

(By Ward Sinclair)

It never fails. Just when they find a use for the wheel, the inventor is not around to explain it. So it goes on Capitol Hill where this year's reinvention of the wheel is something called "oversight."

The papers will be full of talk this year about the 96th Congress being the Oversight Congress. The sense of that term is that enough laws have been passed, enough Big Issues confronted and it is now time for a pause. They will go back and study what they have wrought.

The truth of the matter is that oversight is one of the lesser understood and least exercised functions of Congress. It is overseeing the functions of government and the actions of its officials. In a word, it is investigation. All congressional committees have an oversight role, but few take it seriously. It is messy, it takes time and concentration and, should one dare a cynical thought, it has little appeal to the yonug and chi-chi Boob-Tube Babies who increasingly inhabit the House and Senate.

So whatever the meaning, oversight is "in" and now that Congress is about to rediscover this wheel, the past master of the art—and be not mistaken, it is an art—has gone home to retirement in Sacramento.

At noon on Jan. 3, for the first time since 1953, John E. Moss was no longer the representative from California's 3rd District. Too bad. For if this is in fact the Oversight Congress, as its leaders have proclaimed, Moss would have been in hog heaven had he stayed.

In many ways, at least in recent times, John Moss had to be considered the inventor of oversight. For two decades, his subcommittee investigations put a relentless light on almost every imaginable kind of federal and corporate misdeed. Moss flayed, groused, flayed, pestered and then flayed some more as he charged along on his legislative Rocinante.

IMPRINT ON GOVERNMENT

But why John Moss? Why this mild, not very colorful, onetime appliance dealer and real estate salesman from the Central Valley? The best answer seems to be that Moss somehow figured that a congressman was supposed to come here and take names and kick tail. So he did, to a fare-thee-well.

By the time Moss left Washington he had achieved something that others can lay only spurious claim to: an imprint on the way life is lived in the United States, an imprint on the way government governs.

Almost single-handedly, over enormous resistance, Moss championed the Freedom of Information Act of 1966 that opened government files to the public. Subsequent amendments in 1975 refined the law further and opened the process even more. Most of his colleagues and admirers agree the FOIA was the brightest of the gems Moss left behind.

But laws broadening the scope of the Federal Trade Commission, tightening securities regulation, establishing automobile and tire-safety standards, providing product-warranty protection and setting up a Consumer Product Safety Commission are among the other major legacies. The list is more impressive because Moss never was chairman of a full committee, the usual power base of the super-doer.

The subcommittee level, to which he was limited by the seniority system, was where Moss as overseer compiled his lengthy record as the House's gadfly. His last assignment, as chairman of the Commerce Committee's subcommittee on oversight and investigations, gave him rein to look into almost anything that tweaked his pique.

In the 95th Congress, in 1977 and 1978, the inquiries and investigations rolled at floodtide: the world uranium cartel, FBI foreign security surveillance, Air Force contract shenanigans, accountants' practices, hospital care and unnecessary operations, natural gas shortages, drug costs, college athletics, HEW birth-control policy, pesticide regulation all came under the subcommittee's investigative eye.

The results then, as before 1975, when Moss directed oversight investigations by other Commerce subcommittees, often meant hearings that attracted the press and reports that made Moss a front-page name all over the country.

ASSESSING THE RECORD

In a world where ego-tripping is *de rigeur*, there's an almost sour grapes view among some of Moss' old House Democratic colleagues, conceding that he did some big things but that all in all he wasn't the most effective congressman a district might have. To be sure, Moss made enemies, not a few of them in the House, where he violated the old-boy codes by calling the drones by their real names. His detractors—mostly Republicans and corporate captains—liked to say he was arrogant and unfair, publicity-happy, a power-crazy left winger.

One day before he left for home, Moss looked back to ponder the record. The criticism, if anything, mostly amused him. He treated it the same way he treated critical reactions to his votes: "Too many people want to be popular amound here. I don't really give a damn. If it's the right vote, it will become popular."

The notion that he was antibusiness or a shill for the lefties amused him equally. "Actually," he said, "I am very conservative. People who want to dismantle the regulatory machinery of government are not conservatives, as many of them claim. They are very radical. That machinery is there because abuses occurred: The FTC, the Federal Reserve, the Securities and Exchange Commission, the Interstate Commerce Commission. These things, you just don't tear down and destroy. Those cries come from people who claim regulation is onerous."

Typical of this don't-give-a-damn attitude was what Moss did in early 1973, when those early rockets from Nixon's Watergate started bursting. Moss called on the House to get the machinery ready to deal with a presidential impeachment. The House, typically, decided to wait awhile after less blunt but more timorous souls prevailed.

"The leadership told me I was premature," Moss recalled, "but the thing of concern to me was that the House do its job . . . The pardon of Nixon [by Gerald Ford] interfered with the role of the House. The House should have completed its impeachment action. We were less than we should have been on that occasion. I don't think the country would have been hurt by an impeachment. I like nice clean pages of history."

PRAISE FROM NADER

Ralph Nader, who is not given to soaring praise of your public servant, thinks the clean pages of history will show Moss to be "one of the greatest members of Congress of this century." Before Nader was inspiring legions of young idealists into their own oversight of corporate and governmental waywardness, Moss had been there already. "Nobody perfected oversight as John Moss did," Nader said.

The curious thing is that Moss came to Congress in 1953 with none of the polished tools one might expect a bulldog investigator to have. He did have, however, a high indignation level, a basic sense of right and wrong and a belief that Congress was intended to be something more than a rubber stamp for vested interests.

He was born in Utah, the son of a coal miner, but moved to California with the family as a boy. He attended a Sacramento college for two years, then went into business and Democratic politics. He was a state assemblyman for two years before his election to Congress in 1952.

His victory that year was by four-tenths of one percentage point and, as Moss remembered it, "by all that was holy, I was surely destined to be a one-termer." He seemed to seal his fate when he voted against California's interests, citing constitutional grounds, on the controversial Tidelands oil legislation. "With that, the opposition savored victory. But, in 1954, I got 62 percent of the vote. People said they admired my courage and that became a rule with me—to vote the way I think I should vote."

So with relative electoral security at home and armed with his idea that he was a part of the most representative segment of the federal government, Moss was a natural for the investigative work his subcommittees did. Before there was such a thing as "consumerism," Moss was practicing it on Capitol Hill. "I just have a strong feeling that when I buy something I am committing my dollars and my confidence to a product and I have a right to get a commitment of quality. It is wrong to sell people things that are dangerous to them in normal use."

The trouble with Congress, he continued, is that not enough of its members are looking much beyond the next election—they're too busy with their political careers to let sensitive and potentially damaging issues get in the way.

"Congress is not doing the kind of work that ought to be done. We ought to be monitoring the executive branch much more closely here. Take the General Services Administration. That is an incredible situation. What were the committees with the proper jurisdiction doing when these scandals were occurring? That is where the failure occurs."

BELIEF IN CONGRESS

Michael Lemov, a Washintgon attorney who once was Moss' chief counsel on consumer oversight—remembers him as "a brave man in a town of compromisers . . . While he was not a lawyer, he knew as much law as there was to be known about legislation. He also had a great belief in Congress as an institution. Whenever he took up the gavel, he felt he was representing an institution created by the Congress, and he was very strict and demanding in public as a chairman."

"In private," Lemov went on, "he was gentle and fair—revered by his staff—and he would never end a meeting until the other side had finished its presentation. Never blew his top, never raised his voice."

In public, with the gavel in hand, though, Moss gave another impression. He could be downright nasty with witnesses who spouted mumbo jumbo. He was unforgiving of malefactors and curt with bureaucrats who didn't want to share information with Congress.

"You have to hold a tight rein on a hearing," was the way Moss explained that. "Maybe I was too tight . . . But I think if we are to preserve our system, we have to be certain that nothing shatters the integrity of this institution."

Moss had a simple formula for conducting his subcommittee inquiries. He hired the brightest investigators he could find and then let them go where the leads took them. He made up his mind that he would be prepared to take "all the heat your opponents can put on you."

"Every Congress needs an SOB who ignores courtesy and convention. Moss did it without compromise. It's pretty glib to call a man courageous, but he was. He was persona non grata to a lot of members of the House—and that is what made him so essential around here," said one of his admirers.

Thomas Greene, a young lawyer from Sacramento who was Moss' last general counsel, said the congressman's "secret," such as it was, was that "he always perceived himself as a man from Sacramento—never a part of the Washington establishment, never got into the big power game. He never said he was a crusader. He would feel uncomfortable saying that. But he had a sense of where he was going. In that area of the country, you can't be too outrageous and continue to be elected."

John Moss did his thing and now he's gone, maybe to teach in California, maybe to go back into business, but, at 63, not regretting for a minute that he could walk away from Washington cold turkey.

"You actually do represent the people when you come here. You are selected to speak for them and it is a great opportunity. But Congress should not be a career, and staying here should not be more important than the quality of your work." ●

INTRODUCTION OF THE DISABILITY PAY BILL

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. FISHER. Mr. Speaker, illness and disability arising from their employment have forced a number of persons into early retirement and reliance on Government disability programs for income. In 1976, however, Congress made changes in the tax treatment of disability income and sick pay that reduced the benefits on which these retirees had relied. Living on a fixed income, these disabled retirees can not afford a tax increase they could not foresee or had any reason to expect when they retired.

Today, with several of my colleagues, I am introducing legislation to correct this inequity in the Tax Reform Act of 1976. Although I voted for the Tax Reform Act and strongly supported many of its reform measures, I did so despite my strong objection to the provisions affecting disability pensions and sick pay.

Prior to passage of the Tax Reform Act, employees under 65 who retired, because of disability were entitled to exclude from taxable income up to $5,200 a year of disability payments received. Although the Tax Reform Act retains the exclusion, severe restrictions are placed on its availability. It requires that the taxpayer must be permanently and totally disabled, defined as "unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment reasonably expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months." In addition, the employee must substantiate proof of disability and certify that the disability status assigned was approved under procedures acceptable to the Internal Revenue Service.

Of perhaps greater importance to northern Virginia residents is a second new requirement that reduces the $5,200 annual exclusion $1 for each dollar of the taxpayer's adjusted gross income over $15,000. Thus, a disabled retiree would no longer be entitled to any portion of the $5,200 exclusion when his adjusted gross income reaches $20,200. This provision blatantly discriminates against married couples by requiring that the disabled retiree's income be combined with that of his spouse in determining his adjusted gross income.

Undoubtedly, abuses occurred when certain persons were improperly classified as disabled upon retirement; nevertheless, I believe that Congress overreacted and penalized those who had legitimately retired on disability. Instead of urging that the standards to be met in order to qualify for disability status be tightened at the employer's level, the approach adopted in the Tax Reform Act fixes a rigid standard in the tax laws, thus changing the conditions under which a substantial number of disabled people had previously retired.

My bill will enable those who retired on disability on or before October 1, 1976, or who were entitled to retire on disability on or before that date, to continue to receive the $5,200 annual exclusion for disability payments received. Neither the new test nor the income ceiling would apply to those covered by this bill.

Also, my bill will further promote fairness under the tax laws by placing civil service and private disabled retirees under roughly the same standards as military retirees. A provision I sponsored in the Tax Reform Act specifies that persons who had joined the Armed Forces as of September 24, 1975, are protected under the law as it existed prior to enactment of the Tax Reform Act. I would like to extend this protection to retirees from civil service and private employment. It is only fair that they not be penalized by a change in the tax laws.

Congress should move this legislation forward to protect persons whose reliance on existing disability and tax programs was undercut by the 1976 legislation:

H.R. —

A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 505 of the Tax Reform Act of 1976 (relating to changes in exclusions for sick pay and certain military, etc., disability pensions) is amended to read as follows:

"(c) SPECIAL RULES FOR CERTAIN EXISTING DISABILITY CASES.—In the case of any individual who—

"(1) retired on or before October 1, 1976, and

"(2) either retired on disability or was entitled to retire on disability,

such individual shall be deemed to have met the requirements of section 105(d)(1)(B) of such Code (as amended by subsection (a) of this section), and the provisions of section 105(d)(3) of such Code (as so amended) shall not apply.".

SEC. 2. The amendment made by the first section of this Act shall apply to taxable years beginning after December 31, 1975. ●

THE DELANEY CLAUSE—A REPORT BY THE CHAMPAIGN-LOGAN COMMITTEE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. BROWN of Ohio. Mr. Speaker, the following is a report prepared by the Champaign-Logan County Committee of the Seventh Ohio Congressional Youth Advisory Committee on modifications to the Delaney clause.

Members of the Champaign-Logan Committee included: John Auldridge, chairman; Tim Smith, vice chairman; Sally Neff, secretary; Dave Adkins, Vicky Allison, Alan Boogher, Randall Chamberlin, Don Grubbs, Jeff Hellman, Clara Manahan, Dixie Pencil, Shelly Plaisted, Cheryl Shaffer, Jeff Standley, Bonnie Ward, Keith Weiskittle, Pam Willis, and Rose Wischmeyer.

The report follows:

THE DELANEY CLAUSE

An old yiddish proverb states, "Ever since dying became fashionable, life hasn't been safe." We have started off with this quote because it pertains to what our paper will be about. The risks that are taken everyday by each of us have come to be expected and accepted as a part of living.

The topic our group has chosen deals directly with the hazards which may come about simply by our being here on this earth. The Delaney Clause involves all of us. It is the Food and Drug Administration's way of protecting the population of the United States from dangers in its food supply.

The Delaney Clause states:

". . . no additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal, or if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal. . . ."

Presently in the United States, two additives saccharin and nitrites have been found to induce cancer when ingested by animal, thus applying the Delaney Clause and should be banned. Due to public harassment they have been put on probation awaiting amendment. If reasonable changes are not proposed the Delaney Clause must remain the same or be dismissed completely.

This paper consists of our findings and ideas on the issue of whether we should keep the Delaney Clause or modify it or dismiss it completely for a better plan. Our proposals follow:

THE CRITERIA FOR A CARCINOGENIC FOOD ELEMENT TO BE ALLOWED

I. The substance is a unique food additive or ingredient for which there is no safer alternative.

II. The substance is an essential nutrient which can be used to enrich or fortify foods and must be used by some people an a dietary supplement.

III. Removal of the substance would create a much greater risk to the general public than would its continued use.

IN REGARD TO TESTING

I. Tests should only be made on humans or species genetically similar. Humans are not Rats.

II. The amount of ingestion will be equal to a level that the average person would consume daily.

III. The test will be reviewed by a seven member board as appointed by the Secretary.

IV. Label the product with a warning stating what the chances are of getting cancer are.

V. Educate the public. It may cost money, but look at how much the Federal government wastes each year.

Following the inclusion of parts IV and V by amendment, the Council adopted the modifications to the Delaney Clause by a vote of 77 to 1.

Our group wishes to pose a question to all who are present here today. A simple show of hands will suffice in answering our question. The question is: Is there anyone at this moment who is experiencing difficulty with their vision in that they are seeing double, have drooping of the eyelids, weakness of muscles, dilation of pupils, vomiting or difficulty of breathing and swallowing? Maybe these problems describe how you feel: a fever, muscle pains, sweating, chills, vomiting and swollen eyelids.

If you don't have these symptoms, you are fortunate indeed, but it is possible that you could get them. These symptoms are of the diseases botulism and trichinosis. Botulism is a term applied to a rare type of food-poisoning caused by the toxin arising from the presence in improperly preserved foods of the Clostridium bolutinium. Trichinosis is a disease caused by eating raw or improperly cooked flesh of pigs or other meat-eating animals infected with the larvae of a round worm, trichina.

Both diseases can be acquired from food products that have not been properly preserved. Nitrites are used extensively in curing pork products and some fish products.

Nitrites perform three functions. They provide the reddish color that we are accustomed to in cured meats, provide the distinctive flavor of cured meats, and prevent the formation of botulism. If nitrites were to be banned because of the Delaney Clause, these maladies could definitely occur.

The problem with banning nitrites is that there are no known safer alternatives. You simply can't have cured products that look red and fresh, smell fresh, or taste fresh and disease free as we know them without nitrites. You can salt pork bellies, but they are not bacon. They would come from the same piece of meat as bacon, but would be white or gray in color and would be quite salty to taste.

Second, an alternate substance for nitrites will take time to develop. Hundreds of substances have been tried over the years, and nobody has come up with an adequate substitute. There is also an additional factor in that any alternative compound would be subject to the same kind of scrutinizing tests that nitrite is being subjected to now. Within the span of time between having nitrite and having a substitute, the disease factor arises. People may experiment with, for instance, homemade smoked sausage. Many more would be eating pork as fresh meat. Present cooking and storage habits would need to be retaught as spoilage would occur sooner.

Convenience will be lost and higher prices will be gained because of changed packaging procedures and safety requirements. To prevent botulism, products treated with sodium nitrite will need to be kept in cold storage or irradiated or packed in a sterile can to be safe.

Industries, meat retailers, processors, distributers and farmers would suffer greatly because all previously cured meats would have to be kept under frozen conditions. This would present quite a distribution problem and other handling difficulties. It has been estimated that pork production with respect to cured meats is a $12.5 billion business, so you can see it would have a devastating effect on the hog business in the United States.

Recent and continuing advances in analytical instruments have made it possible for chemists and biochemists to detect relatively very small amounts of potentially dangerous material with ease. As the instruments become more refined and detect even smaller levels of these materials, we tend to lose perspective when we consider their dangers. Trace amounts, within the range of our bodies' tolerance, become items of concern when perhaps they should not be.

It now has been found that nitrates when added with ascorbate (Vitamin C, and Vitamin E works in much the same way) do not form nitrosamines, the cancer causing agent of bacon, and these ascorbates still let it act as a preventive of food poisoning and preserve the taste and color of bacon. Even after cooking, no nitrosamines are formed. It has also been found that nitrosamines are everywhere around us—in the air, water, certain common fresh vegetables, several industrial fluids, and even cosmetics. But the bulk of human exposure to nitrites comes from inside our own intestines, where they are produced by our own bodies' "manufacturing" system.

In view of these new discoveries, it is useless to try to eliminate nitrites in food because most of the nitrites we come in contact with everyday are within our bodies. And as yet, there is no practical way known to eliminate whatever hazard there may be to us from internal exposure.

We do know that our bodies can usually repair the effects of carcinogens in general and the effects of the nitrosamines in particular. This means that we don't need to get completely rid of the nitrosamines and carcinogens of other types from our environment. What we do is focus our attention on curbing carcinogenic substances we have control over. Sodium nitrite is not one of them.

Latest release from the Federal Food and Drug Administration . . . Mom's apple pie causes cancer. Every day you hear some other nutrient or ingredient has been banned by the F.D.A. One of the major elements that is under federal controversy is the food additive Saccharin.

Saccharin by definition is a crystalline cyclic imide with a chemical composition of C_6H_4 (CO) (SO_2) NH, with its sweetness varying from 200 to 700 times that of sucrose in solution of varying concentration of some form of the amide of ortho-tovenesultonic acid. It often is used in the form of its soluble sodium derivative as a sweetening agent that has no food value.

Saccharin reportedly causes bladder cancer in test animals. When you consider the carcinogenicity of any food additive you must consider the test used to determine the carcinogenic level. Test rats that developed cancer had received saccharin in a dosage as high as five percent of their daily diet. This is equivalent to an adult human drinking an average of 1,000, 355 milliliter (12 oz.) diet soft drinks daily for a lifetime. In another study done in Canada, the dosages of saccharin fed to the rats were in excess of the amount that a consumer would receive from drinking 800, 12 oz. diet sodas daily for a lifetime.

Dr. Irving I. Kessler of John Hopkins University studied the overall mortality rate from bladder cancer of 21,447 diabetics who underwent treatment at a large diabetes clinic in Boston during a 26 year period ending in 1959. Among other results Dr. Kessler found that bladder cancer mortality for men and women combined was only 71% of what would be expected in a similar group of people in the general public.

In their paper entitled "Bladder Cancer Mortality in Diabetics in Relation to Saccharin Consumption and Smoking Habits," Dr. Bruce Armstrong and the world renowned epidemiologist Sir Richard Doll of Oxford University, England, compared 18,733 bladder cancer patients with 19,790 individuals suffering from some other forms of cancer to determine if there were more diabetics among the other groups. They reported that "we were unable to find evidence of risk of bladder cancer in diabetics. Some who must have consumed above average amounts of saccharin for twenty years." They concluded that "the data are reassuring and encourage the belief that saccharin is not carcinogenic to man in amounts commonly used by diabetics."

Pamphlet after pamphlet, report after report, state the same facts, yet the federal government wants to ban saccharin. In banning saccharin the federal government would cause much more harm than good. The reaction of the public alone could cause a war between them and the federal government.

Dr. Michael S. Kramer, a pediatrician at Yale, says "the danger of the war on cancer is as that it is threatening to become a war on common sense. The proposed ban on saccharin will almost certainly adversely affect the health and perhaps even shorten the lives of diabetics to say nothing of the potential increase in the remaining population. The fact that all that sugar and all those calories may represent a greater health risk in terms of diabetics, cardiovascular disease, and tooth decay does not even appear to have been contemplated. . . ."

Even according to the government there is no evidence that saccharin has ever caused cancer in human beings. In spite of all those facts the FDA wants to ban saccharin. We oppose this idea!

The world food supply grows smaller every day and if we keep outlawing substances and nutrients we will never be able to meet the needs of the people twenty years from now. Delaney has served us well over the past twenty years but every concept must need change. If we review in our minds the evidence presented we must foresee a change in the status of Delaney. Scientific technology has advanced since 1958 when the Delaney clause was first introduced. At that period technology could only measure parts per million. Today, in 1979, they measure parts per trillion. The law has not advanced in proportion to technology. After a brash critiquing, we can foresee a type of transcending idealism in the original piece of legislation. But in trying to apply this, it falls far short of the original expectations. You must realize we are not mandating a repeal of the clause, only a modification that would permit the basic risk/benefit concept to be applied. The allies of Delaney call for a strict interpretation but give no alternative for the diabetic in relation to the saccharin element of Delaney. In respect to the nitrite uprising there has not been a substance proven to be as effective against the botulism virus as nitrate.

Through persistent research and heated deliberation we have heard the testimonies of many famous officials in their fields. And we as a committee have drafted a modification for Delaney. It makes the clause more workable and feasible economically in respect to the health and safety of the American people. We never can hope to achieve a zero-risk world. All technology and advancement would be stopped or abolished. We must match one risk against the other or as some would call it a risk-vs-benefit. We as a committee would like to submit the modification to the Delaney Clause as outlined.●

ASBESTOS HAZARD IN SCHOOLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MILLER of California. Mr. Speaker, the severe health hazards associated with the exposure of workers, their families, schoolchildren, and others to asbestos and asbestos materials has become a major issue for the Nation and for Congress. I have introduced legislation to help States and local communities to clean up imminent hazards in the thousands of schools where deteriorating or easily damaged asbestos materials pose a significant health danger to millions of children.

But this legislation only begins to touch on much broader, and more costly problems such as compensation for the victims of asbestos exposure, their families, and survivors. HEW has estimated that 67,000 people may die from asbestos related diseases in each of the next 30 years.

It is imperative that Members of Congress familiarize themselves with these issues. Fortune mazaine, one of the leading business publications in our country, has just published a very important story on the asbestos issue. I want to share this story with all of my colleagues, because it not only provides a thorough history of the problem, but points to some of the major decisions which this Congress may have to make concerning solutions, some of which might cost the taxpayer billions of dollars.

The article follows:

Asbestos

In 1898, Henry Ward Johns, founder of the Johns-Manville Corp., died from a chronic lung condition that doctors now believe was asbestosis, a disease caused solely by inhaling asbestos fibers. Today, John's death can be viewed as a grim omen: J-M, the free world's largest asbestos-fiber producer, is beset by more than 1,500 lawsuits brought by people who have been stricken by asbestos-related diseases. If asbestos turns out to be the unprecedented industrial-health tragedy that many predict, the wave of claims could mount over the next two decades, exhausting J-M's insurance coverage and causing a serious drain on the company's resources.

J-M is not the only defendant in the torrent of litigation. Owens-Corning, Raybestos-Manhattan, Keene, and other past or present asbestos manufacturers are also involved, often as codefendants. But as the industry's leader, J-M is in the vortex of the controversy. While vigorously defending itself in the courtroom, it has also embarked on an effort to shift the financial burden of the health claims to the federal government. Because many of the claimants worked with asbestos insulation while building ships during World War II, the Denver-based company is suing to force the government to indemnify it for some claims by shipyard workers. It is also lobbying hard for a government program that would cut off future lawsuits. Since smoking aggravates some asbestos-related health problems, J-M supports a compensation program financed partly by the tobacco industry. The asbestos industry would kick in, too, but most of the money would come from taxpayers.

THE JURIES ARE SPLIT

J–M is shielded against most lawsuits from its own employees, who are entitled to nothing more than workmen's compensation payments. Most of the plaintiffs, therefore, are insulation workers who handled J–M's products while working for someone else—e.g., in a shipyard or a construction company. They contend that J–M and the industry had a duty to provide a warning of the health dangers of asbestos years before they actually did. J–M began putting cautionary labels on its products in 1964, and argues that until then it lacked sufficient evidence of the risk to workers who used asbestos products but weren't involved in making them. The company has settled about 250 of the claims out of court. Only twelve have been tried by jury, and no clear pattern has emerged. Juries have ruled for the plaintiffs exactly half the time.

What is clear is that this grayish-white, fibrous mineral has snuffed out many human lives. That is a bitter irony because when employed as a fire retardant, asbestos has also saved lives. With its quality of heat resistance, and its remarkable strength and flexibility, it has found more than 3,000 applications. Because of this, nearly everyone has some exposure to asbestos, from the child who sits in a schoolroom under a flaking asbestos ceiling to the household handyman who saws and sands some types of wallboard. The latest worry involves the dangers posed by asbestos-lined hairdryers, which can blow fibers into the user's face. No one knows what risks to health are involved in these consumer situations, or whether they will result in lawsuits years from now.

The worst exposures have occurred in the workplace, where asbestos has caused disabling and often fatal disease. Asbestosis is a non-malignant scarring of the lungs that has been blamed for the deaths of 7 to 10 percent of asbestos workers surveyed in epidemiological studies. The disease can make breathing so difficult that victims cannot climb a flight of stairs without sitting down to rest every few steps. Mesothelioma, a cancer of the linings of the chest or abdominal cavities, also associated exclusively with asbestos, usually kills victims within a year after symptoms appear. The preeminent asbestos-disease researcher, Dr. Irving J. Selikoff, director of the Environmental Sciences Laboratory at New York's Mount Sinai School of Medicine, has found mesothelioma in about 7 percent of the asbestos workers he's studied, and even some cases among wives who merely shook out work clothes. The mineral also increases the risk of lung cancer, which accounts for up to 20 percent of deaths among asbestos workers.

For John A. McKinney, fifty-five, J–M's chairman and its chief executive since 1977, the asbestos problem has its personal side. Several of his friends have died of asbestos diseases, including a J–M labor-relations man, a plant engineer and a plant manager. Such memories make him sympathetic to the plight of victims, but the silver-haired McKinney is vigorous in putting up the best possible defense. A lawyer who joined J–M in 1951 as a patent counsel, he spends about half of his time on the asbestos problem, directing the company's strategy and meeting with legislators and security analysts. The company has had trouble both on Capitol Hill and on Wall Street. During a series of congressional hearings on asbestos last fall, the price of J–M's stock plunged about 20 percent, and it hasn't recovered.

A DECLINING INDUSTRY

Asbestos litigation is almost a separate business at J-M. Policy is determined by McKinney and his staff of four attorneys in Denver; it is relayed to regional lawyers, who work part time for J-M in four cities and supervise the forty-eight local lawyers handling the individual lawsuits.

McKinney acknowledges that the health and litigation problems have helped push the company into diversification. Last fall J-M acquired Olinkraft, the forest-products company with sales of $447 million. Some uses of asbestos have been abandoned—in insulation, for example—and the government has banned all spray-on applications. As a result, asbestos has ceased to be the growth industry it once was, and J-M and its competitors have been scrambling to develop substitute products. Asbestos still accounted for 19 percent of J-M's operating income last year on just 7 percent of sales (without Olinkraft), down sharply from 37 percent of operating income in 1976. Nonetheless, the company posted sales of $1.6 billion and earnings of $121.6 million last year, both records.

So the future importance of asbestos to J-M may lie mainly in the courtroom. The outcome there is shrouded by imponderables: the number of lawsuits that will ultimately be filed and the possibility that Congress will pass a compensation program. The wild card, though, is the possibility of punitive damages, which are not covered by insurance. Although punitive damages haven't been awarded so far, evidence produced during the last year has made the plaintiffs' attorneys more prone to ask for them.

RESTORING TO SELF-INSURANCE

The costs of the litigation haven't yet been burdensome, since most of the settlements, jury awards, and legal fees have been covered by J-M's liability policies with Travelers Corp. J-M will not talk about its coverage prior to 1947, except to say that it has some. In terms of potential liability, this is an important period because millions of workers were exposed to hazards in the wartime shipyards.

In 1947, J-M signed the first of a series of policies it would hold with Travelers for the next thirty years. Its aggregate coverage under the policies is $16 million, with a $5,000 deductible for each claim. In addition, the company took out $348 million in backup coverage with other insurers that could be called on if the primary coverage was exhausted.

Unable to estimate the liability that might arise from present levels of asbestos exposure, insurers stopped writing new primary asbestos coverage in the mid-1970's. When Travelers refused to renew its policy for the 1977 fiscal year, J-M was forced into a system of self-insurance. It has to pay the first $3.5 million of any claims that relate to asbestos exposure in fiscal 1977, $5 million in 1978, and $12.5 million in 1979. Beyond those amounts, which operate like very large deductibles, it is insured for a maximum of $50 million in each of those three years.

But the new trove may not do the company much good. It is the $364 million available during the 1947–76 period that will be drawn upon for the bulk of the payments. The company's financial liability is being prorated among the policies in force during the period in which the injured party was exposed to asbestos. The long periods of exposure involved in present claims fall largely in the years before 1976.

Is the $364 million adequate? Already there is strain on the $16 million in primary coverage, which the company admits will be exhausted in about two years. The pace of settlements has been accelerating—139 of the 250-odd settlements were reached in 1978, at an average cost to the company of $15.400. Plaintiffs actually receive several times that amount—sometimes as much as $100.000 or more—because about ten companies are often involved as defendants, and they split the costs of settlements. Jury awards have varied widely; the largest was $750,000, but that was later reduced to $275,000.

For J-M, the biggest risk lies in the surging number of new lawsuits. New filings have risen from 159 in 1976 to 792 last year, with recent monthly totals running at an annual rate of almost 1,600. Increasing publicity about the problem has undoubtedly helped to generate many of the new claims. "I've talked to about fifty of our clients about

Johns-Manville stock," says one analyst. "After I explained the situation, two said their fathers had worked with asbestos in the shipyards and had died of cancer. They both asked me if I knew a lawyer who would file suit for them."

McKinney thinks the number of suits is reaching a peak right now. The publicity about asbestos disease, he says, has probably flushed out most of the potential claims. More important, argues J-M's corporate medical director, Dr. Paul Kotin, dust-control efforts over the last twenty years have begun to pay off in reduced incidence of disease. These safety efforts consist primarily of improvements in ventilation, various techniques to "lock in" the fibers in products containing asbestos, and use of respirators. Kotin also argues that federal standards on asbestos exposure, which mandated significantly lower dust levels in the 1970's, have created safe working conditions.

ASBESTOSIS AT LONG BEACH

But Kotin acknowledges that J-M's is a minority position. Many doctors feel that asbestos levels were dangerously high before an emergency federal standard was set in December, 1971, and that the present dust levels postpone the manifestation of disease but don't prevent it. Although the incidence of asbestosis appears to be related to the duration as well as the intensity of exposure, cases of mesothelioma have resulted from periods of intense exposure as short as three months.

Nobody has exact figures on the number of people who were exposed to asbestos in the past, or what their exposure levels were. But recent examinations of shipyard workers suggest that claims could continue to be filed until the turn of the century. At the Long Beach Naval Shipyard, about a third of the workers employed seventeen years or longer have X-ray evidence of asbestosis, yet are still able to work. A similar picture has emerged from other shipyards, and it is a distressing one because these postwar workers generally had a much cleaner work environment than their predecessors.

The National Cancer Institute believes that "the major public health impact of asbestos-related cancer is just beginning to be reflected in overall cancer statistics," and estimates that more than two million people will die from asbestos-related cancer. The industry has attacked those estimates as being wildly overblown. Selikoff of Mount Sinai won't be drawn into the numbers game, but says: "It's clear that a very large number of people are involved."

J-M claims that N.C.I.'s estimate of two million cancer deaths is high by at least a factor of ten. Even if that is so, J-M future liability could be very high. Based on the average settlement cost to J-M of about $21,000—$15,400 to the plaintiff, plus legal fees—it would take only 17,000 settlements before the company approached the limits of its insurance coverage for the period 1947 to 1976. Even if estimates of deaths are heavily discounted, it is easy to speculate that the number of awards could be much higher. But J-M asserts its insurance coverage is more than adequate, based on its view that the problem has peaked and that its legal defenses will prevail in most cases.

AN "UNAVOIDABLY UNSAFE" PRODUCT

Actually, J-M may find it difficult to keep its share of the settlements and awards as low as $15,000 apiece because evidence produced during the pretrial discovery phase of the lawsuits has been eroding the company's legal defense. Like many important drugs that carry the risk of serious side effects, asbestos is categorized under product-liability law as "unavoidably unsafe." Such products must be accompanied by a warning to the ultimate user or consumer, who can then determine whether to expose himself to the hazard. The failure to give an adequate warning makes the product "unreasonably dangerous," and liability attaches to any injury. The manufacturer is held to the skill and knowledge of an expert, and he has an affirmative duty to test his product to discover dangers.

For J-M, the complicated legal theories can be boiled down to two questions. The first is, when did the health hazards to insulation workers become foreseeable, triggering the warning-label requirement? Second, once the warning was issued, did it adequately communicate the extent of the danger? J-M contends that knowledge of the asbestos hazard in the early years pertained only to workers in the industry, not to people who handled insulation products, which contained about 15 percent asbestos. There was no reason to warn insulation workers, J-M argues, until Selikoff came down from Mount Sinai in 1964 with his tablets of stone.

But there is evidence, some of which has surfaced in the past year, to suggest that a warning label should have been used at least as far back as the early 1950's. The first published report of asbestosis in an insulation worker appeared in U.S. medical literature in 1932, and although it would be years before a full-scale epidemiological study would be carried out, American and British medical journals from the 1930's on carried reports of disease among both manufacturing and insulation workers.

In the leading court case, *Borel* vs. *Fibreboard Paper Products Corp.*, the U.S. Court of Appeals for the Fifth Circuit in 1973 upheld a jury verdict in favor of an insulation worker who had contracted asbestosis and mesothelioma after working with asbestos from 1936 to 1969. The court noted the medical literature and said that the jury could properly have concluded that the injury to plaintiff Borel "was foreseeable to the defendants at the time the products causing Borel's injuries were sold." Even though Borel and other insulation workers weren't handling pure asbestos, the dust levels were so high that Borel frequently had to blow out his work clothes with an air hose at the end of the day. The court said that "a known risk" predated the 1964 study, and affirmed the jury's conclusion that the defendant manufacturers, which included J-M, breached their duty to warn. The court also said that the warning labels the company began using in 1964 failed to communicate the seriousness of the risks.

Actually, the Navy Department and the U.S. Maritime Commission had recognized the risk to insulation workers from high dust levels as early as 1943. In their booklet published that year, "Minimum Requirements for Safety and Industrial Health in Contract Shipyards," they noted that asbestosis was a disease that could arise from "any job in which asbestos is breathed," listing such tasks as sawing, cutting, or handling asbestos or asbestos mixtures.

While important, such evidence is not as significant, at least legally, as actual firsthand knowledge, which the plaintiffs also claim the company possessed. Beginning in the 1930's, J-M had a division that hired crews of workers to install insulation on construction sites. Some of the workers began making workmen's compensation claims for asbestos diseases against J-M and other manufacturers with similar divisions, and compensation-board records show that settlements were entered against J-M in the 1950's.

DR. SMITH'S RECOLLECTIONS

Further evidence that J-M should have labeled its product sooner has been given by Dr. Kenneth Wallace Smith, who was J-M's corporate medical director from 1952 to 1966. In two sworn depositions before his death last year, Smith said he told J-M executives and lawyers as early as 1952 that he believed insulation workers "were exposed to the same potential hazards" as manufacturing workers. Smith said he urged that a warning label be used on the company's asbestos products, but his recommendation was turned down.

In its defense, J-M has maintained that individual case reports and compensation claims were not sufficient, that only the kind of study released by Selikoff in 1964 could have formed the basis for issuing a warning label. Until then, the company says, it relied largely on a 1946 study of shipyard insulation workers that failed to show any significant evidence of disease. Although the study was an important one at the time and was done by four government consultants, the government's position in 1946 was anything but clear—since three years earlier, those shipyard guidelines had listed asbestos as a disease of insulation workers. As for Dr. Smith, the company has produced testimony to contradict his assertions.

A DEADLY COMBINATION

J-M is also arguing that smoking is responsible for the large number of lung-cancer deaths among asbestos workers. Asbestos alone increases the risk of lung cancer among nonsmokers about fivefold, but the combination of asbestos and smoking is unbelievably deadly—increasing the risk by a factor of sixty or more. Unfortunately, in the absence of precise information about the causes of cancer, juries often have to choose between two jousting expert witnesses, one blaming asbestos, the other smoking.

Now J-M has to contend with that wild card—the possibility of punitive damages. Plaintiffs seeking such awards must prove not just negligence, but willful misconduct. They think they can show this on the basis of J-M's failure to use a warning label until years after it allegedly had direct knowledge of a hazard. Their evidence includes those old workmen's compensation awards to insulators as well as correspondence passed among industry executives in the 1930's, which shows an attempt by some executives to hold down publicity about asbestos disease. J-M, whose lawyer at that time, Vandiver Brown, was one of the correspondents, argues that far from covering up the problem, the company was sponsoring studies of asbestosis among manufacturing workers.

This new evidence, which surfaced last year, has been submitted to only one judge in connection with a request for punitive damages. He evidently wasn't impressed and refused to allow the jury to consider such damages. Last August, another judge considered the same evidence but only in connection with a request for a new trial of a case that J-M had won. He ordered the new trial, saying that the correspondence showed "a conscious effort" to "downplay, or arguably suppress, the dissemination of information to employees and the public for fear of the promotion of lawsuits." Although J-M steadfastly maintains that punitive damages will never be awarded, the exposure of the documents creates a new element of uncertainty that may make J-M more eager to settle out of court.

SHIFTING THE BILL TO WASHINGTON

In the long run, J-M's lobbying effort in Washington may be more important to its financial health than anything that happens in the courtroom. The company is supporting a bill introduced by Representative Millicent Fenwick, whose New Jersey district is the home of J-M's largest plant. The bill would establish an asbestos-compensation system patterned after the coal miners' black-lung program, which is administered by the U.S. Department of Labor and financed by the government and by coal operators.

Some type of "white lung" program is probably the only fair and orderly way to compensate victims of asbestos disease. Reliance on the legal system to resolve what could easily be tens of thousands of cases—each one requiring extensive depositions, discovery motions, expert witnesses, and the like—would be slow and costly. Considering the vagaries of fifty different state product-liability laws, the results of the cases would hardly be consistent. Already, for example, dozens of claims have been dismissed because of local filing rules.

Many critics of a government remedy claim that lawsuits offer the best payout, but that just isn't so for the majority of cases. Even large jury awards can easily be cut in half by lawyers' fees and expenses, while a compensation system could provide adequate payments with adjustments for inflation.

The more controversial question is who pays for the program. Fenwick's bill, once effective, would bar new asbestos suits in favor of the federal program and give plaintiffs with pending suits the option of continuing in court or applying under the program. Initially the Treasury would finance the plan, but eventually it would be funded half by mandatory payments from the asbestos and tobacco industries and half by the taxpayers. However, taxpayer liability would be open-ended because if the fund proved inadequate, the government would pay the excess claims.

It's unlikely that Congress will pass a compensation program that has such a grip on the taxpayers' wallets. Nor should it, since the federal government's legal responsibility for the present health problems seems limited. But there is justification for some government contribution to the compensation of wartime shipyard workers. In the frenzied push to build naval and merchant vessels for the war, shipyard employment soared from 168,000 in 1940 to 1.5 million in 1943. The 700 fatal accidents in the shipyards in 1943 suggest that safety procedures were often overlooked in the haste to fill wartime production quotas. The government, which had shipyard standards covering the handling of asbestos, apparently failed to see that they were strictly enforced. Consequently, the shipyard workers who have fallen ill with asbestos disease are the last uncounted casualties of the war.

MORE YEARS OF UNCERTAINTY

Regardless of the liability formula, no asbestos-compensation program is likely to be enacted in the near future. Most of organized labor favors a comprehensive approach to occupational-disease compensation, and another competitor is certain to be Senator Harrison Williams' longstanding effort to write national minimum standards to upgrade state workmen's compensation systems. All this adds up to more years of uncertainty about J-M's financial liability. For McKinney, the lawyer who became c.e.o., the courthouse surely holds no attraction anymore.●

CONTINUING CRISIS IN FOSTER CARE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. MILLER of California. Mr. Speaker, earlier this week, the most recent in a long series of studies of the foster care system in the United States was released. This study, by the National Commission on Children in Need of Parents, once again documents the terrible conditions under which tens of thousands of children needlessly exist, and the manner in which Federal inaction and antiquated laws contribute to, and even encourage the perpetuation of, this unjust and costly system.

The membership of this commission included some of the leading figures in the American business community. These members, who deserve the gratitude of the Congress and the public for their work, include:

NATIONAL COMMISSION ON CHILDREN IN NEED OF PARENTS

Mrs. Griffin B. Bell, Atlanta, Ga. and Washington, D.C.

Mrs. Charles Duncan, Houston, Texas and Washington, D.C.

Christopher F. Edley, Executive Director, United Negro College Fund, New York, N.Y.

Marshall K. Evans, former Vice-Chairman, Westinghouse; Chairman, Children's Hospital, Pittsburgh, Pa.

Larry Gelbart, Playwright, Beverly Hills, Calif.

Miss Dorothy Height, President, National Council of Negro Women, New York, N.Y.

Kaye Kiddoo, Corporate Director, Manpower Resource, Lockheed Aircraft Corp., Burbank, California.

Charles Kirbo, Attorney, Atlanta, Ga.

Philip M. Klutznick, Chairman, Urban Investment and Development Co., Chicago, Ill.; former U.S. Ambassador to the United Nations Economic and Social Council.

James H. Maloon, Executive Vice President, Pan Am Airways.

Baldwin Maull, former Chairman, Marine Midland Banks; Director, St. Regis Paper Co., Niagara Mohawk Paper Corp., Princeton, N.J.

William S. Ogden, Executive Vice President, Chase Manhattan Bank, New York, N.Y.

Cornelius W. Owens, former Executive Vice President, A.T. & T., Director, New York Stock Exchange; W. R. Grace and Co., Atlanta, Ga.

Harvey C. Russell, Vice President, Pepsico, Purchase, N.Y.

Charles J. Scanlon, Vice President, General Motors Corporation, New York, N.Y.

Robert Schneider, Director, Public Affairs, Xerox, Stamford, Conn.

Mrs. James M. Sibley, Atlanta, Ga.

J. Henry Smith, Former Administrator, Human Resources Administration, NYC, former Chairman, Equitable Life Assurance Society, New York, N.Y.

Marietta Tree, Partner, Llewelyn Davies Associates; Director, CBS; Pan Am Airways, New York, N.Y.

Malcolm Wilson, former Governor, State of New York; Chairman, Manhattan Savings Bank, New York, N.Y.

They have thoroughly studied the foster care system, and they have joined a long list of individuals and organizations who have declared it a bankrupt program.

"With some admirable exceptions, the foster care system in America is an unconscionable failure, harming large numbers of the children it purports to serve." This emerges as the unanimous verdict of the National Commission on Children in Need of Parents after months of inquiry.

Two years ago, when I first introduced "The Foster Care and Adoption Reform Act," I said that my own investigations and those of many others had clearly established that the foster care system currently operating, encouraged the break-up of the family and even subsidized it. Since that time, there has been an unrelenting and unchallenged stream of studies, reports, hearings, and investigations which have unanimously concluded:

Many children in foster care do not belong there;

There are less costly alternatives to many types of foster placements;

Many children are in overly restrictive, overly costly placements;

Preventive service programs, periodic reviews of placement, improved case planning and reunification services can not only dramatically reduce the number and duration of placements, but can save substantial amounts of money;

Many children in foster care could be, and should be, adopted, but the absence of a federally supported adoption subsidy program maintains thousands of children in foster care, even though subsidized adoptive placements are less expensive and far better for the health and well-being of the child.

These conclusions, backed by an exhaustive amount of research and statistical evidence, have been reiterated by the Department of Health, Education, and Welfare; numerous State studies; child welfare and social service organizations; the New York City comptroller; social welfare research organizations; the Children's Defense Fund; the General Accounting Office; and many others.

In the last Congress, the legislation which would have significantly improved the foster care and adoption system, H.R. 7200, narrowly missed enactment, having been subjected to repeated and wholly unnecessary delays in the Senate. This year, the new bill, H.R. 3434, is already moving swiftly in the House, backed by strong bipartisan supporters. Again, all eyes concerned with the well-being of children will be on the Senate.

Is it possible that the U.S. Senate alone will fail to recognize the plight of these 500,000 children, and will again delay enactment of these overdue and noncontroversial reforms? It is my personal hope that the conclusions of the report of the National Commission serve to stimulate the Congress and all concerned people to press for the swift enactment of H.R. 3434.

Let me merely cite portions of the conclusions of this important report:

First. Approximately 500.000 American children are presently in foster care;

Second. The courts are often the cause of children unnecessarily spending years in foster care;

Third. The way in which Federal aid is provided encourages keeping children in foster care and discourages finding them permanent homes;

Fourth. Foster care is administered by staffs to overburdened, poorly paid, and often unprepared professionally that they are ill equipped to free children for adoption and find homes for them;

Fifth. Inadequate support payments to foster parents contribute to frequent turnover of homes and thus mean more moves for foster children;

Sixth. Taxpayers and contributors to charity are not getting their dollar values for foster care spending in this country:

Seventh. Children virtually become lost in foster care;

Eighth. There is in America no "cohesive" system of foster care worthy of the name.

These are sobering conclusions. There is no need for more studies, and the children cannot afford to wait. There can be no surer test of a Member of Congress commitment to children and families than that indicated by his or her support for H.R. 3434.●

CASE AGAINST NUCLEAR ENERGY IS A BUM RAP

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PAUL. Mr. Speaker, Dr. Petr Beckmann, professor of electrical engineering at the University of Colorado and expert on nuclear energy, also publishes and edits an extremely useful newsletter called "Access to Energy." This publication is distinguished by its hard-headed, nonhysterical approach to nuclear energy—an approach that is particularly valuable in these days.

The May issue contains material that I would very much like to bring to my colleagues' attention, as a necessary antidote to the ravings of the antinuclear zealots.

No form of mass energy production is completely safe, as was demonstrated when the Liberian oil tanker exploded in Nederland, Tex., recently.

But, as Dr. Beckmann demonstrates so eloquently, the case against nuclear energy is a bum rap.

THE GRAND DISASTER: WHY NO CASUALTIES?

(By Petr Beckmann)

Everybody knows that the greatest "catastrophe" in the history of nuclear power resulted in zero dead, zero injured and zero diseased; but not everybody can see through the four big frauds promulgated by the media and by the politicians catering to them.

"It was a close shave; a meltdown was only narrowly averted." This is two frauds in one. First, there never was a time when a meltdown was close; it was held off by several lines of defense and would not have set in even if further malfunctions had occurred. Second, a meltdown would not have been the end of the world, either: The purpose of the containment building is to contain radioactivity *after* a meltdown has taken place, and even if it, too, fails, there would still have to be a very unusual weather situation before there could be large-scale loss of life.

The third fraud is "Scientists told us that an accident like this is virtually impossible, but now it has happened." What scientists have been saying, and continue to say, is that there is an extremely low probability of a nuclear accident *with massive loss of life*. This writer, for example, does not have to rewrite a solitary line of his book *The Health Hazards of Not Going Nuclear*, and does not hesitate to recommend it to those who wish to understand why the zero death toll at Harrisburg was not merely "lucky." Politicians who now pretend to have been duped into thinking that a nuclear accident, esoecially one with no loss of life, was impossible, not only falsely claim that they were told engineers are infallible and mechanical failures unheard of, but in effect they now pompously proclaim that they were dumb enough to believe it.

The fourth fraud is that "The much touted safeguards failed on Three Mile Island." They did not. Nuclear safety is not based on this or that gadget, but on two principles by which to contain any unforeseen events that might occur. One is the defense in depth, a multi-layered system of defense belt around the only danger point, the reactor core.

The two major bulwarks of this defense are the Emergency Core Cooling System and the containment building. Both were the main targets of the anti-nuclear obstructionists, and both performed superbly. Every honest scientist and every informed citizen will be reassured by a defense system that stood up to a freakish series of five independent, horrible failures and human errors under the most aggravating conditions.

The second principle of nuclear safety is the slowness of a nuclear accident. Had more defense lines been penetrated (or had they, as before, been disabled by error), more countermeasures, up to and including evacuation, could have been taken. A meltdown, which is not the last line of defense, takes many hours and gives plenty of advance warning. Alas, it was this very advantage of slow evolution (6 days) that enabled the cannibals to fan the hysteria to fever pitch.

Worse than the frauds, perhaps, was a stupendous omission. 845 MW is a lot of power, and when much energy is pent up, it is always dangerous. But nobody compared the dangers. A dam break can kill 100,000 people in a matter of minutes. Where is the first, second, and seventeenth dam when the first fails? What kind of emergency cooling do the LNG tankers docking 3 miles from downtown Boston have? Where are the evacuation plans when a gasoline refinery blows up?

No one died at Harrisburg, and no one ever came close to it.

But generating electric power by fossil fuels kills some 20,000 Americans a year by air pollution, transportation and industrial diseases. There will now be a few more dead, injured and diseased added to that toll because TMI Unit 2 no longer delivers the power that is safer. And already the media, and the politicos who cater to them, are calling for that toll to increase by slowing, or even stopping, nuclear power.

Predictably, those who opposed the safest form of power on the grounds of safety oppose it even more now that its safety has been vindicated in battle.

HOW IT HAPPENED

What happened at Three Mile Island (3MI) is this:

At 4 a.m., on March 28, when the 845 MW reactor was running at 98% capacity, there was a malfunction in the feedwater flow on the turbine side. Both auxiliary pumps tried to take over automatically, but (in violation of NRC regulations) the valves had been left shut so no water could get through. The turbines tripped (went out of service) automatically and normally. On the reactor side, the loss of the heat sink in the steam generator resulted in an increase in temperature and pressure, which generated a reactor trip signal; the reactor "scram" (instant interruption of the chain reaction by full insertion of the control rods) occurred automatically and normally.

Increased pressure should be handled by the pressurizer's steam cushion and relief valve (just as in a household pressure cooker). It was, and the relief valve worked normally, but it stuck and failed to close—a second failure, and one that caused much further trouble.

The steam escaping from the relief valve goes into the relief tank where it is quenched in cold water. But when the relief valve stayed open, the steam was followed by water and forced out the rupture disks (that's what they are for: As with freeze plugs in an automobile engine, it is better to lose the plugs than the machine). A path was now provided for the water to leak out from the pressure vessel through the pressurizer and the still open relief valve to the floor of the containment building, and the water began flowing out. As soon as the pressure and the water level dropped, the big moment in 22 years of nuclear power history had come: The first occasion for the Emergency Core Cooling System to be activated in a real emergency.

It would never work, the Naders had been yelling; the steam wouldn't let the water in, the tests were on too small a scale, they were nothing but staged theatrics and computerized eyewash.

Now the big moment had come. Within seconds, years of anti-nuclear propaganda were shattered as the ECCS came in, automatically, instantly, reliably. It can take bigger holes than an open relief valve, injecting water much faster than it leaked out through the stuck valve in the pressurizer, so that water and pressure were restored almost immediately and everything would have been OK—if the operator had realized that the water was leaking out through the relief valve (which could have been closed, or failing that, there are provisions for putting the ECCS into a closed circuit pumping the water through the sump back into the reactor).

Instead, he did what amounted to lighting a third match in a gasoline refinery: He switched off the ECCS. (Don't blame him with hindsight—yet. He may have been fooled by correct, but misleading pressurizer readings.) The water again leaked out through the open valve, but this time the ECCS had been disabled, part of the core was exposed, hydrogen was produced in a reaction between the zirconium cladding and water at high temperatures, and by the time the open relief valve was detected and closed, and water restored to the vessel, the now famous hydrogen bubble had coagulated. It allowed only slow circulation of the cooling water and slow reduction of its temperature (turning the pumps on at full power would have risked damaging them severely, and there were many safer options open).

In the meantime, a fourth match in our analogous gasoline refinery had been lighted: The radioactive water on the containment floor was pumped automatically into the take-up tanks in the auxiliary building and—fifth match—overflowed them. Whether this pump came on by a fishy coincidence (5.5 min after the ECCS had been activated), or by a design error that fails to test the water for radioactivity (for example) is not known to this writer. But once again, there is defense in depth even here: The filters in the drains let out virtually no radioactive material other than Xenon, an inert gas that reacts neither with the filters nor with the human body and does not give it an internal dose (see below).

The final mishap occurred on Friday, 3/30, when the water was pumped back into the containment building (where it should have stayed harmlessly all the time); some water was spilled, giving rise to a puff of radioactivity. It resulted in a miniscule dose in Pennsylvania, but gigantic headlines in New York.

SAFETY PRINCIPLE VINDICATED

There are no second and third chances in any other large-scale energy facility; but on 3MI, after a chain of five independent, hair-raising failures, there were plenty of backups before a meltdown was even close. But what if everything else had failed and a meltdown had actually taken place?

It would have taken hours for the pressure vessel alone to melt, during which time the neighboring population could have been evacuated, just in case the containment building would have cracked and let out radioactive gases.

But in all probability it wouldn't have. What makes us so confident?

An item that the Pulitzer-prize hunting scaremongers had missed: At 2 p.m. on 3/28 the instruments in the containment building recorded a pressure spike, which was almost certainly a hydrogen explosion. While the would-be reporters were speculating about an explosion of the hydrogen bubble inside the reactor vessel (where there was little or no free oxygen, and no possibility of a spark to set it off), an explosion had already taken place in the containment. Why would the building that withstood the explosion (it must also withstand a 300 mph hurricane and the impact of a jetliner at landing speed) fail to contain gases at much lower pressures?

But the defense in depth, which kept a meltdown remote at all times, is only half of the principle of nuclear safety. The other half is the slowness with which the danger approaches, giving the defenders ample time for countermeasures. Within hours, the industry had flown in teams of experts; one such team engaged in almost Naderite "what-if" fantasies. What if the pump fails? We use the other primary loop (our figure shows only one of two). What if that fails, too? We have the ECCS. What if both loops fail because the power fails? We have a diesel stand-by generator. What if that fails, too? Let's fly in another. And they did.

There is not just the defense in depth; there is also the time to bolster it in the places where it might grow weak. On both counts, nuclear safety has withstood a test in the field, under the most aggravating conditions, with plenty of resilience to spare.

Yes, there will be a lot of recriminations and rethinking in the industry. We will wait for the full explanation before jumping to conclusions about human failures, design errors or even darker possibilities. On the other hand, the incident revealed at least three highly reassuring items:

The ECCS has now been tested under "battle conditions" and came through with flying colors.

The containment building, which is meant to contain radioactive gases *after* a meltdown, withstood a hydrogen explosion.

Perhaps most surprising of all, the core, which had been assumed to melt after exposure of a few minutes, was actually exposed (partially, top only) for three separate periods: 1½ hours, ½ hour, and 6 (six!) hours, respectively. No doubt the exposed parts of the fuel rods will be found badly damaged, bent and burst; but they did not melt (almost no uranium was found in the water coming out of the core). The Rasmussen Report was wrong here, after all, at least for this type of zirconium core: It was far too pessimistic.

RADIOACTIVITY

The sum total of radioactivity released in the Harrisburg Grand Disaster was 80 millirems (offical testimony by HEW Secretary). That is as much *additional* radiation as a certain kind of person would receive by moving from Pennsylvania into the editorial offices of this newsletter (elevation 7,200 ft in the ore-rich Rockies) for less than a year. What kind of person? The kind that stood naked near the plant 24 hours a day for the entire episode.

But that is not all, for rems alone do not tell the whole story. Practically all of this was due to Xenon, which is inhaled and breathed out again without reacting with the body. How about iodine, which gets into the food chain and lodges in the thyroid gland, possibly causing thyroid cancer? The level of iodine activity was 1/20 (one twentieth!) the level resulting in Pennsylvania from the fallout from the Chinese bomb tests in 1976 (when all those protest demonstrations were held against Red China by the Fondas, Naders and Ellsbergs, remember?).

This time the iodine level in milk was only 22 picocuries/litre (pC/1); the EPA and NRC start kicking when it reaches 1200 pC/1. Patients given radioiodine in diagnostic tests leave the hospital with up to 30 millicuries (30 billion pC) in their bodies and radiate a lot more than the milk "affected" by the Pennsylvania non-disaster. Not long ago, a lady who was given such a test went on vacation with her husband immediately afterwards. He was given a dosimeter by researchers of the U. of Mich. to see how much radiation he would absorb from his wife (most of it in the first two days). After they returned, his dosimeter was read: 2.5 rems! That is 12 times more from his wife than the "victims" in Pennsylvania received from the reactor in all of the "nuclear nightmare."

And we are still talking about iodine given to *healthy* patients. Patients with cancer of the thyroid are given up to .2 curies, or 50 billion times more than is found in a quart of "contaminated" milk.

But the most important comparison is the milk before and after the Grand Disaster. There was no significant change.

In fact, the milk imbibed by William Penn was only slightly less radioactive than it is now.

WHY WAS THE HYDROGEN BUBBLE NOT FORESEEN?

It was. Engineers knew about the reaction that produces hydrogen and immediately diagnosed the trouble. (Remember that they had no direct access to the core, and had to make inferences from instrument readings and computer simulations.) What they had not foreseen was a sequence of events (including the ECCS being switched off manually) in which the core would remain exposed for more than a few seconds or minutes.

In a way, the incident is similar to that at Browns Ferry: Everybody knew that the insulation could catch fire, but nobody foresaw a wise-guy who would use the open flame of a candle on it. After the Browns Ferry fire, hundreds of miles of cable were pulled out in plants under construction and replaced by cables with fire-resistant insulation. When the dust settles from the 3MI incident, there will be many changes, and one of them will doubtlessly be a provision to bleed off any gases that might lodge in the cooling loop.

But the next incident, and by the iron laws of probability there will eventually be one, will be of yet another kind, except that it will again be unforeseen. Nobody, least of all a federal bureaucracy (which is now being clamored for) can foresee everything. But the trick of nuclear safety is not to foresee *everything*, it is to contain *anything*.

The principle of guarding against the unforeseen, whatever it may be, by a multilayered defense, and by providing the time to bolster that defense where necessary, paid off at Browns Ferry, paid off at Harrisburg, and will pay off again in the future.

The impossibility of applying this principle to other power sources, with their diluted dangers, is what will continue to make them less safe.●

CURTAIL THE DAVIS-BACON ACT

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. HAGEDORN. Mr. Speaker, members of the building and construction trades department of the AFL–CIO have been in the halls of the House office buildings this week to lobby on behalf of the Davis-Bacon Act. They are interested in maintaining this act in its present form because they directly benefit from the artificially high wages that this act sets for Federal construction projects.

I have been interested in curtailing the effect of Davis-Bacon for the past 3 years. The first vote to reform the prevailing wage provision of the act gained only 35 supporters. Today, there are 73 cosponsors of my bill to repeal the act. Because of the growing interest in Congress in repeal and because the American people who must pay the higher wages are beginning to learn about how inflationary and inequitable this act is, those who directly benefit from the act are certainly afraid that a special interest statute might be taken away from them.

I welcome the lobbying efforts of the unions. I have advocated greater public awareness of the act so any merits and the definite problems associated with the prevailing wage concept can be fully discussed.

The General Accounting Office report recommending that the Congress repeal the act will be released very shortly. At that time the cosponsors of the repeal bill, H.R. 1900, will call for hearings by the Education and Labor Committee. I hope that those who support Davis-Bacon will join in this request for hearings. If they feel that this act should be maintained and that it is so good for the American people who must pay the wages, I do not see any reason why they should not support these hearings to help get this matter settled to the satisfaction of all. If they are not willing to support open hearings on the so-called merits of the act, perhaps there is something wrong with Davis-Bacon that they do not want the rest of the country to know about.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 26, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 27

9:30 a.m.

*Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the Civil Aeronautics Board's plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on the safety procedures taken by the Nuclear Regulatory Commission in relation to the recent nuclear reactor accident in Harrisburg, Pennsylvania.
4200 Dirksen Building

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 103 proposed Save Our Schools Act, and S. 449, proposed Charitable Organizations Preservation Act.
2221 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6626 Dirksen Building

Energy and Natural Resources
Parks, Recreation and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Foreign Relations
To receive testimony on supplemental economic and military assistance request for Turkey.
4221 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of James H. Duffy, of Maryland, to be a Commissioner of the Postal Rate Commission.
3302 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 988, to extend assistance programs for biomedical research.
4232 Dirksen Building

APRIL 30

9:00 a.m.

Agriculture, Nutrition, and Forestry
Rural Development Subcommittee
To hold hearings on the impact of the Administration's standby gasoline rationing plan on both rural development and agricultural production and marketing.
457 Russell Building

9:30 a.m.

Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold oversight hearings to evaluate the progress in the past decade of eliminating hunger in America.
322 Russell Building

Finance
Energy and Foundations Subcommittee
To hold oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on proposed amendments to the Rehabilitation Act (P.L. 93-516).
4232 Dirksen Building

Select on Ethics
To hold hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To hold hearings on the following nominations: Mary P. Bass, of New York, to be Inspector General, Department of Commerce; Frank Saburo Sato, of Virginia, to be Inspector General, Department of Transportation; and Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration.
224 Russell Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Joint Economic
To hold hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
6226 Dirksen Building

2:00 p.m.

Energy and Natural Resources
To hold hearings on S. 967, proposed Impact Reduction of Energy Resources Act.
3110 Dirksen Building

2:30 p.m.

Environment and Public Works
Regional and Community Development Subcommittee
To mark up proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

MAY 1

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

9:30 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To markup S. 914, proposed National Public Works and Economic Development Act, and S. 971, proposed Energy-Related Economic Development Act.
4200 Dirksen Building

Judiciary
To mark up S. 390, proposed Antitrust Procedural Improvements Act.
2228 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 836, establishing telecommunications facilities for broadband services in small towns and rural areas.
322 Russell Office Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume consideration in closed session of issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To receive testimony on the nuclear proliferation situation in Pakistan and India.
357 Russell Building

Governmental Affairs
Permanent Investigations Subcommittee
To hold hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

Labor and Human Resources
Child and Human Development Subcommittee
To receive testimony from children on issues Congress should consider affecting youth in the coming decades.
4232 Dirksen Building

11:00 a.m.

Select on Small Business
To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Office Building

2:00 p.m.

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

*Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 490, proposed Archaeological Resources Protection Act, and S. 495, to provide for the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts.
3110 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 301, and S. 745, bills to amend housing and community development laws relating to labor standards.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for programs administered by the Federal Trade Commission.
6226 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue markup of S. 914, proposed National Public Works and Economic Development Act, and S. 971, proposed Energy-Related Economic Development Act.
4200 Dirksen Building

*Judiciary
To hold hearings on S. 961, proposed Speedy Trial Act Amendments Act.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
457 Russell Building

Select on Small Business
To continue markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5110 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

10:30 a.m.
Rules and Administration
To hold hearings on S. 817, authorizing funds for fiscal year 1980 for the Canal Zone biological area of the Smithsonian Institution; S. 927, authorizing funds for fiscal year 1980 for future development of the southern area of the original Smithsonian Institution building; and on proposed legislation authorizing funds for fiscal year 1980 for the Federal Election Commission to reimburse states for their record keeping expenses.
301 Russell Building

2:00 p.m.
Judiciary
To hold hearings on the nominations of Harold Duane Vietor, to be U.S. District Judge for the Southern District of Iowa; Norman W. Black, to be U.S. District Judge for the Southern District of Texas; George E. Cire, to be U.S. District Judge for the Southern District of Texas; James DeAnda, to be U.S. District Judge for the Southern District of Texas; George P. Kazen, to be U.S. District Judge for the Southern District of Texas; and Gabrielle A. Kirk McDonald, to be U.S. District Judge for the Southern District of Texas.
2228 Dirksen Building

2:30 p.m.
Governmental Affairs
Permament Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To make up proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on the Federal Government's responsibility for radiation protection.
357 Russell Building

Labor and Human Resources
Business meeting to mark up S. 209, to regulate Federal laws relating to private sector pension and welfare programs.
4232 Dirksen Building

*Veterans' Affairs
To mark up S. 330 to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
S-126, Capitol

Select on Small Business
To continue markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5110 Dirkson Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury.
5302 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of standby percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
224 Russell Building

2:00 p.m.
Governmental Affairs
Permanent Investigation Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of Janet L. Norwood, of Maryland, to be Commissioner of Labor Statistics.
4232 Dirksen Building

3:00 p.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for fiscal year 1980 for

programs of the Nuclear Regulatory Commission.
4200 Dirksen Building

MAY 4

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the testing provisions of the Toxic Substances Control Act of 1976.
235 Russell Building

Environment and Public Works
To mark up pending calendar business.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 252, proposed Anti-Arson Act.
6202 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, proposed Small and Independent Business Protection Act.
457 Russell Building

Labor and Human Resources
To hold oversight hearings on the applicability and enforcement of sandstone and gravel mining operations under the Federal Mine Safety and Health Program
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearing on proposed legislation authorizing funds for fiscal year 1980 for all existing rural housing programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 7

9:30 a.m.
Finance
Energy and Foundations Subcommittee
To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury and proposed authorizations through fiscal year 1984 for programs under the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of homecare services for older Americans.
1318 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
6226 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
To resume markup of pending calendar business.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To resume hearings on the Federal Government's responsibility for radiation protection.
357 Russell Building

Judiciary
To resume markup of S. 300, proposed Antitrust Enforcement Act.
2228 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance.
To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To assume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Select on Small Business
To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

*Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.
4232 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when com-

bined with stagnant consumer demands and high unemployment.
5110 Dirksen Building

11:00 a.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 10

9:30 a.m.
*Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

Environment and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed authorizations for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.
5302 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.
*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

MAY 11

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up pending calendar business.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 14

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 968, to expedite processing of applications from Midwestern residential, agricultural, and industrial consumers for crude oil transportation systems.
3110 Dirksen Building

Select on Small Business
To resume hearings on the effect of Government regulations on the production and utilization of coal.
6226 Dirksen Building

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on the roles of women in health and science.
4232 Dirksen Building

MAY 15

9:30 a.m.
Select on Small Business
To continue hearings on the effect of Government regulations on the production and utilization of coal.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.
5302 Dirksen Building

Governmental Affairs
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.
5302 Dirksen Building

MAY 16

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on the roles of women in health and science.
4232 Dirksen Building

11:00 a.m.
Select on Small Business
To hold hearings on the nomination of Paul R. Boucher, to be Inspector General, Small Business Administration.
424 Russell Building

2:00 p.m.
Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

2:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 18

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

MAY 21

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Milwaukee railroad system.
235 Russell Building

2:30 p.m.
Finance
Health Subcommittee
To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.
2221 Dirksen Building

MAY 22

9:30 a.m.
*Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Select on Small Business
To hold hearings on the availability of investment capital to small businesses.
424 Russell Building

MAY 23

8:00 a.m.
*Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
6226 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 24

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 885, proposed Pacific Northwest Electric Power Planing and Conservation Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

JUNE 6

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 870, proposed GI Bill Amendments Act, S. 830, to eliminate the State's required payment in the educational assistance allowance program provided for veterans, and S. 881, to provide for the protection of certain officers and employees of the VA assigned to perform investigative or law enforcement functions.
6226 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 7

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 12

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

JUNE 19

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JUNE 20

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
6226 Dirksen Building

JUNE 21

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JULY 12

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
6226 Dirksen Building

CANCELLATIONS

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 1

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93–113).
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, April 26, 1979*

The House met at 11 a.m.

Rev. Robert M. Bock, senior pastor, First Christian Church, North Hollywood, Calif., offered the following prayer:

Amidst symbols and places reflecting our rich heritage, our Father, we give thanks for this day and for the opportunity to shape our destiny.

For endless gifts You have given us as a nation and as a people, we express our deep gratitude.

Today we pray Your special blessing and guidance upon the Members of this House, individuals called forth as servants among us, devoting their lives and talents to this Government for the good of all people.

Grant them the wisdom of Solomon, the patience of Job, the love of Jesus in their trusted and difficult task.

Use their work and lives to further create a world of lasting peace—a society of equality and freedom.

We pray in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

REV. ROBERT M. BOCK

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it is a pleasure to welcome, as our guest chaplain, the Reverend Robert M. Bock, senior pastor, First Christian Church of North Hollywood, Calif. I thank him for his inspiring opening prayer.

Reverend Bock received his masters of divinity at Christian Theological Seminary, Indianapolis, Ind., did graduate study at the Chateau de Bossey, Geneva, and is a doctoral candidate at the San Francisco Theological Seminary, San Anselmo, Calif. He serves a congregation of approximately 500.

Reverend Bock is a greatly respected community leader who has served 16 years on the Los Angeles County Board of Education, and is presently serving as its president for the seventh time. He has worked tirelessly to improve the quality of education for our youth and to prevent aimless young people from the violence and waste of street gang life.

Reverend Bock is my good friend, JIM CORMAN's constituent. JIM regrets he cannot be here to personally welcome Reverend Bock, but he was called unexpectedly to the White House this morning.

□ 1105

Mr. BRADEMAS. Will the gentleman yield?

Mr. DANIELSON. I am happy to yield to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. I thank the gentleman for yielding to me. I want only to say how pleased I am to welcome Mr. Bock in that he was born in my home community of South Bend and went to high school there. So I want warmly to welcome him as well.

Mr. DANIELSON. I thank the gentleman for his contribution.

● Mr. CORMAN. Mr. Speaker, it is a great pleasure for me to welcome Reverend Bock to this Chamber today. He becomes the first member of the clergy from the 21st Congressional District to ever receive this high honor. Reverened Bock originally came to California for what he thought was a brief stay. Eighteen years later he is serving his congregation and the community with distinction and dedicated effort. Reverend Bock's wife and two sons were unable to be with us today, but I know they share in this moment of pride. I welcome Reverend Bock and thank him for his message.●

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in respect to the Reverend Robert M. Bock.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

UNITED STATES-JAPANESE TRADE DEFICIT

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, this morning's news that the Japanese have refused to budge any further on opening their markets for government procurement and semipublic corporate purchases is very disappointing to those of us who want to promote free, open trade between our nations. This attitude of intransigence also heightens the prospects of protectionist legislation aimed at Japanese products.

As chairman of the Ways and Means Committee's Task Force on United States-Japan Trade, I want to make these observations: First, we fully support Ambassador Strauss' efforts to negotiate a liberalization of Japanese procurement policies; second, if Ambassador Strauss' efforts fail, Congress will consider reciprocal restrictive trade policies such as standards or quota restrictions on Japanese telecommunications equipment, and possibly others; and third, if the Japanese think that they can wait until Ambassador Strauss takes up his new Middle East assignment and that they will get a better deal from his successor as Special Trade Representative—they are making a sad mistake. Congress almost unanimously is demanding tough negotiations to lower the $11 billion trade deficit we have with Japan. If the administration does not get the job done, Congress surely will—and probably in a way that will not promote free trade.

I urge my colleagues to give Ambassador Strauss and the Japanese another chance to negotiate a meaningful reduction of the unacceptable trade imbalance between our nations. If they fail, our task force will recommend specific legislative programs that will help correct this problem.

I also urge my colleagues to read an extension I will insert today which discusses the specific trade problem between Japan and the United States in the telecommunications field.

UNITED STATES-JAPANESE TRADE DEFICIT

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I endorse the remarks of my distinguished colleague, the gentleman from Oklahoma (Mr. JONES), the chairman of the Committee on Ways and Means Task Force on United States-Japan Trade. We do support Ambassador Strauss fully.

In my judgment, the impasse that has been created by the Japanese could be the most serious trade crisis this country has faced at least since I have been in Congress.

Japan is engaging in a game of "chicken" with the United States that has broad potential for widespread disruption of world trade.

As the gentleman from Oklahoma (Mr. JONES) pointed out, Japan, with its enormous world trade surpluses and with a notorious international reputation for closing up its own markets to imports, is badly positioned to be stonewalling on these negotiations.

We have not abandoned hope yet for making some kind of a breakthrough with our Japanese friends, but we are running out of patience. If there is no improvement in the Japanese position, as the gentleman from Oklahoma (Mr. JONES) suggests, I believe the Congress has the will to deal with the problem legislatively. That is not the best way, but Japan's attitude may make it the only way.

HYDROELECTRIC POWER GENERATION

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, today I am introducing a bill which offers the private sector of our economy the necessary incentive to develop this country's enormous potential for small-site hydroelectric power generation. This incentive is in the form of a 20-percent tax credit, similar to those available for other alternative energy sources which were incorporated in the Energy Tax Act of 1978.

For too long, this great Nation, which imports almost one-half of its need for petroleum, has bemoaned its OPEC dependency. Now is the time to develop this renewable, environmentally safe energy source which continues to spill over these already existing dam sites. This proposal is intended to complement existing plants by providing 5 percent of the future energy needs of the country—15 percent of New England's future needs.

As the President begins to phase out the control of the domestic crude oil prices, this Nation must commit itself to phasing in a responsible, viable energy alternative whose potential has been demonstrated.

□ 1110

PROVIDING FUNDS FOR SELECT COMMITTEE ON COMMITTEES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 234) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Committees, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 234

Resolved, That effective March 20, 1979, expenses of investigations and studies to be conducted by the Select Committee on Committees, acting as a whole or by subcommittee, not to exceed $571,750, including expenditures for the employment of investigators, attorneys, clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Committees shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective March 20, 1979, expenses of investigations and studies to be conducted by the Select Committee on Committees, acting as a whole or by subcommittee, not to exceed $525,000, including expenditures for the employment of investigators, attorneys, clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $20,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Committees shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. MYERS of Indiana. Mr. Speaker, reserving the right to object, I make the point of order that a quorum is not present.

CALL OF THE HOUSE

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

There was no objection.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 102]

Andrews, N.C.
Archer
Ashbrook
Biaggi
Boner
Bowen
Brown, Calif.
Buchanan
Chisholm
Coughlin
Courter
Crane, Philip
D'Amours
Deckard
Dellums
Diggs
Dingell
Dixon
Dougherty
Eckhardt
Edwards, Calif.
Erlenborn
Evans, Del.
Evans, Ga.
Ferraro
Fish
Florio
Ford, Mich.
Garcia
Giaimo
Gibbons
Gray
Harsha
Hinson
Hollenbeck
Hubbard
Jeffords
Jenrette
Jones, Tenn.
Kemp
Leland
Long, La.
Lott
McDonald
McEwen
McKinney
Matsui
Miller, Calif.
Moffett
O'Brien
Pashayan
Patten
Pickle
Preyer
Rangel
Rodino
Rosenthal
Roybal
Santini
Scheuer
Shelby
Shuster
Stark
Tauke
Thompson
Trible
Udall
Ullman
Vander Jagt
Vanik
Waxman
Williams, Mont.
Wyatt

□ 1130

The SPEAKER pro tempore (Mr. COTTER). On this rollcall 361 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

PROVIDING FUNDS FOR SELECT COMMITTEE ON COMMITTEES

The SPEAKER pro tempore. There is pending before the House a unanimous-consent request and a reservation of objection.

Mr. MYERS of Indiana. Mr. Speaker, I withdraw my reservation of objection.

Mr. BRADEMAS. Mr. Speaker, I renew my unanimous-consent request that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Mr. Speaker, the gentleman from Arizona, the distinguished minority leader (Mr. RHODES), was asking that I yield to him; is that what I heard him say?

Mr. RHODES. Mr. Speaker, I have asked the distinguished majority whip to yield to me for the purpose of asking the majority leader the program for the balance of the week and next week.

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from Arizona (Mr. RHODES).

LEGISLATIVE PROGRAM

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, in response to the question from the minority leader, we will conclude the business of the week today after passing the funding resolution for the Select Committee on Committees and a series of four printing resolutions from the Committee on House Administration.

The House will not be in session tomorrow, Friday, April 27.

It would be my purpose at the conclusion of this colloquy to ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

On Monday, we will take up House Concurrent Resolution 107, the congressional budget resolution. We hope to conclude general debate on Monday and continue consideration through Tuesday and Wednesday. It would be our purpose to complete consideration, if possible, on Wednesday.

If we are able to do that, then on Thursday, May 3, 1979, the House would meet at 11 o'clock a.m., and we would hope to take up the Alaska National Interest Lands Conservation Act of 1979, H.R. 39, and then continue that on Friday, and conclude it, if at all possible, on Friday.

I think it is important to suggest at this point that Members ought probably to expect Friday sessions from now until the end of this session of Congress. It will be exceptional if we do not have a Friday session.

The House will adjourn by 3 o'clock p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Mr. RHODES. Mr. Speaker, I thank the gentleman from Texas (Mr. WRIGHT), and I thank the gentleman from Indiana (Mr. BRADEMAS), the majority whip, for yielding.

ADJOURNMENT TO MONDAY, APRIL 30, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

PERMISSION FOR SUBCOMMITTEE ON OVERSIGHT AND REVIEW OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY WHILE THE HOUSE IS IN SESSION

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Oversight and Review of the Committee on Public Works and Transportation be permitted to sit today while the House is in session. There is an investigative hearing.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

□ 1135

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, there is no markup of any bill?

Mr. MINETA. This is our Subcommittee on Oversight and Review of the Committee on Public Works and Transportation.

Mr. ROUSSELOT. But these are hearings only?

Mr. MINETA. Purely hearings; no legislation, no markup.

Mr. ROUSSELOT. I appreciate the gentleman's reply.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MINETA. Will the gentleman from Indiana yield for this?

Mr. BRADEMAS. I yield to the gentleman from California.

SHATTER THE SILENCE VIGIL 1979—MR. YAKOV SCHWARTZMAN

● Mr. MINETA. Mr. Speaker, I wish to speak today as part of the "Shatter the Silence Vigil 1979" on behalf of Mr. Yakov Schwartzman, a "refusenik" living in the Soviet Union. A 30-year-old Soviet Jew, Yakov Schwartzman has been separated from his wife, Lila, and 6-year-old son, Boris, for 2 years. Lila and Boris Schwartzman were allowed to emigrate to Israel 2 years ago, yet since 1973, Yakov Schwartzman has been repeatedly denied an emigration visa.

When Mr. Schwartzman was first denied an exist visa in October 1973 the Soviet authorities claimed Yakov Schwartzman was a security problem because of his tour in the Soviet Army, a tour which ended in 1969. Today, 10 years after serving his country, Yakov Schwartzman could hardly represent a security risk. He is now employed as a mechanic and a driver.

The Schwartzman family expected to be reunited 6 months after Lila and Boris emigrated. Two years have passed since the separation, and Mr. Schwartzman is reported to have fallen to ill health since his wife and son's departure. I am sure you can appreciate the pressing need to reunite the Schwartzman family.

I am pleased to report that 42 Members have joined me in sending a letter to Secretary Leonid Brezhnev about the Schwartzmans. Let us all hope that soon the Schwartzman family will again be reunited.●

The SPEAKER pro tempore. The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, House Resolution 234 provides $525,000 for investigations and studies to be conducted by the Select Committee on Committees. The amount approved, Mr. Speaker, by the House Administration Committee is $46,250 less than the committee requested.

I might add, Mr. Speaker, that unlike other funding resolutions we have considered, House Resolution 234 includes the expected computer costs within the budget of the select committee rather than in the House Information Systems budget.

Mr. Speaker, I yield to the distinguished ranking minority member of the Subcommittee on Accounts, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding. I will take just a moment.

The creation of this Select Committee on Committees was controversial. I think only 21 Members on this side of the aisle voted to support it, and I was one of those primarily for one reason. In the funding resolutions for the standing committees of the Congress, time after time we have run into situations where there is duplication of jurisdiction in the standing committees. I think that if this Committee on Committees that we have just created addresses that problem and solves it in and of itself, and to move the jurisdiction on conflicting committees into one so there will not be any conflict, it will have served the purpose. Certainly, the half million dollar request for funding of this committee is a small price to pay to remove the confusion and the arguments on jurisdictional disputes between committees.

Mr. Speaker, I urge support of the committee.

Mr. BRADEMAS. I thank the gentleman from Ohio.

Mr. CLEVELAND. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the pending resolution to provide funds for the Select Committee on Committees may be one of the most interesting and ironic proposals to reach the House floor in a long time.

This resolution (H. Res. 234) provides one-third of the funds for one-half of the time required to do the biggest institutional job this body has ever asked of one of its committees.

As ranking minority member of the committee, however, I prefer to see this situation as a genuine challenge. And I think I speak for all my colleagues on the committee, Democrats and Republicans alike. I hope the House will see it the same way.

The funding resolution, Mr. Speaker, is only one of several ironies which surround the select committee as it begins its work. The $525,000 it provides is roughly one-third the amount provided the former Select Committee on Committees, which functioned in the 93d Congress (1973–74).

That earlier committee had approximately 2 years in which to complete its work. We have 8 months.

In 1973, the appetite for reform in the House was a good deal more vigorous than it appears to be today. The 208 to 200 vote by which the authorizing resolution was adopted seems somewhat less than wholehearted.

Moreover, to judge by recent press reports, the level of expectation about the committee's prospects appears to be relatively low—both within and outside the House—and that may be an understatement.

Yet, we are not discouraged. We approach this assignment, in fact, in a very positive and optimistic frame of mind—for several good reasons.

First, I do not know a single Member of this House who does not recognize that the present committee system is badly in need of repair—that it is overly complex, overstaffed, overburdened with low-priority work, and encumbered with duplicating jurisdictions, scheduling conflicts, and a host of other anachronisms and inefficiences.

Second, despite the close vote last month on the resolution to establish the select committee, most of the House wants some kind of committee reorganization. The 94th and 95th Democratic Caucuses demanded it. The Democratic study group proposed it. The Republican Conference asked for it. And the Democratic Caucus endorsed it.

Collectively, that should account for most of the Members of the House—at least in principle.

Moreover, the major reasons for opposing the authorizing resolution are no longer relevant. Several select committees—which many Members believed were duplicative—have since been eliminated. The additional funds provided to the Committee on Rules will not be used—as some Members feared—to do the same work that has been assigned to the Committee on Committees. And the 2-to-1 ratio favoring the majority on this committee—which some Members on the minority side resented—will not prevent the committee from doing an honest bipartisan job.

I have every confidence in the assurances of our distinguished chairman, the gentleman from California (Mr. PATTERSON), that the minority will be given every opportunity to contribute to the work of the committee.

The third reason for confidence, Mr. Speaker, is the attitude displayed yesterday by our colleagues on the Committee on House Administration and its Subcommittee on Accounts. Despite the budget-cutting spirit which has been so manifest this year—and which I share as a member of both panels—the select committee's budget was only reduced by a token amount of less than 6 percent.

I attribute this remarkable restraint on the part of our brothers to their recognition of the importance of the select committee's assignment and to their appreciation of the fact that this is a truly tight budget—barely adequate to employ the quality staff required to do a big job in a very short time.

Finally, there is reason to believe that success is achievable because of a very central fact of political life today. That fact is the insistence of the American people that their Government must do better—and do it with less. Our people are demanding that we make Government trim, taut, and tight, that we make it more cost-conscious than it has been and more effectively responsive to priority needs. And they include the Congress in this definition of the Government.

This fact of life has not escaped the attention of our politically sensitive colleagues, Mr. Speaker. The message is clear: Congress must apply to itself the same high standards of efficiency and effectiveness which we are imposing on the executive branch. And since the committee system is the heart and soul of the Congress, the committee system is the place to start.

With the support and cooperation of our colleagues, I believe the Select Committee on Committees can do a most respectable job—despite the obvious and manifold difficulties.

This is a good committee, Mr. Speaker. It is broadly representative of the House. It is well balanced between more junior members and more senior members. It understands the dimensions of the problem. It is fully committed to a large personal investment of time and effort. It wants to do a good job.

All we ask is the very modest amount of resources included in this resolution—together with the good will and understanding of our colleagues.

None of us can tell you what recommendations we shall be bringing to the floor—or to the Democratic Caucus and Republican Conference—in the months ahead. Speaking for myself, however, I can tell you this:

We intend to be practical. I detect no inclination among our members to devise vast, convoluted, academic schemes in place of realistic solutions to real problems.

We intend to solicit and listen to your views. I do not sense any desire among our members to impose radical reforms which surpass the limits of commonsense or institutional feasibility.

We intend to make full use of available resources. With a vast record of previous studies, good backup support from other congressional agencies, and a valuable computer data base assembled by the Select Committee on Congressional Operations, this committee does not have to start from scratch. We do not have to reinvent the wheel.

On the other hand, I do not expect we can avoid being controversial. No worthwhile change can be entirely painless.

I do not expect, either, that we can avoid offending some special interests whose only concern is to protect the status quo. If the status quo is the highest value for the House, then there would be no justification for this committee.

It is my personal hope, Mr. Speaker, that the select committee can reach agreement on a number of individual proposals fairly early in its life—bring those proposals to the floor, or to the caucus and the conference, incrementally—and thus determine just how serious the House is prepared to be about committee reorganization.

If we are, in fact, as serious as I think we are—and as our problems require us to be—we shall have a real opportunity to make some lasting improvements in the way we conduct the people's business.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Minnesota for purposes of debate only.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this modest funding resolution is one that I hope that the House will endorse with some vigor. The committee, even though its formation was not greeted with unanimous approval in this body, is one that is needed in this House. It is not simply another committee. It is a followup of several forerunners, and it is attempting—probably "groping" is a better word—to find ways to improve the structure of this House.

It seems to me that it is one that the House ought to encourage rather than to discourage. The amounts sought are modest, in my judgment. I believe the figure amounts to about one-third of the funds which were used by the Bolling committee, one of the predecessor committees of this one.

☐ 1140

I hope the House will give this committee a chance to make some recommendations. The House may not want to accept those recommendations, but, even so, I hope the committee will have a chance to review at the obsolescent structure of this House. I urge the adoption of the resolution.

I thank the gentleman.

Mr. BRADEMAS. I thank the gentleman from Minnesota.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. Lungren) for purposes of debate only.

Mr. LUNGREN. I thank the gentleman.

Mr. Speaker, after spending more than a week back home in my district, I am even more opposed to the creation, and now the funding, of the Select Committee on Committees than I was before.

I do not want to reiterate the arguments I gave previously in opposing the creation of this select committee—chiefly that it duplicates the work of the Rules Committee, for which we gave them a 2,600-percent increase in their budget.

All I want to say now is that everywhere I go outside of Capitol Hill the reaction of the public to this new committee is overwhelmingly negative.

I attended a luncheon last week back in my district along with the chairman of this new committee who is also from California.

And I am sorry to say that when he announced the name of his new committee chairmanship, he was greeted with disbelief by the audience.

To them, this committee is nothing but the latest in bureaucratic boondoggles, and a waste of their tax dollars.

That audience—or any other I have come in contact with—did not buy the argument that this committee will save them money in the long run by streamlining the Congress.

They suspect that such a committee, whose recommendations must be approved by those with a vested interest in the system as it is now, will make little difference.

I again invite the Members' attention to the fact that the major recommendations of this committee have to be given to the partisan Democratic Caucus and partisan Republican Conference before bringing it to the floor of the House.

Apparently, the suspicions of the public are borne out even by the leadership here in the Congress.

While acknowledging that the press does not always quote Members precisely let me refer to an article in the Washington Post yesterday by reporter Dick Lyons. There the majority leader was quoted as expressing pessimism about this new committee.

The majority leader was quoted in that article as comparing the restructuring of the House committee system to "taking things from one box and putting them in another. I never thought it made much difference."

The majority leader made this reply in answer to a question posed to him by Washington Star reporter Alan Erenhalt at a breakfast held by Godfrey Sperling about a month ago.

I think Mr. Wright was candidly expressing what the public already knows, and what we all know—that the creation of this committee to study the sins of its own will never amount to much.

It looks like its actual purpose is to take the heat off Congress for refusal to trim its own excessive internal spending. After all, we can always go home and say we were studying the problem.

The fact of the matter is that we have the product of excellent work done several years ago by the Bolling committee which outlines for us what we all know must be done. That report can be taken up by the Democratic Caucus and by the Republican Conference. Today, we can see if we have a will to try and reform this House without spending another half million dollars of the taxpayers' funds for something that is ultimately doomed to failure.

I have respect for my colleague from California (Mr. Patterson) who will head this new committee. The Washington Post points out that he was chosen for this post for his diplomatic abilities and willingness to move slowly.

I am sorry that his talents will be put to use in service of something which will only bring him ridicule from the taxpaying public, which is tired of footing the bill for projects such as this one.

Mr. BRADEMAS. Mr. Speaker, I simply want to say that I regard the gentleman from California (Mr. Patterson) as one of the ablest Members of the House of Representatives, and I am sure he will do a fine job as chairman of the Select Committee on Committees.

Mr. Speaker, I move the previous question on the committee amendment.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

☐ 1145

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PAUL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 212, nays 180, not voting 42, as follows:

[Roll No. 103]

YEAS—212

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Chappell
Cheney
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conyers
Corcoran
Corman
D'Amours
Danielson
Davis, S.C.
Derrick
Devine
Dicks
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fisher
Fithian
Flippo
Flood
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Frost
Garcia
Gephardt
Ginn
Gonzalez
Gore
Gray
Gudger
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holtzman
Horton
Howard
Huckaby
Hughes
Ichord
Ireland
Jacobs
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lehman
Lent
Lewis
Lloyd
Loeffler
Lcng, Md.
Lowry
McCloskey
McCormack
McDade
McEwen
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Quillen
Railsback
Ratchford
Reuss
Rhodes

Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snyder
Solarz
Spellman
Stack
Staggers
Stanton
Steed
Stewart
Stokes
Studds
Swift
Synar
Taylor
Traxler
Udall
Van Deerlin
Vento
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—180

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Applegate
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Clausen
Clinger
Coleman
Collins, Tex.
Conte
Cotter
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Dickinson
Dingell
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Fenwick
Ferraro
Findley
Forsythe
Fountain
Fowler
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Hinson
Holland
Hollenbeck
Holt
Hopkins
Hutto
Hyde
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kazen
Kelly
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Levitas
Livingston
Lujan
Luken
Lungren
McClory
McDonald
McKay
Marlenee
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nelson
Nichols
Oakar
Panetta
Paul
Pursell
Quayle
Rahall
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Slack
Smith, Nebr.
Snowe
Solomon
Spence
St Germain
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Thomas
Treen
Ullman
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
Whitehurst
Whittaker
Williams, Mont.
Winn
Wylie
Yatron
Young, Fla.

NOT VOTING—42

Andrews, N.C.
Ashbrook
Biaggi
Boner
Bowen
Chisholm
Coughlin
Crane, Philip
Dellums
Diggs
Dixon
Dougherty
Evans, Del.
Evans, Ga.
Fish
Florio
Giaimo
Hall, Ohio
Hubbard
Jeffords
Jenrette
Jones, Tenn.
Kemp
Leland
Long, La.
Lott
Lundine
McHugh
O'Brien
Pashayan
Patten
Preyer
Rangel
Rodino
Shuster
Stark
Tauke
Thompson
Trible
Vander Jagt
Wilson, Bob
Young, Alaska

□ 1200

Mr. ERDAHL, Mrs. FENWICK, and Mr. FOUNTAIN changed their vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 11. Concurrent resolution designating "Appropriate Technology Week."

APPOINTMENT OF CONFEREES ON H.R. 3091, 1-YEAR EXTENSION OF STATE LEGISLATORS TAX TREATMENT

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3091) to extend for 1 year the provisions of law relating to the business expenses of State legislators, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER pro tempore. (Mr. Howard). Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain to the House under what conditions this conference is being requested?

Mr. ULLMAN. Mr. Speaker, if the gentleman will yield, as the gentleman from California (Mr. Rousselot) knows, this body passed the bill extending for 1 year the tax treatment for State legislators. Because they have already filed their returns, it is very important that we get on with the legislation. The Senate put on some amendments. They have to do with welfare matters. The gentleman from California (Mr. Corman), the gentleman from New York (Mr. Rangel), as well as the gentleman from California (Mr. Rousselot) will be on the conference and, hopefully, we can talk about those things. We do not want to accept any of them, and will not, if we can help it, but we are going to conference to try to get the State legislators' bill passed.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, can the gentleman describe briefly the differences between the House and the Senate and why we are insisting on a conference?

□ 1205

Mr. ULLMAN. Well, on the bill that the House passed, there are no differences at all. The Senate fully concurred in our tax treatment for State legislators, but they added some extraneous welfare amendments that are very complex. The gentleman from California (Mr. Corman) could deal with them.

Mr. ROUSSELOT. I wonder if we could call on our colleague from California (Mr. Corman) to describe what those additional amendments are?

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. CORMAN. I thank the gentleman for yielding.

There are two welfare matters that the Senate is interested in. One of them has to do with the enforcement of child support provisions, and there is some merit in the theory, but not any merit in the provision as passed by the Senate. It violates the budget in two respects.

Mr. ROUSSELOT. It violates the budget?

Mr. CORMAN. In two respects. The second one has to do with funding out of title XX for welfare mothers to work in day care centers. Again, that violates the Budget Act at this time.

Those matters have in the past been taken up by the House and will very soon in the future be taken up by the House in welfare legislation.

It is my hope that the conferees will persuade the Senate that they ought to legislate in an orderly fashion both as to germaneness and complying with the Budget Act.

Mr. ROUSSELOT. Further reserving the right to object, so the conferees in the House will insist that these particular provisions will not be added to the legislation.

Mr. ULLMAN. If the gentleman will yield further, that is certainly the House's position. We are going to try to keep this bill clean and keep any amendments off the bill. The purpose of the conference is to try to go to the Senate and get that State legislators' bill out.

Mr. ROUSSELOT. I appreciate the explanation, and I think it is important to let the House know that our conferees will try to prevent these budget busters from being added.

Mr. Speaker, I withdraw my reservations of objections.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon (Mr. Ullman)? The Chair hears none, and, without objection, appoints the following conferees: Messrs. Ullman, Rostenkowski, Corman, Rangel, Conable, and Rousselot.

There was no objection.

PERMISSION TO HAVE UNTIL MIDNIGHT TOMORROW, APRIL 27, 1979, TO FILE REPORT ON HOUSE RESOLUTION 209, THERMOSTAT CONTINGENCY PLAN

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to have until midnight, Friday, April 27, 1979, to file a report on the resolution (H. Res. 209), the thermostat contingency plan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DESIGNATING "APPROPRIATE TECHNOLOGY WEEK"

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 11) to declare the week of April 27 through May 1, 1979, as "Appropriate Technology Week."

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, could the gentleman explain to the House what this is all about?

Mr. LONG of Maryland. If the gentleman will yield, the Senate acted on the resolution. The House version already has 72 cosponsors.

The purpose of the resolution is anti-inflationary. Appropriate, or capital-saving technology undertakes to prevent the waste of vast quantities of capital, where one puts too much reliance on capital investment instead of labor. We see examples all around us. We need to spend less capital, provide more jobs by creating more labor-intensive technology.

Mr. ROUSSELOT. I thank the gentleman for his explanation. Does this cost anything?

Mr. LONG of Maryland. The total cost is for the printing of the bill—less than $150. It is a relatively small sum.

Mr. ROUSSELOT. I guess we can afford that this week.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland (Mr. LONG)?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 11

Whereas April 27 through May 1 has been designated as "Appropriate Technology Week" throughout the United States; and

Whereas appropriate technology is energy saving, anti-inflationary, labor intensive, decentralized, easily maintained, environmentally sound, capital saving, and fosters free enterprise and competition; and

Whereas the American people, industry, and labor should be made aware of the realization and potential of appropriate technologies; and

Whereas Federal, State, and local governments should promote and encourage further development, refinement, and deployment of appropriate technologies; and

Whereas the realization and the promise of appropriate technology will be observed and celebrated on the Washington Mall from April 27 through May 1, 1979, through the ACT '79 Fair/Conference: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the 27th of April through the 1st of May 1979, be proclaimed "Appropriate Technology Week", and that the people and the representatives of government, industry, and labor in the United States be urged to participate in the programs, discussions, demonstration, celebrations, and other activities to mark the week.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

□ 1210

PRINTING AS HOUSE DOCUMENT REVISED EDITION OF "THE DECLARATION OF INDEPENDENCE AND THE CONSTITUTION OF THE UNITED STATES OF AMERICA"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 65) authorizing the printing as a House document of a revised edition of the "The Declaration of Independence and the Constitution of the United States of America," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 65

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document a revised edition of "The Declaration of Independence and the Constitution of the United States of America", revised under the direction of the Joint Committee on Printing.

SEC. 2. In addition to the usual number of copies, there shall be printed two hundred and seventy-eight thousand additional copies, of which two hundred and twenty-one thousand five hundred copies shall be for the use of the House of Representatives, fifty-one thousand five hundred copies shall be for the use of the Senate and five thousand copies shall be for the use of the Joint Committee on Printing.

The SPEAKER pro tempore. The gentleman from California, (Mr. HAWKINS) is recognized for 1 hour.

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 65 provides for the printing of the document entitled, "The Declaration of Independence and the Constitution of the United States of America." This pamphlet is traditionally printed by the Congress. It is made available to Members' offices for appropriate distribution to visitors to the Capitol as well as to schools and other community groups.

The cost of the printing is $67,360.98, and the distribution is 500 per Member.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING THE PRINTING AS HOUSE DOCUMENT OF REVISED EDITION OF "OUR FLAG"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged concurrent resolution (H. Con. Res. 66) authorizing the printing as a House document of a revised edition of "Our Flag," and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 66

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document a revised edition of "Our Flag", revised under the direction of the Joint Committee on Printing.

SEC. 2. In addition to the usual number of copies, there shall be printed two hundred and seventy-eight thousand additional copies, of which two hundred and twenty-one thousand five hundred copies shall be for the use of the House of Representatives, fifty-one thousand five hundred copies shall be for the use of the Senate, and five thousand copies shall be for the use of the Joint Committee on Printing.

The SPEAKER pro tempore. The gentleman from California (Mr. HAWKINS) is recognized for 1 hour.

Mr. HAWKINS. Mr. Speaker, House Concurrent Resolution 66 provides for the printing of the document entitled "Our Flag." As with the previous document, it is traditionally printed by the Congress and made available to Members' offices for distribution.

The cost of the printing is in the amount of $43,325.

Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING REPRINTING OF SENATE REPORT ENTITLED "FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged Senate concurrent resolution (S. Con. Res. 15) authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95-739), and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 15

Resolved by the Senate (the House of Representatives concurring), That there shall be reprinted for the use of the Senate Committee on the Budget one thousand copies of its report to accompany Senate Concurrent Resolution 80, Ninety-fifth Congress, second session, entitled "First Concurrent Resolution on the Budget—Fscal Year 1979" (S. Rept. 95-739).

The SPEAKER pro tempore. The gentleman from California (Mr. HAWKINS) is recognized for 1 hour.

Mr. HAWKINS. Mr. Speaker, Senate Concurrent Resolution 15 was introduced by Senator PELL on behalf of the Senate Committee on the Budget. It provides for the printing of 1,000 copies of the report entitled, "First Concurrent Resolution on the Budget—Fiscal Year 1979." The initial supply printed has been exhausted, and with Senate budget hearings currently in progress, the demand for the document has been great.

Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

SHATTER THE SILENCE, VIGIL 1979—GRIGORY GOLDSHTEIN

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I am pleased and most honored to "Shatter the Silence" on behalf of Grigory Goldshtein and his family, and I thank our colleague from New Jersey, Mr. HOWARD, for coordinating this effort and carrying on this distinguished tradition.

This year's theme is most apt considering that the worst crime committed by many of the "refuseniks" whose plights we share today is one of speaking out against tyranny and oppression, pursuing the freedom of speech we here in this country take for granted. They have stridently adopted the dictum of Francis Bacon, that: "Silence is the virtue of fools," and in each case they have paid dearly for exercising a basic human right.

Grigory, along with his brother Isai and Isai's wife, began their struggle to emigrate to Israel in December 1971 when they officially applied to Soviet officials for the necessary exit visas. Not unexpectedly, their applications were denied. Though both men are Candidates of the Technical Sciences—physicists—and experts in the field of automation, neither has ever been involved with classified information. Yet the U.S.S.R. insisted that Grigory and Isai had access to state secrets.

Beginning in 1972, when Grigory renounced his Soviet citizenry and was officially listed as an Israeli national, both brothers became active participants in demonstrations, writing campaigns, and protests. They especially denounced the use of Soviet weapons in the assassination of the Israeli athletes in Munich, and in 1973 conducted a hunger strike to appeal the harsh sentence imposed upon Lazar Liubarsky, a prisoner of conscience.

Shortly thereafter, a barrage of repeated arrests and harassments were ordained by Soviet authorities. On one occasion "slanderous and defamatory" materials such as copies of the Declaration of Human Rights, letters and postcards from abroad, a Hebrew language text, Israeli records, and the family's own internal identification passports were confiscated. Formal charges were pressed, and Goldshtein was told that his prosecution would be based on his renunciation of Soviet citizenship and the brothers' protest of the Munich massacre.

Two months after these initial formal proceedings the charges were abruptly dropped and the Goldshteins told they were no longer "socially dangerous." Surprisingly enough, both Grigory and Isai were actually informed that the volume of appeals in their behalf, originating from the West, were the only actual source of their salvation. As Grigory himself stated:

> If the world watches, we have a chance. If the world does not watch, we are lost.

But the story does not end here. Continuing to press for their rights, and actively working on behalf of other "refuseniks" and prisoners of conscience the brothers could not be silenced. Early in 1974 they accused their local Tbilisi Post Office of concealing foreign mail addressed to them. This charge was, of course, denied, and the suit lost.

Almost 2 years later, in November of 1976, OVIR Chief Colonel Obidin told Grigory that he would not be able to renounce his Soviet citizenship. This was 4 years after the renunciation actually took place. Harassment persisted, finally resulting in an accusation of parasitism, and Goldshtein's arrest in January, 1978. Grigory was tried on March 20, and sentenced to 1 year of hard labor.

By December Grigory's health had severely deteriorated. He was plagued by inflammations and high fevers; his hands were swollen and blistered from digging holes in frozen ground. Mercifully, he was released from the labor camp last month, but I have been unable to obtain further information on Soviet intentions for his future, though I appealed to Soviet officials, requesting his release on humanitarian grounds. The Soviet Embassy has not yet replied to my pleas, and as we know the U.S.S.R. has repeatedly shown us that in matters which affect Soviet Jewry it is not the official proclamations which speak the truth. In the case of the Goldshteins, and others who share their fate, I must agree with another bit of literary altruism—this time from Robert Lewis Stevenson—"the cruelest lies are often told in silence." It is this far from peaceful quietude that we, in the vigil, will shatter with a thunderous clamor.

□ 1215

THE LATE HONORABLE ROGERS C. B. MORTON

The SPEAKER pro tempore (Mr. RATCHFORD). Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BAUMAN. Mr. Speaker, I rise today to pay personal tribute to a great man who only 1 week ago passed away, our good friend and former colleague Rog Morton, one of my predecessors in the Congress of the United States.

Those who have known Rog over the years will agree they have not only lost a good friend but that we in the United States have lost a distinguished and dedicated public servant.

It has been more than 20 years since I first met Rog Morton. At that time he had lived on the Eastern Shore of Maryland perhaps about 8 years, having moved there from the State of Kentucky where he came from a very prominent family. He decided to settle down near Easton and to farm and to raise cattle. It was in a political context that I met him in the law office of Marvin Smith in Denton, Md., who has since gone on to become a distinguished jurist and one of the judges of the Maryland Court of Appeals.

Republican leaders were looking for someone to manage the campaign of the late Congressman Ted Miller. I got to the meeting early and the thing that struck me most about Rog Morton as he came through the door is the thing that impressed all of us: The man's enormous and massive size. He was impressive whenever you saw him.

Over the years I learned that, to match that size, he was also a man of large vision, a man with a great heart, a man with an almost unlimited capacity to meet and put at ease people of all types, high and low stations in life, to work with them and to bring them together.

Rog Morton had a distinguished career in public service. He first ran for Congress in 1962 and was elected by a narrow vote. After that in each succeeding election he consolidated his position and rolled up hugh majorities. The people of the Eastern Shore and southern Maryland returned him again and again. I had the pleasure of working for him in many of those campaigns.

In 1969 as recognition of the service that he had rendered to the Republican party he became our National Republican Chairman.

□ 1220

In that capacity he spoke on many occasions with great dignity and force for the principles of our party. Two years later he left the House of Representatives to become Secretary of Interior. There he established an enviable record of environmental protection and accomplishments that even to this day are on our law books and have been established policies that guide our Nation.

He served also as Secretary of Commerce, again giving impressive service to our country.

When he retired finally in 1976 from public life, it was not to retire really. It was in characteristic Rog Morton fashion to come home to his farm at Presque Isle on the Wye River to build boats, which he did in concert with his neighbor, Peter Hirsloff, and he seemed to take a particular joy in that occupation. Only a few weeks ago his new vocation was the subject of an article in the Washington Post. I visited him in his office at the farm and we had great discussions about boatbuilding. I found that he had put the same interest, the same drive, into the details of constructing pleasure boats that he had into all the activities of his life. He took time out that day to also pose for some campaign photographs with me which gave, no doubt, a great assist in my recent election, just as he had helped me in other elections. His boats were, like much of his life's accomplishments, very carefully crafted, well-designed and widely admired.

Above all, I think you would have to say that Rog Morton had the common touch. He was just as much at ease advising Presidents of the United States as he was at an Eastern Shore Farm Bureau or talking with watermen or solving the problems of his constituents.

On behalf of my wife, Carol, and my family, I want to extend to Anne and Rogers' children and his family the heartfelt sympathy on this occasion of his passing; but long after he has gone he will be remembered for his accomplishments, for his friendship, for his humanity to man. That really, after all, is the greatest monument any person could ask to leave behind.

At this point I would like to insert editorial tributes to our friend and former colleague:

[From the Easton, (Md.) Star-Democrat, Apr. 24, 1979]

MORTON STYLE: WARMTH WAS THE MAINSTAY OF HIS RECORD, ASSOCIATES SAY

(By Peter Miller)

EASTON.—Fellow politicians have difficulty explaining why Rogers C. B. Morton's political style was so effective, except to point to his personal warmth.

His friendships were the key to his political power on the Eastern Shore, said Robert E. Bauman (R-Md.-First), who now holds the seat in Congress that Morton filled from 1962 to 1971.

He cultivated friendships in the best Southern tradition, developing a network of supporters from wealthy businessmen to working watermen, said Bauman. "And that basic contact with people is the best kind of support to have," he said. In comparison, the support of special groups or a good television image are just frosting on the cake.

"I was always amazed when I saw him campaigning," recalled state senator Dr. Aris T. Allen, who crossed paths with Morton in 1966 when he was running for the House of Delegates and Morton was seeking re-election to Congress. "He'd be out there extending a big handshake and a warm smile in the most honest way and he was always well received," he said.

Morton's popularity in the First District, even after he left office, made his endorsement a sought-after plum for political hopefuls. State Senator Frederick C. Malkus, Jr., said Morton's endorsement of Bauman in the special Congressional election of 1973 probably made the difference in that close race. Malkus lost the election to Bauman by only 1,200 out of 53,000 votes.

Political observers differ, however, on how Morton influenced the Republican Party in Maryland.

Some persons say he offered stability to the GOP at a time when it was weakened by fragmentation. "He had an ability to organize and to bring people together and motivate them," said Allen. In the early 1960s, and even later, he brought the party together in Maryland, he said.

"In a district that's primarily Democratic registrations, he turned around," said Dr. Allen Levey, state GOP chairman. The Republican Party needed a broader base of support and Morton helped to provide that, he said, "He helped keep the party together and put it together (in Maryland) better than it had ever been before."

Other persons, however, say Morton steered clear of state politics, preferring Washington concerns to those of Annapolis.

"He was happy in Washington and was probably more interested in the national scene," said former Governor J. Millard Tawes, who recalled Morton being named from time to time as a possible candidate for statewide office.

Bauman said Morton's name came up twice in 1970 as a potential opponent to both Marvin Mandel, who was seeking re-election as governor, and to Joseph D. Tydings, who was running for another term in the U.S. Senate.

But Morton never showed much interest in these possibilities, said Bauman. He never served as state party chairman, he pointed out.

If he had run for one of these offices, he probably would have lost, Malkus speculated.

"I liked him. He was an honorable man," said the Dorchester Democrat. "But he carried no great strength in state politics beyond the Eastern Shore." In a state heavily weighted with Democratic voters, Republicans have an awfully hard time in statewide elections unless the Democrats are split, he said.

In national politics, Morton's easygoing style influenced the direction of the Republican Party much as it had the GOP in Maryland, nudging it toward broader, more tolerant policies.

As national party chairman, Morton helped broaden the party's base, said House Minority Leader Rep. John R. Rhodes (R-Ariz). "It's on the way. And he started an awful lot of it," he said. Efforts by GOP Chairman Bill Brock today to draw a wider variety of voters into the party continue those started by Morton, Rhodes said.

As a representative of the Eastern Shore, Morton applied his persuasive manner to win compromises in negotiations for projects such as the Army Corps of Engineers' ambitious Chesapeake Bay Model and the transformation of Assateague into a national seashore park.

When Virginia was competing with Maryland for the siting of the Bay Model, Morton came up with the winning formula at Matapeake on Kent Island in Queen Anne's County, said Tawes.

And when Worcester County developers, fearing the loss of valuable tourist business, dug in their heels against a national park at Assateague Island, Morton came up with a plan to satisfy them, too, added Bauman. That plan offered them a stretch of land north of Assateague for development with a north-south highway in return for preserving the island.

That deal, however, was revoked two years ago by legislation Bauman sponsored following a study that showed steadily increasing revenues in that area from tourists despite the lack of highrise developments.

Morton used his personal style of politics in other Eastern Shore matters as well, said Bauman. He pushed for legislation to benefit agriculture and to limit the role of government in regulations, for example. And he fought pollution of the Bay by helping Shore towns find grant money for sewer systems.

And through it all, he maintained a rare reputation as an honest, accessible politician, said Bauman. During a period when Maryland was closely associated with the troubles of Agnew, Mandel, and Dale Anderson, people in this state could still point to Morton as a Republican of national stature who escaped even Watergate.

[From the Cambridge, (Md.) Banner, Apr. 23, 1979]

ROGERS MORTON

Eastern Shoremen knew Rogers Morton as a good and kind friend. That line ran through the reminiscences of Shoremen who were shocked by his death last Thursday. One of our memories of the tall Talbot Countian dates back to a day when he was giving serious thought to running for Congress and had come to the office to talk about the choice of a Dorchester Countian to serve as his man Friday. Dressed in working man's clothes and with his hair unruly, he looked like a shaggy bear. Later he slicked up a bit as his career pointed toward Washington but his personal warmth never cooled.

Rogers Morton in Washington was a man of integrity in a sea of intrigue. None of the scandals which touched other high-placed Republicans touched him. He served capably as national party chairman before being named a cabinet officer by two Presidents. If cancer had not struck, he might have come out of retirement to run for governor. But the burden of two decades in federal service added to deteriorating health forced an end to his career.

Rogers Morton has left two monuments on the Eastern Shore. To the north, the Chesapeake Bay Model symbolizes his deep commitment to the bay. To the east, Assateague National Seashore owes its existence to him as much as to any single individual. Each is a part of his legacy to the people of the state and nation. Eastern Shoremen mourn his loss as a friend who was steady, dependable, warm and open.

[From the Washington Post, Apr. 21, 1979]

ROGERS C. B. MORTON

Reflections about Rogers C. B. Morton really have to start with his size. He was a towering man, white-haired, easy to spot in a tumultuous Republican convention or on the floor of the House. But Mr. Morton, who died of cancer in Easton Thursday, stood out more because he was so genial, warm-hearted and easy to like. He enjoyed politics, the combat and the camaraderie. With a seemingly inexhaustible store of friends and stories, he was a masterful campaigner, an effective persuader and a superb storyteller.

Politically, Mr. Morton combined a businessman's economic caution with the conservationist instincts of a farmer, the easygoing style of a patrician and a gentleman's sense of integrity. That reflected his heritage, as did his middle names—Clark, after Revolutionary War hero and outdoorsman George Rogers Clark, and Ballard, for the side of his family that had prospered in the food-processing field. But Mr. Morton often said his middle initials stood for "Chesapeake Bay," and he was so at home with the nature and people of the Eastern Shore that it was easy to forget that he had moved there from Kentucky at the age of 38.

In terms of laws and programs, Mr. Morton's best legacy was to the Bay country, which he served in Congress for nine years. His efforts were crucial in establishing the Assateague Island National Seashore and launching the Corps of Engineers' huge research model of Chesapeake Bay.

On the national stage, Mr. Morton served creditably as Secretary of the Interior and Commerce and as a White House counselor under Presidents Nixon and Ford. In those roles he had some success in promoting energy development and injecting environmental safeguards into projects such as the Alaska pipeline and offshore oil exploration.

Mr. Morton's most impressive work was as a Republican party leader and strategist. In times of political turmoil and nastiness—in 1964 as well as 1974—he was a sturdy voice against deviousness and distrust. He tried doggedly to make the GOP more open, more tolerant of dissenters and more appealing to a wide swath of the electorate. If he had been younger, healthier, more ambitious, less loyal or more inclined to play the moral censor's role, he might have come into public view more clearly as a champion of political integrity. Even so, his spirit and doggedness helped bolster other Republicans and rehabilitate the party after Watergate. Then, as always, Rogers Morton stood as proof that politics can be decent, compassionate and fun.

[From the Washington Star, Apr. 23, 1979]

ROGERS C. B. MORTON

Rogers C. B. Morton (the initials stood for Clark Ballard—Chesapeake Bay, he sometimes joked) was an imposing man. At 6 feet, 8 inches, he towered over the crowd. In politics, he was a standout. In zest for living, he took a back seat to no one.

Born to wealth, he could have been a dilettante. But that was not for him. He ran the family flour business, Ballard & Ballard, for several years and when it was bought by Pillsbury, he decided to pursue a political career.

It probably would have been easier in Kentucky, where his order brother, Thurston, already had carved the Morton name into the political landscape, as a United States senator and as national chairman of the Republican Party. But Rogers preferred to make it on his own and moved to the Eastern Shore of Maryland. He bought a 1,400-acre tract on the Wye River near Easton where he could combine politics with two other loves—farming and the water.

Of his many accomplishments in the political arena—congressman, national Republican chairman, secretary of Interior and Commerce, high-level operative in the presidential campaigns of Richard Nixon and Gerald Ford—he probably would put his efforts on behalf of the Maryland he became a part of the top of the list: laws to clean up Chesapeake Bay pollution, the establishment of a national park on Assateague Island, construction of a model of the Bay for the Corps of Engineers to study how the Chesapeake works.

It was to the Eastern Shore that he retreated when he needed surcease from what he called the "rat-race" in Washington. It was there he went when cancer forced his retirement from politics. Even in illness he found it necessary to find new things to do; he organized a boat-building firm and was active in it to the end.

The tributes that poured in upon his death, at 64, last Thursday spoke almost uniformly of his honesty, integrity and enthusiasm. Maryland Sen. Charles Mathias said Mr. Morton was "so human he made government itself seem human to people."

It's so easy to make enemies in politics but over the many years of his involvement, we can't recall anyone speaking ill of Rogers Morton. That says something about the man.

[From the Baltimore Sun, Apr. 20, 1979]

ROGERS C. B. MORTON

There was a moment in the life of Rogers C. B. Morton when the road beckoned toward the presidency. The moment was 1968, the place Miami, the occasion the Republican National Convention. As Richard M. Nixon tells it, he took Mr. Morton aside, asked his opinion about Spiro T. Agnew for the vice presidential nomination and then said: "Rog, maybe you would be the better choice for me."

The towering, white-thatched, ever-amiable Marylander, who died yesterday at his home near Easton, reacted like a political professional, in the best sense of the word. As a mere member of the House, he told Mr. Nixon, he would lack credentials and credibility. He described Mr. Agnew, despite a tendency to be lazy, as the stronger candidate. "Had Morton said that he wanted it, even at that late moment I might well have picked him," Mr. Nixon tells us in his autobiography.

It is tempting to think what might have been. Among his many attributes, Mr. Morton was clean. Scandal never touched him even as it swept over the Nixon administration he later served. He tried to tell Mr. Nixon to deal with the Watergate problem forthrightly, but "the kids," as he later described the Haldeman-Ehrlichman crew, overruled him. Maybe if he had been vice president he could have saved Mr. Nixon. Certainly if he had been vice president he would never have been removed from office for corruption before he had a chance to succeed to the White House.

Along with the disgraced Agnew and the highly admired Senator Charles Mathias, Rogers Morton was one of the few Maryland Republicans of this era with a national reputation. In 1962, after wresting the Eastern Shore's First district from the Democrats, he quickly established his mark in Washington as an enlightened conservative who combined fiscal austerity with an eye toward environmental issues long before they became fashionable. He was instrumental, among other things, in establishing Assateague Island as a national seashore and in the construction of a huge research model of the Chesapeake Bay on the Eastern Shore.

Ever the practical politician, a man who loved the combat and color of partisan struggle, Mr. Morton tried to steer the GOP in directions it did not want to go. He urged an outreach toward blacks, toward white ethnics, toward the young—a thwarted quest as the party center constantly shifted rightward. Mr. Morton went along, becoming one of the GOP inner circle.

The hefty Marylander was Mr. Nixon's floor manager at the 1968 convention, served for a time as Republican national chairman, went on to take Interior and Commerce cabinet posts and then managed Gerald Ford's race against Ronald Reagan for the 1976 presidential nomination. He was one of the country's first energy czars, and as such pushed for construction of the Alaska pipeline, the sale of oil leases off the East Coast, oil shale development in the Mountain West and creation of a Department of Energy. These proved prophetic proposals.

As we remember Rogers Morton, however, his political personality predominates over his political record. He brought a glint of humor, of good fellowship, of just plain likeableness to the national scene during a very grim period. And for that alone, Maryland and the nation are much indebted.

Mr. Speaker, I yield to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding. I commend the gentleman from Maryland for making this opportunity available to all of us.

Mr. Speaker, it is with great sadness that I join so many of our colleagues in this special order on the loss of Rogers C. B. Morton.

It was my privilege to know Rog Morton as my Congressman, as a Cabinet member, as the Republican Party chairman, and, most importantly, as a friend. He was a man of diverse interests and abilities and he left a positive mark on everything he touched.

Regardless of the high levels to which he rose, Rog Morton always retained those qualities which made him a respected and loved Member of Congress. He was a fair and honest man who fought hard for what he believed in and recognized the right of others to disagree. He was a man who did not need public office, but rather viewed public service as a responsibility. He was a big man both physically and in his capacity to help others less fortunate than himself.

Each of us will remember Rog for different things. For me, it will be personal memories of a warm dynamic individual. He was a great Marylander who will long be remembered for his conservation efforts and his crusade to preserve Mayland's Chesapeake Bay.

He will be sorely missed by all of us. Duncan and I extend our deepest sympathy to his wife Anne and his son and daughter.

Mr. BAUMAN. Mr. Speaker, I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I feel privileged to take part in this tribute to our former colleague, the late Rog Morton.

Mr. Speaker, in the passing of our former colleague, Rogers Morton, I sense the loss of a longtime friend. Rog and I were elected to the U.S. House of Representatives at the same time, and he became a leader of our Eighty-eight Club Members, who were sworn in by the former Speaker of the House, John McCormack, in January 1963.

In addition to his prominent and effective public and political leadership, Rog Morton evidenced a warmth of personality, a refreshing sense of humor, and an innate friendliness which endeared him to all with whom he came in contact.

Rog Morton was generous with his time and unfailing in his loyalties. He keynoted Republican fundraisers in my congressional district while serving as chairman of the Republican National Committee, and he traveled widely in behalf of his friends, his party, and the administration which he served as Secretary of the Interior.

Mr. Speaker, in the passing of Rogers Morton, we have witnessed the demise of a former colleague who was thoroughly genuine in his support of principles and causes which are associated with the best interests of the Republican Party and, indeed, of the Republic itself.

As a member of a prominent Kentucky, Maryland, and Republican family, he attracted the attention and admiration of people throughout the Nation. I felt privileged to have known him and to have worked with him in this body and in the interests of our Republican Party.

In participating in this tribute to Rog Morton today, I wish also to express my respect for his life and for his service to the Nation, as well as to extend to his wife, Anne, his children, and to his brother, Thruston, my deep sympathy.

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Speaker, I would just like to express, from the bottom of my heart and, I believe, from the bottom of the heart of every person who served with this fine gentleman in the Congress, a sense of deep appreciation for the fact that here was a man who certainly needed no attention brought to himself, needed no wealth, and needed nothing that this Chamber could bring to him, but, more, he was desirous of bringing something to the country and to this institution. He certainly did that, and certainly in the years that followed, when he served in the Cabinet, he did a magnificent job.

All of us, I am sure, feel he was indeed an inspiration to those who served with him and to other generations to come. He was an inspiration in putting first things first and serving his country sacrificially.

He did it in a way which was inspiring to all of us, and the friendships he cultivated here are treasured by all of us. The emotions I have and, I believe showed by all who served with him, are those of deep gratitude for the fineness and the dedication of his life.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, with the passing of Rog Morton I have lost one of my very best personal friends. It was a friendship that began the day he first came to the House of Representatives in 1963, and it has continued, and grown over the years. We were simpatico in practically every way imaginable, and we worked together on many, many issues, not only as Members of this body but, later, when Rog was the national chairman of the Republican Party, when he served as Secretary of the Interior and then as Secretary of Commerce and, later, in the campaign to reelect President Ford. I think that, of all his activities, he would want most to be remembered for his efforts as Secretary of the Interior.

Rog Morton was a big man in every sense of the word. He had a heart as big as the great outdoors which he loved so dearly. As a matter of fact, many people were amazed that Rog wanted to be Secretary of the Interior, coming from the East as he did. The Interior Department has always been considered as sort of a reservation of the West. So the question asked by many was: Why was he interested in it, and why was it important to the Nation for him to be Secretary of the Interior?

He came into that Department at a very important time in its history. It was a time when the attention of the country was turning more and more toward conservation and toward environmental issues. It was a time when more and more, people were becoming concerned about what was happening to the great heritage which this Nation has in its public lands, its streams, its lakes, its coastal lands and the oceans that border our vast country.

I regard the work of Rog Morton as Secretary of the Interior as the centerpiece of his whole career, politically and otherwise. His wife, Anne, was indefatigable, always at his side working with him in his endeavors on behalf of the Department of the Interior. In fact, she was a wonderful helpmate all the way through their married life.

My wife Betty joins me in sending our deepest sympathy to Anne Morton, to the Morton children and, of course, to Rog's brother, Thruston Morton, himself a distinguished Member of this House and of the other body as well.

Mr. Speaker, the country can ill afford to lose outstanding individuals and public servants like Rog Morton, but despite his passing, I think we can all take some comfort, and be grateful to the Almighty, that he was with us for the time he gave to the rest of us on this Earth.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Arizona (Mr. RHODES).

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman for yielding and for giving me this opportunity to speak.

I, too, wish to add my expression of condolences and sadness to those which have already been expressed concerning the passing of a very distinguished American and former colleague.

Rog Morton came to the House a year after I did. It was not long before his warm and outgoing personality became well known to every one of us on both sides of the aisles. There are, as my colleagues will testify, many occasions and times when we realized that the attributes and the merits and the personal endowments of an individual man or woman transcend the purely partisan or party identification. Sometimes this is difficult to understand by those who do not have membership in this body.

□ 1230

Rogers Morton was that type of an individual whose narrow partisan identification was seldom ever noted. He transcended this. And, of course, his attributes were recognized in an administrative capacity. I think that often his success and ability as an administrator have not been fully evoked. I will personally testify to them during the time he served as Secretary of the Interior and as Secretary of Commerce. I had occasion to have personal contact with him in the course of discharging his duty, as well as mine, and I venture to say that there were very few Secretaries of either Department, that can point to such a successful record of administration as Rogers Morton.

It has been, and it is, indeed, a loss to our country, and I wish to convey my personal sentiments of grief to his family and loved ones.

Mr. Speaker, again I thank the gentleman from Maryland (Mr. BAUMAN) for giving us this opportunity to so express ourselves.

Mr. BAUMAN. I thank the gentleman from Texas (Mr. GONZALEZ) for his remarks.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I would like to thank the gentleman in the well for affording us the opportunity of paying our respects and expressing our sincere condolences to the family of Rogers Morton. Rogers preceded me here by a short time, and he was one of the first people I got to know upon arriving in Congress over 14 years ago. We belonged to the same clubs. We met weekly. We played paddle ball together. I got to know him very well, as a very close and warm friend, as a really compassionate and dynamic individual and as an exceptional public servant. I think that all of us, if we really assess our aims and goals in life, would like to say when we die that we would want to have our life to have counted for as much as Rogers Morton's. As Secretary of the Interior, as Secretary of Commerce, as chairman of the Republican Party, and in any number of facets of political and public life, he put his stamp on America. He was a great guy. He always had the best interest of this country at heart. In everything he did the best interest of the people propelled him in the direction in which he traveled.

He was a fair and honorable man. Even though I believe he was almost always correct in his views of important public issues, one did not have to share his political views in order to share his friendship. Rogers Morton was truly a towering figure of a man, both in size and stature. His passing is a personal loss to me and my family, to all of us on the floor who knew him, and certainly to the entire Nation.

Mr. Speaker, I want to thank the gentleman from Maryland (Mr. BAUMAN) for taking this special order.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his comments.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I thank the gentleman from Maryland (Mr. BAUMAN) for affording us the opportunity of saying a word on behalf of Rogers Morton.

Mr. Speaker, I came to the 88th Congress, as did Rogers Morton, so I got to know him as a Member who came here at the same time I did and as a Member of the 88th Club. He represented, I think, one of the most picturesque and one of the best districts in the whole country, which is now represented by the gentleman in the well. Rogers Morton, while he was here in the Congress, gave that district outstanding leadership and representation. He was truly an outstanding Member of Congress, and I consider it a privilege to have worked with him and to have been with him here in the House.

I also followed his career very closely, as did other Members of the House, because he did have a very distinguished career after he left the House of Representatives. I am sure that if he were standing here he would say the same thing that I am going to say now, and that is that he had a great love for the House of Representatives. Although he did hold some very high positions later, such as Commerce Secretary and Chairman of the National Republican Committee, his heart was still here in the House of Representatives.

I do want to express my condolences to the family and to again indicate my great respect for Rogers Morton for his work here in the House of Representatives, later as Secretary of the Interior and Commerce, and also as the Chairman of the National Republican Committee.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for his remarks.

I thank the gentleman from New York.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I thank my colleague for yielding and thank him for taking this time for the many, many friends Rog had to express their feelings about the career of Rogers Morton.

Rog was already here when I came to Congress, but he was one of the first to come around and help new Members, not only to help us in legislation, but to help us with personal problems. He was a giant person not only in physical stature but as well in the person and the spirit of Rogers Morton.

All of us will miss him very much. We remember Rog as a great Member of the House of Representatives. He always gave that extra effort to make our country a better place in which to live.

Each of us will remember those little things that Rog did. As busy as he always was, and as active as he always was, he always took the time to help people who needed help. This is wnat our country is all about. People like Rog Morton made our country what it is. It is people like Rog who will keep it strong in the future.

We do thank the gentleman from Maryland for taking this time and giving us an opportunity to express our sympathy to the family and to the many, many friends Rog had not only in Maryland and in this body, but also throughout the world. He was a great person.

Mr. BAUMAN. I thank the gentleman from Indiana.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding. I did not have the privilege of serving with Rogers Morton in this body, but he came out to my district when I was a candidate for this body and very generously gave much of his time in assisting me, an unknown fledgling Republican, in getting elected to Congress. His generosity and his effectiveness will always be remembered by my family and myself.

He was an achiever; he was a giver, not a taker, and the inspiration that he has given us, not only from his political leadership but from his tremenous personal battle with the illness that finally ended a long and useful life, will always be remembered. Our lives are cerainly diminished by the loss of Rogers Morton, but indeed our lives were enriched by having the privilege of knowing him and sharing in the warmth of his friendship.

I would like to join his many other friends in expressing my sympathies and condolences to his wonderful family.

Mr. BAUMAN. I thank the gentleman from Illinois.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I, too, want to join the gentleman in the well and congratulate him for allowing us this opportunity to eulogize our good friend, Rogers Morton, whom I served with.

Mr. BAUMAN. I thank the gentleman from Idaho.

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Mr. BAUMAN. I now yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Speaker, I, too, would like to express profound grief at the passing of Rogers Morton. I have known Rogers for a great many years going back to our days at Yale. I worked with him here on the Interior Committee back in the mid-1960's, and he was a pillar of strength on that committee, always showing great dedication to its objectives. Then later on when he became Secretary of the Interior, he vigorously pursued those objectives.

He was always a genial friend, good companion, and a splendid legislator.

I would like to join in expressing sympathy to his family on his untimely passing.

Mr. Speaker, I thank the gentleman from Maryland for arranging this special order.

Mr. BAUMAN. I thank the gentleman from New York.

I yield to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. I thank the gentleman from Maryland for holding this particular special order for Rogers Morton.

Rogers and I were elected to the Congress at the same time, and we served on the Committee on Ways and Means together.

One of the most memorable occasions in my life was traveling with Rogers Morton and his son and my son when we took a trip together down the Colorado River. As you know, when you live with each other for a week on a river raft, you get to know each other very well, and the more one got to know Rogers Morton, the more one appreciated him. He was a man of great integrity. He was a man of great physical stamina. He was a very lovable person. He was a leader. He was kind and considerate. He did a great job for this Congress, for this Nation, and for the Republican Party in his role as a leader in that party.

His departure way before his time will leave a void in our country and will leave a void in my heart, because I knew and loved him very well. My deepest sympathy goes to his family, particularly his son whom I got to know so well. I know that Rogers Morton's spirit will live on even though he is not here with us.

Mr. BAUMAN. I thank the gentleman from Florida.

● Mr. McDADE. Mr. Speaker, today, we acknowledge the passing of a truly great individual, Rogers C. B. Morton.

Those of us who have had the opportunity to serve in Congress with Rogers Morton and to work with him in his executive branch and party capacities will certainly agree that he was truly a giant among us.

Rog Morton was a giant of a man, not just in form but, most importantly, in substance. While his sheer size alone made him a standout in any gathering, his lively personality and easy-going manner captivated those around him.

As a Congressman from Maryland's Eastern Shore, Rogers Morton deeply appreciated and encouraged others to appreciate our environment, its enduring but fragile qualities, and our need to preserve both its beauty and its balance.

In his capacity as Secretary of Interior, Rogers Morton pressed for approval of measures aimed at cleaning up and protecting our environment. This Cabinet-level post provided him with a great opportunity to draw nationwide attention to the need to conserve precious American resources. This was the job Rog Morton said he loved most of all. Secretary Morton would come before the Interior Appropriations Subcommittee and would press upon us the fact that swift industrial advances of our society were depleting our resources and threatening our environment. He would urge us in his sincere tones to insure that adequate funding was provided to turn around this threat to our natural resources and ecological structure.

Rogers Morton was a party leader and served in Cabinet-level positions in two administrations. He was a public servant at a time of great difficulties in this country. Yet, throughout all, he displayed high personal integrity and, as in everything he did, he maintained a sense of moderation.

We will miss Rog Morton. He was taken from us much too soon. Yet his contributions to this Nation will endure as we continue his efforts to insure that the protection of our environment remains a foremost consideration.●

● Mr. BUCHANAN. Mr. Speaker, our late beloved colleague, Rogers C. B. Morton, stood in height some 6 feet 8 inches, but he is more remembered by us for the size of his heart.

He was a man who truly loved this country—its people and its natural resources. He sometimes told people his middle initials, C. B., stood for Chesapeake Bay, for he deeply loved this region in which he lived and farmed, and devoted much of his energies toward seeing that its beauty was preserved.

As one who loves to experience the wind and the waves of that body of water, I thank him for his devotion to it, and those who take to the Chesapeake in the years ahead should remember him as well. After retiring from Government life in 1977, he engaged himself in sailboat building on the Eastern Shore.

I had the pleasure of serving with Rogers C. B. Morton in this body several years. His colleagues knew him as a kind, decent man, and one deeply dedicated to his district's environment and that of the entire country as well.

Although a thoroughly Republican political spirit, who served as national party chairman and in two Cabinet posts under Republican Presidents, he enjoyed friendship with those from both sides of the aisle. He mixed with both businessmen and environmentalists with ease. His unpretentious bearing and good humor served him well.

He was, all in all, a decent man who gave unselfishly and wholeheartedly of himself to whatever chore he faced at any time. We shall miss this man of stature.●

● Mrs. SPELLMAN. Mr. Speaker, Ralph Waldo Emerson, the 19th century poet and essayist, wrote that "an institution is the lengthened shadow of one man." It is with profound sadness, Mr. Speaker, that I join my colleagues today in eulogizing one such "institution," who cast a long shadow indeed in my own State of Maryland.

Former First District Congressman Rogers Clark Ballard Morton, who died last week at his home near Easton, was not a Marylander by birth. But few Free State natives have had the impact—or cast the shadow—of this 6-foot-8 son of one of Kentucky's most prominent political families.

One measure of this remarkable man is seen in the words used to characterize him after his death. A Southern patrician, he nonetheless was described repeatedly with words like "unselfish," "kind," and "considerate."

Another measure of Rog, as he was called by virtually all who knew him, is evident in his overriding interest through five terms in this House. A conservationist before it was fashionable to be one, he repeatedly championed environmental causes, particularly those involving his own, beloved Chesapeake Bay.

Mr. Speaker, I never had the privilege of serving with Rogers Morton in this Chamber. But I did have the pleasure—indeed the honor—of working with him and counting him among my friends.

I personally can attest to Rogers Morton's decency and unselfishness, as well as his great ability and extreme dedication. In the House, he concentrated on the one thing that is most important to all of us—serving his constituents and serving them well. He once commented that a key to his success here was learning how much could be accomplished if he did not worry about who would get the credit.

Later, as Secretary of the Departments of the Interior and Commerce, Rogers Morton allowed the whole Nation to benefit from his wisdom and judgment. He served in both posts with distinction, untouched by the Watergate scandals that plagued the administration around him. He never shrunk from difficult decisions on emotional issues like the Alaskan pipeline and the future of the U.S. merchant marine fleet.

Mr. Speaker, of all the thousands of words said in praise of this exceptional man in recent days, I think former Maryland Senator J. Glenn Beall said it best, in the plain and simple language that Rog himself liked to use.

"He was just an old shoe," Senator Beall commented. "If you knew him, you miss him. If you did not know him, it was your loss." I think any of my colleagues who knew Rog Morton would agree that little more need be said about this truly great man. I know they all feel the same profound sense of loss that I feel over his passing.

Rogers Morton was indeed an institution in the State of Maryland, who cast a shadow that will not soon be matched on the political horizon.●

● Mr. LONG of Maryland. Mr. Speaker, the Eastern Shore of Maryland is a gentle but enduring land, where people cherish its vast natural resources. Like the people he so well served for 10 years in the Congress, Rog Morton was gentle yet strong, a man who cherished the land, the Chesapeake Bay, and the people.

A major part of his energies as a Congressman were devoted to the preservation of that land. Rog and I came to the House together in January 1963 and shared a strong concern for the environment and our bay. He was responsible for Assateague Island becoming a national park. After his appointment as Secretary of the Interior, he served the land well during a difficult time in our history.

He had come to our State from Kentucky where his interest in politics was aroused while running campaigns for his brother, former Senator Thruston B. Morton. His public record also included service as Secretary of Commerce and Chairman of the Republican National Committee.

Rog's plans for higher office were thwarted by the cancer that took his life last week at age 64. He will be missed.●

● Mr. MITCHELL of New York. Mr. Speaker, when an individual serves with dedication and distinction in positions of great responsibility with our Government, the Nation owes that individual a debt of gratitude.

Such a debt is owed to the memory of Rogers C. B. Morton.

Few men in the annals of American history have earned praise for outstanding performance in such a wide range of important positions: Member of Congress, Cabinet Officer, President Advisor and National Chairman of the Republican Party.

To all of these vital assignments, Mr. Morton brought a commitment to excel, to do things better, to make a greater contribution, to bring about a change in the systems dealt with, with the ultimate objective of improving the quality of life for all.

How fortunate we all are that Rogers C. B. Morton came our way. His legacy is one marked by pride in accomplishment. He was an achiever. He was a public servant. He was a friend. Most certainly, he will be missed.●

● Mr. PICKLE. Mr. Speaker, when I came to Congress in 1963, I was assigned an office on the third floor of the Cannon House Office Building. I was surrounded by "notables." Directly across the hall was a Bostonian, THOMAS "TIP" O'NEILL. Just down the hall was former Congressman James Roosevelt. Also nearby was GUS HAWKINS of California. A fellow Texan, RAY ROBERTS, who has risen in prominence and importance as the chairman of the Veterans Affairs Committee, was just down the hall. And completing the list of luminaries on our third floor hall was Rogers C. B. Morton. He was "Tiny" to us.

The pace of Congress was a bit slower back in 1963 and we had more time to visit with our colleagues during the day and into the evening. I got to be close friends with Rog Morton and remained close ever since.

Rog was a big man in every sense of the word. Obviously, he was a respected and recognized leader of his party. However, Rog was not hidebound or entrenched or narrow-minded in his approach. In many respects, he was quite progressive and liberal-minded. Whatever the issue, Rog Morton gave you his attention and was fair and reasonable. He was living proof of the old adage that a "big" man will give you more time than the little fellow.

Since Rog Morton was a fellow member of the 88th club, our paths crossed even more frequently. At each of our annual St. Patrick's Day celebrations, Rog was a faithful attendant. We have pictures and we enjoy memories of his friendship. Rog was easily as popular with Democrats as he was with fellow Republicans. The higher he rose in party ranking and Government positions, the kinder, more affable and humble he got. Never once did he lord over anyone. He had a strong, but sweet personality.

All of us in Congress endeavor to represent our districts, but Rogers acted almost as special ambassador from the Eastern Shore of Maryland, the area he loved so much. Both as a Member of Congress and as Secretary of the Interior, Rog could relate the arguments and discussion of conservation issues literally to his own backyard. He was well acquainted with the land and was respected as a leader in conservation matters.

A few of us on some occasions visited the House gym. Rog loved to play paddleball. You should think a man 6 feet, 8 inches tall, weighing 250 pounds might not be a formidable opponent. But I can tell you, just the opposite was the case. Rog was quick as a cat. He roamed across the House courts with a happy spirit of competitiveness and effectiveness. This same spirit was applied to his legislative and political goals, as well as his paddleball.

Since we had adjoining lockers, we knew each other even better. It is often said you can know a man best when you go out on a long hunting trip with him. Similarly, my friendship with Rog was enhanced as we worked out with each other.

In all assignments Rog received, it was good to know that no one questioned his integrity, sincerity, and fairness. He gave to America his best. For that, we are indebted to him and his family.

This past March, the 88th Club again had our annual party. I wrote to Rog, informing him of the event, but we received no response. A few days later, we read in the Washington Post magazine about how Rog was running his life a bit more calmly, having taken up a boatbuilding business. We knew he was ill, but we did not realize the seriousness of it. In exchanges of correspondence, we learned the sad news, but even then, we were not prepared to accept it.

My life has been enriched by having the friendship of this big man. This institution has been enhanced by Rog Morton's presence—and our country has been improved by his decisions and his character.●

● Mr. GREEN. Mr. Speaker, Rogers Morton was a big man in many ways. Fortunately for all of us, he was as large in stature as he was in size.

His love for the land spilled over into his political life. The beauty and importance of his beloved Chesapeake Bay had as its staunch defender in the House Congressman Rogers Morton.

Rogers Morton struggled to take a pragmatic approach in protecting the Chesapeake so that its value as an environmental treasure and its importance as a modern resource could blend harmoniously to the benefit of everyone. His effectiveness in this area prepared him to bring together differing ideologies on another important resource: the Republican Party.

Rogers Morton saw the mid-1960's as an opportunity to bring together the old-line Republican philosophies with progressive political approaches to rebuild the party into a strong and viable alternative for the American people.

As the national leader of the Republican Party, Rogers Morton worked to guide the GOP in a new, larger constituency. He advocated the wisdom of reaching out to the minorities, the working class, the young people, and the ethnic groups.

What made Rogers Morton so different from many other politicians was his strong character. He was a man who inspired confidence. His unselfish devotion to the betterment of his country, government, and party, coupled with great warmth and compassion, made Rogers C. B. Morton one of the most colorful and loved men of our time.●

● Mr. GILMAN. Mr. Speaker, our Nation has suffered a great loss with the passing of Rogers C. B. Morton, a former Member of this body, and former Secretary of the Departments of Commerce and the Interior.

Many will remember Secretary Morton as a great politician; the head man in the Republican Party. Although he was a "dyed in the wool" Republican, his love of country and his many sacrifices brought respect from both sides of the aisle.

Rogers C. B. Morton came from America's heartland in Kentucky. He brought his agricultural skills to the east, and worked a farm on Maryland's Eastern Shore in the early 1950's. Winning his first election to the House of Representatives in 1962, he served in the Congress until 1971 when President Nixon named him the Secretary of the Interior. Prior to that nomination, he served as National Republican Chairman.

Interior Secretary was an appropriate position for Rog—a man who loved and cherished the outdoors—a man with a heart as big as the national parks which fell under this jurisdiction.

After the Nixon administration, Rog Morton, the Kentucky gentleman turned Maryland country farmer, was named by President Ford as our Secretary of Commerce from which he was forced to resign in 1976 due to ill health.

I will remember Rogers Morton as a striking, strapping figure of strong character—an outdoorsman—a dedicated public servant so fond of his adopted State, Maryland, that he often said: "My initials C. B. stand for Chesapeake Bay." Actually, they stood for Clark Ballard.

We miss him—his good will—and his good ideas and his guidance.●

● Mr. BOLAND. Mr. Speaker, all of us here in Congress were saddened to learn of the death of our former colleague Rogers C. B. Morton last week in Maryland.

Rogers Morton was a fine public servant who left his mark through the several jobs he held during his life. He held the highest respect of his colleagues in the House. As the tallest man in the House, Rogers Morton commanded attention whenever he rose to speak. The thoughtfulness and fairness in his speeches justified that attention. We missed him in Congress when he moved on to serve in the Cabinet. His record as both Secretary of the Interior and as Secretary of Commerce is one to be admired. He was a man who was not afraid to speak out against his party or the administration in which he served. His comments were always carefully considered, even-handed and useful. When Rogers Morton spoke, we all listened.

With the death of Rogers Morton, our Nation has lost a valuable leader. I knew him as a friend and enjoyed working with him. To his wife, Anne, and his children, I express my personal sympathy. Rogers Morton will be sorely missed by all who were privileged to know him.●

● Mr. WYDLER. Mr. Speaker, Rogers Morton was one of the most gracious and effective Members of the House that I had the pleasure to serve with in Washington.

He was a man who, while being highly partisan, was without a speck of individual rancor and so was liked by those he supported and opposed equally.

His many years as a Member of Congress served our Nation well, indeed, and I feel that I was privileged and honored to have known, worked with, and enjoyed the company of a fine and distinguished gentleman and an outstanding Member of the U.S. Congress.●

● Mr. SHUMWAY. Mr. Speaker, I am extremely grateful to my colleague, the gentleman from Maryland (Mr. BAUMAN), for providing us with this opportunity to pay our last respects to the late Rogers C. B. Morton.

As a newly elected Member of Congress, I did not enjoy the privilege of working with Rog Morton during his tenures as Representative from Maryland's First Congressional District, as Secretary of the Interior, or as Secretary of Commerce. However, I was well acquainted with, and retain the greatest respect and admiration for, his many outstanding accomplishments as a man, as a legislator, and as an administrator.

While I am hardly the first to say so, Rogers Morton was a tremendous man in every sense of the word. His abilities, his contributions, his outlook, and his love of this Nation all more than matched his physical stature. He has given Americans many memories in which to take pride, and he will leave a great void behind which will certainly keep those memories alive and viable.

At this time, I join my colleagues in extending sincere condolences to his wife, his children, and his family, and to say that Rogers Morton will surely not be forgotten.●

● Mr. ANDERSON of California. Mr. Speaker, it was with profound sorrow and a deep sense of loss, that I learned of the passing of our friend, Rogers Morton last Thursday.

Rog served five terms here in the House of Representatives, and in many ways he personified the best we have to offer. Like most of us, he enjoyed his time spent in the Nation's Capitol but truly cherished those hours, all too few, that he could spend back home. In Rog's case, back home was Maryland's Eastern Shore. He was fond of telling friends that the initials "C. B." in his name stood for Chesapeake Bay. Rog loved the outdoors life, and some of this most rewarding, and frustrating years must have been those he spent as our Secretary of the Interior. Those of us here in this Chamber today know that our greatest satisfactions and frustrations are both derived from working on those things we care the most about. So it must have been with Rog at Interior.

And like most of us, Rog had an enthusiasm for the politics end of the job, no matter what the job might have been. He has served as chairman of the Republican National Committee, and was very much a Republican. He was also President Ford's campaign manager in his fight for the GOP nomination in 1976.

But no matter what Rog was involved in; the nitty-gritty of a campaign, Secretary of two Cabinet level departments, or Member of Congress, he brought a dignity and decency to the job that few have matched.

Lee and I would like to extend our deepest sympathy to Rog's wife, Ann, and their family. Although the Nation's loss is great, their's is greater still. But we all suffer, because one of the country's finest politicians, and men, is gone.●

● Mr. VAN DEERLIN. Mr. Speaker, Rogers Morton was one of the nicest people to serve in this body.

He was physically imposing—a "snow-capped mountain of a man"—endowed with great courage and charged with an abundance of energy, intellect, and compassion.

Rog was first elected to Congress the same year as I—1962. Like everyone else I was deeply impressed by his vitality and dedication—attributes that served him well during his 10 years in this body and his subsequent tours as Republican national chairman and Interior Secretary.

He held his party's top office, but he was never mean-spirited or vindictive in the way he practiced politics. He was an effective partisan, but his partnership was rooted in principles, not personalities. He was therefore well liked and respected on both sides of the political aisle. He was a true man of distinction, whose untimely death last week is a loss to us all.●

● Mr. DERWINSKI. Mr. Speaker with the death of Rogers C. B. Morton, the Nation has lost a most respected public official. In his many assignments, a former Member of the House; chairman of the Republican National Committee; and Secretary of Interior; and then as Secretary of Commerce under the Ford administration; he brought knowledge, expertise, and effectiveness.

Rog Morton was proof that an individual can make a difference, that a strong voice of integrity, insight, understanding, and compassion can change America and alter the flow of history.

Rogers C. B. Morton was a man whose life was devoted to the public good and who expressed his views on the public trust forcefully, intelligently, and with great honor.

The list of Rog Morton's achievements

is remarkably long and impressive. He was, however, first and foremost a man of great wisdom and principle, known for his personal warmth and outgoing nature. He brought to this Nation an independence of spirit and dedication to truth and justice that benefited us all. He was truly a giant in deed as well as stature.

His efforts to preserve the beauty of the Chesapeake Bay region will remain as a memorial to his vision on behalf of the people of the Eastern Shore and the country. We have all lost a good and close friend who was dedicated to the service to the people of the United States. He will be sorely missed.

Mrs. Derwinski joins me in extending our sincere condolences to his wife Anne, and his children David and Anne.●

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Rogers C. B. Morton.

Rog Morton possessed an inexhaustible zeal for politics throughout his successful career as Secretary of Commerce under President Ford, Secretary of the Interior under President Nixon, chairman of the Republican Party, and five-term Congressman from Maryland's Eastern Shore. A devoted outdoorsman and environmentalist, he supported many measures to preserve the beauty of Maryland's Chesapeake Bay.

Rog Morton was a dynamic and compassionate individual who always added a humanitarian touch to Government. He held a place in his heart and in his work for people from all walks of life. In trying to coordinate the efforts of suburbanites, inner-city people, the poor and the wealthy, he once said:

> We've got to return to that old philosophy that when a barn burns down, the neighbors pitch in to help rebuild it.

Certainly a man of such genuine character, of decency and integrity, shall be missed by all who were fortunate enough to know and work with him.●

● Mr. SNYDER. Mr. Speaker, I would like to join my colleagues in saluting Rogers Morton. His death is a loss to us all, but his life was an example of public service at its best and he will be remembered and honored for it. He served two Presidents; he represented the people of Maryland for 5 terms in the House of Representatives; he served as the chairman of the Republican Party. Into each of these jobs he carried with him the effervescence and enthusiasm that were his hallmarks.

I had the pleasure of serving in the House with Rog, and I know for a fact there was not a more competent, knowledgeable man around. He was always friendly; always accommodating; always effective. You always had to look up to him, but even if you got a crick in your neck you went away smiling. It was a pleasure to work with him; an honor to have known him as a friend.

That is the Rogers Morton that my colleagues here in the House knew, but he did not discover public service only after moving to Maryland and coming to the House of Representatives. He did not pop up 6 feet 7 inches tall out of Maryland soil. He was a seventh-generation Kentuckian, born in Jefferson County, Ky. He was a Louisville businessman. It was in Kentucky that he developed his taste for public service, politics and civic involvement.

So while the Nation has lost a devoted public servant, and Maryland has lost a true statesman, Kentucky's loss may be greater. We knew Rogers C. B. Morton before the Nation as a whole or even Maryland, and we have lost more than a public servant and statesman. We have lost a great native son.●

● Mr. ERLENBORN. Mr. Speaker, the death of our friend and former colleague, Rogers Morton, is sad news indeed. Few men brought a zest for life to this Chamber as Rogers and his brother, Thruston.

Anyone who ever was in a position of being where Rog and Thruston began to swap stories about the old days in Kentucky, will never forget either the brothers Morton, or the stories they told.

Rog was a man who succeeded at many things, but most importantly he succeeded at life.●

● Mr. MIKVA. Mr. Speaker. It is with a great sense of sadness that I join today with several of my colleagues in tribute to Rogers Clark Ballard Morton. In the decade that I have been in this Congress, few men achieved the respect and admiration that Rog did.

Rog began his public career in this Chamber, a career that was distinguished by selfless and dedicated service to the constituents from his beloved Eastern Shore in Maryland and to the Nation.

As a congressman, Rog translated his love for the Chesapeake Bay and the rich land of Maryland's Eastern Shore into successful efforts to preserve these areas. His efforts leave a legacy that will be enjoyed for generations to come. It was as a conservationist—both as a Congressman and as Secretary of the Interior—that he represented not only his constituency and his party and his time, but all the people and progeny of the country.

Rog was a public servant who had the rare gift of foresight. As a member of President Ford's Energy Policy Committee, he pushed for programs to develop more energy, realizing the potential for the crisis we face today. As chairman of the Republican Party, he brought his contagious sense of humor and commitment to hard work to the political process. He viewed public service as a responsibility, one that he undertook with enthusiasm and dedication.

But above all this, Rogers Morton was a warm human being who always had time to help and encourage others. He was a source of wise counsel and sound advice that was given warmly. In a recent interview he spoke of the people he served.

> I think I gave the people a sense of confidence that they were well represented in Washington.

Indeed they were. The Nation benefitted greatly from the dedicated service of Rogers Morton. He will be sorely missed by all.●

● Mr. SCHULZE. Mr. Speaker, last Thursday our Nation lost a dedicated public servant and a great statesman. Rogers C. B. Morton served as a model for all Americans as he worked for the party and the Nation he loved so well.

Rog Morton, former Member of Congress, Secretary of the Interior, and chairman of the Republican Party, was one of those unique men who felt within his heart that America is the greatest country in the history of mankind. He dedicated his life to serving that Nation, often made personal sacrifices which gained him the admiration of both sides of the aisle.

He will be missed not only by his family and friends, but also by those of us who were privileged to work with him.●

● Mr. REUSS. Mr. Speaker, in 10 years in the House, in Cabinet service, as chairman of the Republican Party, and in the White House, Rogers Morton took on portfolios as important and difficult as any in the Republic, and discharged his duty with his unique mixture of distinction and grace. His last fight—a losing one against cancer—was carried on with the strength, dignity, and modesty which we recognized as Rog Morton's hallmarks.

His House colleagues will remember him as a legislator who combined assiduous representation of his district with advocacy of the broad national interest without slighting either.

Environmentalists will remember his service on the Interior Committee, where his concern for safeguarding our natural resources was a natural outgrowth of his love of the outdoors.

And his friends, of whom I am proud to count myself one, will recall him fondly as a man of intellect, wit, and charm.

We can pay Rogers Morton no better tribute than to rededicate ourselves to the ideas he espoused, the public service he rendered, and the rectitude from which he never strayed.●

● Mr. KEMP. Mr. Speaker, if a man truly serves his party best by serving his country first, Rogers C. B. Morton rendered outstanding service to the Republican Party. Rogers Morton enriched his family with his love, his beloved Maryland with his steadfast service, his country with his steady guidance, and my life with his example.

As his special assistant at the Republican National Committee many years ago, I learned to respect his tremendous talent and a love for his party which was based on thoughtful principle. The encouragement and counsel with which he favored me when I first sought public office was a source of strength and a model which still sustains me. Through the years he was always a delightful companion and a loyal friend.

I am deeply saddened by his death, both for his family's sake and our country's.●

● Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman from Maryland (Mr. BAUMAN) reserving this time in order that those of us who had the privilege and pleasure of serving with Rogers Morton might pay tribute to this truly outstanding American.

During those years Rog Morton served

in the House of Representatives, I always found him to be a man most generous with his time and advice. He was forever willing to help his colleagues in any way possible and most certainly the bigness of his heart matched the height of his physical stature.

Rogers Morton served with distinction in this body, just as he served with distinction and dedication in the executive branch of Government. He never shirked the responsibilities thrust upon his wide shoulders, but rather tackled any task assigned him with relish. He was a man who could handle the tough jobs with compassion and fairness.

Mr. Speaker, it was also my pleasure to know the family of Rogers Morton and I join with my colleagues today in expressing deepest sympathy to his wife, Anne, and his two children, David and Anne. We share their grief and also feel the great loss in this Nation as a result of the death of Rog Morton.

We shall miss the leadership of Rogers Morton, but we can also be thankful for the legacy of good works he has left the people of Maryland and America.●

● Mr. CORMAN. Mr. Speaker, how does one adequately pay tribute to our former and distinguished colleague, Rogers C. B. Morton?

His political career began in 1962 when he was elected from Maryland's First District to Congress. Rogers Morton and I served on the Ways and Means Committee and I had the greatest respect for his legislative ability and for our mutual friendship.

The contributions Rogers Morton made to this body and to the Nation were extensive. He was dedicated, conscientious, responsible, and very effective. Rogers Morton will be long remembered by all of us who served with him in the Congress. It is with a deep sense of sadness and personal respect that I join in paying tribute to my good friend. He was a man of the greatest ability and the finest human qualities.

I join my colleagues in expressing deep sympathy to Rogers' wife, Anne, and his children, David and Anne.●

● Mr. PERKINS. Mr. Speaker, the sense of loss at the passing of our friend and former colleague Rogers C. B. Morton is widespread through this House and through the Nation, because of the character of that fine man, but it is particularly deep in two States, Kentucky and Maryland.

He performed his public service in this House and as Secretary of two important departments as a Marylander, but to those of us from Kentucky, he was always one of us—always a member of that great family which settled in the Louisville area six generations before Rogers was born there.

Rogers had a special extra sense of identification to us because the name Ballard he carried so proudly is of an old Kentucky milling family, and grain milling is an industry older than our country. I can recall scenes years ago, when I watched long lines of vehicles from all of the farm countries around Louisville, waiting to deliver wheat to the Ballard and Ballard Mill.

Rogers was president of that company from 1947 to 1951, after he came home to Kentucky from World War II, and service in the field artillery in Europe.

I believe it was in the early 1950's that he became interested in the Chesapeake Bay area, and he moved to the shore country, to farm and try to help preserve that great bay from damage. He was successful at both, and when he decided to come to the House in 1963, he brought his devotion and dedication, as well as his good nature with him. His bay and this Nation are better places because of his legislative work, but from here he went to the Interior Department, serving from 1971 to 1975, and it was while he was Secretary of Interior that he gave his native home of Kentucky a boost that I believe could be the ultimate salvation of this Nation.

A decision had to be made in 1974 on the location of a coal liquefaction demonstration plant, and the site had been narrowed down to three places. One was near Alton, Ill., and the other was near Henrietta, Okla., which was favored very strongly by the then Speaker, Carl Albert. Kentuckians wanted to see the plant located in eastern Kentucky, where there is an abundance of coal, and also a lot of water, which is necessary in the coal liquefaction process.

Rogers agreed to meet with me and talk this over, and I urged him to make the decision in favor of Kentucky, his native State, which he and his brother, Thruston, who served in this House and in the Senate, had both brought honor to. In August of 1974, the word came from Interior, and Rogers had not forgotten Kentucky. The plant is under construction near Catlettsburg.

Kentucky will not forget him, Maryland will not forget him, and those across the country who respect decency and devotion in the conduct of public affairs will not forget him.

His family feels the loss as we do, and our hearts are out to them, but there is consolation to me in knowing that Rogers Clark Ballard Morton forged a path no other Member of this House should fear to walk.●

● Mr. SENSENBRENNER. Mr. Speaker, today we are paying tribute to a man whose life of public service is an inspiration to all of us.

Rogers C. B. Morton held many positions of public trust, and he always held that trust in a dedicated manner. He represented Maryland's First District in the House of Representatives from 1963 to 1971, when he resigned to answer President Nixon's call for him to serve as Secretary of the Interior. During the Nixon administration he gave his country double duty by taking the role of the President's energy policy coordinator during the Arab oil embargo.

In 1975 President Ford recognized Morton's leadership and ability by tapping him to head the Commerce Department, which he reluctantly relinquished in 1976 because of failing health. But even then he again answered the call to public service by becoming Special Counselor to President Ford for economic and domestic policy affairs.

Morton also served the Republican Party with dedication and distinction as Republican National Chairman from 1969 to 1971, while a member of the House. In that job he courageously stumped the country for GOP candidates and exhorting fellow Republicans to reach out to the poor, the blacks, the working man, and the young. Those who heeded his message have been better persons and have served their country all the better for it.

Rogers Morton was many things, among them aggressive yet gentle, sincere, constructive, conscientious, and unselfish.

Mr. Speaker, we have lost a friend whose strength we will surely miss. Rogers Morton never hungered for the highest offices, but nonetheless his record of service and achievement will always rank him high in our hearts for his selfless devotion to his country and what it stands for.

Thank you.●

● Mr. LOEFFLER. Mr. Speaker, Rogers Morton gave us an immeasurable contribution of his time and abilities throughout his distinguished career both in Congress and in the administration of two Presidents. During my period of service under President Ford, I had the honor and privilege of working with Rog. The dedication and enthusiasm with which he approached all tasks before him made a lasting impression on me. He was a leader of the highest principles and I am personally saddened that our country has lost him. Kathy and I extend our deepest sympathies to Mrs. Morton and to the Morton family.●

● Mr. BAFALIS. Mr. Speaker, it is with a great deal of sadness that I rise to pay tribute to a former member of this body, a onetime cabinet officer and a great American, the Honorable Rogers C. B. Morton.

He served five times in the House, ably representing Maryland's Eastern Shore. He was Secretary of the Interior under President Nixon and Secretary of Commerce under President Ford. And he also found time to ably serve as chairman of the Republican National Committee—serving at a time when his talents for unity and cohesiveness were desperately needed.

But the mere listing of his accomplishments doesn't do justice to Rogers Morton. Rogers Morton had a heart as big as his six-foot-seven frame and faith in this Nation even bigger than that. He was always there when his country called.

And his country is better off for his having been there and answered the call.

Rogers Morton will be missed, by the House of Representatives and by the entire Nation.●

● Mr. SEBELIUS. Mr. Speaker, I want to join my colleagues in paying tribute to an extraordinary man, the Honorable Rogers C. B. Morton. I first had the privilege of working with Rog when I was a freshman in the Congress. He was always ready to help new Members with his counsel and guidance. Later, when he became Secretary of the Interior and I served on the Interior Committee, I had the opportunity to work with this man, whom I consider to be one of the great leaders of the conservation of our national and natural resources. His personal feeling for the natural wonders of our great country carried over into his work and his enthusiasm was contagious.

Rog Morton not only dedicated his life to public service but felt a deep sense of duty to the Republican Party. He further distinguished himself and the party as serving as our National Chairman. Everyone who came in contact with Rog Morton felt his warmth and friendliness. Our party and our country owe a great deal to this humble man from the Eastern Shore. I know I speak for all my colleagues when I say that we feel a great loss but will try to fill the gap created by the death of this fine gentleman, in the true meaning of the word, with the same sense of dedication that Rog Morton always showed. We share the loss along with his family and I wish to extend to them my heartfelt sympathy and thanks for sharing him with us for so many years.●

● Mr. ADDABBO. Mr. Speaker, I join with my colleagues in lamenting the passing of our former colleague, Rogers C. B. Morton, who finally lost his long battle with cancer on Thursday, April 19.

I know of no person who has served in this Chamber who has been loved more than he was. He was a gentle giant in size, disposition and heart. No man fought harder against impossible odds than did Rog, and while I do not know his medical history, I am willing to bet that his fierce determination to live and to help those around him carried him further and longer than most doctors would have predicted.

In every office he served in, he distinguished himself, whether it was as chairman of the Republican National Committee where he performed too well in the eyes of some of us from the other side of the aisle, whether it was as a Member of the House where he served his Nation and his constituents first and his party secondly, or as Secretary of the Interior, where he faced some of the most difficult decisions ever faced by that department, and handled himself with extraordinary skill and sensitivity, even when some of us disagreed with him.

In short, he was just as decent a man as I have ever known. I am proud that he was my colleague and my friend. I will miss him deeply. I extend my sympathy to his wife, Anne, his children, David and Anne, and his family. They have lost, as have we, a great man.●

● Mr. CARTER. Mr. Speaker, it was my pleasure to have known and been associated with Rogers C. B. Morton for several years in this House and to have known his family previous to that. It is with extreme regret that we take note now of his passing.

Rogers Morton was a big man, gentle, kind and thoughtful of others. His presence in any room made feelings more congenial. He was an effective legislator and a tremendous chairman of the Republican National Committee. He served honorably and well also as Secretary of Commerce. It seemed that in whatever capacity he served, he did so with distinction.

Although many of us had wished he had remained in Kentucky, Kentucky's loss was a tremendous gain for the State of Maryland. The loss we share now is one for the entire Nation.

Kathleen and I offer our condolences to his widow, Anne, and to his children and the other members of his family.●

● Mr. MAZZOLI. Mr. Speaker, it is with great sadness that I receive the news of the passing of one of the finest sons of Kentucky.

Rogers Clark Ballard Morton died after a long illness and, with his passing, the city of Louisville and the entire Nation mourn the loss of a great leader and a really decent, nice guy.

Rog Morton was the son of one of Louisville's leading families and though he left Louisville for the beautiful Eastern Shore area of Maryland, we still feel his heart never fully left his hometown on the banks of the Ohio.

Rogers Morton will be sorely missed by people in high positions. But, he will be as much missed by the common folk. For, despite being born to the purple, Rog was always a down-to-earth guy who the public could always easily identify with.

Rog was a big man, physically and in his accomplishments in business, government, and political life. But, he never used his size—and sizable talents—to hurt people.

I and my family offer our condolences to Rog's wife Anne, to his son and daughter, David and Anne, and to his brother and sister, Thruston and Jane.●

● Mr. LENT. Mr. Speaker, I thank the gentleman from Maryland (Mr. BAUMAN) for making it possible for the colleagues of the late Rogers C. B. Morton to pay personal tribute to him at this time.

It is difficult to find the words that will do justice to the outstanding career and the wonderful personality of Rog Morton. A better-liked and more respected person never lived.

That was especially true of Rog's many years in public service, where I came to know and respect him. Those of us who worked with Rog when he served as chairman of the Republican National Committee and later as a Cabinet officer never ceased to marvel at his refusal to let the day-to-day rancor of political battles ruffle his good-natured geniality or interfere with his wide-ranging friendships on both sides of the aisle.

This marvelous gift for dealing with people at all levels of life made him especially effective in the legislative halls of the U.S. Congress where he served for five terms. His efforts on behalf of his beloved Chesapeake Bay country played a major role in establishing the Assateague Island National Seashore—one of the gems of our national parks system, and in getting the Corps of Engineers to establish its working model of the Chesapeake Bay—a critical research tool needed to help preserve one of this Nation's most unique estuarial ecosystems.

As Secretary of the Interior, Rog continued to show his deep concern over protection of the environment and wildlife in the difficult decisions on such badly needed energy projects as the Alaska pipeline and new offshore oil exploration.

But in whatever capacity, Rog Morton's marvelous warmhearted personality, his deeply ingrained sense of integrity, and his capacity for seeing the other fellow's side of the question continually propelled him to positions of leadership, both within the Republican Party structure, and in high office in the executive branch. As a counselor to Presidents Nixon and Ford, Rog Morton's advice was always respected.

Few public servants have had as much influence on our Nation over as many years as did Rogers Morton. His rock-like integrity and thoughtful respect for opposing views should be the standard for every person in public life. Our country is, indeed, the poorer without his guidance. We will miss his valued counsel.

But we who knew Rog as a friend will miss even more the friendly warmth of his broad smile, the chuckle with which he launched a story from his inexhaustible store, the soundness of his views.

More than any other man in our generation, Rogers C. B. Morton showed the Nation that a life in politics can be decent, compassionate—yes, and fun as well. We need more like him.

I join my colleagues in extending my deepest sympathy to his lovely wife Anne and to their two fine children David and Anne. I know we all share their grief and their sense of irreparable loss.●

● Mr. WINN. Mr. Speaker, I was saddened, as were a great many of us in this body, to learn of the passing of our good friend and colleague, Rogers Morton. My prayers are with his wife, Anne, and his children.

Those of us who had the privilege of serving with him in the House will remember him for many things. We will remember his easy-going style. We will remember his spirit. We will remember his loyalty and dedication. We will remember him as a decent and truly compassionate man.

There are some who look upon politicians with little regard. Few people, however, looked upon Rogers Morton as they look upon other politicians. Perhaps this because he embodied something more.

It has been said that a politician thinks only of the next election while a statesman thinks of the next generation. There is no doubt in my mind that Rogers Morton was more of a statesman than a politician.

He left for his constituents a cleaner and more livable Chesapeake Bay. But his interest in preserving America's resources was not limited to the Eastern Shore of Maryland, alone. During his service as Secretary of the Interior, he furthered policies which will allow all Americans for many generations to enjoy our natural heritage.

As a Republican, I am especially proud to be able to identify with the legacy of Rogers Morton. While others detracted from our party through devious acts, he did what he could to accept the views of dissenters and to make the Republican Party more appealing to a wider cross-section of the American electorate.

Mr. Speaker, as I join in this tribute today, I want to urge my colleagues on both sides of the aisle to look at the qualities which made Rogers Morton a great and good man. These are qualities we should all emulate, because these are qualities which will make our Nation a much better place for future generations.●

● Mr. COLLINS of Texas. Mr. Speaker, I join with my colleagues in paying respects to Rogers C. B. Morton who was one of the finest men who ever served in the Halls of Congress. He served our country so well in many, many ways. I particularly remember one occasion when he served as Secretary of Commerce in the Cabinet. Our Commerce Committee out here on the Hill tried to force him to reverse his position. The subject was whether confidential information that had been placed in his trust as Secretary of Commerce should be made public. Rogers fought it all the way, as the law stated this material was not to be made public and was covered. His counsel stood right beside him. When it was a matter of integrity and responsibility, Rogers Morton presented an exemplary inspiration for American history.

Rogers faced any fight when the need arose. But usually when we remember Rogers Morton, we think of his friendly smile and his good-natured word of greeting. He had a Will Rogers manner and everyone loved him for it.

We think of him as a son of the South. Maryland remembers him as a farmer, a businessman and the great Congressman who represented them so well in Congress, in the Cabinet and in the leadership of the Republican Party.

My wife, Dee, and I express our deepest sympathy to Anne and the Morton family. We have lost a warm and dear friend. Rogers C. B. Morton will always be remembered in the history of the United States.●

● Mr. UDALL. Mr. Speaker, of all the people I have met in public life, Rogers Morton was one of my favorites. Decent, fair, full of enthusiasm, he was a joy to work with. He was a conservationist, but a sensible one. He was a conservative, but one with a heart.

I shall always treasure the memory of an 8-day trip through the Grand Canyon in 1967, with a party which included Rogers and his son.

Rogers Morton was my kind of leader and my kind of man. I shall miss him.●

SSI INCOME GUIDELINES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 10 minutes.

● Mr. GRASSLEY. Mr. Speaker, the problem of older Americans giving their property away in order to qualify for medical assistance under the Social Security Act is becoming increasingly acute.

Typically, an applicant will transfer valuable assets to friends or relatives for little or no financial compensation in order to meet the supplemental security income guidelines which are used for medical assistance under medicaid. In September and October of 1978, the Iowa Department of Social Services compiled a report on this problem. The report states that 80 nursing home residents receiving title XIX medical assistance transferred real or personal property with a total market value of $1,525,710 to sons, daughters, or other close relatives—while these relatives paid virtually nothing for the acquisition of these assets.

The problem is becoming increasingly acute. In 1978, the use of this "divesting loophole" in the law cost 880,000 Federal and State dollars in Iowa; 48 percent of this figure—$422,000—came directly from the State's share of the medicaid program. The Iowa experience is not unique; about 35 States have the same guidelines for medicaid as for SSI, and recent congressional attention to this problem indicates its national scope. The problem for these 35 States is that they contract with the Social Security Administration to determine eligibility for medical assistance payments under title XIX. The Federal law does not currently prohibit divestment of assets by the applicant to obtain medical assistance. For a State such as Iowa to terminate this contract with the Social Security Administration and institute stricter eligibility requirements, it would have to hire additional staff at an estimated cost of $1,820,000.

For this reason, I introduced H.R. 3729 which would amend title XIX to disqualify individuals from medical assistance if they voluntarily transfer valuable assets. This legislation would prevent an individual from being eligible for medical assistance if the aggregate fair market value of his or her assets is more than $3,000 greater than the amount received as compensation. For example, a person would not be eligible to receive medical assistance if they transferred a $10,000 car for anything less than $7,000. The period of ineligibility would be 24 months from the date of the transfer.

This legislation differs from other proposals which are concerned with the problem of divestment of assets. My bill disqualifies divestors from all medical assistance, not just nursing home assistance. Further, this bill allows noncash transfers of less than $25, allowing individuals to make small gifts without being burdened with accounting for such transfers.

It is imperative that we tighten the eligibility qualifications for medical assistance under title XIX to prevent this type of unethical conduct by applicants. By retaining the current situation, we are penalizing the majority of honest older Americans who pay their own way. We must not take advantage of the generosity of the American taxpayers who provide the money for medical assistance for our older citizens.

I deeply regret that an unethical situation of this type has arisen, but it must now be outlawed. I urge all of my colleagues to support this measure so we can regain the confidence of the American taxpayers for the distribution of their tax dollars to deserving elderly.●

AMTRAK REORGANIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MADIGAN) is recognized for 15 minutes.

● Mr. MADIGAN. Mr. Speaker, today I have introduced the Amtrak Reorganization Act of 1979.

The Subcommittee on Transportation and Commerce of the Interstate and Foreign Commerce Committee, of which I am the ranking minority member, is currently considering the Amtrak authorization bill and the route restructuring proposal submitted by the Secretary of Transportation. It has become clear to me that dropping trains alone is not enough to make a meaningful difference in Amtrak's operation. Therefore, I have drafted this bill which I hope will be given careful consideration by the committee.

The purpose of this bill is to provide the necessary tools for dealing comprehensively with Amtrak's problems.

Today Amtrak's board and Amtrak's management suffer because Congress has failed to give the corporation clear goals for its performance. Today, Amtrak's management is spread so thin that many sound management programs have not been instituted. Today, Amtrak employees often have a welfare mentality rather than a spirit of enthusiasm leading to good service and good performance. Today, railroads often thwart Amtrak rather than help Amtrak with a spirit of cooperation. Today, there is no mechanism for a truly effective partnership between the Federal Government and the States in providing State-subsidized intercity rail passenger service.

The bill I have introduced establishes a clear goal for improved performance by Amtrak. In addition, it establishes a number of programs at Amtrak which are designed to improve the performance of the corporation. For example, the bill establishes an operational improvement program at Amtrak and requires the corporation to set up a meaningful regional maintenance plan to take care of its equipment.

The bill would require the corporation to establish a performance evaluation center which would monitor Amtrak's operations so as to improve what has often been dismal service. Only through improvement of service can Amtrak hope to attract new passengers in order to lower its deficit.

If Amtrak is to improve its operations it requires the cooperation of Congress, the administration, Amtrak management and most importantly, Amtrak employees. The uncertainty which has plagued Amtrak during its brief history has created uncertainty and low morale for Amtrak employees. In an effort to achieve a better partnership among all the stockholders in Amtrak, this bill would begin the establishment of an employee stock option plan. All Amtrak employees would be issued a new class B stock, which would pay dividends to them as Amtrak's performance improved.

Some railroads have tried to help

Amtrak. Other railroads have been very uncooperative. The bill utilizes both incentives and penalties in order to encourage greater cooperation by the Nation's railroads with Amtrak. Under the bill railroads would be penalized for not living up to their contracts with Amtrak in providing good performance. I recognize, however, that penalties alone will not be sufficient to make Amtrak work. Therefore, this bill would establish a national carrier coordination committee under the direction of the Secretary of Transportation to let railroads themselves work out ways for better cooperation with Amtrak.

To a large extent, many of Amtrak's problems merely reflect problems affecting railroads generally. As you know, Mr. Speaker, railroad deregulation is one of the major pieces of legislation which must be considered by this Congress in order to make railroads more economically viable. This bill contains an additional 10 percent tax credit to encourage railroads with Amtrak routes to improve the tracks and roadbeds used by Amtrak trains. The bill also provides a refundable tax credit feature which would permit nontaxpaying railroads to receive treatment equal to those railroads which pay taxes. In short, this provision would begin the process of rebuilding America's railroads by concentrating on those tracks which are now used for intercity rail passenger service.

Finally, Mr. Speaker, the bill establishes a completely new system for instituting State-subsidized intercity rail passenger service. Under the present law, only six States have taken the opportunity to match State dollars with Federal dollars in order to have intercity passenger service. The bill I have introduced today would use a mechanism of technical assistance panels in order to bring all the States served by a particular train together so as to work out a plan for providing State-subsidized service.

I believe that there is a place for intercity rail passenger service in this country. I am confident that the Committee on Interstate and Foreign Commerce will avoid simply dropping trains from Amtrak in order to save dollars. The time has come to provide Amtrak with all of the tools it needs in order to do a good job. The Amtrak Reorganization Act of 1979 will accomplish that.

For the convenience of the other Members of Congress, I am including with my statement a summary of the Amtrak Reorganization Act of 1979:

ANALYSIS OF MADIGAN AMTRAK BILL

I. Titles:

Title I—Findings, Goals and Definitions.

Title II—AMTRAK Management Improvements.

Title III—Contract Rail Carrier Incentives and Coordination.

Title IV—State Subsidy Programs.

Title V—Tax Incentives for Rail Carriers that Contract with AMTRAK.

Title VI—Authorizations for Appropriations.

Title VII.—Miscellaneous Provisions.

II. Section-by-Section Analysis.

TITLE I—FINDINGS, GOALS AND DEFINITIONS

Sec. 101—Findings. This section adds a new subsection to the Rail Passenger Service Act which states the current problems and prospects of AMTRAK.

Section 102—Goals. This section establishes specific performance goals so that AMTRAK can plan its programs with the certain knowledge of what Congress expects. Included in the goals are improvement of on-time performance, better recovery of costs from revenue, improvement in state-subsidized service, and general improvement of AMTRAK's performance with comprehensive, systematic operational programs and employee incentives.

Section 103—Definitions. This section merely restates the existing definitions and adds definitions for "AMTRAK", "center", "model program", "on-time performance", and panel".

TITLE II—AMTRAK MANAGEMENT IMPROVEMENTS

Sec. 201—Operational Improvement Program. This section requires the Corporation to establish an overall program for the improvement of operations, including valuation of the appropriate numbers of employees used for operations.

Sec. 202—Employee Incentive Program. This section authorizes the Corporation to grant recognition awards for outstanding achievement in meeting the performance goals. In addition, it establishes an employee stock ownership plan with dividends payable from percent of revenue established under the law.

Sec. 203—Regional Maintenance Plans. This section requires the Corporation to establish a regional maintenence plan on or before January 1, 1980 which should have the effect of improving the Corporation's ability to keep its equipment operational.

Sec. 204—Performance Evaluation Center. This section requires the Corporation to set up a Performance Evaluation Center in its central office in order to evaluate both short-term and long-term operational problems and make recommendations for improvement of operations.

Sec. 205—Adequacy-of-Service Reports. This section establishes a program whereby AMTRAK conductors will be given special responsibilities in reporting directly to the Performance Evaluation Center any problems encountered in the operations of trains. This section also repeals existing law which gives the Interstate Commerce Commission a role in determining adequacy of service.

Sec. 206—Model Programs. This section establishes two new programs at AMTRAK designed to serve as models for the rest of industry. The first program is a job placement program which would require AMTRAK to provide services to employees who are affected by any reduction in work-force so that they can get new jobs either within or outside of the railroad industry.

The second program requires AMTRAK to institute a "model rehabilitation program" for employees sustaining major injuries while on the job. The model rehabilitation program would provide employees who receive major injuries with prompt rehabilitation services so that such employees could continue to be gainfully employed.

TITLE III—CONTRACT CARRIER INCENTIVES AND COOPERATION

Sec. 301—Uniform Contracts. This section would direct AMTRAK to enter into a contract with the railroad industry which would permit them to run special trains in order to get more effectively into the charter business.

Sec. 302—National Carrier Coordination Committee. This section establishes a committee under the Secretary of Transportation which would be made up of representatives of each of the rail carriers having a contract with AMTRAK. The purpose of the committee would be to evaluate ways and means whereby railroads can help make AMTRAK work better. The committee would make periodic reports to the Congress.

Sec. 303—Reduced Rate Transportation on AMTRAK. This section repeals the current provisions of low relating to railroad passes for current and former railroad employees and their dependents. In lieu of that provision a broader provision is put into the law whereby the Corporation can offer reduced transportation to (1) senior citizens, (2) government employees on official business, and (3) current and former railroad employees now having railroad passes. Under this provision the Corporation could provide up to 50% fare reduction for these classes of people to use AMTRAK trains on a seats-available basis.

Sec. 304—Penalty for Lack of On-Time Performance. This section changes the current penalty system which deducts money duo to railroads under contract to AMTRAK only to the extent that such penalties do not exceed incentive payments made to such railroads. Under this provision penalty provisions could reduce the amount of money a railroad is entitled to under a basis contract by as much as 75%.

TITLE IV—STATE SUBSIDY PROGRAMS

Sec. 401—Establisment of the Program. This section completely changes the existing subsection 403(b) and institutes a new program for providing state subsidized service. The first element of the new program is that any state wanting to continue or initiate intercity rail passenger service may request the Secretary of Transportation to establish a "Technical Assistance Panel". Such panel is made up of (a) state rail planning officials from each of the states which the train would pass through; (b) an AMTRAK representative; (c) a representative from a non-operating railroad member organization; and (d) a representative from an operating railroad labor organization. The Technical Assistance Panel would then evaluate the cost of the train involved and ways and means for reducing such cost. The Panel would then determine which states wanted to provide part of the subsidy for the new or continued intercity rail passenger service and work out an allocation between the various states as to the state's share of the expense. States would then request direct grant from the Department of Transportation to cover 50% of the cost of such service which would then be matched by 50% paid by the states.

TITLE V—TAX INCENTIVES

Sec. 501—Application and Certification. This section provides a means whereby any railroad having AMTRAK service can request that the Secretary certify that track improvements are on tracks used by AMTRAK trains.

Sec. 502—Tax Credit. This section provides that any rail carrier improving tracks used by AMTRAK can receive an additional 10 percent tax credit for such improvement. This section also contains a refundable tax credit feature whereby a railroad which would not ordinarily pay taxes would receive from the government an amount equal to (a) the basic 10 percent tax credit permitted to any railroad for improvement of track, and (b) an amount equal to an additional amount of 10 percent which would have been available as a tax credit had the railroad been a taxpayer.

TITLE VI—AUTHORIZATIONS FOR APPROPRIATIONS

In general the authorizations are for a period of three years and are subdivided as follows: (a) Operating Subsidies, (b) state subsidies, (c) amounts for model programs and labor protection, (d) amounts for capital expenditures, and (e) amounts for debt reduction.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701—General Powers of the Corporation. This section changes the existing statute by changing the words "security guard" to "railroad police" in order to entitle AMTRAK police to the same privileges that other railroad police have at the state government level.

Sec. 702—Applicability of Other Laws. This section relates to the application of other laws in an effort to simplify some of the paperwork facing AMTRAK.

Sec. 703—New Service. This section applies the same standards for new service that would be applied to evaluating the discontinuance of service.

Sec. 704, 705. These sections make changes primarily technical in nature.

Sec. 706—Coordination of Intercity and Commuter Rail Service. This section of the bill sets up machinery so that AMTRAK and a local or Regional Transportation Authority can evaluate what role, if any, AMTRAK can have in providing low cost commuter rail service.●

THE QUIET CAMPAIGN TO REVIVE THE DRAFT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, the All Volunteer Force is under attack. Nine bills have been introduced to reinstitute universal registration, classification, active conscription or mandatory national service. The Armed Services Committee recommended to the Budget Committee that the Selective Service System be allocated an additional $20 million for proposed improvements: "Including registration possibly classification."

The proponents of the new draft would have us believe that the AVF is no combat ready, unable to defend our legitimate interests in the present changing and unstable world situation. I strongly disagree as do a number of my colleagues and the Department of Defense in its own study of the All Volunteer Force published last December.

The following article by Barry Lynn as printed in the April 30, 1979, issue of Christianity and Crisis explores this issue in depth. I heartily recommend that all my colleagues read it:

THE QUIET CAMPAIGN TO REVIVE THE DRAFT

(By Barry W. Lynn)

Old soldiers, MacArthur said, never die; they just fade away. It's different with old military institutions—they fade away, but then they make a comeback. On Capitol Hill these days we are witnessing the revisal of one such venerable military pattern, the use of conscription to build the nation's armed forces. The return of the draft is being promoted by an odd coalition of liberal and conservative members of Congress for distinct but non-conflicting reasons. The movement is fueled in part by fears that the All Volunteer Force (AVF) isn't big enough or isn't good enough; in part by a general sense that the US is losing power-backed credibility in foreign affairs, in part by a sense that young people today are self-centered, pampered and/or unpatriotic.

For whatever reasons, the movement is well under way, even though still well behind the scenes for most Americans. The question that arises is whether the issues posed by the possible reinstatement of conscription will be resolved in a fully public way. Such a proposal raises fundamental questions of foreign and defense policy and not one but several knotty constitutional issues. It also gives occasion for inquiring into the Pentagon's assumptions and procedures in estimating the nation's "needs" for "defense." To clear the air it should be added that for me the conscription question is not a "proxy" issue useful in promoting any of the several varieties of pacifist ideology; I believe that we need military power, but I also believe we all have a stake in deciding how much, how it is created and how it is used.

The possibility of a revival of conscription first became apparent last summer, when efforts were made in both Houses to increase annual Selective Service funding to $17 million, roughly a $10 million rise. The funds would have removed the system from "deep standby" (no registration requirements and no induction) by providing for registration and classification of at least one age group, probably 18-year-olds. These attempts were finally defeated, but not for the clearest of reasons. In the Senate, for example, only Oregon's Mark Hatfield raised the question of the proposal's ultimate purpose; he called it a "backdoor attempt" to revive the draft. Other opponents said only that the plan was "premature," since several important studies of military needs were to be issued later in 1978.

At present the United States maintains approximately 2.1 million persons on active duty and 1.1 million reservists. What would happen if a national emergency entailing the possibility of armed conflict were to erupt tomorrow? Though exact details are shrouded in considerably mystery. Selective Service would immediately begin "face-to-face" registration at the various states' polling places, with the costs borne through funding authorizations by Congress.

At at more fundamental level, US military planning focuses in three areas: (1) development of a strategic nuclear force capable of destroying the Soviet Union if we are attacked; (2) preparation of general purpose divisions, both active duty and reserve, capable of the defense of Western Europe, and (3) preparation of similar "light" divisions capable of military action against enemies wo do not have great armored strength. The third provides, rightly or wrongly, the possibility of a more interventionist foreign policy.

It is in connection with the second and third planning areas that the question of the draft arises. The Pentagon and virtually all outside military experts agree that the only scenario likely to require a massive number of troops is a conventional European land war lasting more than six months. Much of our defense planning is therefore focused on this "worst case scenario." Military actions in the Middle East, Africa or Southeast Asia would not involve so great a land area and would not permit a quick strike that would result in the killing or disabling of large numbers of American troops.

ENVISIONING THE WORST

How likely is it that NATO and Warsaw Pact forces will ever engage in prolonged non-nuclear combat? The International Institute of Strategic Studies, which issues annual comparative analyses of military strength, notes: "The overall balance is such as to make military aggression appear unattractive. NATO defenses are of such a size and quality that any attempt to breach them would require a major attack. The consequences for an attack, and the risks, including that of nuclear escalation, must impose caution." With 7,000 tactical nuclear weapons in NATO's hands, the risk is, indeed, enormous. There is another, quite practical, problem for the Soviets, succinctly stated by a high-ranking adviser to the Senate Armed Services Committee: "The Soviet Union has enough trouble keeping 15 million Czechs in line. They know they cannot control 50 million Frenchmen."

Were a NATO-Warsaw Pact war to begin and last for six months, however, reserve units, volunteers and draftees would be needed. The precise mix of sources as foreseen by the Defense Department classified, but some data and projections can be examined.

For example, the Pentagon claims that the first draftees must be rallied within 30 days of mobilization, that 100,000 will be needed within 60 days and 650,000 within six months. A late 1978 study by the Congressional Budget Office (CBO) concluded that Selective Service could now supply only 60 percent of these goals within six months of the outbreak of war.

What is worth noting is that this high level of claimed draftee needs has nearly doubled over estimates made in 1976. Thomas Alder, publisher of the *Military Law Reporter*, has filed a Freedom of Information Act request to obtain the Defense Department memorandum on which the new estimate was based. Presumably, such a document would rely on Pentagon assumptions about casualty rates, magnitude and spacing of voluntary enlistments, the length of preparation time before full-blown warfare erupts and other vital details. Obviously such assumptions must be made; just as obviously, they should be critically evaluated by policy-makers and the public. One assumption, revealed in a speech by Assistant Defense Secretary John P. White in April of 1978, is that only 35,000 volunteers will sign up per month during a European war—the same number as during peacetime. Such a prediction ignores the experience of all previous wars that had broad national support and generated great upsurges of enlistments upon mobilization.

Pentagon planners also require that should a NATO war erupt, all Selected Army Reserve and National Guard units (the most important source of troop augmentation in the early months of a major war) must be filled to 100 percent of desired levels. Ideal strength is apparently slightly over 600,000; the actual roster now numbers 525,000. Additionally, the Pentagon seems to want 750,000 more individuals in the Army Individual Ready Reserve (IRR) (a group of persons who have left active duty but are not obligated to serve in the Selected Reserve). Their mission is to bring units of the active force and Selected Reserve to full wartime strength and provide battlefield casualty replacements. The Army IRR now contains 187,000 persons.

These estimates, suggesting lengthy draft delays and a shortage of hundreds of thousands of reservists, seem to demonstrate that we are in deep trouble. But even on the assumption that the estimates are not gross overstatements, we are not without options other than the draft. It is likely, for instance, that managerial and incentive changes in the reserves could fill in existing gaps.

One gets a hint of the possibilities for overstatement from Kenneth J. Coffey, a former Pentagon and Selective Service official who is now with the conservative American Enterprise Institute. Since Coffey is long familiar with Defense Department procedures and with classified documents, when he now even obliquely hints at a solution there is likely to be great wisdom there. In his *Manpower for Military Mobilization*, published last year by the Institute, he wrote: It is possible that Pentagon planners have set manpower requirements without a careful in-depth evaluation of needs—a common practice during the manpower-rich draft years. Even worse, the scenario could have been influenced by a predetermined decision to justify large numbers of mobilized reserves, thus providing a basis for continuing the current strength and high funding levels of the reserve forces.

The Boston Study Group, a more liberal defense planning organization, has called for a 50 percent reduction in Army Selected Reserve strength because the jobs many units are supposed to perform are highly specialized and unnecessary duties such as maintenance of military governments in occupied territories, or have skills only associated with "light division" adventurism in third world countries (cf. *The Price of Defense*, New

York Times Books, 1979). The Brookings Institution's Martin Binkin, the best known former defense planner now doing private personnel research, has also labeled the high reserve demands more "political" than security oriented; he contends that state governors want access to the "private armies" the National Guard provides them. Finally, even Secretary John P. White has admitted to Congress that the IRR requirements may be "overstated."

Even if the high reserve figures are adopted and it is assumed they are all needed at once, both private and Pentagon experts see numerous ways to promote enlistments. An incomplete listing would include modest financial and other incentives, removal of unnecessary and blatantly sexist barriers to added participation by women, slight alterations in weight requirements and removal of certain educational requirements which the RAND Corporation's David Chu found were higher than in any other developed nation and higher than those for entry level jobs in the US civilian market.

In short, with the need highly questionable and new techniques aimed at getting more recruits already being put into effect, a call for the draft based on the "needs" just discussed seems premature.

QUALITY CONTROL

Other proponents of conscription claim that the All Volunteer Force is large enough, but its "quality" is too low. In fact, the AVF now contains the highest percentage of high school graduates in history and has roughly the same percentage of the highest "Mental Category" recruits as during the draft and considerably fewer of the lowest-scoring Mental Category IV, personnel.

Contrary to popular thinking, the AVF still draws people from roughly the same socioeconomic background as those who served during the draft. According to a RAND Corporation study by Richard Cooper, the AVF gets 43.4 percent of its recruits from family income backgrounds under $10,300. The draft got 42.5 percent from that same economic background. Even more importantly, 37.1 percent of America's youth are in this family bracket, so it is not accurate to say that both the draft and the AVF drew disproportionately heavily from the poor.

There are some differences, however. Because of recruiting costs of $300 million and pay scales now well above the minimum wage, the AVF is slightly more expensive. But to restore even a modest draft into the reserves would cost an additional $500 million for administration and salaries. If draft-era pay levels were restored there would be a return of the scandalously poor lifestyles of enlisted persons, particularly those stationed abroad with families—and the savings would be less than one percent of the total Defense Department budget. The trade-offs seem hardly worth it on purely logical grounds, not to speak of morals.

Some critics of the AVF point out that it contains a greater percentage of blacks and minority youth. In peacetime that is not *prima facie* evidence of inequity. Although we should be appalled at the lack of commitment of the Federal Government to provide meaningful employment programs for all people, it would help no one to set what would amount to race quotas through random conscription; for many blacks that would mean *no* jobs rather than military jobs. This is in part why Congressional Black Caucus Chairman Parren Mitchell recently signed a joint letter to President Carter opposing any efforts to begin a draft revival.

To hear some Southern AVF critics on the Armed Services Committees talk about the "problem" of disproportionate representation of blacks might make one consider them born-again civil rights activists. It is not all that likely that these Congressmen are worried about "too many" blacks in the military or about "inequality"; their more probable concerns are the high level of dissent by blacks when conditions become inhumane, and the high likelihood of blacks' refusing participation in any US adventurism in Africa.

Both the previously cited Congressional Budget Office study and a study by the General Accounting Office (GAO) tilt noticeably toward advocacy of peacetime registration. "It appears most critical," says the GAO, "that a list of draft eligible people exists." Here the issue that rises has to do with the means proposed. To compile the list, the study recommends prompt waiver of the Federal Privacy Act by Congress so that Selective Service could have access to tax information, social security records, drivers' license applications, voter registration lists and similar sources of personal information. This is the general approach taken in legislation proposed by Representative Charles Bennett of Florida, the second-ranking Democrat on the House Armed Services Committee. Bennett specifically calls for opening private and public school records to Selective Service, a proposal that is particularly offensive to Quakers and other pacifist bodies that operate schools. The CBO suggests another method of registration in which Internal Revenue Service and Social Security data could be merged by computer to locate 85 percent of 20-year-old males within five days.

The privacy issues raised by such proposals, in what could become a universal registration of all young people, led David E. Landau of the American Civil Liberties Union to warn the House Armed Services Committee that such action could reverse the trend in Federal legislation toward granting greater personal privacy and could effectively "institute a universal identifier system" for the United States.

SECURITY VS. PRIVACY

The truth is that virtually nothing of military significance is to be gained by premobilization registration. Even the CBO believes that a draft could be started a mere 13 days sooner with registration than without it. Should a real need for vast military person-power emerge, finding people to draft will hardly be the biggest problem. The real problems will arise because of he lack of equipment and training facilities to handle vast numbers of inductees rapidly and put them through the three months of basic training required by statute. Backed by a letter opposing registration from 400 Viet Nam veterans from his district, Oregon Congressman James Weaver argues: "To live with the constant threat of being uprooted and pressed into service would be a needless governmental intrusion that would not be balanced by any real increase in our security."

Nevertheless, support for registration abounds and its backers include General David C. Jones, Chairman of the Joint Chiefs of Staff, and Secretary of the Army Clifford Alexander. President Carter has not taken a position. The Carter-proposed fiscal 1980 budget includes only $3 million more over the current level for improving computerized data processing procedures which might be used for emergency registration. This increase seems prudent.

Those who seek ways to invade private files or jumble computer lists, and to avoid traditional face-to-face registration, clearly are concerned about what resistance registration might engender. A recent Harris poll shows 47 percent of those between 18 and 29 opposing registration. Although many of those persons would obviously register if required by law, the CBO projects that as many as 100,000 per year would not. Another Defense Department study says: "Should the registration meet widespread resistance and strict enforcement be ordered, costs could be very high. The FBI is not eager to enforce SSS registration . . ." In mid-March, to give substance to such projections, groups of students in each of 20 cities held press conferences to state publicly that they would not comply with any draft registration. Even the Congress is uneasy at the prospect of thousands of young people potentially spending five years in prison for refusing to comply with a peacetime registration.

Other serious legislative proposals go beyond mere registration. At least, some envision classifying potential inductees. Congressman and former General G. V. ("Sonny") Montgomery of Mississippi wants to register all 18-year-olds (men and women) and then induct up to 200,000 men a year into the Individual Ready Reserves (IRR). Montgomery's bill is getting increasing support in the House Armed Services Committee.

The most extreme proposal of all, full-scale national service, has always seemed an issue for the 1980's—until a bill by Representative Paul McCloskey began picking up major newspaper editorial support and sizeable media interest within a week of its introduction. McCloskey was the liberal California Republican who challenged President Richard Nixon in several 1972 primaries. Supported by an impressive array of co-sponsors like progressives Patricia Schroeder and Paul Simon and ultraconservatives Trent Lott and Robin Beard, the concept has generated much discussion.

McCloskey's bill gives the 17-year-old registrant a whole year to consider four options:

—Two years of active military service, coupled with educational benefits;

—Six months of active duty followed by five and one half years of reserve obligations;

—One year of civilian service in conservation, agriculture, tutoring or other community projects; or

—Placement in a pool of potential draftees for six years. At 18, with some limited exceptions, every man and woman would make the choice.

BALANCING THE BUDGET

McCloskey claims this is not really "conscription" because one may not be required to do anything if the luck of the lottery pool is with him or her for a full six years. He also argues that the scheme will cost "virtually nothing" because the private sector will find jobs for civilian "recruits," and because the beginning pay-scale for military and publicly funded civilian workers will be reduced from $419 to $192 per month.

Even with low pay and heavy private sector commitments. McCloskey has never demonstrated how his program will be cost free. The RAND Corporation, Congressional Budget Office and Defense Department have appraised similar widescale programs at $10–23 billion per year over present expenditures. McCloskey must assume that an extremely high percentage of the four million people turning 18 each year will choose the lottery pool and the government itself will fund few of the civilian jobs. Even with those assumptions, I can never get the figures to show anything close to a break-even point for national service costs.

McCloskey, Paul Simon and the other liberal co-sponsors offer appealing—but, to me, finally unconvincing—arguments.

First, they see a danger in a "professional army" that could be led to excess or adventurism. McCloskey told the *Chicago Tribune:* "The leader of the reluctant citizen-soldier knows that he must justify to his troops the war in which he asks them to die." Opponents of McCloskey's bill (and of other draft proposals) like Congressman Robert Drinan of Massachusetts see a precisely opposite problem. "We could not have fought the war in Viet Nam without the pool of manpower the draft provided." Although McCloskey's fear of true mercenaries (those who fight only for pay or glory) might be justified, the average AVF recruit is not eager to see combat; nor is he or she truly a "professional" since the average recruit only spends about 3.4 years on active duty.

A second strong appeal is that young people today do not have adequate avenues for expressing their idealism. Although this is probably true, it is difficult to see by any historical evidence how compulsory civilian service to avoid the military or six years of uncertainity in the draft lottery is likely to be of high enough quality actually to help the intended beneficiaries of the service. A better answer for unmet idealism seems more voluntary service options, not compelled labor. As one caller on a radio talk show put it, "I don't want my mother in the nursing home taken care of by somebody who doesn't really want to be there!"

McCloskey and his more conservative cosponsors see this as a way to increase military hardware expenditures within the present defense budget. By paying military personnel at what amount to subsistence wages, the present budget would have "extra" funds available for military weapons research and development. McCloskey readily acknowledges that this is important in his district, which receives the highest percentage of defense contracts in the United States. But that is hardly a consideration relevant to national security; nor is it easy to believe that this country needs still heavier expenditures for military hardware.

There is no question that compulsory service has a certain appeal. There are a few additional hidden problems, however, which for me ultimately negate its value. National service workers in place, competent or incompetent, present good excuses for cutbacks in other social service programs: "We gave you an 18-year-old to pick up litter. How can you ask for a recycling center too?" Again, a national service proposal with heavy involvement by the private sector would undoubtedly displace marginally employed workers. Congressman McCloskey, for example, particularly wants religious organizations to locate and fund national service placements. One wonders how many $10,000 per year church custodians would find themselves replaced by $3,000 or even $6,000 national service workers.

Finally, every proposal for peacetime registration faces sizable constitutional obstacles. The constitutionality of such a peacetime process has never been addressed by the Supreme Court. All the cases upholding emergency registration and conscription echo a decision upholding the 1948 Selective Service Act; the Court found a wartime draft "a valid exercise of the war power. It is calculated to function—it functions today—in time of peril." The emphasis is consistently in a present state of extreme crisis that clearly requires additional personnel for the defense of the nation's interests.

Compulsory registration or more at a time when there is neither war nor a state of declared national emergency is likely to be found unconstitutional. The 13th Amendment's prohibition on "involuntary servitude" can be violated by other means besides the reinstitution of slavery, and peacetime conscription, particularly any non-military conscription, would be a prime candidate.

SEX ROLES AND THE MILITARY

A second looming constitutional issue is the legality of a draft for men alone. Women cannot be registered or conscripted under the present Selective Service Act. Even absent ratification of the Equal Rights Amendment, recent Supreme Court decisions make it clear that statutes which have a grossly disparate effect, beneficial or burdensome, on one sex are subject to the requirement that strong, demonstrable reasons for the difference exist. Although it may be logical to keep women out of combat, there is surely no justification for keeping them out of any other military or civilian service, particularly in light of the large number of women doing exemplary service in the AVF.

Curiously, it is the emotional debate over whether to include women even in a registration plan that may prove the largest stumbling block to rapid passage of legislation. The same people who promote high-budgeted military policies generally oppose requiring—or even permitting—women to do more than childcare and bread baking. One suspects, however, that if they had to choose between values, at least for registration, their thirst for the draft would overcome their sex role sensitivities.

Many draft critics, and pro-conscription supporters find registration, and probably classification or limited induction authority, almost inevitable in 1979. Signs of opposition are growing, however. The National Council to Repeal the Draft has returned as the Committee Against Registration and the Draft and should become visibly active soon. Five Democratic and three Republican House members have begun circulating a "Dear Colleague" letter to get others to join a message to President Carter opposing the return of registration.

One of the most disconcerting features of the draft revival is how quietly it is being pursued in Congress. Since early February, the House Armed Services Committee has been holding hearings on the "Mobilization Capacity of the Selective Service System." They have been hearing evidence on every possible draft bill. Yet if a member of the public calls the Committee they consistently announce reassuringly that "no hearings on bringing back the draft are occurring." The Subcommittee on Military Personnel has also made a secret recommendation to the Budget Committee for an increase in the Selective Service budget. The Senate Armed Services Subcommittee on Manpower, chaired by Senator Sam Nunn of Georgia, has begun hearings on the same nebulous area and "may invite" a few public witnesses during the coming months.

The debate has begun. Questions of the effectiveness and equity of the AVF, the legitimate personnel needs of the military, and the constitutionality and morality of various draft proposals will be resolved this year. Even if only registration occurs this year, the nation may be inexorably on the road back to drafting the young to do whatever work the nation deems necessary. It is a decision that requires careful thought and full debate. To date, I have found no reason to abandon the skepticism I expressed last February during a Congressional hearing: "Many Americans are frankly baffled about how a nation with 2.1 million active duty personnel, 800,000 persons in the selected reserves, over 300,000 persons in the Delayed Entry Program and a history of being able to recruit 'actual volunteers' even during such an unpopular war as Viet Nam can be said to be insufficiently prepared for any real emergency."●

CONGRESS SHOULD ELIMINATE UNFAIR TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of the 96th Congress I introduced H.R. 108, to extend to all single people the full tax benefits of income tax splitting now enjoyed by married individuals filing joint returns, and also to equalize taxes for married couples when both are employed.

Under our present system of Federal income taxation, individuals with equal incomes do not pay equal taxes. There are a number of reasons for this. Some individuals have more itemized deductions, some use the standard deduction, and some have more dependents. Even after these factors are accounted for, individuals with equal taxable incomes may not pay equal taxes.

One reason for these differences is the taxpayer's filing status. Under present law there are five individual tax rate schedules: First, for married individuals filing joint returns and for surviving spouses; second, one for single persons who qualify as heads of households; third, one for single individuals; fourth, one for married individuals filing separate returns; and fifth, one for estates and trusts.

Although each of the five rate tables has rates ranging from 14 to 70 percent of taxable income, each has a different level of progressivity. As a result of the way the rates are structured, the rates for estates and trusts are the most steeply graduated, the rates for married individuals filing a joint return and surviving spouses are the least steeply graduated, followed by the head of household rates, the single individual rates, and the married filing separately rates.

All of these different rates result in the following inequities: First, single individuals pay up to 20 percent more tax than married individuals earning the same amount of income if the married person's spouse earns no income. This difference is viewed as a tax on being single or a "marriage subsidy." Second, in many cases two wage earners pay more tax on the same incomes if married than if unmarried. This discrepancy is often called the "marriage penalty."

My bill is intended to cure both these problems. H.R. 108 would extend the benefits of the income splitting tax rates now enjoyed by married individuals filing joint returns to all unmarried individuals. In addition, the bill would allow married couples with two wage earners to be taxed at the same rates as any other two individuals with the same income levels. The married couple would, for the most part, no longer be a taxable unit.

H.R. 108 provides that every individual other than an estate of trust would use the table currently used by married individuals filing joint returns and by certain surviving spouses. The rate tables for single individuals, for married individuals filing separately and for heads of households would be eliminated. The rate table for trusts and estates would be retained.

The bill would also allow married couples the option of filing a joint or a separate return. In almost every case in which both spouses have income, it would be advantageous for the couple to file separate returns.

Prior to the Revenue Act of 1948, there was only one Federal individual income tax rate schedule, and the individual was the sole taxable unit. This bill would return to those simpler days with one improvement. Before the Revenue Act of 1948 allowed marital income splitting and created a special rate table for married individuals filing a joint return, couples living in community property States enjoyed a tax advantage over other taxpayers. Community property State laws permitted married couples in community property States to file income tax returns on which each spouse reported half of the total income earned by the couple.

When one spouse received most or all of a married couple's income, the filing of separate returns could greatly reduce the combined tax liability of the married couple in a community property State. The discrepancy between community property treatment and common law treatment of married couples was so great that Congress enacted income splitting and the joint return rates to cure the inequity.

In order to prevent a return to that pre-1948 problem, H.R. 108 provides that a married individual filing a separate return must report his or her own earned income and that earned income of one spouse cannot be taken into account by the other spouse. This would prevent married couples from shifting earned income from one spouse to the other.

Mr. Speaker, this legislation takes a positive approach for curing both the marriage subsidy and the marriage penalty problems which exist in the Tax Code. Individuals with equal taxable incomes ought to pay equal taxes. H.R. 108 will take a giant step toward that goal, and I urge the support of my colleagues for this legislation.

THE NATION NEEDS A DRAMATIC ANTI-INFLATION MOVE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, The Joint Economic Committee this morning heard the latest bad news about inflation: the March Consumer Price Index indicates that double-digit inflation is still with us.

There must be a way out. With this in mind, I questioned Alfred E. Kahn, Chairman of the Council on Wage Price Stability, this morning as follows:

Reuss: Welcome, Mr. Kahn. We have just heard the disastrous news.

What an ironic situation we are in! Here we have a fiscal policy in which, to its credit, Congress is going the Administration one better in cutting down the deficit. In monetary policy, interest rates are at an all time high, the monetary aggregates are growing very slowly, and the best test of the rightness of our monetary policy is that the learned money men of Europe are applauding it, and showing their applause by backing the dollar.

Fiscal and monetary policy are thus doing their anti-inflationary best. As for your wage-price-incomes policy, as you know, you are one of my heros, and I think you are doing as good as mortal man can do.

So something is wrong here. All the policies are in place, yet you have got double-digit inflation.

As you perhaps know, I have for a long time been peddling the thesis in thought, word and deed that the trouble with us is the structure of the economy, and that you can have perfect fiscal and monetary and wage-price policies and still have uncheckable inflation if our food policy, and our import policy, and our regulatory policy, and our federal-state-local tax policies, and our distribution policies, and our health policies, and all the rest of our economic structure is as ramshackle as ours is. So I have been calling for a policy which recognizes that there isn't a quick fix for our situation, but that there is a slow fix—to improve our structure—and the sooner we start on it the better.

I was heartened to read in this morning's paper that Chairman Reginald Jones of General Electric seems to be saying exactly the same thing. He calls upon the Administration to announce a blockbuster of an anti-inflationary policy, and the principal elements in it, from the press accounts I have read, are a different food policy, a change in tax policies and regulatory policies—very much the same thing that I have been urging. My question is: why doesn't the President tomorrow call the attention of the American people to the true nature of the inflation that is bedeviling us, and get us concentrating on the cure for our bad economic structure. Because it is going to take a generation to correct, we had better start tomorrow.

Kahn: I just couldn't agree with you more, Congressman. Indeed I wouldn't have taken this job if I hadn't agreed with you. I have regarded my taking the job as an opportunity to undertake this slow, difficult, long-paying-out process of refining the structure of our government policies and the structure of our economy.

As you quite rightly point out, it is going to take a long time. If I am not the first, I want to be the first today to congratulate you on your article on Mexican tomatoes, which we discussed, and the day after we discussed it I went to the Secretary of Agriculture. I now have sent him a copy of your article. We will pursue Mexican tomatoes until we get real tomatoes to eat rather than those pieces of stone that are supplied, that have the virtue that they can be picked by machines but not eaten.

I do want to say a word about fiscal and monetary policies. As you know and I know, they do function but they function with a lag. We are precisely at the point now of trying to figure out if we have done enough in the past month so that it may begin to take effect now. We are in this interesting situation in which the monetarists are saying we ought to let up now because the monetary supply growth has been so slight. On the other hand, there is also something crazy about the money supply figures. I am afraid all the European bankers you have talked to must have gone to the University of Chicago.

Fiscal policy, I think you and I agree on. Budgetary restraint is desirable, but we are talking about the 1980 budget which doesn't even begin to come into effect until October 1st. I mean talk about lags! It is a desirable thing. It sets a desirable example, but it operates only after a period of time.

Let me just get back to the structural things. Just this week I have devoted a substantial amount of attention to such questions as what kind of a trucking regulatory reform bill we should bring in. What should the Administration's view be on communications policy, particularly the question of introducing more competition into common carrier communications? Food policy—not just Mexican tomatoes? I was directly involved in the decision to get 25 percent cut in the government's procurement of beef. There are a number of such small issues in the food field. A few weeks ago I had a very small role in the reduction in the milk parity price support index—if you're from Wisconsin please don't listen— from 80 to 78 percent. We have a number of these. They are small because there is not a tremendous amount that each one will do. We have a series of recommendations coming out now to the President in the health field, which has been structurally bad from an inflationary point of view. I have spent some time on the maritime shipping policy where there are some people who are pushing to make that an even more rigid cartel than we have now.

Finally, we have spent some attention on pending environmental and safety regulations to see that they are subjected to reasonable cost effectiveness tests. So we are working at that, I assure you, and I agree totally with your statement about the importance of that in the long run.

Reuss: My time is up, but I want to thank you for your answer, and to say that if what you are doing can be elevated into a policy that people understand, you would be surprised at the good sense of the American people, and their willingness to cooperate.

The colloquy is self-explanatory and I want to emphasize again the importance of what Reginald Jones was saying. According to this morning's Washington Post, included in Mr. Jones' outline of "dramatic anti-inflation moves Carter could make," would be use of the reserves "banks must keep on deposit with the Federal Reserve System."

Mr. Jones is so right. The reserve power of the Federal Reserve is a vital anti-inflation tool. Unfortunately, the American Bankers Association, which one would think would be helping in the fight against inflation, is currently engaged in frustrating the Federal Reserve's effort to prevent erosion of its inflation-fighting reserve power.

A combination of the kind of economic structural reform we have been talking about, and a Federal Reserve equipped to conduct monetary policy effectively, would be two strong components of a comprehensive effort to lick inflation.●

DEATH OF A RAILROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. Williams) is recognized for 5 minutes.

Mr. WILLIAMS of Montana. Mr. Speaker, last Monday, in U.S. Federal District Court in Illinois, Milwaukee Road Trustee Stanley Hillman asked that Judge Thomas R. McMillen order him to embargo service on 7,400 miles of the Milwaukee Road on May 8. In addition, he asked the judge to order him to furlough all employees on the embargoed lines. Since then, Milwaukee has sent layoff notices to its employees along the embargoed lines, including over 800 employees in Montana. If the judge grants the trustee's requests, the largest single abandonment of rail lines in our history will occur and one of a handful of transcontinental transportation corridors will be dismantled.

There are many aspects of the Milwaukee situation of interest to the Congress. One issue of great national import has emerged. That is the question of the relationship of Government to the private sector of our economy. Let me reflect for a moment about this.

At the beginning of this century, a great national debate occurred over the proper role of public involvement in the affairs of business. The last quarter of the 19th century saw the industrial revolution transform America from a rural, agricultural land to an urban, industrial nation of awesome potential. It saw the rise of great corporations whose monopolistic practices had caused the birth of a reform movement to curb the excesses of those giants. The fundamental question was whether to protect the public by assuring competition through regulation and antitrust action. Americans chose to walk that path and thus, was spawned a host of agencies whose acronyms have become common parts of our language.

Today we face this fundamental issue again because there is almost compelling evidence that those agencies of the public have become totally ineffective in maintaining their original public charge. Proposals to deregulate industry abound and we are bombarded with arguments that we must unshackle the economic might of America from Government's deathly grip. As a result, the process of tearing down those reforms which the public demanded is underway.

And now comes a tragedy like the Milwaukee situation which demonstrates why we should pause before rushing pellmell to completely remove Government regulation from vital sectors of our economy. Milwaukee management, like the Penn Central's before it, has been acting for years in the spirit of that 19th century railroad baron, William Vanderbilt, whose motto was, "The public be damned." And yet, it was not the traditional forms of abuse, rate gouging or excess profiteering that Milwaukee practiced, but they found that the railroad could provide substantial revenue for other pursuits.

So Milwaukee began to cannibalize its railroad, siphoning off its profits rather than reinvesting them to maintain quality service. Finally, in December, 1977, Milwaukee filed for bankruptcy, and the drama of Milwaukee's fate was continued until today when, perhaps, the final acts are being played.

On the corporate side, we now have the creditors, greedily eyeing the assets of the Milwaukee Road, and its executives and stockholders happily anticipating a profitable liquidation. On the public side, the farmers, businessmen, and other shippers face a loss of rail service vital to their economic well-being.

Along the line in places like Superior, Deer Lodge, Three Forks, Harlowton and Roundup, thousands of employees clutch layoff notices, face foreclosed mortgages, fewer groceries, and long lines at the unemployment office. On what ledger will that cost in human misery be entered? In what forum will the public interest be served by weighing that cost against the cold balance sheets which argue for abandonment.

I suggest what we learned many years ago that, in the case of public utilities such as railroads, the corporate boardroom is not the proper forum. I suggest in the case of the Milwaukee that neither is a closed courtroom, where only a few of those who are affected by the decisions that are made can participate. The Interstate Commerce Commission is, in fact, the proper forum—because there and only there is the public guaranteed an opportunity to be involved. And, the other regulatory agencies of government have been, and I believe continue to be the proper forums where such decisions should be made.

People today are tired of government and the mood calls for restraint both in government spending and in expanding the role of government in society. Certainly, the calls for reform of our regulatory process must be heeded—none of us deny that excess regulation, bureaucracy, and redtape must be eliminated, and I am going to help in achieving it. But, we must be cautious when we attempt to redefine the role of government in the private sector of our economy. We must be careful that we do not forget government, however, imperfect, is the only legitimate voice of the public in the economic affairs of the Nation and that it must not abdicate its role of protecting the public welfare.

So let us remember the Milwaukee Railroad and why that distant train whistle may soon no longer be heard on those long, lonely stretches of the northern Great Plains. Let us not forget as we labor to put government back on the right track in our pursuit of the public's proper role in requiring the Nation's private business to act responsibly.

SALT I: PRELUDE TO SALT II?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Charles H. Wilson) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, since 1972 we have lived in a world governed by the principles of the 1972 interim agreement on strategic offensive weapons, an executive agreement commonly referred to as SALT I. It is appropriate, I believe, to review and evaluate the impact of that agreement now that debate over the proposed SALT II agreement is about to commence. The expressed purpose of SALT I was to preserve overall strategic stability and to reduce the tension that results from the uncontrolled development of strategic arms and "to strengthen trust between states."

Accordingly, the preamble to any strategic arms policy for this country must declare its commitment to a stable deterrent and the maintenance of an assured retaliatroy capability sufficient to inflict unacceptable damages upon any would be attacker. This principle was embodied in Public Law 94-448, the congressional resolution which approved SALT I. It is apparent, however, that this essential maxim has been eroded since SALT I. This condition is, in part, the result of the illusion of security perpetuated by SALT I. More specifically, since SALT I, the gross inequities sanctioned by the agreement have been compounded by the accelerated efforts of the Soviet Union in every category of arms development, particularly in strategic arms.

Further, the Soviets have continued to prove their unwillingness to exist in an atmosphere of détente or mutual trust by their repeated involvement in the affairs of other nations and their proclivity for creating and exploiting international tensions. The greatest liability of SALT I, however, is that it has lulled the people of this country into the misconception that a real "arms control" agreement has been in effect. Nothing is further from the truth.

SALT I imposed certain agreed ceilings on the United States and Soviet strategic arsenals. Though the Soviets have not technically exceeded these limitations, the SALT I agreement has done little to arrest significant strategic nuclear weapons development in the Soviet Union. In 1965, total Soviet force loadings, that is, total numbers of weapons that can be carried by deployed missiles and bombers, was thought to be approximately 450. Currently this number is thought to be 5,000. The Department of Defense reported that there was a 1,000-weapon increase in the last year alone. SALT I did little to dissuade the Soviet Union from deploying a fourth generation of strategic nuclear delivery vehicles, the SS-16, SS-17, SS-18, and SS-19, of which over 500 have been already deployed. With the development of this generation and the development of a fifth generation of ICBM's, Soviet qualitative characteristics have surpassed the United States in almost every relevant category of comparison. In the 1970's the Soviet Union has surpassed the United States in ICBM and SLBM numbers, equivalent megatonnage, total strategic nuclear delivery vehicles, and throw weight. Further, the Soviets have further introduced the "cold launch" technique which provides for a possible rapid reload capability.

Of considerable concern to U.S. military leaders and to our European allies, the Soviet SS-20, a mobile, MIRVed (multiple) independently targeted reentry vehicle), normally an intermediate ranged ballistic missile, has been introduced in large numbers to the European theater. There is no comparable European counterpart to this system short of the 18 French intermediate ranged missiles which have only half the range of the SS-20. Of concern to the United States, beyond a general concern for the security of our allies, is the fact that the SS-20 is merely a truncated SS-16, which has a proven intercontinental capability. Given sufficient cause, the Soviets could convert the SS-20 itself to an ICBM capable of striking U.S. targets.

In the SLBM category, Soviet deployments have been substantial in the period following SALT I. Since 1972, the Soviets have doubled their SLBM deployments which now number approximately 950. Since SALT I, they have further deployed three new types of MIRVed SLBM's, two of them having ranges that exceed that of the not yet deployed Trident I. Further, there is evidence that MARV (maneuverable reentry vehicle) tests have been conducted in an SLBM since SALT I.

The most serious aspect of the Soviet strategic modernization program is improved accuracy combined with throw weight and large warhead yield in their new ICBM's. This development has forced the Congress to consider alternative basing modes to protect its land based deterrent forces. These plans will have to be effected at a substantial cost to the United States. This situation is largely the result of the current and expected technological developments of the Soviet Union. U.S. policy has deliberately avoided imposing this dilemma upon the Soviet Union, yet the Soviets have not spared the United States such problems. In fact, the United States has not increased the numbers of its ICBM's or its sea-launched ballistic missile tubes since prior to SALT I. The numbers of U.S. heavy bombers has been substantially reduced since that time. All of this, I will again restate, is under the guise of arms control.

The Soviet Union has not been dormant in another category of strategic weapons, intercontinental bombers. The Soviets have some 140 existing bombers with long range capability in addition to the controversial Backfire. Given the limited air defense of the United States, the 140 existing Soviet bombers pose a significant threat to the United States. The post-SALT I deployment of the Backfire, however, serves only to exacerbate the growing apprehension over Soviet strategic capabilities and military intentions. In 1978, the Department of Defense technical assessment of the Backfire concluded that—

> On oneway arctic staged missions recovering in friendly or neutral territory, the Backfire is capable of delivering weapons anywhere in the United States without refueling.

Slightly shorter than the B-52, the Backfire is capable of mach 2 speeds and has a 10-ton payload. The mere fact that "explicit assurances" have been solicited from the Soviet Union on basing restrictions for the Backfire confirms the fact that the Soviets have deployed an aircraft with intercontinental capabilities. This must be viewed in light of the B-1 cancellation and our reliance upon the aged B-52.

An unsettling thought is that the Soviet political and military leadership has been entertaining scenarios dedicated to a controlled counterforce nuclear war. In other words, the possibility of limiting damage to their own country while attempting to win a nuclear war. Secretary of Defense, Harold Brown, termed "troublesome" the "degree of emphasis in Soviet military doctrine on a war-winning capability, and the extent to which current Soviet programs are related to the doctrine—which sounds like World War II fought with nuclear weapons."

Two aspects of recent Soviet behavior appear to support the thesis that they are beyond contemplation of the possibility of limited nuclear war. First, the Soviet Union has established the most comprehensive air defense network in the world. They have deployed some 2,600 interceptor fighters and are currently upgrading this force with Mig-23's and a modified Mig-25 with lookdown/shootdown capability. There are now also 10,000 SAM missile launchers in the Soviet Union which will accommodate 12,000 missiles. This network is in the process of an upgrade, and the future deployment of the highly capable, new SAM-X-10 expected.

The Department of Defense posture statement suggests that the Soviets are involved in developing an airborne warning and control type aircraft similar to our own AWAC's. Though the United States has dismantled its antiballistic missile system, the Soviets have maintained their Galosh system located near Moscow. Soviet research and development has been greately devoted to this area of ballistic missile defense as well. Dr. William Perry, Under Secretary of Defense for Research and Engineering, has stated that the Soviets are acquiring a ballistic missile defense that is rapidly deployable.

Secondly, extensive civil defense in the Soviet Union also indicates the interest in limiting damage to the homeland in the event of a nuclear war. The United States would have to invest approximately $2 billion to duplicate the Soviet civilian defense program. Today, 100,000 full-time personnel in the Soviet Union are involved at various levels of government and serve in political, military, and economic capacities in the civil defense effort. Evidence further indicates that this program continues to increase.

Neither of these programs, civil defense or air defense, are duplicated by the United States to a fraction of the extent to which they exist in the Soviet Union. Because it has been generally accepted that a nuclear war would result in mutually assured destruction for both countries, only token efforts have been made by the United States in these areas. It would appear that the Soviets are not as convinced and SALT I has not enhanced their sense of security.

Thus far only the most visible evidence demonstrating that the Soviets are discontent with the present strategic balance has been discussed. Amounts for defense spending and research and development are less visible, yet equally germane to this discussion. From intelligence provided by the Department of Defense and the CIA it appears that the seventies was a takeoff point in Soviet military spending, investment, and research. In terms of overall military investment, that is, procurement, facilities, and research and development, in constant 1978 dollars the Soviet Union looms well ahead of the United States.

In 1970 the Soviets roughly equaled the United States. Today estimates indicate the Soviets are spending approximately $50 billion more than the United States. This must be viewed in light of the post-Vietnam cutbacks in the United States and only a gradual increase in U.S. spending in recent years. Overall research and development in the Soviet Union also paralleled that of the United States in 1970, yet it now has doubled what the United States annually spends. Total defense spending in both countries were roughly equivalent again in the early seventies, but in 1978 the Soviet Union spent $146 billion on defense, a 45-percent increase over U.S. spending for the same year. In terms of research and development alone, the Soviet Union boasts the largest manpower base in the world.

Once again in 1970, the numbers of engineers involved in research and development were roughly the same in both countries. Today the Soviet Union has an overwhelming lead. The Department of Defense has confirmed that research involving ballistic missiles most probably enjoys the highest priority in the Soviet military research system.

The trends of Soviet defense spending combined with research and development in the seventies are particularly disturbing. It appears that in the time span SALT has occupied, Soviet military investment and spending first paralleled, and then has far surpassed similar efforts by the United States. It should be remembered that this excessive spending by the Soviet Union continues without regard to the domestic economic difficulties that nation is said to be experiencing.

The American people hoped that with the signing of the interim agreement there would be a reduction in the tensions between the United States and the Soviet Union. The American people have been sadly disappointed. Soviet behavior on an international scale since SALT I has cast doubt upon any prospect of lessening international tensions.

The Soviet Union's role in the Middle East, especially witnessed during the Yom Kippur war, is one that is inimical to any real peace. Soviet policy in Africa has been characterized by the desire to promote conflict and fragment further existing political arrangements. They have fueled the fires of conflict in Angola, South Africa, Rhodesia, Cambodia, Ethiopia, and Somalia. They have supplied Mig-23's to the Cubans, which brings to mind all too vividly the experience of the Cuban missile crisis. The continued persecution of its own dissidents, in defiance of the Helsinki accords and U.S. worldwide pleas for observation of human rights, reaffirms their commitment to a dramatically different political outlook. We have seen, therefore, no reduction in political tensions or modifications in Soviet behavior since SALT I. There is also little evidence that the Soviet Union has sought to broaden its cooperation with the United States in other aspects of international affairs.

In light of Soviet political and military trends, I must conclude that the Soviets negotiated SALT I as a specific agree-

ment in their favor and not as a gesture of international cooperation. To them it was an agreement intended to constrain the United States while they pursued their political and military ambitions unabated. The Soviets have continued their military buildup at a feverish pace. Many Soviet military projects, for example their newest generation of ICBM's, now pose a direct threat to the security of the United States. Further, they have continued to exploit international conflicts and disturb efforts toward peace despite protests from Congress and successive administrations.

It is reasonable to conclude that SALT I has added nothing to the security of the United States, whether in military restraint or in international politics. The United States has been avoid to escape or reduce the tensions created by the Soviet Union. If anything, SALT I has fostered the false notion that détente, in fact, existed and tensions had lessened between the two countries. This falsity has partially obscured the developments of the past 7 years. Americans must understand the true impact of SALT I and how it contributed nothing to the preservation of strategic stability and has not controlled the development of strategic arms. Upon making this realization, it can be assured that the American people will demand in SALT II a meaningful arms control treaty which imposes equal restraints upon both parties and one that is truly dedicated to the reduction of international tensions and the preservation of strategic stability.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Williams of Ohio (at the request of Mr. Rhodes), for April 30, May 1, and May 2, on account of official district business.

Mr. Coughlin (at the request of Mr. Rhodes), through May 2, on account of official business.

Mr. Jones of Tennessee (at the request of Mr. Wright), for today, on account of official business.

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Corman (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lungren) to revise and extend their remarks and include extraneous material:)

Mr. Grassley, for 10 minutes, today.
Mr. Madigan, for 15 minutes, today.

(The following Members (at the request of Mrs. Byron) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes today.
Ms. Holtzman, for 5 minutes, today.
Mr. Reuss, for 10 minutes, today.
Mr. Williams of Montana, for 5 minutes, today.
Mr. Charles H. Wilson of California, for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McClory, and to include extraneous matter.

(The following Members (at the request of Mr. Lungren) and to include extraneous matter:)

Mr. Myers of Indiana.
Mr. Snyder.
Mr. Shumway.
Mrs. Holt in two instances.
Mr. Taylor.
Mr. Brown of Ohio.
Mr. Derwinski in three instances.
Mr. Bereuter.
Mr. Hollenbeck.
Mr. Findley.
Mr. McClory.

(The following Members (at the request of Mrs. Byron) and to include extraneous material:)

Mr. Patterson in three instances.
Mr. Long of Louisiana.
Mr. Stokes.
Mr. Jones of Oklahoma.
Mr. Wright.
Mrs. Schroeder.
Mr. Maguire.
Mr. Solarz.
Mr. Murphy of New York in two instances.

ADJOURNMENT

Mr. WILLIAMS of Montana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 50 minutes p.m.) under its previous order, the House adjourned until Monday, April 30, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1405. A communication from the President of the United States, transmitting amendments to the request for appropriations for fiscal year 1980 (H. Doc. No. 96–105); to the Committee on Appropriations and ordered to be printed.

1406. A letter from the Chairman, Board of Trustees, Public Defender Service for the District of Columbia, transmitting the annual report of the Service for fiscal year 1977, pursuant to section 306(a) of Public Law 91–358; to the Committee on the District of Columbia.

1407. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the program of citizen education for cultural understanding, pursuant to section 431(d) (1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1408. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Acts, title 5, United States Code, by adding a new section providing for work injury coverage of Federal petit and grand jurors in the performance of their duties; to the Committee on Education and Labor.

1409. A letter from the Associate Director, National Commission on Libraries and Information Science, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1410. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37038, *Bituminous Coal, Hiawatha, Utah, to Moapa, Nev.*, within the initially-specified 7-month period, pursuant to 49 U.S.C. 10707(b) (1); to the Committee on Interstate and Foreign Commerce.

1411. A letter from the vice president for Government affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of January 1979, pursuant to section 308(a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Commitee on Interstate and Foreign Commerce.

1412. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the annual report on applications for court orders made to Federal and State courts to permit the interception of wire or oral communications during calendar year 1978, pursuant to 18 U.S.C. 2519(3); to the Committee on the Judiciary.

1413. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Jury System Improvements Act of 1978 with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of rights guaranteed by 28 U.S.C. § 1875; to the Committee on the Judiciary.

1414. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to establish a working capital fund for the Transportation System Center of the Department of Transportation; to the Committee on Public Works and Transportation.

1415. A letter from the Secretary of Agriculture, transmiting a report on the effect on U.S. agriculture of title IV of the Trade Act of 1974, pursuant to section 604 of Public Law 95–501; jointly, to the Committees on Agriculture, Foreign Affairs, and Ways and Means.

1416. A letter from the Comptroller General of the United States, transmitting a report on the ability of the Army and Air Force Reserves to support the Active forces effectively (LCD–79–404, April 25, 1979); jointly, to the Committees on Government Operations and Armed Services.

1417. A letter from the Comptroller General of the United States, transmitting a report on the readiness of the U.S. Air Force Tactical Air Command in Europe (LCD–79–406, April 23, 1979); jointly, to the Committees on Government Operations and Armed Services.

1418. A letter from the Comptroller General of the United States, transmitting digests of major weapons system reports issued by the General Accounting Office during January and February 1979 (PSAD–79–64, April 25, 1979); jointly, to the Committees on Government Operations and Armed Services.

1419. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the standards of conduct programs at the Army and Air Force Exchange Service and the Navy Resale System Office (FPCD–79–15, April 24, 1979); jointly, to the Committees on Government Operations, and Armed Services, the Judiciary, and Post Office and Civil Service.

1420. A letter from the Comptroller General of the United States, transmitting a report on the weaknesses in current munitions export controls and needed improvements (ID–78–62, April 25, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

1421. A letter from the Comptroller General of the United States, transmitting a report on the need for a planning and policy process to monitor the availability of materials needed by American industry (EMD–79–30, April 19, 1979), jointly, to the Committees on Government Operations, Interior and Insular Affairs, Foreign Affairs, and Science and Technology.

1422. A letter form the Comptroller General of the United States, transmitting an audit of the Veterans Canteen Service, Veterans' Administration, for fiscal year 1978 (HRD–79–70, April 25, 1979); jointly, to the Committees on Government Operations and Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON (for himself, Mr. Udall, Mr. Clausen, Mr. Kastenmeier, Mr. Bingham, Mr. Seiberling, Mr. Lagomarsino, Mr. Won Pat, Mr. Miller of California, Mr. Florio, Mr. Markey, Mr. Corrada, Mr. Murphy of Pennsylvania, Mr. Rahall, Mr. Vento, Mr. Howard, Mr. Evans of the Virgin Islands, and Mr. Williams of Montana):

H.R. 3756. A bill to authorize appropriations for certain insular areas of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. Udall, Mr. Sebelius, Mr. Kastenmeier, Mr. Clausen, Mr. Bingham, Mr. Lagomarsino, Mr. Patterson, Mr. Symms, Mr. Eckhardt, Mr. Seiberling, Mr. Gudger, Mr. Kostmayer, Mr. Florio, Mr. Murphy of Pennsylvania, Mr. Won Pat, and Mr. Corrada):

H.R. 3757. A bill to amend the National Parks and Recreation Act of 1978, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. Clausen, Mr. Lagomarsino, and Mr. Won Pat):

H.R. 3758. A bill to amend the date that section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America becomes effective; to the Committee on Interior and Insular Affairs.

By Mr. BEARD of Rhode Island:

H.R. 3759. A bill to prohibit the transport in any vehicle of any funds, securities, or other things of value, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, unless the windows and body of such vehicle are bulletproof and there is a bulletproof partition behind the driver's seat of such vehicle; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3760. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

By Mr. BEARD of Rhode Island (for himself and Mr. St Germain):

H.R. 3761. A bill to amend title 18, United States Code, to provide a penalty for armed robbery of controlled substances from federally registered manufacturers, distributors, and dispensers of such substances; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 3762. A bill to amend title 18, United States Code, to prohibit the unauthorized disclosure of information concerning individuals engaged or assisting in foreign intelligence or counterintelligence activities, and for other purposes; jointly, to the Committees on the Judiciary and the Permanent Select Committee on Intelligence.

By Mr. BROOKS:

H.R. 3763. A bill to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

By Mr. PHILLIP BURTON:

H.R. 3764. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

By Mr. COELHO:

H.R. 3765. A bill to provide that orders issued by the Secretary of Agriculture under the Agricultural Adjustment Act respecting development projects designed to assist, improve, or promote the marketing, distribution, and consumption or production of walnuts may provide for any form of marketing promotion, including paid advertising, and for crediting certain direct expenditures of handlers for such promotion; to the Committee on Agriculture.

By Mr. CONTE:

H.R. 3766. A bill to amend the Internal Revenue Code of 1954 to allow an additional investment tax credit for equipment used to produce electrical energy from hydroelectric power at existing small dams; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 3767. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MADIGAN:

H.R. 3768. A bill to amend the Rail Passenger Service Act to provide for the reorganization of AMTRAK, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. MAGUIRE (for himself, Mr. Bedell, Mr. Benjamin, Mr. Carr, Mr. Downey, Mr. Harris, Mr. Leland, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Nolan, Mr. Patten, Mrs. Spellman, Mr. Whitley, and Mr. Charles Wilson of Texas):

H.R. 3769. A bill to amend the Higher Education Act of 1965 to raise the limits on insured loans for certain postsecondary students; to make such loans easier to obtain and repay; to assure greater certainty of loans as a reasonable portion of students' total need-based assistance or cost of attendance; to reduce the cost of insured loans to the Federal Government; to expand and integrate the role of State guarantee agencies as loan consolidators, loan services, and makers of secondary markets for student loan paper; to reduce arbitrary discrimination in the award of such loans; and other purposes; to the Committee on Education and Labor.

By Mr. MARLENEE:

H.R. 3770. A bill to modify the project for the Fort Peck Dam, Mont., to require the construction and maintenance of a rock breakwater; to the Committee on Public Works and Transportation.

By Mr. MARLENEE (for himself and Mr. Williams of Montana):

H.R. 3771. A bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. MAZZOLI (by request):

H.R. 3772. A bill to amend title II of the Social Security Act to permit the payment of child's insurance benefits to a minor child legally adopted by an individual entitled to old-age or disability insurance benefits (whether the adoption occurred before or after such individual became so entitled) if such child was living with and being supported by such individual for a year immediately before filing application for such child's insurance benefits; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 3773. A bill to amend title XVIII of the Social Security Act to make more realistic the determination of reasonable charges under the supplementary medical insurance program, to require that patients be given advance estimate of the reimbursement they will receive for services rendered under such program, and to provide for the conduct of pilot projects to test new methods and procedures for determining reasonable charges under such program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. NEDZI:

H.R. 3774. A bill to direct the Chief of the Capitol Police to regulate the flow of pedestrian traffic into the Capitol Building in certain circumstances; jointly, to the Committees on Public Works and Transportation and House Administration.

By Mr. PATTERSON:

H.R. 3775. A bill to amend the National Housing Act in order to improve the mobile home financing programs administered by the Department of Housing and Urban Development, to amend the Interstate Land Sales Full Disclosure Act, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROE (for himself and Mr. Leland):

H.R. 3776. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. Preyer):

H.R. 3777. A bill to amend the provisions of title 39, United States Code, relating to the use of the frank ,and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CHARLES WILSON of Texas:

H. Con. Res. 112. Concurrent resolution requiring payment of reasonable fees for the use of congressional parking spaces; to the Committee on House Administration.

By Mr. HOLLENBECK:

H. Res. 238. Resolution to express the sense of the House of Representatives that the leaders of the Soviet Union should permit the emigration of Jews and other individuals wishing to emigrate from the Soviet Union, should remove restrictions in the Soviet Union on the practice of religion and the observation of cultural traditions, should remove restrictions surrounding individuals who undertake scientific and intellectual endeavors, and should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions; to the Committee on Foreign affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 160: Mr. SHUMWAY, Mr. HIGHTOWER, Mr. ROSE, Mr. DORNAN, Mr. LOTT, Mr. STENHOLM, and Mr. GRAMM.

H.R. 476: Mr. LEDERER, Mr. RICHMOND, Mr. OTTINGER, Mr. DIGGS, Mr. MCCORMACK, Mr. WEISS, Mr. CORRADA, Mr. STEWART, Mr. EDWARDS of California, Mr. MOAKLEY, Mr. PANETTA, Mr. CONYERS, Mr. EVANS of Georgia, Mr. ROSENTHAL, Mr. DELLUMS, Mr. GUARINI, Mr. BARNES, Mr. SEIBERLING, Mr. SCHEUER, Mr. MINETA, Mr. LONG of Maryland, Mr. BRODHEAD, Mr. WOLFE, Mr. DOWNEY, Mr. LAFALCE, Mr. RANGEL, Mr. SIMON, Mr. ROE, Mr. MAGUIRE, Mr. CORMAN, Mr. BONIOR of Michigan, Mr. WOLPE, Mr. SOLARZ, Mr. STARK, and Ms. MIKULSKI.

H.R. 837: Mr. EVANS of the Virgin Islands and Mrs. FENWICK.

H.R. 1603: Mr. BOB WILSON, Mr. PICKLE, Mr. COURTER, Mr. NOLAN, Mr. GRAMM, Mr. WATKINS, and Mr. EVANS of Delaware.

H.R. 1744: Mr. GILMAN.

H.R. 1785: Mr. CORCORAN, Mr. CONTE, Mr. SHANNON, Mr. LAGOMARSINO, Mr. DORNAN, Mr. NOWAK, Mr. HOLLAND, Mr. GREEN, Mr. IRELAND, Mr. TRAXLER, Mr. LUKEN, Mr. GRASSLEY, Mr. SAWYER, Mr. VANDER JAGT, Mr. MCCLORY, Mr. KEMP, Mr. SHUMWAY, Mr. HUBBARD, Mr. DOUGHERTY, Mr. MINETA, Mrs. BOUQUARD, and Mr. OTTINGER.

H.R. 1825: Mr. ULLMAN.

H.R. 2542: Mr. DORNAN, Mr. KINDNESS, Mr. WHITEHURST, Mr. BINGHAM, Mr. WOLFF, Mr. ST GERMAIN, Mr. NOWAK, Mr. HYDE, Mr. FROST, Mr. PANETTA, Mr. BEVILL, Mr. EDWARDS of California, Mr. LEVITAS, Mr. KILDEE, Mr. LENT, Mr. DOWNEY, Mr. BROWN of Ohio, Mr. VENTO, Mr. HUGHES, Mr. BURGENER, Mr. BOLAND, Mr. OTTINGER, Mr. LAFALCE, Mr. RANGEL, Mr. OBERSTAR, Mr. GOODLING, Mr. WINN, Mr. FITHIAN, Mr. BARNES, Mr. AKAKA, Mr. BUCHANAN, Mr. EVANS of the Virgin Islands, Mr. HORTON, Mr. MCHUGH, Mr. GRAY, Mr. EDGAR, Mr. ROBINSON, Mr. GLICKMAN, Mr. GOLDWATER, Mr. DUNCAN of Tennessee, Mr. PRITCHARD, Mr. MARLENEE, Mr. LOTT, Mr. FORSYTHE, Mr. LEHMAN, Mr. LEDERER, Mr. SOLOMON, Mr. YOUNG of Alaska, Mr. TREEN, Mr. MARTIN, Mr. STUMP, Mr. WAMPLER, Mr. DRINAN, Mr. MARKEY, Mr. BOB WILSON, Mr. DASCHLE, Mr. KEMP, Mr. GUDGER, Mr. PHILIP M. CRANE, Mr. KELLY, Mr. STANGELAND, and Ms. FERRARO.

H.R. 2727: Mr. STEED, Mr. SIMON, and Mr. HIGHTOWER.

H.R. 2662: Mr. WEAVER, Mr. GOODLING, Mr. JEFFRIES, and Mr. LIVINGSTON.

H.J. Res. 213: Mr. ENGLISH.

H. Res. 115: Mr. SYNAR.

H. Res. 191: Mr. NOLAN, and Mr. LEACH of Louisiana.

PETITIONS, ETC.

Under clause 1 of rule XXII.

112. The SPEAKER presented a petition of the mayor and city commission, Sault Ste. Marie, Mich., relative to year-around navigation and shipping in the Saint Mary's River system, which was referred to the Committee on Public Works and Transportation.

SENATE—*Thursday, April 26, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. DONALD STEWART, a Senator from the State of Alabama.

PRAYER

Mr. STEWART. Our prayer will be offered today by the Reverend R. Drew Wolcott, who is from Alabama. He is the national chaplain of the American Legion.

The Reverend R. Drew Wolcott, national chaplain of the American Legion, offered the following prayer:

O God of all our yesterdays and all our tomorrows whom we dare to call "Our Father," mindful of how wonderful is the love which Thou hast extended to each one of us, we stand before Thee now to acknowledge Thy sovereignty over us and to reach up to Thee most earnestly for all the wisdom and understanding we may need for the challenges of this day.

We thank Thee for this honored place in which so many voices have been lifted in the past and will be lifted again in defense of both national and individual freedom and justice.

Grant to these who labor here today for the Nation's good, such vision, such courage, and such receptivity to Thy direction as shall make them instruments of Thy purpose for all people.

Let Thy blessing rest upon the executive and judicial as well as the legislative leaders of our land and keep them all open to Thy counsel so that the sense of our being "one nation under God" may reach down to every community in this, our beloved country.

May the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 26, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DONALD STEWART, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. STEWART thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED STATES-JAPANESE TRADE RELATIONS

Mr. ROBERT C. BYRD. Mr. President, the state of United States-Japanese trade relations is bad. The current impasse in the negotiations on procurement policy—that is, the extent to which each government's equipment purchases should be open to foreign bids—is just one example of the problem. In this case, the Japanese seem unwilling to match the level of openness in procurement policy which the United States is willing to consider.

The Japanese must wipe out their large trade surplus with us. It amounted to some $12 billion in 1978, more than two times the surplus level recorded in 1976. These figures and the impasse in the trade talks lead me to question whether Japan is sincerely interested in increasing imports from the United States.

The figures on coal are another example of the problem. Japan has cut drastically its purchases of U.S. coal, although coal is a commodity that the United States has in abundance and can supply in quantity. U.S. coal shipments to Japan between 1974 and 1978 dropped from about 28 million to 9.8 million tons. This trend cancels out other efforts to bring our trade accounts into balance.

There is a pressing need for reciprocity in our trade relations, that is, for increases in Japanese purchases of U.S. products to balance our purchases from Japan. Without such action, sentiment will continue—will continue—to build in this country against a high level of imports from Japan.

REALISTIC ENVIRONMENTAL REGULATION

Mr. ROBERT C. BYRD. Mr. President, under the Clean Air Act Amendments of 1977, air pollution standards for new coal-fired powerplants and factories will soon be set by the Environmental Protection Agency. The rules will govern the amount of sulfur dioxide and other chemicals released into the air by these facilities.

Reports that the EPA is considering a more stringent sulfur dioxide emission standard than the one currently in effect have caused genuine concern among those interested in the increased use of coal to ease our current energy shortages. I recently chaired a meeting between coal industry and high-level administration representatives to give each side the opportunity to exchange views on this critical matter. I was dismayed to hear that the EPA is continuing to consider an emission standard that would only harm America's industry and seriously jeopardize our efforts to achieve energy security.

There is a danger that the new air quality standards could discriminate against midwestern and eastern coal, which is high in sulfur content. Such coal would require additional scrubbing, at great expense, if excessively stringent emission standards were to be met. It was never the intent of Congress to impose a competitive disadvantage against midwestern and eastern coal or to foreclose from use a significant portion of this Nation's readily available coal reserves.

It is important that EPA's decision, due by June 1, reflect a number of considerations. The effect on public health, employment, inflation, capital investment and our position in world trade cannot be ignored. We no longer have the luxury of cheap and abundant energy, and so must use every means at our disposal to insure that both consumers and industry are allowed to benefit from every available energy resource.

There can be no question that coal is our most abundant fossil-fuel resource. Expanded use of coal for the generation of electricity is one vital component of a comprehensive energy policy. This commitment to coal was expressed by the Congress in passage of the Fuel Use Act of 1978 and has been reaffirmed by the President. However, the actions of the administration in determining environmental policy seem directly contrary to this commitment to increase coal usage.

It is impractical for the President to encourage utilities to switch to coal from oil or natural gas and at the same time allow regulatory agencies to issue rules and regulations that limit coal burning and mining. Policy should not be promulgated in vacuum. The decisions of the President, the Department of Energy and Interior, and the EPA must be coordinated, and the implications of agency decisions for inflation, employment, national security and international trade must be considered. Contradictory regulations only detract from the overall energy goals set out by the Congress and the President.

The imposition of a more stringent new source emission standard would be devastating to the coal industry. Thousands of coal miners would be put out of work in West Virginia alone—and 7,000 coal miners are today out of work in West Virginia—mines would be forced to close and almost one-half of this country's readily available coal reserves would be foreclosed from use. It is my hope that those individuals responsible for making this decision will consider the very serious consequences of any such action which would increase unemployment and further jeopardize our ability to achieve energy security and independence.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized for not to exceed 3 minutes.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I wonder if it would be possible to extend that 3 minutes a little bit.

The ACTING PRESIDENT pro tempore. Without objection——

Mr. ROBERT C. BYRD. One moment, Mr. President.

Mr. BAKER. Mr. President, I have a request for 3 minutes from the distinguished Senator from South Dakota, and I have the Senator from Idaho who wants 3 minutes. I also promised 12 minutes of that 15 minutes to the Senator from Oregon.

Mr. ROBERT C. BYRD. Yes, indeed.

Mr. BAKER. If I could have an extra 5 minutes, it would serve my purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished minority leader have an extra 7 minutes.

Mr. BAKER. Mr. President, I thank the distinguished majority leader.

Mr. STEVENS. If the Senator will yield, could the majority leader state if it is his intention to go into a period for the transaction of routine morning business?

Mr. ROBERT C. BYRD. There was no intention.

Mr. STEVENS. Does the Senator mean none today?

Mr. ROBERT C. BYRD. Well, at some point today, but it was hoped that the Senate could proceed immediately to the consideration of the Department of Education bill. Does the Senator have something for morning business?

Mr. BAKER. Mr. President, I believe there is enough time, if the majority leader will yield, for me to give some time to the assistant minority leader from the 7 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the minority leader may have as much as 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have another unanimous-consent request. On yesterday, there was an order for the distinguished Senator from Iowa (Mr. JEPSEN) to have 15 minutes under a special order. He does not require that 15 minutes. I would like to transfer that time to the Senator from Oregon. If the majority leader has no objection, I ask unanimous consent that the Jepsen time and sequence be transferred to the distinguished senior Senator from Oregon (Mr. HATFIELD).

Mr. ROBERT C. BYRD. I do not object.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have a request on my side for Mr. CHURCH to have 5 minutes. I wonder if the distinguished Senator could arrange for a little of the time to go to Senator CHURCH.

Mr. BAKER. I would be happy to do that, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may have 5 minutes.

For the record, each leader was confined to 3 minutes this morning rather than the usual 10 minutes. I will ask for this additional time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is my intention to yield 5 minutes to the distinguished Senator from Idaho (Mr. McCLURE) and 3 minutes of that leader time to the distinguished Senator from South Dakota (Mr. PRESSLER). I believe the Senator from Oregon also has 15 minutes, and Mr. JEPSEN. That leaves 2 minutes, and I shall yield them, if I may, to the distinguished Senator from Alaska, the minority whip (Mr. STEVENS).

S. 1018—REPEAL OF CERTAIN PROVISIONS RELATING TO THE REPUBLIC OF UGANDA

Mr. HATFIELD. Mr. President, I cannot adequately express with words the elation I possess today to request that the trade restrictions invoked against Uganda by the Congress be removed in joyous celebration of peace and democracy in east Africa.

I am also pleased to see in the Chamber this morning my colleague, a man in whom I have such great confidence and trust that I would be willing to march in any battle with him, Senator WEICKER of Connecticut. It was through the efforts, leadership, determination, perseverance, and pugnacity, at times, of Senator WEICKER that we came to the point of having the trade boycott adopted. It was certainly not without many obstacles. I never heard other than a "Forward, march" from Senator WEICKER's lips during these times of discouragement. As I say, it is always a joy and a pleasure to do battle with that kind of fellow warrior.

It is more than appropriate that this should occur during this week of remembrance of the holocaust, as the people of Uganda now emerge from 8 years of rule by brutality and fear. Over 300,000 people, most of them innocent, none of them deserving, perished at the hands of Idi Amin and his henchmen.

That is why, I must say, I listened to the words of commemoration of the holocaust with a certain amount of disbelief when I heard the words uttered that we in America would never again stand idly by and remain silent in the face of holocaust or genocide. Mr. President, not only was there silence on the part of officialdom of the United States of America and its Government during this 8 years of brutality, but there were actually obstacles placed in the path of Senator WEICKER and myself as we attempted to employ the instrument of boycott.

Reporters permitted to enter the chambers of Idi Amin's State Research Bureau for the first time have been dispatching reports which confirm the unfathomable horror stories which Ugandans have been trying to convey since Idi Amin assumed power 8 years ago. Those who have fled Uganda, and those who could not, will live with the images of horror for the rest of their lives. They will tell of bodies floating in the Nile River, of bones scattered in the forests and hanging from the trees. The once magnificent beauty of the country has been defiled by the bloody rule of Idi Amin.

Much as we had heard in retrospect during the 1930's of those who said we did not know about Hitler destroying Jews, that was a false argument, a false excuse, and just as false today for those who claim they did not know about the bloody rule and the genocide practiced by Idi Amin. They did know, but they chose to turn their backs because of the profits that they were achieving through trade relations.

The people of Uganda have been denied the services of its most able and dedicated citizens. They are now forced to live with an economy which has deteriorated to the point where the most fundamental goods are no longer available. It is said that "more of Uganda's professional talent live out of the country than in it." Literally thousands of lawyers, doctors, teachers, students, priests, and bishops have either been forced into exile or slaughtered mercilessly at the hands of Amin and his henchmen. A brain drain of unprecedented proportion plagues this struggling nation.

Amin and his soldiers constantly reminded Ugandans that it does not pay to be educated. He used to enjoy citing himself and his illiterate vice president as examples of success without education.

At one time, he gave the order to slaughter everyone who wore glasses, because he knew wearing eyeglasses indicated at least prima facie evidence that they were literate people, and he had no time or room for literate people in his mad regime.

Uganda's Makerere University, once the pride of east Africa, became a perversion of higher education.

For the record, I would like to point out the immense impact that U.S. action had in breaking Amin's ability to hold the reins of power. Mr. President, I quite frankly do not understand why so little is said of the role that U.S. sanctions played in the downfall of Idi Amin.

Less than 2 weeks after U.S. trade sanctions went into effect, reports began to come forth that Amin was facing serious discontent and division in his army. Late in October 1978 two battalions of soldiers suspected by Amin to be disloyal, were ordered to the Tanzanian border to head off an imaginary Tanzanian invasion that existed in Amin's mind only. Marshal music and broadcasts urging the Ugandan people to unite in the face of an outside threat consumed the airwaves of Kampala and spread across the countryside. When the suspected lot of soldiers reached the Tanzanian border, they were ambushed, not by Tanzanian soldiers, but by Ugandan soldiers loyal to Amin.

This succession of events marked the beginning of the end for the Hitler of Africa: the digging of a grave that was to cave in around him. The invasion of Tanzania was calculated to divert audiences both within and outside of Uganda away from the reality of his rapidly disintegrating base of support. U.S. withdrawal of purchases provided the psychological and practical ingredients necessary to complete a formula that would come to break Amin's seemingly invincible survivability.

The U.S. embargo caused significant economic disruption. The price of gasoline rose to over $50 per gallon on the black market, Uganda's currency fell to one-tenth of its value, and coffee production, the principal source of revenue for Amin's mercenary army, plummeted 75 percent. I was personally told only weeks after the enactment of the trade embargo that coffee was piling up and rotting on the docks.

In the aftermath of one of the most dreadful inflictions of suffering imposed on people by its government, it would do a great injustice to all those who died violently in the gas chambers of Hitler's Third Reich or in Stalin's death camps if we did not pause to reflect on the inadequacy of our response to the cries of those who looked to someone to rise above the chauvinism of nation-state sovereignty to address the crime of genocide.

It should be recalled for the record, Mr. President, that the congressional review of American policy toward Uganda assumed many curious forms. A significant number of Senators were hesitant to legislate a policy which the Department of State had advised against. They maintained that U.S. policy be conducted only in concert with our European allies and that unilateral initiatives would not bring meaningful results. It was further asserted that Amin would adjust to economic pressure if it came only from U.S. firms. It was argued that Soviet, Libyan or even European companies would fill the vacuum. Worse, it would set a bad precedent. As the scenario goes—when a nation imposes economic sanctions, it increases the likelihood of having the same instrument used against itself.

Some in Congress argued that a move against Amin should be delayed until a comprehensive, clearly defined human rights policy was formed. Others, including elements within the Congressional Black Caucus, asserted that economic sanctions against Uganda must be tied to equal punishment for South Africa's system of apartheid. For them, a society where whites exercise a system of institutionalized racism and repression against blacks was more reprehensible than a black man who ruled by slaughtering his fellow blacks.

Perhaps the most pervasive fear in the Congress, the executive branch, and in corporate boardrooms of the boycott proposal was that it trod on the most protected of all instruments of politics: the use of free trade for political purposes. There has never been a doubt in my mind that the maintenance of free trade should not be subject to petty considerations. But even though our policymakers would like to separate the economic realm from the political, the truth is that they are inseparable.

The question that deserves raising in the case of Uganda is, "Why were we so reluctant to admit that absolute evil can and does exist?" Knowledge of the atrocities in Uganda was unequivocal; there was never any doubt by 1973, according to reliable estimates from Amnesty International, the International Commission of Jurists, and other respected human rights organizations, that hundreds of thousands of people in this tiny country the size of the State of Oregon had been slaughtered.

The recent takeover of the Pol Pot regime in Cambodia provides a revealing example of the central barrier to developing an effective international approach to the elimination of genocide.

Approximately 2 million people perished at the hand of the Pol Pot regime while the world stood silent. But once the regime was overthrown, the United Nations was quickly up in arms over the violation of a small nation's territorial integrity by a nation with superpower backing.

When one examines the relative intensity of the response to the violation of Cambodia's territorial integrity as compared to the complacent reaction to the genocide taking place, it becomes apparent that the desire of the world's rulers to sustain the authority of all rulers is a profound force in the family of nations.

Until the international system develops enforceable human rights agreements, national leaders will continue to protect what they perceive as an inherent right to inflict whatever inhumane measures they deem necessary to retain power.

For the U.S. Senate to refuse, as it has for 30 years, to put teeth into its words about human rights by ratifying the Genocide Treaty and the U.N. human rights covenants, is indicative of hypocrisy on the grandest scale.

The primary human rights challenge we face today is the development of international mechanisms designed to safeguard innocent persons from the wrath of their own governments. Human rights are violated at every corner of the globe—fortunately, genocide is not so commonplace.

Fitting the world's tyrants and butchers into a neat package only serves to blur the essential differences between them. Amin was no more an internal matter for Uganda than was Hitler an internal matter for Germany.

Mr. President, we must act rapidly to normalize relations with our new friend in east Africa. Emergency relief should be made readily available at a level of generosity reflective of the compassion of the American people. President-elect Lule should be given full access to the resources and good will of the American people.

I want to acknowledge in closing my heartfelt thanks to Congressman Donald Pease, whose moral leadership was critical to the effort to liberate Uganda of Idi Amin. Congressman Don Bonker also deserves special praise for his relentless efforts.

Mr. President, in the final analysis, the moral force of America prevailed. The thousands of Americans who preceded the Government in refusing to purchase U.S. products which contained Ugandan coffee are the ones who made the difference. May I suggest to all those caught in a downward spiral of despair about American influence abroad that this is a clear victory not just for the moral force of this Nation but for the larger cause of human rights and human justice.

Mr. President, I send a bill to the desk and I ask unanimous consent that it be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1018

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) and subsections (c) and (e) of section 5 of the Act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Pub. L. 95–435), is repealed.

(b) Subsection (m) of section 4 of the Export Administration Act of 1969, as added by section 5(d) of such Act, is repealed.

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that a bill introduced today by the Senator from Oregon (Mr. Hatfield), for himself and others, relative to amending the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund, be jointly referred to the Committees on Banking, Housing and Urban Affairs and Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I yield 2 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Oregon. I especially thank him for his refusal to listen to or adhere to the blandishments of either the U.S. State Department or the executive branch of Government, which blandishments were intended to divert him and the Senator from Connecticut from pursuing the matter of embargo. No man in the United States, indeed, I daresay, even the Government of the United States, is more conversant with or knowledgeable of matters in Uganda over the years than the distinguished Senator from Oregon. His work with church groups, with those of the academic world, and with those who fled Uganda made him the leading expert on the tragedy within that nation.

So, Mr. President, I am pleased to join Senator Hatfield in this effort today to finish the task begun on this floor on July 28, 1978. On that date, the Senate, in an act of courage and principle, put the United States unequivocally on record before the world in opposition to Uganda's madman, Idi Amin. The U.S. embargo of Uganda was an important factor in the chain of events which finally drove Amin from power. I think the United States, and especially Senator Hatfield can be justifiably proud of its role in Amin's political demise.

The new Ugandan Government under Dr. Yusufu Lule has demonstrated in its first days a profound commitment to the welfare and dignity of the Ugandan people. The legacy of destruction, violence and economic disintegration left by the Amin regime poses formidable obstacles for the new government. We have an important role to play in the rebuilding process. Emergency U.S. aid and the resumption of trade is necessary to help this battered nation back to its feet and once again onto the path of being what Churchill described as the "Pearl of Africa".

When representatives of the new Ugandan Government met the first team of U.S. diplomats to visit Uganda since the fall of Amin, they were greeted with the statement "we know who our friends are". We earned that friendship by enacting an embargo when it was most needed. We earned that friendship by standing up for justice for a forgotten people. We earned it, as we can around the world, by believing in the principles which have made us great and backing them up with action.

Mr. TSONGAS. Will the Senator yield?

Mr. HATFIELD. Mr. President, I thank the Senator from Connecticut for his very generous and kind remarks.

How many minutes do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Oregon has 6 minutes remaining.

Mr. HATFIELD. I yield 1 minute to the Senator from Massachusetts.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I commend the Senator from Oregon for his statement. I hope people will take the time to read it.

I only add one thought to the Senator from Oregon and that is, I wonder what would have been the case if we were not talking about Uganda, but about a white Western country exhibited in our press.

It is a sad commentary on the double standard we employ in the world affairs.

I again commend the Senator for his statement.

Mr. HATFIELD. I appreciate the comments of the Senator from Massachusetts and recognize his tremendous interest and work in the whole African continent and their affairs.

I am happy to be associated with him in an ad hoc African study group because of many other unresolved problems on that very important continent.

Mr. President, I believe I have about 5 minutes left.

The ACTING PRESIDENT pro tempore. The Senator has 4½ minutes.

Mr. HATFIELD. Mr. President, I would like to yield 3 minutes of that time to the Senator from South Dakota (Mr. Pressler). In fact, I yield the remaining part of my time to him, and that subject is a different subject.

So, Mr. President, in order to keep the continuity of this particular subject, and the Senator from Idaho has been provided time by the majority leader, I yield all the rest of my time to the Senator from South Dakota if he will permit the Senator from Idaho to follow in sequence on this particular subject for 5 minutes.

Mr. CHURCH. I will probably use less than that.

Mr. PRESSLER. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 5 minutes to Mr. Church to precede Mr. Pressler.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Idaho.

Mr. CHURCH. Mr. President, first of all, I extend my warmest personal congratulations to the Senator from Oregon. It was he who took the lead in insisting that the Senate approve a unilateral American embargo against the importation of Ugandan coffee, at a time when the United States was purchasing about one-third of the total Ugandan export of coffee.

I have no doubt but what that action which was later approved by both Houses of the Congress and signed into law by the President had a profound impact upon the internal conditions within Uganda and contributed to the fall of Idi Amin.

At the time that the Senator from Oregon insisted that we proceed in this manner, there were those of us who agreed fully with his objective, but who felt that unilateral action would prove ineffectual. Many of us thought that the United States should seek the cooperation of European countries that imported the remaining balance of the Ugandan coffee crop.

I simply want to acknowledge at this time that the Senator's position has been fully vindicated. I think we all owe him a debt of gratitude for having helped us make a decision that contributed to the downfall of the man who has been correctly described as the Hitler of Africa.

I commend him highly.

S. 1019—AID TO UGANDA

Mr. CHURCH. Mr. President, for 8 years under the cruel and capricious rule of Idi Amin the Ugandan people suffered gross abuses of human rights. The toll of death and destruction may never be known. Mindful of this deplorable situation, Congress imposed restrictions on economic assistance to Uganda to express the abhorrence of the American Government and people for the Amin government. The Ugandan people have now risen up and with Tanzanian assistance have driven Amin from Uganda. The new Government of Uganda, which is broadly representative of the Ugandan people, has publicly announced its intention to pursue a policy of reconciliation and reconstruction in an effort to rebuild Uganda's political and economic institutions. Having taken a leading role in condemning the Amin regime, the United States has a responsibility to aid the Provisional Government of Uganda with this reconstruction process. We must demonstrate to the Ugandan people that our sanctions or economic assistance were directed not at them, but at Idi Amin's detestable government.

Uganda will undoubtedly require humanitarian assistance as a first step to contend with the dislocation and destruction resulting from the liberation struggle. While we are not yet informed of their specific requirements, we expect to have this information soon. One can anticipate, however, that Uganda will need such items as medicines, blankets, clothing, and temporary shelter, as well as food. Removal of existing restrictions on assistance to Uganda would permit the release of humanitarian assistance from funds already appropriated for worldwide emergency relief activities. Bilateral development assistance would likely not be funded until fiscal year 1980.

I believe we can all agree that we must acknowledge the profound change in the situation in Uganda and that the United States must be in a position to respond to that nation's genuine humanitarian requirements. I, therefore, urge support of this legislation removing restrictions on economic assistance to Uganda for fiscal year 1979.

So, I am happy to join with the distinguished Senator from Oregon in the bill he has offered, which would repeal the present embargo, and I offer on behalf of myself and on behalf of Senators HATFIELD, WEICKER, and McGOVERN, another bill which would eliminate the present prohibition in our aid program against any form of assistance being given to Uganda.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

Mr. CHURCH. In addition, Mr. President, I would like to urge the administration to recognize the new government of Uganda as soon as possible. I note that Great Britain has already extended recognition and other major Western governments are considering similar action. With recognition, we will again be showing the Ugandan people that our boycott, our sanctions, and our withdrawal of a diplomatic mission from the country were aimed not at them, but at the detestable regime of Idi Amin.

RECOGNITION OF SENATOR PRESSLER

The ACTING PRESIDENT pro tempore. The patiently waiting Senator from South Dakota is recognized.

SMALL BUSINESS

Mr. PRESSLER. Mr. President, I rise to say a few words about the state of small business and entrepreneurship.

It seems that both political parties and nearly everyone in our society talks about the need to preserve small business, but the facts of the matter are that small business is becoming extinct. The true free enterprise that we have known, which has made the country great, which has been expressed through small business, small independent farmers, and entrepreneurship, is dying out.

Mr. President, Irving Kristol recently wrote:

> No one is leading a crusade against him and it is probable that no one really wants to. He is merely being chivvied, harassed, ruined, and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition.

Mr. President, Mr. Kristol was speaking of the small businessman, the entrepreneur, the small farmer in our society today. We must not forget him as we consider the budget resolution and other legislation.

During my service in the House of Representatives I served on the Small Business Committee, and I am now on the Select Small Business Committee in the Senate, and I have heard a great deal of rhetoric concerning the preservation of small business. But I point out that we probably are in our last generation of small businessmen. Indeed, the Senate Select Committee on Small Business, in its recent annual report, stated:

> In 1975, there were 30,000 business bankruptcies, twice the average for the late 1960's. Thirty percent of all new businesses, the number of newly registered stock issues by firms worth less than $5 million dropped from a high of 698 in 1969, to only three that year.

Mr. President, I am a cosponsor of the Small Business Protection Act of 1979, a piece of antitrust legislation, and I am happy to report that it has been endorsed by the National Federation of Independent Businessmen. At the present time, there are over 3,000 members of the NFIB in South Dakota. A survey taken in South Dakota by them recently revealed that 67 percent of the membership favored the antitrust legislation that we recently introduced, while the nationwide approval stands at 61 percent.

However, I am very concerned that in spite of the lipservice paid to small business, we are finding in our country that we are turning more and more to huge conglomerates and to an age in which a young person, rather than starting in an entrepreneurial effort, either with a small farm or business, is going to work for a large corporation or a distant conglomerate.

The Small Business Protection Act of 1979 was introduced to preserve the diversity and independence of American business. Although, I understand, this bill will affect a very small percentage of the total number of mergers and acquisitions in all industries, it is a first step in recognizing our responsibility to maintain constitutional structures which preserve vigorous competition of many players in each of our industries.

Competition and small business go hand in hand, as do small business and free enterprise. It is my hope that in the course of reviewing this proposal, we will have the opportunity to explore further its implications for small business. I am very pleased to be a cosponsor of this legislation.

There seems to be a consensus among the small businessmen affected, and society in general, that a change to corporate economy is inevitable. Many already have given up the fight.

We sometimes forget, Mr. President, that it was individuals—working together—who settled the America that we know today. It was the small farmer, inventor, and craftsmen that made America the leader in agriculture, trade, and ingenuity.

Why, then, are we shifting from an economic system of private ownership to one of corporate ownership?

By doing so, we stand to lose much: creativity, individuality, and the personal touch that has made dealing with small businesses a good experience. Perhaps we are gaining efficiency with "assembly line" production that is synonymous with large corporations. But we are losing something significant in the process.

Over the past 30 years, economists across the Nation have been studying a theory: Does the "bigness" of corporations make them more efficient than small businesses that cannot specialize to the same extent?

One by one, economists have come to the same conclusion: There is absolutely no correlation between size and efficiency. Overall, they have determined that keeping the size of many businesses small is better for our society and better, as well, for our economy.

Yet, Mr. President, big business continues to grow.

The Select Committee on Small Business determined in its 28th annual report that—

> At the top of the pyramid of business firms are the largest 137 manufacturers who in 1974 owned 50 per cent of all manufacturing assets in this country and accounted for 54.8 per cent of the manufacturing profits. This concentration at the top is growing; between 1950 and 1974, the share of manufacturing assets owned by the top 100 firms increased from 39.7 per cent to 44.4 per cent while the shares owned by the top 200 corporations rose from 46.1 per cent to more than 60 per cent.

It is safe to say that small businesses form the base of our free enterprise system.

Without them, that system simply could not exist.

We must remember that when considering the impact that the budget resolution will have on small business.

Congress must do something to aid our small businessmen, Mr. President. If there were not so many important tax breaks for large corporations, it probably would not be necessary for us to help small businesses. But they do exist, and it is necessary.

Small businesses are facing critical capital formation problems. Most of the small businessman's income is spent on operating costs. It is very difficult for him to invest any money in capital.

In its February 1979 report to the President, the Center for Small Business said:

> In part, the capital shortage is specific to small business: smaller, riskier firms face more difficulty in finding capital than larger, better established firms, and the disparity has widened in recent years. For example:
>
> In 1956, the total stockholder equity in manufacturing corporations of less than $50 million assets was 3.3 times than stockholder equity in corporations with assets over $1 billion. In 1975, equity in larger firms was 3.1 times the equity in smaller ones.
>
> Value of new public offerings of firms with less than $5 million of net worth dropped from $1.45 billion in 1969 to just $16 million in 1975—off 98 per cent. During that same period the total of all stock offerings increased from an annual $28 billion to over $41 billion—up almost 50 per cent.
>
> An American Electronics Association surcey revealed that new technical firms founded in the years 1971 through 1975 could raise only half as much equity capital as those founded in the period 1966 to 1970. And the later firms had a debt-to-equity ratio of

> 2:1 compared to the 1:1 ratio that had prevailed for 15 years. . . .
>
> The consequences are now becoming visible. There is a drought of new innovative firms and a slackening of innovations; a national productivity growth lowest among industrialized nations; continuing high levels of unemployment; devaluation and world market weakness of the dollar; trade deficits.

With the hope of helping to remedy the capital formation problem, earlier this session, Senators WEICKER, MOYNIHAN, NELSON, CHAFEE, and I introduced the Small Business Investment Incentive Act.

This legislation would allow an investor to claim a credit against tax of 10 percent of the first $7,500 invested in qualifying stock issues during the taxable year.

It is my hope that this legislation will encourage the individual investor to participate in the solution of the capital formation problem.

Mr. President, I respectfully request that my colleagues consider this legislation carefully.

Tax policies relating to small business tie in closely with the capital formation problem. Senator NELSON has contributed his efforts to fair tax legislation for our small businessmen. Two small business recommendations were encompassed in the Revenue Act passed last year, but we have a long way to go before our small businesses are treated fairly.

In addition, Mr. President, I will be introducing legislation in the near future which will allow small businessmen and farmers to claim investment credit on used property that they buy from a related party, as defined by the Internal Revenue Code.

Under the Internal Revenue Code of 1954, when a farmer or small businessman buys machinery (property) from his father, he is not eligible to receive investment credit. If he purchases the machinery from anyone other than his father, he could claim investment credit.

At a time when we are fighting so hard to keep these businesses alive, it seems unfair to offer this advantage to all other self-employed individuals without offering the same credit to a farmer or small businessman who is buying used tangible personal property from a parent who is retiring or going out of business.

This is just one small discrepancy in our tax code, but, unfortunately, the code is filled with other small discrepancies which work against our small businessmen.

As a consequence, I am studying the prospect of introducing legislation in this area in the future. I also look forward to hearing proposals from my colleagues which would benefit the small businessmen of our Nation. The need is real and it is imperative that we take action now.

Government regulations oftentimes have a very negative impact on small businesses. The Select Committee on Small Business, on which I now serve, has been studying this problem for several years. Washington University economist Murray Weidenbaum estimates that Government regulations, local, State, and Federal, cost business $100 billion annually.

The Select Committee on Small Business has observed:

> This cost is not evenly distributed, because large corporations can much more easily absorb regulatory costs and, in many cases, pass them on to consumers. Small businesses, on the other hand, must absorb regulatory costs, costs that in many cases can severely cripple a company's growth. As the Committee's investigation made exceedingly clear, regulations are drawn by large government bureaucracies in ways that are primarily suited to the needs and capabilities of large businesses. The independent, small entrepreneur is the victim of this process.

As a result of this situation, Mr. President, several of my colleagues and I have introduced the Regulatory Flexibility Act. This bill authorizes agencies to write different regulations for different sized businesses.

It would allow agencies to make size determinations. The measure passed the Senate last session and was rewritten to include administration comment in order to make it more workable for the agencies affected.

I am confident that this legislation, if passed, would open the doors for regulatory reform and lessen the load on our Nations small businesses.

In dealing with the future of small businesses, we must always remember the important role that they play in our society.

Small business has always played a major role in our social and economic environment in the past.

It has been shown that small businesses help keep the inflation rate down. They are the source of one-half of all innovations. Small businesses are a fast growing part of our economy. As such, they account for 55 percent of private jobs. Most importantly, though, small businesses foster competition in our economy: This competition is essential to the continuance of our free enterprise system.

Over the next few years, we have to take special care when we consider the effect that taxes, Government regulation, and paperwork have on our small businesses.

Mr. President, the generations of Americans before us made certain that we would all have a chance to realize the "American dream."

Owning a business became a reality for millions of our ancestors.

I trust that we will be able to pass the same opportunity on to future generations of Americans.

Small business activities have been one of the bulwarks of our system. We must not let it be dismantled.

With the proper attention, we can be successful, and by that attention, we will serve all Americans.

THE BUDGET FOR THE COOPERATIVE EXTENSION SERVICE

Mr. PRESSLER. Mr. President, I rise today to express concern over the Cooperative Extension Service budget—and I shall illustrate a point by citing the 4–H program. An important task before the Senate now is the final formation of a budget for fiscal year 1980. Perhaps the most important action this body can take this year in the eyes of the American people is to respond to the public calls for careful spending of Federal money. Difficult decisions must be made as to what programs should take highest priority.

Today, I wish to express concern over proposed reductions for the agriculture budget. I will focus my remarks on the Cooperative Extension Service which over most of its more than 100 years of life has been perhaps the best example of cooperation between Federal, State, and local governments. The proposed budget, however, falls short of keeping the Cooperative Extension Service at the same level of operation as this year. As a member of the Senate Budget Committee, I am concerned.

As a youth in my home State of South Dakota, I grew up on a small family farm and was active for 9 years in a local 4–H club, the "Humboldt Hustlers." No other activity at that point in my life captured my energies and imagination more than 4–H. And I was not alone. Many of my friends and neighbors were very active.

South Dakota has had very competent 4–H professionals who helped educate me and other South Dakotans in 4–H. One of those professionals has been Glenn Schrader. He began as an assistant county agent and subsequently served as county agent for over 30 years in my home county of Minnehaha until his retirement last month. Another important 4–H figure has been John Younger who received his training at South Dakota State University, a cooperative extension land grant college. He became the South Dakota 4–H leader and served nearly 25 years until his 1977 retirement. Both became instrumental in the development of 4–H not only in South Dakota, but in the Nation.

The future for 4–H, however, is put in jeopardy because in South Dakota alone 10 assistant county agents may have to be sacrificed if sufficient funding is not available, and 800 employees may need to be terminated nationwide.

The impact in the personnel area is even greater when one considers that for every hour spent by a professional extension worker on 4–H, a volunteer spends 10 hours. A reduction in personnel as well as travel expenses may restrict contact between the 4–H program and the public. This may result in less volunteers and less work hours by them.

Any youth in 4–H will never forget the compassion shown and the sacrifices made by volunteer 4–H Club leaders. I had two leaders during my 4–H years. My first club leader was Elmer Anderson, then Harry Stofferahn who still lives on a farm near my hometown of Humboldt, S. Dak. The 4–H program allowed them to express their deep knowledge of the areas with which 4–H deals. The impact on those of us in their club was tremendous. I cannot thank them enough.

As well as club leaders, the parents of 4–H'ers, local retailers, farmers, schools, and towns contribute much to the 4–H program. According to a study in three States, the average volunteer contributes the equivalent of $1.124 in time, supplied and gas each year. If extend nationally to the 580,000 volunteers, calculating for only a $1,000 contribution, the total value of 4–H volunteer contributions annually totals $580 million, compared to about

$64 million invested by the Federal Government in 4-H. There should be no question as to the public support for 4-H.

4-H is the fastest growing youth organization in the country. In 1970, 3 million participated; now 4-H membership has surged to 5.5 million. In its over 100 years of existence, 4-H has become one of the most cost-effective programs in which the Federal Government has been involved—only $12.75 per participant a year.

Yet in the last few years, Federal appropriations have been reduced 18 percent since 1974. In purchasing power this is a 57-percent drop. The burden for keeping 4-H up to speed has increasingly been placed on State and local governments. It has become apparent, however, that the States can no longer be expected to pick up the tab on what was established as a cooperative extension service.

Mr. President, the mission of the 4-H program is to help young people become self-directing, productive, and contributing members of society.

A young person usually joins 4-H at the age of 9 and remains a member until 19. Possible areas of interest are numerous. I was active with all sorts of livestock projects which can include, among others, cattle, hogs, sheep, or dairy. Other projects may involve actually growing farm or garden crops, forestry and entomology collections, baking, sewing, handicrafts, art, electronics, horse and dog showing, photography, public speaking, et cetera.

Obviously one person cannot be involved in every area, and, yet, a 4-H Club member can become informed through demonstrations at the regular monthly meeting of the local 4-H Club. At a meeting, usually held in a member's home, all areas of interest are discussed and often an adult guest comes voluntarily to discuss a certain topic.

One of the great advantages of 4-H is the cohesiveness it brings to the county and often the State. 4-H clubs get together from throughout the county for many events each year. Relationships are developed that would not otherwise have an opportunity, and many ideas are formulated and exchanged.

Over 80 countries have programs similar to 4-H. In 1978, over 500 4-H'ers served as good will ambassadors to foreign countries. Major financial support for these programs comes from participant fees and private contributions. It would cost the Federal Government approximately $1.25 million to have financed these international programs.

I was able to benefit from the programs when I twice attended the 4-H Club Congress in Chicago and the 1961 World Agriculture Fair in Cairo, Egypt.

Handicapped young people are being mainstreamed in 4-H. Since 1977 in one State, over 4,000 handicapped youth were involved in 4-H.

A total of 21 percent of 4-H'ers live in large urban areas and their growth may be advantageous to the city. A recent study of 4-H in inner-city Detroit showed a 60 percent reduction in juvenile crime in the immediate area of a 4-H center, perhaps saving the taxpayers $2,000.

Mr. President, 62 percent of 4-H members live in rural areas. In fact, 37 percent of all farm youths are involved in 4-H. This percentage is at its all-time high.

Last year the average 4-H'er involved in a beef project produced 1,435 pounds of beef. At an average price of 50 cents per pound, these young people contributed more than $100 million to the American economy.

In addition to the money earned, the beef project participants learned good sportsmanship, animal husbandry skills, and management techniques.

Recently the U.S.'s agriculture productivity growth fell 60 percent below the 1950's and 1960's levels. If there is a market in which our Nation has the edge, it is agriculture products. Without that edge, our balance of trade could be seriously damaged.

This is not the time for continued restrictions on agriculture research and training, both important parts of the 4-H program. Since the Federal outlay per 4-H member is only $12.75, the money seems to be a wise investment for the 4-Her and the American citizens.

4-H has shown itself to be a program beneficial to our youth, our economy, and our communities. 4-H needs to be acknowledged as one of our Nation's priorities.

ORDER OF BUSINESS

Mr. PRESSLER. Mr. President, I yield the remainder of my time to the Senator from Idaho (Mr. McCLURE).

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Does the Senator from Tennessee wish to claim his remaining time?

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 10 minutes remaining.

Mr. BAKER. Mr. President, I am embarrassed by riches.

Does the Senator from Idaho require more time?

Mr. McCLURE. Will the Senator yield me a couple of additional minutes?

Mr. BAKER. I will be glad to.

Mr. FORD. Mr. President, will the Senator yield me a minute?

Mr. BAKER. I yield the Senator from Kentucky 1 minute and the Senator from Idaho 7 minutes.

Mr. FORD. Mr. President, will the Senator from Idaho allow me to proceed first?

Mr. McCLURE. Mr. President, I thank the Senator from Tennessee for yielding this time to me, and I am happy to be able to accommodate the distinguished Senator from Kentucky.

Mr. FORD. I thank the minority leader and the Senator from Idaho for their courtesy.

S. 1020—FEDERAL TRADE COMMISSION AUTHORIZATIONS

Mr. FORD. Mr. President, along with my colleague from Missouri (Mr. DANFORTH), I am introducing legislation to reauthorize the Federal Trade Commission for the next 3 fiscal years.

The legislation authorizes the FTC at a level of $72.5 million for fiscal year 1980, $78 million for fiscal year 1981, and $83 million for fiscal year 1982. This compares with the agency authorization request of $75 million for fiscal year 1980, $80 million for fiscal year 1981, and $85 million for fiscal year 1982. This reduction in the agency request recognizes the necessity for budgetary restraint.

The Consumer Subcommittee of the Committee on Commerce, Science, and Transportation will hold a hearing on the authorization levels in the legislation and on the general operation of the Commission on May 2, 1979. Interested parties have been invited to submit their views for the record.

Extensive oversight hearings will also be held in July, at which time we will review the report to Congress of the Administrative Conference of the United States, due June 30, 1979, on the procedures the FTC uses to make trade regulation rules. We will also be receiving testimony on specific regulations and the cost-effectiveness of regulatory activity, as well as comments on any substantive legislative proposals.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

THE FUEL SHORTAGE

Mr. McCLURE. Mr. President, according to the New York Times report of this morning, President Carter, campaigning in New Hampshire yesterday, disclosed that he had instructed the Department of Energy to insure that reserves of home heating oil were built up to 240 million barrels by October in order to guarantee adequate supplies for next winter.

The people of my State have been wondering how the President of the United States could go to Israel and guarantee an oil supply to Israel for the next 15 years while unable to guarantee to the people of my State adequate supplies this year. Now we see the President going to New Hampshire, in a campaign swing, guaranteeing to them adequate supplies of oil for next winter, while the consumers in my State are suffering cutbacks on the order of 12 to 15 percent in available supply.

Mr. President, I have been wondering what happened to the available supply in this country as I watched the supply of oil moving into the supply chain and seeing products move out of the supply chain, and the shortage at the consumers' end is greater than the shortfall of supply at the producers' end. I have been wondering what happened to that supply of oil as it moved through this distribution chain and why suddenly there is a greater shortage than is indicated by the reduction of supply.

I think I discovered yesterday the reason why that may be true, when I picked up a copy of the U.S. Department of Energy Response Plan Reducing U.S. Impact on the World Oil Market, dated April 1979.

Yesterday afternoon, we had before the Committee on Energy and Natural Resources, Assistant Secretary Alm, the Assistant Secretary for Policy and Evaluation, of the Department of Energy. I asked some questions about this new response plan which, for the first time, was announced publicly by the President yesterday, with regard to the home heating oil for New England.

On page 4 of attachment No. 2, we see a graph which indicates that the projected normal stock range by October 1, 1979, for distillate stocks at primary level must be at the highest level of projected usage, 240 million barrels.

On the following page, in chart 5, we look at gasoline stocks at primary level and see that the gasoline stocks projected will be below the lowest level of normal stock range.

What this means, Mr. President, is that the administration is planning to create a gasoline shortage this summer—for what reason, we can only conjecture, because certainly we cannot be unconcerned about the need for home-heating oils in New England next winter.

Yesterday afternoon, in questioning Secretary Alm, I said that I hated to suggest the possibility that the President might be most concerned about the home-heating oils in New England because he did not want to confront the electorate of New Hampshire during the primary next winter at a time when they were low of heating stocks and he was less concerned about energy supplies and gasoline stocks this summer. As a matter of fact, that was greeted with some laughter.

However, I pick up the paper today and see that the President, campaigning in New Hampshire, has made exactly that promise to the people of New Hampshire.

Today, when we had before us Mr. Bardin, the Director of the Office of Economic Policy, Energy Department, about whether or not there is an Executive order, he said there is not. Of course, there is not an Executive order, because they do not have the background information necessary to support one.

Yesterday afternoon, I asked Secretary Alm a series of questions with regard to the basis for the decision to establish a target of 240 million barrels of distillate, and he was unable to answer any of those questions. It is obvious that an Executive order based upon no factual basis to which he could respond would stand up for 1 minute.

So they are not doing it by Executive order, but they are creating the conditions for a much heightened gasoline shortage in this country this summer as a conscious policy decision. That, of course, must tie in with the express desires of Barry Bosworth, the Director of the Council of Wage and Price Stability, to substitute for a pricing mechanism the mechanism of gasoline rationing both to reduce demand and to avoid the alternative of a pricing mechanism to spread the shortage throughout our society.

So we have here, Mr. President, a clear pattern developing on the part of the administration to create an energy shortage which will then drive the demand and trigger the necessity for gasoline rationing in the United States this summer, and that just happens to occur at the time when the Energy Committee is being asked to approve the standby rationing plan at the time the administration says, "But we have no plan or desire to put it into effect."

Mr. President, it also just happens to coincide with a letter sent by the President to repudiate a portion of the agreement that he made with me last summer in regard to the Nation's clear energy policy in which he says that it is his desire to terminate the Clinch River Breeder Reactor. That at the same time that he is in New Hampshire promising people distillate fuels. He is also reducing the opportunities for electric power in the same region that is so dependent upon electric power generated from nuclear reactors.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. McCLURE. Mr. President, I ask unanimous consent to print in the Record the questions I asked Secretary Alm and Mr. Bardin; an article from the New York Times entitled "President Warns of Gas Shortage for the Summer"; a letter dated April 24, 1979, from the President to the Speaker; and a letter dated April 24, 1979, from Secretary Schlesinger to Senator Jackson.

There being no objection, the material was ordered to be printed in the Record, as follows:

Questions Directed to Secretary Alm

d. The new Response Plan, at pages 6 and 19 describes an Administration effort to obtain voluntary or, if necessary, mandatory modifications in refinery operations to reach a minimum stockpile of 240 million barrels of heating oil by October 1, 1979. Mr. Alm indicated in a briefing last week that the 240 million barrel requirement would result inevitably in a significant, perhaps serious gasoline shortage this summer. Without passing premature judgment on the decision—

(1) What is the analytical basis for the decision of 240 million barrels?

(2) What will be the significance/seriousness of the summer gasoline shortage? Is it conclusively necessary to mandate effectively a summer gasoline shortage in order to have a sufficient written inventory heating oil?

(3) How are the operations of individual refineries or corporations going to be modified to reach an aggregate, nationwide total inventory of 240 million barrels?

(4) How are regional, state or local variations in refinery capability, driving patterns, creating oil needs, etc. going to be considered?

(5) Is it necessary for direct Federal involvement in refinery operations, rather than let the market handle the situation? What specifically is the Federal role, in terms of a goal for an individual refinery, or region or corporation and based on what analysis or considerations? What specific legal authority?

(6) What has been the response of the industry thus far? What problems, legal, operational or other does their industry have with the requirement? What is the trigger, e.g. date or condition, for mandatory Federal action?

(7) Has the Administration made it clear to the American people, state and local governments, and industry that we have made, and are implementing, a national decision to accept a gasoline shortage this summer, because of the need to rebuild heating oil inventories for the winter? What anticipated economic impact, etc.? What response from responsible state, local and industry officials/representatives.

Questions for David Bardin

The new Response Plan, at pages 6 and 19, describes an Administration effort to obtain voluntary, or if necessary, mandatory modifications in refinery operations to reach a minimum stockpile of 240 million barrels of heating oil by October 1, 1979. Mr. Alm indicated in a briefing last week that the 240 million barrel requirement would result inevitably in a significant, perhaps serious, gasoline shortage this summer.

Yesterday, in testimony before the Joint Economic Committee, Secretary Schlesinger is reported in today's Post to have said that heating oil inventories are so low that the companies may not have enough time to rebuild stocks before next winter unless they adjust their refinery runs long before the summer driving season ends.

And late yesterday afternoon, the President promised the voters of New Hampshire that he had ordered the Department of Energy to ensure by October that there would be a reservoir of 240 million barrels of home heating fuels. The announcement appeared to be timed to coincide with what the Post terms a campaign-type visit.

Yesterday, in hearings before this Committee, Asst. Sec. Al Alm was questioned at length by Sen. McClure regarding the statement in the Response Plan. Mr. Alm indicated that the Administration had not begun any formal inquiries yet into the project indicated by the President. Without prejudicing the issue in any way,

1. What have you, as the primary official responsible for carrying out the wishes of the President in this regard, been ordered to do?

2. Is there an executive order? Will you provide that order to the Committee? If there is no order, under what authority will this program be carried out?

3. What findings does the President, or you, have to make before these authorities can be implemented? What justifications have to be provided to the Congress? What hearings, etc. have to take place? Have any of these been done yet? When will they be completed?

4. What is the analytical basis for the decision of 240 million barrels? The Response plan shows 240 million barrels as the maximum normal stock range on the list of October? Why have you chosen the maximum?

5. What is going to be the significance and seriousness of the gasoline shortfall caused by this inventory build program? Is it conclusively necessary to mandate a gasoline shortage in order to have a sufficient winter inventory for heating oil? If heating oil is the primary concern, and not diesel or other distillates, why are you not just targeting for heating oil inventories?

6. How are the operations of individual refineries or corporations going to be modified to reach an aggregate, total nationwide inventory of 240 million barrels? If industry representatives refuse to comply with the voluntary program, or if their best business judgment on how to build inventory differs from the schedule laid down by DOE, are DOE people going to take over operation for instance, of the refinery?

7. How are regional, state or local variations in refinery capability, driving patterns, creating oil needs, etc., going to be considered? For instance, in some states gasoline use is highly non-discretionary and very little heating oil is used for home heating. Are they going to be asked to live with long gasoline lines and substantial overall inconvenience in order to keep homes warm in New England where driving is much more discretionary?

8. According to the DOE Weekly Petroleum Status Report, distillate stocks are below the estimated minimum acceptable level. And about the 1st of April the stock situation begins to build to its peak in October.

It appears that we might be around 10–30 million barrels below the normal range now and that must be replenished prior to October. But that's about 10-percent additional stock replacement over historical replacement demands and that 10 percent can be spread out over 6 months so that the additional impact per month is very small.

In addition, if it is heating oil that must be inventoried at a high priority, then it seems that the incremental demands on refineries is even smaller.

Based on these assumptions, if they are correct, just what is the rationale for the necessity of creating gasoline shortages to meet this need to build distillate inventories?

Is it necessary, for instance, for direct Federal involvement in refinery operations rather than let the market handle the situation?

9. Have you, or any other DOE officials, discussed your idea with industry representatives? What has been their response? Do they have programmed inventory schedules? Do they think they can make them without Federal intervention? What legal, contractural or market problems do they face?

10. What will be the trigger for direct Federal Involvement?

11. How is this program going to be made clear to the Congress and the American People? Will you, for instance, state clearly to the American people, state and local governments, and industry, that we have made, and are implementing, a national decision to draw gasoline out of an already short supply in order to meet heating oil needs.

PRESIDENT WARNS OF GAS SHORTAGE FOR THE SUMMER

(By Terence Smith)

MANCHESTER, N.H., April 25.—Dogged by antinuclear and other demonstrators, President Carter moved across southern New Hampshire today warning of probable gasoline shortages this summer and fall and continued inflation for the next several months.

Addressing a town meeting in Portsmouth before flying here for a fund-raising dinner, Mr. Carter disclosed that he had directed the Department of Energy to insure that reserves of home heating oil were built up to 240 million barrels by October to guarantee adequate supplies for next winter.

After the severe winter just ended, current reserves are down to 110 million barrels, according to the White House press secretary, Jody Powell, as opposed to the normal April reserve of 140 million barrels. Mr. Powell added later that the President realized that his directive to increase these reserves would further draw down gasoline supplies, but, he said, "Given the choice between the two, you have to give people the heating oil they need."

THE WHITE HOUSE,
Washington, D.C., April 24, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Since the beginning of my Administration I have opposed construction of the Clinch River Breeder Reactor. In recent days, I have again reviewed this matter and I remain convinced that completion of this project would not be in the national interest. My reasons for this belief are:

It is premature to proceed with construction of any initial breeder facility now because it will be a long time before breeders would be economical in the United States, based on conservative estimates of domestic uranium supply and demand.

We have had extensive experience in this field since the design of the Clinch River Breeder was frozen in the early 1970s, and it no longer represents the best design available for the first breeder reactor.

When the time comes we can design and build a reactor that is technically more advanced, more efficient, safer, and more comparable to reactors that one day might actually be used commercially. The learning and experience to be gained from completion of CRBR is, therefore, just not worth the cost.

Continuation of this project will weaken the United States' effort to persuade other countries to limit and impose strict controls on their use of plutonium and other nuclear materials from which nuclear weapons can be made. If the United States is to be a leader in the field of breeder reactor technology we must have a strongly based program that continues to advance the state of the art. This will enable us to build a more advanced reactor at an appropriate future date.

I want to emphasize that my opposition to CRBR does not imply opposition to breeder reactors in general or to nuclear power. Along with developing our renewable energy resources based on solar energy and fusion, breeder reactors hold the promise of providing essentially inexhaustible supplies of electrical energy. We need to pursue a vigorous program of breeder reactor research and development so that this option can be commercially available to us when and if we need it. I have always been committed to such a program and remain so today. My FY 1980 budget requests $504 million for liquid metal fast breeder development and $86 million for light water and gas cooled fast breeder backups. My FY 1981 budget will maintain this commitment to a large and diversified technology program, the largest of any country in the world.

In addition, I am convinced that we must continue to use the once-through light water reactor system as an important source of our electricity now and in the future. We must continue to improve safety, reliability and resource utilization and we must proceed with careful, deliberate, yet expeditious waste disposal. I am strongly committed to all of these and my FY 1980 budget, if enacted by the Congress, will ensure strong programs in each area.

Internationally, we will continue our efforts to persuade others to derive the energy benefits of nuclear fission without increasing the likelihood that nuclear technology and nuclear materials will be diverted for purposes of making nuclear explosives. I believe these two objectives can be compatible and we will continue working with other countries to make them so.

Naturally, I am aware of the diverse views in the Congress on the issue of CRBR. The controversy over this important aspect of the Nation's energy research and development program has been prolonged and divisive. Attention has been diverted from the remainder of a balanced and effective energy research and development program and from other important energy issues, both nuclear and non-nuclear.

In addition, while the debate continues we are expending about $15 million per month on the Clinch River project. While some of these expenditures are for components which I would intend to complete, much is being wasted. This we can ill afford. Approximately $1.5 billion can be saved if the project finally can be terminated. In my judgment, it is time to end this impasse and get on with a vigorous and balanced research and development program to assist in solving our long-term energy needs.

I believe it is possible to resolve this matter in a manner acceptable to both the Administration and the Congress. The essential elements of such a resolution include:

A strong liquid metal fast breeder research and development program funded at $504 million for FY 1980. This will assure our ability to build a first facility when we need it and eventually to commercialize the technology if we decide to do so.

A conceptual design study of a large breeder test plant that would be what the nuclear and utility industry now believe the first breeder facility should be, incorporating currently available technology, and providing a flexible test facility. A report on this design will be made to Congress in March of 1981.

Completion of such a systems design of the Clinch River Breeder Reactor.

Procurement and testing of certain components from the Clinch River project to ensure that we can obtain maximum benefit from past investments.

Termination of the remainder of the Clinch River project.

I have directed Secretary of Energy Schlesinger to transmit to the Congress legislation to implement this resolution. The legislation assumes enactment by June 1 of this year, a date which will minimize further wasted expenditures on this project while allowing adequate time for full and careful consideration by the Congress.

I have asked that detailed briefings on all aspects of my Administration's nuclear program, and on the role of breeder reactors in our energy future, be made available to members of the Congress and their staffs in the near future. I have also instructed the Department of Energy and my own staff to spare no effort in supplying any details or information members and their staffs might request in this regard.

I look forward to working cooperatively with the Congress on resolving this important issue and I urge the Congress to enact promptly the legislative proposal to be sent to you shortly.

Sincerely,

JIMMY CARTER.

DEPARTMENT OF ENERGY,
Washington, D.C., April 24, 1979.

Hon. HENRY M. JACKSON
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The President has recently completed a personal review of the fission breeder program, including the role of the Clinch River Breeder Reactor (CRBR). The review has led us to the following conclusions: (a) that a commercially deployed breeder reactor is not needed before 2020; and (b) that completion of the CRBR project would be wasteful and would not contribute substantially to a breeder program aimed at 2020 introduction.

In order to resolve the contentious and divisive issue of the Clinch River Plant, the President has proposed a five point program. Its essential features include the following:

A strong research and development program funded at $504 million for FY 1980 which will assure the availability of a deployable commercial scale breeder when needed.

Completion of systems design of the Clinch River Breeder Reactor Project.

Procurement and testing of certain components from the Clinch River Project.

Termination of the remainder of the Clinch River Project.

A conceptual design study for a large breeder test plant leading to a report to the Congress in March of 1981.

To accomplish these purposes, I am enclosing legislative language that would amend S. 688 in the following major respects. First, the legislation would repeal Section 106 of Public Law 91–273, as amended, removing the basic authorization for the CRBR project. The legislation does, however, provide for intelligent use of those aspects of CRBR which can contribute to the overall breeder program. It directs completion of the systems design and testing of certain key components, such as the sodium pump and pump drive, the steam generator, the in-vessel transfer machine, and the secondary control rod systems. Further, the legislation would direct the Secretary of Energy to take appropriate actions with respect to contractual arrangements previously entered into pursuant to Section 106, without prejudice to any existing rights of parties to such arrangements, in order to ensure an orderly redirection of the breeder research and development program.

Second, the legislation would require a conceptual design study for a large breeder test reactor. This design would be for a facility that would more nearly satisfy the long term requirements of our national breeder development program. It would take advantage of the technological advances which have occurred since the CRBR design. A report including the conceptual design would be submitted to the Congress by March 31, 1981, together with recommendations regarding future breeder projects.

Assuming enactment of this legislation by June 1, the bill would authorize $229.4 million to be appropriated to carry out the purposes described above. The monies would include new appropriations and the reappropriation of unexpended funds previously made available for the project.

We look forward to working with you on this important matter and are prepared to provide the Committee with any assistance necessary to assure a prompt resolution of the CRBR issue.

Sincerely,

James R. Schlesinger,
Secretary.

Proposed Amendments to S. 688 Affecting Liquid Metal Fast Breeder Reactor Program

Amend Title I of S. 688 by:

(a) Adding, immediately after line 24, page 11, two new sections, to be sections 111 and 112 respectively, to read as follows:

"Section 111. (a) Section 106 of Pub. L. 91–273, as amended, is repealed.

(b) The Secretary of Energy (hereinafter referred to as "the Secretary" is directed to complete only—

(1) systems design for the Clinch River Breeder Reactor Project; and

(2) procurement and testing of such components as he determines to be useful in conducting research and development on advanced fission technology or otherwise in the public interest, including, but not limited to, the prototypic sodium pump and pump drive, the prototypic steam generator, the in-vessel transfer machine, and the prototypic secondary control rod systems.

(c) The Secretary of Energy is directed to take such action with respect to contractual instruments previously entered into in connection with the Clinch River Breeder Reactor Project pursuant to section 106 of Pub. L. 91–273, as amended, as in his judgment are necessary or appropriate to carry out this section; provided, however, that nothing in this section is intended in any way to affect, modify, or prejudice any existing rights of any party, under any such contractual instrument.

(d) The Secretary shall assure that any generic environmental or technical issues related to carrying out the elements of the Clinch River Breeder Reactor Project described in subsection (b) of this section are fully documented and discussed with the staff of the Nuclear Regulatory Commission. The Secretary may initiate any necessary and appropriate modifications in any existing liquid metal fast breeder reactor facilities to test, and shall provide for the testing and evaluation of, components which are completed pursuant to subsection (b)(2) of this section:

(e) The Secretary is directed to initiate a conceptual study design of a new Breeder Reactor Test Plant. The conceptual design effort will focus on a liquid metal fast breeder reactor plant. This design effort shall include the conceptual planning, conceptual studies, systems studies, and systems designs. The conceptual design effort shall also include preliminary cost analyses, engineering drawings, utility interconnect studies, generic site selection analyses, and continuing consultations with the Nuclear Regulatory Commission staff on generic environmental and safety issues. In preparing the conceptual design, the Secretary shall take into consideration criteria including, but not limited to, the ability to test alternative fuels of the reactor for proliferation-resistance of the reactor and other factors, economic factors, and the technical viability of the technology.

(f) The Secretary is directed to submit to the President and to the Congress, no later than March 31, 1981, a final report containing the conceptual design, together with his recommendations and additional documentation necessary to support his recommendations. In reaching his recommendations, the Secretary shall consider other breeder reactor concepts, such as the gas-cooled fast reactor or other fast reactors to more efficiently utilize uranium, in addition to the liquid metal fast breeder reactor.

(g) The Secretary shall utilize existing contract design personnel to the maximum extent practicable in carrying out the povisions of subsections (b)(1), and (e) of this section.

(h) In addition to funds authorized to be appropriated pursuant to subsection (1) of section 112 for testing of components procured pursuant to subsection (b)(2) there is hereby authorized to be made available by appropriation (including reappropriation of unexpended funds previously appropriated for the Clinch River Breeder Reactor Project), the sum of $229,400,000 to carry out this section.

(i) This section shall take effect on June 1, 1979.

Sec. 112. Funds are hereby authorized to be appropriated for fiscal year 1980 in accordance with section 660 of the Department of Energy Organization Act operating expenses, plant and capital equipment, including project planning, construction, acquisition, or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, for the following purposes, and in the following amounts:

(a) For Project 78–6–f, Fuels and Materials Examination Facility, Richland, Washington, an additional sum of $30,200,000 (making a new total project authorization of $170,000,000).

(b) For Project 78–6–c, SAREF Phase I, Treat Upgrade, Idaho National Engineering Laboratory, Idaho, $3,600,000 (making a total project authorization of $27,700,000).

(c) For Project 78–6–e, Energy Technology Engineering Center Facility Modifications, Santa Susana, California, an additional sum of $5,500,000 (making a total project authorization of $11,100,000).

(d) For Project 79–1–c, Security Improvements, Richland, Washington, an additional sum of $4,500,000 (making a total project authorization of $9,000,000).

(e) Project 79–1–h, Maintenance and Storage Facility, Richland, Washington, an additional sum of $13,700,000 (making a total project authorization of $16,700,000).

(f) For Project 80–GPP–1, General Plant Projects, $12,300,000.

(g) For Project 80–ES–3, Physical Security and Safeguards Project Test Reactor Area, Idaho National Engineering Laboratory, Idaho, $1,200,000.

(h) For Project 80–ES–4, Laundry Decontamination Facility, Idaho National Engineering Laboratory, Idaho, $2,200,000.

(i) For Project 80–ES–5, Modifications to Reactors, Various Locations, $2,800,000.

(j) For Project 80–ES–6, Boilers, Heating, and Ventilating, and Fuel Tank and Roof Replacement, Idaho National Engineering Laboratory, Idaho, $1,900,000.

(k) For Project 80–ES–11, Idaho Laboratory Facility, Phase I and II, Idaho National Engineering Laboratory, Idaho, $22,000,000.

(l) For other operating expenses, $293,900,000.

(m) For Capital Equipment not Related to Construction, $22,000,000."

(b) Substituting, at page 3, line 18, "$253,374,000 (excluding Liquid Metal Fast Breeder Reactor);" for "$602,274,000;"

(c) Striking, at page 5, all material between lines 11 and 25, inclusive;

(d) Striking, at page 6, all material between lines 1 and 15, inclusive;

(e) Substituting, at page 6, line 16, "(i)" for "(ix)"; and

(f) Substituting, at page 6, line 17, "$6,121,000 (excluding Liquid Metal Fast Breeder Reactor);" for "$28,121,000."

ALASKAN LANDS

Mr. STEVENS. Mr. President, I am disturbed once again at the Washington Post coverage of the Alaska lands issue, not as far as being disturbed with the Post but as being disturbed with what they report.

They report that the administration has now stated that if the Udall bill on the Alaskan lands issue does not pass the President will leave, in effect, the national monuments withdrawals that he has made under the Antiquities Act.

Last year the administration representatives worked with me, with Senator Jackson, Senator Hansen, Congressman Udall, Congressman Seiberling, and others, to try to get a bill that we could all support that would be livable for Alaska and at the same time meet the national interests as far as Alaska Federal lands are concerned.

After that bill did not pass the President invoked his powers under the Antiquities Act and placed into effect what he called the interim protection for Alaska land.

Now, he seems to be saying to Congress that we either must accept his actions or he will continue this interim protection.

I hope that the other Members of Congress will examine what he is saying because the President has made recommendations under the RARE II process in the national forest lands and under the BLM wilderness review. The President seems to be saying. "Either do exactly what I request of you or I am going to use arbitrary Executive action with regard to the management of Federal lands in any event."

I think it has to be remembered that the administration representatives agreed to the bill that is now known as the Huckaby bill. That agreement was entered into last year just prior to the adjournment of the last Congress.

Now the administration is backing away from that bill because it seems to believe it has extra leverage on Congress by virtue of the threat to use the Antiquities Act powers of the President without regard to what the Congress does.

Article I, section 3 of the Constitution vests in Congress the sole power to deal with public lands.

I think it would be very unfortunate for Members of Congress to be put in a position where even if Congress works out an acceptable bill, acceptable to all concerned, the President would say, "I am going to veto it anyway, because you have not done exactly what I have said."

The President said in his recent energy message that he was going to accelerate leasing of Federal lands for oil and gas development. Over half of the Federal lands in the United States are in Alaska. Yet, there has not been a new Federal oil and gas lease issued since 1965.

I think that the administration's left hand does not know what the right hand is doing or saying, and the real problem is we have a real energy crisis.

Mr. President, it took over an hour for the people on the west coast to get gas, and those lines are going to get longer. We must evaluate our resources, and the President has told us he wants to accelerate domestic production. But his recommendations would close forever the most important oil and gas areas in my State and in the Nation.

This makes no sense, and I again wonder if the President's aides are listening to him. It is going to be impossible to explain to the American people why this Nation is not evaluating its own resources simply to please a special interest group, the extreme environmentalists. These groups are as much a special interest group as any other and do not look to balance the overall national interest.

I urge all Members of Congress to seek balance, that balance was almost achieved last year and we again can reach a reasonable and fair solution if we accept the need to find a middle ground. It is unfortunate that the President and his assistants now wish to dictate to the Congress how to carry out its responsibility. I hope that all Members of Congress will support a balanced approach and not be persuaded by the refusal of the President to stand by the agreement which was made last year.

RECOGNITION OF SENATOR DANFORTH

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized for 5 minutes.

S. 1021—BONDHOLDER TAXABLE BOND OPTION AND CREDIT

Mr. DANFORTH. Mr. President, today I am reintroducing a bill which I introduced last year relating to municipal bond financing. The bill is designed to accomplish the following objectives:

First. Expand the market for municipal bonds to include all Americans—regardless of their income;

Second. Reduce by 1½ billion dollars annually the cost of municipal borrowing by reducing the interest rate municipalities must pay in order to issue municipal debt;

Third. Preserve the existing market for tax-exempt municipal bonds;

Fourth. Include tax-exempt pension funds and all corporations (regardless of income) as potential purchasers of municipal bonds;

Fifth. Stabilize the municipal bond market in times of changing monetary policy; and

Sixth. Improve the horizontal and vertical equity of our progressive Federal tax structure.

Last year I proposed this bill as an amendment to the 1978 tax bill and it was adopted by the Senate Finance Committee (Section 336 of H.R. 13511). Nevertheless, I moved to strike the provision when the tax bill was under consideration on the floor of the Senate to provide additional time so that all facets of the municipal financing community could carefully evaluate the proposal.

At the time I withdrew the amendment last year, Senator LONG agreed to assist me in scheduling timely hearings in the Finance Committee during this session. I understand that the Municipal Finance Officers Association, the National Governors' Association, the National League of Cities, the Public Securities Association, the Dealer Bank Association and other groups are presently studying this proposal. I want to make it clear that it is not my intention to pursue this proposal if municipal governments and the municipal bond industry are opposed to it. Nevertheless, I am convinced that the proposal has considerable merit and is in the best interests of both municipal governments and the municipal bond market. I would hope that a thoughtful and constructive hearing can be held during the second half of this year.

One of the most important things to understand about this bill is how it differs from the administration's taxable bond option proposal. I am totally convinced that this bill will not do the things for which the administration's bill has been justifiably attacked. Unlike the administration's proposal, this proposal—

First. Eliminates the possibility of imposing Federal conditions or control over municipal borrowing;

Second. Places no restrictions on the right of municipal bondholders to exclude bond interest from taxable income; and

Third. Does not represent the first step toward eliminating tax-exempt financing by municipalities.

Under my bondholder taxable option (BTO) proposal, municipalities would issue bonds in the same manner as they do today. Bondholders would have their option of either; First, excluding municipal interest from taxable income as is done today; or second, claiming a Federal tax credit equal in amount to 67 percent of the interest received and including both the interest and credit in taxable income (the effect of which is to make such investment attractive to lower income taxpayers).

The Federal tax credit would only be available for municipal bonds issued after 1978 and the estimated costs to the Federal Government and savings to municipal governments are set forth it the following table:

[In millions of dollars]

	1980	1981	1982	1983	1984
Interest savings to municipal governments	81	412	758	1,122	1,505
Federal revenue loss due to Federal tax credit	−38	−186	−334	−447	−607

I ask unanimous consent that a detailed description of the proposal and the bill be printed in the RECORD.

There being no objection, the bill and description were ordered to be printed in the RECORD, as follows:

S. 1021

Be it enacted by the Senate and House of Representatives of the United States of, America in Congress assembled,

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR EXEMPT INTEREST INCLUDED IN INCOME.

"(a) GENERAL RULE.—In the case of a United States person who elects to include in gross income for the taxable year the entire amount of—

"(1) interest on obligations described in section 103(a), other than industrial development bonds (described in section 103(b)(2)) and

"(2) exempt-interest dividends (as defined in section 852(b)(5)) attributable to interest on obligations described in subparagraph (1), there is allowed as a credit, subject to the limitations of subsection (b), an amount equal to 67 percent of the sum of such interest and dividends for the taxable year.

"(b) Limitations, Application with other credits, etc.

"(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowable under subsection (a) for the taxable year shall not exceed the tax imposed by this chapter for such year reduced by the credit allowable under section 37 (relating to credit for the elderly).

"(2) CERTAIN TAX-EXEMPT ENTITIES.—In the case an organization described in section 501(c)(3) or a trust qualifying under section 401(a) other than a trust forming part of a governmental plan, the amount of credit allowable under subsection (a) for the taxable year shall be applied against the tax imposed by this subtitle.

"(3) DENIAL OF CREDIT FOR OBLIGATIONS NOT ISSUED PURSUANT TO A PUBLIC UNDERWRITING WHICH ARE HELD BY RELATED ENTITIES.—An election under this section shall not apply to any obligation not issued pursuant to a public underwriting for any period which such obligation is held by a related entity."

"(c) DEFINITIONS: SPECIAL RULES.—For purposes of this section—

"(1) ORIGINAL ISSUE DISCOUNT INTEREST; AMORTIZABLE BOND PREMIUM.—In the case of obligations described in section 103(a), other than industrial development bonds, the amount of interest shall be adjusted, under regulations prescribed by the Secretary, for any original issue discount or amortizable bond premium attributable to the taxable year.

"(2) TIME AND MANNER OF ELECTION.—The election to claim this credit shall be made with the tax return for the taxable year for which the inclusion is elected. The election shall be made not later than the time prescribed by law for filing the return for such year (including extensions thereof). Such election may be changed any time before the expiration of the period prescribed for making a claim for credit or refund of the tax imposed by the chapter for the taxable year. The election shall include a statement setting forth, in such manner as the Secretary may require, the identification of the payor of the interest or dividend, together with such additional information as the Secretary may require.

"(3) TAXES IMPOSED BY THIS CHAPTER.—The taxes imposed by the following provisions of this chapter shall not be considered to be taxes imposed by this chapter:

"(A) The taxes imposed by sections 55 and 56 (relating to minimum taxes).

"(B) The tax imposed by section 72(m)(5)(B) (relating to 10 percent on premature distributions to owner-employees).

"(C) The tax imposed by section 408(f) (relating to additional tax on income from certain retirement accounts).

"(D) The tax imposed by section 531 (relating to accumulated earnings tax).

"(E) The tax imposed by section 1378 (relating to tax on certain capital gains of subchapter S corporations).

"(F) Any additional tax imposed for the taxable year by section 1351(d)(1) (relating to recoveries of foreign expropriation losses).

"(4) Application in the Case of Estates and Trusts, etc.—In the case of an estate or trust or other person which may distribute income which retains the characteristic of being excludible from gross income under section 103(a), the Secretary shall by regulations prescribe rules relating to the election under this section.

"(5) Public Underwriting.—The term 'public underwriting' means a procedure for selling the obligations in which—

"(A) competitive bids for the right to sell the obligations to the general public are solicited from independent parties, and

"(B) 25 percent or more of the obligations sold are acquired by persons who are not related entities.

"(6) Related Entity.—The term 'related entity' means—

"(A) in the case of obligations issued by a State, such State and any political subdivisions thereof,

"(B) in the case of obligations issued by a political subdivision of a State, such State and any political subdivision thereof, and

"(C) in the case of obligations issued by an instrumentality of two or more States or two or more political subdivisions each such State (of which the political subdivision is a part) and each political subdivision thereof."

For purposes of this provision, any agency or instrumentality of a State or political subdivision shall be treated as such State or political subdivision and any trust or plan for the benefit of the employees of a State or political subdivision shall be treated as an instrumentality of such State or political subdivision, as the case may be.

(2) Inclusion in Gross Income of Individual Bond Option Credit.—

(1) Part II of Subchapter B (relating to items specifically included in gross income) is amended by inserting at the end thereof, the following new section:

"Sec. 86. Credit for Exempt Interest Included in Income.

"An amount equal to the credit allowed under section 44D shall be treated as interest or dividend, as the case may be, received in the taxable year in which the interest or dividend (on which the allowance of the credit is based) is received. Such amount shall be included in gross income solely for purposes of determining the tax imposed by this chapter."

(2) The table of sections for such part is amended by inserting at the end thereof the following new items: "Sec. 86. Credit for Exempt Interest Included in Income."

(3) Conforming Amendments.—

(1) Subsection (b)(2) of section 41 (relating to contributions to candidates for public office) is amended—

(A) by striking out "and";

(B) by striking out "." at the end of the paragraph and inserting in lieu thereof ", and section 44D (relating to credit for exempt interest included in income)."

(2) Subsection (b) of section 44A (relating to expenses for household and dependent care services necessary for gainful employment) is amended

(A) by striking out "and" at the end of paragraph (6)

(B) by striking out "." at the end of paragraph (7) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following new paragraph:

"(8) section 44D (relating to credit for exempt interest included in income)."

(3) Subsection (a)(4) of section 46 (relating to amount of credit is amended—

(A) by striking out "and" at the end of subparagraph (A);

(B) by striking out "." at the end of subparagraph (B) and inserting in lieu thereof ", and"; and

(e) by adding at the end thereof the following new subparagraph:

"(C) section 44D (relating to credit for exempt interest included in income), except in the case of a tax-exempt entity referred to in section 44D(b)(2)."

(4) Subsection (a)(3) of section 50A (relating to amount of credit) is amended—

(A) by striking out "and" at the end of subparagraph (C);

(B) by striking out "." at the end of subparagraph (D) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following new subparagraph:

"(E) section 44D (relating to credit for exempt interest included in gross income), except in the case of a tax-exempt entity referred to in section 44D(b)(2)."

(5) Subsection (a) of section 53 (relating to limitation based on amount of tax) is amended—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out "." at the end of paragraph (7) and inserting in lieu thereof ", and"; and

(C) by adding after paragraph (7) the following new paragraph:

"(8) section 44D (relating to credit for exempt interest included in income)."

(6) Subsection (b)(1) of section 75 (relating to dealers in tax-exempt securities) is amended by inserting after "excludible from gross income" the following: "(without regard to the operation of section 44D)".

(7) So much of section 103(a) (relating to interest on certain governmental obligations) as precedes paragraph (1) is amended to read as follows:

"(a) General Rule.—Except as provided in section 44D and section 86 (relating to credit for exempt interest included in income), gross income does not include interest on—".

(8) Section 171 (relating to amortizable bond premium) is amended—

(A) by striking out "(other than a bond the interest on which is excludible from gross income)" from subsection (a)(1) and by inserting in lieu thereof, "(other than a bond described in paragraph (2))";

(B) by amending subsection (a)(2) to read as follows:

"(2) Tax-exempt bonds.—In the case of any bond the interest on which is excludible from gross income (without regard to the operation of section 44D), no deduction shall be allowed for the amortizable bond premium for the taxable year."; and

(C) by amending subsection (c)(1) to read as follows:

"(1) Eligibility to elect; bonds with respect to which election permitted.—In the case of bonds other than bonds described in subsection (a)(2), this section shall apply only if the taxpayer has so elected."

(9) Paragraphs (1), (2) and (3) of section 265 (relating to interest relating to tax-exempt income) are amended by inserting after "subtitle" each place it appears the following: "(without regard to the election under section 44D)".

(10) Section 593(b)(2)(E)(iii) (relating to reserves for losses on loans) is amended by striking out "the interest on which is excludible under section 103" and inserting in lieu thereof "described in section 103(a)".

(11) Subparagraph (A) of section 818(b)(3) (relating to exception from requirement of accrual of discount) is amended to read as follows: "(A) interest which is excluded from gross income under section 103, or".

(12) Section 832(e)(6) (relating to insurance company taxable income) is amended by striking out "the interest on which is excludible from gross income under section 103" each place it appears and inserting in lieu thereof "described in section 103(a)".

(13) Section 852(b) (relating to taxation of regulated investment companies and their shareholders) is amended—

(A) by deleting "section 103(a)(1)" each place it appears in paragraph (5) and inserting in lieu thereof "section 103(a)"; and

(B) by inserting at the end of subsection (b) the following new paragraph:

"(6) Credit for exempt interest included in income.—An investment company may elect to claim the credit under section 44D but not in an amount in excess of—

"(A) the amount of interest received on obligations described in 103(a) other than industrial development bonds over

"(B) the amount designated as exempt-interest dividends including exempt interest dividends paid after close of the taxable year as described in section 855) attributable to such obligations.

The election shall not be taken into account for purposes of determining the distribution requirement in subsection (a)."

(14) Subsection (g) of section 904 (relating to coordination with credit for the elderly is amended to read as follows:

"(g) Coordination With Certain Other Credits.—For purposes of subsection (a), the tax against which the credit is taken is reduced by the amount of the credit (if any) for the taxable year allowable under—

(1) section 37 (relating to credit for the elderly) in the case of an individual and

(2) section 44D (relating to credit for exempt interest included in income) in the case of a United States person other than a tax-exempt entity referred to in section 44D (b)(2)."

(15) Paragraph (5) of section 1016(a) (relating to adjustments to basis) is amended by inserting after "subtitle" the following: "(determined without regard to the operation of section 44D)".

(16) Clause (i) of section 1232(a)(2)(C) (relating to the sale or exchange of bonds and other evidences of indebtedness) is amended to read as follows:

"(i) obligations described in section 103 (a) (relating to certain governmental obligations) unless the bondholder has made an election for the taxable year under section 44D (relating to credit for exempt interest included income) with respect to the obligation, or",

(17) Paragraph (4) of section 6201(a) (relating to erroneous credit under section 39 or 43) is amended—

(i) by striking out "section 39 or 43" from the heading and inserting in lieu thereof "certain refundable credits", and

(ii) by adding at the end thereof the following new sentence: "If on any return or claim for refund of income taxes under subtitle A by tax-exempt entity referred to section 44D (b)(2), there is an overstatement of the credit allowable by section 44D, the amount so overstated which is allowed as a credit or refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with respect to any assessment under this paragraph."

(18) Subparagraph (A) of section 6362 (b)(1) (relating to qualified resident tax based on taxable income) is amended to read as follows:

"(A) by subtracting an amount equal to the sum of—

"(i) the amount of his interest on obligations to the United States which was included in his gross income for the taxable year, and "(ii) the amount included in his gross income for the taxable year by reason of section 44(D),"

(19) Subsection (b) of section 6401 (relating to excessive credits) is amended by adding at the end thereof the following new sentence: "In the case of an organization described in section 501(c)(3) which is exempt from tax under section 501(a), and in the case of a trust which meets the requirements of section 401(a) (other than a trust forming a part of the governmental plan as defined in section 414(d)), if the amount allowable as a credit under section 44D exceeds the tax imposed by subtitle A reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1 (other than the credit allowed by section 44D), then the amount of such excess shall be considered an overpayment.".

(4) EFFECTIVE DATE.—The amendments made by this section apply to obligations issued after December 31, 1979, other than an obligation any of the proceeds of which is used to refund obligations to which the amendments made by this section do not apply.

BONDHOLDER TAXABLE OPTION

EVOLUTION OF THE BONDHOLDER TAXABLE OPTIONAL PROPOSAL

In 1969 the House Ways and Means Committee adopted the Taxable Bond Option proposal (TBO) as part of its Tax Reform Act of 1969.[1] The Senate subsequently deleted this provision but the proposal was reintroduced several times in subsequent years. In 1976 the House Ways and Means Committee held hearings on the TBO[2] but failed to include the proposal in its Tax Reform Act of 1976. On January 20, 1978, the Carter Administration proposed as part of its 1978 tax program the TBO.[3] After near-unanimous adverse testimony in the Ways and Means Committee hearings,[4] the Committee decided not to include TBO as part of its Revenue Act of 1978.[5] In fact, the Administration did not even bring up the TBO proposal in its initial hearings before the Senate Finance Committee later in 1978.[6]

The Bondholder Taxable Option (BTO) was devised during mid-1978 by Senator John C. Danforth as a means to retain the economic advantages of the taxable bond option while at the same time eliminate the potential adverse side effects of the proposal. By a roll call vote the Senate Finance Committee adopted the Danforth BTO proposal as an amendment to the Revenue Act of 1978.[7] Nevertheless, at the request of Senator Danforth, this section was deleted from the bill on the Senate Floor on October 6, 1978 to provide additional time to all interested parties so that they could carefully evaluate the proposal:

". . . Unfortunately my proposal did not receive much notice until this past week . . . When I brought this matter up in Committee I indicated that I would personally withdraw the amendment on the Floor if substantial opposition arose. Although no one has raised substantive objections, there does appear to be great concern that we not pass this proposal in a rush to adjourn without the benefit of careful consideration and study. It is for these reasons that I offer this amendment to strike Section 336 from the bill and request that a study be made of the proposal to be completed early in the next session. . . ."[8]

BASIC OBJECTIVES OF THE TAXABLE BOND OPTION

TBO is designed to reduce the cost of municipality borrowing by reducing the interest rate municipalities must pay in order to issue municipal debt. Currently, the average municipal interest rate is 30% below the average taxable corporate bond rate.[9] TBO would reduce the average net interest rates municipalities would have to pay on all of their new debt to 40% below the average taxable corporate rate.

TBO is designed to broaden the market for municipal bonds to include all individuals, corporations and tax exempt pension funds. Currently the market for municipal bonds is economically limited to individuals and corporations above the 30% marginal tax rate due to the current 30% discount on municipal interest rates. TBO would expand the market for "taxable" municipal bonds to include all investors regardless of their marginal tax rates and would also include tax exempt pension funds.

TBO is designed to stabilize the municipal debt market in times of changing monetary policy. Currently the limited supply of potential municipal bondholders accentuates the volatility of municipal interest rates in times of changing general interest rates. This volatility is magnified as a result of the fact that financial institutions constitute a large proportion of municipal debt buyers. TBO would not eliminate the sensitivity of municipal interest rates to changes in monetary policy but would eliminate its exaggerated effect by broadening the market for municipal debt.

TBO is designed to improve the horizontal and vertical equity of our progressive federal tax structure. Currently the economic effect of not directly taxing municipal interest issued at a rate 30% below the taxable interest rate is the same as a flat 30% tax rate regardless of the amount of income received. This unintended benefit is only of value to taxpayers above the 30% marginal tax bracket and the advantage is greater the higher the taxpayer's income. TBO expands the tax advantages of municipal bond interest to all potential bondholders regardless of tax bracket and increases the economic effect on high-bracket bondholders to a 40% flat tax rate rather than the existing 30% flat tax rate.

BASIC MECHANICS OF THE TAXABLE BOND OPTION

TBO would allow municipalities the unfettered right to choose whether to issue either a tax exempt bond in the same manner as is done today, or to issue a fully taxable bond. If a fully taxable bond is issued, the federal government will reimburse the municipality for 40% of its annual interest costs on the bond. Stated in another way, the taxable interest payable by a municipality on a taxable bond will, in effect, cost the federal government 40% of the total interest payment.

Economically, a municipality would never opt to issue a tax exempt bond at an interest rate less than 40% below the taxable bond interest rate, but there would continue to be a market, albeit a smaller market, for tax exempt municipal bonds issued at an interest rate at or more than 40% below the taxable bond interest rate. Thus eventually an equilibrium would be reached on the issuance of all municipal debt whether taxable or tax exempt at a net interest rate to the municipality at 40% below the taxable bond interest rate.

Under TBO, bondholders of tax exempt municipal bonds would continue to exclude such bond interest from their taxable income in the same manner as is done today.

Under TBO, bondholders of new taxable municipal bonds would include the full interest received in taxable income in the same manner as is done today by bondholders of corporate or U.S. Treasury bonds. (It should be noted that interest received and included in income on a taxable municipal bond includes, in effect, both the net interest payable by the municipality and the federal subsidy received by the municipality and passed on to the bondholder).

CRITICISM OF THE TAXABLE BOND OPTION

One would assume that the TBO proposal would have the support of municipal governments since it is designed to lower their interest cost and municipal bond dealers since it is also designed to stabilize the municipal bond market. In fact, the TBO proposal has been vigorously opposed by most of these groups. Although they generally applaud the objectives of TBO described above, they are much more concerned with the potential adverse side effects of the proposal. Generally, they are concerned about three major potential side effects.

First of all, even with the assurances of the Administration to the contrary, there is widespread fear and conviction that federal strings will ultimately be imposed on state and local governments as the quid pro quo for the taxable bond subsidy payments:

"Experience indicates that any involvement of the federal government in local financial affairs will be accompanied by intervention, oversight, and a loss of autonomy."[10]

"We are told that no condition would be attached to the receipt of subsidy funds under the option, but we have heard such promises many times before. Specific cases in point are the general revenue sharing program and the program for counter-cyclical aid. At the time these programs were initiated, we received many strong assurances that no strings would be attached to the receipt of these funds. Nevertheless the federal government now is engaged in comprehensive and detailed regulation of several aspects of our activities as a condition of acceptance of these funds."[11]

Secondly, it is feared that initially municipalities will only issue taxable bonds in order to get the better net interest rates and the alternative tax exempt market will dry up from disuse:

"Moreover, if the taxable municipal bond concept becomes widespread, the present tax exempt market could wither away and be replaced by a new taxable market and then after some years if a future Congress repeals the option for future issues, all cities will be left with no market at all. The old market would have disappeared with the drying up of tax exempt bonds and the city's new market would be gone with the repeal of the option. Can it be guaranteed that such a repeal will not happen?"[12]

Finally, there is widespread suspicion and conviction that TBO merely represents the first step toward full mandatory taxation of all municipal interest.

"Serious question exists as to whether a taxable bond option . . . would ultimately lead to the elimination of tax exempt financing by state and local governments."[13]

"Further, our members fear that in future years, legislation will be proposed for the total elimination of the tax exemption. Any such legislation would, of course, stand upon its own two feet in a sense. But would the legislation not be more easily acceptable by a Congress and a Supreme Court after members of those bodies would have witnessed years of issuance of a substantial portion of taxable municipal securities? We believe that this is a probability. Today the Constitutional status of the tax exemption is broadly accepted within Congress and the Supreme Court would uphold that status. Nothing should be done to change or to weaken this acceptance."[14]

It is because of these feared side effects that the TBO proposal is opposed even by the intended beneficiaries of the proposal.

BASIC MECHANICS OF THE BONDHOLDER TAXABLE OPTION

BTO is devised to accomplish all of the stated economic objectives of TBO described in the beginning of this paper, while avoiding all of the potential adverse side effects described immediately above.

Quite simply, the "taxable bond option" will be given to the bondholder rather than

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Footnotes at end of article.

to the state or local governmental unit. The federal subsidy will be in the form of a federal tax credit which may be claimed by the bondholder himself and does not involve a direct subsidy to the municipality issuing the bond.

Municipal bonds will be issued in the same manner as they are issued today. All bonds issued will be issued on a tax exempt basis. Unlike the TBO, BTO does not change the procedure for issuing municipal bonds by either municipalities or municipal bond dealers. No municipality will be forced, cajoled, or even allowed to issue a taxable municipal bond.

The bondholder, on the other hand, after purchasing the bond will have an annual option of either:

(1) Excluding the municipal bond interest income as is done today, or

(2) Including 167 percent of the municipal interest in his income and claiming a 67 percent tax credit on his tax return. Stated another way, the bondholder could claim a tax credit equal to 67 percent of the actual interest that he receives on the bond if he agrees to include in his taxable income both the interest he actually receives and the amount of the tax credit.

The 167 percent "gross-up" and the 67 percent tax credit will result in a 40 percent tax bracket break-even point. This is because 67 is 40 percent of 167 percent. Individuals and corporations below the 40 percent tax bracket will opt to gross-up their bond interest and claim the tax credit since the amount of the tax credit will be more than the additional tax liability incurred from including the gross-up amount in income. Individuals and corporations above the 40 percent tax bracket will opt for tax exemption since the amount of the tax credits will be less than the additional tax liability incurred from including the gross-up amount in income. This will open up the municipal bonds market to individuals and corporations in all tax brackets.

The proposal makes the tax credit "refundable," thus for the first time municipal bonds will be economically attractive to the massive pension trust market. Mechanically, the tax exempt pension trust would purchase the lower yielding municipal bond and file a tax return claiming a 67 percent tax credit even though it is not liable for any federal taxes. The federal government would issue a "refund" check to the pension fund in the amount of its tax credits in excess of its tax liability, that is 67 percent of the municipal interest received. This would increase the pension trust's yield on the bond by 67 percent. Of the total resulting yield, 40 percent would be derived from the federal government and 60 percent from the state government.

It should be noted that a bondholder may make his election annually when he files his tax return. A decision to exclude municipal bond interest will not entail any specific action on the part of the bondholder. As with municipal interest received today, the bondholder will not have to fill out any election tax form or check any box on his tax return, or describe his bond holdings on his tax return. A decision to exclude municipal bond interest for one year by a bondholder does not bind him to that election with regard to any municipal interest he may receive in later years even though he may hold the identical bonds. An election to claim the tax credit would only increase the number of lines on the tax Form 1040 by two.

This bondholder option will have the identical effect on government bond interest rates as the Administration's TBO proposal. It will establish a 40% discount floor on local government borrowing costs rather than the existing 30% discount. The effect of this proposal as compared to the TBO proposal should be identical with regard to:

A. State and local net interest costs;

B. Below 40 percent tax bracket bondholders;

C. Above 40 percent tax bracket bondholders; and

D. Federal government revenues.

Thus, BTO would accomplish the same goals as TBO, namely, reducing the cost of municipality borrowing by reducing the interest rate municipalities must pay in order to issue municipal debt; broadening the market for municipal bonds to include all individuals, corporations, and tax exempt pension funds; stabilizing the municipal debt market in times of changing monetary policy; and improving the horizontal and vertical equity of our progressive federal tax structure.

ADVANTAGES OF BTO OVER TBO

Under TBO there is concern that the federal government will impose upon municipal governments strings, requirements, guidelines and ultimately outright control over municipal debt financing in exchange for the federal subsidy payments made to the municipalities. Under BTO, however, the federal subsidy payments are not payable to the municipalities, but rather to the bondholders. Thus, direct federal controls of municipalities are not possible since there is no direct federal subsidy to them.

It is of course possible that the federal government might impose federal strings on municipalities indirectly by allowing the bondholder the tax credit only if the municipality issuing such bonds complies with the federal guidelines. But under BTO, the imposition of such indirect federal strings will merely result in the continuation of the tax exempt bond market with only high bracket bondholders participating since they would not claim the tax credit anyway. Thus the imposition of any federal strings will be automatically self-defeating under BTO.

The tax exempt bond market would not dry up from disuse under BTO as is feared under TBO, because 100% of the bonds issued and marketed by municipalities would be tax exempt bonds. BTO does not change the procedures of either municipalities or municipal bond dealers for issuing municipal bonds.

BTO cannot be viewed as the first step towards the full taxation of municipal interest because there will not be any reduction in the number of tax exempt bonds issued by municipalities (unlike TBO) and there will not be any restrictions placed on the availability to claim tax exemption on any municipal bond purchased. Unlike the bondholder of a taxable municipal under TBO, no individual or corporation will be required to include in taxable income municipal interest received under BTO. BTO does not compromise the constitutional issue of taxing municipal bond interest since no municipality would be issuing taxable debt nor would any bondholder be forced to include municipal interest in taxable income (unlike TBO).

Under TBO there was a possibility that a municipal bond issuance would be delayed by a required federal review procedure to insure that the bond issuance "qualified as a taxable bond eligible for federal subsidy. No such possibility of delay is present under BTO. The issuance of municipal debt would not be subject to any form of regulation by the U.S. government.

Under TBO there was a question as to whether a federal subsidy would have to be paid if the municipality defaulted on its payment, thus making the taxable municipal bond interest partially guaranteed by the federal government. No such guarantee is present in BTO because the federal credit is based upon a percentage of the municipal interest actually received. It should be noted that the BTO proposal would not provide any particular advantage to high risk municipalities since such municipalities will still have to pay a relatively higher interest rate in order to compensate for its relatively higher risks.

COMPARATIVE EXAMPLE OF PRESENT LAW, TBO AND BTO

1. The City of St. Louis desires to raise $2,000 through issuance of two $1,000 municipal bonds.

2. Mr. Smith is in the 50 percent tax bracket and desires to invest $1,000 in either a corporate or municipal bond.

3. Mr. Jones is in the 20 percent tax bracket and desires to invest $1,000 in either a corporate or municipal bond.

4. Prevailing taxable interest rates are 10 percent.

Situation 1—Existing Law:

City of St. Louis issues two $1,000 tax exempt municipal bonds and pays 7 percent interest on both—$140 a year.

Mr. Smith would purchase the 7 percent St. Louis municipal bond rather than a 10 percent corporate bond since his $70 yield on the municipal bond is greater than his after-tax $50 yield on the corporate bond.

Mr. Jones would purchase a $1,000 corporate bond rather than a municipal bond since his $80 after-tax yield on a 10 percent corporate bond is greater than the $70 yield on a 7 percent municipal bond.

Conclusion: All individuals and corporations above the 30 percent tax bracket are the only potential purchasers of municipal bonds today. This reduced supply of potential bondholders increases the interest rate that municipalities must pay.

Situation 2—Taxable Bond Option: (Municipality has the choice of issuing tax exempt bonds or federally subsidized taxable bonds)

City of St. Louis issues one $1,000 tax exempt municipal bond at 6 percent and one $1,000 taxable bond at 10 percent of which the federal government will reimburse St. Louis $40 of their annual $100 interest expense. Thus the annual net interest cost to St. Louis for both bonds is $120 rather than $140 under existing law.

Mr. Smith would still purchase the 6 percent tax exempt municipal bond because his $60 yield would exceed his $50 after-tax yield on a 10 percent taxable corporate or municipal bond.

Mr. Jones would still not purchase the tax exempt municipal bond because his after-tax yield on a taxable bond is still greater than the 6 percent yield on the tax exempt bond. BUT, Mr. Jones would be a potential bondholder of the taxable 10 percent municipal bond because his after-tax yield would be the same as his after-tax yield on a 10 percent corporate bond.

Conclusion: All individuals and corporations are potential purchasers of municipal bonds (either taxable or tax exempt). This increased supply of potential bondholders decreases the interest rate that municipalities must pay from 7% to 6% (that is, from a rate 30% below the prevailing taxable rate to 40% below such prevailing taxable rate).

But, since the federal government is appropriating federal money directly to the municipalities in order to subsidize taxable municipal interest rates, there is always the possibility (or probability) that federal strings may be attached to the subsidy in future years.

Situation 3—Bondholder Taxable Option: Municipality issues only tax-exempt bonds; bondholders are given choice of tax-exemption of interest received or claiming federal tax credit of 67% of interest received and included both interest and federal tax credit in taxable income.

City of St. Louis issues two $1,000 tax exempt municipal bonds at 6% interest or

$120 a year rather than $140 a year under current law.

Mr. Smith would still purchase the 6% tax exempt municipal bond because his $60 yield would exceed his $50 after-tax yield on a 10% corporate bond. Mr. Smith would not claim the additional $40 tax credit since the after-tax yield on $100 ($60 interest plus $40 credit) would be $50 which is less than the tax-exempt yield of $60.

Mr. Jones would be a potential bondholder of the 6% tax exempt municipal bond. If he purchases the 6% bond he would claim the additional $40 tax credit since the after-tax yield of $100 ($60 interest plus $40 credit) would be $80, the same after-tax yield on a 10% corporate bond.

Conclusion: All individuals and corporations are potential purchasers of municipal bonds. This increased supply of potential bondholders decreases the interest rate municipalities must pay from 7% to 6% (that is, from a rate 30% below the prevailing taxable rate to 40% below such prevailing taxable rate).

Since the federal subsidy is in the form of a federal tax credit to bondholders (rather than a direct subsidy to municipalities) there are no possibilities of federal strings or federal control of municipal financing.

OTHER ISSUES

Will the BTO have any effect on interest rates in the private debt market? The answer to this depends upon the elasticity of supply of municipal bonds. If the supply of municipal bonds is inelastic, the BTO will have minimal or no effect on the interest rates in the private debt market; if the supply of municipal bonds is elastic, it will raise private interest costs. It has been argued that the supply of municipal debt is inelastic to changes in the interest rate because the need for education and governmental facilities (the major use of municipal bond proceeds) is dependent upon many other factors (including voter approval) and the relative interest rate is not a major factor.

"Proposition 13" would seem to dictate that efforts should be made to make it harder rather than easier for municipal governments to incur debt. This is essentially a political question, but if it is accepted one should advocate the full taxation of municipal debt without any federal tax credit, rather than the status quo.

Under BTO should the credit be available for industrial development bonds? The bill as originally drafted would have made industrial development bonds ineligible for the credit. It has been argued that the purpose of BTO is to lower interest rates for municipalities and not for private industry.

Should the credit be based upon the gross interest received or the net interest received after taking into account original issue and market premiums and discounts? As drafted, the credit would be based on the net interest received after taking original, but not market, discount or premium into account.

Should there be any prohibition of governmental pension funds claiming the credit on its related governmental bonds or claiming the credit on its related governmental bonds or claiming the credit on any govgovernmental bonds? As drafted, the bill does not generally provide for a credit on related government bonds.

Should the credit be available to shareholders in regulated investment companies (mutual funds) investing in municipal bonds? As drafted, the bill does provide for the credit under such circumstances.

Should the election be available for all municipal bonds outstanding after the effective date or should the election be limited to bonds initially issued after the effective date? To allow prior issues to be subject to the tax credit does not benefit municipalities municipal bondholders. Refunding issues would benefit municipalities but would be decidedly disruptive to the municipal bond market immediately after the effective date. Thus, as originally drafted, the credit is only available for original issues issued after the effective date.

What information should be disclosed on the tax return if a bondholder wishes to elect the tax credit other than the name of the bond, the date of original issue, and the amount of interest received? The bill as drafted left this question to the regulatory authority of the U.S. Treasury Department.

Is it necessary to make the election irrevocable for any one year after the tax return for that year has been filed? A different election is available for subsequent years but many an election for a prior year be changed in a subsequent year? The bill as drafted provides that the election is irrevocable.

Should the election to claim the credit and include the interest and credit on taxable income nevertheless subject the bondholder to the interest expense disallowance rules of section 265 of the tax code? As drafted, holders are still subject to the rules of S. 265.

The federal revenue effect of this proposal is 38 million dollars revenue loss in the first year, 186 million dollars revenue loss in the second year and 607 million dollars revenue loss in the fifth year.

FOOTNOTES

[1] Section 601 of H.R. 13270 (91st Congress) and p. 172 of House Report 91–172.

[2] House Ways & Means Committee hearings on "Alternatives to Tax Exempt State and Local Bonds", Januay 21–23, 1976.

[3] *The President's 1978 Tax Program—Detailed Descriptions and Supporting Analysis of the Proposals*, Department of Treasury (January 30, 1978) p. 215.

[4] House Ways & Means Committee hearings on "The President's 1978 Tax Reduction and Reform Proposals", March 16, 1978, p. 4659.

[5] H.R. 13511 as reported by the House Ways & Means Committee (August 4, 1978).

[6] Senate Finance Committee hearings on "The Revenue Act of 1978", August 17, 1978, p. 130.

[7] Section 336 of H.R. 13511 as reported by the Senate Finance Committee (September 28, 1978) and page 143 of Senate Report 95–1263.

[8] Page S–17392 of the *Congressional Record* for October 6, 1978.

[9] *The President's 1978 Tax Program—Detailed Descriptions and Supporting Analysis of the Proposals*, Department of Treasury (January 30, 1978), p. 218.

[10] Testimony of Walter R. Chambers representing the Public Securities Association, House Ways & Means Committee hearings on "The President's 1978 Tax Reduction and Reform Proposals", March 16, 1978, p. 5088.

[11] Testimony of Charles L. Davis, Commissioner of Finance for the City of Atlanta, Georgia, House Ways & Means Committee hearing on "The President's 1978 Tax Reduction and Reform Proposals", March 16, 1978, p. 4749.

[12] Testimony of William M. Blackburn representing the Taxes Municipal League, House Ways & Means Committee hearing on "The President's 1978 Tax Reduction and Reform Proposals", March 16, 1978, p. 4867.

[13] Ibid, Walter R. Chambers, p. 5087.

[14] Ibid, Charles L. Davis, p. 4749.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is ordered.

RECOGNITION OF SENATOR SASSER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is now recognized for not to exceed 14½ minutes.

THE FRAUD HOTLINE

Mr. SASSER. Mr. President, I wish to take this opportunity to report to my colleagues on the progress of the recently established fraud hotline.

My colleagues will recall that this hotline was established at my request, and with the strong support of the former ranking member of our Legislative Appropriations Subcommittee, the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

The hotline was installed at the General Accounting Office with the cooperation of Comptroller General Elmer Staats.

I first made the suggestion for the hotline at a December 4, 1978, hearing which we conducted on fraud in Government.

The hotline allows any concerned citizen with knowledge of fraud and abuse—in any Federal program—to report that knowledge to a General Accounting Office Special Task Force for the Prevention of Fraud. The anonymity of any caller will be respected—the name of the caller need not be given to the task force. In 59 percent of the cases, the caller has chosen to remain anonymous.

Mr. President, I ask unanimous consent that the fraud hotline number be printed in the RECORD.

There being no objection, the number was ordered to be printed in the RECORD, as follows:

FRAUD HOTLINE

The national toll free fraud hotline is 800–424–5454. In the Washington, D.C., metropolitan area the number is 633–6987.

Mr. SASSER. Mr. President, I ask unanimous consent that a description of the GAO fraud hotline procedures be printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

GAO TASK FORCE HOTLINE PROCEDURES

Each caller on the GAO "Fraud Hotline" is interviewed following the general format of a data collection form, with a separate control number assigned to each call. This will be used to track those allegations which appear substantive through later verification of facts and investigation if warranted. The type of information GAO is attempting to record is:

Federal agency or source of Federal funds/material involved in the allegation.

Specific locations where the action is alleged to be taking place.

Recurring or one time?

Length of time activity has been going on.

Extent of activity (some idea of number of people involved).

Estimate of dollar value involved.

The GAO Task Force will provide an initial screening of the calls to eliminate those which are obviously non-substantive. Those which appear to be substantive but relate to program effectiveness and efficiency rather than fraud will be referred to the operating divisions of GAO for consideration in their audit work. Those which appear to be allegations of fraud will be coordinated with the appropriate agency Inspector General for investigation. In the event the agency Inspector General is unable to respond in a timely manner because of manpower limitations or priority of on-going work, GAO will perform a verification of facts relative to the allegation utilizing regional offices. This data will be evaluated by GAO and a decision made relative to referral to the Department of Justice for possible prosecution

FIRST 10 WEEKS PROGRESS

Mr. SASSER. Mr. President, during the first 10 weeks of operation—the period of January 18 through March 29, 1979—over 4,000 allegations had been written up by GAO Task Force personnel.

The task force is now in the process of classifying the 4,000 allegations—as to materiality, agency, and program involved, and geographic location.

Initial computer analysis of the first group of 3,468 allegations is complete. The followup on these hotline leads has begun. Additional calls are being received daily, and will be handled by the same process.

MIX OF CALLS

Of the 3,468 allegations reviewed so far, 2,191 or 63 percent appear to have sufficient substance to merit further consideration for audit or investigation. (The other 37 percent relate to non-Federal activities or lack sufficient factual information to justify further consideration for audit or investigation at this time.)

The 2,191 allegations that merit further consideration for audit or investigation have been received from 48 States, the District of Columbia, and overseas locations.

Mr. President, I ask unanimous consent that a State-by-State listing of the locations of these 2,191 hotline allegations be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

Location of reported activity

Washington, D.C	114
Alabama	43
Alaska	6
Arizona	35
Arkansas	29
California	216
Colorado	40
Connecticut	16
Delaware	3
Florida	103
Georgia	54
Hawaii	3
Idaho	13
Illinois	55
Indiana	35
Iowa	18
Kansas	10
Kentucky	31
Louisiana	37
Maine	13
Maryland	58
Massachusetts	30
Michigan	85
Minnesota	21
Mississippi	32
Missouri	83
Montana	16
Nebraska	5
Nevada	6
New Hampshire	9
New Jersey	46
New Mexico	10
New York	104
North Carolina	34
North Dakota	4
Ohio	106
Oklahoma	25
Oregon	13
Pennsylvania	127
Rhode Island	12
South Carolina	10
South Dakota	8
Tennessee	102
Texas	86
Utah	12
Vermont	---
Virginia	89
Washington	53
West Virginia	17
Wisconsin	21
Wyoming	---
Overseas	12
Missing State Codes	81

AFFECTED FEDERAL AGENCIES

Mr. SASSER. Mr. President, the 2,191 hotline allegations that have been selected for further consideration for audit or investigation affect virtually every major department or agency in the Federal Government. We have compiled a list of the affected Federal agencies. I ask unanimous consent that an agency-by-agency listing of the affected Federal agencies be printed in the RECORD at this point.

There being no objection, the listing was ordered to be printed in the RECORD, as follows:

LIST OF AFFECTED FEDERAL AGENCIES

Department of Agriculture	81
Department of Commerce	17
Department of Defense (other than Air Force, Army, Navy)	58
Department of the Air Force	73
Department of the Army	96
Department of the Navy	124
Department of Energy	22
Department of Health, Education and Welfare (other than SSA, OE, FDA)	176
Social Security Administration (Welfare SSI)	265
Office of Education	30
Department of Housing and Urban Development	176
Department of the Interior	71
Department of Justice	59
Department of Labor	213
Department of Transportation	51
Department of the Treasury (other than IRS)	23
Internal Revenue Service	142
Community Services Administration	21
Environmental Protection Agency	29
Federal Communications Commission	10
General Services Administration	77
National Aeronautics and Space Administration	13
Small Business Administration	15
Tennessee Valley Authority	15
United States Civil Service Commission	14
United States Postal Service	77
Veterans Administration	112
All other	131

TYPES OF ALLEGATIONS RECEIVED

Mr. SASSER. Of the 2,191 allegations selected for further consideration, about 38 percent are instances of apparent mismanagement. Generally, these allegations will be dealt with through the audit process rather than the investigative process.

In contrast, the remaining 62 percent—1,358 allegations—appear to be instances of intentional wrongdoing or fraud.

Mr. President, I ask unanimous consent that a table and a short narrative categorizing the 1,358 allegations of intentional wrongdoing be printed in the RECORD.

There being no objection, the table and narrative were ordered to be printed in the RECORD, as follows:

	No. of Allegations	Percent of total
Participant category:		
1. Federal employees only	416	30.6
2. Federal employees in conjunction with others	161	11.9
3. Federal contractors or grantee organizations	299	22.0
4. Corporate recipients of Federal financial assistance	8	0.6
5. Individual recipients of Federal financial assistance	274	20.2
6. Other individuals or corporate entities	200	14.7
	1,358	----

The "Federal employees only" category included 45 allegations of theft, 38 allegations of private use of government property, 107 reports of employee working hour abuses, 124 reports of improper financial transactions, and 102 reports of other improper activities.

The "Federal employees in conjunction with others" included 81 allegations of a bribe or kickback having been paid, 3 allegations of extortion and 77 miscellaneous other allegations.

The "Federal contractor/grantee" category included 116 allegations of improper expenditure of Government grant funds, 34 allegations of contract nonperformance, 32 reports of the theft of Government funds or property and 117 other allegations of various natures.

The category "Corporate recipients of Federal financial assistance" involved 8 instances of improper receipt of subsidy funds.

The "Individual recipients of Government financial assistance" included 85 allegations of welfare cheating, 50 of cheating on social security benefit eligibility, 30 of collecting inappropriate disability benefits, 18 of cheating on veterans benefits, 15 instances of food stamp cheating, 25 of medicare/medicaid cheating and 51 miscellaneous allegations.

The sixth and final category, "Other individuals or corporate entities" included 119 allegations of personal and corporate income tax cheating, and 81 other allegations of improper activity.

WIDESPREAD REPORTS OF WRONGDOING

Mr. SASSER. Mr. President, the instances of alleged intentional wrongdoing is widespread throughout the Federal Government. Intentional wrongdoing has been reported involving the funds of every one of the 12 Cabinet departments of the Federal Government. These cases involve activity in 48 of the 50 States and the District of Columbia.

REFERRAL OF CASES TO AGENCY INSPECTORS GENERAL

Mr. President, we are now getting close to the bottom line. I hope my colleagues will be encouraged to hear that the General Accounting Office has already referred 287 of these cases to agency Inspectors General for their action.

What this means is that there are 287 cases of intentional wrongdoing now in the hands of Inspectors General—cases that probably would never have been investigated had it not been for the establishment of the fraud hotline in January 1979.

Mr. President, I urge the various agency Inspectors General to actively follow these cases to their conclusion.

Mr. President, I want to extend my thanks to the Comptroller General, Mr. Elmer Staats, who has aggressively pursued our suggestion for a nationwide hotline.

DEATH OF MRS. MARVELLA BAYH

Mr. SASSER. Mr. President, I rise today to offer my profound sympathy to my good friend, BIRCH BAYH, and to express my deep sense of regret over the death of his lovely wife and companion, Marvella Bayh. Marvella Bayh will always be remembered as a woman who cherished life and approached it with optimistic enthusiasm. From the days of her childhood back in Enid, Okla., and throughout her life, Marvella accumulated an impressive record of honors and accomplishments. Perhaps her greatest accomplishment, however, has been her determined courage, faith, and strength in the face of one of life's cruelest foes—cancer.

Mr. President, not many of us will go through life without being touched directly or indirectly by cancer. We all have had friends or family who have experienced the fear and the uncertainty of a bout with cancer. In just a little over a year, cancer has claimed the lives of two of this Chamber's distinguished colleagues.

I hope it is never said that Marvella Bayh succumbed to cancer. Marvella Bayh defeated cancer. She defeated cancer by not letting it overtake her. She defeated cancer by not resigning herself to its cruel throes. Marvella did not discover her cancer and give up. She instead used her personal experience to wage a public battle against the disease.

Few people could have heard Marvella speak during recent years without being impressed by her dignity and strong convictions. By sharing her experience with us, Marvella has given to each of us some of her courage, some of her hope, some of her strength.

As a spokesperson for the American Cancer Society, Marvella Bayh encouraged each of us to join in in the battle against cancer. I believe that today we should each renew our commitment toward defeating cancer in our lifetimes. It can be done. It will require a sincere effort to disseminate information on cancer prevention and the importance of early detection and treatment. It will also require a concerted commitment toward the promotion of cancer research, which has always been a top priority of mine.

In Marvella's last speech on March 2, she challenged each of us. As she noted, "we now are saving one in three cancer patients, but we have the medical knowledge to save one in two." We owe it to this outstanding woman to put that medical knowledge to the proper use. We owe it to Marvella Bayh to continue the battle which she has fought so well.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, will the Senator yield me part of his time for a conference report?

Mr. SASSER. Mr. President, I am delighted to yield the remainder of my time to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank my good friend from Tennessee.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on H.R. 2283 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of April 10, 1979.)

Mr. PROXMIRE. Mr. President, this conference report has been cleared by both sides. I have discussed this with Senator GARN, and I have discussed this with the staff of the Republican Policy Committee, and they agree it is in order to bring it up. In fact, they suggested I bring it up last night. I am bringing it up now because we did not have the material at that point.

Mr. President, this legislation would extend the authorization of the Council on Wage and Price Stability which, as we all know, is the one major anti-inflation agency that we have, for a period of 1 year to September 30, 1980. The conference report agreed upon by the two Houses reflects the Senate bill except for a technical amendment included in the House bill to avoid any conflict with the Congressional Budget Act. In particular, the House conferees have agreed to accept the Senate language on productivity offered by Senator BENTSEN and Senator JAVITS. The conferees on the House side also agreed to accept the Senate language establishing a specific goal for reducing Federal spending as a percentage of gross national product.

Mr. President, some questions were raised during the debate on this legislation about the legality of using the procurement power to back up the President's anti-inflation voluntary program. I would like to clear up any misunderstanding that may have been caused by our action in reauthorizing the Council on Wage and Price Stability. First, the reason the CWPS was authorized for only 1 year was not that we thought the program might be illegal. Rather, we sought to give ourselves an opportunity to review the program in light of subsequent economic developments. In fact, I suggested to Senator HEINZ, when he raised the issue of legality during markup that the committee could vote on the issue should he see fit to offer an amendment. He chose not to.

Past Presidents have used the procurement power to further such goals as equal employment opportunity, and they have been upheld in the courts. I feel confident that we can rely on the Justice Department's opinion that the program is legal. I have no reason to believe that this confidence is misplaced.

Mr. President, I move the adoption of the conference report.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may proceed, in connection with another matter that is not related to the conference report—it is a morning hour matter.

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining to him of the time yielded to him and may proceed until that time has expired.

Mr. PROXMIRE. I thank the distinguished Presiding Officer.

PRESIDENT TRUMAN'S REMINDER OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, 30 years ago, the Senate first considered the Genocide Convention. At that time, there were many questions raised regarding the validity and merits of this treaty. Since that time, 83 nations have ratified the Genocide Convention. Action by this body is long overdue.

When President Truman submitted the Genocide Convention to the Senate in June 1949, he said the following:

> America has long been a symbol of freedom and democratic progress to people less favored than we have been . . . we must maintain their belief in us by our policies and our acts. By the leading part the United States has taken in the United Nations in producing an effective legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action to contribute to the establishment of the principles of law and justice.

Mr. President, that was 30 years ago.

Since that time, President after President has endorsed this treaty—the only treaty which serves to protect us from the most hideous crime conceivable.

For 30 years, we have been rehashing the same arguments over and over. All questions have long been answered, all doubts have long been resolved. The stage is now set for us to make a final commitment to the fundamental rights of all human beings. We must now ratify the Genocide Convention.

EXPORT-IMPORT BANK CREDIT IN BEHALF OF BRITISH AIRWAYS

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication which I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of the proposed credit of $71,600,000 to support the export to British Airways of nine additional Boeing 737–200 jet aircraft and related goods and services with a total export value of $102,351,000. Eximbank previously approved a credit for the purchase by British Airways of 19 Boeing 737–200 jet aircraft. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans and financial guarantees of $100 million or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank has been requested to provide an additional credit of $71,600,000 to assist the purchase of the nine aircraft. The repayment terms of the original agreement for 19 aircraft would be altered. The new loan would bear interest at the rate of 8⅝ percent per annum; the balance of the credit would bear interest at the rate of 8½ percent per annum as agreed to in the original transaction. The loan will be repayable in 20 semiannual payments beginning November 15, 1980, and July 15, 1981, respectively.

Mr. President, I ask unanimous consent that letters from the Export-Import Bank dated September 8, 1978, and April 13, 1979, pertaining to this transaction be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 13, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Capitol,
Washington, D.C.

DEAR MR. PRESIDENT: By our letter dated September 8, 1978, a copy of which is enclosed, we submitted a statement to the United States Senate pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, with respect to a proposed credit involving the export to the United Kingdom of nineteen new Boeing 737–200 jet aircraft and related goods and services with a total U.S. export value of $216,000,000. On October 3, 1978 the Board of Directors of Eximbank authorized the credit on the financing terms described in the letter of September 8, 1978.

Since that time, Eximbank has been approached by British Airways, the purchaser of the aircraft, with a request to provide additional financing in the amount of $71,600,000 to finance nine more new Boeing 737–200 jet aircraft and related goods and services with a total additional U.S. export value of $102,351,000. The amended Eximbank credit of $222,846,000 would thereby facilitate the export of $318,351,000 of United States goods and services.

The financing plan as authorized and as proposed is as follows:

	Percent of U.S. costs	As authorized	As proposed
Cash payment	30	$64,800,000	$95,505,000
Eximbank credit	70	151,200,000	222,846,000
Total	100	216,000,000	318,351,000

As presently authorized, the Eximbank credit will be repaid by British Airways in two schedules of 20 semiannual installments each, beginning October 5, 1980 and April 5, 1981, and will bear interest at the rate of 8½ percent per annum, payable semiannually. As proposed, in order to take into account revised delivery schedules, the first repayment schedule will now commence on November 15, 1980 and the second repayment schedule will commence on July 15, 1981.

The interest rate with respect to disbursements charged to the second repayment schedule will increase from 8½ percent to 8⅝ percent per annum. The interest rate for the balance of the credit will remain at 8½ percent per annum and the commitment fee of ½ of 1 percent per annum on the undisbursed portion of the credit will also remain unchanged.

As stated in the letter of September 8, 1978, the government of the United Kingdom will unconditionally guarantee payment of principal and interest by British Airways to Eximbank under the direct credit.

We refer you to the letter of September 8, 1978 for a more detailed description of the transaction.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., September 8, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
U.S. Capitol,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to the United Kingdom:

A. DESCRIPTION OF TRANSACTION

1. *Purpose.*—Eximbank is prepared to extend a direct credit of $151,200,000 to British Airways. The purpose of the Eximbank financing is to facilitate the purchase in the United States by British Airways of nineteen new Boeing 737–200 jet aircraft and related goods and services (including Pratt & Whitney engines) with a total U.S. export value of $216,000,000.

2. *Identity of the Parties.*—

(a) British Airways: British Airways is the largest commercial air carrier in the United Kingdom and is wholly owned by the Government of the United Kindgom. British Airways was incorporated under the Civil Aviation Act of 1971 to assume the activities of British Overseas Airways Corporation (BOAC) and British European Airways (BEA). British Airways operates under the terms of the British Airways Board Act of 1977 and under this Act has the power to operate every type of air transport service.

(b) Government of the United Kingdom: The Government of the United Kingdom will unconditionally guarantee payment of principal and interest by British Airways to Eximbank under the direct credit.

3. *Nature and Use of Goods and Services.*—The principal good to be exported from the United States are commercial jet aircraft to be used by British Airways on its short and medium-term routes, principally in Western Europe and the United Kingdom. The airframes will be manufactured by The Boeing Company (Boeing) of Seattle, Washington and the JT8D engines will be manufactured by the Pratt & Whitney Aircraft Group of United Technologies in Hartford, Connecticut. In addition, other U.S. firms will furnish related spare parts and services.

B. EXPLANATION OF EXIMBANK FINANCING

1. *Reasons.*—The Eximbank credit of $151,200,000 will facilitate the export of $216,000,000 of United States goods and services. Sales, profits and employment for U.S. aircraft manufacturers are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market.

Boeing estimates that the export of these aircraft will provide 6.4 million man/hours of work for Boeing and its sub-suppliers. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

Since 1966, British Airways has purchased 45 commercial jet aircraft from the United States with Eximbank support. British Airways estimates that in the near future it will have to replace a substantial number of obsolescent aircraft in its fleet of approximately 180 aircraft. The airline has indicated its desire to rely on Eximbank support so that it may continue to purchase new aircraft in the U.S. British Airways has been under growing pressure to select aircraft manufactured in the United Kingdom or by Airbus Industrie. Eximbank support facilitates the selection of aircraft from the U.S. and, in this case, facilitated the choice by British Airways of the U.S.-made 737 over the British-made BAC–111.

2. *The Financing Plan.*—The financing plan for the total U.S. goods and services of $216,000,000 is as follows:

	Percent of U.S. costs	Totals
Cash payment	30	$64,800,000
Eximbank credit	70	151,200,000
Total	. 100	216,000,000

(a) Eximbank Charges: The Eximbank credit will bear interest at the rate of 8½% per annum, payable semiannually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms: The Eximbank credit will be repaid by British Airways in two schedules of 20 semiannual installments each, beginning October 5, 1980 and April 5, 1981.

Sincerely,

JOHN L. MOORE, Jr.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JACKSON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask that the unfinished business be called up.

DEPARTMENT OF EDUCATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 210) to establish a Department of Education.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the following staff members be granted the privilege of the floor during the consideration of S. 210: James Moors, Chester Finn, James Davidson, Paul Rosenthal, Paul Hoff, Margaret Evans, and Richard Woods.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Bob Banks, of my staff, be granted the privileges of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

AMENDMENT NO. 132

(Purpose: To perfect and complete the proposed Department of Education)

Mr. MOYNIHAN. Mr. President, I call up my printed amendment No. 132 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes amendment No. 132.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 81, between lines 4 and 5, insert the following:

"(F) an Assistant Secretary for Employment Training;

"(G) an Assistant Secretary for the Arts and the Humanities;

"(H) an Assistant Secretary for Graduate Education;

"(I) an Assistant Secretary for Nonpublic Education;

"(J) an Assistant Secretary for University Research and Development;

"(K) an Assistant Secretary for Veterans' Education;

"(L) an Assistant Secretary for Health Education;

"(M) an Assistant Secretary for Early Childhood Education;

"(N) an Assistant Secretary for School Nutrition Services;

"(O) an Assistant Secretary for Indian Education;".

On page 81, line 5, strike out "(F)" and insert "(P)".

On page 81, line 6, strike out "(G)" and insert "(Q)".

On page 81, line 7, strike out "(H)" and insert "(R)".

On page 81, line 8, strike out "(I)" and insert "(S)".

On page 81, line 24, strike out "(G)" and insert "(Q)".

On page 97, strike out lines 19 through 21.

On page 97, line 22, strike out "(xiv" and insert "(xi)".

On page 97, line 23, strike out "(xv)" and insert "(xii)".

On page 97, line 24, strike out "(xvi)" and insert "(xiii)".

On page 105, strike out lines 7 through 12, and insert the following:

"(c)(1) There are transferred to the Secretary, all functions of the Secretary of Health, Education, and Welfare—

"(A) under sections 301, 304, 306, 307, 308, 310, and 311 of the Public Health Service Act, relating to the provision of support for training and research and technical assistance in the areas of health care technology, health statistics, and health education information;

"(B) under section 301 of such Act, relating to the granting of awards for research and development in the areas of mental health, drug abuse, and alcoholism;

"(C) under sections 301 and 311 of such Act, section 502(a) of the Coal Mine Health and Safety Act of 1969, and section 21 of the Occupational Safety and Health Act of 1970, relating to grants for training in the area of occupational safety and health;

"(D) under section 472 of the Public Health Service Act, relating to the Alcohol National Research Service Awards, the Drug National Research Service Awards, and the Mental Health National Research Service Awards;

"(E) under part B of title VII of such Act, relating to the provision of grants for training in the area of family medicine;

"(F) under subpart 4 of part C of title VII of such Act, relating to the National Health Service Corps Scholarship Program;

"(G) under section 770 of such Act, relating to the provision of capitation grants to improve the quality of schools in the health profession;

"(H) under section 772 of such Act, relating to grants to health professions schools for special projects, startup assistance, and assistance for financial distress;

"(I) under section 792 of such Act, relating to special project grants for assistance in the training of personnel in the allied health professions;

"(J) under sections 801 and 805 of such Act, relating to the provision of grants, loan guarantees, and interest subsidies for the construction of nursing schools;

"(K) under section 810 of such Act, relating to the provision of capitation grants for the support of education in nursing schools;

"(L) under sections 820, 821, and 822 of such Act, relating to special projects for improvements in nurse training, nurse practitioner training programs, and advanced nurse training programs, respectively;

"(M) under section 1003 of such Act, relating to training grants and contracts concerning family planning services;

"(N) under section 1131 of such Act, relating to the establishment of comprehensive hemophilia diagnostic and treatment centers;

"(O) under section 410 of the Drug Abuse Office and Treatment Act of 1972, relating to demonstration and education programs concerning drug abuse;

"(P) under section 410 of such Act, relating to training programs for personnel in the area of drug abuse;

"(Q) under part B of title III of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, relating to alcohol training programs;

"(R) under section 401 of the Older Americans Act of 1965, relating to special programs for training of personnel to provide services for the aging;

"(S) under section 421 of such Act, relating to demonstration projects for services to the elderly;

"(T) under part A of title V of the Economic Opportunity Act of 1964, relating to child development and Project Head Start;

"(U) under title XX of the Social Security Act, relating to grants for the training and retraining of staff who provide services under such title;

"(V) with respect to programs for physical fitness and sports established pursuant to Executive Order 11562, issued September 25, 1970; and

"(W) any other function of the Secretary of Health, Education, and Welfare not specifically transferred by this paragraph which the Director of the Office of Management and Budget determines to relate to health manpower training.

"(2) There are transferred to the Secretary all functions of the Surgeon General of the United States—

"(A) under section 303 of the Public Health Service Act, relating to training grants in the areas of mental health, alcoholism, and drug abuse; and

"(B) under section 422(e) of such Act, relating to grants for continuing dental education and training in expanded auxiliary management.

"(d) The National Institutes of Health are transferred to the Department.".

On page 106, between lines 21 and 22, insert the following:

"(d) There are transferred to the Secretary all functions of the Secretary of Defense—

"(1) relating to the provision of loans of industrial equipment to educational institutions; and

"(2) under section 201 of the Federal Civil Defense Act of 1950, relating to the development of the capabilities of architectural or engineering students to assist in civil defense efforts.".

On page 106, line 22, strike out "TRANSFERS OF FUNCTIONS FROM" and insert "TRANSFER OF".

On page 106, beginning with line 24, strike out through line 23 on page 107 and insert the following:

"SEC. 303. (a) There is transferred to the Department the National Science Foundation, and there are transferred to the Secretary all functions of the National Science Foundation or the Director of the National Science Foundation.

"(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section are transferred to the Department.".

On page 108, strike out lines 3 through 9, and insert the following:

"SEC. 304. (a)(1) There are transferred to the Secretary all functions of the Attorney

General and the Law Enforcement Administration—

"(A) under section 406(b), (c), and (f) of Omnibus Crime Control and Safe Streets Act of 1968, relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program;

"(B) under section 406(e) of such Act, relating to the Law Enforcement Assistance Educational Development Program; and

"(C) under section 407 of such Act, relating to the Law Enforcement Assistance Training Program.

"(2) There are transferred to the Secretary all functions of the Attorney General—

"(A) under the Comprehensive Drug Abuse Prevention and Control Act of 1970, relating to the training of professional and enforcement personnel in the area of narcotics and dangerous drugs and to the provision of technical assistance for public education concerning drug abuse; and

"(B) under sections 332(b) and 346 of the Immigration and Nationality Act, relating to citizenship education and training.

"(b) The National Institute of Juvenile Justice and Delinquency Prevention is transferred to the Department.

"(c) The National Institute of Corrections established pursuant to sections 4351 through 4353 of title 18, United States Code, is transferred to the Department.".

On page 108, strike out lines 18 through 21, and insert the following:

"SEC. 306. (a) There are transferred to the Secretary all functions of the Secretary of Labor or the Department of Labor—

"(1) under section 303(c)(2) of the Comprehensive Employment and Training Act;

"(2) under the Comprehensive Employment and Training Act which relate to the program commonly known as the Apprenticeship Outreach Program;

"(3) under part B of title III of such Act, relating to grants for doctoral dissertation in employment and training research and institutional grants for employment and training research;

"(4) under part B of title IV of such Act, relating to the Job Corps; and

"(5) under the National Apprenticeship Act of 1937, relating to apprenticeship training programs.".

On page 108, line 23, insert "(1)" immediately before the period.

On page 108, immediately after line 23, insert the following:

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF AGRICULTURE

"SEC. 307. There are transferred to the Secretary all functions of the Secretary of Agriculture or the Department of Agriculture—

"(1) with respect to the operation of the Graduate School, and

"(2) under the National School Lunch Act and the Child Nutrition Act of 1966.

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF COMMERCE

"SEC. 308. (a) There are transferred to the Secretary all functions of the Secretary of Commerce—

"(1) under the Maritime Academy Act of 1958; and

"(2) under the Act entitled 'An Act to provide for the dissemination of technological, scientific, and engineering information to American business and industry, and for other purposes', approved September 9, 1950 (64 Stat. 823).

"(b)(1) There are transferred to the Secretary all functions of the Secretary of Commerce, the Administrator of the National Oceanic and Atmospheric Administration, and the National Oceanic and Atmospheric Administration under the National Sea Grant College and Program Act of 1966.

"(2) There are transferred to the Secretary all functions of the Secretary of Commerce, the Director of the National Bureau of Standards, and the National Bureau of Standards under the Act of March 1, 1901 (56 Stat. 1449), which relate to the provision of calibration and testing services to State and local governments, academic institutions, businesses, organizations, and individuals.

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF ENERGY

"SEC. 309. There are transferred to the Secretary all functions of the Secretary of Energy—

"(1) under subsections (a) and (b) of section 31 of the Atomic Energy Act of 1954, which relate to the provision of—

"(A) research and training experience to college and university science and engineering faculty and students;

"(B) training or retraining concerning energy resources to college science and engineering faculty members and high school science and social science teachers;

"(C) assistance to colleges and universities in the acquisition of nuclear materials and the use of research reactors for nuclear science and engineering educational programs;

"(D) traineeships for graduate engineering students in fields relating to energy conversion, health and safety, and environmental sciences and engineering; and

"(E) used nuclear equipment to colleges and universities in the United States in order to allow such colleges and universities to equip laboratories for instructional purposes; and

"(2) under sections 3 and 141(b) of such Act, relating to the establishment of motion picture film libraries, the provision of information services such as exhibits, public speakers, publications, and reference and analysis services, and the establishment of citizens' workshops in fields relating to energy.

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF THE INTERIOR

"SEC. 310. (a) There are transferred to the Secretary all functions of the Secretary of the Interior—

"(1) relating to the education of Indians, Alaskan Natives, and Aleuts;

"(2) under the Act entitled 'An Act to promote the development of Indian arts and crafts and to create a Board to assist therein, and for other purposes', approved August 27, 1935 (49 Stat. 891):

"(3) under title I of the Water Resources Research Act of 1964, relating to the provision of assistance and grants to State water resources research institutes; and

"(4) under sections 300 and 304 of such Act, relating to the stimulation of research in water resources and the dissemination and cataloging of information concerning such research.

"(b)(1) There are transferred to the Secretary all functions of the Secretary of the Interior, the Bureau of Mines, and the Director of the Bureau of Mines under section 15 of the Federal Metal and Nonmetallic Mine Safety Act and under section 502 of the Federal Coal Mine Health and Safety Act of 1969.

"(2) There are transferred to the Secretary all functions of the Secretary of the Interior, the Director of the National Park Service, and the National Park Service which relate to programs concerning national environmental study areas and the development of national environmental education.

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF STATE

"SEC. 311. There are transferred to the Secretary all functions of the President with respect to and administered by the Secretary of State—

"(1) under section 211(d) of the Foreign Assistance Act of 1961, relating to the provision of assistance to research and educational centers in the United States for the purpose of strengthening and carrying out programs for the economic and social development of other countries; and

"(2) under the Mutual Educational and Cultural Exchange Act of 1961, relating to educational exchange programs for graduate students and university lecturers and research scholars.

"TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF TRANSPORTATION

"SEC. 312. (a) There are transferred to the Secretary all functions of the Secretary of Transportation—

"(1) under section 92 of title 14, United States Code, which relate to the Coast Guard Cooperative Marine Sciences Program; and

"(2) under sections 10 and 11 of the Urban Mass Transportation Act of 1964, relating to grants for urban mass transportation managerial training and for university research and training in urban mass transportation, respectively.

"(b) There are transferred to the Secretary all functions of the Secretary of Transportation and the Administrator of the Federal Aviation Administration under the Federal Aviation Act of 1958 which relate to aviation education.

"TRANSFER OF FUNCTIONS FROM THE COMMUNITY SERVICES ADMINISTRATION

"SEC. 313. There are transferred to the Secretary all functions of the Director of the Community Services Administration under title II of the Economic Opportunity Act of 1964.

"TRANSFERS FROM THE GENERAL SERVICES ADMINISTRATION

"SEC. 314. (a) There are transferred to the Secretary all functions of the Administrator of General Services—

"(1) under chapter 21 of title 44, United States Code, relating to the provision of reference services to the public and to agencies of the Federal Government concerning the records of the Federal Government and historical materials in Presidential libraries; and

"(2) under sections 2110 and 2307 of such title, relating to the provision of audiovisual materials to the public.

"(b) The Consumer Product Information Coordinating Center, established pursuant to Executive Order 11566, issued October 26, 1970, is transferred to the Department.

"TRANSFERS OF FUNCTIONS FROM THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"SEC. 315. There are transferred to the Secretary all functions of the Administrator of the National Aeronautics and Space Administration and the National Aeronautics and Space Administration under section 203 (a)(3) of the National Aeronautics and Space Act of 1958 which relate to the space science education project and the technology utilization project.

"TRANSFERS OF FUNCTIONS FROM THE VETERANS' ADMINISTRATION

"SEC. 316. (a) There are transferred to the Secretary all functions of the Administrator of Veterans' Affairs—

"(1) under sections 4101(b)(1) and 4114 (a)(3) of title 38, United States Code, relating to the education and training of health services personnel;

"(2) under subchapters II, III, and IV of chapter 82 of such title, relating to the provision of grants to affiliated medical schools and the provision of assistance to health manpower training institutions;

"(3) under chapters 32, 34, and 36, relating to educational assistance to veterans;

"(4) under chapter 31 of such title, relating to vocational rehabilitation for disabled veterans; and

"(5) under chapter 35 of such title, relating to educational assistance to dependents of veterans.

"(b) In carrying out the functions transferred under subsection (a)(1), the Secretary shall consult with the Administrator of Veterans' Affairs in order to assure the efficient administration of such functions.

"TRANSFERS OF FUNCTIONS FROM THE ENVIRONMENTAL PROTECTION AGENCY

"SEC. 317. There are transferred to the Secretary all functions of the Administrator of the Environmental Protection Agency—

"(1) under section 103(b) of the Clean Air Act, which relate to the provision of fellowships and manpower training grants in the area of air pollution control;

"(2) under sections 7007 and 8001 of the Solid Waste Disposal Act, relating to grants for occupational training involving the design, operation, and maintenance of solid waste disposal systems and grants for research in areas relating to solid waste disposal, respectively;

"(3) under section 104(g)(3)(A) of the Federal Water Pollution Control Act, relating to grants for graduate training in water pollution control;

"(4) under sections 109, 110, and 111 of such Act, relating to grants to improve the training and education for undergraduate students in the area of water quality control;

"(5) under sections 104(b)(5) and 104(g)(3)(B) of such Act, relating to fellowships in the area of water pollution control.

"TRANSFER OF THE NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

"SEC. 319. (a) The National Foundation on the Arts and the Humanities, together with the National Endowment for the Arts and the National Endowment for the Humanities, are transferred to the Department.

"(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section are transferred to the Department.

"TRANSFERS OF FUNCTIONS FROM ACTION

"SEC. 319. There are transferred to the Secretary all functions of the Director of ACTION under title I of the Volunteer Service Act of 1973, relating to the University Year for ACTION, the National Student Volunteer Program, and the Youth Challenge Program.

"TRANSFERS OF FUNCTIONS FROM THE APPALACHIAN REGIONAL COMMISSION

"SEC. 320. There are transferred to the Secretary all functions of the Chairman of the Appalachian Regional Commission and the Secretary of Health, Education, and Welfare under section 202 of the Appalachian Regional Development Act of 1965 which relate to grants for the planning and operation of child development programs.

"TRANSFERS OF FUNCTIONS FROM THE LIBRARY OF CONGRESS

"SEC. 321. There are transferred to the Secretary all functions of the Librarian of Congress—

"(1) under the Act of March 3, 1931 (46 Stat. 1487), relating to the provision of books, recordings, and other materials for the blind and physically handicapped;

"(2) under the Act of June 28, 1902 (32 Stat. 480), relating to distribution of data concerning Library of Congress cataloging;

"(3) relating to the program commonly known as the Library of Congress photoduplication service;

"(4) with respect to the provision of information to the Congress, the executive and judicial branches of the Government, and the research community concerning the collections of the Library of Congress;

"(5) with respect to the provision of general and specialized reference and bibliographic services;

"(6) with respect to the provision of research and referral services in science and technology; and

"(7) with respect to the provision of reference and consultation services in the preservation, restoration, and protection of library materials.

"TRANSFERS OF FUNCTIONS FROM THE GOVERNMENT PRINTING OFFICE

"SEC. 322. There are transferred to the Secretary all functions of the Superintendent of Documents under chapter 19 of title 44, United States Code, relating to Federal depository libraries.

"TRANSFERS OF FUNCTIONS FROM THE SMITHSONIAN INSTITUTION

"SEC. 323. (a)(1) There are transferred to the Secretary all functions of the Board of Regents of the Smithsonian Institution and the Smithsonian Institution under sections 5579 through 5593 of the Revised Statutes which relate to—

"(A) programs of basic research and public education;

"(B) academic appointments of scholars and students to study at the Smithsonian Institution;

"(C) the Chesapeake Bay Center for Environmental Studies;

"(D) the provision of educational services to elementary and secondary schools;

"(E) the international exchange of scientific and literary publications and governmental documents;

"(F) the provison of assistance and advice to museums, including training, advisory services and counseling, direct payments, and dissemination of technical information;

"(G) the Smithsonian Science Information Exchange, Inc.;

"(H) the Smithsonian Institution Traveling Exhibition Service;

"(I) the program commonly known as the Smithsonian Special Foreign Currency Grants for Museum Programs, Scientific and Cultural Research and Related Educational Activities; and

"(J) the Canal Zone Biological Area and the Smithsonian Tropical Research Institute.

"(2) The transfer of functions under paragraph (1)(J) is subject to the provisions of Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty.

"(b) There are transferred to the Secretary all functions of the Board of Trustees of the Woodrow Wilson International Center for Scholars under the Woodrow Wilson Memorial Act of 1968.

"TRANSFERS OF FUNCTIONS FROM THE NATIONAL GALLERY OF ART

"SEC. 324. There are transferred to the Secretary all functions of the trustees of the National Gallery of Art relating to the National Gallery of Art Extension Service.

"TRANSFER OF THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS

"SEC. 325. (a) The President's Council on Physical Fitness and Sports established pursuant to Executive Order 11562, issued September 25, 1970, is transferred to the Department.

"(b) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function, office, agency, or bureau transferred under this section are transferred to the Department.".

On page 109, line 3, strike out "SEC. 307." and insert "SEC. 326.".

On page 109, between lines 8 and 9, insert the following:

"TRANSFER OF FUNCTIONS RELATING TO THE PROVISION OF FINANCIAL ASSISTANCE TO COLLEGES AND UNIVERSITIES FOR RESEARCH AND DEVELOPMENT

"SEC. 327. (a) There are transferred to the Secretary all functions of—

"(1) the Secretary of Health, Education, and Welfare;

"(2) the Secretary of Defense;

"(3) the Secretary of Energy;

"(4) the Secretary of Agriculture;

"(5) the Secretary of the Interior;

"(6) the Secretary of Commerce;

"(7) the Secretary of Transportation;

"(8) the Secretary of Labor;

"(9) the Secretary of State;

"(10) the Secretary of the Treasury;

"(11) the Secretary of Housing and Urban Development;

"(12) the Attorney General;

"(13) the National Science Foundation and Director of the National Science Foundation;

"(14) the Administrator of the National Aeronautics and Space Administration;

"(15) the Administrator of the Agency for International Development;

"(16) the Administrator of the Environmental Protection Agency;

"(17) the Chief of the Army Corps of Engineers;

"(18) the Director of the Arms Control and Disarmament Agency;

"(19) the Chairman of the Consumer Product Safety Commission;

"(20) the Board of Regents of the Smithsonian Institution;

"(21) the Administrator of the Veterans' Administration; and

"(22) the Chairman of the Nuclear Regulatory Commission,

which relate to the provision of financial assistance, by way of grants, contracts, or other arrangements, to colleges and universities for the conduct of research and development.

"(b) Within sixty days after the date of enactment of this Act, the Director of the Office of Management and Budget shall determine which functions and programs shall be transferred to the Secretary pursuant to this section.".

On page 109, line 10, strike out "SEC. 308." and insert "SEC. 328.".

On page 109, between lines 13 and 14, insert the following:

"TRANSFER OF FUNCTIONS RELATING TO CHILD'S INSURANCE BENEFITS

"SEC. 329. Within sixty days after the date of enactment of this Act, the President shall submit a reorganization plan to the Congress in accordance with the provisions of chapter 9 of title 5, United States Code, which transfers to the Secretary all functions of the Secretary of Health, Education, and Welfare which relate to the provision of child's insurance benefits under section 202(d) of the Social Security Act which are payable on account of a child being a full-time student.".

On page 73, in the table of contents, strike out the item relating to section 303 and insert the following:

"Sec. 303. Transfer of the National Science Foundation.".

On page 73, in the table of contents, strike out the items relating to sections 307 and 308 and immediately after the item relating to section 306, insert the following:

"Sec. 307. Transfers of functions from the Department of Agriculture.

"Sec. 308. Transfers of functions from the Department of Commerce.

"Sec. 309. Transfers of functions from the Department of Energy.

"Sec. 310. Transfers of functions from the Department of the Interior.

"Sec. 311. Transfers of functions from the Department of State.

"Sec. 312. Transfers of functions from the Department of Transportation.
"Sec. 313. Transfers of functions from the Community Services Administration.
"Sec. 314. Transfers from the General Services Administration.
"Sec. 315. Transfers of functions from the National Aeronautics and Space Administration.
"Sec. 316. Transfers of functions from the Veterans' Administration.
"Sec. 317. Transfers of functions from the Environmental Protection Agency.
"Sec. 318. Transfers of functions from the National Foundation on the Arts and the Humanities.
"Sec. 319. Transfers of functions from ACTION.
"Sec. 320. Transfers of functions from the Appalachian Regional Commission.
"Sec. 321. Transfers of functions from the Library of Congress.
"Sec. 322. Transfers of functions from the Government Printing Office.
"Sec. 323. Transfers of functions from the Smithsonian Institution.
"Sec. 324. Transfers of functions from the National Gallery of Art.
"Sec. 325. Transfer of the President's Council on Physical Fitness and Sports.
"Sec. 326. Transfer of the Advisory Council on Education Statistics.
"Sec. 327. Transfers of functions relating to the funding of research and development for colleges and universities.
"Sec. 328. Effect of transfers.
"Sec. 329. Transfers of functions relating to child's insurance benefits.".

The ACTING PRESIDENT pro tempore. Is this the amendment on which the Senator desires 4 hours?

Mr. MOYNIHAN. I believe that is the case, Mr. President, that we have secured 4 hours, evenly divided.

For my part, Mr. President, I would not expect to use that much time.

Why do we not leave it be until the matter comes to its natural conclusion?

Mr. President, the purpose of this amendment is to describe what the Department of Education, if established in this Congress, will look like five Congresses from now, or 10, in the normal sequence of the workings of Government and bureaucracy in the Capital of the Nation.

I have an ambivalence about this matter which I know my good friend, the distinguished chairman of the Governmental Affairs Committee, will recognize. I do not think a Department of Education to be a sound proposal at this time. But if there is to be such a department, it seems to me it is altogether desirable that it be a large department, a complex one, and one incorporating so many interests as not easily to be dominated by any one of them.

So I propose an amendment to make less bad a proposal which I otherwise in fact very much oppose.

I should like to describe the amendment. It has been said by a number of persons speaking for the administration that the proposal to create an education department does not imply any change in educational policy by the U.S. Government. One could properly ask, if there is no change in policy involved, then why do this? Alternately, if there is a change in policy, why conceal it?

I have to say, much to my regret, that I believe there is a change in policy involved. That is, a decision has been made, for rather narrow political purposes, to recognize an educational interest narrowly defined; defined in terms of specific institutions, which, in recent years, have become ever more political and which are now, of course, very much involved in national politics.

Mr. President, I have to say that it comes as something of a disappointment to me, although perhaps it should not come as a surprise, that everything we said would not happen to Federal aid to education when we were battling for it in the latter days of the Eisenhower administration and throughout the Kennedy administration, everything we said would not happen is happening here today.

The opponents of Federal aid to education said, if you bring it to Washington, it will become politicized. We said:

> Nonsense, we are not that kind of people. This is not that kind of government.

But politicized it has become. And is becoming.

University officials have come to my office, persons for whom I have the utmost respect, and described meetings held in the White House and meetings with White House officials in which they were told that the administration expected them to support this bill for reasons which I can only describe as corrupting, reasons which have appalled an educator of a previous generation, which would have been devastating to our purposes in the late 1950's and 1960's, when we proposed the early measures that led first to the National Defense Education Act of 1958 and then to the Elementary and Secondary Education Act of 1965.

The point is this: The U.S. Government is involved in a very wide range of educational activities. They go back to the beginnings of the Republic. The Northwest Ordinance is almost the first education statute in American history.

Every educated person, everyone who has gone through an American school system, knows that the ordinance of 1787 set aside 2 million acres of the Northwest Territory for the support of education. This was done in 1787, under the Continental Congress, even before this Constitution was in effect.

We then commenced a long series of enactments, large and small. Wartime has always given great impetus to these things. The Office of Education that now exists in the Department of HEW, which is now to be turned into a department of itself, was created in the Civil War. The apprenticeship programs came with World War I; the veterans programs came with World War II. Research fellowships came with the Korean war. Higher education assistance came with the cold war, you might say, culminating in the NDEA, after the successful launching of Sputnik by the Soviets. And, not to carry a metaphor too far, the war on poverty brought us programs such as the Elementary and Secondary Education Act and the basic educational opportunity grants and matters of that kind.

The U.S. National Government is not a very important actor in elementary and secondary education in that it provides only a small fraction of school operating expenses. But in the field of research, in college and university education, postgraduate education, and postdoctoral education, it is absolutely essential. It is the principal source of basic research funds in this country. And here, in Washington, particularly in the science area, with the good judgment that we have had in these things, we have reproduced, as much as has been possible, those institutions which are so characteristic of American Government and have been for a century and a half, which insulate education from politics.

I ask, Mr. President, that we consider how extraordinary are these arrangements. They do not exist in any other country that I know, except Canada. In the United States, at just about every level of government, we find not one government but two. One government is the political government, and the other government is the education government. They are elected alike, they have powers to tax alike. The education budget in a village in New York will frequently be twice the budget of the village itself. But parties stay out, politics stays out. We have kept them apart.

When the Federal Government began its deep involvement in research, which was only in the last generation, stimulated by World War II, the National Institutes of Health and other places began this insulating technique. Grants are given by our agencies on the recommendation of panels drawn from the professions—peer review, it is called. A whole network of advisory committees keeps this out of the political calculations of government—or has until this bill came out.

I should like to read a statement which was given us by David Riesman, of Harvard University, who is surely the most sensitive and thoughtful observer of American education in our time, and who very much opposes this legislation. When David Riesman speaks with vigor and force on a subject, he is entitled to our attention. I shall read his statement:

> Education, contrary to people who speak of it as an "establishment", is a weak power, subject to whims and fashions in the country at large, and these show up in the attitudes of individual members of Congress and their aides, assistants and others. Therefore education is best served by being part of a much more powerful coalition in which it is joined with the rest of H.E.W. with its labor union and medical and other affiliations.
>
> Furthermore, education is, because of its weakness, vulnerable to attack because something done in one of the three thousand accredited postsecondary institutions by somebody may offend somebody or get in the papers. It therefore needs to have many diverse sources of support, combined with a certain precious obscurity.

(Mr. HUDDLESTON assumed the Chair.)

Mr. MOYNIHAN. I offer that phrase, "combined with a certain precious obscurity."

> Once it is separate, its target quality and actual weakness will be visible and this is a weakness not only vis-a-vis potential critics but potential lobbyists—captors—in the country. Education is best served by decentralization, not only in this huge and diverse country but also within the federal government and its many agencies.

It is to this point, Mr. President, that I offer a complicated thought. The amendment I have at the desk would bring into the Department of Education, which under the bill before us will be a department of public elementary and secondary education, narrowly defined, a range of some 80 educational activities which are now deployed in precious obscurity in the Departments of Agriculture, Commerce, Interior, Justice, Labor, State, Transportation, Energy, HEW itself, of course, and in the Appalachian Regional Commission, the General Services Administration, the Library of Congress, NASA, the National Science Foundation, the Foundation for the Arts and Humanities, the Smithsonian, the Veterans' Administration, EPA, ACTION, and a whole range of other agencies and units.

If you would know why we chose this list—and I will not keep the Senate all day to read it—we took this list from the catalog of Federal education assistance programs. These are the activities the U.S. Commissioner of Education describes as having to do with education and we say:

> Let's put them all in the Department of Education.

Of course, this is going to produce horror. There are not five of these activities which do not have strong constituencies which would be appalled to be put into the Department of Education. So the administration has said that this will not happen.

As we know, earlier there were efforts to transfer things like Head Start. The one unique education activity of the Federal Government is Head Start. It came out of the poverty program and the Office of Economic Opportunity. It only exists as a Federal initiative. That will not go in. Why? Because the people care a great deal about it, care about that coalition as David Riesman mentioned.

So that was left out. But that is the least of the things left out. As I say, they go on page after page.

What will happen when we pass this bill? The institution most likely to be affected is higher education. Recently, leaders of higher education have begun to respond in ways that offer a rather welcome contrast to a long period of passivity in these matters, in which higher education would be given tasks by the Federal Government, be hired out to do them. Only in the years that followed would the dislocations and distortions that were brought about in consequence be recognized, only years after this or that event would they look up and say, "What did you do to us?"

What claim they make on the Senate, I do not see. Some of the most distinguished educators of this time have asked, seriously, that the Congress not pass this legislation because of what it will mean ultimately to the programs of fundamental importance to higher education. They see a future department looking very much like the department I propose.

If I may read some of these names, they are here in alphabetical order signed to this statement:

> We have considered carefully the arguments advanced in support of the creation of a separate federal Department of Education and do not find them sufficiently persuasive to overcome our reservations. Therefore, we are opposed to the legislation which would create the Department.
>
> Derek C. Bok, President, Harvard University, Cambridge, Mass.
>
> William B. Boyd, President, University of Oregon, Eugene, Oreg.
>
> Randolph Bromery, Chancellor, University of Massachusetts at Amherst, Amherst, Mass.
>
> John H. Chandler, President, Scripps College, Clairemont, Calif.
>
> John W. Chandler, President, Williams College, Williamstown, Mass.
>
> Martha E. Church, President, Hood College, Frederick, Md.
>
> Jill K. Conway, President, Smith College, Northampton, Mass.
>
> John E. Corbally, President, University of Illinois, Urbana, Ill.
>
> Emil Danenberg, President, Oberlin College, Oberlin, Ohio.
>
> William H. Danforth, Chancellor, Washington University, St. Louis, Mo.
>
> Father Edward J. Drummond, S.J., President, Saint Louis University, St. Louis, Missouri.
>
> Alice F. Emerson, President, Wheaton College, Norton, Mass.
>
> James F. Gollattscheck, President, Valencia Community College, Orlando, Fla.
>
> Robert Good, President, Denison University, Granville, Ohio.
>
> Nelson P. Guild, President, Frostburg State College, Frostburg, Md.
>
> Sheldon Hackney, President, Tulane University, New Orleans, La.
>
> Arthur G. Hansen, President, Purdue University, West Lafayette, Ind.
>
> Father Timothy Healy, S.J., President, Georgetown University, Washington, D.C.
>
> Alexander Heard, Chancellor, Vanderbilt University, Nashville, Tenn.
>
> Frank L. Hereford, President, University of Virginia, Charlottesville, Va.
>
> John R. Hogness, President, University of Washington, Seattle, Wash.
>
> John R. Hubbard, President, University of Southern California, Los Angeles, Calif.
>
> Philip Jordan, Jr., President, Kenyon College, Gambier, Ohio.
>
> Elizabeth Kennan, President, Mount Holyoke, South Hadley, Mass.
>
> Sister Jeanne Knoerle, President, Saint Mary-of-the-Woods College, Terre Haute, Ind.
>
> Theodore Lockwood, President, Trinity College, Hartford, Conn.
>
> Bernard Lomas, President, Albion College, Albion, Mich.
>
> Richard W. Lyman, President, Stanford University, Stanford, Calif.
>
> William J. McGill, President, Columbia University, New York, N.Y.
>
> Charles S. MacKenzie, President, Grove City College, Grove City, Pa.
>
> C. Peter Magrath, President, University of Minnesota, Minneapolis, Minn.
>
> Robert Q. Marston, President, University of Florida, Gainesville, Fla.
>
> Dallin Oaks, President, Brigham Young University, Provo, Utah.
>
> James C. Olson, President, University of Missouri, Columbia, Mo.
>
> Rev. John P. Raynor, S.J., President, Marquette University, Milwaukee, Wis.
>
> Ronald W. Roskens, President, University of Nebraska, Lincoln, Nebr.
>
> Richard Rosser, President, DePauw University, Greencastle, Ind.
>
> Lewis Salter, President, Wabash College, Crawfordsville, Ind.
>
> David S. Saxon, President, University of California Systemwide Administration, Berkeley, Calif.
>
> Thaddeus Seymour, President, Rollins College, Winter Park, Fla.
>
> Adele Simmons, President, Hampshire College, Amherst, Mass.
>
> Allan F. Smith, President, University of Michigan, Ann Arbor, Mich.
>
> Robert L. Sproull, President, University of Rochester, Rochester, N.Y.
>
> Howard R. Swearer, President, Brown University, Providence, R.I.
>
> David E. Sweet, President, Rhode Island College, Providence, R.I.
>
> Louis A. Toepfer, President, Case Western Reserve University, Cleveland, Ohio.
>
> Gorden Van Wylen, President, Hope College, Holland, Mich.
>
> Franklin Wallin, President, Earlham College, Richmond, Ind.
>
> John William Ward, President, Amherst College, Amherst, Mass.
>
> Edward W. Weidner, Chancellor, University of Wisconsin—Green Bay, Green Bay, Wis.
>
> Thomas Wenzlau, President, Ohio Wesleyan University, Delaware, Ohio.
>
> Charles E. Young, Chancellor, University of California—Los Angeles, Los Angeles, Calif.

I will also read a statement which Richard Lyman, the president of Stanford, sent me in a telegram. He says:

> I hope that the Senate can be persuaded that the establishment of a Department of Education is contrary to the best interest of American colleges and universities.
>
> For two hundred years, virtually alone among the nations of the world, the United States has avoided central direction of higher education. During that time we have nurtured the growth of a collection of institutions of higher learning that is, in its quality, range, and diversity, the envy of the rest of the world. To establish a national department of education now would be to turn away from a history of success for no compelling reasons whatsoever.
>
> There are good reasons to reorganize and improve the status of education within HEW, and I would support such an effort. But the establishment of a department, no matter how narrowly defined at the start, will inevitably create pressures to add to it education-related programs now capably administered in other agencies. The arguments in support of those increments will be identical to the arguments now put forward for department, and the existence of a department will make them even harder to resist. The time to resist is now, at the very beginning. You have my support in that effort.

Mr. President, I am not going to prolong my discussion. I simply want to make the point that if my amendment fails, it will not matter one bit.

Because once the Department of Education is established, every function I list can be transferred to the Department either by Executive order or under the reorganization powers of the President. And one by one, they will be. Do Senators know why? Because the President will find that he has created a monster in this thing, that he has created the only single-interest Department in the U.S. Government.

In the Department of Labor, in the old days, you had the building trades and the industrial unions which could be depended upon to have some conflicting views and involve management. Also, a major activity was the employment service, and before that, the Bureau of Labor Statistics, with wide contact in the business world.

This single-interest Department will drive the President crazy. In the Office of Management and Budget, they will keep a tab as to how much per minute it costs for the President to see the Secretary of Education. They will say, "If that man gets in for 10 minutes, it will cost $100 million. Don't let him get in."

The President will say, "Don't let me see that particular man or woman. They want to talk about the promise I made in the campaign, and I don't want to keep that promise." To avoid that, they are going to transfer these additional activities.

Mr. President, I ask unanimous consent to have printed in the Record, at the conclusion of my remarks, a "Dear Colleague" letter in which I summarize and quote an analysis by the Congressional Research Service about the power of the President to transfer education functions, given the existence of a Department of Education.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. Mr. President, I will simply read two paragraphs from the Congressional Research Service memorandum:

> (T) he President has statutory authority to transfer educational functions to a new Department of Education under two statutory provisions. All functions vested in the President, and functions vested in certain other offices but which require Presidential approval, may be delegated and re-delegated by the President. These functions may therefore be transferred to a new Secretary of Education through an Executive Order.

The President just signs the order.

> Functions not vested in the President but instead in other agencies or departments, may be transferred to a new Department of Education through a Reorganization Plan, subject to disapproval by the Congress.

To be sure, Congress may disapprove a reorganization plan, but this requires positive action to keep something from happening that otherwise will take effect automatically.

All the concerns of these educators will come to pass.

I see the distinguished majority whip in the Chamber, and I know that he will be most interested to learn how much Richard Lyman, the president of Stanford University, hopes we do not pass this bill.

Mr. President, I will sum up with two points:

This is a bad proposal, not because its original purposes were bad. Anything said or espoused by the Senator from Connecticut, one of the great Secretaries of HEW of our time, commands the presumption of informed and responsible Government behavior. There is no man in this body for whom I have greater respect in these matters, and he knows that. This stems from the time I was a young Assistant Secretary of Labor, working with the Department he led so ably under President Kennedy.

However, the proposal we have here is not the proposal that Senator Abraham Ribicoff started talking about—a proposal born of his concern for more effective leadership in education by this Government. This proposal is a backroom deal, born out of a squalid politics. Everything we had thought we would not see happening to education is happening here. Must it? I hope not.

If you do not like what you see, you will like much less what you are going to get inexorably over time; because—I admit this is a complicated argument, but there is no reason we cannot absorb it—when the President finds what he has done—if not this President, another—he will find that the only way he can make this Department less bad is to do exactly the things he has promised not to do in this particular bill in order to win the acquiescence of other education interests and political forces outside the narrow spectrum here involved.

Higher education comes of age today, in my view, to those who stand up and see the future and ask that we do not plunge them into it.

Mr. President, I see in the Chamber my colleague and friend, the distinguished junior Senator from California, the most distinguished American semanticist of his age, an educator of renown and creativity, a writer of seminal and international reputation. He is standing, and I assume that he would like to speak. I yield the Senator as much time as he may require, given the hour and a half remaining to us.

Exhibit 1

U.S. Senate,
Washington, D.C., April 9, 1979.

Dear Colleague: When the Senate resumes consideration of the Department of Education bill after the recess, I will call up an amendment (No. 132) that would add to the proposed Department most of the education-related activities, programs and agencies of the federal government that are not included in S. 210 as reported. I enclose an excerpt from the Congressional Record containing the text of my amendment and an explanation of it.

I do not expect the Senate to agree to this amendment. My purpose in offering it is to focus our attention on the eventual contours of a Department of Education regardless of what we may think we are putting in or keeping out.

The essential point is that once such a Department is created, the President can transfer programs, functions and units into it by executive order and by reorganization plan. The operative laws and procedures are set forth in the enclosed memorandum, prepared at my request by the American Law Division of the Congressional Research Service. It concludes that

(T) he President has statutory authority to transfer educational functions to a new Department of Education under two statutory provisions. All functions vested in the President, and functions vested in certain other offices but which require Presidential approval, may be delegated and re-delegated by the President. These functions may therefore be transferred to a new Secretary of Education through an Executive Order.

Functions not vested in the President but instead in other agencies or departments, may be transferred to a new Department of Education through a Reorganization Plan, subject to disapproval by the Congress.

To be sure, Congress may disapprove a reorganization plan. But this requires positive action to keep something from happening that will otherwise take effect automatically.

Any Secretary of Education worth his salt will demand jurisdiction over the kinds of education-related programs specified in my amendment. It will be a bureaucratic imperative, the more so because of the limited scope and restricted jurisdiction of the Department of Education as set forth in S. 210. Similarly, Presidents will be extremely uncomfortable with the lopsided pressures that will come to bear on them from a narrowly-focused Department of Education. They, too, will want to broaden it.

Inexorably, the Department will extend its reach, and in twenty years—possibly in twenty months—it will come to resemble the "complete" Education Department sketched in my amendment. The Congress may offer some resistance, but it is manifestly difficult to pass a resolution of disapproval of a reorganization plan, and this ought not be expected.

We therefore face a dilemma. A narrowly-based Department of Education, as is now proposed, contains a clear and present danger of politicizing the federal education enterprise. The broader Department that will inevitably follow, while the logical outcome of establishing education as an explicit organizing principle for the federal government, will cause widespread disruption of every agency and posses a grave risk of heightened control over education.

My amendment illustrates the end of this path. The important question is whether we wish to start down it.

Sincerely,
Daniel Patrick Moynihan.

[From the New York Times, Apr. 9, 1979]

Keep the E in H.E.W.

The Senate has revised the bill to establish a cabinet-level Department of Education which the House leadership last year tried wisely but unsuccessfully to bury. The pressure to establish such a department comes mainly from the National Education Association. As the teachers' largest trade organization, the N.E.A. has an understandable interest in being represented within the Cabinet. But that is exactly why a department with such a special base is unwise. It threatens to distort the broad and complex interests that more truly comprise education.

Senator Moynihan, with undoubted devilish intent, has let it be known that he plans to turn the proposal for a mere Department into a scheme for a Super E, which would gather unto its fiefdom all education-related activities now ledged wherever there seems to be a natural kinship with a program's mission. Thus, international academic exchanges are handled by the State Department; school food programs are in Agriculture; and the Smithsonian Institution enjoys independence. To suggest disturbing these sensible arrangements is to suggest why an education department is unwise.

A bid proposal may be made even worse by the mischievous amendment to restore the "right of voluntary prayer" in the public schools which the Senate approved by a vote of 47 to 37. Senator Jesse Helms, the rider's sponsor, thinks that the Supreme Court, which has ruled such prayer unconstitutional, has a "myopic and narrow view of the Constitution." We were not aware that acceptance of the Supreme Court as the interpreter of the Constitution is optional—even for the Senate.

The supporters of a separate department speak vaguely of the need for a Federal policy on education. We believe that they misunderstand the nature of American education, which is characterized by diversity. The legitimate centers of gravity are, and ought to remain, in the educational authorities of the states and the local communities for the public schools, and in the independent governing boards of the colleges and the universities. There is a need for Federal policies to deal with a multitude of educational problems, but that is not the same as a Federal policy emanating from a central department.

[From the Wall Street Journal, Apr. 4, 1979]

BLACKBOARD JUNGLE

If all goes according to plan, the Senate will vote this week on establishing a new Cabinet level Department of Education. The idea for such a department is the brainchild of the National Education Association. Candidate Jimmy Carter vowed during the campaign of 1976 to give the NEA its sandbox. The union then endorsed him for President. The administration is now pushing hard for the proposal, in spite of the fact that no one can point to any substantive good that it is likely to do, and that our most recent major reorganization of this type produced the spectacular Department of Energy.

The new Education Department will be the product of old-style pork barrel politics plus the new style tendency of legislators to try to create an impression of government in perpetual and vigorous motion. It is a bad idea, and Congressmen who are afraid to say so should at least be held to some account for it.

[From the Washington Post, Apr. 5, 1979]

A FULLY ROUNDED EDUCATION

The unfortunate and misguided bill to establish a federal Department of Education is to come to the Senate floor today. Like much unfortunate and misguided legislation, it is likely to be passed. But before that happens—and the voting is some time off—Sen. Daniel Patrick Moynihan (D-N.Y.) intends to propose an amendment to make the new department significantly more multifaceted, more interdisciplinary, and in every respect more complete.

As he looked over the present bill, the senator perceived that it would leave a great many of the present federal education programs out of the new department. The senator's amendment would put them all in. The bill, for example, would leave the school breakfast program in the Agriculture Department, and Indian schools in Interior. The Moynihan amendment would put them in the future Education Department. It would take the international educational exchanges away from the State Department, aviation education away from the Transportation Department, and everything from Head Start to health manpower training out of HEW. The senator would similarly give the Education Department the Smithsonian's Wilson Center for Scholars, the EPA's training grants and Action's Youth Challenge. His position is that, if we're to have an Education Department, we might as well put all of the federal education functions into it.

The senator, as you may have gathered, is no friend of this bill. The bill's authors drafted it, with great skill and tact, to exclude all of the programs that are defended by bureaucratic and political interests too strong to challenge safely. The future department is mainly supported by one very large organization, the National Education Association, which can reasonably expect to command much influence in its conduct. All those who disagree with the NEA on policy, or fear being overrun by it, are naturally anxious to keep their programs out of its new department.

It is also true that to create a federal Department of Education would imply an intention to expand federal jurisdiction over the schools. Education has always been primarily a responsibility of the states, a wholesome tradition that deserves to be continued and one, incidentally, that is much honored in debates on the Senate floor. It would be nice if the Senate were to act on all these pieties when the vote is finally taken. If it doesn't, it would serve them right to end up with the Moynihan monstrosity added to what is already a pretty monstrous bill.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., April 4, 1979.
To Hon. DANIEL P. MOYNIHAN.
From American Law Division.
Subject: Use of Reorganization Plan To Transfer Functions to a New Department of Education.

This memorandum is in response to your inquiry concerning the use of a reorganization plan to transfer functions to a new statutorily created Department of Education. In particular, you asked whether or not the President has the authority to transfer all educational functions presently vested in other agencies and departments to a new Department of Education, which are not transferred to that Department through the Department's organic act.

The authority of the President to transfer functions from one Executive agency or Department to another stems from two statutory sources. Section 301 of Title 3, United States Code, is a general grant of authority to the President to delegate to the heads of Departments and agencies any function which is vested in the President by law, or any function that is vested in any official who is appointed with the advice and consent of the Senate, but required by law to be performed only with the approval of the President. Delegations of authority under this provision may be revoked at any time by the President, and re-delegated to other appropriate officials. Under this authority, transfers of functions are usually accomplished by Executive Order, and not through a reorganization plan. No Congressional approval of such transfers is required. Therefore, based on this provision, it would appear that all educational functions which are vested in the President by law, and all educational functions vested in an official whose appointment requires Senate ratification, but be transferred by the President to the Secretary of a new Department of Education by an Executive Order or other Presidential directive.

The second statutory authority for Presidential transfers of functions among Executive Departments and agencies is the Reorganization Act of 1977, 5 U.S.C. §§ 901–912. Under this Act the President may submit a reorganization plan to the Congress which will then become effective after 60 calendar days of continuous session of the Congress, unless either House disapproves the plan within that time period.

The Reorganization Act gives the President the authority to propose plans calling for the broad restructuring of the Executive Branch. Section 903 of Title 5 provides that reorganization plans may provide for the transfer of the whole or a part of any agency, or of the whole or a part of the functions of an agency, to the jurisdiction and control of another agency; for the abolition of all or a part of the functions of an agency; for the consolidation or coordination of the whole or a part of an agency, or of the whole or a part of the functions of an agency, with the whole or part of another agency or the functions thereof; the consolidation or coordination of a part of an agency with another part of the same agency; the authorization of an officer to delegate any of his functions; or the abolition of the whole or a part of an agency which does not have, or on the taking effect of a reorganization plan will not have, any functions. Since the term "agency" is defined by the Reorganization Act to mean "an Executive agency or part thereof," and since the term "Executive Agency" is defined at 5 U.S.C. § 105 to mean "an Executive Department, a Government corporation, and an independent establishment," it is clear that the reorganization plans may be used to transfer functions from and to Executive Departments, including a new, statutorily created Department of Education. However, the Reorganization Act also imposes certain limitations on the scope of reorganization plans.

Under the Reorganization Act, reorganization plans must be consistent with one or more of the purposes of the Reorganization Act set out in Section 901 of Title 5. Included among these purposes is "to group, coordinate, and consolidate agencies and functions of the Government, as nearly as may be, according to major purposes." Obviously, a reorganization plan which transfers educational functions to a new Department of Education may be justified as an attempt to effectuate this statutory purpose.

Another restriction on reorganization plans is that "no enforcement function or statutory program may be abolished by the plan." The legislative history of the Reorganization Act indicates that this provision is intended to prohibit the abolition of substantive programs, but does not indicate that these programs may not be transferred by a reorganization plan. As explained in the Senate report associated with the Act:[1]

> Provisions describing the permissible subject matter of [reorganization] plans have been amended to make clear that a plan may abolish advisory functions, but that a plan may not abolish substantive programs mandated by statutes.
>
> Without this amendment, the act would have the effect of authorizing plans which abolish any service the government provides the public pursuant to statute, from grants, loans, and other assistance programs to investigations and enforcement programs protecting the constitutional rights of individual citizens, or their health and safety. *Authorizing the use of reorganization plans to abolish these programs mandated by statute would be inconsistent with the intent of the act to give the President the ability to reorganize the means by which the executive branch administers the law*, not the substantive content of the programs it administers. (emphasis added)

Therefore, it appears that the bar against abolishing statutory programs is not intended to prohibit the transferring of such programs from one agency or Department to another, including a statutorily created Department of Education, but only to prevent their abolition.

The contents of reorganization plans are also limited by the provisions of Section 905 of Title 5. Although this section contains a list of six specific types of reorganizations which are prohibited, only the first groups of limitations appears relevant to your inquiry. These provisions state that a reorganization plan may not provide for or have the effect of "creating a new executive department, abolishing or transferring an executive department or independent regulatory agency, or all the functions thereof, or consolidating two or more executive departments or two or more independent regulatory agencies, or all the functions thereof."

Since the new Department of Education would be created by statute, the prohibition against creating a new Executive Department would not be applicable to a transfer of functions to the new Department. The remainder of this provision would prohibit the reorganization plan from transferring an entire Executive Department, or all the functions thereof, to the new Department of Education, or from transferring an independent regulatory agency or all the functions thereof, to the new Department, but would not limit a reorganization plan's effective transfer of part of an Executive Department or independent regulatory agency. Further, a reorganization plan could still transfer an entire agency, or the functions of an entire agency, provided the agency is not an Executive Department or independent regulatory agency. This conclusion is borne out by Section 903(a)(6) of the Act, which specifically provides that a reorganization plan may provide for the "abolition of the whole or a part of an agency which . . . does not have, or on the taking effect of the reorganization plan will not have, any functions," and by Section 904 which states that a reorganization plan "shall provide for terminating the affairs of an agency abolished."

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[1] S. Rep. No. 95–32, 95th Cong., 1st Sess. 8 (1977).

Section 101 of Title 5 states that the Executive Departments are: the Departments of State; Treasury; Defense; Justice; Interior; Agriculture; Commerce; Labor; Health, Education and Welfare; Housing and Urban Development; Transportation; and Energy. An entire transfer of any of these Departments would therefore be prohibited, although transfers of less than an entire Department would be allowed under the Reorganization Act.

Although the term "independent regulatory agency" is not well defined, the term usually denotes an agency which is independent of the Executive and Legislative Branches of government and which has regulatory responsibilities.[2] Again, transfers of an entire independent regulatory agency, or all the functions thereof, would appear to be barred by the Reorganization Act, but the transfer of some of the functions of such an agency would probably be permitted under the Act.

In conclusion, the President has statutory authority to transfer educational functions to a new Department of Education under two statutory provisions. All functions vested in the President, and functions vested in certain other offices but which require Presidential approval, may be delegated and re-delegated by the President. These functions may therefore be transferred to a new Secretary of Education through an Executive Order.

Functions not vested in the President but instead in other agencies or departments, may be transferred to a new Department of Education through a Reorganization plan, subject to disapproval by the Congress. Such a plan may transfer, but may not abolish statutory programs, or have the effect of transferring an entire Executive Department or entire independent regulatory agency or all of the functions thereof. Despite this limitation, agencies which are less than an Executive Department or independent regulatory agency may be transferred to the new Department, and if all of the functions are transferred from these agencies, they may be abolished.

We hope that this information answers your questions in this area. If we may be of assistance in the future please feel free to contact our offices.

RAYMOND NATTER,
Legislative Attorney.

Mr. HAYAKAWA. I thank the distinguished Senator from New York.

Mr. President, several weeks ago, I inserted in the RECORD a New York Times article that talked about the amendment proposed by my distinguished colleague from New York, Senator MOYNIHAN. Now, today, we actually are discussing it.

I congratulate Senator MOYNIHAN on his efforts to show the proposed legislation for what it really is. I do not like the idea of a separate Department of Education, and I will not support its passage. However, I fully support Senator MOYNIHAN's idea that if we are going to have a separate Department of Education, let us make it a super department; let us put everything into it.

It seems to me that Senator MOYNIHAN is one of the few people who is no hypocrite regarding the proposed legislation. His amendment basically says that if we must have this ridiculous Department, then let us do it right—let us incorporate into this new area of bureaucracy absolutely everything that has anything to do with education. This super department then would embrace all education-related activities now housed wherever there is even a remote relation to education.

Senator MOYNIHAN has stated publicly that he does not expect this amendment to be adopted, because the supporters of the bill will never go along with it. He has talked about withdrawing this amendment. I hope he will not. I would like to see a vote on it, in order to expose the ridiculousness at the heart of the idea.

If the object of this Department is not to house educational programs, what is it for? Why not lodge all education programs in one spot, as suggested by Senator MOYNIHAN? What possible objection could supporters of the bill have to that? After all, if they do want this separate Department so that we can pay better and closer attention to education, with this one amendment, our education programs would come from all over the place and be together, where we can examine them, where we can weed out the overlaps, where we can see the duplications, where we can see the shortcomings in the overall program. Let us put everything in. With this amendment, our education programs all would be in one place, would be in line with each other, and would be easier to deal with.

As this New York Times article stated:

> "The legitimate centers of gravity are, and ought to remain, in the educational authorities of the States and the local communities for the public schools, and in the independent governing boards of colleges and universities. There is a need for Federal policies to deal with a multitude of educational problems, but that is not the same as a Federal policy emanating from a central department.

I, therefore, applaud my friend, Senator MOYNIHAN, for getting to the root of the problem and exposing this proposed department for what it really is.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, I thank my colleague from California for his thoughtful and intelligent remarks. We can make no claim on the Senate other than the individual vote we have as Members here. Yet I do say that if this bill passes higher education will regret it, and we will at least have the honor to say that there were those who said so and did not sit silently with the experience of the last quarter century—the Danforths, Lymans, and McGills of Columbia University—I particularly mention McGill—as this atrocious thing emerged. Remember if you like the Department of Energy then you will love the Department of Education.

It makes no difference that the President says, "I only have these narrow things." One by one, if our amendment fails, which looking about me I have the feeling it might, it will not matter, for one by one, by Executive order or under the reorganization powers, these matters will be transferred to this new Department.

Mr. President, we have made our case, perhaps not as persuasively as we had hoped, but I do not know that. If no other Senator wishes to speak I would be happy to yield back my remaining time, especially as I see that my dear friend for whom I have just the uttermost regard and affection in these matters, the chairman of the committee and the senior Senator from Connecticut, is on his feet.

Mr. RIBICOFF. Mr. President, far be it from me not to show due respect to the distinguished Senator from New York, especially having been joined by the distinguished Senator from California, not to at least respond briefly.

I would guess there is no Senator in this body whose votes do not track mine as closely as the Senator from New York. We have been collaborators a long time before the Kennedy administration when the distinguished Senator from New York was a most able assistant to Governor Harriman of New York, and I was the Governor of the State of Connecticut. And I express the respect that I have for the Senator from California, not because we vote alike—we do not—but for his intellectual integrity, his courage, and his many contributions to the basic culture and understanding of our Nation.

However, there is one thing I know, that is, my opponents on this issue are both realists and pragmatic men. That is why they not only have been successful in university life, but also successful in politics, and they make a great contribution to this body.

Because of my respect for them, instead of trying to rationalize, I'd rather speak very frankly. I know that after 40 years of politics, 50 percent of something is always better than 100 percent of nothing.

I also know that you can be so doctrinaire in your objectives that not only do you not achieve what you seek, but you lose everything that you are striving for. Sometimes it is better to get 50 percent and wait a few more years to try to accumulate the other 50 percent.

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[2] *Cf. K. Davis, Administrative Law Treaties* § 2:7 (2nd ed. 1978). Examples of agencies which are considered by the Office of Management and Budget to be independent regulatory agencies included: Civil Aeronautics Board, Commodity Futures Trading Commission, Consumer Product Safety Commission, Federal Communications Commission, Federal Deposit Insurance Corporation, and the Interstate Commerce Commission. *Id.* A list of 18 agencies determined by the OMB to be independent regulatory agencies may be found at 43 Fed. Reg. 12670 (1978). Undoubtedly, other agencies not included in the OMB list may also be considered as such. *Id.*

Not that the suggestions of the Senator from New York are bad. Frankly, I would be very happy, personally, to see many of his proposed program transfers in the Department of Education. But were I to accept the amendment or were I to accept the major parts of it there is one thing I know. That is this bill would go down to abysmal defeat.

We had days and days of hearings, built a big record, had many, many conferences, and took 400 pages of testimony. We had to take on every bureaucracy. Everyone was defending his piece of turf. I personally would like to see the school lunch program, the child nutrition program in the Department. I would like to see Indian education as part of this bill. I would like to see veterans' education in this proposal. But it was very obvious as we proceeded, not only in committee but in the Chamber, that it was impossible.

So, I am very frank with my distinguished friends from New York and California—not to argue that their proposals are bad proposals, but to point out the practical political problems we face. The Department of Education is so important and what we have placed in the Department of Education is so meaningful that I would prefer to take that proverbial half loaf than to try for the entire loaf and receive nothing.

I think it should also be pointed out that every Member in this body who has been intimately connected with the oversight of Federal educational programs in the Senate in either the authorizing or the appropriations process is a cosponsor of this bill. Whether it be chairman of the Appropriations Committee, Senator MAGNUSON, or those on the Human Resources Committee, Senator WILLIAMS and Senator PELL, they are all cosponsors of this legislation.

From the day I came to the Senate they have continuously encouraged me to push ahead for a Department of Education. We did so year after year, although we had little support from the administrations or from the Secretaries of HEW, until President Carter's commitment to support us in establishing the Department of Education.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. RIBICOFF. I am pleased to yield to the Senator from New York.

Mr. MOYNIHAN. Does the Senator recall, by chance, the circumstances in which the present President made the commitment?

Mr. RIBICOFF. I guess it was made on the stump during the campaign, but that does not denigrate from the fact that he believed in it.

I believe personally that the Senator from New York and the Senator from California made many speeches during their campaigns for the Senate. I do not impute a cynicism to their making those appeals on the stump in their respective States. But I note that when they come to the Senate they have not repudiated them, but fought for them.

If I recall, I remember going to New York and listening to the Senator from New York stating that if he were elected he would seek a place on the Finance Committee, because he recognized the problems of his State were inextricably tied up with the jurisdiction of the Finance Committee. While it was urged upon him to seek other committees, because of his unusual background and experience, and he could have added great luster to those committees, yet as a Senator serving his own State and his country he saw what I saw when I came to the Senate—one of the great power bases in the Senate happens to be the Finance Committee. I would say the State of New York is much the better for the sophistication and knowledge of the Senator from New York by recognizing that he could do more for his State and country by going on the Finance Committee, and I urged him to seek that spot.

I urged upon the leadership of the Senate to grant him that spot because I knew his contributions were many.

My feeling is that we will not find ourselves divided on many issues, as we are on this one, because we usually march to the same drummer in tandem on issue after issue whether in the Committee on Finance, on this floor, or just a social evening together.

Mr. MOYNIHAN. The Senator wins the exchange.

● Mr. TALMADGE. Mr. President, I am opposed to the amendment to S. 210 proposed by the Senator from New York (Mr. MOYNIHAN) to transfer the child nutrition programs of the Department of Agriculture to the new Department of Education.

The child nutrition programs are designed to achieve health, agricultural, and income maintenance objectives. The largest of these programs happen to operate primarily in the schools. The transfer of these programs to an Education Department seems to be predicated more on the fact that both child nutrition programs and traditional education programs are run through schools, than on potential benefits to child nutrition, education, or administration at any level of Government.

The legislative history of the National School Lunch Act of 1946 indicates that it was enacted to fulfill four objectives. Subsequent legislation expanding the program, or adding new programs, has reiterated the same objectives:

To safeguard the health and nutritional well-being of the Nation's children;

To provide a domestic outlet for commodities acquired through the Department's price support and surplus removal activities;

To promote good eating habits in children by exposing them to a variety of wholesome foods; and

To provide economic assistance to low income families.

Over the past year, the greatest single concern expressed about the child nutrition programs in the media has been the quality of meals served to children and the need to upgrade these meals. The very success or failure of the school food programs rest on the quality of meals.

When meals do not satisfy nutritional standards, or are thrown away rather than eaten, the basic purposes of the program are subverted and millions of dollars of Federal funds are wasted.

To serve quality school meals, schools need to know how to purchase and prepare foods that contain proper nutrient levels, are appetizing, and are economical. To make progress toward these goals, school food service personnel need assistance in how to procure high quality food economically, how to process and prepare it, and how to store it so that nutrient values are retained.

School food personnel who are not skilled in procurement can end up with ground beef that has a high fat content, foods with high salt or sugar content, or other nutritional quality problems. In addition, schools can pay higher amounts than are necessary for food items.

To help school districts across the country do a better job is a major undertaking. The Department of Agriculture is taking on this task and has the necessary expertise to do so. A Department of Education is unlikely to have either the inclination or the expertise to get into this area.

In rural Georgia, a USDA expert has helped a nine-school district cooperative education service agency develop an integrated program of food procurement which allows schools to purchase better food at a lower cost.

In Nashville, Tenn.; Fresno, Calif.; and southwestern Colorado, USDA specialists have acted as a catalyst in developing a system of direct purchases of fresh produce from local farmers. This has eliminated the extra charges of middlemen and improved the quality of the food served to schoolchildren. These projects have also had significant nutrition education aspects, with farmers explaining food production in the classroom and children occasionally picking fresh produce at nearby farms. These projects show great future potential, and USDA is developing model projects for expansion. The projects help develop markets for family farmers at the same time that they improve lunches for children.

A primary reason why small, local food purchasers, such as school districts and hospitals, have had difficulty achieving the efficiency USDA has in large scale community operations is a lack of current price information and how to use that information.

Through the Market News Services of the Agricultural Marketing Service USDA has been providing up-to-date price information to producers, processors, and wholesalers for years. Now, USDA has developed an information kit which explains to institutional food buyers how to take advantage of current price information to economize on food procurement. This project was a cooperative effort involving the Agricultural Marketing Service and the Food and Nutrition Service.

Another key area in child nutrition is the basic nutritional standards that USDA establishes for meals. These standards are based on nutrition research conducted by USDA's Science and Education Administration (SEA). The Department recently established a Human Nutrition Center within SEA as a focal point for research in this area.

The Food and Nutrition Service (FNS) works with SEA to design research that will provide information in determining the nutritional standards needed in these programs and to test specific proposals for alterations in meal patterns used in the programs.

Last year, FNS proposed the most major changes in the school lunch meal pattern since the passage of the National School Lunch Act in 1946. These proposals were based on several years of work by SEA. Plans are now in final stages for field tests in hundreds of schools of these and other changes in the meal patterns. USDA's Economics, Statistics, and Cooperatives Service (ESCS) is playing a major role in designing and developing these field tests, which will carefully analyze both economic and nutritional impacts of the proposed change.

In addition, SEA, FNS, and ESCS are also working together to mount major nutritional evaluations of the child nutrition programs. The National Food Consumption Survey, conducted by SEA, is collecting information on participation in child nutrition programs and its nutritional impact. SEA is now discussing plans with FNS and ESCS for a major, multiyear nutritional evaluation of the school lunch program, and has been provided funds by Congress for this purpose.

Elsewhere in SEA, the Human Nutrition Center is conducting research into such areas as the importance of trace minerals in the diets of children—research that is also vital to, and coordinated with, the operation of child nutrition programs.

Finally, to help assure that the best quality food is provided with the available resources, ESCS is now involved in 16 major studies concerning FNS food assistance programs. Most of these studies are concentrated in the child nutrition area. ESCS is now conducting studies on the proper level of both food and administrative reimbursements for the summer food program, and on related questions of food quality and food prices and profit margins by private vendors in the summer program.

ESCS has designed an array of studies on the nutritional, economic, administrative, and agricultural impacts of providing cash in lieu of commodities to school districts and is involved in the field tests of changes in school meal patterns. Most of these studies cut across several disciplines—from nutritional to agricultural economics—and it is not likely they could be adequately handled by a Department of Education.

In the foreseeable future, the Federal Government will come into possession of increasing stores of surplus agricultural commodities. A Department of Education would have no particular concern with the use of the child nutrition programs as a domestic outlet for surplus commodities.

The existence of agricultural stabilization and children nutrition programs within USDA permits the development of an integrated food and nutrition policy that used surpluses when they exist, and maintains the necessary framework for this function by providing commodities purchased at market prices when surpluses have been exhausted.

USDA is able to serve a dual objective—both to support the agricultural economy and to provide nutritious food items to schools and other institutions that care for children.

Even during periods of surplus, USDA supplements the surpluses with purchases of other, nonsurplus commodities that schools need. Such a balanced approach would be difficult to work out with a split jurisdiction on which USDA procures and ships commodities but a Department of Education administers the programs where the commodities are used.

Two particular problems would be likely to arise as a result of a transfer. Housing these programs in a Department of Education could lead to an emphasis on providing more in the way of cash subsidies and less in commodities, with possible adverse effects on agricultural producers. At the same time, a transfer could lead to adverse effects on the types and variety of those commodities that would still be provided to schools.

There is now a balance in the Department's commodity purchase decisions between serving the needs of schools and moving surplus agricultural products.

The reason generally given for moving the child nutrition programs to a Department of Education is to facilitate educational administration at the State and local level. Upon close examination, this contention turns out to be weak.

Commodities would still come from USDA. States would have to deal with two Federal Departments in the operation of food service programs, not one.

The uniformity of Federal program requirements directed through Treasury and OMB circulars, plus integration that has already occurred between FNS and the Office of Education, means that little additional administrative simplification could take place. The particular records and administrative requirements in the child nutrition programs stem from the distinct reimbursement structures carefully constructed for these programs by Congress over the past 30 years. By and large, the same records would still have to be kept. They would simply be submitted by the State to a Department of Education rather than to USDA.

Transfer of these programs to an education department offers no significant opportunities for long-range reduction in administrative costs and burdens at Federal, State, or local levels.

The short-term disruption caused by transfer would be an added cost. Where opportunities exist for reducing administrative costs by integrating FNS and Office of Education activities, integration now takes place.

While a transfer would not accomplish much in the administrative area, it could seriously jeopardize the strength and well-being of the child nutrition programs.

Among educators, child nutrition programs are often perceived as an expendable service to education. Faced with budgetary constraints and the need for trade-offs, Federal education administrators might sacrifice child nutrition efforts.

Successful food service is usually found in schools where administrators view the child nutrition programs as an integral part of the education program, while poor quality food service is frequently found in schools where child nutrition programs are viewed as ancillary to the education program.

Some States are contemplating the shifting of responsibility for the administration of such programs out of State education departments, and Texas has already announced plans for such a move.

Moving the child nutrition programs to a Department of Education would place the programs in an organization which is not concerned with the formulation or execution of nutrition policy; and second, it would whittle away at the total array of interests competing within the Department of Agriculture.

Overall, there is little real gain from moving child nutrition programs to an Education Department. There is risk of substantial loss, however, from such a move. The linkages with human nutrition research, food and consumer economics, agricultural impact studies, food specification writing, and food inspection in USDA would all be lost. Program operation and commodity purchases would be split, thus making the commodity operation more susceptible to pressures to act largely as a surplus removal operation.

While some attempt to take child nutrition away from the Department, others are making blatant and public attempts to steal the natural resource functions of USDA.

Others have been moving stealthily to capture the rural development functions of the Department.

I can understand their avarice. Since I have been chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I have always sought to make the USDA a broad-based Department that represents farmers, consumers, and city dwellers.

The USDA is conservatively operated. Its agencies rank among the best insofar as Federal employee productivity is concerned. Agriculture's share of the Federal budget has declined sharply over the past decade, to only about 3 percent of the Federal budget. Only $6 billion of the funds for the Department of Agriculture are for agricultural programs, while $8.6 billion are for food and nutrition programs. This means that just 1.2 percent of the 1978 Federal budget was earmarked for the support of agricultural programs.

I am not so much concerned about the declining share of the Federal budget for agriculture, because this decline is a tribute to agriculture's success in meeting its obligations.

My distinguished colleague from South Dakota, Mr. McGOVERN, made an outstanding statement about Federal reorganization as it impacts on the Department of Agriculture, on February 8 of last year when he introduced, with Senator Dole, S. 2519. I ask that this statement be included in the Record at this point:

> It seems to me that it might be well to examine this reorganization process as it has been set up, to see what kinds of conclusions might be reached.
>
> First of all it has been established on a functional or incremental basis, which pressures that like kinds of activities ought to be lumped together so as to avoid duplication of effort.
>
> What concerns me about this presumption is that certain agencies are multifaceted in their activities. For instance, the Department of Agriculture manages and conserves national forest lands. This management is tied intimately to national wood and fiber policy on private lands. Most of the private forest lands are held by farmers, whose land is also the base from which we get our food. These private lands are protected through the policies of the Soil Conservation Service. Farm income is protected by the Farmers Home Administration and the Agricultural Stabilization and Conservation Service, as well as other USDA agencies. Various shifts in farm and forestry economies, such as the pitifully low prices farmers are now receiving, having a decided impact on the economies of rural towns, which leads naturally into the department's rural development efforts.
>
> Like the facets on a diamond ring, these functions are irrevocably tied together into a related package of Federal efforts that serve rural America.
>
> The second question that a functional approach to reorganization raises is the desirability of competition between agencies. General Motors, which I think we will agree has had some business success, is organized along competitive lines. The Oldsmobile Division competes with the Buick Division, which competes with the Chevrolet Division, for customers of automobiles. This organizational success, and others like it, would seem to indicate that—while there is a definite need to streamline the Government and eliminate excessive overlap of functions—there is something to be said for having agencies compete with one another. A merging of agencies on a purely functional basis could certainly lead to departmental complacency and bureaucratic laxity. If you have the only store in town, it is easy to forget about customer service.

There is no way to make successful a functional reorganization of the Government; if we have not learned that as a result of the creation of the Department of Transportation and the Department of Housing and Urban Development, then we have learned nothing. There remain large chunks of Government activity dealing with housing and transportation which remain outside the jurisdiction of both of these agencies, and that is why Senator McGovern's statement is so compelling.

The taxpayers are not telling us to move the organization boxes around in an exercise of managerial hokus-pokus. They want the Government to be leaner and more effective. They want it to spend less money and employ fewer people.

In transferring the child nutrition programs to an education department, the opportunities for reductions in cost or administrative burdens in accounting requirements are virtually nonexistent. The accounting manuals used at the local level for both FNS and the Office of Education programs were developed by the same accounting firm, with the specific aim of making accounting procedures in both agencies' programs compatible. Differences in these accounting procedures reflect the differences between food service and other educational services. In addition, OMB Circular A-102 sets general standards on Federal accounting requirements for all Federal grant-in-aid programs.

Therefore, the proposal to move the nutrition programs will save the taxpayers not one thin dime, while the cost of the transfer will be substantial.

But, as I said, the piecemeal dismantling of USDA is the broader issue. I for one do not intend to sit idly by while this raid on USDA is being conducted by people who do not even know how to spell "farm." I am appalled that certain persons in the executive branch and Congress are literally falling all over themselves to see how many functions they can yank out of the USDA.●

Mr. RIBICOFF. I have no more requests for time, and I am willing to yield back the remainder of my time.

Mr. MOYNIHAN. Does the Senator from Oklahoma wish to speak on this issue?

Mr. BELLMON. No, I do not.

The PRESIDING OFFICER. Does the Senator from New York yield back his time?

Mr. MOYNIHAN. I yield back my time.

Mr. RIBICOFF. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. (Putting the question.)

The amendment was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 98

(Purpose: To eliminate the authority for the employment of additional personnel at levels GS-16, GS-17, and GS-18 of the General Schedule)

Mr. BELLMON. Mr. President, I have an amendment at the desk and ask that it be reported en bloc.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

> The Senator from Oklahoma (Mr. Bellmon) proposes an unprinted amendment numbered 98.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 112, strike out lines 9 through 12.
>
> On page 112, line 13, strike out "(e)" and insert "(d)".
>
> On page 112, line 20, strike out "(f)" and insert "(e)".
>
> On page 113, line 13, strike out "(g)" and insert "(f)".
>
> On page 115, beginning with "the sum" on line 23 strike out through the period on line 11, page 116, and insert the following: "17,239 positions.".

The PRESIDING OFFICER. Without objection, the amendment will be considered en bloc.

Mr. BELLMON. Mr. President, as I understand it, S. 210 proposes to consolidate various existing education programs at the Federal level in a new Department partly for reasons of efficiency and effectiveness. Since the time when this legislation was first discussed, it has been my feeling that it would not truly represent an effective and efficient addition to the Federal bureaucracy unless it was able to demonstrate economies to justify its existence. In testimony before the Senate Government Affairs Committee on October 12, 1977, I said:

> There is one caution I wish to offer the Committee as it studies this proposal. The creation of a separate Department of Education must not become an opportunity for bureaucratic self-aggrandizement. There is no reason to expand the bureaucratic workforce in order to demonstrate administrative effectiveness and equal importance with other departments. We have sufficient resources at work in the education functions at the Federal level; what we need to do is to consolidate, motivate and energize these resources to give the education mission greater impact. In the version of this bill which the Committee finally reports, I hope that restraints upon the growth of bureaucracy are clear.

The bill now before us, Mr. President, requires Congress to authorize the end strength of the Department in personnel at the end of each fiscal year, and there can be no appropriation for funds unless the end strength has been authorized. To start the Department off, however, section 403 (b) (1) states:

> For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Department is authorized an end strength for personnel equal to the sum of (A) the number of personnel to be employed by the Department under the authorizations provided by other sections of this Act, and (b) the number of personnel transferred, under authority of this act, to the Department from other departments and agencies of the Government during such fiscal year, as determined by the Director of the Office of Management and Budget. If the Secretary determines such action is necessary for the effective administration of the Department, the Secretary may employ additional personnel during such fiscal year in excess of the number authorized under the preceding sentence, but the number of such additional personnel may not exceed one per centum of the number authorized under the preceding sentence.

According to the Office of Management and Budget, Mr. President, the estimated present staffing of the programs to be transferred to the new Department totals 17,067, including those positions which may be considered excess to the needs of the new Department. In addition, S. 210 authorizes 13 new Executive level positions, 63 new supergrade positions and gives the Secretary authority to employ experts and consultants at the GS–18 daily rate. There will be an estimated 172 new positions already authorized or newly authorized in the bill. These positions include 44 permanent supergrades, 15 limited term supergrades, 13 officers, and 100 staff positions. The total of transferred and newly authorized positions therefore is 17,239. If the Secretary chooses to exercise the 1 percent option previously described, he could add 172 additional new positions during the first year of the new Department, bringing the total to 17,411.

A letter from the Vice President in support of this bill and dated April 5 states that the "new Department would permit elimination of 350 to 450 positions." Conversations my staff has had with OMB indicate that this figure is an estimate, based upon attrition over the next 3 to 5 years. Nowhere in the bill is the administration bound to such action, however.

While we do not want to unnecessarily tie the hands of the Secretary during the initial year's operation, it does seem that this legislation provides much opportunity for the well-known "ratchet effect," which insures that programs and expenditures may move upward, but never remain constant or decrease. Out of 17,067 positions transferred, it seems reasonable to believe that normal processes of reassignment and reclassification plus attrition will provide the Secretary with ample staffing flexibility during the first year. In view of the already large staffing level created by 17,067 transferees, and 172 new positions, it seems to me that the public is entitled to some specific protection against the natural tendency of bureaucratic organizations to grow to fill the available authorizations.

To provide this needed protection, I am offering the following amendments:

An amendment to delete the authorization of the 63 new supergrade positions. The Office of Management and Budget indicates that the pool of already authorized supergrade positions is sufficient to meet the needs of the New Department, so that it is not necessary to increase the total authorized supergrade slots.

An amendment limiting the number of positions transferred to the new Department of 17,067—the number currently estimated by OMB for the functions and programs consolidated and limiting the number of new positions to 172, for a total of 17,239. We do not need to initiate the Department of Education by allowing it to become a dumping ground for unwanted personnel or a bureaucracy artificially inflated.

The purpose of these amendments I have just called up en bloc is to provide this needed attention. I hope the sponsors of the bill have had a chance to look at the amendments. I think they will find that they in no way tie the hands of the Secretary, but they rather do protect the public against a normal tendency for a new bureaucracy to grow beyond the bounds of reason. This is what happened with the Department of Energy, and is one of the reasons for the criticism it has received. I hope we can avoid such pitfalls in the new Department of Education.

Mr. RIBICOFF. Mr. President, I want to commend the Senator from Oklahoma for bringing these amendments to the floor. We have studied them very carefully. The department should definitely be streamlined. Under no circumstances should we allow any excess positions to be created.

I believe the bill is a better bill because of the contribution of the Senator from Oklahoma and, as manager of the bill, I am pleased to accept the amendments of the Senator from Oklahoma.

Mr. DANFORTH. Mr. President, I think this is characteristic of the Senator from Oklahoma in his efforts to bring efficiency to Government and to prevent the needless proliferation of bureaucracy and the staffing of departments with unneeded personnel.

I compliment him on these amendments, and we on the minority side of the management of this bill are willing to accept the amendments.

Mr. BELLMON. Mr. President, I thank my friends, and I appreciate their position.

I am prepared to yield back the remainder of my time.

Mr. RIBICOFF. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. (Putting the question.)

The amendment was agreed to en bloc.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I think the Senator from Virginia requested some time, and I am pleased to yield it to him.

I suggest the absence of a quorum until the Senator can be on the floor in about 30 seconds.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 99

(Purpose: To transfer Indian education programs from the Secretary of the Interior to the Secretary, to establish an Office of Indian Education in the Department, and for other purposes)

Mr. BELLMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 99.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

establish a Department of Education, viz:

On page 81, between lines 4 and 5, insert the following: (F) an Assistant Secretary for Indian Education;

On page 81, line 5, strike out "(F)" and insert "(G)".

On page 81, line 6, strike out "(G)" and insert "(H)".

On page 81, line 7, strike out "(H)" and insert "(I)".

On page 81, line 8, strike out "(I)" and insert "(J)".

On page 81, line 24, strike out "(G)" and insert "(H)".

On page 81, line 25, strike out "section 203(11)" and insert "section 203(12)".

On page 81, between lines 22 and 23, insert the following:

(3) The Assistant Secretary for Indian Education shall be appointed by the President, by and with the advice and consent of the Senate, from among lists of candidates submitted by tribes or other organizations of Indians, Alaskan Natives, or Aleuts.

On page 84, immediately before line 1, insert the following:

(9) administration of programs for education of Indians, Alaskan Natives, and Aleuts, and fulfillment of the obligations of the Government relating to education of such individuals;

On page 84, line 1, strike out "(9)" and insert "(10)".

On page 84, line 4, strike out "(10)" and insert "(11)".

On page 84, line 5, strike out "(11)" and insert "(12)".

On page 84, line 10, strike out "(12)" and insert "(13)".

On page 84, line 13, strike out "(13)" and insert "(14)".

On page 84, line 17, strike out "(14)" and insert "(15)".

On page 87, between lines 20 and 21, insert the following:

OFFICE OF INDIAN EDUCATION

SEC. 210. (a)(1) There is established in the Department an Office of Indian Education, to be administered by the Assistant Secretary for Indian Education appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Indian Education—

(A) all functions transferred from the Secretary of the Interior or the Department of the Interior under section 304 (other than administrative and support functions); and

(B) the functions relating to Indian education (other than administrative and support functions), transferred from the Education Division of the Department of Health, Education, and Welfare under sections 301 (a)(1) and 301(b)(1), which were administered by the Deputy Commissioner for Indian Education of the Department of Health, Education, and Welfare on the day before the effective date of this Act.

(2) The Assistant Secretary for Indian Education shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) The transfer of functions from the Secretary of the Interior or the Department of the Interior shall not—

(1) modify or eliminate any eligibility requirements for participation in programs administered by the Secretary of the Interior or the Department of the Interior which were in existence on the day before the date of enactment of this Act; or

(2) alter in any way the trust responsibility of the United States for Indians, Alaskan Natives, or Aleuts.

(c) In carrying out his responsibilities under this Act, the Assistant Secretary for Indian Education shall—

(1) consult regularly with the Assistant

Secretary for Indian Affairs of the Department of the Interior in order to assure the efficient operation of programs for Indian education and to coordinate the provision of support services by the Department of the Interior; and

(2) take such steps as may be appropriate to increase the level of local control of Indian education by Indians, Alaskan Natives, and Aleuts.

(d) Not later than three years after the effective date of this Act, and every three years thereafter, the Secretary, after consultation with the Assistant Secretary for Indian Education and with affected Indian tribes, Indian organizations, and other groups, shall transmit to the Congress a comprehensive plan for the education of Indians, Alaskan Natives, and Aleuts.

On page 87, line 22, strike out "Sec. 210." and insert "Sec. 211.".

On page 88, line 19, strike out "Sec. 211." and insert "Sec. 212.".

On page 89, line 2, strike out "Sec. 212." and insert "Sec. 13.".

On page 90, line 13, strike out "Sec. 213." and insert "Sec. 214.".

On page 95, line 22, strike out "Sec. 214." and insert "Sec. 215.".

On page 107, immediately after line 23, insert the following:

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF THE INTERIOR

SEC. 304. (a) There are transferred to the Secretary all functions of the Secretary of the Interior or the Department of the Interior relating to the education of Indians, Alaskan Natives, and Aleuts.

(b) The provisions of subsection (a) shall take effect on the effective date specified in section 601, except that the transfer of functions relating to the operation, construction, and maintenance of schools and dormitories affected by subsection (a) of this section shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting such transfers. Such plan shall be developed in consultation with representatives of the affected tribes, Indian organizations, and other groups.

On page 108, line 3, strike out "Sec. 304." and insert "Sec. 305.".

On page 108, line 12, strike out "Sec. 305." and insert "Sec. 306.".

On page 108, line 18, strike out "Sec. 306." and insert "Sec. 307.".

On page 109, line 3, strike out "Sec. 307." and insert "Sec. 308.".

On page 109, line 10, strike out "Sec. 308." and insert "Sec. 309.".

On page 110, line 20, strike out "section 210" and insert "section 211".

On page 111, lines 14 and 15, strike out "section 210" and insert "section 211".

On page 118, strike out line 15.

On page 118, line 16, strike out "(J)" and insert "(I)".

On page 118, line 17, strike out "(K)" and insert "(J)".

On page 113, line 18, strike out "(L)" and insert "(K)".

On page 118, line 19, strike out "(M)" and insert "(L)".

On page 119, line 20, immediately after the semicolon, strike out "and".

On page 119, line 23, strike out the period and insert a semicolon and "and".

On page 119, immediately after line 23, insert the following:

(5) the Office of Indian Education of the Department of Health, Education, and Welfare.

On page 124, line 18, strike out "section 304" and insert "section 302".

On page 139, line 9, strike out "(6)" and insert "(7)".

On page 144, between lines 13 and 14, insert the following:

CONTRACTS WITH INDIAN TRIBAL ORGANIZATIONS

SEC. 512. (a) The Indian Self-Determination and Educational Assistance Act is amended by inserting after section 102 the following new section:

"CONTRACTS BY THE SECRETARY OF EDUCATION

"SEC. 102A. (a) (1) The Secretary of Education is directed, upon the request of any Indian tribe, to enter into a contract or contracts with any tribal organization of such Indian tribe to carry out any or all of the functions, authorities, and responsibilities transferred to the Secretary of Education from the Secretary of the Interior or the Department of the Interior under the Department of Education Organization Act, except that the Secretary of Education may decline to enter into any contract requested by an Indian tribe if he finds in accordance with the procedures required under paragraph (2), that—

"(A) the service to be rendered to the Indian beneficiaries of the particular program or function to be contracted for will not be satisfactory;

"(B) adequate protection of trust resources will not be assured by such contract; or

"(C) the proposed project or function to be contracted for cannot be properly complete or maintained by the proposed contract.

"(2) (A) In making the findings required under paragraph (1), the Secretary of Education shall consider whether the tribe or tribal organization would be deficient in performance under the contract with respect to (i) equipment, (ii) bookkeeping and accounting procedures, (iii) substantive knowledge of the program to be contracted for, (iv) community support for the contract, (v) adequately trained personnel, or (vi) other necessary components of contract performance.

"(B) Whenever the Secretary of Education declines to enter into a contract or contracts pursuant to paragraph (1) of this subsection, the Secretary of Education shall (i) state objections in writing to the tribe within sixty days of such declination; (ii) provide, to the extent practicable, assistance to the tribe or tribal organization to overcome such stated objections; and (iii) provide the tribe with a hearing, under such rules and regulations as the Secretary of Education shall promulgate, and the opportunity for appeal to the Secretary of Education on the objections raised to such declination.

"(3) The Secretary of Education is authorized to require any tribe requesting that the Secretary of Education enter into a contract pursuant to the provisions of this title to obtain adequate liability insurance. Each such policy of insurance shall contain a provision that the insurance carrier shall waive any right it may have to raise as a defense the sovereign immunity of the Indian tribe from suit, but that such waiver shall extend only to claims the amount and nature of which are within the coverage and limits of the policy and shall not authorize or empower such insurance carrier to waive or otherwise limit the sovereign immunity of the tribe outside or beyond the coverage and limits of the policy of insurance.".

(b) Section 103 of such Act is amended by striking out "Health, Education, and Welfare" wherever it appears and inserting in lieu thereof "Health and Human Services".

(c) Section 104 of such Act is amended by redesignating subsection (c) as subsection (d) and by inserting immediately after subsection (b) the following new subsection:

"(c) The Secretary of Education may, in accordance with regulations adopted pursuant to section 107 of this Act, make grants to any Indian tribe or organization for—

"(1) the development, construction, operation, provision, or maintenance of adequate education facilities or services, including the training of personnel for such development, construction, operation, provision, or maintenance, from funds appropriated to the Department of Education for Indian education services or Indian education facilities; or

"(2) planning, training, evaluation, or other activities designed to improve the capacity of a tribal organization to enter into a contract or contracts pursuant to section 102A of this Act.".

(d) (1) Section 106(a) of such Act is amended by striking out "102" and inserting "102, 102A,".

(2) Section 106(b) of such Act is amended by inserting "102A," immediately after "102,".

(3) Section 106(c) of such Act is amended by striking out "102" and inserting "102, 102A,".

(4) Section 106(d) of such Act is amended by inserting "102A," immediately after "102,".

(5) Section 106(e) of such Act is amended by inserting "102A," immediately after "102,".

(6) Section 106(f) of such Act is amended by striking out "102" and inserting "102, 102A,".

(7) Section 106(g) of such Act is amended by—

(A) inserting "102A," immediately after "102,"; and

(B) striking out "Interior and Health, Education, and Welfare" and inserting "Interior, Health and Human Services, and Education".

(8) Section 106(h) is amended by striking out "102" and inserting "102, 102A,".

(e) (1) Section 107(a) of such Act is amended by striking out "Interior and of Health, Education, and Welfare" and inserting "Interior, of Health and Human Services, and of Education".

(2) Section 107(c) of such Act is amended by striking out "Interior and the Secretary of Health, Education, and Welfare" and inserting "Interior, the Secretary of Health and Human Services, and the Secretary of Education".

(f) Section 109 of such Act is amended by inserting "102A," after "102,".

(g) Section 5(a) of such Act is amended by striking out "Interior or the Secretary of Health, Education, and Welfare," and inserting in lieu thereof "Interior, the Secretary of Health and Human Services, or the Secretary of Education".

(h) (1) Section 8 of the Act of August 5, 1954 (42 U.S.C. 2004b) is amended by inserting "102A," after "102,".

(2) The first sentence of section 6(a) (2) of the Military Selective Service Act of 1967 (50 U.S.C. App. 456) is amended by striking out "amended" and inserting "amended, or the Department of Education Organization Act".

On page 144, line 15, strike out "Sec. 512." and insert "Sec. 513.".

One page 145, line 8, strike out "Sec. 513." and insert "Sec. 514.".

On page 72, in the table of contents, renumber the items relating to sections 210 through 214 as the items relating to sections 211 through 215, respectively, and insert immediately after the item relating to section 210 the following:

"SEC. 210. OFFICE OF INDIAN EDUCATION.".

On page 73, in the table of contents, renumber the items relating to sections 304 through 308 as the items relating to sections 305 through 309, respectively, and immediately after the item relating to section 303 insert the following:

"SEC. 304. TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF THE INTERIOR.".

On page 74, in the table of contents, renumber the items relating to sections 512 and 513 as the items relating to sections 513 and 514, respectively, and insert immediately after the item relating to section 511 the following:

"SEC. 512. CONTRACTS WITH INDIAN TRIBAL ORGANIZATIONS.".

Mr. BELLMON. Mr. President, one cluster of education programs not included in S. 210 is the Indian education function within the Bureau of Indian Affairs. It is a significant part of this country's commitment to the special educational needs of Indian Americans, and there is no doubt that we must continue to provide the necessary emphasis upon education which this function now represents. However, it is not the only program commitment to Indian education which the Federal Government has initiated. The Indian education programs within the present HEW Office of Education are another similar commitment, and they are included in the consolidation proposed by S. 210.

Since S. 210 does not propose to transfer Indian education from the BIA into the new Department of Education, we will simply continue the curious present arrangement of separate programs addressing the same basic problem. In this time of need to concentrate Federal resources so as to provide the most effective and efficient programs, this seems unwise. My amendment will incorporate the BIA Indian education functions into the proposed Department of Education.

Mr. President, my amendment is motivated not only by the desire for enhanced program cost effectiveness, but also by the stark fact that Indian education remains a substantial and difficult problem, requiring the best and most intensive effort which Federal programs can provide. The problems of Indian education have not dissipated, and this is no time to scatter our efforts to improve Indian education; instead, it is the time to more sharply focus on the special needs of Indian Americans.

I am sure, Mr. President, that there are Indian and other groups who fear the uncertainties raised by the kind of change this amendment represents. I am equally sure that there are Indian and non-Indian groups who do not wish the presently ineffective status quo to continue.

I might say that in my own State, we recently held a meeting on this subject, and I was amazed to find out how unanimous the Indian tribal representatives were in favor of leaving Indian education where it is, in the BIA. These are the same people who, over the years, have complained bitterly of how tribal affairs have been run by the Bureau of Indian Affairs; but yet when you talk about transferring a program from the Indian agency, those same people become ardent defenders of the status quo.

I am also certain, however, that although they defend the status quo, they do not want the same conditions to continue. It is certainly not in the best interests of either Indians or the country as a whole to suffer with the Bureau's legendary inadequacies. My amendment would make a significant improvement in the bill as reported, by moving the BIA educational activities into the new department.

For instance, Mr. President, in my own State of Oklahoma, we have an Indian boarding school run by the BIA. This figure will undoubtedly shock every Senator, as it shocked me when I found out about it: The per capita cost of running that school is over $20,000 per student per year. The Indian boarding school at Chilocco has a cost of $20,000 per student per year, largely because the school was built and staffed for a capacity of over 500 students, and at the present time the enrollment figure is down to about a third of that.

Yet the BIA, for some reason, has not seen fit to consolidate this school with others. In my opinion, there is a ripe field here for improvement, and the purpose of this amendment is to try to bring about such an improvement.

I know that the sponsor of the bill has attempted to undertake the same kind of transfer, but for reasons which I am sure are good and valid, he has not gone forward with that proposal. If he would like to comment on this point, I would like to hear from him.

Mr. RIBICOFF. Mr. President, I agree with the proposal of the Senator from Oklahoma, and commend him on it.

I think it is a great tragedy that we have been unable, because we do not have the votes, to put Indian education into the Department of Education. There is no question that the Bureau of Indian Affairs does an abysmal job. But the Indians somehow are under the impression that they are going to be harmed by such a transfer, and have indicated overwhelming opposition.

I think one of the disgraces of this Nation is the bad quality of Indian education, the disturbing dropout rate, the amount of money that is spent, and the failure to give the Indian children the education they should have in this country.

The OMB realizes the problem, and they are going to do a lot more work in this field. They will be devoting considerable time in the Indian territories and with the Indian tribes to try to explain what their objectives are, what they are seeking to accomplish, and why the Department of Education would be a much better place to assure a better quality of education for the Indians.

As I said on the floor when this bill came up, I do recall, when I was Secretary of HEW, how deeply disturbed President Kennedy and I were with the shocking health statistics and conditions of the Indians. Health then was under the Bureau of Indian Affairs. We were able to transfer the Indian health function to HEW. We felt then that the same should have been done for education, but that was not achieved, and when we brought this matter up on the floor last year, we were defeated.

It would be my hope that after careful study and much more educational work with the Indian leaders, they would realize that the time has come to work out an arrangement to take Indian education outside the jurisdiction of the Bureau of Indian Affairs and finally, for all the money we are spending, begin to meet our obligation as a nation to give quality education to the Indian population of our country. So I am glad that the Senator from Oklahoma has again called the attention of this body to the basic need that exists to do something for Indian education in this country.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. RIBICOFF. I yield.

Mr. BELLMON. It seems to me that one of the problems here is the question the manager of the bill has just raised, that there seems to be a lack of understanding on the part of Indian leaders as to what would be involved in a transfer, and they seem to be fearful about the unknown.

I wonder if the manager of the bill and the ranking minority member might be willing to join me in a letter to the Comptroller General, Mr. Staats, of the General Accounting Office, to suggest a study of making this transfer at some future time, on either of two bases: Either of transferring all educational functions to the Department of Education, or of off-reservation boarding schools; and in the course of such a study, hopefully, the Indian leaders would become better able to understand what is involved, having had some input, and perhaps in a year or two another look at this whole matter might be undertaken.

Mr. RIBICOFF. Mr. President, I think the suggestion of the Senator from Oklahoma is sound. I would be pleased to join in such a letter, and hope that the staff will join with him in drafting such a letter to send to Mr. Staats. I assure the Senator that my signature will be placed on that letter.

Mr. DANFORTH. Mr. President, I am not the ranking minority member on the committee. Senator PERCY is. He unfortunately cannot be present at this time. I am told by the staff that Senator PERCY would be willing to sign such a letter as suggested by the Senator.

Mr. BELLMON. Mr. President, I appreciate the responses from the manager of the bill and Senator DANFORTH, whether as ranking member or not. I would be anxious to work out the language of such a letter in anticipation of that course of action.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. HART). The Senator from Oklahoma.

UP AMENDMENT NO. 100

(Purpose: To make a technical correction)

Mr. BELLMON. Mr. President, I have an unprinted amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 100.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 116, line 12, strike out "1978" and insert "1979".

On page 116, line 13, strike out "1979" and insert "1980".

Mr. BELLMON. Mr. President, this is a technical amendment dealing with typographical errors in the printed version of the bill. It has nothing to do with the substance of the bill.

The sponsor of the legislation is, I believe, aware of the amendment and agrees that these corrections should be made.

Mr. RIBICOFF. Mr. President, this is a technical amendment and is acceptable to the manager of the bill.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 101

(Purpose: To require the President, in making appointments to the Intergovernmental Advisory Council on Education, to select individuals who represent a diversity of geographic areas and demographic characteristics)

Mr. LEAHY. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY) proposes an unprinted amendment numbered 101.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 93, strike out lines 12 through 18, and insert the following:

(2) In making appointments under this subsection, the President shall—

(A) consult with a broad cross-section of organizations representative of the groups specified in subparagraphs (A) through (D) of paragraph (1), including but not limited to representatives of State and local governmental authorities, school boards and school officials, and education organizations; and

(B) select individuals who represent a diversity of geographic areas and demographic characteristics.

Mr. LEAHY. This legislation effects the composition of the Intergovernmental Advisory Council on Education established by S. 210. Basically, any amendment would guarantee that the membership of that Council be representative of the geographic and demographic distribution of this Nation's population.

I believe this to be a necessary and important improvement to S. 210. It will serve to insure that every sector of the population including the cities, rural areas, and the various geographic regions, have a voice in Federal planning for America's education.

The reasons for this amendment are manifold. If we are to have truly balanced national growth, we must have equity in the planning of our educational programs. This equity has not existed in the past, does not exist now, and unless the Intergovernmental Advisory Council on Education has balanced membership, it will never exist in the future.

Mr. President, I want to reiterate my support of S. 210 and compliment Senators RIBICOFF and PERCY on this strong legislation.

Mr. President, I understand this amendment is acceptable to the managers of the bill.

Mr. RIBICOFF. Mr. President, this is an amendment which will improve the bill and which is acceptable. I yield back the remainder of my time.

Mr. LEAHY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 146

(Purpose: To eliminate language relating to the organizational position of education programs in the executive branch of the Government)

Mr. HAYAKAWA. Mr. President, I would like to call up my amendment No. 146 which strikes inappropriate language from S. 210.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes amendment numbered 146.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 75, strike out lines 6 through 9.

On page 75, line 10, strike out "(8)" and insert "(7)".

On page 75, line 15, strike out "(9)" and insert "(8)".

Mr. ROBERT C. BYRD. Will the distinguished Senator yield? I beg his pardon for interrupting.

Mr. HAYAKAWA. I will be glad to yield.

Mr. ROBERT C. BYRD. Could we get the time on this amendment cut down to, say, 20 minutes equally divided? Would that be sufficient?

Mr. HAYAKAWA. That would be sufficient.

Mr. ROBERT C. BYRD. I thank the Senator. Is that agreeable with the Senator from Missouri?

Mr. DANFORTH. Yes.

Mr. ROBERT C. BYRD. And is it agreeable with the Senator from Connecticut?

Mr. RIBICOFF. Yes.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, on page 75, lines 6 through 9 of S. 210, the bill states that—

> Presidential and public consideration of issues relating to Federal education programs is hindered by the present organizational position of education programs in the executive branch of the Government.

My amendment would eliminate this language.

Since education is a function reserved to the States under article I of the Constitution, the structure of the Federal executive branch has little to do with the issue of proper recognition of the importance of education any more than the absence of a Federal police force or fire department means that these functions are not important to the Nation.

I do not think that having a Department of Education would insure greater Presidential attention to or public awareness of our problems in education. We have serious problems in American education—I doubt that you would find anyone to disagree with that—but I fail to see how this new department would force this attention to education.

The problems that exist in American education today are not the results of inattention from anyone. In fact, I would be more inclined to believe that our problems in education have resulted from too much attention from the Federal Government. Removing education from the Department of Health, Education, and Welfare may for some indicate a symbol of Federal urgency, but to others it indicates nothing more than a surface effort to placate those citizens displeased with our present education system. The problems in our education system, and the stagnation within HEW will not be eliminated by reshuffling organizational structure. Our past and present Federal education budgets are not good cases of neglect. The essence of quality government is not the details of organization and structure, but the imagination and talent of the people brought to it.

The fact that education does not, at this time, have its own department does not mean that education has a low priority in this country. Education has enormous priority in every city, town, and village, much of whose taxes go toward education. The NEA itself has reported that the education enterprise in America represents an expenditure of $70 billion—what kind of negligence to education is this? If there is any one thing that the overwhelming majority of Americans, including children from about 3 years old and up are concerned about, talk about, know about, participate in, and are directly involved in, it is education.

Our schools receive top consideration at every level of government—Federal, State, and local. I fail to see how the establishment of a Federal department would change education's status one bit.

Supporters of S. 210 point to the fact that education directly involves more than 60 million Americans, and that spending on education exceeds spending on national defense. They also mention that it is as important a function as commerce, labor, transportation, or agriculture. I agree that education is as important as health, foreign affairs, defense, and energy, all of which are found in Cabinet roles. But every one of these subjects has a definite Federal role. And although education already has a place in the Federal bureaucracy, it should remain primarily in the hands of our States, localities, parents, and children.

Surveys provided by the American Federation of Teachers showed that less than 15 percent of the American people believe that the problems of education can be solved at the Federal level; and when polled regarding their views on the creation of a Federal department, a majority of those with an opinion oppose the creation of this department. Even more are opposed to the department when the sample consisted only of parents with school-age children. The percentage against is higher still when only minority parents were asked. "Increased status and attention to education" are ambiguous words that could mean an increased Federal role not supported by most Americans.

To give a little history about the creation of new Federal departments, I would like to read just two short paragraphs from an editorial that appeared in the October 9, 1978, Washington Post:

> The decision to establish a new federal department usually constitutes a statement of new federal purpose. The most recent department, Energy, was a response to the oil crisis of 1973-4 and to the realization that the country was going to need stronger and better-calculated policy. The Transportation Department was set up in 1966 to bring order among the dozens of bureaus and boards that, with steadily rising federal outlays, were working not only at cross purposes with each other but frequently in competition with each other.
>
> You could make a case for this department if there were a great and urgent necessity for broad new federal authority over the schools. But the present pattern of decentralized control is working very well. You could also make a case if you believed that state and local school systems were in deep financial need from which only huge new federal appropriations could rescue them. But at the moment the state and local governments are, collectively, running a surplus of $10 billion a year while the federal budget is $38 billion in the red . . . the legislation's sponsors are still unable to demonstrate any plausible public benefit in it. On the contrary, by inviting greater federal intervention and distorting the present satisfactory balance of responsibilities, it is a good deal more likely to bring real harm.
>
> Even Secretary of HEW Califano has said that a separate department would not be "answering to its obvious constituency—students and parents—but to administrators and teachers who would assert an unwarranted degree of influence."

There is no question that our national educational efforts must be reviewed, strengthened, and improved. We spend dollar after dollar, and our children still cannot read. Something is wrong, but the cosmetic change of this new department rather than facing and dealing with the problems in American education will not help our children, and we in Congress should be embarrassed for even suggesting that it could.

In short, I do not think that having this department would insure greater attention to our problems. We do have problems in education, but a separate department would not solve them. If garnering greater Federal attention and control of our education policies is what the sponsors of S. 210 have in mind, then the language I propose to delete should remain in the bill. But if we want the control of our education to remain in the hands of States, localities, and parents, then we should adopt my amendment.

(Mr. HEFLIN assumed the chair.)

Mr. DANFORTH. Mr. President, I think the point that the Senator from California has made is a very good point and it deserves repetition. The point that the Senator from California has made, as I understand it, is that we must be very careful not to transfer responsibility for decisionmaking from local school boards to a giant new Federal bureaucracy in the name of reorganizing the Federal Government. This is a point which has been made repeatedly over the last 2 years, as the Department of Education was considered before the Governmental Affairs Committee, and also on the floor of the Senate, last year and again this year.

Over and over again, during the hearings, last year and this year, the point was made by witnesses and by Senators questioning the witnesses that it was not the intention to create a new type of bureaucracy which would assume greater responsibility for decisionmaking from the local school board. Again, during markup, both last year and this year, amendments were offered which were designed to make it abundantly clear in the text of the bill that the effort was not to transfer decisionmaking responsibility to the new Department of Education, which responsibility has historically been vested in the local school boards.

Again, on the floor of the Senate, both last year and this year, colloquies were very carefully worked out involving Senator RIBICOFF, the chairman of the Governmental Affairs Committee, and Senator PERCY, the ranking minority member, together with other Senators, including Senator ROTH and myself, to create the clearest possible legislative history for the proposition that we were not attempting to transfer decisionmaking responsibility to the new Department of Education, which had historically been vested in the local school boards.

I think that the Senator from California is attempting to make the same point. I agree with that point. I think it is the same point that was made by the Senator from California and the junior Senator from New York during discussion of an earlier amendment. But I wonder if the same result would not be accomplished if, instead of the amendment which the Senator from California is proposing, which would strike line 7 on page 75, we made it clear that Presidential and public consideration of issues relating to Federal education programs is hindered by the present organizational position of education programs in the executive branch of the Government; and if, instead of striking paragraph 7, it could be amended by inserting before the word, "education" the word "Federal," and after the word, "education," the word, "programs."

Would the Senator from California consider withdrawing the amendment that was offered and substituting therefor an amendment which would insert the word, "Federal," before the word, "education," and the word, "programs," after "education".

Mr. HAYAKAWA. Mr. President, I thank the distinguished Senator from Missouri for his profound understanding of the purpose of my amendment. I believe that the addition of those two words, "Federal" before "education" and "programs" after "education," and leaving that whole paragraph to stand with that revision does achieve the purposes I was seeking in the amendment. I am very happy to accept the suggestion of the distinguished Senator from Missouri.

I, therefore, ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator send the modification to the amendment to the desk? The clerk will state the modification.

The second assistant legislative clerk read as follows:

> On page 75, line line 7, insert "Federal" before "education" and insert "programs" after "education".

The amendment was so modified.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from California, as modified, is acceptable to the manager of the bill.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (No. 146), as modified, was agreed to.

THE ESTABLISHMENT OF A DEPARTMENT OF EDUCATION

Mr. HARRY F. BYRD, JR. Mr. President, the establishment of a Department of Education, in my view, is ill-advised.

We have a long and strong tradition of determining education policy at the State and local levels. This is exactly where these decisions should be. Local jurisdictions can best determine local needs.

Notwithstanding language included in the legislation designed to allay fears of Federal control of education, the historic pattern of growth of the existing Federal agencies convinces me that a separate Department of Education would inevitably—inevitably—magnify the problems of State and local educators.

It is well known that the burden of excessive Federal regulations, reporting requirements, and intrusion into the affairs of our educational institutions is one of the most serious problems they face.

As stated in an editorial appearing in the University of Virginia's Cavalier Daily:

> Federal agencies, once formed, tend to grow and enlarge their spheres of influence. I would add, grow, and grow, and grow; regulate, regulate and regulate.

Two years ago, I voted in favor of the creation of a new Department of Energy in the hope of consolidating overlapping and duplicative programs (thus reducing personnel requirements) and to increase efficiency in this vital area of Government. Unfortunately, the evidence indicates that the administration of energy matters is now more costly, personnel has been increased, and no major gains in efficiency have been apparent. Furthermore, regulations and rulemaking are almost daily forthcoming. This is streamlining?

Except for impact aid, which goes to local school Districts with no strings attached, most education funds have been targeted to this category and that category with very specific strings attached thereto.

A new Department of Education, it is said, will strengthen the commitment to education as a national priority. This can only mean the probability of more and bigger categorical programs and more Federal controls.

As Mr. William Raspberry pointed out in his column in the Washington Post entitled "A Federal Education Policy?" last January:

> . . . do they think for one moment that they could get more Washington money without more Washington standard-setting?

The answer is "no"—with Federal funds goes Federal control. Nowhere has this been more amply demonstrated than in the administration of the categorical education programs since the Education Act of 1965, when Federal funding of education programs was substantially expanded, and in the years since.

A Department of Education would only more firmly entrench and expand Federal control. It would have a vested self-interest in doing so, Mr. President. It would also have a vested interest in retaining categorical programs, as opposed to block grants. To lose control of local schools would reduce its control of its new empire.

All in all, Americans—and certainly Virginians—support education, but they want to keep as much authority over it as possible in their local communities. We have too much Washington control now.

The people do not want a new Washington bureaucracy, in my judgment, to further erode local responsibilities.

Nor do I. I shall vote against the pending bill.

Mr. President, I ask unanimous consent that the text of the Cavalier Daily editorial and the William Raspberry column to which I have referred, together with editorials from the Washington Post and New York Times opposing the creation of this new Department be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the University of Virginia Cavalier Daily, Feb. 14, 1979]

A Department of Education

Last year we objected to President Carter's proposal of a cabinet-level Department of Education because we couldn't see the use of it. After civil service and Department of Energy proposals, we thought it was merely the third and most cosmetic volley on Carter's "government reorganization" hit list. We specifically disliked the plan to shift HEW programs like Head Start to the Department of Education—a proposal that has been dropped since. But the administration's proposal remains unpalatable because it lacks convincing arguments.

When the bill was introduced in the Senate last week, Vice President Mondale argued in favor of it. Actually his comments substantiated our belief that the bill's chief appeal is cosmetic. In a briefing, Mondale supported the bill because the United States "is the only major industrial democracy in the world that does not have a ministry of education."

Mondale's reasoning is illogical. America's educational system tops those of other industrial democracies, possibly because it lacks a federal ministry. State and local governments spend 38 percent of their budgets on education; their influence has made diversity, individualism and local involvement bywords of America's educational system. Federal agencies, once formed, tend to grow and enlarge their spheres of influence. We would hate to see the federal government chip away at the power of state and local agencies: the very elements that have made America's educational system successful.

Mondale, the National Education Association and other supporters of the bill say that education issues will be more "visible" if education's highest official can address the President at a cabinet meeting. But an education proposal should be appreciated for its own merits, not because an enormous education lobbying group favors it.

Educational programs currently are scattered through many departments and agencies; the Carter administration views this as a bureaucratic dilemma. But it has proposed a new bureaucracy (300 new administrative positions) to solve an excess of bureaucracy. The battle over jurisdiction and reorganization of the education programs will create more problems than it solves.

Last but not least, the consolidation of federal education programs could invite trouble from the executive branch. A president sensitive to an upswell of public opinion against education could take wide swipes at research agencies—the National Science Foundation, for example—if he had a lone Secretary of Education under his thumb. We hope Congress will poke holes through the education department proposal, exposing it as a superficial solution to problems that are largely nonexistent.

[From the Washington Post, Jan. 26, 1979]

A Federal Education Policy?

(By William Raspberry)

I suppose there may be some bureaucratic efficiencies that have resulted from the creation of the Department of Energy.

But bureaucratic efficiency was not the reason for creating the department. President Carter wanted to pull together the bits and pieces of energy programs scattered throughout the federal bureaucracy for one principal reason: so that the federal government could bring a unified approach to energy—so it could get a handle on energy policy.

Similarly, there might be some efficiencies that would result from the creation of a Department of Education, though I doubt it.

But don't kid yourself for one second that efficiency is the reason the backers of the idea are so fervent about it. The real reason is that pulling together the bits and pieces of education-linked programs presently scattered throughout the federal bureaucracy would give the federal government—and those who could reasonably expect to influence the new department—a handle on educational policy.

The difference between the two things is this: We were pretty well agreed that we needed a national, consistent federal policy on energy. But we are by no means agreed that we want a federal policy on education, with Washington taking over more of the policy function now relegated to state and local officials.

We aren't agreed because we haven't even debated the question. We haven't understood that the creation of a Department of Education is in fact a policy question, not merely a matter of efficiency.

Do we want a federal policy on education? The impulse is to say: Why not? Standards (for high school graduation, for instance) vary so much from jurisdiction to jurisdiction that a diploma cannot be taken at face value. Why not a single, federal standard?

Wouldn't it make sense to have consistent standards to determine what and how much children should be expected to learn at every grade level? After all, we already have nationally standardized tests to see what they've absorbed.

"That's easy enough for you noneducators to say," one government official told me. "But if one of us said it, I can predict what would happen.

"The first day, there would be applause. The second day, the unions and chief state school officials and the school boards would attack.

"And the third day, the same people who thought it such a wonderful idea on Day One would begin saying, 'On second thought . . .' "

The scenario might not be far off. The teachers' unions—including members of the National Education Association, one of the major lobbyists for the proposed department—would quickly learn that national standards for what and how much should be taught naturally lead to national standards for determining who is qualified to teach it. All teachers' colleges are not created equal.

The state and county school authorities would attack because they are responsible for running some of these bad schools. The school boards would resent the federal usurpation of their policy-making role.

Okay, I know that the supporters of the proposed department don't anticipate federal standard-setting and policy-making. Their dubious rationale is that a president would pay more attention to education if its interests were articulated at the Cabinet level. Thus, a Department of Education would enhance the visibility and prestige of education within the federal establishment.

But visibility and prestige for *what?* For greater federal outlays? Is there any reason to suppose that creation of the department would in fact increase the amount of federal money available? And if it did, do they think for one moment that they could get more Washington money without more Washington standard-setting?

Maybe we ought to have national standards and educational policy. The point is, you cannot create a Department of Education first and decide the question of policy and standards later.

The creation of the department is a policy decision—even if it masquerades as reorganization for bureaucratic efficiency.

We ought to keep that in mind when the proposal is taken up again, probably later this month.

[From the Washington Post, Feb. 11, 1979]

The Education Department—Again

Never underestimate the power of a bad idea to generate bad arguments. Vice President Mondale's remarks the other day in favor of the creation of a Cabinet-level Department of Education were an example. The vice president, in a briefing, made the point that the United States "is the only major industrial democracy in the world that does not have a department or a ministry of education," although, to our certain knowledge, this is neither a symptom nor a source of what is wrong with American education. Mr. Mondale, according to the news story, also suggested that education "suffers because its highest official 'is not at that Cabinet table speaking directly to the president.' "

You would hardly judge from any of this that the United States is also the only major industrial democracy (or any sort of country) in the world in which three quarters of the children graduate from high school, and half of those graduates go on to college. And we also question whether, despite the proponents' assurances, a new federal department would not subtly and unwisely enlarge the federal jurisdiction in the schools. In theory anyway, education remains a primary function of the states and localities, which is surely one reason this country has not had a national ministry of education as part of its political tradition. We think it is a tradition worth holding on to.

It is, of course, true that much of the money for our public schools now comes from general revenues and that there has been a vast increase of federal involvement in public education over the past couple of decades. But both the money and the involvement can be managed by government instrumentalities now available to do so. It is argued by those who favor the new department that it would work pretty much as a harmless conduit of federal funds and coordinator of federal programs, all the while respecting the primacy of the states and localities in school affairs, and that it would do all this much more efficiently than is done under the present slovenly dispensation. Consulting ancient and modern bureaucratic precedent and looking around us at the evidence of our senses, we discover no reason at all to believe this is how things will turn out. They never do. Look at the Labor Department. Look at Commerce. A Department of Education, if such unfortunately is enacted into law, will become a gigantic single-minded lobbying outfit. It will be the NEA writ large.

Anyone who observed last year's congressional proceedings on this subject—the hearings, committee debates and so forth—should understand that what we really have here is a fight over turf: who gets which hunk of jurisdiction over whom and what and how much money. Evidently the administration, in coming back with its Education Department legislation in this Congress, has carved up the turf in a new and politically more persuasive way, so that the proposal is likely to have a smoother time this year. We hope it does not. The purpose of the federal government—as we keep harping when this proposal comes up—should be to fit federal education programs into a system of priorities and values *larger* than the education industry's perspective permits it to see, not to break off those programs into a client- and constituent-run principality of its own.

The best thing that could happen to President Carter's proposal for a department of education, from his point of view and everyone else's, would be for Congress to bury it.

[From the New York Times, Jan. 16, 1979]

An Illusion of Education Reform

In what seemed like a well-planned omission, Congress concluded its last session without acting on the proposal to create a separate Department of Education. The measure had been overwhelmingly approved by the Senate, but it died quickly when the House leadership failed to bring it to the floor. Now here is a new Congress and, fortunately, President Carter says that he'll try again.

A separate Department of Education would provide merely the illusion of reform. Unless all education-related times were to be plucked from their present jurisdictions and lumped together to create the Big E, the new department would carry less clout than education does even in its present inadequate form inside the huge Department of Health, Education and Welfare. But why, for example, would uprooting a program like manpower-training from its functional niche in the Labor Department enhance its effectiveness?

Even more worrisome would be the intimate relationship that might develop between a separate education department and the National Education Association. The N.E.A. represents the professional public school establishment—a vital part of education, but still only a part. It is committed to a much larger Federal role in school financing than is compatible with the tradition of state and local responsibility.

Finally, the creation of a separate department could impel a host of other groups to mount special-interest campaigns for a Department of Science, a Department of Women, a Department of Consumers. There is already too much precedent feeding such appetites. Consider the subject of economic development, now dissipated in the Departments of Housing and Urban Development, Labor, Agriculture, Commerce, Interior and Transportation. Reorganization should be moving in the opposite direction.

President Carter supported a department for education only to fulfill a campaign pledge to the N.E.A. He would be wise now to accept the House leaders' well-considered second thoughts and let the matter drop. The energies of the White House would be better devoted to the long-overdue reorganization of H.E.W. to make that colossus more efficient and to give E an equal place there with H and W.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

Mr. PRYOR. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Connecticut has 170 minutes. The Senator from Missouri has 176 minutes.

Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

UP AMENDMENT NO. 102

(Purpose: To specify the end strength of the Department for fiscal years 1981 through 1985)

Mrs. KASSEBAUM. Mr. President, I call up my unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mrs. KASSEBAUM) proposes an unprinted amendment numbered 102.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. PRYOR. Reserving the right to object, Mr. President, we want the amendment read, if possible, at this time.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

On page 114, line 4, immediately before "Congress" insert the following: "Except as provided in subsections (b)(1) and (c),".

On page 114, beginning with the period on line 6, strike out through "year" on line 9.

On page 116, beginning with the word "If" on line 5, strike out through the period on line 11.

On page 116, between lines 15 and 16, insert the following:

(c)(1) For the fiscal year beginning October 1, 1980, and ending September 30, 1981, the Department is authorized an end strength for personnel in an amount equal to the number of personnel transferred, under the authority of this Act, to the Department from other departments and agencies during fiscal year 1980, as determined by the Director of the Office of Management and Budget.

(2) For the fiscal year beginning October 1, 1981, and ending September 30, 1982, the Department is authorized an end strength for personnel in an amount equal to the amount described in paragraph (1) minus 100.

(3) For the fiscal year beginning October 1, 1982, and ending September 30, 1983, the Department is authorized an end strength for personnel in an amount equal to the amount described in paragraph (1) minus 200.

(4) For the fiscal year beginning October 1, 1933 and ending September 30, 1984, the Department is authorized an end strength for personnel in an amount equal to the amount described in paragraph (1) minus 300.

(5) For the fiscal year beginning October 1, 1984, an ending September 30, 1985, the Department is authorized an end strength for personnel in an amount equal to the number described in paragraph (1) minus 400.

(d) If the Secretary determines that such action is necessary for the effective administration of the Department, the Secretary may employ additional personnel during each of the fiscal years specified in subsections (b) and (c) in excess of the number authorized under such subsections, but the number of such additional personnel employed in any such fiscal year may not exceed 1 percent of the number authorized under such subsections.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I should like to speak at this time with respect to the amendment I have offered.

I believe this amendment would strengthen section 403 of the Department of Education bill to assure that the "bureaucratic creep" which this section is intended to avoid is actually avoided. As indicated in the committee report on S. 210, the Office of Management and Budget estimates that 350 to 450 positions would be eliminated through creation of a new Department of Education. My amendment recognizes the difficulties involved in eliminating Federal service positions by means other than attrition and therefore phases in personnel decreases over a period of 5 years. In fiscal year 1981, the end strength of the Department would constitute an amount equal to the number of personnel transferred to the Department from other departments and agencies during fiscal year 1980.

In each of the 4 following fiscal years, end strengths would be reduced by 100 employees. Total personnel reduction by fiscal year 1985 would equal 400—a figure compatible with current OMB estimates. The amendment also offers the Secretary some additional flexibility, in that if it becomes necessary to employ personnel in excess of the numbers specified in any fiscal year, he or she may do so—provided that this additional personnel not exceed 1 percent of the number authorized during that fiscal year.

I think one of the greatest fears Members of Congress and the American public have about the creation of new Federal bureaucracies is the fact that the size of the Federal Government in terms of additional personnel will spurt in growth.

As children, I think we were all fascinated to learn that the huge oak, elm, and maple trees gracing our streets and parks had their origins in small nuts and seeds. Biblical references to the sowing of seeds inform us that good soil and proper nurturing are essential to plant life, while neglect will assure that the seed will never flower. In many respects, the growth of the Federal bureaucracy conscientiously abides by the laws of nature, with the notable exception that the Federal Government offers consistently fertile ground for full bloom of any seed planted and never lacks for constituency groups prepared to nurture it. Pruning is accomplished not by discarding overgrowths, but rather by transplanting them elsewhere to flourish and procreate.

In adding section 403 to this bill, proponents expressed a desire to exert congressional control over the level of personnel in the new Department. They doubtlessly considered past experiences with new programs and agencies, noting that an unchecked bureaucracy will quickly expand beyond the wildest expectations of those who created it. I applaud efforts to make this Department different in that respect, but am concerned that the initial resolve in this area may fade in the future without a specific plan of action for guaranteeing personnel reductions. Under the press of other legislative business, Members of Congress may not have sufficient time to adequately consider each year the maximum number of personnel the Department should employ. Arguments for a "few extra people" each year may well be accepted as reasonable requests, resulting in a cumulative growth which is not anticipated by OMB or proponents of the legislation.

I feel the amendment I am offering takes a reasonable approach toward accomplishing intended personnel reductions and the cost savings anticipated from them. Five years from now, I hope I do not have to attempt to explain to my constituents that their demands in 1978 and 1979 for less Government and reduced Federal spending were somehow forgotten while an independent "E" followed the expansive example of the "H" and "W" components of the Department which originally housed it.

I hope that my colleagues in the Senate will go on record as affirming congressional commitment to personnel reductions envisioned for this new Department by offering their support for my amendment.

Mr. RIBICOFF. Mr. President, the objectives of the distinguished Senator from Kansas are sound; but in many ways, although there are variations, it duplicates an amendment by the distinguished Senator from Oklahoma which was accepted during her absence from the floor.

The distinguished Senator from Alabama, the ranking minority member of the Budget Committee, specifically stated that each year, Congress would have to authorize the personnel strength. What the distinguished Senator from Kansas wants to do is to set the specific number. They decline from 100, 200, 300, and 400 each year.

At this time, it is impossible to know whether there will be any other function that Congress might direct the Department to undertake, but the amendment of the distinguished Senator from Oklahoma (Mr. BELLMON) specifically requires the reauthorization each year. In that way, Congress is mandated to look at the figures and make the determination, so it is not locked in.

I say respectfully that, while there is a similarity, I believe the approach taken by the Senator from Oklahoma is sound and carries out the same objective that the Senator from Kansas seeks to present at this time. I regret that the distinguished Senator from Kansas was not present when we discussed the Bellmon amendment.

Mr. DANFORTH. Mr. President, I think that the point made by the Senator from Kansas is an excellent point, and it is one I tried to address when Senator BELLMON offered his amendment.

It may be that after we have some experience with the Department of Education, we should modify the approach that Senator BELLMON has taken and move toward the variation on the same theme which the Senator from Kansas is suggesting.

I wonder whether it would not make sense to try out the Bellmon approach first and see if it provides that more flexible approach, if that suffices. If it does not, and if we find that, despite Senator BELLMON's approach, we continue to permit the Department of Education to expand the bureaucracy, to proliferate its costs to increase, then the time might come, as part of the oversight process, to take a look at what is going on and to change the process.

Mrs. KASSEBAUM. Mr. President, I say to my distinguished neighbor from Missouri that I would be glad to do that. However, my amendment is an attempt to address more specifically than Senator BELLMON's amendment has done the growing, and very easily growing, bureaucracy for which there is little accounting, and our frustration in dealing with that growth. Even though each year we would be readdressing the problem, somehow we get very busy and we fail to give it the clear analysis that I think it is due and would be required of us. This would be my concern.

Mr. DANFORTH. Right. There is no doubt that has been our history. We spend much more time passing new laws than we do reviewing how the old ones are operating. The tendency is to let this sort of thing get lost in the shuffle.

But I am wondering if for at least the initial year we might try the Bellmon approach and just commit ourselves to be observant as to how it is going, and if we are not doing a good enough job controlling the growth of the bureaucracy in this way then we can attack it root and branch, so to speak.

Mr. RIBICOFF. Mr. President, if the Senator will yield, I think the Senator's objective is absolutely sound. I do believe the distinguished Senator is on the Budget Committee. There is a great opportunity here, as long as the Senator does have this interest and Senator BELLMON has this objective, when the Senator examines the targets to see what the programs are, ask the questions, and do the oversight, if the Senator does not believe the Human Resources Committee is doing it, to make sure that the Senator's objective is being achieved. I do think the Senator does have that opportunity on the Budget Committee to assure that the targets that the Senator has in mind are realistic when they are combined with the Bellmon approach.

Mrs. KASSEBAUM. Mr. President, even though I am not in favor of this bill, I hope that these persuasive arguments and assurances will strengthen Senate accountability for appropriate administration of this portion of the bill, and I withdraw my amendment as proposed.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. RIBICOFF. I thank the distinguished Senator.

AMENDMENT NO. 140

(Purpose: To eliminate conflicts in regulations of various Federal agencies and executive departments)

Mr. HATCH. Mr. President, I call up amendment No. 140 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an amendment numbered 140.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 120, after line 22, insert the following new subsections:

(b) Whenever any rule or regulation issued by the Secretary for the Department conflicts in content or purpose with any other rule or regulation issued by another department or agency of the Federal Government, the President shall determine which shall have precedence.

(c) Whenever two or more rules issued by the Department conflict in content or purpose, the Secretary shall determine which shall have precedence.

(d) Local education authorities shall not be penalized for being in compliance with only one rule or regulation in the event two or more rules and regulations issued by departments or agencies of the Federal Government are both applicable and conflicting.

Mr. HATCH. Mr. President, I send a modification to the desk to amendment No. 140 and ask that my amendment No. 140 be immediately modified thereby.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The modified amendment will be stated.

The assistant legislative clerk proceeded to read the amendment, as modified.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment, as modified, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 80, after line 5, insert the following paragraphs and redesignate succeeding paragraphs accordingly:

"(2) Local Education Authorities may inform the Under Secretary of any rules or regulations of the Department which are in conflict with another rule or regulation issued by any other federal department or agency or with any other subdivision of the Department.

"(3) If the Under Secretary determines that such a conflict does exist, the Under Secretary shall report such conflict or conflicts to the appropriate federal department or agency together with his recommendations for the correction of the conflict. The Under Secretary, together with the appropriate federal agency, shall consider such cases of conflicting regulations within a period not to exceed ninety (90) days, and shall make recommendations for resolving such conflict, including any appropriate relief for the Local Education Authority or Authorities bringing the case to the Department."

Mr. HATCH. Mr. President, this amendment is a commonsense provision that I think would be worthwhile to include in all enacting legislation. Our citizens have been plagued by Federal overlapping jurisdictions as well as by other conflicting regulations issued by either the same or different departments and agencies.

There has never been a mechanism established to deal with this problem in a timely fashion. When two or three Federal agencies, or their subdivisions are in conflict, citizens or organizations are left in the lurch, uncertain of how to proceed or what will happen if they cannot comply with these conflicting regulations.

Mr. President, my amendment is straightforward. It simply states that when a rule or regulation of the Department of Education is in conflict with a regulation issued by another Federal agency, that the Under Secretary together with the officials of those agencies involved shall make recommendations to both resolve the conflict and provide relief of the local education authorities caught in the bind of such redtape. The amendment will protect local schools against long, drawn out interagency differences which inevitably disrupt the normal course of education.

Mr. President, I express my appreciation to the distinguished manager of the bill, the Senator from Connecticut, and especially to his staff for their cooperation in arriving at this wholly acceptable language.

So it is my understanding that the distinguished Senator from Connecticut, the majority manager of the bill, and the ranking minority manager of the bill, will accept my amendment as modified.

Mr. RIBICOFF. Mr. President, I commend the distinguished Senator from Utah. I think he has pointed out one of the great problems throughout the Federal Government, the conflict that exists between various agencies with similar jurisdiction, causing great concern and loss of time and confusion with local and State governmental agencies.

This is an excellent amendment, as modified, and as manager of the bill I accept it, and I yield back the remainder of my time.

Mr. HATCH. Mr. President, I yield back the remainder of my time and at this time I move for the amendment's adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Utah.

The amendment was agreed to.

Mr. HATCH. Mr. President, I move to rconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 141

(Purpose: To provide substantive opportunity to local education authorities to participate in the Federal rule-making process)

Mr. HATCH. Mr. President, I call up amendment No. 141 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an amendment numbered 141.

On page 120, after line 22, insert the following subsection:

"(b) In promulgating such rules and regulations, the Secretary shall—

"(1) make all reasonable effort to alert the appropriate officials of the local education authorities as to the purpose and content of the proposed rule or regulation, and

"(2) withdraw such rule or regulation if a majority of local education authorities notify the Secretary in writing of their disapproval within thirty days of the final rule or regulation being published in the Federal Register."

Mr. HATCH. Mr. President, I send a modification of my amendment to the desk and move to modify my amendment.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) for himself and Mr. GARN proposes amendment No. 141, as modified:

On page 120, after line 22, insert the following:

"(b) In promulgating such rules and regulations, the Secretary shall—

"(1) make all reasonable effort to alert the appropriate officials of the Local Education Authorities as to the purpose and content of the proposed rule or regulation, and

"(2) withdraw such rule or regulation if a majority of Local Education Authorities notify the Secretary in writing of their disapproval within thirty (30) days of the publication of the proposed rule or regulation being in the Federal Register."

Mr. HATCH. Mr. President, I point out the modification contains one modification which changes the word "final" to "the publication of the proposed rule or regulation being", if that will assist my friend and colleague from Connecticut.

Mr. President, of all the concerns expressed by the opponents of a Department of Education, the one heard most often is that the Department would federalize education, that the weight and power of the Federal structure would soon become overbearing on our local school districts.

Frankly, Mr. President, I think our colleagues have every right to this apprehension about the proposed Department. Many Utahans harbor these reservations and I am offering this amendment on behalf of Senator GARN and myself to help alleviate them.

I ask unanimous consent that Senator GARN be listed as a cosponsor on the amendment if he is not already.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. The amendment calls on the Secretary to make reasonable efforts to inform and advise the local units about the rule and regulation and permits a majority of local education authorities to disapprove a Department of Education rule or regulation within 30 days of its publication in proposed form in the Federal Register.

This idea is a second cousin to the now popular concept of the legislative veto. Its adoption as part of this legislation would cement the purpose of the Department to be complementary to the efforts of local schools and to assist in the coordination of education activities. It would assure State and local education administrations of their continued authority and provide them definitive input into how the Federal Government can affect the operation and quality of education in the schools of their jurisdiction.

Mr. President, we have all too often made the hasty assumption that our State and local governments will only be helped by Federal initiatives. On the contrary, the Department of Education is a proposal which could over time usurp a number of important prerogatives now held by local education authorities. The National School Boards Association, in their testimony in favor of H.R. 2444, the House companion to S. 210, made the little recognized observation that one of the three ways the Federal level can most infringe on local schools' operation is the regulatory process. I quote from Linda Albert's testimony:

> Federal bureaucrats have at times misconstrued congressional intent either in the nature of intergovernmental relationships or the depth of Federal regulation . . . regulations have unnecessarily limited local policy options because of personal educational agendas, as well as audit, data collection, and other paperwork requirements imposed by Federal bureaucrats . . .

Ms. Albert goes on to state that the National School Boards Association believes that a Federal Department of Education can serve to remedy some of this regulatory indiscretion. Perhaps this assessment is correct. I do not, however, think that the options available to local education authorities are sufficient in the context of regulatory and program complexity alluded to in Ms. Albert's remarks. I applaud my friend, Senator RIBICOFF, and the other sponsors of this measure for incorporating into the bill an important role for local school governments as consultants and advisers.

I am very pleased with that, and I am pleased with the efforts of my distinguished colleagues in agreeing to have that in the bill. The bill often directs the various officials of the proposed Department to solicit the input of the local school administration.

My reservation, Mr. President, is that all the input in the world does not guarantee action in accordance with such input. Presently, local education authorities, just as any other interested party, may comment on proposed Federal regulations prior to the issuance of the final directive. This process has not changed the burden of Federal regulatory compliance appreciably, nor has it eliminated much paperwork. My amendment provides such a guarantee. It is an established mechanism by which a majority of local education authorities can influence the process which affects them directly.

I know Senator RIBICOFF's concern is his view that my amendment would compromise the relationship of the Federal Government to that of the States and local units or government. However, we are dealing here with the traditional concept of school administration. I have not encountered one legislator, in the Senate or in the House of Representatives, who will publicly claim support for a Federal takeover of education policy. We all recognize the roots of education in this country and seek to preserve them. It is this recognition that should help to alleviate the apprehension of my friend, the Senator from Connecticut. The power of decisionmaking has always been recognized to be from the local levels up to the Federal. While the advent of Federal funding programs for education has inevitably cost the local education authorities some degree of autonomy, the understanding of Congress and of the Department of Health, Education, and Welfare has continued to be that the decisions of local school districts are those which are best geared to serve their local schoolchildren and parents. Federal policy in education has always been to maximize the superiority of locally decided and developed education policy.

Further, Congress has the power to delegate this responsibility to local education authorities. There is no law which says that the Congress may not allow the direct participation of the subordinate units of Government.

The argument has also been put forth that individual school districts will not understand the complete rationale for the regulations being issued. I think the opposite. I think those people who are elected or appointed by the citizens in the local school districts are well informed and understand all the implications of proposed regulations.

They certainly know better than Federal bureaucrats what is necessary and appropriate for their schools. They know the real costs of regulatory compliance, and they know how these costs translate into first, a financial drain and next, a curtailment of educational opportunity for children.

All across the country, school systems are having to cut back on teachers, enrichment curricula such as art and music, and other purchases which are important to education.

The amendment proposed by Senator GARN and myself acknowledges that the local education authority is unique in this way and advocates a definitive role for the local units in the regulatory process.

This role can in no way be construed as interference. The nominal additional effort required of the Department of Education is warrented to protect the concept of local school control. We must always ask ourselves, "Just who is interfering with whom?" Local units of government charged with the responsibility for education should not and will not be inhibited by forcing the Department of Education to withdraw proposed regulations which are unsound.

Mr. President, I realize that the likelihood of having a majority of local education authorities, which is a few more than 8,000, take positive action to disapprove a rule or regulation within a 30-day period is remote. These provisions were made, however, so that only those rules or regulations universally thought to be not in the best interests of education would have a chance of being withdrawn. The actual revocation of a rule or regulation will not take place for only a few. The mandate must be significant.

The entire idea here is to incorporate into this legislation a solid means for local education authorities to influence the regulations which affect them and the youth for whom they are trying to provide. I hope all Senators will consider these points carefully and support this essential amendment.

At this time I yield to my senior colleague from Utah (Mr. GARN), who is a cosponsor of this amendment.

Mr. GARN. Mr. President, I thank my colleague from Utah.

Last year when this bill came before the Senate I very reluctantly voted for it. I felt very strongly that the consolidation of administrative functions and giving education a high visibility were important, and from that standpoint supportive.

My reluctance came from the fear that by creating a single agency we would have difficulties in maintaining local control, and that a lot of the power of local education authorities could be destroyed.

In colloquy on the floor with the distinguished Senator from Connecticut (Mr. RIBICOFF) and the distinguished Senator from Illinois (Mr. PERCY) they agreed that this could be a problem, and it certainly was not their intent that the new Department of Education would get involved in local decisionmaking. So in that colloquy, in report language, we tried to make certain that that would not happen.

The bill has been strengthened this year, and I am pleased to be sponsoring an amendment with my colleague, Senator HATCH, which will help to preserve the traditional role and responsibility of education; that is, the maintaining of the responsibility for education with State and local school authorities.

Our amendment simply stated would require that the Secretary of Education make a reasonable effort to inform local school authority (LEA's) of proposed regulations and rulemaking. It further provides that a majority of LEA's shall cause the Secretary to withdraw the proposed regulation or rule if written statements of disapproval are received within 30 days of the publication of the proposed final regulation or rule.

Mr. President, the Governmental Affairs Committee has worked hard to preserve the rights and prerogatives of State and local authorities in the education process, and I applaud their efforts. But what we are simply trying to do with this amendment is to further clarify and put some teeth into the local control issue.

It is too easy for many of us in Congress to blame the bureaucracy for cumbersome regulations. Certainly they are responsible, but Congress must also share in the blame. We are too willing to pass legislation without clearly and statutorily stating our purpose, and the bureaucrat is left with the job of reading our minds. In essence, this becomes the fourth branch of our Government, and the bureaucrats have a power they should not have.

Mr. President, the bill states that the Under Secretary will be the spokesman, or if you will, the watchdog for the interest of local education. The Under Secretary is mandated, to quote from the committee report:

> To assure that appropriate officials with the Department consult with state and local education policy-makers concerning differences over education policies, programs and procedures and concerning the impact of the Department's rules and regulations on the States and localities.

The Under Secretary will also be a member of the Intergovernmental Advisory Council on Education which is the Council that will advise the Secretary and President on intergovernmental problems, progress and concerns regarding education and intergovernmental relations. In addition to the Under Secretary, the Council will be composed of 24 members representing Governors, legislators, education officers, local school boards, and the public.

The Council at its discretion may review existing and proposed rules or regulations and may make recommendations to the Secretary. The Secretary must respond to those recommendations.

Mr. President, this is fine as far as it goes. The consulting with LEA's is imperative, and hopefully the Council will be the watchdog we all hope it will be. But why stop here? Why not continue to give the LEA's, the people who have to live and work with the rules and regulations, the chance to comment on the final regulations before they are published in the Federal Register? The bill mandates consulting with these groups all during the planning process, and hopefully this will alleviate many of the problems. But we should not leave them out of the final process. Our amendment would not. It would allow the LEA's to comment on the proposed final rule or regulation before it is published in the Federal Register. In the event a majority of those responding feel the regulation is usurping local control, it will not be published at all in that form.

Let me give you an example of how this proposal, had it been in effect in 1976, would have saved local educators a lot of frustration and HEW officials heartburn. Many of you may recall that in 1976 HEW announced that because of title IX schools could no longer sponsor father/son or mother/daughter activities. This was, in their opinion, sex discrimination. How ridiculous can the Federal bureaucracy become?

I am sure none of us in supporting title IX ever dreamed that activities which seek to improve the relationship of parent and child, which we all know can be strained at times, would be considered wrong.

And further, what right did HEW have in telling local school districts what type of activities they could have? None, as evidenced by the public outcry from virtually every aspect of our society.

Fortunately, President Ford issued an Executive order to withhold the decision, and in 1976 Congress passed an amendment officially allowing such activities. Had the amendment which we are proposing today been in effect, I can assure you it would not have made it past the first round of discussion.

Mr. President, there has been a long tradition in this Nation of local control over education. This tradition is guaranteed by the 10th amendment. It has served us well, and I know that my colleagues want this tradition continued. The committee has made an effort to see that local control of education is protected, and our amendment will help to further clarify this role.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, I rise to oppose the amendment.

This amendment would require that a proposed rule or regulation be withdrawn if a majority of local education authorities notify the Secretary in writing of their disapproval within 30 days of the final rule or regulation's publication in the Federal Register.

The amendment essentially gives local education authorities an opportunity to veto the Department's proposed rules or regulations and thereby nullify legislation with which they disagree. It would allow local education authorities to block implementation of statutes that have been adopted and mandated by Congress.

For example, statutory provisions designed to prevent fraud and abuse may be viewed as burdensome by applicant local education authorities (LEA's). By providing these LEA's with what amounts to a veto on all regulations, this type of provision may be impossible to implement, as well as other requirements mandated by Congress.

The amendment gives power over regulations to LEA's who cannot represent the interests of the general public or special groups to which such legislative directives might be intended—for example, States, colleges, unions, nonprofit organizations, commercial organizations. The Department, through an open rulemaking process, must resolve the interests of competing groups and organizations. The amendment would prevent the Department from effectively carrying out this obligation.

S. 210 provides a variety of mechanisms for evaluating the impact of the Department's rules and regulations on States, the local school systems, and tribal governments. The Under Secretary is given specific responsibilities for assuring that officials on the impact of the Department's rules and regulations on their entities. The Intergovernmental Advisory Council on Education, consisting chiefly of State and local officials, has the authority to comment on proposed rules and regulations as well as requiring the Secretary of the Department to respond in writing to such comments.

In addition, the Administrative Procedures Act outlines procedures for public comment in advance of the adoption of the final rule by all interested parties, including State and local authorities.

Also transferred to the Department are the authorities under the General Education Provisions Act (Sec. 431(b), 20 U.S.C. 1232(b)) which require public comment during the 30-day period prior to the issuance of such regulations, including the requirement that any interested party be provided an opportunity to comment. The Secretary would then be required to reconsider any proposed education regulation and to publish a statement, accompanying the final regulation, showing how he or she is responding to the comments. Before a regulation becomes final, it must also be sent to Congress for a period which is generally 45 days. If the Congress determines by concurrent resolution that the regulation is inconsistent with the law it purports to implement, the GEPA prohibits the regulation from taking effect.

The existing provisions are quite satisfactory, and I urge my colleagues to defeat this amendment.

Mr. President, this proposal is designed to protect local school boards. Yet the National School Boards Association does not want this power, and has so stated. Under date of April 26, 1979, I have received a letter from the association which reads as follows:

> It is our understanding that Senator Hatch will be offering an amendment to S. 210 which would give local education agencies a "veto" over education regulations.
>
> Although school board members across the country are concerned about the burdens of regulations, NSBA does not believe that the regulation process should be altered in this way.
>
> First, we believe that having 8,000 of 16,000 school districts respond in writing to an agency regarding a regulation is impossible to expect. Further, we can see that a consequence of this activity might be the creation of an "Office of Regulation Complaints" to handle the correspondence.
>
> Finally, we feel that S. 210 contains adequate input by local education authorities in the regulation process. The Department of Education bill is extremely sensitive to intergovernmental concerns. There is ample consultation by the Secretary with individuals on the impacts of regulations, and the Secretary will respond in writing to particular groups' objections to regulations. The Intergovernmental Advisory Council will also comment on the department's rules and regulations.
>
> NSBA supports S. 210 and looks forward to the creation of a responsive, responsible Department of Education.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL SCHOOL BOARDS ASSOCIATION,
Washington, D.C., April 26, 1979.

Hon. ABRAHAM RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: It is our understanding that Senator Hatch will be offering an amendment to S. 210 which would give local education agencies a "veto" over education regulations.

Although school board members across the country are concerned about the burdens of regulations, NSBA does not believe that the regulation process should be altered in this way.

First, we believe that having 8,000 of 16,000 school districts respond in writing to an agency regarding a regulation is impossible to expect. Further, we can see that a consequence of this activity might be the creation of an "Office of Regulation Complaints" to handle the correspondence.

Finally, we feel that S. 210 contains adequate input by local education authorities in the regulation process. The Department of Education bill is extremely sensitive to intergovernmental concerns. There is ample consultation by the Secretary with individuals on the impacts of regulations, and the Secretary will respond in writing to particular groups' objections to regulations. The Intergovernmental Advisory Council will also comment on the department's rules and regulations.

NSBA supports S. 210 and looks forward to the creation of a responsive, responsible Department of Education.

Sincerely,

MARSHA NYE WICE,
Director, Special Legislative Projects.

Mr. DANFORTH. Mr. President, let me extend my compliments and congratulations to the two Senators from Utah for their creative effort. I think the direction they want to head is exactly right.

My only quarrel would be with the particular vehicle they have selected to reach that destination.

The concern he has expressed through his amendment and by his floor statements for the local school boards is a laudatory concern. It is a concern which was expressed last year and this year repeatedly from the Governmental Affairs Committee and again on the floor of the Senate. It was a concern which yielded a variety of amendments to the bill and a variety of provisions within the bill. What we do not want to do is to have the kind of superagency, superbureaucracy, which is forever handing word down from on high, presenting school boards with ultimatum after ultimatum for how they are to conduct affairs which were previously theirs to conduct.

That is a problem with the Federal Government. It is a problem which extends beyond education. It is a problem which we see manifested over and over again in the relationship between the Federal Government on the one hand and State and local governments on the other.

To flag that problem in connection with this bill, to raise it again, as the Senator has, I believe is very much worthwhile and very much worth doing.

My concern is with the mechanism that the Senator has selected. That concern is raised on practical grounds and also on constitutional grounds.

I do not see how this amendment could work. We have already provided in the bill as it now exists, as Senator GARN has pointed out and as Senator RIBICOFF has pointed out, several mechanisms for consultation between the Department of Education and local school boards, between the Intergovernmental Advisory Council and State and local governments. These mechanisms for consultation about rules and regulations have already been provided.

In this amendment, first of all, it provides "in promulgating rules and regulations the Secretary shall"—mandatory—"make all reasonable efforts to alert the appropriate officials of local government authorities as to the purpose and content of the proposed rules and regulations."

I take it that that is above and beyond the Federal Register.

I am wondering if this would be subject to judicial review, if it would be subject to challenge on solely procedural grounds, whether notice was adequate; have we opened up a whole new area of litigation, something which would keep our Federal courts even busier deciding matters that previously have not been the courts' to decide.

Secondly, the mechanism for communicating regulations to the local school boards, it would seem to me, would create a flood of mail back and forth, a flood of review.

Finally, how would the majority notify the Secretary in writing? Would they just write a letter? Would the school board have to have a meeting? Would procedures have to be established? Would the school board's procedures for notifying be subject to challenge? Suppose that one-half plus 1 of the school boards notified the Secretary that they disagreed with a regulation and one-half less 1 notified him that they agreed with it. Is there some sort of one-man, one-vote procedure for dealing with that?

Suppose that the school boards in favor of the regulation are New York, Chicago, Los Angeles, Detroit, and St. Louis, and the school boards opposed to the regulation are Monett, Cabool, Mountain Grove? Then what? Do you just tote up the number of school boards on one side that are for and one side against, even if the school district that is in favor of the regulation or against the regulation has just a handful of kids in the school?

So I think that the mechanism is impractical in the way it has been designed.

Second, I am not sure about this because it is such a novel idea, but I really question its constitutionality. I am not sure whether it is a violation of the guarantee of a republican form of government or a violation of the supremacy clause, or perhaps a violation of the due process clause or equal protection clause of the Constitution. But it appears to me that what the Senator is getting into is not a legislative veto of the executive branch of Government, but a State veto of the Federal Government.

I happen to be a child of State government. I spent 8 years of my life as attorney general of Missouri. I believe in State government. I think we have gone far too far in transferring decisionmaking to the Federal Government. It seems to me that the Senator has really raised constitutional questions when we invest in local school boards the power by kind of unofficial referenda which are carried out by the process of writing letters which are toted up at the end of 30 days to overrule regulations and, through the overrule of regulations, overrule what Congress is intending to do in passing the law in the first place.

Does that create supremacy clause problems? Does it create problems with respect to the constitutional guarantee of a republican form of government? I think it does. I would have to hit the books to marshal the case, but it seems to me that it really is a clear violation of the whole constitutional scheme of things.

So while I applaud the effort, the creativity, and the general direction in which the Senator wants to move, I am compelled to oppose this.

Mr. GARN. Mr. President, I will not debate the constitutional aspects of this with my distinguished colleague. I am one of the minority members of this body who is fortunate enough not to be an attorney, and who looks at things from a different aspect. But I do have some comments about the practicality.

My good friend from Missouri is correct, that there are some problems, there is no doubt about it, how they do respond, and so on. But I do not know when practicality or commonsense ever prevented this body from passing anything.

I used to be a mayor. I am a child of local government. I am going to have to be careful because we may launch into a long speech about my 7 years, really not being the mayor of Salt Lake City but the local manager for the Federal Government dealing with some of these idiotic bureaucrats who somehow in their GS ratings think they are brighter than mayors, attorneys general, and governors; who just sit there and have so many regulations to put out by 5 o'clock or get docked in their pay. I think they have a production, a piecework, sometimes, on regulations.

I could go on for hours about the ridiculousness of some GS–8 in Denver, Colorado, advising an elected official because he thinks he has the next closest thing to eternal life on the face of this Earth, a civil service rating.

On $99\frac{9}{10}$ percent of the regulations, you are not going to have people responding in the mail. It is not going to be a practical problem. But a title IX-type situation, yes, you would have a mechanism that may be a little clumsy, but not nearly as clumsy as all the problems we have had with all the school boards all over this country.

I get tired of the arrogance of the Federal bureaucrats, because they may have gone to Harvard and have a law degree or whatever, and we do have others in this country. The school board members are farmers, businessmen, they are people without Ph. D.'s after their name. They are really common, ordinary people. Most of the bureaucrats have a disdain for those people and sit back here and say, "Good heavens, why should we let those poor dumb citizens have any impact on this? We know better. We have to impose it on a New York school city district, just as we do in Panquitch, Utah, without regard to differences of need and attitudes and culture in areas."

Yes, I get upset about it. Maybe this is a little bit clumsy, but not nearly as clumsy as what we put up with. You can go back and look at the legislative history of the creation of the Health, Education, and Welfare Department. We are saying all the same things about that—

> No, it is not going to intrude; yes it is going to pull all these things together, be more efficient.

Now it has more employees and a bigger budget than a lot of countries in the rest of the world put together except the United States and the Soviet Union. We have created one of the biggest monsters in HEW. Now we want to go and pull education out of it, because it is in this big monster that cannot perform.

That is all we are trying to do. We are trying to put in some things, however clumsy, that may give those local school boards a means of thumbing their noses against all these bureaucrats. Maybe you have not heard how economists get to Washington: They go to Harvard and turn left.

It is incredible that we have to impose this on people who are elected, who are accountable to people. These are appointed civil servants that are never accountable to anybody, any place in this country. They never have to stand for reelection.

Yes, I got heartburn about it. I spent several years dealing with HUD, HEW, DOL. I was the one who had to face reelection. I was the one who had to explain myself while I was reading the Federal Register every day.

That is what we are dealing with. We are dealing with clumsiness, yes; no doubt about it. Some of the Senators' criticisms are correct. But it is an attempt to give some people local control, who are responsible to local citizens at elections, and take some power away from bureaucrats. I think that is what we are trying to do.

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. I yield such time as the distinguished Senator from California desires.

Mr. HAYAKAWA. Mr. President, I, too, share with my distinguished colleague from Utah (Mr. GARN) the honor of not being a lawyer. Therefore, I am not competent to expound upon the constitutionality of this amendment.

Mr. HATCH. Will the Senator yield on that point?

Mr. HAYAKAWA. Yes.

Mr. HATCH. I have to admit, it is a humbling experience to me as an attorney to learn how we are viewed in Congress. I see absolutely no constitutional problem. I do not see any growth of federalism problem.

In fact, I think it may smack of separation of church and State, separation of State and Federal Governments.

There is no supremacy clause problem, no separation of powers problem, no due process problem here. Nobody is being forced to write any letters, nobody is being asked to write any letters, nobody has to write any letters. But if the local people feel they are oppressed by the bureaucrats here in Washington under this new Department of Education, if more than 4,000 or whatever the 50-plus 1 percent is, write and say, we are not going to put up with the fact that you are going to interfere with the way boys and girls play basketball in Iowa, that girls do not get to dribble as much as boys, therefore, that system in Iowa is just a bad system," they are not going to have the Federal bureaucrats telling them how to play basketball in Iowa. And they have a right, and this is a limited right, to speak up if they want to and, as local citizens, make their point.

Basically, I do not see that there are any constitutional considerations. However, I do give the distinguished Senator from Missouri, my very dear friend and colleague, an A-plus for innovativeness from a legal standpoint in raising these red-herring issues to the Constitution, and the issues on the other points.

I am sorry to take so much of the time of my friend from California, but I want to make the point that I do not think there is any constitutional problem here. It is very simple, very straightforward. All it does is give the local people some rights that they do not otherwise have and give them the right to stand up to the bureaucracy back here if they want to.

Mr. HAYAKAWA. I thank the Senator from Utah. I was not going to argue with him or Senator DANFORTH. I just wanted to keep myself out of that particular legalistic argument.

I am speaking, however, in behalf of the amendment of Senator HATCH and Senator GARN. I should like to say a few words in support of their position.

From listening to the arguments in favor of this new department, one would think that the ultimate purpose of its creation is to allow the public to have a greater say in the mechanics of American education. This effort by Senator HATCH does nothing more than to clarify the rights that should already belong to our local education authorities. To vote against this amendment would be, then, to vote against the role of our local school boards in education policy, a role that continues to diminish. We cannot continue to think of local school board participation as interference in our Federal policy. Our Federal departments, agencies, and the like were created to serve the public. To deny the people the opportunity to speak out on the Federal mandates that directly affect them is to deny them their rightful responsibilities.

We in Congress continue to enlarge the Federal Government, and add to the number of laws and regulations that must be adhered to by our constituents. It used to be that complaints about this growth came only from the business sector, or, at least, largely from the business sector, which is by far the most regulated segment of American life. Now, however, the tentacles of bureaucracy reach out to threaten virtually every part of our lives. Not long ago, our colleges and universities were exempt from most regulations, and were not even included in such federally decreed programs as social security and workers' unemployment insurance.

Now, however, 34 congressional committees and at least 79 subcommittees have jurisdiction over 439 separate laws affecting postsecondary education. The number of Federal laws pertaining to higher education rose 1,000 percent between 1964 and 1977.

With so much Federal participation in our education policies, we must balance it with at least equal or fair participation by our local school boards. After all, it is our States and localities who must learn to cope with our mandates, and it only makes sense that they have a say in how to run their businesses.

Although I honestly believe that our Federal laws and regulations are created with good intentions, sometimes excellent intentions, they somehow become stifling by the time they reach the levels where they are implemented. The rules and regulations that work well in Oxnard, Calif., might not fare so well in Brooklyn. And although the morals and ethics should remain constant as far as the content of the regulations, they are not always workable in given locations.

So I say we should support this amendment by my distinguished colleagues from Utah, and help retain some kind of autonomy for local education authorities.

The PRESIDING OFFICER. Who yields time? If neither side yields time, then the time runs equally.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of our time.

Mr. RIBICOFF. Mr. President I move to lay the amendment on the table.

Mr. GARN. I ask for the yeas and nays.

The PRESIDING OFFICER. All time is yielded back. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Maine (Mr. MUSKIE), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I also announce that the Senator from Indiana (Mr. BAYH) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from New York (Mr. JAVITS), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER (Mr. MOYNIHAN). Have all Senators in the Chamber voted?

The result was announced—yeas 48, nays 40, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—48

Baucus
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chiles
Church
Cranston
Culver
Danforth
Domenici
Durenberger
Eagleton
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Kennedy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stevenson
Stewart
Tsongas

NAYS—40

Armstrong
Baker
Boschwitz
Byrd,
  Harry F., Jr.
Cannon
Cochran
Cohen
DeConcini
Dole
Durkin
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Morgan
Packwood
Roth
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—12

Bayh
Chafee
Gravel
Javits
Leahy
Long
Muskie
Nelson
Percy
Stafford
Weicker
Williams

So the motion to lay on the table Mr. HATCH's amendment No. 141, as modified, was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

UP AMENDMENT NO. 103

(Purpose: To provide substantive opportunity to local education authorities to participate in the Federal rulemaking process)

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH), for himself and Mr. Garn, proposes an unprinted amendment numbered 103.

On page 120, after line 22, insert the following:

"(b) In promulgating such rules and regulations, the Secretary shall—

"(1) make all reasonable effort to alert the appropriate officials of the Local Educational Authorities as to the purpose and content of the proposed rule or regulation."

Mr. HATCH. Mr. President, this is the first paragraph of the prior amendment. I was disappointed that it did not pass.

This does not obligate the appropriate officials other than to notify the local education authorities as to the purpose and content of the proposed rule or regulation and take all reasonable efforts to do so. I think that is better than nothing, and I understand the distinguished managers of the bill will accept this amendment, and I am very appreciative of that.

Mr. RIBICOFF. Mr. President, this is a reasonable amendment, and as manager of the bill I will accept the amendment.

Mr. DANFORTH. Mr. President, I simply wish to make sure that we are not setting up some sort of hard-and-fast legal requirement which is going to get us into a judicial morass in determining what is and what is not reasonable notice. This is an intention which we are stating, as I understand it, for the Secretary of the Department to follow, but I hope that it will be something less than some sort of judicially reviewable requirement.

Mr. HATCH. The point is well made.

The PRESIDING OFFICER. Will the Senator from Utah have the kindness to suspend? The Senate is not in order.

Important legislative history may well be in the process at this point, and it is important that Senators understand what is being said.

The Senator may proceed.

Mr. HATCH. I believe that the distinguished Senator from Missouri is correct, that the intent of this amendment is not to have this be a justiciable issue, but to have the Secretary in his discretion set up reasonable approaches to alert the appropriate officials of the local educational authorities as to the purpose and content of various rules and regulations issued by the Department, and I believe that this should not put an undue burden upon the Department, although I personally would prefer that the local authorities be fully consulted and have every approach made to them to have their input. This bill would require a certain amount of effort on the part of the Department of Education and the Secretary thereof to at least notify them.

Mr. DANFORTH. With that understanding the amendment is agreeable.

Mr. HATCH. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. HATCH. Mr. President, I yield back the remainder of my time. And I move the adoption of the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 104

(Purpose: To eliminate the function of the Intergovernmental Advisory Council on Education relating to Federal direction over State and local educational policymaking and program implementation)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 104.

On page 91, strike out lines 5 through 9.

On page 91, line 10, strike out "(E)" and insert "(D)".

On page 91, line 21, strike out "(F)" and insert "(E)".

Mr. DOLE. Mr. President, the amendment the Senator from Kansas offers today is designed to safeguard the status of State and local participation in education.

It would do this by eliminating the function of the Intergovernmental Advisory Council on Education relating to Federal direction over State and local educational policymaking and program implementation. My amendment would strike subsection (D) from the bill. Subsection (D) gives to the Intergovernmental Advisory Council on Education the authority to "assess Federal policies and make recommendations to insure effective direction over educational policymaking and program implementation by State, local, and tribal governments and public and nonprofit educational institutions."

Mr. President, it is language such as this which has me concerned about this legislation to create a separate Department of Education. Throughout our history, education has been recognized to be a primary concern of State and local authorities. I believe that this is the relationship which should continue, for once we shift the responsibility to the Federal Government we are usurping control from communities and States.

Should we allow this language to remain in the bill, I fear we are giving this advisory council the "go-ahead" signal to develop a Federal policy of education. I see no other way to interpret these words: "Insure effective direction over educational policymaking" than to assume that the intent gives to this council—and because it advises the Department, then to the Department itself—the mandate to create educational policy. I simply see no other way to read this passage, and I cannot go along with its intent.

There has been much written in opposition to this legislation, and one of the strongest arguments has been that it will, indeed, lead to a Federal education policy. Proponents of the legislation have attempted to refute this charge, but as long as language similar to subsection (D) remains in the bill, I do not see how their reputation can be convincing. If it is the true intent of this legislation to take the responsibility for education from the State and local authorities and transfer it to the Department of Education, then I believe my colleagues will not want to agree to my amendment. However, if we are giving more than lip-service to the idea that education should remain the responsibility of State and local organizations, then I believe my amendment should be approved.

To accept my amendment is simply to acknowledge that the Federal Government should not control education, should not direct educational policymaking, and should not be encouraged to develop yet another way to extend its presence into the lives of individual citizens. I urge the adoption of my amendment.

Mr. RIBICOFF. Mr. President, as manager of the bill I find this amendment acceptable.

Mr. DANFORTH. Mr. President, this is essentially the same point that has been made by a number of Senators throughout the history of this bill. I think the point that Senator DOLE has made is well taken, and the amendment that he has proposed, that he has offered, is acceptable to the minority.

Mr. RIBICOFF. I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back, and the question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

UP AMENDMENT NO. 105

(Purpose: To establish an Assistant Secretary for Coordination with State and Local School Boards)

Mr. DOLE. Mr. President, I send another unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 105.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 81, between lines 4 and 5, insert the following:

"(F) an Assistant Secretary for Coordination with State and Local School Boards;".

On page 81 line 5, strike out "(F)" and insert "(G)".

On page 81, line 6, strike out "(G)" and insert "(H)".

On page 81, line 7, strike out "(H)" and insert "(I)".

On page 81, line 8, strike out "(I)" and insert "(J)".

On page 81, line 24, strike out "(G)" and insert "(H)".

On page 139, line 9, strike out "(6)" and insert "(7)".

Mr. DOLE. Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator. Mr. President, I ask unanimous consent that Barbara Anderson and Tony Arroyos be given the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I will just take about 1 minute, because I believe we will have a statement by the distinguished floor manager of the bill to satisfy any reservation the Senator from Kansas has.

The amendment the Senator from Kansas sent to the desk would create an assistant secretary for coordination with State and local school boards. The amendment is designed to create within the Department of Education a specific office for coordinating the activities of the Department with State and local authorities. I might add that it is the same concern the Senator expressed in the last amendment he offered, that this legislation could lead to domination by the Department of smaller educational authorities.

Through this amendment, I intend to give emphasis to the fact that all activities undertaken by the department should be coordinated with State and local authorities, for the smooth operation of programs at all three levels.

There is nothing in this legislation which should be construed as a congressional directive for the Department of Education to reach into the sphere of local and State controls over education. While some persons might claim that my amendment is unnecessary, I would suggest that the entire thrust of the legislation tends toward increasing the Federal Government's role in education. Any emphasis we can add to counteract this force is important and necessary. I do not think it can be stated too strongly that we do not want the Federal Government to become the educational agency in our country. Educators from Kansas tell me that the strength of our system is that education is diversified, and individual creativity is encouraged and allowed to grow. I have concerns that a Federal department will stifle this type of imaginative growth, and I want to point out that should this legislation be approved, it is not to be considered as a mandate for Federal domination, but merely as an organizational realinement presumably to encourage a smoother working relationship among those offices concerned with education.

I believe that the department should give recognition to the work done by State and local school boards, and to the necessity for their continued strength. To have an assistant secretary within the department whose responsibility would be to coordinate policies and activities with non-Federal authorities would help recognize the continued importance of local authorities in the educational process.

Mr. President, I believe my amendment is direct and easily understood. I believe it adds a neeed office to the Department of Education, and I hope that it will be approved.

It is the understanding of the Senator from Kansas that the bill itself may contain even stronger language or at least we can clarify any difference through a colloquy with the distinguished floor manager.

Mr. RIBICOFF. May I say this: I know the objective is a sound one. However, on page 79 of the bill we place this responsibility in the office of the Under Secretary. The bill states that there shall be an Under Secretary of Education, and the Under Secretary "shall have responsibility for the conduct of intergovernmental relations by the department."

The local school boards and the National Council of State Legislatures were very anxious to assure that this provision be incorporated into the bill, and I think we have given the intergovernmental responsibility greater dignity by giving the responsibility to the Under Secretary. So I do not think it is necessary to create an Assistant Secretary because we have a stronger officer, in the Under Secretary, to take care of that function.

Mr. DOLE. The Senator from Kansas is certainly satisfied with an emphasis and that assurance as long as there is no disagreement on what the purpose and intent of that section is. And so the Senator from Kansas will withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right, and the amendment is withdrawn.

Are there further amendments?

Mr. SCHMITT. Mr. President, would the distinguished Senator from Missouri yield me 15 minutes on the bill for a statement?

Mr. DANFORTH. I yield 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. SCHMITT. Mr. President, once again we find the proposal for the creation of a Federal, Cabinet-level Department of Education before us. Quoting from the editorial of the Washington Post of February 11, 1970, entitled "The Education Department—Again," "Never underestimate the power of a bad idea to generate bad arguments." As one reads the report of the Committee on Governmental Affairs which accompanies this bill, one realizes how true this statement is.

The best arguments against the creation of a separate Department of Education come to mind in reading the report of the committee. I plan, at a later time, to discuss the points raised by the committee in support of the Department. At this time, however, let us review the questions which should be raised in a discussion about a new department of Government; questions, it seems, which have not been adequately discussed.

The proposal to create a Cabinet-level Department of Education is such a sweeping proposal that we should proceed, and we have proceeded, with care, although I do not believe with enough care. If we look at the debate and the votes of the last session of this Congress in the Senate, and we look at the rising chorus of opposition in this first session of the 96th Congress, I think we can say very clearly that not enough care has been exercised because opposition is, in fact, increasing, and increasing very rapidy.

Let us proceed logically through the questions which first must be answered before an idea such as this should be finally considered and adopted.

The first question which comes to mind is whether there are problems, national in nature, in education. While there is little doubt that problems do exist, are they the same in New York City and Las Cruces, N. Mex., or any other part of the country? We should be asking what has caused these problems. How should they be met? Can they be met at the local or State level, as traditionally we have tried to do? Can they be met at the Federal level, no matter what we do? If so, should they be met at the Federal level?

It must be kept in mind that we are tampering with a system of education in this country which has been the responsibility of local and State authorities for almost 200 years. It has been fairly well established that there is a legitimate Federal role in education but it is a very limited role. This proposal for a Department of Education has raised the necessary and important question of just how broad should the Federal role be in education. Should it be limited to insuring that there is equality of opportunity or should it be broadened into a managerial role, as the bill before us would so broaden it?

When we talk about problems in education we must talk about the expansion of the Federal role in education.

During the past 15 years, spending on education has increased dramatically. Money, therefore, cannot be the problem with education because as that expansion has occurred, at probably the maximum possible rate, problems in education have continued to worsen.

During the same period of the expansion of money, the quality of education has continually declined by almost any measure of national averages that one can find. Test scores, however, are but one measure of this decline. During the same period, Federal intervention into education has also increased dramatically. While the Federal Government provides only 8 percent of the financing for education in this country, the control exerted by the Federal Government is substantially greater.

Mr. President, as you and I well know, any marginally financed institution, when subject to 8-percent financial control, can be controlled 100 percent because no institution marginally financed can afford to have 8 percent or any percent of its necessary funds withheld.

More and more, teachers are spending additional time filling out forms, complying with Federal regulations, and answering questions posed by "professional educators" in Washington.

Again and again and again as I travel through the State of New Mexico, as I did during this last recess, teachers are coming up to me expressing their depression, their frustration, and their desire to get out of education. Why? Because of the lack of opportunity to teach. More and more teachers are spending additional time filling out the forms that prevent teaching opportunities.

This time is being taken away from those that need it the most—the students. This time is costing more and more money that should be spent on textbooks and salaries. It should be spent on new equipment and new ideas—those ideas that truly teach, those ideas that let the teachers be the purveyors of knowledge, and not just bookkeepers.

Mr. President, the problems in education have been caused by the Federal Government. It seems ironic that now we are arguing that the Federal Government can only solve the problems. For the sake of argument, however, let us proceed with the questions which the proponents should be asking about how problems in education can best be solved.

Now, if the proponents feel that the problems in our educational system can only be met on the Federal level, then the question must be: Can this be done through existing programs? Can it be accomplished through the existing mechanism? Can a reorganization of existing programs and/or the present system of delivery through the Office of Education provide for the needs in education?

If the answer to these questions is "no," then it must be asked, can we establish a new agency, somewhere below the level of department, which will deal with the needs of education?

Mr. President, it seems that only when we get to this point can we even consider a Department of Education. And unfortunately, even though the report of the committee says that that discussion has occurred, I am not persuaded that we have fully examined what could be done wtihin the existing structure, or with an agency of education independent of the administration, to the degree that that is possible, but nevertheless a separate agency.

The appeal of removing the E from HEW is a very great appeal, just as is the appeal of removing the H from HEW. As a matter of fact, it might be wise to consider not having a Department of Health, Education, and Welfare, but having three separate agencies. We will leave that for a separate debate. But if we have indeed reached this point, then we still have a step to go before we create a Federal Cabinet-level Department of Education. That step is the formulation of a national, Federal policy on education. And, Mr. President, if such a policy exists I am not aware of it, and I do not know of anyone else who is aware of it.

Executive departments are established to deal with issues that are of national concern, that can only be handled on the Federal level, and that have a Federal policy, the issue that was addressed so well by William Raspberry in his column "A Federal Education Policy?" which appeared in the Washington Post on January 26, 1979. I ask unanimous consent, Mr. President, that the column by Mr. Raspberry be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FEDERAL EDUCATION POLICY?

(By William Raspberry)

I suppose there may be some bureaucratic efficiencies that have resulted from the creation of the Department of Energy.

But bureaucratic efficiency was not the reason for creating the department. President Carter wanted to pull together the bits and pieces of energy programs scattered throughout the federal bureaucracy for one principal reason: so that the federal government could bring a unified approach to energy—so it could get a handle on energy policy.

Similarly, there might be some efficiencies that would result from the creation of a Department of Education, though I doubt it.

But don't kid yourself for one second that efficiency is the reason the backers of the idea are so fervent about it. The real reason is that pulling together the bits and pieces of education-linked programs presently scattered throughout the federal bureaucracy would give the federal government—and those who could reasonably expect to influence the new department—a handle on educational policy.

The difference between the two things is this: We were pretty well agreed that we needed a rational, consistent federal policy on energy. But we are by no means agreed that we want a federal policy on education, with Washington taking over more of the policy function now relegated to state and local officials.

We aren't agreed because we haven't even debated the question. We haven't understood that the creation of a Department of Education is in fact a policy question, not merely a matter of efficiency.

Do we want a federal policy on education? The impulse is to say: Why not? Standards (for high school graduation, for instance) vary so much from jurisdiction to jurisdiction that a diploma cannot be taken at face value. Why not a single, federal standard?

Wouldn't it make sense to have consistent standards to determine what and how much children should be expected to learn at every grade level? After all, we already have nationally standarized tests to see what they've absorbed.

"That's easy enough for you noneducators to say," one government official told me. "But if one of us said it, I can predict what would happen.

"The first day, there would be applause. The second day, the unions and chief state school officials and the school boards would attack.

"And the third day, the same people who thought it such a wonderful idea on Day One would begin saying, 'On second thought . . .'"

The scenario might not be far off. The teachers' unions—including members of the National Education Association, one of the major lobbyists for the proposed department—would quickly learn that national standards for what and how much should be taught naturally lead to national standards for determining who is qualified to teach it. All teachers' colleges are not created equal.

The state and county school authorities would attack because they are responsible for running some of these bad schools. The school boards would resent the federal usurpation of their policy-making role.

Okay, I know that the supporters of the proposed department don't anticipate federal standard-setting and policy-making. Their dubious rationale is that a president would pay more attention to education if its interests were articulated at the Cabinet level. Thus, a Department of Education would enhance the visibility and prestige of education within the federal establishment.

But visibility and prestige for what? For greater federal outlays? Is there any reason to suppose that creation of the department would in fact increase the amount of federal money available? And if it did, do they think for one moment that they could get more Washington money without more Washington standard-setting?

Maybe we ought to have national standards and educational policy. The point is, you cannot create a Department of Education first and decide the question of policy and standards later.

The creation of the department is a policy decision—even if it masquerades as reorganization for bureaucratic efficiency.

We ought to keep that in mind when the proposal is taken up again, probably later this month.

Mr. SCHMITT. Mr. President, if we need a better example of what happens when you establish a new department without a policy, then I would just direct attention to the Department of Energy. Has there ever been a more chaotic 2 years in any department or organization in this country? If so, I am unaware of it.

I have heard it said that such a department has no place to go but up. I am afraid that persons who feel that way are bound for disappointment, if we continue on the path so far established by the Department of Energy. I know that the distinguished present occupant of the Chair (Mr. MOYNIHAN) is concerned every time I try to correlate the Department of Energy with a proposed Department of Education. I would just say that in a year or two, if this proposal does in fact become law, we may be able to stand around and say, "I told you so."

Only after a Federal policy on education, however, laudable, is established should we consider the establishment of a Department of Education to implement that policy.

Mr. President, let us return now to the beginning. As I have stated, there are many problems existing in education today. There are needs and challenges to be met in providing the best education which we are capable of to all our people. The issue is whether the Federal Government should or even can meet these needs. This Senator feels that the success of education in the United States has been that it is decentralized and localized, that is, it is close to the people which it serves. The input of parents, students, teachers, and administrators on the local level has been most responsible for meeting the needs in particular areas, and creating in this country the greatest educational system, however great its deficiencies, that any large nation has ever seen. In recent years, the addition of Federal money has aided this effort but the addition of Federal regulations and Federal controls have also hampered this effort.

It is clear to this Senator that the problems in education, many of which were pointed out in the committee report, can best be met by local initiatives, with the assistance of the Federal Government, particularly where it is necessary to have Federal funds to provide for equality of opportunity in education.

But let me state parenthetically, Mr. President, that equality of opportunity does not necessarily mean equality of funding. It means that where equal educational opportunity must be provided, you use the funds necessary to provide that; and that does not necessarily mean equality of funding. In many cases, more funding will be required rather than less.

The Federal Government can only hamper any efforts made by those most expert in the needs in particular areas. The point is that the proponents have not established that increasing the Federal role in education will solve the problems or meet the needs of education much less that only Federal efforts can accomplish this.

If the Federal Government can be helpful in this effort to improve education, why are we not looking at improving present programs, reorganizing them, reorganizing our present structure—the Office of Education, increasing funds for education if any or all of these are necessary? Why do we insist in the Congress in creating new bureaucracies rather than making the present ones work or work better?

Mr. President, the Federal Government can assist local and State authorities in improving education. I strongly believe that we can improve the services which we provide. We can accomplish this by reorganizing the Office of Education, streamlining it, maybe making it into an independent agency, and reducing the paperwork which it creates. We can move in the direction of streamlining the grant programs which we have established and move toward the block grant approach rather than the categorical grant approach. This would reduce paperwork, allow local and State authorities to more effectively use Federal funds, and reduce the expenditure of education money on bureaucracies. It is ironic that we are not discussing this approach. This bill which proponents argue will streamline and improve education does not even deal with these problems. What this bill proposes is to reshuffle the bureaucracies and at the same time the problems which presently exist.

Mr. President, let me now try to get to the real issue. I had suggested earlier that we should first discuss a Federal policy on education before we establish a department to implement it. This Senator does not feel that we need a national policy on education and strongly opposes this suggestion. At the same time, however, the argument for a Department of Education can only be made in terms of the need to implement a national policy. What this bill really does is put the cart before the horse. This bill establishes a Department of Education which would then both develop and implement a national education policy.

This bill creates a "Federal Interagency Committee on Education" which, to quote from the bill:

> Shall cooperate with Secretary in the conduct of studies and shall make recommendations in order to assure the effective coordination of Federal programs affecting education, including—
>
> (4) the improvement, development, and oversight of a comprehensive Federal policy for education.

Mr. President, let me repeat that, since this is the real issue in the bill: "The improvement, development, and oversight of a comprehensive Federal policy for education."

This Senator has heard the proponents argue that this bill will not lead to a Federal takeover of education or to increased Federal regulation or to a national policy on education. Yet, in the body of the bill, it is specifically stated that a comprehensive Federal policy on education will be developed. That is of concern to this Senator. This issue is of concern to the people of New Mexico who are tired of Federal interference in almost every facet of their lives, most of all now education. This issue is of concern to a plurality of Americans who oppose the establishment of a Department of Education.

In last year's debate, I pointed out that the Gallup organization asked the question:

> In your opinion, should education be taken out of the present Department of HEW and made a separate department of the Federal Government, or not?

The response was 40 percent answering yes and 45 percent said no. Those parents with children in public schools were opposed by a margin of 49 to 40 percent. Those with children in private schools were opposed by 47 to 42 percent.

It is clear to this Senator that the people of this country do not want a Department of Education. It is clear that they fear Federal control, Federal interference, and Federal direction. It is ironic that a President who attempts to appeal directly to the people would propose legislation which is opposed by a plurality of the Nation.

Mr. President, we do not need a Federal policy on education nor a Department of Education. We do need some reorganization of the Office of Education and the programs which we have on the Federal level.

We need a comprehensive review by the Congress of whether those programs are working, whether they are the best approach for Federal involvement, and whether we are getting our money's worth.

The guiding principle must be assistance to local and State authorities, parents, teachers, administrators, school board members, and most importantly, students, not management of them but assistance to them.

This Senator intends to work to improve education in this country. It is a task important to all our people. Education offers the opportunity for people to succeed and opens the doors for a bright future. I do intend to work against this proposal because I feel it will close doors for our citizens.

Finally, Mr. President, all the evidence that I am familiar with, after many years in the educational systems and many years as an observer and researcher on educational problems outside the context of the committees of the Congress, indicates to me that the Federal presence in education should be reduced and not increased.

There is no question that the efficiency of education, that is, the time a good teacher has to spend with a child, is going down, largely because of the Federal presence in education. There is no question about this in this Senator's mind, after working with the educators and teachers of New Mexico.

In addition, it is claimed in the report on this measure that there will be no new regulatory impact because of this bill. If there will not be, why do we need new supergrade positions attached to this agency?

I am afraid, Mr. President, every parent will regret our actions if they lose more and more control over the lives of their children to the Federal Government.

We are, in fact, bucking the general trend against big, impersonal Government.

Our casework that we perform for our constituents is almost entirely dealing with the impersonality of Government.

Local school boards are elected and parents have some control over their election. I am afraid my constituents are asking what control they will have over the Department of Education, another large group of unelected bureaucrats.

The feeling is in this Senator's mind, and I believe in the minds of many others, that national standards will come, that national tests will follow, national curriculum will soon follow behind.

The Federal control and the concept of big brother in education is very rapidly coming upon us.

It is diversity in education and local control of that diversity that has made this Nation's educational system second to none. It should be our goal to improve and increase the ability of our educational systems to tap diversity, rather than taking any step such as this one toward the homogenization of the educational system of this great country.

Mr. President, I yield back the remainder of my time and seek recognition to offer an amendment.

The PRESIDING OFFICER. The Senator may offer his amendment.

AMENDMENT NO. 152

(Purpose: To delete the transfer of agencies and functions from the Department of Defense to the Department)

Mr. SCHMITT. Mr. President, I call up amendment No. 152 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Mexico (Mr. SCHMITT) proposes an amendment numbered 152.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 81, line 25, strike out "section 203(11)" and insert "section 203(10)".
>
> On page 82, strike out lines 3 through 9.
>
> On page 82, line 10, strike out "(f)" and insert "(e)".
>
> On page 82, line 16, strike out "(g)" and insert "(f)".
>
> On page 83, strike out lines 23 and 24.
>
> On page 84, line 1, strike out "(9)" and insert "(8)".

On page 84, line 4, strike out "(10)" and insert "(9)".

On page 84, line 5, strike out "(11)" and insert "(10)".

On page 84, line 10, strike out "(12)" and insert "(11)".

On page 84, line 13, strike out "(13)" and insert "(12)".

On page 84, line 17, strike out "(14)" and insert "(13)".

On page 87, strike out lines 7 through 20.

On page 87, line 22, strike out "Sec. 210." and insert "Sec. 209.".

On page 88, line 13, strike out "section 303" and insert "section 302".

On page 83, line 19, strike out "Sec. 211." and insert "Sec. 210.".

On page 89, line 2, strike out "Sec. 212." and insert "Sec. 211.".

On page 90, line 13, strike out "Sec. 213." and insert "Sec. 212.".

On page 95, line 22, strike out "Sec. 214." and insert "Sec. 213.".

On page 105, beginning with line 12, strike out through line 21 on page 106.

On page 106, line 24, strike out "Sec. 303." and insert "Sec. 302.".

On page 108, line 3, strike out "Sec. 304." and insert "Sec. 303.".

On page 108, line 12, strike out "Sec. 305." and insert "Sec. 304.".

On page 108, line 18, strike out "Sec. 306." and insert "Sec. 305.".

On page 109, line 3, strike out "Sec. 307." and insert "Sec. 306.".

On page 109, line 10, strike out "Sec. 308." and insert "Sec. 307.".

On page 110, line 20, strike out "section 210" and insert "section 209".

On page 111, lines 14 and 15, strike out "section 210" and insert "section 209".

On page 113, strike out lines 13 through 17.

On page 120, strike out lines 1 through 3.

On page 124, line 8, strike out "(1)".

On page 124, strike out lines 17 through 22.

On page 139, strike out lines 20 and 21.

On page 139, line 22, strike out "(153)" and insert "(152)".

On page 72, in the table of contents, strike out the item relating to section 209 and renumber the items relating to sections 210 through 214 as the items relating to sections 209 through 213, respectively.

On page 73, in the table of contents, strike out the item relating to section 302 and renumber the items relating to sections 303 through 308 as the items relating to sections 303 through 307, respectively.

Mr. SCHMITT. Mr. President, if I may call the attention of my colleagues to the report on S. 210, and in particular the lack of concern in that report, almost the lack of comment, of the transfer of the Department of Defense overseas school system to this new department, it is almost unbelievable that the report would take so little note of that transfer when the majority of the employees to come under the new Department will, in fact, come from that overseas school system.

More specifically, 9,658 employees out of 15,416 will be so transferred from the Department of Defense school system.

This is a strong indication of the direction this new Department will take in this transfer of the defense schools. This amendment I have called up is directed to this question and would delete such transfer from the bill.

The Defense Department operates 267 overseas schools for the children of military personnel. At the present time, there are about 135,000 students enrolled in these schools. These children have very special needs and concerns related to their unique and changing social environment associated with the military careers of their parents. The Department of Defense has successfully administered these schools for 30 years. The supporters of the proposed Department of Education insist that these schools be transferred under the jurisdiction of the new Department, possibly because otherwise it would not have the size of a department in terms of employees.

First, Mr. President, the mission of these overseas schools is to serve the military communities and, literally, no one else except for their broader responsibility to serve the Nation. The schools and those communities are intertwined in ways that are unlike schools in the States.

The schools must depend upon the military for many service functions—personnel, travel, supplies, maintenance, food service, bus service, and so forth. The costs of duplicating those services for the schools alone would be prohibitive, and it is foolish to believe that the bureaucracies of two Cabinet agencies will cooperate to prevent duplication to the degree it is permitted now.

There is very little indication in our experience to show that two Departments will work very well together in such a diverse environment as the overseas school system.

Teaching personnel depend upon DOD for food and supplies through access to base exchanges and, in many locations, for housing. Transfer will cut that access and throw teaching staff on the economy in most areas. Given dollar exchange rate problem, that will be disastrous for many of the individuals, if not most, related to this teaching establishment in the overseas schools.

Schools are used for other base activities. With a transfer, that use will evaporate, or at least be subject to another layer of bureaucracy. The bureaucratic problems of paying for fuel, lights, and maintenance will be overwhelming, again, if our experience with interdepartmental coordination has anything to teach us.

More than 99 percent of new Department's energies and attention will be focused on the grants process. That is largely the function now of the Department of HEW from which the other major portions of the new Department would be derived. The problems and personnel required to run a school system of 150,000 children are simply incompatible with this other completely unrelated bureaucratic process of grant approval.

Finally, all the Department of Defense needs is another agency helping out on its bases which are critical to our national defense structure.

Mr. President, in addition, there is great concern among many individuals, who may even favor establishment of a Department of Education but are concerned about the question of the overseas schools, that this new Department of Education will seek to use these schools for experimentation.

These schools are probably unique in our educational system in that there is a crying need for stability.

The reason for this is the transfer of military personnel, after a 2- or 3- or sometimes 4-year period, from one base to another and the need within that environment, somewhat destabilizing in itself, to have stability in the education system of the children of these military personnel.

The normal tour of duty at a given military base for overseas personnel is about 3 years. That results in children changing schools every 3 years. That change may be to another overseas base or to a stateside school.

In either event, the importance of a consistency in curriculum and educational program among the overseas schools is obvious so that the child's educational experience can proceed with a minimum of adjustment problems.

This has been, clearly, the goal, and it is a goal which has been met, to a large part, by the Department of Defense over the last several decades.

Currently the DOD schools' personnel are staff members in the Department of Defense, have full security clearances, and receive advance information on troop transfers so that plans may be made for school operation when the children arrive at a new base.

Clearly, this transfer of the overseas school responsibility to a new Department of Education particularly with the chaos that will accompany this transfer, would interfere in the educational planning and the related national security problems that come with them.

Under the "split agency" arrangement, those operating the schools might not be apprised in sufficient time to plan for school operation. Transfer to a Department of Education would require security clearances for those personnel involved in the budgetary planning and various other functions related to the operation of the schools.

Mr. President, none of these bureaucratic requirements is necessarily insurmountable in itself. I only list them as a very partial and incomplete list of the kinds of difficulties that the two departments would have in working together.

Additionally, Mr. President, under operation by a Department of Education, cost efficiency factors might dictate closing of a school even though the military interests might be to maintain a school as an evidence of a national commitment to an area or as a means of maintaining a relatively high level of troop morale through the presence of the family. Specific examples at the moment are at Guantanamo Bay and Bahrain on the Persian Gulf.

Budget cutters in a Department of Education might want to close the schools so that the budget could be reduced even though the total national interest might suggest another course of action. Presumably, this could be worked out, but it does represent another area of interface that will be extraordinarily difficult.

I do not expect, by these remarks, that the budget of the Department of Education ever will be reduced in any significant amount once it is created.

Since the DOD schools would be the only agency operating K–12 schools that would be in the Department of Education, it would be essentially an appendage subservient to the whims of the Secretary and planners of the agency. This could constitute a serious problem of uncertainty if there should be as many Secretaries of Education as there have been Commissioners of Education in the past 16 years—8 appointed and 4 additional as acting. The importance of continued attention to quality education for military dependents suggests that the entity should be in an organization with relative continuity of leadership.

Currently, in the transfer of personnel, when children have a need for a special type of educational program, consideration is given to that particular need of the child in determining the next duty location. A concrete example may be found in the transfer procedures for Air Force personnel. One can only speculate whether or not this cooperation would be maintained under the proposed transfer. If it were not, the Department of Education could be subjected to continuing complaints about program inadequacies.

Perhaps the greatest concern, although there are many who oppose on the outside the transfer of the overseas schools into the proposed Department of Education, is that those schools will suffer because of a divided interest in the agency.

Various concerns have been raised about the new Department being an operating agency, but perhaps the most critical concern would be the divided attention of the top leadership as attention—or what would more likely be neglect—would be required for the effective operation of the DOD schools and evolving functions of the Department with reference to the ongoing elementary, secondary, and post-secondary institutions located in the United States.

Mr. President, I think it would be useful, for the purpose of the record, to have somewhat more detail with respect to the basic relationship that now exists between the Department of Defense schools and military support systems within specific bases and within the Department of Defense as a whole.

Currently, the Department of Defense schools are dependent on the military for a wide variety of support services. The transfer of the schools to a new Department of Education would unquestionably endanger the availability of these services.

Housing. In many cases, on-base housing is provided for teaching personnel, particularly in areas where bases are isolated such as in Turkey or where off-base housing is not available to American staff such as in Iceland. Where housing is available off base, teachers have access to the Housing Referral Service which utilizes U.S. standards of housing in determining availability of off-base facilities.

Teacher relocation. Teachers are now able to borrow from the base portermaster a number of personal household furnishings such as refrigerators, stoves and cooking utensils until those items are shipped to them from the States. This loan of goods may last up to 90 days.

Base exchange and commissaries. Teachers have access to the base exchange and commissary for the purchase of groceries, clothing, and other personal items. In many countries, these are the only places where U.S. goods are available except on the black market. BX and commissary use is carefully controlled by the military.

Officers' clubs and mess halls. In many instances, the officers' clubs and mess halls are the only facilities on or near a base that provides three hot meals a day. For single teachers on a base, these facilities are essential.

Health care. The military health facilities are the best available to teachers overseas. Teachers are entitled to emergency care and depend upon the base for health and medical supplies. In many places, health care is simply not available offbase.

Personnel services. The military personnel offices process all teachers' personnel papers, including passports, shipping arrangements, and transportation.

Facilities. The construction of new buildings or additions to existing facilities is now worked out with the civil engineer on the military base. Without access to that military expertise, the schools would not have the ability to make those arrangements onsite. Custodial contracts are arranged for by the base commanding officer for the entire base. The cleaning of the school is only a small part of that contract. In many instances, it would be economically impossible to arrange custodial services for a single facility such as the schools.

Repair and maintenance. The repair and maintenance of the school facilities is handled through the base civil engineer. This includes arrangements for emergency repairs in instances where water pipes freeze, furnaces explode, windows are broken, et cetera. It would be economically impossible for each school to have the personnel and equipment to handle its own repair and maintenance.

Supplies. Schools are entirely dependent upon defense shipping and supply lines for books, equipment, and all other school supplies. Schools receive supplies directly on a drop shipping basis from the military warehouse in Richmond. The duplication of this system would be the most costly and difficult logistical support service.

Bus transportation. In no instance do the schools operate their own buses. Transportation is contracted with the military department at that base with the commander making arrangements with the school superintendent or principal. Transportation is worked out between school authorities and the base transportation officer. Because the schools are able to use military buses already at those facilities, costs are kept to a minimum. Transportation is a very important element of the overseas schools since the vast majority of students are bused to school.

Mail. Currently teachers have access to military mail systems which involve the use of APO and FPO numbers. This reduces cost for mailing and provides for expedited delivery in service.

Teacher transportation. Teachers are able to use military flights on space-available basis for transportation to regional curriculum development meetings and central office administrators are able to use these military flights in order to maintain contact and liaison with the schools in that area. Teachers are also able to use space-available flights for recreational leave and other purposes.

Other facilities and services. Other facilities and services offered by the military whose availability might be jeopardized include gasoline and automotive services, dry cleaning and laundry facilities, recreational facilities, and the provision of drivers' license and automobile tags. In most areas, the military recreation facilities are the only ones which exist within a reasonable distance of the base for use by teachers and their families.

Mr. President, I have not included this list for the sole purpose of saying that those arrangements cannot conceivably be made. In theory, they can. But, again, I remind Senators that we are talking about two major bureaucratic elements of the U.S. Government working out in extreme detail the kinds of relationships between people that now exist very efficiently within the Department of Defense. I do not believe that in many of the cases I have just enumerated, such arrangements can be worked out easily or, at the very least, can be worked out efficiently.

Mr. President, there have been a number of hearings on this issue, not only in the Senate but also in the other body; and I think that some of the comments that have come out of those hearings are important for consideration here today.

For example, in a hearing before the Subcommittee on Labor Standards and the Subcommittee on Elementary and Secondary Vocational Education of the House Committee on Education and Labor, on February 1, 1978, in dealing with the Defense Dependents' Education Act of 1978, Dr. Thomas D. Minter, Deputy Commissioner, Bureau of Elementary and Secondary Education, was questioned by Representative JOHN ERLENBORN the ranking minority member of the Subcommittee on Labor Standards. In their discussion, the following took place:

> Mr. ERLENBORN. How do you personally feel about the Office of Education or HEW being in the business of operating schools?
>
> Mr. MINTER. Well, I don't believe that we should be in the business of operating schools, certainly. I don't think that it is our function and I don't think that it is the intent of Congress.

Mr. President, obviously, that is the intent of this bill that is before the Senate at this time. It is not only the intent; it will be the law.

Similarly at a hearing before the Subcommittee on Labor of the House Committee on Education and Labor, on April 24 and 25, 1974, dealing with H.R. 3157, the National Overseas Education Act of 1973, Dr. Anthony Cardinale, Director of Dependents Education, Office of the Deputy Assistant Secretary of Defense for Education, said as follows:

> Since all schools are located on military installations or are on leased facilities under control of the local military commander, operation of these schools by an outside agency could possibly create more problems than would be solved.
>
> The Department of Defense has a moral commitment to its members, both military and civilian, to insure that the minor school-age dependents continue to receive a quality education.
>
> Personnel residing on military installations or stationed overseas look to the Department of Defense to provide all required support, including education. Thus, we do not consider it feasible or desirable to remove this important responsibility from the Department of Defense.
>
> Through the many resources already available within the Department of Defense, such as transportation, communication, logistical and administrative support channels, the educational needs of the dependents are being met.
>
> The logistical support system necessary to maintain the worldwide dependents education program is now provided by the base commander through the military departments. To remove the budget-making process and budget decisions from the military departments and the Department of Defense places both in an inoperative position.
>
> In summary. we have a good educational system. The current management review, which is based on solid sources, will make the system even more effective and responsive to those it serves.
>
> Therefore, it does not appear appropriate at this time to make any additional substantive changes which would result in disruption or the loss of present continuity.

Similarly, Mr. President, in the hearing on the H.R. 3157, Representative John Dent, chairman of the Subcommittee on Labor Standards said as follows:

> An overseas school system would not, in my opinion, ever be able to be divorced from the Department of Defense as such but it would be administered as a school system and not, as is now the case, as a small appendage of a defense operation.

Carol Kimmel, president of the National Congress of the PTA, said in a letter, October 8, 1975, to Representative Albert H. Quie, former ranking minority member of the House Committee on Education and Labor:

> With control in a central office in Washington, military commanders no longer will have any responsibility for the schools and the schools, as a result, will be denied vital logistical support from the military. Such services, for example, transportation of students, would have to be contracted out.
>
> We seriously question whether parents of the children attending Overseas Dependents Schools can be meaningfully involved in the decision-making process when control and total responsibility for their schools are placed in a central office in Washington, D.C.

Finally, Rufus E. Miles, Jr., in his article, "A Cabinet Department of Education: Analysis and Proposal." American Council on Education, 1976, said as follows:

> The Department of Defense has a system in being that is operated overseas where the logistic support is adjunct to its other logistic support of bases and personnel. A Department of Education would have no such logistic support, nor any other advantage that would make it wise to consider transferring the operation to a Department of Education. The costs would rise because of the need to duplicate such a support system. Again, the argument against the operation of any schools by a Department of Education should, alone, be decisive.

And I might add that Rufus E. Miles, author of the preceding remarks, is a major authority on the Department of Education, and he supports the Department of Education but clearly does not support, and with good cogent argument, the transfer of the overseas schools to that Department.

This morning I received two "Dear Colleagues" concerning this amendment. The first was signed by my colleagues Senators JACKSON, NUNN, and LEVIN. In the letter it is asserted that the Overseas PAT is against this amendment. Enclosed with the "Dear Colleague" was a letter from the Overseas Education Association, Inc., an affiliate of the National Education Association—the principal support of S. 210. Quoting from the OEA letter, signed by its President Hal Mosher:

> Our Association holds exclusive national recognition for the 7,000 teachers in the Department of Defense Dependents Schools (DODDS) system. We believe the members of the armed services stationed overseas deserve the best possible educational program for their children, and this can be achieved only if education is recognized as the highest priority. The teachers in our system strongly believe that education does not receive the priority consideration within the Department of Defense that it would in the Department of Education. Our view is obviously shared by the military parents inasmuch as the European Parent-Teacher-Student Association enthusiastically supports the transfer of DODDS into the Department of Education. Our informal polls also indicate that most of the school administrators support this transfer. The parents and professional educators involved in the system are almost unanimous in their support of the transfer of DODDS into the Department of Education.

Mr. President, this statement misrepresents the facts. OEA does not hold "exclusive national recognition" for the Department of Defense Dependents Schools (DODDS) system. The Overseas Federation of Teachers, an affiliate of the American Federation of Teachers (AFT) is also recognized as a bargaining agent for many teachers in the DODDS system. I quote from a letter dated August 3, 1976 from Earl T. Hart, Area Administrator for the U.S. Department of Labor to Albert Shanker, president of the AFT:

> This is in response to your letter of June 26, 1976, to Madeline Jackson, FLMR Supervisor, inquiring as to the status of the Overseas Federation of Teachers bargaining unit.
>
> Consistent with what you indicated that the Overseas Education Association representative stated at the Congressional hearing, the reorganization with the Department of Defense which became effective on July 1, 1976, combined the overseas teachers employed by the Army, Navy and Air Force into one entity designated the Department of Defense office of Dependents Schools. The bargaining unit represented by the Overseas Federation of Teachers remains intact.

Further the Overseas Federation of Teachers is opposed to the transfer of the DODDS system to the proposed Department of Education. Quoting from a letter I received from the AFT last year with regard to this issue:

> As you know from previous correspondence, the AFT strongly opposes S. 991 and urges all Members of the Senate to vote against it.

The original version of S. 210 was S. 991.

That opinion has recently been supported again by Mr. Shanker, just in the last few days.

The opponents of this amendment have stated as has been stated in the OEA letter, that the European Parent Teacher Association (PTA) is against this amendment and for the transfer of the DODDS system to the Department of Education. This is not an accurate statement. At this time, I wish to quote from a letter from the Overseas Federation of Teachers to the AFT and from a story which appeared in the "Stars and Stripes" on April 16:

> You will be pleased to know about the action taken at the latest European PTSA convention held in Berchtesgaden, Germany from 9–12 April 1979. At this convention the delegates voted on the following statement, "The delegates of this convention expressed the following vote in favor of the Dependents' Schools becoming a part of the DoEd should it be established." For—51, Against—67, Abstain—5.
>
> This shows that the parents, teachers and students overseas are not enamored with the idea of linking the DoDDS schools with a new DoEd as Grace Baisinger, National PTSA President, is saying they are. As a matter of fact it turns out that the whole issue of European PTSA support of DoDDS inclusion in DoEd was a railroaded action at the 1978 European PTSA convention. I will be preparing some materials for your information on this and will send them to you as soon as they are compiled. In the meantime a copy of a newspaper article which appeared in the Stars and Stripes is enclosed for your information and use.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLL SHOWS MANY WANT SCHOOLS KEPT UNDER DoD

(By Jim Coles III)

BERCHTESGADEN, Germany (S&S).—The European PTSA conference ended on a confused note last week after a straw poll of the delegations showed many members favor keeping the overseas schools within the Department of Defense rather than the proposed Department of Education.

The vote came late on the agenda, at a time when many of the delegates had already started home. European PTSA President, Ed Schulze, said the vote indicated little except a concerted effort by "vested interests" to retain the status quo, and until there is a clear sense of convention there will be no change in European PTSA's position of support for the proposed department.

The national PTA president, Grace Baisinger, said the vote would have no influence on the American organization's push for the creation of the new Cabinet-level department. Dr. Anthony Cardinale, DODDS director was present when the poll took place.

The vote was 67 against inclusion of DODDS schools in the department, to 51 for. Proxy votes were used by activists on both sides of the issue.

Ernie Lehman, Overseas Federation of Teachers president, said the vote "clearly shows the majority of parents and teachers do not favor moving under a Department of Education." The OFT has opposed a Department of Education.

The conference officially ended Thursday night with a formal banquet, the presentation of the memberships in European PTSA and the presentation of a lifetime membership in National PTA to Schulze.

Major issues the delegates considered included alcohol and drug use by students, creation of the Department of Education, DODDS reorganization, funding and staffing of the overseas schools and child abuse.

Mr. SCHMITT. Mr. President, obviously the "parents and professional educators involved in the system are almost unanimous in their support of the transfer of DODDS into the Department of Education" is not an accurate statement, as contained in that article. Yet, this argument was advanced by the Overseas Education Association.

The second letter from Senator RIBICOFF also advances similar arguments. In addition it states that "the schools will get more attention and oversight in the Department of Education." This is precisely what is not needed. The increased attention will inevitably lead to increased control, the last thing the students in this school system need.

This transfer being proposed is tampering with the education of about 135,000 children. This is a serious proposal. It must be considered carefully and with accurate and complete facts and not with misrepresentations as those in the letter from the Overseas Education Association.

Mr. President, most seriously, the existence of a school system that is the equivalent of the 11th largest school system in this country in the Department of Education gives a ready-made access of the experimenters for Federal education to a school system in which they can experiment.

I will be extraordinarily surprised, if such a Department is created, that those experimenters will not, in fact, try to experiment.

That is what we do not need. We need to have the diversity of our local education system preserved and enhanced, not homogenized, as we approach 1984.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I oppose this amendment.

Mr. President, the Governmental Affairs Committee gave serious and thorough consideration to the transfer of the Defense Department's overseas Dependents Schools to the new Department of Education.

This transfer is supported by nearly all parties involved, including the school administrators, the Overseas Education Association (which holds exclusive recognition for DOD teachers), the European Congress of American Parents, Teachers, and Students, and the Department of Defense.

If the DOD school system were within the continental United States, it would rank as our 12th largest elementary and secondary school system.

The DOD schools exist for a specific purpose—to provide education for dependents of our military personnel. They are one of a very few public school systems operated by the Federal Government.

When the committee studied the creation of the Department of Education, we asked ourselves which agency of the Federal Government would be in the best position to provide the highest quality education to the 135,000 students in the DOD schools.

Looking objectively at the merits of the issue, I think there is an overwhelming case to be made for the transfer.

We should not expect the Defense Department to have the expertise of running a public education system. Obviously, the purpose of the DOD schools is more in line with the mission of the Department of Education than of Defense.

These schools are not integrally related to the maintenance of the national defense posture. The schools do not prepare its students for any purposes related to the military. They are regular American elementary and secondary schools.

The schools are not a priority at the Defense Department. How could a $361 million public school system receive the professional attention it needs in a $25 billion department?

The expertise in the field of education will be in the Department of Education. The many and varied educational programs in the new Department should be made available for the improvement of these schools. Programs for gifted and talented children, academic facilities improvement, and educational research—to name a few—are all badly needed functions which will benefit the DOD schools in the new department.

I believe locating the dependents schools in the new Department of Education will result in a wide range of benefits for the schools. Being administered in the Education Department, the schools will be kept in touch with the latest education trends and technologies. The Secretary of Education will be the most knowledgeable Federal official in the field. He or she will have broad access to a wide range of experts and materials which could help with problems in the DOD schools.

The transfer will provide continuity for students alternating from DOD schools and continental U.S. public schools. The average term of duty for members of the military overseas is usually 3 years or less. So there is a great amount of movement for students between the various schools systems. Students will learn more if they can simply pick up where they left off after leaving one system for the other.

Mr. President, the dependents schools have had a troubled history. Problems in parent involvement, variations in educational programs, supply of educational materials, and safety of facilities continue to persist. Perhaps one of the most eloquent statements of these problems was presented last week to the House Government Operations Committee by Col. Mike Austin, vice president of the European Congress of American Parents, Teachers, and Students, in supporting the transfer of the school system to the Department of Education. I ask unanimous consent that the statement be printed in the RECORD, and I urge my colleagues to read the statement carefully.

Mr. President, the legislation before us today provides for a 3-year phase-in period, so that the schools can be transferred with little or no disruption. The schools will become a high priority in the structure of the Department. The bill creates an Office of Education for Overseas Dependents, headed by an administrator. The administrator would report to the Secretary and would be an executive level V. This stands in contrast to the present situation, where the Office of Dependents Education in DOD is submerged more than eight layers deep in the bureaucracy, and where the Director of the schools is only a GS-16, protected by civil service. The level of attention and accountability in the Department of Education would be dramatically increased.

S. 210 also requires the Secretary of Education, in the 3-year phase-in period, to make recommendations for increasing parent, teachers, student, and military participation in the schools' operation and administration. The bill also makes technical amendments to the Defense Dependents Education Act of 1978 to increase parent participation, and conform the Act to the transfer of the schools to the Department of Education.

Mr. President, I would hope the Senate would concur with the unanimous recommendation of the Governmental Affairs Committee that the DOD Dependents Schools be transferred to the Department of Education.

In addition, Senators JACKSON, LEVIN, and NUNN, who are members of the Military Armed Services Committee, have strongly advocated the transfer. These Senators, who are deeply involved with matters affecting all phases of the armed services, have come to believe strongly that this is essential for the education of the children of military personnel.

Mr. President, I ask unanimous consent that the "Dear Colleague" letter signed by Senators JACKSON, NUNN, and LEVIN, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES,
Washington, D.C., April 25, 1979.

DEAR COLLEAGUE: We would like to advise you of our opposition to the Schmitt Amendment (No. 152) to the Department of Education Organization Act of 1978 (S. 210), which would delete the transfer of the Department of Defense Overseas Dependents Schools to the new Department. We do this from our unique position of being cosponsors of S. 210, members of the Governmental Affairs Committee and members of the Services Committee.

This transfer is supported by the Governmental Affairs Committee, the Department of Defense, the Overseas Education Association, and the European Congress of Parents, Teachers and Students. In simple terms, the proposed transfer is endorsed by all the parties involved. Attached are letters from the European PTSA and the Overseas Education Association in support of this transfer.

There are several reasons why we feel that this transfer is a good one. These schools are regular American public elementary and secondary schools serving the dependents of military personnel who are stationed abroad. Their purpose is to educate American children and is not integrally involved with the mission of the Department of Defense. The DOD Overseas Schools are administered by a GS 16 in the Department of Defense who, despite his personal dedication and excellence, is not in a position in the massive Department of Defense to gain attention for the needs of these schools. Under the proposal in S. 210, the Overseas Defense Schools will be administered by an Executive Level 5 official in the new Department of Education who will report directly to the Secretary. This high-level official will provide these schools with more attention and oversight than they have received in their 30 year history. We believe that such attention and accountability will improve the quality of the schools and will make a positive difference in the minimum educational standards, acquisition of pertinent educational supplies and the availability of knowledge into new trends and methods of teaching.

Inclusion in the Department of Education will also facilitate the transition of these students, who are temporarily overseas and away from our nation, into our public school systems. Since military families are subject to frequent moves, we should strive to provide a sense of continuity in education for these students. The Department of Education would be more attuned to the trends in American public education than the Department of Defense and could provide valuable assistance to the school administrators in sensing, adjusting and responding to these educational trends. The Department of Education could also bring to the overseas schools the vast educational resources which are available in our public schools, but, to date, have not been available to our overseas military dependents.

There would be no disruption in the operation of these schools during the transition. S. 210 provides for a 3 year "phase-in" period, during which time the Secretary of Education is required to work closely with the Secretary of Defense to develop a comprehensive plan for effecting the transfer. Also, Section 505 (a) of the bill insures that the agreements between the schools' present administration and the Armed Forces in existence at the time the Department is established shall remain in effect until new agreements are negotiated as part of the planned transfer.

The arguments of the opponents of this transfer that the Department of Education should not be in the business of administering a school system is not defensible in this case. The Committee formulated very precise language in the bill to ensure that this reorganization in no way increases the power of the Federal government over our educational process, and we wholeheartedly support this language. The reality of the Overseas Dependents Schools is, however, that they are now and will continue to be administered by a Federal department. The question we should be addressing is which Federal department is the most competent and best qualified to ensure that these American school children receive a sound and quality education. It would be a difficult case to argue that the Department of Defense would ever come close to giving these students the priority, attention and focus which they will receive in the Department of Education with its level V administrator who reports directly to the Secretary. Since these schools, by necessity, must be administered by a Federal department, the Department of Education is the one to do it.

We believe that these are valid and cogent reasons for the transfer of these schools to the new Department of Education. We hope you will join us in opposing the Schmitt Amendment to delete this transfer.

Sincerely,

Henry Jackson.
Sam Nunn.
Carl Levin.

The National PTA,
Chicago, Ill., April 25, 1979.

Hon. Sam Nunn,
3241 Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Nunn: The National Congress of Parents and Teachers and the European Congress of American Parents, Teachers and Students strongly support your efforts to keep S. 210, the Department of Education bill intact.

Recently Commander Mike Austin, Legislative Chairperson of the European PTSA, flew from Brussels to testify in front of a subcommittee of the House Government Operations Committee. In his testimony he urged that the DoD schools for children of military personnel be transferred to the Department of Education. In his statement he said, "We want to come in from the cold. We see our closed, limited military system drifting farther away from the main stream of the American educational process and the continued inability of our current organizational structure to make the requisite adjustments. Some very exciting things are happening in American education which as taxpayers we provide tax dollars to support. We want to make sure that our children are full-fledged participants. The new Department of Education is certainly no panacea to immediately curing all of our ills but we believe that the prognosis for survival there is much better than under the Department of Defense system."

While it is true that the geographic dispersion of the overseas schools creates unique logistical and support service problems for the schools, we firmly believe that these and other aspects of their operation are best dealt with in the context of the primary mission of these schools, which is the education of overseas military dependents. Clearly the mission of the Department of Education is most compatible with this task.

The National PTA and the European PTSA thank you for your concern and efforts in this matter. We are determined to assure that the DoD schools remain part of the Department of Education legislation.

Sincerely,

Grace Baisinger, *President.*

Overseas Education Association, Inc.,
Washington, D.C., April 24, 1979.

Hon. Henry M. Jackson,
U.S. Senate, 137 Russell Building, Washington, D.C.

Hon. Sam Nunn,
U.S. Senate, 110 Russell Building, Washington, D.C.

Dear Senators Jackson and Nunn: We appreciate your efforts to establish a separate Department of Education, which includes our schools, the Department of Defense Dependents Schools. It has come to our attention that Senator Schmitt is planning to introduce an amendment to S. 210 to eliminate the Department of Defense Dependents School (DODDS) from the bill. We oppose such an amendment.

Our Association holds exclusive national recognition for the 7,000 teachers in the Department of Defense Dependents Schools (DODDS) system. We believe the members of the armed services stationed overseas deserve the best possible educational program for their children, and this can be achieved only if education is recognized as the highest priority. The teachers in our system strongly believe that education does not receive the priority consideration within the Department of Defense that it would in the Department of Education. Our view is obviously shared by the military parents inasmuch as the European Parent-Teacher-Student Association enthusiastically supports the transfer of DODDS into the Department of Education. Our informal polls also indicate that most of the school administrators support this transfer. The parents and professional educators involved in the system are almost unanimous in their support of the transfer of DODDS into the Department of Education.

A question may be raised regarding logistical support from DOD for our schools if under a Department of Education. For three years DODDS has been separate from direct control by the military departments. Logistical support has been provided through interservice support agreements. The Director of DODDS has concurred that support has been equal if not superior to past direct support arrangements. Therefore, any potential logistical support problems are already being resolved and should not be considered a negative factor in considering this transfer.

It is our sincere hope that the Senate will enact S. 210, with the Overseas Dependents Schools included, and that all efforts to delete us from this legislation will be resisted. A Department of Education is needed and we want to be part of it.

Sincerely,

Hal Mosher, *President.*

Mr. RIBICOFF. Mr. President, I have no further statement to make. I am willing to yield back the remainder of my time.

Mr. SCHMITT. I am ready to yield back the remainder of my time and, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Baucus). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Vermont (Mr. Leahy), the Senator from Louisiana (Mr. Long), the Senator from Maine (Mr. Muskie), the Senator from Wisconsin (Mr. Nelson), and the Senator from Hawaii (Mr. Inouye) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. Williams), is absent on official business.

I also announce that the Senator from Indiana (Mr. Bayh) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from New York (Mr. Javits), the Senator from Illinois (Mr. Percy), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. Chafee) is absent on official business.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 28, nays 58, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—28

Boren
Byrd,
 Harry F., Jr.
Cohen
Dole
Domenici
Exon
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Morgan
Moynihan
Randolph
Schmitt
Simpson
Stevens
Thurmond
Tower
Wallop
Warner

NAYS—58

Baker
Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cranston
Culver
Danforth
DeConcini
Durenberger
Durkin
Eagleton
Ford
Glenn
Hart
Hatfield
Heinz
Hollings
Huddleston
Jackson
Johnston
Kennedy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Young
Zorinsky

NOT VOTING—14

Armstrong
Bayh
Chafee
Gravel
Inouye
Javits
Leahy
Long
Muskie
Nelson
Percy
Stafford
Weicker
Williams

So Mr. SCHMITT's amendment (No. 152) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. BAKER. Mr. President, does the Senator from North Carolina mind if the Senator from South Dakota (Mr. PRESSLER) goes briefly with something they will accept?

Mr. HELMS. Not at all. I am delighted.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I yield to the Senator from Virginia.

The PRESIDING OFFICER. The Senate is not in order.

Does the Senator from Virginia wish to be recognized in his own right?

Mr. WARNER. Thank you, Mr. President.

Mr. President, I rise to speak in opposition to S. 210.

The PRESIDING OFFICER. Who yields time?

Mr. PRESSLER. I yield 1 minute.

Mr. DANFORTH. Yes. I certainly will yield. How much time does the Senator wish?

Mr. WARNER. One minute.

Mr. DANFORTH. I yield 1 minute to the Senator from Virginia.

Mr. WARNER. I thank the distinguished Senator from Missouri.

Mr. President, I rise to speak in opposition to S. 210.

Mr. President, I welcome the opportunity to speak before you today on the Department of Education.

I am adamantly opposed to a new, Cabinet-level Department of Education for many reasons. In this day of sprawling bureaucratic growth, I believe removing education from the Department of Health, Education, and Welfare would not only be an added cost to taxpayers, but harmful to the schools so vital to our Nation. Presently, the United States provides the world's best and most extensive educational program. The strength of this system arises in its diversity and extent, and given the complexity, size, and variety of needs found in the different sectors of the Nation, we need a sensitive and responsive educational program dominated by the local citizenry.

Diversified State and local school boards currently seek to respond and administer to the many needs of our school systems, and because most educational needs are strictly local in character, such decentralized administrations are far more sensitive and responsive than is the Federal Government.

This single department concept is not a new one. Historically, from 1908 through today, nearly 130 legislative proposals have been introduced in Congress calling for a department for education. Except for the bill introduced last year, none of these bills ever reached the floor of either House. Now I ask, why would such legislation never have reached maturity if it in fact streamlined the Federal Government, was fiscally efficient, and allowed localities and States to retain control of education? It appears to me that the majority of legislators for more than 70 years have shown discretion and sound judgment in declining to let the Department of Education concept become a reality.

Though the Federal Government now provides many grants and aid programs to schools, many of which are valuable, the needs of our schools are determined best by local school boards, as they are better equipped to understand local problems and administer these funds.

So I say to you, as I have said on many occasions prior to this one, the first step in achieving the goal of improving education in the United States is preserving and strengthening local control and local initiative in educational matters.

The American Federation of Teachers, Department of Legislation, in March 1979 in a fact sheet entitled, "Deficiencies in Federal Department of Education Legislation: A Non-Solution to the Problems of Education on the National Level" noted:

> Establishing a federal department to administer 8% of the funds will result an imbalance between state and local government and the federal establishment. No local school district or state can match a federal department's clout in a disagreement.

Originally, the single department concept drew much of its support from people who viewed the issue as the enhancement of bureaucratic efficiency through governmental reorganization. Accordingly S. 210 contains numerous disclaimers of any purpose to expand the Federal role in education, though there are several sections which suggest the contrary.

But slowly and inexorably, the objectives of the bill became apparent. A spokesman for the National Education Association has admitted:

> Creating a department of education is, indeed, a profound step in which the federal government will be recognizing, for the first time, that it has a responsibility for education in and of itself.

In addition, it has long been a knowledgeable assumption that a new Department of Education will merely promote a potent lobby for even greater Federal subsidies for education. And, everyone knows that following every Federal dollar comes a Federal regulation.

As David Breneman and Noel Epstein point out in the Washington Post:

> To create a department of education is, at heart, an exercise in policymaking, not in efficiency. Making education the defining element of a cabinet-level department is essentially to authorize the creating of a federal policy for education itself.

On page 25, S. 210 concedes this point where it makes a new Federal interagency committee responsible for "the improvement, development, and oversight of a comprehensive Federal policy for education."

Those who feel that curriculum, school policy—in short, the substance of education—should fall within the careful purview of a Cabinet-level department created for that purpose will no doubt welcome the creation of this new bureaucracy. To those, such as myself, who feel that Federal Government involvement in education is more the problem than the solution, this development can only be regarded with considerable alarm.

Between the passage of the Elementary and Secondary Education Act of 1965 and the present, the increase of Federal aid to education has borne an inverse relationship to almost every indicator of academic achievement.

At a time in which even the Washington Post was doing exposés about illiteracy among high school graduates, the Federal Government was spending hundreds of millions of dollars on programs dealing with metric education, consumer education, environmental education, health education, and population education. Given the ideological priorities which the Federal education bureaucracy has set, is it any wonder that billions of taxpayers dollars have been lost?

To organizationally enhance the ability of this bureaucracy to compete for more Federal funding will surely cost us a lot more money without resulting in any substantive improvement in the quality of education. As the Post remarked recently in an editorial:

> Education has always been primarily a responsibility of the states, a wholesome tradition that deserves to be continued and one, incidentally, that is much honored in debates on the Senate floor. It would (be) nice if the Senate were to act on all these pieties when the vote is finally taken.

I urge all Senators to look at this legislation with particular concern before the final vote is cast.

Thank you very much.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The junior Senator from North Carolina is recognized.

Mr. MORGAN. Mr. President, I will yield to Senator Pressler.

The PRESIDING OFFICER. Does the Senator wish to call up an amendment?

Mr. MORGAN. Yes; I wish to call up an amendment.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. MORGAN. I have an amendment to call up and then I will yield.

AMENDMENT NO. 143

(Purpose: To prohibit the transfer of additional functions to the Secretary of Education)

Mr. MORGAN. Mr. President, I call up my amendment No. 143 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. Morgan) proposes an amendment numbered 143.

Mr. MORGAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 109, between lines 13 and 14, insert the following:

"PROHIBITION AGAINST ADDITIONAL TRANSFERS

"Sec. 309. The President may not use the authority under chapter 9 of title 5, United States Code, or any other reorganization authority to transfer any function or program to the Secretary not specifically transferred by this Act.".

On page 73, in the table of contents, insert immediately after the item relating to section 308 the following:

"Sec. 309. Prohibition against additional transfers.".

The PRESIDING OFFICER. The Chair inquires of the Senator from North Carolina whether this is the amendment on which a time agreement provides for 2 hours of debate?

Mr. MORGAN. That is correct.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. MORGAN. Now, Mr. President, I yield to the Senator.

Mr. PRESSLER. Mr. President, do I have the floor?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and I have cleared this with the distinguished Senator from North Carolina (Mr. Morgan), that his amendment be temporarily laid aside in order that Mr. Pressler may call up an amendment which Mr. Morgan wishes to see disposed of.

Mr. DANFORTH. There are two amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. I have no objection, but mine will be very brief. I have two amendments, and I believe I have an agreement or a tentative agreement on their acceptance. They regard vocational education.

Mr. ROBERT C. BYRD. Mr. President, could we have a time limitation on the two amendments?

Mr. PRESSLER. It will not take me more than 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that we have a time limitation of 6 minutes equally divided?

The PRESIDING OFFICER. Which one will the Senator call up first?

Mr. PRESSLER. It is all right with me.

Mr. ROBERT C. BYRD. It is agreeable to the Senator?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota.

UP AMENDMENT NO. 106

(Purpose: To establish an Assistant Secretary for Vocational, Adult, and Community Education; and to require the Federal Interagency Committee on Education to study the accomplishments of Federal vocational education programs)

Mr. PRESSLER. Mr. President, my two amendments are at the desk and they regard the priority vocational education as given.

The PRESIDING OFFICER. Does the Senator wish the amendments to be offered en bloc?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. Pressler) proposes unprinted amendment numbered 106, en bloc.

On page 81, line 1, strike out "Occupational" and insert "Vocational".

On page 83, lines 5 and 6, strike out "occupational" and insert "vocational".

On page 86, line 5, strike out "Occupational" and insert "Vocational".

On page 86, line 8, strike out "Occupational" and insert "Vocational".

On page 86, lines 9 and 10, strike out "Occupational" and insert "Vocational".

On page 86, line 11, strike out "Occupational" and insert "Vocational".

On page 72, in the table of contents, in the item relating to section 207, strike out "Occupational" and insert "Vocational".

On page 98, between lines 13 and 14, insert the following: "progress, effectiveness, and accomplishments of Federal vocational education and training programs, and the".

Mr. PRESSLER. Mr. President, the purpose of these two amendments is to give recognition and a high priority to vocational education. In the time that I served in the House of Representatives I worked with a number of vocational education groups across the country as well as in South Dakota, and the feeling is that by including these amendments we will be assured that what has come to be known as vocational education will be given an appropriate priority.

There has been a feeling in many sectors that sometimes vocational education is given a lower priority, that it is recognized as something that students who do not do as well go into. Yet our job requirements in the next 20 years are very much in need of people trained in the skills and trade areas.

This would require that there be included in the report a more definitive description of what is happening in the vocational education area.

I would like to praise the gentleman from Connecticut (Mr. Ribicoff) and our colleague from Illinois (Mr. Percy), for their fine work in developing S. 210, the Department of Education Act of 1979. I believe the proposal set before us today is a responsible effort to give education the priority treatment it should have in our society without increasing the size of the Federal bureaucracy or undermining the control of the local community over its own educational programs in its schools.

As a former member of the House Education and Labor Committee, and its Subcommittee on Elementary, Secondary and Vocational Education, and as the chairman of the Congressional Advisory Committee for the Distributive Education Clubs of America (DECA), I am an enthusiastic advocate of vocational and technical education and their importance in our society. Our manpower needs demand increased emphasis on vocational education both for students who go on to traditional college and university liberal arts programs, and to those who do not.

With over 15 million Americans involved in vocational education at this time, I believe we can say that vocational education has "come of age" in this country. I am very pleased to see that an Office of Occupational, Adult, and Community Education is created by S. 210.

However, since I believe the creation of a Cabinet-level Department of Education should be used as an opportunity to elevate our efforts in the area of vocational education, I believe the Office of Occupational, Adult, and Community Education should be renamed the Office of Vocational, Adult, and Community Education.

Vocational education has been given a backseat in the Federal Government's educational policies. There is a prevailing attitude that vocational education students are second-rate and that they do not do well in school. Also, society looks down upon vocational education and traditional work. This attitude is simply wrong.

The United States needs skilled workers. Occupational projections for the next decade indicate there will be a great need for specific skills which are now available through voc-ed institutions. Our Government can no longer afford to ignore the importance of vocational education if we are to meet our Nation's future occupational needs.

We need to recognize the importance of vocational education as an equal partner with liberal arts education in American society. If our manpower needs are to be met, and nationwide unemployment reduced, I believe we must give very serious consideration to continually strengthening our voc-ed programs. The creation of a Cabinet-level Department of Education, and an Office of Vocational, Adult, and Community Education will be a positive step toward that goal.

Mr. RIBICOFF. Mr. President, both

amendments en bloc are acceptable to the manager of the bill. I yield back the remainder of my ime.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from South Dakota. [Putting the question.]

The amendment was agreed to.

AMENDMENT NO. 143

Mr. MORGAN. Mr. President, I believe I called up my amendment 143 earlier.

The PRESIDING OFFICER. The Senator is correct.

Mr. MORGAN. Mr. President, the amendment I am now offering, which is cosponsored by Senators STEVENS and HELMS is a one-sentence amendment which would do nothing more than to require that legislation be passed to authorize the transfer of any additional programs or agencies into the Department of Education, if and when it is created. The amendment reads as follows:

> "SEC. 309. The President may not use the authority under chapter 9 of title 5, United States Code, or any other reorganization authority to transfer any function or program to the Secretary not specifically transferred by this Act.".

Mr. President, in all fairness to the other Senators, I should say that I am opposed to the creation of the new Department of Education for many reasons, most of which I have previously stated on the floor of the Senate. Some of those reasons are specifically with regard to programs that I think are functioning now better where they are than where they could or would function under the Department of Education.

I do not want to mislead anyone by saying that if my amendment is adopted I would then be for the bill. What I am trying to do is to recognize what may be inevitable, and make the bill as palatable as possible.

What my amendment would do is simply to say that, once the Department is created under the guise of a skeleton organization, that the President cannot come back under his reorganization power and then suddenly transfer into the Department of Education all of these other programs that have been excluded for the purpose of getting the bill passed, such as the Indian education program which, I think, has already been discussed here on the floor today, as well as nutrition programs, veterans education, Head Start, and others.

But I think this amendment is necessary in order to assure that the will of the Congress is not thwarted by Executive order.

While the administration is on record time and time again as favoring a comprehensive Department of Education, Congress has made its preference for a limited Department quite clear. During the last year, at various stages in the legislative process, the Senate has removed the Head Start program; the Senate has removed the child nutrition programs, the Interior Department's Indian education programs; it removed the National Foundation of the Arts and Humanities; it removed all of the National Science Foundation's noneducation programs and about 70 percent of their science education programs from the proposed Department.

In addition, the overseas schools of the Department of Defense, I believe, may still be deleted from this bill.

What I am saying is that last year the Senate expressed the will of this body that those programs be excluded. Now they are not in the bill.

In spite of these decisions, the administration's enthusiasm for a comprehensive Education Department remains unabated. Administration officials have repeatedly cited the need to consolidate what they call fragmented education-related programs as a reason for supporting this bill.

At this very moment, before a Department of Education bill has been passed by either the House or the Senate, the Office of Management and Budget is again studying whether the Indian education programs in the Bureau of Indian Affairs should be transferred to the new Department. Why this is once again being studied is not clear, unless the groundwork is being laid for a transfer under the Reorganizaton Act once this framework has been established.

I say this because everybody's views on this subject are already out in the open. President Carter stated last July, and I want to quote specifically what he said:

> Under my proposal for a Cabinet Department of Education, the Indian Education Programs, now located in the Bureau of Indian Affairs, would be moved to the new department. I have recommended this transfer because I believe it will make Federal school-based programs more effective.

James McIntyre, Director of OMB and the boss of the people undertaking this latest study, has stated:

> These transfers would place in the new Department all Federal Indian education programs and would thus encourage the development of a comprehensive policy toward Indian education.

Congress position on this subject is equally clear. The Senate voted 47 to 39 against the transfer last year, and I daresay that the margin would be greater this year. Over in the House of Representatives, it is quite clear that no Department of Education bill would ever emerge from the Government Operations Committee if the Indian education programs were to be transferred.

I do not understand why the administration is so intent on thwarting the will of the Congress, and I do not think that we should let them do so.

And, Mr. President, North Carolina has a substantial Indian population.

The first section of the bill before us states that "the Congress finds and declares that the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education." In my view, that strongly implies that a comprehensive department of the type the Congress is unwilling to accept is desirable.

While no section of this bill could be found that dealt with this finding, it is worth noting that a fact sheet recently published by the Governmental Affairs Committee states that "the new Department will represent a sound base upon which to consolidate, in the future, more scattered Federal education programs."

I want to repeat that. The fact sheet states that "the new Department will represent a sound base upon which to consolidate, in the future, more scattered Federal education programs."

I believe that once the new Education Department is established, attempts to expand it will rapidly follow.

Let me take a minute and explain how the President's reorganization authority presently works. Should the President wish to reorganize, he may send a reorganization plan to the Congress. This reorganization plan would go into effect after 60 calendar days unless either House of Congress disapproves it.

Admittedly, any Member of either body can force a vote on a reorganization plan within the 60-day period. But a Senator or Representative trying to prevent the reorganization is going to be in the position of attempting to get a majority of the Congress to support him and oppose the administration, and he is going to have less than 2 months in which to find this majority.

My amendment would simply shift some of the workload. It would force the administration to justify any transfers into the Education Department to a majority of the Congress, rather than forcing a Member of Congress to get a majority to take positive action against the transfer and the administration within less than 2 months.

I think this is perfectly reasonable. The Congress has thoroughly discussed the question of whether to establish this new Department. Having made a decision not to include a number of education-related programs, I do not feel this decision should be challenged by a bureaucracy trying to expand or any future reorganization-prone administration. I believe it is important that we close this loophole in the bill to prevent the administration from trying to accomplish by Executive order what they have been unable to get this Congress or the last Congress to adopt through legislation.

If the Congress had not specifically excluded these programs last year, and had they not intentionally been left out of these bills this year, then I could understand why the President should be allowed to use the reorganization authority to do that. But these matters have already been discussed in this body and voted down.

I would note that the administration has repeatedly attempted to circumvent the will of Congress in this fashion. In fact, just the other day I received a report from the White House about something called the Department of Natural Resources. The administration is proposing to create a brand new cabinet-level

Department through the President's reorganization authority.

The administration is proposing this even though the chairman of the Governmental Affairs Committee, who has been extremely cooperative with them on all reorganization matters, has labeled this as an abuse of the Reorganization Act.

It seems to me that if the administration is prepared to try to abuse the Reorganization Act over the opposition of the Senator from Connecticut, they certainly would be willing to use the Reorganization Act to thwart the will of the Congress on issues where the Senator from Connecticut agrees with them.

This amendment does not in any way affect the substance of the proposed Department of Education, nor does it make any changes in the Reorganization Act of 1977. It only prevents the Reorganization Act from being used on the Department of Education, a Department which did not exist when the Reorganization Act was passed.

It is inconceivable to me that anyone would oppose this amendment unless they plan to work for the expansion of the proposed Department through nonlegislative means at some future date. This is a needed amendment which closes a little loophole in the bill, and I urge my colleagues to support it.

I want to say once again, Mr. President, that the bill on this new Department of Education is being presented to us without many education programs—without Indian education, without Head Start, without the nutritional programs or humanities programs.

These matters having been debated on the floor of the Senate, I believe that the sponsors of this legislation ought to say that, even though we personally think they should be included, we are willing to require the administration to come back and seek the approval of Congress before they undertake to circumvent and thwart the will of Congress.

So I urge my colleagues to vote for this amendment. It does not and will not prevent the President and the administration from coming back and presenting to us measures that would transfer these activities into the new departments, but it would require that there be full and open debate, and that it follow the normal legislative process, rather than placing the responsibility upon an individual Senator to marshal a majority of one of the bodies of Congress within a 60-day period.

I urge my colleagues to support the amendment.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. MORGAN. I am delighted to yield to the Senator from Alaska.

Mr. STEVENS. I thank my colleague the sponsor of this amendment.

Mr. President, although I am a cosponsor of the Department of Education bill, my support was contingent upon the removal of the Indian education transfer study from the bill. Even though this provision has been deleted, I cosponsored the Morgan amendment to insure that the Indian education programs remain with the BIA and not be transferred to the Department of Education through Executive action without the approval of the Indian community.

As Senators know, the President has the authority under the Reorganization Act of 1977 to transfer programs and agencies within the executive branch. The Senate or House can veto the President's action within 45 days if we disagree.

The Morgan amendment would change this procedure with respect to the proposed Department of Education by requiring the President to submit specific legislation for each program or agency he wishes to transfer.

I support the Morgan amendment because I do not want to see the Indian education programs transferred into the Department of Education in an attempt by the administration to consolidate Federal education programs without complying with the wishes of the Indian community. The Senate voted against transferring the Indian education programs into the Department of Education last year. Congress has expressed its intent in this area, and I feel specific legislation should be required to change the placement of the Indian education programs.

We should not be faced with administrative transfers of programs such as: Child nutrition, Head Start, Indian education, and the National Endowment for the Arts and the Humanities into the Department of Education, which have been specifically excluded by the action of Congress. Without passage of the Morgan amendment these transfers, in my opinion, are probably inevitable, and I urge the Senate to vote in favor of this amendment, which I consider to be a very important amendment to the education bill, to prevent expanding the Department beyond the scope and intent of Congress as it considers this legislation.

I thank my friend.

Mr. MORGAN. Mr. President, lest I should forget it, I ask for the yeas and nays at this time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MORGAN. Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, the amendment of the Senator from North Carolina, by carving out a special exception to the reorganization authority, would be setting a dangerous precedent.

Since 1949, no agencies or departments have been exempted by name under reorganization authority, nor is the Governmental Affairs Committee aware of any successful attempts to prohibit transfers under reorganizational authority to any particular agencies or departments. If the Congress does not approve of a certain transfer of a program to the new Department, it has the right to disapprove reorganization plans submitted by the President pursuant to the Public Law 95-71.

I did not quite understand the distinguished Senator from Alaska. The President could not, by Executive order, under any circumstances transfer Indian education in the Bureau of Indian Affairs to the Department of Education. He would have to send up a reorganization plan. There would be hearings, and then automatically a disapproval resolution is submitted. So it would have to come to the Senate and the House for a vote. If either House voted nay, then the reorganization plan would not be approved. So under the circumstances, I oppose the Morgan amendment and hope it is defeated.

Mr. MORGAN. Mr. President, if I understand the floor manager correctly, his argument is that this amendment is unprecedented in that never has a Department been specifically excluded from reorganization authority.

Mr. RIBICOFF. No. The crux of the argument is that at no time since 1949 has there ever been a limitation on the President's reorganization authority, similar to this type of proposed exception. What I am saying is that if the President sends up a reorganization plan, then a resolution of disapproval can be filed by any Senator, and any Senator can call it up for a vote. As a matter of fact, under the procedures now, the chairman of the Governmental Affairs Committee automatically, with every reorganization plan, sends up his own resolution of disapproval. Any one of 100 Senators, at any time within the 60-day period, can call it up for a vote after the first 30 days.

So if the President sent up a reorganization plan to transfer Indian education, let us say, then the Senator from Alaska could call it up for a vote, a vote for disapproval.

So in no way can the President himself, in any way, transfer one function from one department to another department by Executive order and preclude the Congress, either the House or the Senate, from casting its vote.

Mr. MORGAN. I think everyone understands that, and I think I made that clear in my statement. But I do not see, Mr. President, what is wrong, if the President wants to transfer these departments, since they have already been debated on the floor of the Senate, I see nothing wrong with it being handled through the regular legislative process.

My distinguished colleague said never since 1949 has a President been precluded from reorganization of a special department. But never since 1949 has the Department of Education been created. But with a department being created and these particular issues having been debated, it seems to me that it certainly could not hurt the bill at all, and would offer some assurance to those who are interested in these excluded programs, to require that the Congress approve without the President circumventing the normal legislative process.

We are creating a department in an area where the Federal Government has no constiutional authority to act and has not acted in the past, except that education has been a means to some other goal of the Federal Government. The Constitution of North Carolina provides that the State of North Carolina shall provide a free public school education for every child. The U.S. Constitution is silent in this whole area. If my research is correct, never has this Congress passed an educational bill solely for that purpose. They have been passed as a means to achieve some other goal of the Government.

Maybe we need an unprecedented measure to prevent an unprecedented Department from growing into a monster that most of us would not like to see.

But more important, the Department of Education did not exist when the Congress passed the Reorganization Act. It is quite conceivable to me that the Congress would have added an amendment such as the one I am now proposing to the act at that time, had the Education Department then existed.

Mr. President, it is important to remember why the Congress granted the administration reorganization authority in the first place. The Congress did not delegate this authority to the President because it intended for the executive branch to be able to routinely short-circuit the legislative process.

The Reorganization Act was written by the House Government Operations Committee and enacted into law without any changes. Thus, their committee report on the bill is the definitive statement of congressional intent. Let me quote a couple of sentences from the section in the report entitled "Need for Reorganization Authority":

> At the present time (I note that this is over two years ago) there is substantial support for a broad review of the Government's organizational structure. The President has made a commitment to undertake such a review and to take such action as is necessary to reorganize the Government to operate in a more efficient manner. The committee supports that endeavor and recommends enactment of H.R. 5045 as a vehicle for carrying out that objective in an expeditious manner.

Clearly, none of this would apply to the Department of Education. The Congress has now undertaken a thorough review of the organization of the Federal Government's education related programs. It is and will work its will with regard to these programs and the creation of a separate Department of Education. Any attempts to transfer programs into the Department that the Congress has refused to transfer would be the equivalent of trying to thwart the intentions of Congress and of circumventing the legislative progress.

The administration is right now demonstrating its willingness to use the Reorganization Act to thwart the will of Congress. Just a couple of days ago, I received notice from the White House that a reorganization plan will be sent to the Congress next month for the purpose of creating a Department of Natural Resources.

This reorganization plan is being sent up even though the distinguished chairman of the Governmental Affairs Committee has stated publicly that he considered such a move to be an abuse of the Reorganization Act which he would feel obliged to oppose. As the Senator from Connecticut said, just a couple of months ago:

> My committee feels very strongly that changing any programs from one department to another or basically changing the mission of a department should be done with a law.

I agree completely with the Senator from Connecticut, which is why I am offering this amendment today. I do not want to have to deal with any administration trying, as is being attempted with the proposed Department of Natural Resources, to accomplish through a reorganization plan what they cannot accomplish through legislation.

I would hope that the Senator from Connecticut can support this amendment. It would simply prevent the same kind of abuse of the Reorganization Act that we have been talking about.

I make it clear again that I have never contended that the President could transfer programs by Executive order alone without giving us the opportunity to reject it. But I have said that it is placing the burden on the Members of Congress, under difficult circumstances, when it would be much more acceptable, I think, and much more in keeping with the precedents of this Senate, to submit it through the normal legislative process.

I urge my colleagues to vote for this amendment. It does no damage, it does no harm, to the bill. It does no harm to the intent of the majority of the Members of this Congress.

Mr. THURMOND. Will the Senator yield 1 minute?

Mr. MORGAN. I will be glad to.

Mr. THURMOND. Mr. President, I commend the able Senator from North Carolina for offering this amendment. I think it is a sound amendment. As I understand it, it merely leaves to the Congress if at a later date they see fit to take action on matters that he referred to.

The amendment of the Senator from North Carolina raises an issue about which I have grave concern—the sanctity of the education programs under the jurisdiction of the Veterans' Administration.

As I understand it, the amendment of the Senator from North Carolina would preclude transfer of educational programs not specifically enumerated in S. 210 unless the Congress at some later date amended the law authorizing the Department of Education. This amendment would prohibit the wholesale transfer of other education programs, such as the GI bill under a sweeping reorganization bill.

Mr. President, our Nation's 30 million veterans are unique and their education needs are unique. Congress must take steps to assure that the more than 1.9 million veterans and active duty personnel receiving veterans educational benefits continue to have their educational needs administered by the Veterans' Administration.

I believe the amendment of the Senator from North Carolina speaks very clearly to my concerns in this regard.

Again, I commend him for offering this amendment and I shall be pleased to support it.

Mr. MORGAN. Mr. President, may I inquire as to how much time I have left?

The PRESIDING OFFICER. The Senator has consumed approximately 27 minutes. He has 33 minutes remaining.

Mr. MORGAN. Mr. President, I think we have adequately presented the issue. I shall take another moment or two to mention two programs that I feel very strongly about. One is the Head Start program. That program was initiated by Congress very, very wisely, to help the deprived and poor children of this land, not only educationally, but from the health standpoint, and the nutritional standpoint, and others. I do not believe there are many people in this great country that would argue against that great program or would not concede that it has been one of the most effective programs that has ever been initiated. I think it was effective, because it was in a department where broader issues were considered:

The school lunch program is one, I think, Mr. President, that Members of the Senate know I have been concerned about since the day I entered the Senate.

We require by law that boys and girls all over this country attend school. We give them free baseball bats and we give them free books, but we do not give all of them something to eat. But we have made a great deal of progress under the Department of Agriculture. It was started in the Department of Agriculture, maybe, for another reason—to help dispose of surplus farm commodities, but it has been successful there. I hope that someday, we will see that program provide a free lunch for every boy and girl that enters the schools of our Nation without having to go through the humiliation of subjecting themselves to prove a need or what-have-you. But I think it can be made more effective by staying exactly where it is.

I suspect that if this bill is passed without my amendment, it will not be long before these two programs, that I think have been the most successful of all of the programs of this type, will be in the Education Department. They will lose some of the initial motive and momentum that they had. We shall find the nutrition programs getting away from farm commodities, back to cash money. These programs will lose the character that has made them so successful. I urge my colleagues to vote for the amendment.

I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, will the Senator from Connecticut yield me 2 minutes? Does he have ample time, sir?

Mr. RIBICOFF. I have ample time, Mr. President. I yield him 2 minutes.

Mr. DOMENICI. Let me say I am sorry my good friend from Alaska left the floor, because I wanted to talk a little bit about Indian education. You know, the good Senator who is the sponsor of this amendment has talked about Head Start as successful; Senator THURMOND has talked about veterans, and the education program there is rather successful.

My good friend from Alaska is the strongest supporter of the Indian people of any Senator here, in my opinion. He knows more about their detailed problems. I just want to say to him that it is amazing that we do not even want to study Indian education, because it is the worst. I mean, there is not a group of Americans getting a worse education than Indians. And we, the National Government in this case, are totally responsible. They are our wards. We are committed to educate them, and we want to leave them in the Bureau of Indian Affairs, an agency that was started to manage some roads and some oil and some coal, and they are educating our young Indian people.

So, while we want to pass this bill—and I am for it—we do not want to take any risks. We do not even want to study whether or not we ought to do something to move Indian education out of the Bureau.

That is all right; I agree with the managers, we ought to get the bill passed. If this amendment passes, that is fine. But let me tell you, somebody is going to study why, with hundreds of millions of dollars, the minority in this country that is getting the worst education deal around are the Indian people. While we are here talking about how to do a better job or maybe take a chance, the ones we ought to be thinking about and moving we want to protect in that inviolate posture of the most inferior. I just do not understand that.

I have tried my best to convince the Senators that we ought to take a chance at trying something new and they do not want to.

We tried it, as the good Senator knows, on Indian health, as he recalls. The same thing: The Bureau of Indian Affairs was running it and we did not do anything for Indian health.

The Senator from Connecticut got in a position in the administration, years ago, in the executive and said:

> Let us try to put it where it belongs, where there are some professionals who know something about health.

We made some tremendous strides, contrary to the ominious warnings that it sure does not belong in HEW, it belongs over there in the Bureau of Indian Affairs.

We moved it anyway, and there is a lot left to be done, but tremendous strides have been made in Indian health. Not so in Indian education.

Maybe we want to leave it where it is so that the Indian people will opt out of the whole program and say, "We do not want anything to do with the Federal Government's educating us under the Bureau of Indian Affairs." Maybe that is the scheme, I say to my good friend, but be it as it is, we are not going to move it and we are not going to study it, because studying it in this bill might imply that we will try to improve it. But from my standpoint, we are going to study it somewhere. We are going to study it somewhere and we are going to do something to improve it, because, sooner or later, enough Senators are going to find out that that is truly a significant disgrace.

I thank the Senator for yielding me some time.

(Mr. GLENN assumed the chair.)

Mr. RIBICOFF. Mr. President, I think the Senator from New Mexico has very cogently indicated why the Morgan amendment should be defeated. One of the great disgraces in this country is Indian education. There is not a Senator who opposed the transfer last time who did not make a point of stating strongly that Indian education was a failure and a disgrace, but he felt that it should not be transferred. The votes weren't there, and it was not transferred. The amendment would prevent the President from using his reorganization authority to impose a transfer of any function.

During the absence of the Senator from Alaska, the Senator from New Mexico, and the Senator from North Carolina, the Senator from Oklahoma (Mr. BELLMON) had an amendment for the transfer of Indian education to the Department of Education from the Bureau of Indian Affairs. Of course, I opposed it, because we know that it would have killed the bill, even though I feel it should be there. During the colloquy, the Senator from Oklahoma asked if I would join him in asking the GAO to study the problem of Indian education—not the President of the United States, but the Congress of the United States. Because the GAO is an arm of this body and not the executive branch. I told him I would do so.

The purpose was to have OMB and GAO enlighten the Senate on what the situation is with the Indians and their failures in education, one of the great tragedies of this Nation, and to give them an opportunity to consult with the Indian tribes and the Indian councils, and to work out with them a means of providing good education, because the Bureau of Indian Affairs is an absolute failure. It is a disgrace in the field of education.

Suppose the GAO comes out with its study as an arm of the Congress, not of the executive branch—and convinces the tribes that it would be better to have a system of education through the Department of Education, rather than the failure of all these decades of Indian education programs in the Bureau of Indian Affairs. And suppose we send this up to the desk of the President and the President reads it and says, "This does make sense," and he sends up a reorganization plan to the Congress to take education out of the BIA and send it to the Department of Education.

It would then be submitted to the Government Operations Committee in the House and the Governmental Affairs Committee in the Senate. Then we have to set it down for a hearing.

When that measure is sent up, automatically, I send up a resolution of disapproval to the desk, which means that within a period of 60 days, any one of the 100 Senators can move to call it up for a vote.

Then we hold hearings in the Governmental Affairs Committee and within 30 days, if we do not like the plan, we can suggest to the President he amend it and change it.

But we are the actors, and we are not depriving the Congress of the United States, either House, from voting down a reorganization plan. The President does not do it on his own—no.

The difference between transferring a program and creating a new department is important. I have told the President and OMB very clearly that under no circumstances would I, as chairman of the Governmental Affairs Committee, try to establish a Department of Natural Resources through a reorganization plan, because the reorganization plan is intended to transfer one function from one department to another—not establish Cabinet departments.

But we specifically stated in the reorganization law of 1977 that under no circumstances could the President use a reorganization plan to create a new department. He could not create a Department of Education through a reorganization plan. It has to be done by legislation.

Thus, I asked that a Department of Natural Resources be done by legislation rather than by reorganization plan, even though I am for a Department of Natural Resources.

I am against the abuse of a reorganization plan creating a department. But it is another thing to deprive the President, for the sake of efficiency, to transfer one function and one program from one department and one agency to another, and this is what the Morgan proposal would be doing.

That does not mean the President could do it unilaterally. He could not be doing it by fiat. But, under reorganization authority, the President would have to send it up to the Congress, we would hold hearings, any Member could call for a vote, and a majority of the votes in the Senate or the House could turn down that transfer.

I think it would be wrong to say that in this department the President could not use his reorganization authority, and it is not the fact we have created a department that has not been created before. In recent years we created a Department of Energy, a Department of HUD, a Department of Transportation, which did not exist, if reorganization authority was in effect, the President can use it to transfer a program to any of these agencies, subject to Congress consideration. I do not think we should deprive the President of the United States from suggesting a transfer of a program to the Department of Education.

He cannot do it by himself. He cannot do it without a vote of Congress. A negative vote by a majority of this body could undo any reorganization plan or the transfer of any program, and I would not like to deprive the President of that authority, which we in Congress have given him by law.

Mr. President, I yield back the remainder of my time.

Mr. MORGAN. Mr. President, I will not prolong this, but if I understood my friend and distinguished colleague from New Mexico correctly, he said he thought Indian Health Services should be removed from the BIA and transferred somewhere else?

Mr. DOMENICI. No. I say to my good friend, historically, we had a very similar fight to this one on Indian health. It was at one point in history in the Bureau of Indian Affairs.

Mr. MORGAN. Right.

Mr. DOMENICI. It was doing a poor job, as is Indian education in the BIA.

Senator RIBICOFF happened to be in

the Department of HEW, or its predecessor, and he initiated putting Indian health in a health organization and taking it out of the Bureau.

Mr. MORGAN. Did I understand that the Congress had refused to do that?

Mr. DOMENICI. I do not know about that. I used it as an example of the predictions of dire things that were going to happen if we took anything away from the BIA.

Mr. MORGAN. I thank my friend.

I think the Senator makes a very cogent argument as to why this amendment ought to be debated.

I do not know whether the Indian education is equivalent to that of the other, or not. But, apparently, there is some difference between the Senator and the distinguished Senator from Alaska.

Surely, we have confidence in this Congress. I am sure all of us do. If it ought to be removed, then why not let the Congress debate it, as we did last year, and abide by the will of the Congress?

It is clear to me, Mr. President, and it is clear to me from the debate on this floor today, that it is the intention of the administration and others who favor these bills that as soon as this framework of the Department of Education is established, these departments will be transferred into a new Department of Education.

I think it is a fact that is acknowledged by all Members of the Congress that it is much more difficult for an opponent of a reorganization to muster the support in a 60-day period and override the President of the United States than it is to have a full and open and free discussion on an issue that has been before committee, debated, hearings held, and then brought to the floor.

So I think the Senator makes the best argument that I know of as to why this amendment should be adopted. I did not understand that my colleague really objected to this amendment too much. He said that regardless of which way it happened, that the Indian affairs ought to be transferred.

I would say to my colleague that I am not so sure, but what we ought to go into this matter and transfer other matters from the BIA.

It may be time because, surely, we are spending enough money on our Indians to try to break them up and make them full-fledged American citizens, not second-class citizens.

It may be time we want to make some study to see how far we should go in bringing the Indian affairs into the regular processes of Government.

However, it should be done with full and open debate, without the time limit of a 60-day period. The reorganization or Executive order may come here in July, when we are debating the budget appropriation bills. We all may be involved later in the year. It may come in September, when we are trying to get the budget resolution passed and a dozen conferences are going on. I think we should assure ourselves that it will be held in an orderly fashion.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

Mr. DOMENICI. I was making the point, as the Senator from North Carolina understood properly, that my argument basically was not for or against the amendment. I was trying to say to my friend from Missouri that, while most programs were being kept out of the new Department because everyone thought they were working so well, I just wanted to make the point that we were leaving the Indians where they are, admittedly with the fact situation that they were doing very poorly.

I wanted to get that on record, because I feel very strongly about it.

Mr. MORGAN. That may be, if the Congressional Budget Office or the GAO—to which the Senator from Connecticut referred—is making a study. If that study is reported out, it should be reported out at a time when Congress will not feel compelled or constrained to make a hasty decision. If it came out during the month of August or July, as I pointed out, when we are dealing with appropriations, or if it should come out in September, it would be difficult. Last September, I was on conference committees and tried for 3 weeks to see my distinguished chairman, the Senator from Mississippi, and I could not. Those would be difficult times.

I urge my colleagues to vote for the amendment. I think I have said about all I need to say, and I am willing to yield back the remainder of my time and vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. RIBICOFF. I yield back the remainder of my time.

Mr. MORGAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Oklahoma (Mr. BOREN), the Senator from Florida (Mr. STONE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. WILLIAMS) is absent on official business.

I also announce that the Senator from Indiana (Mr. BAYH) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Illinois (Mr. PERCY), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Rhode Island (Mr. CHAFEE) is absent on official business.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Have all Senators in the Chamber voted? Are there any Senators who have not voted?

The result was announced—yeas 38, nays 45, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—38

Byrd,
  Harry F., Jr.
Byrd, Robert C.
Church
Cohen
Dole
Durkin
Exon
Ford
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Metzenbaum
Morgan
Moynihan
Packwood
Proxmire
Pryor
Schmitt
Simpson
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—45

Baker
Baucus
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Cannon
Chiles
Cochran
Cranston,
Culver
Danforth
DeConcini
Domenici
Durenberger
Eagleton
Glenn
Hart
Hatfield
Heinz
Huddleston
Jackson
Javits
Kennedy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Nunn
Pell
Pressler
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Stevenson
Tsongas

NOT VOTING—17

Armstrong
Bayh
Boren
Chafee
Gravel
Inouye
Leahy
Long
Muskie
Nelson
Percy
Stafford
Stennis
Stone
Weicker
Williams
Young

So Mr. MORGAN's amendment (No. 143) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STATUS OF AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, it will not be possible to complete action on this bill tonight. I wish, if I can, at this time to determine how many amendments remain. I have indicated on my list here an amendment by Mr. SCHWEIKER, an amendment by Mr. HELMS, two amendments by Mr. HAYAKAWA, four amendments by Mr. JEPSEN, two amendments by Mr. MCCLURE, five amendments by Mr. GOLDWATER, two amendments by Mr. SCHMITT, and one amendment by Mr. DECONCINI.

Is there any other amendment any other Senator wishes to add to the list?

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, as the majority leader knows, I tried to canvass the Members on this side to ascertain what other amendments might be offered. I know of no other except those that he has identified on his list.

We contributed to that list based on my effort to ascertain that situation. I might ask, if the majority leader will yield further, if there is any Member on this side whose name was not on this list?

Mr. GOLDWATER. Mr. President, will the Senator yield? I have been able to cut my list to four.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. BAKER. Mr. President, if the majority leader will yield further, I understand Senator HUMPHREY has one that he will offer, and he expects to take a brief time.

Mr. ROBERT C. BYRD. All right.

Now, under the agreement there is a 1-hour time limitation on any amendment in the first degree, with the exception of an amendment by Mr. HELMS on which there is a 1½-hour time limitation.

Mr. HELMS. Let us cut that to an hour. I will save you a half-hour.

Mr. ROBERT C. BYRD. I thank the Senator.

I ask unanimous consent, Mr. President, that the time on the amendment by Mr. HELMS be reduced to 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There is a time limitation on an amendment by Mr. SCHWEIKER of 2 hours. It is my understanding that he is willing to reduce that time, and the distinguished minority leader probably knows this, to a half hour.

Mr. BAKER. I have 1½ hours.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on that amendment be reduced from 2 hours to 1½ hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, Mr. JEPSEN has four amendments, and I am told he would be willing to accept a time limitation of 15 minutes on each of three of those amendments; am I correct?

Mr. BAKER. I have all four.

Mr. ROBERT C. BYRD. All four; am I correct?

Mr. BAKER. Mr. President, if the majority leader will yield to me, my list shows four amendments at 15 minutes each.

Mr. ROBERT C. BYRD. Equally divided?

Mr. BAKER. Equally divided. I might say if my list is incorrect, I hope we can agree to modify it, but I show four amendments of 15 minutes each equally divided.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. McCLURE has two amendments.

Mr. RIBICOFF. Mr. President, if the majority leader will yield for a question, I do not want the time agreement in any way to waive my rights to raise a question of germaneness on any of these amendments. I am concerned about the possibility that in getting a time agreement I may be waiving my right to raise the question of germaneness. I want to reserve that.

Mr. ROBERT C. BYRD. The Senator is right in raising the question. There is an amendment by Mr. HELMS that was excepted by specificity earlier.

Mr. RIBICOFF. That is right, but there are other amendments, and I do not know what they are, and I do not want to waive the germaneness rule on any amendment because we have a time agreement.

Mr. McCLURE. Mr. President, I might just indicate that I have discussed my two amendments with both the majority floor leader and minority floor leader, and they have agreed that they will be acceptable, so all I have to do is to submit them and submit a statement for the record and that will take very little time.

Mr. ROBERT C. BYRD. Could we agree——

Mr. McCLURE. Five minutes to a side on the two amendments.

Mr. ROBERT C. BYRD. Very well. On each of two amendments by Mr. McCLURE I ask unanimous consent that there be a time limitation of 10 minutes to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. The question raised by the distinguished floor manager is a pertinent one, but I am at a loss as to how to assure him. For instance, I have not yet checked with the Senator from Iowa about his understanding. I am afraid he thinks that his are qualified.

Mr. RIBICOFF. We do not know. But in getting the time limitation it should be specifically set out that I reserve the right to raise the question of germaneness on any amendment even though a time agreement has been entered into. I would agree to except that from the unanimous-consent request.

Mr. ROBERT C. BYRD. Mr. President, the agreement we have precludes nongermane amendments.

Mr. RIBICOFF. With the exception of the amendment of the Senator from North Carolina.

Mr. ROBERT C. BYRD. And the amendment of Mr. SCHWEIKER.

So whatever time limit we are stating, time limits on amendments now, I think it should be understood that they come within the context of the agreement that is already before the Senate, so that Senators should know that no Senator should be without his right to move to table simply because at this stage, after having laid down a general agreement, other Senators are coming in by specificity with regard to their amendments. So I would hope we could have that understanding that nongermaneness—the basic agreement would still apply.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am sorry, I did not mean tabling, but his right to raise a point of order on germaneness.

Mr. GOLDWATER. To clarify my position, three of my four amendments will not take very long, 20 minutes at the most. But I do have one that prohibits striking by teachers under Federal money, and I think that is going to take some time.

Mr. ROBERT C. BYRD. May I say to the distinguished Senator there is already a time limitation on any amendment in the first degree of 1 hour.

Mr. GOLDWATER. I will accept 1 hour and the other side can get 1 hour.

Mr. ROBERT C. BYRD. No, there is a time limitation of 1 hour. We are not changing the basic agreement at this time. There is already a time limitation on any amendment in the first degree of 1 hour.

Mr. GOLDWATER. I just want the majority leader to know that I will take the full time.

Mr. RIBICOFF. I reserve my right to raise the question of germaneness, including the one, the amendment, of the Senator from Arizona.

Mr. ROBERT C. BYRD. It would take unanimous consent to break that agreement which we already have, so what we are saying here does not change the agreement except that we are trying to reduce the time on amendments where we can from the 1-hour limitation to something less.

So on three of Mr. GOLDWATER's amendments I ask unanimous consent that there be a time limitation—of how much?

Mr. GOLDWATER. Ten minutes to a side.

Mr. ROBERT C. BYRD. Twenty minutes equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. SCHMITT has two amendments—I am advised he has three amendments. Would Mr. SCHMITT be willing to reduce the time any below the 1-hour provision that now obtains on any of his amendments?

Mr. SCHMITT. Not at this time.

Mr. ROBERT C. BYRD. All right.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I understand that the request by Mr. JEPSEN was for four amendments of 15 minutes each. But he wants the time interchangeable, that is, an hour for four amendments, and I trust there will be no trouble with that, but I amend my request to the majority leader in that respect.

Mr. ROBERT C. BYRD. Very well. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now Mr. HUMPHREY has one amendment. Would he be willing to go with less than 1 hour equally divided?

Mr. HUMPHREY. Yes. I intend to withdraw the amendment. Five minutes.

Mr. ROBERT C. BYRD. Five minutes to the side?

Mr. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. I thank the Senator. I ask unanimous consent that there be a time limitation of 10 minutes on the amendment of Mr. HUMPHREY to be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. DECONCINI has an amendment on which there is a 1-hour time limitation under the bill.

Does he wish to stay with the hour or to reduce it? He shakes his head in the affirmative.

Mr. DeCONCINI. To remain with the hour.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. Hayakawa has two amendments, with 1 hour on each. Does he wish to reduce the time?

Mr. HAYAKAWA. On the first amendment, 15 minutes to be equally divided.

Mr. ROBERT C. BYRD. All right. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. To deal with the other amendment I should like an hour to be equally divided.

Mr. ROBERT C. BYRD. All right. No change on that.

Mr. President, while we are doing this, I wonder if we could order some amendments, so that on Monday when we come back we will know whose amendment is to be first and whose is to be second, so that we will not kill time waiting on Senators. Who will go first on Monday? Will Mr. Schweiker? The Senate will come in at 10 o'clock on Monday.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I would be willing to go early, except that we have an Energy Committee markup on an energy plan which the President requested, so I would hope I would not have to have mine scheduled before 11:30.

Mr. ROBERT C. BYRD. Will those three amendments require rollcall votes?

Mr. McCLURE. No.

Mr. ROBERT C. BYRD. Would the Senator be willing, after we state that there will be no more rollcall votes this evening, to call up his amendment tonight, then?

Mr. McCLURE. I am afraid I would be running into a problem tonight as well. It will only take a brief time Monday, and I am sure we will have other amendments for the afternoon on Monday.

Mr. BAKER. Mr. President, why not just schedule them for later in the day, if you are going to build a schedule for the rest of the day anyway?

Mr. ROBERT C. BYRD. I would like to have at least one to start with. How about Mr. DeConcini? Mr. Hayakawa, would he be agreeable?

Mr. SCHWEIKER. I will. Could we get the yeas and nays tonight?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at this time on the amendment by Mr. Schweiker.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SCHWEIKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Are there any orders for recognition of Senators on Monday? None?

Mr. CHILES. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. Do you know whether we will have rollcall votes before noon on Monday?

Mr. ROBERT C. BYRD. Yes; there will be, unless we can stack them.

Mr. BAKER. Mr. President, we are going to have 90 minutes on the Schweiker amendment, which comes up at 10 o'clock, so it will be close to noon.

Mr. ROBERT C. BYRD. It will be close to noon.

Mr. CHILES. Could we stack some votes on Monday morning?

Mr. ROBERT C. BYRD. That would be getting pretty close.

Mr. DeCONCINI. Mr. President, will the majority leader yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. DeCONCINI. If we are going to commence these amendments on Monday morning, I would like the indulgence of the majority leader to ask for the yeas and nays on my amendment, because I understand that on Monday morning it is hard to get enough Senators here to get a second.

Mr. ROBERT C. BYRD. Would the Senator be willing to take up his amendment immediately after the amendment by Mr. Schweiker?

Mr. DeCONCINI. If it is after 12 o'clock, yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senator from Arizona (Mr. DeConcini) be recognized to call up his amendment following the disposition of the amendment by Mr. Schweiker.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. Could we have the yeas and nays?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the DeConcini amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Is there another Senator who would be willing to call up his amendment?

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. TSONGAS. Does the Senator have any idea, is there any vote scheduled Monday morning?

Mr. ROBERT C. BYRD. There is none scheduled at the moment, but the first vote, if the full 90 minutes were used on the Schweiker amendment, would occur close to 12 o'clock noon. If time is yielded back, we would attempt to get another amendment up so that the first vote would not occur before noon.

Mr. TSONGAS. I thank the Senator.

Mr. ROBERT C. BYRD. Is there any other amendment?

Mr. HELMS. I will be ready.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. Helms be recognized to call up his amendment following the disposition of the DeConcini amendment on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe Mr. Humphrey is willing to call up his amendment tonight. Are there any other Senators who wish to call up amendments tonight and voice vote them? Or, if the managers are willing to accept them, they should do so; it would expedite matters on Monday, on completing action on the bill.

I ask unanimous consent also at this point that on any other amendments—we have given everyone a chance at this point to offer an amendment; we have called out on the hot lines that Senators who happen to have amendments should let us know; I think everyone has been treated fairly, so at this point I ask unanimous consent that on any other amendment to be called up on Monday, there be a limitation of one-half hour, to be equally divided in accordance with the usual form, with the understanding that the managers will have time on the bill which they could yield if needed.

Mr. BAKER. Mr. President, I have no objection to that. I think we have spent a good part of the afternoon trying to ascertain who has amendments. We have covered most of the Members on this side, I think, so I am willing to take the responsibility for agreeing to that.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

NEXT ROLLCALL VOTE TO OCCUR ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes tonight. The Senate will meet at 10 o'clock on Monday. There will be several rollcall votes on Monday, the first to begin at around 12 o'clock noon.

DEPARTMENT OF EDUCATION

The Senate continued with the consideration of S. 210.

AMENDMENT NO. 144

(Purpose: To provide that receipt of Federal funds by a student enrolled in or in attendance at an institution of higher education does not constitute Federal aid)

Mr. HUMPHREY. Mr. President, I call up my printed amendment No. 144 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask

unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 131, between lines 12 and 13, insert the following:

"CONSTRUCTION OF FEDERAL AID TO HIGHER EDUCATION

"SEC. 429. Notwithstanding any other provision of law, receipt of Federal funds by a student enrolled in or in attendance at any institution of higher education, in which such institution plays no part except for certifying to or notifying any Federal authority the enrollment and attendance of the student, shall not constitute Federal aid for purposes of any Federal law, including any Federal law relating to discrimination.".

On page 131, line 14 strike out "SEC. 429." and insert "SEC. 430.".

On page 73, in the table of contents, renumber the item relating to section 429 as the item relating to section 430 and immediately after the item relating to section 428 insert the following:

"Sec. 429. Construction of Federal aid to higher education.".

Mr. HUMPHREY. Mr. President, I congratulate the floor manager of S. 210, the Department of Education bill, the distinguished Senator from Connecticut (Mr. RIBICOFF), for a remarkable summary which has been received by the membership detailing his opposition to the various amendments that have thus far surfaced in connection with this legislation.

It is obviously a formidable task to take all the amendments, summarize their meaning and intent, and offer a rebuttal to each of them.

Mr. President, what really concerns me, however, about the dear colleague letter from the chairman of the Governmental Affairs Committee is that an amendment which I have introduced to the Department of Education bill, bears no relation whatever to the summary of it contained in the memorandum which has been distributed to the membership.

Of course I do not impute this to my colleague from Connecticut, but perhaps to an overzealous staff member, perhaps pressed for time, and anxious that the membership be given the floor managers assessment of these various amendments in the quickest possible time.

However I feel an obligation to issue this clarification of my amendment, because I feel it is important that the membership know precisely what it is intended to do.

Let me state my amendment to S. 210, as introduced on April 10, 1979:

Section 429. Notwithstanding any other provision of law, receipt of Federal funds by a student enrolled in or in attendance at any institution of higher education, in which such institution plays no part except for certifying to or notifying any Federal authority the enrollment and attendance of the student, shall not constitute Federal aid for the purposes of any Federal law, including any Federal law relating to discrimination.

Thus, nowhere in my amendment is there the slightest reference to any institution of higher learning receiving any Federal assistance whatever.

The floor manager's summary states:

The amendment provides that federal funds provided to institution of higher education for student assistance shall not be considered federal aid.

Mr. President, the circumstance which occasioned my amendment involves a small liberal arts college in western Pennsylvania of impeccable repute. It receives not a penny of Federal aid—never has, and does not want any Federal aid. I am referring to Grove City College in Grove City, Pa.

Manifestly my amendment was drawn precisely to protect those colleges which do not receive any Federal aid, and which do not want any Federal aid. The tuition assistance received by the student—is received directly. The Federal check does not issue from the Government to the institution to the student.

As I pointed out in my statement accompanying the amendment on April 10, the school's only role is that of certifying the attendance of the student to the appropriate HEW authorities. They do not maintain a grants, or a Federal aid to students office.

Mr. President, I do not know whether the authors of this summary did not read my amendment, or perhaps, find it difficult to understand in this age of big Federal Government, in this age of subsidies, that there are some institutions of higher learning—just a handful to be sure—that eschew all forms of Federal aid.

I realize that is on par with man biting dog. But in fact Grove City College does not receive a dime of Federal aid.

Quite simply. They have an understandable impulse and desire to stay free of Federal entanglements, and thus their only role in this matter is to certify to the appropriate authorities, that the student is in fact enrolled at Grove City, a certification, that would hardly invite the conclusion that it receives "Federal funds".

Mr. President, permit me to quote from a newspaper account of the tribulations which have visited Grove City College because of their refusal to knuckle under to the HEW bureaucracy:

Grove City college which prides itself on independence maintains that it is not subject to Washington's authority because it accepts no federal funds. The Government contends that because some Grove City students receive aid under Federal Programs—let me repeat the operative phrase here—the college receives no federal funds, but some students do receive aid under Federal programs—the college itself is a recipient and must comply with Washington's regulations.

The students receive aid through basic educational opportunity grants, and guaranteed student loans, wherein the money goes directly to the students.

What brought about this situation is Grove City's refusal to sign a compliance form that it does not discriminate against women under title IX of the Education Amendments of 1972. "To sign a compliance form is to accept HEW jurisdiction over a college that doesn't take a penny of government money," states its President, Dr. Charles Mac Kenzie.

Does Grove City discriminate in its athletic programs against women?

An administrative law judge of HEW found in fact that "there was not the slightest hint of any failure to comply with title IX, save the refusal to submit the executed assurance of compliance." He said further: "This refusal is obviously a matter of conscience and belief."

Mr. President, I have been advised that my amendment does not come within the germaneness requirement governing consideration of S. 210, and therefore I do not intend to pursue it incident to the Department of Education legislation.

However, I do intend to reintroduce my amendment in the future to the appropriate legislative measure, and naturally I welcome the support of all concerned Members.

I do want to make it unmistakably clear that is applies to those institutions of higher learning which do not receive any Federal funds, and whose only function vis-a-vis those of its students who happen to receive some Federal tuition assistance is merely to certify their enrollment or continuance in school, a function which I am sure no school is eager to undertake, except to the extent that it facilitates the Government's control of taxpayers funds.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn. Who seeks recognition? Who yields time? Is all remaining time yielded back? The amendment is withdrawn. Who yields time? Who yields time?

Mr. WALLOP. Mr. President, last year I joined with 69 of my Senate colleagues in cosponsoring legislation introduced by Senator RIBICOFF to create a new department of education, separate and distinct from HEW. Although S. 991 passed the Senate by an overwhelming vote of 72 to 11, the House failed to act on the bill, thereby necessitating that the legislative process begin again in January of 1979.

Three months into the first session of the 96th Congress my colleagues and I find ourselves faced with another vote on the creation of a new department of education. Now known as S. 210, this legislation is almost identical to last year's bill except that the cosponsors listed on the front of S. 210 are distinctively fewer than last years' list of Senate supporters.

Given this history of rather broad support for this legislation, it is interesting to note the objections which have arisen in the last few weeks. A flurry of letters from colleagues has arrived in my office proposing every sort of change in S. 210 ranging from the inclusion of every educational program ever conceived to amendments which seek to forever exclude various programs from being placed under the jurisdiction of this new department. We have heard amendments to S. 210 dealing with a range of issues from prayer to abortion. In my opinion it is time to state the facts, look at the legislation and make a decision.

After considerable study and reflection, I have decided to oppose this bill. The reasons for my opposition are simple. First of all, the present administration has made a point in the last 2 years of trying to reorganize the Federal Government in order to decrease bureaucracy and undo some of the redtape which binds us all. This is a noble task. However, I have seen no evidence that these reorganization efforts have been effective, efficient, cost-saving or even less bureaucratic.

Based on the precedent which has been established by the Administration, namely the Department of Energy, I fear what another repeat of this blunder could mean. If we, as a legislative body, intend to condone yet another effort to reorganize anything, it is essential that we assure this country that another bureaucratic maze would not result. This legislation provides no such guarantees.

The concept of separating education from the HEW monster is acceptable, even desirable. However, too many questions have been left unanswered and the original consolidation has been hampered by the lack of cooperation among agencies and departments which have actively opposed giving up control of their programs which specifically deal with education.

S. 210 has brought to mind a number of fears since its inception, not the least of which is the public fear of a huge organized education agency breathing down the necks of local school systems and dictating curricula and policy to every local school district in America. The Federal Government has been involved in education since 1785 when early grants were given to the States to develop State colleges.

It is only in the last 20 years, that the Federal Government has taken an extremely active role in placing conditions on the money it grants to school systems and requiring their compliance. No one can deny that some of these "conditions" have created a more equitable educational system in America. Yet many are as quick to point out a demise in the quality of learning over the last 10 years for our children in public schools, in no small part, due to overregulation and Federal intervention.

The problems of education in this country are a concern to all. If we can offer our children a good education we can almost assure them of a good life. It is my contention that the answer to our problem is not to be found by reshuffling the existing education bureaucracy and creating a new Federal department. Education deserves better than misdirected motives than administrative convenience. The problems lie much deeper than what a reorganizational effort could achieve. In fact, a reorganization with existing modes of administration may well compound the problems of overintervention into local programs. We must dedicate ourselves to a reevaluation of our current Federal education policy and come up with solid answers which will provide our children with the learning experience they can build upon throughout their lives.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 30 minutes, and that Senators be permitted to speak up to 5 minutes each therein.

The PRESIDING OFFICER (Mr. PRYOR). Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are some measures which have been cleared for action by unanimous consent. The distinguished minority leader is present.

I ask unanimous consent that the Senate proceed to the consideration of calendar orders numbered 77, 78, 79, 81, 82, 83, 84, 86, 87, 88, 89, 90, 91, 92, 93, and 94.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader has no objection, I ask unanimous consent that the various measures be considered en bloc and that amendments, where shown, be considered as having been agreed to; that where titles or preambles are to be amended it be shown that such be done; that appropriate extracts from committee reports be printed in the RECORD in explanation of the various measures; that they be shown in the RECORD as having been taken up and disposed of individually, and that the motion to reconsider en bloc be laid on the table.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I just want to make sure we have the right numbers.

According to my calendar, we are dealing now with Calendar Orders numbered 77, 78, 79, not 80——

Mr. ROBERT C. BYRD. That is correct.

Mr. BAKER. Eighty-one, eighty-two, eighty-three, eighty-four, eighty-six, eighty-seven, eighty-eight, eighty-nine, ninety, ninety-one, ninety-two, ninety-three, and ninety-four.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER: Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIBRADO PEREZ

The bill (S. 28) for the relief of Librado Perez, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Librado Perez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent resident to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–75), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Librado Perez. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 52-year-old native and citizen of the Philippines who currently resides in Honolulu, Hawaii, with his brother, a U.S. citizen. The beneficiary was employed in the Philippines as a civilian mess attendant with the U.S. Army from 1939 until his internment as a prisoner of war in 1941. From August 23, 1946, to March 27, 1949, he served honorably in the U.S. Army as a Philippine scout. His only entry into the United States was on November 15, 1971.

FON-CHIAU SHIH

The bill (S. 49) for the relief of Fon-Chiau Shih, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Fon-Chiau Shih shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–76), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Fon-Chiau Shih. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 61-year-old native and citizen of China who entered the United States as a visitor on June 26, 1976. She currently resides in Honolulu, Hawaii, with her son, a lawful permanent resident.

HEUNG-SANG CHUN

The bill (S. 117) for the relief of Heung-Sang Chun (also known as Margret Chun), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Heung-Sang Chun (also known as Margret Chun) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–77), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Heung-Sang Chun (also known as Margret Chun). The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 28-year-old native of Hong Kong and citizen of Great Britain who entered the United States on September 5, 1972, as a student. On May 15, 1977, she graduated cum laude from the University of Mississippi with a bachelor of science degree in pharmacy. The beneficiary is currently employed as an intern pharmacist in Meridian, Miss.

ANGELO B. CORTES

The bill (S. 144) for the relief of Mr. Angelo B. Cortes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Mr. Angelo B. Cortes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–79), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Mr. Angelo B. Cortes. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 56-year-old native and citizen of the Philippines who entered the United States as a visitor on February 24, 1974. He is currently employed as a night maintenance man in Honolulu, Hawaii. The beneficiary was a member of the U.S. Armed Forces in the Philippines from January 1945 to February 15, 1946; he served in the Philippine Scouts from May 1946 to March 1949, and with the Organized Guerrilla Forces from 1943 to 1944.

BENJAMIN N. MASCARENAS

The bill (S. 153) for the relief of Benjamin N. Mascarenas, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Benjamin N. Mascarenas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203 (a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–80), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Benjamin N. Mascarenas. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction.

STATEMENT OF FACTS

The beneficiary of the bill is a 54-year-old native and citizen of the Philippines who was admitted to the United States on September 18, 1972, as a worker of distinguished merit and ability. He resides in Chicago, Ill. with his spouse and four minor children. He is employed as a consulting architect in Chicago. A third preference visa petition submitted in his behalf of May 15, 1974, was approved on December 11, 1974; however, a visa number is not currently available to him.

RAUL AND MARIA MARQUART SCHUBERT ARRIAZA, AND THEIR CHILDREN

The bill (S. 159) for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–81), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to grant the status of permanent residence in the United States to Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza. The bill provides for the payment of the required visa fees and for appropriate visa number deductions.

STATEMENTS OF FACTS

The beneficiaries of the bill are natives and citizens of Chile, ages 58, 49, 13, and 11 years of age, respectively. They were admitted to the United States as visitors on January 8, 1972. Mr. and Mrs. Arriaza operate R & M Contractors, Inc., a construction and contracting enterprise in Springdale, Ark. In 1975, Mr. Arriaza submitted documentation to the American Embasy in Chile to establish investor status based on an investment of $10,000. In 1976, the Department of State determined that he had not met the then-existing requirements for investor status. Despite his considerable investment in the corporation, Mr. Arriaza has been unable to meet the present $40,000 requirement.

RENUKA PAVLA

The bill (S. 215) for the relief of Renuka Pavla, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Renuka Pavla may be classified as a child within the meaning of section 101 (b)(1)(F) of the Act, upon the approval of a petition filed on her behalf by Mr. and Mrs. Kenneth L. Lucas, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–82), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to facilitate the adjustment of status as an immediate relative of the prospective adopted child of U.S. citizens.

STATEMENT OF FACTS

The beneficiary of the bill is a 15-year-old native and citizen of India who was abandoned by her natural parents at an early age. She was admitted to the United States as a visitor on July 1, 1978. The prospective adoptive parents, Mr. and Mrs. Kenneth L. Lucas, are the natural parents of two children and the adoptive parents of nine children. They have initiated adoption proceedings.

KWOK HUNG POON AND SANDRA SHAU MAN LAI POON

The Senate proceeded to consider the bill (S. 169) for the relief of Kwok Hung Poon and his wife, Sandra Shau Man Lai Poon, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 8, strike "sections 202(c) and" and insert "section", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kwok Hung Poon and his wife, Sandra Shau Man Lai Poon, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of *section* 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–84), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent resident in the United States to the beneficiaries. The bill provides for the payment of the required visa fees and for appropriate visa number deductions. The bill has been amended to conform with established precedents.

STATEMENT OF FACTS

The beneficiaries of the bill are husband and wife, natives of Hong Kong and citizens of the United Kingdom, born July 19, 1948, and October 30, 1946, respectively. They last entered the U.S. on August 13, 1975; Mr. Poon as a non-immigrant student, Mrs. Poon as his dependent. They currently reside in Honolulu where Mr. Poon is the sole owner of a combined trading company and travel service, in which he has an investment equity of $44,000 and from which he derives a monthly income of $750. Because a nonpreference visa number is unavailable to Mr. Poon, he is precluded from filing for investor classification in the United States.

JANET ABRAHAM

The Senate proceeded to consider the bill (S. 170) for the relief of Janet Abraham, also known at Janet Susan Abraham, which has been reported from the Committee on the Judiciary with an amendment on page 2, line 5, strike "No natural parent, brother, or sister, if any, of the said Janet Abraham shall" and insert "The natural parents, brothers, or sisters of the beneficiary shall not", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Janet Abraham, also known as Janet Susan Abraham, shall be classified as a child within the meaning of section 101 (b)(1)(E) of such Act, upon approval of a petition filed on her behalf by Mr. and Mrs. Vicente T. Abraham, citizens of the United States, pursuant to section 204 of such Act. The natural parents, brothers, or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–85), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to facilitate the admission into the United States as an immediate relative of the adopted child of citizens of the United States. The amendment is technical in nature.

STATEMENT OF FACTS

The beneficiary of the bill is a 20-year-old native and citizen of the Philippines who presently resides there with her natural parents. She is in her second year of college seeking a degree in nursing. She was adopted in the Philippines August 29, 1975, by citizens of the United States who reside in Hawaii. The adoptive mother is a cousin of the beneficiary's natural mother. Information is to the effect that the adoptive parents are financially able to care for the beneficiary.

CHAKRAPANI SETHUMADHAVAN

The Senate proceeded to consider the bill (S. 180) for the relief of Chakrapani Sethumadhavan, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 7, strike "fees." and insert the following:

fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraph (1) through (8) of section 203(a) of the Immigration and Nationality Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Chakrapani Sethumadhavan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraph (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–86), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Chakrapani Sethumadhavan. The bill provides for payment of the required visa fee and for an appropriate visa number deduction. The bill has been amended to correct errors in drafting.

STATEMENT OF FACTS

The beneficiary of the bill is a 40-year-old native and citizen of India who first entered the United States as a nonimmigrant student in August 1968. He has been readmitted to the United States in that status on four occasions after brief trips abroad, the last time being February 5, 1975. He presently resides in Kingstree, S.C. where he is employed as a high school teacher.

ROCIO EDMONDSON

The Senate proceeded to consider the bill (S. 214) for the relief of Rocio Edmondson, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 6, after "under" insert "paragraph (1) through (8) of", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Rocio Edmondson shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under *paragraph (1) through (8) of* section

203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 9687), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Rocio Edmondson. The bill provides for payment of the required visa fee and for an appropriate visa number deduction. The bill has been amended in accordance with established precedents.

STATEMENT OF FACTS

The beneficiary of the bill is a 43-year-old native and citizen of Mexico who resides in Kenne, N.H., with her two U.S. citizen daughters. She first entered the United States as an immigrant on August 29, 1959, having married a citizen of the United States. During her residence, two daughters were born. In 1970, while she was still residing in Mexico, her husband divorced her. She entered the United States on July 25, 1974, as a visitor and her status was changed to that of a student. She graduated from Keene State College with a bachelor of arts degree.

SHAVJI PURSHOTTAM, VASANTI SHAVJI, AND SHREEDHAR DUSARA

The Senate proceeded to consider the bill (S. 327) for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–88), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara. The bill provides for the payment of the required visa fees and for appropriate visa number deductions. The bill has been amended in accordance with established precedents.

STATEMENT OF FACTS

The beneficiaries of the bill are a 42-year-old husband, his 33-year-old wife, and their 11-year-old son who were all born in Daressalaam, Tanzania. They last entered the United States April 14, 1973, the father and the son as students and the mother as a dependent of a student. The family resides in Provo, Utah and the principal beneficiary is pursuing a doctorate at Brigham Young University.

TOMIKO FUKUDA EURE

The Senate proceeded to consider the bill (S. 364) Tomiko Fukuda Eure, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 3, strike the period and insert a colon, and add the following:

Provided, That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraphs (9), (12), and (23) of section 212(a) of the Immigration and Nationality Act, Tomiko Fukuda Eure may be admitted to the United States for permament residence upon approval of a petition filed on her behalf by William Eure, a citizen of the United States, pursuant to section 204 of such Act, if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–89), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to waive the excluding provisions of existing law relating to one who has been convicted of a crime involving moral turpitude; one who is a prostitute or who has engaged in prostitution; and one who has been convicted of a violation of any law or regulation relating to the illicit possession of, or traffic in, narcotic drugs or marihuana in behalf of the spouse of a U.S. citizen.

STATEMENT OF FACTS

The beneficiary of the bill is a 54-year-old native and citizen of Japan who currently resides in that country with her U.S. citizen husband, William Milton Eure, whom she married in 1960. She was arrested in 1950 for possession of narcotics. Unsuccessful surgery years earlier had left the beneficiary in poor health and severe pain; medication prescribed by her physician was insufficient and she turned to narcotics to relieve her pain. Since the conviction, she has abstained from narcotics other than sedatives prescribed by her doctor. In 1951 the beneficiary was convicted of soliciting for prostitution.

The beneficiary's husband served in the U.S. Navy for 20 years. He has remained in Japan since his November 1967 retirement from the Service to be with his wife. He greatly desires to return to the United States so that he may provide for his two brothers, one of whom is confined to a mental institution, the other is totally disabled as a result of injuries suffered in a plane crash and subsequent strokes.

DR. ANGELITO DELA CRUZ

The Senate proceeded to consider the bill (S. 161) for the relief of Dr. Dela Cruz, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 4, strike "Doctor Dela Cruz" and insert "Doctor Angelito Dela Cruz", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Doctor Angelito Dela Cruz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill for the relief of Doctor Angelito Dela Cruz.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–90), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Dr. Angelito Dela Cruz. The bill provides for the payment of the required visa fee and for an appropriate visa number deduction. The bill has been amended to refer to the beneficiary by his complete name.

STATEMENT OF FACTS

The beneficiary of the bill is a 32-year-old native and citizen of the Philippines who entered the United States as an exchange visitor on August 4, 1973. He resides with his spouse and a U.S. citizen daughter in Friend, Nebr., where he is employed as a physician. Dr. Dela Cruz has established a third preference priority date of October 21, 1974; however a visa is not currently available to him. The beneficiary is subject to the 2-year foreign residence requirement, but has obtained a no objection statement from the Philippine Government.

DR. MANUEL JAVIER MARIANO AND LILIA ZAPANTA MARIANO

The Senate proceeded to consider the bill (S. 131) for the relief of Dr. Manuel Javier Mariano and his wife, Lilia Zapanta Mariano, which has been reported from the Committee on the Judiciary with amendments as follows:

On page 2, line 3, strike "fee" and insert "fees";

On page 2, line 4, strike "alien" and insert "aliens";

On page 2, line 6, strike "one number" and insert "the required numbers";

On page 2, line 9, strike "alien's" and insert "aliens' ";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Manuel Javier Mariano and his wife, Lilia Zapanta Mariano shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–91), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Doctor Manuel Javier Mariano and his wife, Lilia Zapanta Mariano. The bill provides for the payment of the required visa fees and for appropriate visa number deductions. The bill has been amended to correct errors in drafting.

STATEMENT OF FACTS

The beneficiaries of the bill are husband and wife, 38 years of age, who are natives and citizens of the Philippines. They reside with their U.S. citizen children in Grand Forks, N. Dak., where Dr. Mariano is employed as an ophthalmologist. Dr. Mariano first entered the United States on October 16, 1968, as an exchange visitor; his wife first entered in the same status on August 23, 1965. Neither is subject to the foreign residence requirement. A third preference visa petition filed by Dr. Mariano in his own behalf was approved April 23, 1973; however, a visa number is not currently available to him.

REINA ESTELA OLVERA

The Senate proceeded to consider the bill (S. 179) for the relief of Reina Estela Olvera, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, line 1, strike "fee" and insert "fees";

On page 2, line 4, strike "by the required numbers" and insert "by one number";

On page 2, line 8, strike "aliens' " and insert "alien's";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Reina Estela Olvera shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–92), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to grant the status of permanent residence in the United States to Reina Estela Olvera. The bill provides for payment of the required visa fee and for an appropriate visa number deduction. The amendments are technical in nature.

STATEMENT OF FACTS

The beneficiary of the bill is a 46-year-old native and citizen of Ecuador who was admitted to the United States as a visitor on September 14, 1969. Since her arrival, she has resided in Columbia, S.C., with the Suber family who provides for her needs. She is presently unemployed, but formerly was employed in Ecuador as a live-in maid by Mrs. Suber's father.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF BUDGET DEFERRALS —MESSAGE FROM THE PRESIDENT—PM 60

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, and the Committee on Foreign Relations, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totalling $164.1 million and a revision to a previously transmitted deferral increasing the amount deferred by $1.0 million. The items involve the fossil energy construction and Strategic Petroleum Reserve programs in the Department of Energy and the payment of Vietnam prisoner of war claims in the Foreign Claims Settlement Commission.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 26, 1979.*

WINDFALL PROFITS TAX—MESSAGE FROM THE PRESIDENT—PM 61

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

On April 5, I announced the phased decontrol of oil prices beginning on June 1 of this year, and ending with the expiration of price control authority on October 1, 1981. The decontrol program I have established will increase domestic oil production, encourage conservation of existing energy supplies, and make it possible to accelerate development of alternative energy supplies and thereby lessen our dangerously heavy reliance on imported foreign oil.

To prevent unearned, excessive profits which the oil companies would receive as a result of decontrol and possible future OPEC price increases, I proposed a windfall profits tax. I further proposed that the revenues generated by that tax be used to establish an Energy Security Trust Fund which will have three major purposes:

To provide assistance to low-income households who can least afford energy price increases;

To increase funding for mass transit; and

To undertake a major program of new energy initiatives and investments which will permit us to develop critically needed alternatives to imported oil.

This Message sets out the detailed specifications of the windfall profits tax and the Energy Security Trust Fund. I look forward to working closely with you to act on this proposal as quickly as possible.

THE WINDFALL PROFITS TAX

SUMMARY OF THE WINDFALL PROFITS TAX

Under the Energy Policy and Conservation Act of 1975 (EPCA), which amends the Emergency Petroleum Allocation Act (EPAA), all authority to control the price of domestically-produced crude oil expires on September 30, 1981. However, as of June 1, 1979, the amount by which oil prices may increase becomes discretionary with the President.

The Department of Energy has been directed to undertake administrative actions designed to phase out controls on all domestic crude oil by September 30, 1981. Department of Energy regulations implementing some of these changes were published in the *Federal Register* on April 12, 1979, (44 *Fed. Reg.* 22012). The phased decontrol program will begin as of June 1, 1979 and will extend through Septembed 30, 1981.

In order to prevent oil producers from reaping excessive profits from decontrol a windfall profits tax is proposed. This tax would apply to windfall revenues from sales of lower and upper tier oil which are attributable to decontrol and to revenues from the sales of domestic crude oil which are attributable to any future OPEC price increases in excess of adjustments for inflation.

The gradual deregulation of domestic oil prices will bring the price of oil to world oil price levels, with the following benefits: First, it will eliminate the current subsidy provided to imported oil, which has increased consumption and dependence on foreign supplies. Second, it will encourage producers of oil to seek out additional supplies and to continue production from marginally economic operations. Third, decontrol will phase out the complex system of controls which presently produces inequities and inefficiencies. Fourth, through replacement cost pricing, new sources of energy will come into commercial use, further reducing U.S. dependence on foreign oil. Fifth, it will strengthen the stability of the dollar and reduce balance of payment flows, both directly through reduced oil payments abroad and indirectly through confidence that the U.S. is attacking its energy problem.

However, deregulation of domestic oil prices will also provide enormous windfall gains for domestic producers of oil. These windfall gains will be generated by two aspects of deregulation: First, there are those gains which will result from the lifting of price controls on lower and upper tier oil. Producers of lower tier oil (controlled at an average price of $5.75 per barrel in January of 1979) will be able to sell increasing volumes of their oil at upper tier prices (controlled at an average price of $12.66 per barrel in January of 1979). At the same time. the controlled price of upper tier oil will be allowed to rise gradually to the world price.

Second, there are those gains that may result from the future actions of the OPCE cartel.

It is estimated that deregulation will increase domestic oil producer income before tax by $1.0 billion in 1979, $5.0 billion in 1980 and $9.3 billion in 1981. In order to capture the windfall portion of these increased revenues, a windfall profits tax of 50 percent is proposed. The proceeds of the tax and of increased income tax revenues attributable to higher producer profits during the deregulation period will be allocated to an Energy Security Trust Fund, described later in this Message.

The tax is designed to reduce to the greatest possible extent the complexity and excessive regulation associated with the existing price control mechanism. The entitlements program will be phased out. For purposes of administering the tax it will no longer be necessary to police the price at which oil and oil products are sold. The records that are to be kept will, in large part, be the same records that taxpayers are required to retain for income tax purposes. Finally, because the volume of oil at the lower tier and the upper tier base price will both phase out, only a simple tax will remain in place permanently.

THE DECONTROL SCHEDULE

The phased decontrol schedule is as follows:

As of June 1, 1979, newly discovered oil will be permitted to receive the world market price.

The Department of Energy has promulgated a rule under which, as of June 1, 1979, a substantial percentage of production from marginal properties may be sold at the upper tier price. The base production control level against which current production volumes are measured to determine upper tier volumes each month for marginal properties are set at 20 percent of the average monthly production and sale of lower tier crude oil from marginal properties. Marginal properties are those properties which produced below a certain volume of oil per well per day depending upon the average completion depth of all crude oil producing wells on such properties. The schedule of average well depths and average daily production volumes used to determine a marginal property are:

Under 20 barrels/day between 2,000 and 4,000 feet.

Under 25 barrels/day between 4,000 and 6,000 feet.

Under 30 barrels/day between 6,000 and 8,000 feet.

Under 35 barrels/day below 8,000 feet.

On January 1, 1980, the base production control levels for marginal properties will be reduced to zero and all current production will be eligible for the upper tier price.

Effective June 1, any incremental new production from wells employing specified enhanced recovery techniques (e.g., tertiary recovery), may receive the world price. Beginning on January 1, 1980, producers who invest in enhanced recovery projects after June 1 may release specified volumes of lower tier oil to the upper tier price in order to finance that investment.

Beginning on January 1, 1980, the upper tier oil price will increase in equal monthly increments until it reaches the world price on October 1, 1981.

The Department of Energy has promulgated a rule under which base production control levels for all properties other than marginal properties will be permitted to decline lower tier oil at a rate of 1½ percent per month from January 1, 1979 through December 31, 1979. Between January 1, 1980 and October 1, 1981, the decline rate will equal 3 percent per month.

TECHNICAL EXPLANATION OF THE WINDFALL PROFITS TAX

1. *Imposition of Tax*

An excise tax will be imposed at the wellhead on the owners of property interests in domestic crude oil (i.e., producers and royalty owners). The tax will not be imposed upon royalties paid to the Federal government. The tax will be withheld and paid over by the person having responsibility for settling with the various property interest owners under a division order. This is generally the first purchaser.

The person having responsibility for withholding and paying over the tax will deposit the tax semi-monthly with authorized depositories. That person will be required to file quarterly returns setting forth the amount collected and deposited for the return period.

Production from the Alaska North Slope (and any other oil transported through the TAPS line) is excluded entirely from the tax. This is because the transportation costs of bringing this oil to market are high, and the actual price received at the wellhead by producers of such oil is significantly below the upper tier price level.

Since the windfall profits tax is an excise tax, it is deductible for income tax purposes.

2. *Amount of Tax*

One tax is to be imposed at a rate of 50 percent. The tax is to be imposed on the difference between the price at which each taxable barrel of oil is sold and its base price, multiplied by the volume of oil subject to tax. There are three base prices: the controlled price of lower tier oil; the controlled base price of upper tier oil; and, for the production of unregulated oil, the market incentive price.

3. *Oil Subject to Tax*

(a) *Definitions*

The windfall profits tax applies only to crude oil produced in the United States. For this purpose, the United States includes Puerto Rico, all United States possessions and the Continental Shelf.

The terms "crude oil", "lower tier oil", "upper tier oil", "stripper well", and "marginal well" will be defined in the same manner as those terms are defined by current Department of Energy regulations.

(b) *Effective date*

The tax is to be effective on January 1, 1980. It is a permanent tax.

(c) *Tax bases*

Lower tier. Under the President's decontrol schedule, lower tier oil will be released to the upper tier in accordance with a decline rate applied to the producer's base period control level (BPCL). The BPCL is determined as of January 1, 1979 under recently issued Department of Energy regulations. For decontrol purposes, the decline rate is 1-1/2 percent per month during 1979, and 3 percent per month thereafter.

The taxable volume of lower tier oil will be the volume of lower tier oil freed to the upper tier under decontrol which exceeds the volume of oil which would be freed by reducing the January 1, 1980 volume of lower tier oil by 2 percent of the BPCL per month.

For purposes of computing taxable volume, the 2 percent reduction continues even after price controls expire on September 30, 1981. Consequently, the taxable volume of lower tier oil equals zero at the end of May, 1983.

For purposes of computing the tax on lower tier oil, the base price is the controlled price of lower tier oil. Thus, oil which is now selling below its controlled price will be taxed only on the difference between the former controlled price and the price at which it is sold when freed to the upper tier.

For the period following the termination of controls, a constructive lower tier controlled price, generally based upon the present Department of Energy regulations, will be used in computing the lower tier base price. The constructive lower tier base price will be adjusted for inflation (as measured by the GNP deflator) by the Secretary of the Treasury in the same manner as the controlled price is currently adjusted for inflation under Department of Energy regulations.

Any lower tier oil released to the upper tier under decontrol and not includible in the lower tier taxable volume will be included in the upper tier taxable volume and will be taxed at that level.

The computation of the windfall profits tax at the lower tier level is illustrated by the following example:

Producer A's BPCL for lower tier oil as of January 1, 1979 is 100*X* barrels per day. Under the Department of Energy decontrol schedule the volume of oil subject to lower tier prices on December 31, 1979 will be 82*X* barrels per day (100*X* barrels per day less 18*X* barrels per day representing a 1½ percent decline for the 12 months of 1979). During January, 1980 A produces 83*X* barrels per day. Of that production, 4*X* barrels can be sold as upper tier oil, since the lower tier volume for January 1980 is 79*X* barrels per day. One *X* barrels per day, the difference between the application of the 3 percent decline permitted under the Deparment of Energy decontrol schedule and the 2 percent decline permitted for purposes of computing the lower tier taxable volume, is the taxable volume of oil. Thus, if the controlled price of lower tier oil in January 1980 is $6 per barrel and the 1*X* taxable barrels per day are sold at the wellhead for $13 per barrel, the amount of tax would be equal to: 50 percent × (1*X* barrels per day × 31 days) × ($13 per barrel —$6 per barrel) =$108.50*X*. The other decontrolled oil produced in January 1980 (30 days × 3*X* barrels per day) will be included in the upper tier taxable volume.

The lower tier taxable volume will not include marginal well production nor production that is released beginning on January 1, 1980 in order to finance investment in tertiary recovery. However, this production is included in the upper tier taxable volume. The lower tier taxable volume also will not include production from wells that would be considered to be stripper wells had controls continued beyond October 1981. However, this production is included in the market incentive tier taxable volume.

Upper tier. The windfall profits tax will apply to all upper tier oil beginning on January 1, 1980. The taxable volume of upper tier oil includes *all* upper tier oil except oil subject to tax at the lower tier level. Under the Department of Energy decontrol schedule, beginning on January 1, 1980, the upper tier oil price reaches the world price on October 1, 1981. For purposes of the tax, the controlled base price of upper tier oil is the price at which upper tier oil would be controlled if the Department of Energy decontrol schedule had not been implemented. This constructive upper tier controlled base price will be adjusted for inflation (as measured by the GNP deflator) by the Secretary of the Treasury in the same manner as the controlled price is currently adjusted for inflation under Department of Energy regulations.

The tax at the upper tier level is computed by applying the 50 percent rate to the upper tier taxable volume, multiplied by the difference between the price at which upper tier oil is sold and its controlled base price.

As in the case of lower tier oil which is now selling below its controlled price, upper tier oil will be taxed only on the difference between its controlled base price and the price at which it is sold.

The constructive upper tier base price will increase in monthly increments beginning in November 1986 so that over a 50-month period the difference between the upper tier controlled base price and the market incentive price (see below) will disappear. Consequently, at the end of the 50-month period, the upper tier tax base will be phased out. The Secretary of the Treasury will prescribe by regulations the applicable monthly increments.

The upper tier tax base will not include new production or incremental tertiary production.

Market incentive tier. The market incentive tier tax will be based on the difference between the price at which the uncontrolled oil is sold and the market incentive base price. The market incentive base price for the fourth quarter of 1979 is $16.00 per barrel. This base price will be adjusted for domestic inflation (as measured by the GNP deflator) and determined by the Secretary of the Treasury on a quarterly basis.

The taxable volume of the market incentive tier includes all uncontrolled oil except any oil subject to tax in the lower or upper tier taxable volume and Alaska North Slope oil. The tax at the market incentive tier is computed by applying the 50 percent rate to the taxable volume, multiplied by the difference between the price at which the oil is sold and the market incentive base price.

4. *Application of Other Tax Provisions*

For purposes of computing percentage depletion, gross income is reduced by the amount subject to the 50 percent windfall profits tax.

5. *Revenue Effect*

The gross windfall profits tax will equal $0.4 billion in fiscal year 1980, $1.8 billion in fiscal year 1981, and $3.0 billion in fiscal year 1982. The net windfall profits tax (after reduction for income tax deductions of the excise tax and gain from disallowance of percentage depletion) will equal $0.2 billion in fiscal year 1980, $1.3 billion in fiscal year 1981, and $2.0 billion in fiscal year 1982.

THE ENERGY SECURITY TRUST FUND

SUMMARY OF THE ENERGY SECURITY TRUST FUND

The Energy Security Trust Fund is proposed to be established by statute in the Treasury of the United States to receive on a regular basis the revenues from the windfall profits tax and to receive for fiscal years 1980, 81 and 82, an additional amount to be appropriated from general revenues which will be based on an estimate of additional income taxes paid in 1980, 81, and 82 resulting from decontrol. The Administration will request an appropriation as soon as the windfall profits tax is enacted. The revenues in the Trust Fund will be used for three basic purposes:

Not to exceed $800 million annually for assistance to low-income households;

Not to exceed $350 million annually for additional funds for energy efficient mass transit purposes; and

A range of energy program initiatives, including those set forth in the White House Fact Sheet issued on April 5, 1979, and additional initiatives, for long-term energy R&D, conservation, and energy-related environmental R&D, which Trust Fund revenues will support.

The Energy Security Trust Fund programs will be undertaken only if the windfall profits tax is enacted and provides (along with the additional corporate income taxes for fiscal years 1980, 81, and 82) revenues adequate to cover full costs. The Trust Fund is being proposed to insure that all revenues resulting from decontrol are used for the specified purposes.

TRUST FUND STRUCTURE AND OPERATION

The Energy Security Trust Fund will be established by statute and will be credited with revenue from two sources:

All revenues actually received from the windfall profits tax on domestic crude petroleum less tax credit reimbursement; and

Additional income taxes that are estimated by Treasury to be collected as a result of phased decontrol during fiscal years 1980, 81, and 82.

The assistance to low-income households will be given priority on Trust Fund resources.

The total estimated costs for approved Trust Fund initiatives will not be permitted to exceed available resources within the Trust Fund. Total cost estimates by fiscal year will be developed for the expected life of each proposed initiative. The total for all proposed uses of the Trust Fund shall not exceed expected revenue estimates under constant world oil price assumptions.

The estimated out-year costs of approved initiatives will be calculated by year from the first year of the Trust Fund's operation to insure that revenues are adequate to meet commitments. This is necessary because of the substantial out-year costs of certain initiatives such as the shale oil tax credit and the uncertainty about revenues beyond 1985. To the extent that projected resources are in excess of projected commitments, additional energy initiatives which contribute to reducing United States dependence on imported oil may be undertaken. Purposes may include: energy research, development, demonstration, energy related environmental R&D, conservation, etc. All spending from the Trust Fund will be subject to authorization and appropriation in the annual budget process.

The Treasury Department will be responsible for holding the Trust Fund and for current year and long range revenues estimates and for tax expenditure estimates. The extent of resources in the Trust Fund which shall be available for new initiatives shall be determined on the basis of estimates, by fiscal year, of receipts and revenue foregone made by the Secretary of the Treasury, and the total costs of all other demands upon the Trust Fund as determined by the Office of Management and Budget.

Office of Management and Budget responsibilities will include:

Completing reviews of proposed new initiatives and determining whether adequate revenues exist for new initiatives to be undertaken and making recommendations to the President;

Providing annual projections of budget authority and outlays for the life of each approved spending initiative; and

Providing an annual report to the President and Congress describing the operation of the Trust Fund and the projections of future balance.

The Department of the Treasury will be responsible for:

An estimate for the FY 80–FY 82 period of the amounts of added income taxes paid in consequence of the President's decontrol decision;

Annual estimates of the tax expenditures and foregone excise tax revenues (if any);

Long range revenue estimates updated annually, based on constant real world oil prices; and

Trust Fund accounting.

Line agencies will be responsible for developing budget estimates for approved initiatives, proposing new initiatives for energy purposes if adequate Trust Fund balances are estimated to exist by OMB, justifying Presidentially approved requests before Congress and implementation of appropriated programs. The Department of Transportation will be responsible for developing and implementing the additional mass transit assistance program. The Department of Energy will be responsible for developing and implementing through the normal budget process the energy initiatives specified by the President and other initiatives to the extent permitted by Trust Fund balances estimated by the Office of Management and Budget.

REPORT TO CONGRESS

Each year a full report on Trust Fund projections and activities, will be transmitted to Congress along with any required specific authorization and appropriation requests for approved spending initiatives.

CONCLUSION

Prompt enactment of legislation built on these specifications is essential to a sound energy policy for the future of our country. This initiative is one of the most important of my Presidency.

Taken together, the windfall profits tax and the Energy Security Trust Fund will provide us with the means to move ahead to maximize domestic energy production, to establish stronger conservation habits, and to build toward the day when our reliance on imported oil no longer threatens the very security of this Nation. It will do so in a way which is fair and equitable and which protects the neediest in our society.

The Members of my Cabinet and Senior Staff and I look forward to working with each of you in the Congress to ensure that these vital proposals are quickly and fully enacted.

JIMMY CARTER.

THE WHITE HOUSE, *April 26, 1979.*

MESSAGES FROM THE HOUSE

At 12:29 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3354. An act to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes.

At 2:09 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 11. A concurrent resolution designating "Appropriate Technology Week"; and

S. Con. Res. 15. A concurrent resolution authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739).

The message also announced that the House insists on its disagreement to the amendment of the Senate to H.R. 3091, an act to extend for 1 year the provisions of law relating to the business expenses of State legislators; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ULLMAN, Mr. ROSTENKOWSKI, Mr. CORMAN, Mr. RANGEL, Mr. CONABLE, and Mr. ROUSSELOT were appointed managers of the conference on the part of the House.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1301. An act to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes; to the Committee on the Judiciary.

H.R. 3354. An act to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes; to the Committee on Armed Services.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1234. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on Title IV of the Trade Act of 1974 and its effect on United States Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1235. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the Military Construction Authorization Act for Fiscal Year 1980; to the Committee on Armed Services.

EC–1236. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Digests of Major Weapon System Reports Issued January and February 1979," April 25, 1979; to the Committee on Armed Services.

EC–1237. A communication from the Acting Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report concerning the enlistment and retention incentives authorized by those sections of Public Law; to the Committee on Armed Services.

EC–1238. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on a construction project to be undertaken by the U.S. Army Reserve at Logan, Utah; to the Committee on Armed Services.

EC–1239. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to implement the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, 1973, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–1240. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36952 (Sub-No. 1), Joint Water-Rail and Rail-Water Rates, Trailer Marine Transport Corp., within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC–1241. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a decision in Docket No. 37038, Bituminous Coal, Hiawatha, Utah, to Moapa, Nevada, within the initially-specified 7-month period; to the Committee on Comerce, Science, and Transportation.

EC–1242. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, reports for the month of January 1979 on (1) total itemized revenues and expenses, (2) revenues and expenses of each train operated, and (3) revenues and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC–1243. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the improvement of the Nation's airport and airway system, for the modification of airport and airway user taxes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–1244. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports entitled (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products, and (2) Petroleum Market Shares: Report on Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC–1245. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, relative to the Lowell National Historical Park, Lowell, Massachusetts; to the Committee on Energy and Natural Resources.

EC–1246. A communication from the President of the United States, reporting with respect to the Clinch River Breeder Reactor; to the Committee on Energy and Natural Resources.

EC–1247. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Environment and Public Works.

EC–1248. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–1249. A communication from the Environmental Affairs Coordinator, Agency for International Development, Department of State, transmitting a newly-numbered page 4a for insertion in the A.I.D. Report on the Environment and Natural Resource Management in Developing Countries; to the Committee on Foreign Relations.

EC–1250. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Munitions Export Controls Need Improvement," April 25, 1979; to the Committee on Foreign Relations.

EC–1251. A communication from the Executive Director, Board for International Broadcasting, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1252. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Employee Standards of Conduct: Improvements Needed in the Army and Air Force Exchange Service and the Navy Resale System Office," April 24, 1979; to the Committee on Governmental Affairs.

EC–1253. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Indochina Exodus: A Humanitarian Dilemma," April 24, 1979; to the Committee on the Judiciary.

EC–1254. A communication from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

EC–1255. A communication from the Under Secretary of Defense (Research and Engineering), transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for fiscal year 1978; to the Select Committee on Small Business.

EC–1256. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes; to the Committee on Veterans' Affairs.

EC–1257. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Veterans Canteen Service for Fscal Year 1978," April 25, 1979; to the Committee on Veterans' Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–189. A resolution adopted by the Legislature of the State of Washington; to the Committee on Energy and Natural Resources;

"SENATE RESOLUTION

"Whereas, The Yakima River System has long suffered from a lack of water as well as water of poor quality; and

"Whereas, This shortage has not only caused many disputes but also numerous costly lawsuits over the rights to the use of water of the river system, all of which are detrimental to the social and economic well-being of the Yakima Valley; and

"Whereas, The Department of Ecology of the State of Washington, working with the Yakima Indian Nation and others, has developed a proposal for resolving the conflicts and suffering arising from water shortages by providing more water for agricultural uses as well as fishery, recreational, and other instream uses; and

"Whereas, A proposal, known as the Yakima River Basin Water Enhancement Project, embodies a combined physical and legal solution consisting of the construction of five water storage and distribution projects and the termination of several major water rights cases pending in federal and state courts; and

"Whereas, Legislation directing the secretary of the department of the interior to study the feasibility of the Yakima River Basin Water Enhancement Project has been introduced by Senators Henry M. Jackson and Warren G. Magnuson (S. 585) and Representative Mike McCormack (H.R. 2757), and the Washington State Legislature has provided financial assistance not exceeding $500,000 for the study by the secretary of the interior, through enactment of Substitute Senate Bill No. 2504 earlier this session;

"Now, therefore, be it resolved, By the Senate of the State of Washington, that the senators:

"(1) Encourage President Jimmy Carter to support the enactment of S. 585 and H.R. 2757; and

"(2) Congress is encouraged to enact S. 585 and H.R. 2757; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Jimmy Carter, President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives, to the Secretary of the Interior, and to each member of Congress from the State of Washington."

POM–190. A resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public Works:

"SENATE RESOLUTION

"Whereas, The federal-aid highway program is of vital importance to the transportation system of the nation and the several states; and

"Whereas, The Congress has recognized the importance of the federal-aid highway program by enacting the Federal-Aid Highway Act of 1978 including annual authorizations of funds; and

"Whereas, The President of the United States has recognized the intent of Congress as expressed in the Federal-Aid Highway Act of 1978, and has proposed an obligation level of $8.5 billion for federal-aid highway programs for the fiscal year ending September 30, 1980, in his budget proposal for such fiscal year; and

"Whereas, The several states have obligated approximately $4 billion of federal highway funds in the first five months of the fiscal year ending September 30, 1979, indicating that the obligation level proposed by the President for the fiscal year ending September 30, 1980, is reasonable and appropriate for continuation of the federal-aid highway system; and

"Whereas, Any reduction below the obligation level proposed by the President will seriously impair the highway transportation programs of the nation and the several states, to the detriment of transportation efficiency and safety;

"Now, therefore, be it resolved, By the Senate of the State of Washington, that the Congress be urged to approve an obligation level for the federal-aid highway program for the fiscal year ending September 30, 1980, that is not less than the level included by the President in his budget proposal for such fiscal year; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, each member of Congress from the State of Washington, and to the Secretary of Transportation."

POM–191. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION No. 21

"Whereas, The national debt now amounts to hundreds of billions of dollars and is increasing enormously each year as federal expenditures grossly exceed federal revenues; and

"Whereas, Payment of the increased interest on this ever-expanding debt imposes a tremendous burden on the taxpayers of this country; and

"Whereas, Continuous deficit financing by the Federal Government supports inflationary conditions which adversely affect the national economy and all Americans, particularly those persons with fixed or low incomes; and

"Whereas, Constantly increasing use of deficit financing has enabled the Federal Government to allocate considerable sums to programs which in many instances have proved to be wasteful and not beneficial to the public; and

"Whereas, Limiting federal expenditures in each fiscal year to revenues available in that year, except during national emergencies, will result in greater selectivity of federal programs for the benefit of the public; and

"Whereas, The annual federal budgets continually reflect the unwillingness or inability of both the legislative and executive branches of the Federal Government to balance the budget and demonstrate the necessity for a constitutional restraint upon deficit financing; and

"Whereas, Under article V of the Constitution of the United States, the Congress may propose amendments to the federal Constitution whenever two-thirds of both houses deem it necessary; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That this legislature respectfully requests the Congress of the United States to submit to the legislatures of the several states an amendment to the United States Constitution which would require that, in the absence of a national emergency, the total of the appropriations made by the Congress for each fiscal year may not exceed the total of the estimated federal revenues for that year; and be it further

"*Resolved,* That the legislature of the State of Nevada proposes that the legislatures of each of the several states request the Congress to submit the constitutional amendment proposed in this resolution; and be it further

"*Resolved,* That a copy of this resolution be immediately transmitted by the legislative counsel to the President of the Senate and the Speaker of the House of Representatives of the United States, to each member of the Nevada congressional delegation and to the presiding officer of each house of the legislatures of the several states; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes (Rept. No. 96–95).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with amendments:

S. 544. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development (together with minority views) (Rept. No. 96–96).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 122. A resolution to approve standby emergency building temperature restrictions (Department of Energy Standby Conservation Plan Numbered 2) (Rept. No. 96–97).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment, unfavorably:

S. Res. 123. A resolution to approve standby emergency advertising lighting restrictions (Department of Energy Standby Conservation Plan Numbered 3) (together with minority views) (Rept. No. 96–98).

By Mr. CRANSTON, from the Committee on Labor and Human Resources, with an amendment:

S. 239. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvements of programs carried out thereunder, and for other purposes (together with additional views) (Rept. No. 96–99).

By Mr. CRANSTON, from the Committee on Labor and Human Resources, without amendment:

S. Res. 141. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 239, the Domestic Volunteer Service Act Amendments of 1979. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

June Gibbs Brown, of Colorado, to be Inspector General, Department of the Interior. Referred to the Committee on Governmental Affairs for not to exceed 20 days, pursuant to order of March 1, 1979.

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself, Mr. WEICKER, and Mr. CHURCH):

S. 1018. A bill to repeal certain provisions of the act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Public Law 95–435), relating to the Republic of Uganda, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations, jointly, by unanimous consent.

By Mr. CHURCH (for himself, Mr. McGOVERN, Mr. WEICKER, and Mr. HATFIELD):

S. 1019. A bill to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes; to the Committee on Foreign Relations.

By Mr. FORD (for himself and Mr. DANFORTH):

S. 1020. A bill to authorize appropriations for the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH:

S. 1021. A bill to amend the Internal Revenue Code of 1954 to provide holders of certain governmental obligations a taxable bond option and credit; to the Committee on Finance.

By Mr. McGOVERN:

S. 1022. A bill to provide standby authority for the control of prices and wages; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JACKSON (by request):

S. 1023. A bill concerning the Pinelands National Reserve, N.J.; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (by request):

S. 1024. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; to the Committee on Armed Services.

By Mr. HATCH:

S. 1025. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. JACKSON (by request):

S. 1026. A bill to amend the Act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1027. A bill to amend the National Labor Relations Act to provide for voluntary unionism by strengthening the act's protection for employees from coercion or discrimination in regard to hire or tenure of employment or any condition of employment by reason of membership or nonmembership in any labor organization, to free the channels of interstate commerce from the disruption and industrial strife flowing from coercive and compulsory unionism, to guarantee individual freedom of choice, association, self-organization, and representation, and to relieve labor organizations from the obligation to act as collective-bargaining representatives of employees who are not members or who choose not to pay dues or fees to the union designated as the bargaining representative; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (by request):

S. 1028. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

By Mr. NUNN (for himself and Mr. WEICKER):

S. 1029. A bill to authorize the Small Business Administration to guarantee the payment of principal and interest on State and local development company debentures; to the Select Committee on Small Business.

By Mr. DOMENICI (for Mr. JOHNSTON (for himself, Mr. DOMENICI, and Mr. JACKSON)):

S. 1030. A bill to authorize the President to create an emergency program to conserve energy, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McGOVERN (for himself, Mr. MATHIAS, Mr. RIBICOFF, Mr. WILLIAMS, and Mr. BAUCUS):

S. 1031. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been affected by reductions in defense or aerospace contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realign defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; to the Committee on Governmental Affairs.

By Mr. HATCH:

S. 1032. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Finance.

By. Mr. CHURCH (by request):

S. 1033. A bill to authorize supplemental economic support for the fiscal year 1979 for Turkey, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself, Mr. WEICKER, and Mr. CHURCH):

S. 1018. A bill to repeal certain provisions of the act entitled "An act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund," approved on October 10, 1978 (Public Law 95–435), relating to the Republic of Uganda, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations, jointly, by unanimous consent.

(The remarks of Mr. Hatfield when he introduced the bill appear earlier in today's proceedings.)

By Mr. CHURCH (for himself, Mr. McGovern, Mr. Weicker, and Mr. Hatfield):

S. 1019. A bill to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes; to the Committee on Foreign Relations.

(The remarks of Mr. McGovern when he introduced the bill appear earlier in today's proceedings.)

By Mr. FORD (for himself and Mr. Danforth):

S. 1020. A bill to authorize appropriations for the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. Ford when he submitted the bill appear earlier in today's proceedings.)

By Mr. DANFORTH:

S. 1021. A bill to amend the Internal Revenue Code of 1954 to provide holders of certain governmental obligations a taxable bond option and credit; to the Committee on Finance.

(The remarks of Mr. Danforth when he introduced the bill appear earlier in today's proceedings.)

By Mr. McGOVERN:

S. 1022. A bill to provide standby authority for the control of prices and wages; to the Committee on Banking, Housing, and Urban Affairs.

ECONOMIC STABILIZATION ACT OF 1979

Mr. McGOVERN. Mr. President, today we had Mr. Kahn, the Nation's chief inflation fighter, before the Joint Economic Committee. He reports another substantial increase in the Consumer Price Index figure.

I have come to the conclusion, after many, many months of watching this steadily increasing inflationary pressure, that however well-intentioned the administration's present anti-inflation policies are now working, we are now operating on a 13 percent annual rate of inflation which is simply not acceptable in terms of any hope we might have to stabilize the economy.

Recognizing all of the practical difficulties involved, I have concluded—and I have done this after months and months of thought—that we need to give the President standby authority for the control of prices and wages.

I realize that the President has not asked for that authority, and in fact has said he did not want it. But that was precisely the position that President Nixon took, and a few weeks later he found it in the national interest to invoke wage and price controls and used that authority that theretofore he said he did not want.

I might say somewhat ruefully that he did it with such telling effect that it helped contribute to his reelection in 1972. It stabilized both unemployment and inflation at a level below 5 percent in each case.

What I am doing today is to simply give the President standby authority under this bill to exercise price and wage controls as he sees fit.

The thrust of this effort is to concentrate such controls only on the larger concentrations of industry, I would suggest industries with 1,000 or more employees, so that we do not have a great mass of bureaucratic regulation over the little retail dealers up and down Main Street, the farmers, and others, but that we target these controls on the concentrated aspects of our economy.

As I have said, I am referring to those corporations with 1,000 or more employees.

It is sometimes said that controls did not work in the past. I do not find the evidence of that. They did stabilize the price level in the Korean war, they did it in World War II, and they worked rather effectively in 1971 and 1972. Obviously, we have to combine with that some degree of fiscal and monetary restraint to keep too much pressure from building up behind the price and wage cap. But under those circumstances I think they could work.

In any event, I believe the President is entitled to this authority.

Mr. President, I ask unanimous consent that the bill and statement I released to the press earlier on this matter be printed in the Record.

There being no objection, the bill and press release were ordered to be printed in the Record, as follows:

S. 1022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Act of 1979".

PRESIDENTIAL AUTHORITY

Sec. 2. The President is authorized to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries at levels not less than those prevailing on April 26, 1979. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

DELEGATION

Sec. 3. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he may deem appropriate.

PENALTY

Sec. 4. Whoever willfully violates any order or regulation under this Act shall be fined not more than $5,000.

INJUNCTIONS

Sec. 5. Whenever it appears to any department or agency of the United States authorized by the President to exercise the authority contained in this section to enforce orders and regulations issued under this Act that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any regulation or order under this Act, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the department or agency, any such court may also issue a mandatory injunction commanding any person to comply with any regulation or order under this Act.

EXPIRATION

Sec. 6. The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1981, but such expiration shall not affect any proceeding under section 4 for a violation of any such order or regulation, or for the punishment for contempt committed in violation of any injunction issued under section 5, committed prior to October 1, 1981.

McGovern Introduces Legislation To Give President Standby Authority for Wage and Price Controls

Senator George McGovern, describing the latest jump in the Consumer Price Index figures as "an economic and political disaster," today introduced legislation to restore the President's authority to impose wage and price controls. No such legislation exists on the books at this time. The McGovern legislation will be known as the Economic Stabilization Act of 1979.

We are constantly assured that the economy will improve, but the dismal record continues to worsen. It is obvious that the current anti-inflation policies this Administration is following are simply not working. We've got to begin debating alternatives. For some reason, in spite of all the intense concern throughout the country, the Administration seems to regard bold action as dangerous.

The selective controls should be viewed as a "club in the closet," designed to give the President a tool to use in the event that current policies of jawboning and moral persuasion continue to fail. Last month's statistics for crude goods, for example, which create pressure from the bottom of the productive chain, are very discouraging. They are moving at a monthly inflation rate of over 2.2 percent. So the Consumer Price Index down the road can't be promising.

No one can believe that an 81 percent profit rise, such as reported yesterday by Texaco, is a success. What kind of "guideline" does that fall under? While many families are borrowing from savings just to make ends meet, large centers of economic power are laughing all the way to the bank.

Flexible and selective controls can and should be concentrated on the largest and most influential sectors of our economy which more or less set the general pattern for wages and prices and would not need to apply to more than a few thousand firms and employee units of 1,000 or more workers. In those instances where voluntary stabilization policies fail to encourage responsible wage and price behavior on the part of certain labor and management interests, some measure must be taken to exercise countervailing power on behalf of the public. In the past, controls have been in effect over a relatively short period of time. We have never fully tested our ability to stabilize our economy with long-term controls. But we've never had this unique and perplexing level of stagflation before, either. Hopefully, this legislation will begin a comprehensive debate, including consideration of a permanent government stabilization agency, one which would allow us to exercise continual restraint over the most concentrated areas of our economy.

While I realize the President has stated on previous occasions that he wants no such authority, so did President Nixon only months before he found it necessary to invoke wage and price controls in August of 1971.

The theories of economists who have been proved consistently wrong should no longer be a barrier to policies that could restore the stability of the average family's budget.

The by-word for the disastrous economic policy of an earlier Administration of another Party was "prosperity is just around the corner."

Americans today are becoming increasingly impatient and angry with the ineffective policies that promise that "price stability is just around the corner."

By Mr. JACKSON (by request):

S. 1023. A bill concerning the Pinelands National Reserve, N.J.; to the Committee on Energy and Natural Resources.

PINELANDS NATIONAL RESERVE, N.J.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill concerning the Pinelands National Reserve, N.J.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1023

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 502 (k) of the Act of November 10, 1973 (92 Stat. 3467) is amended by deleting the last two sentences thereof and substituting the following sentence:

"*Provided further*, That $23,000,000 shall be made available for land acquisition, as authorized by this section, from the Land and Water Conservation Fund."

SEC. 2. Section 7(a) of the Land and Water Conservation Fund Act, as amended (16 U.S.C. 4601-9(a)) is further amended by changing existing paragraph "(3)" to "(4)", and inserting a new paragraph "(3)" as follows:

"(3) For land acquisition for the Pinelands National Reserve, New Jersey, as authorized by section 502(k) of the Act of November 10, 1978 (92 Stat. 3467) as amended."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 1, 1979.
Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "Concerning the Pinelands National Reserve, New Jersey."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The Pinelands National Reserve was established by section 502 of the National Parks and Recreation Act of 1978 (92 Stat. 3467) in order to preserve approximately one million acres in New Jersey that contain sufficient natural, cultural, recreational and other benefits. Subsection (k) of that section authorized the appropriation of $26 million for planning and land acquisition for the Reserve, and specified that such appropriations were to come from the general fund of the Treasury or from Outer Continental Shelf (OCS) revenues which are not otherwise earmarked. This language prohibits appropriations from the Land and Water Conservation Fund (LWCF), as deposits to the LWCF represent earmarked OCS receipts.

The enclosed draft bill changes the source of funding for land acquisition for the Pinelands National Reserve to the LWCF, which has been traditionally used to fund land acquisition for national parks, national forests, national wildlife refuges, wilderness areas, outdoor recreation areas, and other natural resource protection and preservation projects of national significance, and for cooperative sharing of acquisition projects under State outdoor recreation plans. In the FY 1980 Budget the President proposes a $12 million appropriation from the LWCF to begin land acquisition at the Pinelands National Reserve.

The Administration strongly recommends that acquisition of all recreation and conservation areas should continue to be made from the LWCF rather than through separate appropriations. Within LWCF ceilings, all areas should compete for funding on the basis of national significance, land price escalation, immediacy of threat to the resources, and other factors.

The draft bill provides that the "Federal side" of the LWCF is to be utilized for the Pinelands National Reserve because it is a nationally significant area. Under the 1978 Act establishing the Reserve, 75 percent of the funds will be from Federal sources under a new Federal/State/local partnership created to develop and implement a comprehensive management plan for the Reserve. Furthermore, the Secretary of the Interior has authority under section 502(h)(2) of the 1978 Act to acquire certain critical lands for units of the National Park System or the National Wildlife Refuge System during the development of the management plan if the State elects not to make these acquisitions.

The Office of Management and Budget has advised that submission of this proposed legislation would be consistent with the Administration's objectives.

Sincerely,

ROBERT HERBST,
Assistant Secretary.●

By Mr. STENNIS (by request):

S. 1024. A bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes; to the Committee on Armed Services.

PANAMA CANAL TREATY OF 1977 AND RELATED AGREEMENTS IMPLEMENTATION OF 1979

● Mr. STENNIS. Mr. President, by request, I introduce for appropriate reference, a bill to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes. I would note, Mr. President, that some technical conforming changes have been made in the format of the legislation.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 23, 1979.
Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to forward herewith the text of proposed legislation to implement the Panama Canal Treaty of 1977 and its Related Agreements. I would appreciate its urgent consideration and timely passage by the Congress.

Senate approval of the Canal Treaties last April, and the delivery of instruments of ratification in June, marked the beginning of a new and important phase in our relations with the Republic of Panama and other nations of the Hemisphere. Under the Treaties, the United States will retain operational control of the Canal and primary responsibility for its defense until the end of this century. Panama will participate in the operation and defense of the Canal and will assume full responsibility for its operation when the Canal Treaty expires. Under a second treaty approved by the Senate the United States retains, permanently, the right to defend the Canal against any threat to its neutrality.

The constitutional processes of both countries have now been completed, and the treaties will enter into effect on October 1, 1979. Under their terms, on that date the Canal Zone will cease to exist, the United States Government agencies known as the Panama Canal Company and the Canal Zone Government will cease to operate within Panama, and general jurisdiction over the area as well as the performance of a number of important support functions will pass to Panama. Property transfers will become effective in accordance with Treaty provisions.

Under the Treaty, we will acquire extensive obligations and rights with respect to the Canal on October 1. We will not, however, be in a position to exercise these rights in a manner which will fully protect our interests in the Canal unless legislative action is taken promptly. To assure a smooth transition and continued efficient Canal operation once the new Treaties come into force, the legislative framework—in which the agencies responsible for operating and defending the Canal will be operating—must be established well in advance so that they may make the necessary plans and preparations.

Delay in adopting the legislation beyond May 31, 1979, could thus make conversion to the new system of Canal operation and defense less efficient and most costly. Moreover, uncertainty concerning the proposed legislative protection and benefits for Canal employees will increasingly affect employee morale and complicate the process of making necessary personnel adjustments. The consequent disruptive impact on the work force could reduce the efficiency of Canal operations and adversely affect the interests of U.S. shippers and consumers.

Our stewardship of the Panama Canal has been one of the outstandingly successful undertakings of American history. I urge the Congress to consider this legislation as a step toward the completion of another chapter in that history—one in which we will join with Panama to keep the Canal open, efficient and secure. In doing so, I am confident that this Government will maintain a system of management and a standard of performance of which all Americans can continue to be proud.

JIMMY CARTER.●

By Mr. HATCH:

S. 1025. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH OPPORTUNITY WAGE ACT 1979

Mr. HATCH. Mr. President, "What kind of animal walks on four legs, two legs, and then three legs?" The ancient mythical riddle was answered long ago by a great king, Oedipus Rex. In reward for offering the solution which freed an entire society from the threat of the sphynx, Oedipus was exalted to kingship. He had saved a society.

According to mythology, Oedipus continued to rule with justice and benevolence.

You may be wondering as to the significance or relevance of this myth to the American people of 1979. Today we are faced with a similar riddle. The question is found in the area of employment and wages.

It is a three-part economic question. "How are we helping to provide for the economic well-being of our people, whether they be youths, adults, or senior citizens?" Up to the present time, we have answered only the last two parts of the question. What do we do in reply to the first part of the riddle?

Today I am proposing a solution in the form of a youth opportunity wage law. In order to gain a clearer understanding of the youth unemployment issue, we must probe the area of minimum wage and employment. As the passage of the Fair Labor Standards Act in 1938 testified, many politicians have seen the minimum wage as a direct means of reducing poverty and providing decent living standards to low-wage workers. Some economists believe that higher wages will prod firms to create better and more productive jobs for workers. I happen to join with other economists who assert that the long-run distortions and disemployment effects of minimum wage far outweigh any supposed short-run benefits.

Whatever the bias, the fact still shows that the minimum wage, which has increased 625 percent since 1946, has had profound effects on some segments of the labor force. The 40-year history of minimum wage legislation clearly demonstrates that, despite the best efforts of the Congress, minimum wage setting has been irregular and unsatisfactory.

For example, none of the amendments provided for retaining the purchasing power of the low-wage worker during the intervening years until the next legislated increase. Additional evidence increasingly points to the fact that significant increases in the minimum wage are more likely to bring the low-wage worker unemployment, rather than a higher standard of living.

Minimum wage rates produce gains for some groups of workers at the expense of those that are the least favorably situated in terms of marketable skills or location. A substantial portion of the willing and the able are deprived from the opportunity to work and live on their own merits.

The employees most affected by the minimum wage changes are those who lack marketable skills. In 1979, the cruel fact that there is little demand for unskilled labor must be addressed. Consequently, the actual question comes not between lower paid jobs and better paid jobs, but between lower paid entry level jobs and no jobs at all. Herein lies the crux of the matter for the American teenager.

It has been estimated that following an increase in the minimum wage, for every percentage point of increase in the cost of living, employment of teenagers between 18 and 19 years old falls 1.35 percent, 16 and 17 years old falls 2.4 percent, and 14 and 15 years old falls 4.0 percent.

The National Association of Manufacturers estimated that minimum wages have reduced total teenage employment by as much as 40 percent in low-wage States, such as Arkansas, and by about 15 percent in high-wage States, such as Illinois and New Jersey.

As usual, the minorities, the unskilled, and the teenagers are the ones that have been most devastated by this development. During 1978, youth employment rose 1.7 percent, half as fast as for the entire workforce, and the teenage unemployment rate has stayed at about 16 percent throughout the past year.

For blacks and for other minority youths from ages 16 to 19, the unemployment rate has averaged between 30.2 percent and 37 percent. The statistics have not improved significantly in 1979.

What is the answer to youth unemployment? How can we cure the illness of unemployment before it corrupts and discourages still greater numbers of our young people? Unemployment has both psychological and economic ramifications. Teenagers, unable to find employment, may be "turned off to the system" and become more occupied with less productive pastimes. These alarming figures must increase our efforts to put youth to work.

An answer is the youth opportunity wage which I propose today. Young workers are often at a total lack of experience, discipline, and specific industrial training. Consequently, the youth is less valuable to a potential employer and less able to compete successfully with more experienced employees. The youth opportunity wage would make the youth employee much more efficient and effective and even more important, give him a chance to compete for the limited number of jobs which are available or which may be created by virtue of this bill.

Personnel costs have violently increased, making the paying of higher paid employees in a labor-intensive operation practically unbearable. A youth opportunity wage would provide a new well of untapped labor. By authorizing this wage, which is a percentage of the current minimum wage for a 6-month period, those who are unemployed because of a lack of experience or skill would increase their productivity through on-the-job training.

No one would be obligated to accept work at a rate lower than the minimum under my bill. The proposal merely grants the opportunity to the employers to hire at a lower rate for a fixed time and for youth to gain that all important first opportunity to become a part of our productive private sector.

Mr. President, this proposal is a concrete, constructive alternative to the problem of youth unemployment. It provides America's unemployed youth with the opportunity of becoming productive members of the working ranks. I ask unanimous consent to have printed in the Record a fact sheet explaining all facets of my proposal.

The sphinx of 1979 is youth unemployment. It is the curse which stifles the growth and realization of every American teenager's future—whether great or small. Although tax credits and bonuses to employers will surely help, this Congress does not yet have all of the surefire answers with which to break the creature's grasp and to solve this enormously complex problem. We can only attempt, with the wisdom of Oedipus, to alleviate the distressing results of the situation. We must try to renew the faith of our young, to reopen the door of opportunity, to respond to the first part of the riddle.

There being no objection, the fact sheet was ordered to be printed in the Record, as follows:

Hatch Youth Opportunity Wage Act of 1979: Fact Sheet

The Hatch "Youth Opportunity Act" would:

1. establish an entry-level minimum wage for teenagers. Employers would be permitted to pay youths under the age of 20 75% of the minimum wage for six months. At the end of six months, the employer would be required to pay the full minimum.

2. modify current law to allow employers to pay full-time students 75% of the minimum wage without having first obtained a certificate from the Secretary of Labor. Students would be required, however, to submit letters to their employers certifying their full-time student status.

3. impose penalties on employers who pay youths less than 75% of the minimum; retain youths at 75% of the minimum wage for more than six months; engage in a pattern and practice of substituting younger workers employed at less than the minimum for older workers employed at or above the minimum; or engage in a pattern and practice of terminating youth employees and hiring other youths in order to gain continual advantage of the lower minimum.

Currently, unemployment among those aged 16–19 is 15.5%. For black teenagers it is an appalling 31.5%. While the percentages have improved somewhat in recent months, the statistics continue to be a national disgrace.

We cannot attack youth unemployment solely through expensive federal job training and work experience programs. Tax credits to employers to hire disadvantaged minority members will help but more is needed to attack this enormously difficult problem. This Youth Opportunity wage is in lieu of tax credits, not in addition thereto.

Many experts believe the high rate of the minimum wage is one of the most significant factors contributing to the devastating rate of youth unemployment.

The federal minimum wage was increased 7 times between 1950 and 1974. Following 6 of those 7 increases, the ratio of teenage to general unemployment also increased.

Teenagers often come to the workplace with a lack of skills and work discipline. They need extra training, more instruction, and greater initial supervision. All of these are more costly to employers. As the minimum wage goes up it becomes increasingly more difficult for employers to assume the risk and expense involved in hiring a young person.

A temporary "youth opportunity" wage would prevent teenagers from being priced out of the labor market and enable employers to provide them with the training and experience they so desperately need. It is an opportunity for them to be "mainstreamed" into our economic system.

By Mr. JACKSON (by request):

S. 1026. A bill to amend the Act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend the Act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Advisory Council on Historic Preservation, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the chairman of the Advisory Council on Historic Preservation be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1026

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 15, 1966 (80 Stat. 915), as amended is further amended as follows:

(a) Section 206 is amended by deleting all of subsection (c) and inserting in lieu thereof the following:

"(c) For the purposes of this section there is authorized to be appropriated an amount equal to the assessment for United States membership in the Centre for fiscal years 1979, 1980, 1981, and 1982:

PROVIDED, That no appropriation is authorized and no payment shall be made to the Centre in excess of 25 per centum of the total annual assessment of such organization."

Advisory Council On
Historic Preservation,
Washington, D.C., April 6, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a bill amending the National Historic Preservation Act of 1966 to reauthorize continued United States participation in the International Centre for the study of the Preservation and Restoration of Cultural Property (ICCROM).

We recommend that the enclosed bill be referred to the appropriate Committee for consideration, and that it be enacted.

The United States is one of 64 member nations that support the activities of ICCROM. The United States became a member of ICCROM on January 20, 1971, under authority provided by an amendment of May 9, 1970, (84 Stat. 204) to the National Historic Preservation Act (80 Stat. 915). Amendments in 1973 and 1976 (87 Stat. 139 and 90 Stat. United States participation through fiscal year 1979. To assure continued United States membership in ICCROM it is necessary for Congress to reauthorize the payment of memberhsip fees to ICCROM.

The ICCROM fee formula requires member states to pay an amount equal to one percent of their annual contribution to UNESCO, provided that no member state shall pay more than 25 percent of ICCROM's total budget. Because of the size of its payment to UNESCO, the United States falls under this provision. The United States membership assessments are affected by increases in UNESCO dues as well as by the addition of new members to ICCROM.

Because of these variables in the ICCROM fee formula, it is not possible to determine the exact amount of the United States membership assessments for future years. For fiscal year 1976 the authorization was $125,000 and the actual membership fee was $114,597. The authorization for fiscal years 1977, 1978, and 1979 was $175,000 annually. The actual membership fees for 1977 and 1978 were $166,217 for each year while the fee for 1979 is $238,507. Under the current authorization for fiscal year 1979 the United States will be $63,507 in arrears.

Accordingly, we have proposed that the reauthorization, applicable for fiscal years 1979, 1980, 1981 and 1982, be flexible so that it can accommodate ICCROM's annual assessments for United States membership. Based on the current membership and our UNESCO contribution an additional $63,507 is needed for fiscal year 1979 and $238,507 for fiscal year 1980. We anticipate that the membership fees for fiscal years 1981 and 1982 will remain under $300,000. Appropriations will, of course, be limited to the actual membership fees assessed annually by ICCROM.

The Office of Management and Budget advises that it has no objection to the enactment of this legislation.

Sincerely,

Richard A. Jenrette,
Chairman.●

By Mr. HATCH:

S. 1027. A bill to amend the National Labor Relations Act to provide for voluntary unionism by strengthening the act's protection for employees from coercion or discrimination in regard to hire or tenure of employment or any condition of employment by reason of membership or nonmembership in any labor organization, to free the channels of interstate commerce from the disruption and industrial strife flowing from coercive and compulsory unionism, to guarantee individual freedom of choice, association, self-organization, and representation, and to relieve labor organizations from the obligation to act as collective-bargaining representatives of employees who are not members or who choose not to pay dues or fees to the union designated as the bargaining representatives; to the Committee on Labor and Human Resources.

EMPLOYEE FREEDOM OF REPRESENTATION ACT OF 1979

Mr. HATCH. Mr. President, today I am pleased to reintroduce legislation I introduced in the 95th Congress to free thousands of employees from the yoke of compulsory unionism. My proposal will guarantee employees in every State the full freedom to associate or not to associate with a labor union based upon their individual choice. I believe national labor policy which assures that freedom of association and voluntarism in union affairs serves the best interests of the 90 million working men and women in America. I hope the proposal will be adopted expeditiously as a necessary repair to a National Labor Relations Act which although now flawed was originally designed to guarantee employee rights to join or form labor organizations free of interference or coercion of any type, from any source.

Under the Taft-Hartley Act, (NLRA), the National Labor Relations Board is designated to conduct secret ballot elections among certain homogeneous groups of employees to determine whether they wish to affiliate with a labor organization for the purpose of collective bargaining. By obtaining a majority vote, the union is certified as the exclusive representative for all of the employees in a given appropriate unit of workers and the act confers a legal duty on the employer to recognize and bargain with that union. The union is also bound by law to fairly represent the interests of all the employees in the bargaining process whether they be members of the union or not.

The original intent of the NLRA was to guarantee freedom of choice to join or not to join for each individual covered by the act. Unfortunately the addition of language in sections 7 and 8(a)(3) and subsequent decisions of the NLRB authorize agreements between employers and unions to require membership in a union as a condition of employment even though the employee so jettisoned into the union by private agreement may have voted against exclusive representation. In other words, under existing law from the moment a union is voted in by 51 percent of those who vote in an election, the individual worker is thrust into that union and deprived of his first amendment right to associate freely within the factory walls if he wants to continue to work there.

Under our compulsory unionism system, the abuse of arbitrary union power is inevitable. The debate on the so-called Labor Law Reform Act last year recounted many examples of the oppressive conduct resulting from union monopoly power. While oppression, injustice and violence is not the hallmark of every union; these undesirable traits tend to follow workers when they are forced into an organization against their will. Under these circumstances, the union is effectively insulated from the employees and it can, and does without undue risk, compromise their needs in favor of its own institutional economic and political security.

My proposal would effectively restore original intent of the NLRA by reinstituting the concept of voluntarism within the American labor movement. This is not an anti-union approach; it is a pro-worker freedom and protection. The rationale is straightforward: eliminate compulsory unionism and the exclusive representation requirements and substitute in their place total employee freedom to join or form unions without the intervention of union monopoly power which tends to coerce and interfere with the pursuits of free workers in a free industrial society.

Therefore, the bill eliminates the compulsory union membership provisions under sections 7 and 8(a)(3) and deletes any reference to compulsory membership in sections 8(b)(2), 8(b)(5), and 8(f) of the NLRA.

To thoroughly eliminate compulsory unionism within the building trades, the present exclusive hiring hall and the 7-day compulsory membership requirement are eliminated. Exclusive hiring-hall agreements between employers and unions commonly provide that the employer shall give the union notice of its need for workmen, and the union can lawfully require the employer to discharge employees who have sidestepped the union as the exclusive referral agency and have dealt directly with the company. Exclusive hiring halls compel adherence to unions and allow them effective opportunity to disguise discrimination against nonunion applicants by employing seemingly "objective" criteria such as "seniority in the area."

Labor organizations will say that compulsory unionism eliminates the "free rider"—that nonunion member who receives the benefits and improvements in working conditions brought about by the union through collective bargaining but does not have to share any of the expenses in supporting the union effort. I am not unsympathetic to this argument. My bill would while eliminating compulsory unionism also relieve unions of any legal obligation to bargain for, or otherwise represent employees who decline to join or financially support those unions. Accordingly, I see the following positive results flowing from my proposal: First, workers' fundamental liberties and constitutional rights to freedom of speech or association will be protected; second, unions will negotiate wage increases and benefits only for those who desire and are willing to pay for such representation; third, the union, in order to maintain its strength and status, will strive to represent the interests of its member-employees rather than its own often conflicting institutional interest; fourth, voluntarism will encourage employees to play a greater role in union internal affairs and they will exercise greater control over their destiny in the workplace resulting in more productive workers and more responsible union policies and practices; fifth, a healthy competition between labor organizations will develop to gain employee support and membership; and sixth, the NLRB would be aided greatly in avoiding unnecessary representation elections.

Mr. President, the steady decline of union wins at the ballot box over the last several years is hard evidence that compulsory unionism is alienating the Nation's rank-and-file workers in increasing numbers. It is time that our national labor policy returned to the tenets preached by Samuel Gompers, founder of the American labor movement who hailed voluntarism as the "cornerstone of unionism." In 1916 he stated:

> The workers of America adhere to voluntary institutions in preference to compulsory systems which are held to be not only impractical but a menace to their rights, welfare, and their liberty.

I could not agree more, Mr. President, and when will our modern-day labor leaders get and heed that message? Those unions demonstrating that their representation is available to working men and women will have no problem enlisting voluntary active members. I believe my bill which will return our policy to the Gompers' philosophy has more potential to strengthen the American labor movement in our society today than all of the so-called push-button labor law reform proposals combined. It has the capacity to help our unions recover and in the process, to achieve fundamental employee freedoms and a more solid national economic climate.

By Mr. KENNEDY (by request):

S. 1028. A bill to amend the Speedy Trial Act of 1974; to the Committee on the Judiciary.

AMENDMENTS TO THE SPEEDY TRIAL ACT

• Mr. KENNEDY. Mr. President, on April 10 I introduced by request, S. 680, amendments to the Speedy Trial Act which the Attorney General has proposed to Congress. As I indicated then, a variety of changes in the act has been suggested in anticipation of the July 1 deadline when the act enters its final phase.

The Judicial Conference of the United States also has recently sent to Congress suggested amendments to the Speedy Trial Act, which the Conference first proposed in 1977. While substantially similar to the Justice Department's proposal, the Conference bill would make additional changes in the act.

At the request of the Conference, I am introducing their proposal today so that it, too, will be before the Committee on the Judiciary when we commence hearings on the act next week.

I ask unanimous consent that the text of the Judicial Conference bill and the accompanying communication from the Administrative Office of the U.S. Courts, on behalf of the Conference, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3161(b) of title 18 of the United States Code is amended (1) by striking out "thirty" in the first sentence thereof and inserting in lieu thereof "sixty", and (2) by striking out "thirty-day" in the second sentence thereof and inserting in lieu thereof "sixty-day".

SEC. 2. Section 3161(c) of title 18 of the United States Code is amended to read as follows:

"(c)(1) The trial of a defendant charged in an information or indictment with the commission of an offense shall commence within one hundred twenty days from the filing date (and making public) of the information or indictment, or from the date the defendant has appeared before a judicial officer of the court in which such charge is pending, whichever date last occurs. If a defendant consents in writing to be tried before a magistrate on a complaint, the trial shall commence within one hundred twenty days from the date of such consent.

"(2) The trial of a defendant shall not commence less than thirty days from the date specified in paragraph (1) without the consent of the defendant."

SEC. 3. Section 3161(h) of title 18 of the United States Code is amended to read as follows:

"(h)(1) Any time limit provided herein may be extended by order of the court, on its own motion or at the request of the defendant or his counsel or at the request of the attorney for the Government, if the court sets forth in the record of the case, either orally or in writing, reasons consistent with this subsection for granting an extension of the duration ordered.

"(2) Extensions may be granted by the court to accommodate delays in the filing of an indictment or information [, in the arraignment of a defendant,]* or in the commencement of a trial or retrial reasonably necessitated by—

"(A) Examinations of defendants to determine mental competency or physical capacity;

"(B) Examinations of defendants pursuant to section 2902 of title 28, United States Code;

"(C) Trials with respect to other charges against the defendant;

"(D) Interlocutory appeals;

"(E) Proceedings relating to the transfer of cases or the removal of defendants from other districts under the Federal Rules of Criminal Procedure;

"(F) Transportation of defendants from other districts, or to and from places of examination or hospitalization, provided that any time consumed in excess of ten days from the date of an order of removal or an order directing such transportation and the defendant's arrival at his destination shall be deemed unreasonable;

"(G) Pretrial proceedings of unusual complexity;

"(H) Deferral of prosecution pursuant to section 2902 of title 28, United States Code, or by the attorney for the Government pursuant to written agreement with the defendant, with the approval of the court, for the purpose of allowing the defendant to demonstrate his good conduct;

"(I) The unavailability of a defendant or essential witness (including the defendant's incompetence of physical inability to stand trial);

"(J) The fact that the defendant is joined for trial with one or more codefendants;

"(K) Consideration by the court of a proposed plea agreement that has been entered into by the defendant and the attorney for the Government; and

"(L) The withdrawal by the defendant of a plea of guilty or nolo contendere previously entered or tendered to the court to any or all of the charges against him.

"(3) Extensions may also be granted on the basis of the court's finding that the ends of justice served by taking such action outweigh the best interest of the public and the defendant in a speedy trial. The factors, among others, which the court shall consider in determining whether to grant an extension under this paragraph are as follows:

"(A) Whether the failure to grant such an extension in the proceeding would be likely to make a continuation of such proceeding impossible, or result in a miscarriage of justice.

"(B) Whether the case taken as a whole is so unusual and so complex, due to the number of defendants or the nature of the prosecution or otherwise, that it is unreasonable to expect adequate preparation within the periods of time established by this section.

"(C) Whether delay after the grand jury proceedings have commenced, in a case where arrest precedes indictment, is caused by the unusual complexity of the factual determinations to be made by the grand jury or by events beyond the control of the court or the Government.

"(4) No extension shall be granted under this subsection because of general congestion of the court's calendar, or lack of diligent preparation or failure to obtain available witnesses on the part of the attorney for the Government."

Section 3161(i) of title 18 of the United States Code is repealed.

SEC. 4. Section 3164 of title 18 of the United

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* Bracketed material to be included only if the separate time limit to arraignment is retained.

States Code is amended by adding at the end thereof a new subsection (d), as follows:

"(d) The provisions of section 3161(h) shall be applicable to the time limit specified in section 3164(b) for the commencement of trial."

SEC. 5. Section 3174 of title 18 of the United States Code is amended as follows:

(1) By striking out the first two sentences of subsection (b), and inserting the following sentence in lieu thereof: "If the judicial council of the circuit shall find that no remedy for such congestion is reasonably available, such council may grant a suspension of the time limits in section 3161(c) for a period of time not to exceed one year for the trial of cases for which indictments are filed during such period.";

2. By striking out "arrangement" in the third sentence of subsection (b), and inserting in lieu thereof "arraignment";

(3) by striking out subsection (c), and inserting in lieu thereof the following:

"(c) Any suspension of time limits granted by a judicial council shall be reported within 10 days of approval to the Director of the Administrative Office of the United States Courts, together with a copy of the application for such suspension, a written report setting forth detailed reasons for granting such approval, and a proposal for alleviating congestion in the district. The Director of the Administrative Office of the United States Courts shall forthwith transmit such report to the Congress and to the Judicial Conference of the United States. The judicial council of the circuit shall not grant a suspension to any district within six months following the expiration of a prior suspension without the consent of the Congress. If the judicial council concludes that an additional period of suspension within such six-month period is necessary, it shall report that conclusion to the Judicial Conference of the United States, together with the application from the district court for such additional period of suspension and any other pertinent information. If the Judicial Conference agrees that such additional period of suspension is necessary, it may request the consent of the Congress thereto. Should the Congress fail to act on any such request within six months, the suspension may be granted for an additional period not to exceed one year."; and

(4) By adding after subsection (c) a new subsection (d), as follows:

"(d) If the chief judge of the district court concludes that the need for suspension of the time limits under this section is of great urgency, he may order the limits suspended for a period not to exceed 30 days. An application to the judicial council of the circuit pursuant to subsection (a) shall be filed within 10 days of such order."

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS,
Washington, D.C., April 20, 1979.

Hon. WALTER F. MONDALE,
President, United States Senate,
Washington, D.C.

DEAR MR. PRESIDENT: At the direction of the Judicial Conference of the United States I am hereby transmitting a draft bill to amend Title I of the Speedy Trial Act of 1974 (18 U.S.C. 3161–3174).

Since the Speedy Trial Act went into effect on an interim basis in July of 1975, the Judicial Conference has carefully monitored developments under the Act through the work of special and standing committees. Under the Conference's supervision, the Administrative Office has fulfilled its obligation to report to the Congress, under 18 U.S.C. 3167, with annual reports filed in September of 1976, 1977, and 1978.

In light of its studies, the Judicial Conference approved and recommended amendments to Title I of the Speedy Trial Act in September of 1977. Although an appropriate draft bill was transmitted to the Ninety-fifth Congress on September 21, 1977, that proposal was not introduced in either the Senate or the House of Representatives during the Ninety-fifth Congress.

In preparation for the Proceedings of the Judicial Conference which were held March 7-9, 1979, the Conference's Criminal Law Committee fully reviewed the draft legislation which had been transmitted to the Ninety-fifth Congress and again recommended transmission of the proposal. The Conference approved that recommendation during its March 1979 Proceedings.

Last week the Chairman of the Senate Committee on the Judiciary introduced S. 961, a bill to amend Title I of the Speedy Trial Act, which had been transmitted by the Attorney General. In remarks published in the Congressional Record on April 10, the Chairman announced that S. 961 would "be considered by the Committee on the Judiciary along with other analyses of the situation and proposed courses of action at hearings to be held on the Speedy Trial Act beginning on May 2, 1979."

Although S. 961 is substantially similar to the draft proposal approved by the Judicial Conference, it is not identical. On behalf of the Conference, I am formally transmitting the enclosed draft bill to you as President of the Senate. By direct correspondence, I am notifying the Chairman that I have done so, and requesting introduction of the draft bill, so that the Judicial Conference's proposal may be considered by the Senate Judiciary Committee in conjunction with S. 961.

Representatives of the Judicial Conference and of this office will, of course, be available to be of assistance to the Congress in connection with this referral.

Sincerely yours,
WILLIAM E. FOLEY, *Director.*●

By Mr. NUNN (for himself and Mr. WEICKER):

S. 1029. A bill to authorize the Small Business Administration to guarantee the payment of principal and interest on State and local development company debentures; to the Select Committee on Small Business.

DEVELOPMENT COMPANY DEBENTURES

● Mr. NUNN. Mr. President, I am not going to pretend that the legislation that I am introducing today along with my colleague, Senator WEICKER, is the magic solution to our economic problems. Inflation and its accompanying ills are complex creations, and I believe that it would be overly simplistic and ultimately dangerous to assume that there is any one simple answer.

However, we will be able to make a major advance in our battle against inflation if we can provide effective methods for reducing unemployment, stimulating economic activity, and strengthening our competitive free enterprise system. By focusing on the long-term capital formation needs of small business, I believe that S. 1029 will prove to be just such a method.

Mr. President, small businesses provide approximately 45 percent of our total Gross National Product, and 53 percent of all business receipts. Furthermore, according to a recent study by MIT, small businesses employing 20 or fewer employees provided 66 percent of all new jobs in this Nation during the period from 1969 to 1976. Clearly, small businesses are the bedrock of our Nation's free enterprise system, and are an essential resource for the solution of many of our major problems. Specifically, by improving the small business environment, increased competition will result which, in turn, will create a downward pressure on prices and thereby help reduce the rate of inflation. Also, technology accounts for between 40 and 50 percent of economic growth, and small businesses are already the source of half of our technological innovations. A stronger and more viable small business base means a stronger economic growth rate.

In the area of productivity, small businesses also have tremendous potential. For example, scientists and engineers in small firms produce four times as many innovations at half the cost per person as compared to big business. The United States has the lowest rate of productivity growth of any industrialized country; small business' contribution to increased American productivity could, therefore, be substantial.

Perhaps one of the most important areas in which small businesses can provide great benefit is in jobs creation. In order to maintain our economy, approximately 2 million jobs a year must be created. Small business' use of labor per dollar of investment in most cases is proportionately greater than that of big business, according to SBA studies, and this labor-intensive nature of small business is a prime means of meeting this jobs creation goal at the least cost to our economy. Furthermore, small businesses are the most likely source of jobs for youth and marginal workers, where unemployment is the greatest, and small businesses retain their employees the longest during economic downturns.

Unfortunately, this great potential of small business is not being fully realized. While there are numerous reasons for this, one of the major problems is the difficulty of many small businesses in obtaining long-term financing. This problem is particularly felt in areas where small businesses have, perhaps, the greatest role to play in economic growth and jobs creation. I am referring to our Nation's cities, both large and small.

In testimony before the Senate Select Committee on Small Business in January of 1978, this unfortunate situation was clearly set forth by Samuel S. Beard, president of the National Development Council. In noting the difficulties which small businesses in urban areas face in locating financing to expand or build plants or to purchase new machinery and equipment, Mr. Beard cited several reasons:

> Commercial banks, for the most part, only make short-term loans for not more than five years.
>
> Insurance companies, as a rule, are seeking loan packages in amounts of $5 million or more, and are usually not set up to handle individual small business loans in the $200,000 to $1 million range.
>
> Savings and loans are often restricted to a high percentage of home mortgage lending by state law.

Therefore, while short-term financing is available, a small business cannot afford to build a new plant or modernize without long-term financing, because of the expense of short-term repayment. As Mr. Beard notes:

> Long-term financing is essential, and long-term financing for small businesses is largely not available.

As I stated earlier, this long-term financing for small business is particularly important to cities. Accordingly to testimony before the Small Business Committee, a minimum of 50 percent of the economic base of cities is generated by the small business sector, and this often runs as high as 75 percent. For example, studies have found that 65 percent of all employment in New York City is provided by businesses eligible for SBA loan programs, and well over half of the private sector employment in Atlanta and Philadelphia is also provided by small businesses.

Mr. President, small business retention represents an important source of overall jobs retention and creation for communities, as well as the best source of jobs for the most chronically unemployed segments of the work force. Small business is also the primary source of the kind of jobs that inner city youths will probably fill. In addition, it is important that jobs for people in these groups be located as close as possible to where they live. By keeping small businesses in the city, we can keep the source of jobs near those who need them the most. Furthermore, this advances the opportunity for the increased participation of minorities in our Nation's private enterprise system. I can think of few more realistic means to achieve minority economic development than to develop minority business ownership.

S. 1029 will provide an important tool with which to address the problem of long-term financing by building upon SBA's existing section 502 local development company program which has been in existence for approximately 20 years.

Under existing law, SBA is authorized to make loans, either direct or guaranteed, to local development companies for projects to help a small business concern acquire land, construct a new plant, purchase necessary equipment and machinery, or acquire, expand or convert an existing plant. SBA financing, however, is limited to $500,000 for each such small business to be assisted and the development company must procure the balance of the necessary assistance from other sources.

The major difference between the 502 program and SBA's regular business loan program, often referred to as the 7(a) program, is that individual business owners are required to dispose of other business and personal assets prior to receiving a 7(a) loan. However, under the 502 program, the personal net worth of the individual business owner is usually not a major factor, because, according to SBA's own statements, the program's principal objective is to attract jobs and investment to communities. As a result, SBA has provided long-term fixed asset financing for healthy companies which are looking to expand and relocate in urban areas, but who are unwilling to sell all their outside assets for the purposes of qualifying for SBA's 7(a) loan program.

As Senator Weicker notes in his statement, the mayors of our nation's largest cities strongly support the local development company program. However, as they also noted, the demand for direct funds for the program exceeds the amount available. Furthermore, loan guarantees under the program are, in practice, little used, because few private lenders are willing to enter into long-term fixed asset loans.

The new section 503 program created by this bill, using the SBA's guarantee authority similar to the formula for the small business investment company program, would effectively address this poblem of lending capacity. Section 503 would provide for the formation of local development companies that have, first, a full time professional staff; second, adequate accounting, legal, and business servicing capabilities; and third, an active board of directors, which meets on a regular basis and is actively involved in loan decisions and loan servicing. In addition to SBA's authority to make loans of up to $500,000 to the local development company for each small business being assisted by the company, SBA would be authorized to guarantee debentures issued by eligible local development companies. Furthermore, the amount of the debentures to be guaranteed may not exceed one-half of the project cost. The remaining one-half of the project cost would be required to be supplied from other sources.

SBA would still have to approve each individual loan of the LDC. However, instead of making a direct loan for the approved amount, the LDC would issue a debenture for the amount of the deal. SBA would provide a 100-percent guarantee, and sell the debenture to private markets through the Federal financing bank. In this manner, a source of funds not now available to the LDC program would be tapped, and would, in effect, be leveraging private sector moneys with other private sector moneys through the use of the Federal guarantee authority.

Safeguards for potential abuse are also provided. By requiring that the 503 LDC have a full-time professional staff and adequate servicing capabilities, the local lending vehicle would be a responsible and professional manager of loan funds. Also, as was noted by the city of Atlanta in testimony before the Senate Small Business Committee, by requiring an active Board of Directors, local involvement and commitment is mandated, thereby also working to insure against abuse.

Finally, limitation on the amount of the debenture to be guaranteed of 50 percent of the total project cost requires a 50 percent private sector investment. If an individual deal is not sound, I do not believe that there will be a private sector lender willing to join in the loan.

In closing, I would like to focus on the employment potential of this program relative to its cost to the Federal Government. I believe that this is particularly important at a time when the mood of the country is clearly one in favor of reduced Federal spending and a balanced budget. Our national goal of reduced unemployment need not be sacrified because of budgetary restrictions if we can fully utilize the kind of program contained in this legislation.

First of all, the beneficiaries of this program will be small businesses, which are more labor intensive than big businesses. Second, the jobs that will be created by these loans are permanent jobs, and do not have to be recreated each year. More important, however, is the fact that these are loans and not grants—the money will be repaid. This is very significant in terms of the cost to the Federal Government. For example, SBA estimates that, on an average, each $10,000 in loans made to small business creates one more job. Through the use of the Federal Government's authority to guarantee a portion of private sector loans, private investment is attracted, and the impact on the Federal budget is minimal, because all that is required in terms of Federal outlays is a loan loss reserve. Therefore, while I am not suggesting an initial appropriation of this size for such a new program, for the purpose of an example, for a Federal outlay of $75 million a year, assuming a high loss rate of 15 percent, the Government would generate $1 billion worth of private sector investment, which in turn could create 100,000 jobs. This translates to $750 million over 10 years in order to create 1 million jobs.

The importance of this becomes clearer when we consider what would be the cost of creating the same number of jobs through public works employment.

The estimated cost to the Federal Treasury of public service jobs varies from $10,000 to as high as $25,000 per job each year. This is, in effect, grant money which is a budget outlay with no direct payback. Assuming the lower figure of $10,000 per job per year, it would cost the Federal Government $1 billion annually to create 100,000 jobs. Furthermore, the cost to the Government of increasing employment in this manner multiplies geometrically over time. That is, using the goal of 1 million jobs over a 10-year period, the Government must spend $2 billion the second year, because $1 billion will be needed to retain the original 100,000 jobs, and an additional $1 billion to create the second 100,000 jobs. At the end of 10 years, the Government would have spent $55 billion to create 1 million jobs. If we use the higher estimate of $25,000 per year, the cost soars to $137.5 billion.

Mr. President, let me repeat: $137.5 billion spent and gone. Furthermore, the jobs that this money would be used to create are not permanent—when the money is cut off, the jobs disappear

Through programs such as the one contained in the legislation I am introducing today, the Federal Government would be helping to stimulate private sector employment—jobs with a future—that involve private sector dollars and not just those of the taxpayer. Being loans, the dollars will be repaid, and the final cost to the Government will be relatively low.

As I stated at the beginning of my statement, there is no one simple solution to the complex problems we face in the days ahead in our efforts to balance fiscal restraint with important social progress. However, I believe that programs of the kind embodied in this legislation have a vital role to play in our Nation's attempts to control inflation and balance the budget. At the same time, they can provide a responsible method of stimulating employment employment and significant economic activity while strengthening small business, the bedrock of our competitive free enterprise system.

Mr. President, this bill was passed by both the House and Senate last year as a provision of H.R. 11445, the omnibus small business authorization bill. While this measure was vetoed by President Carter, I am pleased to note that the section 503 provision was not included among the President's stated reasons for his action. I believe that this legislation deserves the continued support of the Senate, and I commend it to my colleagues for their study, and hopefully, their full support.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"DEVELOPMENT COMPANY DEBENTURES

"SEC. 503. (a)(1) Except as provided in subsection (b), the Administration may guarantee the timely payment of all principal and interest as scheduled on any debenture issued by any qualified State or local development company.

"(2) Such guarantees may be made on such terms and conditions as the Administration may by regulation determine to be appropriate.

"(3) The full faith and credit of the United States is pledged to the payment of all amounts guaranteed under this subsection.

"(4) Any debenture issued by any State or local development company with respect to which a guarantee is made under this subsection, may be subordinated by the Administration to any other debenture, promissory note, or other debt or obligation of such company.

"(b) No guarantee may be made with respect to any debenture under subsection (a) unless—

"(1) such debenture is issued for the purpose of making one or more loans to small business concerns, the proceeds of which shall be used by such concern for the purposes set forth in section 502;

"(2) necessary funds for making such loans are not available to such company from private sources on reasonable terms;

"(3) the interest rate on such debenture is not less than the rate of interest determined by the Secretary of the Treasury for purposes of section 303(b);

"(4) the aggregate amount of such debenture does not exceed the amount of loans to be made from the proceeds of such debenture (other than any excess attributable to the administrative costs of such loans);

"(5) the amount of any loan to be made from such proceeds does not exceed an amount equal to 50 percent of the cost of the project with respect to which such loan is made; and

"(6) the Administration approves each loan to be made from such proceeds.

"(c) The Administration may impose a charge for administrative expenses with respect to each debenture for which payment of principal and interest is guaranteed under subsection (a).

"(d) For purposes of this section, the term 'qualified State or local development company' means any State or local development company which, as determined by the Administration, has—

"(1) a full-time professional staff;

"(2) professional management ability (including adequate accounting, legal, and business-servicing abilities); and

"(3) a board of directors, or membership, which meets on a regular basis to make management decisions for such company, including decisions relating to the making and servicing of loans by such company.".

(b) The table of contents of the Small Business Investment Act of 1958 is amended by inserting after the item relating to section 502 the following new item:

"SEC. 503. DEVELOPMENT CONTRACT DEBENTURES.".●

● Mr. WEICKER. Mr. President, I am pleased to join Senator NUNN in introducing this legislation to enable SBA to guarantee debentures issued by local development companies. This bill will help involve private enterprise in the important task of developing the economic base of our Nation's urban centers. This legislation was passed by both the House and the Senate last year as part of H.R. 11445, The omnibus small business bill, but was vetoed by the President.

It has not been politically fashionable, since the early part of this decade, to closely examine the desperate straits of our urban areas and their inhabitants. Instead, we have salved our consciences by simply throwing money at the cities and hoping that this would stifle their cries of despair.

There is no point in urban renewal which is not matched by human renewal. People who feel they have no stake in their community will take no part in maintaining it. A job provides the urban inhabitant with a sense of purpose and sense of dignity. This sense of purpose does not come from make-work, or from experimental Federal programs. Meaningful employment comes from the private sector.

Ernesta G. Procope, a black businessperson who is active in urban affairs, summarized this point eloquently in testimony before the Select Committee on Small Business. Ms. Procope stated that—

> Government must of course guarantee certain minimum standards of a decent life for all. However, minorities have come to recognize that government's assurance of some basic level of shelter, nourishment, education and health care does not provide real dignity or the means for social and economic mobility. It has become increasingly clear that the key to unlocking a better life must be found in the private sector.

The legislation which we are introducing today will help to involve small businesses in the urban economic development process. Small businesses provide an important source of employment in urban areas. For example, in excess of 65 percent of all private employment in New York City is provided by small businesses, and over half of the private sector employment in Atlanta and Philadelphia is provided by small firms.

Under its section 502 program, the SBA is authorized to make loans, either direct or guaranteed, to LDC's for projects to help small concerns acquire land, construct buildings, or purchase equipment and machinery. SBA financing, however, is limited to $500,000 for each small business assisted, and the LDC must procure the balance of the necessary assistance from other sources.

Last year I wrote to the mayors of America's 100 largest cities to elicit their comments on the effectiveness of SBA programs in encouraging economic development in their cities. The mayors were nearly unanimous in their praise of the local development company program. However, they stated that a lack of available funds prevented the program from being truly effective. Simply put, the demand for direct funds for the program far exceeded the amount available.

Likewise, loan guarantees under the program are difficult to obtain, as few private lenders enter into long-term, fixed asset loans. Thus there is a major capital gap for urban small businesses which the LDC's cannot effectively solve.

The legislation which we are introducing today, will help to fill this gap. Pursuant to this bill, SBA would be able to guarantee the full amount of debentures issued by an eligible LDC. The amount of the debenture to be guaranteed could not exceed one-half of the project cost, thereby necessitating that the remaining half be supplied by private sources. This approach provides security to the Federal Government, as responsible private lenders will not be willing to assume such a large exposure in an unsound commercial deal.

The SBA would still be required to approve each transaction made by the LDC. However, instead of making a direct loan for the approved deal, the LDC would issue a debenture in the amount needed for the deal. The SBA would pool the qualifying debentures issued by LDC's each month, guarantee the pool, and sell it to the Federal Financing Bank.

To insure that only responsible LDC's are involved in this program, the legislation imposes strict requirements for eligibility. To qualify, the State or local development company must have: First, a full time professional staff; second, adequate accounting, legal, and business servicing capabilities; and third, an active board of directors, which meets on a regular basis and is actively involved in loan decisions and loan servicing.

Appropriations for this program would be for the loss reserve on defaulted debentures. Assuming a 1.5 percent loss rate, a $3 million appropriation from the loss reserve funds allocated to the SBA's 502 (local development company) guarantee program would provide for $200 million of guaranteed debentures. Under the current local development company program, a $200 million appropriation would be needed to make $200 million worth of direct loans. Clearly, the debenture guarantee program gives "more bang for the bucks."

The efficacy of this legislation in producing jobs in urban areas was attested to by Samuel S. Beard, president of the National Development Council, in a hearing on this legislation held by the Small Business Committee last year. As Mr. Beard stated:

> With an annual $50 million direct congressional appropriation this $50 million could be set aside as a 10 percent reserve against losses. The SBA could then guarantee $500 million of long term private sector lending for small business through the Federal Finance Bank. Using a 50 percent first mortgage plan, an additional $500 million of private sector financing would be generated. The end result would be $1 billion of investment. At 1 job per $10,000 of investment, approximately 100,000 jobs could be affected per year.

Thus, if $3 million were appropriated for the local development company debenture guarantee program, $200 million of long-term private sector lending would be guaranteed. Because the guaranteed amount cannot exceed one-half of the total project cost, another $200 million of private sector financing would be generated, for a total investment of $400 million. If, as Mr. Beard states, a $10,000 investment will create one new job, approximately 40,000 jobs would be created by the appropriation for the program. The return on the Government's investment would, indeed, be great.

Mr. President, this legislation will go a long way toward producing the jobs which are the foundation for urban economic development. Furthermore, the legislation promotes the involvement of the private sector in the economic development of our cities, and it is the private sector, not the Government, that holds the key to an effective, lasting solution of our Nation's urban woes. I urge the support of my colleague for this bill.●

By Mr. McGOVERN (for himself, Mr. MATHIAS, Mr. RIBICOFF, Mr. WILLIAMS, and Mr. BAUCUS):

S. 1031. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been affected by reductions in defense or aerospace contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realine defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; to the Committee on Governmental Affairs.

DEFENSE ECONOMIC ADJUSTMENT ACT

Mr. McGOVERN. Mr. President, the Defense Department recently announced it was undertaking a nationwide realinement of military installations at a projected savings of $250 million. As a longtime critic of excessive defense spending, I am pleased to note that by organizing more efficiently they will be giving the taxpayers a bit more for their money.

However, the closing or cutback of the installations is a potential disaster for the individuals and communities directly affected. The economic base will be eroded with the resultant impact on schools and social services, and small businesses will struggle to survive the sudden loss of income. The lives and personal plans of thousands of people will be disrupted.

While this realinement affects only a small proportion of the communities dependent on defense spending, the majority of defense contractors live with the constant threat of contract loss or cancellation. Members of Congress from those areas are under intense pressure to approve every last program, regardless of merit, to prevent economic disaster in their districts.

I have long advocated economic conversion legislation that would insure minimal disruption in the event of a contract loss or cancellation because I believe it is imperative for the economic stability of our Nation.

Senators MATHIAS, RIBICOFF, BAUCUS, and WILLIAMS join with me today in introducing the Defense Economic Adjustment Act of 1979 which provides a mechanism for the orderly conversion from defense to civilian production, with assistance to communities and workers during the transition period. I ask unanimous consent that the text of the bill and a summary of its provisions be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Economic Adjustment Act".

DECLARATION OF PURPOSE AND POLICY

SEC. 2. (a) The Congress finds and declares that the United States during the past two and one-half decades made heavy economic, scientific, and technical commitments for defense; that these commitments led to the development of specialized skills and business practices not directly applicable in the civilian sector of the economy; that as these commitments are modified to take account of changing requirements for national security and domestic needs, careful preparation is necessary if serious economic dislocations are to be avoided; and that the economic ability of the Nation and of management, labor, and capital to adjust to changing security needs is consistent with the general welfare of the United States.

(b) It is the purpose of this Act to provide the means through which the United States can promote orderly economic adjustment which will (1) minimize the dislocation of workers, communities, and industries, (2) assure that the dislocations do not compound recessionary trends, and (3) encourage conversion of technologies and managerial and worker skills developed in defense production to the service of projects in the civilian sector.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Council" means the Defense Economic Adjustment Council established under section 101 of this Act.

(2) "Defense agency" means the Department of Defense, the Energy Research and Development Administration, or the National Aeronautics and Space Administration.

(3) "Defense contract" means any contract entered into between a person or nonprofit organization, including subcontractors, component manufacturers, suppliers, service contractors and service suppliers, and a defense agency to furnish defense material or services to such agency, and any contract entered into between a person or nonprofit organization, including subcontractors, component manufacturers, suppliers, service contractors and service suppliers, and any foreign country or person acting on behalf of a foreign country to furnish defense material or services to or for such country pursuant to the Arms Export Control Act, or similar Act.

(4) "Defense contractor" means any facility engaged in the furnishing of defense material pursuant to the terms of the defense contract or subcontract, including any contract under negotiation.

(5) "Defense facility" means any private plant or other establishment (or part thereof) used under a defense contract or engaged in the production, repair, modification, storage, or handling of defense material, or any Government-owned or Government-leased facility, including bases, forts, shipyards, and depots.

(6) "Defense material" means any item of weaponry, munitions, equipment, or specialized supplies or services intended for use by a defense agency or for sale to or for the use of a foreign country which has primarily military application.

(7) "Defense service" means the research, development, production, test, inspection, or repair of any defense material for use by a defense agency or pursuant to a defense contract.

(8) "Displace" or "displacement" means with respect to any worker, including all federal civilian employees of the Defense Department, civilian employees of the National Aeronautics and Space Administration, and all civilian employees engaged in defense and space-related production, the separation, on a permanent or temporary basis, of such worker from employment with such facility or agency.

(9) "Fund" means the Workers Economic Adjustment Reserve Trust Fund established by title III of this Act.

(10) "Person" means any corporation, firm, partnership, association, individual, or other entity.

(11) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and all United States territories.

(12) "State agency" means the agency of a State which administers its unemployment compensation law, approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(13) "Substantially and seriously affected" means with respect to any community a community in which a substantial part of the labor force is directly employed by a defense facility or defense contractor in furnishing specialized materials or services under a defense contract as determined by the Director of the Defense Economic Adjustment Council.

TITLE I—DEFENSE ECONOMIC ADJUSTMENT COUNCIL

ESTABLISHMENT

SEC. 101. (a) There is established in the Executive Office of the President the Defense Economic Adjustment Council which shall be composed of—

(1) the Secretary of Commerce;

(2) the Secretary of Labor;

(3) the Secretary of Health, Education, and Welfare;

(4) the Secretary of Housing and Urban Development;

(5) the Secretary of Transportation;

(6) the Secretary of Defense;

(7) the Secretary of Energy;

(8) the Director of the Office of Management and Budget;

(9) the Administrator of the General Services Administration;

(10) the Chairman of the Council of Economic Advisers;

(11) six representatives of the business-management community who represent nondefense business to be appointed by the President; and

(12) six representatives of labor union organizations to be appointed by the President.

(b) The Secretaries of Commerce and Labor shall be co-Chairmen of the Council, shall preside over meetings of the Council, and shall designate a member of the Council to preside in the absence of the Chairman.

(c) (1) An Office of Economic Adjustment shall be established within the Executive Office of the President to provide necessary staff support for the Council. The Office shall be headed by a Director who shall be appointed by the President and who shall be compensated at the rate provided for grade 18 of the General Schedule under section 5332 of title 5, U.S.C.

(2) The members of such staff and any task force established by the Council shall include marketing specialists, production engineers, plant layout experts, urban planning experts, and representatives of professional engineers and trade unions. At the request of the Council, the staff and any task force established by the Council shall carry out such duties as the Council may prescribe.

(3) The Council may appoint and fix the compensation of such personnel as it deems advisable. The Council may procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, U.S.C.

(4) The Council is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics to carry out this Act, and each such entity shall furnish such information, suggestions, estimates, and statistics directly to the Council upon request made by the Chairman.

(d) Members of the Council who are officers or employees of the Federal Government shall receive no additional compensation by virtue of membership on the Council. Other members appointed to the Council shall receive compensation at the rate of not to exceed $135 per diem when engaged in the performance of duties of the Council. While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, U.S.C.

DUTIES

SEC. 102. (a) The Council shall—

(1) disseminate information furnished by the Secretary of Defense under subsection (b) to the appropriate Federal, State, and local agencies or authorities and Alternative Use Committees as soon as the proposed or pending change described in such notice is known:

(2) solicit, direct, and coordinate concrete plans for civilian-oriented and public projects addressing vital areas of national interest, taking State and local concerns into account;

(3) develop and coordinate information on priority, federally funded projects; Agency programs and funding possibilities, loans and loan guarantees; and oversee administration of these programs during the conversion process;

(4) monitor existing Job Services information bank in the Department of Labor and provide information on projected levels of employment;

(5) determine criteria for eligibility for assistance and rule on eligibility appeals;

(6) review and approve the Alternative Use Plans developed by the local Alternative Use Committees;

(7) carry out studies on problems of economic adjustment and conversion, including studies on necessary adjustment assistance and retraining programs, and the economic impact of a reduction in defense spending;

(8) prepare and distribute a Conversion Guidelines Handbook;

(9) make full use of the provisions of section 15(d) of the Small Business Act;

(10) perform such other duties as are imposed upon the Council by this Act.

(b) (1) The Secretary of Defense shall notify the Council one year in advance of a pending or proposed change in defense spending (or as soon as possible prior to such proposed change) that would affect employment in the defense industry, to include reduction, technical changes or elimination of a program by Congress, the Secretary of Defense, the Office of Management and Budget, or the President; the termination or slow-down of a research and development or procurement contract; and the proposal to close a military base; and

(2) the Secretary of Defense shall furnish the Council with projected future defense spending levels and contract progress reports.

CONVERSION GUIDELINES HANDBOOK

SEC. 103. (a) The Conversion Guidelines Handbook shall be prepared and distributed as required by section 102(a)(8) which shall—

(1) include a discussion of the basic issues involved in the retraining, reorientation, and reorganization of personnel (managerial, techical, administrative, and production), trade union rights and collective bargaining contracts, and the redirection of physical plants for efficient, civilian-oriented productive activity;

(2) outline the basic requirements of programs for professional retraining of managerial personnel in order to reorient them to the management of civilian, market-oriented enterprise;

(3) outline the basic requirements for a program of professional retraining of technical personnel in order to effectively reorient them to the prevailing conditions of research, product design, and production operations within civilian-oriented facilities;

(4) outline the basic requirements for the length and nature of occupational retraining for production workers and junior level administrative employees;

(5) include illustrative case studies of successful conversion to efficient civilian-oriented production, or references thereto;

(6) prepare suggestive lists, by geographic region and area of specialization, of organizations and individual consultants in fields such as marketing, facilities design, organization, production engineering, and engineering economy whose major professional experience has been in civilian-oriented activity, and furnish such lists to local Alternative Use Committees upon their request, without explicit or implicit endorsement of the personnel so listed;

(7) provide a checklist of critical points requiring attention at each stage of the conversion process;

(8) contain an annotated bibliography of conversion related works, and

(9) be revised, as necessary, every two years.

RULES

SEC. 104. (a) The Defense Economic Adjustment Council shall promulgate such regulations as may be necessary to carry out the provisions of this Act.

TITLE II—ALTERNATIVE USE COMMITTEES

ESTABLISHMENT

SEC. 201. (a) There shall be established at every defense facility employing at least 100 persons with business resulting from a defense contract or contracts, separate Alternative Use Committees representing management and labor (to include representatives of union bargaining units and democratically elected representatives of unorganized workers), to undertake economic conversion planning and preparation for the employment of the personnel and utilization of the facilities in the event of a reduction or elimination of any defense facility or the curtailment, conclusion, or disapproval of any defense contract.

(b) In the case of a defense facility that is a Government military installation, an Alternative Use Committee shall be established to represent the base management, the members to be designated by the base commander, and an Alternative Use Committee shall be established to represent the civilian employees of the installation, including representatives of respective bargaining units and representatives of unorganized civilians.

(c) In the case of a defense facility that is not a governmental military installation, and of any defense contractor subject to subsection (a), there shall be included in each defense contract provisions to assure that Alternative Use Committees are established in accordance with the provisions of this subsection.

(d) The chief executive officer of the local community government may appoint representatives of the local community, not including any individuals employed at the facility, to participate in activities of the Alternative Use Committees in an advisory capacity.

(e) The representatives of the unorganized civilian workers shall be democratically elected, have their rights protected and a guarantee of no reprisals from management for their participation in the Committee. Provisions must be made for adequate notice of elections.

(f) The reasonable cost of performing the planning and reporting requirements imposed by this section, including market research, independent studies, and the employment of specialized personnel may be included as part of the cost of performing the contract. These funds are to be shared equally by the two Committees.

PENALTIES

SEC. 202. (a) Each contractor which fails to submit an alternative use plan or refuses or fails to carry out the provisions of a plan approved by the Council shall lose eligibility for future contracts for a period of 3 years, lose contract termination payments, and lose eligibility for tax credits.

FUNCTIONS OF THE ALTERNATIVE USE COMMITTEES

SEC. 203. (a) The Alternative Use Committees shall—

(1) evaluate the assets of the defense facility and the resources and requirements of the local community in terms of physical property, manpower skills and expertise, accessibility, environment, and economic needs;

(2) develop and review at least once every two years detailed plans for the conversion of the facility to efficient, civilian-oriented productive activity to be carried out in the event the facility is affected by a Government decision to reduce, modify, or close the facility, conclude any defense contracts, or disapprove a license to sell or export defense materials to nongovernmental parties;

(3) send periodic reports at 6 month intervals on the progress of their alternative use plans to the Council. As soon as they receive

notification as provided in section 102(a) of a proposed change in defense spending that would affect employment in their facility, or the facilities of their subcontractors or suppliers, they shall submit a completed plan(s) to the Council;

(4) provide occupational retraining and reemployment counseling services for all employees to be displaced by the implementation of a conversion plan or closing of the facility as soon as the date of commencement of the implementation of that plan or the permanent closing of that facility is known as provided for in section 102(a)(1);

(5) dissolve and return all assets to the control of the management of the facility immediately upon final completion of the conversion.

ADMINISTRATIVE PROVISIONS

SEC. 204. (a) The Alternative Use Committees may hire staff personnel as well as any specialists it may determine necessary.

(b) Office space shall be provided by the management of the facility without charge.

(c) The Alternative Use Committees are authorized to obtain a complete and detailed inventory of all land, building, capital equipment, and other equipment, including its condition, and are authorized to obtain information of a general nature regarding the occupations and skills of civilian employees, and information concerning existing collective bargaining contracts.

CONVERSION PLANS

SEC. 205. (a) The conversion plans shall—

(1) be so designed as to maximize the extent to which the personnel required for the efficient operation of the converted facility can be drawn from personnel with the types and levels of skill approximating skill levels and types possessed by civilian personnel employed at the defense facility prior to its conversion;

(2) specify the numbers of civilian personnel, by type and level of skill, employed at the facility prior to conversion, whose continued employment is not consistent with the efficient operation of the civilian-oriented converted facility;

(3) specify the numbers of positions, by level and type of skill, if any, that will be needed at the converted facility because personnel employed at the pre-converted facility do not possess the levels or types of skills required;

(4) indicate in detail what new plant and equipment and modifications to existing plant and equipment are required for the converted facility;

(5) include an estimate of financing requirements and a financial plan for the conversion; and

(6) provide for completion of the entire conversion process within a period not to exceed two years;

(7) no plan shall be approved unless the plan continues wages and other benefits under the appropriate contract.

TITLE III—ECONOMIC ADJUSTMENT FUND

FUND ESTABLISHED

SEC. 301. There is hereby established in the Treasury of the United States a trust fund to be known as the Workers Economic Adjustment Reserve Trust Fund.

DEPOSITS INTO THE FUND

SEC. 302. (a)(1) The Federal Government shall not enter into any contract with any person to furnish defense material or services to a defense agency, nor shall it permit the sale of such defense material or services to or on behalf of any country, unless the contract requires the contractor to pay into the Fund an amount equal to 1¼ per centum per year of the value of the contractors gross revenue on such sales. Payments pursuant to this section shall be computed in such manner, and paid at such time, as the Council, after consultation with the Comptroller General, shall by regulation prescribe. In no case shall payments required pursuant to this section be considered as a cost item in the negotiating or bidding of any defense contract, or in determining profit for purposes of this section or any provisions of law relating to the renegotiation of defense contracts.

(2) Amounts paid by a defense contractor pursuant to this section shall be deposited in the fund.

(b) The Secretary of the Treasury shall determine the projected savings in defense spending as a result of cancellation or cutback of a program or contract and shall deposit 10 per centum of the projected savings in the Fund.

(c) Contract termination payments withheld pursuant to section 202(a) shall be deposited in the Fund.

(d) There is authorized to be appropriated to the Fund such amounts as may be necessary to enable the Secretary of the Treasury to make the payments and other disbursements authorized by this Act.

MANAGEMENT OF THE FUND

SEC. 303. (a) It shall be the duty of the Secretary of the Treasury to invest such portion of the moneys in the Fund as is not, in the judgment of the Secretary, required to meet current withdrawal requirements. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(b) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary of the Treasury at the market place, and such special obligations may be reduced at par plus accrued interest.

TITLE IV—ECONOMIC ADJUSTMENT ASSISTANCE FOR WORKERS

CERTIFICATION

SEC. 401. (a) All displacements affecting workers employed by a defense contractor attributable, in whole or part, to a reduction of the volume of defense work in such facility shall upon certification by the local Alternative Use Committees be reported by the management of the firm or government facility to the Defense Economic Adjustment Council and the State employment office acting as agent for the administration of the employees benefit program.

(b) Any worker displaced 6 months or less prior to the final termination date shall be eligible for benefits.

(c) Any worker employed by a facility not required to have Alternative Use Committees as provided in section 201(a) shall be eligible for benefits.

ENTITLEMENT TO BENEFITS

SEC. 402. (a) Any worker certified pursuant to section 401 of this Act as eligible for adjustment benefits by reason of such worker's displacement from a defense contractor shall be entitled, for the two-year period following displacement, to whichever of the following benefits are applicable:

(1) Compensation, on a weekly basis, sufficient, when added to any benefit which such worker receives or is entitled to receive for such weekly period under any Federal or State unemployment compensation program (or any plan of such worker's employer providing for such benefits) by reason of such worker displacement, and any earnings during such weekly period from other employment, to maintain an income at a level equal to 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year, of that worker's regular annual wages (based on a forty-hour workweek, or, in the event a defense contractor has a regular workweek payable at straight-time wage rates other than forty hours, for such regular workweek) prior to that worker's displacement.

(2) Vested pension credit under any applicable pension plan maintained by the defense contractor from which such worker was displaced, for the period of that worker's employment with such facility, and the two-year period following that worker's displacement, during which two-year period, for the purpose of the Employee Retirement Income Security Act of 1974 and the corresponding provisions of the Internal Revenue Code of 1954 (relating to a qualified plan) such worker shall be treated as if such worker were employed by such contractor on the same basis as such worker was employed on the day preceding such worker's displacement; except that pension credit during such two-year period shall be reduced to the extent of vested pension credit earned with another employer during such two-year period.

(3) Maintenance of any hospital, surgical, medical, disability, life (and other survivor) insurance coverage which such individual (including members of such individual's family) had by reason of employment by a defense contractor prior to such displacement; except that if such worker so displaced is otherwise employed during such two-year period, such worker shall be entitled to receive benefits under this paragraph to the extent necessary to provide such worker with the same protection described in this paragraph as such worker (including family members) would have had if such worker had not been displaced.

(4)(A) Retaining for civilian work providing pay and status comparable to the employment from which such worker was displaced which is approved by the Secretary of Labor or, in the case of a worker in a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency.

(B) Workers shall be eligible for a job search allowance under the same terms, conditions, and amounts as provided in section 237 of the Trade Act of 1974 (19 U.S.C. 2297).

(5) Reimbursement for reasonable relocation expenses as specified in regulations prescribed by the Secretary of Labor incurred by such worker in moving to another location in order to take advantage of an employment opportunity to which such worker is referred, or which is determined to be suitable, by the Secretary of Labor or, in the case of a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency.

(b) All managerial and technical employees who have spent more than 50 per centum of the ten years preceding implementation of the conversion plan working in defense-related industry or at military bases must participate in or have completed a program of professional retraining meeting the requirements specified in the Conversion Guidelines Handbook of the Defense Economic Adjustment Council in order to be eligible for the special financial assistance, relocation aid, and special job information services provided by this Act. All other employees may elect to enter such a program.

STATE AGREEMENTS

SEC. 403. (a) The Council is authorized to enter and shall, on behalf of the United States, enter into an agreement with a State, or with any agency administering the unemployment compensation law of any State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954, which—

(1) as agent of the Council, shall upon certification and other determinations required in section 401 of this Act, make such payments and provide such benefits as are authorized by section 402 of this Act, on the basis provided for in this Act, and shall otherwise cooperate with the Council and other State agencies in carrying out the provisions of this Act; and

(2) shall be reimbursed for all benefits paid pursuant to such agreement and all administrative costs incurred in carrying out such agreement.

(b) (1) There shall be paid to each State agency which has an agreement under this section, either in advance or by way of reimbursement, as may be determined by the Council, such sum as the Council estimates the agency will be entitled to receive under such agreement for each calendar month, reduced or increased, as the case may be, by any sum by which the Council finds that its estimates for any prior calendar month were greater or less than amounts which should have been paid to the agency. Such estimates may be made upon the basis of statistical sampling, or other method as agreed upon by the Council and the State agency.

(2) The Council shall from time to time certify to the Secretary of the Treasury for payment to each State agency which has an agreement under this section sums payable to such agency under paragraph (1) of this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the agency, in accordance with such certification, from the Fund.

(3) All money paid a State agency under any such agreement shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in such agreement, to the Treasury.

(c) In any case involving a worker entitled to benefits under section 402 who is in a State with respect to which there is no agreement pursuant to this section, the Secretary of Labor shall, under regulations prescribed by the Secretary, administer such benefits on behalf of such worker. The Secretary of Labor, in administering such benefits, shall, from time to time, certify to the Secretary of the Treasury for payment to such worker the amounts of such benefits to which such worker and the Secretary of the Treasury shall make payments to such worker, in accordance with such certification, from the Fund.

LIMITATION ON BENEFITS

SEC. 404. In no case shall any displaced worker be eligible for benefits under section 402(a) of this Act unless such worker agrees (1) to maintain, on a current basis, during the period of his displacement, an active registration with the Secretary of Labor or an appropriate State employment agency, as the case may be, and (2) to accept any employment determined by the Secretary of Labor or agency, as the case may be, to be of the same skill or work of a similar nature at the same pay as such worker was receiving before such worker was displaced. No such benefits shall be paid under this Act to any worker who fails to maintain such registration or to accept such employment.

TREATMENT OF UNEMPLOYMENT COMPENSATION

SEC. 405. In no case shall any adustment benefits paid pursuant to this Act be taken into consideration in determining eligibility for unemployment compensation under any Federal or State unemployment compensation law or in determining the amount of entitlement thereunder.

TERMINATION OF BENEFITS

SEC. 406. Adjustment benefits shall terminate when a worker eligible for benefits obtains employment providing 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year of that worker's previous wages or two years after displacement, whichever occurs sooner.

TITLE V—COMMUNITY ECONOMIC ADJUSTMENT PLANNING

ELIGIBILITY

SEC. 501. (a) Each community which is substantially and seriously affected by reduction or elimination of Government military facilities or curtailment or conclusion of military contracts shall be eligible for Federal assistance for planning for economic adjustment to avoid substantial dislocations and for economic adjustment assistance should such dislocation occur. The Defense Economic Adjustment Council shall have the authority to determine and earmark an adequate portion of the economic development funds of the Economic Development Administration, the Department of Housing and Urban Development, and other Federal agencies which administer economic development funds for this purpose.

(b) The Council shall develop guidelines by which the criteria for eligibility for planning assistance are to be applied. To the fullest extent practicable, the Council shall utilize data and reports available from other agencies for statistical and other information required to develop the guidelines. The Council may, during the first 6 months of its existence, recommend to the Congress such refinements of the criteria as it deems necessary in order that assistance is directed to the category of communities which are most vulnerable economically to reductions in defense expenditures. The Congress shall have 30 legislative days in which to disapprove any refinement submitted.

(c) The Council shall publish listings of communities currently and potentially eligible for such assistance not less than twice yearly. Communities not included may petition the Council for inclusion on the list. The Council shall make such determination within one month of receipt of the petition.

EXCESS PROPERTY PROVISION

SEC. 502. (a) Any capital property or facilities declared excess by the defense agency in conjunction with a government-owned facility reduction or closure shall be appraised for purposes of resale to the affected community. The defense agency shall take into account the cost of modernization and of improving abandoned facilities up to minimum safety and environmental standards in determining a fair price for the facility. Such property may be sold to the community at a public benefit discount.

(b) Whenever there is a dispute as to the fair public benefit discount price, the defense agency shall submit such a dispute to the Defense Economic Adjustment Council for resolution.

TITLE VI—INDUSTRIAL ECONOMIC ADJUSTMENT LOAN AND LOAN GUARANTEE

SEC. 601. (a) In order to assist any eligible contractor to carry out approved alternative use plan to convert a plant or facility to civilian purposes, the Secretary of the Treasury is authorized to make or guarantee low-interest, long-term loans for that purpose.

(b) (1) No loan or loan guarantee may be made under this section to any eligible contractor if the financing required to carry out the approved alternative use plan is available from any other source.

(2) The Defense Economic Adjustment Council shall prescribe such terms and conditions on assistance provided under this section as may be necessary to protect the interests of the United States and insure the success of the plan.

TITLE VII—USE OF CERTAIN RESEARCH FUNDS

AMENDMENT TO PUBLIC LAW 91-441

SEC. 701. (a) Section 203(a) of the Act of October 7, 1970, (Public Law 91-441), is amended by—

(1) inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated non-defense sector," after "function or operation";

(2) inserting "or the Defense Economic Adjustment Council" after "Department of Defense" in paragraph (1); and

(3) adding at the end of such section 203 the following: "(f) The Defense Economic Adjustment Council shall be required to define urgent national requirements for non-defense sectors of the economy, and shall be required to include in the designation, any areas so defined by the Congress. Research and development related to energy and fuel efficiency shall be considered a designated area.".

(b) Section 204 of such Act is amended by inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated non-defense sector of the economy" after "military function or operation".

TITLE VIII—AUTHORIZATION OF APPROPRIATIONS

APROPRIATIONS AUTHORIZED

SEC. 801. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

DEFENSE ECONOMIC ADJUSTMENT ACT

(Summary of provisions)

I. PURPOSE

To provide advance planning for effective conversion of defense related industries to productive civilian activity, and to provide economic adjustment assistance to affected communities, industries, and workers which may be substantially and seriously affected by reductions in defense expenditures.

II. DEFINITIONS

Defines terms used in the bill. Defines "substantially and seriously affected" for communities and contractors, so that bill covers those who would be hardest hit by reductions in defense expenditures and would have the most difficulty in adjusting.

III. TITLE I—ESTABLISHMENT OF COUNCIL

Sec. 101. Establishes a Defense Economic Adjustment Council in the Executive Office of the President, membership to include Cabinet officers, Director of OMB, Administrator of GSA, Chairman of Council of Economic Advisers, representatives of business-management community, and representatives of labor unions. The Secretaries of Commerce and Labor shall be co-chairmen. Establishes Office of Economic Adjustment within the Executive Office of the President to provide necessary staff support for the Council. Includes authorization for the Council to secure directly from any department, bureau, agency, commission, office or instrumentality, any information necessary to carry out this Act.

Sec. 102. Defines duties of Council as follows: prenotification to Alternative Use Committees and appropriate agencies of pending or proposed change in defense spending that would affect employment; soliciting, directing, and coordinating plans for civilian-oriented and public projects addressing vital areas of national interest; developing and coordinating information on priority, federally funded projects, loans and loan guarantees, and overseeing administration of these programs during the conversion process; preparing and distributing a Conversion Guidelines Handbook.

Sec. 103. Outlines the contents of the Conversion Guidelines Handbook.

IV. TITLE II—ESTABLISHMENT OF ALTERNATIVE USE COMMITTEES

Sec. 201. Establishes local Alternative Use Committees to undertake economic conversion planning and preparation for employment of personnel and utilization of facilities in the event of reductions in defense spending resulting in substantial and serious unemployment.

Sec. 202. Provides for penalties for contractors who fail to submit an alternative use plan or carry out an approved plan.

Sec. 203. Describes functions of Alternative Use Committees: evaluating assets of defense facility and resources and requirements of local community; developing and reviewing plans for conversion to civilian-oriented productive activity; and providing occupational retraining and counseling services for displaced employees.

Sec. 204. Authorizes the Alternative Use Committees to hire staff personnel; to obtain an inventory of all land and equipment including its condition; and to obtain information regarding the occupations and skills of all civilian employees of the facility.

Sec. 205. Requires that conversion plans be designed to most efficiently use civilian personnel employed at the facility prior to conversion; requires detailed listing of any new plant and equipment and modification to existing equipment needed for conversion; requires an estimate of financing requirements and financial plan for conversion; and provides for completion of entire process within a period not to exceed two years.

V. TITLE III—ESTABLISHMENT OF ECONOMIC ADJUSTMENT FUND

Sec. 301. Provides for establishment in Treasury of a trust fund to be known as the "Workers' Economic Adjustment Reserve Trust Fund".

Sec. 302. Requires defense contractors to pay to the Fund an amount equal to one and a quarter percent per year of their gross revenue.

Sec. 303. Requires the Secretary of the Treasury to invest that portion of the Fund not required to meet current withdrawals.

VI. TITLE IV—ECONOMIC ADJUSTMENT ASSISTANCE FOR WORKERS

Sec. 401. Requires upon certification by the Alternative Use Committee that all displacements attributable in whole or part to a reduction of the volume of defense work be reported to the State employment office or agency acting as Agent for administration of employees' benefits programs.

Sec. 402. Provides eligible workers with two year entitlement to applicable benefits; compensation on a weekly basis to maintain an income equal to ninety percent of the first $20,000 per year and fifty percent of the next $5,000 in excess of $20,000; vested pension credit; maintenance of hospital, surgical, medical, disability, and life insurance coverage; retraining for civilian work; and necessary relocation expenses. Requires all managerial and technical employees who have spent more than fifty percent of the ten years preceding implementation of the plan to participate in a professional retraining program in order to be eligible for benefits.

Sec. 403. Authorizes the Council to reimburse a State or administering agency (acting as agent of the Council) for all benefits paid.

VII. TITLE V—COMMUNITY ECONOMIC ADJUSTMENT PLANNING ASSISTANCE

Sec. 501. Provides adjustment planning assistance for communities substantially and seriously affected by reduction or elimination of military installations or military contracts.

Sec. 502. Provides for resale to community of any capital property or facilities declared excess by the defense agency in conjunction with a government-owned facility reduction or closure.

VIII. TITLE VI—INDUSTRIAL ECONOMIC ADJUSTMENT ASSISTANCE

Sec. 601. Provides authority for Secretary of the Treasury to make or guarantee low-interest, long-term loans to assist any eligible contractor to carry out an approved alternative use plan if the financing is unavailable from any other source.

IX. TITLE VII—USE OF CERTAIN RESEARCH FUNDS

Sec. 701. Amends Defense Authorization Act of 1970 to expand kinds of independent research and development which can be funded in a defense contract to include projects which the Council believes have a potential relationship to an urgent national need in a designated non-defense sector. Council and Congress permitted to designate non-defense R&D which can be funded.

X. TITLE VIII—AUTHORIZATION OF APPROPRIATIONS

Sec. 801. Authorizes appropriation of sums which may be necessary to carry out provisions of this Act.

Mr. MATHIAS. Mr. President, 2 days ago I voted for the McGovern so-called transfer amendment to the first concurrent budget resolution, which would have substituted a minuscule part of the Defense budget for several domestic programs, which all would agree are proven programs of high priority. I realize to most people, cuts in Defense spending mean cuts in jobs. But they do not have to mean losing jobs, and today I am introducing a bill that would remove the sting from such cuts.

Mr. President, Senator McGovern and I have introduced the Defense Economic Adjustment Act in previous Congresses. Its purpose is to prepare local regional economies for changes brought about by Defense Department decisions on facility locations, employment levels, weapons procurement, and contracts. Decisions such as these can severely affect a local employment base. The result can be sharp declines in employment which wreak havoc with local economic stability.

In this age of careful budget watching, the Defense budget is being carefully scrutinized for potential savings. Thus, serious thought is being given to reducing our arms sales abroad, modifying or canceling certain weapons systems, and reducing the number and size of our military installations in this country.

We should not shrink back from this task before us. But we must insure that budget cuts are applied with an even hand across all functions of the national budget. The Defense function, at an estimated $138 billion, represents an important part of our $615 billion proposed budget this year.

What we sometimes overlook here in Congress, however, is the very real human suffering, economic disruptions, and social costs which are brought about by our budget decisions. Sometimes in the process of solving one problem, we create another of equal or greater proportions.

Unemployment is one side effect of the closing of military installations or the canceling of a weapons system. This bill establishes a mechanism to meet such problems head-on, plan for retraining of workers, and the recycling of the former Defense facility to another use.

To give my colleagues some idea of the kinds of disruption which can ensue from military base realinements, I ask unanimous consent that a staff paper prepared by the Northeast-Midwest Institute appear in the Record at this point.

There being no objection, the staff paper was ordered to be printed in the Record, as follows:

Revised Department of Defense Military Base Realignment Proposals

On April 26, 1978, the Department of Defense released a list of bases and functions to be studied for possible closing or relocation.

The results of this study—and prior realignment studies—were officially announced on March 29. At the request of Coalition members, the Northeast-Midwest Institute has analyzed the regional effects of the Pentagon's realignment proposals.

The Pentagon's realignments are likely to result in a loss of more than 8,700 military and civilian jobs in the 18 states of the Northeast-Midwest region and $115 million in direct payroll spending. The region may also lose an additional 9,000 jobs and $130 million in the form of secondary economic effects.

Published accounts have said the Pentagon announcement of closings, reductions, and consolidations would reduce costs by more than $264 million. The Institute's analysis finds that in payroll spending alone, the realignments are likely to reduce costs nationwide by $195 million.

PERSONNEL

The Institute's analysis of the realignment announcement found:

The 18 states of the Northeast-Midwest region will lose 8,717 military and civilian jobs, 62.5 percent of the total loss nationwide. Since Northeastern and Midwestern states account for only 47.1 percent of the nation's population, this percentage job loss is significant.

The South will lose 1,731 military and civilian jobs (12.4 percent of the total loss nationwide), and the West will lose 3,496 jobs (25.0 percent of the national loss).

Northeastern and Midwestern states with the greatest job losses are Maine, New Jersey, Pennsylvania, Minnesota, and Ohio. The loss in Ohio alone is greater than the entire loss to Southern states.

PAYROLL SPENDING

To estimate the economic effects of the Pentagon's realignments, the Institute used multipliers supplied by the Congressional Budget Office. CBO calculates average military pay at $10,340 annually and average civilian pay at $17,260 annually. Using these multiplier factors, the Institute's analysis of the realignment announcement found:

The 18 states of the Northeast-Midwest region will lose $115 million in direct payroll spending, 64 percent of the total loss nationwide.

The South will lose $22.4 million in direct payroll spending (12.5 percent of the total loss nationwide), and the West will lose $41.8 million (23.3 percent of the national loss).

The net loss in payroll spending to the seven Northeastern states affected is greater than the Southern and Western loss combined. One state—Ohio—is likely to lose more in payroll spending than either the entire South or West.

SECONDARY EFFECTS

According to the Defense Department's Office of Economic Adjustment, the loss of one military employee results in a corresponding loss of 0.665 jobs in the surrounding community. Similarly, the Defense Department estimates that for each civilian job eliminated, there is a corresponding loss in the surrounding community of 1.53 jobs.

These "multiplier" factors provide rough estimates of the secondary economic effects of Defense Department personnel reduction in a community. Multiplier estimates also may be applied to payroll figures to determine the secondary effects of realignment actions. Using the same multipliers for payroll as for employment, the Institute has calculated the following losses:

The 18 states of the Northeast-Midwest region are likely to lose 8,897 additional jobs through the secondary effects of the realignments, with a corresponding loss of $130 million in wages lost in affected communities.

The South will lose an additional 1,711 jobs through the secondary effects of the realignments, with a corresponding loss of $25.5 million in wages lost in affected communities.

The West will lose an additional 3,035 jobs through the secondary effects of the realignments, with a corresponding loss of $40 million in wages lost in affected communities.

IMPLICATIONS

Prior studies by the Institute have shown the Northeastern and Midwestern states have lost a disproportionate share of Defense Department spending since the 1950's and now receive a lower level of military expenditures than any other region of the nation.

Significantly, a greater percentage of Defense Department jobs currently in Northeastern and Midwestern states are scheduled to be eliminated. The Northeast-Midwest region is likely to lose 2.0 percent of its current numbers of Defense Department employees, while the South and West combined are to lose only 0.3 percent of their current number of DOD jobs.

Mr. MATHIAS. Mr. President, it is clear from this paper that all regions of our Nation will suffer from defense realinements. However, the Northeast and Midwest are likely to be hardest hit by the contemplated changes. The communities affected must have advance warning and begin a concerted planning effort to adjust to those realinements. New employers must be attracted, existing employers must retool and diversify, workers must be retrained. This is a big order, but it can be done.

When Fort Holabird in Baltimore was closed, local elected officials did not have the benefit of preplanning, technical, or financial assistance to ease the transition. Following the closure of the fort in 1970, former Representative Garmatz and I formed the Fort Holabird Commission, which coordinated a unified local, State, and Federal response to that closing. Our goal was to find the best use for the declared surplus property. After a long and careful review, the commission determined that the site should be converted into an industrial-recreational complex. This cooperative venture climaxed in October 1977 when the General Services Administration transferred the property to the city. It is estimated that the planned 179 acre site will provide 4,000 jobs and $2.5 million annually to the city's tax revenues.

Other communities have been able to take advantage of the technical assistance provided by the Office of Economic Adjustment within the Department of Defense. For example, Mineral Wells, Tex., lost 692 military jobs, 659 civilian DOD jobs, and 650 commercial contractor jobs in 1973 when Fort Wolters closed. Four years later, through a concerted local effort there were 700 new jobs on the site, 1,900 new jobs generated by area redevelopment, and an additional 2,500 industrial jobs projected for the site.

In 1974, the Glynco Naval Air Station in Brunswick, Ga., closed costing 308 civilian jobs. By 1977, however, 500 new jobs had been created generating a payroll 25 percent higher than before.

In Orlando, Fla., the closing of McCoy Air Force Base forced 664 civilians out of their jobs. By 1977, a new airport had replaced the facility employing 675 people.

While all of these cases are indeed success stories, there was, nevertheless, a significant time lag between the initial unemployment shock and the reemployment of people. This legislation aims at reducing that time lag and its attendant unemployment shock waves through preplanning.

Our nation employs an estimated 4.6 million people in Defense-related industries, and almost another 1 million are employed in the manufacture of products consumed in DOD operations. This is an important segment of our total employment picture over which the Federal Government has some very direct control. It is incumbent upon us, therefore, to direct our attention to this workforce and its needs as well as its employing industries and their needs. Planning for economic conversion is a necessary tool which can help local economies through the peaks and valleys of Defense spending.

The suddenness with which defense spending decisions can strike and their massive repercussions were graphically described in testimony last year before the Task Force on Human Resources of the House Budget Committee. Testimony by Mr. Howard Young noted:

> The recent experience with the Administration's decision to cancel B–1 production provides a striking illustration of how not to implement a military spending cutback. Prior to the President's announcement of his decision, there had been much uncertainty as to whether or not B–1 activity would be cut back. In fact, the actual decision was apparently as much a surprise to many in the Pentagon as it was to others. Nevertheless, the prime contractor—Rockwell International—immediately instituted layoffs, and within 6 weeks had furloughed upwards of 6,000 employees in the Los Angeles area alone, according to a limited preliminary survey . . . additional thousands are now virtually certain to be laid off, but practically nothing has been done to assure jobs or other help to those workers who have been or will be affected.
>
> According to (a study by the Business and Transportation Agency of the State of California) another 7,400 prime contractor employees in that state alone now face job loss, boosting the jobless total to over 13,400 at Rockwell's California operations. Subcontractor employment is estimated at about 5,100, raising the total direct impact of the cancellation to 18,500 jobless. Based on an employment multiplier of about 4.2 estimated by the prestigious consulting firm Chase Econometrics, induced unemployment will exceed 58,000, bringing the projected statewide jobless total to 77,000.
>
> Regardless of how one feels about the merits of the B–1, it is undeniable that government has not lived up to its responsibility to assist workers, their families, and communities affected by its decision to cancel that program.
>
> Workers displaced from the prime contractor in the wake of the cancellation were on average 48 years of age. For a number of these individuals, this was the fourth of fifth time around the military aerospace roller coaster. Nevertheless because the government contracts with private firms—and may even shift purchases of similar items from one firm to another—these workers, who have spent many years in such government-controlled work, have none of the protection or benefits that would come from continuous employment or seniority.
>
> They once again must search for a new employer. If the jobs are outside commuting range of their present community (for example, Palmdale), such workers may have to place their houses on the market at precisely the time when many others are doing the same thing for similar reasons; for precisely the same reasons, prospective buyers will be few and far between.
>
> Beyond the impact on individual workers, "ripple" effects penetrate the entire community. Merchants lose sales; municipalities lose tax revenues, at just the time when the need for social services may be greatest.
>
> Over and above these economic impacts, job loss is a cause of stress surpassed only by death of a loved one or divorce in the severity of its impact. The close link between job loss and a variety of serious physical and mental health problems is well established.

The President has recognized the human toll that defense economic adjustment can take. In March of last year he issued an Executive order reaffirming the commitment of his administration to easing the transition to civilian, nonDefense activities. That order is a step in the right direction. But it relies heavily on the cooperation of numerous Cabinet departments, and most particularly, on the tiny, 30 person staff of the Office of Economic Adjustment within the Department of Defense.

This legislation which we are introducing here today would take that commitment at the highest levels of Government to the communities that are directly affected by Washington's decisions. It would establish alternate use committees at the local level to prepare detailed plans tailored to the specific site, workforce, capital, equipment, and local economy. The enormous number of military contractors (20,000) and the 400 U.S. military bases located throughout this Nation have specific features that can be best addressed at the local level.

Our economy will constantly be undergoing change as national priorities shift. We have a responsibility to see that stability is maintained and balanced economic growth is encouraged. I believe this bill can be a part of that strategy.

By Mr. HATCH:

S. 1032. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Finance.

IRS-PRIVATE SCHOOLS REGULATIONS

Mr. HATCH. Mr. President, the Internal Revenue Service is seeking to promulgate a revenue procedure covering the Nation's private schools which assumes all religious schools as prima facie discriminatory and, hence, guilty until proven innocent. There are several things wrong with this proposed revenue procedure, but the most severe points include the following: First, a total disregard for the right of the elected representatives of the people to legislate social policy; second, a centralization of social policy decisionmaking in the bureaucracy and away from local authorities—both public and private—who are better informed and better equipped to make decisions regarding education; third, an abridgement of the right of religious groups to freely practice their beliefs without interference from the Federal Government; and, fourth, the further attack upon organized religion by the secular, Federal establishment and sanction of abuses against first amendment rights by the Congress.

The practical effect these regulations have is to revoke the tax exempt religious schools now enjoy regarding their contributions and income. By implementing such a revenue procedure, funding for private religious education will effectively dry up. The loss America would suffer from the disappearance of private religious education is uncalculable.

To expand on these thoughts, I would say that it is a very real threat to our constitutional form of government to allow an administrative agency to set social policy—as the IRS is attempting to do with these regulations. The proposed revenue procedure undermines the traditional cultural values we have which support a free and democratic nation by blurring the division of power between the three branches of Government.

Such regulations serve to only increase Federal intervention in education. The Founding Fathers viewed Federal power as a necessary evil in the protection of individual liberty. Federal power was not seen as an end in and of itself. This is one of the cornerstones upon which our Nation was founded. It stands for something inherent in our political system. It should not and must not be misconstrued by contemporary political centralizationists as a grant of unlimited power—power to regulate and interfere in the lives of the Nation's citizens in ways the Founding Fathers detested. For the Congress to sanction by inaction the actions of the IRS on this matter would be for us to give such a de facto grant of unlimited regulatory power to the bureaucracy.

The basic constitutional right to free practice of religion is also endangered by these regulations. By imposing these regulations upon church-run schools, the IRS—representing the Government—attempts to dictate the inner workings of the school and, hence, the church, on matters pertaining to enrollment, employment, recruitment, and other such things. In this particular instance, the Internal Revenue Service has overstepped its authority and acted in an area where they have neither congressional mandate nor professional expertise. We must order them to desist in their efforts and we must act immediately.

In this light, I am introducing the Private School Preservation Act of 1979. I invite and encourage all of my colleagues to join with me to insure that the rights of the Congress over such questions are sustained and protected—to say nothing of the rights of millions of Americans who worship free will.

By Mr. CHURCH (by request):

S. 1033. A bill to authorize supplemental economic support for the fiscal year 1979 for Turkey, and for other purposes; to the Committee on Foreign Relations.

ECONOMIC SUPPORT FOR TURKEY

● Mr. CHURCH. Mr. President, I introduce by request a bill to authorize supplemental economic support for fiscal year 1979 for Turkey, and for other purposes.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the section-by-section analysis of the legislation, and the letter from the President to the President of the Senate dated April 10, 1979.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1033

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Economic Support for Turkey Act of 1979".

SEC. 2. (a) It is hereby determined that the national interests of the United States would be served by the furnishing of additional economic support fund assistance to Turkey in order to promote the economic and political stability of that country, and to strengthen its ability to fulfill its responsibilities under the NATO Alliance.

(b) In furtherance of subsection (a) of this section, and in addition to amounts otherwise available, there are authorized to be appropriated to the President to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, $100,000,000 for the fiscal year 1979, which amount shall be available only for Turkey.

(c) Amounts appropriated under this section may be made available until expended.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED SPECIAL ECONOMIC SUPPORT FOR TURKEY ACT OF 1979

I. INTRODUCTION

The proposed Special Economic Support for Turkey Act of 1979 (hereinafter referred to as "the Bill") authorizes supplemental security assistance for Turkey for the fiscal year 1979 in the form of $100,000,000 in additional amounts for economic support fund assistance.

II. PROVISIONS OF THE BILL

Section 1. Short Title.

This section provides that the Bill may be cited as the "Special Economic Support for Turkey Act of 1979".

Section 2. Economic Support for Turkey.

This section consists of three subsections, as follows:

(a) This subsection states the determination of Congress that the national interests of the United States would be served by the furnishing of additional economic support fund assistance to Turkey. The provision of this assistance is important in promoting the economic stability and development of Turkey, and will strengthen its ability to fulfill its responsibilities under the NATO Alliance.

(b) This subsection authorizes the appropriation of $100,000,000 for economic support fund assistance for Turkey pursuant to chapter 4 of part II of the Foreign Assistance Act, in addition to amounts otherwise available under that chapter.

(c) This subsection provides that the amounts appropriated pursuant to this section may be made available until expended.

THE WHITE HOUSE,
Washington, D.C., April 10, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I hereby transmit a bill "to authorize supplemental economic support for the fiscal year 1979 for Turkey, and for other purposes", and urge its prompt enactment. The bill authorizes appropriations of $100,000,000 in assistance for Turkey under the Economic Support Fund.

Turkey's economic situation continues to deteriorate, and its foreign exchange shortage is critical. The Government of Turkey has begun taking steps necessary to restore economic equilibrium, and is considering others. Even with a major stabilization effort, however, significant improvement in the Turkish balance of payments will take time. Without substantial official assistance in 1979, Turkey would be unable to obtain imports necessary to meet the basic needs of the Turkish economy. This in turn would aggravate serious domestic political and social problems and could ultimately affect Turkey's stability and its Western orientation.

In January, governments friendly to Turkey agreed to organize a multilateral emergency assistance effort, subject to satisfactory Turkish government measures of economic stabilization and reform. As that effort has taken shape, it has become clear that for it to succeed additional assistance will be required from the United States and other countries.

An additional contribution by the United States of $100 million from the Economic Support Fund and substantial increases from other major donors will give the multilateral effort the momentum necessary for success. We have been in touch with other governments to urge them to increase their contributions on the basis of equitable burdensharing.

In accordance with the requirements of section 620C(d) of the Foreign Assistance Act of 1961, as amended, I hereby certify that the furnishing of the security assistance for Turkey proposed in this bill will be consistent with the principles set forth in section 620C(b) of that Act.

In this regard, it remains the firm policy of the United States to support the resolution of all differences among countries in the region peacefully, to encourage all parties to avoid provocative actions, and to oppose any attempt to resolve disputes through force or threat of force. With regard to the Cyprus problem, the United States continues to support fully efforts, especially those of the United Nations, to bring about prompt, peaceful settlement on Cyprus, including the withdrawal of Turkish military forces from the island. The United States continues to support the maintenance of the ceasefire on Cyprus pending achievement of a negotiated solution. The assistance to be furnished to Turkey under this bill will help create the stability and security that are important underpinnings to progress toward these goals.

I strongly urge early passage of the enclosed legislation.

Sincerely,

Jimmy Carter.●

ADDITIONAL COSPONSORS

S. 221

At the request of Mr. Wallop, the Senator from Colorado (Mr. Armstrong), the Senator from New Jersey (Mr. Bradley), the Senator from Utah (Mr. Garn), the Senator from Arizona (Mr. Goldwater), the Senator from New Hampshire (Mr. Humphrey), the Senator from Kansas (Mrs. Kassebaum), the Senator from Georgia (Mr. Nunn), the Senator from Oregon (Mr. Packwood), the Senator from South Carolina (Mr. Thurmond), the Senator from Virginia (Mr. Warner), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 221, a bill to establish a congressional award program.

S. 252

At the request of Mr. Glenn, the Senator from Massachusetts (Mr. Kennedy) and the Senator from New Jersey (Mr. Bradley) were added as cosponsors of S. 252, the Anti-Arson Act of 1979.

S. 336

At the request of Mr. Mathias, the Senator from South Carolina (Mr. Thurmond) and the Senator from New Hampshire (Mr. Durkin) were added as copsonsors of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 451

At the request of Mr. Schweiker, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of S. 451, the Diabetes Research and Training Amendments and the National Diabetes Advisory Board Extension Act of 1979.

S. 535

At the request of Mr. Schmitt, the Senator from Kansas (Mrs. Kassebaum) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act of 1979.

S. 621

At the request of Mr. Mathias, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 621, a bill providing service funding for victims of rape.

S. 697

At the request of Mr. Sasser, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 697, a bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 936

At the request of Mr. Jackson, the Senator from Iowa (Mr. Culver) and the Senator from Maryland (Mr. Sarbanes) were added as cosponsors of S. 936, a bill to extend the authority under the Emergency Petroleum Allocation Act of 1973.

S. 984

At the request of Mr. Talmadge, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 984, a bill to provide for the waiver or reduction of peanut marketing penalties in certain circumstances.

S. 997

At the request of Mr. Cochran, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 997, a bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace.

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. Schweiker, the Senator from Nevada (Mr. Cannon), the Senator from Missouri (Mr. Danforth), the Senator from Pennsylvania (Mr. Heinz), the Senator from Indiana (Mr. Lugar), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of Senate Concurrent Resolution 24, expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe Rhodesia.

SENATE RESOLUTION 141—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CRANSTON, from the Committee on Labor and Human Resources, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 141

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 239, a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes.

Such waiver is necessary to permit consideration of legislation authorizing the enactment of new budget authority for fiscal year 1979 for national volunteer antipoverty and small business programs and for administrative expenses. The administrative and operating expenses of these programs are currently funded under a continuing resolution, Public Law 95-482.

Authorizing legislation for this purpose passed the Senate during the Second Session of the 95th Congress (S. 2617) but failed to be enacted by the House of Representatives.

Failure to bring to consideration S. 239 will require affected activities to continue operation under a continuing resolution, in violation of the intent of the Congressional Budget Act of 1974.

NOTICES OF HEARINGS

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

● Mr. WILLIAMS. Mr. President, I wish to announce a time change in the scheduled hearing of the Subcommittee on Housing and Urban Affairs, which I chair on the Banking, Housing and Urban Affairs Committee. On Tuesday, May 1, 1979, the subcommittee will commence its hearing at 10:30 a.m. on housing authorization legislation, related measures and on the proposed legislation to amend the Interstate Land Sales Full Disclosure Act.●

SELECT COMMITTEE ON ETHICS

● Mr. STEVENSON. Mr. President, the hearings of the Ethics Committee for the Senator Talmadge investigation are scheduled for:

April 30, 1202 DSOB, 9:30 a.m. to 1 p.m.
May 1, 1202 DSOB, 9:30 a.m. to 1 p.m.
May 2, 5110 DSOB, 9:30 a.m. to 1 p.m.
May 3, 5110 DSOB, 9:30 a.m. to 1 p.m.
May 7, 1202 DSOB, 9:30 a.m. to 1 p.m.
May 8, 1202 DSOB, 9:30 a.m. to 1 p.m.
May 9, 6226 DSOB, 9:30 a.m. to 1 p.m.
May 10, 1202 DSOB, 9:30 a.m. to 1 p.m.
May 16, 6226 DSOB, 2 p.m.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Parks, Recreation, and Renewable Resources Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, May 1, 1979, beginning at 2 p.m. to hold a hearing on S. 490, the Archaeological Resources Protection Act of 1979, and S. 495, legislation to establish the Frederick Law Homestead National Historic Site.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to mark up Senate Resolution 15, concerning mutual defense treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, April 30, 1979, beginning at 2 p.m. to hold a hearing on S. 967, the Impact Reduction of Energy Resources Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RISSER WINS PULITZER

● Mr. CULVER. Mr. President, Senator Jepsen and I wish to jointly commend James Risser of the Des Moines Register for his latest in a series of journalism honors, the 1979 Pulitzer Prize for national reporting.

Mr. Risser, chief of the Des Moines Register's Washington bureau, exemplifies the highest standards of reporting. This is his second Pulitzer Prize for national reporting, having won the honor previously in 1976.

We, and all of Iowa, are proud of his contributions not only to our State but to the Nation. The seven-part series of articles for which Mr. Risser was awarded the Pulitzer Prize last week appeared in the Des Moines Register last fall. The series dealt with the environmental dangers of modern, high-production agricultural techniques.

"The picture is a grim one," Mr. Risser wrote, "although most experts think the situation can be corrected."

The articles tell of millions of tons of top soil washing from farmland annually, of inconsistent Federal planning, of chemicals and livestock wastes in our waterways and overuse of our limited water supply.

We commend Mr. Risser for effectively bringing this problem to the attention of the country. We agree with Mr. Risser that while the problem is grim, it can be solved.

Mr. Risser earlier this year won the Thomas Stokes Award—an award given annually for the best articles on the environment or conservation—for this series. In addition, he was recently named "Farm Editor of the Year" by the Nation's farm editors.●

THE UNITED STATES-JAPAN TRADE IMPASSE

● Mr. DOLE. Mr. President, yesterday's announcement by the Prime Minister of Japan that his government will not make further trade concessions to the United States is untimely, ill advised and provocative.

It is untimely in light of Prime Minister Ohira's forthcoming visit to Washington and the pending economic summit to be held in Tokyo. The announcement will certainly polarize positions and make compromise more difficult, if compromise can now be reached at all.

It is ill advised because for the past few years we have been bending over backwards to reach, gradually, and diplomatically, a mutually acceptable arrangement by which our completely unacceptable trade balance may be corrected. We have been rather meek in our demands considering this imbalance. To simply seek reciprocal tariff cuts and equal reductions in nontariff barriers between our countries is not asking too much. Under the current circumstances, we would be entirely justified in simply demanding, on a nonreciprocal basis, concessions from Japan.

Despite our $12 billion trade balance, Japan still maintains unjustifiable import quotas in violation of international agreements import cartels, government subsidies, and a bureaucratic mechanism that effectively establishes a "Fortress Japan" by restricting imports. They have been surprisingly intransigent in making adjustments in their nontariff barriers. Their unwillingness to open their government procurement to any meaningful extent exemplifies the problem.

The Prime Minister's announcement was provocative because it has provided a hot wind that will intensify the fires of protectionism in this country. It is unfortunate that the Japanese have failed to recognize the danger that this trade problem poses. Not only are our trade relations at stake; our political alliance is becoming jeopardized. If the situation continues on the path that the Japanese appear to have chosen, I fear a legislative backlash in terms of trade laws that will be difficult to balance in the long term.

I believe that the administration's opsition in this matter is the right one. In fact, I am sorry our negotiators did not toughen-up sooner. By taking a strong position early in the trade negotiations we might have clarified for the Japanese that they were going to have to make significant concessions to balance the trade flows. Perhaps the tensions we are now facing could have been avoided. As it is, we have finally taken a stand. I support this action. But the Japanese should be on notice—unless some resolution of this conflict can be worked out diplomatically, it may be necessary to take legislative action that may be much more strenuous than a diplomatic settlement of our problems.●

TREASURY DEPARTMENT OPPOSES REPEAL OF CARRYOVER BASIS TAX REFORM

● Mr. KENNEDY. Mr. President, one of the important issues facing the 96th Congress is the need to preserve the legislation enacted in 1976 to reform the income tax treatment of property transferred at death.

Currently, a major lobbying drive is underway by the American Bankers Association and other special interest groups, whose purpose is to repeal the worthwhile reform enacted in 1976.

Prior to the 1976 legislation, the increase in the value of property passing at death was not subject to income tax. As a result, large amounts of capital gains on such property escaped the income tax laws.

The 1976 act closed this serious loophole by treating such transfers in the same way that property transferred by gift has been treated for the past 60 years. The tax basis of the property was made the same for the new owner as for the prior owner—hence the term "carryover basis"—and income tax is required to be paid on any gains when the property is eventually sold. Repeal of this provision would bring a windfall of approximately $1 billion a year to families in the top 1 percent of income groups in the Nation.

The Treasury Department is strongly opposed to the current effort to repeal the carryover basis tax reform. Recently, I received a letter from Secretary of the Treasury W. Michael Blumenthal, emphasizing the Department's strong objections and enclosing a copy of the testimony delivered last month before the Senate Finance Committee by Donald C. Lubick, Assistant Secretary of Treasury for Tax Policy. In his testimony, Mr. Lubick provided a thorough analysis of the issue and the numerous reasons for opposing the effort to repeal this reform.

Mr. President, I submit Secretary Blumenthal's letter and Assistant Secretary Lubick's testimony for the Record. I hope that Members of the Senate will study the issue and join in opposing the repeal of this provision.

The material follows:

The Secretary of the Treasury,
Washington, D.C., March 27, 1979.

Hon. Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Ted: The Senate may be asked soon to vote for a repeal of the carryover basis provisions introduced into the income tax in 1976. This will be one of the most important tax issues before the Congress this year. Put simply, a vote for repeal is a vote for the irrevocable and permanent forgiveness of all income taxation on some $20 billion annually of capital gains.

Before the 1976 Act, the heir of a decedent took as his basis for measuring gain on inherited property the value at the death of his decedent. All gain accrued during the decedent's lifetime went permanently untaxed. The 1976 Act provided that when property is sold, whether before or after death, income tax is payable.

An outright repeal of carryover basis—rather than amendment or adoption of an alternative solution to the problem of appreciated assets owned by decedents—will wipe out income taxes for estates that have millions of dollars of untaxed appreciation in marketable investments. And it will deny revenues that under the right circumstances could finance estate tax reductions for all decedents.

Proponents of repeal raise a litany of extraneous issues—recordkeeping, small business and farm liquidity problems, complexity. All those problems can be solved without a billion dollar hit-or-miss giveaway to fortunately situated wealthy taxpayers.

I enclose a copy of Treasury's recent statement on the problem before a Senate Finance Subcommittee. I also enclose two summaries of some of our suggestions to deal with problem areas. I hope this material will be of use to you in coming to a conclusion about this very basic matter of income tax policy.

In the event you on your staff have any questions about carryover basis, Donald Lubick, Assistant Secretary of the Treasury for Tax Policy, and his associates would be pleased to be of assistance in responding to them.

Sincerely,
W. Michael Blumenthal.

Statement of Donald C. Lubick, Assistant Secretary of Treasury for Tax Policy, Before the Senate Committee on Finance, Subcommittee on Taxation and Debt Management, March 12, 1979

Mr. Chairman and Members of the Subcommittee: I am pleased to appear again before this Subcommittee to discuss the important income tax question of the appropriate tax treatment of appreciated property passing at death.

THE TAX POLICY QUESTION

Before the Tax Reform Act of 1976 the basis of property acquired from a decedent was its estate tax fair market value. This rule is commonly called "step-up" in basis. The effect of step-up is to forgive forever the collection of any income tax on appreciation that has accrued in property held by an individual at death.

The enactment of carryover basis by section 2005 of the Tax Reform Act of 1976 has prompted volumes of comment that obscure the basic income tax issue carryover basis was designed to address. It is appropriate, therefore, to begin by identifying this issue.

To us the issue is not the workability of the 1976 carryover rules—we shall later in our statement elaborate changes that will solve the technical problems under the 1976 Act. The issue is instead whether income tax liability on gains accrued by a decedent at his death are to be entirely and irrevocably forgiven. The defenders of the pre-1976 step-up rule must make a case to justify going back to that result, other than simply that it existed before 1976. The Administration is committed to the principle that income tax on appreciation accrued at death should not be forgiven.

FORGIVENESS IS UNSOUND INCOME TAX POLICY

As a matter of income tax policy step-up is unsound for at least four reasons.

1. Horizontal and vertical inequity. Step-up discriminates arbitrarily among taxpayers and creates significant horizontal and vertical inequities. This can be illustrated by a simple example.

Let us start by assuming that no estate tax is imposed on the transfer of property at death. Further, assume that on the same day two taxpayers, A and B, each bought shares of stock in the same corporation for $10,000. A and B decide to sell when the stock is worth $110,000. Each would pay a capital gains tax of 25 percent on any recognized capital gain. A goes into his broker's office and sells his shares. He walks out into the street and meets his friend B who is about to go into the broker's office to sell his shares. They engage in animated conversation about what each will do with his net after-tax proceeds of $85,000 and fail to observe a speeding vehicle which strikes and kills them both.

A sold his stock before he died.[1] He realized a capital gain of $100,000 upon which an income tax of $25,000 is due. His heir is left with $85,000 after the tax is paid.

Compare B, who has died before he could sell his shares. The shares pass to his heir with a new basis of $110,000. B's heir can immediately sell the shares for that price and pocket the entire $110,000.

Accidental, untimely death has caused A's heir to receive $85,000 and B's heir to receive $110,000. The result gives an unjustifiable advantage to B's heir.

Some assert that the income tax problem so glaringly highlighted by the example does not really exist because the appreciation in the shares owned by B is subject to estate tax. If this assertion is true, the net amount received after payment of both income and estate tax should be the same for A's heir and B's heir.

To test the assertion, assume that the shares or their proceeds in the estates of A and B are both taxed at a 30 percent bracket. A's estate after payment of income tax has assets of $85,000. After the further payment of $25,500 in estate tax, A's heir receives $59,500. On the other hand, B's estate has assets of $110,000. When the shares of stock are sold to pay B's estate tax liability of $33,000, B's heir receives $77,000, $17,500 more than that of A. The combined income and estate tax burden on B's heir is reduced by about 35 percent from the burden on A's heir.

This example demonstrates two basic facts. First, the estate tax and the income tax are two separate tax systems. The estate tax applies to the transfer of property, the income tax to the receipt of income. The estate tax is not a surrogate for the income tax. It applies to wealth accumulated after payment of income tax as well as to wealth that was not subject to income tax.

Second, the example demonstrates the disparate income tax treatment which can occur solely due to the timing of capital gain recognition. Thus, step-up permits those who are able to accumulate wealth in the form of unrealized appreciation to pass on that wealth free of income tax. Those who have recognized capital gains, as well as salaried individuals, can pass on only that which is left after income tax has been paid. Only the wealthiest of American taxpayers are in a position to live comfortably solely on dividends, rents and interest derived from appreciating assets they are rarely forced to sell. No policy justifies granting this segment of society an income tax advantage over the vast majority who are not in this enviable and privileged position.

Footnotes at end of article.

This is not an extreme or hypothetical situation. Any tax practitioner can recite from his own experience instance after instance of advice by him to his clients to retain assets that would otherwise be sold primarily to secure forgiveness of income tax at death.

Several recent court decisions demonstrate the magnitude of the problem. In Estate of David Smith,[2] the Court found the value of scrap metal owned by the decedent to be $2.7 million. Its basis was almost zero. Under step-up, virtually $2.7 in appreciation passed to the decedent's heirs free of income tax. In Estate of Henry,[3] the taxpayer made gifts of marketable corporate stocks totalling $6.7 million with a basis of $115,000. The untaxed appreciation was almost $6.6 million. In Owen v. Commission,[4] the taxpayer gave marketable American Express Company stock worth $5.2 million with a basis of $1,200. Virtually the entire $5.2 million passed free of income tax. In Bradford v. Commission,[5] property worth $2 million with a basis of $283,000 was the subject of the gift. Over $1.8 million of appreciation passed income tax free. In Johnson v. Commission,[6] the property given was worth $500,000; its basis was $10,800. Almost $490,000 of appreciation passed income tax free.

This phenomenon is not restricted solely to those with inherited wealth. As noted in a recent article in Fortune magazine, "there are dozens—perhaps even hundreds—of individuals who have amassed fortunes of $50 million or more in privately held companies."[7] As the article shows, the initial investment in these enormously successful enterprises is nominal when compared to their current worth.

The impact of forgiveness of income tax at death is more significant as estate size increases. Table 1 demonstrates how estimated appreciation rises as a percentage of the gross estate as estates increase in size.

TABLE 1.—APPRECIATION AS A PERCENT OF GROSS ESTATE BY SIZE OF GROSS ESTATE (1979 LEVELS)

Size of gross estate	Gross estate (millions)	Appreciation including personal residence			Appreciation excluding personal residence		
		Amount (millions)	As a percent of gross estate	Average per return	Amount (millions)	As a percent of gross estate	Average per return
Under $175,000	$25,183	$4,386	17.4	$18,000	$3,242	12.9	$13,300
$175,000 to $200,000	3,291	633	19.2	35,900	479	14.6	27,200
$200,000 to $300,000	9,037	1,800	19.9	48,200	1,375	15.2	36,800
$300,000 to $500,000	9,215	2,013	21.8	83,000	1,609	17.5	66,300
$500,000 to $1,000,000	9,774	2,280	23.3	158,500	1,888	19.3	131,300
$1,000,000 to $2,000,000	7,082	1,739	24.6	335,100	1,459	20.6	281,110
$2,000,000 to $3,000,000	3,179	821	25.8	622,400	722	22.7	547,400
$3,000,000 to $5,000,000	3,101	812	26.2	990,200	708	22.8	863,400
$5,000,000 to $10,000,000	3,057	833	27.2	1,876,100	752	24.6	1,693,700
$10,000,000 and over	3,365	1,153	34.3	7,161,500	1,114	33.1	6,919,300
Total	76,284	16,470	21.6	47,700	13,347	17.5	38,600

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

In fact, over 75 percent of appreciation is found in estates of over $175,000, which comprise less than 4 percent of decedents dying annually.

2. *Revenue loss*. Step-up results in a significant revenue loss. Under step-up, an estimated $20 billion in accrued appreciation passes untaxed annually. The income tax on this $20 billion is not just foregone in the year of a decedent's death. It is permanently and irrevocably forgiven.

3. *Economic distortions*. Step-up also creates serious adverse economic effects. The opportunity entirely to avoid income tax on appreciated assets by holding those assets until death distorts capital mobility by inducing individuals to retain assets solely to obtain this benefit. The inducement to hold assets to avoid the payment of income tax is referred to as "lock-in".

It is almost impossible to quantify the amount of wealth that is "locked-in". This is because "lock-in" is a negative phenomenon. It occurs when sales otherwise dictated by sound investment strategies do not occur. Of course, the decision not to sell may involve other considerations which cannot be separated from tax-induced "lock-in". Nonetheless, to the extent the income tax system can be said to cause "lock-in", step-up is a major source of that "lock-in". Those whose estate planning takes step-up into account, and plainly this includes many elderly taxpayers and most taxpayers with large accumulations of unrealized appreciation, will inevitably find their decision whether to hold or sell affected by this provision.

Congress in 1978 relied upon revenue from higher sales volume to justify increasing the capital gains exclusion to 60 percent. The "lock-in" effect of step-up will undermine the goal of the reduced capital gains rates enacted by the Revenue Act of 1978. The purpose of the reduced capital gains rate was to unlock capital in the form of unrealized appreciation in assets that were not being sold because of the allegedly excessive tax burden imposed on the sales proceeds. This goal will not be met if taxpayers have the opportunity to avoid tax entirely by holding appreciated property until death.

"Lock-in" can best be reduced by treating death as a recognition event. If unrealized apreciation were taxed at the current long-term capital gains rates, a significant amount of the "lock-in" effect would be eliminated.

As to "lock-in", carryover basis is a second best approach. It somewhat reduces the "lock-in" effect for investors concerned with estate planning, since complete forgiveness is eliminated. However, if the property continues to appreciate in value, the capital gains tax would be greater when the heirs consider selling, and then their "lock-in" would be somewhat increased. Thus, "lock-in" would be decreased for some but increased for others. The net effect on aggregate "lock-in" cannot be determined fairly.

4. *Disparate basis treatment for lifetime gifts and accrued but unpaid income items.* Carryover basis for property acquired by lifetime gift has been the law since 1921. Similar treatment has existed since 1942 even in the case of property passing at death that consists of compensation, pension benefits and unpaid installment obligations from the disposition of property. Yet, most property acquired by gift at death received a new basis. Lifetime and deathtime transfers should be treated similarly for income tax basis purposes.

The Shortcomings of Forgiveness are Not Newly Recognized

The case against forgiveness on the grounds of inequity, revenue loss, adverse economic effects and structural inconsistency is overwhelming. It is not surprising that these deficiencies have long been recognized and that a number of responsible proposals to cure the problem were suggested prior to the 1976 Act.

In 1963, while proposing that the gain on the transfer of a decedent's assets at death be subject to income tax at that time, Secretary Dillon stated:

"The prospect of eventual tax-free transfer of accrued gains with a stepped-up basis equal to the new market value . . . distorts investment choices and frequently results in complete immobility of investments of older persons. . . . The reduction in capital gains rates alone would not effectively deal with the lock-in problem. Without this broader, more equal capital gains tax base, there would be no justification for lowering capital gains tax rates." [8]

While President Kennedy's 1963 proposal was not adopted, the House Ways and Means Committee did at one point tentatively adopt carryover basis as a solution.

The 1969 Treasury Department Tax Reform Studies and Proposals also included a proposal to subject to income taxation the appreciation in the value of assets transferred at death.[9] The proposal was addressed to the following deficiencies of step-up:

"[I]nequality in the income tax treatment of people who accumulate their estates out of currently taxable income as compared to those who accumulate estates by means of unrealized capital gains.

"At least $15 billion a year of capital gains fall[ing] completely outside the income tax system.

"[U]ndesirable economic effects because of the resulting "lock-in" effect." [10]

By 1976, Congress was prepared to address the issue. Forgiveness was repealed and carryover basis was substituted effective for estates of decedents dying after 1976. The reasons for change were:

"Present law [step-up] results in an unwarranted discrimination against those persons who sell their property prior to death as compared with those whose property is not sold until after death. Where a person sells appreciated property before death, the resulting gain is subject to the income tax. However, if the sale of the property can be postponed until after the owner's death, all of the appreciation occurring before death will not be subject to the income tax.

"This discrimination against sales occurring before death creates a substantial 'lock-in' effect. Persons in their later years who might otherwise sell property are effectively prevented from doing so because they realize that the appreciation in that asset will be taxed as income if they sell before death, but will not be subject to income tax if they hold the asset until their death. The effect of this 'lock-in' effect is often to distort allocation of capital between competing sources." [11]

A problem of substantial magnitude existed under step-up, the problem had long been recognized and it was resolved in an acceptable manner through the enactment of the carryover basis concept. Technical problems with the statutory provisions that have surfaced since enactment should not obscure this achievement.

THE ARGUMENTS FOR STEP-UP FORGIVENESS

The 1976 repeal of step-up prompted a large volume of comment. It is important to examine carefully the substance of this comment to identify legitimate questions.

1. Death is a "tax loophole". The assertion has been made that those who favor repeal of step-up view death as a "tax loophole." The issue is whether property which passes at death should be treated the same as property which passes inter vivos. It is not true that the repeal of step-up discriminates against people who hold property until death. Deferral of taxation aside, it simply places those individuals on an equal income tax footing with those who have not accumulated wealth in the form of unrealized appreciation and held it until death.

2. Repeal of step-up will result in a new tax. Some assert that the repeal of step-up constitutes a new tax. This is untrue. There is no new tax imposed if step-up is repealed; rather certain property on which deferred income tax was forgiven now becomes subject to that tax. This is not a semantic point. As the Chairman of this Subcommittee stated in a recent address before the New York State Bar Association, "tax laws should apply equally to all taxpayers." When they do not, they should be changed. Forgiveness results in taxpayers who have sold property before death being treated differently than those who did not. The result is unequal application of the laws.

3. The expectancies of those who relied on step-up must be protected. It is alleged that the repeal of step-up dashed the expectations of those who relied on that provision in making investment decisions. The answer to real, and not imagined, difficulties regarding expectations that should be protected lies in appropriate transition rules. The orginal carryover basis provision in H.R. 14844 contained no transition relief. To protect legitimate expectations, the transition rule, known as the "fresh start" adjustment, was added by the Conference Committee. If that provision does not achieve its intended purpose, it is appropriate to reexamine it and make necessary modifications. But it is totally inappropriate to retain step-up forgiveness because the transition rule may require adjustment.

4. Repeal of step-up results in tax on inflation gains only. Some assert that step-up should be retained because much of the appreciation that would be subject to tax under an alternative system is attributable to inflation. The amount of appreciation involved in the gifts of property noted in the cases cited earlier demonstrate that this is not the case. There is no way that inflation can account for increases in value of that magnitude. But even if it were true, the simple example of A and B provides a total response. Each was equally affected by inflation and yet the heirs of each receive different amounts. While the effects of inflation are a matter to which the Administration is devoting considerable attention, it is neutral in this context.

5. Death is an inappropriate time to impose income tax. Some of the comment over repeal of step-up has as its core the notion that it is inappropriate to treat the involuntary event of death as an income tax recognition event. This argument does not lead to the conclusion that forgiveness is correct. Rather, if accepted, it would lead one to adopt carryover basis. This is because under a carryover basis system no income tax is imposed until an appreciated asset is sold. Moreover, the argument ignores the fact that death is one of the few times an accounting of wealth is made for tax purposes.

6. Repeal of step-up is unnecessary because unrealized appreciation is subject to estate tax. As I noted earlier, some assert that it is not necessary to subject unrealized appreciation to income tax because that unrealized appreciation is included in the decedent's estate and is subject to estate tax. This argument is rebutted by the simple example of A and B, one of whom sold his assets before death and the other who did not.

It has been suggested that, to the extent the argument against step-up forgiveness involves concern over the revenue loss attributable to the $20 billion dollars of unrealized appreciation passing untaxed annually, the solution is simply to raise estate tax rates. However, there is nothing like the uniformity in the ratio of appreciable assets to estate size, between taxpayers having the same estate size, that would be required before consideration could be given to substituting an estate tax increase for repeal of step-up.

A simple increase in estate tax will not result in fairness for income tax purposes between estates of the same size.

If it is believed that carryover results in too great an overall tax burden, it would be fairer to lower estate tax rates for all estates than to forgive income tax liability. If the Subcommittee desires, we would be happy to work with it to analyze this question. But the question of overall tax burden cannot be permitted to obscure the basic issue forgiveness raises: the equitable income tax treatment of those who have realized gain prior to death as opposed to those who have not.

7. Carryover basis or subjecting unrealized appreciation to graduated income tax rates at death is regressive. The Committee may hear testimony that the 1976 carryover basis provision is regressive by estate size. A basis adjustment is made to account for the fact that estate tax has been paid on property that has been valued without taking into account the contingent income tax liability on unrealized appreciation. Because of this basis adjustment the increase in overall tax for a given amount of appreciation will decline as the size of the estate increases. This is said to be regressive.

It is, of course, true that for estates in the 70 percent bracket, forgiveness of income tax only lets the heirs keep 30 cents for each dollar of income tax that is avoided while in the 40 percent estate tax bracket the advantage of step-up forgiveness is 60 cents on the dollar. Carryover merely eliminates the advantage to the extent it exists. There is no more regressivity here than in the allowance of a deduction for administration expenses that is worth 70 cents on the dollar to a very large estate and nothing to a very small estate. Yet the deduction is necessary to measure the estate transferred. The adjustment simply assures that the estate tax applies to the correct transfer tax base, the gross estate less the amount of accrued income tax liability.

8. Any system other than step-up cannot

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work because proof of basis problems are insurmountable. This Subcommittee has previously received testimony and submissions to the effect that no system which relies upon the need to determine the basis of assets transferred at death can possibly work. The assertion is that either taxpayers do not keep adequate records of the acquisition cost of assets during their lives or if they do those records somehow disappear at death.

This problem did not deter Congress when it first enacted the income tax. The basis of property held on March 1, 1913 was its value on that date or historical cost and the income tax system managed to work. The Canadians adopted a similar basis rule when they first treated gifts and deathtime transfers as recognition events. Their system has not posed significant basis determination questions. Both Canadian government authorities and private practitioners inform us that the issue of proof of basis has not even been a matter of public discussion. Moreover, carryover of basis has not caused significant difficulties for property transferred by gift or items of income in respect of a decedent passing at death. These carryover provisions have existed since 1921 and 1942 respectively. Nonetheless, we understand that the American Bankers Association, and perhaps others, will submit a number of actual cases in which, during the period carryover basis appeared to be in effect, executors had difficulty determining the basis of assets. We look forward to examining this report so that we can determine independently the scope of this problem and suggest appropriate solutions.

Notwithstanding the data which may be submitted, several fundamental points are relevant. First is the necessity of recordkeeping to provide for the case of a lifetime sale or other disposition of property. Second is the question of the types of assets for which it is reasonable to assume taxpayers retain cost records. Third is the standard to which taxpayers who acquired assets prior to the effective date of any new system should be held. Once these three issues have been examined it is possible to design a system which takes into account legitimate record keeping problems.

Under our income tax system (and for gift tax reporting purposes), an individual who acquires property should retain cost basis information. That information will be relevant if that property is sold or given away. Even under step-up forgiveness, records were unnecessary only if a taxpayer knew with absolute certainty that the particular asset would be held until death. Since most taxpayers pay for assets they acquire, and all taxpayers are interested in reducing tax on sale, it is in their interest to retain or obtain cost records. Otherwise secondary evidence will be needed to establish some basis or the entire sale price will be taxable.

We believe most taxpayers recognize this and do retain cost records for most assets. Whether those records are readily accessible or in a form which could be understood by others is a different question and one to be examined in the context of transition relief. However, it is simply not true that the vast majority of taxpayers of this country fail to keep records as to the acquisition cost of the vast majority of assets they acquire, especially investment assets held by the wealthiest 2 percent of taxpayers.

The proposition that record keeping problems should control whether tax is imposed on an otherwise clearly taxable event would, if carried to its logical extreme, mean that only "easily measurable" income should be taxed. It also implies that the determination whether income is "easily measurable" rests entirely with the taxpayer. Thus, the taxpayer can, in his own discretion, control whether sufficient records exist to determine his income tax liability. If he fails to maintain records, income becomes hard to measure and hard to measure income is not subject to tax. Forgetfulness should not be blessed with forgiveness.

Records regarding the acquisition cost of closely held corporation stock may be difficult to find but should be capable of reconstruction. In the case of partnerships and subchapter S corporations past income tax returns will provide basis information. For those who are engaged in sole proprietorships, past income tax returns will show the basis of depreciable assets.

If acquisition cost records do not exist with regard to investment real estate, it is usually possible to recreate or estimate basis by a number of methods. For example, many deeds state the purchase price of real estate. Transfer tax stamps or local property tax assessments may also provide guidance. The basis of marketable securities can be estimated by reference to market quotations on or about the acquisition date.

We recognize, however, that record keeping problems do exist with regard to certain types of assets and that it is necessary to address these problems in designing appropriate relief. For example, many taxpayers may fail to retain records of the cost of items of tangible personal property such as furniture, clothing, collections of nominal value and the like. Many taxpayers also fail to keep accurate records with regard to improvements to personal residences.

Problems with records for property acquired prior to the effective date of the repeal of step-up must be distinguished from problems which may occur thereafter. Congress must assume that any justification for failure to keep records disappears once taxpayers are on notice that assets acquired after the effective date are subject to the new statute. Step-up cannot be retained just because there are fears that taxpayers will not keep records.

Therefore, the record keeping problem the Subcommittee should focus upon is that of basis information for assets acquired prior to the effective date of the repeal of stepup. Our experience under the income tax when originally enacted and the recent experience of the Canadians indicate that this should not be a serious problem. Moreover, the problems that do exist should be alleviated by the "fresh start" concept adopted in 1976.

Under this approach, the basis of property in the hands of an heir is the greater of historical cost or value on December 31, 1976. Two rules exist to determine value on December 31, 1976. If the property was a marketable security, the value is the market quotation. The December 31, 1976 value of all other property is determined by pro-rating appreciation from the date of acquisition to the date of death on a daily basis and adding to the acquisition cost that portion of the appreciation attributable to the holding period prior to December 31, 1976. However, under the 1976 rules, the fresh start adjustment is available only for purposes of determining gain. Thus, historical cost is also important because it is the only basis upon which a loss may be recognized.

Under this system of transition relief records play an important role. However, a few simple changes should resolve the record keeping problem for the vast majority of taxpayers. For example, consider the following. The present $10,000 personal and household effects exclusion would be increased to $50,000, property subject to the exclusion would be expanded to include tangible personal property which was a capital asset in the hands of the taxpayer, and excluded assets would be determined in ascending order of value as reported on the decedent's estate tax return. The basis of property acquired prior to the effective date would continue to be the greater of acquisition cost or the fresh start value but the fresh start value would be available for determining both gain and loss. Fresh start value for marketable securities would be the market quotation on the relevant valuation date. Certain classes of property the value of which will not increase after the valuation date (such as notes or selected types of preferred stock) would be treated like marketable securities for this purpose. All other property would have the fresh start value determined by use of a generous formula starting with estate tax value and assuming annual appreciation of 6 percent, subject to a minimum in any case of 25 percent of estate tax value. That is, the fresh start value would be determined by dividing estate tax value by a number from a table which would contain the appropriate discount rate. The discount back formula would replace the present time apportionment method.

In this system, historical cost is relevant only if it exceeds fresh start value. It is not needed to determine fresh start value as is presently the case.

It is true that historical cost may exceed fresh start value and executors may still feel pressured to find historical cost. In the case of almost all property, however, it should be possible for the executor to make an educated judgment as to the likelihood of historical cost exceeding fresh start value. Where that is probable, we also believe satisfactory information to recreate basis will exist. However, if the Congress feels that finding historical cost, even after taking into account this generous fresh start relief, is still a burden it could simply say that the basis of assets acquired prior to the effective date will be equal to the fresh start value.

A solution such as that set forth above should eliminate proof of basis problems for the bulk of the examples which will be presented to the Subcommittee for assets acquired prior to the effective date. As for assets acquired after the effective date, taxpayers are put on notice of the need to retain basis records. Special relief is provided for household effects and the like.

In short, we believe the proof of basis issue is a red herring. We agree with the Special Tax Counsel to the Trust Division of the American Bankers Association, Richard B. Covey, who stated in a recent article that objections to carryover basis on the ground that proof of basis problems were so severe as to merit a return to step-up were "premature, at least until a reasonable trial period has passed." [12]

9. Carryover basis delays the probate of estates, inordinately increases the cost of estate administration and presents irreconcilable fiduciary conflicts. The allegation is made that carryover basis, solely by introducing a new concept to be taken into account during estate administration, frustrates efforts of the probate bar to simplify the administration of estates. It is true that any departure from step-up introduces additional complexity. However, if the proposals we suggest are adopted this complexity will not exist for 98 percent of the estates coming into existence annually. The question is whether carryover basis unduly affects and delays administration of the estates of the remaining 2 percent.

If our proposals are adopted, much of the anticipated difficulty and cost of administration of carryover basis is eliminated. The aggregate cost of compliance will be insignificant compared to the revenue it generates and the increased income tax equity it produces.

It is also alleged that carryover basis improperly intrudes in estate administration by creating an entirely new set of considerations to be taken into account in distributing assets to various beneficiaries. While by no

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means certain under applicable state law, it is possible that a fiduciary may have to take income tax basis into account in making distributions.

If this is an assertion that fiduciaries are incapable of administering estates when they must take tax consequences into account, it is a curious one. Estate planning and administration is replete with tax considerations. The tax literature abounds with learned discussions of various minimization techniques. Entire books have been written on subjects such as the marital deduction. Law schools devote entire courses to estate planning and administration. Many wealthy taxpayers, who also happen to be those who would be affected by the repeal of step-up, often pay substantial legal fees to tailor estate plans to minimize taxation.

If this argument is premised on the fact that property with bases different from estate tax value cannot be dealt with by fiduciaries, it is also rather curious. The real world is complicated for those administering large estates. Fiduciaries must already make choices which have both tax consequences and affect the net amounts received by beneficiaries and they are not clamoring to have these elections eliminated. For example, fiduciaries must decide whether to file a joint or separate income tax return for the year of the decedent's death; whether to claim expenses as estate or income tax deductions; whether to elect the alternate valuation date; whether to elect special use valuation; whether to elect to pay estate tax in installments; whether to distribute property in cash or in kind; whether to receive retirement benefits in other than a lump sum; the choice of a fiscal year; whether to accumulate or distribute estate income; which assets to sell and how to reinvest the sales proceeds; when to settle claims and when to terminate administration. Carryover basis considerations do not materially add to these decisions. Indeed, in the more sophisticated estate plans, decisions with regard to the administration of formula marital deduction clauses make the alleged carryover basis problems pale in significance.

THE CHOICES

I have previously stated that the Administration is committed to the principle that income tax on appreciation in assets held at death should not be forgiven. The choices as to how to tax this appreciation are two: treat death as a recognition event for income tax purposes or provide that the decedent's basis carries over to his estate and heirs.

There are a number of principles that should be applied in making this choice. First, the system should be as simple as possible consistent with the principle that similarly situated taxpayers should be treated similarly. Second, the system should intrude as little as possible in the estate administration process. Third, where the system may produce hardships, such as liquidity problems, those issues should be identified and dealt with in a fair manner. Fourth, the treatment of lifetime and deathtime transfers should be the same.

Any system without step-up forgiveness is more complicated than a system with step-up. There is no question that forgiveness is simple. There is no need to determine basis and so long as an individual does not sell an asset, inaccurate or nonexistent records present no problems.

However, this argument proves too much. Nontaxation is always the simplest system and an argument as to simplicity can be made with regard to almost any taxing provision, including deductions or credits.

There is much to be said in favor of treating the transfer of property at death as an income tax recognition event. It achieves parity between taxpayers who sold property before death and those who did not, with those who held assets until death still retaining the advantage of tax deferral on unrealized appreciation. Such a system could be more simple than carryover basis because accounts would finally be settled at death. Alleged fiduciary problems encountered in taking into account potential income tax liability in connection with the distribution of property to various beneficiaries would be eliminated. The distortions of "lock-in" would be lessened. Finally, basis adjustments to account for estate tax attributable to unrealized appreciation would be eliminated.

The Treasury Department believes that treating a transfer at death as a recognition event is an entirely acceptable solution to the step-up problem. We have devoted considerable time over the last several months on the development of alternatives to implement such a system, including an examination of the two forms of "Additional Estate Tax" until recently favored by the American Bankers Association. If the Subcommittee indicates an interest in pursuing this course, we would be willing to supply these materials when we have completed our work on them.

I have also indicated that, in concept, carryover basis represents an acceptable solution to the forgiveness problem. However, we agree experience has shown that the 1976 Act statutory structure could be improved.

Recognizing this, Treasury has made a major effort to meet with interested professional groups and individuals to learn of their specific concerns and their suggestions for change. We have received valuable assistance from the American Institute of Certified Public Accountants, the Trusts and Estates Law Section of the New York State Bar Association and individual members of the Special Carryover Basis Committee of the Tax Section of the American Bar Association, to name just a few. This hearing, we hope, will provide another opportunity for the public to suggest to the Subcommittee and Treasury their proposals for modifications.

At this time I should like to examine the complaints regarding the operation of the 1976 carryover basis provision that have been registered with the Subcommittee in prior hearings, and propose solutions to them. I shall divide my discussion of these problems into three areas, the basic statutory provision, the transition relief afforded by the fresh start adjustment and liquidity issues.

1. *The basic statutory provision*

a. The provision is overbroad because it applies to the estates of many decedents who are not required to file estate tax returns. We recommend that in general, carryover basis would apply only to those estates for which estate tax returns are required. The basis for assets held by estates not required to file Federal estate tax returns would be determined under step-up. Executors of nonfiling estates would not, therefore, be concerned with the basis of any property included in the estate except as under present law, items of income in respect to the decedent. This change would eliminate approximately 98 percent of decedents dying annually from the operation of carryover basis.

It has been alleged that this change is purely a political expedient and that subjecting only 2 percent of decedent's estates to carryover basis violates the principle that the tax laws should apply equally to all taxpayers. Carryover basis will indeed apply to a small segment of decedents dying annually, but that small segment is the segment that owns more than 75 percent of all appreciated assets.

An increase in the minimum basis from $60,000 to $175,000 necessarily accompanies this proposal. Thus, the minimum basis assures that equality of tax benefit is given to large estates as well as small. Moreover, we believe the allocation of the minimum basis should be changed so that it does not depend upon a formula. Rather, the minimum basis would be allocated in the discretion of the executor first to capital assets and then, if any minimum basis remains, to assets which would produce ordinary income in whole or part when sold by the estate or heir.

The change in the allocation method will provide some measure of liquidity relief in those instances where the executor must sell assets to meet estate liabilities. It also eliminates the necessity to recompute the allocation of the entire minimum basis if there is an audit adjustment to the value of the property in the estate.

Minimum basis would be calculated prior to the death tax basis adjustment. This reverses the order of computation under the present provision. The minimum basis will therefore constitute a floor to which the death tax adjustment can be added rather than a cap as is presently the case.

b. The amount of the "personal and household effects" exclusion is too small and the term is ambiguous. The present exclusion would be increased to $50,000. To eliminate definitional ambiguity and relieve executors of the task of choosing excluded assets, the exclusion would be available to all items of tangible personal property that were section 1221 capital assets of the decedent. Assets subject to the exclusion would be selected in ascending order of value as shown on the decedent's estate tax return. In addition to eliminating questions of fiduciary choice, this expanded exclusion will solve the proof of basis problem for many of those who own collections.

c. The present death tax adjustments are unduly complicated, are computed by reference to an incorrect rate and require recomputation for all assets if the value of one asset is changed on audit. A simplified single death tax adjustment would replace the three separate but interdependent adjustments required under present law. A percentage number would be taken from the estate tax rate table and applied to each item of appreciated property subject to estate tax. The percentage to be applied would be the highest tax rate to which the estate is subject before any credits are applied, except that if an estate does not have at least $50,000 of property subject to tax in that bracket the next lower rate would apply.

To illustrate, a taxable estate of $400,000 will be in the 34 percent bracket. Each item of appreciated property used to fund a taxable bequest would receive a basis increase equal to 34 percent of the appreciation in that property. The total federal estate tax payable on a $400,000 estate, after subtracting the $47,000 unified credit, is $74,800, or approximately 19 percent of the total estate. Yet, in this case, the adjustment would be 34 percent. Under the 1976 Act provision, the 19 percent average tax rate would have been used.

Where an estate is nontaxable because of the unified credit, an adjustment, based upon the estate tax rate schedule would nonetheless be allowed. The allowance of an adjustment in this case permits an ample adjustment for any state death taxes.

No adjustment would be made where the decedent's estate was not required to file a federal estate tax return. In that case step-up will apply.

The move to a single death tax adjustment, computed at the highest marginal estate tax rate, has been uniformly applauded as a major simplification by all with whom we have consulted. Indeed, Mr. Covey, has commented:

"... The Treasury approach ... is commendable and a major step toward simplifying the complex and defective section 1023

(c) and (e) adjustments. When combined with the proposed $175,000 minimum basis and with a computation of minimum basis before rather than after the adjustment for estate tax on appreciation, a fair overall result is achieved even though no direct adjustment is given for state death tax. In effect an adjustment is given for state and foreign death taxes in amounts equal to the section 2011 or 2014 (or treaty) credits because the marginal federal estate tax rate is a precredit rate." [13]

The proposal has been criticized, however, on the ground that it does not permit a basis adjustment for state death taxes that exceed the amount allowed as a federal credit. It is true that state death taxes in excess of the federal credit do not result in an additional basis increase. However, one would question whether it is appropriate to give a federal tax adjustment for state taxes in excess of the credit amount. Rather, if a state's death taxes are too high, the problem should be resolved by the state. Moreover, the adjustment is computed at the highest applicable marginal federal estate tax rate, and therefore may result in an over-compensation because much of the estate has been subject to tax at rates less than the highest marginal rate. In addition, the adjustment is available without regard to the amount of depreciated property in the estate.

The most recent commentary of the American Bankers Association makes much of the failure to adjust for state death taxes. However, Mr. Covey makes the argument in opposition eloquently when he states, using New York as an example, that:

"The understatement of the basis increase for the New York estate tax on appreciation will most frequently occur when all of the appreciation is taxed in only one rate bracket for federal purposes. To illustrate, for a taxable estate in excess of $10 million with all appreciation taxed in the top rate bracket, the basis increase on the Treasury approach is $70 for each $100 of appreciation while under an exact method the increase would be $75 for each $100 of appreciation. If, however, the appreciation was taxed in two or more federal rate brackets, the federal basis increase under the Treasury approach would be overstated when compared with the result of an exact method. This point can be seen by taking estates of various sizes which are all appreciation. In such a case, the Treasury approach would exceed the basis increase under an exact method until the taxable estate exceeds $60,000,000." [14]

Mr. Covey goes on to state:

"Major simplification would be achieved under the Treasury approach because the basis increase would in most cases not be "suspended." A change in the increase would be required only if as a result of the audit of the federal estate tax return the estate is moved up in a rate bracket." [15]

While this adjustment is generous in most cases, this generosity does not significantly affect horizontal equity, achieves a fair result and is consistent with the principle that complexity should be avoided where it is possible to achieve a comparable result in a simple manner.

d. It is unnecessarily time consuming to require the death tax adjustment to be computed separately for every asset included in the decedent's estate. Since the death tax adjustment is a single percentage, it is simple. Moreover, the executor would be permitted to elect to average the basis of similar items of property acquired at different times. For example, the basis of mutual fund dividend reinvestment shares or shares of stock of the same corporation acquired at different times could, at the executor's election, be averaged. The simplified single death tax adjustment would then be applied to the average basis rather than the actual basis of each share. This proposal would also simplify executors' decisions regarding the distribution of appreciated assets. All similar property would have the same basis and inherent gain would be the same.

e. Special rules are needed for personal residences. We propose two changes. First, if unused, the $100,000 personal residence gain exclusion would be available to the decedent's executor on an elective basis as a positive basis adjustment, without regard to the decedent's age but with the consent of a surviving spouse required. This would coordinate the 1978 Revenue Act changes with the carryover basis system. Second, an annual addition to basis (for example, $250), would be permitted for personal residences acquired after the effective date of the statute to account for improvements, unless a larger amount could be substantiated in any year. This would mitigate the record keeping problem for minor home expenditures.

f. The present reporting requirements are unduly burdensome. If the foregoiing proposals are adopted, basis information reporting would be required only from executors of the less than 2 percent of estates subject to carryover basis. Penalties would be assessed pursuant to a negligence standard only.

g. The basis of carryover basis property remains uncertain until that property is disposed of in a transaction in which basis becomes relevant. A procedure would be created pursuant to which executors could achieve a final determination of basis, binding upon both the executor and the Internal Revenue Service, at the time of audit of the decedent's estate tax return. A number of the groups with whom we have consulted have suggested that such a procedure is essential to resolve basis uncertainties and simplify the long-term administration of carryover basis.

2. *Transition relief*

a. The fresh start rule applicable to nonmarketable property poses insurmountable proof of basis problems. This question was addressed earlier. To reiterate, the discount back rule of the Revenue Act of 1978 would be applied at a rate of 6 percent to determine the fresh start basis for all property held on December 31, 1976 other than marketable bonds and securities. The application of this formula could in no event result in a basis less than 25 percent of estate tax value. The present formula which apportions appreciation ratably on a day-to-day basis would be abandoned.

Historical cost would be important only if it exceeded the fresh start value. If this is deemed to impose undue burdens on executors, the discount back formula could be the sole method.

b. The fresh start adjustment unfairly discriminates against nonmarketable property, because its fresh start basis can never exceed estate tax value. It is true that the fresh start value of nonmarketable property cannot exceed estate tax value.

One solution is to provide a "national appraisal date" and permit the appraised value of property on that date to be its fresh start value. Congress specifically rejected this alternative in 1976 and we think it was wise so to do. Even if one believes in the veracity of appraisals, it is questionable whether all taxpayers should be put to the expense of obtaining such appraisals when it is not clear that the appraised property will be held until death. Moreover, in the real world, even contemporaneous appraisals are the subject of substantial dispute. It is, therefore, reasonable to anticipate administrative problems when the validity of an appraisal is examined many years in the future. These facts lead to the conclusion that the appraisal technique is not appropriate. The discount back formula is a reasonable alternative.

Certain types of nonmarketable property would be treated as if they were marketable securities for purposes of this fresh start rule. There are assets, the value of which will not change substantially from the fresh start date to the date of death. It is unfair to subject these assets to fresh start value determination under a discount back formula. Therefore, we propose that nonconvertible, nonparticipating preferred stock be given fresh start value equal to its redemption price on the fresh start date.

In addition, the Secretary would be granted regulatory authority to devise alternatives to the discount back formula for assets which will not substantially appreciate in value after the fresh start date, such as nonmarketable notes, and assets the value of which could be readily ascertained as of December 31, 1976 by a method other than appraisal. An example of the latter is property subject, on the fresh start date, to a binding buy-sell agreement that has the effect of fixing estate tax value. The fresh start value would be determined by reference to the formula set forth in the agreement.

c. The fresh start basis should be available for purposes of both gain and loss. Treasury agrees. This change would eliminate the need to retain records of separate bases for "fresh start" property.

d. The fresh start adjustment should be calculated by reference to estate tax value. Again, Treasury agrees. Executors would not be required to establish date of death value as a computation base where the estate tax alternate valuation date is elected.

3. *Liquidity issues*

Carryover basis itself does not cause liquidity problems. No tax is due in a carryover basis system until carryover basis property is sold. No family farm faces a tax liability from carryover basis until the farmland is sold. If liquidity problems exist, they arise because of the estate tax.

A large portion of the appreciated property held by estates is comprised of marketable securities and investment real estate. In the case of marketable securities there can be no liquidity problem. In the case of investment real estate, the estate tax will be imposed on the value of the property net of indebtedness. To the extent investment real estate is subject to estate tax, the net equity in the property should be sufficient to secure a loan sufficient to pay the estate tax.

Problems may exist where the investment property does not generate sufficient income to service a loan. We would be sympathetic to proposals to provide additional liquidity relief in these situations where there is demonstrated need.

Closely-held business interests and farms, which represent only 7 percent of the value of assets reported on estate tax returns, pose a somewhat different problem. In the case of farms, special use valuation significantly reduces includible value for estate tax purposes. Liberal estate tax deferral provisions provide an opportunity to spread the payment of estate tax over 10 or 15 years for qualifying farms and small businesses. Finally, section 303 provides an opportunity to have closely-held stock redeemed at reduced capital gains rates. The combination of these provisions provides a significant measure of relief. However, we are willing to explore additional liquidity relief solutions for farms and closely-held businesses that will reduce or defer the payment of income tax on assets sold to pay estate tax.

CONCLUSION

The basic issue before this Subcommittee is the fairness of an income tax system which forgives income tax on appreciated assets passing at death. Forgiveness is unsound in-

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come tax policy. Those who would return to step-up should justify that step. They cannot be allowed to use technical complexity as a rationale. Technical problems can be solved.

It is the Administration's firm position that unrealized appreciation in property held at death cannot be permitted to escape income taxation. Either carryover basis or treating death as an income tax recognition event is acceptable.

We look forward to hearing the testimony of those individuals who will appear before you and to reading the written submissions of the others. We hope you will permit us to respond for the record to the testimony you will hear today and next week. To that end I ask that you hold the hearing record open for an additional two weeks to enable us to prepare that response.

FOOTNOTES

[1] For purposes of illustration the technical question of when a sale of stock is complete is ignored.

[2] 57 T.C. 650 (1972), Aff'd 510 F.2d 479 (2d Cir. 1975), cert. denied 423 U.S. 827.

[3] 69 T.C. 665 (1978).

[4] T.C.M. 1978–51.

[5] 70 T.C. 594 (1978).

[6] 95 F.2d 1079 (6th Cir. 1979).

[7] "In Search of the Elusive Big Rich", Fortune February 12, 1979, 12.

[8] Hearings on President's 1963 Tax Message Before the House Comm. on Ways and Means, 88th Cong., 2d Sess., 49 (1963).

[9] U.S. Dept. of Treasury, Tax Reform Studies and Proposals, 81st Cong., 1st Sess., 28, 42, 107–111, 331–340 (1969).

[10] *Ibid.* at 331.

[11] House Committee on Ways and Means Report, Estate and Gift Tax Reform Act of 1976, H. Rept. No. 94–1380, 94th Cong., 2d Sess., 36–37 (1976).

[12] Covey and Hastings, "Cleaning up Carryover Basis," 31 The Tax Lawyer 615, 695 (1978).

[13] Covey and Hastings, "Cleaning Up Carryover Basis", 31 The Tax Lawyer 615, 647 (1978).

[14] *Ibid.*, 647–648.

[15] *Ibid.*, 648.

[The additional materials referred to in Secretary Blumenthal's letter were not submitted for the Record.] ●

RESTRUCTURING OF THE AMTRAK SYSTEM

● Mr. DANFORTH. Mr. President, there has been much discussion on both sides of the issue concerning the recommendations of Transportation Secretary Adams regarding the restructuring of the Amtrak route system. I support those recommendations, and believe that the statement submitted by the Secretary to the Surface Transportation Subcommittee of the Commerce Committee, on which I serve, when he testified on March 5 provides a solid explanation and justification for his recommendations. While these recommendations do not always take the popular way out, they have been made on a solid factual basis and are mandated by our efforts to reduce Federal spending and to make Government more efficient.

I ask that the following statement be printed in the RECORD.

The statement follows:

TESTIMONY OF BROCK ADAMS, SECRETARY

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before you today to discuss with you both my response to your directive to improve the Amtrak route system and the Administration's recommended Amtrak Improvement Act of 1979. Since many of the provisions of the proposed Act flow from the findings contained in my report on the Amtrak route system, I shall begin this morning by discussing that report.

As I am sure you and the members of this Subcommittee know, Mr. Chairman, I believe very strongly that the Amtrak route system recommendations which I have submitted to you present us with an opportunity to respond to the very clear concerns of many of the Nation's taxpayers. My recommendations will allow us to reduce Government spending and they will permit us to focus our limited resources on those Amtrak services which are most supported by its patrons and are most energy efficient. President Carter is committed to control of both Government spending and inflation. I am sure that you and the members of this Subcommittee share that commitment, Mr. Chairman. My recommendations will contribute to that end. The improved Amtrak route system will save $1.4 billion in tax dollars during the next five years, and yet it will continue to provide rail passenger service to 91 percent of the number of riders served by the current Amtrak system. Opportunities to save that kind of money while not significantly impairing service are essential, and so I would like to take a few minutes of the Committee's time to discuss this opportunity with you in greater detail.

As you will recall, Mr. Chairman, the Amtrak Improvement Act of 1978 required me to develop, in cooperation with Amtrak, an improved Amtrak route system. The Act also required that I base the improved system upon population and market requirements. In response to the Congressional mandate we have designed a system which as I indicated earlier will continue to serve most of the passengers served by the present Amtrak system. It will also serve 22 of our nation's 25 largest cities and 40 of our states, while operating over 43 percent fewer route-miles and 34 percent fewer train-miles.

Those facts are true for two reasons: First, the trains to be discontinued are primarily those that cover vast distances, serve few major cities and consequently incur huge expenses to serve few passengers. By eliminating these trains, Amtrak can achieve significant savings while displacing few of its passengers. Secondly, our findings indicate that more people will, on average, ride the trains that will continue to operate. The number of passengers aboard an average Amtrak train at any given time is expected to increase 23 percent, from 141 to 173. Some of these will be current Amtrak riders who will continue to be able to reach their destinations by using other trains. Some will be new riders, attracted by the new routings I have proposed and the new and improved equipment that Amtrak will shortly introduce on certain of its routes.

In addition to the route improvements I have described, and equally important, my report also suggests that Amtrak establish several budget and service-oriented goals that will help both this Subcommittee and our Department monitor Amtrak's progress. The first of these, which addresses a concern expressed by the conferees from this Committee in the Conference Report on the Amtrak Improvement Act of 1978, concerns Amtrak's system which has not met rising costs out of receipts from its customers, in spite of increasing ridership. During Fiscal Year 1978, Amtrak generated 37 percent of its cash expenses out of revenues from the farebox. The remainder was paid by the taxpayers. My recommended route system, as it promises to be operated by Amtrak's new management, will help to have the users pay for the costs of the service being given to them.

I am happy to be able to report to you that Alan Boyd has established a goal of improving the proportion of revenues to costs, from the present 37 percent to 44 percent by Fiscal Year 1982 and 50 percent by Fiscal Year 1985. I endorse Mr. Boyd's efforts and I will support him in the achievement of that goal.

My report calls for development of a fare policy aimed at keeping Amtrak's long term subsidy requirements at the minimum level possible, commensurate with maintaining a reasonable level of service. It is a pleasure to report to you that Amtrak's Board of Directors has recently adopted such a fare policy, and that we have already begun to see it implemented. Thanks to these actions, the Corporation's financial expenses will, in the future, be shared much more fairly between the passengers and the taxpayers.

Mr. Chairman I would like to bring to your attention that Amtrak is expected to comply with the pay and price standards of the President's anti-inflation program. These standards call for a 7 percent limitation on the increase in pay rates and a ½ percentage point deceleration in the average rate of fair increases from the 1976 through 1977 average increase. Because the price standard allows government subsidized enterprises like Amtrak to offset price increases with subsidy reductions (as outlined in Section 705(c)–4) when calculating their rates of price change, the fare-related policies outlined in this testimony are consistent with and in compliance with the price standard.

In response to public testimony presented at hearings conducted last summer by the Rail Services Planning Office of the ICC on my preliminary route system reports, I have called on Amtrak to improve the quality and efficiency of the services it offers, and I am recommending one billion dollars in capital funding for improved equipment and facilities over the next five years. To assist this Subcommittee and our Department in measuring Amtrak's progress in improving its services, I have asked the Corporation to develop a set of specific service criteria. Independently, Alan Boyd has reached a similar conclusion regarding the importance of upgrading service, and his management team is already at work developing such criteria.

I hope you share my conviction that the inflation-fighting impact of the $1.4 billion savings proposed in my report, together with the fact that it can be achieved without a major reduction of service to most rail passengers makes a compelling case for allowing the route improvements I have proposed to take effect. I realize, however, that some have expressed concerns with elements of my recommendations. Let me take this opportunity to discuss with you several of the major concerns that have been brought to my attention.

We all realize that given the uncertainties of the nation's future oil supply, we may well be confronted with an energy emergency. Some have argued that, for this reason, we need to continue to operate those trains that I have proposed to discontinue. I strongly disagree. We must remember that passenger trains consume large amounts of fuel and that they must be heavily loaded to be energy efficient. Virtually all of the trains that I proposed to discontinue are long distance trains that consume large amounts of fuel to pull the dining, lounge and low density sleeping cars found on that kind of a train. These are not energy efficient. They also carry relatively few people. In short distance corridors between major cities, where trains can be energy efficient, I have proposed no significant service reductions. Similarly, on those long distance routes that can attract enough passengers to make the train relatively energy efficient, I have proposed continued service.

We should all bear in mind one other point when we think about the role of passenger trains in meeting any future energy emergency. Although 35 years ago, 75 percent of intercity travelers used trains for their journeys, today Amtrak carries less than three-tenths of one percent of intercity travelers in this country. Substantial increases in ridership as a result of an energy emergency would require an increase in Amtrak's fleet of locomotives and passenger cars that would take several or more years to produce. In the event of an energy emergency during the period between Fiscal Years 1980 and 1982, the short term period we are discussing here today, the hard fact is that the nation's transportation needs would have to be met by a combination of rail service, intercity bus service, mass transit, carpooling, more energy conscious driving, and a reduction in nonessential travel.

It is also important to remember that in spite of cutbacks in poorly patronized passenger operations, the basic track structure will remain in place to support intercity freight operations.

A second major concern I have heard expressed is that I am proposing to cut services that are essential, especially to towns and small cities. I am sure that this view has been expressed to some of you in your constituent mail. In weighing the merits of this argument, several facts must be kept in mind. The most important is that 99 and seven-tenths of one percent of this country's intercity travelers do not use the train. To these people, the services I propose to discontinue are clearly not essential. Of the remaining three-tenths of one percent who do use the train, the majority will continue to be accommodated by Amtrak.

My staff has studied each city-pair served by every train that was considered for discontinuance to determine whether the people along those routes would continue to have adequate public transportation available. On all the routes but one, the analysis showed that most of the people along the route would have adequate bus or air transportation to take them to the same points which the train now serves. In many cases, it was found that the bus and train run on parallel routes, making virtually identical stops. The one exception was the Empire Builder route which runs from Chicago to Seattle and which, despite an expected reasonably high level of ridership, is an expensive route to operate. Analysis showed that 80,000 persons who rode that train during 1978 would have had no other reasonable means of public transportation available to make their journeys. Furthermore, many of these people live in relatively isolated communities in northern Montana and North Dakota with severe weather problems. For these reasons the Empire Builder is included in the recommended route system.

Also, some have claimed that my recommended route system is inequitable, that it provides less service to some areas of the country than it does to others. In reply, I can only say that my recommendations were developed using the population and market criteria required by the Congress, and that the analysis was done strictly "by the numbers." I would also remind those members who may be losing service to their state or district that they are not alone. My recommendations end virtually all rail passenger service to the President's home State of Georgia, and four of the six trains serving my home State of Washington are recommended for elimination. Both the President and I have accepted that outcome because we know it was arrived at impartially and according to the rules.

I strongly believe that the Amtrak route system I am proposing will ultimately provide higher quality transportation in areas where passenger trains make sense, and it will do so in a more energy-efficient manner and at less cost to the taxpayers. I am committed to making the new system work. I think its implementation is essential to the long-term survival of intercity rail passenger service. One key element in achieving that goal is to give Alan Boyd and his new management team more of the stability they have correctly called for, and that brings me to a discussion of the Amtrak Improvement Act of 1979.

This Act is being proposed Mr. Chairman, with the intent of helping Amtrak to best operate the new route system effectively and efficiently. With the proposed changes, Amtrak's Board of Directors and management should be able to concentrate on improving the service quality and performance of the new route system. The key provisions are a long-term funding mechanism which should improve Amtrak's ability to plan future operations of the system, a clear definition of Amtrak's responsibility for commuter service and the curtailment of the ICC's ability to regulate service. With your permission Mr. Chairman, I will now discuss each of these items separately.

THREE YEAR AUTHORIZATION

A major thrust of my report is an intent to provide stability and predictability for Amtrak in implementing the new system through the mechanism of a three year authorization. This mechanism would also provide the opportunity to review Amtrak's operation of its new network on a systematic basis and would provide us with the opportunity to recommend further changes for each subsequent three year authorization period.

As a further step in sound financial planning and cost control, we are proposing that future appropriations for Amtrak's capital needs be made one year in advance of the year in which the funds will be obligated. This procedure will permit Amtrak to plan its purchases of long-lead time items and materials.

We also propose a requirement that Amtrak transmit to the Department, in connection with the normal budget cycle, its annual and five year budget recommendations. We view that requirement as a clarification of changes made by the Amtrak Improvement Act of 1978 and believe that it will further contribute to planning and budget stability by bringing Amtrak fully into the budget cycle.

I am proposing a three year authorization of approximately $2.4 billion to meet Amtrak's operating and capital requirements through FY 1982. The authorizations are based on the needs of the new route system which I have recommended. With these funds Amtrak's Board and management will have the flexibility to operate the restructured system and to make it more efficient. However, in order to assure that limited resources are not diverted from the restructured system without sound justification, the proposed Act provides that all future additions and deletions to the system be made in accordance with the Route and Service Criteria previously approved by Congress. In conjunction with Amtrak, my staff will be reviewing these criteria to assure that they are not excessively weighty and time consuming, thus precluding timely action by Amtrak when route changes are warranted.

Specifically, Mr. Chairman, the Administration proposes an authorization of $552 million for FY 1980, $591 million for FY 1981, and $598 million for FY 1982 to cover Amtrak's expenses of operating the new system. The levels are based on the figures in my report. In addition, I am recommending the repeal of the current law which permits Amtrak to use its capital appropriations to temporarily reduce its outstanding debt. This will place Amtrak on the same basis as any other federally supported program in dealing with its cash outlays.

The proposed Act also includes $627 million in capital funds over the three year period. A portion of this amount ($97 million) will be used to make the required labor protection payments as a result of the restructured route system, but the majority of these funds will be used to meet urgent capital needs of the restructured system. I would like to note at this time that the report included a recommendation for $37 million for the Northeast Corridor purchase in the capital appropriation projections. We are not requesting a new authorization for this item since sufficient funds already have been authorized in the Regional Revitalization and Regulatory Reform Act of 1976. I intend to ask the Appropriations Committee to appropriate $12 million in FY 1980 for the final payment to Conrail for the Northeast Corridor. I will request $25 million to be appropriated in FY 1981 to be used to reduce the section 602 loan guarantee authorization, since the first two Northeast Corridor installments were funded under the loan guarantee program.

As another element of our proposed three year authorization, we are recommending further retirement of Amtrak's debt in the following amounts: $25 million in FY 1980, $25 million in FY 1981 and $75 million in FY 1982.

A contingency authorization for appropriations in an unspecified amount to fund cost increases which are either unanticipated or might result from Congressional action on our legislative proposals is also provided. Examples of the cost increases which might occur are those operating costs associated with a demand for new 403(b) services and those interest costs associated with the repeal of Amtrak's ability to use capital appropriations to temporarily reduce debt.

Mr. Chairman, I firmly believe that a commitment by the Administration and the Congress to the three year program that I have outlined will provide a sound basis upon which Amtrak can improve the Nation's system of intercity rail passenger service. This program is based upon the restructured route system and over a five year period will decrease the need for appropriations by $1.39 billion.

COMMUTER SERVICE

Section 18 of the Amtrak Improvement Act of 1978, which for the first time authorized Amtrak to operate commuter service if it were reimbursed for the avoidable cost of providing the service, contains some potentially troublesome language. Therefore, Mr. Chairman, we are proposing language to clarify Amtrak's responsibility under this authority. In preparing this language we have attempted to draw a parallel between commuter service and state-supported 403 (b) service. The definition of avoidable cost would be determined by the Board of Directors of Amtrak just as under section 403 (b) the Board is charged with determining the formula for reimbursement. Commuter service agreements, like 403(b) agreements, could only be renewed by mutual consent.

Finally, in order to protect its limited intercity passenger-related capital resources, Amtrak would be barred from using its capital authorization to purchase equipment or improve facilities to be used principally for commuter service.

INTERSTATE COMMERCE COMMISSION

As I have mentioned, the report contains a number of policy recommendations to Amtrak's Board and management regarding the more efficient and economic operation of the restructured route system. At the heart of these recommendations is the need to provide Amtrak with the flexibility to respond quickly to market demand.

In this regard, Mr. Chairman, our proposed bill contains several provisions which would lessen the Interstate Commerce Commission's authority over Amtrak. First, the proposed bill would repeal the ICC's authority to develop and enforce adequacy of service standards. We have felt for a number of years that the prescriptive standards established by the Commission are inconsistent with the policy of placing management responsibility with the Corporation. ICC service standards constitute an expensive external control over Amtrak's day-to-day operation, lead to the need for increased Federal subsidies, and hamper Amtrak's ability to respond to changing demand. It is anticipated that once these regulations are repealed, Amtrak will use the tests of customer convenience and costs versus benefits to determine which services should be provided on which trains.

Second, the proposed bill would repeal the ICC's authority to require Amtrak to institute additional 403(b) service which it cannot afford or which it has judged unnecessary. The recommended authorization for operating subsidies includes a sufficient amount for Amtrak to continue operating all existing and a limited amount of additional 403(b) service. However, if Amtrak is expected to live within its budget, it must be able to refuse to operate this additional service. The ICC should not be permitted to substitute its judgment for that of the Amtrak's Board in this matter. To retain this provision would risk unjustified cutbacks in intercity train operations.

Finally, we have proposed a series of minor amendments to the Rail Passenger Service Act to make Amtrak's day to day operation of the system simpler and more efficient. These amendments include authority for Amtrak to enter into joint fares and through rates with both domestic and international air and water carriers as well as with motor carriers; establishment of uniform pay dates to streamline a complex accounting nightmare; and a formula for reimbursement to Amtrak by the railroads for the transportation of railroad employees. All of these provisions are explained in detail in the section-by-section analysis of the bill.

That concludes my statement, Mr. Chairman. I will be pleased to answer any questions you or other members of the Committee may have.●

JAMES SCHLESINGER AND ENERGY PRICES

⊙ Mr. METZENBAUM. Mr. President, The Consumer Price Index for March was released today, and it showed an increase of 1.1 percent. It should come as no surprise that oil costs led the parade of higher prices for consumers. According to figures I have received from the Bureau of Labor Statistics, the oil industry is charging ridiculously high prices that coincide with their recently released ridiculously high profits.

In the month of March, gasoline prices increased by 3.8 percent. Mr. President, that represents the greatest 1-month increase since July 1975. For the last 12 months, gasoline prices have risen an incredible 16.5 percent. This tremendous jump in costs is exceeded by the increase in costs of home heating oil. Last month, heating oil prices went up by 5.5 percent, as compared to 3.1 percent in February. During the last 12 months, the price consumers are paying for home heating oil has jumped 17.8 percent. These increases, Mr. President, have come about under the Department of Energy, and its Secretary, Dr. James Schlesinger. How much higher will prices rise when controls are lifted? How much greater a burden will the consumer have to bear in order to heat a home and drive a car?

With these figures in mind, is it any wonder that the public has become skeptical of the ability of Dr. Schlesinger to regulate the oil companies? Mr. President, I submit for the Record an article that appeared in the April 17, 1979, edition of the Cleveland Plain Dealer entitled "Energy Skepticism Growing." In the article, reporter Richard Zimmerman states:

> When the Department of Energy (DOE) produces a projection or a conservation plan or a standby rationing plan, a common complaint sweeps Capitol Hill.
>
> The DOE doesn't know what it's talking about. It is at the mercy of the industry.

These comments are not limited to the Hill, Mr. President. Support for the call for Dr. Schlesinger's resignation is growing. Recently, the Ashtabula Star Beacon published an editorial entitled "Energy Boss Deserves To Get Walking Papers." Without objection, Mr. President, I ask that the article be entered into the Record in its entirety.

It is not only because of the credibility, or lack of credibility, of the Department of Energy under Dr. Schlesinger that I again ask him to step down. It is because of his total lack of concern for the consumer, as well.

Dr. Schlesinger has long advocated deregulation of oil industry prices. He says it is necessary to increase production. How many times, and from how many sources must it be heard, that the increased profits the oil companies will receive will not result in greater production? It will only result in higher profits and, of course, higher costs. Mr. President, the oil companies do not need the higher profits, and the American people cannot afford the higher costs. I shall print in the Record an article entitled "The False Hopes of Decontrol." The article was written by Hobart Rowen, and appeared in the April 22, 1979, edition of the Washington Post.

In the article, Mr. Rowen states:

> Decontrol is predicated on twin premises, both of which are faulty. The first is that "Americans will react by insulating their houses, driving less and spending their money on things other than oil." The second is that higher prices will result in greater production, lower oil imports and regaining control "over the policies of the oil cartel—and its diplomacy in the Middle East." If only such results could be delivered.

Mr. President, America's energy program is a shambles. From one day to the next we never know if the figures we receive from the Department of Energy are correct or not. In today's issue of the Washington Post, we are now being told by Dr. Schlesinger that, under decontrol, America's consumers will pay approximately $10 billion more for oil this year than previously expected. The reason? Because foreign oil suppliers will not roll back their surcharges. Under Dr. Schlesinger's decontrol program, the consumer will not only have to pay an added $6 billion for imported oil, but another $4 billion for domestically produced decontrolled oil as well. This is outrageous and unnecessary.

Mr. President, I once again ask Secretary of Energy Schlesinger to step down. I urge him to let someone else try—someone who shows more concern for the consumer than for the profits of the oil companies.

The submitted material follows:

Energy Skepticism Growing

(By Richard G. Zimmerman)

Washington.—Whenever the Department of Energy (DOE) produces a projection or a conservation plan or a standby rationing plan, a common complaint sweeps Capitol Hill.

"The DOE doesn't know what it's talking about. It is at the mercy of the industry."

Considering three basic ingredients involved in government policing of the energy industry, especially oil, it is not hard to understand the basis of this complaint:

The DOE is only one department of the U.S. government and a comparatively new one with a limited budget.

Many of the companies the department must deal with represent some of the biggest multinational corporations in the world. Some, such as Exxon, are bigger than most governments.

The world of oil, whether the company involved is large or small, multinational or an independent refiner, is complex—so complex that even those at DOE who are charged with producing outlook reports on production, consumption, reserves and prices sometimes seem overwhelmed.

A prime example of this complexity was the industry's response to a report recently made to Congress by the General Accounting Office.

The GAO, reporting on the effects of the shutdown of Iranian oil fields, observed that "some major oil companies have announced curtailment of gasoline in their customers in the 10 percent to 15 percent range while our figures indicate that many of these same companies are dependent upon Iran for only 2 percent to 4 percent of supply."

The American Petroleum Institute's (API) well-oiled media relations department soon pumped out a complex answer to all members of Congress. Four pages, single spaced, were devoted to such complex factors as worldwide exchange agreements, state set-aside programs, stock buildups and "heavy" crude vs. "light" crude supplies.

Critics of the DOE, such as Sen. Howard M. Metzenbaum, D-O., and many congressional committee staff members who work in the energy field, believe projections produced by the DOE and the judgments based on them are no less suspect than those produced by the industry.

"There's no doubt about it," Metzenbaum said. "I don't know of any department of government that as relief on the industry it is regulating." He noted that the departments of labor and agriculture collect their own data.

Metzenbaum argues that the DOE is not, using some resources available to it. For example, he thinks the CIA could aid by tracking ship movements to discover if tankers are dumping on spot markets.

Jim Flug of the Consumers Federation of American and several Capitol Hill staffers also complain that some of the outside consulting firms used by the DOE have large contracts with member's of the industry and conflicts, of interest develop.

As might be expected, Albert Linden. In charge of data collection at the Energy Information Agency, a quasi-independent agency within the DOE, disagrees with most of what critics say. But he does admit there are some difficult areas, such as checking on the movements of oil through international markets. The DOE has no authority to audit Royal Dutch Oil, for example.

"But take Exxon—that's a $64 billion-a-year company. To get that many people to lie, you'd be in real trouble," he argues.

But once oil reaches U.S. shores, Linden says customers records can be checked against information compiled and supplied by the APL. For domestically produced oil, Linden says since tax records are invaluable in determining sales. DOE auditors also run spot-hecks on how much crude in running through its refinery.

Linden claims little cheating has been done. If there were, criminal penalties could be assumed for false reporting.

Somewhere between the comments made by the DOE and his congressional critics is where the truth probably lies.

"The issue of possible conflicts of interest with consultants is important," said a consultant who asked that he and his company not be identified. "But I wouldn't say it was a problem. It just oil (agreements with companies and the DOE) should always be common knowledge in all parties.

"If you take away consultants, the quality of work will not be as good," the consultant argued. "We can be hired and fired, but incompetent bureaucrats will stay there for years."

"I'm not brave enough to say (the charge is) obsolete," Paul Bloom, DOE special counsel for compliance, said of the charge that the DOE is too beholden to industry to make informed policy. "But I would say it is obsoleting." He said DOE's expertise is growing in its field.

ENERGY BOSS DESERVES TO GET WALKING PAPERS

We join Sen. Howard Metzenbaum (D-Ohio) in calling for the resignation of U.S. Energy Secretary James Schlesinger.

American energy policy may as well be rudderless for all the leadership that Schlesinger has offered.

The energy secretary's answer to rising fuel costs has been a policy that fosters even higher prices, as if the prohibitive prices would magically halve Americans need of energy.

Schlesinger doesn't pull the strings in OPEC which hikes foreign oil prices, but he has been woefully inadequate in dealing with the situation.

He cannot get along with Congress, the public perceives him as arrogant and he is to cozy with the large oil companies.

That is hardly the type of man who can get energy programs through Congress or win Americans' support of voluntary conservation measures.

Schlesinger has done absolutely nothing to allay the public's indignation over reports of rigged shortages and profiteering by oil companies.

The energy boss has engendered doubt and cynicism in the American people when he should be inspiring cooperation and self-sacrifice.

He should be replaced.

[From Washington Post, Mar. 12, 1979]

THE FALSE HOPES OF DECONTROL

(By Hobart Rowen)

Many independent thinkers, including editorial writers at The Washington Post and the New York Times, have convinced themselves that phasing out price controls on domestic oil, as proposed by President Carter, is the right policy. At least, they seem to believe, there is no reasonable alternative in sight.

But decontrol is predicated on twin premises, both of which are faulty. The first is that "Americans will react by insulating their houses, driving less and spending their money on things other than oil"—The Post.

The second is that higher prices will result in greater production, lower oil imports and regaining control "over the policies of the oil cartel—and its diplomacy in the Middle East"—The Times.

If only such results could be delivered! The basic flaw is the assumption that a free competitive market will utilize the price mechanism to balance out supply and demand.

But as the world has come to realize painfully in the past five years, there is no "free" or "competitive" market in oil. The price is set by the OPEC cartel, and we are marching to its tune.

If the advertised results were certain or even likely, decontrol might be defended. But every bit of evidence of the past few years shows that decontrol will neither discourage consumption nor add to supplies in an important way.

The oil industry itself doesn't claim that the combined potential of greater supplies and reduced consumption add up to more than 800,000 barrels a day in an economy that uses almost 20 million barrels a day. That's peanuts. And the cost is enormous: an annual windfall when decontrol is complete of $17 billion in extra oil-company profits.

Let's examine first The Post's assertion that a consumption decline will follow price increases triggered by decontrol. The administration estimate (probably too low) is that decontrol will add 4 cents to 5 cents a gallon to retail gasoline prices over the next 39 months.

But in the economists' phrase, gasoline (and, to an even greater extent, heating oil) is highly "inelastic": People tend to buy the product (or must buy it) regardless of price.

Thus, the price of gasoline at the pump has gone from around 40 cents to 70 cents a gallon since 1973 without appreciably changing driving habits. A few more pennies will hurt in low-income brackets, but won't affect the average American's love affair with the automobile.

Significantly, real savings in gasoline consumption in this country since 1973 can be traced more to fear of supply shortages or interruptions than to price hikes. Thus, Congress can claim credit for forcing Detroit to make smaller cars, and economy-wise consumers have kept up the pressure on the U.S. industry by showing a preference for efficient imports.

How about The Times' claim that production will increase, once there is decontrol? That is even less credible. That fact is, as Sen. Henry M. Jackson (D-Wash.) points out, that U.S. companies already have all the incentive they need to search for new oil. There is virtually no price ceiling on new oil, which accounts for about one-third of U.S. output.

What happens under decontrol is that the industry in stages re-prices its "old oil"—two-thirds of total output—from $6 to the world price, now about $16 a barrel. If there is any "extra" output, it's because the owners have been holding back production of old oil, anticipating decontrol. The Congressional Budget Office puts this potential trickle at 200,000 barrels a day. More optimistic estimates run to 400,000 barrels.

So holding out the hope that decontrol magically produces lots more oil is to further a delusion. Worst of all, Carter's decision to decontrol, regardless of congressional willingness to recapture a share of that $17 billion bonanza for the companies, was an abdication of political leadership.

The solution to the energy problem is to gain control of the supply of oil and its use. The president and Congress can limit the inflow of OPEC oil—by quotas and a government buying corporation if necessary. *That's* the way to gain some leverage over OPEC policy.

Such an effort would have to be accompanied by mandatory conservation measures for industrial and private use. It might require rationing. It would involve a real effort to expand mass transit, and expand renewable sources of energy.

All the president has done by going ahead with decontrol is to assure the nation that energy will cost more, inflation will worsen, and the oil companies will prosper. There is no assurance of a major reduction in consumption or acceleration of supplies. Company shareholders may cheer, but why should anyone else? ●

S. 344: STATEMENT OF SENATOR STAFFORD DISCUSSING THE PROFITS OF THE BILLBOARD INDUSTRY

● Mr. BAKER. Mr. President, our colleague from Vermont (Mr. STAFFORD) is absent due to illness today. He had intended to place a statement in the RECORD, together with an article from the New York Times analyzing the profits of the billboard industry. I ask that Senator STAFFORD's remarks and the article be printed in the RECORD.

The material follows:

S. 344: THE BILLBOARD COMPANIES STRIKE IT RICH

Mr. STAFFORD. One issue that I believe needs to receive the careful and full attention of the Congress this year is the Federal program for the control of billboards along our highways.

As now written, the so-called Highway Beautification Act may cost the Federal taxpayers something well over $1 billion, while leaving many billboards standing. It has become a law where the Federal Government has overridden local zoning authorities.

The only reasonable way out, I believe, is to pass S. 344, legislation giving the states the option of dropping out of the Federal program. This would enable those states that so wish to pursue billboard control or allow billboards to remain, as they see fit, without the pressure of Federal regulations.

To place the issue in perspective, it must be noted that the billboard companies are flourishing as never before, churning out profits from their protected status under the present "beautification" law. The New York Times last year carried a very interesting article that analyzed the billboard industry, pointing out how it has prospered and consolidated into fewer and bigger companies under Federal regulation, enabling the rich to grow richer.

FOR BILLBOARDS, THE SIGNS ARE BULLISH

(By Stan Luxenberg)

Bedeviled by environmentalist attacks, Federal regulations and buyer resistance, the billboard industry has had at least its share of problems. But for those companies left after the great shakeout of the last decade, all the vital signs—some 250,000 of them—are looking up.

Sales have climbed by 20 percent in the last two years, to $462 million in 1977. New advertisers have come aboard. And this week a study will be announced that for the first time will provide the industry with a sharply competitive selling tool—a scientific basis for comparing the exposure of billboard advertising with other media.

ALTERNATIVE TO TV

The report, prepared by the Axiom Market Research Bureau Inc., a subsidiary of the J. Walter Thompson Company, will tell buyers how many working wives they can reach or how many users of suntan oil, for example, will see their messages. Among the report's conclusions: Motorists who see billboards tend to travel on business more than the average television viewer . . . are more highly educated than the general population . . . include more women and young people than had generally been thought.

Outdoor advertising is benefitting from

the strong demand for all forms of advertising. Cost is an important factor. Advertisers, faced with television's steep price increases, are turning to what is one of the cheapest forms of mass communication.

And while the Federal Highway Beautification Act of 1965 and a scarcity of usable land have limited the number of billboards, the Outdoor Advertising Association of America Inc., expects its 325 members to enjoy a 10 to 12 percent increase in revenues this year, up from $462 million in 1977, due to greater usage and price increases. Many billboard companies' operating profit margins now are more than 20 percent.

Foster & Kleiser, a division of Metromedia Inc., is the industry leader with 35,000 structures. It expects to grow as strongly this year as in 1977 when its revenues climbed by 15 percent to $80 million and operating income grew by 23 percent to $20.3 million. The outdoor advertising division of the Combined Communications Corporation, a media conglomerate recently purchased by the Gannett Company, showed an operating profit margin of 30 percent last year. Combined's outdoor unit, the second largest, expects sales to rise more than 12 percent from 1977's $70 million.

Wall Street analysts are optimistic about the industry. "It's a reasonably good growth business that generates cash above and beyond what has to be reinvested in new signs and structures," said John S. Reidy, vice president for research of Drexel Burnham Lambert Inc.

Tobacco and liquor, banned from television, continue to hold their places as the largest users of outdoor advertising, but recently a wider range of products has begun appearing on billboards. In the last two years as TV costs jumped 40 percent, Foster & Kleiser, for example, gained a number of major new customers, including Kraft Inc., the Campbell Soup company, Hi-C, and Anheuser-Busch Inc. Last year Alka-Seltzer tried its "Plop plop, fizz fizz" campaign on billboards and this year is expanding into 100 markets. "There has been more interest in the last two years than ever before," said Gordon Asch of Asch Advertising Inc., whose billings in outdoor advertising were $17 million in 1977, up from $13 million the year before.

SOME DROPOUTS

The highway act, which banned signs within 660 feet of Federally-funded highways except in commercial zones, drove out some billboard companies and, as a result, strengthened those remaining. In Michigan's lower peninsula, for example, the number of companies declined from 15 to four, according to John H. Dingeman, of Dingeman Advertising Inc., which is based in Traverse City, Mich., and owns more than 1,000 billboards. "We lost a lot of locations," Mr. Dingeman recalled. However, his business has actually grown through acquisitions as smaller Michigan companies closed up and sold their legal structures.

The National Advertising Company, a subsidiary of the 3M Company, had 85,000 structures when the act went into effect, all in rural, restricted areas. Since then, National has been moving into commercial zones. It now has 50,000 structures, two-thirds of them in urban areas. The company expects that the number of its signs will continue decreasing with the move into the cities but that sales will increase.

The Outdoor Advertising Trade Association, whose member businesses have been based mainly in cities, supported the highway act. Association spokesmen said the legislation benefited the industry by closing down some of the more unsightly structures that gave billboards a bad time.

Federal officials point out that while the legislation has discouraged construction of signs and resulted in the removal of many, there are illegal signs that have been left untouched in some states. To tear down a billboard, the Government must pay fair market value to the owner. So far the Government has paid for 91,651 signs, but the funding is limited and boards cost an average of $1,500. At the current rate of funding, said Richard Moeller of the Federal Highway Administration, it would take 40 years to eliminate the 214,000 illegal billboards that remain.

The member companies of the Outdoor Advertising Association generally construct and own billboards, renting space to advertisers who either supply the posters or purchase them from the outdoor companies. The companies rarely purchase land. Much of the leased land is only temporarily vacant and owners permit the signs, hoping the rents will cover taxes. The billboards often are forced out to make room for new buildings or other more permanent uses. This means that companies constantly lose locations and must scout for new ones. Foster & Kleiser has a turnover each year of about 10 percent.

"GRAB" THE VIEWER

Like other advertising media, billboard space is priced according to the audience it reaches. For $123,000 a month Foster and Kleiser will provide a package of 580 poster panels in Los Angeles, the fullest coverage offered. The same comprehensive coverage in Dallas requires 128 posters and costs $18,000. A giant Foster & Kleiser billboard outside Chicago's O'Hare Airport—seen by 200,000 people a day—sells for $12,000 a month.

Since people only view billboards for a few seconds, the messages must be simple and catchy. "You have to grab a person, get the brand name across and communicate some idea of the product," said Patricia B. Greenwald, senior vice president and research director of deGarmo Inc. The firm used outdoor advertising extensively with its campaign for Lorillard Inc.'s True Cigarettes. True had originally been sold as a low-tar brand. When the company wanted to promote the idea that the cigarette also provided good taste, it used billboards featuring a picture of the pack and the concise headline, "unexpected taste."

Lorillard liked the results.●

THE FALSE HOPES OF DECONTROL

● Mr. JACKSON. Mr. President, opposition to the President's proposal to decontrol crude oil prices beginning June 1 continues to grow.

The misconceptions behind the President's policy were pointed out in a recent column by Hobart Rowen, the distinguished economics editor of the Washington Post. Mr. Rowen points out that decontrol is predicated on two premises, both of which are faulty. One is that higher prices will lead to significant reduction in oil use. The other is that higher prices will result in greater production, lower oil imports, and a gain in control over OPEC pricing.

I submit Mr. Rowen's article, "The False Hopes of Decontrol" for printing in the RECORD.

The article follows:

THE FALSE HOPES OF DECONTROL

(By Hobart Rowen)

Many independent thinkers, including editorial writers at The Washington Post and The New York Times, have convinced themselves that phasing out price controls on domestic oil, as proposed by President Carter, is the right policy. At least, they seem to believe, there is no reasonable alternative in sight.

But decontrol is predicated on twin premises, both of which are faulty. The first is that "Americans will react by insulating their houses, driving less and spending their money on things other than oil"—The Post.

The second is that higher prices will result in greater production, lower oil imports and regaining control "over the policies of the oil cartel—and its diplomacy in the Middle East"—The Times.

If only such results could be delivered! The basic flaw is the assumption that a free competitive market will utilize the price mechanism to balance out supply and demand.

But as the world has come to realize painfully in the past five years, there is no "free" or "competitive" market in oil. The price is set by the OPEC cartel, and we are marching to its tune.

If the advertised results were certain or even likely, decontrol might be defended. But every bit of evidence of the past few years shows that decontrol will neither discourage consumption nor add to supplies in an important way.

The oil industry itself doesn't claim that the combined potential of greater supplies and reduced consumption add up to more than 800,000 barrels a day in an economy that uses almost 20 millions barrels a day. That's peanuts. And the cost is enormous: an annual windfall when decontrol is complete of $17 billion in extra oil-company profits.

Let's examine first The Post's assertion that a consumption decline will follow price increases triggered by decontrol. The administration estimate (probably too low) is that decontrol will add 4 cents to 5 cents a gallon to retail gasoline prices over the next 30 months.

But in the economists' phrase, gasoline (and, to an even greater extent, heating oil) is highly "inelastic": People tend to buy the product (or must buy it) regardless of price.

Thus, the price of gasoline at the pump has gone from around 40 cents to 70 cents a gallon since 1973 without appreciably changing driving habits. A few more pennies will hurt in low-income brackets, but won't affect the average American's love affair with the automobile.

Significantly, real savings in gasoline consumption in this country since 1973 can be traced more to fear of supply shortages or interruptions than to price hikes. Thus, Congress can claim credit for forcing Detroit to make smaller cars, and economy-wise consumers have kept up the pressure on the U.S. industry by showing a preference for efficient imports.

How about The Times's claim that production will increase, once there is decontrol? That is even less credible. The fact is, as Sen. Henry M. Jackson (D-Wash.) points out, that U.S. companies already have all the incentive they need to search for new oil. There is virtually no price ceiling on new oil, which accounts for about one-third of U.S. output.

What happens under decontrol is that the industry in stages re-prices its "old oil"—two-thirds of total output—from $6 to the world price, now about $16 a barrel. If there is any "extra" output, it's because the owners have been holding back production of old oil, anticipating decontrol. The Congressional Budget Office puts this potential trickle at 200,000 barrels a day. More optimistic estimates run to 400,000 barrels.

So holding out the hope that decontrol magically produces lots more oil is to further a delusion. Worst of all, Carter's decision to decontrol, regardless of congressional willingness to recapture a share of that $17 billion bonanza for the companies, was an abdication of political leadership.

The solution to the energy problem is to gain control of the supply of oil and its use. The president and Congress can limit the inflow of OPEC oil—by quotas and a government buying corporation if necessary. *That's* the way to gain some leverage over OPEC policy.

Such an effort would have to be accompanied by mandatory conservation measures for industrial and private use. It might require rationing. It would involve a real effort to expand mass transit, and expand renewable sources of energy.

All the president has done by going ahead with decontrol is to assure the nation that energy will cost more, inflation will worsen, and the oil companies will prosper. There is no assurance of a major reduction in consumption or acceleration of supplies. Company shareholders may cheer, but why should anyone else? ●

THE RELEASE OF HILLEL BUTMAN AND FOUR OTHER PRISONERS OF CONSCIENCE FROM PRISON IN THE SOVIET UNION

● Mr. MATHIAS. Mr. President, the news that Hillel Butman and four other prisoners of conscience have been released from prison in the Soviet Union is a real cause for rejoicing. The fact that they are preparing to emigrate from the Soviet Union encourages me to hope that perhaps our long struggle to secure the release of Soviet refusniks and prisoners of conscience is beginning to make a real impression.

This decision by the Soviet authorities is a positive step toward improving relations between our two nations. I welcome it and hope it will be the first of many such steps.

During my trip to the Soviet Union last December, I met with Foreign Minister Gromyko and interceded with him on behalf of a number of refusniks and prisoners of conscience, who were of particular concern to me and to the people of Maryland. Hillel Butman's name was among those I gave Mr. Gromyko, who assured me he would give the matter careful consideration.

Hillel Butman was arrested in 1970 in connection with the so-called Leningrad hijacking case and was sentenced in 1971 to a 10-year prison term by the Soviet authorities. At the time of his release, he had 14 months of the 10-year sentence left to serve.

The release of these prisoners of conscience is a very encouraging development which I hope signals an improved climate for emigration and United States-Soviet relations. However, we must not be lured by these successes into slackening our efforts on behalf of others. We must continue to let the spotlight of world opinion illuminate the plight of Anatoly Shcharansky and others like him. Only by voicing our concern can we demonstrate the deep commitment that we, as Americans, have to protect human rights and freedom at home and as well as abroad.●

BRIEF SUBMITTED FOR SENATOR BARRY GOLDWATER IN GOLDWATER AGAINST CARTER

● Mr. GOLDWATER. Mr. President, as everyone in this Chamber knows by now, I have joined with 25 other Members of Congress in filing suit to challenge President Carter's attempted abrogation of the Mutual Defense Treaty of 1954 with the Republic of China. Our lawsuit is progressing steadily and a 50-page legal brief has been filed on my behalf with Judge Oliver Gasch of the U.S. District Court for the District of Columbia presenting the constitutional, legal, and historical points which prove beyond a shadow of any doubt that the President has acted outside the Constitution in this matter.

In view of the great attention which the case has attracted in the legal community throughout the country, and the public at large, my office has received numerous reqests for copies of the printed brief. In addition, many of my colleages on both sides of Capitol Hill have expressed an interest in the paper. In order that the text may be available to the many Members of Congress, law professors, and their students, and others with an interest in subject, I submit for the RECORD a copy of the brief.

The material follows:

[CIVIL ACTION NO. 78–2412, U.S. District Court for the District of Columbia]

SENATOR BARRY GOLDWATER, et al., Plaintiffs, v. JAMES EARL CARTER, et al., Defendants

Points and authorities in support of plaintiffs' opposition to defendants' alternative motions and plaintiffs' cross-motion for summary judgment.

INTRODUCTION AND SUMMARY

Without consulting the Congress, President Carter proposed on December 15, 1978 to terminate the Mutual Defense Treaty between the United States and the Republic of China. As Members of Congress, Plaintfffs seek declaratory and equitable relief to protect their right to be consulted and to vote on that proposal, as well as to protect their past votes approving the Mutual Defense Treaty.

Terminating a treaty, like making one, is a legislative, not an executive act: *all* treaties made under the authority of the United States are part of the supreme law of the land (Const. Art. VI). The termination of a treaty or a statute is as much a policy-making legislative act as is enactment in the first place, with similar consequences. It is taken for granted that terminating a statute requires the same procedures as enacting one.

There is no reason in principle or policy why the termination of treaties should be regarded as constitutionally different. Our constitutional practice since 1798 overwhelmingly confirms this view. Furthermore, the specific history of this Mutual Defense Treaty indicates the intent of all parties concerned that the President was not authorized to invoke the termination clause unilaterally.

Defendants here make the unprecedented claim that a President can act entirely on his own in terminating a treaty.

If President Carter's constitutional usurpation in this instance is allowed to pass unchallenged, his act will constitute an important precedent which could be used by a future President as justification for denouncing the NATO Treaty, taking the United States out of the United Nations or the International Monetary Fund, or abrogating treaties affecting any other important matter. Defendant Carter's action is all the more egregious because he ignored the express will of the Congress to be consulted and has also violated the right of self-determination of Taiwan.

It is apparent that unless this Court decides for Plaintiffs, the President's announced course of unconstitutional action will do irreparable injury to the Plaintiffs, as well as to the nation at large. It would nullify the votes of those Plaintiffs who voted in 1955 in favor of the treaty, deprive Plaintiffs of their right to be consulted and to vote on the termination of the treaty, and it could well deny their successors in the Congress their historic power on this subject. Plaintiffs have a vested, personal, and justiciable interest in the subject matter of the controversy, and standing to seek relief in this court. *Kennedy* v. *Sampson*, 511 F. 2d 430 (D.C. Cir., 1974).

Finally, determining whether the act of terminating a treaty is executive or legislative in character, that is, whether it can be done by the President alone or by the President and the Senate or Congress as a whole, is an ordinary problem in qualification or classification. It is the kind of justiciable issue courts must and do decide every day, the first step in every judicial decision. *Marbury* v. *Madison*, 1 Cranch 137 (1803).

The authority supporting Plaintiffs' position is so extensive that all of it cannot possibly be presented or cited in this memorandum. Two recent and exhaustive law review articles examine the same issue before the Court and support Plaintiffs' position. J. T. Emerson, *The Legislative Role in Treaty Abrogation*, 5 J. Legis 46 (1978); D. J. Scheffer, *The Law of Treaty Termination as Applied to the United States De-Recognition of the Republic of China*, 19 Harv. Int'l L. J. 931 (1978). Because these articles have only been recently published and hence, their availability limited, Plaintiffs hereby submit copies for the Court's consideration as Exhibits 1 and 2.

ARGUMENT

I. This court has jurisdiction over the subject matter

The Defendants have principally argued in their alternative motions and in other pleadings that this Court should sidestep the merits of this case because it presents a nonjusticiable political question.

The Plaintiffs, however, are not asking the Court to make the underlying political decision in this case, that is, whether the Mutual Defense Treaty should be terminated as a concession or condition precedent to the normalization of relations with a third country. Rather, the Plaintiffs are asking this Court to decide a question of constitutional *procedure*, i.e. whether this treaty can be legally terminated, or notice can be given resulting in such termination, without the participation of the legislative department. The defendants' case authority refers mainly to situations challenging governmental action where *both* the executive and legislative branches had mutually exercised their powers. By contrast, the defendants here are asserting that the President alone has the constitutional power to terminate treaties.

A. Plaintiffs' Challenge To The President's Determination To Terminate The Mutual Defense Treaty Presents A Pure Justiciable Question of Law.

Plaintiffs submit that the correct assessment of the judicial function in this case viewed in its proper context, can be best found in the clear and direct statement of Chief Justice Marshall:

> "It is *emphatically* the *province and duty* of the judicial department to say what the law is.
>
> * * * * *
>
> [T]he court *must* determine which of these conflicting rules governs the case. This is of the very essence of judicial duty." *Marbury* v. *Madison*, 1 Cranch at 177, 178 (1803) (emphasis added).

The Supreme Court has very recently reiterated its continued adherence to this fundamental principle in no uncertain terms:

"Many decisions of this Court . . . have unequivocally reaffirmed the holding of

Marbury v. *Madison* . . . that 'it is emphatically the province and duty of the judicial department to say what the law is.' " *United States* v. *Nixon*, 418 U.S. 683, 703 (1974).

Although the Supreme Court in *Nixon* noted that no previous holding defined the scope of judicial review of a President's claim of executive privilege relative to the specific circumstances of the case before it, it concluded nevertheless that other exercises of powers by the Executive Branch and Legislative Branch have been found invalid as in conflict with the Constitution" [citing *Powell* v. *McCormack*, 395 U.S. 486 (1969); *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579 (1952)].

Similarly, the Supreme Court recently ruled for the first time on the power of the President to impound appropriated funds, holding unanimously that President Nixon exceeded his authority. *Train* v. *City of New York*, 420 U.S. 35 (1975). Also the United States Court of Appeals for the District of Columbia Circuit rejected the claim of an absolute presidential pocket veto power notwithstanding extensive prior executive practice. *Kennedy* v. *Sampson*, 511 F. 2d 430 (D.C. Cir., 1974).

With respect to the scope of judicial review of the validity of treaties, there is not altogether a lack of judicial guidance. In *Jones* v. *Walker*, Case No. 7, 507, 13 Fed. Cas. 1059 (c. 1803), Chief Justice John Jay, sitting as a Circuit Judge in Virginia, compared the "necessary validity" of a treaty with its "voluntary validity." Thus, the "voluntary validity" of a treaty is one which is, for example, "voidable" by reasons of violations committed by one party, but which may nevertheless continue in force by acquiescence of the other party.

However, the "necessary validity" of a treaty refers to its legal essence and legitimacy and raises questions such as:

"Is it temporal, and *has it* expired? Is it perpetual? Has it been dissolved with mutual agreement? Has it been annulled and declared to be void by the nation, or by *those* to whom the nation has committed that power?" *Id.* at 1062 (Emphasis added).

Chief Justice Jay concluded that—

"On comparing the principles which govern and decide the necessary validity of a treaty with those on which its voluntary validity depends, we cannot but perceive that the former are of a *judicial* and that the latter are of a political nature." *Id.* (Emphasis added)

Similarly, this case presents to the Court the precise matters defined by Chief Justice Jay as judicial. Here the issue involves the "necessary validity" of the treaty: has the *proper* authority to whom the nation has committed the power acted to annul the treaty by notice or otherwise? The political question of whether it is wise policy for the proper authority to terminate the treaty is not raised in the action at bar. *See* Scheffer at 971–74.

The Supreme Court in *Nixon* further noted:

"Since this Court has consistently exercised the power to construe and delineate claims arising under express powers, it must follow that the Court has authority to interpret claims with respect to powers alleged to derive from enumerated powers." 418 U.S. at 704.

In this case, as in *Nixon*, the President is claiming that his power to terminate treaties is impliedly derived from enumerated powers since there is no express reference in the Constitution to the power to terminate treaties. The Court in *Nixon* declared that such claims of power by the President are justiciable:

"Deciding whether a matter has in any measure been committed by the Constitution to another branch of government, or whether the action of that branch exceed whatever authority has been committed, is itself a delicate exercise in constitutional interpretation, and is a responsibility of this Court as ultimate interpreter of the Constitution." *Id.*

The defendants have a heavy burden of justifying the complained of action and cannot simply hide behind worn-out references to the President's role in foreign affairs. The Supreme Court has prescribed the highest standard of judicial review of this kind of executive action:

"Presidential claims to a power at once so conclusive and preclusive must be *scrutinized with caution*, for what is at stake is the equilibrium established by our constitutional system." *Youngstown Sheet and Tube Co.* v. *Sawyer*, 343 U.S. 579 at 638 (1952) (Emphasis added)

As the Supreme Court also observed:

"It is error to suppose that every case or controversy which touches foreign relations lies beyond judicial cognizance. Our cases in this field seem invariably to show a *discriminating analysis* of the particular question posed. . . ." *Baker* v. *Carr*, 369 U.S. 186 at 211–212 (1962) (Emphasis added)

Plaintiffs submit that as this Court "scrutinizes with caution" or "discriminately analyzes" the arguments and authority advanced by defendants, the Court will quickly discover that those arguments contain very little, if any, substance.

B. This Case Is Justiciable Notwithstanding The Presence Of Foreign Affairs Issues.

The Defendants would have this Court believe that since the subject matter of this case involves the executive assertion of power in the realm of foreign affairs, the underlying constitutional issue is inexorably immunized from judicial review. However, the case authority relied upon by the defendants for this oversimplified view are unsupportive and are clearly distinguishable from the facts of the case at bar.

It should first be noted that as a general rule, the courts are *not* reluctant to rule on the merits in cases involving foreign affairs. Leading commentators on the justiciability of political questions affirm this view:

The constitutional scope of the treaty power vis-a-vis the states and vis-a-vis individual rights, *and the allocation of competence in this field among the executive and legislative departments, were never held to present nonjusticiable questions.* Scharpf, *Judicial Review and the Political Question: A Functional Analysis*, 75 Yale L.J. 517 at 542 (1966) (footnotes omitted, emphasis added).

Louis Henkin, a noted authority heavily relied upon by the defendants, expresses a similar conclusion on the topic:

"In the foreign affairs cases commonly cited the courts did not refrain from judging political actions by constitutional standards; they judged them but found them constitutionally not wanting.

"There is, then, no Supreme Court precedent for extraordinary abstention from judicial review in foreign affairs cases." L. Henkin, *Foreign Affairs and the Constitution* 213, 214 (1972) (footnotes omitted) (emphasis added)

As this Circuit Court has properly noted: "The time has long passed when the words 'foreign policy,' uttered in hushed tones, can evoke a reverential silence from either a court or the man on the street." *Pillai* v. *CAB*, 158 U.S. App. D.C. 239, 485 F.2d 1018, 1031 n. 34 (1973).

Thus there is ample authority to rebut the defendants' unwarranted conclusion that this case presents a non-justiciable controversy. Nevertheless, Plaintiffs will examine and distinguish those cases relied upon by the defendants.

C. This Case Is Justiciable Under The Criteria Stated In Baker v. Carr.

The defendants strongly rely on the broad dicta in *Baker* v. *Carr*, 369 U.S. 186 (1962) as support for their position on justiciability. (Defendants' Memorandum at 9).[1] The Plaintiffs submit that the required "discriminating analysis" of the instant case shows that it fits none of the considerations expressed in *Baker* v. *Carr*.

1. *There is no "textually demonstrable constitutional commitment of the issue to a coordinate political department."*

This first example of a "political question" suggested by the Court in *Baker* v. *Carr* is inapplicable to this case. The treaty termination power is not committed to the President in a "textually demonstrable" way. The defendants' attempt to broaden the scope of this dictum by omitting the key word "textually" in its discussion of *Baker* v. *Carr* is in itself a recognition by the defendants that this criterion is inapplicable. (*See* Defendants' Memorandum at 9). This concept of "textual commitment" has been widely criticized as having little if any validity or application. Henkin, *Is There a "Political Question" Doctrine?*, 85 Yale L. J. 597 at 604–05 (1976)

This case, involving conflicting claims of the parties, arose precisely because there is "no textually demonstrable constitutional commitment" of the power to terminate treaties to "a coordinate political department." Where there is a conflict *between* the legislative and executive branches as to the validity of the exercise of the other's power, the political question doctrine is inapplicable. As Circuit Judge Leventhal stated in *United States* v. *American Tel. & Tel. Co.*, 567 F.2d 121 (D.C. Cir., 1977):

"Indeed disputes between two branches of the government are inherently different from those to which the political question abstention doctrine has traditionally been applied. The fact that a case is viewed as a 'political case,' or involves a 'political controversy,' does not mean that it presents only a 'political question' beyond the jurisdiction or proper role of the court . . . Where the dispute consists of a clash of authority between two branches, however, judicial abstention does not lead to orderly resolution of the dispute. No one branch is identified as having final authority in the area of concern." *Id.* (footnotes omitted)

The defendants have further attempted to demonstrate the existence of a "political question" by citing with little discussion or analysis a string of cases which in one way or another refer to the executive's role in foreign affairs (Defendants' Memorandum at 10–11).[2]

The defendants superficially rely on the oft-repeated but rarely scrutinized reference in *United States* v. *Curtiss-Wright Export Corp.*, [299 U.S. 304 at 319–320 (1936)] to the President's role as "sole organ of the federal government in the field of international relations" and one who has the power "to speak or listen as a representative of the nation." (Defendants' Memorandum at 10). In the first place, it should be emphasized that the action taken by the President which was challenged in *Curtiss-Wright* was *expressly* authorized by a Joint Resolution of the Congress. In fact, the Court found this method of legislative authorization of executive action in certain areas of foreign affairs to be a consistent one and thus concluded that:

An impressive array of legislation such as we have just set forth, enacted by nearly every Congress from the beginning of our national existence to the present day, must be given unusual weight in the process of reaching a correct determination of the problem. A legislative practice such as we have here, evidenced not by only occasional instances, but marked by the movement of a steady stream for a century and half of time, goes a long way in the direction of proving the presence of unassailable ground

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Footnotes at end of article.

for the constitutionality of the practice . . . 299 U.S. at 327–28

If anything, this authority stands in stark contrast to the facts of this case and actually lends support to the Plaintiff's position that executive action requires legislative authorization. Furthermore, as described later in detail, *infra* at 29, the consistent and dominant method of past practice of the termination of treaties has been with the participation of Congress or the Senate.

Assuming, however, that the President, as the "sole organ" who "speaks" or "listens" as the representative of the nation, shall communicate the decision to terminate a treaty or can negotiate with other governments concerning the termination of a treaty, he *alone* cannot make the ultimate decision to terminate a treaty. Even if the President holds a primary role in the conduct of foreign policy, he does not possess the *exclusive* role in terminating a law of the land.

The reliance by defendants on *Greater Tampa Chamber of Commerce* v. *Adams*, Civil No. 78–0517 (D.D.C. filed Nov. 30, 1978) *appeal docketed* Jan. 30, 1979 and *Dole* v. *Carter* 444 F. Supp 1065 (D. Kan. 1977), *injunction pending appeal denied*, 569 F.2d 1109 (10th Cir. 1977) are likewise inapposite.

The questions raised there were whether certain executive agreements should have been instead submitted to the Senate in the form of a treaty. The Courts appeared to have upheld the executive action because of specific judicial precedents for the executive's decision to enter into a narrow class of international agreements by executive agreement; in essence, the merits of the case were reached. As Arthur W. Rovine, the Assistant Legal Advisor for Treaty Affairs and Declarant for Defendants in this case commented about the judicial handling of these kinds of cases:

These are all cases in which the Federal courts, and primarily the Supreme Court have had occasion to pass upon the validity and scope of executive agreements. Questions of case or controversy, justicability, and standing did not prevent the courts from deciding or making pronouncements on the issues raised. Hearings Before the Subcomm. on Separation of Powers of the Senate Judiciary Committee on *Congressional Oversight of Executive Agreements—1975*, 94th Cong., 1st Sess. at 409–10 (1975) (Emphasis added)

Indeed, the courts in reaching the merits even in those kinds of cases have sometimes found the validity of the executive agreements to be wanting. *E.g. United States* v. *Capps*, 204 F.2d 655 (4th Cir. 1953); *Reid* v. *Covert*, 354 U.S. 1 (1975). The Plaintiffs in this case do not raise the issue of whether any agreement made by the executive with the PRC should have been submitted to the Senate in the form of a treaty. Rather, the question is whether a treaty once made can be terminated by the Executive alone regardless of whether the decision to do so was made *sua sponte* or at the suggestion or insistence of a third party.

The Defendants' repeated reliance upon *Chicago and Southern Air Lines, Inc.* v. *Waterman Steamship Corporation*, 333 U.S. at 111 to show non-justiciability is similarly misplaced if not misleading. (*See* Defendants' Memorandum at 11). The Defendants, quoting only the beginning and ending of the pertinent paragraph from that case, conveniently omit the critical language in the middle. The *complete* paragraph reads:

"[T]he very nature of executive decisions as to foreign policy is political, not judicial. *Such decisions are wholly confided by our Constitution to the political departments of the government*, Executive *and Legislative*. They are delicate, complex and involve large elements of prophecy. *They are and should only be undertaken only by those directly responsible to the people* whose welfare they advance or imperil. They are decisions of a kind for which the judiciary has neither aptitude, facilities nor responsibility and which long has held to belong in the domain of political power not subject to judicial intrusion or inquiry." 333 U.S. at 111. (emphasis added)

The Plaintiffs are members of the Legislative branch and are most directly responsible to the people. If there is a "political" question, the Supreme Court has stated in *Waterman* that it is wholly confided by our Constitution not to the Executive alone, but to both the legislative *and* executive branches. With respect to the specific roles of the Congress and President in the treaty power area in foreign affairs, the defendants have distorted the role of the Congress vis-a-vis the President.

2. Congress' Role In The Treaty Area Is Expansive.

First, contrary to the defendants' representations, the role of the Congress in the treaty area does not solely consist of and thus end with the advice and consent of the Senate to the proposed treaty. As the nation's "mouthpiece" or "organ" in foreign affairs, the executive engages in the actual treaty negotiations, but under our Constitution, he alone cannot bind the United States to any terms of the negotiations with the other party or parties. Knowing that ultimate approval must come from a supermajority of the Senate, the President no doubt must take into consideration during the negotiations the political concerns of the Senate and thus, those of the people. Perhaps because of the lack of respect for the people's wishes, many proposed treaties have failed to be approved by the Senate. It is true that even after securing the advice and consent of the Senate, the President can nevertheless refuse to consummate the international obligation because of changed circumstances since the time of the original treaty negotiations or some other reason; but once the treaty is made (ratified), the executive has "used up" or exhausted all of his authority and discretion with respect to that particular treaty. The treaty once made is the law of the land and the President is duty bound to faithfully execute the agreement. He has no discretion to alter its terms or cause its termination than he can with any other law.

After the treaty is made, the role of the Congress does not cease as the defendants suggest, but may significantly increase. For example, Article V of this very treaty anticipates that the Congress would exercise a role, by virtue of its share of the war powers, to decide when and how to use American forces should an armed attack be made on the territories of the Republic of China.

This case is further distinguishable from those found nonjustifiable where both political departments participated in the action. Not only was the Congress by-passed in terminating this treaty, it expressed a clear opinion in late 1978 in the form of law calling on the President to consult both Houses of Congress *before* any action would be taken affecting the treaty's status. 22 U.S.C.A. § 2151 (b).

3. There Are Judicially Discoverable And Manageable Standards For Resolving This Issue.

The defendants further attempt to argue that this case is nonjustifiable under the second criterion stated in *Baker* v. *Carr*, namely, that there are no judicially discoverable and manageable standards for resolving the issue. Plaintiffs submit, however, that the authorities cited by the defendants are inapplicable here. In essence, what the defendants are really saying is that since this case is one of first impression, the court should therefore abstain from performing its traditional judicial function to say what the law is.

In *DaCosta* v. *Laird*, 471 F.2d 1146 (2d Cir., 1973), the legality of mining of harbors and bombing in North Vietnam was held to be a political question. In *Holtzman* v. *Schlesinger*, 484 F.2d 1307 (2d Cir., 1973), the American military activity in Cambodia was compared to the situation in *DaCosta* v. *Laird* and its legality was also held to be a political question. But in both of these decisions relied upon by the defendants, the Second Circuit emphasized that the conduct of military operations in Southeast Asia was mutually supported by *both* the executive *and* legislative branches. In fact, the defendants in their memorandum surprisingly rely on these excerpts from these two cases which expressly refer to the *joint* participation of the Executive *and* Congress in the challenged action. (Def. Memorandum at 14–15)

In sharp contrast to these cases, the President here is claiming an implied *unilateral* power to terminate treaties; furthermore, the issue of in whom the power to terminate treaties is constitutionally vested does not depend on changing military facts but upon the traditional expertise of the Courts to interpret the Constitution with respect to this clear-out question of law.

As this Court noted in *City of New York* v. *Ruckelshaus*, 358 F.Supp. 669 D.D.C. (1973):

"There is no 'textually demonstrable constitutional commitment' of this responsibility to the executive branch, and there is no difficulty in discovering standards for resolving the issue before the Court. Either the Administrator is required by the Act to allot the full amount of the sums authorized to be appropriated in § 207 or he is not so bound." *Id.* at 675.

Similarly in this case, there is no "textually demonstrable constitutional commitment" of the power to terminate treaties to the executive branch. Either the President has such authority or he does not.

4. There Is No Need Here For The Court To Make An Initial "Nonjudicial" Policy Determination.

The third criterion of a political question mentioned in *Baker* v. *Carr* is whether it is impossible to decide the merits "without an initial policy determination of a kind clearly for nonjudicial discretion." This Court is not called upon to make any policy determinations of a nonjudicial character. Again, as noted earlier, the dispute here is over the *procedure* of the treaty termination rather than the policy of whether or not the treaty should be terminated.

Nevertheless, there is a serious question raised by paragraph 4 of the Christopher Declaration that the People's Republic of China required the "Immediate" termination of the Mutual Defense Treaty as a precondition for normalization. Eugene V. Rostow clearly states in his Declaration attached hereto that Vice-Premier Deng of the PRC personally conveyed to him that such was not the case.[3]

This Court cannot permit the validity of the executive power to go unreviewed merely because it was invoked for reasons of expediency. As Chief Justice John Marshall wrote: "The peculiar circumstances of the moment may render a measure more or less wise, but cannot render it more or less constitutional." John Marshall's Defense of *McCulloch* v. *Maryland* at 190-91 (G. Gunther ed., 1969).

The first question, then, that must be answered is a judicial one i.e. whether the Constitution requires the consent of the Congress or the Senate for treaty termination or notice resulting in such termination. If it does, then no foreign affairs policy consideration including the recognition of the PRC can override that requirement. *Reid* v. *Covert*, 354 U.S. 1, 16-17 (1957)

5. This Case Does Not Present "An Unusual Need For Unquestioning Adherence To A

Political Decision Already Made" Nor Is There Potentiality Of Embarrassment From Multifarious Pronouncements By Various Departments On One Question.

The defendants further claim that this case is a political question because a decision by this Court in plaintiffs favor "might" jeopardize rapprochement with the PRC, and may cause other countries to doubt the word of the United States in international dealings. The second major argument is that the President has in connection with his recognition power the power to remove all obstacles to normalization of relations. This latter argument is, however, not one of nonjusticiability but on closer examination, one that goes to the merits of the question.

With respect to the first argument, i.e. an unusual need for adherence to decisions made, the defendants are begging the question by characterizing the termination of the treaty as a decision already "made". It is clear that the President has made *his* decision, but whether the treaty can be terminated by his decision alone is still an open question. The Mutual Defense Treaty is presently in full force and effect. Under international law, the United States and Taiwan are still bound by its terms.

Heavy reliance is placed by the defendants upon the affidavit of Deputy Secretary Warren Christopher to show that a decision on the merits in favor of plaintiffs would harm the President's power and disrupt normalization. (Christopher Declaration at ¶7) When presented with these kind of self-serving statements, the Courts carefully scrutinize them and in the proper cases find them unpersuasive.

For example, in *Youngstown Sheet and Tube Co.* v. *Sawyer*, executive officials affidavits raising serious consequences that would befall our nation both domestically and internationally should the Court rule against the executive. Similarly, in *Reid* v. *Covert* 354 U.S. 1 (1957), executive affidavits expressing similar concerns were raised. Yet the Court found that they did not satisfy the strict scrutiny required when one branch of the government is claiming exclusive powers not found in the Constitution.

(a) A Ruling in Favor of Plaintiffs Will Not Jeopardize the President's Proper Role in Foreign Affairs.

The Defendants' claim that a decision in favor of the Plaintiffs would cast doubt among countries on the President's word in foreign affairs is highly exaggerated and indeed ironic. (Christopher Declaration, ¶7; Defendants' Memorandum at 12–13.) What the President is trying to do in this case is to *break* the solemn word and commitment of the whole United States to another country. The long standing principle of international law that treaties are meant to be kept, *pacta sunt servanda*, is now jeopardized by the claim of power by the Defendants. Other United States treaties with similar notice clauses as that found in the Mutual Defense Treaty are now questioned if the President's action in this case is sustained. The President would be able, then, without any advance warning, and for whatever personal reason, to cause the termination of such treaties as NATO, the Nuclear Test Ban Treaty, and the Nuclear Nonproliferation Treaty. (See Exhibit 4 to Plaintiffs' Amended Complaint listing 10 such treaties.)

The stability of the most important alliance which the free world has constructed and which has successfully secured peace in the North Atlantic area for three decades would suddenly be put in doubt. Such incredible authority and power cannot be found in one person in the United States if our Constitution is to mean anything at all.

Should the Court rule for the Plaintiffs, the well-recognized powers of the President would nevertheless be left unimpaired. The President would not be prevented from negotiating and making any otherwise valid treaty or executive agreement with other countries. Nor would the President even be prevented from giving his word to seek to persuade the Congress in order to obtain its approval to act on the termination of the treaty involved.[4] In the final analysis, the only word of the President that would be doubted in the future following a ruling favorable to Plaintiffs, is the narrow circumstance of the President giving his word to unilaterally terminate a treaty with another country when no other principle of international law justifies such termination (e.g. major breach by the other party).

In fact, Plaintiffs submit that a ruling in their favor would *enhance* the power of the President to negotiate and make treaties since countries will now be assured that the collective word of the United States, to be embodied in the treaty, will not be so easily revoked. The Court would not be ruling against the President's "word" in any event, since it need not make the President withdraw his word embodied in the Notice of Termination. The Court need only rule that the constitutional process of terminating the treaty is *incomplete*.[5] The PRC could hardly fault the President should a Court, outside of his control and influence, rule that the notice was incomplete or defective, especially where it appears that the PRC was not insistent on the treaty's termination (Rostow Declaration at ¶4).

(b) A Ruling in Favor of Plaintiffs Will Not Stop Normalization with PRC.

The defendants heavily rely on Warren Christopher's Declaration for their argument that a ruling in plaintiffs' favor "might" jeopardize rapprochement. (Defendants' Memorandum at 13). The Defendants are apparently unsure that in fact any problems will result. A strict scrutiny of Christopher's statements shows that the defendants' fears are speculative and exaggerated.

In the first place, the United States recognized PRC as a *de jure* country on January 1, 1979. Secondly, ambassadors have already been exchanged, and embassies have been established. Agreements have been signed, including one on principle relating to outstanding claims of U.S. nationals. Trade agreements and contracts have been signed, and in fact, even before recognition, substantial and increasing trade and cultural contracts were already taking place between the two countries.[6] These major aspects of the normalization process described by Christopher have already taken place and Christopher does not suggest in his affidavit that such activities will be reversed or undone by a decision favorable to plaintiffs. He only speculates that the process might not "move *forward*". These vague pronouncements are hardly the kind of injury that justifies the Court from avoiding its responsibility "to say what the law is." Defendants submit that, in view of the large advantages to the PRC of improved relations with the United States, a decision on the merits for plaintiffs would not be cause for an interruption in relations.

Moreover, defendant Carter has taken the very risk of damaging the normalization process that defendants claim would be incurred should the Court treat the case on the merits. On March 16, Chinese Foreign Minister Huang Hua met U.S. Ambassador Leonard Woodcock and warned that the U.S. Senate and House of Rrepresentatives were about to give final approval to legislation "in violation of" the Sino-U.S. agreement on establishment of diplomatic relations. Foreign Minister Huang specifically protested that: "If the bills are passed as they are worded now, and are signed into law, great harm will be done to the new relationship that has just been established between China and the United States." Official press release distributed by Embassy of PRC, Exhibit 3.

Each of the "objectionable" provisions remain virtually identical in the final version approved by a joint conference of the two Houses and signed into law on April 11 by President Carter. Public Law 96–8, sections 2(b); 4(b)(1), (3); 15.

Plaintiffs submit that a ruling favorable to Plaintiffs by the Court would carry no greater, and likely far less, risk of harm to normalization than the risk already assumed by defendant Carter in signing Public Law 96–8. Just as it was appropriate for defendant Carter to take that risk, so it is believed compelling reasons essential to rule by law, not by decree, make it appropriate for the Court to require that the President adhere to constitutional process in carrying out his policies.

(c) The President's Implied Power To Recognize A Country Does Not Include The Power To Terminate A Treaty With A Third Party.

Finally, the defendants argue that this is a political question because the termination of the treaty was incident to the President's recognition of the PRC. (Defendants' Memorandum at 15). This argument, however, is one that goes to the merits: either the President has such incidental power or he does not.

While Plaintiffs do not dispute the implied power of the President to recognize a country, they strongly object to this bootstrapping technique of justifying the termination of a treaty as merely incident to the recognition of the PRC. The *reductio ad absurdum* of this argument is that the President could take *any* action he might please incident to recognizing a country. Scheffer at 923.

In *United States* v. *Belmont*, 301 U.S. 324 (1937), and *United States* v. *Pink*, 315 U.S. 203 (1942), the issues presented to the Supreme Court involved the supremacy of otherwise valid international agreements over conflicting *State* laws. They did not involve a dispute between two coordinate branches of government. Moreover, as previously noted, no agreement with a foreign nation can confer any power upon the executive branch. *Reid* v. *Covert*, supra at 18.

The proper analysis of *United States* v. *Pink* for this case, therefore, is whether the assignment of claims in and of itself was in fact within the power of the President.

Thus, the Supreme Court had actually determined that although the underlying *policy* to accept the assignment of claims was political, it found that the Litvinov Assignment, accepted pursuant to that policy, would stand on its own as a valid executive agreement and one which the Court regarded as a "modest implied power" of the President. 315 U.S. at 229. The power of the President to terminate unilaterally a defense treaty, however, can hardly be characterized as "modest." Furthermore, to rule that such power is incident to the recognition power would in fact be a ruling on the merits of the question rather than regarding it as a political question as defendants erroneously assert. For these reasons, the *Belmont* and *Pink* cases are inapplicable to the present case.

6. A Judicial Decision On The Merits Would Not Express A Lack Of The Respect Due Coordinate Branches Of Government.

This final criterion suggested in *Baker* v. *Carr* is not present in this case. A ruling in plaintiffs' favor would not be a ruling that the Treaty should or should not be terminated. No "embarrassment" would be caused by such a ruling to the Congress or the

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Footnotes at end of article.

Courts. In fact, it is the President's action that has already shocked and embarrassed many of the plaintiffs, their colleagues, constituents, and other countries by the abrupt manner of terminating a treaty with an ally. At most, the minimal, if any, embarrassment to the Executive is surely a nominal price we pay for having a government of coordinate, separate branches. A greater evil than "multifarious pronouncements" would be the nullification of Congress' constitutionality prescribed role in treaty termination.

For all of the above reasons, the case does not present a political question and is a justifiable controversy.

B. The Plaintiffs Have Standing To Assert A Constitutionally Based Role In Treaty Termination.

Plaintiffs submit that they clearly have standing in that they have alleged a distinct and palpable injury to a specific legislative interest suffered by them as a result of a specific action on the part of the defendants. Plaintiffs submit that the effective disenfranchisement of the Plaintiffs is an *objective* and a concrete injury sufficiently analogous to that found in *Kennedy* v. *Sampson*, 511 F.2d 430 (D.C. Cir., 1974) and is clearly distinguishable from the subjective injury found wanting in *Harrington* v. *Bush*, 553 F. 2d 190 (D.C. Cir., 1977). The Defendants' tortured attempt to distinguish this case from the facts in *Kennedy* should be rejected in light of the broad and generalized standards and principles for determining standing.

1. Recent Judicial Opinions Reaffirm The Broad Traditional Two-Prong Test for Standing.

The most recent post-*Harrington* decisions by the Supreme Court on standing in general and by the United States Court of Appeals for the District of Columbia Circuit on legislator standing in particular which were totally ignored by the Defendants in their memorandum are *Duke Power Co.* v. *Carolina Environmental Study Group*, 98 S. Ct. 2620 (1978) and *Reuss* v. *Balles*, 584 F.2d 461 (D.C. Cir. 1978).

In *Duke Power*, a unanimous Supreme Court reiterated the broad traditional two-prong test to determine whether a plaintiff has standing: first, there must be "injury in fact" and second, that the injury "fairly can be traced to the challenged action of the defendant." 98 S. Ct. at 2631. Stated otherwise, a litigant need not

"Demonstrate anything more than injury in fact and a substantial likelihood that the judicial relief requested will prevent or redress the claimed injury to satisfy the 'case and controversy' requirement of Art. III" *Id.* at 2634.

The Supreme Court easily found "injury in fact" to the Plaintiffs' environmental and aesthetic interests, citing with approval *United States* v. *Scrap*, 412 U.S. 669 (1973). *Id.* at 2631.

The Supreme Court has thus reaffirmed that injury in fact is to be broadly construed. Injury to *intangible* environmental and aesthetic interests are clearly sufficient. In the instant case, Plaintiffs' intangible but no less real interest in their alleged legislative duties have been particularly injured by the defendants. The following analysis of the legislator-standing cases clearly support Plaintiffs' position.

In *Reuss* v. *Balles*, Congressman Henry Reuss brought suit for declaratory and injunctive relief from the allegedly unconstitutional composition of the Federal Open Market Committee of the Federal Reserve System. The Congressman alleged injury to himself in his public legislative role and as a private bondholder. With respect to his legislative role, he principally argued that the currency, commerce, and borrowing powers of Congress were unconstitutionally delegated to this allegedly private group. It appears that had all the members of the FOMC been appointed by the President and confirmed by the Senate under Article II, Cl. 2, Sec. 2 of the Constitution, no dispute would have ever arisen.

In its decision, rendered subsequent to Duke Power, the Court of Appeals described the standing test thusly:

"As appellant correctly notes, the district court's analysis of this theory was, in part, somewhat misconceived. By indicating at the outset of its analysis that there is *no* improper delegation because the FOMC is *not* a completely private group, the court was, in effect, rendering a decision on the merits, thus exceeding its jurisdiction in light of the request for a three-judge court. *Instead, the court should have assumed* that the FOMC *is* a private group exercising improperly delegated powers, *and then ask whether that fact injured an interest of the appellant.*" 584 F.2d at 467 (Emphasis added)

The Court of Appeals found, however, that any resulting injury to Congressman Reuss was too general and vague to establish standing.

Applying the *Reuss* analysis to the instant case, however, produces a clearly different result. This court must first assume that the President "has exercised improperly delegated powers" or, more appropriately, has attempted to improperly terminate a defense treaty without obtaining the required approval of the Congress, "and then ask whether *that* fact injured an interest" of the Plaintiffs. Put otherwise, the question is, assuming the President has unlawfully terminated a treaty or law because of his failure to obtain legislative approval, *who* is injured, and thus, has standing to raise the question in the first place? The answer is obvious: Members of the Congress are injured since they have been by-passed by the executive in terminating the treaty, and have thus been effectively disenfranchised.

2. Plaintiffs Have Suffered Specific And Objective Injuries In Fact Sufficiently Analogous To That Found In *Kennedy* v. *Sampson.*

Plaintiffs' injuries more than satisfy this first-prong of the standing test. First, all Plaintiffs have been deprived of their right to vote on whether the Mutual Defense Treaty should be terminated. Secondly, all Plaintiffs (except Curtis) are continuing to be denied their right to vote on the treaty's termination. Thirdly, Plaintiffs Thurmond and Curtis' vote for the Mutual Defense Treaty in 1955 have been nullified by the President's action. In terms of the quantum of injury, it would appear that Senator Thurmond has suffered the greatest injury: his prior vote in favor of the treaty was nullified *and* he also continues to be deprived of the right to vote on the continued viability of the treaty.

Furthermore, all Plaintiffs (except Curtis) will be deprived of their right to implement the treaty under Article V which provides for military action by the United States in accordance with United States constitutional processes. This will result in a significant objective injury to the Plaintiffs. *See* Scheffer at 969–970. Finally, all Plaintiffs (except Humphrey) also have standing to seek review of Section 26 of the International Security Assistance Act of 1978 since Congress was not consulted about the proposed treaty termination. 22 U.S.C.A. § 2151 (b) (1978). Unlike typical legislation, this provision clearly intends that the Congress is the "beneficiary" of the law. Accordingly, Plaintiffs have standing to seek review of the executive's circumvention of this law which is directly related in substance to the other injuries claimed.

Plaintiffs' have also been injured since they were more or less compelled to consider and act upon other remedial legislation designed to reduce the possible effects of the challenged executive action. These efforts need not have been undertaken but for the unlawful actions of the President. (Goldwater Declaration, ¶10) Plaintiffs have also been injured in that they have been made unwilling "participants" in the President's violation, in the name of the United States, of the self-determination of the people of Taiwan, an act which was inextricably related to the unlawful termination of the Mutual Defense Treaty. (Goldwater Declaration, ¶9)

Plaintiffs' injuries are thus clearly the kind found sufficient for standing in *Kennedy* v. *Sampson*, 533 F.2d 430 (D.C. Cir. 1974). The Defendant's tortured interpretation of the *Kennedy* case should be rejected. They first quote the Court in *Harrington* as stating that the challenged executive action in *Kennedy* rendered the Senator's vote "a direct and immediate nullity, as if he had not cast the vote at all. . . . The *Kennedy* paradigm thus relies on nullification of a specific vote as the requisite injury in fact." (Def. Memorandum at 20–21).

Once again the Defendants have wrenched judicial language out of context. As the *Harrington* v. *Bush* court described the *Kennedy* case:

"The court's inquiry in *Kennedy* was limited to a discrete aspect of the process by which a bill becomes law (the actual vote on the legislation) and those post-enactment events denying the bill's status as law; the inquiry did not extend to the interpretation of a concededly valid law as appellant would have us do in this case. *The Kennedy paradigm thus relies on nullification of a specific vote as the requisite injury in fact;*" [553 F.2d at 211] (emphasis added).

Similarly, this Court's inquiry here is limited to a discrete aspect of the process by which a proposed treaty becomes law and those post-enactment events terminating the treaty as law.

The defendants nevertheless seize upon the words "direct and immediate" as supposedly representing the *Kennedy* paradigm and then attempt to argue that since the Treaty has been in effect for some 24 years, the President's action did not "immediately" follow the 1955 vote. The logic of this reasoning is fatally flawed. The action by the President in December 1978 caused "direct and immediate" injuries complained of. The fact that some of the Plaintiffs' interests had been left *unimpaired* for some 24 years does not mean that the *injury* itself to those interests did not come about in a direct and immediate manner.

In the present case, appellee has alleged that conduct by officials of the executive branch amounted to an illegal nullification not only by Congress' exercise of its power, but also of appellee's exercise of his power. In the language of the *Coleman* opinion, appellee's object in this lawsuit is to vindicate the effectiveness of his vote. *No more essential interest could be asserted by a legislator. We are satisfied, therefore, that the purposes of the standing doctrine are fully served in this litigation.* 511 F.2d at 436 (emphasis added)

Similarly, Plaintiffs' object in this lawsuit is to vindicate the effectiveness of the votes cast by the Senate in favor of the Mutual Defense Treaty in 1955 as well as to prevent the circumvention of their role in treaty termination which amounts to their disenfranchisement. The Plaintiffs' interest in the treaty termination controversy is clearly asserted in the context of a "particular dispute about specific legislation", i.e. the unilateral termination by the President of the Mutual Defense Treaty with the Republic of China.

As the Court in *Harrington* further observed:

"The nature of the impairment asserted in *Kennedy* was the complete withdrawal of the opportunity to cast the future vote; appellant in this case [Harrington] relies on uncertainty due to the lack of information as the injury to his future votes." 553 F.2d at 211.

Similarly, the nature of the impairment asserted in the instant case is the complete withdrawal of the opportunity to cast a future vote to determine the continued application or termination of the Mutual Defense Treaty. Plaintiffs are not claiming, as did Harrington, that they are being unlawfully deprived of *subjective* information which may bear upon or relate to how they might vote in the future. They are instead claiming a denial of the opportunity to cast the future vote itself.

The Court further explored the standing doctrine:

"In summary, the *Kennedy* case presented its effectiveness rationale in terms of objective injury to the legislator's vote on a particular bill; the appellant [Harrington] in this case, however, asserts subjective injury to his overall effectiveness which flows from his lack of information concerning the CIA. Having determined the *Kennedy* case cannot be read to include the three interests discussed above, it is now appropriate to test these interests against the *broader framework* of the standing doctrine." 553 F.2d at 212 (emphasis added).

Plaintiffs' effectiveness rationale is presented here in terms of *objective* injury to their vote on a particular law. Nevertheless, as the *Harrington* Court properly noted, the *Kennedy* type injury is not the only situation where injury may be found. If that were true, the only case where legislators would have standing would be the narrow case involving a challenge to a pocket veto.

The Court applied the "broader framework" to Harrington's injury but found that there "has been no allegation that appellant's vote will be nullified by the activities or that appellant will be personally disenfranchised *in any respect*." 553 F.2d at 212. (emphasis added). On the other hand, Plaintiffs here have clearly alleged that they have been and continue to be disenfranchised in a very specific respect i.e. by the defendants' actions to terminate a treaty without seeking the required Congressional authorization or approval or consultation. The Court also found that Harrington's legislative power "has not been invaded, diminished, diluted, or injured by the challenged actions in this case" and that therefore there was lacking the "logical nexus between the status asserted and the claim sought to be adjudicated." 553 F.2d at 213. In the instant case, Plaintiffs' legislative powers have been "diminished" and "diluted" in a context which has a logical nexus to the claim sought to be adjudicated.

From the foregoing, it is clear that the injury to the Plaintiffs fits within both the narrow standing framework in *Kennedy* and *well* within the "broader framework" of the standing doctrine.

3. Plaintiffs' Standing Need Not Rest on Express Constitutional Provisions Nor Would Standing Allow Any Congressional Suit That Challenges Executive Action.

Besides the Defendants' weak argument about the lack of immediacy of the injury, their only other argument on standing is that since no constitutional provision expressly provides for a role in treaty termination, the Senate has "no further constitutional interest in whether the treaty . . . is terminated" by the President. (Defendants' Memorandum at 21–22). The Defendants' here are obviously confusing the merits of the case with the legal issue of standing.

In *Kennedy* v. *Sampson*, the pocket veto clause (Art. I., Sec. 7) did not specifically cover the matter at issue. Similarly the treaty clause does not specifically cover the issue of termination. Nevertheless, the Plaintiff's interest in *Kennedy* was held to be real enough to confer standing. As in the veto situation involved in *Kennedy*, the Constitution in the treaty situation provides implicitly for a further vote by Congress on termination of a treaty. This method of termination is an implicit but necessary part of the Treaty process in the Constitution. As in *Kennedy*, the treaty termination vote is "a constitutionally prescribed followup to the vote already cast on the same precise legislative bill," i.e., the treaty. [*Harrington* v. *Bush*, 553 F.2d at 211.]

In any event, the proper analysis for standing, as noted previously in *Reuss* v. *Balles*, is to assume that the President unlawfully terminated the treaty without Congressional approval, and then ask whether any Plaintiffs have been injured by such fact. Under this analysis, if Plaintiffs were, for example, merely a group of concerned citizens, they would not have suffered any particular injury by the illegal executive action. However, the Plaintiffs are Members of the Congress and as such are injured or among those directly injured by the unilateral action of the defendants.

What the defendants were apparently trying to show by their second standing argument is that a finding of standing in this case would cause legislators to use the courts as roving commissions challenging executive actions. The cases show, however, that this fear is completely groundless.

A Congressman's interest in the post-enactment administration of law was rejected by the *Harrington* v. *Bush* court as a basis for standing because that asserted interest derived from plaintiff's *subjective* judgment as to the legality of the administration of the laws. This point was later emphasized in *Metzenbaum* v. *Brown*, 448 F. Supp. 583, 542–43 (D.D.C., 1978).

Similarly, in *Metcalf* v. *Nat'l Petroleum Council*, 407 F.Supp. 257 (D.D.C., 1976), plaintiff Senator was held not to have standing because the Senate *had* power to review the activities of the advisory groups to which he objected. The Court in *Metcalf* properly characterized as purely *subjective* the Senator's claims that he was entitled to receive unbiased advice from the National Petroleum Council. And in *Public Citizen* v. *Sampson*, 379 F.Supp. 662 (D.D.C. 1974), *aff'd* 515 F.2d 1018 (D.C. Cir. 1975), the court in denying standing emphasized that the Congressmen could protect their rights and power by proposing legislation to regulate the General Services Administration.

In *Kennedy* v. *Sampson*, the court, however, rejected the contention that Congress could protect its interest by re-enacting the bill at a time when a pocket veto would be impossible. The court said that although it was possible to re-enact the law, this would not be a sufficient protection of Congress' interest. *A fortiori*, the Congress in the instant situation is wholly lacking in protection. The Congress cannot make a treaty by itself. If the President's abrogation of the 1954 Mutual Defence Treaty stands, the Senate and the entire Congress are wholly without recourse to restore that treaty.

4. Plaintiff's Claim of injury Satisfies The Second-Prong of the Standing Requirement.

The only remaining aspect of the standing question is whether those injuries were caused by the defendants and can thus be redressed by a court opinion. This question is easily answered.

In *Harrington*, the Court denied standing to the Plaintiff on the additional ground that his injury was caused by the *legislative* branch which was not a party to the lawsuit. Consequently, a court opinion would not have been binding on the defendant, a representative of the *executive* branch. 553 F.2d at 214.

It is clear that the defendants here are the source of the injuries claimed by the Plaintiffs. But for the actions of Defendants Carter and Vance, the Plaintiffs would have no cause for complaint. An opinion in Plaintiffs favor would undoubtedly be heeded by the defendants and they do not suggest in their Memorandum anything to the contrary. The President need not withdraw the purported notice of termination but merely obtain the required legislative approval. Accordingly, a judicial opinion in this case would not be a mere advisory opinion. As the unanimous Supreme Court recently stated in *Duke Power*, all that is required to satisfy this second-prong of standing is a "substantial likelihood" that judicial relief will redress the claimed injuries. 98 S. Ct. at 2634.

II. Plaintiffs' amended complaint states a claim upon which relief may be granted

A. The Weight of Authority Supports The View That The President Is Without Legal Authority To Terminate Treaties Without Congressional Concurrence.

With respect to statutes and treaties, the Constitution expressly requires the exercise of *both* executive and legislative authority for enactment.[7] That is to say, enactment of statutes and treaties is a "shared" power.

As to the repeal of statutes and treaties, the Constitution is silent. However, it is well-settled that a statute may be repealed only by the authorities that enact it, even though the Constitution contains no express provision to that effect. *District of Columbia* v. *Thompson Co.*, 346 U.S. 100, 114 (1953); *The Confiscation Cases*, 87 U.S. (20 Wall.) 92, 112–13 (1874).

Logic compels the same result with respect to treaties, since treaties and statutes are on an equal footing under the Constitution.[8] In other words, the termination of a treaty, like the repeal of a statute, is a "shared" power. Moreover, since the Constitution is also silent as to how treaties may be modified, it can be asked:

"If the President cannot on his sole initiative amend a treaty, how can it be claimed that he can so annul one? If the lesser act is wrong, how can the greater be right?" Hearings on S. Res. 15, Senate Comm. on Foreign Affairs, 96th Cong. 1st Sess. (April 1979) (Statement of Irwin Rhodes) (hereinafter referred to as Hearings on S. Res. 15).

Although there is no judicial holding directly on point, a number of cases have said by way of strong dictum that the President may not terminate treaties without the consent of Congress.

In *The Amiable Isabella*, 19 U.S. (6 Wheat.) 1 (1821), the Court said:

"[T]he obligations of the treaty could not be changed or varied but by the same formalities with which they were introduced; or at least by some act of as high an import, and of as unequivocal an authority." *Id.* at 75.

Similarly, in *Clark* v. *Allen*, 331 U.S. 503 (1947), the Supreme Court quoted with approval the following statement by Judge Cardozo in *Techt* v. *Hughes*, 229 N.Y. 222, 243, 128 N.E. 185, 192 (1920), *cert. denied*, 254 U.S. 643 (1920):

"[The] President and Senate may denounce the treaty, and thus terminate its life. Congress may enact an inconsistent rule, which will control the action of the courts." *Id.* at 509.

In *Ware* v. *Hylton*, 3 U.S. (3 Dall.) 199 (1976) (separate opinion), Justice Iredell wrote:

"[O]ur judgment must be grounded on the solemn declaration of Congress alone, (to whom, I conceive, the authority is entrusted) given for the very purpose of vacating the treaty on the principles I have stated. . . . *Id.* at 260.

And in *Teti* v. *Consolidated Coal Co.*, 217 F. 443 (D.C.N.Y. 1914), the court said:

Footnotes at end of article.

"This treaty is the supreme law of the land, which Congress alone may abrogate. . . . *Id.* at 450.

The only authority Defendants have cited for the proposition that the President may terminate treaties without legislative consent consists of the writings of certain scholars.[9] It appears that writers have disagreed on the question of whether legislative consent is required for treaty termination. However, in response to the eight authorities on which Defendants' rely (Def. Memorandum at 29–33), at least 15 authorities, many of whom actually studied the very issue before the court, support the Plaintiffs' proposition that the President *cannot* lawfully terminate a treaty without legislative consent. For example, Justice Story, in his *Commentaries on the Constitution*, wrote:

"[Treaties] should have the obligation and force of a law, that they may be executed by the judicial power, and be obeyed like other laws. This will not prevent them from being cancelled or abrogated by the nation upon grave and suitable occasions; *for it will not be disputed, that they are subject to the legislative power and may be repealed, like other laws, at its pleasure.*" (Emphasis added.) J. Story, *Commentaries on the Constitution of the United States* 695 (1873).

Professor Edward Corwin, in his treatise on executive control of foreign relations, said:

"[A]ll in all, it appears that legislative precedent, which moreover is generally supported by the attitude of the Executive, sanctions the proposition that the power of terminating the international compacts to which the United States is party belongs, as a prerogative of sovereignty, to Congress alone." E. Corwin, *The President's Control of Foreign Relations* 115 (1917).

Professor Stephan A. Riesenfeld of the University of California, Berkeley writes:

"The most logical view is that the power to denounce a treaty is vested in the President by and with the advice and consent of the Senate, so that the department of the government which makes the treaty can terminate it, regardless of whether the termination is by unilateral, but lawful, denunciation or by a new treaty." Riesenfeld, *The Power of Congress and the President in International Relations*, 6 Cal. L. Rev. 643, 660 (1937).

Professors McDougal and Reisman state:

"[W]hen we deal with security agreements we are dealing with agreements that pose the greatest commitment of the destiny of the Republic. . . .

"[T]he President cannot terminate these treaties on his own initiative, without an authorization." Hearings on S. Res. 15.

Irwin S. Rhodes, author-editor of *The Papers of John Marshall* and the forthcoming *The Papers of Roger Brooke Taney*, writes:

"Just as the power to legislate implies the power to repeal in the same manner and the power to judge implies the power to revoke or overrule in the same manner, so the same principle applies to treaties. If such be the case, as I firmly believe, the revocation of a treaty by the President without the advice and consent of the Senate is unconstitutional and notice by him of intended termination is a nullify." Id.

Similarly, Professor Edward Gaffey, Jr., Assistant Director of the Center for Constitutional Studies at Notre Dame Law School, formerly a member of the Policy Staff of U.S. Attorney Generals Levy and Bell, recently observed:

"If the President is under the duty, in Article II, to take care, to see that the laws are faithfully executed, and if then Article VI defines law to include and to embrace treaties, then it seems to me that the normal route would be to go back to the House and Senate for a majority vote, just the normal way that you unmake an act." *Id.*

Footnotes at end of article.

And Professor Thomas S. Franck, Director, Center for International Studies of New York University School of Law, recently stated:

"[T]reaties are the supreme law of the land, that laws and treaties, in the words of the Supreme Court in *Whitney* v. *Robertson* are on the same footing as laws and must be terminated as if they were laws, either by a legislative resolution or by inconsistent subsequent law." *Id.*

With specific reference to the 1954 Defense Treaty, Professor Arthur Bestor, Professor of History Emeritus of the University of Washington writes:

"The termination of the Mutual Defense Treaty by the President without obtaining the advice and consent of the Senate—indeed, in flagrant desregard of the 'sense of the Congress' clause in the International Security Assistance Act of 1978 (which comes close to being what the Constitution describes as the 'advice' of the Senate)—represents a usurpation of power of the most dangerous sort."

Introduction to "Location of the Constitutional Power to abrogate or Terminate a Treaty: The Original Intent of the Constitution Historically Examined," Cong. Rec. S. 1607 (daily ed. Feb. 21, 1979)

Professor Alan C. Swan, former legal counsel in the Department of State, reaches the same result on the basis of the separation of powers doctrine:

"As such, it [the separation of powers doctrine] is a guarantee of our liberty as important as the Bill of Rights itself. It also means that if, acting in accord with that doctrine, the President and Senate concur upon a treaty, any suggestion that the President alone, without Congressional concurrence, may reverse the policy of the treaty is tantamount to a suggestion that the great matters with which treaties deal are for some reason removed from the Madisonion precept." Hearing on S. Res. 15.

Professor Eugene V. Rostow, former Undersecretary of State, has succintly summed up the constitutional and policy implications of Defendants' position as follows:

"It cannot be constitutional to allow the President to abrogate treaties by a stroke of his pen. Can the President alone nullify our solemn national commitment to NATO? The President's duty is to see that treaties and statutes are 'faithfully executed.' He has no power to repeal them. Such a doctrine would make nonsense of the separation of powers, and indeed establish an Imperial Presidency." E. Rostow, Yale Alumni Magazine (April, 1979).

A similar statement appears in a recent article by David Scheffer in the Harvard International Law Journal addressing the very issue before the Court:

"If the President's unilateral action were to go unchecked, then the precedent which this case would establish would lead to the inevitable consequence of an ambitious or unreasoned President disengaging the United States from crucial bilateral and multilateral treaties with the stroke of a pen and without the constitutional balance of legislative advice and consent." Scheffer, *The Law of Treaty Termination as Applied to the United States De-Recognition of the Republic of China*, 19 Harvard Int'l. L. J. 931, 1008 (1978).

From the foregoing,[10] it is apparent that Defendants have indulged in a considerable overstatement when they contend that "the great majority of modern constitutional and international law authorities and scholars support the power of the President, acting alone, to terminate treaties." (Def. Memorandum at 30). Perhaps the most that can be said is that this is a subject about which experts may disagree, although the weight of authority appears to favor Plaintiffs position which, from a policy standpoint, is the better view of the issue.

1. The Framers Intended That Treaties Be Terminated Only With The Consent Of The Legislature.

The Federal Constitutional Convention of 1787 and the subsequent state ratifying conventions contain little on the question of treaty termination. However, the writings of the Founding Fathers evidence their belief that, in remaining silent on the subject to treaty termination, the Constitution implied that treaties would be terminated as they are made—with the consent of both the executive and the legislative branches. Thus, Thomas Jefferson understood:

"Treaties are legislative acts. A treaty is the law of the land. It differs from other laws only as it must have the consent of a foreign nation, being but a contract with respect to that nation. . . . Treaties being declared, equally with the laws of the United States, to be the supreme law of the land, it is understood that an act of the legislature alone can declare them infringed and rescinded." T. Jefferson, *A Manual of Parliamentary Practice for the Use of the Senate of the United States*, Sec. LII (1801).

The analogy of treaties to statutes, and its implications for the repeal of treaties, was analyzed by James Madison as follows:

"That the contracting powers can annul the Treaty cannot, I presume, be questioned, the same authority, precisely, being exercise in annulling as in making a treaty." 1 Letter and Other Writings of James Madison 524–25 (1865).

Similarly, John Jay expressed the view that:

"They who make laws may, without doubt, amend or repeal them; and it will not be disputed that they who make treaties may alter or cancel them. . . ." *The Federalist No. 64* at 394 (J. Jay).

The well known concern of the Framers with regional economic interests, navigation rights and peace treaties refutes any notion they intended to make it easier to escape, than make, treaties. Surely, the Framers did not vest one person with complete power to denounce treaties of such supreme importance, without any legislative deliberation.[11]

Hamilton also expressed his concern in this matter when he wrote in the Federalist No. 22 that one of the specific defects *meant to be corrected* by the Constitution was the want of fidelity to our treaty engagements in view of the ease by which treaties could be dropped under the Articles of Confederation.

2. Heretofore, Virtually All Cases Of Treaty Termination Regardless Of Termination Notice Provisions Have Involved Legislative Consent.

To date, the United States has terminated, in whole or in part, some 55 treaties. *See* Exhibit to Emerson Declaration. Of these 55 treaties, 52 have been terminated with the express or implied legislative approval. The remaining three can be distinguished, and in any event, do not suffice to create an executive power.

Defendants have alleged not three but twelve instances of treaty termination without congressional consent. (Def. Memorandum at 33 and Exhibit 1.) Analysis of these alleged terminations, however, shows Defendants to be mistaken. (See Exhibit to Emerson Declaration.) In four of the twelve cases, termination occurred only after Congress had enacted legislation inconsistent with a previously ratified treaty.[12] In one case, the termination was authorized by acts of Congress.[13] In another case, termination was authorized by another treaty.[14] And in two cases, termination never occurred because the notice of termination was withdrawn by the President.[15]

Of the remaining four instances in which Defendants argue that treaties were terminated without congressional consent, none supports the sweeping proposition that the President has exclusive authority to terminate treaties. In one of the cases, the President did *not* give notice of termination; notice was given by the successor to the original foreign contracting party, which had ceased to exist.[16]

In *two* other cases, Congress was not informed of the termination.[17] Finally, the 1923 Convention on Uniformity of Nomenclature for the Classification of Merchandise, not one of the United States more important international agreements, was denounced in 1954 because it had become "inapplicable" and "outdated" due to a change in conditions not caused by the United States. Thus, the only three cases of denunciation without congressional consent all involved a fundamental change of the circumstances on which the treaties were premised, not the result of any action on the part of the United States.

3. The Fact That The President May Have On A Few Occasions Denounced Treaties Without Congressional Consent In The Past Does Not Make Such Actions Lawful Under The Constitution.

The courts have repeatedly rejected the argument that past executive practice establishes executive authority. The principle was succinctly stated by the United States Court of Appeals for the District of Columbia Circuit in *Kennedy* v. *Sampson*, 511 F.2d 430 (D.C. Cir., 1974), rejecting a claim of Presidential pocket veto power based on executive practice considerably more consistent than that claimed here. The court declared:

"[C]onsistent practice cannot create or destroy an executive power." *Id.* at 441.

In *Nixon* v. *Sirica*, 487 F.2d 700 (C.A.D.C. 1973), at least 26 presidential refusals to comply with congressional subpoenas were relied on as a source of law by usage. *Id.* at 732–34. Yet the majority for the Court of Appeals and, subsequently, a unanimous Supreme Court, completely disregarded the precedents as creating any power in the President and held against an absolute privilege of non-disclosure of conversations on the subpoenaed recordings. *United States* v. *Nixon*, 418 U.S. 683 (1974).

Similarly, in *Train* v. *City of New York*, 420 U.S. 35 (1975), when ruling for the first time on the power of the President to impound funds appropriated by Congress, the Supreme Court gave no weight to widespread executive practice and held unanimously that the President had exceeded his authority by refusing in 1972 to allocate to the states certain water pollution funds.

Thus, even a consistent practice of treaty termination without congressional consent could not create an exclusive executive authority to terminate treaties. *A fortiori*, the three isolated, inconclusive examples of denunciation without congressional consent (as opposed to the 52 example with Congressional approval) cannot create such authority.

4. The Past Practice And Historical Interpretation Of The Constitutional Procedure For Terminating Treaties With Notice Provisions Has Consistently Required Legislative Action.

Without citing any evidence in the legislative history of the Mutual Defense Treaty or in the historical record concerning treaty termination generally, Defendants assert the President has power to terminate the treaty under its terms since Article X provides for withdrawal by either "Party" after giving one year's notice. In effect, Defendants make the broad assumption that since the President conducts foreign relations, the Senate understood without more that "Party" means "President" in Article X. The assumption is wholly unfounded. In fact, it is clearly refuted by past practice of our government and consistent previous interpretations given to the term "Party" by the Senate and its Foreign Relations Committee throughout history under the Constitution.

The first instance of terminating a treaty by notice pursuant to its terms did not occur until 1846, when Congress by joint resolution authorized President Polk to annul the Convention with Great Britain regarding the joint occupation of the Oregon territory. 12 Bevans 75 (1974). President Polk asked Congress for authority to give the notice in his Message of December 2, 1845.

The second time the United States acted under the notice provision of a treaty was in connection with the commercial treaty with Denmark of 1826. 7 Bevans 1 (1971). In writing about the anticipated cancellation of this treaty in 1848, Secretary of State Buchanan observed that "an act must first pass Congress to enable the President to give the required notice." Vol. 8 *The Works of James Buchanan* at 224 (ed. J. B. Moore, 1909) indeed, when the United States eventually withdrew from that treaty it was pursuant to authority conferred upon President Pierce by the Senate Resolution of March 3, 1855, advising and consenting unanimously to allow him to give notice. The President had specifically requested such authority in his message of December 4, 1854.

This incident led to an authoritative report by the Senate Foreign Relations Committee in 1856. Acting to resolve questions raised by the Senate's action in granting authority to the President without the collaboration of the House of Representatives, the Committee examined the precise issue before the Court today: how shall a treaty be terminated which by its own terms provides for cancellation after notice given by either "Party." The Committee answered that "where the right to terminate a treaty at discretion is reserved in the treaty itself, such discretion resides in the President and Senate." S. Rep. No. 97, 34th Cong., 1st Sess. (1856), reprinted in S. Doc. No. 231, at 110.

The Senate Committee explained:

"The whole power to bind the government by treaty is vested in the President and Senate, two thirds of the Senators present concurring. The treaty in question was created by the will of the treaty-making power, and it contained a reservation by which that will should be revoked or its exercise cease on a stipulated notice. *It is thus the will of the treaty-making power which is the subject of revocation, and it follows that the revocation is incident to the will.*" *Id.* at 111. (Emphasis added)

The Committee added that although "the advice of the Senate alone is sufficient to enable the President to give the notice," it would be appropriate for him to obtain "the joint assent of the Senate and House of Representatives" as an alternative means of authority. *Id.* No power in the President alone was ever contemplated by the Committee.

A decade later the entire Senate confirmed the basic position of the Committee that legislative authority is necessary to enable the President to give notice. In 1865 both Houses enacted the Joint Resolution of February 9, ratifying President Lincoln's purported notice of withdrawal from the Rush-Baggot Convention. 12 Bevans 54 (1974). Senate debate preceding adoption of the authorizing legislation was dominated by Senators who argue that the notice of the President was wholly invalid until adopted legislatively.

For example, Senator Garret Davis of Kentucky said:

It is indispensably incumbent and necessary, in order to secure the termination of this treaty, that it shall be terminated, *not by the action of the President, but by the action of Congress.*" 36 Cong. Globe 313 (Rives ed. 1865) (Emphasis added)

Senator Charles Sumner of Massachusetts, then Chairman of the Foreign Relations Committee, agreed that "the intervention of Congress is necessary to the termination of this treaty. . . ." He explained that it is "to be repealed or set aside only as other law is repealed or set aside; that is by act of Congress." 35 Cong. Globe 312 (Rives ed. 1865).

Congress defended its shared power over treaty termination again in 1911 when it learned that President Taft had given notice of termination of the Commercial treaty of 1832 with Russia. 11 Bevans 1208 (1974). In view of Soviet violations of the treaty by discrimination against American Jews, President Taft informed Russia on December 15, 1911, of intent to terminate the treaty as provided therein. President Taft did, however, inform the Senate of his action "as a part of the treaty-making power of this Government, with a view to its ratification and approval." G. Hackworth, 5 Digest of International Law 320 (1943). Thus the President acknowledged the necessity for legislative ratification of his action.

When asked whether President Taft's notice would be legal in the absence of legislative approval, Senator Henry Cabot Lodge, Chairman of the Foreign Relations Committee, replied during Senate action on the enabling legislation: "Of course, Congress can disapprove his action; and then, I take it, the notice fails. . . . ." 48 Cong. Rec. 479 (1912). Id. Senator Lodge added that the power to terminate the treaty by notice according to its terms rested in the President and Senate alone "because in making such a treaty the Senate and the President represent the high contracting party."

The interpretation of the term "Party" as meaning "President and Senate," given to it by the Senate Foreign Relations Committee in 1856 and by the Chairman of that Committee in 1911, has never been repudiated or changed by the Senate. Defendants mistakenly claim that "the Senate has explicitly conditioned treaty ratification on the stipulation that any subsequent denunciation would require the participation of the Congress." (Def. Memorandum at 35–36). Defendants erroneously cite Senate approval of the Lodge Reservation to the League of Nations Treaty in 1920 as reaffirming that "treaty termination is an Executive Branch function." *Id.* at 36. Defendants have totally misread the purpose of the Reservation and more significantly have failed to discuss two Senate votes specifically rejecting amendments which would have authorized the President alone to withdraw from the treaty by notice.

The Lodge Reservation was first approved by the Senate on November 8, 1919. 58 Cong. Rec. 8139 (1919). It was approved a second time on February 21, 1920. 59 Cong. Rec. 3242–3243 (1920). It provided that "notice of withdrawal by the United States may be given by a concurrent resolution of the Congress of the United States." 58 Cong. Rec. 8139. The purpose of the reservation, as is obvious on its face, was to assure that the Congress *alone* could provide for withdrawal from the League without the signature or any further action of the President. Since a concurrent resolution is not sent to the President for approval, as is a bill or joint resolution, it would be immune from the veto power. Far from raising any inference that the Senate viewed the Executive as possessing independent power over treaty termination, *the Senate had asserted its supremacy over the subject by voting to establish a new means, never before used in history*, for giving notice of withdrawal without *any* participation by the President.

The majority of Senators intended that the country should be able to "get out of" the proposed League "as easily as possible." 58 Cong. Rec. 8136 (1919). Even so, the Senate twice *defeated* amendments to the Lodge Reservation that would have enabled the President alone to give notice. 58 Cong. Rec. 8134–8135; 59 Cong. Rec. 3242. Thus, the Senate in 1919 and 1920 expressly rejected any notion that the President acting on his own initiative could *unilaterally* terminate a treaty by notice.

Footnotes at end of article.

In 1941, then Acting Attorney General Biddle advised President Roosevelt that he alone could not as President invoke the notice provision of the International Load Line Convention:

"It is not proposed that the United States denounce the convention under Article 25 [relating to notice] . . . nor that it be otherwise abrogated. Consequently, action by the State or by the Congress is not required." 40 Op. Att'y. Gen. 119 (1941)

Also, it is instructive to examine the 1949 Mutual Defense Assistance Act, in particular the terms that Congress set out there by which the President unilaterally, without consulting Congress, was authorized to terminate certain aid agreements. Public Law 81–329, 63 Stat. 714, 718. The terms under which the President alone can operate, are spelled out in great detail. The fact that Congress, in the legislation which served as the foundation of the whole complex of postwar treaties, saw fit to authorize how and in what circumstances the President may terminate certain agreements related to collective self-defense, but in the Mutual Defense Treaty did not so clearly authorize the President to act, further establishes the proposition that he alone was not intended to act in terminating the latter agreement.

It is abundantly clear from the above discussion that the decision to give notice to terminate a treaty is a shared power in the United States to be exercised by joint action of the President and legislative branch.

5. The Legislative History Of The Mutual Defense Treaty Clearly Establishes That It Cannot Be Terminated Without Legislative Action.

It is in the historical setting just described of consistent affirmations of shared power in treaty termination, and occasional supporting expressions by the Executive Branch itself, that the Senate approved ratification of the Mutual Defense Treaty in 1955. By 1955 the Senate had participated in the annulment of at least forty treaties or treaty provisions, the vast majority of which treaties contained notice provisions. *See* Exhibit to Emerson Declaration. Obviously the Senate understood it had a major role in the termination of those agreements even though they included provisons for withdrawal. This historical practice of joint action, uninterrupted except for three treaty withdrawals due to unique circumstances previously discussed, reinforces the interpretation which the Senate undoubtedly placed on Article X of the Mutual Defense Treaty.

The Defendants admit that the term "party" in Article X means a "state" or more specifically, the United States. (Def. Memorandum at 23–24.) The Senate was included an integral element of the "Party" who represented the United States in making and ratifying the treaty; and absent any indication to the contrary in the legislative history of the treaty, it must be concluded that the Senate continues to be a component of the "Party" for the purpose of unmaking the treaty. There is absolutely nothing in the legislative reports and proceedings concerning the 1954 treaty that indicates the President alone can decide to give the termination notice. In fact, the opposite is true.

The Senate ignored the model of legislation which it had before it simultaneously with the treaty providing for termination by the President alone. On January 24, 1955, President Eisenhower called for action by Congress on the resolution, subsequently known as the Formosa Resolution, relating to "the use of the Armed Forces of the United States if necessary to assure the security of Formosa and the Pescadores." The resolution was introduced that day as S.J. Res. 28. The Mutual Defense Treaty with the Republic of China was transmitted to the Senate on January 6, 1955, and was first considered in the Senate Foreign Relations Committee concurrently with the Formosa Resolution.[18]

Thus, the Senate had each measure before it for immediate comparison and action. In this setting, it is striking that the Formosa Resolution, by its own language, expires when the "President" shall determine that the "peace and security of the area is reasonably assured by international conditions created by action of the United Nations or otherwise, and shall so report to the Congress." In contrast, the treaty provides for termination on one year's notice by either Party. This significant difference was explicitly noted by the Senate Committee in reporting the treaty. Executive Rept. 2, 84th Cong., 1st Sess., at 7 (1978).

Thus, although the Senate had before it language of the specific kind in the Formosa Resolution, it failed to insert the term "President" anywhere into the treaty or in any reservation, understanding, or explanatory legislation relating thereto. From this, it is clear the Senate intended the President to possess authority for termination of the Formosa Resolution, but did not so intend that the President could act alone to terminate the treaty. The former was viewed as a temporary action; the latter was recognized as creating an ongoing obligation not to be easily cancelled.

Further evidence that the two governments did not intend that it be easy for either nation to escape from the basic obligations of the Mutual Defense Treaty appears in the exchange of notes concluded between Secretary of State Dulles and Foreign Minister Yeh eight days after the Treaty was signed. The last sentence of that agreement, states:

"Military elements which are a product of joint effort and contribution by the two Parties will not be removed from the territory described in Article VI to a degree which would substantially diminish the defensibility of such treaties without mutual agreement."

Legislation on Foreign Relations Through 1977: Treaties and Related Material, Joint Comm. Print of House Comm. on Int'l. Relations and Senate Comm. on Foreign Relations at (Feb. 1978) 731–732.

Moreover, the relationship of these Notes to the basic treaty was clearly understood in 1955 to mean that since the Notes were executive agreements, they could be altered by the unilateral action of the President, whereas the collective and solemn word of the United States embodied in the treaty could *not* be altered or terminated without the participation of at least the Senate. The historical proceedings reveal the following significant exchanges:

"*Senator Fulbright*: Do you interpret [the Notes] to be of such a nature that it could be *cancelled tomorrow* by mutual consent by this Government saying they are no longer bound, *or is it part of this treaty*?

"*Secretary Dulles*: It is not part of the treaty, no.

"*Senator Fulbright*: Then it [the Notes] is of such a status that it could be *disavowed*, could it not, *and not require action by the Senate*? This is just an exchange of notes, isn't it?

"*Secretary Dulles*: *That is correct, yes.*

"*Senator Fulbright*: Supposing there is a change of government from the Chiang Government. Is it of such a nature that it would be binding?

"*Secretary Dulles*: There are of course in these matters varying degrees of solemnity, and when an exchange of notes if made in connection with ratification of a treaty, that has a higher degree of solemnity than if they were exchanged under other circumstances. On the other hand, *they do not become as immutable as they would be if they were actually part of the treaty itself*." *Executive Sessions of the Senate Foreign Relations Committee* (Historical Series), Vol. VII, 84th Cong., 1st Sess. 1955 at 322–23 (Made public April 1978). (Emphasis added)

It is without a doubt that there was a clear understanding in the minds of both the executive and legislative branch during these proceedings, of the kinds of actions that required Senate approval and those that did not. Further, discussion in the hearings distinguishing the powers of the President to take other unilateral action demonstrate that the legislative and executive intent was that the President alone could not alter the treaty. *Id.* 323–344. For example:

"*Senator Smith:* You feel now then that the treaty, by bilateral action, withdraws the [Presidential] directive to the 7th Fleet?

"*Secretary Dulles*: No, no. He [the President] withdraws his directive to the 7th Fleet; *but he cannot by unilateral action withdraw from the obligation now expressed in Article V of the Treaty* to take action by Constitutional process if Formosa and the Pescadores are attacked." *Id.* at 328 (Emphasis added)

Not only did President Carter unlawfully attempt to withdraw from the obligation expressed in Article V, but also from all the other obligations expressed in the entire treaty.

The above legislative history thus clearly refutes the defendants' "pertinent point . . . that nothing in the language or legislative history indicates any intention to reverse the principles that the President acts on . . . treaty terminations." (Def. Memorandum at 39). What does defendants' legislative history consist of? Nothing.

Also, there is a unique fact attached to the defense treaty which further supports the conclusion that the President must obtain legislative authority in order to terminate, or give notice of termination of such treaty. Treaty termination is subject to review and approval by the legislature in the Republic of China.[19]

It is logical to conclude that the two governments negotiating the treaty desired to place each President on an equal level. If it was thought that the President of the United States had possessed power to terminate the treaty unilaterally, he would be in a superior position to the President of the Republic of China as to one of the fundamental aspects of the treaty. Such an inferior power for the President of the Republic of China would not merely reflect adversely upon the status of that officer, but more basically, would make it easier for the United States to escape the treaty than it was possible for the Republic of China to do. Surely the two states which were equals for making and applying the treaty were put on an equal footing as to the right to withdraw from the treaty, and neither expected that the treaty could be easily denounced.

Finally, the character of the treaty as a defense treaty is determinative of the legislative purpose. A defense treaty is tied to the exercise by Congress of its war powers.[20]

In approving ratification of the defense treaty and subsequent implementing legislation, such as authority for the sale of military equipment to the Republic of China, the Senate and Congress had participated jointly with the President in establishing an important element of the network of mutual defense treaties that protect the security of the United States and its citizens in a dangerous world. Taken collectively the treaties in this security system directly involve the well-being and safety of the American people. By reducing the risk of war through a protective network of collective defense agreements, the Senate, and Congress by implementing legislation, have acted jointly with the President in making policy deci-

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Footnotes at end of article.

sions which reduced the possibility of Congress having to declare war.

By unilaterally changing the structure of that network of treaties by attempting to terminate the defense treaty with the Republic of China, defendants would alter the integrity of that system as a protective umbrella. It may be that dropping the Republic of China from the treaties linking our defensive system in the Pacific will not destroy or seriously damage the system. But that is a policy determination for Congress or the Senate to make jointly with the President. He alone cannot change the fundamental policy which was created with legislative participation. He alone cannot make a policy decision affecting the possible exercise by Congress of its power to declare war.[21]

In short, the Senate understood that Congressional implementation through a declaration of war or its equivalent was necessary to carry out the fullest application of the defense treaty in the event of an armed attack on the Republic of China, and the Senate similarly understood legislative action was necessary to implement the termination of the treaty, which itself would be fraught with implications bearing on the possible exercise of the war powers.

6. Defendants' Argument That The Supremacy Clause Is Inapplicable Is Without Merit; In Any Event, Its Nonapplicability Would Not Support Unilateral Action By The President.

Defendants argue that the Supremacy Clause is not determinative of this case because Article VI concerns only "the substantive effect for domestic law purposes," whereas this case presents "a question of process and not of substantive application" under Article II.

However, contrary to Defendants' suggestion, the operation of the Supremacy Clause does in fact concern itself with what Defendants call "process." Analysis of Supreme Court decisions shows that Defendants' "process-substantive effect" distinction is superficial and largely semantic. For example, in preemption cases, the Court always determines *who* may act in a given field (what Defendants would call "process") before determining what substantive effect is to be given the law in question. See *Rice* v. *Santa Fe Elevator Corp.*, 331 U.S. 218 (1947); *Hines* v. *Davidowitz*, 312 U.S. 52 at 62–64 (1941).

Defendants also argue that the Mutual Defense Treaty is not part of the Supreme Law of the Land because it is not self-executing. (Def. Mem. at 42–43) The Defendants, however, are mistaken. Article V provides in part:

"Each Party recognizes that an armed attack in the West Pacific Area directed against the territories of either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

But this provision says nothing specifically about "war." And the President clearly has authority under the "constitutional processes" to take action, diplomatic and otherwise, short of war, to alleviate a threat of armed attack in the Pacific Area. With respect to such acts, Article V *is* self-executing, since no congressional implementation would be necessary.

Article VII, which provides for the location of U.S. forces in and about Taiwan, is not self-executing to the extent that it requires appropriations by Congress, but such appropriations have been made. The other eight articles, with the exception of the termination provision of Article X, are all self-executing. Therefore, Defendants' characterization of the treaty as non-self-executing is incorrect.

Moreover, the "self-executing/non-self-executing" distinction is wholly irrelevant for purposes of this case, because the court here is not asked to apply the substantive provisions of the treaty to a given situation. Indeed, if the distinction were relevant, Defendants concede too much by their argument; if a treaty is not self-executing, then the Congress assumes a greater role and responsibility with respect to that treaty. The treaty does not dispense with the role of Congress in the matter of its termination any more than it dispenses with Congress' role in deciding upon a possible declaration of war.

In any event, Defendants lose under either theory. If Article VI controls, both Houses of Congress must consent to the termination of the treaty; if, as Defendants contend, only Article II applies, then the Senate alone must consent to the termination. The Defendants obtained the approval of neither.

7. The President's Article II Appointment And Removal Power Bears No Relation To His Treaty Termination Power.

In an effort to establish an implied power to terminate treaties without legislative consent, Defendants have attempted to analogize treaty termination to removal of ministerial officials. However, the powers to remove officers and terminate treaties are completely dissimilar. The removal power is sharply "confined to purely executive officers." The President cannot remove officials who exercise quasi-legislative or judicial functions. *Humphrey's Executor* v. *United States*, 295 U.S. 602, 632 (1935). Since the treaty power has long been found, in the words of Justice Story, "to partake more of the legislative, than of the executive character," the analogy with the removal power fails. (J. Story, 1 Commentaries on the Constitution (1833), 366, paraphrasing Alexander Hamilton in the Federalist No. 75).

As Professor Bestor has written:

"If the analogy is to be appealed to at all, it is more convincing when applied the other way round . . . The President's ability to take care that the laws be faithfully executed may well be said to depend on his possession of removal power. But a power to change the law (whether established by statute or treaty) is something utterly different—a contradiction rather than a corollary of the responsibility for seeing to its faithful execution." Arthur Bestor, "Location of the Constitutional Power to Abrogate or Terminate a Treaty: The Original Intent of the Constitution Historically Examined (1979)" 125 Cong. Rec. S 1607, 1609 (daily ed., February 21, 1979)

8. By Recognizing The People's Republic Of China To Be The Sole *De Jure* Government Of Taiwan, Defendant Carter Violated The Basic International Principle Of Self-Determination.

President Carter did not simply recognize the People's Republic of China and de-recognize the Republic of China. Rather the PRC was recognized as the sole *de jure* government of Taiwan [22] which is a clear violation by the Defendants of the international law rights of Taiwan's right to self-detemination and non-intervention in its internal affairs such as the selection of its government. Further, that illegal action is offered as a basis for the arbitrary abrogation of United States obligations under the Mutual Defense Treaty with the Government of Taiwan without the necessary consent of Congress. Thus, the President has attempted to act unilaterally for the United States in treaty revocation, thereby illegally usurping the role of Congress while vicariously making Congress, as a branch of the government, a party to the violations of Taiwan's self-determination and non-intervention rights.

It cannot be denied that the People's Republic has been the *de facto* government of China since 1949 and that the Presidential recognition merely legitimizes the reality. But, distinct from that recognition, the President has gratuitously given to mainland China the territory and people of the independent State, Taiwan, which consists of defined territory subject to an established, consolidated governmental authority exercising exclusive executive, administrative, and judicial control.[23]

The right of self-determination has been effectively exercised by Taiwan as is witnessed by the government, people, and territory of Taiwan meeting all the international law criteria for status as a State. The People's Republic of China cannot meet any of these legal criteria for asserting China's status as a State inclusive of Taiwan. It does not control the territory of Taiwan or exercise exclusive, executive, administrative, or judicial control over that territory and its people.

The United States, like all States, is bound by the precepts of international law. More importantly in the present context, the United States incorporates international law as part of its municipal law. *Skiriotes* v. *Florida*, 313 U.S. 69 (1941).[24] Therefore, not only the external conduct of the nation must live up to the standards of international law, but also the municipal governmental functions cannot be exercised so as to cause a violation of such standards. Notably, the Presidential action not merely to de-recognize Taiwan but to vitiate its existence is in clear violation of international as well as municipal law and cannot be construed to exercise the constitutional treaty revocation functions of Congress.

1. Taiwan's Right to Self-Determination.

As specified in Article 1 of the United Nations Charter, there is a well-defined rule of international law establishing the right of self-determination.[25]

"2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace."

Notably, the United Nations Charter is a treaty ratified by the United States [26] so that this respect for the right of self-determination is the law of the United States. Constitution, Article VI, cl. 2.

The United States has acknowledged the right of self-determination since its inception. See Declaration of Independence, 1 U.S.C.A. § 2. President Wilson told the Congress that:

"And there is a deeper thing involved than even equality of right among organized nations. No peace can last, or ought to last, which does not recognize and accept the principle that governments derive all their just powers from the consent of the governed, and that *no right anywhere exists to hand peoples about from sovereignty to sovereignty as if they were property*." (Emphasis added.) Address to Congress by the President of the United States, 54 Cong. Rec. 1741, 1742 (Jan. 22, 1917).

During World War II, the Atlantic Charter was drafted, and signed by the United States, pointing again to the right of peoples to select their own government.

Moreover, five United Nations documents contain statements supporting the right of self-determination. Each of these documents is the result of either a resolution voted for by the United States or a covenant signed by the United States.[27] Most noteworthy are the pronouncements of Defendant Carter in regard to the Universal Declaration of Human Rights and its progeny, the human rights covenants.

The exercise of the right of self-determination must be free from such illegal Executive Branch action. The act of terminating the Defense Treaty without Congressional action creates complicity of the Congress in the

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Footnotes at end of article.

violation of self-determination and non-intervention rights. The Executive cannot be allowed unilaterally to make Congress a party to illegal actions on behalf of the United States.

2. Taiwan's Right to Non-Intervention.

All peoples also have the related right to be secure from outside interference by foreign States in their choice of government. The United States, including the Senate, by making the Mutual Defense Treaty clearly sought to protect this right. The Executive Branch, has unilaterally violated Taiwan's right to such non-intervention, however, by ignoring the essential Congressional role in treaty revocation.

This, it is submitted, constitutes the worst form of bad faith intervention in the internal affairs of Taiwan's choice of government. The Congress of the United States seeks to have this situation corrected by requiring the President to submit the revocation of our Mutual Defense Treaty for constitutionally required congressional action.

C. Defendants Have Not Consulted With Congress As Required By Section 26 Of Public Law 95-384 And the Constitution.

On September 26, 1978, Defendant Carter signed into law the International Security Assistance Act of 1978, section 26(b) of which reads as follows:

"It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any *proposed* policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954." (Emphasis added)

Senator Stone, one of the prime authors of the original version of the amendment along with Senator Dole, explained during Senate action on the proposal:

"So this amendment states what is an obligation . . . that the Senate affirms that *before any change be attempted* in our relationship with the Republic of China, the Senate be duly consulted. 124 Cong. Rec., p. 22561 (July 25, 1978) (Emphasis added).

Also see statement of Senator DOLE, *id.* at p. 22559.

The amendment passed the Senate by a vote of 94 to 0. *Id.* at p. 22573. Section 26 was eventually strengthened by calling for consultation with the entire Congress. H. Rep. No. 95-1546, 95th Cong., 2d Sess., 39 (1978).

The intent of Congress was self-evident. The Congress expected to be consulted, not merely informed, *before* the Administration took any substantive step affecting the status of the Mutual Defense Treaty. Specifically, it was anticipated and feared by the prime sponsors of the amendment that normalization might be accompanied by an abrogation or termination of the Mutual Defense Treaty. Many supporters of normalization were seriously concerned about the possible harm resulting to the security of the Republic of China and to the post World War II system of collective defense arrangements should our defense commitment with a faithful ally be removed. *See* 124 Cong. Rec., p. 22569 (July 25, 1978).

The Congress thus obviously expected to enjoy an opportunity of influencing the *executive* aspect of that decision and not merely being informed of a *fait accompli*. The Congress reasonably sought advance warning of any impending decision to change the status of the treaty so that it could collectively decide its *legislative* course.[28]

There is not one word in the legislative history to indicate that any Member of Congress considered he or she was conferring any authority on the President. To the contrary, one-fourth of the Senate subsequently joined with Plaintiff Goldwater on October 10, 1978 in sponsoring Senate Resolution 109 requiring prior lelgislative approval before any defense treaty could be cancelled. If these Senators, 23 of whom voted for the Dole-Stone Amendment, had intended their vote to be a grant of authority for the President to cancel the treaty after he did no more than consult, they surely would not have introduced a resolution so soon thereafter declaring exactly the opposite. Far from being distorted into a grant of new authority to the President, the amendment was intended to reaffirm the historic, consultative tradition between the Executive and Congress respecting foreign affairs which has generally prevailed throughout the nation's history.

In blatant violation of the clear meaning of section 26, Defendants preempted Congress. Rather than wait until Congress reconvened, Defendants unilaterally decided to give notice of termination of the treaty during the adjournment of Congress, a period when most Members are absent from the Capital City and when Congress as an entity cannot take leglislative action. To compound the removal of Congress from any active role in decision-making, Defendants in no way consulted with Congress prior to announcing via press briefings, on December 15, 1978, their decision to terminate the treaty.

Defendants have furnished a list of briefings of Congressional offices which are supposedly responsive to the requirement for consultation explicitly made by section 26. (Def. Response to Request for Documents, Attachment 4). On the face of the list, it is obvious that over 80 per cent of the claimed briefings occurred *before* September 26, 1978, the date of enactment of section 26. Two briefings are listed which occurred *after* December 15, the date defendant Carter had publicly revealed his normalization decisions. Surely briefings happening before the enactment of section 26 and after the decision was made to terminate the treaty cannot meet the intent of Congress. If Congress had been satisfied with past briefings, there would have been no need for a new law. Clearly section 26 was to operate prospectively.[29]

Thus, of some approximately 310 Congressional offices allegedly consulted by Defendants (some more than once), only 52 alleged briefings (some repeats) took place between the relevant period of September 26 and December 15, 1978. During the more pertinent period from December 5 to 15, there was only *one* briefing, and that with Senator Nunn from Georgia; *no* briefings were made on December 14 or 15. Defendants describe the briefings generally as pertaining to "U.S. East Asia policy in general, or China in particular" and do not claim any of the 50 some pertinent briefings involved the termination issue specifically.[30]

Senator Glenn, who, according to the defendants' records was supposedly "consulted" frequently (at least five times) best sums up the Executive's performance:

"Unfortunately, the administration acted with such speed and secrecy that *the Congress was not consulted*. Let there be no doubt: informing some of us 2 hours before the public announcement cannot be considered consultation. This failure was particularly serious since the Congress had specifically *directed* the President in the International Security Act of 1978 to consult with Congress *before* making any move which *could* affect the Mutual Security Treaty." 125 Cong. Rec., p. 4089 (March 7, 1979) (Emphasis added)

Not only does Senator Glenn view Section 26 as mandatory, he also appears to have thought little if anything of the substance of the "gratuitous" consultations he supposedly received. For similar Congressional expressions of view as that of Senator Glenn, *see id.* at 2132, 2144, 2163, 2164 (Statements of Senators Dole, Morgan, Baker and Laxalt); (Goldwater Declaration, ¶ 7)

General background briefings are not what Congress meant by "consultation." There is a recent, active history of legislative history on the term "Consultation" dating to enactment of the War Powers Resolution. P.L. 93-148. Thus, the Committee report on House-Joint Resolution 542 (93d Congress) states:

"Rejected was the notion that consultation should be synonymous with merely being informed. Rather, consultation in this provision means that a decision is pending on a problem and that Members of Congress are being asked by the President for their advice and opinions and, in appropriate circumstances, their approval of action contemplated." H. Rept. 93-287, 93d Cong., 1st Sess. at 6 (1973).

In 1975 and 1977 the Congress held hearings on this very issue. Congressman Zablocki, Chairman of the House Subcommittee holding such hearings, reaffirmed his interpretation of Congress' intent that "it be fully and accurately advised . . . sufficiently in time to have such meaningful input *into the formulation of such a decision* [to commit troops]."[31]

With such a recent strong record on the meaning and expectations of Congress when it seeks "consultation," there can be no question but that Congress intended by section 26 to provide input *before* a decision was made so that it could exercise its shared powers in the decision making process.

The Defendants principally argue, however, that section 26 is not precisely phrased in mandatory language and therefore the law can be ignored. Section 26 is a clear assertion, however, of Congress' interpretation of the requirement mandated by the Constitution for joint action by the legislature with the President in making critical decisions on foreign policy for the nation affecting the whole people. Senators Dole and Stone, each the prime authors of the amendment, emphasized its *obligatory* nature during Senate action preceding passage of section 26.[32] At the very minimum, there can be no doubt that the President has acted in bad faith by not consulting Congress.

CONCLUSION

For the foregoing reasons, defendants' alternative motions should be denied, and further, that plaintiffs' motion for summary judgment be granted.

Respectfully submitted,

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April 23, 1979.

FOOTNOTES

[1] Plaintiffs suggest that the holding of the case is more instructive. The Court in *Baker v. Carr* ruled that voters raised a justiciable issue when they sought to protect the effectiveness of their right to vote. "The mere fact that the suit seeks protection of a political right [the right to an equal vote] does not mean it presents a political question. Such an objection 'is little more than a play

upon words,' *Nixon* v. *Herndon*, 273 U.S. 536, 540 71 L. ed. 759, 761, 47 S. Ct. 446." [369 U.S. t 209].

Similarly, plaintiffs raise a justiciable issue when they bring suit to protect the effectiveness of their votes cast approving the Mutual Defense Treaty and of their right to vote in Congress concerning the implementation or termination of the treaty. The right to vote in Congress is at least as or more valuable than the right to vote for Congressmen in general election. Since *Baker* v. *Carr* decided that determining the value of a citizen's vote is justiciable, the determination of the worth and effectiveness of an elected Congressman's vote is also justiciable.

[2] This Court should not fail to recognize, however, the broad constitutional powers which are "textually committed" to the Congress in the field of international relations:

1. Power of the Senate to advise and consent to treaties.
2. Power of the Senate to advise and consent to appointment of envoys.
3. Power of Congress to regulate foreign commerce.
4. Power to lay duties.
5. Power to define and punish piracies and felonies committed on the high seas and offenses against the law of nations.
6. Power to raise and support armies.
7. Power to provide and maintain a navy.
8. Power to make rules for the government and regulation of the land and naval forces.
9. Power to provide for calling forth the militia to repel invasions.
10. Power to suspend the writ of habeas corpus when in cases of rebellion or invasion the public safety may require it.
11. Power to declare war.
12. Power to lay taxes, etc., and provide for the common defense and general welfare.
13. Power of appropriations.
14. Power to make all laws necessary and proper for carrying into execution congressional powers, and all other powers vested in the government, *or in any department or officer thereof*.
15. Impeachment.

[3] In contrast, Mr. Christopher's first-hand knowledge is questionable since he admitted that he did not even meet with any official of the P.R.C. prior to January 1979 (Christopher Deposition at 13).

[4] Surprisingly, it appears from the Christopher Deposition that officials of the PRC were never asked by State Department officials or other United States representatives whether an executive commitment to seek Congressional approval of the treaty's termination would be acceptable. Neither did the PRC proffer any express objection to such method of termination. Christopher Deposition at 20.

[5] The President's "word" to give notice of the termination of the treaty is in itself meaningless. He could, for example, withdraw the notice. Further, before January 1, 1980 a new President could be elected to office by January, 1981 who could negotiate and make the same treaty with Taiwan that the defendants want terminated. Surely the defendants do not go so far as to argue that their word to a third party to terminate a defense treaty with an ally is binding on future Presidents.

[6] Defendants project a two-way trade with the PRC to reach 1.6 billion in 1979 (Def. Mem. at 6). Before recognition, trade was already substantial, exceeding 1 billion between two coordinate branches of government.

[7] Article 1, sec. 7; Article 2, sec. 2 cl. 2.

[8] Head Money cases, 112 U.S. 580, 599 (1884).

[9] Defendants cite section 163 of the Restatement (Second) of the Foreign Relations Law of the United States (1965) to the effect that the President alone may terminate a treaty. However, the Restatement comment offers no actual historical precedents for the unsupported proposition. The only cases cited, *Charlton* v. *Kelley*, 229 U.S. 447 (1913) and *La Abra Silver Mine* v. *United States*, 175 U.S. 423 (1879), are inapplicable. *Charlton* involved a treaty which neither the Executive, nor Congress, wanted to deem void. The treaty concerned was not denounced even though the other nation had violated it. *La Abra* supports the power of Congress to repeal a treaty by "clear and explicit" legislation. 175 U.S. at 460. Thus, it might be asked, of what is section 163 a restatement?

[10] *See also* Riggs, "Termination of Treaties by the Executive Without Congressional Approval: The Case of the Warsaw Convention," 32 J. Air Law and Commerce 526, 527 (1966); "Constitutional Law—Termination of Treaties," 35 Mich. L. Rev. 88, 90 (1936); "Presidential Amendment and Termination of Treaties: The Case of the Warsaw Convention," 34 Chi. L. Rev. 580, 615 (1967).

[11] The Records of the Federal Convention of 1787, at 306–307 (M. Ferrand ed. 1937) (H. Williamson); 4 *Records* 58 (G. Mason); J. Elliot, 4 Debates in the Several State Conventions on the Adoption of the Federal Convention 279 (1861) (C. C. Pinckney).

[12] Certain provisions of the 1850 Convention of Friendship, Commerce and Extradition with Switzerland were terminated following enactment of the Tariff Act of 1897; the 1891 Treaty of Amity, Commerce, and Navigation with the Congo was terminated following enactment of the Seamen's Act of 1915; the United States withdrew from the 1927 Convention for the Abolition of Import and Export Prohibitions and Restrictions following enactment of the National Industrial Recovery Act of 1933; and the 1871 Treaty of Commerce and Navigation with Italy was terminated following enactment of the Trade Agreements Act of 1934.

[13] Termination of the 1902 Commercial Convention with Cuba was authorized by provisions of the Foreign Assistance Act of 1961, the Export Control Act of 1948, the Trading with the Enemy Act, the Mutual Assistance Act of 1954, and the Tariff Act of 1945.

[14] Termination of the 1911 Treaty of Commerce and Navigation with Japan was authorized by the Nine Power Treaty of 1922.

[15] The 1933 notice of termination of the 1931 Treaty of Extradition with Greece and the 1965 notice of denunciation of the 1929 Warsaw Convention were withdrawn; neither treaty was terminated.

[16] In 1815, the Netherlands informed the United States that the 1782 Treaty of Amity and Commerce between the United States and formerly the United Netherlands was annulled.

[17] Congress was not informed of the termination in 1927 of the 1925 Convention with Mexico on the Prevention of Smuggling or of the termination in 1944 of the 1929 Protocol to the Inter-American Convention for Trademark and Commercial Protection.

[18] Executive Sessions of the Senate Foreign Relations Committee (Historical Series), Volume VII, 84th Cong., 1st Sess. at pp. 65, 285 (made public April, 1978).

[19] *Compare* Article 38 *with* Article 63 of *The Constitution of the Republic of China*, Taipei, China Culture Publishing Foundation, 1954. The Honorable George Yeh, who negotiated and signed the 1954 treaty as Foreign Minister of the Republic of China, confirmed recently that the termination of the treaty could not be accomplished by the Republic of China without approval by the Legislative Yuan. China News (Taipei), December 24, 1978.

[20] Defendants assert that the President, as Commander-in-Chief, has greater power to determine the fate of a defense treaty and cite only one source, Wallace McClure, who served for over 30 years in the Department of State. (Def. Memorandum at 40.) Defendants fail to take into account Alexander Hamilton's instruction that the Commander in Chief was merely to be the "first general." The Federalist No. 69. Hamilton took pains to explain that the President's authority, as Commander in Chief, would be "much inferior" to that of the British monarch. *Id.*

Defendants confuse the conceded power of the President to direct military operations once legally commenced, with the entirely different policy decision of determining on the status of a defense alliance made pursuant to joint executive-legislative action. As Corwin, generally a spokesman of broad Presidential powers, commented on Hamilton's explanation of the Commander role: "the President will be top general and top admiral of the forces provided by Congress, so that no one can be put over him or be authorized to give him orders in the direction of the said forces. But otherwise he will have no powers that any high military or naval commander who was not also President might not have." E. Corwin, The President: Office and Powers 276 (3 ed. 1948). After he wrote, the Supreme Court rejected broad claims of the Commander in Chief power in *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579 (1952). For a comprehensive refutation of expanded assertions of the Commander in Chief power, see generally R. Berger, War Making by the President, 121 U. Pa. L. Rev. 29 (1972).

[21] (See statements by Professors Myers McDougal, William M. Reisman, Alan C. Swan before the Senate Committee on Foreign Relations, Hearings on S. Res. 15, 96th Cong., 1st Sess., (1979).)

[22] Joint Communique on the Establishment of Diplomatic Relations Between the United States of America and the People's Republic of China, January 1, 1979.

[23] *See generally* Chen and Reisman, "Who Owns Taiwan; A Search for International Title," 81 Y.L.J. 599 (1972).

[24] Mr. Chief Justice Hughes wrote as follows in *Skiriotes*: "International law is a part of our law and as such is the law of all States of the Union (The Habana, 175 US 677, 700 . . .), but it is a part of our law for the application of its own principles, and these are concerned with international rights and duties and not with domestic rights and duties." *id.* at 72–73.

[25] *See also* Chen, "Self-Determination as a Human Right," in Toward World Order and Human Dignity 198 (W. M. Reisman and B. V. Weston eds. 1976).

[26] 59 Stat. 1031; T.S. No. 993 (ratified Aug. 8, 1945).

[27] 1) Universal Declaration of Human Rights, adopted on December 10, 1948, by the General Assembly U.N., N.Y., Doc. OPI/15–35803, at p. 6 (May 1976). 2) Declaration on the Granting of Independence to Colonial Countries and Peoples, (U.N., N.Y., Doc. IPI/566–35874, p. 2 (June 1976); 3) Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations (Res. of Gen. "Assembly, 25th Sess., 15 Sept.–17 Dec. 1970) (Supp. No. 28 (A/8028) ("every State *has the duty to protect this right*") 4) International Covenant on Economic, Social and Cultural Rights, Part I, Article 1 (1); and 5) International Covenant on Civil and Political Rights, (States have right "to freely determine their political status.")

[28] There is no basis for believing, as Defendants suggest, that Congressional passage of the Dole-Stone Amendment was somehow a substitute for specific statutory authorization of termination of the treaty. As a primary cosponsor of the amendment in a statement delivered in the Senate, Plaintiff Goldwater asserted that consultation was to be just the *first step*. In his remarks, Plaintiff Goldwater emphasized that the Senate was

not then making any decision on the matter of whether prior approval was required for the termination of the treaty, but was reserving that issue for the future. He said: "By being informed *in advance* of whatever action *is planned*, the Senate then will be in a position to take whatever steps it feels is proper and within its constitutional prerogatives." 104 Cong. Rec. 22561 (July 25, 1978) (Emphasis added)

[29] These few briefings do not constitute consultation with Congress, a body composed of 535 Members of both Houses. Moreover, Defendants offer no evidence that the briefings specifically related to the termination of the treaty, as specified by section 26. Nor is any systematic selection of Congressional leaders apparent in the briefings which would indicate an effort by Defendants to consult in good faith with Congress at least on a representative basis.

[30] In fact, the great majority of late 1978 briefings (38) were for Members planning visits to the PRC. (So indicated by State Department term "Codel." [Congressional Delegations].) These briefings were devoted to preparations for travel, logistics, itinerary, climate, appropriate clothing, etc. Entirely lacking is any evidence that any Members were consulted as to the imminence of an executive decision to give notice of termination of the treaty.

[31] Hearings before the House Subcomm. on Int'l. Security and Scientific Affairs, Comm. on Int'l. Relations, 94th Cong., 1st Sess., War Powers: A Test of Compliance, VI (1975). See similar statements in Hearings before Senate Comm. on For. Rel., 95th Cong., 1st Sess. (1977).

[32] This obligation to consult is also reinforced as to the Senate by its "advice and consent" power under the treaty clause. In his landmark work on the subject, Dr. Arthur Bestor demonstrates that the phrase "advice and consent" contains two distinctively different words, which denote two quite different things. "Advice" means that the Senate is to reach, through deliberation and consultation with the President, a consensus on important foreign policy decisions involving treaties. A. Bestor, "Separation of Powers in the Domain of Foreign Affairs: The Intent of the Constitution Historically Examined," 5 Seaton Hall L. Rev. 527, 540–547, 652–660, 566 (1974).●

PASSENGER RAILROAD SERVICE

Mr. SASSER. Mr. President, I wish to take this opportunity to express my very deep concern about the future of passenger railroad service in the United States.

As most of my colleagues know, Secretary of Transportation Brock Adams has proposed drastic cuts in Amtrak service. As we face the concern of our Nation for wiser use of the tax dollar, this may seem to some to be like a wise course of action. However, I join those who believe the Department of Transportation proposals are not on the right track.

For several weeks, I have been listening to the Secretary of Transportation extol the virtues of alternatives to the internal combustion automobile. I applaud this effort, but I fail to see the consistency in the DOT efforts to find a more fuel-efficient automobile while proposing massive cuts in passenger railroad service.

The magnitude of our energy problems in the United States is ever reemphasized to the American people. There is not a reasonable person who would deny the need for strong efforts to preserve energy resources. That is why it is so difficult for me to understand the logic in eliminating passenger railroad service.

This is not the time to cut Amtrak service. It is time to improve Amtrak service. It is time to encourage ridership of passenger trains. And, we cannot encourage ridership if we are going to make service unavailable to massive numbers of Americans. If the Department of Transportation's proposals are not rejected by Congress almost one-third of the 100 largest cities in the United States will be without service.

These cuts are proposed at a peculiar time. On April 3, Amtrak released figures which indicate that ridership in the system went up 8.6 percent in January of this year when compared to January of last year. On the Northeast Corridor where service will be saved if the DOT plan is approved, ridership went up 3.2 percent during the first quarter of fiscal year 1979. However, on another line, the Floridian, which would be cut by the Amtrak plan, service was up 14 percent during the first quarter. This is not an isolated case. Train after train that the DOT plans to discontinue showed increases in ridership. In January to January comparisons of the line from Seattle to Salt Lake City it went up 16.1 percent—Chicago to Laredo ridership was up 40 percent—Chicago to Los Angeles up 14 percent—Washington to Cincinnati up 33 percent, and on and on.

Mr. President, I submit that Amtrak ridership could continue to go up as long as the cost and availability of gasoline makes travel by private automobile less and less reasonable.

As a national policy, train travel should be encouraged. Comparatively, the train is our most energy efficient means of transportation. The passenger train has the capability of getting up to 490 passenger miles per gallon. This figure overshadows the 77 to 83 seat miles per gallon mileage of the automobile or the 15 passenger miles per gallon fuel usage of the domestic airliner.

Many contend that cutting Amtrak expenditures is a good place to start in our effort to reduce Government spending. Some propose that an Amtrak route should be self-sufficient or it should not be operated.

I do not believe this is the place where the budget should be cut. Improved mass transportation should be a high national priority.

Mr. President, no other western nation has a passenger railroad system that runs without help from the government. We cannot expect that Amtrak will always run in the black. But, we can expect that we will get a return on our investment. A properly run passenger train system can reduce our dependence on OPEC oil. It can help us keep the air clean. It can reduce the need to cut through the countryside to build more and more superhighways.

It has been said that we do not subsidize other modes of transportaion in the manner we subsidize Amtrak. It is true that we do not pay owners of cars and trucks to travel the highways. We do not pay the airlines or bus companies to transport passengers. But, we have spent billions of dollars to build the greatest highway system in the world. And we have spent billions of dollars to build airports, runways, and for air traffic control. We have established trust funds for these modes of transportation. If we did not provide this help, the airlines would not run, buses and trucks and cars would not travel our highways.

Now is the time for us to develop the safest and most fuel efficient form of transportation.

The Department of Transportation continues to base all arguments for its proposed cuts in Amtrak service on past experiences. If we were discussing the past of a well-managed, well-financed, well-promoted industry, the conclusions DOT has reached might be warranted. But, we are not discussing any such operation. We are discussing a poorly run, underfinanced, inefficient and therefore underused railroad. DOT seems to give little consideration to the potential of passenger railroad service.

There is little discussion of what Amtrak could do if it were appealing to the traveler, if it were competitive with other modes of transportation, if the routes were convenient, if service were efficient and dependable.

There is not much time left for Amtrak if we do not take action soon. It is my hope that the Committee on Commerce, Science, and Transportation will soon give us the chance to express our feelings about the DOT recommendations. I believe that when the issue is aired it will become the will of Congress that we make a strong effort to improve passenger rail service—not that we bury it.

A MAN WITH A MATHEMATICAL BENT

Mr. RANDOLPH. Mr. President, the Washington Post recently published an article telling of Orlo Nichols, the first blind man to be successfully employed as an actuary.

Blind since birth, he was hired by the Social Security Administration as an actuary in 1967, working with complex mathematical formulas and massive tables of numbers. Despite his many accomplishments, Mr. Nichols characterizes himself as "not really 'remarkable' at all, just a man with a mathematical bent who is also blind," and expresses his "hope that someone like a potential employer of others will read this and say, 'It's possible for a blind person to do work like that.' " I request that the following article be printed in the RECORD.

The article follows:

"LOOK AT THE DATA," SAYS AN ACTUARY WHO CAN'T SEE THEM

(By Spencer Rich)

When you call Orlo Nichols for complicated information about Social Security statistics and cost ratios, you are impressed at his grasp of all facts and figures.

Nichols is an actuary with the Social Security Administration in Baltimore, and he deals with complex mathematical formulas and massive tables of numbers. Over the phone he rattles them off like machine-gun bullets, with remarks like "Look at line 3 of table I, ratio 1.49 to 1."

Nichols' ability to skip rapidly from one table to another is even more impressive when you learn that he is blind—and has been for the entire 37 years of his life.

He is the first blind person to be successfully employed as an actuary—a job the average person would assume requires a person with sight.

Not so, said Nichols in an interview in his office. "It is possible for a blind person to do work like this. You don't have to be exceptional to achieve."

Nichols uses a variety of machines—some of which he learned to operate as a child in upstate New York—to "see" the figures, tables and calculations needed for long-range projections on the costs of Social Security and insurance.

He has already demonstrated his capacity to handle the work by passing eight of the nine achievement exams given by the Society of Actuaries—and is to take the ninth and highest May 16 in Baltimore. They prepare the questions for him specially in braille (raised symbols); he dictates the answers to the multiple-choice part and answers the essay questions on a typewriter.

In his office, Nichols demonstrated the devices he uses to do his work.

One of the most remarkable machines is an Optacon (Optical to Tactile Converter). It weighs about three or four pounds and looks like a small portable tape recorder with a miniature microphone attached by an electric cord.

The difference is that the "microphone" is actually a tiny electric-eye camera. It scans a page of print and sends a signal to the machine which activates a system of vibrating pins on a flat panel inside the Optacon.

The pins form raised letters and numbers identical to the material on the page being scanned. By sticking his left hand into a slot on the machine and feeling the raised letters and numbers, Nichols is able to "read" what is on the page—or on the face of a calculator—and thereby "see" printed material accurately and rapidly.

"I think when I was talking to you on the phone about those tables a few weeks ago, I was using the Optacon," Nichols laughed. "But because I have worked with these particular tables so long, I also know some of it by heart."

Nichols said the Optacon has been available since about 1970 or 1971. "I've had mine since 1974. They now cost around $3,000."

Before the Optacon, Nichols used aides or colleagues with normal sight to read to him, as he still does sometimes, and a calculator with a braille face. But the new device has made it easier for him to "read" material by himself—even handwriting can be picked up on it. "But handwriting is not uniform enough for me to read it most of the time."

To write down material, Nichols has a variety of machines available to him. He can dictate into a recording machine and then a secretary can transcribe it—just as many persons with sight do. He learned to use a regular touch-typewriter at the age of 10. "Even when you aren't blind, they teach touch typing by telling you not to look at the keys."

He also uses a "braille-writer," which he also learned as a youth. It looks like an ordinary typewriter but it has only six keys which punch out raised-dot combinations on stiff cardboard to form the braille alphabet and numbers.

In his work, he programs computers a lot. "I write out the program steps in braille. Then I can punch out the program steps [on a normal keypunch] and feed it into the computer."

As a child, he learned numbers and did calculus, square roots and long division on a variety of machines suitable for use by the blind. The ancient abacus is one—and many blind still use it. Another device, called a "type slate," is like a peg-board where calculations are made by position. Still another is a "cube slate" where there are cubes with braille numbers on all six faces.

Born in Cobleskill, N.Y. Nichols said, "I was always interested in math, since I was a very young child. I wanted my life to be something related to math. My sister was a librarian for an insurance company and I happened to hear about actuaries from her."

Until his senior year in high school, he went to a special school for the blind where he learned braille, math calculations and ordinary touch typing, among other things.

Then he attended public high school and after that Hamilton College in New York, and then did graduate work in actuarial science at Wisconsin University.

He got around using a cane—and no guide dog.

"I was interviewing for jobs at the campus and insurance company representatives came in—they weren't really very interested at that time, 1967, in hiring a blind actuary.

"But Robert J. Myers, then chief actuary of Social Security, heard about me. He wrote me a letter and hired me as an actuary in 1967."

Nichols first worked in Washington, then was transferred to Baltimore Social Security headquarters where he is one of about three-dozen actuaries. His salary is in the mid-$20,000 range.

He has worked on the financial interchanges between the Railroad Retirement and Social Security systems (there is a very complicated system of cross-funding) and on ratios of benefits to payments for typical Social Security families. Myers, now a consultant here, called the latter study "excellent" and said Nichols is a "remarkable man."

Nichols' wife, Mary, is also blind and went to the same school he did. They have two adopted children with some visual loss. He gets to work by bus.

He says Myers is wrong—he is not really "remarkable" at all, just a man with a mathematical bent who is also blind.

"I hope something which gets across is that blind people are a lot like anyone else in that they have varying degrees of physical and mental capacity. Most of us are capable, not just a few exceptions. The real reason for doing an interview like this is the hope that someone like a potential employer of others will read this and say, 'It's possible for a blind person to do work like that.' "

MARVELLA BAYH

Mr. CHURCH. Mr. President, there are times when a single individual, by the force of personal courage in the face of adversity, kindles a spark of admiration that touches our lives and leaves us richer and wiser for the experience.

Such is the case of Marvella Bayh and her fight against cancer.

Her approach to the knowledge of this disease was epitomized by a comment she made last year:

> I have never, ever said I was dying of cancer. I am living with the knowledge that I have cancer. And my life is rather normal.

And live she did, not only for her husband and family, but for the rest of us as well. Living with the knowledge that cancer would ultimately take her life, she devoted her last months to extensive appearances in order to educate the rest of us about prevention of cancer and the importance of early detection.

But it was Marvella Bayh's attitude and courage in the face of cancer that touched us most deeply.

She once described her years living with cancer as "the greatest growth period in my life. These years since cancer came to me have been the most rewarding, the most fulfilling, the happiest in my life. I have learned to value life, to cherish it, to put my priorities in order—and to begin my long-postponed dream of being useful in my own right."

Those of us in this Chamber, Mr. President, can only hope that someday we will be as useful in our own lives as Marvella Bayh was in hers.

HUMPHREY BLASTS CARTER'S PROPOSED DRASTIC CUTS IN U.S. NAVAL RESERVE

Mr. HUMPHREY. Mr. President, the Carter administration has attempted to make drastic reductions in our Naval Reserve in the fiscal year 1980 Federal budget proposal.

It has proposed that the current Naval Reserve force of 87,000 be reduced almost in half to approximatley 48,000 personnel, with corresponding deletions of the Naval Reserve antisubmarine warfare squadrons, the light attack helicopter squadrons, and air composite squadrons.

In addition, the administration proposes the retirement of 20 destroyers without any replacements, the possible closing of 101 Naval Reserve centers and 8 readiness commands.

In my judgment, Mr. President, such reductions are inconsistent with the posture of our military preparedness that is essential to this vital segment of our overall Reserve Establishment.

I find these cuts in our Naval Reserve even more perplexing, Mr. President, when you consider that President Carter himself was a graduate of the Naval Academy and was a naval reservist before becoming President.

If this administration is serious about the drastic reductions in manpower and the deletion of entire Reserve squadrons, then someone apparently forged Defense Secretary Harold Brown's name to the latest fiscal year 1980 annual report of the Department of Defense which calls for maintaining our Naval Reserve Forces.

I quote from that section, page 284 of the DOD fiscal year 1980 annual report:

> Under the Total Force policy we rely upon the Selected Reserve to provide immediate combat and combat support in theater, as well as follow-on additional combat and tactical support, and immediate augmentation of active strategic airlift and naval force units.

Secretary Brown went on to say:

> Maintaining personnel levels in the reserve force continues to be the most difficult problem we are experiencing in ensuring reserve readiness.
>
> Since the end of the Draft we have been faced with the problem of replacing unusually large losses in the Selected Reserves from among the Draft-induced enlistees of earlier years. We expect the cumulative impact of this and a series of initiatives which began in FY 1978 and FY 1979, and continue in the FY 1980 President's Budget, to reverse this downward trend and show a significant gain.

"However," the Secretary went on to add, "We will still be short of our peacetime manning goals."

Mr. President, the total Reserves of our Armed Forces make up 30 percent of our overall fighting capability. Our Naval Reserve Force is an integral part of that capability.

Clearly, Mr. President, the administration's proposed cutback of our Naval Reserves contradicts the Secretary's recent pronouncements.

It also contradicts four Department of Defense studies completed in the past 6 years recommending a Naval Reserve strength in excess of 90,000 reservists.

Last year, the Senate Armed Services Committee itself authorized a strength level of 87,000 and expressed concern that reductions sought at that time in the Naval Reserve could lead to losses of important capabilities and critical types of units.

In approving a stabilized strength level last year, the committee reemphasized its view that new or augmented missions should be developed whereby the Naval Reserve could be more closely affiliated with the Active Fleet.

As a result of all these pronouncements, Mr. President, I am puzzled over the administration's proposal which conflicts with remarks of the Chief of Naval Operations, Adm. Thomas B. Hayward.

Admiral Hayward has repeatedly stated his reliance upon the Naval Reserve by emphasizing how vital it is to our services' overall strength and readiness.

In fact he has repeatedly proposed the enhancement and modernization of our Naval Reserve, such as in recent comments before the Naval Reserve Association.

Admiral Hayward said:

> Today, some aspects of the Naval Reserve constitute almost all of the skilled in certain areas. Ninety-nine per cent of our basic ship control, eighty-eight per cent of our open ocean mine capabilities, one hundred per cent of our logistics air capabilities. In addition, we're relying heavily upon the intelligence Reserve forces.

Right there, Mr. President, I would like to expand just on that last point for a moment.

The naval intelligence organization accounts for more than two-thirds of the Navy's intelligence officers, resulting in 36 percent of our total intelligence production of (Naval) Fleet Intelligence Center in Europe and the Atlantic areas.

During the recent unrest in Iran, U.S. Naval Intelligence produced and updated area vital studies and analysis of that country.

More than 60 percent of the information required had already been produced by a Naval Reserve intelligence unit out of New Orleans.

Admiral Hayward went on to say that the Department of Defense needs to get away from the tradition of putting old and antiquated and obsolete ships and equipment into the surface Reserve.

He added that the Naval Reserve needs modern ships which are maintained in order to be a more direct participant in our fleet readiness.

To quote Admiral Hayward further:

> By stabilizing our authorized end strength . . . I mean that we should first of all make certain that we understand the requirement, that we constantly review it so that it's sound and solid and cannot be attacked by the budget analyst, and secondly, that we go on to win the arguments with those critics who are constantly carping at our program with the suggestion we can do with much less.

Mr. President, I have written a letter to Chairman JOHN STENNIS of the Senate Armed Services Committee, on which I have the privilege to serve, calling on him to take the necessary actions to maintain our Naval Reserve strength.

I made this request to the chairman in a letter, which was signed by myself and 25 colleagues—or more than a quarter of the U.S. Senate—who share similar concerns over the weakening of our Naval Reserve.

In our letter to Chairman STENNIS, we expressed concern that the cutback in our Reserve Forces would erode further our national security posture by severely reducing our naval wartime responsiveness.

We have asked that the chairman use his leadership to insure that the Naval Reserve is strengthened rather than crippled, as proposed by the Carter administration.

Mr. President, I ask unanimous consent that the text of the letter to Chairman STENNIS, along with the list of signatories to the letter, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
April 26, 1979.

Hon. JOHN C. STENNIS,
Chairman, Senate Armed Services Committee, Washington, D.C.

DEAR MR. CHAIRMAN: We are deeply concerned by the Administration's attempts to make drastic reductions in the Naval Reserve in the Fiscal Year 1980 budget proposal. After carefully reviewing this recommendation, we believe that this authorization would tend to erode further our national security posture by severely reducing our naval wartime responsiveness. In view of the importance of protecting our Naval Reserve readiness at a time when maintaining personnel levels is becoming a grave problem, we ask your support to restore the Naval Reserve force level to 87,000.

As you know, the Department of Defense has produced four studies during the past six years recommending Naval Reserve strength in excess of 90,000 reservists. Admiral Hayward, the new Chief of Naval Operations, has clearly stated his reliance upon the Naval Reserve by emphasizing that the reserve is vital to our services' overall strength and readiness. Last year, the Senate Armed Services Committee authorized an 87,000 strength level and expressed concern that requested reductions in the Naval Reserve could lead to losses of important capabilities and critical types of units. In approving a stabilized strength level last year, the committee reemphasized its view that new or augmented missions should be developed whereby the Naval Reserve could be more closely affiliated with the active fleet.

Specifically, we believe that the reduction of personnel from 87,000 to 48,000, the deletion of the Naval Reserve Antisubmarine Warfare (ASW) Squadrons, the Light Attack Helicopter Squadrons, Air Composite Squadrons, the retirement of 20 destroyers without replacement, the closing of 101 Naval Reserve centers and eight Readiness Commands is inconsistent with the posture of military preparedness that is essential to this vital segment of our reserve establishment. This reorganization of the Naval Reserve is, without question, ill-advised and ill-timed, and we hope that you will help put to rest this annual restructuring that has tended to inhibit the development of a total force policy for our Navy.

Mr. Chairman, we urge that the Senate Armed Services Committee take the necessary actions to maintain the strength of the Naval Reserve during Fiscal Year 1980 despite DOD efforts to the contrary. We ask your leadership to ensure that the Naval Reserve is strengthened rather than crippled as the Administration has proposed. We feel that the maintenance of a strong Naval Reserve is in the best interests of our Navy and our Nation.

A copy of this letter has been mailed to all members of the Senate Armed Services Committee.

Sincerely yours,

John Tower, Wendell H. Ford, Jake Garn, Jim Sasser, Jesse Helms, Richard Stone, Robert Morgan, Birch Bayh, Gordon J. Humphrey, Lloyd Bentsen. Ted Stevens, Strom Thurmond, Jennings Randolph, Harrison A. Williams, John Warner, Robert Dole, William S. Cohen, Thad Cochran, Roger W. Jepsen, Rudy Boschwitz, Daniel K. Inouye, Charles McC. Mathias, Jr., S. I. Hayakawa, J. Bennett Johnston, Malcolm Wallop, Donald Stewart.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair on behalf of the Vice President appoints the following Senator to attend the Fifth Quadrennial Ministerial-Level Session of the United Nations Conference on Trade and Development in Manila, May 7–June 1, 1979:

The Senator from New York (Mr. JAVITS).

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference to be held in Mexico City, Mexico, May 25–29, 1979:

The Senator from Texas (Mr. BENTSEN), Chairman, previously designated; the Senator from Louisiana (Mr. JOHNSTON); the Senator from Tennessee (Mr. SASSER); the Senator from Arizona (Mr. DECONCINI); the Senator from Montana (Mr. BAUCUS); the Senator from Arkansas (Mr. PRYOR); the Senator from Oklahoma (Mr. BOREN); the Senator from South Carolina (Mr. THURMOND); the Senator from New York (Mr. JAVITS) Vice Chairman; the Senator from Oklahoma (Mr. BELLMON); the Senator from New Mexico (Mr. DOMENICI); and the Senator from Pennsylvania (Mr. HEINZ).

A STRONG NAVAL RESERVE

Mr. THURMOND. Mr. President, I rise to commend the able Senator from New Hampshire (Mr. HUMPHREY) for the statement he just made on the Naval Reserve. For a number of years, we have had to fight to try to keep the Naval Reserve at a figure at which it should be. In some years, the Committee on Armed Services has not done what it should have, but we have been able to raise it here on the floor.

The distinguished Senator from Kansas (Mr. DOLE) offered an amendment last year, I believe, and raised it there.

The Naval Reserve Force figure that we fixed it at last year was 87,000. This year, the President has recommended a reduction down to around 48,000. To me, this just does not make sense. We will have reductions in the antisubmarine warfare squadrons, the light attack helicopter squadrons, air composite squadrons, and throughout the Naval Reserve.

Our Reserve Forces constitute about 30 percent of our overall fighting capability. If we do not keep the Reserve Forces at the level they should be, then our overall fighting capability will be hampered. It is very important that we do this.

There have been studies made, many studies, on this subject. The Department of Defense has completed about four studies in the past 6 years, in which they have recommended a naval strength of around 90,000. I have referred to those studies in the past in the Armed Services Committee, and also on the floor of the Senate. These are unbiased studies; they are objective studies. They have all shown that we should have around 90,000 in the Naval Reserve. Yet the President comes along and recommends only 48,000 this year.

Mr. President, Admiral Hayward has repeatedly stated his reliance upon the Naval Reserve and indicated that we should maintain the strength and readiness that we need. I just do not understand, when the military people make the statements they do of what they need, in this time when we are faced with the Soviets, who want to take over the world, that we would be willing to take a chance and not keep this country strong.

The Secretary of Defense has indicated that he favors keeping the Reserves strong. Yet he evidently has not been able to convince the President. Either he is talking out of both sides of his mouth, or the President is not listening to him.

At any rate, Mr. President, this country needs to maintain a strong Naval Reserve. I hope that when this matter comes up in the Armed Services Committee, we can put this figure back from where the President recommended it; that is, from 48,000 to around 87,000, which was the level recommended for the current year.

Again, I commend the distinguished Senator from New Hampshire, not only on this, but on his deep interest in armed services matters. In the meetings of the Armed Services Committee, I have observed his good work there. It does my heart good to see a man like him on the Armed Services Committee and in the U.S. Senate. Our country is fortunate to have a man of his dedication and his ability and the good work he is doing here on behalf of our people.

I yield the floor.

Mr. BAKER. Mr. President, I should like to join the Senator from South Carolina in commending our young colleague from New Hampshire for his singularly good service and to say that he has a great future before him in this body and we are grateful to have him among us.

Mr. HUMPHREY. I thank the distinguished Senator.

Mr. BAKER. Mr. President, I have no further need for time in the morning hour. I yield the floor.

AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have permission to file reports until 6 p.m. on tomorrow, April 27.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the April 27 deadline for the submission of the report by the Senate Ethics Committee required by Senate Resolution 117 be extended to June 30, 1979. This is the resolution requiring that the Senate Ethics Committee review the desirability of repealing or modifying rule 42 of the Standing Rules of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION OF ARITHMETIC ERRORS IN BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, in the effort to complete action at 1 a.m. this morning on Senate Concurrent Resolution 22, the first concurrent resolution on the budget for fiscal years 1980, 1981, and 1982, arithmetic errors were made in totaling the impact of the amendments adopted by the Senate on the budget aggregates. I ask unanimous consent that the figures be changed as follows to correct these arithmetic errors:

(1) On page 2, line 19, strike $600,600,000,000 and insert $600,300,000,000.

(2) On page 2, line 20, strike $637,500,000,000 and insert $637,200,000,000.

(3) On page 2, line 21, strike $687,100,000,000 and insert $686,800,000,000.

(4) On page 2, line 25, strike $575,700,000,000 and insert $575,600,000,000.

(5) On page 3, line 1, strike $614,200,000,000 and insert $614,100,000,000.

(6) On page 3, line 6, strike +$500,000,000 and insert +$600,000,000.

(7) On page 3, line 7, strike +$800,000,000 and insert +$900,000,000.

All other numbers in Senate Concurrent Resolution 22 as adopted are correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the two nominations that appear on page 2, one under Occupational Safety and Health Review Commission, the other under New Reports.

Mr. BAKER. Mr. President, reserving the right to object, I shall not object. I rise only to advise the majority leader that these two nominations are cleared on our calendar and we join him in the request.

The PRESIDING OFFICER. The clerk will state the nominations.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

The assistant legislative clerk read the nomination of Timothy F. Cleary, of Maryland, to be a member of the Occupational Safety and Health Review Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMODITY FUTURES TRADING COMMISSION

The assistant legislative clerk read the nomination of Read P. Dunn, Jr., of Maryland, to be a Commissioner of the Commodity Futures Trading Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE DEPARTMENT OF EDUCATION BILL ON MONDAY—S. 210

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 10 a.m.

I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order, the Senate then resume its consideration of the Department of Education bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 o'clock a.m. on Monday, following a recess.

After the two leaders are recognized under the standing order, the Senate will resume its consideration of the Department of Education bill. There is a time agreement on that bill and the first amendment under the order entered today will be an amendment by Mr. SCHWEIKER. The yeas and nays have been ordered on that amendment and there is a time limit on the amendment of 1½ hours.

Consequently, the vote would occur at around 12 noon, and I have given assurance to the Senate there will be no rollcall votes before noon.

So I think there will be general cooperation in that regard.

The next amendment to be called up will be one by Mr. DECONCINI. There is a time limitation of 1 hour on that amendment and a rollcall vote has been ordered on that amendment.

The next amendment to be called up will be one by Mr. HELMS, on which there is a time limitation of 1 hour, and there will be a rollcall vote on that amendment in relation thereto, and other rollcall votes will occur during the day.

It is hoped that the Senate will complete action on that measure at a reasonably early hour on Monday, following which, under the order entered some days ago, the Senate will resume consideration of Calendar Order No. 55, S. 413, the aircraft noise abatement bill, on which there is a time limitation.

So there will be rollcall votes throughout the day on Monday.

FUNERAL ARRANGEMENTS FOR MRS. MARVELLA BAYH

Mr. ROBERT C. BYRD. Mr. President, let me reiterate, while I have the floor, that two buses will be provided on tomorrow for the funeral services for Marvella Bayh. All Senators and their spouses are invited to depart from the Senate steps via these buses at 10:15 a.m. for the 11 a.m. services at Washington Cathedral.

The services are estimated to last 1 hour, and the buses will then return to the Senate steps immediately after the service.

Also, I wish to announce that after the service, Senator BAYH will receive friends at his home at 2919 Garfield Street NW., Washington, D.C.

Mrs. Tom McIntyre, the wife of our former colleague and close friend, Tom McIntyre, called my office to announce that Senator BAYH would be pleased to have friends stop at his home at 2919 Garfield Street NW., after the services. I thank all Senators.

RECESS TO 10 A.M., MONDAY, APRIL 30, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock on Monday next.

The motion was agreed to; and at 7:22 p.m., the Senate recessed until Monday, April 30, 1979, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 26, 1979:

In The Air Force

Lt. Gen. Abner B. Martin, U.S. Air Force, (age 51), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

In The Navy

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, I nominate him for appointment while so serving as follows:

To be vice admiral

Rear Adm. "M" Staser Holcomb, U.S. Navy.

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 5231, I nominate him for appointment while so serving as follows:

To be admiral

Vice Adm. James D. Watkins, U.S. Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 1979:

Occupational Safety and Health Review Commission

Timothy F. Cleary, of Maryland, to be a member of the Occupational Safety and Health Review Commission for a term expiring April 27, 1985.

Commodity Futures Trading Commission

Read P. Dunn, Jr., of Maryland, to be a Commissioner of the Commodity Futures Trading Commission for the remainder of the term expiring April 13, 1980.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

INTENTION TO OFFER AMENDMENTS TO H.R. 111 TO CURE BUDGET ACT PROBLEMS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MURPHY of New York. Mr. Speaker, on April 23 the Committee on Merchant Marine and Fisheries filed its report on H.R. 111, a bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977. During consideration by the Committee on Rules of legislation to provide for operation of the canal in the next 20 years, I will ask that a rule be granted on H.R. 111 as reported as the original bill for purposes of amendment and debate.

Since some of the provisions of H.R. 111 may pose a problem with respect to violation of the Congressional Budget Act, I will ask that the Rules Committee grant waivers of certain sections of the Budget Act against the consideration of H.R. 111 and the applicable committee amendment. With respect to sections 311 (a), 401(b)(1), and 401(a) of the Budget Act, the waiver request will be underscored by a pledge to offer floor amendments to cure these problems with the act.

Sections 201, 205, and 206 of H.R. 111 would provide new spending authority in fiscal year 1979 that could cause the outlay ceiling set forth in the last budget resolution for this fiscal year to be exceeded. Accordingly, a curative amendment to postpone the spending authority in these three sections of H.R. 111 would comport with sections 311(a) and 401(b)(1) of the Budget Act. Should a rule be granted for H.R. 111 to be the legislative vehicle for purposes of debate and amendment, or should it be in order as an amendment in the nature of a substitute or should any or all of the sections referred to above be offered as amendments, the curative amendment which I intend to offer in conjunction with these sections is as follows:

Page 193, line 5, insert "(a)" before "Except".

Page 193, add after line 9 the following:

(b)(1) No spending authority (as described in section 401(c)(2)(c) of the Congressional Budget Act of 1974) provided for under section 201(a) of this Act shall take effect before October 1, 1979.

(2) No amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of the amendments made by sections 205 and 206 of this Act shall be payable for any period before October 1, 1979.

(3) Effective October 1, 1979, any individual who, but for paragraph (1) or (2) of this subsection, would have been entitled before October 1, 1979, to one or more payments from any agency pursuant to section 201(a) of this Act or the amendments made by sections 205 and 206 of this Act shall be entitled to a lump sum payment from that agency equal to the total amount of all such payments.

Section 241 of H.R. 111 also presents a Budget Act problem because it could be construed as providing spending authority without specific subjection to subsequent appropriation acts. Should a rule be granted for H.R. 111 to be the legislative vehicle for purposes of debate and amendment, or should H.R. 111 be in order as an amendment in the nature of a substitute, or should this section be offered as an amendment, I intend to offer an amendment in conjunction with this section. The amendment is as follows:

Page 154, line 17, after the period insert the following: "The transfer of funds or property (including any agreement for such transfer) pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.".

This assurance of offering amendments to solve Budget Act problems with H.R. 111 is given because the Committee on Merchant Marine and Fisheries believes that H.R. 111 would offer to the House of Representatives a cohesive and comprehensive piece of legislation that would provide for the best operation of the Panama Canal to the year 2000.●

DR. PETER SAMMARTINO DAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. HOLLENBECK. Mr. Speaker, on May 2, scouting units represented by the Tamarack, N.J., Council will be joined by government officials and many friends and well wishers in celebration of "Dr. Peter Sammartino Day." As a graduate of the university Dr. Sammartino founded, a lifetime resident of the area that has gained so much from his accomplishments, and his friend and admirer, I am honored to participate in this highly deserved tribute.

A scouting pioneer, educator, and author, Dr. Sammartino has touched the lives of thousands upon thousands of New Jersey residents. The son of a poor immigrant family, he was a "lone Scout" as a boy growing up in New York City, because there were no Scout troops established in the area. Since those days, he has encouraged the development of the Boy Scouts of America as a group movement through which boys have the opportunity to develop new skills through involvement in worthwhile civic and interpersonal activities.

Dr. Sammartino founded Fairleigh Dickinson University in Rutherford, N.J., in 1942, and, since building that campus, has developed five others. He has established more privately funded college campuses than any other individual in the history of higher education.

On these campuses, education is truly a process of communication between and among students and faculty members. Dr. Sammartino is an educator who shuns the "ivory tower" concept of learning. He encourages the involvement of students in cultural experiences outside of the confines of the institution, and he invites residents of surrounding communities to share in the programs of the university.

Dr. Sammartino is one of those very rare individuals whose busy schedule can always be expanded, somehow, to accommodate yet another community service project. For this dedication to improving the quality of our lives, he has our gratitude and affection.

I am proud to express my appreciation to Dr. Sammartino and congratulate him on this appropriate recognition.●

U.S. POLICY ON RHODESIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. DERWINSKI. Mr. Speaker, on many occasions, I have expressed my opinion that the Carter administration's policy regarding Rhodesia has been consistently erroneous. This has been demonstrated by the impressive election held there.

Now that Rhodesia has its first black majority government, there is no excuse for continued misdirection of U.S. policy as initiated by the President and United Nations Ambassador Andrew Young.

At this point, I would like to insert an editorial appearing in the Chicago Tribune of April 24, which I believe will be of interest to the Members:

U.S. POLICY ON RHODESIA

RHODESIA'S ELECTION . . .

The five-day election in Rhodesia appears to have gone even better than the Salisbury government had hoped. Contrary to the fears of some and the confident predictions of others—the voting was generally orderly. Nearly 64 per cent of the country's black voters took advantage of their first opportunity to vote and endorsed one or another of the parties and candidates offered under the new majority rule constitution.

When the votes are counted, the country's new—and first black—prime minister will undoubtedly be Bishop Abel Muzorewa, the most popular of the blacks who have collaborated with Prime Minister Ian Smith in this step toward democracy.

The American and British governments are now in the embarrassing position of having to decide what to do about this dramatic demonstration of support—or at least acceptance—for a biracial regime they have consistently opposed on the curious ground that it has failed to consult with the expatriate guerrillas known as the Patriotic Front. The Front is a fragile alliance that has no interest in consultation, elections, or democracy, and clearly wants to take Rhodesia over by force [with Soviet and perhaps Cuban help] and install a socialist dictatorship.

The Carter administration was led into this booby trap by the British Labor government, which has never forgiven Mr. Smith for declaring independence without British permission; by militant black leaders here and in Africa; and by a State Department that seems interested in what everybody thinks except the Rhodesians themselves.

Having been proved wrong about the turnout for the election, they are popping up with other more petty objections designed to belittle the results—such as that most Rhodesian blacks didn't really know what they were voting for. These critics are in large measure the same people who so long clamored for the full suffrage elections that Rhodesia has now provided. Do they seriously expect illiterate tribesmen to vote with more intelligence than has been demonstrated by many Americans and, we're afraid, by some congressmen?

It would be shameful and utterly indefensible to persist in a foreign policy that rejects this clear demonstration of Rhodesian opinion and condemns that country to political and economic isolation and prolonged violence. The British Conservative Party, which seems likely to win next month's election, has virtually promised to recognize the forthcoming Rhodesian government and end economic sanctions against it. If the Carter administration fails to recommend the same, then Congress will have to do what it can on its own.

Don't misunderstand us. We're not saying that these steps will produce tranquillity in Rhodesia overnight. The election may drive the guerrillas to desperate moves, just as the Middle East treaty has done to the militant Palestinians. With the support of the Soviet Union and other African leaders, violence could escalate for a time. But how long will other African leaders be able to argue persuasively against the results of an election which was more democratic than anything they have permitted in their own countries? Or against a government in which the two races may prove able to live more harmoniously and prosperously than in their own countries?

The surest way to disarm the enemies of the new government is to ensure that it does not become the vehicle for perpetuating white rule that they say it will. We must give the new Rhodesia-Zimbabwe every chance to succeed, but at the same time make it clear that our support will last only as long as the whites act "with all deliberate speed" [in the words of our Supreme Court] to see that blacks are trained for the top jobs in all areas and that power is transferred to them in a reasonable time. Mr. Smith himself, despite his past, has performed an almost impossible job remarkably well; it is time now for him to retire from politics and remove himself as a source of controversy. If these steps are taken, they will not only enable Americans to support the new government in good conscience, but should gradually win over the rest of the world as well.

AND SOUTH AFRICA RESPONSE

A sad irony of the Rhodesian election is that one of the loudest voices in support of it comes from that bastion of racism, South Africa. Blacks in South Africa not only are denied majority rule, they are denied even the limited liberties that Rhodesian blacks have been accorded for years. Apparently South African leaders are convinced that largely agricultural Rhodesia, with higher black illiteracy and a smaller proportion of whites, is better able to achieve one-man, one-vote democracy than is South Africa.

As U.S. civil rights activist Bayard Rustin remarked in arguing for U.S. support of Rhodesia's elections, "How can you maintain an economic boycott against Rhodesia, which does not have a system of apartheid, and not act against South Africa, which does?"

If the Rhodesian attempt at majority rule succeeds, it will destroy one of South Africa's strongest arguments against the granting of political rights to blacks—that they are not yet ready to exercise them. If blacks and whites prove able to live together amicably and equally in Rhodesia, they should be able to do so in South Africa.

South Africans should do more than approve of majority rule. They should try it.●

THE 22D ANNUAL SUCKER DAY CELEBRATION

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. TAYLOR. Mr. Speaker, P. T. Barnum once stated: "There is one born every minute." Well, I am glad to inform my colleagues that on Friday, May 4, 1979, 100 will be fried about every minute. I am speaking of suckers, not the human kind but those succulent fish that inhabit the Finley River and Swan Creek in Christian County, Mo.

After being pulled from the waters by expert anglers, scored, and prepared by accomplished chefs, then plunged into huge black kettles of smoking hot oil—set up on Main Street—the suckers are then accorded the high honor of being devoured by the thousands of hungry people who will descend on the city of Nixa to participate in the 22d annual Sucker Day Celebration. Served with an appetizer of sucker soup and a side order of fried potatoes and baked beans, the meal would please the palate of the most discriminating gourmet.

Finis Gold, chairman of this year's event, has informed me that the parade is scheduled for 2 p.m. on Thursday with the fish fry to be held beginning at 4 p.m. on Friday, May 4.

It will be a great day with fun for all. I would not miss it for the world and I would like to extend an invitation to all to join in the food and festivities at Nixa Sucker Day.●

THE 36TH ANNIVERSARY OF THE WARSAW GHETTO UPRISING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BIAGGI. Mr. Speaker, last week marked the 36th anniversary of the uprising against the Nazi occupation forces by the outnumbered but determined Jews of the Warsaw ghetto. Facing almost certain death, these courageous people fought for their freedom and dignity and in so doing gave inspiration to free men everywhere.

This event, and such horrors as the execution of some 6 million Jews in World War II are not easy to look back upon, but it is important that we do so. It serves as a reminder, a reminder of the evil man can produce. It gives a dreadful specific to the counsel to be vigilant.

The observance of the anniversary of the Warsaw ghetto uprising should include the remembrance of all those who died in the holocaust throughout Europe. Nothing will ever erase this deplorable chapter in our history, but remembering those who died may prevent repetition of such horrors. Let us hope none of us will ever forget.

We should also never forget those who were responsible for these heinous crimes against mankind. That is why I was pleased to cosponsor House Resolution 106, a resolution urging the Government of the Federal Republic of Germany to abolish or amend the statute of limitations governing the prosecution of Nazi war criminals.

The statute of limitations governing the prosecution of war criminals in West Germany is due to expire on December 31, 1979. If the Federal Republic of Germany does not act to extend or abolish this statute of limitations, the Nazi war criminals who participated in the holocaust prior to May 8, 1945, and have not as yet been detected, will be free from prosecution. This would be a tragic mistake.

Certainly, the passage of time has not removed the painful memories of the survivors of the holocaust, or of the friends and relatives of holocaust victims. Time cannot justify the horrible acts committed by these Nazi war criminals, and it would be a terrible injustice to their victims and all mankind to allow them to go unpunished, no matter how long it takes to apprehend and prosecute them.

Mr. Speaker, I urge that we take prompt and favorable action on House Resolution 106, to insure that the West German Government is aware of our deep concern that justice be upheld.●

THE DEBT WE OWE JULIUS NYERERE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. SOLARZ. Mr. Speaker, in recent weeks the world has breathed a collective sigh of relief at the downfall of Ugandan President Idi Amin. Political leaders and citizens in other nations, sickened by the slaughter and destruction wrought by Amin, had watched in horror and ultimate frustration as scores of thousands of innocent Ugandans were killed.

But now the courageous action of Tanzania's President Julius Nyerere has helped to topple Idi Amin and restore a measure of sanity and hope to world affairs. By his firm yet measured response to Amin's aggression, President Nyerere has set the stage for the economic, political, and spiritual regeneration of Uganda. He has laid the groundwork for a new Ugandan regime which can enjoy mutually beneficial relations with the United States and other nations and regain the sound economic footing which Idi Amin systematically undermined.

By indicating that Tanzanian troops will withdraw from Uganda at the earliest opportunity, by permitting Ugandan exiles to freely choose their own political leadership, by choosing to act against Amin only after an invasion of Tanzania by Ugandan forces, Nyerere has preserved the delicate and critical concept of sovereignty on the African continent.

When I met with President Nyerere earlier this month at Dar es Salaam, I conveyed to him the profound appreciation of the American people for the decisive action he has taken. Few tyrants have ruled in so brutal and violent a fashion as did Idi Amin. By playing a decisive role in bringing about the overthrow of one of the most terrible tyrants of our times, Julius Nyerere has earned an honored place in 20th century history.

In the late 1930's many nations sat by idly as Adolph Hitler pursued his genocidal policies. In the late 1970's, we can all be thankful that Julius Nyerere, recognizing that extraordinary problems demand an extraordinary response, repulsed an attack by Ugandan forces and then refused to rest until he had liberated Kampala and overthrown Amin.

Having engineered the political demise of Idi Amin, Julius Nyerere now finds his already impressive prestige greatly enhanced. As the Congress weighs important policy decisions with respect to Zimbabwe, Namibia, and South Africa, it should be clear, Mr. Speaker, that Julius Nyerere is a political leader whose counsel and support we ignore at our peril. A dynamic and imaginative statesman, President Nyerere has an indispensable role to play in a search for a peaceful resolution to the continuing conflicts over independence and majority rule in Southern Africa.●

PUTTING CIVIL SERVICE AGENCIES ON EXPIRING AUTHORIZATIONS AND CUTTING OPM'S BUDGET

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mrs. SCHROEDER. Mr. Speaker, yesterday I introduced two bills (H.R. 3751 and H.R. 3752) to place the civil service agencies of the Federal Government under periodic authorizations. Last year, Congress reconstituted these agencies with the enactment of Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act. During the massive campaign to pass the Civil Service Reform Act (P.L. 95-454), no one seemed to focus on the length of the authorization provided for in the legislation. As a result, the Reform Act contains permanent authorizations for the Office of Personnel Management (OPM), the Merit Systems Protection Board (MSPB), the Office of the Special Counsel (OSC), and the Federal Labor Relations Authority (FLRA).

Most agencies and programs have authorizations which expire every few years. Such periodic authorizations serve a number of salutary purposes: First, an expiring authorization is, in fact, a sunset; it forces Congress to address the continued need for the agency or program. Second, periodic authorizations provide a schedule for oversight so that Congress must discharge its oversight responsibilities. Third, a periodic authorization assures that the authorizing committee, and not just the appropriations committee, will have a say in how an agency conducts its operations. The authorizing committee often has special expertise in the program of the agency. Each of these purposes is particularly appropriate in the case of the civil service agencies. These agencies are operating with new charters and with clarified missions. Congress would be irresponsible if it did not watch closely the implementation of civil service reform.

Both bills, which I introduced, place

the Office of Personnel Management, which is the programmatic unit with responsibility for staffing, incentives, executive development, training, and so forth, on a 3-year authorization. The Merit Systems Protection Board, which acts as an employee's court, the Office of the Special Counsel, which protects employees from improper reprisals, and the Federal Labor Relations Authority, which moderates Federal labor-management relations, are put on 5-year authorizations. It seems to me that a programmatic agency, like OPM, deserves more frequent oversight and reauthorization than do prosecutorial or quasi-judicial agencies, like MSPB, OSC, and FLRA.

H.R. 3752 is a simple authorization using the dollar figures proposed by the President in his budget for fiscal year 1980. Although I do not personally agree with the budget figures proposed, they serve as an appropriate point from which the Committee can start its deliberations. So, the sole purpose served by H.R. 3751 is to place these four agencies on expiring, periodic authorizations.

H.R. 3752 makes certain changes in the budgets of these agencies. It cuts the budget of OPM from $115 million to $95 million. This large cut would come out of the following functions:

Presently, the Federal Government is spending nearly $48 million to hire about 150,000 new employees a year, or about $320 per new hire. Under the President's budget, the cost would rise to $339 per new hire in fiscal year 1980. The number of new hires is estimated for next year by OPM at 130,000, although congressional action on the President's budget is likely to reduce this figure even more. I recommend that the budget for the staffing function be slashed by one-third to $32 million.

OPM has a unit of agency evaluation and compliance. This organization reviews the performance of agencies in obeying civil service laws. There are two reasons why this office should be cut. First, one of the purposes of civil service reform was to free agencies from many of the picky and intrusive regulations of the old Civil Service Commission. Under this deregulation in the personnel management field, there is less need for this type of function. Second, and more important, the Civil Service Reform Act created a Special Counsel whose job it is to police the civil service for violations of employee rights. The agency compliance and evaluation office in OPM has been a notoriously inept enforcement unit, seeing itself more as management consultant than law enforcer. Federal Times and Jack Anderson uncover more personnel abuses in a week than this office does in a year. The Special Counsel, who has the central function of overseeing Government employment, can do a far better job. So, I recommend that $6 million and 200 positions be transferred from OPM to OSC for policing the merit system.

OPM, like many other agencies, has one line item for "executive direction" and one for "general administration." These items grow as new political managers attempt to layer in their own people. I recommend that each of these line items be held to 8 percent of OPM's total salary and expenses budget, or $7.6 million each.

OPM manages a $20 million grant program to States and localities to facilitate development of personnel management systems. While OPM maintains that this money results in increased efficiencies for the States and localities, it claims that these governmental units would not pursue these programs without Federal funds. At a time of State surpluses and Federal deficits, I think the program should be reduced from $20 million to $15 million.

H.R. 3752 also authorizes increased appropriations for MSPB, OSC, and FLRA. The $15 million for MSPB is the level the Board has requested under its power to submit its budget requests directly to Congress. It is justified by the serious need, recognized during the debate over civil service reform last year, to upgrade the quality of Federal employee appeals. From the point of view of managers, it is time-consuming and arduous to try to fire even the most undesirable employees. From the point of view of employees, the appeals procedures avoid addressing the substance of the action and, except for procedural irregularities, the old Civil Service Commission would routinely rubber stamp the manager's decision. Ruth Prokop, the Chair of MSPB is trying to ameliorate this situation but needs adequate resources to be successful.

The President's budget proposal starves, in my judgment, the Office of the Special Counsel, allocating less than $2 million. The Special Counsel's powers were greatly expanded last year in the Civil Service Reform Act to provide employees with meaningful protection from whistleblowing reprisals, political intrusion, and other prohibited personnel practices. The Special Counsel is the guardian of the merit system. H.R. 3752 authorizes $10 million for the Office of the Special Counsel. Six million dollars of this $10 million comes from the transfer of agency compliance functions from OPM. The remainder represents the type of increase needed in OSC budget to allow the office to perform the function which Congress set out for it.

Finally, H.R. 3752 increases the budget for the Federal Labor Relations Authority from $10.6 million, recommended by the President, to $12 million. I am concerned that FLRA's budget is inadequate to supervise labor-management relations in the Federal Government. About 60 percent of the Federal workforce is represented by certified collective bargaining agents, which negotiate over grievance procedures and personnel policies. Overseeing this collective bargaining is a bigger job than the administration budgeted for.

Taken as a whole, H.R. 3752 represents a $9 million reduction in Federal Government spending for the civil service agencies. It is therefore responsive to the demands of the American people for a tighter and more efficient Federal Government. I am convinced that this budget reduction can be met without any reduction in the quality of important governmental functions.●

SECRET POLITICAL TRIALS IN SOVIET ARMENIA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DERWINSKI. Mr. Speaker, after the Helsinki Accords of 1976, we hoped the Soviet Union would cease harassing individuals because of their political beliefs and allow fair trials when someone is charged with a crime. However, it has come to my attention that the Soviet Union, a.k.a. KGB has taken up the same pattern of repression and terror in Soviet Armenia that was to be outlawed by the Helsinki Accords.

The implications of this behavior have far reaching effects between relations of the United States and Soviet Union. With the current SALT II talks due to end and strategic agreements being finalized, a question of trust must be raised in regards to the honesty of the Soviets. If the human rights issue can be brushed aside with impunity, what will stop a potential disregard for nuclear safeguards and weapons buildup? If the past is any indicator of Soviet intentions, we should not expect more than tacit compliance and then a disregard for any previous agreements made. An indication of Soivet honesty is reported in the March 1979 issue of the Armenian Review and specifically from a statement of a 25-year-old political prisoner of the Soviets:

> Today I am being tried not for any activities, but for my convictions. I did not engage in any activities in order not to place my friends in a difficult situation. Thus, being in freedom, if you can consider this freedom, I have not engaged in any activities. KGB officials have told me that in one way or another they would take care of me, they would find a way to get rid of me, since my presence alone among my comrades, supposedly has an invigorating effect on them. I have never changed my convictions although 14 years of deprivation await me. The Procurator asks that I be sent to a severe regime camp where as I realize, there are only 40 other people like myself.

This is not an unusual but an everyday occurrence in the Soviet Union. What good were the Helsinki Accords if the Soviets will not follow them and the United States cannot enforce them? Should not we take this as a warning against further Soviet lies that might occur with implementation of SALT II? The Soviets have shown little good faith in their dealings with the United States and the Armenian example serves as one such reminder.

In concluding. I would again like to quote the Armenian Review and show the disgusting nature of KGB interrogation:

> Thus. I am obliged to confine my remarks to matters concerning the very interrogation itself. From the very beginning of the interrogation the interrogator colored every one of my answers with sarcastic rebukes and comments; he expressed his dissatisfaction in a crude manner with respect to my answers and even stated precisely the kind of answers he needed. Notwithstanding the

fact that at the beginning of the investigation the interrogator got me to endorse a statement to the effect that I would be held criminally responsible for giving false testimony or for refusing to give testimony, during the post interrogation he constantly threatened to arrest me for giving false testimony. When I indicated the irregularity concerning his raising his voice during the investigation and that it was impossible to talk, that I would refuse to take part in the investigation, the interrogator said, Very well. Refuse. I will imprison you for refusing to give testimony.

Therefore, I believe it is necessary for the United States' negotiators who are dealing with the Soviets to be reminded that "to be forewarned is to be forearmed." ●

FARMERS TO THE RESCUE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. SHUMWAY. Mr. Speaker, many of those I am privileged to represent in California's 14th District have been quick to point out a potential answer to at least a portion of our energy ills. I am sure that many of my colleagues have received similar recommendations. It has been pointed out that a handful of nations are distorting world economy by exercising "blackmail" tactics concerning crude oil prices while we sit idly by and ignore the possibility of using what might be considered our own trump card—grain.

We are permitting our invaluable grain to be sold for less than the cost to our farmers, while continuing to hand out enormously higher amounts of cash for oil and other necessities. As a result, the dollar, our balance of payments, and our taxpayers are all negatively impacted.

In the interest of seeing domestic grain prices raised to realistic levels for foreign customers, and to allow the United States to flex its muscles in terms of fighting this OPEC blackmail, I have joined my colleague Mr. WEAVER in sponsoring legislation to provide for a national grain board. Such a panel will be empowered to approve sales and to arrange for barter in terms of oil and other goods. It will not represent a costly effort to the taxpayer—in fact, it will actually provide relief to our citizens.

This effort, I believe, is a step toward protecting our own interests, and certainly it is high time that we recognized our responsibility to do just that.

At this time, I would also like to share with my colleagues the text of a recent Paul Harvey column which addresses this issue quite succinctly:

FARMERS TO THE RESCUE

(By Paul Harvey)

If we need oil and the oil countries need grain, why don't we swap?

Historically, in effect, we did.

But then in 1973 the oil nations decided to multiply their asking price for oil.

But we did not increase our asking price for food grains.

It's not too late.

Until the OPEC nations got their heads together and decided to blackmail us for ever-higher oil prices the price of a bushel of wheat and a barrel of crude was about the same—about $2.

On the world exchanges the two commodities had run neck-and-neck for years—$2 wheat, $2 oil.

Now—in 1979—foreign oil producers have escalated crude oil prices to more than $14 a barrel.

But wheat is still selling for $2 to $3 a bushel.

Make no mistake—the United States controls or has the autonomy to control the world price for wheat and other food grains. We represent 40 to 50 percent of the total world market in this commodity.

Japan and the European Economic Community (EEC) countries are the major importers of American grain and it is in those countries that our dollar is in the most trouble.

Japan purchases American wheat for $2.50 to $3 a bushel, then adds a tariff when it reaches her shores to increase the price to Japanese millers to more than $9 a bushel.

A $6-a-bushel tariff is a windfall for that government.

Is it not we who should be getting that markup?

Better still, why not peg the price of wheat to the price of oil, then, even if the OPEC nations should elect to charge us $100 a barrel it would balance out.

More logically, however, the result would be to hold the prices of both commodities down—as the law of supply and demand did hold them down for decades preceding 1973.

One out of three harvested acres in the United States goes for export.

Because our farmers have been so efficient, we have been much too generous with our neighbors.

Any objective evaluation of world oil consumption and production projected a few decades down the road confirms that the oil-rich nations of the Middle East will exhaust their reserves.

If history repeats itself—and it usually does—those now fat nations will look to us again for handouts in the lean years.

Perhaps we should encourage them to emulate the Biblical Joseph, who wisely set aside grain in preparation for a time of famine.

And if they are not wise enough to do so on their own, we should encourage them to put their money in food rather than in lavish living.

We could rebalance our foreign trade and strengthen our dollar abroad and at home by serving notice now: a bushel of wheat for a barrel of oil. Take it or leave it.●

CESAR BELTRAN, SMALL BUSINESS PERSON OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. PATTERSON. Mr. Speaker, Cesar Beltran, Santa Ana businessman, has recently been named Small Business Person of the Year for California. The award will be presented by the Small Business Administration regional director, Marx L. Cazenave, at a luncheon honoring Mr. Beltran on May 3.

Small business is the economic backbone of America. Our tremendous strength as a nation is due in a very large part to men and women who have succeeded in establishing sound businesses through long hours and many personal sacrifices. Cesar and Fay Beltran typify the kind of people who are willing to work those long, hard hours, and make those necessary personal sacrifices.

During the past 12 years, Cesar has enlarged his business from one neighborhood grocery store that grossed $73,000 to the point where he now owns three stores that will gross in excess of $2 million.

This kind of personal commitment and first-hand experience is exactly what makes the free enterprise system we all enjoy so successful. It is very fitting that the Small Business Administration has chosen Cesar to represent California when the National Small Business Person of the Year is announced in Washington, D.C., on May 13.

It is my pleasure to offer this tribute to Cesar Beltran. I urge my colleagues to join me in honoring California's Small Business Person of the Year for 1978, Cesar Beltran.●

IMPACT AID FUNDING

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BARNES. Mr. Speaker, as the Labor-HEW Appropriations Subcommittee continues to consider the question of impact aid funding, I would like to share with my colleagues my testimony and that of Dr. Charles Bernardo, superintendent of schools in Montgomery County, Md. In particular, I would like to direct my colleagues' attention to Dr. Bernardo's comments, which address some of the frequently held perceptions concerning impact aid and Washington area school systems.

The testimony follows:

TESTIMONY BY CHARLES M. BERNARDO REGARDING THE IMPACT AID PROGRAM

The opportunity to present remarks about the importance of the Impact Aid revenue from the federal government to the Montgomery County (MD) Public School System is appreciated. I am particularly pleased to appear with Congressman Michael D. Barnes from the Eighth District of Maryland in support of an equitable appropriation for the Impact Aid Program in the fiscal year 1980 Federal Budget.

The attached paper includes a resolution adopted by our Board of Education on January 25 to express its support for this program. I believe that your examination of this paper will convince you that our citizens deserve the revenue from this program.

Since Montgomery County, Maryland has been mentioned frequently along with other Washington suburban school systems as nondeserving of Impact Aid support, I am anxious to bring to your attention the fact that Impact Aid funds are urgently needed to support the education of federally related children and youth in our school system. Contrary to the oft-expressed myth about our county concerning its so-called wealth, you may be interested to know that out of our approximately 106,000 student enrollment we have some 3,500 youngsters eligible for participation in the ESEA, Title I program. Additionally, our Head Start Program, which is supported with approximately 40 percent federal revenue, costs just under $2 million this fiscal year. The point is that we have very real education needs and that we are asking only for a fair share of revenue from the largest employer in our county because that employer enjoys a tax exempt status.

With specific reference to the Impact Aid Program, as of last July 1 the assessed valuation of exempt federal property in our county totaled about $285 million. I would like to make two specific points about the local situation and our predicament if the reductions proposed by President Carter for FY 1980 materialize.

(1) The fact that the amount per federally related student from the Impact Aid Program averages only $146 out of a total per student cost of $2,048 this fiscal year, and

(2) The fact that since funds for the cost of education in Maryland are based primarily on real property (as contrasted to other broad-based taxes) the tax-exempt status of the largest property owner (federal government) in this county forces an unfair tax load on all other property owners.

With regard to Impact Aid Program entitlement, the theory has been that federal financial aid should follow the child being educated. This has worked well since the inception of the program in 1951. It is particularly significant in an area such as Metropolitan Washington, the seat of federal government with its heavy activity in a comparatively small-geographical region. We continue to believe that the reductions in the Impact Aid Program through the Education Amendments Act of 1974 which made ineligible so-called "out-of-state" federally related students created an inequity insofar as local taxpayers are concerned. The table below shows the category of eligible students with an amount per student:

Category of eligible student	Number of students	Amount	Amount per student
Parent resides and works on Federal property	30	$27, 056	$902
Parent resides on Federal property	610	70, 870	116
Parent employed on Federal property in county	6, 677	1, 768, 780	265
Parent employed on Federal property out of county	1, 814	397, 173	219
Parent in military	3, 238	1, 003, 260	310
Parent in military, handicapped student	61	28, 384	465
Parent employed on Federal property out-of-State	10, 158	0	0
Total	22, 588	3, 295, 523	1 6

The taxpayers in this county are, in effect, paying both the employers' and employee's share of the cost of educating the 10,158 students whose parents are employed on federal property across the state line. The close proximity of the District of Columbia and the Virginia state line create a most unusual "out-of-state" situation. No other geographical location in the country faces this type of circumstance.

An examination of these data indicate beyond question that the revenue from the Impact Aid Program can hardly be seen as a windfall—as has been alleged by some critics of the participation of Metropolitan Washington school systems in this program.

Our other major concern centers around the equity to local taxpayers. Since early colonial days primary reliance has been placed upon property tax as a source of revenue for local government services such as education. Moreover, the rationale for real-property tax has been an approximate 50-50 sharing by employer and employee. In those sections of the United States where the federal government activity impacts so heavily on local governments in the resulting demands for services such as education, it is not fair for local taxpayers to be deprived of a reasonable share of tax relief from the federal government. The point is that a large federal installation such as the National Bureau of Standards located on a choice 750 acres near Gaithersburg, Maryland serves to the benefit of all United States citizens not just those of Montgomery County. Similar illustrations could be made for the numerous other federal operations in this region. Please know that if the federal property was taxed on the same basis as other employers, our county would receive at least three times more revenue than it receives from the Impact Aid program.

It has been argued from time to time by some that the economic benefit from these huge federal installations more than offset the loss in local taxes. Followed to its extreme, this would suggest that no employer should pay local taxes. We believe this kind of argument is without foundation. We have seen no economic study which has ever proved this argument.

Because of the need to keep these remarks brief, I will not pursue other arguments which support the need for Impact Aid funds. I simply want to impress upon you the very cold and real fact that if this county is deprived of its Impact Aid revenue there will be a cutback in education services for children and youth. The alternative option to increase taxes is not realistic because the County Council must set its tax levy on or about June 1. Hence, we are relying on the sense of equity and fair play demonstrated over the years as the Congress has funded this effective program in the face of proposed cutbacks by the Administration.

Finally, for your edification, I will also attach a summary table indicating the sources of revenue for this school system over the past decade. This summary indicates beyond question that the local taxpayer is being forced to absorb an ever increasing percentage of the costs of education because of cutbacks being effected in federal and state financial support at the same time they are mandating rather expensive programs such as those for handicapped children. Surely you will agree that our local taxpayers deserve at least the benefit of the Impact Aid funds.

STATEMENT OF REPRESENTATIVE MICHAEL D. BARNES ON FISCAL YEAR 1980 APPROPRIATIONS FOR THE FEDERAL IMPACT AID PROGRAM

Mr. Chairman and Members of the Committee: I appreciate this opportunity to appear before the Subcommittee today to discuss School Assistance for Federally Impacted Areas, better known as the Impact Aid Program. I urge the Subcommittee to restore Category "B" funds and "hold harmless" payments which the Administration is recommending be dropped from the program.

For over a quarter of a century, in Maryland's eighth congressional district and in school districts around the country, impact aid has played a vital role in meeting the basic educational needs of federally-connected students. Local jurisdictions, deprived of tax revenues by the presence of tax-exempt federal properties within their borders, have justifiably sought compensation from the federal government.

Now, the Administration proposes a substantial reduction in the program, by eliminating payments for "B" students, whose parents live or work in federal facilities, and the "hold harmless" payments provided for in the Education Amendments Act of 1978. Such cuts, if accepted by Congress, would bring to a virtual end the role of the federal government as a meaningful fiscal partner in sharing the costs of providing education to federally-connected students. It would place serious fiscal constraints on both school systems and local taxpayers.

In Montgomery County, Maryland, federally-owned properties have a total assessed valuation of approximately $285 million. That represents about $11.8 million in lost property tax revenues. However, the Montgomery County Public School System receives roughly only $4 million in impact aid, and that figure will be reduced to near zero if the Administration's cutbacks are accepted by Congress. Such an action would amount to an abdication of federal responsibility to school districts for lost revenues due to federally-owned tax-exempt property.

Unlike categorical aid programs which are targeted at special needs, the impact aid program provides local school systems with funds for basic educational expenses: teachers' salaries, utility bills, instructional materials, and the like. If the cuts presently being contemplated go into effect, I am informed that the resulting losses to the school system would be equivalent to roughly 280 full-time teaching positions, including fringe benefits. However the cuts were implemented, they would occur at a time when school systems and local property taxpayers are faced with nearly double-digit inflation.

Over the years, impact aid for "B" students has encountered its share of criticism. Its opponents assert that, since parents of "B" students live on private, tax-yielding property, somehow the federal government is exonerated from its responsibility to the community for services demanded by its very presence. Their arguments ignore or minimize the substantial loss of property tax revenues associated with tax-exempt federal properties.

The differing roles played by private commercial enterprise and federal installations in Montgomery County was illustrated by Dr. Paul Henry, Director of Federal and State Programs in the Montgomery County School System, in a letter to Secretary of Health, Education and Welfare Joseph Califano. In the letter, which I would like to submit for the Subcommittee record, Dr. Henry notes the contrast between two properties in the I-270 corridor, IBM (which pays property taxes to support local services) and the National Bureau of Standards (which does not).

The long-standing practice of providing a large annual payment to the District of Columbia of approximately $300 million—a practice I support—is a sound precedent for providing what amounts to a shadow of that amount to impacted suburban areas.

With respect to the 'hold harmless' payments, I urge the Committee to affirm the action taken by Congress in enacting the Education Amendments Act of 1978, to provide for a gradual reduction in the severe adverse impact of changes in impact aid benefits on affected school districts.

In past years this committee has carefully scrutinized the impact aid program, and has displayed its sensitivity to the needs of federally-affected school districts. This year, when the need is more vital than ever before, I urge you to restore the proposed cuts and provide the funds as a matter of fairness and equity to the affected school districts.

Thank you for the opportunity to present my views.

MONTGOMERY COUNTY PUBLIC SCHOOLS,
Rockville, Md., March 9, 1979.

Hon. JOSEPH A. CALIFANO, Jr.,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. CALIFANO: This is to seek clarification about your recommendation in the FY 1980 budget that no funds be included for "B" impact aid students. Your March 6 statement to the House Labor-HEW Subcommittee on Appropriations indicated ". . . that continued federal support cannot be justified for "B" children, whose parents pay local taxes to help support the schools, during a period of budget austerity." Do you imply that school costs are based solely on taxes on residential property?

Let me use an elemental illustration to try to convince you that this is not the case. Along the I-270 corridor in Montgomery County there are several private and federal installations. For example, at the Gaithersburg interchange there is an IBM property and the National Bureau of Standards. The IBM corporation presumably profits from its operation and pays property and other taxes to support government services including schools.

The National Bureau of Standards serves the interests of all citizens of this country in utilizing 750 acres of choice real estate in this county. However, unlike its IBM neighbor, it pays no taxes to support government services such as education. The local property taxpayer must make up this gap. Fortunately, although the impact aid program has provided only about one third of the amount this county would receive if the $285 million of all federal property (which serves all Americans) was taxed, at least the program has provided some fiscal support. Now you propose to eliminate this support and thereby aggravate even more the harm inflicted when the so-called out-of-state students were made ineligible in the 1974 amendments.

It seems to me that the only viable alternative to the 4,350 affected school districts nationally is to mount a campaign to insist on legislation that would remove the tax-exempt status of federal property which serves citizens beyond the local jurisdiction in which it is located. While I certainly believe that the impact aid funds should follow the child being educated, local fiscal pressures auger for attempting to make the federal government a meaningful participant in the long standing theory that both employer and employee share in the cost of local government. Local school systems simply cannot continue to operate under the "on again—off again" perils attendant with each year's action on the impact aid legislative appropriation.

Our eighth district Congressman, Michael D. Barnes, has requested the opportunity to testify before the House Labor-HEW subcommittee on appropriations. By copy of this letter to Congressman Barnes, I will encourage him to include this letter as an attachment to his testimony. I will also share a copy of this letter with Senators Mathias and Sarbanes and encourage their consideration of an appropriate piece of legislation to make the federal government a meaningful fiscal partner in the cost of providing services such as education when the volume of "impact" from federal installations, such as in this county, is so tremendous.

Your response to this request for clarification about the rationale for your position will be appreciated. Be assured that it will be shared with the persons receiving a copy of this letter.

Sincerely,

PAUL A. HENRY,
Director,
Federal, State, and Private Grants.●

SUNRISE-SUNSET HEARINGS CONTINUE

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. LONG of Louisiana. Mr. Speaker, the Subcommittee on the Legislative Process of the House Committee on Rules will continue hearings on program review on Wednesday, May 9, at 10 a.m. in room H-313, The Capitol.

Our April hearings expanded on testimony taken by our predecessor subcommittee in 1978 on the need for new initiatives in program review. We have heard Members espouse a diverse range of solutions to the problem of improving legislative oversight of Federal programs. A multifaceted problem such as this, with profound implications for our institutions of Government, requires a full and objective discussion of alternative approaches.

We have heard a forceful case for "sunset," and we are looking forward to a comprehensive explanation of the "sunrise" proposal developed by our distinguished subcommittee colleague, BUTLER DERRICK of South Carolina, as a result of his experience in serving both as a member of an authorizing committee and of the House Budget Committee.

The impact of program review legislation will touch every Member of this Congress for a long time into the future. There is no more important legislation pending before this body. I urge a full participation by Members on both sides of the aisle in our subcommittee hearing on H.R. 2, H.R. 65, and related measures.●

YOUNG SOCCER PLAYERS TO COMPETE WITH THEIR ENGLISH COUNTERPARTS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mrs. HOLT. Mr. Speaker, next month 32 young soccer players from Severna Park, Md., ages 9 through 12, will travel to London to compete in a series of seven games with their English counterparts. The boys, their parents, and the greater Severna Park community have raised the necessary funds to cover all costs of this trip.

Interest in soccer is growing rapidly in the United States, and I hope it will not be many years until we can field our own teams of World Cup calibre. Certainly, this international competition will help build new ties between nations that are old friends.

I would like to recognize and commend these young athletes and their coaches, who will in a very real sense represent the United States abroad. I know they will do an outstanding job.

They are:

LIST OF PLAYERS

Ten-year-old team (David A. Harper and David Lavis, coaches).

Curt Allen, Stewart Arthur, Dan Bidle, Greg Briggs, Kevin Brown, Kenny Duck, Dean Harper, Nick Kootsikas.

Daniel Lavis, Mike Kalten, Marc Merryfield, Neil O'Callaghan, Jack Porter, Scott Randolph, Todd Thurlow, Jeff Ulehla, Mark Vickerman.

Twelve-year-old team (Walt Canby, coach).

Peter Berger, Wimpy Bosma, Brian Brown, Brian Canby, Tom Dumont, John Harper, Chris Herr.

Kevin Kim, Mike Mathias, Liam O'Callaghan, Rick Sanders, Scot Steele, Warren Westcoat, Billy Woodward, Mike McAllister.●

A SALUTE TO HOWARD FLOYD

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. McCLORY. Mr. Speaker, when my friend Howard Floyd is honored on Saturday, May 12, in Elgin, Ill., at an event described as "Labor Salutes Howard A. Floyd," the occasion will mark a public tribute to this distinguished citizen of my 13th Congressional District.

While Howard Floyd has had his principal career in organized labor, serving now as president of local 330 of the Teamsters Union which includes close to 3,000 members, Howard has shared his leadership talents and his interests with many worthy causes throughout the Elgin community and the 13th Congressional District.

A self-made man who came up the hard way while grading roads, driving a team, and skinning mules in his native State of Nebraska, as well as in Iowa and Minnesota, Howard settled in our area when he moved to Joliet to work in the development of a deep waterway through Joliet and the Brandon Road lock and dam. It was in Joliet that he began his service as a labor organizer and administrator for the Teamsters. Later, he centered his activities in Elgin where he became vice president of the Elgin Trades Council in 1936 and 10 years later became the trades council president.

Mr. Speaker, Howard Floyd's activities in organized labor are numerous and have been recounted elsewhere. For my own part, I would like to pay particular tribute to Howard Floyd for his broad community and public interest, including his service on the Elgin Economic Development Commission, his participation in the Tuberculosis Association, Judson College, and in Community Chest drives.

Howard Floyd was named as "Man of the Year" by the Elgin Riverside Club, a center to which many persons from private and business life have been attracted. In addition to his Elgin Riverside Club membership, Howard Floyd has been an active member of the Eagles, Elks, Moose, Owls, and Izaak Walton League.

Mr. Speaker, my participation at the Howard Floyd tribute dinner is founded primarily on my close personal association with him throughout the years I have represented Kane County in the U.S. House of Representatives. I have had many opportunities for working closely with Howard Floyd and for providing service and support to members of his union as well as for his friends whom he has referred to me. Likewise, I have been proud to receive the support and encouragement of Howard Floyd in my public service and to retain his confidence and loyalty in my efforts to continue my service here in this body.

Mr. Speaker, in expressing these words of tribute to Howard Floyd, I wish also to include his wife Kathrine and members of his family who share the pride in their husband and father as he is honored by those who know him best—his colleagues in organized labor as well as many of us in public life—and his friends and associates throughout the Elgin area where his main activities have taken place.

Mr. Speaker, when I attend the ceremony honoring Howard Floyd on Saturday, May 12, I will remind him of these remarks and share them with him as I am sharing them with all of my colleagues in this Chamber today.●

DECLINE OF U.S. SEAPOWER

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BIAGGI. Mr. Speaker, the American people are justifiably concerned about the decline of U.S. power and prestige abroad.

I believe the rapid erosion of our position of preeminence since World War II parallels closely the decline of U.S. sea power, both naval and maritime. A distinguishing characteristic in the overall strategic balance between the United States and the U.S.S.R. is a pronounced lack of informed discussion and debate concerning national strategy in the United States. At a time when, for the first time in its 200-year history, the United States is altering course from a maritime to a continental orientation, this need is especially critical.

Last Congress, emphasis was properly placed upon our naval position and upon our ability to protect our vital sealanes of communication and commerce. During the past year, at the urging of the Merchant Marine and Fisheries Committee, the administration has been considering the future course of our national maritime policy. Many individuals in the private sector have strong views and much to offer to this consideration of future maritime policy.

An especially knowledgeable, articulate leader of the U.S.-flag merchant marine is Mr. Charles E. Hiltzheimer, chairman of Sea-Land Service, Inc., of Edison, N.J. I enclose for the RECORD some thoughts on U.S. sea power prepared by Mr. Hiltzheimer in response to an article on martime policy contained in Business Week magazine, in the April 9 issue of that publication. His reply follows:

DECLINE OF U.S. SEAPOWER

(By Charles I. Hiltzheimer)

"The decline of U.S. power" is an important contribution toward making people more aware of how precarious our leadership posture is in the world. It correctly points out that a strong domestic economy is essential to America's political influence abroad.

A point not directly touched on by the article, but just as significant to the national and international well-being of this country, is the serious decline of the U.S. as a sea power.

America is an island nation. Most of our allies and a growing list of essential resources for our economy and national defense are overseas. It is obvious to those of us in the shipping industry, as it is obvious to the Soviets, that our economic survival depends on maintaining open sea lanes to our trading partners around the world.

It is not incidental that the geopolitical decline of our nation over the last few years has paralleled our decline as a sea power—especially the decline of our Nation's merchant marine. Nor is it a coincidence that as the Soviet Union has increased its fleet—both naval and merchant—its influence in world politics has increased.

The U.S. merchant fleet, which was the largest in the world in 1950, now ranks eighth in size. We had 733 general cargo ships in 1950 and have only 282 active oceangoing general cargo vessels today. In the main, this reduction is the direct result of long-outdated U.S. Government policies that place U.S. operators at a competitive disadvantage with overseas operators.

The Soviet fleet can now carry 5½ times more general cargo than the country itself generates. And the U.S.S.R. is methodically and concertedly using that excess tonnage to penetrate the export-import transportation market of this country and bring financial ruin to a good part of the U.S. merchant marine in the process.

The national tendency of our society is not to get excited unless and until an emergency exists. My perception is that America is in a real crisis now—a crisis yet unperceived clearly from within our Nation—but perhaps more clearly discerned by the outside world.●

UNITED STATES-JAPAN TRADE IMBALANCE: THE CASE OF NIPPON TELEPHONE & TELEGRAPH

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. JONES of Oklahoma. Mr. Speaker, as chairman of the United States-Japan Trade Task Force, Subcommittee on Trade, Committee on Ways and Means, I have been deeply concerned about the U.S. trade deficit with Japan and ways in which that deficit—which ran $11.6 billion in 1978—can be reduced.

During the 4 years of the Tokyo round multilateral trade negotiations, the United States has been urging that the Japanese open up their Government procurement system, to enable Government agencies and semipublic agencies to purchase foreign products rather than rely so largely on a "buy Japanese" policy. One of the principal objects of our concern has been the Nippon Telephone & Telegraph Public Corp. (NTT). We have long believed that the NTT could and should be making purchases of advanced American telecommunications equipment, thus helping reduce our trade deficit with Japan.

The Japanese have insisted, however, that U.S. products do not meet the quality demanded for the Japanese telecommunications systems and, therefore, they have insisted on developing, often at a large cost, their own equipment. It is interesting to note that once this equipment is developed, the Japanese like to sell it in the export market and into our own telecommunications network.

At the end of March, the United States and Japan, after years of effort, broke off negotiations on whether Japan would include its NTT in the list of agencies covered by the MTN Government Procurement Code. Japanese refusal to include any meaningful purchases by NTT in the code were simply viewed as unacceptable by the United States. Therefore, we will not be offering the Japanese the benefits of liberalized procurement opportunities in our own Nation's Government purchases.

The March 27, 1979, issue of Nihon Keizai (Japan Economic Journal), contains an interesting article which describes the problem that the United States has in selling into the NTT network. The article, reprinted below, is noteworthy. Although I am sure that some Japanese will say that there were technical problems with the U.S. product, that it was not what was required, et cetera, when one reads between the lines, it is clear that—

An American firm develops a product;

Japanese electronics firms cooperate together—in a manner which would be a violation of America's antitrust laws—to build a similar product;

The development costs of which are picked up by the NTT Public Corp., that is, the consumers of Japan;

NTT buys the product; and

The electronics firms plan to commercialize it, probably selling it into the export market in competition with the American firm.

With policies such as these, it is no wonder that our trade deficit with Japan drags on. In the field of telecommunications, it may be time to consider reciprocal "standards" or quota legislation designed to match the policies of Japan.

SUPER CAPACITY SYSTEM FOR MEMORY STORAGE IS DEVISED

A new data communications network computer-accompanying super-capacity memory storage system with an information capacity equivalent to 36 pages of full-size daily newspaper running for 200 years has been developed by Nippon Telegraph & Telephone Public Corporation (NTT).

According to NTT, the new MSS (mass storage system) has been developed by its Musashino Electrical Communication Laboratory in Tokyo, with the cooperation of three leading Japanese computer makers, Nippon Electric Co., Hitachi, Ltd. and Fujitsu Ltd., all of Tokyo.

NTT plans to apply the MSS to filing jobs of its own data communications service after close debugging (corrections and readjustments) of the accompanying software by the data communications researchers of its Yokosuka Electrical Communications Laboratory.

International Business Machines Corp. (IBM) has already commercialized its own MSS, trade named IBM 3850. IBM Japan, Ltd., of Tokyo, utilizing the new IBM products, has already succeeded in sharply reducing the filing fees of its remote computing service, Call 370.

NTT itself had badly needed its own MSS for planned expansion of its data communications service, especially in tieup with large private data bank services in Japan. NTT's own MSS just developed is interchangeable with the IBM 3850.

All three Japanese companies cooperating in the development of NTT's MSS are interested in commercializing the new MSS.

Their respective commercial versions of the new system are expected to be marketed in the near future. The new noncommercial MSS development cost will ultimately run up to a total of Y 5 billion.

As NTT explained its own MSS, its capacity may be varied anywhere between 35 and 472 gigabytes. (One gigabyte represents one billion bytes and one byte 8 bits. One bit or binary digit is the smallest unit of computerizing information.)

It used a magnetic type of tape just like the conventional computer filing memory devices using such tape or magnetic discs.

But the new MSS sharply differs from the conventional reeled magnetic tape memory device by its special cylindrical cartridge wound type of magnetic tape, a much broader width of such tape and a much greater information feeding density.

Each cylindrical cartridge, measuring about 5 centimeters in both-end diameter, will wind up 50 meters of the 7-centimeter width-tape to contain 50 megabytes (50 million bytes) of information. In the case of the largest capacity model, the new MSS will have about 8,000 such cartridges. All cartridges are housed in a honeycomb-style storage chamber. All cartridge storing and retrieving jobs are done automatically and all tape reel-in and reel-out jobs by air blows.

The conventional computer memory tape and disc devices, requiring no small cost, time and human labor to operate, have been unfit for application to massive information-handling on-line data communications systems, including data banking. The problem will be answered at a low cost by the new system.●

SILICON GENERAL, SMALL BUSINESS SUBCONTRACTOR OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PATTERSON. Mr. Speaker, Silicon General of Garden Grove, Calif., has been named the Small Business Subcontractor of the Year for California, Arizona, Nevada and Hawaii by the Small Business Administration. By virtue of this award, Silicon General is now one of the 10 outstanding small business subcontractors in the United States.

Silicon General was nominated for the award by Hughes Aircraft Co.'s IEG Microelectronic Systems Division of Irvine and was selected by a group of independent judges from more than 40 firms who were nominated from the four-State area.

Silicon General is especially deserving of this recognition, considering their spectacular comeback from a fire last year that virtually destroyed the company's manufacturing capabilities. However, through outstanding management, all production commitments were met. The company was founded in 1969 in Westminster and moved to the present site in Garden Grove following last year's fire.

Arthur H. Bruno, who is president of the company, will accept the award on behalf of the company's 77 employees from the Small Business regional administrator, Marx L. Cazenave, at an in-plant ceremony on May 2.

It is my pleasure to offer this tribute to Silicon General Co. I urge my colleagues to join me in honoring this outstanding company.●

THE PAPER CHASE

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MYERS of Indiana. Mr. Speaker, the work of the Commission on Federal Paperwork has been studied, evaluated, and in most cases shelved to collect dust by most with any responsibility for carrying out its recommendations. I present for your consideration one critique, however, that in a concise and professional way puts the Commission's conclusions through the shredder and puts forth suggestions for reducing the mountain of Federal paperwork. The author is George P. Smith, II, professor of law, Catholic University of America.

The material follows:

AN OBSCURE OBJECT OF DESIRE: INFORMATION REPORTING BURDEN

"We have also proposed abolishing almost 500 Federal advisory and other commissions and boards. . . . I know that the American people are still sick and tired of Federal paperwork and redtape. Bit by bit we are chopping down the thicket of unnecessary Federal regulations by which Government too often interferes in our personal business. We've cut the public's Federal paperwork load by more than 12 percent in less than a year. And we are not through cutting." President Carter, The State of the Union Address. 14 Pres. Documents 90, 94 (Jan. 23, 1978, No. 3).

Last winter, President Carter—in a fireside chat from the White House—assured his listening and viewing audience that, "We will cut down on Government regulations . . . and we will make sure that those that are written are in plain English for a change." On March 23, 1978, he signed Executive Order 12044 entitled, "Improving Government Regulations" which was designed to stoke the fires of his earlier chat and thereby make "Federal regulations clearer, less burdensome, and more cost-effective," and written in such a plain English style as to allow the average small businessman to understand them. More specifically, the Order seeks to encourage broader public involvement by requiring departments and agencies to issue "early warnings" of new and significant regulatory activities being considered. To facilitate public input, the warning announcement must contain both the name and the telephone number of a specific official responsible in the area who can respond to public inquiries about pending regulations.

The Order also requires that whenever a regulation will have a major economic consequence (i.e., result in an annual effect on the economy of $100 million or more or a major increase in costs or prices for individual industries, levels of government or geographic regions) the agency will conduct a basic cost-effectiveness analysis designed to impose only minimum economic burdens on the private sector of the economy.

The broad context of the problem of improving government efficiency in administrative decision making activities had been recognized by the 93rd Congress in its action creating a Commission on Federal Paperwork whose mandate was to study ways to allow the federal government "to minimize the information reporting burden." Yet, even before this effort, Congress created the Administrative Conference of the United States to develop improvements in legal procedures followed by federal agencies in their administrative and regulatory law making functions. Indeed, the Conference has shown itself to be a strong partner in promoting efforts designed to refine and strengthen the overall operations of the administrative process at the federal level. In fact, a ready conclusion which may emerge from the following analysis is that the Congress might have been well advised to entrust its study of federal commission paperwork to the Administrative Conference and thereby save a considerable amount of money and paperwork at the outset.

The purpose, then, of this brief comment is to evaluate the work product of the Commission on Federal Paperwork and by so doing probe the persistent and vexations coundrum of administrative efficiency at the federal level of the decisionmaking process. I shall also probe the effect that the report and its implementation will have on administrative law-making.

I

The Commission on Federal Paperwork was created to bring a renewed effort to the continuing study and evaluation of both "the policies and procedures of the Federal Government which have an impact on the paperwork burden for the purpose of ascertaining what changes are necessary and desirable in its information policies and practices." Within two years from the date of its first meeting, the Commission was charged with the responsibility of making its final report. Its existence ceased one-hundred twenty days after submission of the report. It thereby became one of the shortest-lived administrative agencies in the history of federal administrative law.

On October 3, 1977, the Final Summary Report of the Commission on Federal Paperwork was submitted to Congress. A tightly organized document, the Report consists of some sixty-seven pages—complete with impressive statistical information. Some eighteen program study areas were evaluated. These studies considered both paperwork and information management problems arising as a consequence of specific legislation or from broad governmental activities. Three basic recommendations, however, provide an agenda for future reform.

Before an analysis of these three principal Recommendations is undertaken, one rather astonishing statistic which points up the gravity of the situation must be noted: best estimates of the total costs of Federal paperwork can be set at more than $100 billion a year—or some $500.00 for each person in the country.

II

The Paperwork Commission identified unnecessary paperwork as symptomatic of a much larger and more pervasive problem; namely, confusing organization. A confused administrative organization model promotes, in turn, confused, improper and inefficient management practices of line and staff and equally improper informational flow process. In order to combat this rampant confusion, a new philosophy is needed; and this philosophy has been termed, "Service Management"—which in turn forms the very nucleus of the Second Recommendation made by the Commission.

Service Management involves developing and promoting a basic shift in perspective to compel the federal official to examine the *consequences* of legislative as well as administrative action for those who are directly affected by such actions. In order to make Service Management a viable concept, a set of rather ill-defined analytic tools and techniques is called for to "shape the distribution of rights, obligations, benefits and burdens" for future program design and administration.

The principle of Service Management appears to be nothing more than a statement of a "given" in legislative and administrative decisionmaking. The average lawmaker, either at the congressional or the administrative level, is normally *aware* of the *consequences* of any decision that is made. Inter-agency and intra-agency comment, together with public hearings, ensure the decisionmaker a full opportunity to be apprised of the consequences of alternative modes of decisionmaking. Perhaps a more direct inquiry would be whether, over the course of time, the decisionmakers have become desensitized or immunized to the continuing need to evaluate and re-evaluate the public perception of important issues that demand reconsideration on a timely basis. One must surely question the open-ended purpose of Service Management and whether the term, itself, is but artful administrative jargon.

Interestingly, the task of implementing the principle of Service Management by attudinal changes is at the very center of the total program initiative suggested by the Paperwork Commission. As a consequence of this pivotal linkage, the ultimate worth or utility of the Commission's recommendations are, of necessity, brought into question.

The First Recommendation of the Commission calls for a change in the existing federal organizational structure by "consolidating the central administrative function of government into a Department of Administration with cabinet level status." It is certainly distressing to learn that while President Carter is seeking, through his plan for re-organization, to abolish "almost 500 Federal advisory and other commissions and boards," the Paperwork Commission advocates creating yet a new super agency. This recommendation follows the predictable bureaucratic mind-set: namely, when in doubt, create another agency. The capability for resolving individual bureaucratic problems is to be found within the troubled agency *itself*—and certainly not within the halls and filing cabinets of yet another administrative bureaucracy.

The Third and final Commission Recommendation calls for a new spirit of leadership from national leaders in both the public and private sectors to "expand the attack on excessive and unnecessary paperwork with new initiatives." With three such ill-defined and vague Recommendations one can surely ask whether the Commission affirmed the congressional purpose of its enabling legislation "that it is the policy of the Federal Government to minimize the information reporting burden,"—or whether the Commission is guilty of perpetrating a fraud on the beleaguered taxpayers by carrying out a relatively meaningless and costly study.

III

Education, or re-education is the key to any successful venture in attacking the problem of inefficiency—no matter whether it is to be found in the public or private sector of the economy. Forced learning under the guise of President Carter's Executive Order 12044, "Improving Government Regulations," is a solid, positive approach to problem resolution in this area. But, the Executive Order and the Recommendations of the Commission on Federal Paperwork can go only so far. Similarly, self evaluation studies by administrative agencies and sophisticated out-of-house operations such as the Administrative Conference on the United States—although important—fall short of the goal of improvement. In order to shift a perspective, a spirit of renewal and self improvement or awareness must be charted. Regrettably, all too many federal employees in the mid-decisional level of the organization management chart are complacent and bored with their positions. They are guilty of mind-set and are totally unreceptive to innovation. There must be a continuous flow of ideas and spirit to and from all levels of the administrative decisionmaking organization to promote a partnership of interest and co-operative action.

Inextricably related to the need to shape new perspectives is the need to teach—at least for the lawyer—and guide the development of appropriate writing styles, devoid of burdensome and confusing legalese. Efforts must be made early in one's legal training in law school to assist him to first recognize, and then to pursue, good analytic and concise legal writing styles. Internal consistency of terminology, expresison and word arrangement are the end result. Legal writing and legal drafting are so inextricably related that it is exceedingly difficult to distinguish the two areas for separate consideration. It is rather obvious that one must first know how to write effectively before approaching any drafting problem. Reducing the various broad principles of legal drafting to a common core was undertaken by the American Bar Foundation with modest success in 1965. It remains for teams of specialists in the areas of regulatory law to write a set of coordinated texts covering the peculiarities of those fields.

The work of the Federal Paperwork Commission is not necessarily to be discounted as an exercise in futility; for if it but serves as a medium of educating concerned public servants to the cost and counter-productivity (indeed, waste) of thoughtless, unprogrammed exercises, it will have realized an important purpose. *Awareness*, then, is the watchword for initial advancement in this area of management.●

WORLD MUST RENEW VOWS THAT INHUMANITY OF HOLOCAUST WILL NEVER BE REPEATED

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. WRIGHT. Mr. Speaker, this is Holocaust Commemoration Week and it is a time when our attention is refocused on the sufferings of the millions of tragic victims of Nazi Germany during World War II. We need to reflect once again on that horrible episode in mankind's history, and even though we may feel we slowly are becoming a more civilized society, we need regularly to renew our vows that no such period of inhuman conduct shall ever be allowed to recur.

Today, in observation of this week, I would like to share with you an essay written and sent to me by Dr. Chapmond Davis, a well-known minister in Fort Worth. I recall meeting Dr. Davis a few years ago when he accompanied his daughter, Barbara, to Washington in order for her to accept the award for winning an essay contest I sponsor for high school students in our district.

Dr. Davis' essay is a tribute not only to the Jewish victims of the Holocaust, but also to the many persons of other religions who are known to have tried to help them.

The essay follows:

IT MUST NOT HAPPEN AGAIN

(By Dr. Chapmond Davis)

Saturday and Sunday, April 28 and 29, have been designated Days of Remembrance of the Victims of the Holocaust—days to remember the six million Jews who perished during the World War II era. Most were brutally murdered at the hands of the madman Adolf Hitler and his henchmen.

From 1933 to 1945, a third of the world Jewish population was killed in this genocide. Today, as a born-again Baptist and Christian, I humbly pause in memory and respect of those six million. My prayer and my vow is, it must not happen again—to Jew or Gentile, to Hebrew or Muslim, to Catholic or Protestant, to Buddhist or Baptist.

Baptists can readily identify with the sufferings of the Jewish people, because much of the 1,950-year history of Bapists has been written with blood. They have been persecuted in violation of their basic human rights in many lands.

Today the awful violation of human rights continues behind the Iron Curtain and other parts of the world. Let us remember and pray for the three million persecuted Jews in Russia, and for the five million persecuted Baptists in Russia, both facing bitter oppression.

Whatever we might think about our President politically, let us praise God for Mr. Carter's standing up to the Russians and all the world at the UN on this basic principle of human rights.

Let us thank God also for other courageous leaders in Congress who stand with him.

Albert Einstein, father of the atomic age, was reported to have said: "Only the Church stood squarely across the path of Hitler's campaign for suppressing truth. I never had any special interest in the Church before, but now I feel a great affection and admiration because the Church alone has had the courage and persistence to stand for intellectual truth and moral freedom. I am forced thus to confess that what I once despised I now praise unreservedly."

I have yellowed newspaper clippings of the 1930's, telling of hundreds of Christians who were imprisoned for opposing Hitler's inhumanity, and many died alongside their Jewish friends. Multitudes risked and many gave their lives to protect, shelter, and to help Jews to escape this nightmare of Nazi persecution. I have seen many of their names enshrined as the Righteous Gentiles on the pathway to the Yad Vashem Memorial to the Six Million Martyrs in Jerusalem.

Let us look back with regret and respect to remember the martyrs who fell. Let Jew and Gentile join hands to make certain that never again will anything like this happen among the children of men.●

TRIBUTE TO CLARK KELLOGG

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. STOKES. Mr. Speaker, every once in a while a uniquely talented athlete forges his way to the forefront of high school athletics. He is easily distinguished not only by his natural ability, but also by his poise and stature in the face of insurmountable odds while participating in that sport.

Every once in a while is back again and Clark Kellogg, an 18-year-old, 6'8" senior from St. Joseph High School in Cleveland is that uniquely talented athlete. His talents have by no means been ignored. Clark is a first-team scholastic all-American and Ohio's Associated Press class AAA player of the year. Last month in the Ohio high school AAA basketball championship, Clark Kellogg scored 51 points in St. Joseph's losing effort against

Columbus East. His 51 points broke a record 44 points scored in a championship game set by Jerry Lucas in 1956.

Mr. Speaker, Clark Kellogg is a seemingly inexhaustible talent. This Clevelander has great potential and I would like my colleagues to join me in wishing him the best in realizing this potential.

For the benefit of my colleagues and all who are interested, I would like to enter into the Record the two following articles taken from the March 25, 1979, Cleveland Plain Dealer.

The articles follow:

St. Joseph Fails in Quest for Title

(By Dick Zunt)

Columbus.—Despite a record-wrecking 51-point salvo by the incomparable Clark Kellogg, Columbus East High prevailed to win a fifth state championship 74-65, over Cleveland St. Joseph before 14,055 yesterday at St. John Arena.

East, which stormed to a seemingly insurmountable half-time lead of 54-26, withstood the second-half Viking rush to win the Class AAA title.

East's Tigers, champions in 1951, 1963 and 1968-69, sprang up and down the court with a blistering fast break en route to stopping the Vikings in their first bid for a state title.

East buried the Vikings with a barrage of first half baskets, including 17 first-quarter points by All-Ohioan Kevin Castleman who led his team to a 26-13 first quarter lead.

Castleman had 25 points at half-time and his team had a mighty grip on a state championship.

Kellogg, a 6-8 senior with other ideas, then brought out his credentials, which among other things have him as a first-team scholastic All-American and the state's Associated Press Class AAA Player of the Year.

The task was a tall one, but Kellogg, who erased Middletown's Jerry Lucas' 44-point title game mark of 1956, was up for the final game of his illustrious career at St. Joseph.

"I had to shoot a little more than usual," said the mature and smooth Kellogg to a gathering of reporters after the game.

"I had no idea I had scored 51 points and also had no idea that I had a record."

St. Joseph's halftime deficit (28 points) matched its biggest deficit of the game, which was pretty much played in two halves.

"The first half was rough on us," said St. Joseph coach Bob Straub. "Their (East's) transition game was excellent.

"We were getting one shot. That was all.

"In the second half we played a better ball game. Yes, we gave the ball to someone who could put it in the hole for us.

"At halftime, in the locker room, we told the team that there was a challenge out there.

"I was proud of the way they battled back. They definitely did not quit.

"Because of the way the game went, it was a tribute to Clark."

When Clark Kellogg was taken out of the game amid a standing ovation, he had scored more points in St. John Arena than any other high school player.

Kellogg, who scored 17 of St. Joseph's 26 points in the first half, outscored the Columbus East team in the second half.

In the third quarter, Kellogg out-pointed the Tigers, 15-10. In the final period he outscored the hometown team, 19-10.

Kellogg's super-human effort brought the Viking rooters to their feet.

From what appeared to be the impossible dream at halftime, they flirted with reality when Kellogg carried the Vikings within 11 points, 68-57, with 3:15 left in the game.

East, however, worked the ball around near mid-court to help run out the clock and thwart the Kellogg-led comeback. Kellogg hit on 13 of 18 second half field goal attempts.

Successful late free throws by the Tigers spoiled any hopes of the Vikings' bringing back a state championship in their first attempt in the finals.

Kellogg's always-to-be-remembered performance included 15 of his team's 17 points in the third quarter and 19 of his squad's total of 22 in the final period.

Castleman, who picked up his fourth foul at 7:28 of the third quarter, did not score one point in the second half, part of which he was on the bench.

St. Joseph out-scored the winners 39-20 in second half.

Kellogg, who scored 86 points and 38 rebounds for the two games, came within Jerry Lucas' 1956 all-time tourney mark of 53 points, scored in the semifinals at the old Cleveland Arena in 1956. Kellogg bettered his title game record of 44, also set in Cleveland that year.

Kellogg's 21 field goals also erased a Lucas record, that of 18 scored against Canton McKinley in Cleveland during that tournament.

Kellogg hit on 21 of 42 field goal attempts and nine of 16 free throw attempts, picked off 24 rebounds and played with four personal fouls in the last 5:26.

Lucas' two-game record of 97 points at the old Arena survived Kellogg's onslaught.

Losing Takes Edge Away From Kellogg's Record 51

(By Chuck Heaton)

Columbus—The same poise that Clark Kellogg exhibits on the basketball floor was evident yesterday as he answered questions a few minutes after his record-setting 51 points. Even his street dress made him stand out from the other members of both teams.

The St. Joseph All-America pick wore a light gray hat with the brim snapped down all around. His gray tie was a perfect match for his gray pin-striped suit.

Those eyes, which have made him such a sharpshooter from almost any angle, looked out from behind oversized glasses with dark frames.

Kellogg talked softly, sniffing occasionally. He has a head cold that apparently didn't bother him a bit on this trip to the Ohio State high school tournament.

The 18-year-old athlete, who says he's headed for either Ohio State or Michigan, speaks softly. He displayed a bit of humor at times but admitted that he wasn't particularly elated by the outburst of points.

"It would have been different if we had won the game," he admitted. "I had no idea that I was near any record . . ."

Kellogg received a rousing ovation when Coach Bob Straub called him to the bench with three seconds left. Even the Columbus East fans waved their orange towels in tribute. Even the players on the Tigers' bench stood up and applauded vigorously.

"What standing ovation?" responded the senior with a straight face when asked about the incident. Then he smiled and added, "I was in kind of a daze but it was great.

"As I said, losing takes away some of the edge. Not much, but some."

Kellogg probably wouldn't have cracked the record Class AAA championship game of 44 set by Middletown's Jerry Lucas at Cleveland Arena against Canton McKinley in 1956 if the Vikings hadn't fallen so far behind.

Columbus was on top, 54–26, at the intermission. Kellogg had scored 17 points at that time.

"I had to try and get the guys going," he said. "I had to shoot more than usual.

He said this without cockiness, simply stating a fact. He obviously is an athlete who has complete confidence in his own ability.

Clark was asked if he had the green light from his coach to take charge. "I've had the green light all year in just about every way," the captain replied.

Some have compared this Viking to Lucas, who went to great days at Ohio State and in the National Basketball Association. Others believe that Kellogg has some of the same "magic" as Michigan State's Earvin Johnson.

"It's a real compliment to be compared with either of them," said Kellogg.

There was considerable questioning about this young man's college future.

"I'll be back at St. Joseph on Monday," he said with that grin when some persisted.

Then Clark added, "I'm going to talk more with my folks this weekend. No date has been set. I can say that it's down to Ohio State and Michigan."

Someone asked about Notre Dame. Why had he turned thumbs down on the Irish?

"It's personal reasons," he said. "I'd rather not go into it. I do think the Big 10 is the toughest basketball conference around. It's competitive and tough. That's what I'm looking for."

Kellogg said he was tired from the full afternoon and the strain of trying to rally his team.

"I need some time away from the hoop," he declared.

"How long will you be away," he was asked.

He grinned and said, "Maybe, a day?"

Straub earlier had called Kellogg's performance "a super effort."

"He was a tired puppy when he came out," said the coach. "He still was going all out. I consider it a tribute to him and the game."

Until Kellogg began his run at the record, the Class AAA title game was almost an anticlimax. It followed Cathedral Latin's two-point defeat by Dayton Jefferson in a wild see-saw battle.

Just as Clark wanted to bow out with a state title, the Latin club wanted so much to win because the school is slated to close this year.●

UDALL-ANDERSON SUBSTITUTE ALASKA LANDS BILL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. UDALL. Mr. Speaker, our colleagues will recall that earlier this week the distinguished gentleman from Illinois (Mr. Anderson) and I joined in introducing a bill dealing with the conservation and protection of key areas of the American people's land holdings in Alaska.

The Udall-Anderson bill is a sound, balanced bill. In this regard it is in contrast to the inadequate, unbalanced, and unsound versions which have been reported by the Committee on Interior and Insular Affairs (by one vote) and Merchant Marine and Fisheries.

Mr. Speaker, when this matter comes before the whole House, it is our intent to put forward the Udall-Anderson bill (which has been assigned the number H.R. 3651) as a substitute for the inadequate committee versions. Our substitute has the support of the administration.

Because this matter is the most important conservation opportunity of this generation, I am confident that the

House will (as it did in 1978, by a vote of 277 to 31) overwhelmingly support our careful and balanced proposal, which allows exploration and development of 95 percent of the high or favorable oil and gas potential of Alaska's lands—and all the offshore oil and gas areas; leaves open for exploration and development ample areas of metallic mineral potential, and leaves plenty of timber available for harvest to assure continuation of the timber industry (with room for expansion) in Alaska; but also provides for proper protection for the most important of the American people's land treasures in Alaska, with their incomparable wilderness, wildlife, scenic, and other values.

For the benefit of all our colleagues, I am here including in the RECORD a summary of the major provisions of the Udall-Anderson bill.

FINDINGS, POLICY AND DEFINITIONS

The findings, policy, and definitions in title I of the Udall-Anderson bill are the same as those in H.R. 39 as introduced in January, 1979, which has been cosponsored by more than 150 Members of the House.

NATIONAL PARK SYSTEM

On December 1, 1978, President Carter designated, by Presidential Proclamation, 13 national monuments as permanent units of the National Park System. These new units of the Park System are administered under existing law and operation and management is the same as all other national parks in the country.

As in last year's House-passed bill a number of these existing national monuments are redesignated as national parks and national preserves (a unit of the National Park System which is administered the same as a national park but in which sport hunting can be permitted). In fact, the national preserve category contains more acreage (some 1.5 million acres) than the House-passed measure of last year. Contrary to published reports that the substitute closes national monuments to sport hunting the truth is that it opens more than 17 million acres of national monument lands which are now closed to sport hunting permanently. In addition, section 809 of the bill permits existing sport hunting guides and nonsubsistence trappers to continue for a period of 10 years; the practical effect of which is that all new National Park System units could remain open to sport hunting for this period.

Approximately 34 million acres are designated as wilderness, a reduction of 7.5 million acres from the House-passed bill of last year.

A total of 26.9 million acres are designated as national parks and 17.06 million acres as national preserves.

NATIONAL WILDLIFE REFUGE SYSTEM

The bill redesignates the Yukon Flats and Becharof National Monuments which were designated by President Carter on December 1, 1978, as National Wildlife Refuges administered by the U.S. Fish and Wildlife Service. Twelve new National Wildlife Refuge System units are designated and five existing units are enlarged. Boundaries of the new and enlarged existing units have been carefully drawn to exclude lands which the Secretary of Interior made available for selection by the State of Alaska in January 1979, and to exclude, wherever possible, previously selected TA'd or patented State lands. Only two wildlife refuge areas are designated in the National Petroleum Reserve (as opposed to the entire Reserve in the committee reported bill) in order to allow expedited petroleum exploration unhindered by an untested compatibility test on three-fourths of the area.

Approximately 26.9 million acres are designated as wilderness as opposed to about 20 million acres in last year's House-passed bill and 30 million in the Breaux bill.

A total of 62.3 million acres are designated as units of the National Wildlife Refuge System.

NATIONAL FOREST SYSTEM

Section 401 adds 1.450 million acres of public lands to the Tongass National Forest; and adds 1.890 million acres of public lands to the Chugach National Forest.

Appropriate areas, based on the results of the Tongass land use management plan and recently completed studies of the Chugach National Forest are designated as wilderness. A wilderness study area, in the Chugach National Forest, is designated the purpose of which is to provide information and reach decisions not only on wilderness values, but aquaculture needs, alternative land selection studies for Chugach Native corporations, and numerous other proposed and potential activities in the Prince William Sound area.

The administration has recommended that about 7.6 million acres in 17 units be designated as wilderness in the National Forests. These administration-recommended wilderness areas are based on the results of the Tongass land use management plan and assure growth in the timber industry and jobs related to that industry. In order to remove any margin of doubt, our bill refines the boundaries of some administration endorsed wilderness areas and places two in study status, thus eliminating over 1 million acres from immediate wilderness designation.

NATIONAL WILD AND SCENIC RIVERS SYSTEM

First. Designated and Study Rivers.—The Udall-Anderson bill adds to the National Wild and Scenic Rivers System the following 13 rivers which are outside the boundaries of the other conservation system units: Birch Creek, Colville, Copper, Delta, Etivluk-Nigu, Fortymile, Gulkana, Alagnak, Killik, Nowitna, Selawik, Unalakleet, Yukon (Ramparts section).

The bill also adds to the system the following eight rivers (or segments thereof) which form the boundary of, or are within, national preserves: Aniakchak, Chilikadrotna, Chitina, Mulchatna Noatak, Stony, and Telaquana.

And the bill adds to the system the following 12 rivers which form the boundary, of, or are within, national wildlife refuges: Colville, Nowitna, Porcupine, Beaver Creek, Sheenjek, Andreafsky, Selawik, Ivishak, Kanektok, Kisaralik, Squirrel, and Utukok.

Nine additional rivers, or segments, are designated as study rivers for possible future inclusion in the National Wild and Scenic Rivers System.

Second. Administrative Provisions: Boundaries and development plans.—The bill requires that "detailed boundaries and development plans" be established for the above rivers within 1 to 3 years after date of enactment of this bill. Such boundaries may include an area extending up to 2 miles from the ordinary high water mark on both sides of each designated river.

Snowmobiles.—The bill requires the Secretary to permit the use of snowmobiles on rivers designated under this bill during "periods of adequate snow cover or frozen river conditions" for "customary travel, transportation and subsistence purposes by local resident.

Third. Oil and gas pipelines across rivers and trails.—This bill authorizes the Secretary to grant rights of way for oil or gas pipelines which cross "any area within the boundaries of a wild and scenic river or the Iditarod Trail in Alaska" if he determines there is no feasible and prudent alternative route.

WILDERNESS

Last year's House-passed bill contained approximately 65.5 million acres of designated wilderness within conservation system units. The substitute proposes to designate about 67.3 million acres. The acreage difference is principally in adapting the administration's wilderness recommendations in southeastern Alaska national forests where over 7.5 million acres have been recommended as wilderness.

The administration recommendations assure growth in the timber industry in the Tongass National Forest and protection of timber related jobs. Our substitute reduces national forest wilderness areas designations recommended by the administration by over 1 million acres.

Wilderness classification is an overlay on conservation system units which only the Congress can designate. Since wilderness is restricted to the same national park, National Wildlife Refuge, or national forest lands (either existing or designated), the total acreage of a specific unit is not changed by such designation. However, some opponents of our bill have been guilty of falsely double-counting acreages which gives an erroneous impression of exactly what is involved. Wilderness classification is, by law, supplemental to the purposes for which the conservation system unit is established and administered. Also, the Wilderness Act directs that certain activities—such as the use of airplanes and motorboats and access to mining claims, for example—can continue. In addition, our bill has a number of special provisions—applicable not only to wilderness, but other conservation system units as well—to meet the special conditions in Alaska relative to access, use of snowmobiles, fisheries, aquaculture and other activities.

SUBSISTENCE

The Udall-Anderson bill contains provisions, in title VII, which closely track those of the House-passed bill of last year for the protection of the continuation of subsistence uses on the public lands in Alaska.

As did the House-passed bill of last year, the Udall-Anderson bill contains an unprecedented explicit statutory grant of authority to the State to regulate the taking of fish and wildlife for subsistence uses on the public lands, with necessary provisions for adequate Federal monitoring of the implementation of the State's system for protecting those dependent upon such uses.

ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

The bill includes a number of administrative and other miscellaneous provisions closely modeled on those in title VIII of H.R. 39 as introduced in January 1979.

These deal with such subjects as: Land acquisitions and exchanges; access; scientific and cultural resources; cooperative information and education centers; administrative sites and visitor facilities; revenue-producing visitor services; local hire; management plans; the taking of fish and wildlife (including provisions "grandfathering" sport-hunting guides and nonsubsistence trappers affected by designation of national parks); maps; navigation aids and other facilities; technical amendments to prior statutes; scenic highway study; relationship of the bill to other laws; mineral withdrawals and existing claims (including a provision making clear that the "Mining in the Parks Act" does not apply to national monuments which are not units of the National Park System); an Alaska mineral resource assessment program (to complete our data base concerning the mineral potential of all the public lands in Alaska); wilderness administration; and authorization for appropriations.

IMPLEMENTATION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT AND ALASKA STATEHOOD ACT

The bill contains a number of provisions intended to improve the administration of the Alaska Native Claims Settlement Act and the Alaska Statehood Act, and also numerous specific provisions for exchanges of lands and land interests (involving the Federal Government, the various Native corporations, and the State) intended to facilitate better land-management in Alaska and to speed the process of finally resolving the uncertainties concerning the resolution of land-ownership and land-management questions in that vast State. Among the topics dealt with are the following: Amendments to the Alaska Native Claims Settlement Act concerning stock alienation, selection requirements, retained mineral estates, vesting dates for reconveyances, reconveyances to municipal corporations, conveyance of partial estates, tax moratorium extension, fire protection, shareholder homesites, underselections, Alaska townsites, allotments, and the like.

There is also a provision for direct, legislative conveyance of the so-called "core" townships—the townships upon which the various Native villages are actually located and which they are required to select under the Alaska Native Claims Settlement Act. This section will further expedite completion of the conveyances required under that act, and also makes clear that until the conveyances are completely implemented, the Government will clearly be required to treat those lands as Native, rather than general public lands.

Another section deals with the possible impact on Native land entitlements under the Alaska Native Claims Settlement Act of later determinations that certain submerged lands underlie waters that are navigable in terms of the Submerged Lands Act, and therefore have been properly the property of the State since statehood. Unless some such legislative remedy is provided, there will be interminable delays in the implementation of the Alaska Native Claims Settlement Act and the Native corporations will be required to expend extremely large amounts of their limited resources on consultants and lawyers' fees in order to attempt to avoid determinations that would mean that the Natives would not receive their entitlements under the Alaska Native Claims Settlement Act. The provisions included in section 918 of the Udall-Anderson bill would prevent such a miscarriage of the just settlement made by that act, by in effect establishing an insurance policy which would prevent any such shortfall in lands which are conveyed to the Natives in return for the extinguishment of their claims based on aboriginal title.

Also included in this title are provisions for specific land-exchanges or land-status resolutions involving the Federal Government, the State, and nearly all of the 12 Native regional corporations, as well as several village corporations. And this includes provisions which would confirm valid State selections, and improve the way in which the Federal Government treats lands when the State has selected but which they have not yet received, pending the final conveyance of those lands.

In connection with the State's interests in lands, it should be noted that the State has completed an extensive and detailed evaluation of all the lands in Alaska and, on the basis of the evaluation, has filed selections with the Interior Department for those lands that it believes would be desirable for the State to obtain. If all the lands so identified were turned over to the State, the total would far exceed the State's 104.5 million acre entitlement under the Alaska Statehood Act. Furthermore, the State has actually selected, and the Secretary of the Interior has agreed to such selection, more than 100 million acres—more than 96 percent of the State's total entitlement. This 100 million acres will go to the State without conflict with the conservation system units of the Udall-Anderson bill and without conflict with Native selection rights under the Alaska Native Claims Settlement Act. There still remains an ample pool of other, public lands—including desirable areas—which the State can also look to to satisfy the small part of its total entitlement which has not already been cleared for them to receive.

Many of the provisions in this portion of the Udall-Anderson bill, especially regarding the various land-exchanges, were initially formulated during the consideration of this matter last year by the Senate Committee on Energy and Natural Resources. Since that time, the concerned parties have continued discussions about these various provisions, and the text of H.R. 3651 includes the latest results of those discussions.

TRANSPORTATION AND UTILITY SYSTEMS

The Udall-Anderson bill contains an entire title—title X—which addresses the potential need for future rights-of-way in Alaska for transportation and utility systems. Again, this title is closely modeled upon the corresponding provisions of the House-passed bill of last year.

The title provides for a consolidated application form for all rights-of-way for such systems on public lands within the conservation system units, and clarifies the manner in which these applications are to be processed—including the duty of the Secretary to inform an applicant in a timely manner as to whether an application is complete, and the relationship of such applications to the NEPA review process.

Under this title, the Secretary is required to make a decision, after considering information submitted and information developed through public and other comments, within 4 months after completion of any final environmental impact statement and 6 months after acceptance of the application in cases where no such statement is required.

In cases where the Secretary has the authority under existing law to approve or disapprove an application, he is authorized to continue to exercise that thority. In cases where, prior to enactment of this act, no such authority exists, the Secretary must make a recommendation to Congress for approval or disapproval of an application. Congressional consideration of the Secretary's recommendation is assured through inclusion of expediting procedures which will allow any Member to move for discharge of a joint resolution of approval from committee within 60 days after receipt of the application by the Congress.

FEDERAL-STATE COORDINATION

The Udall-Anderson substitute contains the same provisions for Federal-State coordination—including the Alaska Land Bank—as did title VI of the version of H.R. 39 introduced in January 1979.

OIL AND GAS

This substitute includes provisions which make virtually all (95 percent) of the onshore lands with high or favorable potential for oil and gas available for leasing.

This bill leaves almost all areas with significant oil and gas potential in Alaska or offshore near Alaska available for leasing except the Arctic National Wildlife Range on which we intend to preclude any exploration or development activity.

I include the following:

KEY FEATURES OF OIL AND GAS PROVISION

Opens the National Petroleum Reserve-Alaska (NPR-A) to private oil and gas exploration, development, and production.

Leasing by competitive bidding.

Publish schedule of proposed lease sales within 240 days.

First lease sale within 18 months.

Leasing to take place on Utukok and Teshepuk National Wildlife Refuges after conservation plans are completed (also within 240 days) where compatible.

Exploration permits program established within 240 days.

Opens the BLM lands (d–1 lands) to private oil and gas exploration, development, and production.

Uses noncompetitive leasing except where Secretary determines lands are favorable for oil and gas (competitive leasing in such cases).

Opens the nonwilderness Wildlife Refuge System units to discretionary oil and gas leasing.

Leasing which may take place to be by competitive bidding.

Comprehensive wildlife refuge conservation plans to be completed before leasing takes place.

Leasing in areas where compatible with purposes for which the Wildlife Refuge or range was established or is managed.

Therefore, if our bill were enacted, approximately:

100 percent of the Outer Continental shelf would be outside conservation system unit boundaries;

100 percent of the State's submerged lands (40–50 million acres) within the 3-mile limit would be outside conservation system unit boundaries;

100 percent of the proven onshore reserves would be outside conservation unit boundaries;

95 percent of the onshore lands with high hydrocarbon potential or with geological conditions favorable for hydrocarbon potential would be outside conservation system unit boundaries or otherwise available for exploration development and production; and

90 percent of the lands with geologic conditions less favorable for hydrocarbon potential are either outside conservation system unit boundaries or are subject to discretionary oil and gas leasing.●

THE QUALITY OF EDUCATION

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mrs. HOLT. Mr. Speaker, we have dozens of aid-to-education programs, and special projects, and endless studies, and none of this activity at the Federal level seems to have had much impact on the quality of education.

We all know this is true; yet, the Congress continues to pile more billions of the taxpayers' dollars into Federal aid programs that are producing nothing of value for the investment. If the Carter administration is using zero-base budgeting, it certainly has not even started to use that process on the tangle of aid-to-education programs.

In the April 15 Washington Post, education writer, David Savage, presented an extremely perceptive article entitled: "School Aid: Spending Much To Learn Little." I believe it is an important summary of what has been happening with Federal aid, and the Members of the House would profit from reading it:

SCHOOL AID: SPENDING MUCH TO LEARN LITTLE

(By David G. Savage)

The Washington budget debate, like such debates for a decade, has been styled as an argument between heartless accountants and compassionate doers of good.

Do we care about the poor? The handicapped? The unemployed, the unwashed, the helpless? When you put the question that way, it is easy enough to portray those seeking to hold down spending as the heartless accountants.

But a decade after the explosion of social programs known as the Great Society, isn't it time, finally, to ask a different question: Do the programs work? Has federal aid to education made a significant difference in the nation's schools and helped poor children catch up with their middleclass schoolmates? Have federal urban development programs improved the country's big cities? Has the Law Enforcement Assistance Administration made the streets safer? Has the Comprehensive Employment and Training Act given the hard-core unemployed the training they need to land jobs?

The Health, Education and Welfare Department's education budget, which now totals about $12.5 billion, is a case in point. The Elementary and Secondary Education Act (ESEA) was created in 1965 as a centerpiece of Lyndon Johnson's Great Society to pump out money for poor children. The assumption—right or wrong—was that extra "compensatory" instruction would help "disadvantaged" pupils learn at average rates and thereby break the cycle of poverty.

Although some scattered evidence is beginning to emerge suggesting there has been at least some impact on learning, for the most part it hasn't happened. The aid has grown steadily over the years, so that 80 percent of elementary schools end up with funds to help these students under the main program, Title I. About 6.5 million children are enrolled at least part-time in compensatory education at an average extra cost of $450 per child. But large-scale, federally funded studies have generally been unable to find that the extra money has had much impact in improving education.

The major evaluations through 1973 showed that children in compensatory classes were achieving no more, and often less, than similarly disadvantaged pupils who remained in regular classes. In 1974, Congress asked the National Institute of Education to conduct a three-year, $15 million study of Title I. Its final report, submitted to Congress last year, simply sidetracked the question of whether the money had any impact in improving education. Instead it dealt with such other important questions as what types of compensatory programs worked best.

As one witness told a House education subcommittee last year, ESEA was an "unquestioned success." He was, literally, correct.

NO FOLLOW THROUGH

The impact of federal education aid is more dubious in other offshoot programs. In 1968, Congress, again at Johnson's urging, established the "Follow Through" program. This was designed to continue the supposed learning gains made by poor children in "Head Start." The Head Start program served preschool children, white Follow Through was to serve those in the first three grades. But the tight budget brought on by the Vietnam War persuaded the Johnson administration to scale down Follow Through and make it instead an experiment in compensatory education.

University education departments and social science research firms got contracts to set up compensatory education projects in selected communities. Some emphasized drills in the basics, others tried to improve "self-concept" as the way to help students learn better.

The Office of Education also put out a contract to evaluate the efforts by comparing Follow Through students to similar poor students in nearby schools. The evaluation, which lasted eight years and cost about $30 million, was released in 1977. It found that in eight of nine projects, students in Follow Through programs, which cost an extra $360 per child, gained no more or less than comparable students in regular schools. No type of project was found consistently successful.

"Apparently, it is genuinely hard to raise the test scores of disadvantaged children, even in comparison to those of other disadvantaged children, by means of the compensatory interventions that Follow Through has tried," said the evaluation report by Abt Associates of Cambridge, Mass. The budget for Follow Through has been $59 million a year. The Carter budget recommends another $59 million next year.

Also in 1968, Congress added a bilingual education program to ESEA. This was for "demonstration projects" to find better ways to teach English to children who come to school solely or chiefly speaking another language. By 1977, the bilingual education budget was up to $150 million, and it was still fraudulently called a demonstration program. Nothing was being demonstrated.

A controversial evaluation was done by the American Institutes for Research of Palo Alto, Calif.—and disputed by many bilingual education supporters. But whether or not Hispanic students in the federally funded bilingual classes were gaining a bit less in reading English than other Hispanic students, as the study said, the program certainly has not done what it set out to do: demonstrate the value of the bilingual technique. Still, the administration has recommended that the bilingual education budget go up another $15 million, to $174 million.

Said HEW Secretary Joseph Califano in announcing the new budget: "Our inept administration [of the bilingual education program] should not be used as an excuse for cutting it." Maybe not. But in what year—or decade—can we begin to judge the program on its merits?

THE "INNOVATIONS"

Washington has also given hundreds of millions of dollars to school districts to "reform" education by funding "innovative" projects. This effort rested on at least two assumptions—that "innovative" projects would be an improvement over existing offerings, and that they would also spread to other schools. Here, as elsewhere, the overriding assumption was that more money would make for better education.

Last summer, the Rand Corp. released its eighth and final volume of an evaluation of these projects, which covered reading, vocational education, bilingual education and other efforts. It concluded that the assumptions were plain wrong. Other federal evaluations have "revealed inconsistent and generally disappointing results" as well, Rand notes. "Although federal support for local school services has become well established, the 'decade of reform' that began with ESEA has not fulfilled its expectations."

Why? Educators, to the extent they discuss the problem at all, seem genuinely puzzled. The mystery of how to improve education from outside remains, after 14 years, still a mystery. But Rand offers one cogent suggestion as to why federal aid has had such a minimal impact:

"More money supplied by federal funds did not necessarily purchase those things that mattered; it did not buy, for example, more committed teachers, more effective project directors, more concerned principals and so on."

What did determine the success of a school, not surprisingly, was "not the amount of funds available but the quality and behavior of the local staff." Money for innovative school projects come mostly from ESEA's Title IV, whose budget was $197 million last year; the Carter administration recommended another $197 million for the coming year.

GUARDING THE STATUS QUO

All of this is by no means unique to education. The process is repeated over and over as federal social programs are first created, then expanded. A national social problem is identified, usually through the media, and Congress creates a grant program to do something about it. For law enforcement, it was crime in the streets. For job training, it was rising unemployment. For housing and urban development, it was decaying cities. And each year, at budget time, the question comes back to the seriousness of the problem—not to the quality of the solution.

It's not hard to figure out why. There is a trail of federal money—billions of dollars—stretching from here to Guam. It goes to states, counties, cities and thousands of institutions, from Ivy League colleges to venereal disease clinics. Not surprisingly, those whose jobs and institutions depend on these funds don't want the programs threatened. They form a powerful lobby for the status quo. To them, evaluators and evaluations are as popular as bees at a picnic.

But Jimmy Carter came to Washington promising "compassion and competence." Presumably, his administration, unlike the Republican ones preceding it, genuinely believed in the social programs begun during the Great Society era. But much of the electorate also believed money was flowing from Washington like an open fire hydrant on a summer day. The Carter administration would supposedly bring hard-nosed management to Washington, see that the money was spent wisely and prudently.

To read the administration's fiscal 1980 budget is to see, however, that Carter has yet to crack the system. The budget justifications, "zero-based" or not, defend the budget totals by the depth of the problems rather than the demonstrated value of the programs. The Carter budget does try to reduce subsidies to the middle class in favor of programs "targeted" at those most in need. But, generally, it doesn't ask the hard question about which programs are accomplishing their aims, and it fails to challenge those Great Society assumptions that have been proved doubtful or wrong.

The administration's decisions in the budget and elsewhere seem based far more on traditional interest group politics than on tough analysis, more on fond hopes than on results. At midterm, the Carter administration still seems to believe it is better to err on the side of compassion than on the side of competence.●

NO-FAULT AUTO INSURANCE—A REPORT BY THE CLARK COUNTY COMMITTEE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BROWN of Ohio. Mr. Speaker, the following is a report prepared by the Clark County Committee of the Seventh Ohio Congressional Youth Advisory Committee on no-fault auto insurance.

Members of the Clark County included: Mark Schneider, chairman; Jonna Schaeffer, secretary; John Foster, Brenda Henson, Scott Massey, Nancy Mundy, Cindy Rude, David Standley, Lois Strothman, Brandt Thompson, Sandy Thompson, and Mary Tymoski.

The following report of the committee was approved, without amendment, by the entire council on a vote of 43 to 35:

Introduction

"No-fault" is an innovative concept in auto insurance. Unlike the tort systems, this new system of insurance does not investigate the question of fault. Instead, each person's insurance company pays his own accident related bills, usually up to a certain threshold. At present, of the twenty-four states with no fault insurance, Massachusetts, Florida, Connecticut, New Jersey, Utah, Nevada, Kentucky, Hawaii, Colorado, Georgia, Minnesota, Pennsylvana, New York, Kansas and Michigan use a neoteric system as their main auto insurance plan. In Oregeon, South Dakota, Delaware and Maryland, one is required to buy coverage for medical payments, lost wages and hospitalization in addition to the no-fault plan. North Dakota, Virginia, Arkansas and Texas optionally offer the above stated programs as extra coverage.

THE TORT SYSTEM

To clearly understand the no-fault plan, one must first have a basic knowledge of the Tort Liability System. Fault must be established before a settlement can be awarded to the claimant by the faulty driver's insurance company. The tort system, however, has several major drawbacks. One is the minimal amount of economic losses which were recovered by accident victims. In fact, the U.S. Department of Transportation stated that only 50% of all claims were recovered. For many minor cases, under their system, the cost of determining fault and damages through litigation exceeded the amount in controversy and, thus, encouraged companies to settle frivolous cases for excessive amounts.

The third section deals with vehicle damage. As of now, only Michigan has abolished tort liability for vehicle damage. Elsewhere, one can recover, or attempt to recover, the cost of repairing one's car from the other party.

POSITIVE ASPECTS

Among the positive aspects which can be discussed concerning no-fault auto insurance, more accident victims are not only collecting damages but also these damages are being collected more quickly.

In fact, it has been estimated that 50% more accident victims are receiving payments. For example, a Florida woman who was involved in a hit-and-run accident in April 1977 received, within eleven weeks, her total claims of $920 in medical expenses and $991 for six weeks lost wages. A New Jersey study stated that 80% of their injured motorists received benefits in nine months or less, compared to 50% under the old liability law. In Connecticut and Michigan, most benefits are sent within thirty days.

No-fault also provides better benefits for people in one-car accidents. In North Dakota, a woman who was involved in a single-car collision received $15,000, whereas before the adoption of the state's no-fault plan, she could have expected to receive no more than $500. In Massachusetts, claims being paid in single-car accidents rose from 2.9% to 22.2%.

Benefiting the elderly driver, people who no longer carry company insurance, no-fault pays more benefits than what Medicare would handle. Finally, no-fault also decreases the number of court cases involving accident claims. In Colorado, the number of court cases was reduced as much as 75%.

NEGATIVE ASPECTS

A major complaint in the no-fault issue is the rising cost of insurance prices. In Michigan, rates rose 50% from 1973 to 1977. In Florida, State Farm Insurance Company raised its rates an average of 26.6% in September 1976 after a 14.7% increase in January 1975.

A portion of these increases can be accredited to inflation, but inflation cannot carry the blame for all of the price hikes. Physicians' costs have also risen under the "No-Fault" program. The question is, "do we have the right to control these costs in order to regulate insurance rates?"

Short-comings in state laws are blamed for some of the no-fault drawbacks. In Pennsylvania and Michigan, no limit is set on medical payments. Therefore, insurance companies may have to pay out hundreds of thousands on a single claim. Many companies cannot afford to stay in these kinds of states.

Another problem can be seen in states such as New Jersey where the threshold is too low, $200, and therefore, the number of court cases is almost the same as before the enactment of no-fault.

Even when the threshold is high, such as Florida's $1,000, many claimants paid their bills so they can sue for more money. To solve this problem, Florida recently replaced its threshold with one that authorizes only cases where disabling injuries which persist after ninety days to file suits. Unfortunately, many states have not taken such correcting measures.

It has also been said that the tort system is inequitable, frequently resulting in large payments to victims with minor injuries and small payments to those with extensive injuries. This leads one to note that many minor injuries result in substantial jury verdicts based more upon sympathy or the dramatic or oratorical skill of the plaintiff's attorney, rather than the actual injuries suffered.

Many drivers also complain that the determination of fault is not established in a fair or acceptable manner. When one looks at this system in a positive light, the possibility of suing to claim one's compensation is pleasing to many people because one can receive as much or more money for "pain and suffering," as for the amount received for actual losses.

Under this system, insurance costs seem to be lower, with the higher rates being given to the high-risk driver. In this way, the conscientious driver is not penalized for the reckless driving habits of others.

THE BASIC NO-FAULT SYSTEM

The no-fault insurance plan, which is supported by President Carter, is comprised of three different parts. Most importantly, it provides "first party coverage." This means that one's own insurance company pays medical expenses, wage losses, substitute services (like having to hire someone to babysit while one's wife is in the hospital), and death benefits.

No-fault also puts limitations on general damages which include compensation for "pain and suffering." Under pure no-fault this could not be done, but under the present and proposed system, this type of claim can be made.

Other problems include an increased problem with fraud-claims and accident victims collecting double payments. There is also the possibility that economically disadvantaged people will not be able to afford this type of insurance, which might entail the usage of 25 percent of their income.

Opponents of no-fault claim it represents an abridgement of their constitutional rights: due process, equal protection under the law and trial by jury. They say that no-fault keeps one out of court and thus, fails to guarantee redress for injury. Equal protection is violated by the threshold Clause.

The proposed insurance plan is not only mandatory, but also government-controlled. Many people are strongly opposed to both of these concepts. An interesting objection says that the reduction or elimination of tort liability will increase the numbers of accidents, thus insinuating that people are restrained from reckless driving by the fear of a lawsuit.

CONCLUSION

In no-fault hearings, the American Bar Association (ABA) has testified that the bill is unsound and borders on being irresponsible. The American Auto Association (AAA) and National Association of Independent Insurers are against a federal legislation but they favor a state bill. The many supporters of a "No-Fault" legislation include the AFL-CIO American, Association of Retired Persons, the United Auto Workers and the Consumer Federation of America. We, Congressman Brown's Youth Advisory Committee, feel that a no-fault bill is necessary in the improvement of our present insurance system, but the negative aspects of the new plan must be corrected.

These corrections include the fixing of suitable ceiling and threshold limits.

In conclusion, we would like to state that driving is a privilege, not a right. Therefore, proper steps must be taken to protect all of our nation's drivers.●

FAIR ACCESS TO HIGHER EDUCATION ACT OF 1979

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MAGUIRE. Mr. Speaker, today I am proud to introduce, with nearly two dozen cosponsors, the Fair Access to Higher Education Act of 1979, a bill which removes unnecessary burdens from those seeking and receiving guaranteed student loans (GSL's). I am also proud to report that Senator WILLIAMS, the chairman of the controlling Human Resources Committee, will soon introduce a similar Senate bill on a priority basis.

Given soaring college costs and current budget constraints on grants and other direct Federal assistance, students and parents will increasingly depend on privately funded GSL's to help finance college educations. Our middle-income constituents have delivered the message that college expenses far outstrip their ability to pay, catching them in a crushing cost squeeze. The situation is even worse for families with more than one child in college. It can be worse still for those farther down the income line or independent students who try to combine school with self-supporting work. These people's complaints are not due—as some have alleged—to "seventies selfishness." According to a study released this month by the American Council on Education (ACE), while the average after-tax income of families with college-age children rose 67 percent between 1967 and 1976, tuition and fees rose much faster over the same period—by 105 percent at private universities; by 113 percent at public 4-year colleges; by 165 percent at 2-year community colleges; and by about 96 percent for all public and private colleges combined.

The Fair Access to Higher Education Act will bridge this widening gap between grants, family resources, and college costs by making more private funds for GSL's available. It will make GSL's easier to repay as well as more possible to obtain. It will provide students and parents of all income levels greater assurance that loan funds will be there, if loans are needed after other forms of aid have been invoked. It will avoid another no-win fight over tuition tax credits for college by making good the promise of last year's Middle-Income Student Assistance Act. MISAA declared all college students eligible for Government-backed loans, but did nothing to increase loan availability or any student's chance of getting a loan.

Among other ways, the Fair Access to Higher Education Act will accomplish these results by removing designed-in barriers to finding and repaying GSL's. It will give students and private lenders the option of:

Flexible repayment, based on the student's actual income after he or she leaves school, rather than a rigid schedule;

Systematic repayment services, operated by U.S. Internal Revenue or State loan agencies, which remove any reason for lenders to deny loans to so-called high risk students—minorities, freshmen, those from out of State, or attending half time, or from families without longstanding account relationships;

Loan consolidation, to ease the burden of multiple monthly payments to different lenders where several GSL's and national student loans (NDSL's) have been taken out; and

A centralized lender referral system, which allows school financial aid officers to coordinate all types of assistance and relieves students of the present need to trot from bank to bank until a loan is received.

Mr. Speaker, a student's college education is his second most expensive lifetime purchase. Only a home will cost that student more. But houses are paid for over 30 years, and home mortgaging permits a variety of ways—including deferred principal, refinancing, and variable interest—by which such reduced monthly payments can be further matched to the borrower's means. Under the current GSL program a student must essentially repay his education loan in equal monthly installments over a period of 10 years after he leaves school. That is true despite the fact that he may have $20,000 or more in accumulated debts, and despite the fact that his monthly income the first year out of school will be far less than in, say, the 7th year, when he is settled in his career. Right now, a student who leaves school with $10,000 in GSL debt will repay $1,394 the first year, whether his gross income is $7,000 or several times $7,000. Yet a single student earning $7,000 takes home only about $5,800 after taxes.

This kind of repayment schedule makes no sense. It contributes to the program's high default rates, since ex-students earning modest salaries their first years out may have no choice but to default. It forces students and families to scrimp and scrounge—and perhaps avoid initially low paying careers in public service, including politics. And it betrays the GSL program's original promise—that qualified students, especially mid-income students, need not worry about the economics of attending their chosen college, because the Government will smooth the way.

In sharp contrast, under the Fair Access Act a student who borrows the same $10,000 in GSL's, starts work at $10,000, and chooses to take advantage of the act's income-based repayment, will not pay $1,394 until about the 6th year out of school when he can better bear such payments without strain. Of course, to retire the loan he will pay more than this GSL amount in later years. But the same principle—that payments should be matched to growing ability to repay—will hold true then. Moreover, under this act that student will repay 90 percent of the present value of his loan obligation within 15 years. And most loans—even those to former students whose earnings fall near the bottom of the income ladder—will be fully repaid in under 20 years.

Mr. Speaker, this act recognizes that regardless of field of study or work, ex-students' incomes start low, but will rise as careers become established. It also recognizes that structured attention must be given to the way student loans are repaid as well as obtained. Through loan consolidation it furnishes students the opportunity for refinancing which has long been available in the housing sphere. By offering students the further option of paying off their loans through regular wage withholding by their employer, it will further reduce annual debt burdens and defaults. By encouraging the States to provide the kinds of loan services they have historically delivered best, it will build on the strengths of the present system, without another series of massive, mandatory changes dictated by the Washington bureaucracy. It follows the Congress 1976 decision to decentralize loans away from Washington in favor of State responsiveness to local needs. And it is anti-inflationary, since it will not only continue to rely on private loan funds, but will make the GSL program more efficient and reduce the Government's costs per loan.

Mr. Speaker, a wide range of interest groups has indicated support for the Fair Access to Higher Education Act. This act will appeal to college students and their parents, because it assures better coordination of grants with loans, makes more lenders and loan money available, and relieves students of heavy debt and procedural burdens. It appeals to colleges and financial aid officers by making needed GSL's more certain to obtain and providing an effective way to "package" loans with other student aid. It will appeal to participating lenders, and encourage new ones to participate, by offering them a choice of ways to reduce loan costs and risks. Finally, it will appeal to the 39 State loan agencies whose efforts are crucial to GSL success. These agencies will be affered expanded roles in loan servicing and delivery—the functions they can perform best for students residing or studying within their States.

I include the text of the act and an

accompanying section-by-section analysis in the RECORD.

FAIR ACCESS TO HIGHER EDUCATION ACT OF 1979
SECTION-BY-SECTION ANALYSIS

Section 1. Short title—This Act amends the guaranteed student loan (GSL) provisions of the Higher Education Act of 1965 to make such loans easier to get and repay, reduce their cost to the Government, assure greater certainty of loans as part of a comprehensive aid package, remove any tendency for increased loan funds to push up tuition or displace grants, and for other purposes.

Section 2. Findings and declaration of policy—Provides a specific framework to guide development of the GSL program. Finds the present system of private financing of guaranteed student loans remains preferable but that lender participation has been hampered by default and servicing costs and poor access to secondary market "safety valves," producing regional loan unavailability and lender discrimination against some students. Finds that where loans are obtained, fixed repayment schedules often produce excessively burdensome monthly payments. Concludes there is need for more flexible repayment, as well as a coordinated approach which gives students greater ability to obtain loans and reduce the burden of multiple obligations. Declares Congress' intent to strengthen the GSL program by: encouraging existing state guarantee agencies to provide these services; making available efficient repayment based on ability to repay, through the Federal tax system or State-run repayment services; and avoiding major changes in a program which has been buffeted by continual disruption and uncertainty. States that loans should be limited to a reasonable portion of total need-based assistance, or a reasonable portion of costs of attendance where need is not shown. Leaves "reasonable" to be defined by the education committees reauthorizing all aid programs this year.

Section 3. Increases in loan limits—Changes present loan ceilings from a flat $2500 per undergraduate per year, and an undergraduate maximum of $75000, to graduated limits of $2000 the first year, $2500 the second, and $3500 thereafter, up to an undergraduate maximum of $11,500. Graduate students could continue to borrow up to $5000 per per year, up to a combined undergraduate-graduate maximum of $18,000 (instead of the current $15,000).

Section 4. Optional Federal Repayment Service and income-based repayment—A new Section 427A of the Higher Education Act makes available on a fee basis, to supplement the present system, an optional Repayment Service administered by OE and the IRS by which student borrowers can reduce their repayment burdens and lenders can reduce their collection costs. Before beginning of the repayment period, (a) private lenders may elect to have GSLs collected on a conventional 10-year basis by this Service, thereby removing any risk of default; (b) students may elect to repay loans based on their ability to repay (measured by adjusted gross income) through the Service; and (c) lenders could collect loans themselves by the income-based method, if their collection costs are less than the fees charged by the Federal Service. Under the Federal Service students would repay GSLs by a supplemental schedule and one-line entry on their Federal tax returns. They could further elect to meet their obligation through periodic withholding by their employer, as with income tax withholding. For conventional repayment through the Service, students would pay the same annual amount they pay lenders now, and a Treasury fund run by OE would pay lenders equal monthly installments based on a 10-year term. For income based repayment through the Service, students would pay, for each $1000 originally borrowed, an annual amount equal to $35, plus one percent of their adjusted gross income (AGI) over $8500, plus 2 percent of their AGI over $18,500; and the fund would remit lenders equal monthly amounts based on the mean pay-ins of all students using the Service for such repayment. Income-based amounts owed by students who are not required to file an income tax return (though they may file one to obtain a tax refund), would be deferred until required returns are filed.

Beyond its ability to locate delinquent or defaulting borrowers, the IRS's role would be limited to three computer functions: (a) providing tables for borrowers to compute their annual repayment and employers to determine amounts withheld where borrowers have elected voluntary withholding; (b) providing borrowers a once-a-year statement of their outstanding balance; and (c) referring cases of apparent nonpayment or underpayment to OE. The IRS would neither interpret nor enforce education law. Instead such cases would be pursued as they are now, either by OE or the State or nonprofit private organization which insured the loan.

Section 4 (part two)—A new section 427B acknowledges the advantages of responsiveness to local concerns, as well as the superior collection and administrative capacity of many State guarantee agencies, by permitting lenders or borrowers to elect use of an eligible State repayment service for either conventional or income-contingent repayment, in place of the Federal Service above. To qualify, a State agency must (a) have proven collection abilities, (b) have the capacity to administer such a repayment service, and (c) charge lenders rates equal to or lower than those charged by the Federal Service.

Eligible State repayment services would have access to necessary income verification and location data, via a student waiver on the loan application and election forms. Neither State nor Federal repayment services can be offered to a lender who discriminates against students due to their residence or by requiring that they or their families maintain an account relation to qualify for loans.

Section 5. Strengthened and coordinated roles for State agencies—A new Section 439B encourages the 39 State guarantee agencies to increase loan availability and reduce defaults by (a) providing local secondary markets for student loan paper; (b) consolidating multiple loan obligations, at the borrower's election; (c) offering centralized lender referral and loan servicing; and (d) making limited loans of last resort. Some State agencies now provide some of these services; the new section would expand and integrate such activities, following the successful pattern of the Higher Education Amendments of 1976.

Sub-section 439B(a). Local secondary markets—A State agency which purchases or warehouses private loan paper in amounts between 15 percent and 30 percent greater than its previous year's volume (but more than $3 million), and which draws at least 40 percent of that volume in each of the first 5 years after this Act, and 50 percent thereafter, from lenders whose low cost of funds makes them likely to expand their GSLP participation (smaller banks, S & L's, credit unions, pension funds, and insurance companies), will (a) be eligible for regular seed money advances from the Student Loan Marketing Association (SLMA) to help finance these operations, (b) be eligible for preferential purchase agreements from SLMA and preferential warehousing advances up to 100 percent of the amounts of any loan (instead of the current 80 percent), (c) be entitled to unrestricted OE administrative cost payments of one percent of insured loan volume, in lieu of current one percent payments; and (d) receive an extra one-half percent special allowance for loans in repayment which it holds. State agencies would remain free to continue conventional relations with SLMA. They would also remain free to finance these and other operations by means other than SLMA (e.g., tax-exempt bonds), where those means are cheaper or more efficient.

Sub-section 439B(b). Loan consolidation—Authorizes State agencies to replace two or more GSLs and National Direct Student Loans (NDSLs), at the student borrower's election after repayment begins, with a single obligation bearing uniform terms, at a combined interest rate one-half percent greater than the interest an electing student would pay if his separate loans continued. Makes agencies performing this function eligible for SLMA seed money and preferential purchase/warehouse arrangements, as for secondary marketing. Allows the State agency and student borrower the same elections for Federal or State repayment services, and income-based repayment, as for original loans.

Sub-section 439B(c). Centralized lender referral and loan servicing—Provides for OE prepayments totalling one-half percent of the amount of new loans initiated or serviced through this service each year, where a *State agency* (a) develops and distributes to postsecondary financial aid officers within the State a uniform loan application form meeting certain criteria, (b) receives completed applications, (c) maintains a current list of lenders which stand ready to make additional student loans and promptly communicates each application to at least 3 such lenders in sequence for origination and disbursement, (d) is prepared to make limited direct loans for need cases where lender referral is unsuccessful, and (e) offers lenders economical centralized loan servicing, on a fee basis.

Sub-section 439B(d). Direct loans—Makes State agencies which undertake a limited direct loan program of last resort eligible for SLMA seed money and preferential SLMA purchase/warehouse arrangements, where (a) no insured loan can be made through the centralized lender referral service above, and (b) the annual amount of such direct loans is under 20 percent of the loan volume insured by the State or $2 million, whichever is less. Permits States which stand ready to make such direct loans, but do not have to do so because of arrangements with private lenders, to remain eligible for incentives they would receive were such direct loans actually made.

Sub-section 439B(e). Umbrella incentives—A State agency which provides services satisfying subsections (a) through (d) above may also deduct, from default collections owed to OE, all or part of the sums it is eligible to receive from OE for insurance reserve fund advances, ordinary administrative cost payments, or payments of Federal reinsurance, to the extent funds for such advances and payments are appropriated that year.

Section 6. Bonus for prepayment—Authorizes a discount from principal, based on saved administrative costs, for student borrowers who prepay or accelerate repayment of their loans.

Section 7. Accrual and compounding of in-school interest subsidy—Would defer and accrue the 7 percent interest now paid by OE during eligible students' school years and grace period. OE would continue to pay this interest to lenders on the student's behalf while the student is in school, but it would be added to principal for eventual repayment. This would achieve the GSLP's aim of student liquidity while reducing both the government's loan costs and the ability of wealthy students to secure an interest-free ride by paying off their entire principal when they leave school. It would also make more loan money available to middle- and lower-income students. And because students can use income-based repayment it would not cause them any real hardship, since their monthly payments would not increase.

Section 8. Multiple disbursement incentive—Encourages lenders to reduce the risk of default losses from early drop-outs and expand their participation in the GSL program. Provides that any private lender (other than a school lender or State agency) which is subject to regular government audit and chooses to disburse loans in two or more installments, may bill OE for interest and special allowance on the entire principal from the time of the first disbursement.

Section 9. Reducing deferment inequities—Provides that students who return to eligible schools on at least a half-time basis, are entitled to the same deferment of principal and interest payments as those who start school on such basis. Under current law students who return to school half-time must continue to pay monthly principal and interest on their original loan, creating significant hardships in many cases.

Section 10. Quick turnaround on FISL default claims—Requires immediate OE payment of default claims on Federally-insured loans where the lender certifies compliance with all requirements for establishing a default, subject to post-hoc audit and readjustment on a periodic basis. If OE subsequently disallows its default claim, the lender must repay the insurance amount, plus interest, to OE.

Section 11. Reducing default losses—Requires OE or the insuring State agency promptly to report verified defaults to approved credit bureaus. This procedure results in denials of credit (for home mortgages, shopping cards, etc.) until defaulters put their loans back in regular repayment.

Section 12. Rates for Federal Repayment Service—Provides that lenders using the Federal Repayment Service will be charged one-half percent off the special allowance for elections to use this service made during the first two fiscal years after this Act becomes effective. Thereafter rates for use of the Service will be set by Treasury at the lowest level sufficient to cover the Service's costs.

Section 13. Conforming amendments.

Section 14. Effective date—Provides a six-month delayed effective date for students, schools, lenders, and State agencies to familiarize themselves with program modifications, and set up supplementing services to relieve student and lender burdens, before this Act takes effect.●

GIRL SCOUT TROOP NO. 1285 HONORS FIRST CLASS SCOUTS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. PATTERSON. Mr. Speaker, during the course of our lifetime there are some honors that we earn which do much to shape our character and make us responsible citizens of society. Responsibility and maturity are not developed overnight, but rather they are engrained in a person's character with the advancement of time.

The Girl Scouts of America are an organization that develops these and other fine qualities in America's young women. It has become a much respected organization in our society and the civic and national pride it instills in its members are exemplary. The highest honor that a Girl Scout can earn is that of a First Class Scout. This honor comes only through hard work and dedication.

On May 14 four young women from Troop No. 1285, Garden Grove, Calif., will be honored as First Class Scouts. They are: Irene Alicakos, Mary Ellen Scott, Mary Williamson, and Stacie Wilson. I congratulate these young women and feel confident that the training and learning provided them by the Girl Scouts of America will prepare them for a responsible and rewarding life.●

WINDFALL PROFITS TAX: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BEREUTER. Mr. Speaker, I would like to call to the attention of my colleagues an editorial that appeared in yesterday's Christian Science Monitor which provides an interesting perspective on the issue of the windfall profits tax.

Now that the President has decided to decontrol the price of domestic oil, Congress must determine whether a tax on profits realized from decontrol should be imposed on oil companies, and if so, what the nature of that tax should be. These decisions cannot be made lightly, for their impact will be felt far beyond the petroleum industry.

The comments made by the Monitor are, therefore, appropriate and I commend them to the attention of my fellow colleagues:

WINDFALL WARNING

Now that decontrol of domestic U.S. oil prices is a virtual certainty, national debate focuses on the second part of President Carter's energy program—a windfall profits tax. We are pleased that sentiment in favor of such a tax grows in the U.S. Congress despite earlier indications that it did not have a chance of passage. No doubt public grumbling around the country about what will be giant leaps in oil and gasoline costs and about further enrichment of oil companies is adding to the pressure.

Mr. Carter perhaps has not been entirely fair in his assault on the oil industry, however. He accuses the companies of "profiteering" but annual figures disclose that their profits are not out of line with other industries. Thus, their return on net worth or equity was roughly 14 percent last year; it was over 17 percent in the auto industry. Mr. Carter's rhetoric may be politically popular but it does a disservice to efforts to understand the energy problem and deal with it honestly.

Nonetheless, the case for an excess profits tax is easily made. As controls are phased out, US oil prices now averaging $9.45 a barrel will rise in the next two years to the OPEC-set world level, which now stands at $14.55 a barrel. The windfall for the oil companies is expected to be at least $6.5 billion annually. Moreover, as a result of higher oil prices resulting from the decline in Iranian supplies, Exxon and Standard Oil posted a whopping 37 percent and 27 percent increase in profits respectively in the first quarter of the year. This, too, heightens the public's skepticism that the oil industry needs higher prices.

If, therefore, a windfall profits tax is politically attractive and economically justified, the only issue is what form that tax should take. Mr. Carter's proposal has two stages: the first would be a 50 percent tax on the difference between current oil prices and world cartel prices and would be phased out in 50 months. The second would be a tax on the difference between current cartel prices and future cartel prices. It is a question whether this second-stage proposal makes sense in light of one major purpose of decontrol: to provide the oil industry with sufficient incentive to search for more oil and develop other energy sources. Holding on to the excess profits tax indefinitely could simply perpetuate administrative confusion and discourage development.

Certain elements ought to be incorporated in any tax proposal, however. The revenues received should be used to help industry develop other energy sources—namely, extraction of oil from shale rock, coal gasification, and solar power—and to provide tax relief for low-income families that will be extremely burdened by the sudden spurt in prices. There also ought to be built-in assurances that the oil industry does not use the sudden windfall profits for acqusition of supermarkets, moviehouses, and other non-energy-related commercial enterprises.

The outcome of President Carter's latest energy proposals is far from clear, but the President is right to press his case. The American public is perhaps coming to realize that it cannot continue to pay artificially low prices for energy and therefore appallingly waste it. But it, too, is right in demanding in this critical time for the economy that government make sure the oil industry serves the national interest.●

INTRODUCTION OF THE COASTAL AREA LIQUEFIED GAS FACILITY SAFETY ACT

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MURPHY of New York. Mr. Speaker, the recent events at the Three Mile Island nuclear powerplant at Middletown, Pa., will be studied and discussed for the months and years ahead. During this post-crisis period, many new dimensions of the "accident" will emerge and we will undoubtedly be forced to look at nuclear energy from a perspective far different than the one most of us shared prior to Middletown.

Only the advantage of time will afford us the opportunity to develop this perspective but, at this particular moment, two elements of the Nation's worst nuclear crisis are evident: First, our ability to specify the sequence of events which could lead to such a crisis and the needed responses to those events is limited; and second, there was considerable confusion about who was in charge; that is, who had jurisdiction?

It is clear that, as our Nation continues to face shortages of conventional types of energy, new sources of power will have their own particular dangers. In this category is an old source of energy, but one which contains a relatively new potential for catastrope—liquefied natural gas and liquefied petroleum gas. The primary threat from the gas comes from its volatility occasioned by its method of transportation on ocean-going vessels.

Because of the need for clear minimum national standards for the siting, construction, and operations of liquefied gas facilities;

Because of the likelihood of increased imports of such gas and the need for import, liquefaction, regasification, and storage facilities primarily in the Nation's coastal zone;

Because of the need to establish a clear specification of authority between the Federal Government and affected coastal State governments with respect to safety standards for the facilities; and

Because of the need to assess the risks associated with the transportation and processing of liquefied gas and the possible need for a public insurance program.

I have today introduced the Coastal Area Liquefied Gas Facility Safety Act. This is critical legislation designed to address the major issues associated with liquefied gas facilities.

I have personally confronted the aftermath of an LG accident which brought untold tragedy to the people I represent on Staten Island. Six years ago, a massive explosion killed 40 men who were cleaning the inner chamber of a LNG storage facility. The remains of this facility stand today at an industrial park on Staten Island. I not only lost the son of a member of my staff but also friends and neighbors in this close-knit community.

I have also witnessed the inconsistent and uncoordinated efforts of various agencies that claim jurisdiction over liquefied gas. My immediate involvement in the Staten Island case leaves me with little doubt that Congress must take action on liquefied gas (LG).

Citizens of Staten Island have joined with me time and again to fight against any further LG activities taking place in such a densely populated area. Yet the ghostly presence of the disaster is still with us. Just last month, the Distrigas Co. petitioned the Federal Energy Regulatory Commission (FERC) for approval to operate an LG peak shaving facility near the exact spot where 40 of our men lost their lives in a liquefied gas disaster.

In fact, every liquefied gas facility that is now operating in the United States was licensed by the Federal Power Commission (FPC, now FERC) in complete isolation from every other case. Each project is analyzed as to whether the supplier of LG is reliable; whether the United States will become too dependent on a particular foreign nation; whether the storage or transportation of LG is safe; and whether the site is appropriate.

This practice makes no sense. No common standards are applied. Each decision is made as a completely ad hoc determination. The result is a dramatically inconsistent approach to each different proposal.

Yet the basic safety issues are virtually identical in each case. There is simply no reason to repeat the investigation and determination of these matters over and over again.

The need for this legislation is evidenced not only by my personal commitment but also from information presented at numerous congressional hearings, reports by the Office of Technology Assessment, the General Accounting Office, and the Congressional Research Service, the projected estimate on the importation of LG is 15 percent of our national gas consumption by 1985. Within the next 10 to 15 years, we could be using as much as 3.5 trillion cubic feet of LG per year from foreign sources.

Therefore, I am presenting this bill, "The Coastal Area Liquefied Gas Facility Safety Act" to remedy these situations in order that Congress:

One. Establish coordination among Federal and State regulations with respect to the location, design, operation, and maintenance of LG facilities;

Two. Assure protection for public health, safety, property, and the environment in relation to liquefied gas demands; and

Three. Require that these facilities are constructed and operated in compliance with minimum national standards.

This bill establishes a proper balance between two most knowledgeable agencies: the Department of Transportation, which includes the marine expertise of the U.S. Coast Guard, will formulate the highest standards of safety relating to liquefied gas.

The National Oceanographic and Atmospheric Administration (NOAA), which has the expertise of the Coastal Management Act, will implement these standards among the individual coastal States most affected by liquefied gas. The Secretary of the Department of Transportation (DOT) will establish all safety standards before the Administrator of NOAA issues a license to operate a liquefied gas facility.

Not only is a balance maintained between Federal agencies but also this bill proposes a proper balance between the national responsibility to promulgate standards and the rights of the States to make the definitive decisions about the advisability and location of an LG facility. This balance is essential if we are to properly control our use of liquified gas.

In determining these standards, the Secretary of Transportation must address the important issue of protecting public health, safety, property, and the environment in the siting, design, construction, and operation of LG facilities. The proposed bill addresses facilities which are both onshore and offshore, whether in interstate or intrastate commerce, including receiving terminals and domestic peak shaving plants—those that are within the coastal areas of the United States.

Facilities which have not yet been constructed, have not been in continuous operation for at least 1 year prior to the enactment of this bill, or which have not been issued a certificate of public convenience and necessity by FERC prior to enactment, are included within the scope of this proposed legislation.

Consideration must be given to alternative site locations in more remote areas, the minimum distances between the proposed facility and residences, workplaces, other power plants, and adjacent recreational areas. We must be particularly careful about siting LG facilities near nuclear power plants. The meteorological, topographical, and other natural characteristics of the location must be included in the siting regulations. The Secretary must also take into consideration the population density surrounding the route an LG vessel travels to the liquefaction site.

The design factors must include the facility's thermal resistance, the materials to be used, multiple diking, insulated concrete, and vapor containment barriers. The most important requirement will be the ability of the facility to prevent and contain a discharge of liquefied gas.

This act mandates that medical, law, and fire protection personnel be adequately trained to cope with the attendant risks. All operating personnel must be properly trained to load, discharge, store, and handle all aspects of LG movement. It is imperative that these procedures be periodically inspected and maintained or the license will be revoked.

The applicant must have evidence of financial and technical capabilities and, from an environmental perspective, and environmental impact statement will be required. I am requesting that a study be authorized to determine if private insurance coverage is adequate. What the risks factors are, and whether a Federally sponsored "super-fund" for liability and compensation is warranted.

After the Secretary of Transportation establishes safety standards required under this act, the Administrator of NOAA is given the responsibility of issuing a license and enforcing compliance with those standards. Provision is made for the suspension and revocation of a license, along with strict civil and criminal penalties for violation of any of the standards.

A key feature of the bill relates to the authority of the Administrator to designate a State as being "exempt" from the Federal standards. This means that a State so designated may apply its own standards for siting, construction and operation of LG facilities, hold its own hearings, and enforce its own State LG facility laws and regulations. Exempt status may be awarded if the administrator finds that the State is developing or has an approved coastal management program under the Coastal Zone Management Act of 1972, has LG facility siting, construction and operation laws which are consistent with or higher than the Federal standards, and will adequately enforce those laws. Provision is made for revocation of the exempt status with a transfer of regulatory authority to the Federal Government under certain circumstances.

This provision will clarify what level of government has jurisdiction over this matter and should end the considerable amount of confusion which now exists regarding "who is in charge"? This confusion has delayed the consideration of LG facilities in the past and will continue to do so in the future unless jurisdiction is clarified. Not only will this help reduce unnecessary regulation but it will give coastal States the opportunity to administer their own LG laws. It is the States which bear the impacts of these facilities and it is the States which should regulate their siting, construction, and operation if such regulations meet national standards.

Another provision in the bill is also intended to reduce bureaucratic obstacles by calling for the consolidation of all Federal licenses and permits within the license issued by the Administrator—to the extent that this is feasible. Additionally, joint Federal-State hearings may be held to facilitate the process of decision-making and avoid duplication.

It is critically important that clear and precise standards for LG facilities be established and jurisdictional certainty be specified. Therefore, it is essential that the U.S. Congress act as soon as possible to accomplish these goals. The proper administration of liquefied gas is ineffective without the requirements of this bill and the American people and the environment are unacceptably exposed to the dangers of liquefied gas without the safeguards established by it.

There is no reason to wager the lives of thousands of port and maritime employees and families in urban areas to the dangers of liquefied gas when more remote sites, deepwater ports and other available alternatives and safeguards exist. Once viable legislation is formulated, we can protect our citizens from the dangers of an LG holocaust. Let us permit no longer the opportunity for a "Three Mile Island" incident to occur as a result of inadequate law and jurisdictional confusion with respect to the handling of liquefied natural or petroleum gas.

I urge the support of my colleague for the Coastal Area Liquefied Gas Facility Safety Act.

I submit the following 9-year history of my involvement with Distrigas regarding the jurisdictional and legal conflicts concerning liquefied gas to further exemplify the need for this legislation:

March 9, 1972: FPC grants approval to Distrigas for the Staten Island terminal project, claiming that they have no authority to regulate the siting of LNG terminals. Prior to this date, Distrigas received permission or authorization to proceed with the project from 17 other governmental agencies. They are listed in Appendix I. All subsequent actions listed here take place before the Federal Power Commission, or its successor, the Federal Energy Regulatory Commission, unless otherwise noted.

September 21, 1972: Distrigas requests permission to import LNG under the provisions of the Natural Gas Act.

January 31, 1973: Distrigas asks for a Certificate of Public Convenience and Necessity to sell LNG to commercial distributors. This Certificate is the required permission that Distrigas must have before it can sell any LNG.

February 10, 1973: Explosion at the Tetco LNG facility on Staten Island results in the death of 40 workmen engaged in repairing the tank. Tetco stated that no LNG had been stored in the tank for over a year.

February 13, 1973: Congressman John M. Murphy files a Petition for Leave to Intervene in the case, claiming interest in the case due to the environmental and safety hazards posed by the location of the facility.

February 28, 1973: Congressman Murphy's Petition granted by the Federal Power Commission.

April 12, 1973: Congressman Murphy requests Public Hearings on the case to form a record to prove that the facility is an environmental and safety hazard.

April 13, 1973: Distrigas tries to break the proceedings into two phases, the first one being an application for the immediate importation of emergency supplies of LNG, without the FPC holding any hearings. The second phase would be the permanent permission for Distrigas to import and sell LNG from the Staten Island facility.

April 25, 1973: Congressman Murphy raises objections to Distrigas's two-phase plan, as the dangers of LNG have not been aired before the Commission, and because the FPC would have a hard time denying the permanent permission if it had already granted temporary approval.

May 25, 1973: Federal Power Commission rejects Distrigas's two-phase plan, and orders new applications filed. In the decision, they reverse their previous position, and now claim authority to regulate the siting of facilities.

June 21, 1973: Distrigas again requests permission to import the LNG that they had already contracted for, asking the FPC not to hold public hearings.

July 10, 1973: At the request of Congressman John Murphy, the Committee on Interstate and Foreign Commerce, of which he is a member, hold hearings on the TETCO explosion ("Staten Island Explosion") and issues relating to LNG. Representative Murphy and LNG experts from around the country testify on the dangers of LNG storage and transportation. Included as witnesses were Mr. Joseph C. Caldwell, Director, Office of Pipeline Safety, Department of Transportation; Mr. Milton Fishkin, Chief Safety Division, City of New York Fire Department; and Mr. Edwin Sheppard, Chief Fire Marshal, City of New York Fire Department.

August 7, 1973: Distrigas requests permission to have one cargo of LNG brought into its facilities in Everett, Massachusetts.

August 8, 1973: Distrigas asks that the proceedings be speeded up, because of a clause in their contract with Sonatrach, the Algerian supplier, that allows the contract to be broken if permission isn't granted by Dec. 31.

August 16, 1973: U.S. Court of Appeals issues a stay of FPC's order claiming jurisdiction over the siting of LNG facilities.

August 17, 1973: Congressman Murphy responds to Distrigas's request to expedite proceedings by agreeing that it could be desirable, but also warns against the dangers of inadequate investigation if such a request is carried too far.

August 17, 1973: Congressman Murphy supports Distrigas's emergency request for importation of LNG into Everett.

August 17, 1973: Distrigas withdraws its request for temporary permission to import into Everett, due to Court of Appeals ruling, which stays the Federal Power Commission from issuing any orders in the case.

October 10, 1973: Congressman Murphy's comments on the Draft Environmental Impact Statement prepared by the Staff of FPC label it as being inadequate in dealing with the environmental and safety hazard posed by the project.

December 7, 1973: The President of Distrigas informs the FPC by letter that the contract with Sonatrach had been broken.

December 14, 1973: Congressman Murphy, Chairman of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries, holds hearings on the safety of LNG tankers in American waters.

December 27, 1973: Distrigas again petitions the FPC for permission to import LNG without the holding of public hearings.

April 5, 1974: U.S. Court of Appeals rules that the FPC does have jurisdiction in siting regulations under Section 3 of the Natural Gas Act.

May 24, 1974: Distrigas petitions the Supreme Court to overturn the Court of Appeals ruling.

July 1974: Final Environmental Impact Statement issued by Commission Staff.

August 28, 1974: Congressman Murphy files Motion for Production of Documents by FPC staff, asking for all the information they used in compiling the final Environmental Impact Statement. Congressman Murphy also files Motion to Compel Discovery of the same information from Distrigas. He specifically requests information on spills and leaks, on board LNG tankers, and information on alternative sites for the LNG facility.

September 11, 1974: Distrigas files its reply to Congressman Murphy's motion. They state the FPC staff should not comply and claimed no knowledge or involvement in LNG tanker spills or leaks.

September 12, 1974: Commission staff rejects Murphy's request for documents, but he is willing to let him have any materials he needs.

September 13, 1974: Distrigas claims that it shouldn't have to produce any documents for Murphy.

September 19, 1974: Congressman Murphy asks Distrigas to cooperate with him in the proceedings.

September 23, 1974: Congressman Murphy files a new Petition to prevent the operation of the Staten Island facility.

September 30, 1974: Congressman Murphy requests that the hearings be held on Staten Island, in support of a Petition filed by citizens groups on Staten Island.

October 14, 1974: The Supreme Court declines to hear case filed by Distrigas against the FPC. The Court of Appeals ruling remains in effect.

November 8, 1974: FPC denies Motion for hearings in Staten Island.

January 30, 1975: Congressman Murphy files Motion to Terminate Proceedings on the grounds that Distrigas has no contract with a supplier, the endless delays in the case to date, and the obvious safety hazard. Termination would force Distrigas to abandon plans for the use of the Staten Island facility.

February 10, 1975: Distrigas answers Congressman Murphy's Petition by claiming that he is merely using stall tactics to try and wear them down by attrition. They also make note of the 100 million dollars already invested in the project.

February 28, 1975: FPC denies Motion to Terminate Proceedings, stating that Murphy has introduced no new evidence in his Petition.

March 21, 1975: FPC reverses previous decision and schedules hearings in Staten Island.

March 31, 1975: Distrigas informs the FPC that it has given up on the whole mess, and is selling out to Public Service Electric and Gas which is already part owner.

April 15, 1975: Conditional Certificates of Public Convenience and Necessity are issued by FPC for previous operations of Distrigas. Distrigas had imported LNG several years before without the necessary permission into its Everett terminal. Distrigas was warned about attempting to do so in the future.

April 28, 1975: The applications for import and sales permits are withdrawn due to problems with supplier.

May 1, 1975: Congressman Murphy testifies on the dangers of the LNG facility, and the threat it would present to the Staten Island community.

May 15, 1975: Motion is filed by Distrigas to rescind Grant of Intervention of Murphy. They claim that he was using his position as Congressman to influence the decision of the FPC.

June 17, 1975: FPC rules that Murphy

hadn't abused his position as Congressman during the proceedings.

August 27, 1975: The City of New York states that the Environmental Impact Statement understates the dangers of the Staten Island facility.

September 2, 1975: Congressman Murphy attacks the Environmental Impact Statement as under-estimating the dangers of the Staten Island facility.

May 4, 1976: Congressman Murphy, along with other Intervenors, filed a Petition asking the FPC to come up with a set of standards for LNG facility site selection and operations.

February 25, 1977: Congressman Murphy offers additional evidence on the hazards of the facility.

March 21, 1977: Congressman Murphy files Motion for Action to be Taken to Remedy Unethical Conduct, in which he claims that the law firm of Ross, Marsh, and Foster represent both the Buyer (Distrigas), and the seller (Sonatrach), in the contract to import LNG. Thus, they are subject to a conflict of interest.

November 23, 1977: Another Petition for Public Convenience and Necessity is filed. This asks for conditional permission, with the Commission to rule only on the supply of, and market for LNG, along with the economic feasibility of the entire plan. No mention of safety or environmental concerns is made.

December 22, 1977: The Commission Staff opposes the latest Petition as presenting an unnecessary plan that Distrigas will not be able to implement.

January 4, 1978: Congressman Murphy testifies before the Department of Energy on the need for a federal regulatory policy for LNG.

January 9, 1978: Commission staff moves to dismiss applications on the grounds that the applicants cannot show (1) that they can do the acts they propose, and (2) that public convenience and necessity exist.

January 31, 1978: Congressman Murphy files a Motion in Support of the Motion of the Commission to Dismiss Applications.

February 22, 1978: In a statement before the Subcommittee on Energy and Power of the Committee on Interstate and Foreign Commerce, Congressman Murphy describes the need for siting and safety standards for LNG.

June 28, 1978: Congressman Murphy files a Motion to Dismiss the entire case. He cites the fact that there is no contract with a supplier, a shipper, or commercial distributor. Distrigas cannot carry out its proposals.

July 13, 1978: Distrigas files a response to the June 28, 1978 Joint Motion of Intervenors, Congressman John M. Murphy and Public Advocate of the State of New Jersey.

July 14, 1978: Brooklyn Union Gas Company files a response to support Distrigas in opposing the Motion of the Intervenors.

July 24, 1978: Distrigas responds to a Renewed Motion of the Commission Staff for a Dismissal dated July 10, 1978.

September 18, 1978: The Third Motion of Intervenors, Congressman John M. Murphy and the Public Advocate of New Jersey, is filed in order to Dismiss the Distrigas Application on the grounds that they have no contract with Sonatrach, no contract to transport LNG to Staten Island and no commitment to market LNG to the distributors.

September 22, 1978: The Commission makes a Motion for the Dismissal of the Distrigas Application.

October 3, 1978: Distrigas responds to the Motions of Intervenors, Congressman John M. Murphy and Public Advocate of the State of New Jersey, and the Staff of the Commission.

October 19, 1978: The Township of Woodbridge, New Jersey joins Congressman Murphy to request Dismissal of the Distrigas Application because the municipality has suffered undue financial burdens in processing the Distrigas applications.

February 8, 1979: Distrigas requests a Motion for an Extension of Time from the Commission.

February 13, 1979: The Commission meets with Distrigas for an informal conference.

March 1, 1979: Distrigas amends its application to the Commission. They no longer want to import LNG into the Staten Island terminals. They now request permission to use one of the two Rossville tanks as a domestic peakshaving facility. This amendment changes the framework of the entire case.

March 23, 1979: Distrigas claims that the New York State LNG law is preempted by the Natural Gas Act and the Pipeline Safety Act. Arguments for a summary judgment are held in the Federal District Court in New York City.

April 3, 1979: Congressman Murphy again files his opposition to the Distrigas project stating that the amendment to change from an import to a domestic terminal revises the legal context. Mr. Murphy requests that the entire case be based on a new proceeding.

Appendix I: The 17 governmental agencies are:

Federal agencies: U.S. Army Corps of Engineers; Supervisor of New York Harbor; Federal Aviation Administration; Federal Power Commission; Environmental Protection Agency; and U.S. Coast Guard.

State agencies: Public Service Commission; Department of Environmental Conservation; and General Services Administration of New York.

City agencies: Department of Ports and Terminals; Board of Standards and Appeals; Fire Department; Bureau of Sanitary Engineering; Department of Gas and Electricity; Department of Water Resources; Environmental Protection Agency (Department of Air Resources); and City Planning Commission.

NOTES

1. "Staff" or "Commission Staff" means the staff of the FPC, now the Federal Energy Regulatory Commission (FERC). They are merely another party in these proceedings, and have no special position.

2. "Distrigas" is an all-inclusive name for several companies involved in this case. They include Distrigas of New York Distrigas Pipeline Services, Distrigas of Massachusetts, Energy Terminal Services Corporation, Energy Pipeline Corporation, Eascogas, Public Service Electric and Gas Co., and Algonquin Corporation.●

LAW OF THE SEA NEGOTIATIONS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. SNYDER. Mr. Speaker, last week I had occasion to observe the ongoing Law of the Sea negotiations in Geneva. This was my first exposure to these complex discussions and I am favorably impressed by the remarkable progress we have made toward agreement on the vast majority of issues under discussion. I am particularly pleased with the results of those negotiations which have protected our critical military and commercial interests in free navigation. Of course, free navigation for our military vessels was the underlying reason why we got involved in these negotiations almost 10 years ago, and is essential to our national security. I am satisfied that the U.S. delegation, led by Ambassador Elliot Richardson, has achieved the Department of Defense's objectives in unrestricted navigation for our submarines and surface vessels, and overflight of the oceans for our military aircraft.

Because of the importance of these provisions to our national defense it is somewhat disturbing to me that we have not been able to conclude a final agreement because of a handful of unresolved issues. The bulk of these unresolved issues relate to deep seabed mining. Other issues which remain unresolved include the conduct of scientific research, the delimitation of boundaries between opposite and adjacent states, and the outer limit of a country's jurisdiction over its continental shelf. I believe that progress has been made toward resolution of these issues, however, and they will be resolved when the seabed mining issues are resolved.

With regard to the deep seabed mining provisions, there appears to be substantial disagreement between United States and the so-called Group of 77—G–77—a caucus representing 117 plus developing countries—as well as between us and the other industrialized countries, over the very detailed rules which will govern seabed mining.

The G–77 has taken a very firm position on issues of technology transfer, revenue sharing, and the institutional arrangements which will control deep seabed mining. In addition, we are at odds with the industrialized countries over production controls and a limitation on the number of mining sites which can be held by any one country.

Although we have agreed to mandatory transfer of technology and training to allow an internationally run company—the Enterprise—to mine the deep seabed in competition with private companies, this concession, originally made by Secretary of State Kissinger in 1976, has been conditioned so that it only applies to mining technology and not the manufacturing processes which went into the development of that technology.

Furthermore, it does not apply to the technology for processing the minerals once recovered. Any transfer would also be subject to an agreement that the Enterprise would first seek such technology on the open market and if not available for purchase the Enterprise would pay a fair and reasonable value—as determined by commercial arbitration—for any technology transferred. Other restrictions on technology transfer include agreement that the Enterprise will not sell any technology to third parties, that the duration of the transfer of technology obligation be limited in time, that the Enterprise take sufficient measures to safeguard the proprietary nature of new technology, and other protections so as to not discourage future technological development.

I can understand the developing countries demand for new technology. However, I believe that technology is one of the most improtant products of our industrialized society. Consequently, in giving in to the G–77 demands for technology transfer we should not sell ourselves short. Agreeing to technology transfer as the quid pro quo for the conclusion of a Law of the Sea Treaty which will protect our vital national security interest is reasonable if, and only if, the developers of that technology are adequately compensated for their pioneering efforts and if the terms and conditions under which the technology is transferred will continue to provide incentives for development of new technology.

This technology transfer issue is only one of three or four major seabed mining issues which remain to be resolved in the conference. However, it appears to be one which the G–77, a major voting block at the conference, has set as one of their top priorities. If we can conclude a satisfactory technology transfer arrangement which provides the technology and the training to the Enterprise while protecting those U.S. companies which have developed the technology and which provides them with adequate compensation for their technology, we will have moved a great distance toward the conclusion of a comprehensive treaty.

Another outstanding issue concerns the institutional arrangements for the international body which will control deep seabed activities—the Seabed Authority. However, I am afraid that the institutional arrangements presently proposed are getting out of hand and are creating a bureaucracy which will be altogether too large to efficiently control mining operations. I am afraid that the Authority will tend to consume any profits which may flow from the deep seabed mining operations which are intended to benefit the developing countries of the world. I hope that when the final discussions of these provisions occur reason will prevail and the proposed bureaucratic organization will be cut back. Such an approach will also simplify the task of concluding an agreement on this aspect of the treaty.

With respect to production controls, the current provisions under discussion are very restrictive. I hope that by the time the other issues are resolved only a very limited production control will be agreed to. I hope that the majority of the countries of the world will soon realize that limitations on production will only drive prices higher to the detriment of all consumers. I recognize that some countries which produce minerals also derived from the deep seabed may be impacted by this new source of production. However, the treaty does take this into account, and those developing countries which are heavily dependent on earnings from minerals will be protected if their economies are disrupted by deep seabed mining. This very limited exception to free market principles is justifiable given the underlying principle of the Conference, that the resources of the seabed are the common heritage of mankind.

From my observations I cannot say that the conclusion of a treaty is around the corner. However, I do see that progress toward a final agreement is being made and that in the long run it will be realized that the conclusion of a comprehensive treaty is in the best interests of everyone. Over time I believe all countries will realize this and both the G–77 and the industrial countries will arrive at mutually agreeable solutions on the remaining issues.

Given the complexity of the negotiations, the procedural problems and the many functions involved in the negotiations I do not believe that this conclusion will be reached quickly. Therefore, because I do not believe it is right for U.S. companies to have to restrict the development of deep seabed mining technology because of the absence of an acceptable international agreement, I believe that U.S. legislation authorizing companies to commence mining in the future is necessary to allow them to continue to develop mining technology with the expectation that it could be used under a domestic regime if an international regime cannot be negotiated in the near future. I believe this legislation is appropriate and inevitable this year or early next year.

However, because of the impact of this legislation on the Conference, I urge that the legislation be carefully drafted to insure its compatibility with the ongoing negotiations. I believe the legislation should clearly recognize the principles being discussed at the Conference and that it is only an interim step pending the adoption of a comprehensive Law of the Sea Treaty.

In conclusion, Mr. Speaker, I would like to report to the Congress that the Law of the Sea negotiations are inching along and that our delegation is carefully protecting our interests. In spite of the important national security interests which have already been protected, the U.S. delegation has not "given up the store" on other issues to rapidly secure a treaty embodying those provisions. I congratulate them for their patience and I hope that our action on deep seabed mining legislation does not create any complications for the Conference.●

DOES THE HOUSE GIVE A "HOUT" FOR FREE EXPRESSION?

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. FINDLEY. Mr. Speaker, if Ambassador at Large Robert S. Strauss, just named top trouble-shooter for the Middle East, thinks that he will meet his most difficult challenge in dealing with the Arabs and Israelis, he should first consider his problem with the Congress of the United States. In fact, long before he boards a plane for Cairo or Tel Aviv, he had better take a short cab ride to Capitol Hill where all of his skills at negotiating and jawboning a comprehensive peace will be sorely tested.

As a sample of the task which faces him, a mischievous amendment was adopted Tuesday by the House of Representatives. It was offered by the gentleman from New York (Mr. SOLARZ) to the State Department authorization bill. Its purpose is to make more difficult issuance of visas for entry into this country of officials of the Palestine Liberation Organization and slap the wrist of the State Department for its recent decision to permit entry of a PLO official.

The PLO, of course, is the organization generally accepted worldwide as heading up the Palestinian cause. Its official status is recognized throughout the Arab world and in many other countries and was reaffirmed recently at the Arab conference in Baghdad.

Because the demand of the Palestinian people for a national homeland is the basis of almost all difficulties in the Middle East, the role of the PLO is critically important. And because the United States has, rightly, I think, assumed the major role in bringing about a settlement of issues in that region, it is increasingly obvious that the United States must communicate as directly and fully as possible with PLO officials.

Fortunately, the Solarz amendment does not deny the Secretary of State and the Attorney General the ultimate decision as to whether PLO officials will be permitted to come to this country. It does not ban all such visits. And given the infrequency with which PLO requests for visas have been filed at the State Department, this amendment can be expected to have no actual impact upon the number of Palestinians who travel to the United States. Nevertheless, the adoption of the amendment gives the impression that this body is solidly against letting PLO officials come to this country to present their case.

Yet, no one should suppose that the fact that the CONGRESSIONAL RECORD of the brief debate disclosed no opposition to the amendment means that all Members of this body supported it. To the contrary, I strongly oppose it and welcome this opportunity to say why. I am sure many other Members also oppose it and will be gratified if the other body finds it possible to see that it is eliminated in conference.

But a much more fundamental principle is at stake. That principle is the very cornerstone of our democracy—the free exchange of ideas. Our Founding Fathers would roll over in their graves at the thought of Congress seeking to exclude Palestinians from traveling to our borders, not because they pose a physical threat to anyone in this country—they certainly do not—but because they might advance ideas disagreeable to certain Members of Congress and their constituents.

It is a sad commentary on the times that some of those Members who spoke in behalf of the amendment also frequently identify themselves as ardent advocates of free speech and the free exchange of ideas. The purpose of the author of the amendment of course was to discourage the State Department from issuing visas to PLO members. If successful, this would limit the ability of U.S. citizens to hear whatever argument PLO officials might present for our consideration. Free exchange of ideas is difficult with people who are barred from entry into one's country.

The amendment is especially unfortunate because supporters tried to justify it as a result of the appearance in this country recently of Shafik Al-

Hout, an official of the PLO. Mr. Al-Hout was here on a visa issued by the State Department. He conducted himself very carefully and precisely within the very severe limitations placed on him by the visa. In fact, the restrictions were so severe they provoked the following editorial by the Washington Post on Thursday, April 12:

STATE'S LITTLE SECRET

Did you know that Shafik Al Hout, director of the Palestine Liberation Organization office in Beirut, was in town? No, you didn't, unless you were among the handful of people who, under the terms of the visa granted him by the State Department, were forced to turn up the collars of their coats, sneak into privately arranged meetings and promise not to divulge anything they might hear inside. The State Department, you see, granted him entry only on condition that Mr. Al Hout address no public gatherings and avoid all publicity. Otherwise, he risks being thrown out and denied entry the next time.

It's shameful. It's shameful that Mr. Al Hout is not allowed to say what he has to say on a burning public issue. It's even more shameful that his listeners, *American citizens,* must enter into a conspiracy of silence to gain the privilege of talking with him. Take our word for it; You feel shabby, a bit dirty, for having to accept a distinct infringement of your normal liberties.

It happens of course, because the PLO is a political hot potato. One part of the U.S. government cowers under the pressure of groups determined to keep out of the Mideast peace process the very organization that another part of the U.S. government seeks to draw into the process. The American Jewish Congress, for instance, criticizes the State Department for letting Mr. Al Hout in at all, claiming that the department's action will "burden" the peace process and "undermine" confidence in American impartiality. In fact, the action burdens the democratic process and undermines confidence in American self-respect. The question of official dealings with the PLO is political and not to point here. The question of admitting foreigners to meet openly with private citizens and to offer their views to the American public is not, strictly speaking, political at all. It is, or at least it ought to be, a matter of fundamental American values and rights.

I had the opportunity for a lengthy personal interview with Mr. Al-Hout during his visit to Washington. A colleague of mine on the other side of the political aisle also had a similar interview. His impression was the same as mine: Mr. Al-Hout is an impressive, eloquent, and effective spokesman of his cause, and presents his case in reasonable, moderate terms.

I am not suggesting that all of my colleagues would agree with Mr. Al-Hout. Nor am I suggesting that they should even feel constrained to listen to him-- although it might do them a world of good. But it distresses me when some of them attempt to deny others the right to hear spokesmen like Mr. Al-Hout. And if the truth be known, Mr. Al-Hout is without question a moderate among the officials of the PLO. He personally eschews violence and terrorism and has been a strong proponent of solving the Middle East controversy by peaceful means. When the authors of the amendment try to exclude men like Mr. Al-Hout from a constructive role in the peace process, they make all the more likely the resort to violence and terrorism which we all want to avoid.●

SENATE—*Monday, April 30, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, who hast ordained that the welfare of the many must ever rest upon the shoulders of the few, make all who serve in this historic Chamber equal to their tasks. Grant Thy servants the wisdom and the grace sufficient for their high calling. Give them a part in the spiritual and moral renovation of the Nation, in the recovery of a refined patriotism and in the renewal of a clearly defined national purpose. Keep us aware that beyond the appraisals of man, every decision falls under the searching light of Thy judgment. So may the words of our mouths, the meditations of our hearts, and our legislative actions be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 30, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RELEASE OF SOVIET DISSIDENTS

Mr. ROBERT C. BYRD. Mr. President, the release of five Soviet dissidents in exchange for two convicted Soviet spies is a very welcome development.

President Carter and the officials of his administration who arranged for this exchange are to be commended for their efforts.

These five brave men are no longer imprisoned for speaking and acting for their beliefs. They are now free to express their points of view without fear of retaliation.

The action by the Soviet Government in agreeing to this exchange is a positive signal. It undoubtedly creates a better climate for the time being, for the ongoing relations between our two nations.

However, although we are certainly pleased to see the dissidents released, I believe that it would be a mistake to attach far-reaching significance to this act. For example, I do not believe that this exchange is going to have any real impact on the prospects for the passage of a SALT II Treaty. The treaty should stand or fall on its own merits, on the question of whether it serves the national security interests of the United States

Whatever the motivation for the Soviet action may have been, I am glad that it took place. We welcome the olive branch. but we are aware of its thorns.

We are pleased to see that Soviet Jews are being allowed to emigrate at a record rate.

However, we must not forget that there are still many dissidents who remain in Soviet prisons, that many Soviet citizens are imprisoned or restricted because of their political or religious beliefs. And, although we hope that this exchange will be followed by the release of other dissidents, we are all too aware that the Soviet Government can revert to its rigid policies of the past—and rather quickly, and without notice.

Therefore, Mr. President, while we welcome the release of these prisoners of conscience, we will be watching for further positive steps on the part of the Soviet leadership.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kentucky.

Mr. FORD. I thank the majority leader.

SOUTH AFRICA IS DOING IT WITH U.S. TECHNOLOGY

Mr. FORD. Mr. President, the Washington Post on Friday, April 27, published a story on South Africa's program to convert coal to oil. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO COPE WITH EMBARGOES, S. AFRICA CONVERTS COAL INTO OIL

(By Caryle Murphy)

SECUNDA, SOUTH AFRICA.—Here amid shimmering acres of leafy green stalks in South Africa's rustic corn belt, American construction know-how has linked up with South African ingenuity to build this country's most important insurance policy against a future world oil embargo.

"Sasol Two" will be the world's largest plant producing commercial oil from coal when it is completed sometime next year at a cost of $2.8 billion.

The massive complex is designed to guarantee South Africa at least a minimum supply of gasoline and other strategic fuels from its abundant coalfields if international hostility to its racial discrimination ever results in a ban on the flow of imported oil.

The strategic importance of the Sasol project to South Africa, which has no known domestic oil reserves, was underscored last month when, in reaction to Iran's decision to discontinue supplying South Africa with oil, government officials announced that construction of "Sasol Three," at an estimated cost of $3.8 billion, would begin as soon as Sasol Two is completed.

The Fluor Corp., based in Irvine, Calif., the builder of stations on the Alaska pipeline project, holds the management contract for Sasol Two. Officials of the giant construction company, which has also helped build two oil refineries in South Africa, refuse to say how much the contract is worth.

Predictably, Fluor was chosen by South Africa to construct Sasol Three, with a completion date of 1982. It will be located at Secunda next to Sasol Two.

Under the hot sun of South Africa's highvelt, the Afrikaans name for this corn-growing plateau, construction of Sasol Two is at its peak. Among the 20,000 workers are 300 Americans, mostly engineers. With their families, they live at the project's prefabricated town of Secunda, a two-hour drive from Johannesburg.

Necessity has been the midwife of these expensive projects. Without a drop of oil of its own, and threatened by repeated calls for an oil embargo by Third World countries in addition to increasing pressure from its Western allies to modify its political system of apartheid, South Africa has had to regard the cutoff of imported oil as a real possibility.

South Africa began planning for the day when an international oil boycott might materialize as far back as the 1950s. The state-run South Africa coal, oil and gas corporation (known as Sasol) built a tiny pilot oil-from-coal plant—Sasol One—at Sasolburg in 1955. In 1974 it decided to construct the much larger Sasol Two.

"It was a very solid approach not often seen in governments around the world, and it took a certain amount of courage," said one Western expert on oil.

South Africa also began to build oil reserves in 1966, pouring the precious commodity into abandoned coal mines east of Johannesburg and Pretoria on the country's industrial plateau, and in the western Cape. Informed observers estimate that the reserves could meet South Africa's needs at present consumption for about 18 months to two years, possibly longer with strict rationing.

Sasol's executives admit that around 40 percent of the entire cost of the Sasol project, more than $6.6 billion, will be spent abroad. Thus, strategic though it may be, the project is still greatly dependent on Western technology, loans and equipment, making it vulnerable to anti-apartheid moves in the West to curb private investment and business ventures in South Africa.

The major problem for the South African government now, however, is how to finance Sasol Three. For the first time, the government has invited private financing for almost a third of the project's cost. The new plant will also be partly financed by recent increases in gasoline prices that brought the cost to nearly $1.85 a gallon.

Although the tremendous cost of the Sasol project is undoubtedly straining South Africa's economy, government officials say that the huge investment is a wise one in the face of inevitably rising oil prices.

Sasol directors are telling the public that the three Sasol plants will eventually be saving the country more than $1.3 billion a year in foreign oil bills, which last year amounted to an estimated $1.6 billion. South Africa expects to spend $2.3 billion on imported crude this year.

Since information about South Africa's oil situation is highly classified, it is impossible to know exactly how much of the country's oil-based fuel needs will be met by the three Sasol plants. Government officials have claimed, however, that the first two Sasol plants would meet 30 to 40 percent of the country's gasoline and diesel fuel needs at present consumption. Economic Affairs Minister Christiaan Heunis said recently that the addition of Sasol Three would push that figure to 47 percent.

The minister, however, did not speak of expanded needs. If South Africa is to avoid mass unemployment among its 18 billion black majority, a matter of great concern to the government, then the economic growth rate must expand far beyond the modest 2 to 3 percent it now sustains. That will mean increased fuel consumption.

Some examiners of South Africa's projected fuel needs, notably British economists Martin Bailey and Bernard Rivers, in a report for the U.N. Center Against Apartheid, concluded that Sasol One and Two are likely to provide only 13 percent of South Africa's 1980 projected gasoline and diesel fuel needs. The addition of Sasol Three, by this estimate would be likely to raise that portion only to between 26 and 30 percent.

Whatever the economics of the Sasol project, it is seen as a tribute to South Africans' ingenuity and initiative in the practical application of a technique that "is as old as coal itself," according to Sasol's public relations officer, Clarence Keyter.

Mr. FORD. Mr. President, this project will meet 47 percent of that country's need for gasoline and diesel fuels according to Government figures. A lower 30 percent of need met is estimated by a conflicting Britain analysis.

Whatever the figure, it is a significant step toward survival. It is based on American technology—I underscore "American technology"—and is being carried out by American engineers—and I underscore "American engineers." All this while our projects lag with not one project online.

Mr. President, in this energy crisis we are going to study ourselves into the energy grave. We need to convert coal to oil and gas and do it as soon as possible.

One Western observer commenting on the South African Government effort said "it took a certain amount of courage." And courage is one element not yet observed in our efforts. If the administration does not show it, then the Congress needs to show it on its own.

Mr. President, our tendency to lay back and move as slow as possible is emphasized by an article on the same coal liquifaction process that appeared in Thursday, April 26, Coal Daily. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. COMPANIES FREE TO NEGOTIATE ON SOUTH AFRICAN COAL-TO-OIL

DOE has negotiated agreements with Department of State permitting interested U.S. companies to negotiate with foreign sources in acquiring developed coal liquefaction technology, John Deutch, Acting Deputy Secretary for Energy Technology told members of the House Banking Subcommittee on Economic Stabilization yesterday.

Acquisition of developed coal-to-oil technology could mean saving three to five years of DOE's commercialization projects.

Deutch was testifying with Deputy Secretary John O'Leary on two bills which would extend Defense Production Act and provide additional financial tools—guaranteed military markets for synfuels—for constructing commercialization plants.

DOE/State Department authorization for U.S. industry negotiations with foreign governments applies primarily to South African liquefaction plants. Technical and economic information on the plants has been restricted because of strained relations between U.S. and South Africa. This has left interested U.S. companies unable to negotiate for Fluor Corporation's well developed Fischer-Tropsch process.

DOE's successful negotiation with State for American industry to "secure badly needed technological information regarding coal-to-liquids is the most encouraging news the American public has received in recent weeks," Committee Chairman William S. Moorehead (D.-Pa.) said.

John O'Leary, agreeing with the chairman, noted that acquisition of Fluor technology, by saving three to five years in U.S. commercial development plans, would be "an extraordinary jump which saves us from delays of 'reinventing the wheel' in terms of coal liquids.

"Technology in South Africa is not more advanced than what is at the demonstration level in the U.S.," O'Leary noted, "but has the benefit of years of practical experience. As we go ahead with development of synfuels options in the U.S., we will surely make mistakes, both technological and in terms of a project's economic viability. Developed technologies could be on line quicker and without such risks."

Additional help to synfuels from extending Defense Production Act would provide DOE with helpful tools for boosting promising synfuels technologies to the commercial level, O'Leary noted adding "the Administration supports HR 37, extending the act without specifying synfuels.

"It would be premature, however, for us to comment in detail on HR 602, specifying synfuels, until we have evaluated the results of special analysis of synthetic fuels development ordered by the President on April 5. This study will be ready by late summer or early fall, 1979 and will be controversial in the extreme," O'Leary said.

Chairman Moorehead, noting the likelihood of constantly increasing prices for imported oil and the importance of oil to the military, said his subcommittee would begin immediately to examine ways of expanding financial incentives to accelerate development and use of synfuels technology to the commercial level.

Other committee members concerned with the time it would take for energy security monies to be allocated, suggested adopting specific purchasibility for the military as a means of avoiding legislative slowdowns and the delays from "having every plausible technology fighting for limited dollars."

ICC SEES PITFALLS IN RAIL REFORM PACKAGE

Lifting maximum rate restrictions on captive markets is the single most dangerous feature of the Administration's rail reform legislation, which otherwise makes a major effort toward providing the flexible and innovative rate structures necessary if railroads are to survive, according to ICC Chairman Daniel O'Neal in testimony Tuesday before House Commerce Subcommittee on Transportation.

Lack of control over captive shipper rates could especially harm utility coal shipments, especially shipments from western mines to southwestern utilities which have been subject to frequent rate increases and drawn out litigation.

Contract negotiated rates and other devices are already helping some shippers. O'Neal noted, warning that even under existing 4R act provisions railroads have been reluctant to propose innovative market service and rate setting plans.

Other dangers O'Neal sees in current legislative proposals include removing car-service order authority from ICC and substituting Presidential approval in emergency situations after consultation with DOT. Burdening the Presidential decision-making process with complex car service cases requiring careful supervision and investigation could create serious delays, the ICC official noted.

Association of American Railroad's President William H. Dempsey testified the carriers "adamantly" refuse to go along with the Administration's proposal to prohibit rate bureau processes for general rate increases, which it said would risk "business chaos" just to cover unavoidable cost increases. Dempsey also hit plans to make railroads subject to anti-trust laws, and the concept of allowing 7% a year increases above a base rate adjusted by a gross national product deflater. AAR would like a 10% zone of rate-making, and questions the use of the GNP index.

TWO COAL GASIFICATION PROJECTS SLATED IN BRAZIL

Two major coal gasification projects have been slated for development in Brazil, and a report from the U.S. Commerce Department's International Trade Administration says the export market for coal gasification equipment appears promising. One project, undertaken by Rio de Janeiro's state-owned gas company, found that coal-derived gas would cost $5.50 per million Btu, a savings over naptha ($6.20/MMBtu) but more expensive than natural gas at $1.80/MMBtu, which is in short supply.

Petrobras, meanwhile, signed a contract with Krupp-Koppers to develop a $245-million coal gasification project in Rio Grande do Sul to provide gas for a local fertilizer plant and a municipal gas system. The International Trade Administration is planning an exhibition for energy systems manufacturers in Sao Paulo Sept. 17–21, at which coal, electrical and solar equipment will be displayed.

Mr. FORD. Mr. President, one comment by Deputy Energy Secretary John O'Leary bears repeating:

> Technology in South Africa is not more advanced than what is at the demonstration level in the United States, O'Leary noted, but has the benefit of years of practical experience. As we go ahead with development of synfuels options in the United States, we will surely make mistakes, both technological and in terms of a project's economic viability. Developed technologies could be on line quicker and without such risks.

I feel that it is time for the United States to be gaining practical experience in our own technologies.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, I have no requirement for my time this morning, and I have no requests for it, so I yield it back.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time, if I have any remaining.

DEPARTMENT OF EDUCATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 210, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 20) to establish a Department of Education.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Pennsylvania is recognized to call up an amendment on which there shall be 1½ hours.

AMENDMENT NO. 139

(Purpose: To provide for the reorganization of the Education Division and the Office of Education of the Department of Health, Education, and Welfare)

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 139.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an amendment in the nature of a substitute, numbered 139.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 72, beginning with line 11, strike out through line 21 on page 146 and insert the following:

"That this Act may be cited as the 'Education Functions Reorganization Act of 1979'.

"AUTHORITY FOR AND ORGANIZATION OF THE EDUCATION DIVISION

"SEC. 2. Sections 401, 402, and 403 of the General Education Provisions Act are amended to read as follows:

" 'EDUCATION DIVISION

" 'SEC. 401. (a) There shall be in the Department of Heath, Education, and Welfare, an Education Division which shall be headed by an Under Secretary of Education. The Education Division shall be the primary agency of the Federal Government responsible for the administration of programs of financial assistance to educational agencies, institutions, and organizations.

" '(b) The Education Division shall include the National Institute of Education, the National Center for Educational Statistics, and the Office of Education.

" 'PRINCIPAL OFFICERS

" 'SEC. 402. (a) (1) There shall be in the Department of Health, Education, and Welfare an Under Secretary of Education, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall be the principal officer in the Department to whom the Secretary shall assign responsibility for the direction and supervision of the Education Division. The Under Secretary shall be compensated at the rate specified for level III of the Executive Schedule under section 5314 of title 5, United States Code.

" '(2) The Under Secretary shall carry out his functions under the direction and supervision of the Secretary. The Under Secretary shall report directly to the Secretary, and not to or through any other officer of the Department.

" '(b) (1) There shall be in the Education Division—

" '(A) an Assistant Secretary for Elementary and Secondary Education, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to elementary and secondary education;

" '(B) an Assistant Secretary for Postsecondary and Continuing Education, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to programs of postsecondary education;

" '(C) an Assistant Secretary for Research and School Improvement, who shall be the principal officer of the Education Division with responsibility for programs of the Education Division relating to research and development in education; and

" '(D) one additional Assistant Secretary, who shall carry out such functions of the Education Division which are not within the responsibilities of the Assistant Secretaries specified in subparagraphs (A) through (C), as determined to be appropriate by the Secretary in consultation with the Under Secretary.

" '(2) Each of the Assistant Secretaries established under paragraph (1) shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. Each Assistant Secretary shall carry out his functions under the direction and supervision of the Under Secretary, and shall report directly to the Under Secretary and not to or through any other officer of the Education Division.

" 'ADMINISTRATIVE REQUIREMENTS

" 'SEC. 403. (a) The Education Division, shall, consistent with such organization thereof as may be provided by law, be divided into bureaus, and such bureaus shall be divided into divisions as the Under Secretary determines appropriate.

" '(b) The Under Secretary shall not delegate to any employee in any regional office any function which was not carried out, in accordance with regulations effective prior to June 1, 1973, by employees in any such office unless the delegation of such functions to employees in regional offices is expressly authorized by law enacted after August 21, 1974.

" '(c) Not later than February 1 of each year, the Under Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives a report on the personnel needs of the Education Division and the assignment of personnel within the Education Division. Each such report shall include a description of the organizational structure of the Education Division and the assignment of personnel to carry out the various functions of the Education Division, and an analysis of the personnel needs of the Education Division.

" '(d) Not less than 85 per centum of the personnel employed in the Education Division shall be assigned to carry out the functions of Assistant Secretaries specified in section 402(b) and the functions of the Director of the National Institute of Education.

"'(e) The Under Secretary may change the title of an office or officer in the Education Division which is fixed by any law enacted before the effective date of the Education Functions Reorganization Act of 1979, but the Under Secretary may not change the responsibilities of any such office or officer or the compensation of any such officer.'.

"REDESIGNATION

"SEC. 3. (a) Any reference in any law, rule, regulation, certificate, directive, instruction, or official paper in force on the effective date of this Act to the Commissioner of Education or to the Assistant Secretary for Education are deemed to refer and apply to the Under Secretary of Education.

"(b) Any reference in any law, rule, regulation, certificate, directive, instruction, or official paper in force on the effective date of this Act to the Office of Education or to the Office of the Assistant Secretary for Education, are deemed to refer and apply to the Education Division of the Department of Health, Education, and Welfare.

"CONFORMING AMENDMENTS

"SEC. 4. (a) (1) Section 400(c) (1) (C) of the General Education Provisions Act is amended to read as follows:

"'(C) "Under Secretary" means the Under Secretary of Education;'.

"(2) Section 400(c) (1) (D) of such Act is repealed.

"(3) Section (c) (1) of such Act is amended by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

"(b) (1) Section 404 of such Act is amended by striking out 'Secretary' each time it appears and inserting 'Under Secretary'; and

"(2) Section 404(c) is repealed.

"(c) The second sentence of section 405(d) (1) of such Act is amended to read as follows: 'The Director shall be responsible to the Assistant Secretary for Research and School Improvement and shall report to the Under Secretary through such Assistant Secretary and not to or through any other officer of the Department.'.

"(d) Section 406 of such Act is amended—

"(1) by striking out 'non-voting' in subsection (c) (4),

"(2) by striking out 'shall, in consultation with the Office of Education,' in subsection (i) (1), and inserting 'shall'; and

"(3) by striking out 'shall, (in consultation with the Office of Education,' in subsection (i) (2) (A) and inserting 'shall'.

"(e) The second sentence of section 408 (d) of such Act is repealed.

"(f) Section 422(a) (4) of such Act is amended by striking out 'section 403' and inserting 'part A'.

"(g) The second sentence of section 604 (a) of the Emergency School Aid Act is repealed.

"TRANSITIONAL PROVISIONS

"SEC. 5. (a) On the effective date of this Act, all employees, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, and allocations of the Office of Education, as determined by the Director of the Office of Management and Budget, shall be transferred to the Education Division of the Department of Health, Education, and Welfare.

"(b) On the effective date of this Act, the Office of the Commissioner of Education and of Assistant Secretary for Education shall terminate.

"AMENDMENTS TO TITLE 5, UNITED STATES CODE

"SEC. 6. (a) Section 5314 of title 5, United States Code is amended by adding at the end thereof the following:

"'(70) Under Secretary of Education, Department of Health, Education, and Welfare.'

"(b) Section 5315 of such title is amended—

"(1) by striking out '(5)' in paragraph (17) and inserting '(4)'; and

"(2) by adding at the end thereof the following:

"'(128) Assistant Secretaries of the Education Division, Department of Health, Education, and Welfare (4).'.

"EFFECTIVE DATE

"SEC. 7. This Act shall take effect on October 1, 1979.".

Amend the title so as to read: "A bill to provide for the reorganization of the Education Division and the Office of Education of the Department of Health, Education, and Welfare.".

Mr. SCHWEIKER. Mr. President, as one who feels that a strong educational system is the most important resource we have as a Nation, I am offering an amendment to S. 210, the department of education bill, which will improve the Federal education bureaucracy while at the same time hold the line on its size and power. My amendment would restructure and elevate our education division in the Department of Health, Education, and Welfare. So that education programs receive the attention and prestige they deserve, without the increased Federal regulation which a separate department would surely bring.

The substance of my amendment has been passed by the Senate once before—in the Education Amendments of 1976. This restructuring plan would set up a new education division within HEW which would finally bring some order from the confusion which presently reigns in the U.S. Office of Education. A new undersecretary for education would communicate directly with the Secretary of Health, Education and Welfare. Four assistant secretaries for education would administer Federal education programs and assistance for the undersecretary. The first, an assistant secretary for elementary and secondary education, would be responsible for seven bureaus: School improvement, handicapped, occupational, vocational and adult education, compensatory education, bilingual education, overseas dependent schools, and State and local programs.

The second, an assistant secretary for postsecondary and continuing education would handle the following bureaus: Student financial assistance, graduate education, continuing education, postsecondary education, and international education. The third, an assistant secretary for research and school improvement would cover the National Institute of Education and divide into the following bureaus: Educational research and policy analysis, development, demonstration and dissemination, fund for improvement of postsecondary education, the National Center for Education Statistics, and Evaluation.

A fourth assistant secretary for education would be responsible for administering other education programs which do not fit into one of these broad categories, for example, library programs. The Secretary and Undersecretary would have the discretion to move programs around if this arrangement were found inadequate.

Mr. President, I offer this amendment today because of the incredible change I have witnessed in the past year in regard to a separate Department of Education. I am not exaggerating when I say that at least 75 percent of those who expressed their support for a department in the past have this year come to me to indicate that they no longer feel a separate department would have any positive impact on the state of education in this country.

These are people who have thought long and hard on this issue, people who have devoted their whole lives to the education of children and adults.

These educators are afraid of increasing Federal regulation of educational programs at both the State and local levels, and they feel the establishment of a separate department would be the first step toward federalization of education in this country.

Mr. President, aside from the question of whether a separate Department of Education would increase Federal regulation of education programs, there remains the question of why we are setting up a separate Department of Education and leaving many education programs in other departments. Everybody says they want an education department until it comes time for their programs to be administered by it. Then there are 10 good reasons why they should be left out. There are not many more programs included in the structure in S. 210, than we have now in O.E. Can you imagine what will be the result of increased bureaucracy with only half of the education programs—I can, increased bureaucratic regulation of a type we have never seen before in education. The fact that the department has been pared down in terms of the substance it will administer can only mean increased regulation of the programs it presently operates. Those who support this legislation rather naively assume that because the bill supports the concept of local control that the State and local governments will continue to administer the educational programs. The examples we have seen in the last 20 years hardly support such an assumption.

At a time when the American people have indicated that they want less, not more Federal control over their lives, a Federal Department of Education is not called for—we can accomplish the objectives of better organization and increased efficiency by a restructuring of education within HEW. I urge my colleagues to think carefully before voting on S. 210 and to support my amendment. The decision we make today will have a dramatic impact on future generations. We must decide whether we want education policy in this country to be set at the Federal level, or where it properly should be, set at the State and local level of government.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I rise in opposition to the amendment of the distinguished Senator from Pennsylvania.

When we had this measure before us

we examined a number of alternatives to the establishment of a Department of Education, but the first one we ruled out very strongly was any sort of an internal reorganization of HEW.

If past is prolog, then we can expect no real improvements by reorganizing HEW internally once again.

Practically every past HEW Secretary has tried to reorganize HEW, and every time he was frustrated.

We could not find any justification for continuing to administer education programs side by side with health and welfare programs. The basic missions of the two differ substantially.

The health and welfare programs, which make up 95 percent of the HEW budget, are really income maintenance programs. They involve programs which dispense $180 billion annually just to maintain or improve the health and welfare of millions of Americans.

But education is not an income maintenance activity. As such, it has little to do with health and welfare programs in HEW.

By leaving education in HEW, it would be tantamount to saying that education is integrally tied to health and welfare programs. But in reality it is not. Rufus Miles, a former Director and Assistant Secretary of Administration at HEW for more than a decade, told the committee:

> In all my years at HEW, I never saw any significant coordination of programs and functions between the Office of Education and the other components of HEW. This coordination is simply a figment of the imagination.

I knew Rufus Miles, former Director and Assistant Secretary of Administration. When I became Secretary of HEW, he was a very important member of the permanent staff of HEW, and I kept Rufus Miles on the staff. It was not a partisan appointment. He was a dedicated, true civil servant. His knowledge of HEW was unsurpassed.

And Rufus Miles came and testified from his many years of experience with many, many Secretaries, and that was the conclusion he reached.

As the share of HEW's budget for education declines of necessity, and the health and welfare proportion continue their uncontrollable growth—presently $20 billion each year—then education will always take a back seat in HEW. The attention goes where the dollars go. Health and welfare programs are crisis-oriented and demand constant attention from the HEW secretary.

Reorganizing HEW along the lines of the DOD model would not remedy this institutional defect. In fact, I think it is important to note that there already exists within HEW a sort of DOD model. Presently, there are Assistant Secretaries for Health, for Human Development (the welfare portion), and for Education. Education was "elevated" in the HEW structure in 1972 with the creation of the Assistant Secretary for Education. But nothing has changed. Education is still the stepchild in a department whose health and welfare expenditures account for nearly half the Federal budget.

The basic problem with the DOD model is that there would always exist yet another layer of bureaucracy on top of the primary sub-Cabinet officials. I am referring to the "Office of the Secretary" of HEW. In terms of staff, this office is one-third larger than the entire Education Division. Most of its efforts are directed toward managing the massive health and welfare programs.

The Office of the Secretary contains 11 principal officials—five of them assistant secretaries—who rank above the top health, education, and welfare officials. It is the Office that holds final sign-off authority on all rules, regulations, budget, and legislative proposals. It seriously diminishes accountability of education in HEW, because this final authority is not in the hands of the top education officials. Finding the individual responsible for a decision in the Office of the HEW Secretary is almost impossible.

I ask my colleagues to consider the Department of Defense as the best example. Ranking above the Secretaries of the Army, the Navy, and the Air Force are seven Assistant Secretaries, two Undersecretaries, and a Deputy Secretary of Defense.

Again, in DOD these officials make up the Office of the Secretary of Defense. Like HEW, the office is a conglomeration of normally faceless bueaucrats, another layer of bureaucracy separating the principal program officers from the Secretary. It breeds inefficiency, delay, and certainly much duplication.

This amendment could not solve this tremendous problem. No matter how hard you try, there will always be this additional set of layers in HEW.

The people in the Office of the HEW Secretary who sign off on education rules, regulations, budget, and legislative proposals are also the people who make health and welfare decisions. This breeds what many State and local officials call the "HEW mentality." Health and welfare programs are nationally focused. The Federal Government is the principal funding source. But in contrast, education is locally focused, and is principally funded by States and localities. This is a real conflict in missions at HEW.

Often, proposed rules and regulations giving much flexibility to States and localities in education are totally rewritten in the Office of the Secretary to be more stringent and inflexible. HEW is trying to manage health and welfare programs which are riddled with fraud and abuse. So, harsher requirements are imposed for greater accountability. The trouble comes when these same individuals are reviewing educaton rules and regulations. The inflexibility carries over.

By separating education away from nationally focused health and welfare programs, we can better define Federal-State-local relationships in education. We can at least arrest Federal encroachment. We will drastically increase the acountability of our education officials, because they will be responsible for making the decisions. Education would be separated from HEW's national mindset.

The DOD model has proved unworkable in the past. There is little for me to believe, as a former HEW Secretary, that it would really change anything in HEW. The facts are otherwise.

Mr. President, in June 1977 Senators MAGNUSON, PELL, and myself wrote a letter to the Vice President outlining our reasons why an internal reorganization of HEW using the DOD model was a plausible alternative to the establishment of a separate Department of Education. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

June 14, 1977.

THE VICE PRESIDENT,
Old Executive Office Building,
Washington, D.C.

DEAR MR. VICE PRESIDENT: We know you are now in the process of considering several proposals to reorganize the education functions of the Federal Government, and we congratulate you on your efforts towards seeking to improve the present condition of American education.

We have long recognized the need to reorganize the immense Department of Health, Education and Welfare (HEW) into manageable proportions, especially to give education the priority it deserves and to save controllable education budget functions from an otherwise uncontrollable health and welfare budget.

Your support last year for a separate, Cabinet-level Department of Education was welcomed by educators and students across the country as a pledge that the Federal government would finally provide American education the direction and high priority it rightly deserves.

A separate Department of Education would give education this badly needed attention by consolidating the entire Education Division of HEW and a number of education-related programs scattered throughout the Federal government into a single, effective framework. It would provide a sound organizational mechanism for education policy direction and leadership.

The new Department's budget would be larger than that of the existing Departments of Interior, State, Justice, and Commerce, and the proposed Department of Energy.

Strong support now exists for the concept of creating a separate Department. The bill we have introduced, S. 991, now has 45 sponsors.

As you know, some thought has also been given to restructuring HEW internally and modeling it instead after the present structure of the Department of Defense, with its subcabinets and individual secretaries. However, after careful study, we believe this alternative would be unworkable when applied to the Department of Health, Education and Welfare.

Patterning HEW after the DOD subcabinet model would be little more than a simple facelift, and in the end, do much harm to the overall Federal education effort. Such a reorganization would drastically increase and centralize the HEW Secretary's powers and duties. A Secretary of Education within HEW would only serve as an Administrator—not a policymaker.

The education functions could even be further buried in unnecessary layers of bureaucracy. If the present Department of Defense organization is any indication of what we could expect, the Education "sub-secretary" would probably be relegated to a lower position within HEW, under as many as nine assistant secretaries and a deputy secretary in the Office of the Secretary.

Furthermore, the Education Division's budget would continue to be outnumbered, 18 to 1, by HEW's massive health and welfare program expenditures. The HEW Secretary, out of necessity, would continue to be preoccupied with pressing health and welfare concerns. Education would take a back seat, as it has always taken.

An Education Secretary, outside of the present HEW structure, would clearly have more access to the President, and his or her position alone would signify the importance this Administration attaches to the education of the 60 million persons enrolled in public and private education institutions today. Educators would see that they truly have a spokesperson at the highest levels of government, an individual in a position to give constructive policy input on the use of the more than $14 billion the Federal government spends on education every year.

We welcome your support of our efforts to create a Cabinet-level Department of Education. We plan to hold hearings on this issue in the very near future, and we stand ready to work with you on this important project.

Sincerely,

WARREN MAGNUSON,
ABE RIBICOFF,
CLAIBORNE PELL.

Mr. RIBICOFF. Health and welfare are important, and should have the undivided attention of a Cabinet secretary. So too are the education functions. Education is presently submerged four and five layers deep in the HEW bureaucracy. It is a function unique to the functions of all Federal agencies and departments—it cuts across all the others. Therefore, a Cabinet secretary for education should be in a better position to coordinate Federal education programs.

But no matter how high within HEW education is elevated, it will continue to suffer from neglect and undue interference and rigidity. I believe it is an institutional deficiency in our Federal structure that the three components—health, education, and welfare—are administered together in the same department. No other country in the world places the three together in the same department.

Consider that of all the nations in the world we are the only one that lumps these three functions together. And education is so important, because it is really basic to what happens to the country today and for the future. So, it seems to me that the suggestion of the Senator from Pennsylvania is basic to what we are trying to do.

Frankly, to adopt his amendment, for all practical purposes, would mean the defeat of this legislation, and the concern that so many Senators, so many who know education, who respect it and love it and realize its importance, feel that it is absolutely essential to have a Department of Education and not an internal reorganization of HEW.

On behalf of the committee and myself personally, I strongly oppose the amendment of the Senator from Pennsylvania.

I would be pleased to yield as much time as my distinguished colleague from Illinois requires.

Mr. PERCY. Mr. President, I would like to join the chairman of the committee in opposition to this amendment. I think what Senator SCHWEIKER has attempted to do, from his own experience with the Defense Department, is to reorganize HEW along the lines of the Defense Department.

In this case, I simply feel it would not work. There is no generic commonality between education and health and welfare. There was no real generic reason to bring health, education, and welfare together. They just happened to be grouped together in the original organization of the Department.

I think those of us who have followed educational matters closely feel that education has been, to a great extent, dwarfed in HEW. For example, it constitutes a minuscule part of HEW's budget, less than 6 percent.

The operation of the Department, from the top on through to the middle levels, simply does not provide for adequate time to education. Certainly if there were a Cabinet-level official whose responsibility it would be to focus attention on the educational needs of the future citizens of this country, I think we, as a country and a Government, would place greater priority upon education.

Even though the Senator's amendment does increase the status of education and recognizes the problem with which we have been grappling—and I commend him for this, and the direction in which he is going is the right direction—I think that if we are going to do this job and reorganize the Federal education effort, it is the feeling of the Committee on Governmental Affairs that we ought to do it right, and not just reshuffle the boxes a little bit. This amendment would give slightly greater status to education, but it would still constitute a minute part of HEW's work, considering the overwhelming growth of the welfare and the health components of the Department.

Furthermore, the amendment simply would not adequately address one of the principal findings of the committee, which is that there are serious institutional deficiencies and problems within HEW that operate, and continue to operate, to the detriment of education. I believe that under the Schweiker amendment, they would continue to operate to the detriment of education.

Certainly, the amendment would not address the problem that many of us have recognized, which is that HEW is simply too large, contributing to inefficiencies in all of its component parts.

For this reason—believing that education is one of the highest matters of priority the Nation should address now and that education in America is in trouble it needs to have top attention—I feel that the bill before us creating a Department of Education, removing education from HEW and allowing the remaining Department to concentrate upon the very significant and important problems of health and welfare, would be the best. For that reason I regretfully, but respectfully, will object to and vote against the Schweiker amendment.

Mr. SCHWEIKER. Mr. President, my concern here is that we say we are setting up a whole new Department of Education, and if we really achieve that goal then I could be very supportive and encouraged by that new opportunity. I think the committee report itself spells out why this has not happened. There are $27 billion worth of education programs and education-related research programs in Government today, $27 billion.

The Department of Education we are setting up has only $15 billion of these programs. So by the count of the Government Affairs Committee, we are barely putting half of the Federal educational programs in the new Department.

It does not make much sense to say we are setting up a whole new Department of Education, but then leave out some $12 billion of educational programs.

Since this bill came up last year three major programs have been dropped. Indian education, Head Start, and child nutrition now located in the Department of Agriculture. So just from the last time we considered this new Department, three major programs have been deleted. But even worse is the fact that we have left out $12 billion worth of educational programs.

This $12 billion worth of educational programs is contained in the following Federal Departments and agencies: Department of Agriculture, the Department of Commerce, the Department of Defense, Department of HEW, with many programs still staying there; the Department of the Interior, the Department of Justice, the Department of Labor, Department of State, Department of Transportation, the Appalachian Regional Commission, the Energy Research and Development Administration, the General Services Administration, the Government Printing Office, the Library of Congress, the National Aeronautics and Space Administration, all of the National Endowment for the Arts, which would be something normally associated with education; the National Endowment for the Humanities which, also would be associated with education; the whole National Science Foundation, which is based on education and research by educational institutions, some parts of the Community Services Administration, parts of the Smithsonian Institution, the Veterans' Administration, and the Environmental Protection Agency.

Mr. President, I ask unanimous consent to have printed in the RECORD this list so that I will not read it at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

FEDERAL EDUCATION PROGRAMS AND ACTIVITIES ATTACHMENT 2: NOT TRANSFERRED BY S. 210

I. Education Programs listed in the Catalog of Federal Education Assistance Programs, (U.S. Office of Education 1978).

DEPARTMENT OF AGRICULTURE

School Breakfast Program.

Nonfood Assistance for School Food Service Programs.

National School Lunch Program.

Special Milk Program for Children.

Child Care Food Program.

Summer Food Service Program for Children.

National Agricultural Library Service.

DEPARTMENT OF COMMERCE

Importation of Duty-Free Educational and Science Materials.

Sea Grant Support.

State Marine Schools.

U.S. Merchant Marine Academy.

Calibration and Testing Services.

National Technical Information Service.

DEPARTMENT OF DEFENSE

Industrial Equipment Loans to Educational Institutions.

Civil Defense-Architect/Engineer Student Development.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Statistics Training and Technical Assistance.

Mental Health Training Grants.

Drug Abuse Demonstration Programs.

Family Planning Services-Training Grants and Contracts.

Occupational Safety and Health Training Grants.

Alcohol Research Development Awards.

Alcohol National Research Service Awards.

Alcohol Training Programs.

Drug Abuse Education Programs.

Drug Abuse Research Development Awards.

Drug Abuse National Research Service Awards.

Drug Abuse Training Programs.

Mental Health Research Development Awards.

Mental Health Research Service Award.

Public Health/National Health Service Corps Scholarship Program.

President's Council on Physical Fitness and Sports.

Comprehensive Hemophilia Diagnostic and Treatment Centers.

Nurse Practitioner Training Programs.

Advanced Nurse Training Programs.

Allied Health Professions-Special Project Grants.

Training in Expanded Auxiliary Management.

Continuing Dental Education Grant Program.

Biomedical Research Support.

Health Professions-Capitation Grants.

Nurse Training Improvement-Special Projects.

Nursing School Construction-Assistance-Direct Grants. Loan Guarantees and Interest Subsidies.

School of Public Health-Grants.

Biotechnology Research.

Minority Biomedical Support.

Family Medicine-Training Grants

Health Manpower Educating Initiative Awards.

Health Professions-Financial Distress Grants.

Health Professions-Special Project.

Health Professions-Start-Up Assistance.

Nursing Capitation Grants.

Cancer-Construction.

Cancer Research Manpower.

Child Development-Head Start.

Developmental Disabilities-Demonstration Facilities and Training.

Special Programs for the Aging-Training.

Special Programs for the Aging-Multidisciplinary Centers of Gerontology.

Special Assistance to Refugees from Cambodia, Vietnam and Laos in the United States.

Public Assistance Training Grants-Title XX.

Minority Access to Research Careers.

DEPARTMENT OF THE INTERIOR

Indian Education-Adults.

Indian Education-Contracts with Indian Tribal Organizations.

Indian Employment Assistance.

Indian Education-Dormitory Operations.

Indian Education-Federal Schools.

Indian Education-Colleges and Universities.

Indian Property Acquisition-Transfer of Indian School Properties.

Indian Education-Assistance to Schools.

Facility School Construciton Planning and Equipping.

Mine Health and Safety Education Training.

Indian Arts and Crafts Development.

National Environmental Study Areas and National Environmental Education Development Programs.

Water Resources Research-Assistance to State Institutes.

Water Resources Research-Matching Grants to State Institutes.

Water Resources Scientific Information Center.

DEPARTMENT OF JUSTICE

Law Enforcement Assistance-Narcotics and Dangerous Drugs-Training.

Public Education on Drug Abuse-Technical Assistance.

Desegregation of Public Education.

Citizenship Education and Training.

Law Enforcement Assistance-Educational Development.

Law Enforcement Assistance-Training.

Law Enforcement Assistance Administration-JJDP National Institute.

Corrections Training and Staff Development.

DEPARTMENT OF LABOR

Apprenticeship Outreach.

Apprenticeship Training.

Job Corps.

Employment and Training Research-Doctoral Dissertation Grants.

Employment and Training Institutional Grants.

DEPARTMENT OF STATE

Institutional Centers to Aid Foreign Development.

Eduactional Exchange-Graduate Students.

Educational Exchange-University Lecturers (Professors) and Research Scholars.

DEPARTMENT OF TRANSPORTATION

Coast Guard Cooperative Marine Sciences Program.

Aviation Education.

Urban Mass Transportation Grants for University Research and Training.

Urban Mass Transportation Managerial Training Grants.

APPALACHIAN REGIONAL COMMISSION

Appalachian Child Development.

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Motion Picture Film Libraries.

Faculty and Student Participation-Laboratory Cooperative Program.

Faculty Training Institutes, Short Courses, and Workshops on Energy and Environmental Subjects.

Research Reactor and Materials Assistance.

Traineeships for Graduate Students in Engineering, Studies Related to Energy Conversion, Health and Safety, and Environmental Sciences and Engineering.

Used Nuclear-Type Equipment Grants.

Information Services-Exhibits, Public Speakers, Publications, Reference, and Analysis.

Citizens' Workshops.

GENERAL SERVICES ADMINISTRATION

National Archives Reference Services.

National Audiovisual Center.

Consumer Information Center.

GOVERNMENT PRINTING OFFICE

Depository Libraries for Government Publications.

LIBRARY OF CONGRESS

Books for the Blind and Physically Handicapped.

Distribution of Library of Congress Cataloging.

Library of Congress Photoduplication Service.

Library of Congress Publications.

Library of Congress References and Bibliographic Services.

Research and Referral Services in Science and Technology.

Reference and Consultation Services in Preservation, Restoration, and Protection of Library Materials.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Space Science Education Project.

Technology Utilization.

NATIONAL ENDOWMENT FOR THE ARTS

Promotion of the Arts-Architecture and Environmental Arts.

Promotion of the Arts-Dance.

Promotion of the Arts-Education.

Promotion of the Arts-Literature.

Promotion of the Arts-Music.

Promotion of the Arts-Public Media.

Promotion of the Arts-Federal-State Partnership.

Promotion of the Arts-Theatre.

Promotion of the Arts-Expansion Arts.

Promotion of the Arts-Visual Arts.

Promotion of the Arts-Special Projects.

Promotion of the Arts-Museums.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Promotion of the Humanities-Media Grants.

Promotion of the Humanities-General Research Program.

Promotion of the Humanities-Fellowships and Stipends for the Professions.

Promotion of the Humanities-Education Pilot and Development Grants.

Promotion of the Humanities-Higher Education Projects.

Promotion of the Humanities—Public Program Development.

Promotion of the Humanities—Youth Programs.

Promotion of the Humanities—Summer Seminars for College Teachers.

Promotion of the Humanities—Cultural Institutions.

Promotion of the Humanities—Fellowships for Independent Study and Research.

Promotion of the Humanities—Fellowships in Residence for College Teachers.

Promotion of the Humanities—Humanities Institutes.

Promotion of the Humanities—Summer Stipends.

Promotion of the Humanities—Fellowships at Centers for Advanced Study.

Promotion of the Humanities—National Board of Consultants.

Promotion of the Humanities—Centers for Research.

Promotion of the Humanities—Interpretive Museum Exhibitions and Interpretive Programs.

Promotion of the Humanities—Research Materials.

Promotion of the Humanities—Elementary and Secondary Education Program.

NATIONAL SCIENCE FOUNDATION

Intergovernmental Program.

Science and Society Program.

Mathematical, and Physical Sciences and Engineering.

Astronomical, Atmospheric, Earth and Ocean Sciences.

Biological, Behavioral, and Social Sciences.

Science and Technology Policy Research and Analysis.

COMMUNITY SERVICES ADMINISTRATION

Community Action.

Summer Youth Recreational Program.

SMITHSONIAN INSTITUTION

Smithsonian Institution Programs in Basic Research and Public Education.

Academic Appointment.

Chesapeake Bay Center for Environmental Studies.

Educational Services—Elementary and Secondary Education.

International Exchange of Scientific and Literary Publications and Governmental Documents.

Museums—Assistance and Advice.

Smithsonian Science Information Exchange, Inc.

Smithsonian Institution Traveling Exhibition Service.

Smithsonian Special Foreign Currency Grants for Museum Programs, Scientific and Cultural Research and Related Educational Activities.

Smithsonian Tropical Research Institute.

Woodrow Wilson International Center for Scholars-Fellowships and Guest Scholar Programs.

VETERANS ADMINISTRATION

Education and Training of Health Service Personnel.

Grants to Affiliated Medical Schools—Assistance to Health Manpower Training Institutions.

Veterans Educational Assistance (G.I. Bill).

Vocational Rehabilitation for Disabled Veterans.

Dependents Educational Assistance.

Post-Vietnam Era Veterans' Educational Assistance Program.

ENVIRONMENTAL PROTECTION AGENCY

Air Pollution Control Fellowships.

Air Pollution Control Manpower Training Grants.

Solid Waste Disposal Training Grants.

Water Pollution Control-Professional Training Grants.

Water Pollution Control-Technical Training Grants.

Water Pollution Control Fellowships.

NATIONAL GALLERY OF ART

National Gallery of Art Extension Service.

ACTION

University Year for Action.

National Student Volunteer Program.

The Youth Challenge Program.

II. Federal Research and Development Activities conducted in Colleges and Universities as listed in Special Analysis, Budget Of The United States Government, Table L–4, (Office of Management and Budget, 1979).

III. Other Federal Programs and Activities related to Education.

DEPARTMENT OF DEFENSE

United States Military Academy.

United States Naval Academy.

United States Air Force Academy.

Civil Defense Staff College.

Civil Defense Staff College-Student Expense Program.

Civil Defense University Extension.

Reserve Officers Training Corps. (ROTC).

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Dependent and Survivor's Benefits under Section 203(d) of the Social Security Act.

DEPARTMENT OF THE TREASURY

Tax Information and Education, Internal Revenue Service.

TABLE 1-4.—RESEARCH AND DEVELOPMENT SUPPORT TO UNIVERISITES AND COLLEGES[1]

[In millions of dollars][2]

Department or agency	Obligations 1978 actual	Obligations 1979 estimate	Obligations 1980 estimate	Outlays 1978 actual	Outlays 1979 estimate	Outlays 1980 estimat
Health, Education, and Welfare	1, 705	1, 993	2, 001	1, 595	1, 739	1, 931
(National Institutes of Health)	(1, 492)	(1, 737)	(1, 747)	(1, 398)	(1, 528)	(1, 686)
National Science Foundation	551	604	681	508	563	631
Defense—military functions	308	331	372	294	317	359
Energy	232	238	251	225	238	250
Agriculture	173	210	218	156	177	179
National Aeronautics and Space Administration	130	146	151	132	131	136
Agency for International Development	24	48	66	15	22	31
Environmental Protection Agency	43	47	49	30	38	43
Interior	35	40	42	32	36	39
Commerce	34	39	37	34	39	37
Transportation	15	21	21	15	19	19
All other[3]	37	39	39	33	38	38
Total	3, 285	3, 755	3, 927	3, 067	3, 358	3, 692

[1] Summarizes Federal R. & D. support at universities and colleges by agency.

[2] Amounts reported in this table are included in totals for conduct of R. & D.

[3] Includes the Departments of Justice, Labor, State, Treasury and Housing and Urban Development, the Corps of Engineers, the Arms Control and Disarmament Agency, the Consumers Product Safety Commission, the Smithsonian Institution, the Veterans Administration, and the Nuclear Regulatory Commission.

Mr. SCHWEIKER. So we are deluding ourselves when we say we are setting up a whole new Department of Education and then we leave $12 billion worth of programs out.

You do not have to be a mathematical genius to figure out that we are leaving out almost 50 percent of the educational programs in the Federal Government.

That is a sad commentary on the real feeling of people toward the new Department. We are doing it for political reasons, we all know that. The managers of S. 210 are leaving out the programs because if they tried to get those other things into this new Department of Education, the Senate would have trouble passing the bill. Nobody wants to give up his own turf. That is one of the troubles around Washington. Everybody wants to keep his own little kingdom. He does not want to give it up. He wants it in his department, and that is what we are running into here when we have $12 billion worth of educational programs left out. That is exactly why in the time since this bill was brought up last year Indian education, Head Start, and child nutrition were dropped. The politics are such that the Government Affairs Committee did not want to invade the turf of the educational bureaucracies in Washington.

That is a poor way to organize a department. That is a poor way to say that we are going to have a good Educational Department but we are not going to put $12 billion worth of educational programs into it. It is a poor way to say that we are going to have one unified approach to administration of Federal education programs and we are going to really save a lot of money because we are going to consolidate. I sketched some big programs left out, the National Science Foundation and the National Endowment for the Arts and the National Endowment for the Humanities, and the whole veterans' education, the GI bill education programs. Many of these programs and others are left out because supporters of S. 210 do not want to get the political votes against their transfers because of the fear that the whole bill might be defeated.

So the reality is that we are not really creating a whole new Department of Education; we are taking half a Department of Education from HEW, and calling it the Department of Education.

The whole point of my amendment is that if we are really creating but half a Department of Education, let us have the courage to acknowledge that, and do something else that makes sense. I think my amendment does make sense, because it says, "we can't make a whole Department because all the other agencies, and constituencies, the GI bill, the National Science Foundation, and the Endowments for the Arts and Humanities, do not want to give up their programs." So let us do the next best thing, the logical thing, let us put education into an elevated status within HEW; the half of the educational programs that are in HEW now, we will elevate and make equal with health programs, so that there will be equal treatment between health and education in HEW.

Instead of creating a whole new bureaucracy, we will logically restructure the bureaucracy we have to give education a higher status, as it should have, and also streamline the half of the educational programs that are in the Department of HEW now.

That is in essence what the Schweiker amendment does. It creates two Under Secretaries within the Department of HEW, one Under Secretary for Health and Welfare and one an Under Secretary for Education.

That means that education would have equal status with health and welfare. Education programs are elevated to the point where they have the same recognition, the same consideration, the same status, the lack of which has until now been one of the legitimate criticisms about education in HEW.

It is said that education has been buried. With HEW Education programs have had confused leadership, because we had a Commissioner of Education and we had an Assistant Secretary of Education, and we were really never quite sure who was running educational policy. That is changed by my amendment. We no longer have the Commissioner of Education or an Assistant Secretary for Education; we have this one unit structure, in the Under Secretary, and under this structure we would have four Assistant Secretaries for Education. Those four are, first, an Assistant Secretary for Elementary and Secondary Education—that is a rather logical division—for grades 12 and below. Under him would come seven functions: School improvement, handicapped and occupational education, adult education, compensatory education, bilingual education, overseas dependents' schools, and State and local programs.

The second Assistant Secretary would be for Post Secondary and Continuing Education, which would be responsible for programs relating to postsecondary education and international education.

Then a third Assistant Secretary for Research and Improvement; and that also is a logical way to group things. Here we put the National Institute of Education, which is the primary educational research agency in the Government, within that division. It would also have, educational research and development, policy analysis, administration of the funds for the improvement of postsecondary education, the National Center for Educational Statistics and Evaluation. Then a fourth Assistant Secretary for Education would be responsible for administering the other miscellaneous educational programs which do not fit into one of these three broad categories.

As I say, I think this is a logical approach, recognizing the fact that in S. 210 we are really not creating one whole Department of Education, we are creating one-half a Department of Education and calling it a whole department, we leave $12 billion worth of educational funding programs scattered throughout the Federal Government.

We are going to pay a price for that, because we know that every new Department has a lot of changes and personnel and other things that go with it, and yet we will not get what we want, which is basically a better organized streamlined department. Why not make the best of what we have, which is to take what is presently in HEW, elevate its status, have an undersecretary for health and an undersecretary for education, give them equal treatment, and then have four assistant secretaries for education?

I think, Mr. President, that makes a lot more sense, in view of the political realities that keep us from getting a whole Department of Education. This is a logical, rational, efficient, cost-effective way to give higher status and higher recognition to education.

Mr. President, I am prepared to either let the opposition speak again, or yield back the remainder of my time, whatever they would like to do.

Mr. RIBICOFF. Mr. President, I do not believe there are any further requests for time on this side, and I would be willing to yield back the remainder of my time, too. If the Senator yields back the remainder of his time, I yield back the remainder of my time.

Mr. SCHWEIKER. Mr. President, I understand there has been a yea or nay vote ordered for later on, on my amendment; is that right?

The ACTING PRESIDENT pro tempore. A yea or nay vote has been ordered.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. RIBICOFF. I yield back the remainder of my time. I understood from the comments that Senator BYRD made last Thursday that in any event no votes would occur before 12 o'clock today. I think he assured Members of the Senate to that effect.

The ACTING PRESIDENT pro tempore. An informal agreement to that effect has been entered into.

Mr. RIBICOFF. I think, Mr. President, that that should be respected.

Mr. PERCY. Mr. President, would it be possible to set a time certain, then, for this first vote at 12 o'clock?

Mr. RIBICOFF. I would want the majority leader to pass on that. I think that was his intention, and we could suggest the absence of a quorum to get Senator DeCONCINI here, and also to make sure that that time would meet with Senator BYRD's approval.

Mr. SCHWEIKER. Can we set a time certain for 12?

Mr. RIBICOFF. For 12 o'clock, subject to the approval of the majority leader.

Mr. SCHWEIKER. All right.

Mr. RIBICOFF. Mr. President, I ask unanimous consent, subject to the approval of the majority leader, that the vote on the Schweiker amendment occur at 12 o'clock noon.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Connecticut? Without objection, it is so ordered. There will be a yea-or-nay vote at 12 o'clock on the Schweiker amendment.

Mr. RIBICOFF. Mr. President, I think Senator DeCONCINI, under the unanimous-consent agreement, has the next amendment to be considered. I suggest the absence of a quorum while we call for Senator DeCONCINI.

The ACTING PRESIDENT pro tempore. Against whose time does the Senator wish the quorum call to be counted?

Mr. RIBICOFF. There is no objection to having it count equally against both sides.

The ACTING PRESIDENT pro tempore. Without objection, the time for the quorum call will be counted evenly against both sides on the bill. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business and that Senators might be allowed to speak for up to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF EDUCATION

The Senate continued with the consideration of S. 210.

Mr. ROBERT C. BYRD. Mr. President, we are back on the Department of Education bill?

The PRESIDING OFFICER. The Senator is correct.

RECESS FOR 15 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 11:38 a.m., recessed for 15 minutes; whereupon, at 11:53 a.m., the Senate reassembled when called to order by the Presiding Officer (Mr. ZORINSKY).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the hour of 12 o'clock having arrived, the vote will occur on amendment 139, offered by the Senator from Pennsylvania (Mr. SCHWEIKER). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PELL), the Senator from Maryland (Mr. SARBANES), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) and the Senator from Tennessee (Mr. SASSER) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER (Mr. DeCONCINI). Are there any Senators who have not voted?

The result was announced—yeas 26, nays 58, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—26

Armstrong
Byrd,
  Harry F., Jr.
Cohen
Dole
Exon
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Humphrey
Javits
Jepsen
Kassebaum
Lugar
McClure
Morgan
Moynihan
Proxmire
Schmitt
Schweiker
Simpson
Tower
Warner
Zorinsky

NAYS—58

Baker
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Eagleton
Ford
Glenn
Hart
Hatfield
Heinz
Hollings
Huddleston
Jackson
Johnston
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Nunn
Packwood
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tsongas
Weicker
Williams
Young

NOT VOTING—16

Bayh
Biden
Durkin
Gravel
Inouye
Kennedy
Laxalt
Long
Mathias
Muskie
Pell
Pressler
Sarbanes
Sasser
Stafford
Wallop

So Mr. SCHWEIKER's amendment (No. 139) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRYOR). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Arizona (Mr. DECONCINI) is recognized to call up an amendment on which there is a limitation of 1 hour.

Mr. DECONCINI. Mr. President, I ask unanimous consent that I may yield the floor so that the Senator from Idaho may call up an amendment, without the time being taken from my amendment.

Mr. McCLURE. And with the understanding that the Senator from Arizona will be recognized following the Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho is recognized.

UP AMENDMENT NO. 107

Mr. McCLURE. Mr. President, I have two amendments which I send to the desk, and I ask for their immediate consideration.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE) proposes unprinted amendments numbered 107.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 96, line 16, after the word "programs" add the following: "In carrying out its role of assisting State and local governments in their responsibility for education."

On page 76, line 12 after the word "coordinate" insert "its".

Mr. McCLURE. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, these two amendments to the bill would create a separate Department of Education, but before I describe and discuss these amendments let me make clear I fully support the notion that education needs to be afforded a better place in our system of government. It has, in fact, been buried in the vast department of HEW, and some reorganization is clearly called for. But it is also clear the Federal role in education must be a limited one, since the principle of local control of education is at the heart of our system, is one of its strengths, and is worthy of preservation.

The amendments that I offer today are intended to make clear that the responsibility for public education under our Federal system rests first and foremost with the States and with local units of government. Federal aid to education is a fact but is only legitimate insofar as it supplements local responsibility and authority, not supplants it. Each of my amendments addresses relatively minor points, but which are in my judgment in need of clarification.

The first amendment merely adds the word "its" to make clear it is the Federal Government's education activities and programs which the Department of Education is empowered to coordinate, not those of individual school districts.

The next amendment makes clear that the Federal Interagency Committee on Education shall not function to establish a Federal policy for education in general but rather that it should involve itself in setting out the departmental policy for education only, directed toward carrying out its role of assisting State and local governments in their responsibility for education.

In my judgment, these amendments are necessary to properly describe the intended purpose and function of the Department of Education as I understand it. I urge my colleagues to consider them favorably.

Mr. President, I have consulted with the majority and the minority in regard to these amendments, and they have indicated that they are willing to accept both.

Mr. RIBICOFF. Mr. President, the amendments of the senior Senator from Idaho are acceptable to the manager of the bill.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

Mr. PERCY. Does this amendment supplement the amendment of the Senator from South Carolina (Mr. THURMOND)?

Mr. McCLURE. The second one does add, at the end, some language to the language which the Senator from South Dakota added. The other one is at another point in the bill.

Mr. PERCY. I thank the Senator. The amendment is acceptable.

Mr. McCLURE. I thank the Senator from Illinois.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. PERCY. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 142

(Purpose: To establish an Office of Bilingual Education in the Department)

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I call up my amendment No. 142.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself and Mr. DOMENICI, proposes amendment numbered 142.

Mr. DECONCINI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 81, between lines 4 and 5, insert the following:

"(F) an Assistant Secretary for Bilingual Education;".

On page 81, line 5, strike out "(F)" and insert "(G)".

On page 81, line 6, strike out "(G)" and insert "(H)".

On page 81, line 7, strike out "(H)" and insert "(I)".

On page 81, line 8, strike out "(I)" and insert "(J)".

On page 81, line 24, strike out "(G)" and insert "(H)".

On page 88, between lines 17 and 18, insert the following:

"OFFICE OF BILINGUAL EDUCATION

"SEC. 211. There is established in the Department an Office of Bilingual Education, to be administered by the Assistant Secretary for Bilingual Education appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Bilingual Education all functions transferred to the Secretary relating to title VII of the Elementary and Secondary Education Act of 1965 and any other bilingual education program. The Assistant Secretary for Bilingual Education shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.".

On page 88, line 19, strike out "SEC. 211." and insert "SEC. 212.".

On page 89, line 2, strike out "SEC. 212." and insert "SEC. 213.".

On page 90, line 13, strike out "SEC. 213." and insert "SEC. 214.".

On page 95, line 22, strike out "SEC. 214." and insert "SEC. 215.".

On page 118, strike out line 7.

On page 118, line 8, strike out "(B)" and insert "(A)".

On page 118, line 9, strike out "(C)" and insert "(B)".

On page 118, line 10, strike out "(D)" and insert "(C)".

On page 118, line 11, strike out "(E)" and insert "(D)".

On page 118, line 12, strike out "(F)" and insert "(E)".

On page 118, line 13, strike out "(G)" and insert "(F)".

On page 118, line 14, strike out "(H)" and insert "(G)".

On page 118, line 15, strike out "(I)" and insert "(H)".

On page 118, line 16, strike out "(J)" and insert "(I)".

On page 118, line 17, strike out "(K)" and insert "(J)".

On page 118, line 18, strike out "(L)" and insert "(K)".

On page 118, line 19, strike out "(M)" and insert "(L)".

On page 72, in the table of contents, renumber the items relating to sections 211 through 214 as the items relating to sections 212 through 215, respectively, and insert immediately after the item relating to section 210 the following:

"Sec. 211. Office of Bilingual Education.".

Mr. DECONCINI. Mr. President, I ask unanimous consent that the modification I send to the desk at this time be agreed to. This modifies only by striking out "(6)" on page 138, line 9, of the bill, and inserting "(7)."

The PRESIDING OFFICER. Without objection, the modification is agreed to.

The modification is as follows:

On page 3, between lines 9 and 10 add the following new sentence:

"On page 139, line 9 strike out '(6)' and insert in lieu thereof '(7).' "

Mr. DECONCINI. Mr. President, Senator DOMENICI is a cosponsor of this amendment. I ask unanimous consent that the name of the Senator from Florida (Mr. STONE) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, will the Senator add my name as a cosponsor?

Mr. DECONCINI. Yes.

Mr. President, I ask unanimous consent that the name of the Senator from Hawaii (Mr. MATSUNAGA) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, this amendment would create an Assistant Secretary for Bilingual Education. The Assistant Secretary would administer the Office of Bilingual Education, which already is in existence and is being transferred to the new Department of Education.

Further, the Assistant Secretary for Bilingual Education would be in a position to coordinate other bilingual education programs within the Department of Education.

Title VII of the Elementary and Secondary Education Act is the largest single Federal bilingual education effort in terms of funding and range of activities and is administered by the Office of Bilingual Education. Additionally, there are over 10 federally funded programs which incorporate bilingual education activities in their structure, such as adult education and vocational education. Together these programs serve the needs of children and adults who speak more than 70 non-English languages. In order of numerical significance, the largest language groups are those who speak Spanish, Asian languages, and native American languages.

Establishing a high-level position in bilingual education will help to provide a coordinated Federal effort in the delivery of programs which are supportive of the Office of Civil Rights enforcement of title VI of the Civil Rights Act of 1964. This legislation, together with the Lau against Nichols decision of the U.S. Supreme Court, has increased the need for effective implementation of bilingual education and similar programs. Because up to 3,400,000 school-age children could be helped by bilingual programs, it is imperative that coordination be institutionalized.

An Assistant Secretary for Bilingual Education would insure more ready access to the centers of departmental decisionmaking and make unmistakable the congressional commitment to a strong, effective, and vital bilingual program.

Mr. President, this amendment is supported by a multitude of Hispanic groups throughout the country, including the Mexican-American Legal Defense and Education Fund, the Mexican-American Women's National Association, and others.

The list of organizations supporting Assistant Secretary for Bilingual Educational amendment are as follows:

ASPIRA of America.

El Congreso Nacional De Asuntos Colegiales.

League of United Latin American Citizens (LULAC).

Mexican-American Legal Defense and Education Fund.

Mexican-American Women's National Association.

National Association for Equal Educational Opportunity.

National Council De La Raza.

National IMAGE Incorporated.

National Association for Bilingual Education (NABE)

Puerto Rican Legal Defense and Education Fund Incorporated.

Secretariat for Hispanic Affairs.

U.S. Catholic Conference.

Association of Mexican-American Educators—Tucson Chapter.

National Association of Cuban-American Women, Incorporated.

United Farm Workers (UFW)

American GI Forum Education Foundation.

National Alliance of Spanish Speaking People for Equality, Incorporated.

United Latin American Action Institute.

COSSMHO.

Cuban National Planning Council.

Mr. President, that is all I have to say at this time.

Mr. RIBICOFF. Mr. President, I oppose this amendment.

I am a strong supporter of bilingual education programs. The new Department of Education will contain many important and effective programs, but bilingual education will be one of its most important functions.

The Governmental Affairs Committee went to great lengths to organize the Department of Education around the naturally broad functions of Federal education programs—elementary and secondary education, postsecondary education, special education and rehabilitative services, research and improvement, and occupational, adult, and community education.

The committee found that the very problem with the existing structure of education in HEW is that it is centered around the 40 or so categorical programs. Each now has its own office, its own niche, its own principal officer. This creates a confusing, scattered, and unmanageable situation.

Bilingual education will continue to be an important Federal program. An Office for Bilingual Education is already mandated by law and will probably be contained within the Office of Elementary and Secondary Education. The committee report recommends the Secretary of Education establish an Office of Citizen, Parent, and Student Concern, and that it give attention to the needs of Hispanic people.

The Office of Bilingual Education proposed by the amendment would be a very small principal office in the Department, compared with other principal offices.

Further, bilingual education concerns all levels of education, and as such should be a major emphasis of every principal office in the Department of Education. The goal of bilingual education is to educate non-English speaking people so as to assist them in better entering the mainstream of American education and society.

Mr. President, I hope the Senate will concur with the recommendation of the Governmental Affairs Committee that the structure of the new Department be as streamlined as possible, and not determined by individual categorical programs.

The concern is that this type of an amendment with the creation of an Assistant Secretary will enlarge the bureaucracy in the Department. It would be a burgeoning bureaucracy which we are trying to eliminate.

For those reasons, I oppose the amendment.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield to the Senator from Hawaii 3 minutes.

Mr. MATSUNAGA. Mr. President, I appreciate the Senator yielding.

I have some concern, being from the State of Hawaii, where many of the students are multilingual, multilingual in the sense that we have new immigrants with children who speak the Filipino language, the Chinese language, the Japanese language, the Korean language, et cetera. They are mostly from the Asian nations.

I note that the Senator used the term the Assistant Secretary for Bilingual Education rather than multilingual. I am concerned that it may mean just one language in a State.

Will the Senator clarify what the intent of his amendment is?

Mr. DECONCINI. Yes, indeed, I will.

Title VII of the Elementary and Secondary Education Act has the major Federal bilingual education effort within it. This includes some 70 different languages, and I address the question to the chairman of the committee if he will underline for my purposes that the word "bilingual" in the existing law and under this act will include all languages that the programs are set up for. Is that correct?

Mr. RIBICOFF. That is my interpretation. Certainly when you use the word "bilingual" you are not confining it only to two languages. By all means, the situation as explained so well by the distinguished Senator from Hawaii is understandable. There could be people who speak three or four languages, and it is my interpretation that it will encompass an arrangement in the school district where a student will be speaking more than one language and facilitate utilization of those various language tools.

Mr. DECONCINI. I thank the chairman and I hope that will put the Senator from Hawaii at ease that bilingual education is not limited to one single language other than the English language.

Mr. MATSUNAGA. I appreciate the clarification of the Senator.

I rise in support of the amendment for the reason that the bilingual program has worked very well, not only in Hawaii, but throughout the entire United States wherever the program has been adopted, and the amendment emphasizes the importance of the program and a recognition of its success.

I urge my colleagues to support the amendment.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I certainly commend my distinguished colleague, Senator DECONCINI, for drawing attention to a very important aspect of education.

It is important in many areas of our country where we have a large number of people with limited English-speaking ability. Certainly, I can speak with strong feeling because the State of Illinois probably has upwards of 600,000 people now of Spanish-speaking origin, and, without a knowledge of English, the difficulty of their entry into school has been very great.

It is the fastest growing ethnic group in our State. I have fought very hard for additional funds to assist these young people, and have always felt that California, Texas, and a few other States have had a disproportionate share of those funds.

But, as much as I would like to see greater attention devoted to it, I think it is possible in a different way, a way that would not present the problems that the pending amendment would present.

This amendment is a revision to the categorical-type approach which we have been trying to get away from in education programs.

By creating generic classifications—that is, elementary, secondary education, post secondary education, and so forth—we can deal with the problem in that way rather than the categorical way that has been the pattern of the past and which has created such a hodge-podge of Federal programs.

Such an organizational structure would assist the Department to achieve the desired goals of consolidating education programs.

I think, therefore, from a simply organizational standpoint it would be better to keep the bill as it now stands.

Optimum efficiency would be better achieved by placing responsibility for bilingual education programs with the other elementary and secondary education programs in an office for elementary and secondary education as provided for in this bill.

The Senator from Illinois has no objection to having an office having a particular responsibility for minority interests, minority affairs, and certainly I would like to see considerable emphasis placed upon bilingual education. But I think if we started structurally to do this for bilingual education, then we might have an assistant secretary, as has been suggested, for nonpublic education; an assistant secretary for rural education, an assistant secretary for Indian education, an assistant secretary for student financial aid, as has been suggested; an assistant secretary for library resources, an assistant secretary for teacher training, and an assistant secretary for followthrough, and you can just go on ad infinitum, and all of a sudden we are starting to create and build a huge bureaucracy. That is what we have really pledged many Members of this body would not be the intent, the purpose, and the framework of the Department of Education.

So, with the express hope that bilingual education will receive very high priority, because it is an important element of particularly our primary and secondary educational efforts in this country, I would be required to oppose the amendment as it now stands.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield as much time as the Senator may require.

Mr. DANFORTH. Mr. President, I hasten to say at the outset that I do not have any expertise in the area of bilingual education. I think Senator RIBICOFF and Senator PERCY have had the opportunity to focus their attention on the question of the proper organization of the Department of Education and what makes sense from an organizational standpoint.

It is my understanding that the National Governors Association and the Education Commission of the States have opposed this kind of administrative fragmentation which is represented by this particular amendment.

But I just wanted to state my concern for another type of fragmentation which, I think, is more important than administrative fragmentation. My understanding of bilingual education is that children who come into the school, people who come into the school system, who do not know the English language have the opportunity to learn to read and write English so that they can be integrated into the mainstream of American life; that the purpose of bilingual education is not to set up a separate cultural system within the United States, but is instead to provide a means by which people from other cultures, from other countries, speaking other languages, can come into this country with the wealth of their heritage and participate in full citizenship and in full sharing of what we have in the United States of America.

My concern with the establishment of a separate office or a separate assistant secretary of bilingual education is that it connotes, at least in the mind of this Senator, a recognition of a cultural fragmentation within the United States which we wish to perpetuate, an elevation of the continuation of a multicultural, multilanguage country, and that is the sum total of my problem with it.

I have confidence in the judgment of the chairman and the ranking members of the Governmental Affairs Committee, and I have confidence in the National Governors Association and the Education Commission of the States with respect to the effect of this amendment on the structure of the bureaucracy.

But what I am particularly concerned about is that in voting on what appears on the surface to be simply a structural question within the Department of Education we, in the Senate, would appear to give our imprimatur to the notion that cultural fragmentation is something which should be perpetuated and something which should be encouraged in our public schools. That is something which I question and, in fact, oppose.

Mr. DECONCINI. Mr. President, in response to the Senator from Missouri for just a couple of minutes, let me point out that what the Senator said is partially correct, that the purpose of the bilingual program is to integrate into the system children who are not fluent in the English language. It takes a deep commitment and a tremendous amount of expense, and that is why the law is set up as it is.

Let me just point out a few figures here for you. There are five States that have over 20 percent of their population of non-English background: Arizona, California, Hawaii, Texas, and New Mexico, Hawaii having 26 percent, and New Mexico 49 percent.

There are an additional 12 other States that have populations of over 100,000 of non-English background. Those are: Massachusetts with 109,000, New Jersey with 180,200, New York 758,000, Pennsylvania 140,000, Florida 194,000, Louisiana with 140,000, Illinois with 223,000, Ohio with 140,000, Arizona with 161,000, California with 1,105,000, Nevada with 154,000, and Texas with 864,000 non-English background population.

The purpose is to integrate them into the English-speaking language and into our society. But to do so you have to have a good program, one that is committed to addressing the child's needs so that they are not set back by the fact that they do not speak the English language.

The purpose of this amendment is to put forth in congressional action today, hopefully, a real commitment to do that, not to set up different cultural structures that are going to exist through the rest of their lives, but to be certain that there is a commitment by this Government to see that these people are integrated, that they have the special programs. It is important enough, based on these figures and the success of the programs in the past, to make it a special office or an assistant secretary.

I yield to the Senator from New Mexico.

Mr. DOMENICI. I thank my good friend from Arizona. I will not take long.

Might I first ask unanimous consent that Barbara Anderson of my staff be granted floor privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as cosponsor of Senator DECONCINI's amendment No. 142 that seeks to establish an Assistant Secretary for Bilingual Education I would like to add a few salient points.

Free public education in this country as provided through a combined local, State, and Federal effort is perhaps the most important single domestic program in the country.

Education accounts for approximately one-fourth of all Government spending if you combine Federal, State, and local sources. Thus, education is a major enterprise in this country. It is built around a complex relationship between local, State, and Federal governments. While basic education programs are primarily a State and local responsibility, the Federal Government has in recent years assumed a significant role.

Mr. President, children in the United States are entitled to a free public education. For those children who do not speak English or who have limited English proficiency, the public education program needs to include the teaching of English as a second language and bilingual instruction in other subjects in order to allow children to progress through the educational system while they learn and improve their skills in English.

According to the current estimates, there are close to 15 million persons in the United States for whom English is the second language—3.6 million of which are school age. A large portion of these limited English-speaking persons are of Spanish-speaking backgrounds. Data gathered on Spanish-speaking schoolage children show that their enrollment rates are lower, in all grades, than English-speaking students. Hispanics are less likely than either whites or blacks to be enrolled in postsecondary education. Most students who live in households where a language other than English is spoken are behind in the grade level expected for their age. In addition, when compared with children with English language backgrounds, the dropout rate for the Hispanics is 4.5 times higher; the rate for other non-English-speaking children is three times higher. These glaring examples demonstrate that limited English-speaking students are not faring well in our educational system. To address this problem and to assist the State and local governments in providing adequate educational programs for the limited English speaking, the Federal Government has taken an active part in financing bilingual education.

Since 1969, Federal assistance to bilingual education programs has increased from $7.5 to $135 million. By fiscal year 1978, the title VII program had grown to include 565 projects reaching close to 300,000 children.

The success of the Federal bilingual effort has been evaluated in the context of title VII—bilingual education program. The studies to date draw mixed conclusions as to the effectiveness of the program. Some assessments detect little or no impact on student achievement in math and reading while others have discovered considerable gains in reading and math scores along with a reduction in absenteeism among program participants.

The size of the target population, the severity of the educational problems in question, and, above all, simple social justice combine to make it imperative for us to improve and refine the performance of bilingual programs. Those approaches and concepts that show promise should be retained and expanded while those which cannot withstand impartial appraisal should be discarded.

An important component in the effort to improve bilingual instruction for our children should be the elevation of the Office of Bilingual Education within the new Department of Education.

I am in total agreement with my colleague, the Senator from Arizona, (Mr. DECONCINI), that an Assistant Secretary for Bilingual Education would strengthen the institutional position of the bilingual programs within the new Department of Education and, at the same time, facilitate better coordination between the Office of Bilingual Education and other major organizational elements. It would insure administrative oversight of the Federal funding commitment and integrate bilingual concepts into the overall educational process.

Mr. President, I believe this amendment would significantly strengthen the proposed Department of Education and help it to better address one of the pressing needs in American education today. I would urge my colleagues to give this amendment their full support.

Mr. President, I do not think we have to engage in substantive argument with the distinguished Senator from Missouri. I think his concern about cultural disparity being perpetuated through bilingual education could indeed take a couple of days. I might disagree with him, but I do not think one has to disagree with him in order to be for the DeConcini-Domenici amendment.

I would just say that it appears to me that cultural disparity in this country, as shown by the preservation of many of the habits, customs, and indeed, I say to my good friend, the languages of foreigners who have been privileged to come to this country, might well be a strength rather than a weakness, as suggested by the Senator from Missouri. In fact I travel this country, I find a resurgence of a desire to perpetuate cultural traditions and habits, including languages, not only in New Mexico for Hispanics, but in Connecticut for Italians, for example, or in Pennsylvania for Germans.

The perpetuation of their language as a part of their culture just means this country is strong enough that we do not want everybody to sing the same tune, or necessarily to speak only one language. Rather the strength is in optimum opportunities, not maximum assimilation of a culture.

Having said that, let me say that the facts are that we have a strong, expensive, ever-increasing commitment to bilingual education. All we have to do is read the facts. It started off as a very small program. I do not believe the Senator is suggesting it should remain as such: $7 or $8 million a year. Is has grown to over $200 million.

The facts are that a bilingual education program is a difficult program to administer, a difficult program to gather facts on, a difficult program in which to train those who are to teach under it.

Therefore, my support is principally based on the proposition that it is here to stay, it is needed as much now as when it was started, if not more so, and that the only way to truly indicate to the new Department of Education in a meaningful way that we really want them to do a better job in a very difficult area, to get some answers more quickly out into the field, to have less flexibility when they make decisions, changing them every other year, we have to put somebody in this new department as high as an assistant secretary who is in charge of seeing to it that this very important program be administered with the kind of policy attention that a bilateral education program deserves and must have.

I know that the new Secretary of Education, if this Department becomes a reality, will come forth and tell the Human Resources and Appropriations Committees, "Oh, we are going to do a better job with bilingual education. We are going to get the answers; we are going to make decisions with a little more concern about what delay does out in the field; we are going to try to establish some multiyear goals." But the truth of the matter is that they have not done it up to this point, and I am very doubtful whether they will do it in a new Department, without some very definite policy and administrative focal point.

Therefore, I hope the Senate will indicate to the department, by passing the amendment, what the Senator from Arizona and I think is necessary, establishing not only in name an Office of Bilingual Education, but with an Assistant Secretary charged with doing what I feel is necessary and what I am sure the educators across the country feel is necessary, that is not now being done.

I thank the Senator from Arizona for yielding me some time on our amendment.

Mr. DANFORTH. Mr. President, responding briefly to my really good friend from New Mexico. I have to say that I am what I guess is becoming a type of endangered species, perhaps: I am an old-fashioned integrationist. I believe in it. I believe that we are one people in this country.

That does not mean we are just an amalgam. People came to America from all parts of the world. They came here with different traditions, and they brought a lot to this country.

But I think the point of the public schools has always been to try to integrate the various strains of American life, to try to weave these various threads together into a whole cloth, into a pattern which we call America. The point of the Public schools has never been, to my knowledge, to perpetuate the differences or to lead to a continuation of the kind of total distinction which was true before the people ever arrived on our shores in the first place. I believe that is what the public schools have been all about.

In considering public education, my position is very simple. When the Supreme Court decided the case of Plessy against Ferguson, and said "separate but equal if possible," I think the Supreme Court was wrong. When the Supreme Court, in deciding the case of Brown against Board of Education, decided that "separate but equal" is not possible, but is inherently wrong, I think the Supreme Court of the United States was correct. I think that Brown against Board of Education was a major breakthrough for our country, not just for what it did for black Americans by moving toward according them first-class citizenship in American life, but for the underlying recognition that we are all Americans, no matter what our color, no matter what country we came from, no matter what language we spoke when we arrived.

I think that the problem with this amendment as I understand it is that it considers language groups and cultural and racial groups as entities to be treated separately, and to be treated separately in perpetuity. That, to me, is the symbolic nature of what is involved here.

I recognize that this bill, the Department of Education bill, is to be purely a reorganizational kind of bill, that we are not supposed to be talking about broad philosophical questions. But to me this particular amendment raises a philosophical question which is very broad and very significant, and on which I cannot keep silent.

Mr. DOMENICI. Mr. President, will the Senator yield for 1 minute?

Mr. DANFORTH. Certainly.

Mr. DOMENICI. I want to say to my good friend that if he is an old-fashioned integrationist, so am I. If you are an old-fashioned integrationist, to borrow your words, so am I. In fact, I think probably I am a living example of it, probably more so than my good friend, because it happens that both my parents—not my grandparents or great grandparents, but both my mother and my father—were born in a foreign country. Neither of my parents, especially my father, had a bit of education in the United States, though he did very well in a foreign language. My mother did have some education here, since she came here as a young child.

I understand the importance of education as a great opportunity provider. But nevertheless, after all the decades of the educational goals that my friend speaks for, the dropout rates for Hispanics are so dissimilar when compared to the rest of the American population as to be absolutely astonishing.

The dropoff rate is tremendously higher, as indicated in my prepared remarks. The success in receiving an education is tremendously lessened for that group of Americans than others. The truth of the matter is that whether we are for it or not, that is, bilingual education, and whether or not the Senator from Missouri is for it, I say to my good friend, America has a policy in the Bilingual Education Act, and funded quite heavily by the Appropriations Committee, to move in the direction of making education more advantageous, more apt to succeed, for minorities, especially Hispanics under the Bilingual Acts.

They are not going to go away simply because we are reorganizing here. Quite to the contrary, they still have a few more years of authority in them and are getting a stronger commitment. The Senator's argument is an argument when we have that bill on the floor perhaps to do away with it. But I say we are doing a poor job of administering that rather large program with great constituency needs, great educational needs.

Our amendment gives it a better chance of working with the $200 million plus that we are going to spend.

I say to my good friend I believe there is little difference in our philosophy and approach, but in this case it seems to me if we are going to have this major program we need a better management tool than merely an office with no policy, no focal point, no decisionmaking capacity. I thank the Senator for yielding.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Illinois.

Mr. PERCY. Mr. President, I think my distinguished colleague from Missouri makes a good point. I would like to put a question to the chairman of the Governmental Affairs Committee.

We do have a great responsibility, as has been pointed out, to integrate into American society those who come from abroad and who have a language difficulty in that they do not speak English; they continue to move into an ethnic neighborhood and become a part of their heritage. They are proud of it. We want them to be proud of it. We are all, in a sense, members of some ethnic heritage.

There is a school right here in the District of Columbia at the corner of 34th Street and M Street called the Americanization School. That is how the District of Columbia handles this matter. That school is open and draws to it people who come to this country, regardless of age, who cannot speak English, who cannot be put into a regular school, and who need a transitional school which places high emphasis upon language. But that is done by the local school district. It certainly is encouraged, I am certain, by the Office of Bilingual Education of the Department of HEW under the Commissioner of Education.

Would it be possible for us to establish legislative history at this time that though there is discretion on the part of the Secretary of Education, if this Department of Education is created that there be an Office of Bilingual Education? The managers of the bill and a number of Senators really feel that this is highly important and that we would place high priority upon continuing the emphasis that now the Commissioner of Education places upon bilingual education.

I would not want to see bilingual education lost, but I think the Senator from Missouri has an extraordinarily good point. We do not want to set up an organizational structure that will encourage someone not becoming an integrated part of American life, which means being able to speak with, converse with, hold job with, and be a part of the rest of American society, most of which speaks the English language.

If we could have some assurance that there would be legislative history established, that this office is important and is a matter of high priority, it should not be summarily disbanded. I think that might help, and I think our distinguished colleague from Arizona would have made a major contribution along with Senator DECONCINI in pointing out the importance of this particular aspect of the Department of Education.

Mr. RIBICOFF. Personally, I am very sympathetic with the position taken by the distinguished Senator from Arizona and the distinguished Senator from New Mexico.

Like the distinguished Senator from New Mexico, my parents were not born here. As a matter of fact, as a child going to school I learned how to speak English before by mother and father learned how to speak English. One of the great problems that is misunderstood, and I think the point made by the Senator from Arizona and the Senator from New Mexico covers this, is it not a question of separating and not integrating people who do not speak English, separating them from the mainstream of the United States, but the realization that in certain areas of the country where there are large numbers of people who speak a language other than English, it is a very difficult problem to educate them with a sense of equality so they understand not only the United States but the lessons they are learning from schoolbooks in English. This takes a longer period of time. It requires a great deal of skill.

Certainly, in sections like New Mexico, California, Arizona, and Texas, where there are so many Spanish-speaking people, in the hundreds of thousands, completely surrounded by neighbors and friends speaking the same language so they do not have the opportunity of being able to converse or learn in English, their education should be furthered.

I was rather surprised when my distinguished colleague from Illinois pointed out that in Chicago alone there are some 600,000 people speaking Spanish. So we do have a problem.

The only objection I really had to the amendment of the Senator from Arizona and the Senator from New Mexico is that I thought they might, by seeking another Assistant Secretary, make this Department increase the bureaucratic burden. We tried to streamline this Department to make sure that we were not creating a great bureaucracy.

The Senator from Missouri and the Senator from Delaware tried throughout the markup on this bill to simplify this Department instead of complicating it.

What worries me is that by creating an Assistant Secretary for Bilingual Education, there are proposals for an

Assistant Secretary for Nonpublic Education, an Assistant Secretary for Rural Education, and in the offing an Assistant Secretary for Indian Education, an Assistant Secretary for Student Financial Aid, for Library Resources, for Teacher Training, and an Assistant Secretary for Follow Through. Before we are through we would have a massive Department that just could not be handled. We would not simplify the streamlining but we would be complicating a situation which would be helpful to education.

The Senator from Illinois is absolutely correct. By placing it the way we have and continuing the Office of Bilingual Education, there is an assurance, a guarantee, that we make it a part of the policy of the Federal Government to recognize its responsibility for bilingual or multilingual education and not to downgrade it. But our deep concern was not to complicate the organizational setup of the new Department.

I agree with my distinguished colleague. I would hope that it would be possible to work out a proposal to achieve the objectives of both the Senator from Missouri and the objectives of the Senator from Missouri and the objectives of the Senator from Arizona and the Senator from New Mexico. I think our objectives are basically the same.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the amendment I send to the desk modify my Amendment 142 and that Senator CHILES be added as a cosponsor with those already on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment, as further modified, is as follows:

On page 81, between lines 5 and 6, insert the following: (G) a Director of the Office of Bilingual Education and Minority Affairs;

On page 81, line 6, strike out "(G)" and insert "(H)".

On page 81, line 7, strike out "(H)" and insert "(I)".

On page 81, line 8, strike out "(I)" and insert "(J)".

On page 81, line 24, strike out "(G)" and insert "(H)".

On page 88, between lines 17 and 18, insert the following:

OFFICE OF BILINGUAL EDUCATION AND MINORITY AFFAIRS

SEC. 211. There is established in the Department an Office of Bilingual Education and Minority Affairs, to be administered by a Director of Bilingual Education and Minority Affairs, who shall be appointed by the Secretary and shall be compensated at the rate prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code. The Director and the Secretary shall consult concerning policy decisions affecting education programs of the Department which affect minorities, including those programs which relate to bilingual education.

The Director shall coordinate the administration of bilingual education programs by the Department. The Director shall report directly to the Secretary, and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe. In carrying out the provisions of this section, the Director shall consult with the Director of the Office of Bilingual Education.

Mr. DECONCINI. Mr. President, this modification adds bilingual education to the Office of Minority Affairs. It does not create an Assistant Secretary, as the original amendment did; it creates an Office of Bilingual Education and Minority Affairs, directed primarily toward the bilingual education programs, to be sure they are implemented and that minority participation is protected in those programs. I believe it is a step forward.

I thank the distinguished chairman of the committee (Mr. RIBICOFF) for his cooperation and that of his staff, and the minority ranking member for his willingness to work on this very important subject matter, not only to the State of Arizona and those States with a very high minority-language-speaking population, but other areas throughout the country. Only through the leadership of the distinguished Senator, knowing that he is very supportive of this bilingual part of the bill, could this be achieved, along with the help of the Senator from New Mexico, the cosponsor of the bill, and his staff's time in putting together what I consider to be a very positive compromise.

Mr. RIBICOFF. Mr. President, I do believe that we have worked out a good compromise. I think it should be emphasized, and I am sure that the Senator from Arizona will agree with me, that the basic purpose of this new Office is in the field of bilingual education and not the enforcement of civil rights, because there is already an Office for Civil Rights.

We want to make sure there is no interpretation in this amendment that this is civil rights oriented, but, basically, education oriented, affecting education programs with an emphasis on bilingual education.

Mr. DECONCINI. The Senator is correct. That is my understanding and the purpose of this modification of the original amendment.

Mr. PERCY addressed the Chair.

Mr. RIBICOFF. Before yielding to the distinguished Senator from Illinois, this amendment is acceptable to the manager of the bill.

Mr. PERCY. Mr. President, I now support the amendment as modified. I think it places in proper perspective the importance of bilingual education, but also takes fully into account the very important points that have been brought out by our distinguished colleague from Missouri.

Certainly, we have a desire to assist and help every person that comes to this country that needs assistance in order to accomplish integration into American life.

We do not want to perpetuate the separation of those who have foreign heritage, nor do we want to proliferate the bureaucracy of the Department of Education. We want to keep it streamlined and remove it from categorical programing, and we want to see it is organized structurally, to correspond with the basic type of educational organization we have in America.

I now find the amendment, as modified, acceptable. I commend our distinguished colleague from Arizona for modifying it to suit the problems presented by Members of the Senate.

Mr. DOMENICI. Will the Senator yield for 1 minute?

Mr. PERCY. I am happy to.

Mr. DOMENICI. Mr. President, I first want to thank my good friend from Arizona (Mr. DECONCINI) for his diligent work on behalf of not only this amendment, but what it stands for.

As I see it, it is truly American, to borrow from my friend from Missouri's statement, to give every young child in this country an opportunity to be educated.

It is obvious that there are young people in this country who, because of language barriers and cultural barriers, are not all getting an equal opportunity.

That is what we are looking for here. We are looking for the development of a truly effective bilingual education program.

It is the Senator's view and mine that the only way we will get it, in addition to an authorization bill and appropriations, is to have the appropriate emphasis within the Department of Education.

That is what we sought to do. That is what we are going to do with the kind assistance of the chairman and ranking Republican.

I appreciate their help in their job of trying to see that the money we spend on this phase of education is truly spent wisely, to give all young Americans, even those with language starts that are different from others, an opportunity to get a truly equal start in life.

I thank the Senator from Arizona.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the yeas and nays ordered for this vote be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I yield back the remainder of my time.

Mr. RIBICOFF. I yield back the remainder of my time.

Mr. DECONCINI. I move the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Arizona.

The amendment (No. 142), as modified, was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 108

(Purpose: To provide for parental notification and consent before students participate in sex education programs in public elementary and secondary schools)

Mr. HELMS. Mr. President, I send an

amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 108:

At the appropriate place in the bill, add the following:

"No public elementary or secondary school which receives Federal financial assistance, shall require students to participate in sex education instruction or programs without first obtaining the written permission of the parents or guardians of such students and without providing an opportunity for such parents or guardians to review all educational material to be used in such instruction or programs, including all written materials, film, or other visual educational aids."

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. There is a 90-minute time limitation on this amendment, or has that been reduced to 1 hour?

The PRESIDING OFFICER. The time limit has been reduced to 1 hour.

Mr. HELMS. Thirty minutes to a side?

The PRESIDING OFFICER. That is correct.

Mr. HELMS. This amendment by unanimous consent is not in the usual form, is that correct?

The PRESIDING OFFICER. The germaneness rule does not apply to this amendment.

Mr. HELMS. I thank the Chair.

Mr. President, I yield myself such time as I may require.

Mr. President, last week I had occasion to review an article in the recent issue of the Public Interest entitled "Turning Children into Sex Experts." As I am sure my colleagues are aware, the Public Interest is the outstanding academic quarterly edited by Irving Kristol and Nathan Glazer. Its publication committee is composed of such scholars as Martin Feldstein, Leo Rosten, Martin Segal, James Q. Wilson and of particular interest to all of us here in the Senate, the distinguished junior Senator from New York (Mr. MOYNIHAN) is also a member of that publication committee.

Mr. President, the subject of sex education is not an easy subjection to discuss, I acknowledge that at the outset. Indeed, as the author of "Turning Children into Sex Experts," Jacqueline Kasun states:

> The notion having long prevailed that anyone questioning the value of sex education must be some sort of unenlightened crank, it is small wonder that the topic receives so little scrutiny. There are, nevertheless, elements in the emerging sex-education movement that must raise questions in even the most accepting hearts.

Dr. Kasun certainly cannot be described as "some sort of unenlightened crank." With degrees from the University of California at Berkeley and Columbia University, Dr. Kasun is presently a professor of economics at Humbolt State University in California. She is the mother of three children and is concerned that valuable instruction in biological matters not be distorted.

While much of the discussion in "Turning Children into Sex Experts" is unpleasant, I commend it to the consideration of my colleagues since many of the organizations involved in producing the material described in this article receive substantial amounts of Federal financial assistance.

I might say parenthetically, Mr. President, that on Friday of last week, I had the pages distributed to every Senator in this Chamber a copy of Dr. Kasun's article. That article is on every Senator's desk right now.

Mr. President, I ask unanimous consent that the article by Dr. Kasun be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TURNING CHILDREN INTO SEX EXPERTS

(By Jacqueline Kasun)

The notion having long prevailed that anyone questioning the value of sex education must be some sort of unenlightened crank, it is small wonder that the topic receives so little scrutiny. There are, nevertheless, elements in the emerging sex-education movement that must raise questions in even the most accepting hearts.

It may come as a surprise to other parents, as it did to me, that the contemporary sex-education movement does not focus primarily on the biological aspects of sex. The movement's leaders and disciples are not biologists but mainly psychologists, sociologists, and "health educators." Their principal concerns are less with the physiology of procreation and inheritance than with "sexuality," a very broad field of interest running the gamut from personal hygiene to the population question, but largely concerned with attitudes and "values clarification" rather than with biological facts.

Thus, though the new sex programs are rather thin on biological facts, they do not skimp on information about the various types of sexual activity. From instruction in "French" kissing to the details of female masturbation, the information is explicit and complete. The curriculum guide for the seventh and eighth grades in my city of Arcata, in Humboldt County California, specifies that "the student will develop an understanding of masturbation," will view films on masturbation, will "learn the four philosophies of masturbation—traditional, religious, neutral, radical—by participating in a class debate," and will demonstrate his understanding by a "pre-test" and a "post-test" on the subject. A Planned Parenthood pamphlet, The Perils of Puberty, recommended by my county health department for local high school use, says: "Sex is too important to glop up with sentiment. If you feel sexy, for heavyen's sake admit it to yourself. If the feeling and tension bother you, you can masturbate. Masturbation cannot hurt you and it will make you feel more relaxed."

Homosexuality receives similarly thorough and sympathetic treatment in the new sex curriculum. In an article on "Sex in Adolescence: Its Meaning and Its Future," reprinted from Adolescence and distributed to high school teachers by Planned Parenthood, author James W. Maddock stresses that "we must finish the contemporary sex 'revolution' . . . our society must strive to sanction and support various forms of intimacy between members of the same sex." The sex-curriculum guide for elementary schools in my city specifies that children will "develop an understanding of homosexuality," learn the vocabulary and social fads" relating to it, "study the theories concerning it," view films and engage in role playing about homosexuality and take tests on it. The teaching stresses the sociological, rather than biological, nature of sex "roles." A suggested class outline distributed to teachers by Planned Parenthood emphasizes the "cultural basis of sex: 'masculine' vs. 'feminine' behavior; how we learn society's defined sex roles."

Another noteworthy feature of the contemporary sex-education movement is its emphasis on separate individual sexual gratification, rather than on sex as an interpersonal act. Thus, authors John Burt and Linda Meeks, in their Education for Sexuality (W. B. Saunders, 1975), a text for teachers of sex, describe coitus briefly but dwell for pages on the "four phases of sexual response" of the separate individuals concerned. They liken sexual response to "an individual's jumping off a diving board" and suggest that junior high school teachers discuss in depth with the class "the person's [singular] feelings about sexual excitement and orgasm."

The instruction makes it clear that the source from which the person obtains these individual pleasures of sex—whether from married intercourse or from masturbation or from homosexual relations—is entirely a matter of preference. In a "sexuality" course for teachers, given recently by my county health department, I heard the instructor deplore the fact that so many otherwise well-informed girls and women "have never been told anything about masturbation" and "don't even know they have a clitoris."

AN EARLY START

To most persons first encountering the new "sexuality" instruction probably its more striking feature is its precarious intensity. The Burt and Meeks kindergarten-through-twelfth-grade model curriculum begins with a mixed-group "bathroom tour" in the first grade accompanied by the naming and explanation of the male and female genital parts. Children receive detailed instruction in male and female genital anatomy and human sexual intercouse in the fourth grade. Moreover, proponents of the new sex programs want them to be compulsory for all students from kindergarten through at least two years of high school.

Here in California state law still permits parents to keep their children out of sex classes by written request. Parents report, however, that they receive so little information about the times and nature of the instruction that they are unable to send in their requests at the right times. And whereas for most school activities requiring parental permission a signed permission slip is necessary. The law allows a child to receive sex instruction unless his parent specifically requests that he not receive it.

Planned Parenthood instructions urge sex teachers to maintain an "open atmosphere" in which students can "share" their feelings and "open up and talk freely about their concerns." One Humboldt County curriculum guide urges students to "thoroughly discuss their problems" in their sex classes and to engage in "total sharing" in such discussions. Teachers can accomplish these objectives and can "change teenagers' intentions" by "becoming the best friends in the adult world that many of these students have ever had," according to the Humboldt County Family Planning News, edited by Planned Parenthood officials and distributed by the county health department to sex teachers.

The "intention-changing" techniques are worthy of note. Rather than having the class register opinions by merely raising hands or casting ballots, the teachers of a sexuality class I attended would ask students holding various views to move to designated places in the room. Holders of minority opinions would thus find themselves conspicuously isolated in space.

With subject matter varying between the coyly sentimental and the grossly explicit, most class activities consist of seemingly innocuous, but clearly directional, mental-conditioning "exercises." Thus the Burt and Meeks teaching unit on homosexuality begins by having students discuss the changes which have occurred in male and female roles. Students then decide whether these changes have been beneficial for society. After this, they "role play" the parts of effeminate men and masculine women, and then they "collect magazine . . . articles . . . and pictures of famous persons who possess attributes of the opposite sex." The unit culminates with a vocabulary list of such words as *fellatio* and *cunnilingus*. Needless to say, the thrust of the conditioning process in this instance is obvious. A similar progression can be observed in all elements of the "sexuality" teaching.

By the time children are in the seventh grade, they will have been taught—and will begin to review—ovulation, intercourse, fertilization, anatomy (including ovaries, Fallopian tubes, uterus, vagina, hymen, labia, clitoris, scrotum, penis, testes, prostate, Cowper's glands), erection, ejaculation, orgasm, genetics, embryonic development, the several stages of birth, breast-feeding and bottle-feeding, and birth control. The curriculum in my city provides for seventh- and eighth-grade children to spend one-fifth of the school day for four weeks each year in "sexuality" instruction. During this time they are to review the above subjects and also take up new material on contraception, venereal disease, the "effects of overpopulation," the "need for mature and responsible decisions regarding population stabilization," homosexuality, masturbation, the "intelligent choice of a sexual life style," genetics, and abortion. They receive information about the legality and safety of abortion and the "services available" to them (i.e., the availability of abortion through the county health department or Planned Parenthood to any girl without her parents' consent or knowledge).

The teaching methods are as intense as the subject matter. Burt and Meeks recommend that teachers have students in every grade "take notes on the discussion and carefully organize them into separate units to compile a notebook on human sexuality." The authors say teachers should "encourage outside reading and the inclusion of additional materials in the notebook," and should have students "do some research and report to the class on the differences between human sexuality and the sexuality of lower animals." The National Sex Forum distributes for dissemination to school children pages of details regarding the male and female genital response during sex. The curriculum guide drawn up for schools in Ferndale, California, suggests that high school students work as boy-girl pairs on "physiology definition sheets" in which they define "foreplay," "erection," "ejaculation," and similar terms. Whether or not students are satisfied with their "size of sex organs" is suggested as a topic of class discussion in this curriculum.

The teacher of a "sexuality" class I attended distributed instructions for "Group Drawing of Female and Male Reproductive Anatomy," in which high schools students are to "break up into groups of four to six persons, with men and women in each group." Each group then makes a drawing of the female and male reproductive organs and genitals, including the penis, scrotum, testes, vagina, clitoris, cervix, labia, and other parts. When the groups have finished, the teacher instructs them to check their drawings against accurate ones which she projects on the wall to "correct them" and to "talk about inaccuracies." The instructions for this exercise state that its purpose is "to provide a relaxed 'non-academic' means of reviewing the basic sexual physiology," to "provide a setting in which ignorance about physiology may be revealed without shame," and to "provide an opportunity to work as a group on a task." This activity has been included in the curriculum proposed for one city in my county. The guide suggests that though students may be permitted to work on this "exercise" as individuals, "the group experience . . . can help in . . . building . . . trust and sharing." In conclusion, the guide instructs the teacher to have students "discuss how they felt about 'drawing sex organs.' "

This enthusiastic pursuit of "self-awareness" in an "open atmosphere" extends to all aspects of sex education, including the programs for the mentally retarded. In their Sex Education for the Developmentally Disabled (Baltimore: University Park Press, 1973), Henry L. Fischer, Marilyn J. Krajicek, and William A. Borthick present explicit drawings of men and women masturbating and tell the teacher to elicit discussion by using four-letter words. The authors admit that parents may have "an underlying fear . . . that such talk about sex will create uncontrollable overstimulation." They nevertheless insist that parents and teachers should seize opportunities to discuss sex with retarded children, since the children know about it already or will find it out elsewhere. The fact that in either event the instructions is unnecessary raises a logical difficulty for all types of sex instruction, which its promoters counter by hinting darkly that all other purveyors of sex information are peddling mere "obscenities," in the words of Fischer and his colleagues.

Despite the billing as "education for love," love itself is thoroughly debunked in the new programs. Sex is simply something with which one feels "comfortable," in the new view. A "sexuality" teacher whose class I attended guided her students through a lengthy list of "reasons why young people have sex" ("they want to prove their masculinity or femininity," "everybody else is doing it," etc.) without once mentioning love or marriage. "Romantic love," as portrayed in *Romeo and Juliet*, is an especially dangerous illusion, according to the new sex cult. It offers instead "rational love," which, according to University of Washington psychologist Nathaniel Wagner in his film *Human Sexuality*, can surmount the romantic impulse by envisioning the beloved sitting on the toilet passing wind while nose-picking and scratching.

Though rejecting traditional moral values, the new teaching is far from value-free. The new ethic, embraced and taught with all the fervor of the New England preaching tradition, is "responsible sex"—i.e., sex without parenthood, except under rigidly circumscribed conditions and in extremely limited numbers. Indeed, according to the Humboldt County *Family Planning News*, which is distributed to teachers it is good to realize that one may not be "parent material" and to forgo parenthood entirely. If people insist on having children, the *News* advises that there are "practical advantages to the one-child family," including "marital fulfillment," "lessened pressures from population growth," and "freedom to organize family activities without conflicts among children."

One school curriculum guide in my county carries out these themes by asking children to decide whether they are "parent material" by discussing "the problems that would be eliminated if I were the only child" and by lengthy discussions of family "conflicts" and "sibling rivalry." The guide offers a list of "reasons for having children," including the "desire to prove your femininity or masculinity (I *can* do it!)" "to make up for your own unhappy childhood," the "desire to be punished for having sexual relations," "to get back at your parents," and other motives suggesting that persons who want children must, at the least, be socially inadequate, and, more probably, psychologically deranged.

The literature stresses how difficult it is to raise children and how unattractive they are: "Babies are not sweet little things. They wet and dirty themselves, they get sick, they're very expensive to take care of," warns one Planned Parenthood pamphlet distributed for student use. One local curriculum guide warns that "it is estimated that it takes $70,000 to $100,000 (not including mother's loss of income) to raise a child these days," that "babies need attention and care 24 hours a day," and that they can often spoil marriages by making their fathers "jealous" and rendering their mothers "depleted."

But above all, babies add numbers to the population. Though modern sex education claims to relieve students from all anxiety regarding any means of sexual expression, it imposes its own burden of guilt: Those who add to the population "explosion" are guilty of unforgiveable sin. The promotional literature makes it clear that the population-control purposes of sex education override any interest in "education for love" or "healthy positive attitudes." Fully one-quarter of the Burt and Meeks "Speech" is concerned with the "major problem of our times"—the population "explosion." The Speech states that the so-called "explosion" is responsible for unemployment, pollution, poverty, and starvation. The Speech tells listeners they have already "encountered the problem" on a personal basis while "attempting to get a bowling alley," "waiting your turn to play golf," and "looking for a place to hunt, fish, or camp."

Not content with thus playing upon middle-class impatience at waiting in any line for any reason, the authors erroneously claim that "world population is increasing at a rate of 2 percent per year whereas the food supply is increasing at a rate of 1 percent per year." (In fact, the world food supply in the period since World War II has increased substantially faster than population, and per-capita food supplies are now at their all-time highs, despite attempts by several countries to curtail production.) The Speech threatens that unless the so-called "population explosion" is brought under control, average world food intake will decline to mass-starvation levels by the year 2000.

Nor is the Speech exceptional. The leading proponents of sex education have all frankly espoused it as the most effective and politically acceptable form of population control. In its Implementing DHEW Policy on Family Planning (1966), the Department of Health, Education, and Welfare touted its sex-education projects as a means of "effective fertility control," especially among minorities. Planned Parenthood and the Sex Information and Education Council of the U.S. (SIECUS) have long taught that sex educators have the duty to change people's values so as to reduce their fertility. As Dr. Mary Calderone, a leader in both of these organizations, put the problem of inducing people to want and to beget fewer children, "If man as he is, is obsolescent, then what kind do we want in his place and how do we design the production line? . . . In essence, that is the real question facing . . . sex education."

The sex curriculum adopted in my city places major emphasis on "population stabilization" and the "effects of overpopulation . . . crowded housing, lack of farmland . . . famine and eventual death." Seventh-grade students in my city are told to "consider future generations" and are shown films on the "overpopulation" threat. The teaching unit on "Contraception and Population Stabilization" instructs these seventh-graders in the contraceptive methods which they can use to avert the horrors of overpopulation. They are also instructed in "the permanent methods of birth control—vasectomy and tubual ligation," which they can use to defend themselves against this threat, and are told where they can obtain this protection. To maintain the pressure, local health departments throughout the country distribute impassioned warnings about the population "explosion" in periodic newsletters; here in Humboldt County the Family Planning News regularly sounds the population alarm by reprinting and distributing to teachers sundry threats of the calamities to ensue from "excessive fertility." The so-called "teenage pregnancy epidemic" stimulates additional alarms.

The "values clarification exercises" so much emphasized in modern sex classes carry out these themes. The following "exercise" appears in Sidney B. Simon's widely-used Meeting Yourself Halfway: 31 Value Clarification Strategies for Daily Living (Argus, 1974):

The population problem is very serious and involves every country on this planet. What steps would you encourage to help resolve the problem?

(1) volunteer to organize birth-control information centers throughout the country

(2) join a pro-abortion lobbying group

(3) encourage the limitation of two children per family and have the parents sterilized to prevent future births.

But, above all, the teaching emphasizes that the student should take responsibility for limiting his own procreation by means of contraception, sterilization, abortion. Also, "if you're not supposed to go after a girl . . . masturbation is a perfectly acceptable, useful, comforting thing," counsels Planned Parenthood in The Problem with Puberty, distributed for use in schools. Finally, homosexuality also achieves the movement's goal of separating sex from reproduction.

Though a full discussion of the population question would be beyond the scope of this article, it should be noted that the doomsday view of the subject is not universally, or even very widely, shared by knowledgeable specialists in economics and demography. The significant point, however, is that under the guise of providing publicly-funded sex education, a particular interest group has found the opportunity to promote its unique view of the population "crisis." In undertaking to finance and promote a multi-million-dollar program of public sex education, the government has entered very heavily into the promotion of a particular world view and the establishment of a chosen ideology, a kind of secular religion. That is a posture the public and Congress would do well to examine anew.

BIOLOGY OR IDEOLOGY

Future policy should avoid excess—even though the extreme actions of the sex lobby invite extreme responses. Sex, taught as a part of biological science, is a valid study—from eggs and chickens in kindergarten to the miracle of human reproduction studied in higher grades. Indeed, this is the way good schools, both public and private, have traditionally taught sex. Numerous excellent biology textbooks and other teaching materials are in existence to support this traditional scientific instruction. Nor is there any reason why those students whose parents want them instructed in various methods of birth control should not receive this information from their physical-education teachers.

The question of the degree to which schools should be concerned with "values clarification" however, is a thorny one. Schools have traditionally been entrusted with the task of "molding character," but this responsibility offers as well an opportunity for ideologues to propagandize. Clearly, the emerging sex lobby is making every effort to use the schools to mold minds in the direction of a new morality which claims that though sex should be freely and widley enjoyed, the principal human responsibility is to limit human numbers.

Those who oppose this reduction of all philosophical and ethical thought into a grotesquely simplistic capsule cannot ask that the schools teach no values, since this would be both logically and practically impossible. But what values? Certainly, at the very least, parents have the right to demand that the schools not be used to induce guilt in children and young people for aspiring to become parents. As an immediate, practical recommendation for sex education, the advice of a citizens' group in this county may have been as good as any: It recommended that sex be taught as a biological science, with the permission of parents, and it recommended that the teaching of values be regarded as a family responsibility primarily, with the schools teaching "respect for the traditional moral values shared by most groups of our society."

The objectionable feature of the programs now being promoted by Planned Parenthood, the public-health establishment, and other members of the sex lobby is not that they teach sex but that they do it so badly, replacing good biological instruction with 10 to 12 years of compulsory "consciousness raising" and psychosexual therapy, and using the public schools to advance their own peculiar world view. One can only hope that not only biological science, but education itself, can withstand the assault.

Mr. HELMS. Mr. President, I thank the Chair.

The present legislation which we are considering is not a funding bill and my amendment is not intended to affect funding of governmental programs, nor is it an attempt to dictate the curriculum of any school or any school system.

Its only intent is to give the parents and guardians of schoolchildren in this country an opportunity to know the kind of "instruction" to which their children are being exposed.

In other words, this amendment seeks to protect the basic right of parents to oversee the education of their children. It simply provides that before students participate in sex education courses or programs in public elementary or secondary schools, their parents or guardians be informed and that these parents and/or guardians give their written permission. It further provides that parents have the right to review any educational material to be used in sex education programs.

One may ask, "Why is the Senator from North Carolina bringing this up?" We had a good case in point in my State of North Carolina just 2 or 3 weeks ago. Two fine North Carolina legislators, Senator Anne Bagnal and Representative Mary Pegg, raised strong objections in the North Carolina General Assembly to a so-called sex education film entitled "About Sex," which was produced by a man named Sol Gordon. During the time this film was produced, Mr. Gordon's Institute for Family Research and Education received $221,966 in Federal funds.

Mr. President, I have a wealth of material that I could read into the Record at this point and thereby consume the Senate's time, but that is not my wish. I am counting on Senators to have read, at a minimum, the article by Dr. Kasun, a copy of which I had placed on the desk of each Senator last Friday, and which is on the desks of all Senators at this moment, entitled "Turning Children Into Sex Experts."

There are no implications in this amendment, except that the parents of children in America should be able to know the type of instruction in this field to which their children will be exposed and that the parents have a right to object.

Mr. President, I ask unanimous consent to have printed in the Record an article regarding this matter published by the Charlotte Observer on April 14 and a column by George F. Will, entitled "Plumbing for Hedonists."

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Charlotte Observer, Apr. 14, 1979]

Shocked Legislators Kill Sex Film

(By Ned Cline)

Raleigh.—State Sen. Anne Bagnal and state Rep. Mary Pegg said they were shocked almost beyond belief when they showed up at a legislative dinner March 1.

Taped to the banquet table's floral centerpiece were an IUD (intrauterine device) and a package of condoms. And at the head table was a display of other contraceptive materials, including birth control pills, foams and jellies.

Those displays led Sen. Bagnal and Rep. Pegg, both freshman Republicans from Winston-Salem, to learn more about the agency that sponsored the dinner: the state Family Planning Advisory Council, part of the Department of Human Resources.

One thing they learned about was a film, "About Sex," produced by two sex education consultants at Syracuse University in New York.

Until Friday, the film was available through the state agency to schools and other groups. But after a group of legislators saw the film Thursday, state officials Friday withdrew it from distribution.

The film deals with homosexuality and masturbation, has dialogue sprinkled with sexual slang and includes a frontal shot of sexual intercourse.

The Department of Human Resources had only edited versions, with the frontal nudity and intercourse scenes deleted, available by request to schools, churches and civic groups as part of the Family Planning Advisory Council's information program.

An unedited version was available through the library of the Department of Cultural Resources.

Groups showing the film are given a brochure warning of the content and advising them to preview it before showing it to students or certain other groups.

Sen. Bagnal and Rep. Pegg said they had been told the film has been shown to students as young as sixth graders, but that couldn't be confirmed Friday.

It also couldn't be determined Friday which of the state's schools had used the film or how many students had seen it.

Sen. Bagnal and Rep. Pegg arranged a showing of an uncut copy of the film Thursday for other legislators, and about 30 showed up.

Legislative reaction was swift and harsh, even from at least one of the more liberal members of the General Assembly.

Human Resources Secretary Sarah Morrow, after viewing the film Friday for the first time, announced the decision to withdraw it and said:

"I do not feel that this film is an appropriate educational tool for our young schoolchildren in North Carolina. I am calling for a reexamination of the criteria and process used for selection of films shown to school children on the subject of sex education.

"However," she added, "with the rising epidemic of teenage pregnancy, we must face the fact that there is a need for appropriate educational materials."

Rep. Pegg called the film "gross and gutter" with no moral theme, and said, "It basically told kids how to go out and do it."

She said she will call for a public hearing in the General Assembly so lawmakers can view all the other sex education movies and materials put out by the agency.

And conservative Sen. Beverly Lake, D-Wake, said he will draft a bill to prohibit showing films like the one he saw Thursday.

"The film was devoted almost 100 percent to information on how to engage in sex in the crudest way possible," Lake said. "Except for one or two points, it dealt solely with the idea that sex is fun and feels good, without any restraints it offered no theme of morality and was basically soft-core pornography."

Sen. Bagnal said she once favored sex education in public schools but the film had caused her to have second thoughts.

"It dealt mostly with permissiveness and presented a set of values contrary to what I think most people would want to teach their children," she said. "I object very much to it."

Sen. Kathy Sebo, D-Guilford, considered more liberal, said she wasn't offended by the film, but she felt it was "in poor taste from the standpoint of quality and its shock value."

The state has nine copies of film, at a total cost of $2,340.

The family planning branch of the Department of Human Resources operates on an annual budget of $300,000 in state money and $3.8 million in federal money.

The advisory council of 30 volunteer citizens is required by federal law in order for the family-planning agency to get federal money. Edith Alcorn of Salisbury, council chairman, said the film wasn't used in the council's general sex education program but is available to groups that ask for it.

"Many people need help with family planning, and I only hope legislators would think of the problems which exist." Mrs. Alcorn said, "We have a very high caliber program, and the film isn't very representative of everything we do."

But she said displaying the birth control materials at the March 1 dinner probably wasn't a wise move, adding, "I don't know whose idea that was."

[From the Washington Post, Apr. 12, 1979]

"Plumbing for Hedonists"

(By George F. Will)

These days, everything somehow reminds everyone of sex, and President Carter's desire to subsidize wood-burning stoves reminds me of sex education. I don't understand subsidies for the world's oldest use of fuel, and I don't understand intense instruction in the world's oldest obsession. At least I didn't understand the latter until I read "Turning Children Into Sex Experts," Jacqueline Kasun's essay in the latest issue of The Public Interest.

Kasun, a California academic, argues that sex education has become a "movement," the focus of which is less biological than political. Its prime movers are mainly psychologists, sociologists and "health educators" concerned less with the physiology of procreation than with "value clarification." It seems that being a sex educator is like being ambassador to the United Nations: A person eager for the job is apt to be exactly the kind of person who should be kept far away from it.

Schools are flooding society with young people who cannot read, write or think adequately. But seventh and eighth graders in Kasun's community are learning "the four philosophies of masturbation—traditional, religious, natural, radical." Those who speak of such "philosophies" are, at best, semiliterate, but they are in careers open to their talents: "Sex is too important to glop up with sentiment. . . . Masturbation cannot hurt you and it will make you feel more relaxed."

Kasun reports that the curriculum in Ferndale, Calif., suggests that students discuss in class whether they are satisfied with their "size of sex organs." And she says, "The seventh-grader in my city is advised to set for himself a purely 'personal standard of sexual behavior.' No religious views, no community moral standards are to deflect him from his overriding purposes of self-discovery, self-assertion and self-gratification."

Once upon a time, it was said that sex education would ameliorate the problem of teen-age pregnancy. But reasonable people warned, and some other people hoped, that sex education often would involve teaching that sex is just another occasion for self-absorption, another arena for "self-fulfillment." This would result in more promiscuity (and more abortions, and other signs of "clarified" values).

Recently, a rationale for "sexuality" training has been that it awakens children from the dark American slumber of Puritanism, repression, inhibition, etc. But surely for every child who needs to be "awakened" to sexuality there are 50,000 who need reinforcement against the enveloping sexual vulgarity of popular culture.

In C. S. Lewis' "The Screwtape Letters," the devil Screwtape, tutoring a young friend in the art of corrupting, explains that "nonsense in the intellect may reinforce corruption in the will." The trick, he says, is first to convince people that Fashion should rule them because Fashion is the Tide of History, and hence "progressive."

Then: "We direct the fashionable outcry of each generation against those vices of which it is least in danger. . . . Cruel ages are put on their guard against Sentimentality, feckless and idle ones against Respectability, lecherous ones against Puritanism. . . ."

And so, today, society invests hundreds of millions of dollars, and even more student hours, in sex-education classes. Many of them use the sort of materials Kasun cites, such as the article proclaiming that, "We must finish the contemporary sex 'revolution'. . . . Our Society must strive to sanction and support various forms of intimacy between members of the same sex."

The coarseness of the materials she cites (which I flinch from quoting) is intrinsic to the doctrine the material serves. Political arguments, pushed far enough, are about what kind of creatures we are and what we can become, and the doctrine of the sex-education "movement" is this: Man is a sensing more than a reasoning creature; life is a stream of sensations; the good life is the glandular life.

As Kasun says, In undertaking to finance and promote a multi-million-dollar program of sex education, the government has entered very heavily into the promotion of a particular world view and the establishment of a chosen ideology, a kind of secular religion."

The sex educators she cites treat sex partly as plumbing and partly as recreation. Theirs is an American triumph: plumbing for hedonists. But they should at least remember C. S. Lewis' warning: You can spoil your enjoyment of the finest mountain view by thinking of it in terms of the mechanics of the retina and the optic nerve.

Mr. HELMS. Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I oppose this amendment.

The Helms amendment would prohibit public elementary or secondary schools which receive Federal financial assistance from teaching sex education unless written permission of parents or guardians is obtained, including the opportunity for the parents or guardians to review the pertinent teaching materials.

This amendment would open the door to Federal dictation of what State education agencies and local education agencies could establish in their curriculum. This would be a major precedent and is in direct conflict with the entire foundation of the Department of Education legislation which is to preserve local control in education.

Last year Senators Roth and Danforth added language to the bill with respect to State and local control of education. This year that language has been further modified and improved.

S. 210 states specifically "the primary responsibility for education has in the past, and must continue in the future, to reside with the States, the local school system and other instrumentalities of the States, tribal governments, public and nonpublic education institutions, communities and families." It also states that "in our federal system, the primary public responsibility for education is reserved respectively to the States, the local school systems and other instrumentalities of the States, and tribal governments. This language is supported by the National School Legislatures, the National School Boards Association, the Education Commission of the States, and a host of other groups, including parents and teachers.

Section 103 of the bill, which was amended in committee markup by Senators Roth and Danforth, explicitly states the Department of Education shall not increase the authority of the Federal Government over education. That section also states that in the establishment of the Department of Education, the rights of the State, local and tribal governments in the "areas of education policies and administration of programs, including competency testing and selection of curricula and program content," shall be protected.

We have had amendments introduced already on the floor during discussion of this bill by Senators Thurmond and Dole which specifically address the subject of local autonomy which respect to curriculum and other aspects of education decisionmaking.

Furthermore, the authority of section 432 of the General Education Provisions Act (GEPA), which is transferred to S. 210, explicitly prohibits "any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system." This amendemnt would thus be contrary to the existing prohibition language of GEPA.

In conclusion, this amendment is contrary to existing law as well as the thrust of the Department of Education legislation.

Mr. President. I am sure that if we did not protect the curricula content of local schools or local educational agencies, the distinguished Senator from North Carolina would be extremely upset, and I could not blame him.

We have tried to the utmost throughout this bill to make sure that this new Department did not exercise an independent control over the educational policies of the curricula of the local school boards. Right from the start, and throughout the hearings and the markup, the committee was unanimous that we were going to reserve these rights and responsibilities to the States and localities.

However, here we have a situation in which this amendment specifically puts the Federal Government right in the center of the curriculum content of our schools. What we have done in our proposed legislation is to protect the right of every local school board to make its own determination as to what should be in the curriculum. The amendment of the distinguished Senator from North Carolina would try to tell the local school boards what the content of their educational policies should be. The Helms amendment is absolutely contrary to the entire thrust and philosophy of this bill, and therefore I oppose this amendment.

Mr. HELMS. Mr. President, I ask my good friend from Connecticut to look at me. Will he look at me?

M. RIBICOFF. Surely.

Mr. HELMS. What I am going to say intends no disrespect to him. He knows that. He is my friend, and I admire and respect him.

However, the Senator from Connecticut could not be talking about the Helms amendment in the rebuttal he has just made. Nothing could be more obvious than the fact that no interference is even implied in this amendment with the curriculum of any school or school district. I will read the amendment:

> No public elementary or secondary school which receives Federal financial assistance, shall require students to participate in sex education instruction or programs without first obtaining the written permission of the parents or guardians of such students and without providing an opportunity for such parents or guardians to review all educational material to be used in such instruction or programs, including all written materials, film, or other visual educational aids.

Mr. President, the Senator from North Carolina does not want the Federal Government dictating any curriculum, but the Senator from North Carolina wants the parents of this country to have an opportunity to know and to pass judgment on the type of instruction to which their children are being exposed.

I say again, Mr. President—and I say to my friend from Connecticut, for whom I have the greatest affection and admiration—that he should have seen the film which the North Carolina legislators saw that was to be used in schools of North Carolina. These two fine lady legislators from North Carolina saw the film. They called a meeting and showed the film to other members of the General Assembly, and the very next day, a decision was made to withdaw that film from circulation in the public schools.

One may say, "OK, the General Assembly did that," But how about the instances in which there are no Mary Peggs and Anne Bagnals?

How much of this stuff is going on and what is wrong, Mr. President? Someone tell me what is wrong with parents having oversight in connection with the kind of instruction in this delicate, sensitive, important field? I just do not know how anyone could oppose this amendment.

Mr. President, all across this country there are parents who are becoming increasingly concerned about this very thing.

We become a part of what we condone, and no Senator should forget that. Any Senator who votes against this amendment will be voting on the exclusion of parents from knowing the type of instruction to which their children are being exposed.

I say all of that with the greatest affection for my friend, and I mean him no disrespect, but he could not have been talking about the Helms amendment when he delivered that statement.

Mr. RIBICOFF. All I can say is I am talking exactly about the Helms amendment, because the Helms amendment state, and I read in part:

> No public, elementary or secondary school . . . shall require students to participate in sex education instruction or programs—

Et cetera.

Now, if any school system or district wants to have sex education they have a right to do so without the Federal Government telling them to get in or out of it.

What I am saying is this is something for local control, and local curriculum, and it is not up to the Federal Government, to Congress, to tell local school boards what should be in their curricula.

If the people of North Carolina are against this film or against this type of education, either the State legislature or the school boards can so forbid it.

What I am saying is they have a right to do so. But I am arguing against starting down this long road of Federal control in which we in the Federal Government are telling any school system what they should teach, what school books they should use, what textbooks they should use. That is up to the local agency or the State legislature.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. RIBICOFF. As I interpret this amendment, it specifically says that no public elementary or secondary school shall require students to participate in sex education, and that is why I complain about this amendment, because it is exactly contrary to the element of local control instead of Federal control.

Mr. HELMS. I say to the Senator as I listen to him I am wondering if he is not in a mood now to join with the Senator from North Carolina in repealing title IX, because title IX does precisely what the Senator is now speaking to and much more. There the problem is very real. In this amendment, the Helms amendment, as it is referred to, we are simply saying that parents of these schoolchildren shall have a right to know. To the length of my cable tow they are going to have that right to exercise.

Mr. President, I ask for the yeas and nays if we have enough Senators in the Chamber.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I will be delighted to yield back the remainder of my time whenever the Senator from Connecticut is willing.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I wish to ask a question. The distinguished Senator from North Carolina indicated that the film had been produced with Federal funds. Is this a film produced by the Commissioner of Education, by the Department of HEW, or was this a film produced in North Carolina in which Federal funds were actually used and then the State legislature of North Carolina saw fit to withdraw the use of that film in its State?

Mr. HELMS. But only because two legislators happened to be informed about the film, I say to the Senator. That is the point. They do not know.

Mr. PERCY. But is this a Federal film?

Mr. HELMS. It is a film produced by a Federal contractee which received $221,966 Federal dollars—the Institute for Family Research and Education and distributed in the schools all across this country.

Mr. PERCY. I see.

Mr. HELMS. So I am saying to the Senator, in response to our mutual friend from Connecticut, that in addition to the direct subject we need to have some oversight about the expenditure of Federal funds, so we are killing two birds with one stone, and they are buzzards as far as I am concerned.

Mr. PERCY. However, in this context, as I understand it, the film was produced and made available, but it is up to the discretion of each State and each individual school district as to whether to use it or not. At one point the decision had been made, apparently, that that film would be used in North Carolina. There was objection, the State legislature acted on that objection, and it was withdrawn.

What happens and applies in North Carolina may not necessarily be the same situation as in California, New York, Illinois, or any other State in the Union.

That is the beauty of having a Federal system of Government. As the floor managers and the members of the committee have so frequently emphasized, by creating a Department of Education in no manner or means are we attempting to say the Federal Government shall dictate what local school districts or the States shall do. However, here in this amendment, it would appear that for the first time the principle is being established that we are somewhat going to say that local school districts cannot have a program of education unless, in this particular case, they obtain the written permission of the parents or the guardians and have the available material received by those parents and guardians so that they can determine whether they want their child to participate.

This is what the Senator from Illinois objects to: The principle of the Federal Government dictating and directing how the local districts and how the States shall handle the problem of education. If that is established then the same thing could be true for the teaching of nuclear physics. There are an awful lot of people in this country today exercised and aroused about nuclear energy. There was a huge rally here in the Nation's Capital Sunday. There may be many who participated in that rally who would want to say we want to remove this technology from every aspect of American life. Therefore, why should the Federal Government not do it? If you can somehow restrict the teaching of one particular subject matter, why can you not then restrict the teaching of other subject matter? I think it would be a clear infringement by the Federal Government on the prerogative of local officials to determine local curricula and procedures pertaining to local curricula.

The Federal Government should not tell local school districts what to teach, how to teach it, to whom and when, and from whom to get permission. This the province of the duly constituted and elected school boards, State legislatures, or whatever it may be that should be in charge of education in that particular school district or that particular State.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield for a comment.

Mr. HELMS. This is a question, actually.

Is the Senator under the impression that the amendment of the Senator from North Carolina would forbid somehow——

Mr. PERCY. Oh, no. The Senator from Illinois has read the amendment very carefully. All I would have to do is scratch sex education and I could insert nuclear physics, physiology, or almost anything else that someone might feel the Federal Government, in its omniscience, should be in a special category and subject to control over the way the local school district determines whether that should or should not be taught.

Mr. HELMS. I say to the Senator, if he will yield on my time, that I must plead with him to understand that I have affection and admiration for him, also, and so therefore any disagreement I have with him is certainly not personal. But I do not see how he can say that this amendment would affect curriculum when all it says is that parents shall have a right to know and to decide as to their child only, period. How in the world is that adversely affecting the curriculum determinations on the local level?

Mr. PERCY. The Senator from Illinois well remembers the arguments that ran up and down this country as to whether communism should be taught in the public schools of the United States of America.

Or whether Mein Kampf be allowed in a library? It is possible to just strike out the words "sex education" and insert anything and, therefore, parental authority and permission and the review of all such material by parents might be necessary and required.

These fights should be fought out, it would seem to me, in the local school districts. There are all kinds of fights like this, and we well know that this emotional subject of sex education has reared its head all over the country. It has been the subject of tremendous debate.

But by now most of that debate has been settled. North Carolina has settled it in its way.

Mr. HELMS. As to one film.

Mr. PERCY. It has been settled in Wilmette, Ill., my hometown, in its way. But certainly I would much prefer to see these decisions, left entirely to local control, without the Federal Government's getting into, in this case, curricula, and telling and prescribing a methodology by which and before which such education can be given to students.

Section 103(a)(2) of this bill provides, and I would like to quote it to my colleague, I wonder if I could quote it to him:

> (2) It is the intention of the Congress in the establishment of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies and administration of programs, including but not limited to competency testing and selection of curricula and program content, and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

That language was put in the bill specifically because of the great concern of a good many Senators on this side of the aisle who were concerned that, by the very creation of a Department of Education, somehow we might get into curricula development.

The Senator from Illinois and the Senator from Connecticut, as the managers of this bill, assured them time and time again that such was not the intent, and this specific wording in section 103(a)(2) was put in exactly for that purpose.

The amendment before us would be a clear contradiction of that language and of the intent of this legislation to preserve local control of schools.

I know that this is a subject of much debate, and certainly it is understandable that, if it had been a subject of heated debate in the legislature of North Carolina, the distinguished Senator from North Carolina would have taken a position on this. He has every right to take that position with respect to the schools in his State and his own school district. But I would not want to see an amendment that would in any way infer that the Federal Government is laying down special standards and putting a special stigma on a type of education that, in other parts of the country, may well be felt to be essential and which is overwhelmingly supported by school boards, by teachers, by students, and by parents.

Here we would be putting a foot in the door, just getting started with the Federal Government establishing the principle that, in this particular case, we are going to start laying down the procedure by which they must adhere before they can reach that particular program in their particular schools.

The Senator from Illinois would be very fearful that it may extend to many, many other subject areas and begin the process, which all of us disdain, of any element of Federal control over curricula in our schools.

I thank my distinguished colleague.

Mr. HELMS. I thank my friend from Illinois.

Mr. PERCY. I thank my distinguished colleague for his tolerance and his understanding.

● Mr. ROTH. Mr. President, I oppose the amendment in the context to which it is offered today by my colleague, Senator HELMS. As Senator RIBICOFF has indicated in his statement in opposition to this amendment, we have made every effort in the drafting of legislation to establish a separate Department of Education to preserve State and local prerogatives in educational policy and choice of curricula and program content. Therefore, if a local educational agency deems it useful or desirable to have parental consent—it is their responsibility to implement such a directive—it is not the responsibility of the Federal Government to dictate these types of policies. I might add that as a parent, I agree with Mr. HELMS that parental consent be given before a child be required to participate in sex education classes. However, I do not think this is a matter to be dealt with on the Federal level. We have worked to provide a legislative history which leaves no room for doubt that education is a matter to be left to State and local governments—this has had a long tradition in this country and we must continue to insure that this tradition is upheld.●

Mr. HELMS. Well, there is no problem about the ability of the Senator from Illinois and the Senator from North Carolina to agree to disagree agreeably.

What the Senator from Illinois just said to me, if I may state a hypothetical case, is if a parent in Chicago, Ill. said, "I do not like explicit sex education material and I want my child not to be exposed to it," the Senator from Illinois is saying that the Federal Government must take the position that the local government is to be the final judge of this basic right, even though the Federal Government may spend millions of dollars to produce such material.

But, Senator, local control begins with the parents or else the school system will not work. My own judgment is—and I may be wrong about this—that the deterioration of the public schools in the United States began with the intervention of the Federal Government by financing and by other means, and while the interest of parents has been diminishing, and the quality of education by every measurement I have seen has been diminishing. But in any case, local control of schools has to begin with the parents. They have to have a say so. They have a right to a say so. There is no better way to insure local control than by the adoption of an amendment such as this which promotes informed decisionmaking by parents and involves them in the activities within the classroom.

Mr. President, I am prepared to yield back the remainder of my time if the Senator from Connecticut is prepared to do so.

Mr. RIBICOFF. I yield back the remainder of my time.

Mr. HELMS. I do yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Colorado (Mr. Hart), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), and the Senator from Tennessee (Mr. Sasser) are necessarily absent.

I further announce that the Senator from Maine (Mr. Muskie) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. Laxalt) is necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Exon). Is there any other Senator in the Chamber wishing to vote?

The result was announced—yeas 16, nays 73, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—16

Armstrong
Byrd, Robert C.
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
McClure
Melcher
Schweiker
Stennis
Talmadge
Thurmond
Zorinsky

NAYS—73

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Simpson
Stevens
Stevenson
Stewart
Stone
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young

NOT VOTING—11

Bayh
Durkin
Gravel
Hart
Inouye
Kennedy
Laxalt
Long
Muskie
Sasser
Stafford

So Mr. Helms' amendment (UP No. 108) was rejected.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PERCY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask that the Senator from Connecticut be permitted to yield 15 minutes to me.

Mr. RIBICOFF. I am pleased to yield.

Mr. MOYNIHAN. I thank the chairman for his characteristic grace.

Mr. President, we have just seen defeated a proposal which will be back, and in greater force, for years to come, if indeed we go ahead with the establishment of this Department.

I would like to call attention to what may appear to be an irony, or even an illogicality—that persons in this Chamber who would be the most vigorous in supporting grassroots democracy, who would insist that the public schools should be governed by local communities, who would decry the threat of Federal regulation, were the very ones voting to have the Federal Government regulate one of the most sensitive issues dealt with by the schools.

I would have to say that I cannot yet feel that those of us who have been trying to make these points have been given much coverage in the analyses which have been published about this debate, nor do I think we are even being much listened to anywhere. But the record does indeed exist.

The PRESIDING OFFICER. I am sorry to interrupt the Senator from New York, but the Senate must be in order. I would ask that the Members of the Senate please take their seats or move their conversations out of the Chamber, please.

The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

At least we will have a record in which it will be recorded that some of us said that we were commencing the politicization of American education, that we were doing everything that those of us who fought for Federal aid two decades ago vowed never to let happen. Now it is happening right here before us. In typical fashion, our long-standing interest brings the battle back to us, to those who are most committed to local control. Why? Because there is a logic of politics in the American federal system. It dictates that groups which do not prevail on the level at which an issue first appears raise the level in the Federal system to the next step and then the next, hoping always to find a majority in the Nation where it cannot be found in the region, in the State, or in the community.

It is a denouement of our politics. We can observe in action in the Federal system throughout the course of two centuries. So, on this basis, we may well expect that the school prayer issue, the sex education issue, and any number of other intensely divisive and difficult matters which may arise to come gradually up to one uniform rule. They are, however, matters which we think we would like to think should be settled locally because such a process makes possible a mosaic of choice, including ultimately the choice of an appropriate jurisdiction.

This, then is not the last you will hear of sex education or school prayer.

Now to another point, Mr. President. This is the second issue of its kind to occupy us in recent days. Two weeks ago, in order to avoid attaching a school prayer amendment to this legislation, the U.S. Senate, for the second time, solemnly voted to deny the Supreme Court jurisdiction over an issue of first amendment rights. I would have hoped the press might have noticed this.

I had occasion last Friday to give an address in New York at the annual Scripps-Howard Foundation awards luncheon, in which an award was given for service to the first amendment.

After discussing the first amendment matters which were of great concern to the editors and publishers now meeting in New York, I added the following observation:

> Now, finally, a warning. If the courts present a problem today, expect the legislative and executive branches to be the more enduring problem. A cloud no bigger than a man's hand, perhaps, has just appeared in the Senate and I would hope there might be more attention.

I ask unanimous consent to have my remarks printed in the Record at this point.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Address by Senator Daniel Patrick Moynihan

In 1734, John Peter Zenger, publisher of the New York Weekly Journal was imprisoned on a charge of seditious libel. Having criticized the activities of the colony's Governor, William Cosby, who arranged his arrest, Zenger spent nine months in prison, but in August 1735, was brought to trial and acquitted by a jury. Zenger's lawyer, Andrew Hamilton, had called upon the jury to secure "that to which nature and the laws of our country have given us a right—the liberty of both exposing and opposing arbitrary power (in these parts of the world at least) by speaking and writing truth."

It is the case, I believe, that since Zenger's trial the press in America has looked to the courts as an ally and often as a protector against efforts by the executive or legislative branches of the government to limit press freedom.

This, the American experience, I believe has been without equivalent elsewhere. I remind you that for fourteen years the British press had, but was forbidden by British law of contempt from publishing, information on the thalidomide scandal. The British courts took, and take, the view that when a matter is in any sense sub judice, no newspaper can be permitted to comment on it. At length the London Times took the issue to the European court of human rights which has ruled in its favor. But no remedy was available in Britain. Our courts have taken a very different view of the role of the press, and from roots deep in our colonial past there grew up a relationship between the courts and the press which has done much to protect our liberties.

In our own day we have seen the early tradition live on: In the Pentagon Papers Case in 1973, *New York Times* v. *United States*, the Supreme Court ruled that the Federal Government lacked the power to prevent the Times from publishing the information involved. In the Nixon tapes case in 1974, *Nixon* v. *U.S.*, the Supreme Court ruled 8 to 0 against a claim of executive privilege made by the President of the United States.

Of a sudden, however, there has been a sequence of cases in which the courts themselves appear to be limiting, if not indeed abridging the freedom of the press. This is, or appears to be, an altogether new experience, and clearly a deeply disturbing one to the press.

Three cases illustrate this sudden dilemma. In 1972 in *Branzburg* v. *Hayes*, a closely divided Supreme Court rejected the press argument that before a journalist should be required to testify with respect to information gathered from confidential sources, there must first be a demonstration that (a) the information was relevant; (b) there is no alternative source from which the information could be obtained, and (c) the information was of central import to the proceeding in which it was sought.

In 1977 in *Zurcher* v. *Standford Daily*, the court—again closely divided—rejected the argument of the press that a search of a newsroom, even pursuant to a search warrant, should not occur, unless there is good reason to believe that a subpoena could not, for one reason or another, serve the same purpose. (The difference, of course, is major; when the sheriff arrives with a search warrant, the newspaper has no opportunity to litigate the question of first amendment protection; a subpoena may, however, be immediately challenged in the courts.)

And in last week's ruling in *Herbert* v. *Lando*, the court, (again, by a divided vote) held that journalists in libel suits would be required to respond to questions as to why they published one story and not another, what they said in the newsroom to their editors, and the like. In a separate concurring opinion, Justice Powell indicated that first amendment values should be at least considered in the course of determining which questions need be responded to by journalists—a far cry from a district court opinion that said such concerns had "nothing to do" with the scope of discovery in a libel case. In Justice Powell's words, "Whatever standard may be appropriate in other types of cases; when a discovery demand arguably impinges on first amendment rights a district court should measure the degree of relevance required in light of both the private needs of the parties and the public concerns implicated." But, of course, the decision remains.

These rulings came in conjunction with the extraordinary rulings in a New Jersey court against the New York Times and Myron Farber whose resistance is the subject of a special citation today.

Taken as a group on so I would hold these rulings represent significant abridgements of first amendment rights of the press I offered my personal reaction to the Farber case on the floor of the Senate on August 7, 1978:

"The amount of the fine and the nature of the imprisonment are such that without anyone ever having intended it, or in any way anticipated it, we suddenly face the prospect that government could destroy the New York Times, perhaps the most important newspaper in the world today. For the power to fine, more even than the power to tax, is the power to destroy."

It has been assumed, that the first amendment protects newspapers and newspaper reporters from the divulgence of their sources. In consequence there has been a proper reluctance to see the Congress, or, indeed, any legislature, reinforce or restate those privileges on grounds that "What Congress can give, Congress can take away." Yet today we face the evident situation that the Supreme Court will not confirm the existence of those immunities under the first amendment. Hence we face a dilemma and a crisis without equivalence, I believe, in the modern history of the American press.

Not the least disturbing aspect of these cases is that in none did the press advance extreme claims, or demand absolute protection. Rather, the courts in these cases have been rejecting efforts by the press for accommodation. The press position, or so it seems to me, has been reasonable and balanced, seeking some protection for itself while acknowledging that other legitimate interests also need protection. I do not suggest that in each case the balance sought by the press was the correct one, but would only argue that it has been the press and not the courts which has sought accommodation and has acted with considerable restraint.

Certainly, in these cases, the press has not sought some great accretion of power or some sort of immunity from the laws which govern the rest of us. When the press seeks to protect confidential sources, or prevent searches of newsrooms when a subpoena could produce the same evidence, or to head off extremely vague and wide-ranging discovery motions challenging editorial judgments, all it is doing is its work: All it is attempting is to function.

Now this has scarcely gone unnoticed in the press itself. Many comments have expressed the most profound concern, even alarm.

Thus, Leroy Clemens of the Elgin, Illinois Courier News is quoted as saying he expects to see "an awful lot of newsmen in jail"; while John Siegenthaler of the Nashville Tennessean writes of "the chain of cases designed to shackle the press."

This commentary has hardly ceased, and ought not to do, even so, as a legislator I find myself reluctant to add a great deal to it for the simple reason that I find myself persuaded, even commanded, by Mr. Justic Black's comments in the Pentagon Papers Case that, in effect, no law means no law, a point I made on the Senate floor. Still, it may be useful to offer what might be termed a legislative perspective.

Hence two observations, and a final warning that there may be worse to come.

My first observation would be that if the press is startled by these recent events, it is probably the case the courts are uneasy as well. It is a new experience for them also. I have the sense that in protecting, as obviously they think they are doing, their own procedures and interests the courts have been perhaps insufficiently sensitive to the fact that the courts, too, are a branch of government and if far less disposed nonetheless equally capable of abusing power, or bringing about the abuse of power.

It is possible to see the specific court decisions as seeking to protect parties charged with serious crimes or engaged in unequal contest with large institutions. Still, what will be remembered, and what will have influence as the consequences of these decisions work their way into the larger court system, is not imagery, but precedent and practice. Thus, it is easy to imagine the reverse of these situations, where the defendant is small and weak, an independent newspaper or broadcasting station let us say, and the plaintiff is a powerful government figure or a powerful governmental institution or agency. It will then become a matter of a different sort, where the seeming opportunities once afforded an isolated individual become in fact the pretext for striking at the first amendment in another, and more dangerous, context.

Here, the courts face a supreme test. For, in practical terms, the judiciary is that branch of government most immune from the influence of the others. The courts rule routinely on the actions of the executive branch, less frequently to be sure on the activities of the legislative branch, but even there, court rulings have established important precedents and guidelines. We accept this because, after all, we are attached to the old principle of the common law that no man should be the judge of his own case. But, perforce, in the matters we are discussing courts become the judges of their own case, hence, and we must expect of them a restraint that we would not necessarily expect in their scrutiny of executive and legislative processes.

My second observation would be that the court changes its mind, a matter on which we have long had Mr. Dooley's testimony. Our first duty to the court is to obey it, and this we do with loving fealty. But a second duty, surely, when we think the court to be wrong, is to seek to persuade it of this.

This is not an uncommon situation in which a legislator finds himself. I, for example, have been arguing against the court's rulings of the past generation on the constitutionality of state aid to nongovernment schools. It seems to me that the meaning of the establishment clause of the first amendment is plain and unmistakable. Congress shall make no law establishing a national church. That is what it says, and that is all it says, and it was a century and one half before the court said otherwise. I have considerable confidence that within the coming generation the court, avowedly or otherwise, will reverse itself.

I would remind you that for the longest time, from the age of McKinley to the age of Roosevelt, the Supreme Court solemly held that the due process clause of the fourteenth amendment prohibited labor legislation. This was absurd, and the day came when the court simply stopped saying it.

But now, finally, a warning. If the courts present a problem today, expect the legislative and executive branches to be the more enduring problem. A cloud no bigger than a man's hand, perhaps, has just appeared in the Senate and I would hope there might be more attention.

Twice this month the Senate voted in favor of, and has adopted, an amendment which removes the jurisdiction of the Supreme Court in school prayer cases under the First amendment. My own view of this, as I stated on April 19, in a speech to the National Catholic Education Association in Philadelphia, is that, "this seemed to me an alarming measure, which truly does involve the basic law of the land. Prayer prescribed by public authorities—whether voluntary or not—gets very close to the notion of establishment of religion, which the Constitution forbids."

My point here is simple: if the Senate is willing so cavalierly to deal with this one section of the first amendment, what about other sections? You should know that the view that Congress can prevent the court from ruling on specific constitutional questions has some currency among scholars. Section II of article III plainly says that the Supreme Court shall have appellate jurisdiction "with such exceptions, and under such regulations as the Congress shall make." Interpreted broadly, this clause would swallow up virtually all the rest of the Constitution, and leave constitutional rights entirely in the hands of the State courts for enforcement. Such a path, if indeed constitutional, is so unwise, and offers such a clear threat to our liberties if pursued too far, that it is on reflection astonishing that the Senate should have taken even one single step down it. Yet it did so—twice in one week.

And so one turns again to the courts, and to the traditions with which we are all familiar—tradition of conciliation, of compromise, of balance. There is no substitute in the legislature for judicial protection of constitutional rights, and indeed there is no more likely harbinger of difficult times in the legislature than difficult days in the courts. We can fairly charge the courts to examine again their honorable history here, and to hew to it. It is one of the glories of our past, and only they can assure that it will be with us in the future.

It is that simple, and that difficult. And there is no real solution to be had save by relying on those qualities which we have come most to admire in the workings of our legal processes—caution, consistency, scrupulous respect for constitutional guarantees.

Mr. MOYNIHAN. We voted under article III, section 2, and now I must observe that, rather to my surprise, there appears to be substantial scholarly opinion that says Congress does enjoy as a right what most of us reacted to as being simply an unconstitutional act. We voted to say the Supreme Court may not defend our rights with respect to the one portion of the first amendment.

But what about another portion? The exact same logic, the precise precedent, will obtain and you will see a danger—perhaps not in this Congress, perhaps not in the next, but what about the next decade? Ours is not a system devised for with just the ensuing 5 months, or even 15 years, in mind. What about the next generation?

We are legitimating in this bill the deprivation of the Supreme Court's right to protect our liberties under the Bill of Rights and we are setting up a system whereby precisely those issues that most ought to be decided locally will be decided nationally. An era in American education is coming to an end. I can only say that it is almost a source of some relief that nobody notices it, because there is enough to worry about, I suppose, in the world. I simply wish this were not happening.

Before concluding, I should like to add that there may be some inevitability to all this, I suppose, and I can only be thankful that what appears to be coming to pass has done so under the aegis of a man of compassion, of clarity, and of sincere concern for these matters. I speak, of course, of the Senator from Connecticut. He knows of my total respect. What I object to, Mr. President, is this age, not that great Senator.

Mr. RIBICOFF. If the Senator will yield, even though I shall not have his vote on final passage, I accept his compliments with a great sense of gratitude.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. Mr. President, I know there are a number of other amendments. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. RIBICOFF. Mr. President, the Senator has it in his own right.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

UP AMENDMENT NO. 109

(Purpose to modify the authority of the Intergovernmental Advisory Council on Education to hold hearings)

Mr. JEPSEN. Mr. President, I call up the amendment which is at the desk, the purpose of which is to modify the authority of the Intergovernmental Advisory Council on Education to hold hearings.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 109.

The amendment is as follows:

On page 95, strike out lines 1 through 7 and insert the following:

(1) hold hearings either as a whole or as a subcommittee, for the purpose of discussion, coordination and review of (A) intergovernmental concerns and (B) issues concerning structural relationships between various Federal departments and agencies, as such concerns and issues relate to the functions of the Council specified in subsections (a) and (b); and

On page 95, between lines 12 and 13, insert the following:

(i) the Council or any subcommittee shall not compel, the attendance or testimony of witnesses or the production of books, records, correspondence, memorandums, papers, or other documents.

On page 95, line 13, strike out "(i)" and insert "(j)".

Mr. JEPSEN. Mr. President, I offer this amendment merely to clarify the language relating to the authority and role of the Intergovernmental Advisory Council.

Specifically my amendment has two essential phases: First, the first phase of my amendment is offered to bring attention to the problem of systemic and structural interrelationships between and within the various Federal departments and agencies.

I strongly believe that we are moving in the wrong direction by taking the "E" out of "HEW." The Department of HEW is not a conglomerate but a coalition. The interrelationships among HEW programs and activities are far more significant than their divergences. In short, the similarity, coordination, and interdependence between the "H," "E," and "W" of HEW are more interconnected and structurally related than the proponents of this act have demonstrated thus far in this debate.

More importantly, HEW is directly responsible for the resolving and coordination of the Nation's most urgent concerns such as poverty, drug abuse, alcoholism, juvenile delinquency, mental retardation, child development, aging, rehabilitation of the handicapped, and host of other human concerns—none of which fall within the exclusive jurisdiction of one HEW office. The problems are not exclusively "health," "education," or "welfare" and as such they involve and encompass aspects of each other.

Mr. President, everytime we separate or establish a new department or agency we diminish the ability for problems to be efficiently solved by and through the executive and administrative process.

Secondly, we further erode the ability of Congress to serve in an oversight capacity, a function which is desperately lacking by the Congress. In short, the jurisdiction and influence over the operations of Government agencies and departments is greatly diminished and thus the quality, efficiency, and service to the people is and will always be subject to abuse.

Mr. President, as a result of the above, I am greatly concerned about the power and productivity of the executive branch of our Government. One of the major problems of the Presidency today is that, within the past 30 years we have witnessed a situation in which the decisions that come before the President are far too numerous and complex. As a result the President has to rely more and more on faceless and often nameless Presidential staffers who are not subject to either Senate confirmation or public scrutiny.

Therefore, Mr. President, I would much rather have the Intergovernmental Advisory Council on Education study and review the problems of intergovernmental structural relationships in the various Federal departments and agencies in the areas of education consistent with the mandate of the act. (S. 210.)

Second. Mr. President, the second phase of my amendment is merely an attempt to clarify the language relating to the authority of the Intergovernmental Advisory Council to request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Council or such subcommittee may deem available.

I have been told that my amendment is unnecessary, because the present language in section 213 only gives the Council the authority to request the attendance of witnesses and such books, records, correspondence, memos, papers, et cetera. In short, the language allegedly does not compel a response by local schools.

Mr. President, in all due respect to the person who drafted this particular section and to those who are convinced that we are not compelling local school boards to submit to the whim of the proposed Council, I am not as wholly convinced as they are.

Therefore, I have prepared language which expressly prohibits the Council from compelling the production of books, records, and other material from local schools.

Mr. President, I simply move the adoption of this amendment.

Mr. RIBICOFF. Mr. President, I thank the distinguished Senator from Iowa for this amendment. It is an improving amendment, and it is very worthwhile. As manager of the bill, I find it acceptable, and I accept the amendment.

Mr. PERCY. Mr. President, the purpose of the Intergovernmental Advisory Council on Education is an extraordinarily important mandate. Its purpose is to strengthen the interrelationships between governments and particularly to make recommendations for the improvement of the administration and operation of the Federal education program and educationally related programs.

I believe that the amendment that has been worked out with the distinguished Senator from Iowa is an improvement in the original text of the bill. I find it acceptable, and I express deep appreciation to the Senator from Iowa for his work in this regard.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. JEPSEN. Mr. President, for the purpose of clarification: The second part of the amendment now will read:

> The council or any subcommittee thereof shall not compel the attendance or testimony—

and so forth.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 110

(Purpose: To provide a block grant for teacher improvement in lieu of the categorical grants under title III of the Elementary and Secondary Education Act of 1965)

Mr. JEPSEN. Mr. President, I call up an amendment to provide a block grant for teacher improvement in lieu of the categorical grants under title III of the Elementary and Secondary Education Act of 1965.

Mr. RIBICOFF. Mr. President, I raise the point of order that this amendment is not germane.

The PRESIDING OFFICER. In response to the Senator from Connecticut, the amendment has not been reported as yet, nor has it been sent to the desk.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment No. 110: At the end of the bill add the following new title:

TITLE VII—TEACHING INNOVATION AND IMPROVEMENT PROGRAM

PROGRAM AUTHORIZED

SEC. 701. (a) Title III of the Elementary and Secondary Education Act of 1965 is amended to read as follows:

"TITLE III—TEACHING INNOVATION AND IMPROVEMENT PROJECTS

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Teaching Improvement Act'.

"STATEMENT OF PURPOSE

"SEC. 302. In order to provide innovative projects for the improvement of teaching in the public schools of the States, it is the purpose of this title to make unconditional education grants to local educational agencies for such purposes.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 303. There are authorized to be appropriated $180,000,000 for the fiscal year 1980 and for each succeeding fiscal year ending prior to October 1, 1983.

"ALLOTMENT

"SEC. 304. (a)(1) From the funds appropriated pursuant to section 303, the Commissioner shall allot not less than 1 per centum among Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands, according to their respective needs.

"(2) From the remainder of such sums the Commissioner shall allot to each State an amount which bears the same ratio to such remainder as the number of children in each such State—

"(A) who are age 5 to 17 inclusive; and

"(B) who are enrolled in the public elementary and secondary schools of local educational agencies, bears to the number of such children in all States.

"(3) For the purposes of paragraph (2) of this subsection the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.

"(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Commissioner determines will not be required, for the period such allotment is available, for carrying out the purposes of this title shall be available for reallotment from time to time, on such dates during such period as the Commissioner may fix, to other States in proportion to the original allotments to such States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates will be needed in such State and will be used for such period for carrying out applications approved under this title, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount realloted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"USES OF FUNDS

"SEC. 305. Grants made or under this title may be used in accordance with applications approved under section 306 for programs and activities conducted by public elementary agencies designed to provide better teachers with special emphasis on teaching innovation projects.

"APPLICATIONS

"SEC. 306. A grant under this title may be made to any local educational agency upon application to the Commissioner at such time, in such manner, and containing or accompanied by such information as the Commissioner deems necessary. Each such application shall—

(1) provide that the programs and activities for which assistance under this Act is sought will be administered by and under the supervision of the applicant;

(2) Describe with particularity the programs and activities; and

(3) provide for making evaluations of programs and activities assisted under this title.

"(b) Applications for grants under this title may be approved by the Commissioner if the application meets the requirements set forth in subsection (a) and the provisions of this section.

"(c) Amendments of application shall, except as the Commissioner may otherwise provide, be subject to approval in the same manner as the original applications.

"PAYMENTS

"SEC. 307. Payments under this title shall be made from a State's allotment to any local educational agency which has an application approved under section 306. Payments under this title shall be made for the cost of carrying out the application of the local educational agency.".

(b) The amendment made by subsection (a) shall become effective October 1, 1979.

On page 74, in the table of contents, after item Sec. 602 insert the following:

"TITLE VII—TEACHING INNOVATION AND IMPROVEMENT PROGRAM

"SEC. 701. Program authorized.".

Mr. RIBICOFF. Mr. President, I make the point of order that the amendment is not germane.

The PRESIDING OFFICER. Until the time on the amendment has been used or yielded back, the point of order is not in order.

The Chair recognizes the Senator from Iowa.

Mr. JEPSEN. Mr. President, my principal objection to the proposal to create a separate Department of Education is simply and easily stated. I fear that it is a significant step in the effort to expand the Federal Government's role in the substance of educational curricula.

It all started with a grabbag program of "special projects" in title III of the Elementary and Secondary Education Act. These included federally assisted efforts to develop curriculum in consumerism, environmental education, metric education, and other areas. Last year, the programs were separated and expanded, and new curriculum programs in health education and the biomedical sciences were added.

We now have the situation of most universities and institutions of higher learning offering basic reading courses, spelling courses for freshman students, because some high school graduates cannot read or write at a sufficient level.

I am a member of the Armed Services Committee, and we today find it mandated and necessary that our training manuals be rewritten to a seventh-grade reading level, because some of our high school graduates cannot read above that level. People with high school diplomas cannot read and subsequently comprehend above a seventh-grade level.

The trend is clear. The National Education Association itself acknowledges that—

> Creating a department of education is, indeed, a profound step in which the federal government will be recognizing, for the first time, that it has a responsibility for education in and of itself.

Before a Thurmond amendment removed it, S. 210 contained a provision calling for "the improvement, development, and oversight of a comprehensive Federal policy for education."

In their widely quoted article for the Washington Post, David Breneman and Noel Epstein argued that—

> Establishing a Cabinet-level department is a backdoor way of creating a national education policy, of breaking with the long tradition of a limited federal involvement in education and of virtually no federal responsibility for schools and colleges themselves.

For those who feel the billions of dollars which the Federal Government has spent on education have had a salutary effect, this may represent a positive step. I happen to agree with David G. Savage, who stated, in an April 15, article for the Washington Post:

> Large-scale, federally funded studies have generally been unable to find that the extra money (for various types of compensatory education projects) has had much impact in improving education.

My amendment would attempt to insure that the new Department of Education will not be a springboard from which to launch new curricular programs. It would take the subchapter III functions which are being transferred to the new department, and would replace them with a general block grants for local school districts to use in developing competent teaching. The funding could be used to encourage top teachers to take jobs and remain in schools with large numbers of disadvantaged youngsters. It could be employed to help improve teaching through special courses of instruction.

The important point is that the local school districts would have the discretion to use the funding for projects which they regarded as important, rather than being forced to channel large amounts of funding to "metric education" or other "Mickey Mouse" projects which some Federal bureaucrat may determine to be important.

For those of us who view the quality of teaching as the most important parameter in the quality of American education, this is an auspicious result. As the Rand Corp. has stated in its comprehensive study on Federal education programs:

> More money supplied by federal funds did not necessarily purchase those things that mattered; it did not buy, for example, more committed teachers, more effective project directors, more concerned principals and so on.

It may be that teacher commitment is a quality that money cannot buy. But an important first step will be to insure that Federal money is channeled in the direction of the quality of teaching, rather than the content of the consumer education course curriculum.

I, therefore, hope that the Senate will support my amendment.

Mr. RIBICOFF. Mr. President, how much time does the Senator have?

The PRESIDING OFFICER. The Senator from Iowa has a total of 21 minutes remaining.

Mr. JEPSEN. I yield the remainder of my time.

Mr. RIBICOFF. Mr. President, I renew my point of order that the amendment is not germane.

The PRESIDING OFFICER. Since the amendment introduces new subject matter and is not relevant to the bill, the amendment falls.

Mr. JEPSEN. The freshman Senator will not appeal the ruling of the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. Mr. President, I have 21 minutes.

The PRESIDING OFFICER. The Chair understood the Senator to yield that back.

Mr. JEPSEN. I meant I yielded it back on this particular amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

UP AMENDMENT NO. 111

(Purpose: To require the Secretary to promulgate certain rules concerning labor union affiliation)

Mr. JEPSEN. Mr. President, I offer an amendment the purpose of which is to require the Secretary to promulgate certain rules concerning labor union affiliation.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 111:

On page 131, between lines 12 and 13, insert the following:

LABOR UNION AFFILIATION

SEC. 429. The Secretary shall promulgate rules or orders to assure the right of every employee of a State, local, or tribal government, or public or nonpublic educational institution receiving support from the Department, directly or indirectly, to form, join, be represented by, or assist any labor organization, or to refrain from any affiliation or assistance with any labor organization.

On page 131, line 14, strike out "Sec. 429" and insert "SEC. 430".

On page 73, in the table of contents, renumber the items relating to section 429 as the item relating to section 430 and immediately after the item relating to section 429 insert the following:

"SEC. 429. Labor union affiliation.".

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

Mr. JEPSEN. Mr. President, I shall make some opening statements. I understand that there will be a ruling from the Chair.

Mr. President, to be specific, my amendment is very straightforward and quite specific. It mandates that the Secretary of Education shall promulgate rules or orders to assure the right of every employee of a State, local, or tribal government, or public or nonpublic educational institution receiving support from the department, directly or indirectly, to form, join, be represented by, or assist any labor organization, or to refrain from any affiliation or assistance with any labor organization.

I have emphasized "or refrain from any affiliation or assistance with any labor organization" because I strongly believe that no person should be compelled to join, affiliate, or participate with a labor organization as a condition of employment.

The list and docket of cases brought by teachers and educators in opposition to compulsory unionism, retroactive agency shop fees, and even a right to quit an unwanted union, is well documented. More importantly, teachers and educators are prevailing in court and through the arbitration process.

My amendment simply insures that individuals who choose to not participate, affiliate or join the labor organization, be given the protection and integrity to so choose without fear of the loss of their job or quiet enjoyment of their work.

I have documentation from the States of California, Illinois, Maine, Massachusetts, Michigan, Minnesota, New York, Ohio, Pennsylvania, Tennessee, Virginia, and Wisconsin that will document what I have just stated in these brief remarks.

I appreciate any support of this, and I now yield the remainder of my time to the Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I raise the point of order that the amendment is not germane.

The PRESIDING OFFICER. It is the opinion of the Chair that the amendment is not germane because it deals with subject matter not contained in the bill. Therefore, based on that, and the fact that it introduces new legislation, the Chair sustains the point of order.

Mr. JEPSEN. Mr. President, I wish to appeal that ruling of the Chair and ask for a yea and nay vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, will the Senator yield to me?

Mr. JEPSEN. I yield.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I move to table the appeal and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I wonder if the Senator wished to discuss his appeal?

Mr. STEVENS. I think he did.

Mr. ROBERT C. BYRD. Mr. President, I withhold my motion. I ask unanimous consent that I may withhold it until the Senator has had a chance to discuss his appeal at which time I will renew it.

The PRESIDING OFFICER. Without objection, it is so ordered.

In the capacity of the Senator from Nebraska, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, in the few moments that I have I would just simply state that this is a straightforward concern, and I consider that it should be regarded as being germane; that this bill is one where it is a well-known fact that the association most concerned, and which has been spending much time and money in promoting the establishment of a Federal Department of Education, is the NEA, the National Education Association.

Let me read from just one of the States I listed here before, and I will quickly read the States: California, Illinois, Maine, Massachusetts, Michigan, Minnesota, New York, Ohio, Pennsylvania, Tennessee, Virginia, and Wisconsin.

Under Ohio:

A lawsuit lodged by the NEA union officials against six teachers for not paying forced union fees under an agency shop contract backfired when the judge ruled that an agency shop is illegal in Ohio.

We find continually woven into the fabric of NEA activities an attempt to force people to join unions in one form or another. I simply state in my amendment that a teacher should have the choice of whether such teacher should join or not join a union.

I yield the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Connecticut yield to me?

Mr. RIBICOFF. I am pleased to yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, under the agreement that has been entered into no nongermane amendments are in order.

One of the tests of germaneness with respect to an amendment is that of which committees would have jurisdiction over the subject matter of that amendment.

This amendment, I am advised, is clearly within the jurisdiction of the Committee on Labor and Human Resources and, consequently, under that principle of germaneness it is not in order.

The Chair has ruled properly, in my opinion. The appeal has been made. Mr. Jepsen has the right to appeal the ruling of the Chair.

I do not like to table amendments, and so on, but when it comes to sustaining the Chair on a matter which, to me, is as clear as this, then I have no hesitancy to move to table, and I would fail in my responsibility not to do so.

I hope the Senate will sustain the ruling of the Chair by my motion to table the appeal from the ruling, which I now review.

The PRESIDING OFFICER (Mr. McGOVERN). The question is on agreeing to the motion to lay on the table the appeal from the ruling of the Chair.

Mr. STEVENS. The yeas and nays were ordered.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. DURKIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "yea".

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 68, nays 24, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—68

Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Schweiker
Stennis
Stevenson
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—24

Armstrong
Baker
Byrd, Harry F., Jr.
Dole
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Schmitt
Simpson
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—8

Bayh
Durkin
Gravel
Inouye
Kennedy
Muskie
Sasser
Stafford

So the motion to lay on the table was agreed to, and the ruling of the Chair was sustained as the judgment of the Senate.

The PRESIDING OFFICER. The Senator from Iowa.

UP AMENDMENT NO. 112

(Purpose: To establish an Office of Rural Education in the Department)

Mr. JEPSEN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 112.

Mr. JEPSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 81, between lines 4 and 5, insert the following:

(F) an Assistant Secretary for Rural Education;

On page 81, line 5, strike out "(F)" and insert "(G)".

On page 81, line 6, strike out "(G)" and insert "(H)".

On page 81, line 7, strike out "(H)" and insert "(I)".

On page 81, line 8, strike out "(I)" and insert "(J)".

On page 81, line 24, strike out "(G)" and insert "(H)".

On page 88, between lines 17 and and 18, insert the following:

OFFICE OF RURAL EDUCATION

SEC. 211. There is established in the Department an Office of Rural Education, to be administered by the Assistant Secretary for Rural Education appointed under section 202(c). The Assistant Secretary for Rural Education shall study the nature and quality of education in the rural areas of the United States, and shall gather, coordinate, and disseminate information concerning rural education and the problems uniquely associated with the rural areas of the United States. The Assistant Secretary for Rural Education shall assist the Secretary in the administration of programs which have a significant impact on rural education. The Assistant Secretary for Rural Education shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

On page 88, line 19, strike out "Sec. 211." and insert **"SEC. 212."**.

On page 89, line 2, strike out "Sec. 212." and insert "SEC. 213.".

On Page 90, line 13, strike out "Sec. 213." and insert "SEC. 214.".

On page 95, line 22, strike out "Sec. 214." and insert "SEC. 215.".

On page 139, line 9, strike out "(6)" and insert "(7)".

On page 72, in the table of contents, renumber the items relating to sections 211 through 214 as the items relating to sections 212 through 215, respectively, and insert immediately after the item relating to section 210 the following:

"SEC. 211. Office of Rural Education.".

Mr. JEPSEN. Mr. President, this amendment is offered to bring attention to the lack of consideration given to the study of the nature and the quality of education in the rural areas of the United States by the proponents of the Department of Education.

If in fact the Senate in its wisdom is going to insist on the passage of a new Department of Education, then I respectfully insist that the Senate, and more importantly the Congress, seriously consider the plight of education in rural America.

It concerns me greatly that there is no depository for information which examines or studies the nature and quality of education in rural America.

My amendment instructs the Assistant Secretary for Rural Education to gather, coordinate, and disseminate information concerning rural education and the problems uniquely associated with the rural areas of the United States. The amendment further instructs the Assistant Secretary for Rural Education to assist the Secretary in the administration of programs which have a significant impact on rural education.

I strongly feel that rural America has some unique problems which have not been articulated or addressed relative to urban America. We ought to at least have the means and appartus to gather such information. Support for this amendment would be greatly appreciated. I yield to the Senator from Alabama (Mr. STEWART).

Mr. STEWART. Mr. President, I rise to support the amendment by the distinguished Senator from Iowa to authorize an Assistant Secretary for Rural Education in the Office of Education. I support a separate Department of Education because I believe it is necessary.

I believe that by creating an Assistant Secretary for Rural Education, an Office of Rural Education, we recognize the unique nature of the problems encountered in providing education in rural areas.

The State which I represent is largely rural. Thirty-six of Alabama's sixty-seven counties are at least two-thirds rural. For too long, we have neglected these areas. We fail to recognize the different and unique problems faced by rural America. Unfortunately, these areas have some of our most dilapidated schools and some of our most inadequate educational programs. The millions of schoolchildren in these rural areas must also contend with isolation, poverty, and underdevelopment.

For too long, our Federal education programs have been geared to the needs of nonrural school districts. Mr. President, I recognize that we face serious problems in our urban schools. Hopefully, with the increased visibility of the Department of Education and an increased emphasis on quality education, we can address those problems, too. However, let us not forget the severe problems that face our rural schools.

The approach that we take to addressing all these problems should recognize the differing circumstances of urban metropolitan educational systems and rural school systems. That is why, Mr. President, it is important for us today to provide a means of addressing rural education in the proposed Department of Education. Not to do this would perpetuate our neglect of the millions of schoolchildren in rural America.

There are currently few, if any, programs directed specifically at rural educational problems. An Office of Rural Education would remedy this situation, which is why I rise to support the amendment offered by the Senator from Iowa.

It is my understanding that he plans to take a somewhat different tack or approach in dealing with this problem and might not leave the amendment up for consideration by the Senate. In any event, I hope that his offering of the amendment will focus the attention of the Senate and the Government on the particular problem.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. LEAHY. Mr. President, I should like to take a moment to address the proposed amendment of the Senator from Iowa. I do so in my capacity as chairman of the Rural Development Subcommittee.

I do not think there is anyone in the Senate who has a greater interest and concern for our rural residents than I do. By Federal definition, Vermont is a totally rural State. It has no urban areas, again by Federal definition. So any action, law, or regulation that this Government takes which affects rural areas interests me.

In Vermont, as with most Federal programs, rural areas get the short end of the stick when it comes to education assistance. In fact, although 53 percent of this Nation's educationally deprived are in rural areas, only 34 percent of HEW's money for these children goes to rural areas. These statistics and others clearly point to the need to bring equity in the Federal response to rural education needs.

I wholeheartedly support the principle behind the amendment of the Senator from Iowa. Rural America needs attention and an advocate in high offices within a newly created Department of Education. However, I must oppose the Senator's amendment because I do not believe this is the appropriate manner of addressing this problem.

The new Department is being established along broad functions. I am willing to support this simplified and streamlined approach. However, I share Senator JEPSEN's concerns and believe we should send a clear message to those in the administration who will implement this legislation.

That message is, stop ignoring the educational needs of rural America. Show us within a year what specific actions the new Department is taking to identify and resolve the "rural" problems.

This is not intended as "puff" language. I am dead serious about expecting action from the new Department within a year. I also want to put the new Department on notice, and to assure my colleague from Iowa, the distinguished chairman, the Senator from Connecticut, and the rest of the Senate that, as chairman of the Rural Development Subcommittee, I intend to hold hearings on this in future years to determine whether or not the Department of Education is fulfilling its responsibilities to rural America. If we find that this responsibility is not being met and that the creation of an Assistant Secretary for Rural Education is needed, I will be the first to advocate creating such a position and giving the office the power and authority necessary to insure equitable treatment for rural America.

Basically, Mr. President, I hope that, once we have had a chance to discuss this, my friend from Iowa might withhold his amendment, because it will give us a chance to see whether these rural needs will be met, or will be addressed. I can assure him, from my vantage point, that if they are not, I shall be the first one standing in line to cosponsor such an amendment in future years.

I yield back to my friend from Iowa.

Mr. JEPSEN. Mr. President, with the assurances of the distinguished Senator from Vermont and his obvious sincere concern for the problems, as chairman of the subcommittee of which I am a member—and I appreciate that concern and those assurances—I shall be willing to take that into consideration.

Further, with the counsel and the good advice of my subcommittee chairman, I will, then, withdraw this amendment. I now do so.

The amendment was withdrawn.

AMENDMENT NO. 147

(Purpose: To terminate the Department of Education six years after the effective date of this Act)

Mr. HAYAKAWA. Mr. President, I call up my amendment No. 147, to sunset the Department of Education 6 years after its enactment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA) proposes amendment No. 147.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 146, immediately after line 21, insert the following:

"TERMINATION OF THE DEPARTMENT

"SEC. 603. (a) The Department shall terminate six years after the effective date of this Act unless prior to that date a law has been enacted which continues the Department.

"(b) (1) If the Department is terminated in accordance with the provisions of subsection (a), the President shall submit a plan to the Congress which transfers the functions of the Department to other departments or agencies unless prior to the termination date of the Department its functions have been so transferred by law. The President may not submit a plan under this subsection which provides for or has the effect of creating a new executive department. The President shall submit a plan required by this subsection within sixty days after the date of termination of the Department in accordance with the provisions of subsection (a), the Congress has enacted legislation which transfers the functions of the Department to other Federal departments or agencies.

"(2) (A) The plan submitted by the President to the Congress pursuant to this subsection shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after the date on which such plan is transmitted to the Congress unless, between the date of transmittal of the plan and the end of the sixty-day period, either House passes a resolution stating that the House does not favor the plan.

"(B) The provisions of sections 908, 910, 911, and 912 of title 5, United States Code, shall apply to any resolution considered under this paragraph. For the purposes of the preceding sentence—

"(i) all references in such sections to 'reorganization plan' shall be treated as referring to a plan submitted under section 603(b) of the Department of Education Organization Act of 1979, and

"(ii) all references in such sections to 'resolution' shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as follows: 'That the does not favor the plan submitted under section 603(b) of the Department of Education Organization Act of 1979 on , 19 .', the first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(3) If a plan is disapproved in accordance with the provisions of this subsection, within thirty days after the date of disapproval of such plan the President shall submit another plan to the Congress for the transfer of the functions of the Department. Such plan shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the plan is transmitted to the Congress unless the plan is disapproved in accordance with the procedures established in paragraph (2). The President shall continue to submit additional plans for the transfer of the functions of the Department until a plan takes effect.

"(4) For the purpose of this subsection—

"(i) continuity of session of Congress is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.".

On page 73, in the table of contents, immediately after the item relating to section 602, add the following:

"Sec. 603. Termination of the Department.".

The PRESIDING OFFICER. The Chair asks the Senator from California if this is the amendment on which 1 hour is designated or the one on which 15 minutes is designated.

Mr. HAYAKAWA. It is the one on which there are 15 minutes.

Mr. President, this amendment would sunset the Department of Education 6 years after its enactment. Thus, the Department of Education, if passed during this session, would terminate after 6 years unless Congress votes to extend its life. The President would then have the responsibility to distribute the programs that had been in the Department to other appropriate agencies and departments.

My purpose in proposing this amendment is to give Congress an opportunity to see how this Department works before we give it an open-ended lease. We would do well here in the Senate to attach this type of sunset provision to more legislation. That way, there is a definite time limit to prove a department's success or failure. I think 6 years is an adequate length of time for this proposed Department to prove its worth. If it is successful and truly improves education, then we can renew its lease. But if it is unsuccessful, we then have a definite time to cancel its continuance.

We in Congress have a propensity for creating and enacting legislation, then thinking little more about it, other than to periodically authorize more money for it, or to answer our constituents' questions. But, truthfully, after we come up with these bright ideas, our participation is finished. It then becomes the responsibility of our State and local governments to cope with these new laws.

I have long been a supporter of the "sunset" approach for review of our Federal programs, and would be delighted to see this type of provision attached to this Department of Education proposal.

I know I am not alone in hearing from constituents who are furious about having to cope with and pay for yet another Federal program that is not vital to us right now. In fact, there is a feeling that Congress approves almost any program, regardless of the small benefit to be gained by taxpayers. However, taxpayers are demanding more and more that we in Congress carefully examine new and existing Federal programs. Sunsetting a law provides a timetable for legislative review that insures examination of Federal programs on a regular basis, and also protects a program from termination without proper consideration.

The main reason I want to see this Department of Education as sort of an experiment is that I am not sure any of us knows exactly what to expect from it. Certainly, it sounds wonderful to say we are so concerned about education that we created a Cabinet-level department strictly to deal with it. But sounding wonderful and being wonderful are two entirely different matters.

I was an educator for 43 years before coming to the Senate. During those years, I saw our educational system grow and develop. But progress was in the hands of the teachers, the local school boards and the States. Teachers taught; children learned.

But in recent years, Washington has pushed its foot into the schoolhouse door and created new, sophisticated priorities. Teachers have been given new rules, regulations and mandates to deal with. They have had to expand from the basics to include sex education, bilingual education, driver education, health education and Washington-knows-best education. They have been told to push our children along the educational path at whatever cost. And what has been the result? I have seen semi-illiterates enter college only to be swept along once again by the bureaucratic broom—pass them, move them along, they told us. And so, after 16 years of education we find Johnny and Jane "educated" but without the basic skills they need to get jobs and to grow and prosper in our society.

We love to create legislation here, in our Nation's Capitol. What will a new Department of Education do for that third-grade teacher back in Eureka, Calif.? And most importantly, what will it do for Johnny and Jane? I think I know the answer—nothing. Absolutely nothing. So I ask this question of the administration: Why create a new Department? Why not work to improve what we already have—God knows there is a tremendous amount of work to be done. Why create another bureaucratic monster for teachers and local communities to have to cope with? Until I have a meaningful answer, I will oppose this proposal.

No one will argue that we have serious problems in American education. Our national efforts to improve education have been mostly ineffectual. Federal money levels for education in the last 10 years have tripled while our educational standards have deteriorated. Will someone please tell me how having this Department will erase these problems? For lack of a better alternative, supporters say "Let's try it—we have nothing to lose." That is nonsense. That is not true at all. We have much to lose, the least of which is the public's trust and confidence in their elected representatives. I have no justification with which to defend my position.

But if I am unable to convince my colleagues to oppose this new Department, then at least let us give it a temporary life span to prove its worth or worthlessness.

I hope that all of you will give some serious thought to supporting my amendment to sunset S. 210, the Department of Education, after a 6-year period unless we in Congress agree to prolong its life.

Mr. RIBICOFF. Mr. President, I am opposed to the amendment by the Senator from California.

For one thing, it is unnecessary. Approximately 98 percent of the Department's programs already have a built-in sunset provision. These programs are subject to reauthorization every 3 to 5 years. When these programs are reauthorized they are subject to close scrutiny and often modified.

In addition, sunsetting programs, rather than organizational structure—as this amendment would do—is the approach that has been recommended by Senator MUSKIE and approved by the Senate last year. We would be working at cross-purposes with comprehensive sunset legislation if we were to approve this amendment to sunset a department.

Similarly, provisions of this sort should not be adopted on a piecemeal basis, but should apply to all agencies. Right now, the Governmental Affairs Committee is working on S. 2, which would apply to all programs. We hope to hold early hearings on this legislation. These hearings are the proper forum in which to consider the issues raised by this amendment. S. 2 is the legislation in which a comprehensive and coordinated approach to education and other programs should be pursued.

Senator MUSKIE, chairman of the Budget Committee and the chief sponsor of S. 2, the sunset legislation, has communicated to me of his opposition to this amendment. I would like to read a few excerpts from his letter which states clearly the problems encountered by this type of proposal:

> While I share the broad objectives of those who propose to sunset the Department of Education after a period of years, I am concerned that their amendments would fail to achieve the goals we have set out to accomplish under sunset legislation.
>
> For example, one of the major goals of sunset legislation is to assure that Congress will reauthorize groups of related programs during a two-year Congressional term. The bill does this by requiring that all programs within the same subfunctional budget category be reauthorized during a Congress.
>
> For example, the education subcommittees would have an opportunity to review and reauthorize all of the federal activities under subfunction 501 (elementary, secondary and vocational education) in one Congress. In a later Congress, they would take a look at subfunction 502 (higher education). Both subfunctions would be administered by the Department of Education.
>
> The proposed sunset amendment would terminate the entire Department of Education at once. This would force the education subcommittees and the Congress as a whole to do a superficial job.
>
> I do not believe that we should approach the issue of sunset in a piecemeal fashion.

One of the underlying tenets of the sunset bill is the commitment of the Congress to a ten-year schedule for the review and reauthorization of federal programs. That review and reauthorization would be conducted according to a carefully thought out and comprehensive schedule for the reauthorization of those federal programs.

I would urge the supporters of sunset to withhold support for amendments of limited focus and join with me and others in this body who want to see a broader sunset bill become a reality and work for its early adoption.

Mr. President, I ask unanimous consent that Senator MUSKIE's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 26, 1979.

Hon. ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR ABE: I understand that during the consideration of S. 210, the legislation to establish a Department of Education, an amendment will be offered which would sunset this new department at some time in the future. I regret that a previous obligation will prevent me from participating in the debate on this legislation, but I want to take this opportunity to share my thoughts with you on the proposed sunset amendments.

As you well know, the Senate passed the Sunset Act of 1978 by a vote of 87 to 1 during the second session of the 95th Congress—an accomplishment that would not have been possible without your dedicated efforts and support for this legislation over the past four years. More importantly, that vote has given sunset legislation momentum in both the Senate and House of Representatives which, I believe, will ensure its enactment into law in this Congress.

While I share the broad objectives of those who propose to sunset the Department of Education after a period of years, I am concerned that their amendments would fail to achieve the goals we have set out to accomplish under sunset legislation.

For example, one of the major goals of sunset legislation is to assure that Congress will reauthorize groups of related programs during a two-year Congressional term. The bill does this by requiring that all programs within the same subfunctional budget category be reauthorized during a Congress.

For example, the education subcommittee would have an opportunity to review and reauthorize all of the federal activities under subfunction 501 (elementary, secondary and vocational education) in one Congress. In a later Congress, they would take a look at subfunction 502 (higher education). Both subfunctions would be administered by the Department of Education.

The proposed sunset amendment would terminate the entire Department of Education at once. This would force the education subcommittees and the Congress as a whole to do a superficial job of reauthorizing all of the educational programs under the Department—or it could require the Congress to decide whether the new Department had done a good job without examining how well it had administered the programs under its jurisdiction. That could result in a meaningless review and reauthorization process. This problem is compounded by a provision in one proposed amendment which assumes that if the new Department terminates, its programs would go forward. This makes little sense since it would require the President to transfer the functions of the Department to other departments or agencies without asking whether it was the Department which failed to work well or whether in fact the programs it was asked to administer should be changed or discarded.

I welcome any opportunity for the Senate to debate the merits of sunset legislation. I am firmly committed to seeing S. 2, the Sunset Act of 1979, enacted into law before the 96th Congress comes to an end. The more we debate the need for this legislation, the more I am convinced that members of Congress and the public will call for its early adoption.

I do not believe that we should approach the issue of sunset in a piecemeal fashion. One of the underlying tenets of the sunset bill is the commitment of the Congress to a ten-year schedule for the review and reauthorization of federal programs. That review and reauthorization would be conducted according to a carefully thought out and comprehensive schedule for the reauthorization of those federal programs. Last year, the Senate went on record firmly in support of this commitment. I expect that it will do so again this year. I would urge the supporters of sunset to withhold support for amendments of limited focus and join with me and others in this body who want to see a broader sunset bill become a reality and work for its early adoption.

Sincerely,

EDMUND S. MUSKIE.

Mr. RIBICOFF. Mr. President, I urge my colleagues to reject this amendment.

Mr. PERCY. Mr. President, the subject of this amendment was thoroughly discussed in the Governmental Affairs Committee. After that discussion, the sunset concept was rejected for this particular bill for two basic reasons.

First, the committee has promised to hold hearings on sunset legislation. Hearings have already been scheduled for May.

Second, discussion regarding sunset legislation has primarily been about sunsetting programs. In fact, the legislation that was adopted by the Senate, authored by Senators MUSKIE and ROTH and cosponsored by many of us, essentially dealt with programs. There has been insufficient discussion throughout the course of our hearings on the concept of sunsetting a department or the ramifications.

Sunset, to be effective, should be applied Government-wide and not in a piecemeal fashion. It is a mechanism for evaluating the size of Government and the necessity of Government programs in a systematic manner.

It is for that reason the committee is committed to considering sunset legislation.

Knowing that the Senate has already acted on the sunset principle, overwhelmingly supported that principle with respect to programs and, as we now approach new hearings in May, we would cordially invite the Senator from California to testify on, "Why not sunset departments and agencies of the Government?"

As a matter of fact, the Governmental Affairs Committee did establish this principle, but we took one whole category. We did not single out any one particular Presidential advisory committee or commission. We put them all under the same umbrella, and we provided for a sunset provision, that they should automatically die after several years unless reinstituted by new legislation.

The Comptroller General has reported on the result of that action. We have already disbanded 800 Presidential advisory committees and commissions and saved millions of dollars. In the previous 10-year period, probably only a very few advisory committees or commissions had been disbanded.

So I am very sympathetic to the principle. The problem is, why single out just one department, one agency. Particularly, I think it would be patently unfair to hold education to termination provisions to which the rest of Government is not subject.

It would defeat the purpose of this bill, which is to improve the efficiency of and the accountability for Federal education programs.

It would also be a signal to many people who now work for the Commissioner of Education. We have had enough turnover as it is—13 commissioners of education in 13 years.

What we would do is single out that one area and indicate to them that we may—we are so uncertain about this—we may end the department. That would cause tremendous uncertainty from the standpoint of the employees.

We have a tough enough time as it is convincing Commissioners of Education to stay on more than a year. In the last 13 years, there have been 13 Commissioners. The Commissioner of Education should be one of the highest jobs in the country, one of the most important responsibilities in the Nation. Yet, we have had one Commissioner every year for 13 years.

This sunset amendment would create even greater uncertainty, even greater confusion. It would lessen our ability to attract people of high quality for this Department.

Because of those reasons, I strongly urge that we withhold this amendment, which I regretfully would have to oppose, until we have hearings on the sunset bill once again. At that time, we can examine how it would work with respect to agencies and departments of Government. It is a concept that should be studied thoroughly. However, I would hate to see us institute the principle today, on this particular legislation, which might single out education as a particular area above all others that would be subject to termination. I can think of many, many agencies that should be terminated ahead of a new proposed Department of Education.

Mr. HAYAKAWA. I thank the distinguished Senator from Illinois.

Mr. President, I yield to the Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. I thank the Senator from California.

Mr. President, I have brief remarks to make, but I hope they might be heard in this Chamber and beyond, to explain my position in support of the Senator from California.

Today's subject being education, perhaps we can begin with the ancient maxim of Hippocrates which begins all medical school education. It is translated into Latin, and it continues to this day to constitute the opening lesson in medical schools throughout the world. It simply says, with regard to the duties of a doctor: "Primum non noceo."

Translated, it means, "First, I shall do no harm." It is the abiding insight of the medical profession, and it could well be heeded by this Chamber.

For evidently, today we heed it not; if we are to adopt this bill, surely the sponsors may well hear voiced the deep concern of those who do not agree. Can we not, we might ask, have an experiment with the legislation, with the opportunity to be rid of it, if, as I think it will, it turns out to be very much contrary to our general sense of what we should be involved with at the Federal level?

I will make now a point which perhaps is a bit indiscreet. There are those who know that I have said in private conversation that if I were a Republican, I would be very much against this bill, since it is apparently being put forward for the open and avowed purpose of electing a Democratic President in 1980. I shall do all I can to elect a Democratic President, the incumbent President.

However, to bring education into politics at this level denigrates and defies two centuries of our tradition. You do not give up two centuries of a tradition just to win an election—especially an election we are going to win anyway. It is, to say the least, inappropriate.

Now I should like to say something to my Democratic brethren, especially those who can only see a U.S. Senate dominated by our party. That, I remind my colleagues, is not a provision of the Constitution, and they know that in private we talk in considerable detail about the prospect that we might one day find ourselves a minority in this Chamber. When we do, the views on education that will be adopted in Washington and imposed from Washington will not be the views which we associate with progress and liberality. Any number of views which we now deem utterly repugnant, regarding trade unions, regarding education, regarding the most sensitive of matters, might well be imposed, and we might well have nothing to say about it. Indeed, we might one day find this Chamber moving toward the establishment of religion. We see the roots of this taking hold before us today, for what more constitutes the establishment of religion than the prescription of prayer by the State? That is what constitutes an established religion. How much more interference with the judgment of local schoolboards than to say you may teach or you may not teach something, indeed something as fundamental as human biology and human physiology?

We do not anticipate that ever happening, because we do not anticipate ever being a minority. But we may be, and when we are, these are the measures that may be passed. How, then, will we explain them? It seems to me that prudence and self-restraint in this body suggest that the sensible proposal of the Senator from California be adopted.

As to those who are in favor of sunset legislation, why not give it a try? If we deem it a good idea, here is our opportunity to embrace it; and if we do not, then why do we advocate it?

I congratulate my fellow educator, who did not cease that role when he entered this Chamber, who never has failed to make thoughtful, if unpopular, remarks. He simply continues a practice of almost five decades which has made him one of the most beloved as well as one of the most respected teachers of our time. I shall vote for his amendment.

Mr. HAYAKAWA. I thank my dear friend and distinguished colleague, the Senator from New York (Mr. MOYNIHAN)

Mr. President, I yield not more than 5 minutes to the distinguished Senator from Idaho (Mr. MCCLURE).

Mr. McCLURE. I thank the Senator from California for yielding this time.

Mr. President, I support the amendment, and I commend the Senator from California for having taken this initiative.

I view this amendment in a slightly different perspective from that of some of my friends who are opposed to the creation of the Department of Education, for I am in favor of the creation of the Department of Education and will vote for the legislation.

However, I am very much aware of the criticisms that have been expressed about the creation of the Department and the fears—the legitimate, very sincere apprehensions—by people concerning what the creation of the Department may mean to the values of education, to the role of State and local governments, to the relationship between State and local governments and the Federal Government.

How better can we assure them that we are going to take a very careful look at what really does happen under the creation of the Department, other than to assure them that, at the end of a fixed period of time, we will take another look at the creation or the extension of the creation of the Department.

I think the very reason that the fears are expressed and that they are very real and that they are very sincere justifies the attachment of the sunset provision to the creation of a new department—for the very reasons that we have been talking about sunset legislation all along.

I am a cosponsor of the sunset legislation. I think the proposal is sound. The thing that has concerned me all along in the sunset legislation is that Congress, for political reasons, would find it inexpedient to actually take a look at it. Here we are, getting the first example, even before we become involved in widespread sunset legislation. It is inexpedient now politically even to say that we will just take a look at it.

So we are saying, "No, we are going to create this Department of Education for all time. You do not have to worry about it, friends. This is a political commitment we have made to the political constituency, and it is now beyond the reach of Congress."

I think that is fundamentally wrong, and it is one of the fundamental threats against really valuable sunset legislation and movement within the Government.

For that reason, I support the amendment. I commend my friend from California for proposing the amendment. I hope it will be adopted.

Mr. President, I yield back the remainder of the time to the Senator from California.

Mr. HAYAKAWA. Mr. President, I am very grateful to the distinguished Senator from Idaho for his remarks.

I am pleased to know that despite the fact he supports the creation of a Department of Education he does also support the idea of sunsetting it, and that is a very important point.

Mr. President, I now yield to Senator HATCH whatever time he may need. He asked for 4 minutes.

Mr. HATCH. I thank my friend and colleague from California.

Mr. President, I rise in support of Senator HAYAKAWA's amendment to "sunset" the Department of Education within six years. As many of my colleagues have done, I have cosponsored S. 2, a measure introduced by the senior Senator from Maine, Senator MUSKIE, to sunset all Federal agencies and departments if they cannot justify their continued existence based on their performance. This concept must also apply to S. 210.

It is time we stopped creating new programs, agencies, commissions, boards, bureaus, and departments without consideration for an end to the burgeoning bureaucracy. I am reminded of a scene in the motion picture "The Agony and the Ecstasy," the story of Michelangelo, where Pope Julius continually proceeds to the altar underneath Michelangelo's scaffolding in the Sistine Chapel and inevitably asks: "When will it be finished?" The similarity between the paintings in the Sistine Chapel and our Government end, however, when we realize that Michelangelo did, indeed, finish his work. For our constituents, playing the role of Pope Julius, there is no end in sight.

Once established, Federal departments and agencies must be held to account for their effectiveness in administration as well as their adherence to Congressional intent. The sunset of the Department of Education will permit the thorough evaluation of the policies and procedures of a Federal entity which affects every single citizen both now and in the future. I will admit that as Senators and Congressmen we need to be pushed into devoting sufficient time for oversight. Our energies seem irrevocably drained in searching for answers to new problems and we are often negligent in checking up on those solutions we have already adopted. Perhaps we should have sunsetted the Department of Energy after 1 year.

Senator MUSKIE has made compelling arguments for this concept of conducting oversight of Federal programs and agencies. I believe we ought to heed the experience of our Government that holding Federal programs and organizations in perpetuity is not the best public policy. I commend the Senator from California for offering this amendment. I think it could well apply to all new enacting legislation, and in this instance is certainly appropriate for the Department of Education.

This is a controversial piece of legislation. I think everyone who is voting either for or against it has some qualms because there are arguments that can be made on either side.

I think one qualm that continually buffets me is, are we creating another bureaucracy with more Federal control in an area not contemplated by the Founding Fathers who formulated the Constitution? Unfortunately, I believe this may be the case.

On the other hand, if one stops to think about it, since the Federal Government is intruding so much in education in society today, does not education deserve a Cabinet-level position?

There are many other balancing arguments on either side, and it is a very difficult decision for most Senators here. It being so controversial, so difficult to understand, so difficult to resolve in the minds of most Senators, then should it not be sunsetted in the sense that Senator HAYAKAWA asked for and should his amendment not be given a fair up and down vote in the Chamber? I believe that it should.

I do not think anyone would be hurt by this particular amendment. In fact, if it does work well as the proponents of the bill seem to think that it will, then there should be no fear of sunsetting this bill because I cannot imagine it being reduced in value 6 years hence if it has worked well in the prior 6 years.

Mr. President, I support the amendment of the distinguished Senator from California, and I hope all of my distinguished colleagues will do likewise.

I thank him for this time and yield back whatever remains to the distinguished Senator.

Mr. HAYAKAWA. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER (Mr. BAUCUS). The Senator has consumed approximately 19 minutes. The Senator has 10½ minutes remaining.

Mr. HAYAKAWA. Thank you, Mr. President.

I yield 3 minutes to my distinguished colleague from South Carolina, Senator THURMOND.

Mr. THURMOND. Mr. President, I rise in favor of this amendment.

I wish to say in the beginning that I intend to vote for the new Department of Education. I do that because I feel that HEW has become so large, the appropriations are so large, and the responsibilities are so large that it would be well to separate the Education Department from the rest of the Department.

I feel, however, that it would not be a bad mistake if we attached such an amendment as this to every new agency or department created in the Government. In other words, after 6 years let us take another look at it.

I favor the same thing in confirmation of judges on the Supreme Court. After 6 or 8 years take another look.

And in view of that, in view of my thinking that no detriment could result and good might come from this amendment, I wish to see the Senate agree to it. I feel that it is sound. It would be helpful and would give us an opportunity after this matter has been tried out for 6 years to determine whether we wish to continue the Department. If we do, the evidence is there to sustain it. If not, if we can find a better way to handle it, if we can save money, if we can promote efficiency, then, of course, we should follow that course.

For those reasons, Mr. President, I favor the amendment of the distinguished and able Senator from California.

Mr. HAYAKAWA. Mr. President, I am very, very grateful, indeed, to the disinguished Senator from South Carolina for his remarks, especially in view of the fact that he, like the Senator from Idaho, is in favor of the Department of Education and at the same time believes in sunsetting this particular legislation. And the fact that both these Senators prefer to look upon this as an experiment to prove itself in the next 6 years is something that appeals to me very, very much.

We are not often enough experimental in this body. We decide things forever without submitting them to reexamination and all these things required.

I also wish to say to my distinguished colleague from Connecticut that I agree thoroughly with the sunset principle and when he holds his meetings in May on this whole principle of sunsetting as it applies to departments as well as programs and so on, I shall be happy to testify at that time.

All I say at this present time is that while I support the sunset principle in general, I wish also to apply it to this particular legislation because this is one that bothers me very, very much.

We have to start somewhere with some sunsetting. It seems to me that this is as good as any.

I reserve the remainder of my time.

Mr. DURKIN. Mr. President, I am a cosponsor of "sunset" legislation. I am proud to join my distinguished colleague from California, Senator HAYAKAWA, in offering amendment No. 147 to the proposed Department of Education bill. Given the purpose of S. 210—to make Federal education programs more efficient and effective—I believe the inclusion of a sunset provision to this legislation is not only proper but crucial to its final enactment.

The primary responsibility for education in our Nation lies with State and local government. Sunset promises to keep it there. As proposed, amendment No. 147 will give the new Department a 6-year deadline to prove its success in reducing excessive and burdensome regulations, unnecessary duplication and fragmentation in our Federal education programs.

Moreover, it will provide greater accountability. Establishing a new separate Department will create for the first time, a Cabinet-level advocate for education with direct access to the President, the Congress, and the public. Adopting the proposed sunset provision will give added incentive to perform well and show results within a few years.

Mr. President, I can think of few more important acts that this body can take than to approve the Department of Education bill with a sunset provision. Unlike across-the-board spending cuts which may only reduce the size of our budget, Government reorganization backed by sunset guarantees an effective return on the expenditure of every tax dollar. My purpose in cosponsoring this amendment is to give Congress an opportunity to see how the new Department of Education works before we give it an open-ended lease. I want to add that we would be doing well to attach this type of sunset regulation to more legislation. Had we attached it to the Department of Energy creation bill, we might have had a more coherent energy policy today.

The American people are rightfully demanding that government be efficient and effective, especially in policy areas best left to local levels such as education. If the Department of Education proves its worth, then it can be continued after 6 years. But if not, the bureaucrats running it should know right at the outset that the Department will end.

This amendment, by itself, does not terminate any Federal education programs, for in the event of Department sunset, the programs would be transferred to other departments. But that does not mean that some of these programs should be allowed to escape close examination and possibly termination. That is why we need a comprehensive sunset bill.

Sunset legislation for all government programs is past due. I have supported it strongly in the past, and will continue to during this session. But as we take this decision to create a new department, it is time for the Senate to let the American people know we are serious about cutting waste by adding a sunset provision to the Department of Education.

I commend Senator HAYAKAWA on his amendment and urge its adoption.

Mr. RIBICOFF. Mr. President, I yield back the remainder of my time.

Mr. HAYAKAWA. Mr. President, I yield back the remainder of my time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "nay".

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Are there any Senators who have not voted?

The result was announced—yeas 46, nays 48, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—46

Armstrong
Baucus
Bellmon
Biden
Boren
Byrd,
  Harry F., Jr.
Chafee
Cohen
Dole
Domenici
Durenberger
Durkin
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Mathias
McClure
Morgan
Moynihan
Packwood
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—48

Baker
Bentsen
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cranston
Culver
Danforth
DeConcini
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Jackson
Javits
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Nunn
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Williams

NOT VOTING—6

Bayh
Gravel
Inouye
Muskie
Sasser
Stafford

So Mr. HAYAKAWA's amendment (No. 147) was rejected.

UP AMENDMENT NO. 113

Mr. HATCH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 113.

The PRESIDING OFFICER. The clerk will suspend. The Senate is not in order. The Senate will be in order.

The clerk may proceed.

The second assistant legislative clerk read as follows:

> On page 113, line 19, insert after "may"——

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 113, line 19, insert the following after the word "may": "as provided in Appropriations Acts".

Mr. HATCH. Mr. President, last Thursday, the Senate wisely adopted an amendment by Senator BELLMON authorizing for the Department of Education an end strength for personnel, notably in the so-called super-grades, GS-16, GS-17, and GS-18. Senator KASSEBAUM had an amendment expressing this concern as well. I share the opinion of my Republican colleagues that the new Department of Education not become a vehicle for increasing our Federal payroll. The Senator from Connecticut, in accepting these amendments, has also recognized the need to, in as many ways as possible, restrict the growth of Government.

However, there is an often used backdoor method by which the bureaucracy manages to circumvent personnel limits and the intent of Congress. Senator MAGNUSON's Appropriations Committee recently investigated the use of consultants at the Department of Health, Education, and Welfare. The April 7 Washington Star reported some of their findings, including the fact that of 29 consultants randomly reviewed, 23 of them were actually filling permanent jobs. A spokesman for Secretary Califano admitted this was true and reiterated that consultants should not be doing the work of permanent employees.

The article stated that we were spending as much as $10 million on consultants at HEW. Mr. President, I can understand why experts and consultants are, in many instances, a boon to our Government in developing ideas and alternatives for the implementation and enforcement of congressional intent.

However, I fail to see how we could possibly be benefitting $10 million worth. I am disturbed by what seems to be a blatant attempt by the executive branch to inflate its personnel without consent of Congress. While the education division of HEW has been more frugal than the National Institutes of Health, or other sunsets of HEW, employing only 205 experts or consultants during fiscal 1978, the Appropriations Committee report cites two specific examples of abuse in the education area and suggests there are others. I commend the distinguished chairman of the Appropriations Committee and his staff for their investigation in this area. Obviously, we could save millions of tax dollars by extending our limits on permanent employees to experts and consultants as well. In addition to providing the Department with some guidelines for using experts and consultants, the amendment would also assure a clearly cut role for Senator MAGNUSON's committee in the enforcement of the personnel limits already agreed to by the Senate.

Mr. President, I ask unanimous consent that the Washington Star article by Howie Kurtz be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

'78 CONSULTANTS COST HEW $10 MILLION

(By Howie Kurtz)

The Department of Health, Education and Welfare spent nearly $10 million on 2,217 private consultants in the 1978 fiscal year, including one expert who was paid more than $53,000 to give advice on improving care at St. Elizabeth's Hospital.

HEW officials told Congress they paid only 12 consultants more than $25,000 each, but investigators have found that the department actually paid 102 people more than $25,000 for consulting work in the fiscal year that ended last Oct. 1.

These are among the findings of the Senate Appropriations Committee, headed by Sen. Warren Magnuson, D-Wash.

Federal agencies are required to inform Congress of any consultant who is paid more than $25,000 a year. The Appropriations Committee has charged that HEW has used dozens of consultants improperly. The committee plans to hold a hearing on the matter next week.

HEW Secretary Joseph A. Califano Jr., who has been trying to crack down on the rising cost of consultants, ordered his own agency to tighten up procedures after learning of the panel's findings. Many consultants apparently were brought in as a way of getting around President Carter's hiring freeze.

Califano's office hired 188 consultants in fiscal 1978 and paid them a total of $1.6 million. HEW officials told the committee that this is because the secretary appoints experts for longer periods of time and pays them higher salaries than most other agencies.

The National Institutes of Health used 338 consultants and paid them $4.4 million, but NIH officials failed to tell Congress that they paid 83 of those experts more than $25,000 each, or that 16 of them earned more than $40,000 each. One NIH official told the panel that he was unaware of the disclosure requirement and that NIH just "blew it."

The Magnuson committee has focused on such consultants as James Buford, who was paid $53,808 even though the law says that no private expert should be paid more than $47,500 in a given year.

Buford was hired as a part-time consultant by the assistant secretary for health in August, 1977 at a rate of $169 a day. His assignment was to improve the quality of care at St. Elizabeth's Hospital, the District's federally run mental institution, and help provide services for patients there who were being returned to the community.

In February, 1978, Buford was converted to a full-time consultant and his salary raised to $182 a day. Six months later, he was switched to a limited appointment in the secretary's office.

Finally, last January, Buford was moved once again, this time to a permanent "political" appointment as a special aide to Assistant Secretary for Health Julius Richmond.

Buford said he hadn't read the report and declined comment. But Tom McPhee, HEW's assistant secretary for personnel, said the arrangement was "perfectly legal."

"We actually caught it ourselves and we stopped his payments when they reached $47,500." McPhee said. But he said the General Accounting Office had granted Buford a one-time exception last November and allowed HEW to pay him for the rest of the year.

McPhee added that Buford exceeded the ceiling because he worked Saturdays and because problems with St. Elizabeth's accreditation caused him to stay on far longer than originally planned. McPhee also noted that Buford had been given a political appointment, as opposed to a career job, "and we don't see anything wrong with that."

McPhee conceded, however, that "we've had times when consultants have not been used correctly. Our intention is not to keep them around too long so they don't make that kind of money, but sometimes we lose track of them once they get into the process."

The report said NIH and other agencies were hiring private experts to circumvent the civil service rules. For example:

One consultant was hired in 1973 to run the National Cancer Institute's press office on a day-to-day basis. The individual, who was paid $31,203, was extended on three occasions until 1976, when he was given a career appointment as associate director for cancer communications.

"The individual was to continue performing the same duties he performed as an expert (but) at an annual salary of $36,338," the report said.

The panel reviewed the files of 29 consultants and found 23 were "misused," many of them to fill permanent jobs. One HEW consultant was hired at $95 a day in 1977 to deal with programs for migrant farm workers. Last October, he was given a $27,453 permanent job "to continue to perform the same duties."

McPhee said the report was accurate and

that consultants "should not be doing a job that could be done by permanent employees."

Mr. HATCH. I am thankful that my friend, Senator RIBICOFF, has agreed to this amendment. The Senator has been extremely cooperative and understanding of our concerns on this point and I know he will also work with us to achieve a responsible number of consultants for the new Department and an end to these personnel boondoggles.

Although I prefer to have an amendment which would set a fixed number beyond which the total number of consultants in the Department of Education would not be exceeded, I believe that we have arrived at compromise language which will certainly put the intent of the Senate in the right place, and I think push the Department of Education to do what is right, assuming this bill is enacted.

Mr. President, I personally express my appreciation to my dear friend from Connecticut for the characteristic way in which he always handles these matters.

Mr. MAGNUSON. If the Senator will yield, I want to say that this amendment carries out not only the intent of the Congress but the intent of the Appropriations Committee.

Mr. HATCH. I am grateful to the Senator from Washington for his excellent leadership in the Appropriations Committee. It is my understanding that this amendment will be agreed to. I certainly hope so.

Mr. RIBICOFF. Mr. President, this is a good amendment and I am pleased to see that it also has the support of the chairman of the Appropriations Committee. This amendment is acceptable to the manager of the bill. I yield back the remainder of my time.

Mr. HATCH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, there are a number of other amendments. I do not know whether their authors intend to call them up at this time. I believe Senator HAYAKAWA has another amendment, and I believe there are others.

The PRESIDING OFFICER. Does the Senator from California seek recognition?

UP AMENDMENT NO. 114

Purpose: To Prohibit Director of the Office for Civil Rights from Enforcing Quota Systems

Mr. HAYAKAWA. Yes, Mr. President.

Mr. President, at this time I would like to call up an unprinted amendment in behalf of myself and Senator HELMS and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself and Senator HELMS, proposes an unprinted amendment numbered 114.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. Is this the amendment on which there is a 15-minute time limitation?

Mr. HAYAKAWA. This is an unprinted amendment on which there has been no time agreement, Mr. President.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. RIBICOFF. Was a unanimous-consent request made on this amendment?

The PRESIDING OFFICER. The Chair understands that, no, there is no unanimous-consent request with respect to this amendment. Each side has 15 minutes——

Mr. RIBICOFF. The amendment has not been read. I would like to have it read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 85, line 7, after the word "prescribe.", add the following: "Provided that no duty, power, or function of the Director shall include the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any quota, ratio, goal or other numerical requirement related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to the hiring, promotion, or admissions policies or practices of any institution of higher education."

Mr. HAYAKAWA. Mr. President, today I wish to call upon my colleagues in the Senate to take action against discrimination based upon race, creed, sex, or national origin. We must act firmly. We cannot continue accepting unfair, divisive, and discriminatory practices fostered and mandated by agencies like the Department of Health, Education, and Welfare.

With this new Department of Education, I say let us stop this foolishness now, while we are still in the formative stages of creating a new Department. HEW has a longstanding policy of forcing preferential quotas on the schools of this country. Their vocabulary is quite different from mine, however. They call these plans affirmative action. I call them racial discrimination. The actions taken are really intended to force a reverse bigotry down our throats.

The purpose of the Civil Rights Act of 1964, Mr. President, was to guarantee equal opportunity to all our citizens. What does equal opportunity mean? It should mean that each man and woman has the right to strive, to compete, to accomplish, and to be rewarded. Affirmative action programs and quotas attempt to replace personal effort with preferential treatment. Equal opportunity then becomes selective opportunity, available only to those whom the bureaucracy has selected for special handling.

Last year, I asked the Senate to deny Federal funds for Health, Education and Welfare and Labor Department programs which give preferential treatment to minority groups. My intention was not to destroy opportunities available to people who have suffered from discrimination in the past, but to keep those opportunities from being color-coded handouts. How does the Government decide which group is the most deserving of preferential treatment? Obviously, blacks have suffered greatly, and using HEW's measure, they should be given special consideration. But can we leave out the Jews, who certainly have suffered outrageously, or the Italians, the Irish, the Japanese and Chinese, or the Gypsies, for that matter? Many ethnic and cultural groups can genuinely claim to have been discriminated against.

And why not include people with social handicaps? The young man from the small rural town goes to the big city to look for a job. He is uneducated, his accent is strange, his clothes are wrong, he lacks social graces. Why does he not deserve special treatment? If the Government insists on selecting those who should be shoved to the front of the line, the selection should not be based on skin color alone.

When I was president of San Francisco State College, I resented the Federal Government's interfering with our process of selection.

For example, we were an urban university dealing with students, many of them minorities, many—80 percent of them—working their way through college without the kind of help that we now offer them. HEW people had the nerve to come and tell us what social justice and racial equality mean in educational terms. But we had been working on this for decades, since the very foundation of our State college in 1899.

We had always been weighing these problems in social justice and racial equality.

In recent years, Washington, has pushed its foot in the schoolhouse door and created new and sophisticated priorities. Every priority they throw in interferes with the educational process. Teachers have been given new rules and regulations and mandates to deal with. They have had to expand from the basics and they have had to include, although these are not all federally mandated, sex education, bilingual education, driver education, and then, Washington-knows-best education. Then, of course, the mandating of various rules had to do with the proportion of people in the classroom and the proper representation of minorities, and so on. All this has resulted in, for example, the bilingual education program in Japanese in San Francisco, requiring the presence of a certain number of black students who have no desire to learn Japanese; but who are mandated to be there in order to maintain the proper racial proportions. So one regulation piles on top of another regulation, producing absurdities of various kinds, most of them due to the mandates of the Federal Government.

As a result of these events, there has been an enormous deterioration in education in our own time. We have seen semi-illiterates enter college, only to be swept along again by the bureaucratic broom so that we have been compelled to pass them, move them along, give them degrees, so that, after 16 years of education, we find Johnny and Jane "educated" but without the basic skills they need to get jobs and to grow and prosper in our society.

Federal demands for the integration of schools and the integration of colleges has resulted in the enormous loss of jobs for black teachers, black principals, black coaches. Right now, the State of North Carolina is undergoing a very traumatic experience of seeing all their black colleges completely threatened with extinction.

It is not that I hold a particular brief for black colleges as such, but there have been black colleges of distinction. There are certain advantages for a black student to go to a black college if he wants to, where he does not have to think about his relationship with the majority constantly, and be subconsciously worried about his rights, as one always is in a minority situation. I know black people from Chicago who have been educated in integrated schools who deliberately go to black schools in Texas and Nashville, Tenn., so as to be in an all-black university for part of their lives. Now, this is not an ideal solution for their whole lives, but for part of their education, this is something that people have wanted. This existence of these black schools is completely threatened right now because of, should I say, the following of certain unproved theories.

Professor Coleman said, as you all know, in the Coleman report, many years ago, that there were advantages to blacks and whites studying together and so this gave great push to the mandated integration of schools. However, Professor Coleman more recently withdrew that statement and said that there does not seem to be the advantage that he originally thought there was in blacks and whites being in the same classroom.

Although Professor Coleman has changed his mind, HEW has not, and they go charging madly on, on the basis of a 20-year-old report which the author himself has repudiated.

In principle, they are applying their own philosophies independent of the results of educational and psychological research. This is the kind of unresponsive bureaucracy that results from the creation of this kind of almost autonomous agency which is not responsible to the locality which makes North Carolina, or Tennessee or California or North Dakota responsible to that agency, rather than the other way around. That is the danger with this sort of thing and is why I am so very vigorously opposed to this application of dogmas of one kind held by the Washington bureaucrats and applied, without consideration of local disparity, equally to Mississippi, to North Dakota, Guam, Hawaii, Puerto Rico, and so forth, as if these places were all alike.

The great error that our Government has been committing for a long time is enforcing, or trying to enforce a social equality that can only grow naturally. Whether the Government calls it a quota system, a minority ratio plan, a goal, a timetable, or "numerical representation," what it boils down to is treating some people more favorably and others less favorably because of the shade of their skin, the nationality of their parents, or the gender of their chomosomes.

Americans are sick and tired of the Government's efforts to regulate every part of our lives. They dislike the annoyance, the expense, and the very attitudes attached to it.

We cannot continue to let the Federal Government tell us what to do. Bureaucrats regulate our lives in ways we never dreamed possible.

Congress did not see fit to mandate affirmative action programs by law in 1964, when we passed the great Civil Rights Act and we should not let the executive branch abolish the Civil Rights Act, as they are, in effect, doing.

The amendment which my colleague from North Carolina and I offer today to S. 210 states that the Director of the Office of Civil Rights in this new Department of Education may not require quota systems. The Director could not force such discriminatory practices upon the American people through any rule, regulation, standard, guideline, recommendation, or order.

I respectfully ask my colleagues for their support.

Mr. HELMS. Will the Senator yield?

Mr. HAYAKAWA. I yield to Senator HELMS.

Mr. HELMS. Mr. President, the purpose of Senator HAYAKAWA's amendment, which I am delighted to sponsor, is very simple.

It is to bring the activity of the proposed Department of Education in line with the Supreme Court's ruling in the Bakke case that the use of quotas in university admissions violate the equal protection clause of the Constitution.

Some of my colleagues may remember that Senator HAYAKAWA and myself last year offered a similar amendment to the Labor/HEW Appropriations Act to prohibit the use of discriminatory racial quotas.

But now that the Court has acted, it is proper and timely for the Senate to endorse the Court's action and move to bring the activity of the Department of Education within the principle of the Court's action.

Mr. President, in a minority opinion in the Bakke case, some justices maintained that Congress intended to permit racial quotas. Of course, those who have followed congressional action on this issue understand that the Congress never intended to promote discriminatory quotas when it enacted laws to promote equal opportunity and treatment.

The concept of affirmative action first surfaced in Executive Order No. 11246, issued by President Johnson in the wake of the recently enacted Civil Rights Act of 1964. It requires employers to "take affirmative action to ensure that (people) are treated * * * without regard to their race, color, religion, sex, or national origin." However, Federal agencies administering this Executive order have failed to articulate a constitutionally proper meaning for "affirmative action" which is consistent with the intent of Congress in its landmark civil rights legislation.

The legislative history of the Civil Rights Act of 1964 clearly shows the intent of Congress to outlaw preferential employment practices. For example, Senator Hubert Humphrey, then majority whip, maintained that—

> The proponents of the bill have carefully stated on numerous occasions that title VII does not require an employer to achieve any sort of racial balance in his work force by giving preferential treatment to any individual or group. (110 Cong. Rec. 14331)

Despite this intent of Congress to prohibit discriminatory practices through the use of numerical quotas and goals, Federal bureaucrats have interpreted "affirmative action" as requiring quotas and goals.

This interpretation of affirmative action is not compelled by any Executive order. Nor is it mandated by any act of Congress. Instead discrimination through the use of quotas and goals is a bureaucratic creation.

Proponents of discriminatory quotas and goals have been partially successful in blurring the distinction between nondiscrimination and affirmative action. In a classic example of Orwellian "newspeak" the Department of Labor characterized affirmative action as part of an employer's larger obligation not to discriminate. This confusion between nondiscrimination and affirmative action has promoted a system in which discrimination is being institutionalized under the guise of a nondiscrimination program.

Under the present bureaucratic formulation, affirmative action is, in reality, affirmative discrimination. Within the academic community it has created a system of reverse discrimination. Affirmative action quotas and goals inescapably produce a situation where discrimination is commonplace. Edward Levi, former U.S. Attorney General and past president of the University of Chicago, rejected HEW's claims that the goals it repeatedly imposes are different than numerical quotas. He said:

> The country has been on a program where affirmative action, requiring the statement of goals, is said with great profoundness not to be the setting of quotas. But, it is the setting of quotas.

Similarly, the Supreme Court in its Bakke decision had semantic arguments concerning whether the activity of the University of California amounted to a quota or a goal. The Court said:

> The parties fight a sharp preliminary action over the proper characterization of the special admissions program. Petitioner prefers to view it as establishing a "goal" of minority representation in the medical school. Respondent, echoing the courts below, labels it a racial quota.
>
> This semantic distinction is beside the point: The special admissions program is undeniably a classification based on race and ethnic background. To the extent that there existed a pool of at least minimally qualified minority applicants to fill the 16 special admissions seats, white applicants could compete only for 84 seats in the entering class, rather than the 100 open to minority applicants. Whether this limitation is described as a quota or a goal, it is a line drawn on the basis of race and ethnic status.

The guarantees of the Fourteenth Amendment extend to persons. Its language is explicit: "No state shall . . . deny to any person within its jurisdiction the equal protection of the laws." It is settled beyond question that the "rights created by the first section of the Fourteenh Amendment are, by its terms, guaranteed to the individual. They are personal rights." Shelley v. Kraemer, supra, at 22. Accord, Missouri ex rel. Gaines v. Canada, supra at 351; McCabe v. Atchison, T. & S. F. R. Co., 235 U.S. 151, 161–162 (1914). The guarantee of equal protection cannot mean one thing when applied to one individual and something else when applied to a person of another color. If both are not accorded the same protection, then it is not equal.

Mr. President, in closing I would like to share part of an open letter to President Carter, sponsored recently by the Committee on Academic Nondiscrimination and Integrity. In it, over 40 prominent educators describe quotas and preferential treatment as illegal, unconstitutional and short-sighted.

The signers of the letter include Dr. Sidney Hook, of the Hoover Institution, Prof. Nathan Glazer, of Harvard University, Prof. Valerie Earle of Georgetown, Prof. Eugene Rostow of the Yale Law School, Prof. Maurice Rosenberg of Columbia Law School, Prof. Paul Seabury of the University of California at Berkeley, and Prof. Allan Ornstein of the University of Chicago. The letter reads in part as follows:

> Dear Mr. President:
>
> According to the New York Times of March 18, 1977, Secretary Califano of H.E.W. has enthusiastically endorsed racial and sexual discrimination which we believe to be unjust and illegal. In offering his support to racial quotas and preferential policies in hiring and admissions, your Secretary has bid defiance to the Civil Rights Act of 1964, to Executive Order 11246, to the Equal Protection Clause of the Constitution of the United States as interpreted consistently by the Supreme Court, and to basic principles of civil rights.
>
> Many of us have long felt that the so-called "goals and timetables" programs were in reality discriminatory quota programs, masked to conceal their illegality. We owe Secretary Califano thanks for the candor with which he announces his support for racial and sexual discrimination. But candor cannot atone for flagrant defiance of law, . . . In one stroke, Secretary Califano proposes to arrogate to himself the power to determine who shall and who shall not enjoy equality of opportunity in our country, and reduces the Constitutional rights of all citizens to privileges bestowed at the caprice of government.
>
> We note with dismay Secretary Califano's justification of discrimination, namely that it "works." Of course, discrimination "works." It benefits the favored groups and damages the others. . . . But let us assure you as educators, Mr. President, that discrimination has never and will never work to produce the best possible education for all Americans, and let us assure you as citizens that it has always worked to destroy justice and fairness and has always created cynicism, conflict and more discrimination.

I thank the Senator from California for yielding to me and for permitting me to cosponsor this amendment with him.

Mr. RIBICOFF. Mr. President, will the distinguished Senator from California yield back his time, because I do want to raise a point of order?

Mr. HAYAKAWA. I am glad to do so.

Mr. RIBICOFF. Mr. President, I make a point of order that the amendment is not germane.

The PRESIDING OFFICER. The point of order is well taken. The amendment is not in order because it introduces new subject matter. The amendment would be referred to another committee. The point of order is therefore well taken, and the amendment is not in order.

Mr. HAYAKAWA. Mr. President, I appeal the ruling of the Chair and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RIBICOFF. Mr. President, I move to lay on the table the motion of the Senator.

Mr. HELMS. I ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the appeal from the ruling of the Chair. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. RIEGLE), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "yea."

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. YOUNG) is necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Does any Senator desire to vote?

The result was announced—yeas 59, nays 32, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—59

Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cohen
Cranston
Culver
DeConcini
Durenberger
Durkin
Eagleton
Exon
Glenn
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Sarbanes
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams

NAYS—32

Armstrong
Baker
Byrd,
Harry F., Jr.
Cochran
Danforth
Dole
Domenici
Ford
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Laxalt
Lugar
McClure
Morgan
Moynihan
Pell
Roth
Schmitt
Schweiker
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Zorinsky

NOT VOTING—9

Bayh
Church
Gravel
Inouye
Muskie
Riegle
Sasser
Stafford
Young

So the motion to lay on the table the appeal from the ruling of the Chair was agreed to.

Mr. MORGAN. Mr. President, last Thursday, I offered an amendment to the pending bill which would have required that legislation be passed before any additional programs or agencies be transferred into the proposed Department. Unfortunately, my amendment was defeated by a vote of 38 to 45.

Mr. President, I will not take the time of the Senate by once again discussing in detail why my amendment is necessary. Suffice it to say that I thought the President should not be given the opportunity, or the temptation, to try to circumvent the legislative process with regard to proposals that the Congress had considered and rejected.

I am bringing this matter to the attention of the Senate today because the debate on my amendment, as well as the earlier debate on the amendment by the Senator from New York (Mr. MOYNIHAN), has raised some disturbing questions which I believe the Members of the Senate should be aware of before their vote on final passage.

It is my impression that most Senators who favor the creation of a separate Department of Education favor the establishment of a limited Department. At various stages in the legislative process, the Senate deleted the child nutrition programs, Head Start, Indian education, and most of the National Science Foundation programs from the proposal advanced by the President and the distinguished chairman of the Governmental Affairs Committee.

Unfortunately, the debate on the Moynihan and Morgan amendments on Thursday made it crystal clear that these amendments have only been accepted for the purposes of getting the Department of Education established, and that the President and the sponsors of this bill fully intend to misuse the President's reorganization authority to expand the Department thereafter.

The distinguished senior Senator from Connecticut all but said so on Thursday, when he said:

> I know that after 40 years of politics, 50 percent of something is better than 100 percent of nothing. I also know that you can be so doctrinaire in your objectives that not only do you not achieve what you seek, but you lose everything you are striving for. Sometimes it is better to get 50 percent and wait a few more years to try to accumulate the other 50 percent.

As an explanation of how to get the most out of the legislative process, the Senator's logic is faultless. Having been a Member of the North Carolina General Assembly and the Congress for a total of nearly 20 years, I must admit that were I the sponsor of the pending bill that I would be following the very tactics the Senator from Connecticut has chosen.

The defeat of my amendment on Thursday has made one thing inevitable: there will be no limited Department of Education. A vote to establish a separate Department of Education will be the equivalent of a vote to establish a Department of Education which includes Head Start, the child nutrition programs, Indian education, and the National Science Foundation.

Let me repeat what was stated during the debate last week:

> Sometimes it is better to get 50 percent and wait a few more years to try and accumulate the other 50 percent.

I have no objection to proponents of a comprehensive Education Department attempting to expand the Department through the normal legislative process. While I would almost surely be opposed to some attempted transfers, I would be openminded and might even support others. But, since the Congress has now explicitly rejected legislation calling for the transfer of a number of programs into the proposed Department, I do not believe it would be appropriate to try and circumvent Congress through nonlegislative means.

And certainly, this is what is intended. Last Thursday, in response to a statement by the senior Senator from New Mexico on the need to transfer the Indian education programs out of the Bureau of Indian Affairs, and into the proposed Department, the chairman of the Governmental Affairs Committee stated:

> I think the Senator from New Mexico has very cogently indicated why the Morgan amendment should be defeated. . . . The amendment would prevent the President from using his reorganization authority to impose the transfer of any function.

Let me emphasize:

> The amendment would prevent the President from using his reorganization authority to impose the transfer of any function.

It does not matter what the Congress desires, it does not matter what the public wants, or even what the constituents of Indian education want. My amendment had to be defeated because it prevented the President from imposing his will on an uncooperative Congress.

If the Congress actually wanted to create a comprehensive Department of Education, it would be one thing. However, the defeat of the Moynihan amendment on Thursday, coupled with the actions of the Senate with regard to the transfer of individual programs, makes the will of the Senate in this area quite clear.

During the consideration of my amendment, the floor managers of the bill implicitly denied that there was any real difference between defeating legislation and defeating a reorganization plan. As you are aware, Mr. President, the difference is quite significant.

Although any individual Senator can force a reorganization plan to a vote, he has only 60 days in which to get the support of a majority of the Senate. Furthermore, he would have to get this majority to support an action which, in the case of Department of Education reorganizations, would be opposed by the President and probably the chairman of the Governmental Affairs Committee as well. Congressional inaction would lead to the approval of the reorganization plan, and thus, the burden of proving one's case, and rounding up support, and so forth, would be on the individual Senator.

The exact opposite is true should the reorganization plan be proposed in the form of legislation. Inaction would lead to the rejection of the proposal. Therefore, the sponsors of the reorganization would have to prove their case and would have to find a majority in the Senate willing to support them. The workload would not be on an individual Senator, but rather on the administration with all its massive resources.

I also note, briefly, that the legislative process is more likely to guarantee thorough consideration of an issue, as compared to a reorganization plan with the 60-day time limit on its consideration.

The difference between the legislative process and that under the Reorganization Act is highlighted by the administration's attempt to create a Department of Natural Resources through the latter. The only reason, that I am aware of, for sending this proposal to the Congress as a reorganization plan instead of as legislation is because the Congress would be unlikely to pass such a bill.

This is a gross abuse of the Reorganization Act, as the chairman of the Governmental Affairs Committee has acknowledged. I believe that if the President is prepared to misuse the Reorganization Act to create a new Department over congressional opposition, they would certainly be willing to try and effect a simple transfer over congressional opposition.

Let me conclude by restating the two clearest statements concerning the intentions of the administration and the proponents of a comprehensive Department of Education—

> Sometimes it is better to get 50 percent and wait a few more years to try and accumulate the other 50 percent.
>
> I think the Senator from New Mexico has very cogently indicated why the Morgan amendment should be defeated. . . . The amendment would prevent the President from using his authority . . . to impose a transfer of any function.

Last week, the distinguished Senator from Alaska said that he thought the transfer of Indian education, Head Start, and the child nutrition programs was inevitable without the passage of my amendment. I agree fully with that assessment, and would urge my colleagues to consider, before voting on final passage, that a vote for final passage is the equivalent of a vote to transfer these three programs into the new Department.

● Mr. DOLE. Mr. President, the legislation now before the Senate, S. 210, proposes the creation of a separate Department of Education. Over the years this idea has surfaced periodically from Congress to Congress. It seems to me that this is an idea which was presented to the Congress as a way of improving our educational system at the Federal level, with the expected result that this would trigger improved services at the State and local levels. Because of the attractiveness of this goal, I suspect that many individuals and groups have given support to the idea of a separate Department of Education as a means for demonstrating their support for a solid educational network within this country.

RECONCILIATION WITH LAST YEAR'S VOTE

Last year, the Senator from Kansas was one of those who voted in support of a bill to create a separate Department of Education. At that time, I had mixed emotions as to the merits of the legislation, and I confess that I still have some contradicting thoughts on this issue. However, in the time since we voted on last year's legislation, I have had an opportunity to reflect further on this situation, to visit with more of my constituents, and to assess more fully what the long-term implications of a separate department would be. I have come to the conclusion that a separate Department of Education is not the answer to the educational problems in our country nor will it provide the proper framework from which to address our problems. Admittedly, there are many arguments set forth in support of the Department which sound attractive. It would be nice to think that a Department of Education would eliminate duplication of staff jobs within HEW; it would be nice to believe that administrative costs would be cut; it would be nice to believe that the Department would be able to reduce paperwork which schools have to complete; and it would be nice to believe that the rate of student default on Government loans would decrease. However, it has not yet been proven to me that we need a separate Department of Education to accomplish these objectives. It is also difficult for me to believe there are not persons in the Government now who could consolidate and eliminate educational programs. In other words, if the administration and the Congress wanted to seriously address these problems, I believe that the administration has the authority and capability to eliminate nonessential, duplicatory offices within the Office of Education.

PROBLEMS IN EDUCATION

Most parents and educators have serious concerns about the state of education in the United States today. Few persons, if any, are satisfied with their public school system. Students are often disruptive, teachers often unmotivated, and parents often apathetic. The results of standardized achievement tests show a steady decline in test scores. In reaction to this phenomenon, any number of theories have been formulated to explain where education has gone wrong. Whatever the reason, one cannot say the decline in test scores results from lack of Federal dollars.

FEDERAL SPENDING

Federal spending has increased many times over from the days the Office of Education was created within the Department of Health, Education, and Welfare in 1953, and when it operated on a $400 million budget. Under President Johnson and his initiatives in social legislation, Federal spending for education increased 10 times over, reaching $4 billion. Now, Federal spending in this area is about $10 billion annually. Whatever shortcomings we see in the field of education, it does not seem likely that they are related to a lack of Federal funding. Given the documented increase in Federal spending for education, it seems a rather weak argument to assert that the Office of Education has been slighted within HEW. To the contrary, I feel that education programs have prospered within the Department of HEW, and that several monumental advancements have taken place or are evolving.

ACCOMPLISHMENTS UNDER CURRENT SYSTEM

Mr. President, I have touched upon the tremendous increases in funding which the Office of Education has enjoyed. However, I would not like to leave the impression that we have not made advances in the field of education. To the contrary, I think in recent years we have made tremendous strides in improving educational opportunities for all Americans.

For instance, we are making progress in our promotion of racial integration. While the situation is far from ideal, there can be no argument but that millions of American students are participating in an integrated school system. Likewise, HEW is helping to see that Public Law 94–142, the Education for All Handicapped Children Act, is being implemented, and that millions of handicapped children are having educational opportunities which they have never had access to before. In addition to serving racial minorities and handicapped students, the needs of children with poor English usage have been noted, and bilingual programs made available wherever possible. Currently, the department is in the process of issuing final regulations for implementation of Title IX of the 1972 education amendments. Final regulations are now being considered on this title which provides men and women with equal opportunity in competitive sports. I hope that in the near future we shall see results of the work HEW has done in this area. In addition, there is now more money available for loans to lower- and middle-income students. Indians have access to better education services, and through an expanding Title I of the Elementary and Secondary Education Act, economically disadvantaged students are afforded better education opportunities.

I think that these accomplishments are significant, because they are meaningful changes, and they have provided better services to children. In addition, child nutrition programs have been expanded, and while jurisdiction for these programs falls outside of HEW's realm, I think it correct to say that an interest in the child as a whole helped Congress to recognize the importance of the nutrition and its effect on learning. This litany in no way exonerates HEW for duplication of staff, needless administrative entanglements, or excessive regulation of schools. Instead, I think it points out that despite problems, progress has been made and it is legitimate, I think, to expect progress to continue. Let us attack problems and weaknesses on an individual basis—let us not create even more bureaucracy which if anything will tend to camouflage the problem.

Mr. President, I am not about to suggest that we do not need changes in the discipline of education, for we do. I simply suggest, however, that the problems in our educational system are not the result of insufficient attention on the part of HEW to education in and of itself. We do not need to build another department simply to demonstrate that we believe in the goodness of education. I do not deny that there are problems in the way the Office of Education has functioned in the past. We do not build a new house when we simply need to rearrange the living room furniture. I feel that the problems and dissatisfaction which I see expressed in the Office of Education can be combated with a structural reorganization within the Office of Education.

WEAKNESSES OF THE DEPARTMENT OF EDUCATION

Mr. President, recently I received a letter from the president of one of the Kansas universities. He is a man who I respect, and I was, therefore, interested in his analysis of this bill. He pointed out that one of the strong aspects of our American education system is its diversity. From school district to school district and from State to State authorities are given a great deal of leeway as to what type of education is most appropriate for students in that area. I think we deceive ourselves if we do not admit that creation of a separate Department of Education would effectively lead us to the point where we have a Federal education policy. Historically the educational needs of children have been determined by State and local authorities. I believe this is sound. It is not tradition which ties me to this philosophy, but rather a belief that educational responsibility should remain vested at the local level. In recent years, the Federal Government has played an increasing role in education, but I do not think it yet dominates public education. I think the balance would quickly change were this legislation to be enacted, regardless of the lipservice within the bill to the maintenance of local control.

Also related to this fear is the very real risk that a separate department would tend to politicize education. While doubtless a certain amount of that exists now, I think a separate Department of Education would simply fan political fires. To my way of thinking, education is neither Republican nor Democratic, but rather it is competent or incompetent. I would prefer that to the extent possible, education be quarantined from political forces. One way to do this is not to create a separate department.

One other nagging fear which I have is that rather than eliminating jobs, regulations and other obstructions, the Department would tend to expand in either a conscious or unconscious effort to justify its existence. Sometimes our reasoning gets skewed to the point where we think that bigger is always better. While we might never admit this aloud, I think many of us would recognize that we have a tendency to think that if something small is doing an adequate job, something larger would do a more adequate job. After having watched the phenomenal growth of the Department of HEW, I think that this is a possible outcome should this legislation be enacted.

NEEDS OF CHILDREN

Finally, I would like to suggest that the creation of the Department is in answer to demands made by teachers and school administrators. I can understand how these persons would think that a separate department would give them more clout within the Government. However, what most disturbs me is the fear voiced by several children's advocacy groups that when this legislation was drafted, there was little thought given to its impact upon children. Do we know that a separate Department of Education would improve services to children? It seems to me that the Department could have just the opposite effect—it could further fragment educational, social, and health services to children. In addition, I think that it will become harder and harder for individuals' parents to provide input on their child's educational system, and that concerned parents may feel an even greater sense of futility than they do now. Do we not see the irony that as Federal aid to education has increased dramatically, national test scores have declined significantly? I fear that a Department of Education would give Washington more complete control over our educational system, with the not unlikely result that schools will receive less and less community support.

The business of educating our students must be done close to home, close to the providers of revenues, and close to the students who reflect the educational process. Parents, teachers, students, and administrative officials should all participate in this process. As the Federal Government begins to dominate our school systems, these individuals will have little opportunity or encouragement to join forces for improving our educational system. Individual or small group voices cannot shout loud enough from Kansas to be heard in Washington.

CONCLUSION

Mr. President, I share with the sponsors of this bill a feeling of anxiety over the future of our educational process. I do not believe, though, this bill is the most responsible answer to the problem. Apparently, many others agree. Last year, persons working with Head Start objected strenuously to being included in the new Department. The committee agreed to leave Head Start where it is. This year, apparently, the transfer of Head Start was not even considered.

Likewise, last year a majority of Senators felt that the nutrition programs should remain within the Department of Agriculture, rather than be transferred to the Department of Education. This year, apparently the committee acquiesced without protest. Similarly, the American Indians objected to the inclusion of Indian education programs in the new Department. This year, the committee did not even attempt to transfer Indian education programs. This indicates to me that there is widespread worry that a new Department of Education would encroach on the autonomy of smaller programs. It also raises the question of the justification behind a Department of Education which does not have jurisdiction over all education programs.

For the reasons set forth, the Senator from Kansas finds he cannot support legislation creating a separate Department of Education. I continue to recognize that there are problems in the area of education, but after further study I remain unconvinced that this is the best solution to the problem. I fear that problems now rampant within the Office of Education will continue to exist, only under the auspices of a department rather than an office within a department. Creating a department could very well magnify the problems rather than resolve them. And finally, I fear that this legislation sets a disturbing precedent which would lead to Federal domination of educational programs, without improving education to the individual student.●

NO TO A DEPARTMENT OF EDUCATION

● Mr. SCHMITT. Mr. President, the debate on S. 210, the Department of Education bill, has been enlightening. The proponents of the Department have assured us that this Department will not infringe on the local and State control of education. They have assured us that this bill will not create a new bureaucracy with the inevitable costs associated with such a bureaucracy.

During this debate numerous amendments have been offered to insure protection against the excesses of this infant monster. These amendments have been fought by the proponents of the bill and have been defeated independent of merit.

Mr. President, last Thursday, the senior Senator from Connecticut (Mr. RIBICOFF) remarked that he supports efforts to include all Federal education programs including Indian education, veteran education, Head Start, and so forth, in this proposed Department, but that political realities prevents this prospect at this time. He further stated that he hopes these programs will be transferred to the new Department by the President under his reorganization authority.

Thus, the true intentions of the proponents of S. 210 have come to light. If the Senate passes this bill and the Department of Education becomes a reality, then we will have a new bureaucracy which will be costly and, more importantly, dangerous. I have no doubt that within a few years we will see further federalization of our education process. We will see less diversity and less control by parents, teachers, and locally elected education officials.

For these reasons, the Senate should reject this bill and work to improve education by attacking its real problems, not just the symptoms of those problems.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote today.

The PRESIDING OFFICER. Is all time yielded back?

Mr. RIBICOFF. Mr. President, I yield back all of the remainder of my time.

Mr. PERCY. I yield back the remainder of our time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Hawaii (Mr. INOUYE), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH) and the Senator from Tennessee (Mr. SASSER) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Are there any Senators wishing to vote?

The result was announced—yeas 72, nays 21, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—72

Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cranston
Culver
Danforth
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Heflin
Heinz
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tsongas
Weicker
Williams
Young
Zorinsky

NAYS—21

Armstrong
Byrd,
  Harry F., Jr.
Cohen
Dole
Exon
Goldwater
Hayakawa
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Morgan
Moynihan
Proxmire
Schmitt
Schweiker
Tower
Wallop
Warner

NOT VOTING—7

Bayh
Church
Gravel
Inouye
Muskie
Sasser
Stafford

So the bill (S. 210), as amended, was passed, as follows:

S. 210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Organization Act of 1979".

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TITLE I—GENERAL PROVISIONS

STATEMENT OF FINDINGS

SEC. 101. The Congress finds and declares that—

(1) education is fundamental to the growth and achievement of the Nation;

(2) there is a continual need to provide equal access to education for all Americans;

(3) the primary responsibility for education has in the past, and must continue in the future, to reside with the States, the local school systems and other instrumentalities of the States, and tribal governments, public and nonpublic educational institutions, communities, and families;

(4) in our federal system, the primary public responsibility for education is reserved respectively to the States, the local school systems and other instrumentalities of the States, and tribal governments;

(5) the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education;

(6) there is a lack of coordination of Federal resources for State, local, and tribal governments and public and nonpublic educational institutions;

(7) Presidential and public consideration of issues relating to Federal education programs is hindered by the present organizational position of education programs in the executive branch of the Government;

(8) the importance of education is increasing as new technologies and alternative approaches to traditional education are considered, as society becomes more complex, and as equal opportunities in education and employment are promoted; and

(9) therefore, it is in the public interest and general welfare of the United States to establish a Department of Education.

PURPOSES

SEC. 102. It is the purpose of this Act to establish a Department of Education in order to—

(1) enable education to receive the appropriate emphasis at the Federal level;

(2) continue and strengthen the Federal commitment to insuring access by every individual to equal educational opportunities;

(3) supplement and complement the efforts of States, the local school systems and other instrumentalities of the States, tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education;

(4) encourage the increased involvement of parents, students, and the community in the process relating to education, including the development and improvement of education programs and services;

(5) enable the Federal Government to coordinate its education activities and programs more effectively through interagency cooperation, technical assistance, and evaluation of program effectiveness;

(6)(A) provide assistance in the support of basic and applied educational research; (B) collect and analyze information on the progress and condition of education in the United States; and (C) work with State, local, and tribal officials, public and nonpublic educational institutions, community organizations, parents, and students to implement the findings of such research at the local level; and

(7) supplement and complement the efforts of State, local, tribal, public, and nonpublic agencies by providing support to the articulated educational needs of such agencies, especially with respect to the simplification of the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds.

STATE AND LOCAL RESPONSIBILITIES FOR EDUCATION

SEC. 103. (a)(1) The establishment of the Department of Education shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States, the local school systems and other instrumentalities of the States, and tribal governments.

(2) It is the intention of the Congress in the establishment of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies and administration of programs, including but not limited to competency testing and selection of curricula and program content, and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

(b) Nothing in this Act shall be construed to require any particular organization at the State level of any programs transferred to the Department, including vocational rehabilitation programs.

DEFINITIONS

SEC. 104. As used in this Act—

(1) the term "Department" means the Department of Education or any component thereof;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Under Secretary" means the Under Secretary of Education;

(4) the term "Assistant Secretary" means an Assistant Secretary of Education;

(5) the term "Director" means the Director of the Office for Civil Rights;

(6) the term "Administrator" means the Administrator of the Office of Education for Overseas Dependents;

(7) the term "Council" means the Intergovernmental Advisory Council on Education;

(8) the term "Committee" means the Federal Interagency Committee on Education; and

(9) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, and activity.

TITLE II—ESTABLISHMENT OF DEPARTMENT

DEPARTMENT OF EDUCATION

SEC. 201. There is established as an executive department of the Government, the Department of Education.

PRINCIPAL OFFICERS

SEC. 202. (a) The Department shall be administered by a Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall be compensated at the rate provided for level I of the Executive Schedule contained in section 5312 of title 5, United States Code.

(b)(1) There shall be in the Department an Under Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall have responsibility for the conduct of intergovernmental relations by the Department. The Under Secretary shall assure that the Department carries out its functions in a manner which supplements and complements the education policies, programs, and procedures of the States, the local school systems and other instrumentalities of the States, and tribal governments. The Under Secretary shall assure that appropriate officials of the Department consult with individuals responsible for making policy relating to education in the States, the local school systems and other instrumentalities of the States, and tribal governments concerning differences over education policies, programs, and procedures and concerning the impact of the rules and regulations of the Department on the States, the local school systems and other instrumentalities of the States, and tribal governments.

(2) Local education authorities may inform the Under Secretary of any rules or regulations of the Department which are in conflict with another rule or regulation issued by any other Federal department or agency or with any other subdivision of the Department.

(3) If the Under Secretary determines that such a conflict does exist, the Under Secretary shall report such conflict or conflicts to the appropriate Federal department or agency together with his recommendations for the correction of the conflict. The Under Secretary, together with the appropriate Federal agency, shall consider such cases of conflicting regulations within a period not to exceed ninety days, and shall make recommendations for resolving such conflict, including any appropriate relief for the local education authority or authorities bringing the case to the Department.

(4) The Under Secretary shall perform such additional duties and exercise such additional powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule contained in section 5314, United States Code.

(5) The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices.

(c)(1) There shall be in the Department—

(A) an Assistant Secretary for Special Education and Rehabilitative Services;

(B) an Assistant Secretary for Elementary and Secondary Education;

(C) an Assistant Secretary for Postsecondary Education;

(D) an Assistant Secretary for Vocational, Adult, and Community Education;

(E) an Assistant Secretary for Educational Research and Improvement;

(F) a Director of the Office for Civil Rights;

(G) a Director of the Office of Bilingual Education and Minority Affairs;

(H) one additional Assistant Secretary;

(I) a General Counsel; and

(J) an Inspector General.

(2) Each of the Assistant Secretaries, the Director of the Office for Civil Rights, the

General Counsel, and the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate. Each Assistant Secretary, the Director of the Office for Civil Rights, and the General Counsel shall perform such duties and exercise such powers as the Secretary shall prescribe. Each Assistant Secretary, the Director of the Office for Civil Rights, and the General Counsel shall report directly to the Secretary. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall be compensated at the rate provided for level IV of the Executive Schedule contained in section 5315 of title 5, United States Code.

(d) The Assistant Secretary appointed pursuant to subsection (c)(1)(H) shall administer the functions of the Department under section 203(11) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(e) There shall be in the Department an Administrator of Education for Overseas Dependents. The Administrator shall perform such duties and exercise such powers as the Secretary may prescribe. The Administrator shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(f) There shall be in the Department one additional officer who shall perform such duties and exercise such powers as the Secretary may prescribe. Such officer shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(g) Whenever the President submits the name of an individual to the Senate for confirmation as an officer of the Department under subsections (c) and (d), the President shall state the particular functions of the Department such individual will exercise upon taking office.

FUNCTIONS OF THE DEPARTMENT

SEC. 203. The functions of the Department shall be to promote the cause and advancement of education throughout the United States and shall include—

(1) administration of programs pertaining to elementary and secondary education;

(2) administration of programs pertaining to postsecondary education;

(3) administration of programs pertaining to vocational, adult, and community education;

(4) administration of education grants and other programs for which the Department has responsibility under law;

(5) administration of programs relating to special education and rehabilitative services;

(6) enforcement of the civil rights laws relating to education;

(7) intergovernmental policies and relations, including responsibility for assuring that Federal education policies and procedures supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, and parents to improve their educational programs;

(8) administration of schools for the overseas dependents of personnel of the Department of Defense;

(9) research, dissemination of improved educational practices, and the coordinated collection and dissemination of statistics;

(10) public information;

(11) planning and evaluation of the programs of the Department, and development of policies to promote the efficient and coordinated administration of the Department and the programs of the Department and to encourage improvement in education;

(12) congressional relations, including responsibility for providing a continuing liaison between the Department and the Congress;

(13) administration and management of the Department, including responsibility for legal assistance, accounting, personnel, payroll, budgeting, and other administrative functions; and

(14) monitoring parental and public participation in programs where such participation is required by law, and encouraging the involvement of parents, students, and the public in the development and implementation of departmental programs.

OFFICE FOR CIVIL RIGHTS

SEC. 204. (a) There is established in the Department an Office for Civil Rights, to be administered by the Director of the Office for Civil Rights appointed under section 202(c). The Secretary shall delegate to the Director of the Office for Civil Rights all functions of the Office for Civil Rights of the Department of Health, Education, and Welfare relating to education transferred under section 301(b)(3)(C) (other than administrative and support functions). The Director shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Each year, the Director shall prepare and transmit a report directly to the President, the Secretary, and the Congress concerning the status of compliance with the civil rights laws relating to education. The report shall include a statement concerning the plans and recommendations of the Director to insure improved enforcement of and continued compliance with the civil rights laws relating to education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There is established in the Department an Office of Elementary and Secondary Education, to be administered by the Assistant Secretary for Elementary and Secondary Education appointed under section 202(c). The Assistant Secretary for Elementary and Secondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 206. There is established in the Department an Office of Postsecondary Education, to be administered by the Assistant Secretary for Postsecondary Education appointed under section 202(c). The Assistant Secretary for Postsecondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF VOCATIONAL, ADULT, AND COMMUNITY EDUCATION

SEC. 207. There is established in the Department an Office of Vocational, Adult, and Community Education, to be administered by the Assistant Secretary for Vocational, Adult, and Community Education appointed under section 202(c). The Assistant Secretary for Vocational, Adult, and Community Education shall perform such duties and exercise such powers as the Secretary may prescribe. The Secretary, through the Assistant Secretary for Vocational, Adult, and Community Education, shall also provide a unified approach to rural family education through the coordination of programs within the Department and shall work with the Federal Interagency Committee on Education to coordinate related activities and programs of other Federal departments and agencies.

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEC. 208. There shall be in the Department an Office of Special Education and Rehabilitative Services, to be administered by the Assistant Secretary of Education for Special Education and Rehabilitative Services appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Special Education and Rehabilitative Services all functions transferred to the Secretary under sections 301(b)(3)(A)(x) (including the functions of the Bureau for the Education and Training of the Handicapped), 301(b)(A)(G), and 301(b)(4), relating to the Education of the Handicapped Act, the Rehabilitation Act of 1973, and the Randolph-Sheppard Act (other than administrative and support functions). The Assistant Secretary for Special Education and Rehabilitative Services shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATION FOR OVERSEAS DEPENDENTS

SEC. 209. There is established in the Department an Office of Education for Overseas Dependents, to be administered by the Administrator appointed under section 202(e). The Secretary shall delegate to the Administrator all functions transferred from the Department of Defense under section 302, relating to the Office of Dependents Schools of the Department of Defense (and after June 30, 1979, relating to the Office of Dependents' Education of the Department of Defense) and to the operation of overseas schools for dependent children of members of the Armed Forces (other than administrative and support functions). The Administrator shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 210. (a) There is established in the Department an Office of Educational Research and Improvement, to be administered by the Assistant Secretary for Educational Research and Improvement appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Educational Research and Improvement—

(1) all functions transferred from the Secretary of Health, Education, and Welfare—

(A) under section 302(b)(3)(A)(i), relating to the Fund for the Improvement of Postsecondary Education; and

(B) under section 301(b)(3)(E), relating to Federal grants for telecommunications demonstrations; and

(2) all programs transferred from the National Science Foundation or the Director of the National Science Foundation under section 303.

(b) The Assistant Secretary for Educational Research and Improvement shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF BILINGUAL EDUCATION AND MINORITY AFFAIRS

SEC. 211. There is established in the Department an Office of Bilingual Education and Minority Affairs, to be administered by a Director of Bilingual Education and Minority Affairs, who shall be appointed by the Secretary and shall be compensated at the rate prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code. The Director and the Secretary shall consult concerning policy decisions affecting education programs of the Department which affect minorities, including those programs which relate to bilingual education. The Director shall coordinate the administration of bilingual education programs by the Department. The Director shall report directly to the Secretary, and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe. In carrying out the provisions of this section, the Director shall consult with the Director of the Office of Bilingual Education.

OFFICE OF GENERAL COUNSEL

SEC. 212. There is established in the Department an Office of General Counsel, to be administered by the General Counsel appointed under section 202(c). The General Counsel shall perform such duties and exercise such powers as the Secretary may prescribe, and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

OFFICE OF INSPECTOR GENERAL

SEC. 213. (a) There is established in the Department an Inspector General, to be appointed in accordance with the provisions of the Inspector General Act of 1978.

(b) The Inspector General Act of 1978 is amended—

(1) by inserting in section 2(1) "the Department of Education," immediatly after "Commerce,";

(2) in section 9(a)(1)—

(A) by redesignating subparagraphs (C) through (L) as (D) through (M), respectively; and

(B) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) of the Department of Education, all functions of the Inspector General of Health, Education, and Welfare or of the Office of Inspector General of Health, Education, and Welfare relating to functions transferred by section 301 of the Department of Education Organization Act;",

(3) by inserting in section 11(1) "Education," immediately after "Commerce,"; and

(4) by inserting in section 11(2) "Education," immediately after "Commerce,".

(c) The title of the Inspector General Act of 1978 is amended to read as follows: "An Act to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes.".

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 214. (a) There is established within the Department an advisory committee to be known as the Intergovernmental Advisory Council on Education. The Council shall provide assistance and make recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education.

(b) (1) In carrying out its functions under subsection (a), the Council shall—

(A) provide a forum for the development of recommendations concerning intergovernmental policies and relations relating to education;

(B) make recommendations for the improvement of the administration and operation of Federal education programs and education-related programs;

(C) promote better intergovernmental relations;

(D) submit a report biannually to the Congress, to the President, and to the Secretary which—

(i) reviews the impact of Federal education policies upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(ii) assesses the achievement of Federal objectives in education as well as any adverse consequences of Federal actions upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(E) assist the Secretary in conducting conferences and similar activities to assess the contribution of each level of government to the delivery of equitable, high quality, and effective education.

(2) In carrying out its functions under subsection (a), the Council may review existing and proposed rules or regulations of the Department concerning Federal education programs in order to determine the impact or potential impact of such rules or regulations on State, local, and tribal governments and public and nonpublic educational institutions. The Council may submit to the Secretary a report containing the results of its review of any existing or proposed rules or regulations. Within thirty days of the receipt of such report, the Secretary shall submit to the Council a written response which addresses the recommendations made by the Council concerning any rules or regulations reviewed. If a report by the Council concerns proposed rules or regulations, it shall be submitted to the Secretary within the time established for public comment on the proposed rules or regulations, and shall be placed, with the written response of the Secretary to the report, on the record of the proceeding concerning the proposed rules or regulations.

(c) (1) The Council shall be composed of twenty-five members. One member shall be the Under Secretary of Education. The President shall appoint—

(A) eight members from among State Governors, legislators, boards of education (both elementary and secondary and postsecondary), and chief education officials (both elementary and secondary and postsecondary);

(B) eight members from among local or regional elected general government officials, local boards of education, public and nonpublic school administrators, and tribal governments;

(C) two members from among governing boards of public and nonpublic postsecondary institutions; and

(D) six members from among the public, including parents, teachers, students, and public interest groups.

(2) In making appointments under this subsection, the President shall—

(A) consult with a broad cross section of organizations representative of the groups specified in subparagraphs (A) through (D) of paragraph (1), including but not limited to representatives of State and local governmental authorities, school boards and school officials, and education organizations; and

(B) select individuals who represent a diversity of geographic areas and demographic characteristics.

(3) Not more than thirteen of the members of the Council may be members of the same political party.

(d) (1) Members of the Council shall be appointed for a term of four years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, five at the end of one year, five at the end of two years, six at the end of three years, and six at the end of four years.

(2) Any member of the Council who is appointed pursuant to subsection (c)(1) may serve on the Council beyond the period that such member holds the elective office which served as the basis of the appointment of such member.

(e) The Council shall elect one of its members as Chair of the Council.

(f) Any vacancy in the Council shall not affect its power to function.

(g) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, including traveltime, for each day such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(h) In order to carry out the provisions of this section, the Council is authorized to—

(1) hold hearings either as a whole or as a subcommittee, for the purpose of discussion, coordination and review of (A) intergovernmental concerns and (B) issues concerning structural relationships between various Federal departments and agencies, as such concerns and issues relate to the functions of the Council specified in subsections (a) and (b); and

(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and intrumentalities are authorized to provide such cooperation and assistance.

(i) The Council or any subcommittee shall not compel, the attendance or testimony of witnesses or the production of books, records, correspondence, memorandums, papers, or other documents.

(j) The Council shall nominate and the Secretary shall appoint an executive director for the Council. The executive director shall be compensated at the rate provided for GS-17 of the General Schedule under section 5332, title 5, United States Code. The Secretary shall provide the Council with such other staff, support, facilities, and assistance as may be necessary to enable the Council to carry out its duties under this section.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 215. (a) There is established a Federal Interagency Committee on Education. The Committee shall assist the Secretary in providing a mechanism to assure that the procedures and actions of the Department and other Federal departments and agencies are fully coordinated.

(b) The Committee shall cooperate with the Secretary in the conduct of studies and shall make recommendations in order to assure the effective coordination of Federal programs affecting education, including—

(1) the consistent administration of policies and practices of Federal agencies in the conduct of similar programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data;

(3) adequate procedures to assure the availability of information requested by the Secretary;

(4) the improvement of the administration and coordination of federally funded education programs in carrying out its role of assisting State and local governments in their responsibility for education; and

(5) the improvement of the administration and coordination of federally funded vocational education and training programs for the purpose of aiding students and adults in preparing for and achieving success in their worklife.

(c) (1) The Committee shall be composed of at least seventeen members. One member shall be the Secretary, who shall be the Chair of the Committee.

(2) (A) Sixteen members of the Committee shall be representatives of the departments and agencies listed in subparagraph (B), to be appointed by the head of each department and agency from among the senior policy-making officials of that department or agency.

(B) The departments and agencies to be represented on the Committee pursuant to subparagraph (A) are:

(i) Department of Agriculture;

(ii) Department of Commerce;

(iii) Department of Defense;

(iv) Department of Energy;

(v) Department of Justice;

(vi) Department of Health and Human Services;

(vii) Department of the Interior;

(viii) Department of Labor;

(ix) Department of State;

(x) National Aeronautics and Space Administration;

(xi) National Endowment for the Arts;

(xii) National Endowment for the Humanities;

(xiii) National Science Foundation;

(xiv) Veterans' Administration;

(xv) Commission on Civil Rights; and

(xvi) Environmental Protection Agency.

(3) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Domestic Policy Staff may each designate a member of the staff of such agencies to attend meetings of the Committee as observers.

(4) The Secretary may invite the heads of Federal agencies other than the agencies represented on the Committee under the provisions of paragraph (2) to designate representatives to serve as members of the Committee or to participate in meetings of the Committee concerning matters of substantial interest to such agencies.

(d) In carrying out its functions under subsection (b)(5), the Committee shall conduct a study concerning the progress, effectiveness, and accomplishments of Federal vocational education and training programs, and the need for improved coordination between all federally funded vocational education and training programs. The Committee shall report the findings of such study to the Secretary and the Congress within two years of the date of enactment of this Act.

(e) The Committee shall meet at least twice each year.

(f) The Secretary and the head of each Federal agency represented on the Committee under subsection (c)(2) shall furnish such assistance, support, facilities, and staff to the Committee as may be necessary to enable the Committee to carry out its functions under this section.

TITLE III—TRANSFERS OF AGENCIES AND FUNCTIONS

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the following agencies, offices, or parts of agencies or offices, are transferred to the Department and vested in the Secretary:

(1) the Education Division of the Department of Health, Education, and Welfare, including the National Institute of Education;

(2) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics;

(3) the Institute of Museum Services of the Department of Health, Education, and Welfare;

(4) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education;

(5) the Office of Information and Resources for Handicapped Individuals of the Department of Health, Education, and Welfare;

(6) the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, except that portion of such Administration responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act;

(7) the National Institute of Handicapped Research of the Department of Health, Education, and Welfare;

(8) the Interagency Committee on Handicapped Research;

(9) the Helen Keller National Center for Deaf-Blind Youth and Adults; and

(10) the National Council on the Handicapped.

(b)(1) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare, the Assistant Secretary for Education, or the Commissioner of Education of the Department of Health, Education, and Welfare, as the case may be, with respect to——

(A) the Education Division of the Department of Health, Education, and Welfare;

(B) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics; and

(C) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education.

(2) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare which are administered through the Office of the Secretary of Health, Education, and Welfare and which directly relate to functions transferred by this section.

(3) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare—

(A) under—

(i) the General Education Provisions Act, including the provisions of section 404 of such Act relating to the Fund for the Improvement of Postsecondary Education;

(ii) the Emergency School Aid Act (and after September 30, 1979, under title VI of the Elementary and Secondary Education Act of 1965);

(iii) the Higher Education Act of 1965;

(iv) the Emergency Insured Student Loan Act of 1969;

(v) the Act of August 30, 1890 (26 Stat. 417);

(vi) title II of the Elementary and Secondary Education Act of 1965;

(vii) the Alcohol and Drug Abuse Education Act, except functions under section 5 of such Act;

(viii) the International Education Act of 1966;

(ix) the National Defense Education Act of 1958;

(x) the Education of the Handicapped Act;

(xi) the National Commission on Libraries and Information Science Act;

(xii) the Vocational Education Act of 1963;

(xiii) the Career Education Incentive Act; and

(xiv) section 400A of the General Education Provisions Act, relating to the Federal Education Data Acquisition Council;

(B) with respect to the administration of part B of title V of the Economic Opportunity Act of 1964;

(C) with respect to or being administered by the Secretary by Health, Education, and Welfare through the Office for Civil Rights for the enforcement of the provisions of the civil rights laws and educational orders relating to the functions transferred by other subsections of this section and the other sections of this title;

(D) with respect to all laws dealing with the relationship between (i) Gallaudet College (including the Model Secondary School for the Deaf), Howard University, the American Printing House for the Blind, and the National Technical Institute for the Deaf, and (ii) the Department of Health, Education, and Welfare;

(E) under subpart A of part IV of title III of the Communications Act of 1934, relating to Federal grants for telecommunications demonstrations;

(F) under subparts II and III of part B of title VIII of the Public Health Service Act, relating to the establishment of student loan funds and scholarship grant programs for schools of nursing and under subparts I and II of part C of title VII of such Act, relating to the establishment of student loan insurance and student loan funds for schools of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary medicine; and

(G)(i) under the Rehabilitation Act of 1973, except that the provisions of this subdivision shall not be construed to transfer to the Secretary the functions of the Secretary of Health, Education, and Welfare under sections 222 and 1615 of the Social Security Act, relating to rehabilitation services for disabled individuals and rehabilitation services for blind and disabled individuals respectively; and

(ii) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Commissioner of Rehabilitation Services under the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly referred to as the Randolph-Sheppard Act) (20 U.S.C. 107–107f).

(4) There are transferred to the Secretary all functions of the Commissioner of Rehabilitation of the Department of Health, Education, and Welfare, and the Director of the National Institute of Handicapped Research of the Department of Health, Education, and Welfare under the Rehabilitation Act of 1973.

(5) There are transferred to the Secretary all functions of the National Institute of Education of the Department of Health, Education, and Welfare.

(6) There are transferred to the Secretary all functions of the Director of the Institute of Museum Services of the Department of Health, Education, and Welfare.

(7) Nothing in the provisions of this section or in the provisions of this Act shall authorize the transfer of functions under part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, from the Secretary of Health, Education, and Welfare to the Secretary.

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF DEFENSE

SEC. 302. (a)(1) There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Office of Dependents Schools of the Department of Defense (and, after June 30, 1979, of the Office of Dependents' Education of the Department of Defense).

(2) There are transferred to the Secretary all functions of the Secretary of Defense relating to the operation of overseas schools for dependents of personnel of the Department of Defense (and, after June 30, 1979, all functions of the Secretary of Defense and the Director of Dependents' Education under the Defense Dependents' Education Act of 1978).

(b) In addition to any other authority available to the Secretary under this or any other Act, the authority of the Secretary of Defense and the Secretaries of the military departments under the Defense Department Overseas Teachers Pay and Personnel Practices Act shall be available to the Secretary with respect to the program transferred under subsection (a).

(c) Notwithstanding the provisions of section 601, the transfer of functions under subsection (a) shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting the transfers of functions under subsection (a). Such plan shall contain recommendations for increasing the participation of parents, teachers, students, school administrators, and members of the Armed Forces in the administration and operation of the schools transferred under this section.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 303. (a) (1) There are transferred to the Secretary all programs relating to science education of the National Science Foundation or the Director of the National Science Foundation established prior to the effective date of this Act pursuant to section 3(a) (1) of the National Science Foundation Act of 1950, except the functions or programs or parts of programs, as determined by the Director of the Office of Management and Budget, after consultation with the Director of the Office of Science and Technology Policy and the Director of the National Science Foundation, which relate to—

(A) scientific career development;

(B) the continuing education of scientific personnel;

(C) increasing the participation of women, minorities, and the handicapped in careers in science;

(D) the conduct of research and development applied to science learning at all educational levels and the dissemination of results concerning such research and development; and

(E) informing the general public of the nature of science and technology and of attendant values and public policy issues.

(2) Except as provided in section 301(a) (1) of this Act, no mission oriented research functions or programs of the National Science Foundation or of any other Federal agency shall be transferred by this Act.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs the Secretary shall consult, as appropriate, with the Director of the National Science Foundation, and shall establish advisory mechanisms designed to assure that scientists and engineers are fully involved in the development, implementation, and review of science education programs.

(c) The annual report to be transmitted by the Secretary pursuant to section 427 shall include a description of arrangements, developed by the Secretary in consultation with the Director of the National Science Foundation, for coordinated planning and operation of science education programs, including measures to facilitate the implementation of successful innovations.

(d) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation to initiate and conduct programs not established prior to the effective date of this Act under section 3(a)(1) of the National Science Foundation Act of 1950.

TRANSFERS OF PROGRAMS FROM THE DEPARTMENT OF JUSTICE

SEC. 304. There are transferred to the Secretary all functions of the Attorney General and the Law Enforcement Assistance Administration relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program authorized under section 406 (b), (c), and (f) of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 305. There are transferred to the Secretary all functions of the Secretary of Housing and Urban Development under title IV of the Housing Act of 1950 relating to college housing loans.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF LABOR

SEC. 306. (a) There are transferred to the Secretary all functions of the Secretary of Labor or the Department of Labor under section 303(c) (2) of the Comprehensive Employment and Training Act.

(b) The Secretary is authorized to conduct the functions transferred by subsection (a).

TRANSFER OF THE ADVISORY COUNCIL ON EDUCATION STATISTICS

SEC. 307. There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Advisory Council on Educational Statistics.

EFFECT OF TRANSFERS

SEC. 308. The transfer of a function or program from an officer or agency to the Secretary shall include the transfer of any aspect of such function or program vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and compensated in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b) (1) Subject to the provisions of chapter 51 of title 5, United States Code, but notwithstanding the last two sentences of section 5108(a) of such title, the Secretary may place in grades GS–16, GS–17, and GS–18 all positions in such grades assigned and employed on February 1, 1979, in connection with functions transferred under this Act, subject to the limitation of the first sentence of section 5108(a) of such title.

(2) Appointments under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, relating to the approval by the Office of Personnel Management of appointments in grades GS–16, GS–17, and GS–18, if the individual placed in such position is transferred to the Department in connection with a transfer of functions under this Act and, immediately before the effective date of this Act, held a position involving duties comparable to those of such position.

(3) Notwithstanding the second sentence of section 3104 of title 5 of the United States Code, the Secretary may establish within the Office created by section 210 of this Act all scientific, professional, and technical positions outside the General Schedule assigned and employed on the day preceding the effective date of this Act in connection with functions, offices, and programs transferred under this Act.

(4) The authority of the Secretary under this subsection to appoint personnel without regard to sections 3104, 3324, and 5108 (a) of title 5, United States Code, shall cease with respect to any position when the person first appointed to fill such position no longer holds such position.

(5) For purposes of section 414(a) (3) (A) of the Civil Service Reform Act of 1978, an individual appointed under this subsection shall be deemed to occupy the same position the individual occupied on the day before the effective date of this Act.

(c) (1) The Secretary may appoint, without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service, scientific, technical, or professional employees to serve in the Office created by section 210 of this Act in a number not to exceed one-third of the total number of employees of such Office and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be equal to or in excess of the rate of pay currently paid for GS–16 of the General Schedule under section 5332 of title 5, United States Code.

(2) Subject to section 3134 of title 5 of the United States Code, but notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for fifteen limited term appointees. The Secretary shall appoint individuals to such positions as provided by section 3394 of title 5 of the United States Code. Any such position shall expire on the latter of the date which is three years after the effective date of this Act or three years after the initial appointment to that position.

(d) Nothing in this Act shall be construed to prevent the application of any Indian preference law in effect on the day before the date of enactment of this Act to any function transferred by this Act and subject to any such law on the day before the date of enactment of this Act. Any function transferred by this Act and subject to any such law shall continue to be subject to any such law.

(e) (1) (A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)), if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under paragraph (1) (A) of this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and of chapter 171 of title 28, United States Code, relating to tort claims.

(f) For purposes of any status of forces agreement between the United States and any other country or any international organization, any reference to "civilian component" shall be deemed to include a reference to overseas personnel of the overseas dependents' education system.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may as provided in appropriation Acts obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS-18 of the General Schedule under section 5332 of such title.

ANNUAL AUTHORIZATION OF PERSONNEL

SEC. 403. (a) Notwithstanding any other provision of this Act—

(1) Congress shall authorize the end strength as of the end of each fiscal year for personnel for the Department. Except as provided in subsection (b)(1) for the fiscal year beginning October 1, 1979, and ending September 30, 1980, Congress shall authorize the end strength for any fiscal year by prescribing the maximum number of personnel that may be employed by the Department on the last day of such fiscal year. No funds may be appropriated for any fiscal year to or for the use of personnel of the Department unless the end strength for personnel of the Department for that fiscal year has been authorized by law.

(2) The end strength for personnel authorized by law for the Department for any fiscal year shall be apportioned among the officers and agencies of the Department in such numbers as the Secretary shall prescribe. Except as provided in subsection (b)(2), the Secretary shall, within one hundred and twenty days after the enactment of legislation authorizing the end strength for personnel of the Department for any fiscal year, prepare and transmit to the Congress a report showing the allocation of such personnel among the offices and agencies of the Department. Such report shall include explanations and justifications for the allocations of personnel made by the Secretary among the offices and agencies of the Department.

(3) In computing the authorized end strength for personnel of the Department for any fiscal year, there shall be included all direct-hire and indirect-hire personnel employed to perform functions of the Department whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth, including temporary summer employment.

(4) Whenever any function, power, duty, or activity is transferred or assigned in any fiscal year after the effective date of this Act to the Department from a department or agency outside of the Department, the end strength for personnel authorized for the Department for such fiscal year shall be adjusted to reflect any increases or decreases in personnel required as a result of such transfer or assignment.

(b)(1) For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Department is authorized an end strength for personnel equal to seventeen thousand two hundred thirty-nine positions.

(2) For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Secretary shall prepare and transmit the report required by subsection (a)(2) within one hundred and twenty days after the effective date of this Act.

PART B—GENERAL PROVISIONS

AUTHORITY OF THE SECRETARY

SEC. 411. In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as the functions of the agency or office, or any part thereof, exercising such functions immediately preceding their transfer, and the actions of the Secretary in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

DELEGATION

SEC. 412. Except as otherwise provided in this Act, the Secretary may delegate any function to such officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of such functions within the Department as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this Act shall relieve the Secretary of responsibility for the Administration of such functions.

REORGANIZATION

SEC. 413. (a) Subject to the provisions of section 202(g) of this Act and subsections (b) and (c) of this section, the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate. The authority of the Secretary under this subsection does not extend to—

(1) any office, bureau, unit, or other entity within the Department established by statute or any function vested by statute in such an entity or officer of such an entity;

(2) the abolition of organizational entities established by this Act; or

(3) the alteration of the delegation of functions under this Act to any specific organizational entity.

(b)(1) Except as provided in paragraph (2) of this subsection, the Secretary may not consolidate, alter, or discontinue any of the following statutory entities, or reallocate any functions vested by statute in the following statutory entities:

(A) Office of Bilingual Education;

(B) Teacher Corps;

(C) Community College Unit;

(D) National Center for Education Statistics;

(E) National Institute of Education;

(F) Office of Environmental Education;

(G) Office of Consumers' Education;

(H) Office of Libraries and Learning Resources;

(I) Office of Indian Education;

(J) Office of Career Education;

(K) Office of Non-Public Education;

(L) Institute of Museum Services; and

(M) Administrative units for guidance and counseling programs, the veterans' cost of instruction program, and the program for the gifted and talented children.

(2) The Secretary may not alter, consolidate, or discontinue any organizational entity continued within the Department and described in paragraph (1) of this subsection or reallocate any function vested by statute in such an entity, unless a period of ninety days has passed after the receipt by the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of notice given by the Secretary containing a full and complete statement of the action proposed to be taken pursuant to this subsection and the facts and circumstances relied upon in support of such proposed action.

(c) On the effective date of this Act, the following entities shall lapse:

(1) the Education Division of the Department of Health, Education, and Welfare, including the Office of Education;

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Bureau for the Education and Training for the Handicapped of the Department of Health, Education, and Welfare; and

(4) the Bureau of Occupational and Adult Education of the Department of Health, Education, and Welfare.

(d) Whenever the President exercises the authority under section 302(c), the Office of Dependents' Education of the Department of Defense shall lapse.

REPORTING RELATIONSHIPS

SEC. 414. (a) Consistent with the provisions of section 413, and notwithstanding the provisions of the General Education Provisions Act or of any other Act, any officer or employee of the Department whose functions were transferred by this Act and who was required prior to the effective date of this Act to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health, Education, and Welfare shall report to the Secretary.

(b) The Secretary is authorized to delegate the reporting requirements established by subsection (a) to any other office or employee of the Department.

RULES

SEC. 415. (a) The Secretary is authorized to prescribe, in accordance with the provisions of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out the functions of the Secretary or the Department.

(b) In promulgating such rules and regulations, the Secretary shall make all reasonable effort to alert the appropriate officials of the local education authorities as to the purpose and content of the proposed rule or regulation.

CONTRACTS

SEC. 416. (a) The Secretary is authorized to enter into and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with the Federal departments and agencies, public agencies, State, local, and tribal governments, private organizations, and individuals, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out his functions in administering the Department.

(b) Notwithstanding any other provision of this title, no authority to enter into contracts or to make payments under this title shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under section 423.

TECHNICAL ADVICE

SEC. 417. The Secretary is authorized to provide advice, counsel, and technical assistance to applicants, potential applicants, and other interested persons with respect to any program or function of the Secretary or the Department. The Secretary shall, upon request, provide technical assistance to any State desiring to develop comprehensive plans applicable to two or more programs administered by the Department.

REGIONAL AND FIELD OFFICES

SEC. 418. The Secretary is authorized to establish, maintain, alter, or discontinue such regional or other field offices as may be necessary or appropriate to perform the functions of the Secretary of the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 419. (a) The Secretary is authorized to—

(1) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities, laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property (including patents), or any interest therein, as may be necessary; and

(2) provide by contract or otherwise for the establishment of eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations, and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned for similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 420. (a) The Secretary is authorized to provide, construct, or maintain for employees and their dependents stationed at remote locations as necessary and when not otherwise available at such remote locations—

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for dependents of employees of the Department to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of the cost of such work or services or to refund excess sums when necessary.

USE OF FACILITIES

SEC. 421. (a) (1) To carry out the functions of the Secretary, the Secretary may use the research, equipment, services, and facilities of any agency or instrumentality of the United States or of any State, or of any political subdivision thereof, or of any Indian tribe or tribal organization, or of any foreign government, with the consent of and with or without reimbursement to such agency, instrumentality, State, political subdivision, Indian tribe or tribal organization, or foreign government.

(2) Notwithstanding the transfer of functions from the Secretary of Defense to the Secretary under section 302, all personnel performing such functions shall be treated, for the purpose of access to services and facilities provided by the Department of Defense, as employees of the Department of Defense.

(b) The Secretary is authorized to permit public and private agencies, corporations, associations, Indian tribes or tribal organizations, other organizations, or individuals to use any real property, or any facilities, structures, or other improvements thereon, under the custody and control of the Secretary for Department purposes. The Secretary shall permit the use of such property, facilities, structures, or improvements under such terms and rates and for such period as may be in the public interest, except that the periods of such uses may not exceed five years. The Secretary may require permittees under this section to recondition and maintain, at their own expense, the real property, facilities, structures, and improvements used by such permittees to a standard satisfactory to the Secretary. This subsection shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(e)).

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of such cost of the equipment or facilities provided or to refund excess sums when necessary.

COPYRIGHTS AND PATENTS

SEC. 422. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 423. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests, and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury in a separate fund and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise donating such property. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift, bequest, or devise to the United States.

WORKING CAPITAL FUND

SEC. 424. The Secretary is authorized to establish a working capital fund, to be available, to the extent provided in an appropriation Act and without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary finds to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of components of the Department or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payments for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines will be performed through the fund.

FUNDS TRANSFER

SEC. 425. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year shall be either increased or decreased pursuant to this section by more than 5 per centum and no such transfer shall result in increasing any such appropriation above the amount authorized to be appropriated therefor.

SEAL OF THE DEPARTMENT

SEC. 426. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 427. (a) The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a report to the President for transmission to the Congress concerning the activities of the Department during that fiscal year. Such report shall—

(1) include a statement of the goals, priorities, and plans for the Department which are consistent with the purposes of the Department as specified in section 102 and the findings of this Act as specified in section 101;

(2) contain an assessment of the progress made during that fiscal year and anticipated future progress toward the attainment of—

(A) the goals, priorities, and plans for the Department specified pursuant to paragraph (1);

(B) the effective and efficient management of the Department;

(C) the coordination of the functions of the Department; and

(D) the reduction of excessive or burdensome regulation and of unnecessary duplication and fragmentation in Federal education programs, to be accompanied where necessary by recommendations for proposed legislation for the achievement of such objectives.

(3) contain and analyze objective data concerning—

(A) changing trends in education, as measured by indicators such as enrollments, expenditures, and numbers of teachers and other categories of professional and related personnel; and

(B) areas of critical concern such as education of the disadvantaged and education in rural and urban areas;

(4) include budget projections for the five fiscal years succeeding the fiscal year for which the report is made which are based on actual or anticipated appropriations for the fiscal year for which the report is made; and

(5) contain a separate section on the recommendations made by the Federal Interagency Committee on Education regarding the improvement of the coordination and development of Federal education programs.

(b) (1) In preparing and developing the report required by subsection (a), the Secretary shall, to the maximum extent practicable, consult with members of the public, including representatives of parents, students, educators, Indian tribes, State and local governments, and other organizations and individuals. Within ninety days after the transmission of such report to the Congress, the Secretary shall hold public hearings in the District of Columbia and in such other locations as the Secretary deems appropriate to maximize public participation.

(2) The Secretary may reimburse any person for expenses reasonably incurred in the course of consultation or hearings under paragraph (1) if such person—

(A) has made or is likely to make a material contribution to the work of the Department; and

(B) could not otherwise participate fully and effectively in such consultation.

(3) For purposes of this section, the term "person" shall have the same meaning as in section 551(2) of title 5, United States Code.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 428. (a) Except where inconsistent with the provisions of this Act, the General Education Provision Act shall apply to functions transferred by this Act to the extent applicable immediately prior to the effective date of this Act.

(b) Section 400A(a)(3)(B) of the General Education Provisions Act is amended to read as follows:

"(B) Each request for collection of information or data acquisition activities shall be submitted to the Director of the Office of Management and Budget by each relevant Federal agency at the same time that it is submitted to the Secretary for review and coordination under this section. Whenever the Director of the Office of Management and Budget exercises his authority under section 3509 of title 44, United States Code, he shall make a decision thereon within the review period provided in subsection (b) and shall furnish such decision to the Secretary and to the Federal Education Data Acquisition Council. The decision of the Director shall control, unless the Secretary, in carrying out the provisions of this section, determines that additional elements in the proposed collection of information and data acquisition activities are excessive in detail, unnecessary, redundant, ineffective, or excessively costly in which case the decision of the Secretary shall control. If the Director does not exercise his authority under such section 3509, within the review period provided in subsection (b), the decision of the Secretary under this section shall control.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 429. Subject to any limitation on appropriations applicable with respect to any function transferred to the Secretary, there are authorized to be appropriated for fiscal year 1980 and each succeeding fiscal year, such sums as may be necessary to carry out the provisions of this Act and to enable the Secretary to administer and manage the Department. Funds appropriated in accordance with this section shall remain available until expended.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, are transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level I, II, III, IV, or V of the Executive Schedule contained in sections 5312 through 5316 of title 5, United States Code, on the effective date of this Act, shall be suject to the provisions of section 503.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer or after the effective date of this Act, whichever is later.

(b) Any person who, on the day before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 503. Except as otherwise provided in this Act, whenever all of the functions of any agency, commission, or other body, or any component thereof, have been terminated or transferred by this Act from that agency, commission, or other body, or component thereof, such agency, commission, or other body, or component, shall terminate. If an agency, commission, or other body, or any component thereof, terminates pursuant to the provisions of the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

INCIDENTAL TRANSFERS

SEC. 504. (a) The Director of the Office of Management and Budget, at such time or times as such Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to any function transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all agencies, commissions, offices, and other bodies terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(b) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions transferred by this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the Department or the Secretary, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b)(1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and order issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceedings commenced by or against any officer in the official capacity of such individual as an officer or any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) Orders and actions of the Secretary in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

SEPARABILITY

SEC. 506. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

Sec. 507. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or to any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or Department.

TECHNICAL AND CONFORMING AMENDMENTS

Sec. 508. (a) Section 19(d)(1) of title 3, United States Code, is amended by inserting immediately before the period a comma and the following: "Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended by adding at the end thereof the following: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(70) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(128) Assistant Secretaries of Education (6).

"(129) Director of the Office for Civil Rights of the Department of Education.

"(130) General Counsel of the Department of Education.

"(131) Inspector General of the Department of Education.".

(f)(1) Section 5316(41) of title 5, United States Code, is repealed.

(2) Section 5316 of such title is amended by adding at the end thereof the following:

"(152) Administrator of Education for Overseas Dependents of the Department of Education.

"(153) Additional Officer, Department of Education.".

(g) Section 5 of the Alcohol and Drug Abuse Education Act is amended—

(1) by inserting "of Health and Welfare, the Secretary of Education," after "Secretary"; and

(2) by striking out "the Department of Health, Education, and Welfare" and inserting in lieu thereof "the Department of Health and Human Services, the Department of Education,".

(h)(1) Section 203 of the Rehabilitation Act of 1973 is amended by striking out "Commissioner, the Commissioner" and inserting "Secretary".

(2) Section 507 of such Act is amended by striking out "Health, Education, and Welfare," and inserting "Education, the Secretary of Health and Human Services,".

AMENDMENTS TO THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

Sec. 509. (a) Section 306 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"CONSULTATION WITH THE SECRETARIES OF EDUCATION AND OF HEALTH AND HUMAN SERVICES

"Sec. 306. The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or human services character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education shall solicit the advice and comments of State educational agencies with respect to education services. Such education services include but are not limited to basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions. When the Secretary of Labor arranges for the provision of basic education and vocational training directly, pursuant to the provisions of this title, the Secretary of Labor shall obtain the approval of the Secretary of Education for such arrangements.".

(b) Section 303(c)(3) of such Act is amended to read as follows:

"(d) For the purposes of carrying out subsections (b) and (c) of this section, the Secretary shall reserve from funds available for this title an amount equal to not less than 4⅝ per centum of the amount allocated pursuant to section 202(a).".

AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

Sec. 510. Section 103(c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary of Education not later than February 1 of each year.".

AMENDMENTS TO THE DEFENSE DEPENDENTS' EDUCATION ACT OF 1978

Sec. 511. (a)(1) The last sentence of section 1410(a)(1) of the Defense Dependents' Education Act of 1978 is amended by striking out "an equal number of representatives of sponsors of students enrolled in the school and of employees working at the school" and inserting "an equal number of representatives of professional employee organizations, school administrators, and representatives of organizations of parents of dependents enrolled in the school".

(2) The last sentence of section 1410(b) of such Act is amended by striking out "Secretary of Defense" and inserting "Secretary of Education, in consultation with the Secretary of Defense,".

(b)(1) Section 1411(a) of such Act is amended—

(A) by striking out "Defense" in the first sentence and inserting "Education"; and

(B) by striking out paragraphs (1) through (3) and inserting the following:

"(1) the Administrator of Education for Overseas Dependents, who shall be the chairman of the Council;

"(2) twelve individuals appointed by the Secretary of Education, who shall be individuals who have demonstrated an interest in the fields of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, representatives of organizations of parents of dependents enrolled in the dependents' education system, and one student enrolled in such system;

"(3) a representative of the Secretary of the Army, of the Secretary of the Navy, and of the Secretary of the Air Force; and

"(4) a representative of the Secretary of Education and of the Secretary of Defense.".

(2) Section 1411(b) of such Act is amended—

(A) by striking out "three" and inserting "two"; and

(B) by amending paragraph (1) to read as follows:

"(1) of the members first appointed under such paragraph, six shall serve for a term of one year and six shall serve for a term of two years, as determined by the Secretary of Education at the time of their appointment, and".

(c) Section 1411(c)(2) of such Act is amended to read as follows:

"(2) study and make recommendations concerning the gradual transfer of the Overseas Dependents' Education system to the Department of Education, including—

"(A) the development of an efficient mode of operation of the system in the Department of Education;

"(B) the development of close working relationships and sound cooperation between the Department of Education and the Department of Defense; and

"(C) the development of a plan to insure the maximum participation of parents and dependents in the administration and operation of the system.".

REDESIGNATION

Sec. 512. (a) Notwithstanding the provisions of section 601, the Department of Health, Education, and Welfare is redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare is redesignated the Secretary of Health and Human Services upon the date of enactment of this Act.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services, the Secretary of Health and Human Services, or the appropriate official of the Department of Health and Human Services, respectively, except to the extent such reference is to a function transferred to the Secretary under this Act.

COORDINATION OF PROGRAMS AFFECTING HANDICAPPED INDIVIDUALS

Sec. 513. The Secretary of Health and Human Services shall establish within the Office of the Secretary of Health and Human Services an identifiable administrative unit to identify, assess, coordinate, and eliminate conflict, duplication, and inconsistencies among programs significantly affecting handicapped individuals carried out by or under the Department of Health and Human Services, and to promote efficiency among such programs. Such unit shall seek to coordinate, to the maximum extent feasible, such programs with programs significantly affecting handicapped individuals carried out by or under the Department of Education.

TRANSITION

Sec. 514. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies of the executive branch for such period of time as may reasonably be needed to facilitate the orderly transfer of functions under this Act.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

Sec. 601. (a) The provisions of this Act shall take effect one hundred and eighty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act—

(1) any of the officers provided for in title II of this Act may be nominated and appointed as provided in such title, and

(2) the Secretary may promulgate regulations pursuant to section 505(b)(2) of this Act.

(b) Funds available to any department or agency (or any official or component thereof), the functions of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. (a) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provisions of law, the President may designate an officer in the executive branch to act in such office for one hundred and twenty days or until the office is filled as provided in this Act, whichever occurs first.

(b) Any officer acting in an office in the Department pursuant to the provisions of subsection (a) shall receive compensation at the rate prescribed for such office under this Act.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PERCY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIBICOFF. Mr. President, I want to take this opportunity to give special praise to the distinguished Senator from Illinois (Mr. PERCY), the ranking member of the Governmental Affairs Committee, for his outstanding cooperation and hard work to make this victory possible; and also to the entire membership of the Governmental Affairs Committee for their cooperation throughout the hearings, the markup, and the passage of this bill. I want to especially thank Senator LEVIN, who floor managed the bill during my absence, as well as Dave Hansell of his staff.

I also want to pay special tribute to three members of the majority staff, Marilyn Harris, Bob Heffernan, and Dick Wegman, and to Lawrence Grisham of the minority staff. They have been tireless throughout the difficult periods of the consideration of this legislation during the last session and this one. Their knowledge is deep and wide.

Without their sterling help it would have been impossible to reach the final result that we did. They have done yeoman service, and I just want to express my personal and committee pride for their outstanding achievements throughout the consideration of this legislation.

I ask that the other staff members who have worked so diligently on this bill be recognized for their fine contributions:

Charlotte Tsoucalas, Senator JACKSON; Marsha McCord, Senator EAGLETON; Carnie Hayes, Senator CHILES; Bob Harris, Senator CHILES; Cheryl Davis, Senator NUNN; Jack Weatherford, Senator GLENN; Dru Smith, Senator SASSER; Sandy Dickey, Senator PRYOR; Alan Bennett, Senator JAVITS; Nancy Anderson, Senator ROTH; May Ann Simpson, Senator STEVENS; Jill Porter, Senator MATHIAS; Susan Collins, Senator COHEN; Bob Banks, Senator DANFORTH; Bob Maitinka, Senator DURENBERGER.

Also I would like to thank Franklin Sweig, Mike Forscey, Mike Goldberg, Senator WILLIAMS; Jean Frohlicher, Senator PELL; and Pat Forsythe, Senator RANDOLPH; staff of the Labor and Human Resources Committee.

Also, I want to thank David Boies, Senator KENNEDY; and Jim Davidson, Senator CULVER; of the Senate Judiciary Committee.

Lastly, I wish to especially thank Susan McNally, of the Senate Legislative Counsel's Office, who assisted the committee so diligently.

Mr. PERCY. Mr. President, once again it has been a great pleasure and honor for me to work with my distinguished chairman, Senator RIBICOFF.

I do not imagine there is a piece of legislation the Senate has passed that has been more identified with one Senator and more identified with his entire past. As Governor of a State, Secretary of HEW, a Senator of the United States, and chairman of the Governmental Affairs Committee, there is no one better qualified to think through the problems of education and to resolve the problem of how we can pull together a multiplicity of programs from throughout the Federal Government, put them into one department, and yet do so in such a way that we are absolutely committed to the principle of local and State control of education.

The skillful way in which this was done, the drafting of the bill by Senator RIBICOFF, and the work done by the members of the Governmental Affairs Committee on both the majority and minority sides have been a source of inspiration.

I should like to express my deep appreciation to Marilyn Harris and Robert Heffernan of Senator RIBICOFF's staff, to Nancy Anderson of Senator ROTH's staff, to Robert Banks of Senator DANFORTH's staff, to Alan Bennett of Senator JAVITS' staff, and, obviously, also to the distinguished chief counsel of the Governmental Affairs Committee, Mr. Wegman, who has worked without any consideration for his own personal life, who has devoted himself to this legislation, and has done so in an utterly bipartisan spirit, always taking into account the wishes and feelings of others, but also persisting in moving us ahead.

We are deeply grateful, of course, to my own staff member who, I would like to say for the first time on the floor of the Senate, was voted by Ebony magazine to be one of the 50 future black leaders of America.

I could not be more proud than to have Lawrence Grisham work with me, as he has for a period of almost 9 years now. He came from the late Congressman Metcalfe's staff, over from the House to the Senate. He has been a tower of strength to me and it is always an inspiration to work with him.

May I have just 30 seconds for a RECORD insertion?

Mr. RIBICOFF. I want to finish this out first.

Mr. PERCY. All right.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 210.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the chairman of the committee (Mr. RIBICOFF) on the dedication, the skill, and the ability that he has demonstrated in managing this bill through the hearings and here on the floor today. I congratulate the ranking Republican member (Mr. PERCY) on his diligence, as well as his ability and skill.

I think we have here again a demonstration of how the majority and the minority have cooperated in working together, as we have so many times seen Senator RIBICOFF and Senator PERCY working together and bringing legislation to the floor.

I personally want to express my thanks to both of them for their cooperation with the leadership.

Mr. BAKER. Mr. President, will the majority leader yield

Mr. ROBERT C. BYRD. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the majority leader. I wish to express praise to him, on behalf of myself and the floor leaders on this measure, both the majority and minority. This measure is not one that has yet been acted upon by our colleagues in the other body, but I might say parenthetically I hope they will address themselves to it before this session of Congress is over.

I congratulate the distinguished Senator from Illinois (Mr. PERCY) for his dedication to the enactment of this measure, and to his staff and. of course, to the chairman of the committee, the distinguished Senator from Connecticut (Mr. RIBICOFF) who, as the Senator from Illinois has pointed out, has special competence in this field and is especially well qualified to present this legislation.

I, too, am especially well pleased with the bipartisan management in the presentation of the bill.

Mr. RIBICOFF. Mr. President, I thank the majority and minority leaders for their kind comments, which are deeply appreciated, and I thank them both for their cooperation.

Mr. PERCY. Mr. President, I would like also to express my appreciation, and I would like to join also in the RECORD insert today that was made earlier.

With the leadership we have working with us, it has been a great honor and privilege to serve in this capacity.

On one occasion last week when I was unable to be on the floor, the distinguished Senator from Missouri (Mr. DANFORTH) substituted for me, and I wish to take this occasion to express my appreciation to him.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR—ROUTINE MORNING BUSINESS—AIRCRAFT NOISE ABATEMENT—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of certain measures on the calendar. I call up, on behalf of Senator MAGNUSON, Calendar Order No. 74, S. 917, the Fishery Conservation and Management Act authorizations, and I ask unanimous consent that the Senate proceed immediately to the consideration of that measure; that that be followed by the calling up and proceeding to the immediate consideration of Calendar Order No. 71; and that upon the disposition of that measure, the Senate proceed to the consideration of Calendar Order No. 75; and that following the disposition of that measure there be a brief period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak for not to exceed 5 minutes each therein, at the conclusion of which the Chair lay before the Senate, for no debate tonight, the aircraft noise abatement bill.

Mr. BAKER. Mr. President, reserving the right to object, I have cleared on my Calendar orders Nos. 74 and 71. I do not have at this time Calendar order No. 75 cleared. I wonder if the majority leader would reconsider that item until I can proceed with the further clearances we require on our side.

Mr. ROBERT C. BYRD. Yes, I am glad to do that. I delete from my request Calendar order No. 75.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered. The clerk will report Calendar order No. 74.

FISHERY CONSERVATION AND MANAGEMENT ACT AUTHORIZATIONS

The Senate proceeded to consider the bill (S. 917) to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment on page 2, beginning with line 16, to insert the following:

SEC. 3. Subparagraph (6)(A) of section 204(b) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(6)(A)) is amended by adding at the end thereof the following new sentences: "No permit may be issued to any vessel of any nation certified by the Secretary of Commerce under the provisions of section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C 1978(a)). This prohibition shall remain in effect until the Secretary determines that the conditions which led to the certification on longer prevail.".

So as to make the bill read:

S. 917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 406 of the Fishery Conservation and Management Act of 1976, as amended (16 U.S.C. 1882) is further amended by adding at the end thereof the following new paragraph:

"(6) $30,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $47,000,000 for the fiscal year ending September 30, 1982.".

SEC. 2. Section 4311 of the Revised Statutes (46 U.S.C. 251) is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of this section, the term 'fisheries' shall include the planting, cultivation, catching, taking, or harvesting of fish, shell fish, marine animals, pearls, shells, or marine vegetation at any place within the fishery conservation zone established by section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1811).".

SEC. 3. Subparagraph (6)(A) of section 204(b) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(6)(A)) is amended by adding at the end thereof the following new sentences: "No permit may be issued to any vessel of any nation certified by the Secretary of Commerce under the provisions of section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)). This prohibition shall remain in effect until the Secretary determines that the conditions which led to the certification no longer prevail.".

Mr. MAGNUSON. Mr. President, S. 917 will reauthorize appropriations for the implementation of the Fishery Conservation and Management Act of 1976, commonly known as the 200-mile bill, for fiscal years 1980, 1981, and 1982. This act is working well—in fact, better than many of us in Congress had expected—and S. 917 will simply extend the act's operation for 3 more years. The bill will reauthorize appropriations in the amount of $30 million for fiscal year 1980, $40 million for fiscal year 1981, and $47 million for fiscal year 1982.

Section 2 of the bill clarifies an ambiguity which has arisen in the relationship between FCMA and the shipping laws. If I may simplify, Mr. President, the problem is this. The FCMA requires that to be considered a "vessel of the United States" a vessel must be documented under U.S. law. Any foreign-built vessel documented under U.S. law is prohibited from "engaging in the fisheries." The law thus seems clear enough—if a U.S. fisherman wants to fish in our waters, he must use a U.S.-built vessel. This has been the policy of the United States since 1793.

However, the problem is that a new strained interpretation of the term "engaging in the fisheries" has opened up a loophole that was certainly not the understanding or intent of Congress. This interpretation is that the "fisheries" means only fishing within 3 miles of shore or landing one's catch. Mr. President, this interpretation bears no relationship to the extent of what the American fisheries presently constitutes nor does it recognize the fact that this country in 1976 claimed 200 miles of fishing jurisdiction. It clearly was not foreseen or intended when the Senator from Alaska and I were considering passage of the FCMA, but it is a matter that has come up since, and I am sure he will agree with me on that.

In effect, this interpretation by the Coast Guard allows a vessel which is legally prohibited from engaging in the fisheries to fish legally between 3 and 200 miles and offload its catch and go on fishing. This anamoly jeopardizes the massive investments made in the United States by our fishermen who thought the law meant what it seemed to say. It also would put our existing fishing fleet at a competitive disadvantage.

I urge my colleagues not to delay in approving this bill because the longer we wait the more likely people will be trying to take advantage of this loophole.

Finally, section 3 of this bill would amend the FCMA to provide that any foreign nation which is certified by the Secretary of Commerce as being in violation of or undermining the effectiveness of any international whaling or fishery agreement will be denied access toour 200-mile fishery zone for as long as such conditions exist. This is intended to provide greater teeth to the sanctions for violating such international agreements and jeopardizing our whales and fisheries. This, of course, is the familiar "whaling provision."

Mr. President, I urge my colleague to approve this needed legislation.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I wish to join with my good friend from the State of Washington, Mr. MAGNUSON, in supporting this legislation. The Fisheries Conservation and Management Act has been a great success since its implementation. This reauthorization will enable the Regional Fisheries Councils to continue their good work.

In particular, I wish to address the section of this bill which would prohibit foreign flag fishing vessels from being registered under the laws of the United States. Mr. President, this amendment corrects an oversight on our part when we enacted the Fisheries Conservation and Management Act. It has never been the practice to allow foreign fishing vessels to fly the U.S. flag. At that time we enacted the Fishery Conservation and Management Act we believed that the Jones Act, formally known as the Merchant Shipping Acts, would prohibit foreign flag vessels from registering under the U.S. laws and fishing between the 3 and 200 mile nautical limits. We are advised now that this is not the case and that this corrective legislation is necessary in order to carry out the original intent of Congress.

Mr. President, I know of no one on my side of the aisle who objects to this legislation. I would urge each of my colleagues here to support its enactment.

I might add that I hope the cost estimate set forth in the committee report will be placed in the RECORD following the statement of the Senator from Washington.

Mr. MAGNUSON. Yes. Mr. President, I ask unanimous consent that an excerpt from the committee report (No. 96–72) containing the material to which the Senator has referred be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

ESTIMATED COSTS

The Congressional Budget Office has estimated the cost of this legislation as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 10, 1979.

Hon. HOWARD W. CANNON,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act, the Congressional Budget Office has prepared the attached cost estimate for S. 917, a bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 917.

2. Bill title: A bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

3. Bill status: As ordered reported by the Senate Committee on Commerce, Science, and Transportation, April 10, 1979.

4. Bill purpose: The bill authorizes appropriations for fiscal years 1980, 1981, and 1982 to protect the marine environment and to enforce the 200-mile conservation zones. The $30 million authorized for 1980 is the same amount authorized for fiscal years 1978 and 1979 and is slightly above the President's 1980 budget request of $27.1 million. The 1981 and 1982 authorization levels in the bill are $40.0 million and $47.0 million respectively.

5. Cost estimate:

Authorization level:

Fiscal year:	*Millions*
1980	$30.0
1981	40.0
1982	47.0
1983	——
1984	——

Estimated outlays:

Fiscal year:	
1980	22.5
1981	37.5
1982	45.2
1983	11.8
1984	——

The costs of this bill fall within budget function 300.

6. Basis of estimate: For the purpose of this estimate, it is assumed that all amounts authorized will be appropriated. The estimate of outlays from this authorization is based on CBO's analysis of historical trends in spending for this program. In the past about 75 percent of available funds have been spent in the year appropriated and the remainder in the following year.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Susan Cirillo.

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director,
for Budget Analysis.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the name of the Senator from Hawaii (Mr. INOUYE) be added as a cosponsor of S. 917.

The PRESIDING OFFICER (Mr. PROXMIRE). Without objection it is so ordered.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, I earlier had indicated to the majority leader that Calendar No. 75 was not yet cleared on my calendar. It is now cleared; it was a clerical omission that it had not yet been shown as cleared on my calendar.

However, I have a request from the distinguished Senator from Utah (Mr. GARN) to be present when that measure is disposed of; so I wonder if it would be agreeable to the majority leader to take that measure up tomorrow.

Mr. ROBERT C. BYRD. Yes, it is.

Mr. BAKER. I thank the distinguished majority leader.

PENSION POLICY COMMISSION ACT

The PRESIDING OFFICER. The clerk will state Calendar Order 71, S. 532, by title.

The assistant legislative clerk read as follows:

A bill (S. 352) to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Pension Policy Commission Act".

"SEC. 2. (a) The President's Commission on Pension Policy (hereinafter in this Act referred to as the "Commission"), established by Executive Order Numbered 12071, effective September 21, 1978, is authorized to continue in operation for 2 years following the date of enactment of this Act.

(b) During the period the Commission continues in operation the Commission shall—

(1) issue reports on problems facing the Nation's retirement systems,

(2) formulate recommendations for a national retirement income policy, and

(3) consult on a regular basis with committees of the Senate, the House of Representatives, and the Congress having jurisdiction over the Commission's work.

(c) The Commission shall submit a final report, including its recommendations and findings, to the President and the Congress. The Commission shall cease to exist ninety days after submission of its final report. All reports and papers of the Commission shall be delivered to the Administrator of General Services for deposit in the Archives of the United States.

(d) In carrying out its functions under this Act, and in making its findings and recommendations under subsection (c), the Commission shall seek to ensure that it maintains its independence from other officers and employees of the Government and any other person with special interest in its actions.

SEC. 3. (a)(1) The eleven members of the Commission appointed by the President before the date of the enactment of this Act, including the Chairman, may continue to serve for the duration of the Commission.

(2)(A) An appointment to a vacancy in the position of chairman of the Commission shall be made by the President, by and with the advice and consent of the Senate.

(B) An appointment to any other vacancy in the membership of the Commission shall be made by the President after consultation with the Congress.

(C) All appointments to vacancies in the membership of the Commission shall be made in such a manner as to ensure that the Commission remains balanced in terms of the points of view represented and the functions performed by it.

(3) A quorum of the Commission shall consist of six members, except that the Commission may establish a lower number as a quorum for the purpose of taking testimony. The Commission is authorized to establish committees, and to delegate authority to them, when necessary to carry out its functions.

(4) Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation, but shall continue to receive the salary of their regular positions when engaged in the performance of duties of the Commission.

(5) When engaged in the performance of duties of the Commission, members of the Commission who are not full-time officers or employees of the United States shall be compensated at the maximum daily rate for GS-18 of the General Schedule.

(6) All members of the Commission who are not otherwise employed by the Federal Government shall be reimbursed for travel expenses, including per diem in lieu of subsistence, incurred in the performance of duties of the Commission, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(b) Subject to such rules as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, and without regard to the provisions of chapter 51, subchapter III of chapter 53, and chapter 54 of that title, relating to classification and pay, is authorized to—

(1) appoint an Executive Director who shall be compensated at a rate not to exceed the rate in effect for level V of the Executive Schedule set forth in section 5316 of title 5, United States Code;

(2) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act, except that in no case shall employees be compensated at a rate in excess of the rate provided for employees in GS-17 of the General Schedule; and

(3) procure such temporary and intermittent services of experts and consultants as are necessary, as authorized by section 3109 of title 5, United States Code.

(c) The Commission is authorized to accept and utilize the services of voluntary and uncompensated personnel and reimburse them for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, but such personnel shall not be considered Federal employees for any purpose other than for purposes of chapter 81 of title 5, United States Code, and for purposes of sections 2671 through 2680 of title 28, United States Code.

(d) Upon request of the Commission, the head of any executive department, agency or independent establishment of the United States is authorized to detail on a nonreimbursable basis its employees to the Commission to assist it in carrying out its duties.

(e) Financial and administrative services (including those related to budget and accounting, financial reporting, personnel, and procurement) shall be provided to the Commission by the General Services Administration, for which payment shall be made in advance, or by reimbursement, from funds of the Commission, in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services.

Sec. 4. (a) Upon the request of the Commission, the head of each executive department, agency, or independent establishment of the United States that has an interest in or a responsibility with respect to the areas of the Commission's work shall appoint a liaison officer who shall work closely with the Commission and its staff in matters relating to such areas.

(b) In carrying out its duties, the Commission may seek the advice of individuals and groups interested in retirement, survivor, and disability policies including, but not limited to, State and local governments and public and private organizations working on such matters.

(c)(1) The Commission or, on authorization of the Commission any committee of two or more members, may hold hearings and sit and act at such times and places as the Commission or such authorized committee may find advisable, and the provisions of section 1321 of title 28, United States Code, shall apply to witnesses invited to appear at hearings, and per diem and mileage allowances to witnesses shall be paid from funds appropriated to the Commission

(2) The Commission is authorized to secure from any executive department, agency or independent establishment of the United States, information necessary to carry out its functions. Upon request of the Commission, the head of any executive department, agency or independent establishment shall furnish such information to the extent provided by law.

(d) The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) The Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions, and individuals for the conduct of research and surveys, the preparation of reports, and other activities necessary for the carrying out of its duties and responsibilities.

SEC. 5. There is authorized to be appropriated beginning with fiscal year 1980 $2,000,000 to carry out the provisions of this Act, which shall remain available until expended.

Mr. PRYOR. Mr. President, S. 532, as amended, was reported from the Senate Governmental Affairs Committee on April 18, 1979, by a unanimous vote.

The purpose of this legislation is to provide a statutory authority for the President's Commission on Pension Policy and to continue the work of the Commission for a 2-year period following the date of enactment of this act. It also authorizes the appropriation of $2 million beginning in fiscal year 1980, to finance the work of the Commission.

I introduced S. 532 on March 5, 1979, at the request of the administration, and subcommittee hearings were held on March 22, 1979. Mr. C. Peter McColough, Chairman of the Commission and Mr. W. Bowman Cutter, of the Office of Management and Budget, testified in favor of the bill. A statement expressing support for the legislation was also received from Senator HARRISON WILLIAMS, chairman of the Labor and Human Resources Committee. Senators JACOB JAVITS and TED STEVENS of the Governmental Affairs Committee also participated in the hearing.

Subsequently the subcommittee redrafted the legislation to make, what I feel is a stronger and more acceptable bill. The subcommittee incorporated language into the bill which: First, provides for congressional consultation by the Commission on a periodic basis, second, insures the independence of the Commission from officers and employees of the Government and any other person with special interest in the Commission's actions, and third, establishes a procedure whereby appointments to vacancies in the membership of the Commission are made with congressional involvement. I would like to thank Senator STEVENS and his staff for their expert assistance and cooperation in working on this matter and developing the committee print which he and I have jointly proposed.

I personally believe that the work of the Pension Commission is of vital importance to the Nation. Current demographic trends show large increases in the numbers and percentage of older Americans. Unless we better prepare ourselves for these changes and the pension problems which will be caused by them, we will be in for a catastrophe in the near future. The Pension Commission will help us to avert such an occurrence by examining the current financial state of our pension systems and by recommending a national policy to serve for the future development of both public and private retirement programs.

I ask unanimous consent that an excerpt from the Senate report which accompanies this bill be printed and inserted at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

BACKGROUND

The President's Commission on Pension Policy was established by Executive Order No. 12071 on July 12, 1978, as amended by Executive Order No. 12100 on November 17, 1978. The Commission was created by the President pursuant to the Federal Advisory Committee Act (5 U.S.C. App. I) as an advisory commission on national policies for retirement, survivor, and disability programs. The Commission is composed of 11 members who were appointed by the President, 1 of whom has been designated by the President to serve as the Chairman of the Commission. As outlined in the Executive order, which is contained in full as an appendix to this report (No. 1), the Commission is expected to conduct a comprehensive review of retirement, survivor, and disability programs existing in the United States, including private, Federal, State and local programs, and to develop national policies that can be used as a guide by public and private programs. The Commission is also expected to report its findings and recommendations on short-term and long-term issues relating to retirement programs, including, but not limited to, the following; (a) present overlaps and gaps among the private, State and local sectors in providing income to retired, surviving, and disabled persons; (b) the financial ability of present private, Federal, State and local retirement, survivor, and disability systems to meet their future obligations; (c) appropriate retirement ages, the relationship of the annuity levels to past earnings contributions, and the role of current retirement, survivor, and disability programs in private capitol formation and economic growth; (d) the implications of the recommended national policies for the financing and benefit structures of the retirement, survivor and disability programs in the public and private sectors; and (e) specific reforms and organizational changes in the present system that may be required to meet the goals of the national policies.

The Commission's operations are currently being financed from the "unanticipated needs" fund appropriated for the President. However, according to the testimony given by Mr. Cutter of the Office of Management and Budget.

The President's fund for unanticipated needs is limited. More importantly, with the statutory limitation on temporary funding, the Commission can operate for only 1 year under the Executive order. Therefore, we urge enactment of the authorizing legislation and the supplemental appropriation as soon as possible.

According to 31 U.S.C. 696, limitation on use of appropriations by agencies:

After January 1, 1945, no part of any appropriation or fund made available by this or any other Act shall be allotted or made available to, or used to pay the expenses of, any agency or instrumentality including those established by Executive Order after such agency or instrumentality has been in existence for more than one year, if the Congress has not appropriated any money specifically for such agency or instrumentality or specifically authorized the expenditure of funds by it.

Although efforts have been made to secure supplemental funding for the Commission for fiscal year 1979, the committee, in order to comply with the provisions of the Budget Control Act of 1974 (Public Law 93–344), has amended the bill to authorize appropriations beginning in fiscal year 1980. As a result of this action, the Commission is expected to continue to be funded on an interim basis from the President's fund for "unanticipated needs," until fiscal year 1980.

On February 13, 1979, James T. McIntyre, Jr., Director, Office of Management and Budget, transmitted a letter to Hon. Walter F. Mondale, President of the Senate (appendix No. 2), enclosing for consideration by the Congress a draft bill,

to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes.

As stated in the letter,

The purpose of this bill is to provide a statutory basis for the President's Commission on Pension Policy, which was established by Executive Order No. 12071 on July 12, 1978.

Subsequently, S. 532 was introduced at the request of the Administration.

NEED FOR NATIONAL RETIREMENT INCOME POLICY

Many believe that the work of the Commission is of paramount importance to the Nation and to the American people. In recent years, the significance of public and private pensions in our lives has increased at a dramatic rate. As the number of people over age 65 has grown, the effect of pension programs on the Nation's economy has also expanded. Today, over 27 percent of the Federal budget is used to pay retirement and disability benefits and almost 20 percent of the population receives pension benefits.

Recent demographic figures collected by the U.S. Census Bureau show that Americans over age 65 comprise about one-tenth of the population or approximately 22.4 million individuals. If current trends continue, the number of people over age 65 in this country will swell to more than 52 million individuals or about 22 percent of the population by the year 2030.

Recent estimates have identified more than 500,000 different pension plans in operation in the United States today. The Federal Government operates approximately 68 pension programs according to the U.S. House of Representatives Pension Task Force report on public employee retirement systems.

A survey by the Comptroller General of the United States of the 38 major Federal retirement systems, which cover 5 million employees, reports that over $15 billion annually is paid out in benefits and that current unfunded liabilities are in excess of $273 billion. The social security system, which was established in 1935 to provide a compulsory system of retirement benefits for workers employed in industry and commerce is by far the largest federally administered retirement program.

It covers approximately 90 percent of the national work force and is now a $128 billion program. In addition, there are thousands more State and local government pension plans, private pension plans, and an estimated 3 million persons covered under individual savings plans recognized by tax law provisions.

As stated by Mr. Peter McColough, Commission Chairman, at the March 22, 1979 hearing on S. 532:

Retirement income programs in both the public and private sectors have increased dramatically in size and scope over the past three decades. But, certain segments of the population have not benefited by this growth.

Because these thousands of separate plans developed in response to different requirements, they do not necessarily fit together in ways that produce an adequate, comprehensive, and equitable retirement income system. Some workers may qualify for pensions under several different plans during their career, while others may reach retirement with only their social security benefits. Consequently, some workers will enjoy a financially secure retirement while others will exist near the poverty line.

Clearly, the importance of public and private pension systems in our lives has increased dramatically and will continue to increase. It is now necessary to become better prepared as individuals and as a nation for these changes, and, the President's Commission on Pension Policy has a major role in that process. The Commission is expected to address the adequacy of current systems, look at the financial condition of these systems, research tax policy and tax equity, and make recommendations for the creation of a national retirement income security policy in the United States.

MAJOR PROVISIONS OF THE PENSION POLICY COMMISSION ACT

A. Congressional consultation

The committee believes that the President's Commission on Pension Policy should be required to report to the interested committees of the Congress on a regular basis. As a result, the committee has added a provision requiring congressional consultation on a regular basis with committees of the Senate, the House of Representatives, and the Congress having jurisdiction over the Commission's work.

B. Independence of the Commission

Although the Commission was originally established by the President, Mr. Cutter of the Office of Management and Budget, at the subcommittee's March 22, 1979 hearing, stated that:

The Executive Office of the President will continue to coordinate the administration's policies on the day-to-day issues that arise in the pension area, and executive branch agencies, as appropriate, will present the administration's position on these issues. This separation of roles is essential both to guarantee the Commission's independence and objective analysis of the problems in the U.S. pension structure and its recommendations for policies in this area and to insure that pressing day-to-day issues are not put into abeyance.

In order to further insure the independence of the Commission, the committee adopted language which states that in carrying out its functions under this act, and in making its findings and recommendations the Commission shall seek to insure that it maintains its independence from other officers and employees of the Government and any other person with special interest in its actions.

C. Filling vacancies in the Commission

The committee also believes that in order to insure the independence and objectivity of the Commission's work vacancies in the chairmanship or membership of the Commission should be filled with the involvement of the Congress. To accomplish this goal, the committee has amended the act to state that an appointment to a vacancy in the chairmanship of the Commission shall be made by the President, by and with the advice and consent of the Senate, and an appointment to any other vacancy in the membership of the Commission shall be made by the President after consultation with the Congress. In addition, all appointments to vacancies in the membership of the Commission shall be made in such a manner as to insure that the Commission remains balanced in terms of the points of view represented and the functions performed by it.

D. Senior executive service coverage

The committee intends that those employees of the Commission who are otherwise eligible for participation in the Senior Executive Service, as defined within the meaning of chapter 53 of title 5, United States Code, and as determined by the Office of Personnel Management shall be under the coverage of the senior executive service. The letter from the Office of Personnel Management to the Executive Director of the President's Commission on Pension Policy which is contained in the appendix (appendix No. 3), establishes the allocation of one noncareer position to be designated under the provisions for the Senior Executive Service.

Mr. PRYOR. Mr. President, I urge my colleagues to join me in supporting this important measure and in asking for its expeditious consideration by the House of Representatives.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Alaska.

Mr. STEVENS. Mr. President, I have supported this bill, although I think it does place Congress in a very awkward position. Under the Federal Advisory Committee Act, Congress is required to insure that a commission's membership is balanced in terms of viewpoints, and that a commission will remain independent from the appointing authority's influence when it authorizes a commission by legislation. However, that Federal Advisory Committee Act does not require the President to insure such balance and independence if he authorizes a commission by Executive order.

In this situation, the President established this commission by Executive order, appointed its members, and staffed its needs. He now has asked Congress to authorize the already existing commission by legislation. The impact of his request is that we must take a commission that is not balanced in viewpoint, and particularly in terms of political balance, and there is no assurance here that the independence required of the appointing authority will be involved in this commission. It is particularly difficult in terms of this commission because it is a very, very sensitive matter that this commission will be examining into.

In terms of the pension policy of the United States, it is probably one of the most difficult and vexatious problems facing our Government. The unfunded liabilities of the pension systems of this country are sufficient to bankrupt it at any moment. It is going to take people of very strong will and independent nature in order to assess this problem and come up with recommendations that the Congress can follow on that will not be tainted with any political concepts, nor people who would have been subject to any pressures from outside.

I am satisfied, incidentally, that this commission has that capacity now. I worry about their independence for the future.

I am pleased that the chairman of the subcommittee has expressed his concern about it. I have talked with each of the members of this committee at a hearing which our subcommittee conducted.

I do believe that the provision that the subcommittee agreed to, the provision that requires Senate confirmation of a nominee for chairmanship of the commission, should the chairmanship of this commission become vacant, is one step in the right direction. I do hope, though, that all Members of the Senate and the executive branch will be put on notice that as the ranking minority member of this subcommittee I am going to look very long at any similar request from the executive branch when a commission has been created by Executive order and then later the Congress is asked to extend that commission and authorize funds beyond that envisioned by the temporary commissions which are available to the executive branch under the Federal Advisory Committee Act.

It is a problem for Congress to protect its own prerogative in the future. In this instance, I am willing to go along because of the nature of the problem and because of the competence of the people selected in the first instance. I would not want to reflect on them in any way.

The President, I move the adoption of S. 532.

Mr. JAVITS. Will the Senator withhold that for a moment so I can see what it is all about?

Mr. STEVENS. I will.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. What is the pending business?

The PRESIDING OFFICER. The committee amendment to S. 532 is pending.

Mr. JAVITS. Mr. President, I have no a statement about it.

Members will note that, on page 4 of the bill, an effort is made to describe the pension systems of the United States. Insofar as it goes, it is accurate, but it does not go remotely far enough, and there is something I would like to leave with the Senate on this matter.

With Senator WILLIAMS of New Jersey, I am the author of what is called ERISA, the Employment Retirement Security Act of 1974. That act has not been amended since 1974, because Senator WILLIAMS and I felt very strongly that an opportunity should be afforded to enable it to work for a while in order to see what amendments it really needs. That bill has an enormous jurisdiction of great importance to the American people and to the Pension Commission, which this bill extends for 2 years—that is, the bill pending before us. The reason is that it affects 35 million Americans and the reserves in those pension plans directly—not just affects, this is their pension, and the reserves are about $220 billion now. It is the greatest single fund of investment capital in this country by far and probably growing at the rate of $20 billion a year. This is over, above, and beyond the Social Security System and the 68 programs run by the Federal Government, as well as the multiplicity of pension programs which are run by States and municipalities. This is the central linchpin of the pension system of the country.

Senator WILLIAMS and I have introduced amendments to ERISA as of this year because we now feel that enough time has gone by so that we ought to deal with some of the problems which naturally would arise in so extensive and important a measure. That measure has been compared in importance with social securtiy and, indeed, it rates that. The thing that has concerned us is that the activity of this Commission should not be utilized to inhibit action upon necessary amendments to ERISA.

For example, to indicate the direction that I have in mind, there is a major problem for the Pension Benefit Insurance Company, which is authorized under ERISA, for multiemployed plans, especially significant and important in the building construction field. We are going to have to resolve that issue, probably long before 2 years after the enactment of the measure which is before us today. Therefore, I should like to state, as this measure is being adopted, that we believe and we make the expression of expectation in connection with the passage of this particular bill, that it should not inhibit the consideration by Congress of necessary amendments to pension plans any more than it will inhibit the consideration by Congress of amendments to the social security law by virtue of the fact that it is being studied.

As to the study, I am absolutely devoted to that, because I do believe that the whole retirement policy of the United States has to be envisaged in one piece. For example, it is well known that, right now, there is a tremendous agitation among the civil service employees of the U.S. Government that their pension plans may be, in some way, merged with or replaced by some form of social security. There is great fear on that in their ranks. Whether that is justified or unjustified, we do not know; nonetheless, it is indicative of the problems which are faced here.

Mr. President, also, I am reassured in respect of this bill by the provision written in by the committee, our Committee on Governmental Affairs, of which I am a member, requiring consultation with appropriate committees of the House and Senate respecting pension matters. I assume that would include the Committee on Human Resources and the Committee on Finance of the Senate, as well as the appropriate committees in the House which have jurisdiction over ERISA.

Mr. President, I emphasize the importance of this Commission, the enormous significance of its work in the vital field in which it is operating. I also want to make clear that we do not wish the Commission's work to result in simply being a boom across the progress of amendments which may be necessary, as we know they are, to ERISA or to other pension plans. After expressing that, Mr. President, I have no objection to the passage of the bill, which I voted to report out as a member of the committee.

I thank Senator STEVENS, particularly, and Senator PRYOR for being kind enough to await my arrival on the floor so that I might make these comments.

Mr. PRYOR. Mr. President, if I may, I would like to take just a moment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, the Senator from New York has made what I think is a very succinct point. I would like to applaud him on his wisdom in bringing this matter to the attention of the Senate and also to the attention of our subcommittee in hearings in which the distinguished Senator participated.

On March 22, 1979, at the Subcommittee hearing, Mr. W. Bowman Cutter of the Office of Management and Budget testified on this point, and I would like to quote his testimony at this point.

Mr. Cutter stated:

> The separation of roles is essential both to guarantee the Commission's independence and objective analysis of the problems in the U.S. pension structure and its recommendations for policies in this area and to insure that pressing day-to-day issues are not put into abeyance.

Hopefully, this will set the record straight and establish the legislative intent in the granting of statutory authority to this commission.

The Senator, I think, is most proper in bringing this matter to the attention of the Senate. Hopefully, this will put the issue to rest by showing the intent of the Senate and the Congress.

Mr. JAVITS. If my colleague will yield, I thank him very much for his thoughtfulness in putting the matter as he has. I think it is a real service. I am much obliged to him.

Mr. PRYOR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill (S. 532) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. PRYOR. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WHO RUNS AMERICA?

Mr. RIBICOFF. Mr. President, the April 16 edition of U.S. News & World Reports contain a poll which I consider significant to this body.

In all, 1,439 opinion leaders were surveyed on the topic "Who Runs America." I want to point out that the U.S. Senate ranked third in influence, its highest mark in the annual survey.

The magazine attributes much of the credit to the distinguished majority leader, ROBERT BYRD. I am confident this opinion is shared by the Senators themselves.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO RUNS AMERICA

Influential Americans hunger for decisive leadership from the White House. Amid a widespread feeling that it is missing, they are eying charismatic politicians who can take the nation into the 1980s.

That finding emerges from the sixth annual nationwide leadership survey by U.S. News & World Report.

Many of the 1,439 American decision makers who participated in the survey expressed serious reservations about President Carter's leadership in a time of fast-changing U.S. prospects at home and abroad.

HOW THE PRESIDENT RATES

Carter's performance is rated worse than a year ago by 43 percent of the men and women holding key positions in business, government, labor, the professions and the media. Almost one-third of these leaders at the national, state and local levels said he is leading the country about as well as a year ago. One quarter said Carter is doing better.

So strong is this feeling of inadequate leadership that, for the first time since the survey began in 1974, an American President finds his leadership challenged by a major political competitor.

The American establishment ranks Senator Edward M. Kennedy second only to the President in the ability to affect the national decision-making process. The Massachusetts Democrat ranked a distant 16th in last year's survey.

What's more, respondents who consider themselves Democrats preferred the Massachusetts lawmaker to the President for the 1980 Democratic presidential nomination until a surge in Carter's popularity after the President's decisive actions in the Middle East.

A REVIVAL AT 1600 PENNSYLVANIA

Buoyed by survey returns received after the presidential peace mission in mid-March, Carter topped Kennedy for the nomination by 48 percent to 36 percent.

Republicans in the decision-making elite widely preferred former Texas Governor John B. Connally to rival GOP presidential hopefuls Senator Howard H. Baker, Jr., Ronald Reagan and George Bush.

Many of the nation's leaders said that what is needed is a President who can articulate and advance a common national purpose. "The country needs a sense of leadership, purpose and direction," one participant said. "Whether one loved or hated FDR, no one could contend he was not leading the country, that he was [not] in control. We need that sense again."

"Americans," added Florida Attorney General Jim Smith, "are crying out for persons in responsible elected positions to provide leadership. Unfortunately, most elected public officials spend too much time analyzing the political angles rather than making the tough decisions. The American people will accept some hardships."

With inspiration or leadership from the White House generally found lacking, those contacted widely agree that Congress exercises greater influence today than anytime since Carter became President.

Not even at the peak of the investigation into the Watergate scandal did Congress so closely rival a President for influence.

While influential Americans still concede that the President and White House chart the nation's course, leaders rank the Senate third only to the White House and big business among institutions with broad influence—its highest ranking ever in the survey. The House ranks seventh.

Senate Democratic Leader Robert C. Byrd of West Virginia and House Speaker Thomas P. O'Neill, Jr., (D-Mass.) are seen as more influential than at the outset of Carter's Presidency in 1977. Survey respondents rated O'Neill as the third most influential citizen in America, Byrd the fifth.

Although decision makers rank Congress and its leaders as more influential than in the past, the actual performance of lawmakers during the past year evokes little enthusiasm. Only 17 percent of the respondents think Congress is doing better than last year. Sixty-one percent see no change. Many, critical of Congress, noted an unraveling of party discipline and the impact of pressure groups.

"There is no party discipline," said John D. Chisholm, president of Marquette Bank & Trust Company in Rochester, Minn. "For the most part, they [members of Congress] are all egotists representing special interests."

Although finding fault with leadership in the White House and on Capitol Hill, America's policymakers have little disagreement on who runs the U.S.: the federal government and its officials.

THE LONG ARM OF UNCLE SAM

Sixteen of the 20 most influential citizens in the United States have positions in government. All but 13 of the 40 most influential Americans have formal or informal ties with Washington now or in the past.

Three of the five institutions ranked most influential are part of government—the White House, the Senate and the Supreme Court. Television and big business also ranked among the nation's five most influential institutions. Big business came in second for the second year in a row.

Television, however, this year was credited with wielding less influence on decision making than anytime since the survey began. And CBS anchorman Walter Cronkite, among the nation's 10 most influential citizens for the past four years, now ranks 12th.

On the other hand, specialists in economic, tax and energy matters moved up in this year's survey, reflecting widening concern among the nation's leaders about the direction of the economy.

Ranked sixth—up from 13th last year—is G. William Miller, chairman of the Federal Reserve Board. Scoring gains in influence, according to survey results, are Senate Finance Chairman Russell B. Long, Energy Secretary James R. Schlesinger and Stuart E. Eizenstat, White House domestic affairs adviser. Treasury Secretary W. Michael Blumenthal again ranks 15th in influence—holding his ground in the survey amid declines in influence by presidential adviser Hamilton Jordan, Vice President Walter F. Mondale and Joseph A. Califano, Jr., Secretary of the Department of Health, Education, and Welfare.

Noticeable more than ever this year was wide agreement that white males still exercise the most influence. Neither a black nor a woman has ranked among the 10 most influential Americans since the survey began, and 1979 is no exception.

Eighteen men were rated ahead of the highest-ranking women—Katharine Graham, chairman of the Washington Post Company.

Thirty-seven men and women, including California Governor Jerry Brown, preceded the highest-ranking black on the list—activist Jesse Jackson. United Nations Ambassador Andrew Young, who ranked 30th in influence last year, was ranked 39th in this year's survey.

The domination of white males in decision making disturbed some participants. Noted Bonnie Brown, legislative coordinator for West Virginia's chapter of the National Organization for Women: "The fact that only men run America is disgusting."

The solution? "More women in public office," said an East Coast professor of political science.

Despite such comments, however, respondents across sex and racial lines held largely similar views on the state of the nation's leadership, although blacks and women generally gave Carter higher marks than the average. Campus leaders, who were surveyed for the first time by the magazine, also, were often less harsh in their assessment of presidential leadership than were their elders.

Who runs America? A total of 1,439 leaders in their fields agree on the following 10 Americans:

1. Jimmy Carter, 54, President of the United States.

As usual, leading Americans, by a wide margin, see the Presidency as the locus of power regardless of who holds the office.

Many hailed Carter's integrity but challenged the effectiveness of the President. "He is a decent and moral individual," one educator said. "However, it takes more than decency and morality to lead during these very difficult, complex and immoral times."

Vine Deloria, Jr., a political-science professor at the University of Arizona, labeled Carter "one of the great incompetents of American history."

Few among this year's participants shared the enthusiasm of Benjamin Quarles, professor emeritus of history at Morgan State University: "Except for Lincoln, what other President has been more accessible . . . so open-minded and flexible at a fluid moment in our national history and in world affairs? Whether or not he is a man for all seasons, he is the man for this particular season."

A WINNING WAY

The style of presidential leadership that Carter demonstrated in the Middle East in mid-March clearly affected the results of the survey.

Carter not only overtook Kennedy's lead for the 1980 Democratic nomination, but the President's performance rating improved markedly.

"In view of the President's successful efforts in the Middle East and in bringing peace to that part of the world, it is natural to see his popularity improve," said Senator Pete Dominici (R-N.M.).

Domenici added: "I am not at all convinced, however, that the President has taken a lead on the real issues affecting our country now—energy and inflation."

Almost 57 percent of the participants responding to the four-page questionnaire before the Carter trip to Egypt and Israel rated his performance worse than a year ago. Responses received during and after the Carter mission to the Middle East cut that assessment to 43 percent of the respondents.

2. Edward M. Kennedy, 47, Massachusetts senator.

Heir to a powerful political legacy and new chairman of the Senate Judiciary Committee, Kennedy has become a public figure to be reckoned with, jumping from 16th in last year's survey to second.

"Senator Kennedy is a President-in-waiting," said Jerome R. Waldie, chairman of the Federal Mine Safety Health Review Commission. "He is perceived as such by the American electorate and thus commands influence similar to that of the President."

Kennedy's standing in the magazine's survey results is particularly significant because many of his liberal proposals are not traditionally popular with America's decision-making elite. Nonetheless, he enjoyed support in every one of the 28 categories of leaders surveyed except bankers and Wall Street financiers. Remarked Wendell J. Kelley, chairman of the Illinois Power Company: "This is a striking example of people following a man because of personal charisma regardless of his programs."

3. Thomas P. O'Neill, Jr., 66, House Speaker.

Elected in 1952 to succeed John F. Kennedy in the House, O'Neill has been ranked among the top five most influential Americans since he became Speaker in 1977, considerably above the ranking of Carl Albert, his less-active predecessor.

ON THE MOVE

In this year's survey, both O'Neill and the House show gains in influence ratings compared with the beginning of Carter's presidency in January, 1977.

The Massachusetts Democrat has moved from fifth in 1977 to third in national influence. And the House of Representatives has nudged its way up from eighth to seventh among the most influential institutions in the U.S.

O'Neill, commented Paul N. Ylvisaker, dean of the Harvard Graduate School of Education, which is located in O'Neill's Cambridge-centered district, "adds his own force to an inherently powerful office."

G. Earl Parker, general counsel of the Johns-Manville Corporation, said the speaker "wields tremendous influence—particularly in times when the President is weak."

4. George Meany, 84, president of the AFL–CIO.

Organized labor has steadily declined as an influential institution in American life. Yet the personal standing of George Meany remains virtually undiluted.

Labor unions tumbled from the third most influential force on the national scene in 1977 to eighth in the latest survey.

Meany, however, continues to rank among the five most influential Americans as in every one of the magazine's past surveys.

What's the reason?

"A weak President Carter cannot institute any economic program and have it succeed without Mr. Meany's blessing and concurrence," said Hughes Tool Company Board Chairman Raymond M. Holliday.

Labor, said a Republican power broker, "is still the single most powerful nonparty political organization." Duke University Student President Christopher A. Hest was in agreement: Meany "affects the economy, the morale and outlook of workers as well as America's capacity to compete with foreign producers."

5. Robert C. Byrd, 61, Senate Democratic leader.

Never since the magazine began its survey, has the Senate ranked third in national influence to the White House, and much of the credit for that dramatic change belongs to Senator Byrd, judging from comments by participants in the survey.

The influence of both the firm-handed West Virginian and the Senate won high regard in this year's survey.

Ranked eighth in influence in 1977 when Carter took office, Byrd now ranks fifth. The Senate has moved up from sixth two years ago to third this year. "Senator Byrd," said Dr. John A. D. Cooper, president of the Association of American Medical Colleges, "has quickly achieved considerable leadership in the Senate, and in that position he has great power and authority in developing public policy."

6. G. William Miller, 54, chairman of the Federal Reserve Board.

The sudden increase in national influence by Miller, now in his second year as chairman of the powerful Federal Reserve Board, underlines growing attention on the uncertain prospects of the U.S. economy.

Ranked 13th in last year's survey, the former head of Textron now leads a list of specialists in economic, tax and energy matters who scored gains in influence over showings in past surveys. Miller, however, has yet to match the second-place ranking achieved by his predecessor, Arthur Burns, in 1977.

"The control of the monetary system," said South Dakota Attorney General Mark Meierhenry, "will determine the political choices in the near future."

7. Warren E. Burger, 71, Chief Justice of the United States.

The influence of Justice Burger has steadily declined from fifth last year and third in 1977. The Supreme Court that Burger heads, however, continues to retain major national influence, many Americans in the survey concluded.

The nation's highest court was ranked the fourth most influential institution—behind the White House, big business and the Senate.

To many, the power of both the Court and its Chief Justice remain high.

"The Chief Justice, by virtue of his position and negotiating ability, affects the course of American law," said Joseph L. Rauh, Jr., an attorney and former head of Americans for Democratic Action.

Burger's influence remains great, said an emeritus professor of history, because the Court is "called upon increasingly to decide social and political matters which the state and federal government find too politically sensitive to decide."

8. Zbigniew Brzezinski, 51, national-security adviser to President Carter.

A political scientist and Soviet specialist at Columbia University before becoming an early foreign-affairs adviser to candidate Carter, Brzezinski is seen by leading Americans as the most powerful foreign-policy aide to the first-term President.

Brzezinski, architect of America's controversial resumption of diplomatic relations with Peking, came in ahead of Secretary of State Cyrus Vance for the second year. Brzezinski "appears to be the most influential single individual in determining the administration's foreign policy," says Nils Y. Wessell, president of the Alfred P. Sloan Foundation. "In today's world, foreign policy is the single most important factor in setting domestic policy and affecting the economy."

9. Russell B. Long, 60, chairman of the Senate Finance Committee.

With tax and energy policy often dominating the national agenda, the behind-the-scenes power of Long has gained wide recognition, with the Louisiana Democrat jumping from the 23rd as a write-in in last year's survey. "Long is competent and knows what he is doing," noted Ross K. Baker, professor of political science at Rutgers University in New Jersey. "He dominates federal fiscal policy more thoroughly and with greater vigilance than anyone in the executive branch."

Laurence F. Lane of the American Association of Homes for the Aging noted:

"Few actors on the Washington scene have intimidated government actions with the strength and aggressiveness of Senator Long."

10. David Rockefeller, 63, Chase Manhattan Bank.

The chairman of one of the nation's largest banks, Rockefeller exercises often-unseen influence in a variety of areas.

For the second year in a row, the fifth son of John D. Rockefeller, Jr., is considered the nation's 10th most influential citizen—one of only two nongovernment leaders ranked in the top 10. Rockefeller has been in the top 20 in every one of the magazine's surveys.

Bankers and financiers, asked to rank the most influential leaders in their own fields, considered Rockefeller the third most influential leader, behind Federal Reserve Board Chairman G. William Miller and Walter B. Wriston, chairman of Citibank.

As this year's ranking of influential citizens shows, the American establishment holds a recurring view on who runs America—federal officials and institutions.

Yet when asked how to improve American leadership, participants in the survey had widely differing views. Comments ranged from throw-up-the-hands frustration to blueprints for action.

Asked what should be done, Representative Paul N. McCloskey, Jr. (R.-Calif.), once a presidential candidate, said: "I wish I knew." George Reedy, former press secretary to Lyndon Johnson and now a journalism professor, offered this counsel: "There are no deliberate steps which can be taken to improve the quality of American leadership. . . . We are in a state of political and social transition, and such periods tend to produce politicians of the moment."

But many participants were so alarmed by the direction of the country that they called for sweeping changes in the political system.

By far the most popular proposal: limit the term of President to one six-year term to prevent re-election ambitions from coloring decision making. Others proposed limitations on the terms in Congress. "Elected officials should view their charge as temporary public service rather than a career for life," said Ronald N. Goddard, chief executive officer of Agway, Inc. "If that were so, presumably action could be based on long-term solutions rather than short-term expediency."

New methods of selecting leaders are needed, said Dr. Jack E. White, director of Howard University's cancer center. White noted that leaders now are promoted "on the basis of charisma, relationships to special interests and ability to mobilize money rather than character, morality, convictions and demonstrated leadership ability."

AN END TO BALKANIZATION?

A common proposal was to strengthen political parties. "We need a more effective party system through which people move up the ladder," said Stanford University political scientist Seymour Martin Lipset. Added Virginia Attorney General Marshall Coleman: "Stronger parties could end the Balkanization of our political system."

Public financing of House and Senate campaigns also won wide support—a move to insure "that leaders lead and are not bought," said Carol Greenwald, former banks commissioner in Massachusetts and now a professor at Harvard Business School.

Among other proposals: place additional restrictions on the activities of special interests, put women and minorities in authority, improve the staffs of government officials, limit the role of federal government and upgrade public education.

Many leaders in the private sector suggested that government look beyond its own payroll for help. Noted David Cohen, president of Common Cause: "This type of leadership is problem solving rather than ideological, is community spirited and community minded rather than looking out for No. 1."

Du Pont Chairman Irving S. Shapiro added: "The pressing necessity is to encourage talented people to serve the public sector in the same spirit as Charles Evans Hughes and Henry Stimson of an earlier era."

Shapiro noted that the "current phobia" about potential conflicts of interest makes it difficult for public-spirited citizens to step forward. One big-city mayor pointed to other reasons—"the tendency toward blaming politicians for the world's ills, sometimes unwarranted castigation and certainly complete loss of privacy."

Still, average Americans have a duty to "assume greater responsibility for electing better qualified officials," remarked M. D. Woodin, president of the Louisiana State University system. Added Ross Swimmer, principal chief of the Cherokee nation in Oklahoma: Citizens "must get more involved with their political leaders."

One way to encourage public participation came from William F. May, chairman of the American Can Company: "Fine registered nonvoters $25."

The news media, too, can help encourage better leadership, said scores of survey participants. James P. Comer, a professor of psychiatry at the Yale Child Study Center, said television, newspapers and newsmagazines should concentrate "more on the leaders' understanding of problems and their plans for addressing them than on superficial emotion-producing responses which touch feelings, entertain and nothing else."

The media should refrain from "witch hunting" and the disclosure of disparaging information except during election campaigns, said a bank president, to "entice more qualified people to run for public office."

Beyond specific recommendations, however, decision makers clearly want vigorous leaders who can marshal the nation's forces to deal with America's difficulties at home and abroad. A "deep crisis of self-confidence" exists in leaders at all levels, said James Hitchcock, professor of history at St. Louis (Mo.) University. "A sense of self-confidence and of the possibility of meaningful initiatives is a necessary prerequisite to revival."

Said Vermont Governor Richard A. Snelling, a Republican: Carter needs to "establish some firm policies" in many areas and "let his administration sink or swim on the reasonableness of those policies. . . . We move from position to position in a most haphazard and dangerous way."

ERA OF ISOLATION?

Miami Herald Editor Jim Hampton said the challenge to U.S. leadership at home is to "overcome the 'leave me alone' attitude that I detect in the nation."

Former White House counsel Charles Colson, who was convicted in the Watergate scandal but later repented publicly, added that America needs "leaders . . . who have the courage to speak prophetically to the nation, to challenge human hearts rather than pander to human greed."

"We need individuals who are willing to give direction, who have convictions and are willing to stand by them," said John P. Schaefer, president of the University of Arizona. "We seem to have a surplus of politicians who are more like weather vanes than statesmen."

Such sentiments on the part of participants help explain why the survey found wide support for active and charismatic leaders.

Sudden improvement in President Carter's performance rating following decisive action in the Middle East and the political strength of Kennedy and Connally—two men who are widely perceived as vigorous leaders—underscore the longing for dynamic national leadership. That, as always, puts a premium on the type of men and women who seek the Presidency, which alone has the power to inspire the nation.

"Our system," said Robert M. White II, editor and publisher of the Mexico (Mo.) Ledger, "will always be no better or worse than the quality of people who step forward to serve in it. Still stronger, still more dedicated, still more men and women of vision are needed."

THE COUNCIL OF FREE CZECHOSLOVAKIA

Mr. MOYNIHAN. Mr. President, the Council of Free Czechoslovakia was established in Washington, D.C., early in

1949, by members and the Czechoslovak cabinet and parliament who were invited to come to the United States after the Communist coup in 1948.

For 30 years the Council has been fulfilling its role as a spokesman for the oppressed Czechoslovak people back at home and as a representative of Czech and Slovak exiles living in all parts of the world. The inexorable march of time, of course, took its toll. Most of the former Czechoslovak democratic leaders and founding members of the Council are with us no longer.

Today, a new generation of Czechoslovak exiles, many of them intellectuals and academicians who arrived here from the "Prague Spring," has joined with the remaining political leaders of the old to carry on the ideals of Czechoslovak democracy and to keep alive the hope for a future, independent, sovereign, and democratic Czechoslovakia.

The secretary general of the council is my friend and constituent, Prof. Jiri Horak, of Manhattan College. Mr. President, I ask unanimous consent that the enclosed statement, issued on the occasion of the 30th anniversary of the Council of Free Czechoslovakia, be printed in full in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Council of Free Czechoslovakia,
New York, N.Y., April 17, 1979.

Thirty years ago, Czechoslovak exiles in the United States and Western Europe founded in Washington, D.C., the Council of Free Czechoslovakia as the central political organ of the Czechoslovak democratic exile movement. The original Council consisted of representatives of all the democratic forces that were suppressed by the Communist coup d'etat in February 1948, and it was recognized as the legitimate spokesman of the Czechoslovak people who had been deprived of the right and freedom to govern themselves according to their democratic traditions.

Thirty years of struggle against the totalitarian rule in Czechoslovakia and in the interest of Czechoslovakia's freedom, independence, sovereignty, and democracy have only confirmed this legitimacy of the Council of Free Czechoslovakia. Regardless of the upheavals in world politics and in the internal evolution of Czechoslovakia and regardless of the changes in its own structure, organization, and activity, the Council has remained faithful to its mission and regards it as its raison d'etre and sacred obligation.

The founding of the Council of Free Czechoslovakia is connected with the fall of Czechoslovak democracy in 1948. Whatever criticism may be raised against the Czechoslovak Republic between 1945 and 1948, nobody can deny it to the men and women who organized the Council, many of whom were personal and political friends of the members of the United States Congress, that since the liberation of their Republic in 1945 they fought valiantly for Czechoslovak democracy and that they left their homeland to carry on their struggle in exile. In the Council of Free Czechoslovakia they created an instrument in the service of this ideal, and their legacy provides to this day the programmatic and organizational framework within which a new generation of Czechoslovak exile leaders carries on their noble fight.

The Charter 77 movement inside Czechoslovakia and the worldwide reaction to the 10th anniversary of the Soviet invasion and occupation of Czechoslovakia reminded us again of the unfulfilled aspirations of the Czechoslovak people. The Council of Free Czechoslovakia has given its full support to Charter 77. The Council's appeal for the withdrawal of Soviet armed forces from Czechoslovakia gave a moving expression to the determination of all Czechs and Slovaks to see their country independent, sovereign, and free.

The Council of Free Czechoslovakia has been from the beginning sensitive to the special position of Czechoslovakia in the heart of Europe and to the legacy with which this position has been burdened by Munich, World War II and its consequences. The Council is committed to closest cooperation between the Czechoslovak Republic and all its neighbors, especially the German people, and it professes the lofty conception of a united Europe of free and equal states.

The Czechoslovak exiles are aware that the journey toward these ideals will be long, and their historical experience has taught them that that road will be difficult and often thorny. They also know that the main battlefield on which the struggle for the Czechoslovak people's human rights, fundamental freedoms, and democracy is being fought lies inside Czechoslovakia and that to fight it is the Czechs' and Slovaks' own and primary responsibility.

For the Czechoslovak exiles, led by the Council of Free Czechoslovakia, it has been for thirty years an honor and privilege to serve abroad the noble cause of their compatriots in Czechoslovakia.

IN REMEMBRANCE OF THE VICTIMS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, 34 years ago on this past weekend, the U.S. Armed Forces liberated the Dachau concentration camp, and revealed to the world perhaps the most ghastly sacrilege against human life ever witnessed by mankind.

Over 6 million Jewish people, and millions of other victims, were ruthlessly and methodically exterminated in the death-centers of Dachau, Buchenwald, Treblinka and Auschwitz. Mr. President, these figures are incomprehensible. Think of the millions of lives that were obliterated in this malicious demonstration of bigotry and blind hatred. President Carter says that we must never forget such crimes against humanity. But have we not been guilty in our attempts to erase these nightmares from our memories?

Mr. President, on September 18, 1978, the Senate approved a joint resolution of the Congress (H.J.Res. 1014) authorizing and requesting the President to issue a proclamation designating April 28 and 29, 1979, as "Days of Remembrance of Victims of the Holocaust." That time is now upon us, and today, I join President Carter in asking all Americans to observe this solemn anniversary with appropriate study, prayer and commemoration.

Likewise, Mr. President, the time is ripe for the Senate to make an even firmer commitment against the atrocities of genocide. We cannot ignore the urgency and necessity of this issue a moment longer. Mr. President, we must take immediate action and ratify the Genocide Convention.

Mr. President, I yield the floor.

A QUESTION OF VERIFICATION

Mr. STEVENS. Mr. President, on Wednesday, April 25, President Carter spoke to the American Newspaper Publishers Association in New York City in an effort to gain support for his prospective Strategic Arms Limitation Treaty (SALT II) currently being negotiated with the Soviet Union. In the past several days several columnists have focused in on a phrase used by the President in his speech.

The phrase centers around what promises to be the most controversial and critical point during the Senate debate on the forthcoming treaty—verification. This issue has also been a matter of contention within the administration itself, I am informed.

In his statement, the President stated that "the treaty must, and the treaty will be verifiable from the first day it is signed." George Will and Rowland Evans and Robert Novak critique the President's position in their articles entitled "Weasel-Words on SALT" and "How the Hard Sell on SALT Backfired" respectively.

Mr. President, I ask unanimous consent that the two articles appearing in the Sunday, April 29 and Monday, April 30 Washington Post, respectively, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Mr. President, I think that there ought to be particular attention paid to the words of Mr. Will. Let me quote them here:

> Carter's idea of adequate Soviet restraint is suggested by the fact that, in the face of an unprecedented Soviet buildup, he has canceled the B1; refused to produce neutron weapons; shut down the Minuteman production line; delayed and deferred MX-missile production; delayed and deferred sea-launched and ground-launched cruise missiles; halved the shipbuilding program; cut production of attack submarines (the United States produces one a year, the Soviets produce eight), etc.

Mr. President, I think these two columns make a very interesting point concerning verification and the need to hold the President absolutely to the statement that he has made to the American Newspaper Publishers Association.

Exhibit 1

HOW THE HARD SELL ON SALT BACKFIRED

President Carter's hard sell to persuade the Senate that Moscow can't cheat on the new strategic arms limitation treaty shows signs of backfiring, demonstrating anew his administration's propensity for falling into traps of its own making.

The backfire, clearly audible in Senate cloakroom gossip even among pro-Carter, pro-SALT senators, carries this warning for Jimmy Carter. Lack of a serious, well-coordinated political strategy to carry his great SALT II project through the Senate may trigger the worst defeat of his presidency. To make up for that absent strategy, Carter is now engaging in Carter-style hyperbole, which is costing him potentially valuable SALT allies.

In the face of sharply conflicting testimony from his highest military and intelligence officials, Carter told the American

Newspaper Publishers Association last week that the new treaty "will be verifiable from the first day it is signed." That statement will haunt the hearing rooms of the Senate's Foreign Relations and Armed Services Committees when Defense Secretary Harold Brown and CIA Director Stansfield Turner testify on the new treaty. Both have publicly disagreed with it.

Far more than Carter, Turner and Brown have been circumspect in predicting when American monitoring may be able to recover from the loss of two CIA stations near the Soviet border in Iran. Turner estimated full recovery could take up to five years; Brown, even though under White House pressure to minimize the problem, said in a carefully crafted statement April 17 that it would "take about a year."

The discrepancy between Carter and the Turner-Brown team is no laughing matter to senators, some of whom feel Carter is not leveling with them or the nation in his zeal to ward off defeat in the Senate. What has made his position on the explosive verification issue even more worrisome to the Senate is the personal way he is reacting to rising skepticism about verification.

"He acts as though we were calling him a liar just because we ask questions" one verification skeptic told us. That defensive mood of presidential defiance toward genuine Senate concern over Soviet cheating is compounding Carter's political problem. Instead of conceding that real questions about verification do exist, Senate critics say he is treating the debate like an anti-Carter plot.

At least as troubling to the Senate is the surprising failure of the administration's early warning system to detect trouble on the verification front. Despite the virtually certain loss in the Iranian revolution of the top-rated Kabkhan monitoring station (capable of line-of-sight interception of missile telemetary seconds after a test launch), orders were not issued to devise substitute ways to monitor SALT II.

Only weeks before the predictable January departure of the deposed shah of Iran, Carter's budget chief, James T. McIntyre, cut more than $100 million from Turner's fiscal year 1980 budget request for new verification monitors—presumably satellites. When Turner recently testified before a closed-door session of the Senate Intelligence Committee, his defense of McIntyre's cut, though obviously intended to show a united administration front, infuriated some senators.

The Senate committee is now recommending that the cut be restored and that, as one committee Democrat told us, the president order a "crash program" to build up U.S. monitoring to pre-Iranian revolution levels.

Carter failed to foresee that extra spending to enhance verification would serve his political purpose in the Senate debate. That failure was compounded by leaked administration reports that the high-flying U2 spy plane might be used as a stopgap verification tool. This tactic quickly backfired. Most experts doubt the U2 could lift the antennas needed to pick up missile telemetry—performance data radioed from a Soviet missile test.

Even if it could, however, there is today no assurance of advance notice of Soviet tests and therefore no sure way of knowing when the U2 should take off to do its monitoring.

But most important, administration officials says the U2 ploy could work only with Turkish overflight rights. Yet Turkish politicians have flatly informed the administration there is no chance for such overflights. U.S.-Turkish relations are poor, partly because Carter last year decided to jettison a new U.S.-Turkish Defense Cooperation Agreement painfully negotiated in the Ford administration.

Little wonder, then, that Carter's performance in the verification crisis—the first in what may be months of crises in his battle for SALT II—has left many senators dissatisfied and vaguely disquieted. The more he protests their raising questions about verification, the more questions they will raise—both about verification and about the credibility of Jimmy Carter.

"WEASEL-WORDS" ON SALT

Speaking to newspaper publishers about SALT II, President Carter said "the treaty must, and the treaty will be, verifiable from the first day it is signed." And: ". . . if there is an effort to cheat on the SALT agreement, including the limits on modernizing ICBMs, we will detect it. . . ."

Both statements are, strictly speaking, incredible. The United States cannot verify, among other things: whether range limits on cruise missiles are violated; whether limits on improvements of Backfire bombers are violated; whether launchers for Soviet medium-range missiles contain long-range missiles; whether SS18s carry more than the permitted 10 warheads; whether the Soviets are testing proscribed new missiles.

The list could be considerably lengthened, but consider the last item. SALT II restricts each side to the deployment of only one "new" type of ICBM, defined as an ICBM more than 5 percent larger or smaller than existing ICBMs, measured in terms of such variables as launch weight and throw-weight. Note that "new" refers to attributes other than recentness of development: The Soviets could deploy any number of new missiles with more lethal capabilities as long as they are approximately the size of existing missiles. But even before the loss of facilities in Iran, the United States was unable to make verification judgments as fine as the 5-percent limit requires. More important, the "5-percent solution" does not solve problems of modernization involving, for example, new accuracy or new fuels in old-sized missiles.

The speechwriter who wrote that the treaty must and will be verifiable from the day it is signed should carve into his typewriter this reminder: "Never, ever, use the word 'verifiable' without the modifying adjective 'adequately'." That adjective is the State Department's preferred weasel-word. State says, for example: There could be "some undetected cheating in certain areas," but SALT II is nevertheless "adequately verifiable" because the cheating would "not alter the strategic balance in view of U.S. programs."

Or: "Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an adequate response." Or: There are "areas of uncertainty" in verification, but "not such as to permit the Soviets to produce a significant unanticipated threat to U.S. interests."

Note that the State Department contradicts Carter's suggestion that all cheating can be detected. Note also that the administration's judgment of "adequate" verification is linked to the administration's judgment of a "strategic balance"; of a "significant" threat to U.S. interests; and of an "adequate" response to cheating.

At one point, the speechwriter remembered to insert the blurring adjective "significant": "We are confident that no significant violation of the treaty could take place without the United States detecting it." In February at Georgia Tech, and again to the publishers, Carter said it is deeply significant that under SALT II the Soviets would dismantle 250 strategic weapons (old bombers and obsolete, single-warhead missiles). But the Soviets could surreptitiously deploy, undetected, many more than 250 warheads. Is the former "significant" and the latter not?

Carter's advocacy of SALT II is crippled by the widespread collapse of confidence in his rhetoric. For example, he says the United States is militarily superior. He says this even though the Soviets have 160 divisions and the United States has 16; the Soviets have more than 800 active fleet combatants, the United States 398; the Soviets have 10 times the U.S. number of interceptor aircraft; five times the number of tanks; three times the number of attack submarines; two times the number of missile submarines; three times the number of theater nuclear weapons; and, regarding strategic weapons, four times the deliverable megatonnage and 2.5 times the throwweight.

Remarkably, the "arguments of last resort" are Carter's arguments of first resort, including the lamest, most threadbare and most predictable of all the arguments for accommodating Soviet desires: Do it to strengthen the good faction in the Kremlin. Carter says refusal to ratify SALT II would encourage "the most intransigent and hostile elements of the Soviet power structure."

Carter says that if the United States rejected SALT II, "the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace." And, "We would no longer be identified as the peace-loving nation." This is how a great nation assesses its interests?

Given the administration's mind set, all the Soviets need to do to widen their advantage is to keep negotiating SALT agreements. The pressure to reach an agreement is asymmetrical: Public opinion does not matter in the Soviet Union, and the Carter administration, by inflaming public opinion about the urgency of SALT agreements in general, puts pressure on itself to make concessions. And once an agreement is reached, the Carter administration, unlike the Brezhnev administration, frets about what bad thoughts "the world" might be "forced" to think about us if we refuse to ratify an agreement shaped by asymmetrical pressures.

Carter even told the publishers that failure to ratify SALT II as negotiated could lead to "a dark nightmare of unrestrained arms competition." But there cannot be any competition if one side will not compete. Carter told James MacGregor Burns that if SALT II is not ratified, he will abide by the term anyway, if the Soviets show restraint.

Carter's idea of adequate Soviet restraint is suggested by the fact that, in the face of an unprecedented Soviet buildup, he has: canceled the B1; refused to produce neutron weapons; shut down the Minuteman production line; delayed and deferred MX-missile production; delayed and deferred sea-launched and ground-launched cruise missiles; halved the shipbuilding program; cut production of attack submarines (the United States produces one a year, the Soviets produce eight), etc.

Anyway, just as SALT I "ceilings" only "limited" the Soviets to approximately what they wanted to do, SALT II limits are such that, considering probable Soviet production capabilities and intentions, there is only a small difference, if any, between what they would do with or without SALT II, by 1985.

The gravest objection to this agreement is that it is not serious arms control. A recent headline in The Post proclaimed: "SALT Won't Intensify Arms Race, Carter Tells 3 Senators." Imagine a headline proclaiming: "Hospital Won't Spread Disease." Surely we can, and must, do better.

U.S.S. "SARATOGA": A TAXPAYER AND MILITARY PREPAREDNESS ISSUE

Mr. WARNER. Mr. President, when S. 429, the fiscal year 1979 supplemental authorization, is considered on the floor of the Senate this week, we can be confident that there will be a full discussion of section 302, which will require that the modernization of the aircraft carrier *Saratoga* be carried out at the least cost to the U.S. Government.

As the Senate knows, the bill contains this language in order to prevent the waste of at least $80 million of Government funds, and to prevent a reduction in the operating readiness of the U.S. Fleet which would be caused by the diversion of over 1,000 of the *Saratoga* crew members to the Philadelphia Shipyard as part of the labor force, Moreover, the committee's action was necessary to prevent a special hardship to these crew members as well as insuring a sensible labor policy that does not allow the use of military labor and new Government employees to displace private workers already trained and employed.

Mr. President, I have received from those who oppose the committee's action a "Dear Colleague" letter together with a memorandum on the *Saratoga* SLEP issue. This correspondence contains some representations and statements of fact with which I take issue.

I think it is only appropriate at this point that the Record reflect a response to these various issues. I, therefore, ask unanimous consent, Mr. President, that I may be permitted to have printed in the Record a point-by-point response to the issues raised in the correspondence and accompanying memorandum to which I have referred.

There being no objection, the material was ordered to be printed in the Record, as follows:

Response to "Dear Colleague" Letter of April 24 Opposing Committee Language Requiring Least Cost Basis for the "Saratoga" Assignment

PHILADELPHIA CONTENTION-FALLACIOUS COST STUDIES

Section 302 is based on a "wholly fallacious cost argument." "On the basis of the Navy's cost study and the General Accounting Office analysis, the Navy and the Department of Defense reaffirmed their original decision to have the SLEP work on the first carrier, the Saratoga, performed at the Navy's Philadelphia yard." The studies by the Wharton School of Finance and Price Waterhouse support the Philadelphia assignment.

RESPONSE TO PHILADELPHIA CONTENTION

The so-called "wholly fallacious argument" is a detailed comprehensive cost study performed by the best cost estimators, ship engineers, and operational analysts in the Navy. The study used the standard Navy cost model as well as government-wide procedures required for such cost estimates. The study represented the best judgment of the Naval Sea System Command, the Navy Materiel Command, and the Chief of Naval Operations. The results of the Navy assessment were independently confirmed by the General Accounting Office, applying its own standard cost techniques to assess the Navy study.

The Navy study and the General Accounting Office study were both done at the direction of the Congress. Together they demonstrated a massive cost premium to modernize the Saratoga at Philadelphia as well as significant military disadvantages.

Let the Record be clear on the Navy's position on the recommended shipyard assignment. The highest procurement officers in the Navy in 1977 recommended the Newport News location (see pages 361, 364 of the Committee hearing). This recommendation was overruled in April, 1978.

The Chief of Naval Operations on January 23, 1979, again recommended Newport News based on both cost and non-cost considerations. Two days later when his recommendation was received by Deputy Secretary of Defense Duncan, the Deputy Secretary overruled the Navy recommendation on the same day it was received—January 25, 1979.

The Secretary of the Navy in his transmittal of January 25, 1979 to the Deputy Secretary of Defense stated that he recommended Newport News if relief from civilian strength limitations could not be found; if civilian ceiling relief were forthcoming, the Philadelphia location would be "an acceptable alternative". He did not say that Philadelphia would be the best alternative, the preferred alternative, or the optimum alternative, but only an acceptable alternative. Within the Executive Branch the decision on the *Saratoga* assignment was removed from the hands of the Navy.

Despite this overwhelming evidence against a Philadelphia assignment, the Department of Defense, without repudiating the Navy study or undertaking any study of its own, reaffirmed the Philadelphia assignment. It is precisely because the Department of Defense affirmed the Philadelphia assignment in the face of compelling evidence to the contrary that the Senate Armed Service Committee adopted section 302.

With respect to cost studies, there were two and only two—the legally mandated Navy cost study and that of the Comptroller General, who had complete access to all Navy data in connection with their independent examination.

There was no study, whatsoever, by the Wharton School of Finance. It is a disservice to both that great school and the Senate to allege that any such study was performed. In fact, a graduate student in the Wharton School of Accounting was retained by the City of Philadelphia. By his own admission, he had no access to Navy or GAO data and hence had to make a number of assumptions on his own. When the GAO corrected the graduate student's analysis for factual errors and omissions, the result was a $90 million cost advantage to Newport News.

The Price Waterhouse organization also made no cost study, but only examined the various documents. In their letter, they state among other things that, ". . . we, as independent accountants, express no opinion on the fairness of the cost comparisons". The Price Waterhouse letter, however, in a number of misleading and incorrect statements, attempted to challenge the accounting methodology of the Navy and GAO cost studies.

Contrary to the Price Waterhouse statement, the Navy in its discretion utilized a combination of full costing and incremental costing rather than the principle of full costing. Next, the Price Waterhouse letter contended that OMB Circular A–76 requires the use of incremental costing. This contention is moot since A–76 now requires full costing. Moreover, if the Defense Department were to apply A–76 for competitive purposes to the *Saratoga* assignment decision, Philadelphia would clearly lose. Price Waterhouse, in support of its methodology contention, refers to a 1972 Booz-Allen Navy study.

They fail to point out that the 1972 study found that comparable work done in Navy yards resulted in higher government costs than in private yards, with the highest differential being in conversions—17 to 115 percent. Significantly, Price Waterhouse was a subcontractor in the Booz-Allen 1972 study.

In short, the Navy was overruled despite its own cost study and that of the GAO.

No accounting adjustments can overcome the differences in labor cost at the two locations—a man-day rate of $239 at Philadelphia and $162 at Newport News, a difference of $77 per day per worker.

These higher labor costs result from higher government wages and benefits and the increased productivity which will occur at a yard with highly efficient management and a long-experienced carrier construction labor force as compared to a yard with a labor force yet to be created, consisting of newly hired government workers and over 1100 of the sailors of the Saratoga crew.

PHILADELPHIA CONTENTION—ABDICATION TO GAO

It is dangerous "to place final decisions on important defense matters solely into the hands of the GAO".

RESPONSE TO PHILADELPHIA CONTENTION

The GAO has no discretion or decision role whatsoever with respect to the Saratoga SLEP.

Because of the potential for substantial cost waste, the Congress required the Navy by law to perform a comprehensive comparative cost study of the Saratoga assignment. The results of this study show an $80 million cost savings to perform the Saratoga at Newport News. This cost savings was confirmed by the GAO. After intensive examination, the Armed Services Committee concluded that the program should be conducted on a least-cost basis as calculated by the Navy and confirmed by the GAO.

All of the relevant facts regarding the Saratoga have been presented. All that remains is for the Congress to decide whether, pursuant to Section 302, the program will be conducted on a least-cost basis with a savings of $80–$100 million, or whether the program will be conducted on a drastically more expensive and wasteful basis.

PHILADELPHIA CONTENTION—ESTIMATES OF CLASS F QUALITY SHOULD NOT BE CONTROLLING

The estimates for the total cost to complete the Saratoga modernization are "tentative" and hence the assignment decision cannot be made on the basis of cost alone.

RESPONSE TO PHILADELPHIA CONTENTION

A firm estimate for the total costs to modernize the Saratoga is necessarily incomplete since the total scope of work will not be known until the ship is torn apart and examined. Nevertheless the relative cost differences between the two shipbuilders can be determined.

The cost estimates were developed by the most experienced and professional personnel in both the Navy and the GAO. Both the Navy and the Comptroller General have testified that the relative difference in cost between the two shipyards will remain constant. The man-day rates have been established at $239 per day at Philadelphia and $162 per day at Newport News and will not be changed by additional work. The so-called Class F aspect of the estimate relates only to that portion of the work beyond the 1.5 million man hours which has yet to be definitized.

The distinction between the total cost estimate and the relative cost estimate is illustrated by the following example: The cost of the removal of pipe per foot can be accurately predicted at each shipyard even though the total footage to be removed has not yet been determined.

Admiral Hayward and the GAO had the following to say with respect to the quality of the cost estimates:

ADMIRAL HAYWARD

Asked "Do you still stand behind that Navy cost analysis that said that the work would cost from $37 million to $80 million more at Philadelphia than at Newport News?" Hayward replied, "Yes, sir, I do. . . . I believe that there is little question as to the veracity and quality of the Navy's cost estimate in terms of individual elements and what was considered. The recommendation that I made was based on certain assumptions and certain conclusions that our cost estimators, our managers in the Naval Sea Systems Command and Naval Materiel Command made to me." House Testimony, p. 79–80.

GAO

". . . in brief, where we come out is in basic agreement with the position of the Chief of Naval Operations, that Newport News can do the job. It can do the job at least total cost to the Navy. . . . The cost estimates, as I say, are as firm as many other cost estimates we have seen and dealt with." House Testimony, pp. 134–135.

In addition to a solid $80–$100 million of additional cost at Philadelphia, the Navy study, as well as the GAO study, examined all relevant non-cost factors and concluded that these factors favor Newport News as well. According to Admiral Hayward's report:

"Despite the large cost difference in favor of Newport News, cost alone still is not controlling. Decisions of this nature seldom take into account other less tangible factors, particularly those affecting our naval personnel. They should not be overlooked in this instance. Since two-thirds of all Atlantic Fleet carriers are already homeported in Norfolk, far less turbulence to our people will result from a decision favorable to Newport News. Likewise, the ability to conduct the majority of the SLEP with over 1,100 fewer naval personnel who can avoid the rigors of a lengthy shipyard environment is also of paramount importance, to say nothing of the advantage accruing to our better use of these scarce manpower assets elsewhere in the Fleet. Taken in aggregate with all the other relevant factors, such as ability to Newport News to take all four SLEP ships without interference with other Navy work, lesser demand for both military and civilian manpower and preservation of critical CV skills, and severe limitations on the Navy's civilian end strength, cost lends strong support to reversing the earlier decision, and assignment CV SLEP to Newport News. Accordingly, I conclude that on balance the first CV SLEP should be assigned to Newport News."

The Armed Services Committee similarly based its judgment on non-cost factors as well as cost. The Committee was particularly concerned about the misuse of Navy manpower with its attendant reductions in fleet readiness and hardships on sailors. The ill-advised buildup of more DoD shipyard workers also weighed heavily against the Philadelphia assignment.

PHILADELPHIA CONTENTION—ADVERSE CONDITIONS AT NEWPORT NEWS

Past cost overruns, continued labor strikes, and potential shipyard congestion make Newport News less desirable than Philadelphia.

RESPONSE TO PHILADELPHIA CONTENTION

As Secretary Claytor testified, cost overruns at Newport News are a "phony issue". Past claims by Newport News for cost growth covered 14 nuclear powered vessels—approximately $2.2 billion worth of ships—constructed over a 12-year period. On these vessels, the Navy authorized over 22,000 design and construction changes, drastically delaying ship construction in periods of runaway inflation. The Consumer Price Index rose by 106 percent during this period. Yet the amount actually paid by the government for these claims represented only an 11 percent increase over the combined ceiling prices of those contracts. The Saratoga SLEP will be performed under a cost plus fixed fee contract, a totally different arrangement than the contracting procedures which resulted in the cost claims.

As to labor stability, Newport News recently had its first strike in over 10 years and the second strike in its 70-year history. The strike involved union representation issues, not wages. None of Newport News' work on the Saratoga SLEP was affected. The strike is now over. This isolated and short strike is no basis to suggest Newport News is not qualified to perform the Saratoga SLEP.

As to potential congestion, Admiral Hayward testified that there is no congestion problem at Newport News. On the contrary, Newport News has substantial unused capacity and has agreed to make its entire north yard continuously available for Navy work.

On the other hand, there is a serious potential for congestion at Philadelphia since, as Admiral Hayward testified, that yard must respond to high priority, emergency overhaul and repair work. These unexpected requirements, such as that resulting from the U.S.S. Belknap collision, can create major congestion problems at Philadelphia that will not exist at Newport News.

PHILADELPHIA CONTENTION—COMMITTEE ACTION WILL DELAY SLEP

"Dilatory tactics" are being used and "the delays which would result on passage of Section 302 could have a serious adverse impact on our national security".

RESPONSE TO PHILADELPHIA CONTENTION

No one is more committed to the timely and successful completion of the *Saratoga* SLEP than the Senators from Virginia. Avoiding delay was a principal objective of the Senate Armed Services Committee as a whole. Enactment of Section 302 will in no way delay the completion of the *Saratoga* SLEP on schedule. Newport News is presently engaged in planning efforts under contract with the Navy. Newport News is fully prepared to begin actual work on the Saratoga in October, 1980, the date the Navy originally planned to have the *Saratoga* brought into port.

Indeed, because of its lower costs, the fact that it doesn't have to hire and train new workers, and the absence of congestion problems, Newport News is much more likely to complete the program on time than if it were sent to Philadelphia.

RESPONSE TO MEMORANDUM OPPOSING ARMED SERVICES COMMITTEE LANGUAGE ON "SARATOGA" SLEP

PHILADELPHIA CONTENTION

Record on work completion, shipyard congestion, and management attitude favor Philadelphia.

RESPONSE TO PHILADELPHIA CONTENTION

During the last decade, the only work comparable between Philadelphia and Newport News has been ship overhauls. During this time, Newport News has met all the agreed upon delivery dates for its ship overhauls including 19 Navy submarines and the overhaul of the carrier *Enterprise* and the cruiser *Longbeach*. The only ship construction comparison between Newport News and Philadelphia concerns command ships constructed from 1965–1971—The LCC 19 built by Philadelphia and the LCC–20 built by Newport News. The Philadelphia ship was delivered 21½ months late; Newport News was only 8 months late. Philadelphia's cost was at least 36 percent more than Newport News'.

To be sure, nuclear surface ships constructed by Newport News since 1968 have encountered delays. But these have not been the fault of Newport News. For the 14 nuclear powered vessels constructed by Newport News between 1967 and 1978 the Navy authorized over 22,000 design and construction change that naturally resulted in significant delays.

Those opposing the Committee amendment emphasize that Philadelphia has "specialized in overhaul work" and that "the skills required for overhaul are different from those required for new construction". The modernization of the SARATOGA will require that the ship be literally torn apart down to the hull and rebuilt. It is far more akin to new construction than merely routine overhaul. The existing skills and experience of the Newport News workforce cannot be matched by the newly hired and yet to be trained civilian workers at Philadelphia.

As to shipyard congestion, Newport News will have more than enough capacity to handle the SARATOGA SLEP. Currently there are only three surface ships under construction, two Navy and one commercial. By August 1980, there will be only one. In the early 1970's, Newport News had as many as five surface ships, including a nuclear carrier under construction at the same time. The anticipated commercial construction contracts at Newport News have not materialized, reflecting the severe downtrend in commercial shipbuilding throughout the United States. Newport News has made its entire North Yard available for CV work.

At Philadelphia, however, shipyard congestion is a serious problem. As Admiral Hayward stated in his report, "Newport News will not be required to respond to high priority emergency work, as Philadelphia would, which could dilute the SLEP effort".

Difference between Newport News management and the Navy regarding contract claims have been resolved. Both parties agreed that these problems have been resolved so as not to reoccur. Newport News management stands ready to give full priority to the SLEP program.

PHILADELPHIA CONTENTION—ONLY $12 MILLION DIFFERENCE IN COST

A second cost analysis completed by the Navy in January 1979, after the GAO report, concluded that the difference between the two yards would be $37 million. If overhead were included, the difference between the two yards would be reduced to $12 million, or about two percent. This percent is well below the standard error factor in contract cost estimates of this size. It also showed that Philadelphia might be the yard with the lowest cost.

RESPONSE TO THE PHILADELPHIA CONTENTION OF $12 MILLION DIFFERENCE

The above cost analogy is a classic example of proceeding with a series of unwarranted assumptions, and thereafter proceeding in a straight line to a foregone conclusion. The following are the steps which must be taken in order to reach an additional Philadelphia cost of only $12 million or less. In order to conclude that the additional cost at Philadelphia is only $37 million, two assumptions are necessary—first, that the civilian retirement cost to the government is only 7.14 percent rather than 20.4 percent now required governmentwide under OMB guidelines for cost comparison purposes; and second, that legislation will be enacted reducing future wage increases for government blue collar workers, such legislation not having been even reported in either body in the last four years. (Using the required 20.4 percent retirement cost and the assumption of current law, the Navy cost study results in an 80 million additional cost to Philadelphia.) The Navy study omitted as an accounting matter certain overhead cost avoidances which, had they been used, wouuld have resulted in a net cost advantage of $25.8 million for Philadelphia. The Navy eliminated these elements because of various uncertainties and also pointed out that other costs which would have been to Newport News advantages were also not included, such as a depreciation and interest expense at Philadelphia. Nevertheless, the Philadelphia proponents would subtract $25 million which the Navy refused to include for certain reasons, as set forth on page 325 of the hearings. This argument fails to recognize certain expenses that could have been charged to Philadelphia, further widening the gap but which were not charged. All of the following items represent additional costs to Philadelphia which would more than offset the $25 million overhead figure: interest expense, depreciation expense, the cost of hiring and training additional SLEP buildup personnel, increased overhead costs at other yards because of work pulled to Philadelphia for the pre-SLEP buildup;

The increased cost in terms of effectiveness and morale resulting from assigning over 1100 *Saratoga* crew personnel to shipyard work force duty rather than their being continued in normal service with the fleet, and increased cost in terms of reduced readiness of the fleet due to the diversion of the 1100 crew members.

The $12 million cost difference argument is so flawed that it only serves to reconfirm the GAO statement that the $80 million figure of the Navy was the "most realistic".

PHILADELPHIA CONTENTION—COST OVERRUN CLAIMS ARGUMENT

Philadelphia has had no major cost overruns since 1975. Newport News recently filed nearly one billion dollars of overrun claims. The $50 million profit attributed to Newport News for 1977 is based on $57 million accrued as income from cost overruns against the Navy.

RESPONSE TO PHILADELPHIA CONTENTION

Philadelphia never has and never will have a cost overrun due to the simple fact that since it is a government shipyard with no binding contract, there is nothing to overrun. The Navy itself must pay whatever costs are incurred from its operating funds.

The Newport News cost overrun issue was referred to by Secretary Claytor as a "phony issue". The claims were settled in 1978 for $165 million, representing the Navy's admitted liability on the 14 nuclear-powered vessels representing about $2.2 billion worth of ships—all constructed over a 12-year period involving over 22,000 design and construction changes.

PHILADELPHIA CONTENTION—LABOR INSTABILITY

Since the Navy issued its latest report, the United Steelworkers of America have gone on strike at Newport News. The outcome of that strike on wages at Newport News cannot be determined. In comparison, Philadelphia is government-owned, with pay raises strictly in accord with the President's anti-inflation guidelines. The strike will also affect Newport News' already poor record in meeting schedules.

RESPONSE TO PHILADELPHIA CONTENTION

The recent strike is over. The employees have returned to work. The recent strike at Newport News was over recognition, not wages. No Navy work was delayed. As a defense contractor, Newport News must comply with the President's wage guidelines.

PHILADELPHIA CONTENTION—NON COMPLIANCE WITH CIRCULAR A–76

OMB Circular A–76 requires the use of an incremental cost accounting method by federal agencies when estimating the cost incurred by the government when using a public facility. An OMB official in the Office of Federal Procurement Policy responsible for the circular stated that the GAO study is "inconsistent with A–76 guidelines". The total cost accounting method used by GAO results in an inaccurate cost advantage to Newport News.

RESPONSE TO PHILADELPHIA CONTENTION

Circular A–76 is hardly a source of support for Philadelphia. In reaffirming the concept of A–76, the Director of the Office of Management and Budget recently stated, "The government's business is not to be in business. Where competitive private industry can do the job we should look there . . . Where there are no overriding considerations then the American people deserve and expect economy. Rigorous cost tests will be used to decide where the work goes."

If A–76 were applied to the *Saratoga*, Philadelphia would lose the assignment since A–76 applies competitive cost requirements to procurement.

A–76 requires the use of full-cost, not incremental, accounting methods. It never required incremental costing in an absolute sense.

There is no evidence to show that incremental cost accounting applicable to both shipyards would result in any different conclusions from the Navy and GAO cost studies.

PHILADELPHIA CONTENTION—THE "SARATOGA" SHOULD BE ASSIGNED TO PHILADELPHIA IN ORDER TO MAINTAIN A MOBILIZATION BASE

RESPONSE TO PHILADELPHIA CONTENTION

There is no need for expanded carrier capability

The Navy already has five carrier capable shipyards, three on the East coast. For the past twenty years, this capability has been sufficient as an industrial base to sustain our carrier forces for the fleet. As the size of the Navy has been cut in half and as the number of carriers has stabilized, there is no need now to expand this mobilization base.

The SLEP program is planned to be performed sequentially by a single shipyard. Hence there will never be more than one carrier being modernized at one time. Since the SLEP program will reduce the requirement for new carrier construction, the Navy's present shipyard capability will be more than adequate to maintain our carrier forces.

There is no national security reason for Philadelphia expansion

There was no investigation, no analysis, not even any evidence presented to the Senate Armed Services Committee that would justify an expansion of our mobilization base at Philadelphia. No one in the Navy or the Defense Department has made a formal finding that an expansion at Philadelphia should be undertaken for national security reasons.

On the contrary, even Secretary Duncan admitted that expanding our mobilization base is not sufficient to justify a *Saratoga* assignment to Philadelphia. The Armed Services Committee concluded that the Philadelphia expansion is not needed as a matter of national security.

If we must pay an extra $80 million to $100 million for an expansion of the mobilization base, we must be absolutely sure that it is needed and has been fully justified.

No real expansion in the mobilization base will occur in any event

An assignment of the *Saratoga* to Philadelphia will mean that at least 2600 government workers will have to be hired and trained at Philadelphia while some 2700 already trained and experienced workers will have to be discharged at Newport News. This will not create an additional capability but rather will merely substitute a new capability for an existing capability. There will be no net benefit resulting from the additional $80 to $100 million cost required to shift to Philadelphia.

The private sector can and should be relied upon to meet mobilization needs

Congressional policy as set forth in the Defense Industrial Reserve Act "that to the maximum extent practicable, reliance will be placed upon private industry for support of defense production." OMB Director McIntyre recently reaffirmed this policy when he declared that, "the Government's business is not to be in business. Where competitive private industry can do the job, we should look there." Private industry can presently support the Navy's mobilization needs—at a substantially lower cost and without diverting military manpower.

Indeed attempting to build an expanded capability at a government shipyard will seriously aggravate the already depressed situation for U.S. private shipbuilders. The forecast for U.S. private shipbuilding over the next six years is for more than 60,000 skilled shipyard workers to be discharged. Overall naval ship construction five years hence can sustain no more than six of the twelve naval private shipyards currently available to build Navy ships. To reduce further the opportunities for private U.S. shipyards in this precarious situation could fundamentally reverse the balance in the U.S. shipbuilding base as it has existed since the founding of the U.S. Navy.

PHILADELPHIA CONTENTION—LACK OF TRAINED PERSONNEL AT NEWPORT NEWS

Quoting Jane's Fighting Ships 1977–1978 it is contended that undermanning and lack of skilled labor at the Newport News yard has been a chronic problem causing construction delays.

RESPONSE TO PHILADELPHIA CONTENTION

Newport News has a more than adequate skilled labor force to accomplish the SARATOGA modernization. In addition, past delays in ship construction were primarily due to the fact that the Navy required Newport News to make more than 22,000 design and construction changes during the course of the new ship construction in the last 10 years.

PHILADELPHIA CONTENTION—PERSONNEL AND MORALE

The Captain of the Saratoga has stated that the crew has expressed no favoritism for either Philadelphia or Newport News—the crew doesn't care one way or the other.

The Navy has testified that the men assigned to the overhaul work will perform tasks which they can later use to maintain the ships when at sea.

The Chief of Naval Operations feels that less disturbance to the Navy would result if the work were done at Newport News. Yet, of the first four SLEP's, only one ship, the Independence, is homeported in Norfolk, Virginia. Three of the four will have to be SLEPed away from home in any case.

RESPONSE TO PHILADELPHIA CONTENTION

Based on strong testimony, an important element of the Committee's decision was the reduction in the readiness of the fleet and the severe hardship and morale problems which would be caused by the 2½ year assignment of over 1100 of the Saratoga crew to the Philadelphia shipyard work force.

Admiral Hayward strongly opposes this diversion for its adverse impact on the fleet and the aggravation of the Navy's already severe manpower problems. Some of his testimony is as follows:

Admiral Hayward

"At the present time we are manning the fleet around 97 percent across the board in all ratings. In general, we are quite a bit under that in the engineer ratings which are the people that would be doing a great deal of the kind of industrial work we are talking about. So that I could say anywhere from 75 to 90 percent would be manning aboard the carriers today, and machinists mates and electricians, and things of that sort—" House Testimony, p. 76.

"Military considerations mean more to me than just manpower. But the manpower aspects of military considerations in my judgment, I had hoped would be given higher consideration than occurred in this decision. I think it should have weighed heavily towards Newport News." House Testimony, p. 84.

"I would like to make sure that I impress upon the Committee the concern over the manpower, the morale being a factor. . . . And we know from experience when personnel are in shipyards and overhauls that that is not what a sailor joins the Navy to do. He doesn't respond very positively to that kind of way of living in the Navy. . . . We know from experience that today we have a 60 percent higher rate of absenteeism, personnel that are in shipyard overhauls, and at least twice as bad a problem in retention." House Testimony, p. 117.

Asked, "Isn't it rather difficult to assign them to some of the usual tasks on ships? During overhaul the ship is probably going to have equipment rather difficult to work on in the normal sense," Hayward answered, "That is one of the reasons I am so concerned having that many people on the ship. People who do not normally do those kinds of tasks are required to do so." House Testimony, p. 60.

"Certain members of the crew will get some very extensive training in what we call 'ship's course overhaul maintenance plan', so they can plan out their workload through a lengthy period of time . . . that isn't normally what sailors do in a day-in and day-out basis." House Testimony, p. 75.

"I would rather employ those people elsewhere in as much as the Navy has a fairly significant manpower problem today, to which I testified earlier this week. To be able to use those personnel effectively elsewhere would be in the best interest of the Navy." Senate Testimony, p. 279.

"The rationale for all three points lies in the fact that there will be nearly 1200 more personnel on board SARATOGA if overhauled in Philadelphia because they cannot do the job with a smaller crew. Overhauling in Newport News will afford the reassignment of those 1200 personnel throughout the Navy which is fundamentally undermanned. With 1200 less personnel on board, personnel turbulence inherent in life at an industrial activity is minimized. Twelve hundred fewer personnel will be subjected to the hardships of the shipyard which include: family separation or a short term move; difficult interface of responsibilities for equipment repair; and industrial facility inconveniences attendant with a ship's tear-down and resulting loss of shipboard hotel services, messing and berthing.

"Most of those 1200 personnel will be trained and experienced operators whose skills are needed to better operate other fleet units." Senate Testimony, p. 299.

". . . Of the total of 1474 scheduled to remain in SARATOGA with the Philadelphia option, a significant number (50 percent) will be from engineering ratings, the ratings most critical to readiness at this time. The reassignment of senior engineering personnel to operating units would provide an immediate payback."

". . . SLEP is a long-term program: the ship will be a decommissioned status, and the Navy would prefer to decrew except for a small nucleus to retain continuity and maintain security as we would do in Newport News."

". . . Saratoga is homeported in Mayport, Florida, and with the Philadelphia option, 1474 personnel will receive permanent change of station orders to Philadelphia. . . . However, for the careerist, a family move to Philadelphia would be a hardship—uprooting from schools—the rigors of moving out and into a new location. Many personnel in this situation will opt for family separation and retain their families in Mayport, increasing expenses for those who desire to return home to Mayport to visit their families on weekends. In contrast, only 300 would be involved in Newport News. Another important factor is the extremely difficult environment encountered in every overhaul. An operating ship is a living thing, and the crew has a strong sense of belonging. In an overhaul, the ship is extensively torn down. Responsibility for most equipment and spaces shifts to the shipyard, with the crew in an assistance and oversight capacity. The result is a higher stress atmosphere, and maintenance of morale requires the utmost in leadership. We know that absenteeism (unauthorized absence and desertions) for ships in overhaul occurs at a rate about twice the Navy norm and the impact on retention (our most significant Navy problem) will be predictably adverse." Senate Testimony, p. 304.

"My staff has compiled data on two carriers which illustrates a dramatic drop in career and first term retention during periods of overhaul, i.e., there was a 20% decline in reenlistment on each carrier." Senate Testimony, p. 305.

Secretary Claytor stated: "I agree with Admiral Hayward that if we had our druthers we would certainly rather do it that way because I think it is better to operate with 300 than 1440 in a Navy yard." House Testimony, p. 92.

Mr. WARNER. Mr. President, as Senators consider this matter, I urge that they keep in mind:

First. No effort by those opposing the committee action has been made to establish a cost advantage for Philadelphia, but only to dispute the credibility of the two existing cost studies—the legally mandated Navy study and that of the Comptroller General.

Second. No effort by those opposing the committee action has been made to come to grips with the reduced readiness of the U.S. Fleet and the hardships to be imposed on the crew personnel, both caused by the diversion of over 1,100 crew members of the *Saratoga* to the Philadelphia Shipyard work force in order to make up for the deficiencies in the civilian labor force.

Third. No effort is made to justify the assignment of the *Saratoga* to a shipyard that does not have the labor force to do the work but must instead hire and quickly train as many new government workers as possible and even then have to detail 1,100 combat-trained sailors to make up for the shortfalls.

Fourth. No effort is made to defend the history of this shipyard decisional process in the executive branch in terms of the basic values Congress articulated for the *Saratoga* assignment in last year's military authorization—"fairness and competition".

Mr. President, I also ask unanimous consent to have printed in the RECORD a short point paper supporting the Senate Armed Services Committee position on the *Saratoga* issue.

There being no objection, the document ordered to be printed in the RECORD, is as follows:

S. 429—THE SARATOGA ISSUE

COMMITTEE DECISION

This bill contains language requiring as a matter of law that the SARATOGA SLEP program be conducted at the least cost to the United States as confirmed by the Comptroller General. This provision is essential to prevent: (1) the unnecessary spending of at least $80 million, and (2) a reduction in fleet readiness and the misuse of naval manpower resulting from the diversion from the fleet of over 1100 SARATOGA crew members to the Philadelphia shipyard labor force.

The Armed Services Committee has exhibited concern over this issue for the past three years and has twice taken legislative action. The Committee approved Section 302 only after full and complete hearings.

ISSUE FOR THE SENATE TO DECIDE

The Senate must decide on whether the waste of taxpayers' dollars and the misuse of naval manpower is to be prohibited or whether to reject the judgment of the Armed Services Committee and to endorse the Administration's intervention in the Navy's procurement process. (Senate hearings, pp. 324, 325, 361, 364)

BACKGROUND

After the failure of the Navy to address the SLEP cost implications, as recommended in the 1977 Committee report, the Congress by law in 1978 mandated that the Navy submit a comprehensive SLEP report, including comparative costs, in order to ensure that the SARATOGA shipyard assignment would be on the basis of "fairness and competition". The Committee hearings document the following: the highest procurement officers of the Navy, in the fall of 1977, recommended the Newport News location; in April, 1978, however, prior to the cost study, the Vice President announced the SARATOGA "transfer" to Philadelphia; on January 23, 1979, the Chief of Naval Operations recommended Newport News, based on the cost and other military considerations that emerged from the legally mandated study; and on January 25, 1979, the Deputy Secretary of Defense overruled the Chief of Naval Operations.

RESULTS OF A PHILADELPHIA ASSIGNMENT

Cost—A minimum $80 million additional cost at Philadelphia

Using current government-wide cost guidelines applicable when private and public entities are competing for the same work, the comprehensive Navy study, independently confirmed by the General Accounting Office, found that to assign the SARATOGA to Philadelphia would cost an additional $80 million. This $80 million premium is unacceptable when the Navy can afford only 39 attack aircraft in the FY 80 budget (a shortfall of over 140 aircraft).

The much higher cost of people makes the higher Philadelphia cost inevitable. The Navy cost study determined that the man-day rate at Philadelphia for the SARATOGA will be $238.93 and the Newport News rate will be $161.82. This difference is consistent with the previous Navy sponsored study, which found in 1977 that the man-day rate at Philadelphia was $169 as compared to $112 at Newport News. These higher Philadelphia man-day costs reflect the higher government wage rates, and fringe benefits, including retirement.

The Navy cost study recognized a productivity advantage for Newport News of 15%–20%. This is appropriate in light of several official Navy studies in the last ten years which consistently found a private shipyard productivity advantage of well in excess of 20%. (Senate hearings, pp. 281, 296, 297, 303)

The Navy and GAO studies have been challenged, not with hard evidence or alternative studies, but on the basis of changed assumptions and new accounting rules. Admittedly, if one assumes federal payroll retirement costs to be only one-third the rate presently required government-wide and if one assumes a reduction by law of future government blue-collar wage rates, the Newport News cost advantage could be reduced to only $37 million. But these assumptions are extreme, and the cost difference is still substantial.

Ship's crew must make up for labor shortage at Philadelphia

The Philadelphia Naval Shipyard presently has no work force to handle the SARATOGA. A 2600-man labor force must, therefore, be created. Because of an inability to recruit more than 1600 new federal workers, 1100 of the SARATOGA crew must be assigned as 40% of the work force at Philadelphia.

Newport News, on the other hand, has in being a completely trained, 2600-man civilian work force available to modernize the SARATOGA. Under the Administration plan, these private employees will be laid off to make room for the new jobs at Philadelphia.

Reduction in operating fleet readiness

The fleet is presently 25% below full strength in many of the skilled ratings which would be detailed to the shipyard. The 2½ year diversion of 1100 urgently needed and highly trained SARATOGA crew members to perform industrial shipyard work will further reduce the readiness of the Operating Fleet. (Senate hearings, pp. 299, 301; House hearings, pp. 76, 84)

Admiral Hayward has vigorously protested this diversion. Over 50% of the ratings to be detailed to the shipyard are engineering skills, who Admiral Hayward stated, "are most critical to fleet readiness at this time." He further stated, "We need them badly elsewhere." (Senate hearings, p. 304; House hearings, pp. 32, 60, 75, 116)

Intensifying of Navy retention problems

The reassignment from the fleet of over 1600 combat sailors to the Philadelphia shipyard work force will only serve to drive good people out of the Navy. Absenteeism increases 60% when crews are detailed to even routine overhaul duty (the Navy's desertion rate is presently historically high—exceeding wartime rates). Admiral Hayward stated, "For a careerist, a family move to Philadelphia would be a hardship. . . ." (Senate hearings, p. 304)

Never before has the Navy assigned 1100 crewmen to shipyard labor duty for 2½ years.

The *Saratoga* crew, by receiving substantially less compensation than their civilian shipyard co-workers doing the same job, will subsidize the Philadelphia yard—by an estimated $73 million. (GAO)

Discharge of currently employed workers to create new government jobs

With the creation of the new work force at Philadelphia to consist of 1600 new federal jobs and over 1100 *Saratoga* sailors, 2600 trained, private sector employees at Newport News will be discharged—of whom 50% are black—trained in many instances at federal expense. The use of military labor and the creation of new federal jobs as a substitute for on-the-job private sector employees is indefensible. On April 20, 1979, the National Conference of Black Mayors, representing 171 municipalities, protested the results of a Philadelphia assignment, including the loss of jobs for private employees, and urged the Congress to reverse the Administration's position.

Effect of other naval shipyards

Since Philadelphia would be expanding, the already mandated, across-the-board personnel cuts will impact the remaining naval shipyards more severely. Under the current DOD budget, naval shipyards must now absorb without Philadelphia a 1500 job cut by the end of FY 79 and another 1900 job cut for FY 80.

Integrity of the Navy procurement process

The Newport News recommendation of the Chief of Naval Operations was made strictly on the basis of economic and military considerations—in the best interest of the Navy in terms of the least cost to the government and the avoidance of severe personnel problems. Sound procurement policy demands that the *Saratoga* be assigned on the basis of least cost and military advantage. (Senate hearings, pp. 325, 361, 364)

Answers to certain opposition arguments

With respect to the charge that the cost estimates are "soft"—there is nothing uncertain about the cost estimates for the roughly 1.5 million man-hours already programmed for SLEP, and there will be no change in the relative cost at the two yards for the additional *Saratoga* man-hours to be determined. The Navy omitted certain accounting issues, some of which could have reduced the cost difference at Philadelphia, but also omitted others which would have widened the cost gap to Newport News' further advantage. The Navy provided sound answers to all of these accounting questions. (Senate hearings, pp. 324, 325; House hearings, pp. 79, 88, 134, 135)

With regard to an alleged need to create a third carrier-capable yard on the East Coast, both Secretary Claytor and Admiral Hayward testified that this issue was not a driving factor. Philadelphia is already a carrier-capable yard. Indeed, there are five U.S. shipyards that are now carrier-capable, ample capacity for future Navy needs. (Senate hearings, pp. 254, 260, 289; House hearings, pp. 98, 104)

The strike is over

The recent strike at Newport News over recognition, not wages—the first in ten years—is over. The employees have returned to work. The strike did not delay Navy work.

Philadelphia is not threatened with decline

Without SLEP, Philadelphia will continue as a critical and amply utilized shipyard in its specialized role of overhaul and repair. As the size of the U.S. Navy, and particularly carrier forces, has stabilized, there is no justification for undertaking a costly expansion at Philadelphia while at the same time contracting at Newport News.

The American taxpayer

The Philadelphia assignment will involve (1) the unnecessary waste of at least $80 million per ship, (2) the unnecessary reduction in the readiness of the Operating Fleet of the United States Navy, and (3) the unnecessary addition of 1600 new federal government employees.

The Congress cannot justify this result to the American taxpayer.

A NEW PRESIDENT AND NEW HOPES FOR THE UNIVERSITY OF MARYLAND

Mr. MATHIAS. Mr. President, when a nation or an institution inaugurates a new president, it almost always raises high expectations. It is unhappy to note that sometimes those expectations are disappointed. But today I participated in a presidential inauguration which has indeed raised great expectations throughout the State of Maryland—expectations that, I am confident, will be more than realized.

This morning, when John S. Toll was invested with the insignia of office as the president of the University of Maryland, I believe we ushered in a new era of excellence for the university. There are reams of chapter and verse to support this statement, based on Dr. Toll's brilliant career and reputation as scholar, educator and administrator before coming to Maryland. But I prefer to let Dr. Toll speak for himself so that my colleagues may judge firsthand the extraordinary qualities of heart and mind he brings to his work at the University of Maryland.

I ask unanimous consent that Dr. Toll's address on the occasion of his inauguration as president of the University of Maryland be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INAUGURAL ADDRESS BY JOHN SAMPSON TOLL

Governor Hughes, Bishop Murphy, Dr. Kaplan, Chairman Brown and Members of the Board of Regents, Distinguished Guests, Scholars and Friends:

In the formal installation of a president, the University of Maryland defines anew its direction as the major public institution of learning of the State, and its added importance as the major research university of the national capital region. In this ceremony, we make our solemn pledges to the people we serve.

I

Our first commitment is to the careful use of resources, as symbolized by this economical inaugural. After ten months of the new administration, some people wonder whether, like so many couples in modern society, we could just go on living together without benefit of ceremony. But at a time when we want to reaffirm old truths and new directions, this modest inauguration is, like a wedding, an important expression of lifelong commitments.

II

Governor Hughes and Regents: I accept the mandate you have given me to make the University of Maryland match the nation's best public universities in academic excellence and service. I will work with you, the General Assembly, and other leaders of the State, with our faculty and students and staff, and with all our colleagues to build the scholarly strengths of this great University. I am determined to see that we use that expertise responsively and effectively to help our people.

My friends Frank Yang, Jack Peltason, and Steve Muller: I welcome your greetings as representatives of the best of our partners in the search for understanding. I pledge that the University of Maryland will work to enhance the effectiveness of our total academic enterprise. Steve Muller, I came back to Maryland in part because of your statement that you wanted the University of Maryland to be truly excellent; you and I have agreed that, just as Stanford University and the University of California have benefitted from each other's high quality, so Johns Hopkins and the University of Maryland, as the two major research universities of this State, should reinforce each other's excellence. Just as our lacrosse teams last week-end showed by their brilliant play that they were leaders in the nation, so should our scholars and teachers cooperate in the future to set the highest national standards. I also pledge to do what I can to extend the spirit of cooperation among all the colleges and universities of this State.

Shirley Kenny: Your greeting from my faculty colleagues is especially important, for the brilliance and dedication of a faculty principally determine the quality of a university. I thank you for welcoming my return to Maryland's faculty. You and your colleagues should help to keep my attention on the essentials of academic excellence. I trust that, like all good faculty, you will not fail to tell me whenever I make a mistake.

Larry Kirsch: You are a fine representative of the University of Maryland students who have taught me and the other faculty so much over the years. I pledge to work for an educational program and a campus atmosphere that will strengthen character and liberate minds, helping students to think for themselves and to perfect their own creative abilities. To maintain the best academic ambience, we need student involvement and responsible action.

In Professor George Callcott's "A History of the University of Maryland," he reports that, in the years after the founding of the University of Baltimore in 1807, one of our professors said that colleges were "not so much places for acquiring general information, as intellectual gymnasia, where the mental and moral faculties were trained and strengthened, and the student instructed how to use his powers to best advantage." I hope you will feel that this is what the University is doing for you, and for the generations of students who succeed you.

Dick O'Neill: Very few universities outside the United States have alumni organizations. It is a peculiarly American affair, whereby the graduates of a university work throughout their lives to help their institution grow and prosper. Maryland's 140,000 alumni have rendered enormous service. You, better than others, know how good the University is. I count on you to help us make it even better. The founder of our College Park campus, Charles Calvert, wrote 120 years ago, "We will have the best institution in the world." Even your most loyal alumni know that we have not yet fulfilled that prophecy. But your support, and your belief in Calvert's vision for our future will make us all work hard toward that goal.

I thank the College Park Brass Ensemble and the UMBC Community Symphony with its Concert Choir and the Maryland Masterworks Choir that gave such a marvelous inaugural concert last night. You represent the University's commitment to artistic excellence, which I pledge to augment as rapidly as I can.

III

This occasion represents my coming home. I went to grade school nearby, and from that time Maryland has been my family home. In a sense, the University of Maryland is also my home, for it was here that I began my career as a professor over 26 years ago, and it is here that I have more friends than anywhere else. It is exciting to return home after 13 years away.

My excitement is heightened because Maryland has become a pivotal state and is increasingly a major center of decisions for the world. The resurgence of Baltimore is breath-taking to me. Our State's major city has become a national model of urban vitality and research, of business talent and public concern, and of growing international trade. The Baltimore-Washington area now has the largest concentration of Ph. D.'s, research scientists and engineers, and others with advanced skills and degrees of any area in the nation. Throughout the State, from the Eastern Shore to Appalachia, from Southern Maryland to the Mason-Dixon Line, the progressive spirit in agriculture, labor, business, and government is ready to interact with sound initiatives and expertise from the University of Maryland.

Maryland provides an extraordinary opportunity for the development of a truly great university. More than any other region, ours provides the intellectual and cultural resources to attract the leaders from every academic discipline. Here investment by the people in a great university can bring especially large returns in economic and social progress.

IV

During the past 30 years, more college buildings were erected in the United States than in the previous 300 years. This country has used its vast resources to assemble the most daring educational enterprise in the history of man: the opportunity of higher education, not just for the rich or the gifted, but for every qualified person with a desire to learn and a will to work. In the first three centuries of our history, America had to educate people so that democracy would grow; in the last three decades we tried to democratize higher education so that all our people would grow.

Our daring educational investment in people and their minds has worked. American scholars now win a majority of the world's intellectual prizes. Sons and daughters of farmers, laborers, and immigrants now occupy high positions of authority and distinction. We are vigorously committed to removing barriers that discourage blacks and other minorities and women; we want to make good use of everyone's talents. Advanced technology now gives each citizen more than a hundred times the power that was available to his ancestor a century ago. The trained brain has replaced brawn as the basis of our economy. The universities, the main source of society's best and most independent intelligence, have become the chief resource for economic growth and the catalyst for social progress.

Yet, some people, reading only the birth statistics and the daily headlines about resource constraints, have suggested that the days of growth for our universities are over and that we may be overbuilt now. This need not be the case for a state like Maryland. Each year we still see many of Maryland's better students go to college out of state; we export far more students than we import. As we continue to raise the quality of the University, this movement can be reversed. There is no reason why this state cannot utilize all of its higher educational resources and become a new national center for training talent we urgently need for tomorrow's world. How else will our nation find new sources of energy, new ways to feed people, new ideas to keep our technology and economy competitive, and new understanding for our society, except through increased mobilization of human intelligence?

The supreme fact is that higher education is more than ever a growth enterprise. But the growth is of a new kind. It is no longer so much growth in terms of size and number of buildings, but is now a growth in quality, productivity, and service. Just as a person does not stop growing when he or she reaches full height, so a university should not stop growing when most of its structures are in place. In many ways mature growth can only begin after the physical necessities are provided. The potential for new kinds of research and public service is unlimited.

The truth is, the frontiers have not disappeared. They have merely changed in nature. Our new task is to begin shaping our universities to work on the new frontiers.

V

The great classical scholar Edith Hamilton led the Bryn Mawr School in Baltimore for 25 years. Near the end of her marvelous book, "The Roman Way," she reflected on why the world-dominant Roman Empire collapsed, and she came to this conclusion:

"The Roman character had great qualities, great potential strength. If the people had held together, realizing their interdependence and working for a common good, their problems—completely strange and enormously difficult though they were—could not . . . have proved too much for them. But they were split into sharpest oppositions, extremes that grew ever more extreme and so more irresponsible. A narrow selfishness kept men blind when their own self-preservation demanded a world-wide outlook."

"It is worth our while to perceive that the final reason for Rome's defeat was the failure of mind and spirit to rise to a new and great opportunity, to meet the challenge of new and great events. Material development outstripped human development. The Dark Ages took possession of Europe."

To me, one of the central tasks of our universities in the coming decades is to create a new quality and depth of mind and spirit so that mankind can "meet the challenge of new and great events." Equally compelling is the need to end our factionalism in higher education and in society, and to work together for America's common good.

VI

But this can happen only if the conditions that allow great universities to flourish continue to be met. We need to reaffirm the fundamental requisities of vigorous intellectual inquiry.

Chief among these is academic freedom. The best test ever devised to discover error is the free clash of ideas. Universities are the foremost communities where this clash—which can be noisy and annoying on occasion—takes place. We need to guard this precious right, which university scholars have fought for centuries to obtain for civilization, as we would our own eyesight. In the ringing motto of Thomas Jefferson, we all need to swear "Eternal hostility against every form of tyranny over the mind of man."

Recently the University of Maryland received a grant from the Carnegie Corporation in support of an intensive examination of our activities to see if they are the ones best suited for preparing people for the decades ahead. We hope to restructure and to improve in order to make the best possible use of our increasingly tight resources. But most of our resources come with constraints and often with the insistence that we specify in advance what we plan to do. Yet the nature of new ventures is to test the unknown. The object of research is the pursuit of unexpected discovery. Surely universities should be held accountable for what they do, but this should be retrospective and not prescriptive. Universities also need the flexability to respond to new conditions as we reshape our programs and services for the future's needs.

We will continue to amplify the State's investment in every way we can consistent with our basic mission and effectiveness. Most people do not realize that the State's tax dollars account for only about one-third of our total budget. We are therefore especially grateful to those who provide flexible support for the pursuit of excellent and for special activities of the University.

VII

We need to keep in mind always what Henry Adams knew, that education at its best is a life-long process of renewal. A college education, or even a graduate or professional degree, is useful mainly as a basis for further study throughout one's life. The best education is self-education and it is available easily to all of us. We read much more rapidly than we speak, so the best means of learning yet invented remains the careful reading of writings by brilliant authors as stimulus to our own thought.

Do we then really need the full panoply of lectures and seminars and advising in the modern university? Of course we do, but we hope our students, when they graduate, need such aids less than when they entered. Universities will play an increasing role in providing continuing education to keep adults abreast of the ever-increasing complexity and tempo of modern life. But our most important job as teachers remains to prepare and to excite the students so that they proceed to learn more on their own.

One of the best ways to learn is from example. By participation in this community of scholars, the students begin to emulate the creative intellects around them. By following the keen mind of a great lecturer, they gain the habit of disciplined reasoning. By working with the creative artist or the skilled researcher, the students are inspired to the hard work required to develop their own talents. The best teaching is always that of direct dialogue, of a Socrates leading others by penetrating questions.

The teacher learns along with the student and conveys interest in the subject by personal attitude. The best professor remains like Chaucer's clerk, one who gladly learns and gladly teaches.

Sir Humphrey Davy, the father of modern chemistry and discoverer of many elements when asked near the end of his life what his greatest discovery had been, replied "Michael Faraday." For many of us, our greatest discoveries will be our students. We hope every member of the faculty will have a real concern for each student. As Henry Adams said, "A teacher affects eternity, he can never tell where his influence stops."

VIII

We cannot build a great university only by acquiring distinguished faculty and buildings. We must also create an environment for learning. We must remedy our deficiencies in libraries and equipment and must make fully effective use of these resources. We must also create an ambiance that brings the excitement of ideas, of the major challenges to our society, and the best of our culture to stimulate our creative work together. We have to be open to new ways of learning. As a major research university, we have an obligation to apply our research techniques to our own enterprise, always assessing our services and hunting for ways to improve and to economize.

IX

Despite the late start of its development among state universities, the University of Maryland has gathered in recent years a momentum that is extraordinary. Especially during the remarkable 24-year presidency of my distinguished predecessor, Dr. Wilson Elkins, the University has risen in stature to become one of the top 30 universities in the nation. Research grants have increased to nearly $60 million dollars a year, and many research results provide help for Maryland's farmers and fishermen and underprivileged, for its economic planners, engineering firms and local governments. Many professors are now eminent in their fields. The University College is a national leader in adult education and teaches more students in foreign lands than any other American university, even though it has never received any tax support from the State of Maryland. Maryland's graduates now occupy responsible positions in every walk of life, including the governorship of this State.

We must continue the progress toward quality that the University of Maryland has made so dramatically in the past two decades. One of the things that should distinguish the United States from other nations in the increasingly competitive international scene ahead is the quality of its professionals, the quality of its products, the quality of its arts and manners, and the quality of its life. What others can make cheaper, we must do better—and in an atmosphere of democratic freedom. In this effort, many factors will play a role; the various governments, the media, religious and social institutions, and the family. But the role of universities here seems primary in helping to demonstrate that initiative and intellect are America's chief assets.

We need more research and creative efforts. This nation's capacity to break through onto new ground may be tested as never before. We shall need to harness solar and fusion energy and to learn to live comfortably in a world of many nations, creeds and values.

X

Our universities can no longer go it alone. More and more of today's learning takes place outside our classrooms—from educational television and public libraries to science museums, hospitals, and factories. We must build increasingly close links with the array of intellectual and cultural strengths surrounding our campuses. In today's tight financial climate, we all need to share our experts and resources more effectively. We should make it easy for brilliant persons to move readily to and from universities, industry, and government so all of us work as partners.

XI

As higher education and research become more critical to the advancement of nearly every sector of our society, universities will have to recognize more frankly their new responsibilities brought on by this development. If maintaining our supply of oysters, milk, or fuel depends increasingly on university applied research and service, our universities will have to give far more prominence to service to society and to people everywhere. We must replace the image of the ivory tower with that of the helping hand.

The University of Maryland is already active in many forms of service to this State and its people. For example, the Maryland Institute for Emergency Medical Services and the University Hospital act as the focus of a Statewide program to save lives; the Cooperative Extension Service works in every county in the State and in Baltimore City to bring the results of university research to bear on peoples' needs. The Center for Environmental and Estuarine Studies, the Technical Advisory Service, and the Bureau of Business and Economic Research—to name just a few—and many other research and service centers have already caused some to call the University of Maryland the State's primary intellectual resource. But in the years ahead we will need to do more if Maryland and its people are to keep growing. And we will need to increase the rewards within the University for significant service to people and society's major problems.

The University's excellence must stem from a core of strength in every major discipline. But increasingly our problems refuse to be confined to single subjects. As John Gardner has said, "If we are to retain any command at all over our own future, the ablest people we have in every field must give thought to the largest problems of the nation. They have to come out of trenches of their own specialty and look at the whole battlefield." I would qualify this, for I believe some scholars will always make their greatest contributions in their own fields, but an increasing number of the best scholars must address the broad interdisciplinary areas that relate to the most pressing problems of mankind. Universities should use their applicable skills and knowledge to solve the real problems that people face. We need to join the brain and the heart, cool reason and warm service.

In my opinion, the best universities are those that have an ambiance of caring. All members of the university should care for the development of the mind, the devotion to accuracy, to art, and to creative ideas. But they care too about every student, every farmer, or businessman, and every patient we serve.

Here public universities have a special obligation. They were created as institutions for all the people. Land-grant universities like Maryland have opened their doors of opportunity to a broad spectrum of young people since their origins. They have led the way in putting university research to work for the community. This is our tradition and our duty.

The University of Maryland owes its life and freedom to this State and its people. We must show our appreciation by providing our best efforts in teaching, scholarships, research, and service.

XII

It is with gladness that I accept the presidency of this great university. I count on your help and your guidance.

ACTION AGENCY

Mr. HUMPHREY. Mr. President, the distinguished commentator and columnist, James Jackson Kilpatrick, has managed to capture, with remarkable insight, the manifold problems which afflict the ACTION agency under the directorship of Mr. Sam Brown.

It illustrates the turmoil and conflicts that beset ACTION.

His commentary contained in the Washington Star of Tuesday, April 24, 1979 is a rather graphic summary of what Members of Congress from both sides of the aisle have been projecting these past months. It also highlights the absolute need for Congress to resolve the problem as pending legislation attempts to do.

Mr. President, I ask unanimous consent that the column by Mr. Kilpatrick be printed in full, at this point, in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

DEACTIVATING ACTION

(By James J. Kilpatrick)

Just before it quit for the Easter recess, the House voted 276–116 to pull the Peace Corps out of the ACTION agency. The vote was the first step in a dismantling operation that ought to be energetically pursued.

If a contest were held to name the worst federal agency in town—the worst in terms of sheer maladministration—ACTION and the Equal Employment Opportunity Commission would finish in something close to a dead heat. But at least the ineptitude of the EEOC appears to be largely a consequence of plain, ordinary incompetence. At Sam Brown's ACTION agency, the record suggests a deliberate, contemptuous disdain for Congress and for the taxpayers generally.

ACTION was created under former President Nixon as an umbrella to shelter various programs involving volunteer workers. The name is not an acronym; it doesn't stand for anything. The agency's budget is divided into two parts, one for busywork abroad, the other for boondoggling here at home.

The Peace Corps is scheduled for $100 million in the next fiscal year to cover training and supporting 6,000 volunteers in 65 countries. On the domestic side, Brown has asked an increase from $119 million in the current fiscal year to $169.6 million in 1980 chiefly to finance Volunteers in Service to America (VISTA) plus some other programs to spread the green in tough urban neighborhoods.

The Peace Corps, VISTA and the parent ACTION have enjoyed a charmed life on Capitol Hill. The Peace Corps, of course, was John F. Kennedy's baby, and it has remained the darling of congressional liberals. Except when some volunteer gets in serious trouble, the press tends to ignore the Corps. Both House and Senate smile benignly upon it. There has been no hard-nosed, critical review by outside observers of the real cost effectiveness of the Peace Corps' program.

The startling vote to take the Corps away from Sam Brown provided a clear indication of increasing dissatisfaction with ACTION's activist director. Brown came under fire a year ago for trying to foist a new urban program on Congress without adequate preparation. Last November, he touched off an explosive controversy by firing the Peace Corps' director. Late in December, staff investigators of the House Appropriations Committee put together a damning indictment of Brown's stewardship. The vote to transfer the Peace Corps to a new international development agency—an agency that does not even exist—was a remarkable slap in the face.

Brown had it coming. As such House critics as Robert Michel of Illinois and John Ashbrook of Ohio have disclosed, Brown has used the taxpayers' money to reward an incredible gaggle of activists, malcontents, rabble-rousers, labor organizers, and old personal friends from his years on the ramparts of rebellion. In the process, Brown has bent, circumvented or simply ignored rules having to do with competitive bidding, conflicts of interest and legislative intent.

But the problem is not merely the problem of an arrogant, brilliant ideologue up top. The continuing problem, not to be resolved by a paper juggling of the Peace Corps, lies in the fundamental incongruity of government and volunteerism. Government rests upon compulsion; there is nothing voluntary about it. When the paid professionals of ACTION lay their tender hands upon community volunteers, guiding and coordinating and financing their efforts, we wind up with an operation that is mostly sham.

Regulating volunteerism is like sharing a monopoly, or dividing sovereignty, or being a little bit pregnant. The concept embraces a contradiction. I wouldn't stop with throwing out the Peace Corps. I'd throw out the whole works.

TAX AND REGULATORY BURDEN ON SMALL BUSINESSMEN

Mr. HUMPHREY. Mr. President, all of us are aware, I think, of the growing Federal tax and regulatory burden on our small businessmen.

I received a letter from a constituent of mine, Harold Achber, Laconia, N.H., who summed it all up very well as it applies to his own personal situation.

Mr. President, I ask unanimous consent that the letter to me from Mr. Achber be printed in the RECORD.

There being no objection, the material as ordered to be printed in the RECORD, as follows:

ACHBER PHOTO SERVICE,
Laconia, N.H., March 2, 1979.

Sen. GORDON HUMPHREY,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: Citizens Choice requested that member's send a card to Senators Long, Muskie, and Ullman. Rather than just send a card, I decided to send a letter. Enclosed is the original and I sent the other senators copies.

I feel somewhat better for at least expressing my views. What good it will do, I can't say. I hope that perhaps others feel as I do, and that we can achieve some sense in our government economic policies.

We have your portrait sitting on our studio shelf, and I like to think that I have a senator who's attitudes are simillar to mine, who's views at least give me some hope that their is a voice saying . . . "Enough, lets get back to the basic values . . ."

Sincerely yours,

HAROLD ACHBER.

ACHBER PHOTO SERVICE,
Laconia, N.H., March 2, 1979.

To Senators Humphrey, Long, Muskie and Congressman Ullman.

My immigrant mother and father built up this business by sheer hard work, long hours, personal sacrifice, and total dependence on their own energies and efforts. They succeeded and were able to purchase a home, put two children through college, and plan and save enough for their own retirement.

I took over this business 15 years ago and having learned my lessons from them, applied the same dedication, energy, and sacrifice. I regret to say that between the constant increase in taxes, and constant errosion of the dollar, that I begin to wonder if my sacrifices and hard endeavors are worthwhile.

I, too, will also have to put two sons through college, and besides realizing that this is going to be an awsome task, I cannot in all honesty instill in them the benefits derived from hard work and self sacrifice.

In fact I should advise them to get a government job. They won't have to work hard, they can't ever be fired, the reward for hard work is the same as that of laziness so why bother, and someone will always take care of them. They do not have to worry about their medical bills, their retirement, their daily needs. Why should they go into business for the opportunity to work day and night in order to be highly taxed to pay for those who do not. And that whatever they save will be worth very little in years to come. Why, they would be foolish to do what I did, and their grandparents did. The best they can do is to find some comfortable niche in government, and be taken care of the rest of their lives.

Our elected officials have managed to pass enough laws for the benefit of everyone to remove all incentive for work, saving, and self sacrifice. They resolve the problem of inflation by raising their own salaries and tying future raises into the cost of living so that they don't have to pass raises in Congress.

Proposition 13 in California was only a cure for the symptom, not the disease. The disease is at the federal level and sooner or later we are either going to have a sweeping change in government spending, or we are going to be in for violent changes in our democratic system. And that scares me.

We either all make our sacrifices now, or pay the dire penalties later. The best thing the American people can now do, is to simply vote into office those persons who are not only willing to make personal sacrifices of their own, but set the example for their constituents.

When middle America no longer wants to carry the burden of costly government, when there is no incentive or reward for hard work and self sacrifice, when our children think their parents are wrong for advocating such efforts, then American is in deep trouble. Now is the time to change direction, make the sacrifices, and return to the values that made America great.

Sincerely yours,

HAROLD ACHBER.

HUMPHREY SUPPORTS BILL TO IMMEDIATELY LIFT SANCTIONS AGAINST RHODESIA

Mr. HUMPHREY. Mr. President, I support the legislation introduced last week by the Senator from North Carolina (Mr. HELMS) that would immediately lift all U.S. sanctions against the new black majority Government of Rhodesia.

This past week, the world viewed the free elections that were held in Rhodesia. Unlike most elections held around the world, Rhodesia was like the proverbial fish bowl, in which everyone who wanted could be satisfied on just how free they were.

Over 60 percent of the eligible blacks voted in this election, which was overseen by an unprecedented number of more than 70 international observers, including some 30 foreign correspondents.

There is little doubt that the free elections held in Rhodesia last week for a majority rule government place that country in full compliance with legislation passed by Congress last year.

The legislation, section 27 of the International Security Assistance Act of 1978, said that the United States would not enforce sanctions against Rhodesia if the President determines that Rhodesia has negotiated an all-parties conference and a government has been installed by free elections under international auspices.

The election for majority rule took place, Mr. President, despite rather adverse conditions of harassment by vicious Communist-backed guerrillas.

The Patriotic Front guerrilla forces of Zimbabwe African People's Union and the Zimbabwe African National Union had threatened to disrupt the elections with guerrilla attacks on polling places.

These organizations, which maintain sanctuaries in neighboring Mozambique and Zambia, receive arms and training from the Soviet Union and Cuban advisers.

As a result of these conditions, I read with particular interest an editorial in the April 22 Washington Post which addressed the aftermath of the elections.

With the elections concluded, the Post editorial said that it was time to pause for a few reflections on the way the international community has behaved in relation to the elections. The editorial began:

> Two words come immediately to mind. One is hypocrisy. The other is arrogance. On the hypocrisy front the only question is where to begin. One place would be with those African, Third World, Soviet-connected and other states whose fastidious concern for democracy in Rhodesia tends to mask the fact that they wouldn't know a free election if they fell over one—and aren't, in any case, in much danger of falling over one, since they wouldn't let free elections go forward anywhere near their political turf.

The editorial goes on to say that even when U.S. "policymakers still entertained some flimsy hope that the Patriotic Front guerrilla forces of Joshua Nkomo and Robert Mugabe would participate in broader internationally sanctioned elections, they were acknowledging that such elections would be a kind of sham, since they conceded that if the guerrillas lost they would not accept the results."

Mr. President, from the point of view of the United States, this has been an unfortunate position to take.

If in fact the idea of the administration was to establish some kind of record, our policymakers were backing the wrong horse.

It is ludicrous to believe for one moment that the Soviet-backed Patriotic Front would have held elections if it won the war.

It is beyond me to understand why this administration gave blind support for the Patriotic Front which never would have complied with U.S. legislation that would end our sanctions against Rhodesia.

Yet, we placed such conditions on the Ian Smith regime which did comply with the requirements set out by Congress last year.

Not only would elections have been impossible under the administration of the Patriotic Front, we also know that the Soviet-supported front refused to attend an all-parties conference, which the Smith regime wanted.

Yet, we see in the April 22 column by Rowland Evans and Robert Novak that Assistant Secretary of State for Africa Richard Moose had testified on Capitol Hill that, contrary to reality, the Patriotic Front, not Smith's group, had met the two conditions set by Congress.

According to the column, "That climaxed over 2 years of a policy that now finds President Carter in this uncomfortable position of supporting Marxist terrorists against the ballot box while the U.S. Congress and a predicted New Conservative government in Great Britain race to lift Western economic sanctions against Rhodesia."

Mr. President, I ask unanimous consent that the Evans and Novak column, along with the editorial from the Washington Post, be printed in the Record at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, the time has come for us to realign our policy priorities toward Rhodesia, not to mention our policies generally throughout Africa.

The first step toward this is to immediately lift the sanctions that the United States has imposed against Rhodesia, as Senator Helm's bill provides.

I believe that by lifting the sanctions against the new Rhodesian Government, we will strengthen its ability to fend off guerrilla groups that have vowed to continue their armed struggle against Rhodesia's new black majority government. As you recall, they are the same guerrillas that shot down a civilian aircraft and machine-gunned the survivors.

There is little doubt in my mind that these guerrillas will continue to rely only on the gun rather than the ballot box. For that reason, Mr. President, the policy of the United States should be to give every support and aid to the new black majority government of Rhodesia.

EXHIBIT 1

SANCTIMONY AND RHODESIA

Saturday the voting ended in Rhodesia. Sunday the talk was all about how free and fair—or unfree and unfair—the balloting had been. But it will be several days, anyway, before both the local and international results are in. So this seems as good a moment as any to pause for a few reflections on the way the international community has behaved in relation to the elections. Two words come immediately to mind. One is hypocrisy. The other is arrogance.

On the hypocrisy front the only question is where to begin. One place would be with those African, Third World, Soviet-connected and other states whose fastidious concern for democracy in Rhodesia tends to mask the fact that they wouldn't know a free election if they fell over one—and aren't, in any case, in much danger of falling over one, since they wouldn't let free elections go forward anywhere near their own political turf. Another place to begin would be in the Byzantine inner reaches of Anglo-American policy. It is the worst-kept secret in Washington that ambiguity, at best, marks the official U.S. attitude toward these elections. For there is within the administration a powerful strain of feeling that the fairer and more representative these particular Rhodesian elections may be shown to have been, the more politically inconvenient and even destructive they will be to U.S.-British efforts to make a deal with the Rhodesian guerrillas who refused to participate.

Even when policy-makers still entertained some flimsy hope that the Patriotic-Front guerrilla forces of Joshua Nkomo and Robert Mugabe would participate in broader internationally sanctioned elections, they were acknowledging that such elections would be a kind of sham, since they conceded that if the guerrillas lost they would not accept the results. Then what has the U.S. government been doing making such a big deal of its concern for the democratic process in Rhodesia? For one thing, establishing a record.

It also happens that under the provisions of a 1978 foreign-aid law, the president, in order to decide whether or not to lift sanctions against Rhodesia, is obliged to decide whether "A government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers." And it is in part this provision which brought the flock of international poll-watchers to Rhodesia.

Reading the accounts of their preliminary findings and impressions in yesterday's papers, we felt we were in the presence of some grotesque, unintended comedy. There was the fine weighing of whether the more than 60 percent of the predominantly black electorate that did participate (against previous predictions) were pushed or forced or deceived or bought or told what to do or . . . well, you know the rest. You know the rest, of course, from intimate familiarity with it at home. A little over a decade ago, when this country had just succeeded, with much conflict, in passing legislation to help black Americans exercise the right to vote and when Richard Daley was still running Chicago and the Watergate election-money-laundry and dirty-campaign-tricks business had yet to get going—way back then observers were sent to South Vietnam to judge whether the wartime elections in that country which had not had a democratic tradition were—well—pure enough for us. This week we are trying to take the same kind of soundings in Rhodesia.

It is possible to understand, if not necessarily to love, the American government's perception of political necessity and U.S. interest in Rhodesia. And it is even possible to see how a black internal-forces voting success in a relatively fair election could work against the best outcome for U.S. policy. But there remains something wholly unattractive in this spectacle of people playing at a concern for free elections. And this is especially true when it is inconceivable that the United States would expect the Patriotic Front, if it won the war, to hold elections of any kind. By any international standard of democratic practice you care to invoke, the Rhodesians did pretty well. But that wasn't really what the argument over who shall rule Rhodesia has been about. The quality of the elections was a fake issue, and democratic values ultimately have to suffer when even their best friends treat them lightly.

CARTER'S RHODESIAN TRAP

Testifying before Congress March 29, the administration's principal policymaker on Africa tightened the catch on the Rhodesian trap that has been insensibly built for Jimmy Carter over two years and is now on the verge of closing.

Richard Moose, assistant secretary of state for Africa, had the chance before the House African affairs subcommittee to disengage the president from blind support for Soviet-backed Patriotic Front guerrillas. The question was whether the Front or Prime Minister Ian Smith and his black allies were in closer compliance with settlement guidelines set by Congress.

A formidable case can be made that last autumn Smith and the biracial moderates were ready to comply fully while the Patriotic Front was intransigent. At the least, both sides could be accused of playing to the galleries. But Moose doggedly testified, in contradiction to reality that the Patriotic Front, not Smith's group met the two conditions set by Congress: an all-parties conference and internationally supervised elections.

That climaxed over two years of a policy that now finds President Carter in this uncomfortable position: supporting Marxist terrorists against the ballot box while the U.S. Congress and a predicted new Conservative government in Great Britain race to lift Western economic sanctions against Rhodesia. The candid appraisal by one gloomy State Department official: "The problems are going to be horrendous for Mr. Carter."

The policy originated in the belief expressed to us in March 1977 by one of Carter's senior White House aides that "the white man is finished in southern Africa." That meant the United States must get on the side of the blacks, even if their ideology was Marxist and their record on human rights questionable.

That policy was becoming untenable last October when the administration reluctantly granted U.S. entry visas for Smith and his black colleague, the Rev. Ndabaningi Sithole. Developments behind the scenes, not revealed until now, began pressures on the Carter policy that today are reaching the breaking point.

The Case-Javits amendment, signed into law Sept 26, requires agreement by the Rhodesian government to attend an "all-parties conference" as one condition for lifting sanctions. So long as Smith objected, it was no problem for Carter. But Senate conservatives, headed by North Carolina's Jesse Helms, persuaded Smith to agree.

Soon after Smith arrived in Washington last fall, Sen. Helms directed an aide, John Carbaugh, to inform the State Department of Smith's agreement. According to Carbaugh, the reaction from Douglas Bennet, assistant secretary of state for congressional relations, was enthusiastic; Bennet suggested an all-parties Rhodesian conference at Camp David, site of the just-completed Mideast summit.

But Bennet soon was chastened by a cold wind from Africa. According to Carbaugh, Bennet reported that Joshua Nkomo, one-half the Patriotic Front, "will not come;" as for the other half, Robert Mugabe, "I gather he won't come either." Shifting ground, the Carter administration soon prescribed a conference agenda, to which Smith objected. Both sides now had reservations, but there was no question who wanted to talk and who wanted to fight last October.

That set the stage for the March 29 House hearing when Rep. Stephen Solarz of New York, the subcommittee chairman, asked Moose who was complying with the Case-Javits amendment and who wasn't. Incredibly, Moose testified that Smith, Sithole and their colleague, Bishop Abel Muzorewa, all "rejected" the "concept" of an all-parties conference but that Mugabe and Nkomo "Would attend."

That seemed a little thick even for Solarz, no friend of Smith. "Do you know if they have said that they would attend?" he asked. Moose's classic reply: "If you listen to Mr. Nkomo, you may be a bit confused about this, but our belief is that he would attend. I think that he is not necessarily speaking to us when he makes those statements."

Solarz noted that Smith had agreed to attend when he visited Washington. Quite so, said Moose, but later Smith and associates "were not willing to negotiate seriously." What he failed to mention was the added ingredient of U.S. insistence that the all-parties conference consider a transitional administration including the Patriotic Front.

Helms may well raise these points in the Senate this week when he introduces a bill to lift sanctions. That debate will find Carter backing forces in Rhodesia that will refuse to attend conferences, object to elections and have now demonstrated insufficient military or political strength to seriously disrupt the just-completed Rhodesian elections. The only consolation in Foggy Bottom is the glum prediction that the biracial coalition will be unable to maintain itself against outside force—a dubious and unworthy prophecy.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE 1977 UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT—PM 62

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91–524, 91st Congress, I transmit herewith for the information of the Congress the report of the 1977 Upland Cotton Program.

JIMMY CARTER.

THE WHITE HOUSE, *April 30, 1979.*

MESSAGES FROM THE HOUSE

At 12:17 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 65. A concurrent resolution authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America"; and

H. Con. Res. 66. A concurrent resolution authorizing the printing as a House document of a revised edition of "Our Flag".

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 2283. An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read by their titles and referred as indicated:

H. Con. Res. 65. A concurrent resolution authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America"; to the Committee on Rules and Administration.

H. Con. Res. 66. A concurrent resolution authorizing the printing as a House document of a revised edition of "Our Flag"; to the Committee on Rules and Administration.

REPORT OF A COMMITTEE SUBMITTED DURING THE RECESS

Under the authority of the order of Thursday, April 26, 1979, the following report of a committee was submitted on Friday, April 27, 1979:

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment:

S. 7. A bill amending title 38, United States Code, to revise and improve certain health care programs of the Veterans Administration to authorize the construction, alteration, and acquisition of certain medical facilities and to expand certain benefits for disabled veterans (Rept. No. 96–100).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment:

S. 230. A bill to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes (Rept No. 96–101).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment and an amendment to the title:

S. 497. A bill to extend the authorizations of appropriations relating to emergency medical services systems under title XI and section 789 of the Public Health Service Act (Rept. No. 96–102).

By Mr. RIEGLE, from the Committee on Labor and Human Resources, with an amendment:

S. 440. A bill to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (together with minority views) (Rept. No. 96–103).

By Mr. RIEGLE, from the Committee on Labor and Human Resources, with an amendment:

S. 525. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes (together with minority views) (Rept. No. 96–104).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TOWER (for himself, Mr. COCHRAN, and Mr. YOUNG):

S. 1034. A bill to amend the Internal Revenue Code of 1954 to provide for the waiver of the payment of interest on income taxes not paid, as a result of a disaster, within the time prescribed for payment; to the Committee on Finance.

By Mr. McGOVERN:

S. 1035. A bill to amend title 38 of the United States Code in order to provide service pensions to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. HATFIELD (for himself, Mr. MCCLURE, Mr. PACKWOOD, and Mr. LAXALT):

S. 1036. A bill to repeal the Color of Title Act; to establish standards and procedures whereby certain persons in adverse possession of public lands may acquire legal title thereto, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON (for himself and Mr. MATHIAS):

S. 1037. A bill to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on Governmental Affairs.

By Mr. BAUCUS:

S. 1038. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, and the cost of conducting certain inspections and identification procedures on imported meat and meat food products, be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of that fact, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON (by request):

S. 1039. A bill to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DURKIN:

S. 1040. A bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 1041. A bill to eliminate a discharge from an armed force under conditions other than honorable on the basis of a continuous absence without authority for one hundred and eighty days or more as a bar to receipt of benefits under laws administered by the Veterans Administration; to the Committee on Veterans' Affairs.

By Mr. DURKIN:

S. 1042. A bill to stimulate the conversion to widespread use of fuel-efficient gasohol mixes by providing a financial incentive to States and localities which convert all or part of their automotive fleets to such mixes; to the Committee on Finance.

By Mr. PROXMIRE:

S. 1043. A bill for the relief of Tessie and Enrique Marfori; to the Committee on the Judiciary.

By Mr. RIEGLE (by request):

S. 1044. A bill to extend expiring appropriation authorizations and amend provisions of law concerned with alcohol abuse, alcoholism, and drug abuse, and to consolidate alcohol abuse and alcoholism, drug abuse, and mental health grants to States; to the Committee on Labor and Human Resources.

By Mr. KENNEDY (by request):

S. 1045. A bill to revise and reform the Federal law applicable to drugs for human use and to establish a National Center for Clinical Pharmacology within the Department of Health, Education, and Welfare; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 1046. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fund to be used for the reclamation of hazardous waste sites and for the compensation of persons injured by hazardous waste, to provide a Federal cause of action for damages caused by hazardous waste, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself, Mr. Cochran, and Mr. Young):

S. 1034. A bill to amend the Internal Revenue Code of 1954 to provide for the waiver of the payment of interest on income taxes not paid, as result of a disaster, within the time prescribed for payment; to the Committee on Finance.

● Mr. TOWER. Mr. President, we are all aware of several major weather disasters this spring that have devastated numerous communities, not only in my own State but elsewhere around the Nation.

Ravaging tornadoes struck Wichita Falls, Tex., earlier this month, while severe storms, snowmelt and flooding paralized thousands in Mississippi and North Dakota. The President has declared these States as major disaster areas under the Disaster Relief Act of 1974, thus entitling victims to Federal disaster assistance.

Low-interest disaster loans are also available from the Small Business Administration and emergency assistance from the Farmers Home Administration.

Because of the untimeliness of these natural occurrences, many residents of these areas were unable to meet the April 16 deadline for filing their income tax returns. In several cases there records were completely destroyed, with little or no hope of reconstructing necessary data to comply with the demands of proper documentation under the tax laws.

To compound the indescribable misery and loss suffered by the many victims who must rebuild their lives and livelihoods, thousands of taxpayers were abruptly made aware of a glaring oversight in our tax laws. Nowhere in the Internal Revenue Code is there any provision to suspend the accruing of interest on income tax returns and payments which, due to extraordinary and unforseeable natural events, were justifiably filed after the usual deadline.

The Internal Revenue Code has long contained special rules for some disaster losses. For instance, under section 165 (h), a taxpayer may elect to deduct losses from certain disasters on his return for the tax year immediately preceding the tax year in which the disaster occurred.

This provision, of course, allows affected taxpayers to have their claims for losses, and possibly refunds, processed expeditiously without having to wait for the filing date of the return for the year in which the loss actually occurred.

The code also provides a special dispensation for the waiver of penalties that would otherwise be assessed for failure to file returns on a timely basis. This penalty, however, is not imposed if it is shown that the failure is "due to reasonable cause and not due to willful neglect," as stated under section 6651(a).

Remarkably, however, there is no opportunity under existing law to allow for the waiver of interest on late-filed tax returns, despite recognition of the added burden facing taxpayers in the case of penalties. It is doubly distressing that this inequity is made apparent only after enduring a rash of devastating natural disasters such as have befallen us recently.

Accordingly, I am today introducing, on behalf of the Senator from Mississippi (Mr. Cochran), the Senator from North Dakota (Mr. Young), and myself, legislation to amend the Internal Revenue Code to provide for the waiver of the payment of interest on income taxes not timely paid as a result of a natural catastrophe in an area designated by the President as deserving of Federal assistance under the Disaster Relief Act of 1974.

I believe that this measure would provide a correction that is long overdue and will extend relief to taxpayers for the forgiveness of interest as already exists under our tax laws for assessed penalties for late or nonfiling income tax returns. I urge the Senate to give prompt and favorable consideration to this legislation to provide necessary relief to victims of natural disasters.●

By Mr. HATFIELD (for himself, Mr. McClure, Mr. Packwood, and Mr. Laxalt):

S. 1036. A bill to repeal the Color of Title Act; to establish standards and procedures whereby certain persons in adverse possession of public lands may acquire legal title thereto, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. HATFIELD. Mr. President, today I am reintroducing legislation aimed at providing relief for unsuspecting landowners who find themselves in conflict with the Federal Government over property resurveys. Each year, when Government land is resurveyed, many people run the risk of unexpectedly being labeled as trespassers, with no means to refute the charge. My proposal is aimed at resolving the inequities which have fallen upon these landowners.

Although this is a problem felt by the Congress, the courts and Federal agencies, its most basic impact is the personal suffering of an unintentional trespasser. When a dispute with the Federal Government arises, these people face difficult and sometimes heartbreaking problems under current law.

As an example, I would like to share with my colleagues the problems faced by Mr. and Mrs. Noel McClure of Blue River, Oreg. About 26 years ago, the couple bought their house and a small parcel of land near the Willamette National Forest. Over the next quarter of a century, they made a home for themselves there. Adding a carport and machine shed, planting flowers and shrubs, they improved the site and were later joined by their son and his family. After years of working, they decided to retire at this location.

They paid little attention to resurvey of nearby land until a letter from the Forest Service arrived. They were not near the National Forest as they had believed the Forest Service said, but in it. According to the new surveys, they did not actually own the land they had purchased, improved, and lived on for those 26 years. To make matters worse, the Forest Service now wanted this land back.

About this time, the McClures, as well as several of their neighbors who were faced with the same problems, contacted me. In turn, I asked for a review by the Forest Service, and by special permit, renewed annually at a cost to the McClures, the couple will be allowed to remain in their home. But when they move or die, the property will revert to the Government.

For the McClures, this situation is very trying at the least. They cannot will the property to their son, nor can they sell it to him. If they decide to relocate somewhere nearer to medical facilities, they will not have the benefits of a house sale to help with the move. Under the law as it exists today, they are without a home and without a means to clarify their status as landowners.

Mr. President, the roots of the present problem are long and set deep into American history. In the first place, nearly all lands, public and private, in the original 13 States were surveyed by metes and bounds. Under this age-old system, each tract of land was set out by arbitrarily establishing some point in the boundary of the property as a starting point and then reciting the courses (or directions) and distances from point to point around the tract. Surveyors took notes as property was measured creating land descriptions which are incomprehensible to the layman and useless even to the expert unless tied to the land by some identifiable monument such as a boundary stone, a distinctive tree, or a unique river bend. The surveying tools of the time were highly erratic magnetic compasses and chains and tapes—rarely standardized, stretchable, and subject to wear.

The inadequacies and complexities of the metes and bounds system were recognized even during the colonial period, and this soon led to changes in American survey techniques. In 1785, the Continental Congress designated the rectangular survey as the sole acceptable method of surveying any public lands which might thereafter be acquired. This system prevails even today as the official method of Government survey. Gradually but implacably, a uniform surveyor's grid of 1 mile by 1 mile square with sides running north and south and east and west has been laid out on most of the public lands.

Theoretically, under the rectangular system, any given tract of surveyed land "can readily, easily, and briefly be described and distinguished from all other tracts:" and boundary lines and corners, even if obliterated, can usually be retraced. In actuality, rectangular surveys, like metes and bounds surveys, are often the source of property disputes.

When the use of the rectangular system was instituted, surveying was not as much a science as an art—and it was a young art at that. Surveying tools and techniques were crude and often inaccurate. The same magnetic compass which introduced errors into metes and bounds surveys was used in all early rectangular surveys. The reliable solar compass used by modern surveyors did not even exist at the time much of the public domain was being surveyed.

Fraudulent and slipshod surveying and recording undoubtedly occurred. Field surveyors worked long hours for low wages with crude instruments. They often found themselves knee deep in mud or snow, tortured by flies and mosquitoes, and frightened by the very wilderness they had come to map.

As Vernon Carenstan points out in his book on the history of public lands:

> (P)erhaps no one had a right to expect the task (of surveying) to be done well: the remarkable thing was that it was done at all, that the whole machinery did not collapse.

The job of surveying the public lands is yet to be completed. According to the BLM's own statistics, at the close of the 1975 fiscal year, 405,027,320 acres of federally owned property in the United States remained to be surveyed. Of the unsurveyed land, 77 percent, or nearly 314 million acres, lies in Alaska. The remaining acres are located exclusively in 11 Western States.

Arizona has about 11 million acres of public land still unsurveyed; California has 9.2 million acres; Colorado, 3.7 million; Idaho, 8.8 million acres; Montana, 9.0 million acres; Nevada, 19.5 million acres; North Dakota, 4.7 million acres; Oregon, 2.8 million acres; Utah, 8.9 million acres; Washington, 6.3 million acres; and Wyoming, 6.7 million acres. In States like Nevada, where the Government holds 86 percent of all real property, the fact that Federal surveys are unfinished means that much of the land area of the State is unsurveyed.

It is the law that before the United States has conveyed lands, it may make as many surveys of a tract of public lands as it desires and the last accepted survey will control. It is also the law, however, that once property rights are acquired on the faith of a Government survey, that survey, even if erroneous, becomes controlling.

By statute, property rights once vested in bona fide private owners and claimants cannot be affected by subsequent resurveys which change the boundaries of the public lands. The essential rule of a resurvey, is, therefore, to follow the steps of the first survey. The clear duty of the retracting surveyor is to determine what the first surveyor did, not what he should have done.

Because of the complex detective work a surveyor must perform in order to reestablish lost boundary lines, the task of resurveying the public lands is not likely to be accomplished quickly.

Because many original surveys were not properly or uniformly conducted, recreating them may not always be possible, regardless of the diligence of BLM surveyors. The Government and private landowners are certain to disagree in some instances on just where a boundary originally lay. Because of this, resurveys can be expected to create nearly as many problems as they solve.

Due to the expanse of public land across the country, many honest disputes can develop between the Government and private citizens. Although the exact size of the unintentional trespass problem is difficult to judge, one observer, commenting on the findings of the Public Land Law Review Commission, termed it not severe, but substantial nonetheless.

For anyone who has paid full value for land they thought was theirs, made valuable improvements, mortgaged it, met tax assessments against it, and become emotionally attached to it, the problem can only be termed harsh.

To remedy this situation, the bill I am proposing would go beyond the sharply limited relief currently available to a narrowly defined group of people. In place of existing law, I am proposing a procedure which would allow innocent trespassers enough aid to resolve their disputes with the Federal Government.

In general terms, this legislation would provide that:

First. Claimants who meet the requirements for color of title do not have to purchase the land from the Government as currently required under law.

Second. Claimants must have held the land in good faith and in peaceful adverse possession for at least 20 years while making valuable improvements on the land. In the absence of work on valuable improvements, the land would have to be held for at least 30 years.

Third. The Secretary is not always required to transfer a specific portion of land if it is needed by the Government for other purposes.

Fourth. All mineral rights are reserved to the United States.

Fifth. The actions of the Secretary was expressly made subject to judicial review.

Congressional interest in balancing public and private interests has been a recurrent theme in public and policy over the years, and I believe my proposal closely follows this tradition. Land, after all, is one of our most important material resources, whether private or public. Central to this legislation is the fundamental belief that both public and private interests need to be protected.

Obviously, the bill is aimed at providing a large measure of help for private parties. At the same time, it was carefully drafted to incorporate important safeguards for public domain. By reserving all mineral rights, the possibility of using the provisions for land speculation are greatly reduced. Yet another important protective measure is available to the Secretary in cases where public land must be retained. Under those circumstances, the Secretary has the authority to keep the land and offer the claimant a comparable piece of property or a cash payment equal to the value of the property plus improvements.

Mr. President, existing laws also carry the same safeguards for the public incorporated in my proposal, but there are district limits on the aid available to unintentional trespassers. The Quiet Title Act of 1972, while a very important statute for many, does not help those people who technically do not have good title because of surveying errors discovered in recent resurveys. Another useful statute, the Color of Title Act, does provide some relief of victims of surveying errors, but again its aid is limited.

Based on review of these laws and a recognition of the real problems encountered by innocent landowners who run afoul of Government resurveys, I believe the legislation I am proposing today represents an important tool in reestablishing equity to such situations. We should not underestimate the magnitude of the problem we are addressing here. Public land accounts for over one-third of our total land surface, encompassing large areas in both the Eastern and Western reaches of the Nation. In order to insure that we remedy the problems confronting many private landowners, I feel that this legislation will serve as a starting point for Senate action.

Mr. President, I would like to make one final point concerning my proposal. When survey problems for several families in the community of Blue River first became apparent, students and faculty at the University of Oregon law school were quick to respond to my request for help in researching the situation. One student in the Environmental Law Clinic, Mary Fiebing, played a crucial role in writing this legislation. Her thorough background studies and careful drafting of the bill were immense aids to me. It does no good to talk about the difficulties facing many landowners following resurveys when Federal law lacks the necessary tools to be of assistance. Ms. Fiebing helped focus attention on the problem and then helped immensely in working out possible solutions. And I want to again thank her for the time and effort.

So that my colleagues may review this proposal in detail I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act, the term—

(1) "Secretary" means the Secretary of the Interior;

(2) "qualified person" means—

(A) any individual who is authorized to hold title in the State in which the property is located;

(B) any partnership or association, each of the members of which is within the purview of clause (A) of this paragraph; or

(C) any corporation organized under the laws of the United States or of any State therof, and authorized to hold title to real property in the State in which the property is located;

(3) "public land" means—

(A) land owned by the United States, including land permanently or temporarily withdrawn, withheld, or reserved from private appropriation and disposal, as well as land available for private appropriation and disposal, but excluding land dedicated to Indian reservations;

(B) any interest of the United States in land, other than a security interest or water right;

(4) "color of title" means a written instrument which gives the semblance or appearance of title but is not title in fact;

(5) "good faith" means a good faith at the time of acquisition of color of title.

PETITIONS FOR GRANT OF PATENT

Sec. 2. (a) (1) Any qualified person who believes he has a valid claim under color of title to an interest in public land, and meets the standards as provided in section 2(b) of this Act, may file a petition for a patent thereto with the Secretary.

(2) Application under this Act may be made for Government-surveyed land. If unsurveyed, the petition shall include a description sufficiently complete to identify the location, boundary, and area of the land, and, if possible, the approximate description or location of the land by section township and range. If unsurveyed land is claimed, final action will be suspended until the plat of survey has been officially filed.

(3) Each petition shall include information relating to all record and nonrecord conveyances, and to all nonrecord claims of title affecting the land. The statements of record conveyances must be certified by the proper county official or supported by an abstract of title. The petitioner may be called upon to submit documentary or other evidence relating to conveyances or claims.

(b) A patent shall be granted to a tract, a portion of a tract, or an interest in a tract claimed if the petitioner, his ancestors, or grantors have held said tract in good faith and in peaceful adverse possession under color of title for at least twenty years and have made valuable improvements thereon, or reduced a portion thereof to cultivation. Discovery of a defect in title after acquisition of title, but short of twenty years of adverse possession, shall not defeat a petition for grant of patent under this Act.

(c) (1) Within a reasonable time after receipt of a petition for grant of patent, the Secretary shall determine the sufficiency of the petition and any supporting documentary evidence. If the Secretary determines that the petition and any supporting evidence is insufficient, an adjudicatory hearing shall be held regarding the claim according to appropriate procedures set forth in sections 554, 556, and 557 of title 5, United States Code.

(2) If the Secretary determines the petition is sufficient, initially or upon completion of a hearing held pursuant to subsection (c) (1) above, he shall issue a patent for the interest claimed, up to and including a fee simple, in an area of public land not to exceed fifty acres upon the payment of not more than $1.25 per acre.

(3) If the tract claimed is in excess of fifty acres, the Secretary may:

(A) determine which particular portion of the land, not exceeding fifty acres, shall be patented, based on existing improvements and public need for the land, or

(B) in his discretion, issue grants in excess of fifty acres upon a finding that such excess acreage is not needed for public purposes and will be put to active use by the petitioner. This grant shall be made available upon payment of $1.25 per acre.

(4) Where land claims under this Act has been withdrawn, withheld, or reserved in aid of a function of a Federal department or agency other than the Department of the Interior, or of a State, county, municipality, water district, or other local governmental subdivision or agency, the Secretary may issue a patent thereto only with the consent of the head of the governmental unit concerned and under such terms and conditions as such unit head may deem necessary.

(5) If the Secretary determines that a petition is sufficient but (A) the consent required by subsection (c) (4) above is not given or terms and conditions imposed on such consent are unacceptable to the petitioner, or (B) the particular land claimed is needed for public purposes, the Secretary shall either issue the petitioner a patent for a comparable tract of Federal land upon payment by the petitioner of $1.25 per acre, or pay the petitioner the fair market value of the land or interest in land claimed, including any improvements placed upon such land by the petitioner, his ancestors, or grantors. A petitioner who qualifies for a patent under this Act, but is denied title to the particular tract claimed under this subsection, shall have the option of electing monetary compensation over a patent to substitute land.

(6) If a petitioner is to be given monetary compensation for lands claimed, improvements thereon, or both, as allowed under this subsection, the Secretary shall cause the land or improvements, or both, to be appraised, said appraisal to be on the basis of the value of the land or improvements, or both, exclusive of mineral interests, at the time of such appraisal.

(7) No patent for substitute land and no monetary compensation shall be granted until arrangements satisfactory to the Secretary have been made for termination of the petitioner's occupancy of the land claimed.

(8) The mineral interests of the United States in any land to which patent is issued under this Act shall be reserved to the United States, and shall be subject to sale, lease, and disposal under applicable leasing and mineral land laws. No right of surface ingress or egress is reserved to the United States.

CONFLICTING CLAIMS

Sec. 3. No patent shall issue under this Act for any tract to which there is a conflicting claim adverse to that of the petitioner, unless and until such claim shall have been finally adjudicated in favor of such petitioner.

JUDICIAL REVIEW

Sec. 4. Any final action of the Secretary under this Act, including appraisals under section 2(c) (7), shall be subject to judicial review by the United States court of appeals for the circuit in which the property claimed is located upon the filing in such court within sixty days from the date of such action of a petition by any aggrieved person. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary or other officer designated by him for that purpose. Upon the filing of the petition, the court shall have jurisdiction to review the action in accordance with chapter 7 of title 5 of the United States Code and to grant appropriate relief as provided in such chapter.

RULES AND REGULATIONS

Sec. 5. The Secretary is hereby authorized to make such rules and regulations as are necessary to carry out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 6. There are hereby authorized to be appropriated such sums as may be necessary to implement the provisions of this Act.

COLOR OF TITLE ACT

Sec. 7. The provisions of this Act are intended to be supplemental to, and not intended to supersede or replace, the provisions of the Color of Title Act (43 U.S.C. 1068 et seq.).●

By Mr. EAGLETON (for himself and Mr. MATHIAS):

S. 1037. A bill to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on Governmental Affairs.

DISTRICT OF COLUMBIA RETIREMENT REFORM ACT

● Mr. EAGLETON. Mr. President, once again, Senator MATHIAS and I are offering legislation to slay the goliath of a pension system for the District of Columbia. Mammothly over-generous, yet monstrously under-funded, the system confronts the District with financial ruin. Its unfunded liability increased by $500 million just since last year and now looms at $2.6 billion. Soon, perhaps within the next decade, the District, if the present pay-as-you-go system prevails, will pay more in pensions than it will in active duty salaries.

The pension behemoth in the District is unique among American cities, and is principally the outgrowth of Federal concern and Federal indifference. On the one hand, concerned by the need for additional security in the Nation's Capital, the Federal Government insisted on a police department of more than 5,000 officers—twice that for cities of comparable size. On the other, Congress which established the pensions for police officers and fire fighters in 1916, never provided adequate funding so that by the time the District took over management of its own affairs with Home Rule in 1975, the system was an insatiable monster, feeding its appetite for irresponsibly lavish pensions on the limited revenues of the District.

Benefits under the existing systems were so bloated that the vast majorities of retirees could claim disability and get tax-free pensions. Ten years ago, the percentage of disability retirements reached an astounding 99 percent for retiring firemen and 98 percent for policemen. This, compared with from 15 to 46 percent in other cities. In the past year, under pressure from reform and with more vigorous administration by local officials, the percentage has dropped to 44 percent for police and fire fighters, a significant and commendable improvement. Still, as long as the present pension law is on the books, with its permissive criteria and swollen benefits, even for the most inconsequential of off-duty ailments, the potential for abuse remains overwhelming and dangerous. The law must be totally rewritten and thoroughly reformed.

Last year, a reform bill emerged from conference and was passed by the Senate and the House. Frankly, the bill was not as relentless as I would have liked, but it would have eliminated the most outrageous abuses. It provided costly penalties for the city for maladministration, but the cost, inescapably, was high. To overcome more than 60 years of lavish benefits on a pauper's purse, and to put the system, at long last, on an actuarially responsible footing, the bill authorized $1.6 billion over 25 years. The White House killed the bill with a pocket veto.

But the present gargantuan anachronism cannot continue, and now the White House, the Office of Management and Budget, the mayor's office are working with Congress on the desperately needed reform. To get the legislative process into motion, and to establish a context for continued collaboration, I am introducing last year's conference bill. It will provide the vehicle for hearings and for possible amendment and change. Most of its provisions are sound and principled and will stand unaltered. Foremost are those that effectively will eliminate unwarranted disability pensions. Presently, a person can retire on a full tax-free pension no matter how slight his injury, or whether it occurred on duty or off. Eliminated would be the so-called aggravation clause for full pensions for off-duty injuries. Established would be a system of percentage disabilities, based on the degree of impairment, for persons who may not be able to fulfill the rigorous requirements for police or firefighters but are able-bodied for other work. Of course, persons, totally disabled in the line of duty are fully protected. The bill cracks down on a variety of abuses and provides for far greater administrative controls to hold down costs. Overall, I believe its provisions on benefits are fair to the District employees involved and responsible to the taxpayer.

As for funding, I believe the Federal Government must bear responsibility for those costs accrued before home rule, the city for the liabilities accumulated under its administration. In effect, the Federal Government and the city would share costs until that time when the Federal obligation would be met and the city would become solely responsible for all funding.

Today's resurrection of last year's conference bill follows similar action in the House and simply provides a single vehicle which can be improved and strengthened through hearings and at markup before the May 15 deadline under the Budget Act.

Reform cannot be put off, otherwise, the unfunded liability will grow uncontrollably. Nor can reform be temporary and expedient. Otherwise, the abuses that have poured out millions in questionable pensions can resume. Reform must be total, and absolute, and it must be achieved by this Congress.●

By Mr. BAUCUS:

S. 1038. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, and the cost of conducting certain inspections and identification procedures on imported meat and meat food products, be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of that fact, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MEAT LABELING AND INSPECTION ACT OF 1979

● Mr. BAUCUS. Mr. President, today I am introducing the Meat Labeling and Inspection Act of 1979. This is a bill to establish stronger inspection standards for imported meat products and to require that these products carry labels explaining that they are imports.

For many years American cattlemen and other meat producers have complained that imported meat products have an unfair advantage over American meat, because they are not subject to the same inspection standards that domestic products must meet.

This legislation would help solve that problem and insure that foreign meat products are held to the same inspections as American products.

Foreign producers would no longer be able to dump in our market quantities of meat that do not meet our stringent guidelines for wholesomeness.

In addition to protecting American meat producers, this bill would protect consumers. They would know where the meat they purchase comes from, and that it is healthy.

My bill contains three basic provisions.

First, whenever imported meat is sold to consumers, its country of origin would have to be printed on the label.

Second, meat products could not be imported unless tests had been conducted by competent inspectors to insure that the meat did not contain substances prohibited in food produced in the United States.

Third, restaurants serving imported meat products would have to inform their customers of this fact.

My bill would require foreign inspectors conducting tests on meat to be highly qualified. They would be required to inspect the internal organs of meat-producing animals, the easiest, and often the only, way to determine if the carcass contains poisonous substances. These tests are not now conducted on imported meat. Most important, my bill would give the U.S. Department of Agriculture the authority to refuse meat imports from countries with inadequate inspection standards.

Even with these safeguards, we will never be able to insure absolutely equal inspection by foreign inspectors. Thus, American consumers should be protected with clear labeling. Imported meat must be labeled as such. Consumers must be given the choice of buying domestic products or buying products that may not completely meet American standards.

This is a time of great turbulence in the marketplace. The temptation is to open the floodgates to imported beef. But without adequate protection the American consumer could be exposed to serious health hazards.

That is why it is essential that we establish now the kind of standards that will protect Americans from unwholesome food.

Mr. President, I want to emphasize that these labeling and inspection proposals are designed to complement, and not compromise international trade agreements. The importance of trade liberalization to the agricultural sector is undeniable, and I do not wish to undercut the progress that is being made.

The improved regulation of imported meat products has received the approval of both national consumer and agricultural organizations.

I urge my colleagues to join me in calling for the consideration and enactment of the Meat Labeling and Inspection Act of 1979.●

By Mr. CRANSTON (by request):

S. 1039. A bill to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 1039, a bill to amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes. I ask unanimous consent that the letter of transmittal, the text of the bill, the section-by-section analysis and the changes in existing law be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5033 of title 38, United States Code, is amended by striking out in subsection (a) "$15,000,000 for fiscal year ending September 30, 1978, and a like sum for the succeeding fiscal year" and inserting in lieu thereof "$5,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding fiscal year through the fiscal year ending September 30, 1984".

(d) Section 5035(d) of title 38, United States Code, is amended by—

(1) striking out "(1)"; and

(2) striking paragraph (2) in its entirety.

Sec. 2.(a) Section 5054 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) where it first appears, "agreements with", and inserting in lieu thereof, "contracts, cooperative agreements with, and to make grants to";

(2) striking out in subsection (a) each time it appears, thereafter, "agreement", and inserting in lieu thereof, "contract, cooperative agreement or grant";

(3) striking out in the last sentence of subsection (a), "agreements", and inserting in lieu thereof, "contracts, cooperative agreements or grants";

(4) adding at the end a new subsection (c) as follows:

"(c) The Administrator is authorized to enter into contracts, cooperative agreements with and to make grants to public or private nonprofit institutions, organizations, corporations or entities in order to participate in cooperative health care personnel education programs within the geographical areas of Veterans' Administration health care facilities located in areas remote from major academic health centers."

(b) Paragraph (1) of subsection (c) of section 5055 of title 38, United States Code, is amended by—

(1) striking out $3,500,000 for fiscal year 1976; $1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; $4,000,000 for fiscal year 1977; $4,000,000 for fiscal year 1978; and "; and

(2) adding a semicolon and the following immediately preceding the comma which follows "1970": "2,500,000 for fiscal year 1980 and such sums as may be necessary for fiscal years 1981 through 1983".

WASHINGTON, D.C.,
April 18, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To amend title 38, United States Code, to extend and revise a program of grants to State homes for veterans and to extend and expand a program of exchange of medical information, and for other purposes.", with the request that it be introduced in order that it may be considered for enactment.

Section 1 of the draft bill would amend section 5033 of title 38, United States Code, to extend the program of grants to States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and would authorize an appropriation of $5 million for Fiscal Year 1980, and such sums as may be necessary annually for Fiscal Years 1981 through 1984, to carry out such a program.

The proposal would also amend section 5035(d) to delete the limitation on the amount that any one State may receive in any Fiscal Year.

The State home program has long been recognized as a high-quality, cost-efficient alternative to the provision of extended care in VA facilities. It is an important step in dealing with the medical needs of our elderly veterans. It began on August 27, 1888, with the enactment of an Act to provide aid to State or territorial homes for the support of disabled soldiers and sailors of the United States. In 1939, the law was amended to extend assistance to hospital care provided in State homes. In 1964, Public Law 88-450 extended Federal assistance to State homes to include nursing home care, and separate per diem payments were established for each level of care, namely, domiciliary, nursing home, and hospital care.

Public Law 91-178 authorized a separate per diem rate for State home hospital care and established a grant-assistance program providing 50 percent Federal funding for the remodeling of existing hospital and domiciliary facilities. The statute authorized annual appropriation for such grants of $5 million. Public Law 93-82 raised the maximum amount of VA participation in individual projects in both the nursing home and the domicilary and hospital facility programs from 50 to 65 percent.

Since 1964, the VA has provided grants in excess of $54 million to 22 States for nursing home construction, expansion, and remodeling projects. Since the 1969 enactment of authority for domiciliary and hospital remodeling grants in Public Law 91-178, the VA has provided 16 States with $9 million for domiciliary and hospital facility remodeling projects.

Present VA facilities are not adequate to cope with the special needs of today's elderly veterans. The VA's 88 nursing homes are filled to capacity with long waiting lists for admission to most of them. Some State nursing homes and domiciliaries are also running at near capacity. It is clear that much needs to be done to prepare for the increasing number of elderly veterans (about threefold in 15 years) who will require extended care before the next decade has passed.

As mentioned above, Public Law 95-62 provided that no one State may receive in any Fiscal Year in the aggregate more than one-third of the amount appropriated to carry out the purposes of the State homes program. This language was inserted to foreclose the possibility of inequitably large grants to a few States. However, this restriction, as currently framed, can prove impractical and detrimental to the implementation of an effective program. For example, if no more than $5 million is appropriated in one Fiscal Year, the restriction poses an impediment which may frustrate entirely the purpose of the appropriation. In such a situation, any one State would be limited to a grant of $1,667,000 for that Fiscal Year. In many instances, this limitation on VA assistance would limit the scope of a project to the extent that it would not be feasible or cost effective to undertake the project. This is particularly true where new construction is contemplated. In addition, the amount of future grants would not be known. This problem would be overcome by the proposed amendment which would delete the limitation. This would allow for realistic construction planning not only for the Fiscal Year in question, but also for subsequent Fiscal Years.

Since it is impossible to predict what funds may be appropriated for the State home program, we are unable to project the five-year cost to the VA of implementing the program. Therefore, the actual cost will depend on the level of appropriations.

Section 2 of the draft bill would amend sections 5054 and 5055 of title 38, United States Code, to extend the program of exchange of medical information, to expand it to authorize contracts, cooperative agreements, and grants for cooperative health care personnel education programs within geographic areas of VA health care facilities located in areas remote from major academic medical centers and to authorize appropriations of $2.5 million for Fiscal Year 1980, and in such amounts as are necessary for each Fiscal Year from 1981 through 1983 in order to extend the program of exchange of medical information.

The original authority to conduct a pilot program for exchange of medical information was granted by enactment of Public Law 89-785 in November 1966. The program was originially funded in Fiscal Year 1968 with an appropriation of $942,000. Appropriations have been regularly increased as the program expanded. Section 5055(c)(1) of title 38, contains appropriation authorizations of $4 million each year for Fiscal Years 1978 and 1979. The draft bill authorizes appropriation of $2.5 million for Fiscal Year 1980, and such things as may be necessary for each of the Fiscal Years, 1981 through 1983.

The pilot projects now being conducted under this authority often involve advanced medical and communications technology. Through the use of satellites, closed circuit television networks, videotape, and other modern means of communication, the expertise of the most sophisticated major medical centers may be brought to remote locations. These projects have helped attract and retain highly trained and qualified members of the medical profession at the participating hospitals.

To date, 51 separate projects have been funded by the VA through grants to medical schools, hospitals, and research centers, as well as by direct funding to VA hospitals. The funds appropriated for these projects have been fully expended and well invested in pilot programs which, once established, rapidly make contributions to improved patient care. All VA hospitals are involved in the exchange of medical information program, either as "core" hospitals from which information flows to outlying hospitals, or as recipients of information.

While there are affiliations between 103 of the nation's medical schools and various VA facilities, not all VA medical centers are affiliated. Those unaffiliated VA medical facilities located in remote areas are particularly in need of educational opportunities for the development of health care personnel. Through cooperative education programs in several communities, training opportunities are provided through formation of nonprofit corporations comprised of VA participants and community health care providers and educators. Six such programs are currently in operation. Each program is unique, evolving out of local needs and drawing on a wide range of local resources, including support by the concerned VA medical center. VA support may include grants through which the cooperative programs provide educational opportunities not otherwise available within the community. The VA benefits from such programs through the enhancement of both quality and quantity of health care personnel resources available to VA health care facilities. The programs also result in increased recognition of the VA as an integral part of the health care establishment at both local and national levels.

This portion of the draft bill would serve to clarify the VA's authority concerning such programs by specifically authorizing VA's full participation in such cooperative education programs. Under this proposal, participation by the VA would be limited to the geographic area surrounding VA medical centers remote from major academic health centers.

The costs of extending the exchange of medical information program would depend on the sums appropriated by the Congress for that purpose. We do not anticipate any increased cost to the VA if the cooperative health education program authority is enacted.

Advice has been received from the Office of Management and Budget that the enactment of the draft legislation would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.

SECTION-BY-SECTION ANALYSIS OF DRAFT BILL

Section 1 of the draft bill would amend section 5033(a) of title 38, United States Code, to extend the program of grants to States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care to eligible veterans, and would authorize an appropriation of $5 million for Fiscal Year 1980, and such sums as may be necessary annually for Fiscal Years 1981 through 1984. Such funds were authorized for Fiscal Years 1978 and 1979.

It would also delete section 5035(d)(2) of title 38 to eliminate the existing limitation that no one State may receive in any one fiscal year more than one-third of the aggregate amount appropriated in such fiscal year for carrying out the program. As currently phrased, this restriction has the effect of obstructing implementation of an effective program. In many instances, the limitation on VA assistance would limit the scope of a project to the extent that it would not be feasible or cost effective to undertake the project. The proposed amendment would allow for realistic construction planning not only for the fiscal year in question, but also for subsequent fiscal years.

Section 2 of the draft bill would amend section 5054(a) of title 38, United States Code, which authorizes agreements with medical schools, research centers, and individual members of the medical profession for the exchange of medical information. Under the amendments, the terms "contracts, cooperative agreements, and grants" would replace the term "agreement" both in the singular and in the plural as appropriate.

The purpose of the amendments to subsection (a) is to adopt the provision of Public Law 95-224 on standardizing the use of the terms contract, cooperative agreement, and grant throughout the Government.

The amendments to subsection (a) will result in an expansion of authority under that subsection because, previously, that provision authorized only "agreements."

In addition, section 2 of the bill would add a new subsection (c) to section 5054. This amendment would provide specific authority for the VA to enter into contracts, cooperative agreements with and to provide grants to public or private nonprofit institutions, organizations, corporations, or entities for cooperative health care personnel education programs within geographic areas of VA health care facilities located in areas remote from major academic medical centers.

Most, but not all VA health care facilities are affiliated with medical schools. Those unaffiliated VA medical facilities located in remote areas are particularly in need of educational opportunities for the development of health care personnel. Through cooperative education programs, training opportunities are provided through formation of nonprofit corporations comprised of VA health care facilities and community health care providers and educators. VA support of such a program may include grants through which the cooperative programs provide educational opportunities not otherwise available within the community.

This section of the draft bill would also amend section 5055(c)(1) of title 38, United States Code, to continue the pilot program of exchange of medical information begun by Public Law No. 89–785. Under this section of the draft bill, this program would be extended for four more years through Fiscal Year 1983 and would be funded by an authorized $2.5 million in Fiscal Year 1980, and such amounts of appropriations as the Congress may authorize as necessary to continue the program during the Fiscal Years 1981 through 1983.

The exchange of medical information program involves the use of satellites, closed circuit television networks, videotapes, and other modern means of communication so that the expertise of the most sophisticated major medical centers can be shared even with health care facilities located in remote areas. VA health care facilities act as either "core" facilities from which information flows to outlying health care facilities or as recipients of such information.

CHANGES IN EXISTING LAW MADE BY DRAFT BILL

Changes in existing law made by this bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * *

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

* * * * *

Chapter 81—Acquisition and Operation of Hospital and Domiciliary Facilities; Procurement and Supply

* * * * *

Subchapter III—State Home Facilities for Furnishing Domiciliary, Nursing Home, and Hospital Care

* * * * *

§ 5033. Authorization of appropriations

(a) There is hereby authorized to be appropriated [$15,000,000 for the fiscal year ending September 30, 1978, and a like sum for the succeeding fiscal year] *$5,000,000 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding fiscal year through the fiscal year ending September 30, 1984.* Sums appropriated pursuant to this section shall be used for making grants to States which have submitted, and have had approved by the Administrator, applications for carrying out the purposes and meeting the requirements of this subchapter.

* * * * *

§ 5035. Applications with respect to projects; payments

* * * * *

(d) [(1)]

* * * * *

[(2) No one State may receive in any fiscal year in the aggregate under this subchapter more than one-third of the amount appropriated for carrying out this subchapter in such fiscal year.]

* * * * *

Subchapter IV—Sharing of Medical Facilities, Equipment, and Information

* * * * *

§ 5054. Exchange of medical information.

(a) The Administrator is authorized to enter into contracts, cooperative agreements with, and to make grants to medical schools, hospitals, research centers, and individual members of the medical profession under which medical information and techniques will be freely exchanged and the medical information services of all parties to the contract, cooperative agreement or grant will be available for use by any party to the contract, cooperative agreement or grant, under conditions specified in the contract, cooperative agreement or grant. In carrying out the purposes of this section, the Administrator shall utilize recent developments in electronic equipment to provide a close educational, scientific, and professional link between Veterans' Administration hospitals and major medical centers. Such contracts, cooperative agreement or grants shall be utilized by the Administrator to the maximum extent practicable to create, at each Veterans' Administration hospital which is a part of any such contract, cooperative agreement or grant, an environment of academic medicine which will help such hospital attract and retain highly trained and qualified members of the medical profession.

* * * * *

(c) The Administrator is authorized to enter into contracts, cooperaitve agreements with and to make grants to public or private nonprofit institutions, organizations, corporations or entities in order to participate in cooperative health care personnel education programs within the geographical areas of Veterans' Administration health care facilities located in areas remote from major academic health centers.

* * * * *

§ 5055. Pilot programs; grants to medical schools

* * * * *

(c)(1) There is hereby authorized to be appropriated an amount not to exceed $3,500,000 for fiscal year 1976; $1,700,000 for the period beginning July 1, 1976, and ending September 30, 1976; $4,000,000 for fiscal year 1977; $4,000,000 for fiscal year 1978; and $4,000,000 for fiscal year 1979; $2,500,000 for fiscal year 1980 and such sums as may be necessary for fiscal years 1981 through 1983, for the purpose of developing and carrying out medical information programs under this section on a pilot program basis and for the grants authority in subsection (b) of this section. Pilot programs authorized by this subsection shall be carried out at Veterans' Administration hospitals in geographically dispersed areas of the United States.

* * * * * ●

By Mr. DURKIN:

S. 1040. A bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income; to the Committee on Finance.

● Mr. DURKIN. Mr. President, I rise to introduce a measure that will help the wage earners of this country withstand the ravages of inflation. This bill, the Savings Incentive Act of 1979, will allow taxpayers to exclude part of the interest they earn from savings during the tax year.

The bill has two provisions. Under the first part, all taxpayers below the age of 60 will be able to exclude $1,000 in interest earnings. Taxpayers filing joint returns would be able to exclude $2,000.

Second, because older Americans are usually the most dependent upon savings and the interest derived from fixed amounts of money, and because they are the most exposed to the impact of inflation, my bill allows them a significantly higher exclusion. Under this measure taxpayers who are over the age of 60 would be able to exclude $2,500 in interest. If they file a joint return, the limit would be $5,000.

Finally, in order to make sure that the major beneficiaries of this bill will be working Americans and not the rich, there is a provision which reduces the exclusion by one-half of the amount by which the interest amount exceeds $20,000 in adjusted gross income for single returns and $40,000 for joint returns. This provision would not apply to senior citizens.

It is no secret that persistent high inflation has made hash of the savings plans on which many Americans once relied. At a time when inflation is heading into the double-digit range, the maximum interest rates that most Americans can get are fixed far below this rate. Even worse, and even more illogically, all of even this pitifully small amount is treated as "profit" and subject to taxation at the full marginal tax rates.

There may have been a point to this practice in the days when inflation was negligible. Now it simply represents a perverse form of double taxation on the middle class American.

Mr. President, the obvious result of this continuing inequity is to cause millions of Americans to change their spending and savings habits. There is little reason to put any money in a savings account when the money will be worth less after it is withdrawn than when it is put in. It is no wonder that many have decided to spend now, rather than save for later. Under the circumstances, this may indeed be the most rational course for the small saver trapped by inflation.

And yet we should all recognize the disastrous consequences of this type of behavior. Not only will inflation be stimulated, but the savings accounts which fuel capital formation and economic growth in this country will be severely eroded. In the long run we will all suffer the consequences.

Mr. President, we must reverse this dangerous course.

No one, of course, would pretend that the comparatively modest relief measure I am introducing today will solve totally this fundamental problem. But it will help. And help is needed.

Proposals such as this may seem at first glance to be expensive. But it is essential to bear in mind that any measure that stimulates savings will lead to a direct increase in overall taxable savings. If people put more money into their savings accounts, obviously much or all of the revenue loss from this bill will be offset.

Second, there is, of course, a direct multiplier effect stemming from increased savings activity. This multiplier effect will not only stimulate the economy generally, but will eventually lead to increased tax collections at both the Federal and State levels.

I understand that there is a considerable split among the economists about the effects of such a change. But in fairness to the millions of small savers who are suffering from a cruel inflation tax, I believe the time for action is now.

Therefore, I urge my colleagues to support this measure.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

Sec. 124. Interest.

"(a) In General.—In the case of an individual, gross income does not include any amount received as interest or dividends on a time or demand deposit with—

"(1) a commercial or mutual savings bank the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the bank is located,

"(2) a savings and loan association, building and loan association, or similar association, the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the association is located, or

"(3) a credit union, the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or which are otherwise insured in accordance with the requirements of the law of the State in which the credit union is located.

"(b) Limitations.—

"(1) Interest limitations.—The amount of interest excluded under subsection (a) shall not exceed—

"(A) $2,500, in the case of a single individual or a married individual filing a separate return, who has attained age 60 before the close of the taxable year,

"(B) $5,000, in the case of a married individual filing a joint return where at least one of the individuals filing such return has attained age 60 before the close of the taxable year,

"(C) $1,000, for all other single individuals or married individuals filing separate returns, or

"(D) $2,000, for all other married individuals filing joint returns,

"(2) Adjusted gross income limitations.—

"(A) In the case of a taxpayer claiming an exclusion under subsections (b)(1)(A) or (b)(1)(B) of this section, no income limitation shall be applied.

"(B) If the adjusted gross income of the taxpayer for the taxable year exceeds—

"(i) $20,000 in the case of an individual claiming the exception under subsection (b)(1)(C) of this section, or

"(ii) $40,000 in the case of individuals claiming the exception under subsection (b)(1)(D) of this section,

the amount of interest which may be excluded under subsection (a) of this section shall be reduced by one-half of the excess of adjusted gross income of such individual or individuals over the amount applicable to such individual or individuals under this section.

"(c) Special Rules.—For purposes of this section—

"(1) Satisfaction of age requirements.—In the case of a husband and wife who make a joint return, the age requirement contained in subsection (a) shall, with respect to interest received from assets owned jointly, be treated as satisfied if either spouse has satisfied such requirement before the close of the taxable year.

"(2) Community property.—This section shall apply without regard to the community property laws of any State.

"(3) Determination of status.—For purposes of this section the determination of whether an individual is married shall be made in the manner prescribed by section 143.

"(d) Nonresident Alien Ineligible for Exclusion.—This section shall not apply to any nonresident alien."

"(e) Redesignation.—The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of interest received by individuals.

"Sec. 125. Cross references to other Acts."

"(f) Effective Date.—The amendments made by this Act shall apply to taxable years ending after the date of enactment of this Act." ●

By Mr. CRANSTON (by request):

S. 1041. A bill to eliminate a discharge from an armed force under conditions other than honorable on the basis of a continuous absence without authority for 180 days or more as a bar to receipt of benefits under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 1041, a bill to eliminate a discharge from an armed force under conditions other than honorable on the basis of a continuous absence without authority for one hundred and eighty days or more as a bar to receipt of benefits under laws administered by the Veterans' Administration. I ask unanimous consent that the letter of transmittal and the text of the bill be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 1041

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 3103 of title 38, United States Code, is amended by deleting, immediately following the word "deserter," the words "or on the basis of an absence without authority from active duty for a continuous period of at least one hundred and eighty days if such person was discharged under conditions other than honorable unless such person demonstrates to the satisfaction of the Administrator that there are compelling circumstances to warrant such prolonged unauthorized absence,".

Sec. 2. This amendment shall take effect on the day of enactment.

Veterans Administration,
Washington, D.C., April 12, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a bill, amending subsection (a) of section 3103 of title 38, United States Code, "To eliminate a discharge from an armed force under conditions other than honorable on the basis of a continuous absence without authority for one hundred and eighty days or more as a bar to receipt of benefits under laws administered by the Veterans Administration." It is requested that the draft bill be introduced and considered for enactment.

Public Law 95–126 amended subsection 3103(a), title 38, United States Code, to provide that a discharge under other than honorable conditions based on an absence without authority for a continuous period of 180 days or more constitutes a bar to veterans' benefits in the absence of demonstrating to the satisfaction of the Administrator of Veterans Affairs that there are compelling circumstances to warrant such prolonged absence.

The President, on signing Public Law 95–126 on October 8, 1977, noted that the Act contains some provisions which he viewed as troubling, particularly the 180-day provision, and which he would attempt to alleviate by further legislation.

After the enactment of Public Law 95–126, instructions for the implementation of this provision stressed the compassionate consideration to be employed in the determination of compelling circumstances surrounding the prolonged absence. The instructions required that particular attention be given to the following factors:

a. The length and character of service, exclusive of the period of prolonged absence without official leave (AWOL);

b. The reason that the individual was AWOL, evaluated in terms of the claimant's age, cultural background and education;

c. Whether compelling circumstances existed as a matter of law;

d. The stress of the rigors of overseas service; and

e. The effect of combat service, combat wounds or other disability.

Following completion of the Presidential review memorandum on the status of Vietnam-era veterans, the President, on October 10, 1978, announced through a message to Congress that:

"Ninety-seven percent of all Vietnam-era Veterans received discharges under honorable conditions after completing service. It is only fair that those few individuals with discharges under other than honorable conditions be presented with the fullest possible justification for the action taken against them. Because of the serious harm such a discharge can do to a Veteran seeking a responsible place in society, the government must assure that discharge review is readily available to insure fair and humane treatment.

"In this connection the Administration will:

"Grant assistance to Veterans seeking discharge review. The Department of Defense has agreed to provide indices of discharge review/correction board cases to selective regional offices of the VA.

"Submit legislation to modify the provisions of PL 95–196 [sic, 95–126] which automatically barred VA benefits for combat Veterans discharged because of unauthorized absences of 180 days or more."

Consideration of the President's concern regarding the 180-day provision brings into question the necessity and advisability of including within 38 U.S.C. § 3103(a) a bar to VA benefits based upon prolonged unauthorized absence when the bars for desertion, as well as by reason of the sentence of a general court-martial, adequately cover essentially the same situation. We specifically believe that the Department of Defense discharge review boards, operating under the "published uniform standards" mandated by Public Law 95–126 [38 U.S.C. § 3103(e)], are far better equipped to evaluate the circumstances, "compelling" or otherwise, of prolonged unauthorized absence than the Veterans Administration acting under the 180-day provision.

Additional cost resulting from enactment of this measure is virtually impossible to estimate but is not anticipated to be significant, i.e., less than $1 per year.

Advice has been received from the Office of Management and Budget that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely,

MAX CLELAND, *Administrator*.●

By Mr. DURKIN:

S. 1042. A bill to stimulate the conversion to widespread use of fuel-efficient gasohol mixes by providing a financial incentive to States and localities which convert all or part of their automotive fleets to such mixes; to the Committee on Finance.

● Mr. DURKIN. Mr. President, today I am introducing a bill designed to increase dramatically the use of alcohol-based fuels in this country. The bill I introduce will provide sufficient incentives to State and local governments to convert their motor vehicle fleets to gasohol and show the American consumer that gasohol is every bit as good as gasoline.

Gasohol, as it is popularly known, is a motor vehicle fuel mixture consisting of 90 percent gasoline and 10 percent alcohol. Although it is gaining daily in popularity, the use of gasohol to preserve precious supplies of petroleum is still limited, and for that reason the Congress must seek ways to encourage its use.

I need tell no one in this Chamber that our insatiable appetite for imported oil is pushing this Nation toward the brink of financial chaos. In this year alone, the United States will likely pay some $50 billion for imported oil, a staggering transfer of money that accounts in large part for widespread inflation and our growing balance of payments deficit.

There is no easy way to lessen our dependence on foreign oil supplies. We must seek solutions in a variety of measures, and the widespread use of gasohol is certainly one of the most promising among them.

Blending alcohol with gasoline not only enables this Nation to save vast amounts of oil, but will also stimulate development of a new fuel industry. Alcohol, as my colleagues know, can be distilled from many materials that today go to waste.

With readily available technology, waste products like garbage and undersized trees can be transformed into alcohol and give us a virtually limitless supply of fuel.

The purpose of the bill that I offer today is to prove to the American people that gasohol is as good a fuel for their automobiles as gasoline. This bill authorizes a subsidy to all State and local governments that convert their fleets to gasohol. The subsidy—to be paid through existing revenue sharing programs—will amount to 10 percent of that fleet's gasoline purchases and will be sufficient incentive to make the minor adjustments needed to burn gasohol instead of gasoline. Because this money will be paid from the Federal revenue-sharing program, there will be no need for hiring large numbers of Federal bureaucrats.

Once a sizeable number of cars begins to use gasohol, I am confident that the fuel will win widespread acceptance among the driving public. Demand for the alcohol fuel will increase and this Nation can look forward to lessening its dependence on foreign oil imports. I believe this bill is an investment in the future of this country, promoting energy independence and saving us money in the long run.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Public Vehicle Gasohol Incentive Act of 1979".

AMENDMENT TO REVENUE SHARING

SEC. 2. The State and Local Fiscal Assistance Act of 1972 is amended by adding at the end thereof the following:

"SUBTITLE D—ENERGY EFFICIENCY INCENTIVES

"SEC. 151. (a) The Secretary shall establish a program of incentive grants to States for converting State and local government-owned motor vehicles to the use of gasohol.

"(b) The Secretary shall for each State—

"(1) determine the number of State and local government-owned motor vehicles (including school boards, regional entities or other governmental units) capable of operating with gasohol that are being operated as of January 1 of each year;

"(2) determine the annual gasoline usage of the vehicles described in paragraph (1);

"(3) determine the average retail price of unleaded gasoline as of January 1 of each year;

"(4) establish a separate fund or account as a reserve against payments, which shall be paid from general revenues, and shall total an amount which is equal to 10 percent of the sum of the average gasoline usage of the above vehicles multiplied by the average retail price of unleaded gasoline;

"(5) allocate funds to each State which meets the requirements of subsection (b) and locality as additions to payments under this Act; and

"(6) develop and implement procedures for audit of funds transferred under this section.

"(c) To be eligible for incentive payments under this section, a State shall certify to the Secretary the number of such State-owned or local government-owned vehicles which have been converted to the use of gasohol fuels during the preceding qarter. For the purposes of this subsection conversion means the use of not less than 50 percent gasohol fuel per vehicle.

"(d) The Secretary shall compute the entitlement for each State by multiplying the percentage of total National usage each State's vehicles comprise by the actual percentage of conversions to gasohol use within the State, as certified by the State under subsection (c).

"(e) As used in this act, the term gasohol means any fuel consisting of a mixture of gasoline and at least 10 percent alcohol. Alcohol means methanol. ethanol or any other alcohol which is produced from renewable resources and which is suitable for use by itself or in combination with other fuels as a motor fuel.

"(f) There are authorized to be appropriated to carry out the purpose of the Act $125,000,000 for this fiscal year ending September 30, 1980.

"REPORT

"SEC. 152. The Secretary shall report to the Congress 2 years after the enactment date on the effectiveness of this subtitle in stimulating the use of gasohol among State and local government-owned vehicles." ●

By Mr. MOYNIHAN:

S. 1046. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fund to be used for the reclamation of hazardous waste sites and for the compensation of persons injured by hazardous waste, to provide a Federal cause of action for damages caused by hazardous waste, and for other purposes; to the Committee on Environment and Public Works.

HAZARDOUS WASTE DISPOSAL AND RECLAMATION ACT

● Mr. MOYNIHAN. Mr. President, my State, the State of New York, has in the past year been wracked by a discovery that has brought anguish to many of our citizens and has stirred fear and concern throughout the Nation: the discovery of a poisonous cornucopia of chemical wastes beneath the well-tended houses that had been built by an abandoned canal in Niagara County, N.Y. It is possible that the shock of Love Canal will prove to be a decisive event, an event that will shape the next round of our efforts toward a healthful environment the way the Santa Barbara oil spill shaped the great environmentalist surge of the past decade.

That, at least, would be my hope, and the hope of my energetic and thoughtful colleague in the House of Representatives, Congressman JOHN LAFALCE. Together we are introducing in both the House and the Senate a bill that will give us the means to begin to contend with a long and gravely neglected problem: that of cleaning up the tens of thousands of hazardous and toxic waste sites that dot our land—especially our industrial regions, of helping those who have been done some injury by these wastes, and of preventing any further careless disposal of these substances.

In this bill, to be called the Hazardous Waste Disposal and Reclamation Act, we propose:

To establish a procedure for the selection and regulation of sites for the future disposal of hazardous wastes.

To create a means for emergency financial assistance for cleaning up hazardous wastes which threaten the public health.

To enable the Federal Government to bring legal action against those who have irresponsibly disposed of such wastes, both to force them to contribute to the clean-up costs and to compensate those who have been done some injury.

To establish a "superfund", not financed principally by tax dollars, to finance these programs. The sources of this "superfund will include: fees paid by the owners and operators of oil refineries, fees paid by the producers of natural gas, fees paid by private organizations which store or dispose of hazardous wastes and a contribution from the States to help defray the costs of each State's hazardous waste program, equal to the 5 percent that State's program costs.

Mr. President, it is gratifying both to me and to my cosponsor that our very first efforts on behalf of this bill have brought a strong response from others. Congressman LAFALCE announced our joint bill in a press release on Friday, April 27, and the Washington Post of Monday, April 30 carried a front page story giving advance notice of a speech by the Deputy Administrator of the Federal Environmental Protection Agency, Barbara Blum, in Denver in which she was to announce that the EPA is itself preparing legislation similar to this. We welcome the entry of EPA into this matter. We are not asserting that the bill we have introduced embodies the only sound solution for meeting the problems that it addresses, nor that it spells out the solution to those problems in full and exact detail. It is simply our intention to arouse the widest and most serious discussion of this matter, to draw out whatever alternative proposals there may be, and to bring the deliberations of the Congress and the administration to an early resolution. Whatever the remedy the Congress and the EPA find to be the most equitable and most effective, we want to see it go into operation immediately.

Mr. President, it is my further hope that the consideration of this legislation may open a new and promising period in the environmentalist movement. For some time we have concentrated our efforts on what is called "environmental protection," and have given too little attention to the direct protection of human beings, to matters with demonstrable effects on the public health. How is it that we have gone to such lengths to protect the air, the water, the fish, the wildlife and sometimes even the view, while overlooking such apparent dangers as these half-buried poisons? I believe that this contradiction has deep roots, historic and cultural roots, and that some examination of these roots can be immensely helpful to us as we grapple with the most urgent questions of environmental policy that we will face in the decade to come. I hope to speak in the Senate on this subject tomorrow, if the body will so indulge me.●

ADDITIONAL COSPONSORS

S. 43

At the request of Mr. HATCH, the Senator from Indiana (Mr. LUGAR) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 219

At the request of Mr. MOYNIHAN, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 223

At the request of Mr. DANFORTH, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 223, a bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes.

S. 226

At the request of Mr. MORGAN, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 226, a bill to provide for military registration and mobilization assessment, and for other purposes.

S. 246

At the request of Mr. BENTSEN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 336

At the request of Mr. MATHIAS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as unmarried individuals.

S. 445

At the request of Mr. PERCY, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 445, a bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest.

S. 446

At the request of Mr. WILLIAMS, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 463

At the request of Mr. CHURCH, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 463, a bill to provide for a stable supply of price for the domestic sweetener industry and consumers.

S. 655

At the request of Mr. WEICKER, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 655, the Small Business Investment Incentive Act.

S. 871

At the request of Mr. DOMENICI, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 871, a bill to amend the Public Buildings Act to require that parking fees be charged at all parking lots and facilities owned or operated by the United States.

S. 917

At the request of Mr. MAGNUSON, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 917, a bill to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

S. 970

At the request of Mr. FORD, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of S. 970, a bill to amend the Tennessee Valley Authority Act of 1933 in order to increase the number of members of the board of directors of such authority to five and set certain residence requirements.

SENATE JOINT RESOLUTION 30

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of Senate Joint Resolution 30, calling on the President to declare the month of June as "National First Aid Month."

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. MAGNUSON, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Concurrent Resolution 14, calling for a moratorium of indefinite duration on the commercial killing of whales.

AMENDMENTS SUBMITTED FOR PRINTING

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979—S. 413

AMENDMENT NO. 181

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to S. 413, a bill to provide assistance to airport operators to prepare and carry out noise compatability programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes.

● Mr. MATHIAS. Mr. President, this amendment which I will propose to S. 413, the Aviation safety and Noise Abatement Act of 1979, simply requires the Federal Aviation Administration, as the owner/operator of two major airports in the Washington region, to implement its own published noise abatement policy at its own two airports.

Last week I introduced S. 1013, a bill to accomplish this same purpose. The justification for requiring the FAA to take the lead in implementing noise abatement at National and Dulles airports is more fully explained in the CONGRESSIONAL RECORD of April 25, 1979, pp. 8659–8663, in my introductory remarks.●

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979—S. 429

AMENDMENT NO. 182

(Ordered to be printed and to lie on the table.)

Mr. RIEGLE (for himself, Mr. CRANSTON, Mr. EXON, Mr. LEVIN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PRESSLER, and Mr. TSONGAS) submitted an amendment intended to be proposed by them, jointly, to S. 429, a bill to authorize appropriations for fiscal year 1979 for procurement of weapons, and for other purposes.

● Mr. RIEGLE. Mr. President, I intend to offer an amendment to S. 429, the Department of Defense Supplemental Appropriation Authorization Act of 1979. My amendment would reduce the authorization for ship procurement by $628 million, the amount proposed by the Armed Services Committee for procurement of two Iranian ships—DDG-995 and DDG-996.

Mr. President, I am convinced that the Iranian *Spruance*-class hulls offer this Nation a rare opportunity. If we take advantage of that opportunity, the U.S. Navy can get the type of ships it has requested in its 5-year plan—and get them faster and at less cost than was recently thought possible.

This could be one of the few pieces of good news that American taxpayers have heard out of the Middle East in recent decades.

However, fiscal year 1979 supplemental funds in the amount proposed by the Armed Services Committee are not needed to take advantage of that opportunity. Funds for some of the needed ships are already available elsewhere in the budgets for fiscal year 1980 and prior years.

The fact is, four Iranian ships are not down in Pascagoula. There are sections of fabricated metal, electronic gear, and parts of weapons systems. Many components are already on hand, some have yet to be delivered.

In other words, what is available is not four ships but pieces of four ships. Some of those pieces are not now needed by the United States, and American taxpayers should not have to pay for them. They include extra-heavy air conditioning, sand and dust filters, Persian typewriters, and other items peculiar to the Shah's order. The cost of storing unneeded components should be borne by the Iranian Trust Fund until the U.S. Navy or another buyer has some use for them.

Other components could be used to provide ships that the Navy is planning to build. The question is: Should these partially assembled ships be completed essentially along the lines desired by the Shah, or should they be completed along lines that are consistent with the U.S. Navy's 5-year plan?

Defense analysts have convinced me that there are several responsible alternatives. I believe there still is a question whether any supplemental appropriations are needed for these ships. However, there is no question that two of the Iranian hulls—DDG-995 and DDG-996—could be completed with funds that are already available or have been included in the President's budget and the Senate-passed first budget resolution.

First, let us consider the hull that is designated DDG-996. This hull is the last of the four to be started. Fabrication began last September and the keel is scheduled to be laid this coming July. Labor progress was only 9 percent completed as of March 26.

Navy Secretary Claytor has testified before the Senate Armed Services Committee that this ship could be completed as 1 of 10 advanced AEGIS ships that are scheduled to join the fleet over the next 5 years. My staff and I have checked with several Navy experts and they know of no reason why the Iranian hull DDG-996 could not be equipped with the AEGIS air defense system.

The fiscal year 1980 budget request of the President includes $825 million in budget authority for a second AEGIS ship to be built on a *Spruance*-class hull. The Senate-passed first budget resolution could accommodate those funds. By making use of work completed to date on DDG-996, the U.S. Navy could have that second AEGIS ship faster than otherwise could be possible. I am also told by CBO that, by taking advantage of the Iranian order, the total cost for the AEGIS ship would be $100 million less than the $825 million anticipated in the budget.

Another hull is DDG-995. Fabrication was started on that last August. The keel was laid this past February. Labor progress was about 12 percent along on March 26.

Except for a number of items ordered by the Shah, this ship is the same as the DDH-997 for which $310 million was appropriated in fiscal year 1978. That DDH-997 is to be built on a *Spruance*-class hull. It is to be built in the same shipyard in Pascagoula. DDH-997 would be equipped primarily for antisubmarine warfare, but it is essentially the same as the Iranian DDG-995. Long lead-time items have been ordered for DDH-997, using up about $60 million of the appropriation. But $250 million remains available to take over the Iranian hull and complete it according to a design included in the Navy's 5-year plan. The Navy could reprogram about $65 million from the savings that could be realized by using an Iranian hull for the AEGIS ship included in the fiscal year 1980 budget.

Mr. President, I believe this is a reasonable approach that is sensitive both to the needs of the Navy and the needs of American taxpayers. I am pleased to be joined in sponsoring this amendment by a number of my distinguished colleagues.●

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Governmental Affairs Committee will hold an oversight hearing regarding implementation of Reorganization Plan No. 2 of 1978 and the Civil Service Reform Act of 1978 and specifically considering the work of the Merit Systems Protection Board including the Office of the Special Counsel on May 8 at 10 a.m. in room 4230 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY

● Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia will hold a hearing May 3—9 a.m.. in room S-146, Capitol—on reform of the pension systems for District police officers, firefighters, teachers, and judges.●

SELECT COMMITTEE ON SMALL BUSINESS—IMPACT OF DOT'S PROPOSED ELIMINATION OF AMTRAK'S "MONTREALER" SERVICE ON SMALL BUSINESS IN NEW ENGLAND

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business has scheduled a hearing to evaluate the impact of the Department of Transportation's proposed elimination of Amtrak's "Montrealer" service on small businesses located in New England.

The hearing will begin at 10 a.m. on Friday, May 11, 1979, at the Sheraton Hotel, 870 Williston Road, South Burlington, Vt. Further information can be obtained from the committee's offices, room 424, Russell Senate Office Building, Washington, D.C. 20510, telephone (202) 224-8497.●

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. ROBERT C. BYRD. Mr. President, I wish to announce that the Subcommittee on International Finance will hold a hearing at 10 a.m. on Thursday, May 3, on S. 976, a bill to authorize appropriations of the international functions of the Department of the Treasury. The hearing will also be the occasion for the exercise by the subcommittee of its oversight responsibilities with respect to the international monetary system.

The subcommittee will receive testimony on the following subjects: Exchange rate policy, IMF surveillance, the "substitution account" proposal, the international reserve role of the dollar, the role of gold and special drawing rights, and the Eurocurrency markets. Under Secretary of the Treasury for Witnesses will be: Anthony M. Solomon, Monetary Affairs; Dr. James Burtle, economist, W. R. Grace & Co.; and Prof. E. Ray Canterbery, Florida State University.

The hearing will take place in room 5302 of the Dirksen Senate Office Building. Persons wishing additional information may contact Robert W. Russell, counsel to the subcommittee, at (202) 224-0819.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON COMMUNICATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science and Transportation be authorized to meet during the sessions of the Senate today, April 30, and Tuesday, May 1, 1979, in order to hold hearings on S. 611 and S. 622, the Communication Act Amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2:30 p.m. for a hearing on supplemental economic and military assistance requests for Turkey.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERMANENT INVESTIGATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Permanent Investigations Subcommittee of the Committee on Governmental Affairs be authorized to meet during the sessions of the Senate on Tuesday, May 1, 1979; Wednesday, May 2, 1979; and Thursday, May 3, 1979 to hold hearings on alledged improper practices in the Bureau of Engraving and Printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the stand-by gasoline rationing plan and its effect on rural developments.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Nuclear Regulation Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on the Three Mile Island accident.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the Regional and Community Development Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 2:30 p.m. to hold a markup session on the Regional Development Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for the Subcommittee on International Finance to meet on Thursday afternoon, May 3, beginning at 2:30 p.m., for the purpose of receiving testimony from administration witnesses on export control legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The witnesses will be: Frank Weil, Assistant Secretary of Commerce for Industry and Trade, and John F. O'Leary, Deputy Secretary, Department of Energy. The hearing will focus on the use of export controls for short supply purposes and with respect to Alaskan oil. Testimony will also be received on two pending bills: S. 737, the Export Administration Act of 1979, sponsored by Senator HEINZ and myself, and S. 977, an administration bill.

The hearing will be held in room 5302 of the Dirksen Senate Office Building.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, May 1, beginning at 3 p.m., to consider H.R. 1786, the NASA authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate Select Committee on Small Business be authorized to meet during the session of the Senate on Monday, May 7, to hold a hearing on the small business timber set aside program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 1, 1979, beginning at 2:30 p.m. to hold a markup session on S. 588, the International Development Assistance Act of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENT

THE STATE DEPARTMENT AND RHODESIA

● Mr. HELMS. Mr. President, I call the attention of the Senate to a particularly perceptive article by columnist William Safire which appeared today in the New York Times concerning last week's elections in Zimbabwe-Rhodesia.

To say the least, the cool reaction of the State Department to these elections has been remarkable.

The State Department asked for fair and free elections in Zimbabwe in which the majority of the nation's voters could express their views as to the future leadership of the country.

These elections have now taken place, under the close scrutiny of hundreds of international observers, parliamentarians, and representatives of the press.

Whatever rationale that may have previously existed for imposing economic sanctions on Zimbabwe-Rhodesia have now vanished, or been totally discredited.

Yet, it would appear that some key individuals in this administration would rather see Soviet-backed and armed men of violence, including deeply committed Marxists, leading Zimbabwe, rather than a Methodist bishop of gentle persuasion, who favors democracy and pluralism, and who was chosen by the majority of the people of his nation in fair and free elections.

The Senator from North Carolina finds it particularly difficult to understand how Mr. Carter, himself a Christian, can turn his back on a man such as Bishop Muzorewa, or to profess aloof evenhandedness.

The choice is clear: On one hand, we have a Marxist terrorist supported by Communist guns and money who calls for one party rule. On the other hand, we have a Methodist bishop elected by the majority of the country's voters.

If we have any decent values—and if we have not become totally muddleheaded—we should stand firmly behind the bishop, and help him revitalize his economy by lifting sanctions and mop up the remnants of Soviet-backed terrorists who prefer the verdict of bullets to that of ballots.

Mr. President, I ask that Mr. Safire's column be printed in the RECORD.

The column follows:

AFRICA SPEAKS

(By William Safire)

WASHINGTON.—Two United States Senators of widely differing views—conservative Sam Hayakawa of California and liberal George McGovern of South Dakota—proposed last month that Congress send a team of bipartisan, impartial observers to monitor elections in Rhodesia.

That sounded eminently fair to most Americans, but not to the Andrew Young-Richard Moose wing of the State Department, which wanted to discredit the Rhodesian elections. Therefore, the Young-Moose cat's-paw in the House of Representatives—Democrat Stephen Solarz Brooklyn, who heads the Foreign Affairs Subcommittee on Africa—led his group to a unanimous rejection of the Senate plan to verify the honesty of the Rhodesian elections.

Representative Solarz gave as his reason for opposing a U.S. delegation to inspect the election, his contention that "it would be interpreted as an endorsement" of the election. His argument carried, and the Senate could not go without the House; the Young-Moose brigade thus scored a victory over on-the-spot observation.

Imagine everyone's surprise, then, when young Stephen Solarz showed up in Salisbury, Rhodesia, the week before election, holding a press conference and actively pressing the Young-Moose line. He slipped out of the country just before the balloting, but that did not stop him from passing along rumors that blacks had been herded to the polls at gun point. His reports are pure Young-Moose propaganda: no wonder the young Congressman would not permit impartial American observers on the scene.

But even Mr. Solarz must have a hard time blinking away the facts: Under active threat of guerrilla attack, 64 percent of the eligible voters went to the polls, most for their first time, to choose a black-majority government that preserves the rights of the white minority. It is a model for those "front-line" African states who talk about democracy but do not permit opposition.

Not good enough, insists the Young-Moose crowd. Whites, with only 4 percent of the population, preserve nearly 30 percent of the power in the legislature. The one-man, one-vote zealots forget that in the American Revolution, the idea of a Senate was introduced to make certain that population was not all in a democracy.

However, the Young-Moose set is adamant: Forget the election. Only a solution imposed from the outside, which places in power the Soviet-supported Nkomo forces and the Chinese-backed Mugabe forces, can be tolerated. Until then—sanctions forever.

That is the height of imperialistic arrogance. There is Richard Moose, Senator Fulbright's man, fresh from a decade of outrage expressed against the United States in Southeast Asia—now, the new Cecil Rhodes of Africa, ignoring local elections and manipulating Congressmen to carry out his vision of the wave of the future.

There is Andrew Young, who assured us that the Cubans would be a "stabilizing force" in Africa, and who now sees Iran's Khomeini as "some kind of saint"; he dictates Africa policy to a President who cannot afford to lose his support. Andy Young well remembers the "walkin'-around money" passed out in the 1976 Carter campaigns;

if similar payoffs to local black leaders took place in Rhodesia, that election would be denounced around the world as corrupt.

And there is Steve Solarz, 38 completely taken in by the Young-Moose crowd, fussed over by the State Department bigwigs, made to feel important to the point of not only blocking the impartial inspection team but to stretching propriety with his own international meddling. "America's primary interest is not who wins" he says, "but how the war can be brought to an end."

If he believes that, he is more dangerous than naive; for "who wins" determines who will live. If the process of democracy is overthrown at America's demand, the Nkomo and Mugabe forces will take over, drive out the whites, punish the blacks, and engage in a bloody civil war until the Soviets triumph again.

The Solarz election-be-damned arrogance could have a serious effect on Israel's security, too. If the Carter Administration can tell Zimbabwe-Rhodesia that it *must* negotiate with its terrorist attackers, cannot that same Administration one day be expected to tell Israel it *must* negotiate with the P.L.O.?

That is no outlandish parallel. Though Representative Solarz dutifully evokes his Brooklyn District in support of Israel, his all-out, topple-the-regime advocacy of the Young-Moose African ideology is turning attitudes against Israel among some conservatives in Congress.

Last weeks' free elections deserve a positive response and a change of policy. Mr. Carter need not wait for Margaret Thatcher in England to take the lead: It would not hurt for the United States, for a change, to be the leader.

Sanctions should be lifted and warm encouragement extended to Zimbabwe-Rhodesia, the nation that achieved black majority constitutionally. If its experiment in race relations succeeds, hope can grow for human rights and peaceful progress in South Africa.●

CHARLES WHALEN ON THE DEVELOPMENT PROCESS

● Mr. McGOVERN. Mr. President, world hunger remains one of the most intractable problems facing mankind. Solutions to the food crisis are linked to the development of social and political institutions in the developing countries which can develop strategies for self-reliance. The citizen-based organization New Directions, headed by former Congressman Charles Whalen, my colleague on the U.S. delegation to the U.N. Special Session on Disarmament last fall, has suggested several interesting proposals for highlighting our commitment to self-reliance strategies. These proposals deserve consideration prior to Senate approval of the foreign aid legislation for fiscal year 1980. Therefore, I submit for the Record the testimony of former Representative Whalen and a recent article from the Christian Science Monitor describing one of these proposals, a Food Corps.

The text follows:

Testimony by Charles W. Whalen, Jr.

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you today in my new capacity as President of New Directions, a citizens' lobby working toward world security. As many of you know, I recently retired after 12 years as a Member of the House of Representatives. I encountered many of you from time to time across the conference committee table. I want to assure you, however, that those days are past and I come before you today in a spirit of amity and cooperation.

New Directions is convinced that the key to Third World development is self-reliance—nations developing themselves. The global power of the Western economies, colonialism, and long-standing aid relationships have created a condition of dependency among many poor nations that obstruct their economic progress. They must begin to stand on their own.

I am not proposing that we leave them entirely to their own devices. Given the fact of interdependence, we could not, even if we wished to do so. I am proposing that we encourage the developing nations to devise innovative solutions to their own particular problems.

This is particularly true in the area of food. A large and growing number of developing nations that were once able to feed themselves are now heavily dependent on food imports, especially from the United States. The value of our agricultural exports has grown from $2.3 billion in 1955 to an estimated $29 billion this year. We now account for most of the world's trade in coarse grains and soybeans. Production from one-third of our farm acreage is exported.

The foreign demand for our agricultural produce has helped to drive us to full production levels. The Soil and Conservation Service of the Department of Agriculture has warned that our farmland may be in danger of serious environmental damage because of overfarming and cultivation of marginal land. Meanwhile, the annual food deficit of the less developed countries is expected to jump from 36 million metric tons last year to as much as 153 million metric tons in 1990. The United States is reaching the point where we cannot sharply expand agricultural production without serious environmental degradation (and domestic food price inflation). The answer, therefore, to the growing food needs of the developing world is in the developing world—citizens in these countries must learn to feed themselves.

One of the most promising new initiatives designed to spur agricultural productivity among developing nations is the concept of a largely indigenous food corps. Ambassador Andrew Young advanced this proposal in his McDougall Lecture at the FAO Conference in Rome in November, 1977. As he explained it:

"The idea would be to integrate the best of the volunteer service concept with the best ideas for promoting efficient, low-cost agricultural productivity and technical cooperation among developing countries. . . . Volunteers would be expected to put their hand to the plow, the pump, the wheel. However, their main charge is stimulating villagers to greater production and self-sufficiency to be part of a self-perpetuating chain of practical agricultural education."

Ambassador Young's speech elicited an enthusiastic response from many FAO delegations. At the December, 1978 meeting of the FAO Council, 25 member governments of every ideological stripe and from every region of the world expressed their support for the concept. Many of them also stressed that they saw no need for any new international machinery to run the programs. The initiative should come from the developing countries themselves.

Planning for such largely indigenous food corps is already underway in the Sahel countries and in Tanzania. The Sahel countries, under the auspices of the Inter-State Committee to Combat the Sahel Drought (CILSS), will probably be ready to implement their Food Corps by this summer in four countries. Their plan stresses that "the Food Corps in the Sahel will be under the direction of the Executive Secretariat of CILSS which will assume the entire responsibility. . . . In each country at least half of the volunteers will be recruited from the country itself . . ." Tanzania will probably have its Food Corps in operation by the end of the year.

AID has already contributed a small amount of seed money for early planning of the Sahel Food Corps. Additional funding has been provided by the Rockefeller Foundation and may be forthcoming from the International Fund for Agricultural Development, the Government of the Netherlands, and other donors. However, the lack of financial resources for Food Corps programs in very poor countries is a matter of increasing concern. The United States is in an excellent position to support this valuable concept at a critical juncture in its development.

Therefore, I would like to propose for your consideration an amendment to be placed at the end of the development assistance title in the International Development Assistance Authorization bill for FY 1980 to be entitled "Indigenous Food Corps Programs". It could read as follows:

"Of the funds authorized to be appropriated under this title for the fiscal year 1980, not to exceed $3,000,000 shall be available for contributions to national, regional, and international food corps programs devised and administered by countries or regional entities which are recipients of assistance under this title."

Such an amendment would not require additional funds. It would not compel the Administration to spend more on these projects than they are already spending. It would not tell AID which account it would have to use for such funding. It would merely encourage AID to assist these innovative programs if they are convinced that the programs are effective and in need of funding.

Even if dramatic progress is made in food production by developing countries, however, their dependence on external food aid will not end overnight. Maurice J. Williams, the Executive Director of the World Food Council recently stated that "developing nations need to be able to rely on external food aid until their own investment programs can more adequately provide for the food needs of their people." The recent report of USDA's Special Task Force on P.L. 480 concluded that "bilateral and multilateral arrangements which provide food aid on a countercyclical basis and stabilize international prices as well as domestic programs are needed to increase food security in developing countries."

The concern for long-term food security in the developing nations has largely and appropriately focused on the establishment of adequate international grain reserves in recent years. However, with the collapse of the International Wheat Agreement negotiations, attention has rightly shifted to alternatives, including more disciplined food security mechanisms.

A great deal of research already has been conducted on this issue by analysts at the World Bank, the International Food Policy Research Institute, and many other institutions. Most of the so-called "food insurance" programs involve guarantees to developing nations that unusual shortfalls in production or increases in food import bills would be partially cushioned by food or aid from donor nations. The food security this would provide would enable developing nations to take the political and economic risks necessary to make significant investments in transportation, storage facilities, and rural development—necessary investments if food-deficit countries are to begin feeding themselves.

The report of the President's World Hunger Working Group last spring recommended that "the proposed Food Import Bill Insurance and other schemes combining buffer stocks of grain and financial insurance to deal with crop shortfalls should be carefully studied and a report prepared for the President and Congress." I would like to propose for your consideration an amendment which would set that process in motion. It would express Congressional interest in the issue of food security and the proposed food insurance mechanisms, and call for a report by the Administration on the relative merits of such mechanisms. It could read as follows:

"FOOD SECURITY MECHANISMS

"SEC. . The Congress finds that extreme fluctuations in the international price and supply level of grains cause serious economic instability in the developing nations, contribute to hunger and malnutrition, inhibit responsible resource planning, and aggravate the global problem of inflation. The Congress notes with interest the efforts of the Administration, the United Nations Food and Agriculture Organization, the United Nations World Food Council, the International Wheat Council, and specialized research institutions to address this problem through grain reserves and similar mechanisms. The Congress also notes with interest recent proposals to establish more disciplined food security schemes through international guarantees which would offset the effects of unusual agricultural production shortfalls or excessive food import bills in the developing nations. In order to assist the Congress in assessing the merits of these proposals for assuring long-term food security in the developing nations, the President shall submit to the Congress, not later than February 1, 1980, a report weighing the relative merits of proposals for improved mechanisms of international food security."

As Ambassador Young noted, the food corps concept discussed earlier is an example of technical cooperation among developing countries. Last summer, the United Nations sponsored a World Conference on Tactical Cooperation among Developing Countries in Argentina. The summary report of that conference submitted by the American delegation noted that "an air of purposeful concentration on the substantive work at hand, and an absence of political rhetoric and divisive national agendas, pervaded the entire conference."

The conference was successfully concluded when 138 nations unanimously adopted, without reservations, a Plan of Action with 38 recommendations. Most of these recommendations were directed at the developing countries. However, some call for efforts by industrializezd nations to facilitate technical cooperation among developing countries (or TCDC, as it is commonly called).

The proposals of U.S. Ambassador John MacDonald for a "trilateral approach," whereby the U.S. Government could facilitate cooperative arrangements between groups of developing countries and American public and private institutions was well received. Ambassador MacDonald has since outlined to the Development Coordinating Committee several steps which the U.S. could take to promote TCDC.

However, the interest of the Administration in this issue leaves much to be desired. There is a great danger that it will be ignored as new issues and conferences crowd the agenda. A strong expression of Congressional interest in, and support for, TCDC could be of great value in keeping alive this promising approach to greater self-reliance in the developing world. I would like to suggest an amendment to the development assistance bill, which could read as follows:

"TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

"SEC. . The Congress finds that technical cooperation among developing countries offers an underutilized opportunity for the developing countries to explore innovative solutions to common problems. Such cooperation responds to the expressed need of developing countries to share their own development experiences with each other and to enhance each other's developmental progress. Such cooperation also promotes the principles expressed in Section 101, 102, and 281 of the Foreign Assistance Act, including self-sustaining economic growth, the use of appropriate technology, regional cooperation, the primacy of self-help efforts, and the maximum utilization of and support for indigenous private and public institutions in development.

"The President is hereby encouraged to respond positively to the recommendations of the United Nations Conference on Technical Cooperation Among Developing Countries through financial assistance to intercountry mechanisms for technical cooperation, utilization of excess United States-owned local currencies for such financing, expanded contacts with regional institutions in the developing countries, cofinancing of technical assistance and capital development projects with middle-income countries, assisting middle-income countries with the establishment of their own bilateral assistance programs, strengthening the capacity of the United Nations Development Program in this field, increased third country training, and greater utilization of indigenous contractors in providing development assistance. In accordance with the proposals of the American delegation to the Conference, the President is hereby urged to improve cooperation between groups of developing countries and American private and public institutions, including the National Academy of Sciences, the National Technical Information Service, and the proposed Institute for Technological Cooperation."

Finally, I would like to urge this committee to support full funding for the Sahel Development Program. I believe that the Sahel Program is a model of cooperation among donors and recipients of development aid. I would also urge you to make clear in report language that you are not opposed to American support for infrastructure projects in that region. Such projects are very much needed in the Sahel and are not inconsistent with the "basic human needs" development strategy.

I believe that the stipulation imposed by the appropriations committees limiting American grants to no more than ten percent of total Sahel receipts is unwarranted. It could become especially troublesome now that the appropriations committees have mandated that all economic aid to the Sahel region must be included in the Sahel Development Program appropriation. It is possible that this new restriction, retroactively, will put the U.S. contribution for FY 1979 over the ten percent limit. In other words, the limitation not only restrains us from doing more; it may compel us to do less. I understand the limited leverage that an authorizing commitee has on such appropriations restrictions. Nevertheless, I hope that you will do whatever you can to have it rescinded or at least loosened.

As many as 1.2 billion citizens of our planet suffer from the worst aspects of poverty, hunger, and malnutrition. Passage of all of these amendments and programs, therefore, will not end world hunger and poverty in FY 1980. Rather, a wide variety of innovative measures will be required over many years to accomplish this goal. But we should begin by realizing the importance of self-reliance in development and make sure that our development assistance serves that goal rather than hinders it. I believe that the proposals I have made today will help in that effort.

Thank you.

YOUNG AND HIS FOOD CORPS

(By Richard M. Harley)

BOSTON.—Andrew Young has an eye on developments in Congress and also on Belagio, Italy.

Each locale should soon yield clues as to whether the fledgling "food corps" plan proposed by the U.S. Ambassador to the United Nations will get off the ground.

The plan calls for the formation of numerous corps of volunteers around the world to attack the hunger that afflicts a half billion of the rural poor.

As Congress decides in the next few weeks what kind of support to give the food corps, an elite group of international planners has decided to meet in that small Italian town in July to come up with a formula to make the idea work.

Directors of two African pilot projects, Vincent Mrisho of Tanzania and Samou Sangare of the Sahel region, will pool efforts with directors of two highly successful third-world development plans, A. T. Ariyaratne of Sri Lanka and Leonardo Jiménez of Mexico.

Together with such international development specialists as Antony de Wilde of the Netherlands and Ambassador Young's aide, Dr. Ruth Morgenthau, food corps planners hope to launch their first trial runs in Africa.

The corps was first proposed by Ambassador Young at the UN Food and Agriculture Organization (FAO) in 1977. Since then the idea has been scrutinized and developed by FAO and other international development officials.

Although the food corps would have no direct connection with the U.S. Peace Corps, it also draws heavily on the concept of the trained volunteer. Unlike the Peace Corps, however, food corps volunteers would come from within developing countries themselves and be directed by local or regional authorities.

The volunteers, including some technical experts, would lend ongoing support for local farmers trying to increase food production at the village level.

"The next decade's big development challenge is in inspiring local villagers' participation in their own development—if the 500 million rural poor are not to become 600 million by the end of the century," says Dr. Morgenthau.

Already the food corps planners have received grants from the Rockefeller Foundation, the U.S. Agency for International Development, and the Dutch Government to plan pilot projects in Tanzania and the Sahel.

Last December delegates from 26 third-world countries at an FAO conference in Rome expressed their support for the food corps concept.

New Directions, the Washington-based citizens lobby for promoting world security, has been urging Congress to contribute financial support for the planning of a food corps.

The House Foreign Affairs Committee also supported the food corps in its report on the new foreign aid bill, although monetary support was not specified in the bill itself.

The Senate Foreign Relations Committee will consider the plan during its own deliberations on foreign aid in coming weeks. And African subcommittees of both houses have expressed support for the plan.

Development programs aimed to increase farmer participation at the village level have already been attempted by many international agencies, but with only marginal success.

What makes food corps planners think their plan will work is its combination in a single program of key elements that have already proved highly successful in development projects.

One such element is the "educational model" for development. The model diverges from plans that rely heavily on centralized bureaucratic decisionmaking by governments or international agencies. It would bring technical experts from regional research centers to live with villagers and instruct local farmers. But the approach also requires the experts to learn from the farmers themselves who most often have extensive knowledge about local farming conditions.

The concept is also designed to foster closer, long-term cooperation and self-reliance at the local level rather than increasing dependency on industrialized countries.

The assistance of development experts from Sri Lanka and Mexico, which have experienced success in upgrading rural development, it is hoped will add yeast to the whole process.●

DAVIS-BACON ACT AND SELF-HELP REHAB

● Mr. GARN. Mr. President, for some time now I have grown increasingly concerned at the calamitous effect of the Davis-Bacon Act is having on neighborhood-based self-help rehab in our cities. The act requires that where Federal funds are involved, the project sponsors must pay all tradesmen the prevailing wages as determined by the Department of Labor, and must comply with the apprentice-journeyman ratios established for the area by that Department.

During consideration of the housing and community development amendments of 1978 I offered an amendment to exempt neighborhood-based nonprofit rehab from the work rule requirement of the Davis-Bacon Act. The distinguished chairman of the Committee on Banking, Finance and Urban Affairs (Mr. PROXMIRE) asked me to withdraw my amendment on the assurance that our committee would give careful examination to this problem in 1979. I am looking forward to that examination because I am convinced that the present workings of the Davis-Bacon Act stifle self-help in the poor and minority neighborhoods of our cities.

As a part of that examination, I submit for the RECORD a column on the subject by Ronald Reagan, which appeared in the Citizens for the Republic Newsletter of January 17, 1979. As usual, Governor Reagan makes crystal clear the unhappy effect of this act on the self-help efforts of a group of young Puerto Ricans on the lower east side of New York. This is a problem which Congress should act promptly to correct.

The article referred to follows:

DAVIS-BACON HELPS UNIONS HOG JOBS

(By Ronald Reagan)

The law known as the Davis-Bacon Act requires that all construction jobs involving any federal funds must pay what is called "prevailing wages" to workers. Almost invariably, those wages are at the highest union scale in the area, and the area may extend from a high-wage central city far into lower-wage rural areas. In lower-wage areas, local governments are forced to pay exorbitant wages on construction jobs financed in part from federal funds.

That is a needless burden on local taxpayers, but its not the only problem with the Davis-Bacon Act. Consider what happened to the Interfaith Adopt-A-Building project in Manhattan's Lower East Side. There, a group of young Puerto Rican men decided to rehabilitate an abandoned tenement building. By scrounging materials and doing most of the work themselves (and getting title to the building from the city for a nominal sum) they hoped to become owners of their own co-op apartments.

The plan was a good one. Church groups and a local foundation provided money to get started. The men enrolled as trainees in the CETA program, which gave them enough to stay alive while they were learning construction skills and getting their apartments renovated. Then they ran into the Davis-Bacon Act.

PLUMBERS APLENTY

These young workers were prepared to pay union plumbers the full union scale to hook up the plumbing that wasn't the problem. The problem came when the U.S. Labor Department insisted that for the first young worker learning the ropes on the project, 12 union plumbers had to be employed, and for the second trainee an additional 14 union plumbers were required! This is the so-called work rules requirement under the Davis-Bacon Act.

One or two licensed plumbers were plenty to do the job, yet here was the government threatening to shut down the job unless 12 or more journeyman plumbers were hired for each young man hauling rubble, carrying lumber, and painting walls! The purpose of such a requirement, obviously, is to make clear that unless all union plumbers work, no one else can work at all.

The hierarchy of Big Labor seems determined to resist any attempt to change the Davis-Bacon Act. They are comfortably off so it is of no concern to them that the self-help efforts of a dozen young Puerto Rican men in Manhattan are placed in serious jeopardy. No wonder people are losing their faith in government.●

IN DEFENSE OF BUDGET BALANCE

● Mr. HARRY F. BYRD, JR. Mr. President, the issue of a balanced Federal budget is rightly receiving much attention. Because of the enormous inflationary impact of large Federal deficits, this is an issue which affects not just numbers in budgets, but the pocketbooks of all Americans.

As a sponsor of a proposed constitutional amendment to require a balanced budget in fiscal year 1981 and thereafter, except in years of declared national emergencies, I am of course aware that numerous arguments have been advanced against this approach.

A distinguished economist, Dr. James M. Buchanan of the faculty of Virginia Polytechnic Institute and State University, has written a position paper entitled "In Defense of Budget Balance," in which he answers the arguments that have been advanced in opposition to a constitutional prohibition of deficits.

Professor Buchanan notes, significantly I think, that balanced-budget proposals and schemes to restrict Federal spending are not competitive: In fact, they should be seen as reinforcing one another.

This and other salient points make Professor Buchanan's analysis a valuable contribution to the current debate, which I believe will be of interest to the Senate.

Mr. President, I ask that the text of Dr. Buchanan's paper be printed in the RECORD.

The analysis follows:

IN DEFENSE OF BUDGET BALANCE

(By James M. Buchanan)

INTRODUCTION

I am on record as a supporter of a constitutional amendment that would require the United States Government to balance its budget. My purpose in this working paper is to defend this position and in so doing to counter the various arguments that have been advanced in opposition, with particular reference to those arguments that have been suggested by my fellow professional economists.

The basic disagreement between myself and most of those economists who oppose the budget-balance amendment does not stem from differing analyses of the workings of the economy, but rather from differing analyses of how modern democratic politics work. In an idealized politics, there might not seem to be a need for a budget-balance amendment, nor indeed for any constitutional restrictions on government, fiscal or otherwise.

Even here, however, things are not so simple. For what would "ideal government" imply? A government whose sole objective is that of furthering the "general welfare" or the "public interest"? But as defined by whom? Who is to say what is or is not in the "public interest"? If individual citizens are to be allowed to express their own conceptions of this interest, we confront the problem of reconciling divergent individual desires, preferences, or values. How can the preferences of different persons be added up or combined so as to produce a "social outcome"?

These are questions that have occupied political philosophers, but they remain without satisfactory answers. Perhaps it is best to approach the whole issue in reverse. What model or conception of government would permit us to label any and all constitutional restrictions as unnecessary and even pernicious? An honest response to this question isolates the difficulty in the anticonstitutional argument. Only in a model of government as an omniscient, organic entity, divorced from citizens, and capable of pursuing a course of its own choosing, based on its own internally-consistent set of preferences, would the propriety of constitutional limits be wholly out of place. To argue against such limits generally involves acceptance of a model of politics that even the most ardent opponents of the budget-balance proposal are reluctant to espouse.

Once we acknowledge that the outcomes of governmental-political process are generated through the workings of a complex interaction within which many persons participate and in varying roles and capacities, we must recognize the prospect that such outcomes may range over a widely diverse set of possibilities, and that some means of limiting or constraining such outcomes in advance may be desirable. The case for constitutional rules rests on this demonstrably simple basis. The grounds for discussion shift to the question: What sort of constitutional rules are appropriate for democratic government?

ECONOMISTS AND "CONSTITUTIONAL POLICY"

Most modern economists are ill-equipped to examine such a question, to analyze alternatives for constitutional policy. Most modern economists who engage in discussion and analysis of policy neglect or ignore the political setting within which their policy recommendations are to be implemented. Without conscious recognition, these economists discuss policy as if government is, indeed, a monolithic entity, a benevolent despotism, wholly divorced from citizens, and capable of consistently acting on the professed advice of its economist experts. If government (and politics) is so conceived, even if unconsciously, any constraint or limit on the political flexibility of response to advice must be valued negatively. If the economist thinks he knows what is "best," and, further, if he thinks that government will listen to his advice, and act accordingly, any limit on government's, and indirectly on the economist's freedom of action is seen to be undesirable.

An appreciation of "constitutionalism" depends on a basically different conception of politics and government. Government is not viewed as a means to secure some uniquely-defined "best" or "true" policy. It is, instead, viewed as a means through which citizens try to secure their own objectives and to do so jointly or collectively. It is essentially a process through which differing individual demands for collective services are reconciled, one with another. Individuals may want government to do different things. Yet the very notion of a collectivity, a government, implies that only one set of policy options can be selected. From this implication it follows directly that any policy stance must disappoint many citizens. Hence, some device or means to limit that allowable ranges of loss or damage is dictated. Each and every person in the community will desire that some such means be imbedded in the legal structure. A constitution in this way serves the needs of all citizens, no one of whom expects his own desired policies to be followed on each and every occasion.

ARE ELECTORAL CONSTRAINTS ENOUGH?

If it is agreed that constitutional constraints on the exercise of governmental powers are desirable, the question shifts to the choice of the appropriate type of constraints. Implicit in much of the opposition to fiscal limits there is the presumption that the range of governmental authority is kept sufficiently within bounds by electoral rules. If the political constitution guarantees open and periodic elections, so the argument runs, excessive exploitation of citizens by government is effectively controlled. No other constraints are necessary. If elected politicians must present their record of achievement or nonachievement to voters, gross departures from voter desires will insure electoral defeat. Free and open elections, accompanied by guarantees of free speech and assembly, are sufficient to insure that governments are kept under control.

The argument sketched out above has not, however, ever been reflected in the events of United States political history, nor would anyone now be prepared to accept such a reflection. Additional constraints, over and beyond those classified as electoral, have always been present. These constraints have been supposed to, and indeed has acted to, limit the range and scope of governmental action. Elected members of the United States Congress, in cooperation with the President, have not been able to do as they please, even in the presence of dominant majority party coalitions. Government in the United States, as well as private citizens, is bound by the Constitution.

Some of the nonelectoral constraints on government are fiscal in nature. The "taxing power" of government is not unlimited, nor has it ever been conceived to be. Congressional majorities, in cooperation with the President, cannot take property directly without due process, and without just compensation. Indeed, the very necessity of taxation, as such, stems from the inability of government to take what it wants directly. For almost a century and one-half of our history, the Uniformity Clause of the Constitution effectively prevented the imposition of a progressive income tax. The 16th Amendment in 1913 explicitly relaxed this restriction, but arbitrary discrimination in the levy of taxes remains legally-constitutionally impermissible.

BUDGET BALANCE AND THE UNWRITTEN FISCAL CONSTITUTION

A requirement for budget balance has never been a part of the written Constitution of the United States. Before World War II, however, and before the advent of the "Keynesian revolution" in economic policy analysis, budget-balance was a part of our effective fiscal constitution. Politicians made decisions on taxes and spending within a generalized budget-balance constraint. They acted as if budget-balance was an explicit element of the standard rules. This status of budget-balance, as a constraining rule, was reckoned to be a central principle for prudent behavior. When budget deficits were generated, and notably in wars, these were recognized as exceptions to the budget-balance rule or standard, and, indeed, attempts were made to accumulate offsetting budget surpluses to retire public debt. Such debt repayment did take place after each war in American history up until World War II. The unwritten rule or precept for budget-balance acted as a powerful inhibiting force on the natural proclivities of politicians to generate deficits without offsetting surpluses.

DEMOCRACY IN DEFICIT [1]

The fiscal record changed dramatically after World War II. No attempt was made to pay off the massive public debt accumulated in the 1940s, and the policy teachings of Keynesian economics gradually permeated the thinking of politicians. The status of the budget-balance rule was eroded in the minds of political decision-makers. Federal deficits were kept under reasonable control over the Eisenhower years, even if no attempt was made to retire public debt. But after 1960, deficits emerged as the order of the day, and in only one year of the two decades, 1960–1980, was the federal budget in surplus, in 1969, and then only slightly so. Budget deficits were generated in inflationary booms as well as in recessions. The fiscal record since 1960 is indeed a sorry one, and cumulative five-year totals suggest a worsening trend, as indicated below:

[Dollars in billions]

Fiscal years:	*Federal budget deficit*
1961–65 inclusive	$23
1966–70 inclusive	37
1971–75 inclusive	111
1976–80 inclusive	240

Source.—Economic Report of the President, 1979. Note that the totals for 1976–80 include estimates for fiscal 1979 and 1980, which are likely to be below actual deficits finally reported.

It requires little or no sophistication in extrapolation to suggest that the situation depicted cannot go on much longer without severe damage to the whole political and economic structure. The need to get the federal budget under control is, of course, widely recognized. In 1979, there was much talk about attempts to bring the federal budget into balance by ordinary means by 1981. But few honest observers could believe that even the best intentions could deliver on such political promises.

The fault lies not in the bad intentions of elected politicians. The basic causes for the dramatic, and readily observable, shift in United States fiscal habits after World War II, and notably after 1960, are not difficult to identify. Keynesian teachings had succeeded in effectively repealing an important element of the unwritten fiscal constitution within which American politics had been carried out throughout almost two centuries of its history. This impact of Keynesian economics was not deliberately sought by Keynes or by his followers. The Keynesian precepts for policy taught us that the government budget should be used as a major instrument for keeping the economy in balance, and that "balancing the economy" by fiscal policy was a much more important objective than insuring that the two sides of the budget account be matched. In terms of the strict Keynesian precepts or principles, deficits should be quite explicitly and deliberately created during periods of slack or deficient aggregate demand. On the other hand, these precepts also stated that budget surpluses should be created during periods of inflationary boom, with the obverse purpose of reducing demand pressures on resources.

The fundamental error in all of this lies, not in the economics as such (about which debate still rages and on which there is no need to take a stand in this paper), but in the political naiveté reflected in the whole Keynesian policy package. Keynes and his followers (the Keynesians) overlooked the very simple fact that economic policy is made by elected politicians, members of elected legislative bodies and elected executives, by Congress and the President. These elected officials must, and should, respond to the demands that voters place upon them, their constituents.

Voters are pleased when taxes are reduced; they are not pleased when taxes are increased. Voters are happy when they are promised public spending benefits; they are unhappy when cutbacks or reductions in spending are announced. If we do nothing more than put this simple "public-choice arithmetic" together, we can understand that the natural proclivity of politicians, and of governments, must be to spend and not to tax, which, in the net, must mean deficit finance.

The simple arithmetic of politics suggests a regime of permanent and continuing deficits in democratic society where there exists no constraint that dictates some balancing of the costs and the benefits of spending programs. "To spend without taxing"—this stuff of the politician's dream, this prospect must somehow be held in check by rules for fiscal prudence.

WHY CONSTITUTIONAL?

The need for budgetary discipline, for fiscal responsibility, may be acknowledged, however, without, at the same time, accepting any need for explicit constitutional constraint. If the pre-Keynesian rule for budget-balance, an unwritten part of the effective fiscal constitution, could be restored, an argument could be made that explicit constitutional change would be undesirable. But here we face the problem of restoring a "myth" that has been destroyed. Some shift in attitudes may occur, and indeed may have already occurred, that will make elected politicians and voters more alert to the dangers of fiscal license. But can we place faith in such a regeneration of the "old-time religion" in fiscal practice in the observable politics of 1980? To do so appears naive in the extreme.

The argument for an explicit amendment to the written United States Constitution is based on the conviction that, in the prevailing political-ideational environment, the fiscal constraint must be made explicit and that it must be enforcible. The effects of a balanced-budget constraint would be both real and symbolic. Elected politicians would be required to make fiscal choices within meaningfully-constructed boundaries: they would be required to weigh predicted benefits against predicted tax costs. They would be forced to behave "responsibly," as this word is understood by the citizenry, and knowledge of this fact would do much, in its turn, to restore the confidence of citizens in governmental processes.

RATIONALITY AND ILLUSION

The argument for constitutional fiscal constraint rests heavily on the presumption that voters cannot "see through" the whole chain of effects that deficit financing embodies and that politicians respond without fear that fully-informed voters will call them quickly into account. This basic presumption has been challenged, largely by economists who are non-Keynesians, and the point is worth some discussion here.

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[1] The title of this section, as well as much of the argument in this and other sections of this paper, is taken from the book, James M. Buchanan and Richard E. Wagner, *Democracy in Deficit: The Political Legacy of Lord Keynes* (New York: Academic Press, 1977).

If government spends without taxing, a financing problem arises. Deficits must be financed, and there are only two means available. Either public debt must be issued (government "bonds" must be sold), or money must be created (printed). If, however, public debt is used to finance spending, voters-taxpayers may, if they are fully rational, recognize that future-period taxes will be necessary to pay the interest, and possibly the principal, on the debt. In the extreme case, voters may react to debt issue in precisely the same way as they react to taxes. In this case, elected politicians will not find deficit creation to be politically popular; it will be no more popular than budget-balance. There will, in this case, be no need for any fiscal constraint that dictates balance, whether this constraint be constitutional or nonconstitutional. The Keynesian policy precepts will not work at all in this scenario, but neither is there any cause for concern about fiscal irresponsibility.

The second means of financing a deficit involves resort to money creation, via "borrowing" from the banking system, aided and abetted by the monetary authorities. Outside of a very deep depression, this procedure will add to inflationary pressures, again via the acquiescence of the monetary authorities. However, if citizens-voters-taxpayers recognize that the effects of the deficit creation are inflation, the results may be no different from taxation. For this reason, inflation is often analyzed as a form of tax.

Under either of these models of full rationality of voters, there will be no apparent advantage to politicians in spending without taxing. Hence, there is simply no need for fiscal constraint.

These "supra-rationalist" models of voter and politician behavior in modern politics are flawed both analytically and empirically. They suffer analytically because they attribute to the representative or average voter-taxpayer a degree of information that he would never find profitable to acquire and may not even be able to acquire with any amount of investment. The models suffer empirically because of the implied hypotheses about the behavior of politicians are refuted by the facts of fiscal experience. Politicians are observed to prefer deficits to surpluses; they are observed to prefer reducing taxes to increasing taxes, to prefer increasing budgets to decreasing them.

FLEXIBILITY IN BUDGETARY RESPONSE

A larger group of economists, most of whom may have vaguely Keynesian persuasions, raise objections to the proposal for a budget-balance constraint on grounds almost diammetrically opposed to that considered briefly above. They acknowledge that such a constraint will be, and can be, effective, and, as such, may severely restrict the potential for flexibility in governmental response to unforeseen needs.

Some members of this group of economists have not escaped from the politically naive position earlier discussed. They continue to assume that government, via elected political leaders, will listen to and respond to the policy advice that economists may offer. The more sophisticated among this group of economists, however, will acknowledge the post-Keynesian budgetary record for what it is. They make no claim that the results of the Keynesian policy precepts are symmetrical in political democracy. They acknowledge that there is a strong bias toward deficit creation in periods when such deficits are ill-advised.

These more sophisticated "Keynesians" may, nonetheless, oppose the budget-balance constraint on the grounds that the costs of such restriction will outweigh the promised benefits. They acknowledge that such a constraint, when operative, will keep government from creating deficits when no deficits are needed. Indirectly, the benefits of the constraint will be reckoned in the reduced inflationary pressures and the reduced rate of growth in the public sector. The costs of such a constraint are, however, reckoned to be very high by this group of economists. They foresee the prospect, or possibility, of a major depression akin to that of the 1930s, and they want to have the deficit finance instrument at hand in case some such occasion for its use arises. They are willing to trade off the admitted costs of excessive governmental growth and inflation in nondepression year for the protection that deficit creation might offer during years of threatened massive unemployment.

THE MONETARY CONSTITUTION

In one sense, this somewhat extreme weighting of the dangers of massive unemployment may reflect a continuing psychological reaction to the experience of the 1930s. Substance is embodied in this position, however, when the absence of an effective monetary constitution is recognized. Accumulating historical research suggests that the Great Depression of the 1930s was largely generated and sustained by failures of the monetary authorities to insure even tolerable boundaries to fluctuations in the quantity of money. In the setting of the 1930s, with essentially perverse monetary policy carried out by the Federal Reserve Board which acted outside of any constitutional constraints, the unwritten rule of budget balance may well have inhibited massive fiscal-budgetary actions which might have offset the monetary-policy disaster.

Could such a perverse monetary-policy scenario arise in the 1980s and beyond? Fears that such disasters might take place provide plausibly understandable grounds for opposing any constitutional limits on discretionary budgetary policy. Such fears, however, seem misplaced in the monetary policy setting of the 1980s. Federal deposit insurance has dramatically reduced the vulnerability of the banking system to waves of multiple contraction in the circulating medium. And the monetary policy makers themselves have surely learned some of the lessons taught by the experience of the 1930s.

Ideal constitutional reform would, of course, impose some rules or constraints on discretionary monetary action as an accompaniment to rules that might be imposed on budgetary behavior. But the argument for introducing budgetary constraints cannot be allowed to depend critically on the presence or the absence of monetary rules, of an effective monetary constitution. Predictable elements in a desired monetary-fiscal constitution must necessarily be constructed one piece at a time.

ESCAPE CLAUSES

Nonetheless, uncertainty about monetary policy actions, as well as the necessary uncertainty about the demands that might be placed on government in the event of national emergencies, such as a major war, has prompted proponents of a constitutional budget-balance rule to include escape clauses in almost all versions of the rule that have been advanced. When a qualified majority of both houses of Congress declares a national emergency, the constitutional constraint is to be temporarily suspended. The essence of the constraint is preserved, however, because the necessary qualified majority, two-thirds or three-fourths, reflects the exceptional nature of the departure from standard budgetary practice.

WHY ANNUAL BUDGET BALANCE?

A somewhat carping criticism of the budget-balance proposal refers to the requirement that the federal government balance its books each fiscal year. The question raised is: Why should the government balance its budget on an annual basis?

The appropriate answer is extremely simple. The books must be balanced on an annual basis because this is how the books are drawn up, approved, and maintained. If the federal government should run its fiscal affairs within the constraints of five-year budgets, then a budget-balance rule would apply for the budgetary period of five years. But to introduce a requirement for budget-balance over a period different from that which defines the budget itself would make little or no sense.

CURRENT AND CAPITAL BUDGETS

The criticism of the annual accounting period is related to a somewhat more substantive critique of the budget-balance proposal, one that introduces the analogue between government and a corporation. The question is raised as to why the federal government should not be allowed to issue debt in order to finance genuine capital outlay, to finance projects that promise to yield benefits over a whole series of years. The argument for a requirement or rule that government should be made to cover its current outlays may be accepted. But the extension to genuine capital outlays may be criticized.

There is some merit in this criticism. If, in fact, government should expect to confront what we may call "temporal lumpiness" in its capital outlay program, a distinction between its current-account and its capital-account budget might be warranted. That is to say, if government is expected to confront a need to spend massive amounts on, say, a new highway network to be constructed over a five or ten-year period and to be nonrecurrent, with projected benefits extending over, say, a fifty-year span, some case can be made for allowing debt financing of these outlays. The case is undermined, however, to the extent that a sequence of different nonrecurrent capital projects, when combined, make up a tolerably stable temporal pattern. Since there seems to be no reason to expect severe temporal bunching in the total federal capital outlay program, explicit separation of the current and capital outlay budgets seems unnecessary, and, consequent to this, any modification in a budget-balance rule to allow for exceptions for capital spending seems undesirable.

BUDGET BALANCE VIA INFLATION

Proponents of a budget-balance amendment to the United States Constitution make a serious error if they claim too much for the proposal. The effects of such amendment, even if reasonably enforced, will be limited. Budget-balance will not put a lid on the growth of government spend-budget-balance will not insure that spending, or taxation, as a share in national product be kept within desired limits.

Perhaps the most serious objection that can be raised against the implementation of a constitutional rule for budget balance, from the perspective of the 1979 fiscal setting, involves the relationship between budget-balance and inflation. Suppose, for example, that, constitutionally or otherwise, political leaders know that the federal government's budget for fiscal 1981 or 1982 must be balanced. Faced with this prospect, and ignoring the devices of escaping the budgetary discipline to be discussed in the following section of this paper, there are several options open. (1) Rates of government spending or rates of growth in projected spending may be reduced. (2) Tax rates may be explicitly increased. (3) Inflation may be accelerated, while existing and projected rates of spending are kept in constant proportion to national product.

As among these three options, it seems evident that only the third would be at all politically viable. By allowing an acceleration of inflation, real tax rates are increased due to the fact that the base and rate structure are defined in terms of nominal rather than real values. Without explicit action to increase rates of tax, effective rates of tax rise disproportionately with inflation. By merely standing still with respect to explicit tax rates, government comes to command an increasing share of national product. Hence, if faced with a binding budget-balance constraint for 1981 or 1982, political Washington would almost surely opt for an acceleration in the rate of inflation sufficient to insure that this target would be achieved.

Would such an outcome be more desirable than that which might emerge in the absence of any budget-balance constraint? This way of posing the question allows us to understand and to appreciate the implicit opposition to (or lukewarm support of) the budget-balance rule on the part of some of those who most strongly oppose further increases in real tax rates and in government's share of the economy. This latter group ranges from Milton Friedman among the economists through Kemp and Roth among the active politicians. A response is obligatory on the part of supporters of any budget-balance requirement.

Such a response involves several points. First of all, the basic relationships must be acknowledged. If outlays are allowed to increase only proportionately with real product, or less, inflation will, because of the disproportionate increase in real tax revenues that it generates, work toward budget balance. Further, even in a regime of budget balance, once such a goal is accomplished, inflation will be a means through which government can increase its share in national product through keeping outlays in line with expanding real tax revenues. In such a regime, however, budget-balance can constrain even greater increases in outlay, over and beyond those made possible by inflation.

Consider a simple example. Suppose a regime of budget-balance is in being. Suppose further that inflation is continuing at a 10 percent annual rate. Real tax revenues, given the federal structure, will increase by something more than 15 percent. This increase in revenues will allow government to increase its share in national product, even while adhering to a balanced budget. To claim that budget-balance does anything at all toward removing the public spending bias created by inflation accompanied by nominally-based taxes (nonindexed taxes) would be folly. But budget-balance will restrict spending to that which inflation, and any given tax structure, allows. In the example, budget-balance will keep government's real share from rising by more than 5 percent.

The constraining effect of a budget-balance rule is further enhanced in the feedback on inflation itself. If government is forced to balance its accounts, the rate of inflation itself tends to be reduced. There is considerable debate here about the relationship between deficits on the one hand and inflation on the other. There need be no direct and explicit connection between these two phenomena, one being fiscal, the other monetary. However, when we recognize that the monetary authorities, the Federal Reserve Board, are also a part of the political structure, the pressures exerted on inflation by deficit finance can be readily understood.

Suppose that government runs a deficit in the amount of, say, $50 billions. As noted earlier, this deficit must be financed somehow. If government borrows from (sells bonds to) the nonbanking public, upward pressures will be exerted on interest rates; loanable funds for private investment projects will become more scarce; private projects will tend to be "crowded out." If, in recognition of this prospect, the Federal Reserve Board acts to keep interest rates from rising, they are, in effect, monetizing a share of the deficit, thereby generating inflation. If the government borrows, not from the public, but from the banking system itself, the monetization of the deficit is more direct.

Importantly, the effects of a budget-balance constraint on the location of responsibility for inflation must be recognized. In a regime of continuing and possibly accelerating budget deficits, the monetary authorities can, with some justification, point the finger at the Congress and the President, saying that they, the monetary authorities, are necessarily forced into a position where they must, willy-nilly, monetize at least some portion of the deficits. The resulting inflation, they can then claim, is as much or more the responsibility of the Congress and the President than it is that of the Federal Reserve Board.

Contrast this setting with one in which there is an established regime of federal budget balance. In this setting, there can be no budgetary-fiscal cause or reason for inflation, at least not in the sense outlined above. Inflation in a budget-balance regime becomes the clear and obvious responsibility of the monetary authorities, and there is no way that blame can be shifted to "irresponsible" spending on the part of politicians. This concentration of responsibility must act to impose discipline on the authorities, quite apart from the absence of any binding rules for a monetary constitution.

Closely related to the concentration of responsibility on the monetary authorities that a budget-balance constraint would produce there is also the accompanying thrust toward monetary independence from the political arm of government. Government may secure gains from inflation, even under a budget-balance regime. Quite apart from the effects of inflation on real tax rates, noted above, government will gain to the extent that the monetary authorities monetize debt. But in the absence of an ability to create deficits the government will be unable directly to place the monetary authorities in a position that necessitates an inflationary response, as is the case when budget deficits are created. In a budget-balance regime, therefore, governmental pressures to encourage inflation via the monetary authorities must be more in persuasion than in action, with possibly major differences in result.

ENFORCIBILITY

Objections to the proposed amendment have been voiced on the grounds of difficulties in enforcibility. If a rule for budget-balance is adopted, temptations will be increased for programs to be shifted to off-budget financing, and to accomplish political objectives outside the nominal budget constraints imposed. To an extent, the dividing line between budget and off-budget items must be arbitrary, and, therefore, there must remain room for considerable bureaucratic discretion. There is little doubt but that some "leakage" in this respect would occur; the budget constraint may not be so binding as it might seem.

A second major problem involves the incurring of obligations for future period financing that are, in all respects, analogous to debt issue without explicit current-period accounting. If, for example, the benefit structure of Social Security is changed so as to create higher future-period liabilities, and is not accompanied by a scheme for funding, the new liability is equivalent to the issue of debt, to deficit financing. A deficit has been incurred without explicit recognition of it. A budget-balance rule would tempt politicians and bureaucrats alike to shift more commitments toward implicit debt and away from overt budget accounting.

Quite apart from off-budget financing and implicit debt issue, any binding budget constraint would also create the temptation for government to seek to accomplish its objectives through nonfiscal means, without taxing and spending, and notably by means of direct regulations. If the funds for a federal park in Mississippi are not available, the government might be tempted to declare the land a wilderness area, thereby reducing the value to private owners and potential developers. Recent environmental regulations in particular lend themselves readily to nonbudgetary channels of government influence and control. Bureaucrats may simply order persons and firms to behave in specific ways, hence, imposing costs on the economy without necessarily violating any formal constraint of budget balance, or any alternative form of fiscal constraint.

The effectiveness of a budget-balance rule is reduced by each of the three potential loopholes noted. Nonetheless, the fact that such a rule might force resort to indirect instruments must imply that the rule itself binds to a degree absent in its absence. To fix the fence in one spot does not insure that the cattle may not get out of the pasture at some other place. But it does imply that the cattle are less likely to get out than before the fence in the one spot was fixed.

ALTERNATIVE FISCAL CONSTRAINTS

The balanced-budget amendment should be viewed as a complement or corallary to the more restrictive fiscal constraints that have been advanced in the recent discussions. It would be serious intellectual error as well as serious strategic folly to present the budget-balance proposal as a "competitor" to the potentially complementary proposals for constitutional fiscal reform. To an extent, of course, approval and implementation of some of the more restrictive constraints would make the balanced-budget rule less urgent. Even in this wildest, and most optimistic, of scenarios, however, the rule for budget balance would do no damage and might well supplement the enforcement of the more restrictive rules.

As noted earlier, the budget-balance proposal is limited in its potential effect. It will not and cannot, put a lid on the growth of federal spending, it cannot keep spending within some specified share of national income, and it cannot guarantee a gradual rollback in the size of government. Those who advance and support alternative fiscal constraints seek to operate directly on these aggregate and readily measurable targets rather than on decision procedures. The aims of the proponents of these alternatives are admirable, and the specific proposals themselves deserve support from those who have advanced the budget-balance amendment. The question is emphatically not one of "either-or." The more appropriate question concerns the securing of the widest possible political and public support for constitutional fiscal constraints in almost any one of the several suggested forms.

THE SYMBOLISM OF BUDGET BALANCE

The primary advantage possessed by the budget-balance proposal over the alternatives, such as the share of ratio-type amendment that would relate total government outlays to GNP, lies in its symbolic significance and, hence, in its general acceptability to the general public. As I have noted, the conception or notion of budget balance is a natural one that is readily understood by everyone, through a simple and basically correct extension of personal accounting precepts. And as I have also stressed, this concept or notion was a central part of what we may call our unwritten fiscal constitution, the set of rules within which fiscal decisions were made, prior to the Keynesian decades. Having once occupied so central a place in fiscal principle, the notion could not ever be wholly destroyed. The Keynesian revolution in policy ideas, as it spread from the professional economists gradually to the politicians, was countered by residues of the prevailing public philosophy of budget balance. These residues remain in the minds of the general public, thereby making it much easier to revive and resurrect the "old-time fiscal religion," the time-honored rule for fiscal prudence, than it is to invent and to implement a totally new set of fiscal rules.

Further, there is little or no abstraction required in the concept of budget balance. The citizen is not required to think in terms of such concepts as "total outlays" or "gross national product," and surely not of some desired relationship between such abstractions. Symbolically, budget-balance is interpreted as simple governmental "honesty"—as a part of a fiscal-political process that can somehow be deemed to be "moral" in the eyes of the ordinary citizen. It is a simple, straightforward, and meaningful criterion for sound accounting, be this private or public.

To the extent that budget-balance is not enough, to the extent that this rule alone will not keep the fiscal proclivities of modern democracy in check, there is time for education to proceed, within the restrictive discipline of budget balance, toward the more sophisticated fiscal constitution that experience suggests to be needed.

The proposed constitutional amendment for budget balance has already captured the imagination of many political leaders, at both state and national levels of government. The amendment has already shown itself to have the potential of securing very broad citizen-taxpayer support. It alone offers some prospect of "seizing the day," of exploiting the opportunity offered in the "tax revolt" climate of opinion manifested after California's amazing expression of citizen attitudes of 1978.

THE FRAMEWORK OF A FREE SOCIETY

Perhaps the most bizarre of the objections raised to the budget-balance amendment to the United States Constitution is the claim that such a rule for fiscal prudence is not appropriately includable in the "constitution," as such. This objection is based on some misconception of the very purpose of a political constitution, which is nothing more than the set of rules under which we allow ourselves to be governed, the set of rules that provides us with the generalized setting or framework within which persons, organizations, and governments may operate in a system of tolerable predictability as to their own allowable spheres of action. There is, of course, nothing sacroscanct about the existing set of such rules, and there is no argument that could be made that these rules might not be changed as desired by the people, through the very processes allowed for change by the constitutional rules themselves.

To argue, as some economists have done, that the rule for budget balance is too detailed, too specific, a fiscal precept to be included in the basic "law of the land" that the constitution represents, while at the same time apparently acquiescing in the far more specific fiscal provision of the constitution that allows departure from tax uniformity in the direction of progressive rates (the 16th Amendment) smacks of demagoguery rather than reasoned discourse.

The Founding Fathers would surely have included some provision for budget balance had they even dreamed of explicit departures from the time-honored unwritten rule, had they envisaged the prospect of the post-Keynesian record of continuing and accelerating deficits.

"Democracy in deficit"—this phrase describes our times. We cannot long remain blind to the accumulating fiscal record. Until and unless we take steps to impose basic constitutional reform in the process through which fiscal decisions are taken, ordinary politics will insure that the results we now see will worsen over time.

These are exciting years, however, precisely because signs abound that citizens, taxpayers, politicians, and even a few economists, are beginning to wake up to the dangers that we confront. The historical record of the 1980s remains to be written. But, regardless of the outcome of the current debates, this record will be different from that which would have been written in the absence of the shift in taxpayer attitudes that the budget-balance amendment and its support reflect. Perhaps—perhaps—we shall view 1978 and 1979 in retrospect as the time of turning, the time when America commenced its long trek back toward the free and open society, with limited government, that is still embodied in its dream.●

EAST COAST MARITIME BOUNDARY AND FISHERIES TREATIES WITH CANADA

● Mr. COHEN. Mr. President, the United States and Canada recently signed an agreement concerning our Nation's respective rights and territory on Georges Banks.

I believe that, as a Senator from Maine, I have an overriding responsibility to consider the new treaties with Canada from the vantage point of Maine fishermen. Too often in the past, our fishermen have been presented with plans—prepared by outsiders—that were supposed to solve all their problems, only to find themselves worse off than they were before.

I believe that these new treaties must be studied carefully for their domestic consequences as well as their international ramifications. For this reason, I submit for the RECORD a summary and analysis of the treaties prepared by the State Department.

The analysis follows:

BACKGROUND AND ANALYSIS: EAST COAST MARITIME BOUNDARY AND FISHERIES TREATIES WITH CANADA

1. The United States has concluded two treaties with Canada, one provision for binding third-party dispute settlement of the maritime boundary in the Gulf of Maine area and the other assigning management responsibilities, national shares and transboundary fishing access for specified east coast fish stocks. These treaties are the result of protracted and intensive negotiations necessitated when Canada and the United States extended national judisdiction over coastal fisheries resources to two hundred miles and the two claims overlapped in the Gulf of Maine area.

2. Until 1977 neither the United States nor Canada exercised or recognized national fishing jurisdiction beyond twelve miles from the coast. The control and management of fishery resources off the east coast of the United States and Canada was achieved through a series of bilateral fisheries agreements and through the regime of the International Commission for the Northwest Atlantic Fisheries (ICNAF). Under the agreed ICNAF regulations, the U.S. harvested the major share of the important groundfish species on Georges Bank and Canada took a minor but significant share. Third countries harvested the bulk of the herring, hakes, squid and mackerel. These stocks, particularly the squid, were then of much less interest than the more lucrative groundfish and scallop resources to U.S. and Canadian commercial fishermen and consumers. There was no third country fishing for scallops and there were no ICNAF catch quotas applicable to the scallop stock. During the period 1971–1976, Canada harvested approximately 85 percent of the scallops in the Georges Bank area and the U.S. the remaining 15 percent. This reflected a major shift that had begun around 1960 when Canada was taking less than 40 percent of the harvest in the area. Until the mid-1950's Canada had taken only very small quantities of scallops anywhere on the Bank.

3. When Canada and the United States published the limits of their newly declared 200-mile fishery zones late in 1976, the claims overlapped in the Gulf of Maine/Georges Bank area. The area of Georges Bank claimed by both sides is one of the richest fishing grounds on the Bank. An interim regime was created for 1977 while the two governments continued efforts to resolve the dispute through negotiation. Under that agreement each side was allowed to continue fishing in waters within the other's undisputed fishery zone with no expansion of existing patterns. Both parties fished in the disputed area, and both excluded fishermen of third countries from that area. A proposed renewal of that interim regime for 1978 broke down over a number of disagreements as to management policies and levels of effort in the Georges Bank groundfish and scallop fisheries, as well as over the West Coast salmon fisheries. As a result, fishing by each side in the undisputed fisheries zone of the other ended in June 1978. Vessels of both countries have continued to fish in the disputed area where each side has applied its own management regime, with the result that uncoordinated and conflicting policies are in effect. In the absence of overall regulation, the fishermen of the two countries exchange accusation of attempting to outfish one another and each side claims the other is inflicting injury on the stocks.

4. Negotiations continued through 1978 and into 1979. Those negotiations have finally resulted in the conclusion of the two interrelated treaties now being submitted to the Senate for its advice and consent to ratification. The treaties are summarized in the attached announcement. The Fisheries Treaty covers stocks in the disputed area as well as other stocks of mutual interest to the U.S. and Canada. It establishes a U.S./Canada East Coast Fisheries Commission to undertake joint management of some stocks (e.g., pollock and mackeral), and assigns primary management responsibility for other stocks to one nation or the other subject, in the case of some stocks, to adherence to agreed management principles. It assigns entitlements or percentage shares to each country for each stock covered, and for some stocks it allows fishermen of each party access to designated fishing areas off the coast of the other party. It provides for conciliation of disagreements and, where necessary, for prompt and binding dispute settlement by a jointly-appointed standing arbitrator. The Fisheries Treaty will remain in force until terminated by mutual agreement, or modified by agreement of the two sides. Each party's entitlement share to a particular stock is open to renegotiation every ten years primarily on the basis of the ultimate outcome of the boundary delimitation, with binding dispute settlement if the parties cannot agree on the revised percentages.

5. The boundary settlement and fisheries treaties are expressly linked. Neither will enter into force until the instruments of ratification for both are exchanged.

6. The treaties promote important national interests of the United States. They provide for resolution of new and serious jurisdictional conflicts with one of our two continental neighbors. The Fisheries Treaty provides for sound and cooperative conservation and management of fisheries vital to both countries that cannot be effectively managed by either country alone. The enabling legislation will assure full participation in this management process by the Regional Councils. The Fisheries Treaty assigns to the U.S. the primary management responsibility for the important groundfish resources of Georges Bank and preserves our recent historical share of those fisheries. It also assures the maintenance of our scallop fishery at current levels (which are well above the average U.S. percentage in the five years preceding the declaration of 200-mile zones).

For all stocks, the Fisheries Treaty assigns to U.S. and Canadian fishermen fair entitlement percentage shares that avoid disruption of their existing fishing patterns, while allowing for future adjustments based primarily on the maritime boundary that will eventually be determined. It also provides for prompt and binding dispute settlement of issues that the parties cannot resolve by negotiation.

7. The Fisheries Treaty is clearly preferable to allowing the present lack of coordinated management and harvesting to continue. It permits the U.S. and Canada to continue to exclude third countries from the disputed area—one of the richest fishing grounds in the world—and it enables U.S. fishermen to continue fisheries of long standing in waters off Nova Scotia that are now within Canada's undisputed fisheries jurisdiction. The Treaty will preclude unrestrained competition between U.S. and Canadian fishermen in the disputed area of the Georges Bank—a competition that has been steadily expanding and that, if not moderated, could critically damage stock levels and bring financial disaster to the fishermen and communities in both countries that depend on those stocks.

The principal questions that have been raised regarding the treaties and answers to those questions are as follows:

a. Question. Why did we not resolve the maritime boundary before we negotiated management responsibilities and entitlement shares?

Answer. Canada will not agree to any negotiated line that the United States regards as an acceptable compromise. The United States cannot unilaterally submit the issue to binding arbitration. Because Canada believes history demonstrates that it has fared badly in previous arbitrations of boundary disputes with the United States, Canada is unwilling to join in submitting the boundary dispute to binding arbitration except in conjunction with the creation of a fishery regime with agreed entitlement percentage shares and management responsibilities that would survive the boundary determination.

b. Question. Why are management assignments and entitlement percentage shares not limited to a defined period (e.g., five or ten years after the settlement of the boundary) so that the United States could then negotiate new management responsibilities and shares based on the boundary determination or if it chose, fish solely and exclusively on its side of the boundary?

Answer. That approach would put all the U.S. chips on the outcome of the boundary settlement. There are possible outcomes of the boundary adjudication that would be less favorable to the United States than the management assignments and entitlement percentage shares set forth in the Fisheries Treaty, just as there are possible outcomes that would be more favorable. In any event, Canada rejected such a limited-term arrangement. Faced with Canadian insistence on a permanent agreement, the most the United States could negotiate was a provision for renegotiation of entitlement shares every ten years based primarily on the outcome of the boundary adjudication with binding dispute settlement if needed. The maximum reduction each ten years in either side's percentage share for a particular stock would be limited to not more than ten percentage points if its preadjustment share was 50 percent or more, or limited to not more than five percentage points if its preadjustment share was below fifty percent.

c. Question. Why did the United States accept an entitlement for scallops of only 26.65 percent in ICNAF area 5Ze instead of insisting on a share of at least 30 percent?

Answer. During the six years (1971–1976) preceding establishment of the 200-mile fisheries zones, U.S. fishermen did not harvest more than about 15 percent of the major scallop stock in the Georges Bank fishery. Their 13-year average on the Bank (1964–1976) was only 22.7 percent, and the annual U.S. percentages steadily declined during that period. The 26.65 percent thus represents a substantial increase over the 1971–1976 average which Canada originally insisted was the appropriate U.S. share of the fishery. It permits U.S. fishermen to maintain approximately the increased share they have achieved during 1977–1978 for the next ten years at least. Moreover, regardless of how the boundary determination comes out, the new agreement assures U.S. fishermen access to the northeast peak of Georges Bank, which is believed to be the most dependable scallop area on the Bank. Finally, the ten-year redetermination provision permits an increase in the U.S. scallop share up to 36.65 percent at the end of ten years, if justified by the outcome of the boundary determination.

d. Question. Why is the United States permitting Canada to open a new fishery in the U.S. fishery zone, especially on a stock of such great potential as *loligo* squid?

Answer. Massachusetts and Maine fishermen have conducted long-standing fisheries, such as redfish and other groundfish fisheries off Nova Scotia, in areas in which Canada now exercises undisputed fisheries jurisdiction. Whatever the outcome of the boundary determination, the United States would have no chance to continue these fisheries in the Canadian fishery zone unless it offered in exchange comparable fishing opportunities in the United States fishery zone.

The Fisheries Treaty avoids major and abrupt disruption of existing patterns and the serious economic injury U.S. communities would suffer if these fisheries in the Canadian zone were permanently curtailed. It includes permanent U.S. entitlements and access for cod, haddock and certain other ground fish stocks in the Canadian zone and also assures a fair U.S. entitlement for redfish in the Canadian zone for ten years. In return, it grants Canada access for ten years to a nine percent share of the *loligo* squid fishery in the U.S. zone.

Loligo squid is not presently marketed extensively in North America because it is not attractive to the U.S. or Canadian consumer, although it is highly prized in other countries. It is presently fished primarily by large third-country vessels which are designed to process the squid immediately after it is caught to preserve maximum product quality. United States fishermen do hope to increase their own catch of loligo for sale to third countries, possibly under "package" arrangements permitting those same countries to continue fishing in U.S. waters for part of their loligo squid needs, if they buy the balance from U.S. fishermen. The arrangement with Canada permits full scope for developing this potential, since the U.S. may still permit its own fishermen or third countries to catch up to 91 percent of the loligo. In these circumstances, the limited share of the loligo resource provided Canada seems reasonable in return for the reciprocal access of our fishermen to the valuable redfish fishery within the Canadian zone.

e. Question. Does the Fisheries Treaty undermine the authority of the Regional Management Councils under the 1976 Act?

Answer. No. The United States and Canada will each have seven members on the Fisheries Commission. It is contemplated that under the enabling U.S. legislation, three of the U.S. members would be selected by the New England Management Council from among its number and two would be selected by the Middle Atlantic Management Council from among its number. The U.S. vote in the Commission would be cast on the basis of a majority vote of the U.S. members, so that the Regional Management Councils will have effective control over the U.S. vote.

In addition, the position of the U.S. in the Commission regarding the stocks of greatest interest to the U.S. fishing industry will be based on fishery management plans developed by the Council concerned, with full public participation.

Finally, the recommendations of the Joint Commission to Governments will be subject to review by the National Oceanic and Atmospheric Administration (NOAA) in consultation with the Council or Councils involved. In sum, the two Regional Councils affected will play a key role in the system, similar to their role under the 1976 Act. The differences between this and the FCMA system reflect the shared interests of the U.S. and Canada in unitary management of transboundary fish stocks. In some respects the Council authority will be enhanced by participating in the management of transboundary stocks throughout their entire range including the portion in the Canadian zone.

f. Question. As part of the treaty package, why did the United States not negotiate for a reduction of Canadian fish exports to U.S. markets or at least for a reduction of the Canadian subsidies to its fishing industry which give it an unfair advantage over U.S. fishermen in the U.S. market?

Answer. Canada and the United States are each other's largest trading partners. An effort to negotiate a reduction of Canadian fish exports to the U.S. as part of the boundary/fishery treaty package would not have been feasible without raising questions concerning many other difficult issues relating to U.S./Canada trade relationships in energy, automobiles, and other major items. All of these issues are being dealt with in the Tokyo Round of the Multilateral Trade Negotiations and in the related bilateral trade negotiations between the United States and Canada. The subsidy issue is being addressed in the countervailing duty investigations that have been conducted by the U.S. Treasury Department which have resulted in specific findings of subsidies warranting the imposition of countervailing duties. Limited waivers of these duties have been issued under authority granted by Congress, based on Canadian commitments to terminate these subsidies within a reasonable time.

g. Question. Would it not have been preferable to maintain the status quo until all the U.S. positions were accepted by Canada?

Answer. In the view of the U.S. negotiators, and the Executive Branch, the United States has obtained the best package obtainable. It is much more in the overall national interest than would be an indefinite continuation of the status quo. Nothing can change the fact that the United States and Canada share a common boundary, that there is a boundary dispute between them, or that many important fish stocks move back and forth throughout the boundary region and can be effectively managed only on a unitary basis. Without agreement on arrangements and agreed shares, competitive overfishing is likely to continue and might well cause serious damage to these stocks, and also exacerbate existing and potential differences between the two sides on fishery issues.

A continuation of the status quo is neither in the national interest nor in the interest of the fishing communities of either nation. The area involved is one of the richest fishing grounds in the world. With the establishment of exclusive fishery zones, the U.S. and Canada are in a position to achieve optimum utilization of these resources to their mutual benefit. The way to do so is to reach prompt settlements of the present disputes between them. It is time for both sides to heed Aesop's fable about the dog who dropped the large bone in his mouth to snatch at its even larger reflection in the water.

Joint Canadian-United States Statement on the Atlantic Coast Fisheries and Boundary Agreements

The Secretary of State, the Honorable Cyrus Vance, and the Secretary of State for External Affairs, the Honorable Don Jamieson, announced today the approval of the Governments of the United States and Canada of the recommendations of Special Negotiators Lloyd N. Cutler and Marcel Cadieux for an Atlantic coast fisheries agreement and an agreement to resolve the boundary delimitation issue in the Gulf of Maine area by binding third party procedures.

The agreements reached will be set out in two separate but related treaties, one on fisheries and the other on third party resolution of the boundary delimitation issue, which would enter into force simultaneously. Treaty texts should be ready for signature by the first of March. The treaties will then be subject to ratification in accordance with the domestic legal requirements of each country. Mr. Vance and Mr. Jamieson expressed their desire to have both treaties ratified as early as possible.

The fisheries agreement builds on the Joint Report of the Special Negotiators that was approved by the two governments in October 1977. A joint fisheries commission will be established to implement the agreement and to provide for cooperative management of fish stocks of mutual interest. Dispute settlement mechanisms will be included as part of the institutional framework created by the agreement in order to resolve any differences that might arise in its interpretation or implementation.

The fisheries agreement also contains detailed sharing, access and management provisions for fish stocks of mutual interest on the Atlantic coast including the disputed area as well as areas in which each exercises undisputed fisheries jurisdiction. These provisions include agreement on entitlement shares for the following major fish stocks in the Georges Bank area: 73.35 percent. (Canada) 26.65 percent (USA) for scallops; 17 percent (Canada) 83 percent (USA) for cod; 21 percent (Canada) 79 percent (USA) for haddock; and, after six years, 33.33 percent (Canada) 66.66 percent (USA) for herring. There are also provisions for allocating to U.S. and Canadian fishermen shares of cod, haddock, pollock and certain other stocks off the USA and Canada. In addition, for the first ten years of the agreement, U.S. fishermen will be permitted to fish for agreed entitlement shares of the total allowable catch of redfish off Nova Scotia, and Canadian fishermen will be granted reciprocal privileges to catch loligo squid off the United States.

The fisheries agreement will be permanent, but the shares will be subject to review every ten years, at which time either side may request changes in the shares set out in the agreement in light of the boundary delimitation and other relevant factors. Should the two Parties not be able to agree on changes, the binding dispute settlement machinery can be invoked, but the agreement protects the interests of both Parties by limiting the extent of the changes which can be made under the procedure.

With regard to the resolution of the boundary delimitation in the Gulf of Maine area, the two governments have agreed to submit this issue to binding third party settlement. While basic principles concerning this submission have been agreed upon, some questions, such as the forum and procedures to be used, remain to be settled in detail. The two governments expect to resolve these issues promptly so that the two treaties can be concluded at an early date.

If, for any reason the boundary issue is not submitted within two years after the entry into force of the fisheries treaty to a binding third party dispute settlement procedure constituted in accordance with the terms of the boundary delimitation treaty either Party may terminate the fisheries treaty upon six months' notice to the other Party.

Mr. Vance and Mr. Jamieson welcomed these agreements on Atlantic coast issues as a positive development which would strengthen the close and harmonious relationship between the two countries. They expressed the hope that these agreements would provide momentum for the continuation of negotiations directed toward the resolution of the Pacific and Arctic coast issues in an equally amicable fashion.●

STANDBY GASOLINE RATIONING PLAN

● **Mr. BENTSEN.** Mr. President, last Thursday my colleagues on the Senate Energy Committee narrowly approved the version of a standby gasoline rationing plan submitted by the administration last month to Congress. It is my understanding that approval hinged on a commitment by Stuart Eizenstat, assistant to the President for Domestic Affairs and Policy, that interstate inequities in the allocation of gasoline coupons built into the administration's scheme would be addressed before rationing occurred.

In his letter to the committee, Mr. Eizenstat said the so-called State ration reserve would be increased and used to provide additional rationing coupons to States which are shortchanged by the plan.

Mr. Eizenstat is certainly correct in recognizing that the President's scheme does discriminate heavily against many States. The remedy—a promise to address this inequity through the State ration reserve—falls short of the mark. While I am confident Mr. Eizenstat's commitment will be honored by the current administration, I do not believe it will eliminate the inequities and we have no assurances that it will be respected by a future administration. Mr. Eizenstat is not in a position to speak for future Presidents, and the Congress should recognize that reality.

Since the administration now openly acknowledges that its current plan is unfair to many States, I see no reason why they should not submit an amendment to correct this obvious shortcoming. The process of amending the rationing plan should be no more difficult than that of amending the weekend gasoline sales restriction plans which the administration has already done.

The standby gasoline rationing plan in its present form is totally unacceptable. Unless the administration does far more to correct the admitted inequities in the plan than it has to this point, I will do everything in my power to defeat it on the Senate floor.

The solution is to amend the plan to base rationing on historical State by State consumption instead of the national averages currenly used.

This issue has received extensive analysis. One of the most comprehensive examinations was recently performed by the National Economic Research Institute, headquartered in Austin, Tex., and printed in its March 14, 1979, Washington Report.

I ask, Mr. President, for that newsletter to be printed in the Record.

The newsletter follows:

Regional Economic Impacts of the Standby Gasoline Rationing Plan

INTRODUCTION

The Motor Gasoline Contingency Rationing Plan, submitted to Congress by the Carter Administration on March 1, 1979, will result in staggering transfers of income from rural, low-income states to states which are characterized by large high-income, urban populations. If the plan is approved by Congress and ultimately implemented, rural areas of the South will incur great costs, while urbanized areas of the Northeast and Midwest will benefit the most. The Administration's own Department of Energy (DOE), in its Regulatory Analysis of the plan, recognizes these regional inequities. Senator Lloyd Bentsen (D–Tex.) has labelled the plan an "outrage" and "a Robin Hood in reverse, taking from the poor and giving to the rich," and has introduced a Senate Resolution calling upon the President to withdraw the plan from consideration and to amend it.

THE PLAN AND ITS PURPOSE

The Energy Policy and Conservation Act of 1975 (EPCA) requires the President to develop a contingency rationing plan. President Ford submitted this plan in January, 1977; when President Carter took office, he withdrew that plan and recently submitted his own. The purpose of the rationing plan is to "reduce or eliminate . . . waiting lines at retail outlets . . ." Long waiting lines occurred in some parts of the nation during the Arab Oil Embargo of 1973–1974 because supplies in those areas were disrupted to a greater extent than other areas. Rationing is seen as a means to eliminate or reduce those lines by rationing gasoline purchases nationwide.

Under the plan, holders of motor vehicle registrations would receive ration checks every three months. Those allotments would be based on national average gasoline consumption reduced by a percentage which reflects the severity of the supply shortage. The President may decide, for example, that consumption must be reduced by 20 percent. In such a case, each holder of a vehicle registration would receive ration checks equal to 80 percent of the national average per-vehicle gasoline consumption. The ration checks would be redeemed for ration coupons at banks and other institutions; the coupons would be required to purchase gasoline at retail outlets. Coupons could be bought and sold freely in a "white market," and the government would not regulate such sales except to prevent coupon-hoarding or other activities disruptive to rationing. Essential public services (police, firefighters, ambulance drivers, and others) as well as farmers would receive "priority" or additional allotments.

REGIONAL ECONOMIC IMPACTS

Since ration allotments would be based on the national average of gasoline consumption, those individuals, localities, and states which normally consume higher-than-average amounts of gasoline will suffer. Conversely, those who consume less than the national average will receive excess allotments which can be sold on the white market.

In general, residents of rural areas or cities of less than 5,000 population must travel great distances to their jobs, for family business, for recreation, and for other reasons. (Figure 1 cannot be reproduced in the Record).

Residents of cities with populations of one million or more also travel great distances, but public transportation is virtually always available in such cities. Thus, small cities and rural areas in which public transportation is not available will be hardest hit by the rationing plan. (See Figure 2).

FIGURE 2

AVAILABILITY OF PUBLIC TRANSPORATION

[In percent]

Place of residence	Public transporation		
	Not available	Available	Not reported
Unincorporated areas	71.3	27.3	1.4
Incorporated places:			
Under 5,000	87.5	11.2	1.3
1,000,000 and over	5.3	94.1	.6
All incorporated places	43.1	56.0	.9
All areas and places	51.7	47.2	1.1

Source: U.S. Federal Highway Administration, Nationwide Personal Transportation Study, May, 1974.

With those facts in mind, it is easy to understand the consumption patterns displayed in Figure 3. States which consume higher-than-national-average amounts are largely rural states characterized by long traveling distances and relatively little public transportation.

FIGURE 3

GASOLINE CONSUMPTION PER VEHICLE (SELECTED STATES)

State	Monthly consumption (gallons)	Ratio to national average
Arkansas	81.5	1.24
Texas	79.5	1.21
Tennessee	76.2	1.16
Georgia	75.3	1.14
Mississippi	74.7	1.14
South Carolina	73.4	1.12
Louisiana	72.2	1.10
Maryland	63.7	.97
New York	63.6	.97
Massachusetts	62.3	.95
Ohio	59.5	.90
Connecticut	56.5	.86
Pennsylvania	55.5	.84
Rhode Island	52.5	.80
U.S. average	65.8	1.00

Source: U.S. DOE, Regulatory Analysis, Standby Gasoline Rationing Plan, DOE/ERA-0046, February 1979.

Given that allotments will be based on national averages, some states will receive higher percentages of their normal supplies than will other states. For example, if supplies are cut by 20 percent, each vehicle would be entitled to an allotment of 52.9 gallons per month according to DOE figures. For some states, that represents a substantial share of normal consumption; for other States it is a serious deficit (see Figure 4).

FIGURE 4

PERCENTAGE OF NORMAL CONSUMPTION PROVIDED UNDER THE PLAN, ASSUMING A 20-PERCENT REDUCTION

State	Monthly consumption per vehicle (gallons)	Allotment per vehicle	Percent of consumption
Arkansas	81.5	52.9	64.9
Texas	79.5	52.9	66.5
Tennessee	76.2	52.9	69.4
Georgia	75.3	52.9	70.3
Mississippi	74.7	52.9	70.8
South Carolina	73.4	52.9	72.1
Louisiana	72.2	52.9	73.3
Maryland	63.7	52.9	83.0
New York	63.6	52.9	83.2
Massachusetts	62.3	52.9	84.9
Ohio	59.5	52.9	88.9
Connecticut	56.5	52.9	93.6
Pennsylvania	55.5	52.9	95.3
Rhode Island	52.5	52.9	100.8

By DOE's own estimates, the economic effects may be even more severe than Figure 4 indicates. Assuming that a 20 percent reduction in supply will decrease demand by 20 percent in all states, some states will have surplus coupons while others have severe deficits (see Figure 5).

When the surpluses or deficits in Figure 5 are multiplied by the number of vehicles in each state, then multiplied again by $1.22 per gallon (DOE's estimate of the white market value of each coupon), income outflows and inflows can be estimated (see Figure 6).

FIGURE 5

GASOLINE SURPLUS OR DEFICIT PER VEHICLE ASSUMING A 20 PERCENT REDUCTION

State	Monthly consumption—		Allotment per vehicle	Surplus or (deficit) per vehicle (gallons)
	Per vehicle (gallons)	Reduced by 20 percent		
Arkansas	81.5	65.2	52.9	(12.3)
Texas	79.5	63.6	52.9	(10.7)
Tennessee	76.2	60.9	52.9	(8.0)
Georgia	75.3	60.2	52.9	(7.3)
Mississippi	74.7	59.7	52.9	(6.8)
South Carolina	73.4	58.7	52.9	(5.8)
Louisiana	72.2	57.7	52.9	(4.8)
Maryland	63.7	50.9	52.9	2.0
New York	63.6	50.9	52.9	2.0
Massachusetts	62.3	49.8	52.9	3.1
Ohio	59.5	47.6	52.9	5.3
Connecticut	56.5	45.2	52.9	7.7
Pennsylvania	55.5	44.4	52.9	8.5
Rhode Island	52.5	42.0	52.9	10.9

FIGURE 6

VALUE OF GASOLINE SURPLUS OR DEFICIT ASSUMING A 20 PERCENT REDUCTION

State	Surplus or (deficit) per vehicle (gallons)	Number of vehicles times $1.22	Income or (outflow) (millions)
Arkansas	(12.3)	1,416,000	($21.16)
Texas	(10.7)	8,981,000	(116.39)
Tennessee	(8.0)	2,897,000	(28.16)
Georgia	(7.3)	3,547,000	(31.37)
Mississippi	(6.8)	1,512,000	(12.52)
South Carolina	(5.8)	1,954,000	(13.74)
Louisiana	(4.8)	2,439,000	(14.22)
Maryland	2.0	2,656,000	6.51
New York	2.0	8,138,000	20.75
Massachusetts	3.1	3,348,000	12.86
Ohio	5.3	7,917,000	51.70
Connecticut	7.7	2,140,000	20.23
Pennsylvania	8.5	8,293,000	86.50
Rhode Island	10.9	613,000	8.17

Source: U.S. DOE, regulatory Analysis, Standby Gasoline Rationing Plan, DOE/ERA-0046, February 1979.

It is important to note that outflows are from states with relative low per capita incomes, and income will accrue to states with relatively high current per capita incomes. For example, the states showing outflows in Figure 6 have 1977 per capita incomes ranging from $5,030 to $6,803. The states showing net incomes in Figure 6 have 1977 per capita incomes from $6,775 to $8,061.

While some advocates of the President's rationing plan would argue that states with high consumption are wasteful and should learn to sacrifice. Senator Bentsen's press release accompanying his Senate resolution contains the following excerpt from a 1978 study by the Oak Ridge National Laboratory.

It does not appear that the differences in state consumption rates can be attributed to extravagent or frivolous gasoline use by residents of certain high consumption states such as Wyoming, New Mexico and Texas. Instead, it appears that state consumption rates are the result of complex interaction of environmental, demographic and economic factors. These state-to-state differences should be considered in developing any national conservation policy, such as gasoline rationing, which will have differential impacts on the states.

CONCLUSION

The rationing plan submitted to Congress by the President substantially discriminates against states which, due to unavoidable geographic and economic factors, consume higher-than-average amounts of gasoline and which display some of the nation's lowest per capita income. Conversely, the plan benefits states which possess favorable geographic and economic characteristics and which have high per capita incomes. As a result, the plan would generally create transfers of income from the South—where hardest-hit states are located—to the Northeast and Midwest.●

FIRE: OLD LESSONS GO UNHEEDED

● Mr. COHEN. Mr. President, in the last month, 10 elderly people have died in the District of Columbia. Nationwide, fires have taken the lives of some 45 people in homes for the elderly, with another 30 injured.

The House Select Committee on Aging, chaired by Representative CLAUDE PEPPER, Democrat of Florida, held hearings April 25, in the wake of these fires. As a former member of the select committee, and knowing of Chairman PEPPER's deep interest in the health and welfare of the Nation's aging, I am pleased that he has drawn attention to this serious situation.

Clearly, that attention is warranted. The recent outbreak of fires and resulting fire deaths in the District of Columbia area and throughout the country points up a problem that requires careful review.

Following the Lamont Street fire in the District which took nine lives, ABC news political director Hal Bruno wrote an article for the Washington Post which merits close attention. His April 19 piece, "Fire," noted an important factor in these tragedies.

Mr. Bruno spoke of local fire laws which are meant to reduce the likelihood of fire and improve fire safety.

"But laws are meaningless if not properly enforced," he said.

Mr. Bruno suggested that the responsibility for fire safety be concentrated in the fire department. He urged implementation of an aggressive inspection program covering an entire city on a regular schedule. And he said courts should impose heavy fines and put chronic violators out of business.

Mr. Bruno said:

> This time the fire was on Lamont Street in Washington, and the only question is where it will happen next. As always, there were no new lessons to be learned, only old ones that went unheeded.

His remarks were sadly prophetic. The Lamont Street fire was followed by another in Montgomery County, Md. Improved fire safety measures are imperative if we are to prevent future tragedies. I commend Hal Bruno's article to the attention of my colleagues. I ask that it be printed in the RECORD.

The article follows:

FIRE

(By Hal Bruno)

The sights, sounds and smells were too familiar as I walked down Lamont Street toward to scene of another fatal fire. Only a small knot of spectators gathered at 3 a.m., peering up to where a ladder poked into a blackened window. Other ladders leaning against the side of the building indicated there had been a frantic rescue effort. Exhausted fire fighters slumped on the back step of an engine, catching their breath, while others dug through the debris for bodies. They found nine.

It had been a foster home for mental patients, and that's all that was unique or different about this fire. In nearly 30 years as a newsman and volunteer fireman, I've worked at fires where 40 were killed in a blazing factory; 10, 18, 23 and 36 at a time in tenements and skid-row flop-houses; 13 and 61 in hotels, 8 in an office building, 164 in a night club and 93 children in a school. I've also seen people killed by ones, twos, and threes in frame shacks, apartment houses and high-rise condominiums, suburban ranch homes and even a luxurious mansion.

The stories followed a set pattern. There usually was a delay in discovering the fire and/or a delay in calling the fire department; or it spread so fast that people never had a chance to escape. Most were doomed before the alarm sounded in the nearest firehouse. The firemen make spectacular rescues and often suffer painful injuries in the attempt. Their story always is the same: heavy fire rolling from the windows when they arrive; wrestling with panic-stricken people atop the ladders; making superhuman efforts to crawl down smoke-filled corridors. The fire itself is seldom difficult to put out; it's usually over in minutes, but a lot of people are dead.

Most of the victims died from smoke inhalation before the fire ever got to them; very few actually burned to death. In one fire, a woman hid in a bathroom that was untouched by flames; she was killed by the smoke, and her body left a perfect white outline on the soot-covered tile floor. Children hide under beds; some people jump from windows when they don't have to, others refuse to jump when it's the only way out. You really wonder about those who escape, then go back in to get their money, a coat or something else they apparently value more than their lives.

The survivors seldom are hysterical. They sit dazed, wrapped in blankets, trying to figure out what hit them. For a few, there was no warning until they woke up and saw flames. Most tell of light grey smoke, which suddenly turned black and churned with intense heat. They don't understand it, but what they experienced is called "flash over"— the instant everything that will burn bursts into flame from radiated heat. It's unbeliveable how fast it happens or how bad it gets when that light, benign smoke suddenly turns dark and malignant.

The post-fire outcry and investigation also follow a disgustingly familiar pattern. The investigation usually reveals an open stairwell that acted like a chimney in spreading smoke, heat and fire to the upper floors while cutting off escape. Often there was no internal alarm system, or it wasn't connected to the fire department. There was no fire-stopping material in walls and ceilings, no fire-resistant doors to check the fire's spread, insufficient exists and fire escapes, no smoke detectors and *never* an automatic sprinkler system. In fact there is no record of a multideath fire (three or more dead) in a building fully protected by a properly installed and operating sprinkler system—which should tell us something.

The investigation frequently reveals a weak building code and/or a code that is poorly enforced because of suspected corruption or bureaucratic confusion between city departments or a shortage of inspectors. Past violations went uncorrected and never got to court or the courts failed to force compliance. It's the same everywhere, as political leaders and civic groups demand action and promise crackdowns. But months later, when the recommended fire-safety laws come up for passage, those who own and operate the buildings at a profit plead economic hardship. Special-interest groups exert political pressure and the law is watered down to the point of being ineffective. If a law is passed, it usually excludes existing buildings, which means the most dangerous are not covered. It's almost impossible to get a retroactive law because fire safety costs money.

But the carnage will not be stopped until those who earn the profits are forced to spend money to protect lives. You can't prevent people from doing the stupid things that cause fires; but you can prevent the conditions that result in panic and a loss of life once the fire starts. The only remedy is to engineer life safety into the buildings where people live and work; that can only be accomplished by tough building codes that are strictly enforced.

An automatic sprinkler, for example, can sound an early alarm, notify the fire department and confine a fire to its point of origin. It gives people a chance to escape. A sprinkler system to protect a large building costs about as much as wall-to-wall carpeting and almost pays for itself over a long period by lowering insurance rates. Every building where many lives are endangered should be required to have sprinklers. At the very least, every dwelling place must have smoke detectors in sleeping areas—and this includes private homes as well as apartment houses.

But laws are meaningless if not properly enforced. The responsibility for fire safety should be concentrated in the fire department instead of being spread over a half-dozen jurisdictions. There has to be an aggressive inspection program that covers the entire city on a regular schedule. And the courts have to impose heavy fines and put the chronic violators out of business.

This time the fire was on Lamont Street in Washington, and the only question is where it will happen next. As always, there were no new lessons to be learned, only old ones that went unheeded.●

TO FUEL INVESTMENT IN BUSINESS

● Mr. JAVITS. Mr. President, on Friday, March 16, 1979, my distinguished colleague from Maryland, Senator MATHIAS, had an article published on the editorial page of the New York Times on how to fuel investment in business. I think we would all agree that something must be done to improve the investment climate in the United States if we are to get this country moving again economically. Senator MATHIAS has some innovative proposals on this score that deserve our closest scrutiny. I ask that the article be printed in the RECORD, and I urge all of my colleagues to study it.

The article referred to follows:

TO FUEL INVESTMENT IN BUSINESS

(By CHARLES McC. MATHIAS, JR.)

WASHINGTON.—In 1940, Frank Perdue joined his father's chicken business on Maryland's Eastern Shore. They had one employee but many good ideas and a lot of drive. Today, that family operation employs 3,800 people and markets millions of tender chickens. But Frank says that if he were starting out in business now, he'd never make it: A fledgling operation stalls before it can shift out of first gear.

For every 100 new businesses that are set up this year, it is predicted that over 50 will fail within 12 months. We must improve these odds if the free-enterprise system is to survive.

Unless we adopt a tax policy that encourages the creation of new businesses and the expansion of existing ones, we may wake up to find our economic and social structure altered beyond recognition and beyond repair.

We can improve the survival rate of small firms dramatically by increasing the availability of venture capital. One way to do this would be to eliminate the tax on capital gains entirely. I don't think our country is ready for such a drastic measure, though some of the most economically efficient and powerful capitalist nations have no capital-gains tax at all.

The United States, by contrast, has the highest such tax in the industrialized world. Not entirely by coincidence, we also have the highest percentage of outmoded factories.

We should continue the revitalization process begun in 1978 when Congress voted a moderate capital-gains-tax reduction. The original bill would have rolled back the tax to its pre-1969 level of 25 percent; Congress enacted a 35 percent rate instead. I'd like to see the tax reduced that other 10 percent.

Along the same line, legislation is now being prepared to index the capital-gains tax to inflation.

Briefly, this is how it would work. If, say, John Does bought $15,000 worth of stock in 1967 and sold it for $25,000 in 1979, his profit on paper would be $10,000. Under today's tax law, he would pay no tax on 60 percent of this gain—or $6,000—but would add the remaining $4,000 to his taxable income of $59,000. His marginal tax is 49 percent, and under currrent law he thus would pay a tax of $1,960 on his capital gain. But because the dollar's value has been cut in half since 1967, his original $15,000 investment is worth $30,000 in today's economy. Thus, in terms of real dollars, John Doe actually lost $5,000. Yet he paid a capital-gains tax of $1,960. If capital-gains-tax indexing had been in effect, he would not have had to pay a capital-gains tax on what turned out to be a capital loss.

There are still other steps we can take. Last year, a bill was introduced to modify the so-called prudent-man rule for managers of tax-exempt private pension funds. It would encourage them to invest some of their funds in new and expanding small and medium-sized companies rather than in blue-chip corporations in which they now feel an almost legal obligation to invest.

Also needed is a measure that would allow small investors to take advantage of the current 10 percent investment tax credit that businesses receive.

If an investor buys a $1,000 bond that will finance new equipment, I think he or she should receive the same write-off that corporations can claim.

Such legislation, soon to be introduced, would be a start in the right direction. It would significantly increase funds for business investment. And an infusion of new capital for new construction would result in more efficient production of goods—a greater output with no increase in human effort. It could lower prices and raise the standard of living. It could create urgently needed private-sector jobs.

A tight capital market discourages competition. When small businesses are refused capital to challenge their large competitors, monopolies flourish, prices go up, up, up, and quality down, down, down.

The free-enterprise system runs on the fuel of capital investment, especially venture capital, and the reasons for encouraging this investment are compelling.

I, for one, sense that Congress, after its first cautious steps last year, is finally ready to act decisively to generate needed investment in business.●

BOB ADAMS REPORTS FROM IRAN

● Mr. EAGLETON. Mr. President, during the past year there has been no shortage of newspaper space devoted to the continuing turmoil in Iran. As the fall of the Shah and rise of the Ayatollah have unfolded, American newspapers justifiedly gave the story extensive coverage.

In my view, one of the more noteworthy series of articles on the Iranian situation is a series which recently appeared in the St. Louis Post-Dispatch. The articles were written by Post-Dispatch Washington correspondent Bob Adams, who spent 2 weeks traveling in Iran to research the series. The Adams articles stand out because they focus not on the Ayatollah, the Shah and the other usual inhabitants of the headlines, but rather on the day-to-day life of Iranians under the new regime. Through his contacts with hundreds of ordinary Iranians, Adams has been able to offer us some fine insights on how the Iranians themselves feel about their revolution, their new government, their prospects for the future. The Adams articles also give us an insight into how the Iranians feel about us.

I commend Bob Adams' articles from Iran to the attention of my colleagues, and I ask they be printed in the Record.

The articles follow:

Iran: 35 Million in Turmoil Between Republic and Monarchy

(By Bob Adams)

Tehran, Iran.—In a grassy square, near the bazaars of Tehran, stands a massive block of concrete with ugly strands of metal dangling down its sides. Once it held the statue of the shah—Mohammed Reza Pahlavi, king of kings, His Imperial Majesty, ruler of Iran. Today the monument and the man are gone.

Another portrait now dominates the land, hung or spray-painted on the walls of schools, stores, offices, oil tanks, any vertical surface. It is the figure of Ayatollah Ruhollah Khomeini, the 78-year-old white-bearded holy man.

The two images are stark symbols of the dramatic change of power that swept Iran this year, touching off tremors not only in the Middle East but in Washington, Moscow and other nerve centers of the world. And the tremors are not yet finished.

Iran today is a nation in turmoil, its 35 million people in a twilight zone between a monarchy that is dead and an ill-defined Islamic republic that is struggling to be born. How that turmoil ends—or whether it ends at all—will have a profound effect on affairs ranging from the Arab-Israeli peace talks to the price of gasoline in St. Louis.

On the surface, Tehran has returned to normal since the bloody year of strikes and riots that toppled the shah. Traffic jams clog the streets again. Stores and schools have reopened. Oil is flowing through the pipes in southern Iran. The shooting in the streets has mostly stopped—at least in the capital city. Most of the "Death to the shah" signs have been scrubbed from the walls.

But signs of turbulence past—and possibly to come—are everywhere. Bunkers made of sandbags still stand on street corners and on the tops of buildings. Young men, many in dapper suits and sweaters, walk the streets with German-made semiautomatic rifles slung over their shoulders.

Many are free-lance keepers of the peace, police with no chief, troops with no general in command. Huge numbers of weapons—estimates range from 70,000 to 300,000—remain in private hands after the storming of the government's arsenals.

At the political level, the strains also are visible. Iran today has not one governing entity, but two—Khomeini and his "komitehs," or revolutionary committees; and the offices of Prime Minister Mehdi Bazargan. They are sometimes collaborators, sometimes rivals. Each thinks of itself as the real government. Neither entirely is.

Besides these two parallel governments are other centers of power. There are the Marxist fedayeen who fought the shah and have yet to lay down their arms. There are the Mojahadeen, a band of religious guerrillas. There are the liberal intellectuals who are struggling to turn Iran toward a constitutional democracy. There are the remnants of a shattered army.

Beyond these are the ethnic groups— the Kurdish and Turkoman tribesmen who already have had bloody clashes with the new regime over tribal autonomy. Other tribal groups may follow their lead.

Ardavan Davaran, a thoughtful professor of literature at Tehran University who took part in the anti-shah demonstrations, believes that Iran will transcend the current confusion and pull itself together.

"I was in America for 14 years," Davaran said. "You remember the hour blackout in New York. Or what happened in cities where the police or firemen went on strike.

"In Iran, I'd say the amount of theft, murder, fire, rape, is lower than a year ago, and you had the strongest police in the world then. I think it's the local culture, and a general vague faith, that kept us still quiet and together and not completely out of control."

A darker view is offered by Fariborz Atapour, a columnist for the English-language Tehran Journal, which ceased publication two weeks ago. Atapour said his father had been arrested by the new regime, and his family hadn't been allowed to see him.

"We fought for freedom," he declared. "What have we got in its place? We live in a state of terror and intimidation, of constant harassment and mob menace. We have no valid government. It is a mass of ministates run by faceless men."

Among the people at large, the dominant emotion is delight over the fall of the shah. They scorn his attempts to "modernize" Iran. They say he rode roughshod over traditional Persion and Islamic culture. He sold America too much oil and bought too many guns. He made his family rich at the expense of the poor. His secret police were torturers.

"The shah was a fascist, a dictator," said Farhad Zamany, a 20-year-old student in Tehran. "And the United States was supporting him."

"We were under oppression and we were happy to kick him out of the country," said Hassen Zibaie, a 58-year-old interior decorator.

"He was very rich, and we had millions of people who could eat only at night," said Ashot Khosroviav, 34.

Horror stories about SAVAK, the shah's secret police force, abound. A group of men standing outside Tehran University was asked if anybody they knew had been arrested by SAVAK. "Baleh, baleh!" came the answer— "Yes, yes!"

"One of my relatives was arrested. They pulled his nails out. They hanged him for 18 days by the wrists," said Mostafa Jalalie, 23, a car repairman.

"Usually, if they were looking for one person in a family, the whole family was ruined," said Bahran Sabetghadam, a flight engineer. "After a strike, you'd see friends disappear. And most of them, after they came back from jail, they were very quiet. You wondered what they did to them."

Mohammed Hossein Bakhshghanbarabad, an 88-year-old rug merchant with a white turban around his head, said he was exiled for seven years after World War II. Did he hate the shah? "What has he done for us not to hate him?" he demanded.

Many spoke of a new, freer atmosphere. "We can breathe freely," said Reza Afshar, who runs a shoe store in the main bazaar of Tehran.

Allison Sadr, the American-born wife of an Iranian environmental engineer, said the contrast was striking. "Before, people would say 'Be quiet. The mouse in the wall has ears.' People carry machine guns now, as before—but now they smile."

Who is running Iran? The short answer is everybody—and nobody.

The most important figure, of course, is Khomeini, the ayatollah. It was he who denounced the shah from exile in Paris for years, rallying the dissenters at home. When he returned to Iran in triumph Feb. 1, the man with the white beard and dour expression was clearly in command.

Around Khomeini—who now lives in the holy city of Qom, 90 miles south of Tehran—is the "komiteh," or committee, consisting of religious leaders and other top figures close to him. Other, smaller "komitehs" have sprung up in thousands of neighborhoods, villages, schools, factories. Their loyalty is to Khomeini, to the Islamic revolution.

One of Khomeini's first acts was to appoint Bazargan as prime minister. Other ministers also were appointed. Bazargan's people refer to themselves as "the government." They play down the importance of the komitehs.

But the power is clearly with Khomeini. He probably could fire Bazargan, but nobody could fire the ayatollah. Bazargan's authority flows from the ayatollah, and Bazargan's influence consists essentially of what he can persuade Khomeini to do. It is to Khomeini and the komiteh that people look to for the decisions that matter.

Among the people, the loyalties are clear. "I love him, because he is the Imam," said Hemshmat Ghorgian, 22, who carried a color picture of Khomeini under his arm. "He's trying to work for the people."

"Khomeini is the leader of Iran," observed Shapour Mailky, 26, an accountant. And Bazargan? "Bazargan is the prime minister at the moment."

The tug of war between Khomeini and Bazargan is evident in public as well as behind the scenes. Khomeini wants the Islamic republic to be very Islamic. Bazargan stresses the republic part.

Khomeini has called on Iranians to root out Zionist, British and American influence, saying they corrupt the nation. But in a recent speech, Bazargan took dead aim at that idea.

"We should not have fanaticism," the 71-year-old Bazargan declared. "We should not say that everything which has the stamp of the West is anti-Islamic, anti-Iran, anti-freedom and anti-independence."

What sort of man is Khomeini? In the West, he is often portrayed as a religious fanatic, a wild man, an Islamic zealot. But close observers of the new regime detect a strong hint of pragmatism as well.

On three major issues that threatened to tear the government apart, Khomeini showed considerable flexibility. He told Iranian women, for example, that they had to wear the all-covering chador, the Islamic veil. When the women protested, Khomeini backed down. Just dress modestly, he said.

A second issue was the summary executions. A dismayed Bazargan called them "a disgrace to the revolution." Khomeini ordered them stopped, although that proved to be only a temporary halt. At least 10 persons were shot to death when executions resumed last week.

A third issue was tribal autonomy. Kurds staged a bloody uprising in Sanandaj, 30 miles west of Tehran: Turkoman tribesmen did the same in Gonbad-E-Qabous in the northeast. Khomeini promised to include tribal demands in the new constitution. "We are one people, one Koran," Khomeini said.

A major question mark is what role Khomeini will have in the "Islamic Republic" he proclaimed after reporting that 99.3 percent of the people approved it in a two-day referendum a week ago. Will he stay in Qom as a kind of elder statesman? Or will effective political power remain in his hands?

Another question mark is the so-called Revolutionary Council, the supreme decision-making body of the regime. The identity of its membership, said to number between 10 and 20, never has been made public. Will the council and the "khomitehs" hand over power to a popularity elected assembly and then vanish? Or will they stay on in some form, as a rival government to bedevil whoever heads the new one?

A new constitution already is being drafted. Reports say it calls for an elected president and parliament, with protections for free speech and civil rights. But there have been hints that a court-like tribunal staked with Islamic mullahs might be able to overturn any laws it didn't like. If that happens, the new government might be a republic on paper, a theocracy in practice.

One of those fighting hard for democratic principles is Hedayat Matine-Daftary, the respected human rights lawyer who is a grandson of the late Prime Minister Mohammed Mossadegh, an old foe of the shah.

Matine-Daftary is the organizer of the National Democratic Front, a new political group that he hopes will bridge the gap between the extreme right and left. He stresses the need to expand democratic rights.

As for Khomeini, Matine-Daftary acknowledges him as "the father of the Iranian nation." But he says the revolution will outlive Khomeini. "It is nothing that was born yesterday and will die tomorrow."

Others, however wonder if the Matine-Daftarys will have much influence. They see other, stronger centers of power developing that have nothing to do with a constitution.

For example, Deputy Prime Minister Ibrahim Yazdi, a close associate of Khomeini's who spent 20 years in the United States, is setting up a new military group. It will be called the "Guardians of the Revolution," or national guard.

Yazdi says it will guard the country and preserve law and order. Others fear it may do more. "It could be dangerous—another SAVAK," one Iranian intellectual told the Post-Dispatch.

Other groups are waiting in the wings. The fedayeen are estimated to have 5,000 to 10,000 armed guerrillas. They boycotted the referendum but have stayed relatively quiet so far. If the new government stumbles, they might step into the vacuum.

There are also the former armed forces. The army, navy, and air force seemed to vaporize almost in an afternoon when the monarchy fell. But some suspect that the old fighting units, loyal to their old commanders, could reassemble. That would raise the specter of a military coup—something Khomeini, Bazargan and others would fiercely oppose.

The most optimistic scenario for the future runs roughly like this: Khomeini offers a draft constitution. A constituent assembly is elected to adopt it. The people vote and approve it.

Then a president and parliament are freely elected, bringing together all the disparate elements of this ancient, fragmented but proud country. Civil rights are protected. Iran becomes a functioning republic, with a Moslem flavor.

But the pessimistic scenarios are many. Iran could evolve into an Islamic dictatorship. It could slide into a civil war between right and left, or Kurds and Turkomans against the central government. It could slide into anarchy, with a dozen groups—all with guns and ideologies—contending for power. A possible model is Lebanon, where an uneasy truce prevails between several armed factions, each of which controls part of the country.

Perhaps all the contradictions and confusions, the fears and hopes, are personified in someone like Hossein Kajoian, a 20-year-old student of natural science.

Kajoian walks the streets of Tehran dressed neatly in a gray suitcoat and a blue turtleneck sweater. And he wears a German-made semiautomatic rifle, slung over his right shoulder.

"I'm not officially employed by the Komiteh," he said—although that's where he got the rifle. He is a self-appointed peacekeeper. "It's out of my own interest and my own gratitude and love toward Islam that I am doing this." Perhaps nowhere else in the world would a free-lance gunslinger be a normal part of the street scene. And perhaps nowhere else would one be dressed so well.

His first loyalty, he said, is to Khomeini. He doesn't hate America but wants to be free of its influence. He dislikes the Soviet Union. He backed the fedayeen in getting rid of the shah; but now, he said, they're causing trouble.

"If the foreign countries leave us alone," he said, the rifle still on his shoulder, "we will have a democracy that will impress people all over the world."

IRAN CUTTING OIL FLOW

(By Bob Adams)

AHVAZ, IRAN.—Akbar Doostikhah, manager of Production Unit No. 3, looked at the numbers written in colored chalk on a blackboard inside the control room.

Outside, a maze of pipes and oil tanks stretched to the horizon. Bright flames shot up in the distance where excess natural gas was being burned off.

Before the revolution, Doostikhah explained, this unit and its 28 wells produced 250,000 barrels of oil a day. Now the figure was 90,000. They were capable of producing more he said—just by opening more of the valves. But the policy of the new regime was to cut back a—policy he and his workers supported.

What's happening at Production Unit No. 3 is a microcosm of what's happening in the rich oil fields of southern Iran. Perhaps no aspect of the revolution and turmoil in this nation has more profound implications for the United States—and other nations of the West as well—than the fate of Iranian oil production under the new government.

The next gallon of gasoline you pump into your car might have come from these oil fields. More importantly, the price you pay for that gallon—wherever it comes from—will be affected directly by how much is pumped out of these fields to be sent abroad.

Before the oil strikes that swept the nation and helped topple Shah Mohammed Reza Pahlavi, Iran was the world's second largest exporter of oil. It produced more than 6 million barrels of oil a day, and exported all but 700,000 of that. The United States got 10 percent of its imports—5 percent of its total oil supply—from Iran. Israel got more than half of its oil from Iran.

After a 69-day shutdown, the oil is flowing again. But the production is less than half what it was before. And the new government has no intention of raising it beyond the 4 million to 4.5 million barrels needed to keep the home fires burning and to meet Iran's need for foreign exchange.

Looming over the oil fields—and the consuming nations such as the United States—are questions, too. Can Iran reach even its new, lower target without the 800 foreign technicians and 3,000 other foreigners in related activities who were expelled during the revolution? Was the machinery in the fields damaged during the long strike? Will leftists, who some believe have strong influence among the oil workers, create new roadblocks? And can the National Iranian Oil Co., which runs the show, set up a management system that will satisfy the oil workers, the government and the Iranian population?

For the answers to some of the questions, one must look north to Tehran, the capital, and to Qom, the home of Iran's religious rule, Ayatollah Ruhollah Khomeini. It is there, under Khomeini's leadership, that Iran's new oil policy is taking shape. And the policy is not likely to reassure U.S. citizens who wonder if they'll be paying a dollar a gallon for gasoline one of these days.

Why the cutback in production? A source well-connected in Iran's oil industry provided a frank answer.

"What we were doing before was too much. It was too much," he said. "People feel they were exploited by Western Europe and the United States.

"Under the shah, Iran sold America oil in exchange for a tremendous amount of weapons, arms, military hardware. Khomeini sent cassettes from Paris with messages saying: 'Whatever you export, the government gets arms in exchange. And these arms are used to kill people in Iran. So why produce oil and export it to get armaments to kill the people?' "

"It seems the new administration has no boxing gloves," the source said with a wry smile. "They don't want to fight with anybody. So they would prefer to reduce the level of exports—and give our children and grandchildren a chance to benefit from this important commodity."

Iran, he said, has proven oil reserves of perhaps 60 or 70 billion barrels. At the old rate of production, that would be used up in 25 or 30 years. Under the new policy, the flow of oil and of oil money, will be stretched out beyond that.

Moreover, he said, the boom-town atmosphere created by the massive infusion of oil money under the shah did violence to Iran's economy—and to its culture. Iran had more money than its leaders knew what to do with.

"Because of the tremendous flow of foreign exchange into Iran, we had inflation," he observed. "The rent for a two-bedroom apartment went up enormously. Everything went up. It was real chaos."

"Then we were forced to import foreign technology and foreign workers. From the Philippines. From Pakistan. From India. From Korea. There were 45,000 Americans living in Iran, 12,000 Italians, 8,000 British. Such a rapid development was something we couldn't absorb."

The foreign technicians were expelled in November. "When they were leaving Iran," he said, "we told them: 'We consider your employment terminated.' "

Some observers feel those expulsions could boomerang on Iran. Iranians might be able to do the day-to-day work in the oil fields by themselves. But American oil experts believe that foreign technicians will be needed for the more sophisticated aspects of producing oil.

One example is what oil men call "secondary recovery." This is used when the pressure in the oil wells drops, and oil isn't pushed out of the ground as fast. Experienced technicians can inject natural gas into the wells, increasing the pressure and forcing out that hard-to-get oil.

Looking for new wells is another example. When you want to know if an untapped pool of oil is under the ground, you can detonate small charges that set off seismic waves. Technicians who know how to read those waves often can tell if there's an oil dome thousands of feet below.

The Iranian source reluctantly acknowledged all that. He played down its importance, however.

"We might need maybe 100 or 120 foreign technicians," he said. "We will have to get them from the major oil companies, from Europe or the United States. But not soon, not immediately. We're talking about discovering new wells, about gas injection for secondary recovery. This could start after four months, or after six months, or after a year. There's no hurry or rush."

That view is supported by the men who

run Production Unit No. 3, about five miles north of Ahvaz. "I have 40 people working for me," said Doostikhah, the supervisor. "There were no foreign technicians here. It was all Iranians."

Starting things after the strike was easy, he said. No imported skill was required. They imply turned on the valves.

As for damage, he said there was none. The workers were careful when they shut down the wells. Routine maintenance was performed at his unit even during the strike.

One oil pipeline to a booster station sprung a leak, and men were digging in a huge ditch to fix it while a Post-Dispatch reporter was there. The smell of crude oil hung in the air. The damage didn't look severe, and backup pipes were available to carry the oil.

No other damage was visible—either at this unit or at Production Unit No. 2, a few miles away. The valves at the wellheads seemed in workable shape. The maze of pipes carrying oil above ground looked intact. The meters in the control rooms used to monitor the oil flow were working. Flames leaped from the far-off pipes where the excess gas was being burned off.

Many businesses in Iran had serious trouble controlling their workers after the wave of strikes ended earlier this year. Workers' "komitehs" virtually took over some companies, ousting managers and making their own rules.

"Some of our workers did say, 'We want to change this man or that,' " said Doostikhah. "But they accepted the fact that nobody would be changed, because nobody knew as much."

From all appearances, Doostikhah was clearly in command of his own workers. He had been on strike with them to bring down the shah.

Reminders that a revolution has occurred are plentiful, however. A large color picture of the ayatollah looks down from the office wall. Other pictures of him are nearby. Quotes from Khomeini are plastered on the walls: "For the people killed during the revolution, go to the referendum (for an Islamic republic)."

Black silhouettes of Khomeini were spray-painted on the silver oil pipes and storage tanks outside. One such portrait looked across the oil fields from the top of a tank.

Mostafa Noorkami, manager of operations for all the oil fields in southern Iran, acknowledged that some problems exist, but he said they could be solved easily.

"During the strike, Khomeini told the workers to produce 700,000 barrels a day, enough for internal consumption only," said Noorkami.

"Overall, the damage wasn't bad. But during the strike, there were some maintenance services that didn't get done. Now we're assigning a crew to look at all the valves, turbines, machines, pumps."

Noorkami said leftist ideologies were popular in some oil-producing areas. "But as far as the oil is concerned, all are united," he said. "There may be differences in ideologies, but they are united in keeping the oil production as smooth as possible for the prosperity of the country."

Some shifts in the structure and management of the National Iranian Oil Co. are ahead, Noorkami said. The komiteh, Khomeini's group, would be conferring with officials to determine how to meet the nation's shifting oil priorities.

At present, Iran is producing about 2.75 million barrels of oil a day. About 700,000 of that is kept for domestic use.

Of the rest, only 1.2 million to 1.5 million is being exported. The remainder is being pumped into the huge fleet of storage tanks at Kharg Island in the Persian Gulf. Kharg Island is the main export terminal for Iranian oil. Its tanks have a reserve capacity of 20 million barrels. During the long strike, those reserves dried up. Iran plans to rebuild them again before increasing its exports.

Iranian officials say they can reach the target production figure of 4 million to 4.5 million barrels a day with no trouble. They even say that for one day—and only one day—they will raise production to the prerevolutionary 6 million barrels, just to show the West they can do it.

American oil experts, however, say it would be a dubious achievement. "I think they probably could, if they go hell bent for leather," one U.S. oil specialist said. "But everybody would look at it with a jaundiced eye. You can do it by going above your maximum efficient rate. But if you do it for very long, you suffer a pressure drop."

What effect will Iran's new policies—and problems—have on the price at the corner gas station?

The answer depends on several variables. Iran said the recent price increase by OPEC (Organization of Petroleum Exporting Countries) was not enough. If Iran does reach a production of 4 million to 4.5 million barrels a day and exports most of it, that will help ease the shortage—and the upward pressure on prices.

But an increase in Iran's production could be wiped away if other oil-producing countries cut back on theirs. Saudi Arabia and other exporters increased their production at the request of America and Western Europe to help make up for the Iranian shortfall. If their production drops as Iran's increases it will mean that the oil squeeze will remain very tight. And there are indications that this is what will happen.

One U.S. official noted that Iran's social unrest was brought about partly because the shah didn't handle the oil boom very effectively.

"You can bet that Mexico, for example, is looking at Iran and asking: 'Do we want to become a young giant in the oil business at the risk of social upheaval?' " he observed. "I think Mexico's answer is clear. They're not going to."

Part of Iran's new export policy is purely political. Iran has cut off oil to Israel, as well as broken relations with Israel. Iran now supports Yasser Arafat and the Palestine Liberation Organization. Similarly, Iran says it will sell no more oil to South Africa because of that country's racist policies.

No matter how much or little oil it sells, the new Iran plans a major change in how it spends that oil money. Under the shah, much of it went for weapons. Now it will go for human needs.

"Before, we produced 6 million barrels a day, but we had nothing," said Doostikhah, who is 40 and has a wife and four children to support. "No road. No hospital. No education. We had to import rice from outside. Why sell oil and buy things for the army—but nothing at all for the people?"

U.S. LOSS IN IRAN IS NOT SOVIET GAIN

(By Bob Adams)

TEHRAN, IRAN.—The four-colored flag of the Palestine Liberation Organization hangs from the balcony of the old stone building. Underneath is a color picture of Yasser Arafat, the PLO leader with the perpetual stubble of beard.

Until a few weeks ago, this building was the Embassy of Israel. The blue Star of David hung where the flag of the PLO, Israel's archrival, hangs today.

Perhaps nowhere else is the stunning shift in Iran's foreign policy shown so vividly. Under Shah Mohammed Reza Pahlavi, Iran was a staunch friend of Israel and the United States. Under the new government of Ayatollah Ruhollah Khomeini, the Israelis have been thrown out, and relations with the United States are decidedly cool.

But two surprises are in store for Americans who see Khomeini's ascent to power as an unmitigated disaster for the West.

First, the level of hostility toward Americans in the streets is remarkably low. Iranians are quick to criticize the United States for backing the shah, for exploiting Iranian oil, for loading their country to the teeth with arms. But their attitude toward the Carter administration isn't translated into anger toward individual Americans. And they express a pragmatic willingness to be friends with the United States—provided it's based on mutual respect.

Second, America's loss is not necessarily the Soviet Union's gain. Far from falling under Soviet influence, as some U.S. officials feared after the revolution that toppled the shah earlier this year, Iran has turned a skeptical eye toward its neighbor to the north.

Iranians see the Soviets as imperialists. They haven't forgotten that Russia and Britain highhandedly divided Iran into zones for commercial development in 1907. Or that Soviet troops overstayed their welcome in northern Iran after World War II.

Moreover, the Soviet government is perceived as a dictatorship that keeps a heavy hand on its own people—not unlike the shah. And the Soviets are perceived as atheists who won't let the Moslems within their borders practice their faith—a considerable sin in the eyes of Iran's fiercely Islamic new rulers.

"It's a governing of the majority by a small minority," said Reza Hosseiny, a 17-year-old who lives in south Tehran. "People don't have freedom to practice their religion or other activities. As far as I'm concerned, we don't want Iran to follow their example."

What is taking shape in Iran is a foreign policy its leaders describe as non-aligned. Both the United States and the Soviet Union will be kept at arm's length—although normal and even friendly relations can be maintained. Iran will sell America only as much oil as Iran needs to sell—and will sell it for dollars, not guns. Iran will have closer relations with other Moslem countries, many of which are Arab. It will mend its fences with the Third World. And it strongly will support the Palestinians against Israel—although it is doubtful that it would send troops to fight alongside PLO guerrillas in a holy war to liberate Jerusalem.

"The point we start from is the interests of the Iranian people," said Hassan Lebastchi, political adviser to Iran's minister of foreign affairs and an articulate exponent of Iran's new policy. "If these interests are best-served by a particular relationship with a particular country, we will do that. Ideological differences won't prevent it. But we will be non-aligned. There will be no special favor for any country as such. If this revolution was about anything, it was about freedom and independence."

A sign on the iron gate outside the headquarters of the powerful "Komiteh," or revolutionary committee, makes the point in blunt language:

"Down with the vicious triangle of imperialism: Capitalism, Zionism, Communism."

On a nearby wall, in black letters, is scrawled in Persian: "God, Koran, Khomeini." Elsewhere, in red: "Communism in any form is condemned."

The U.S. Embassy in Tehran also symbolizes the ambivalence of Iran's new foreign policy. In certain parts of the main embassy building, tear gas still stings the eyes—left over from February, when guerrillas had the building under siege. But the siege was stopped by the leaders of the revolutionary government in an attempt to keep American officials from harm.

Complaints about American policy are many. They center around American support for the shah's dictatorship and around American attempts to turn Iran into the policeman of the Persian Gulf.

"The United States used our country as a military base for its own purposes," said Mostafa Jalalie, 23. "It had military advisers here getting thousands of dollars. And they were useless to our country. For 25 years, the United States was sucking the blood of our brothers and sisters." But he added that if America changed to cooperation from exploitation, then Iran would cooperate, too.

"The shah was the puppet of the United States," said young Hosseiny, who voiced the complaints about the Soviets. "They (the United States) exploited our resources and our oil. They didn't bother to count us as human beings."

Could Iran be friends with America now? "We want to live according to our values, which are the Koran and Islam," he said. "If Americans don't impose their way of life, it's all right."

"We know Jimmy Carter supported the shah until the last day," said Reza Afshar, a Tehran bazaar merchant with seven children who condemned the tortures and killings by SAVAK, the shah's secret police. "But on the other hand, his encouragement of human rights helped ignite our movement."

Asked about the Soviet Union, he replied without enthusiasm: "Since it's our neighbor, to some extent we have to deal with it."

"We don't need to depend on any country except Allah!" declared a 65-year-old Iranian who was selling carpets.

One knowledgeable American still living in Tehran noted that Iranians—who have suffered invasions of Arabs, Mongols, Turks and others throughout their long history—tend to blame outsiders for all their problems.

"Traditionally, Iranians have sought scapegoats," he observed. "And in many cases, there have been outsiders who have maneuvered to take advantage of Iran. This is a part of the world where Kipling's great game was played, just as in India.

"The thing ranges from sorrow to anger. Among some Iranians, you find great disappointment that America was led down the wrong path. They believe America still is a young country, and we got snookered.

"The anger side is: 'You knew what you were doing all along. You'd rather deal with a dictator, no matter how harsh his methods, than to deal with something else. And now that dictator is gone, so you'll have to take your lumps.'"

Those lumps already have been sizable. Iran has pulled out of CENTO, the anti-Soviet alliance sponsored by the United States. American military analysts won't be able to use their electronic "listening posts" in Iran to keep track of Soviet activities any more. The United States can no longer count on Iran as a pro-American military power in that strategic part of the world.

But if there are smiles in Moscow over Washington's problem, there is also concern. The Soviets have sizable Moslem populations in some of their southern provinces bordering Iran. Will the wave of Islamic nationalism that swept Iran spill over into those areas, creating internal unrest?

Perhaps the most startling foreign policy change has been Iran's 180-degree reversal toward Israel. While Iran under the shah was a firm friend that sold Israel more than half the oil it needed, the Khomeini government has cut off all oil to Israel, turned the Israeli Embassy over to the PLO and proclaimed its solidarity with the Palestinians.

Arafat—whose soldiers helped train Iran's revolutionary guerrillas during their fight to topple the shah—was the first state visitor Khomeini received after taking power. He stayed five days and made a celebration out of it.

When the peace treaty between Egypt and Israel was signed, Khomeini bitterly denounced it as "treason against Islam and Moslems and our brother Arabs," because it failed to meet Palestinian demands. The Egyptian Embassy in Tehran was taken over by anti-treaty demonstrators in a one-day protest.

Popular sentiment is clearly with Khomeini in his break with Israel and his embrace of the PLO. "Carter—Camp David—very bad," a Tehran cab driver said in broken English. "Carter crazy." A man in a park was asked his opinion of Israel; he responded with a throat-cutting gesture.

Israel is viewed as an imperialist country that drove the Palestinians—many of whom are Moslems, like the Iranians—off their land.

"Israel could have a good relationship with the Arab people, but its policy is just like England's—always just out for themselves," said Hamid Sabzian, a 23-year-old electronics technician.

He compared the PLO's struggle against Israel with the long Iranian struggle against the shah. "If you try to get your freedom, you're going to be killed," he said. "But they have to try, even if it's 20 or 30 years."

He said he wasn't against Jews—only Zionism. "My girlfriend is a Jewish girl," Sabzian said.

Some Iranians hope Khomeini will sanction a holy war against Israel—although economic aid to the PLO is a more realistic possibility.

"The fedayeen and Mojahadeen (two guerrilla groups) will go to fight Israel with the Palestinians," said a 17-year-old Iranian student, "because we have to defend the rights of our brothers, who were kicked out by the aggressor."

Lebastchi, of the foreign ministry, said the shah's policy toward Israel "was unnatural in all aspects—political, religious, economic, social, cultural—any way you look at it. It was unexplainable by any Iranian citizen. The policy we have now is more natural, in terms of our standing with Moslem countries and with non-aligned countries.

"We believe the Palestinians have a just cause. They have a genuine right to self-determination and self-government. Also, as long as the problem of the Palestinians has not been solved, the threat of war—local or global—is very much alive. So for the sake of peace, we believe the Palestinian problem has to be solved."

Asked whether Iran would send guns or men to fight alongside Arafat, Lebastchi said: "At this time, our support has been primarily moral support. As far as material support is concerned, the government has not yet made a decision." He noted that Iran already had struck an economic blow against Israel by stopping the sale of oil—as Iran has done with South Africa in protest against its policy of racism.

More generally, Lebastchi said he expected Iran to develop closer ties with other Moslem and Third World countries while keeping its distance from the superpowers.

"Under the shah, I don't think Iran was an independent country," he said "The government's decisions weren't serving the best interests of the Iranian people. They were serving the interests of foreign powers. Look at the contracts we had with France, Britain, West Germany, the United States. Iran agreed to buy billions of dollars worth of arms from the United States—sophisticated weapons which, for defensive purposes, were out of line with any kind of rational thinking."

He criticized what he called "negative publicity" in the American media toward the new regime; he attributed it primarily to "Zionist sources in the United States."

Asked what the Carter administration should do to improve relations, he replied: "I think Jimmy Carter should be more in touch with the reality of Iranian politics. And the reality is that the revolution has happened. The people are clearly supporting the new regime."

Carter, for his part, has tried to recover from the embarrassment of supporting both the shah, who fell from power, and interim prime minister Shahpour Bakhtiar, who also fell. He has said the new government has indicated that it wants friendly relations with the United States. He spoke of "new interrelationships" with the Iranian government.

But Carter has noted that in terms of American global security interests, "Iran cannot be considered any more, if it ever was, the policeman of that region." He said he would look much more to Egypt in the future as "a possible stabilizing factor."

Among the Iranian people, there is a pragmatic sense that Iran stands to gain from working with the United States. "We need America at the moment," said a man named Raouf, standing outside the gates of Tehran University. "If we don't sell petrol (oil) to America, we'll starve."

"I think all people are brothers," said Mohammed Hassan Sadigh, an insurance man in Tehran. "If America wants to just buy oil, and pay for it with a gun, we can't accept that. But if it wants to buy other exports, too, and pay an honest price, we will accept it.

"The past is finished. We think of the future. If they accept us—America, Russia, England, Germany, Cuba—we can have good relations with all the people in the world."

"ISLAMIC RULE" MAY MEAN BIG CHANGES

(By Bob Adams)

TEHRAN, IRAN.—How would an Islamic republic change the lives of the Iranian people?

Given the turbulence in Iran as the nation emerges from its revolution against Shah Mohammed Reza Pahlavi, no predictions can be made with certainty. But if the words of the leaders are any guide, lifestyles in the new Iran may be profoundly different from those of the old.

A few signs already are present: alcohol has been banned, sexy movies are being eliminated, and women are under some social pressure to wear the Islamic veil, or chador.

But a genuine Islamic republic, as envisioned by those with the clearest understanding of the concept, would create deep changes in virtually every institution: schools, banks, newspapers, television, criminal justice, social welfare.

To most Americans, the very concept of a religious government is an anomaly. Separation of church and state is a basic constitutional principle.

But Moslems note that their religion isn't confined to mosques. It is all-encompassing, with principles governing virtually every aspect of life, from the bedroom to the classroom to the halls of parliament.

"A man in the West may feel he can go to church and be a good man, independent of his way of government," observed Kamal Kharrazi, director of programs for Iranian television under the new regime. "Our concept of religion is very different. We believe Islam is a complete religion, with different subsystems—legal, political, educational, economic. It's a system of government which can be defined and interpreted. It's a way of living.

"In another country, somebody might say: 'I'm the king, and I want to enforce Islam.' They might call that an Islamic government. But in Iran, the vehicle of enforcing Islam will be a republic. All the people will be involved. They'll be electing a president and a parliament. They'll be involved in the future—but that future will be based on Islamic values."

To be sure, many Iranians have only a hazy idea of what it will be like with the Islamic republic, for which they overwhelmingly voted. "Ninety percent of the people don't know what an Islamic republic is. They're just following the leader," said Shapour Maliky, 26, who voted for it himself.

Some have a highly idealized vision of that republic. "I feel we're going to create a new government where everybody is free . . . a government that will listen to us," said J. Jazayeri, a middle-aged Tehran man.

One of the most obvious changes—if the transformation is complete—would be in crime and punishment. Islamic law offers penalties that most Americans would consider Draconian, even barbaric. An adulterer may be lashed or stoned. A thief may have a hand cut off.

While sensitive Iranians may frown at such punishments, others defend them. The hand of a thief is being used for an unnatural and perverted purpose, they contend; cutting it off is hardly different from amputating a diseased limb. Moreover, a few such drastic punishments could serve as a powerful deterrent to others.

"We have to have order and law within our society," declared Asghar Hossein Zadeh, 26, a teacher of humanities at a junior high school.

But while he supports the Islamic code of law, Zadeh added: "The burglars are symptoms that develop because of the exploitation of one class by another. We have to fight those causes and destroy those causes." Under Islam, he said, no one could grow absurdly rich, like the shah, and the needs of the poor would be met.

Just who would judge criminal cases is an open question. There are some 200,000 mullahs—the priests of Islam—in Iran, and crimes involving sex, marriage and personal conduct might come before them rather than before a civil court. There also has been talk of setting up a national supreme court stacked with mullahs to pass judgment on the laws passed by parliament.

Life will be more ascetic, more puritanical, in an Islamic republic. Alcohol already has been banned. Imported liquor at the customs houses is to be sent back. Officials from the Komiteh, or revolutionary committee, went to Tehran's Intercontinental Hotel late last month and locked up the cellar where the hotel stored beer and wine.

There are signs, however, that prohibition may not work much better in the Iran of the 1970s than it did in the America of the 1920s. Bootleg liquor already is flourishing, and 12 persons died in Qahremanshah while ringing in the Iranian new year with homemade booze.

A throwaway society would be discouraged. "We'd try to train people not to waste so much," said Kharrazi of Iranian TV. "In America, people waste a lot of food every day. We believe this is wrong. We would want people to use what they really need, and to invest the rest—for themselves, and for themselves, and for others.

"Luxury cars may be forbidden. And a luxurious way of living may be forbidden, at least for a time, to solve our national problems," he continued. "Why should they invest so much money in a Cadillac or a Mercedes-Benz? . . ." The money saved, he said, could be plowed into agriculture or industry. It could feed the poor in the slums of south Tehran.

The roles of the sexes would be reexamined. Ayatollah Ruhollah Khomeini has proclaimed that "there is no difference between men and women" and that a woman could even become president. Prime Minister Mehdi Bazargan has promised a charter for women's rights in the constitution.

But there are passages in the Koran that suggest male superiority. And Iran—like most Moslem nations—would be judged a male chauvinist society by feminists in the West.

A few Iranian men are titillated by the prospect of having four wives, which is allowed under the Koran. But most seem to see the idea not only as tiresome but expensive.

"To listen to one woman is enough!" said Hamid Sabzian, 23.

"If possible, I will marry only half," laughed Shapour Maliky.

A comment by Kharrazi suggests the kind of barrier that Iranian women will have to overcome.

"Women would be respected as women," he asserted. "Women can have all kinds of jobs. There's no restriction on them.

"But women should choose the jobs that are suitable to them. In communist countries, some of them drive tractors—a physically demanding job.

"The main role of the women is to train the children," he went on. "Whatever time she has besides this, she can do anything in society. But she shouldn't forget her main responsibility."

What about free speech, free press? Over and over, Iranians say freedom of expression will be one of the keystones of an Islamic republic. They were gagged and muzzled under the shah, they say. Under Islam anybody can say what he likes.

When it comes to printing it, however, there may be problems. Certainly, newspapers are far freer today than before. But there have been reports of Islamic officials making pointed suggestions to newspapers about what they do and don't like to see in print.

For radio and television, the restrictions may be even greater. As described by Kharrazi, these restrictions would be considered censorship by American journalists—although again nothing like the shah's absolute control.

"In the past, all the programs were to brainwash people into thinking Iran couldn't do without a king," Kharrazi said. "In the future, the programs would be toward the independence of the people."

But sexually stimulating programs wouldnot be allowed, he said. They would be bad for people. And the ads shown on television would be limited to describing a product—not making extravagant claims for its superiority.

Beyond this, Kharrazi says the new regime sees the state-run radio and television system as a medium for promoting Islam. "For the continuation of the Islamic revolution, we have a very important responsibility to train people, to educate people, to give them a continuous revolutionary ideology," he said.

He denied, however, that this would mean using TV for government propaganda. People would be free to criticize the government on TV, he said. They might not be free to criticize Islam, however.

Pressed on the point, he allowed: "We might invite people with other ideologies to come on television and debate them, possibly with a religious person. And people can watch and choose the best one. But they couldn't come by themselves and lecture."

A komiteh, of which he is a member, meets three time a week to discuss what will go on the air, Kharrazi said in fluent English learned from six years in America and England.

What seems likely to emerge is a measure of artistic and political freedom on television, as long as things don't stray too far from Islamic principles. "Of course, the ayatollah and the people are always watching us and giving us advice," he said. But nobody was forcing anything on the television officials, "because we understand the Islamic system."

Banking methods would change, too. Under Islamic law, banks are not supposed to charge interest for loans.

Western economists see such a system as unworkable. Either the bank would go bankrupt, or the government would have to subsidize it. Banks have to make money somehow to pay their employees.

Other Moslem countries have solved the problem by charging a "service fee" for the loan. Or the government could subsidize no-interest loans to people who need them.

In the factories, workers would have a larger voice than before. Since the shah's fall, some factories virtually have been taken over by workers—a development Kharrazi believes is premature.

"It's a reflexive desire, their getting all the power in their own hands," he said. "But I'm not sure they're responsible enough to do it yet."

A komiteh from the Ministry of Labor already has begun visiting factories, Kharrazi said, to give advice "and force the managers to consider the needs of the workers."

In the schools, coeducation would be abolished at the high school level. It still would exist at the universities. Boys and girls historically have gone to separate grade school classes.

Students would have a greater say in running the schools, including perhaps choosing their teachers, Kharrazi said. "In the past, the teacher was like a monarch," he said.

The schools' history books would be rewritten to eliminate the propaganda for the Pahlavi family. Islamic principles would be taught instead.

"These schools are the best place to educate people to a true Islamic way of thinking," he said. He insisted, however, that this wasn't simply a substitution of one kind of propaganda for another. Islam is something the people genuinely want, he said; the shah was not. "It's not propaganda; it's just explanation," he said.

As for minorities, Khomeini has promised to consider the needs of the Kurdish and Turkomen tribesmen. Their own languages and folkways would be preserved under the new Islamic government, the ayatollah said. Although 93 percent of the nation's people are Moslems, other religious minorities such as Christians and Jews would be free to practice their faiths.

Whatever the final shape of the Islamic Republic, the hopes of 35 million Iranians are pinned on it.

"All the people hope it will be better," said Mohammed Baharamand, 32, a high school English teacher. "Because all the people have been killed in this revolution to have more rights, more possibilities in their lives—and freedom, too."

IRAN IN GRIP OF ECONOMIC CRISIS

(By Bob Adams)

TEHRAN, IRAN.—Ali Afrogh, 20 years old, has two children and no job. He lives in a one-room hut of bricks and mud in the slums of south Tehran.

He should be working, he said, to feed his children and send money to relatives who live in a village. Instead he is borrowing to survive.

Would the new, revolutionary government of Ayatollah Ruhollah Khomeini find a job for him?

"Inshallah," he replied—"I hope so."

Whether that hope is realized will be a major test of Iran's new government—and possibly a factor in whether it survives. As they struggle to create a new political system on the wreckage of the monarchy, Khomeini's men face an equally difficult struggle to repair Iran's ravaged economy.

Before the revolution, unemployment was relatively low. But the wave of strikes that sent Shah Mohammed Reza Pahlavi into exile wrought major economic disruptions. Today, the government admits that perhaps 1 million of the nation's 10 million workers are without jobs. Other economists put the figure far higher, at up to 3.5 million—a 33 percent unemployment rate, which, if correct, would be worse than that of the United States in the depths of the Great Depression. For the ayatollah, it could constitute a social and political time bomb with a short fuse.

Three weeks ago, unemployed workers staged a sit-in and hunger strike at the Ministry of Labor. On Friday, troops fired on jobless demonstrators in the city of Isfahan. On Sunday, 2,000 unemployed construction workers paraded in Tehran.

Far-sighted observers are warning that the economy may be the Achilles heel of the revolution. Jubilation at the fall of the shah may wane quickly if the new regime can't provide food, jobs, and a better standard of living. Iranians might then look for a scapegoat—or seek a fresh banner to rally around.

"The people destroyed the economy to get rid of the king," one analyst said. "The question is whether normal human needs now become political and turn against the government."

For a look at Iran's economic problems, one can visit the slums in southern Tehran. The scenic, snow-capped Alborz Mountains in the background stand in poignant contrast to the poverty on the ground.

Ali Afrogh shows a visitor the hut where he and five others live. Like half of Iran's 35 million people, Afrogh cannot read or write. Whole sections of south Tehran are like this—a poverty-stricken part of the capital city that the shah seldom, if ever, visited.

"The most important thing is to provide housing and water," Afrogh said through an interpreter as his father sat on the ground nearby, washing a kettle.

There is no running water. Afrogh pointed to the well where the families in that neighborhood draw their water.

"My child fell into the well," said Karim Satari, mother of four, whose hut is nearby. The child was lucky and survived, she said.

"We were the ones who started the revolution," Mrs. Satari said, "to bring the Ayatollah Khomeini back and practice Islam and have a better life."

She showed two sheets of paper with writing in Farsi, the Persian language. Under the shah, she said, she had used the government for money because rains had caused floods and ruined their home. But it had proven useless. She was trying again with Khomeini.

"They have come here from the government to look at the situation," she said of the new regime. "We are optimistic."

Khomeini has, in fact, made social welfare one of his top stated priorities. No longer will Iran's oil money benefit only the rich, he proclaims. Among other things, he promises free water and electricity for the poor.

But whether he can meet these ambitious goals will depend on more than good intentions. It will depend on whether the fledging Islamic republic can put the nation's shattered economic structure back together before Mrs. Satari and the millions of others like her lose their faith.

Iran's economy had severe problems even before the revolution. The country has been described as "a boom town grafted onto a village."

Oil, discovered in 1908, brought in massive amounts of money in the 1960s and 1970s. That money—and the boomtown atmosphere it created—prompted the shah to launch vast development projects. He tried to make Iran an industrial rival of Japan and West Germany. He poured money into high-technology industries such as construction, aerospace, transportation, and nuclear power. He bought billions of dollars in weapons from the United States, turning Iran into a military power.

Those projects, his critics say, overheated the economy, caused a migration from the farms to the city slums, and sparked an inflation that squeezed the poor and the lower middle class especially hard. Large amounts of wealth went into the shah's own pocket. The economic discontent thus engendered was a major factor—along with the shah's repressive policies—in bringing Iranians into the streets.

What is the economic situation today? In the factories, the strikes are mostly over. Khomeini has urged workers to go back to their jobs.

But conditions inside the factories still are turbulent. Worker "komitehs," or committees, are running the show in many places. The old managers have been shoved aside. Productivity is taking second place to politics.

Foreign technicians have left in droves—some out of fear, others because of the hostility of the new regime. Of the 40,000 Americans living in Iran before the revolution, only 1,000 to 2,000 remain, and many of these are the husbands or wives of Iranians. Iranians say they can do most jobs without the foreigners. Others say that this may be true of the day-to-day work, but that the foreigners will be missed when sophisticated repairs or maintenance are needed.

The Iranian branches of American companies are at a virtual standstill.

"We have no Americans left at all," said an Iranian woman who answered the phone at the General Electric Co. office in Tehran. "There were about 50 people on the staff here, 30 of them Americans. They left when the Embassy said to evacuate. Now we've got secretaries, drivers, office managers, accountants, and that's it."

Before, GE had been selling gas turbines for factories and working on satellites for Iranian television. "We try to carry on what we can," she said. "But it's almost at a halt."

Asked what would happen now, she said: "Everybody is just waiting to see. Every time I've guessed, I've been wrong."

Banks were particularly hard hit by last year's unrest. Some 1,400 banks around the country were damaged by demonstrators, who saw them as symbols of a corrupt system. Many managers have been replaced. Records at many banks are a shambles.

The banks also suffered a money drain as Iranians withdrew their savings. The rich did it out of fear. Others did it to strike a blow against the system. Foreign investors—always jittery about revolutions—pulled out their money, or hesitated to put new money in.

Deposits are coming back—a healthy sign, economists say. But it still may take a major infusion of government cash to bail the banks out. One temptation would be to simply print more money—which would touch off a dangerous new round of inflation, already running at 30 percent a year.

The bazaars, shut during the strike, are open again. But the complicated mechanics of manufacturing, buying, selling, and delivering goods still hasn't recovered fully.

One economic analyst described the situation this way:

"The factory can't pay its creditors because it hasn't got funds from the wholesaler. The wholesaler is sending goods back to the factory because retail sales have stopped. The whole cycle is disrupted—and it needs an extension of credit to get it all going again."

In agriculture, Iran suffered meat shortages when Khomeini banned certain meat imports. The animals had not been slaughtered in the proper Islamic manner. That problem has been solved now. But a shortage of electricity during the strikes put half the country's chicken farmers out of business because chicks died of the cold. Laying hens are now being killed for food, pointing to a shortage of eggs and chickens in the near future. Although the new regime wants to make Iran self-sufficient in food, commodities such as rice still must be imported for the time being.

Lost government revenues are another problem. It has been estimated that Iran lost $3 billion in foreign exchange because of the 69-day shutdown of the oil fields. It also lost money because customs taxes weren't collected.

Beyond this, some observers see serious flaws in the government's approach to solving the problem. No detailed battle plan has been disclosed; some suspect none has been written. Moreover, the men at the top of the new government—sometimes with good reason—distrust the high-echelon officials left over from the shah. They have been going around them, dipping down to the third and fourth echelons for advice on economic policy.

Can the economy recover? A key factor is oil—and the use Khomeini makes of the oil revenue.

In the past, Iran was earning $22 billion a year—about 80 percent of its foreign exchange—by exporting 5 million barrels of oil a day. Now, Iran plans to export 3 million to 3.5 million barrels a day under a scaled-down production schedule.

But Khomeini says Iran will need far less oil money than before, because it plans to buy fewer weapons. Multibillion-dollar arms deals with the Pentagon already have been canceled, and more may be. If that money can be plowed into housing, education, social welfare and local industry, it could give the economy a significant lift.

Iran's new minister of labor, Daryoush Forouhar, has promised jobs to unemployed city-dwellers "in labor-intensive projects like road building."

Prime Minister Mehdi Barargan, acutely conscious of the country's economic vulnerability, urges the selective use of Western technology: "If they produce chickens with the help of computers, we must do it with super-computers."

Whether Khomeini's men can accomplish all this fast enough remains a question. Iranians are still basking in the glow of their revolution. But that glow may soon fade if the revolution fails to put bread on the table.

"In both the private and the public sector," one analyst summed up, "people think: The government owes us compensation now—for all we've been through."

WELCOME MAT PULLED FROM UNDER FOREIGNERS

TEHRAN, IRAN.—He sat in the top-floor restaurant of the Intercontinental Hotel, buttering a breakfast roll.

He was an engineer, he said, from West Germany. He worked in a medium-size cement factory in Iran. Like thousands of other foreign technicians, he is no longer welcome.

His plane left for Bonn the next day. He didn't know if he'd be coming back.

"There were two different thoughts about my staying," he said. "The management said: 'Stay here. We can't get along without you.' The workers said: 'We can do it ourselves. With the money they pay you, we could hire 15 or 20 Iranians.'

"There was an Italian technician there, too," he continued. "The workers said: 'We can get along without him.' So the management was afraid to do anything. He got a one-way ticket (to Italy). I don't think he's coming back."

His own ticket, he said, was round-trip. He hadn't officially been fired yet. But the return date was open-ended. "I don't know how long I stay in Bonn," he said. "Maybe one month, maybe two." He was due for a vacation anyway, he said. In Bonn, just in case, he is going to look for another job.

He described life in the factory since the fall of Shah Mohammed Reza Pahlavi. The place is controlled now by a "komiteh," or committee, of workers, he said. "Now they say: 'We don't like this manager. He treated us badly.' So they get rid of him.

"They strike more than they work," he

went on. "The workers say: 'Where is all the money from the oil? We know the company has it. We know you put it in your pocket. We want the profit.'

"They say: 'Before we'll work, we want a bonus of 90,000 Rial (about $1,200) for Now Ruz (the Iranian New Year.)' But from where will the money come? The management says; 'We don't make enough profit to pay that.' So the workers strike. They stopped work 10 days ago. But they could start up anytime."

He told of one manager, who refused to sign some papers the workers wanted. "So they held him like a prisoner, for a day or two. Then they let him go. It's like communism. Worse than communism."

He spoke disparagingly of the skills of the Iranian workers—providing a clue as to why Iranians regard many foreign technicians as arrogant and condescending.

"They learn how to turn one screw, and then they become a professor, telling you exactly how to turn that screw," he said. He described how one crew had shut off a machine without washing off the cement. "In two hours, it hardens," he said. "I told them that if they cleaned it right away, they could do it with a hose and water. If they waited, they'd have to chip the concrete away. And I said, 'It's you who'll have to do the work, not me.' "

Among its other problems, he said, the factory is suffering because some raw material it needed came from South Africa—and the new regime had stopped importing it because of South Africa's racist policies.

"The workers say: 'Things will be 10 times better now than before.' But 10 times zero is still zero," he said.

What did he see ahead for Iran? He paused thoughtfully before answering.

"You know, in Germany, in the Weimar Republic, we had all these little political parties. Like the Kurds and the fedayeen in Iran. And they couldn't govern. And a strong man—Hitler—came in to govern.

"After that experience, with democracy and then with Hitler, we set up a democracy that works. I think we have the best democracy in the world. But the Iranians," he observed, "haven't had that experience."

—Bob Adams.

Is the Undefined Islamic Republic a Veiled Threat to Iranian Woman?

Tehran, Iran.—To many, the symbol of Iran's Islamic revolution is the chador—the all-covering, seamless veil worn by women.

You see them in increasing numbers on the streets of Tehran. Also popular is the minichador—a long, head scarf whose ends drape over the shoulders.

For some Iranian women, the chador is a reassertion of Islamic values, a protest against the now-deposed shah, a sign of support for Ayatollah Ruhollah Khomeini's Islamic republic.

But for other, more Westernized Iranians, the chador is a symbol of bondage. Many educated women in Iran see it as an attempt to reassert the male superiority commonly practiced throughout the Moslem world. When Khomeini ordered women to wear the chador (he later backed down), they took to the streets in protest.

The furor over the chador symbolized a larger, more troubling question: What will be the role of women in Khomeini's still-to-be-defined Islamic republic? Will they find liberation—or new social, cultural and economic chains?

Forough Rad, spokeswoman for the Committee for the Defense of Women's Rights, pointedly has reminded Iran's new government that women, as well as men, helped bring down the shah. When the shah banned street demonstrations, even the gun-carrying fedayeen were quiet. But the women, she said, went into the streets and broke the ban.

Her message was clear: Women did not help topple one tyranny only to exchange it for another. Whatever the 78-year-old ayatollah's personal ideas about women might be, the women have ideas of their own.

"We are not opposing the chador," she told reporters in Tehran. "We simply want the democratic guarantee that each woman has the right to choose whether or not she wants to wear it."

On the surface, some of the steps taken by the new regime look like steps backward for women. Besides initiating the controversy over the chador, Khomeini abolished the shah's family protection law. That law had allowed women to seek divorces and to contest divorce actions brought by their husbands. There has been talk of bringing back the ancient Islamic custom of allowing men to have as many as four wives.

But, perhaps surprisingly, many Iranian women believe the new system will give them more freedom, not less. To get an idea of why, listen to a conversation between a middle-class mother and daughter in Tehran.

The daughter, Beheteh Sabetghadam, is 16. She is majoring in math at a Tehran high school. She plans to be a chemist—hardly a traditional Moslem occupation for women.

She sits in her living room wearing a black minichador on her head and shoulders, and—symbolizing the current contradictions in Iranian life and in her own—a Western-style red sweatshirt and white slacks.

Her mother, Fakhari, teaches dressmaking. She wears a head scarf, but not a chador.

"Most women choose the scarf. It's more comfortable than a chador," Beheteh says.

Of the chador and minichador together, she says: "Some women think that, if we wear the chador, we'll go back to the days of slaves, where women were bought and sold. I think it's just the opposite."

Her mother explained one of the reasons. In Western dress, she said, women often were hired for their looks and their sexual attributes, not their ability—a complaint some of her sisters in America might echo. "If women dress modestly, they will be hired because of their education, their good character.

"I think men are afraid women will have more rights under the Islamic republic," the mother continued. "Before the 'freedom' was a fake freedom. Women's pay was lower than men's. They always pretended we were equal, but the women got less pay. Under an Islamic republic, women will get the same pay."

"Many books were banned under the shah," Beheteh observed. "Anything that was against the shah, we couldn't read it. In our history books, it was just about the regime of the shah. I don't want to read that again."

Under Shah Mohammed Raza Pahlavi, she noted, women got the right to vote. But what meaning did that have under a dictatorship?

Her school needed a chemistry lab, she said. It was important to her own career plans. Under Islam, she feels, the government will spend less money on weapons and more on schools.

But what of polygamy—the right given to men, under the Koran, to have as many as four wives?

"That chapter of the Koran says a man must be absolutely fair between these women," Beheteh shot back. "And it's impossible to be fair between four women. A man can't be fair in kindness, in everything. If a man wants to buy a dress for one, that man must buy a dress just like it for another one, and another one, and another one. So a man can't be fair to four women in everything."

That passage in the Koran, she said, was written 1,400 years ago, when women couldn't support themselves. They had to rely on men for food, shelter and clothing. Taking more than one wife was meant only for emergencies, to prevent women from starvation. There would not be many such marriages in today's Iran, she ventured, even under Khomeini.

"Lots of women have given up the chador," her mother said, returning to that troubling garment. "They just dress modestly." In an Islamic republic, she said, "things will be better" for women.

Christian in Iran Expresses Fear About New Government

Tehran, Iran.—He is a professional man, middle-age and a Christian. In the presence of some Moslem colleagues, he waxed enthusiastic about an Islamic republic:

"I am a Christian. I am an Armenian. But I said yesterday, he (Ayatollah Ruhollah Khomeini) is right. The Moslem government is the best."

He said he had voted in favor of Iran's referendum on an Islamic republic. His colleagues heartily supported him.

Later, privately, his talk was very different. Things might not be good for Christians under the new regime, he feared. He might have to leave Iran.

"It may be impossible to live under a Moslem government," he said. "Maybe the Imam (Khomeini) will let us live as Christians." But Khomeini is 78 years old. "If his successor tries to make everybody a Moslem . . ." The unfinished thought hung in the air.

He talked about getting a job in America. He has been to the United States. His English is fluent. Maybe things would be better there.

But there was a problem about money. He has a wife and family to support. He isn't close to retirement age. If he left his job in Iran, he would lose most of his pension.

"I hope things will be good," he said. His tone suggested that the hope is thin.

"The lifestyle here—it may be hard for Christians in a Moslem country," he said again.

Going Back Home to Iran—And Nervous About It

Istanbul, Turkey.—The woman in the fur coat sat in the bleak airport terminal, smoking a cigarette.

She was waiting for a plane to Tehran, she said. She was an Iranian and was going home. But she was nervous about it.

The shah had fallen since she was there last, more than a year ago. Now the revolutionaries were in control. And she had a tenuous link to the shah's family. A member of her family had worked for a company the shah owned.

"Some people told me: 'Oh, it's all right, you can stay with your parents. Everything will be all right.' But then others said: 'No, they'll tear up your passport. They won't let you leave.' So I don't know," she said.

She was non-political, she said—although her dress and manner clearly put her in the upper class of Iranian society, which benefited under the shah. "If you walk by his (the shah's) house, these people think you have something against them," she said of the revolutionaries.

She was living abroad during Iran's year of turmoil that ended in the shah's ruin. "I got an ulcer last year," she said. "I'm close to a nervous breakdown—the way I'm worrying about Iran, my parents, everybody.

"I never liked to watch the news. Because everything is sad—dead bodies and everything. But for the last year, I had to watch the news on television. To see if I was missing anything about Iran. That's how I got my ucler. Watching the news about Iran."

The shah wasn't perfect, she said. He had given the best jobs to foreigners; she herself was a victim of that. And the secret police of SAVAK were vicious. But she was repelled by the excesses of the revolution, such as the executions without trials.

"They say the shah was killing a lot of people," she said. "But if he was, why are they doing the same thing?"

She fingered a small black-and-white scarf. She had heard the new Islamic regime was forcing women to wear veils. "I carry this just in case," she said.

What of Ayatollah Ruhollah Khomeini, Iran's new leader? "I hope he isn't a fanatic," she said. "I don't think you can force people to be religious. You can't kill somebody to make him religious. Maybe I go to Iran and they force me to wear a chador (the Islamic veil). But they can't make me feel religious. Nobody should force religion on people. That will make them hate religion. It could move us a hundred years backward.

"Everybody loves his country. With all the problems we have, I miss it. But we shouldn't have to go back to our country so scared and nervous."

The plane was coming soon. Ahead lay Tehran and the future. As she waited, the simple but anguished question came:

"What's going to happen to Iran?"

Every Second Was A Thousand Seconds While Professor Was In Iranian Prison

Tehran, Iran.—The worst part, G. B. Khosrovshahi said, wasn't the beatings, which put him in the hospital for two months.

The worst part was solitary confinement.

"For nine months, I was going mad," he said. "It's much worse than torture. Every second becomes thousands of seconds. You have to review the good things and the bad things of your life, over and over."

Khosrovshahi, 40, is a professor of mathematics at Tehran University. He was describing his imprisonment and torture at the hands of SAVAK, Shah Mohammed Reza Pahlavi's dreaded secret police.

Khosrovshahi was arrested in 1974, he said. The police questioned him about his brother, who was a fedayeen guerrilla. Then they put him in jail.

He was sentenced to three years. Because of the efforts of his wife and a U.S. society of mathematicians, the sentetnce was reduced to 18 months.

Khosrovshahi, a mild-looking man with glasses and a mustache, sat in a university office as he described his 1½ years in prison.

"They tie you to a bed, and then they beat the bottoms of your feet," he said. "One man sat on my chest. They put something in my mouth so I wouldn't shout.

"They beat me for half a day, and then left me for five days. My left foot was infected, and it took them two months in the hospital to repair my leg." Skin transplants to his foot were necessary, he said. Even now, as he teaches classes, he can't stand on it more than five minutes at a time.

As he spoke, anger broke through his studious demeanor.

"This is my message to Americans," he said. "This is what you were supporting for 25 years. What else can you say about Brzezinski and Kissinger—they're madmen. Very strange people."

He had particular scorn for Americans who condemned the summary executions of several ex-SAVAK officials, including leader Nematollah Nassiri.

"For years, thousands of people were arrested and tortured. And there was no protest from the West. But now the West is crying out for Nassiri," he said. "If I were the revolutionary leaders, I would have killed thousands of them the same day.

"Write this—this is very important. I have no pity. I know how terrible they are. This is revolutionary justice. Revolutionary justice is quite different from ordinary justice.

"This has been a very gentle revolution. You know about revolutions—the French revolution. the Cuban revolution. Many were executed. Yet here—it's a matter of our society, our culture, our religion."

Khosrovshahi, who has a wife and child, said he was on sabbatical leave in America last year. "One day, American police were coming toward me. I was afraid the shah's police had come after me.

"The amount of fear I was carrying with me in the United States, the land of freedom—this is the depth of the tragedy," Khosrovshahi said.—Bob Adams

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Notebook Of A Khabar Nagar in Iran

(By Bob Adams)

Washington.—The men with rifles who stopped my cab were a model of courtesy. They just wanted to know why we happened to be driving through the streets of Tehran at 3 in the morning.

"Khabar nagar," I said, using the Farsi word for "newsman," as I thrust my green, ink-stained press card toward the window.

The driver explained something in Farsi, the Persian language. We drove on. A little later, we went through the same thing with some other riflemen.

All this was why, the driver explained, he drove through the dark with his interior light on. That way, they could see there were only two of us. And that we had nothing to hide.

Men with rifles are a fixture in Tehran in these post-revolutionary days. You see them on street corners. You find them lounging in sandbag bunkers outside Tehran University. You see them guarding public buildings.

They come in an odd variety of uniforms. I saw some with brown-speckled camouflage shirts, some in olive drabs and some in suit coats.

Other reporters told me what it was like: You could, unexpectedly, find yourself suddenly up against a barricade, having to explain who you were to a guy who couldn't speak English, and might not have your best interests at heart.

I had tucked some handy Persian phrases into my vocabulary, including "Khabar nagar" and "Marg bar shah," the "death to the shah" chant that was heard in the streets during the revolution. I memorized the phrase "Pahlavi modarjendeh hast," which—delicately stated—suggests an unnatural intimacy between the shah and his mother. I thought it might be useful in a pinch.

Actually, it wasn't half as bad as I'd expected. The shooting in the streets had stopped by the time I got to Tehran—although there was fighting in Sanandaj, 300 miles to the west, and in Gonbad-e-Oabous, 300 miles east. I was seldom stopped except outside government buildings. The people with rifles were invariably polite, sometimes apologetic. "I'm sorry we had to search your car," one said after going through our trunk.

Still, it gives you an uneasy feeling. It doesn't help much to know that it worries the Iranians too. For one thing, you can't be sure who any given guy is working for. The Komiteh? Fedayeen? Mojahadeen's religious guerrillas? The prime minister? Or are they free-lance gunslingers, self-appointed Matt Dillons of the Mideast, trying to keep things in order while the government gets itself together?

I'd seen soldiers all over Israel, too. They didn't bother me. They're under somebody's control, there's a chain of command. If somebody screws up and shoots you, he'll probably lose his weekend pass. Also, they know how to use those guns. In Tehran, during the street riots, they popped open the arsenals and the guns poured out. I saw guys wandering around with their rifles pointed down—a good way to shoot yourself in the foot. Worse, an accidental discharge could ricochet off the pavement and hit some innocent stray, like a cat or a newspaper reporter.

A popular (and frustrating) game newsmen have to play in Tehran might be called "Try to Find the Government."

I remember going to Beirut a year ago. I was wondering how to find the PLO. I had visions of shadowy meetings, of sinister alleys or hideaways in the hills. You couldn't just call them up on the phone.

As it turned out, that's exactly how you find members of the PLO. They have a whole complex of offices in Beirut. Everybody has their phone number. They have a press operation that would rival Jody Powell's. You just call them up on the phone.

In Tehran, it's just the opposite. It's the established government that you can't call up on the phone. That's because there is no established government.

What you have in Tehran are multiple power centers. The Komiteh of Ayatollah Khomeini (I actually saw a photo of him smiling; it must be the only one in existence) is the strongest. But you also have the government of Prime Minister Bazargan. And you have the Revolutionary Council, an outfit so secret that it won't even tell you how many members it has, let alone who they are. Not to mention the fedayeen, the mojahadeen and miscellaneous others.

All of this is understandable in a country that's just torn a decades-old monarchy up by the roots and is frantically trying to plant something in its place. Things were a little chaotic for us in 1776, too. But it doesn't make the game any less frustrating.

I almost went crazy trying to make an appointment at the foreign ministry. I called a Mr. X, a Mr. Y, a Mr. Z, a Mr. Q. Everybody was out, or busy, or didn't really work there.

Finally I got somebody. His title was "political adviser to the foreign minister." He seemed important enough; people were going in and out of his office. He gave a fluent, lucid explication of Iran's foreign policy.

After the interview, I still didn't know exactly where he ranked in the hierarchy. I had the odd feeling that maybe he didn't, either.

The tapping on my door woke me gradually. It was a gentle tapping, but persistent.

"Hallo," a voice from the other side of the door said. "Hallo."

It was the middle of the night. Everything was pitch black. It was like something out of Poe—as of someone gently rapping, rapping at my chamber door. Only who would be rapping at that hour?

I lay in bed, wide awake now. There was a pause. Then the tapping started again. Soft, gentle, insistent. Another pause. Then more tapping.

No friend would be calling at that hour. The hotel people wouldn't, either. Who, then? The komiteh? Fedayeen? Some free-lance gunslinger?

I tried to reassure myself. Somebody who really had a gun probably wouldn't knock. He'd just come through the door, chain lock and all. Or he'd pound loudly and authoritatively.

Still, fear began playing on my nerve strings like a violin. If they pounded, the guy inside wouldn't open up. Tapping would ease his fears, lure him to the doorknob. I thought of Richard Dudman, the Washington Bureau chief of the Post-Dispatch. In Cambodia, last December some people came to his guest house and tried to assassinate him and two other newsmen. Somebody fired at him from 20 feet, then fired two shots through the door.

The tapping went on. Wits and courage, where are you? There's nobody here; the guest is not at home. And then the question: Should I call somebody? And who to call? The front desk at the hotel? The local cops—if I could find any local cops?

You know about things that go bump in the night. Things that go tap, tap, tap are worse. Especially in Tehran, especially then.

It seemed endless. Then, finally, it stopped.

It just went away. Eventually, I got back to sleep.

Next morning, everything seemed normal—or what passes for normal in Tehran.

What was the tapping? I never found out. As likely as anything, somebody from room service, taking a midnight snack to the wrong room.

"Dear Guest," the letter on hotel stationery began. It was from the general manager.

"In respect to the present circumstances, we regret not to be in the position of serving you and your guests with alcoholic beverages in our restaurants, bars and guests rooms any longer."

Well, it had finally happened. The Islamic Revolution had come to the Intercontinental Hotel.

As you probably know, Islam forbids alcohol. Iran is now an Islamic republic. The whole country is going dry.

I'd been reading about the government's ban on liquor imports, of the closing of bars. Yet the Intercontinental where all the reporters stayed, was still serving.

I wondered how they were doing it. Did they have a deal with the komiteh? Had they pursuaded them that all these bibulous journalists were a source of foreign exchange? The liquor cabinets in our rooms were stocked with bourbon, gin, vodka—though bourbon ran $30 a bottle. Our accounting department is lucky; I prefer Pepsi.

As it happened, the komiteh simply hadn't gotten around to the Intercontinental. Until now.

The night before, a desk clerk explained, two men from the komiteh had come by and put a double lock on the room where they stored beer and wine. They strongly suggested the hotel clean the liquor out of the guest rooms too. The management, knowing a good idea when it hears one, did so.

"We ask your kind cooperation in not using even your own alcoholic beverages," the letter went on. The management would be "in serious trouble." And the Intercontinental would not be responsible "for any eventual unpleasant occurrence toward our guests."

Translation: If some gunslinger catches you boozing, don't run to us. We told you so.

Even though you can be lashed for drinking. I had the feeling that Iran's ban on liquor would work about as well as Prohibition in the United States. That is, not very.

Bootleggers are already at work. While I was there, newspapers said 12 people died in Qahramanshah. They keeled over after drinking a Persian version of bathtub gin.

An "Islamic republic" is a difficult concept. I spent a lot of time trying to get a handle on it. Like most Americans, I find a religious government something of a contradiction in terms. One Iranian gave it a different twist. You think you have separation of church and state in America, he said, but you don't. Most Americans are Christians, and you're a Christian country. You're closer to a Christian republic than you realize.

I thought maybe he had a point. What country better epitomizes the Protestant ethic than the United States? And is Christmas really just a religious holiday for us—with the stores and businesses and government offices closed? What about our Bible-quoting politicians? And doesn't our president teach Sunday school?

I also had a hard time concealing my revulsion at parts of the Islamic criminal code. Grisly punishments such as lashing, stoning and cutting off hands of thieves seem absolutely barbaric.

And then the inevitable comparison: Are they really any less barbaric than gas chambers or electric chairs? Or than what happens to people in some badly kept American prisons?

I never quite got the hand of pronouncing Qom.

Qom is the holy city where the ayatollah lives. They spell it with a "q" but that doesn't really convey the sound. A "k" wouldn't either.

A "g" comes closest, only you have to sort of swallow it as you say it. It comes from deep in the throat. "Goom" is about as close as you can come on paper.

I had trouble with Gotbzadeh, too. He's the director of Iranian radio and telvision. The t-b-z combination was a little much.

Let it be said that Mideasterners have trouble with American names, too. "Bob," for example. It's too short for a first name. It has an odd combination of "b's." It doesn't have any k's or h's. Middle East names are big on k's and h's.

For 12 years I nagged the Post-Dispatch to change my byline from Robert to Bob. Overseas, to simplify, I sometimes reverted to Robert. It sounded more like a normal first name.

My interpreter, Ali Sadr, warned me about the traffic jams in Tehran. I didn't believe them until I saw them.

Let me tell you about drivers in Tehran. They are an independent bunch. They change lanes a lot. They cut in on each other. They cross over the midline. They may slow down for a red light.

Everybody wants to get where he's going a little sooner. As a result, everybody gets there a lot slower. The absence of an effective police force since the revolution has made things worse, but they were bad even before.

It makes crossing the street hazardous. A couple of times Ali had to grab me by the wrist and ballet-dance me across through the traffic.

The traffic jams are monumental. You learn not to schedule appointments closer than four hours apart if they involve going across town.

In a way—not to overdraw the comparison—the traffic is a metaphor for what's happening in Iran right now. If everybody cooperates and obeys the rules, everybody gets where he's going. If they don't, everybody is snarled up. In these days after the shah, Iran—literally and figuratively—badly needs some trustworthy traffic cops.

The mild-looking math professor was telling me about the executions.

The new government had killed dozens from the old regime, he said. But it wasn't enough. If he were in charge, he would kill thousands.

The man who was speaking had reason to feel that way. He was in prison 18 months, tortured by SAVAK, almost went mad in solitary confinement.

Along with most Americans, I had revulsion over the summary executions of former officials under the shah. But I was astounded to find how many otherwise educated and civilized Iranians applauded them.

You don't understand how it is, they told me. These men were murderers. They tortured our brothers and sisters, ravaged our liberties, destroyed whole families. They deserve to die.

My own feeling about capital punishment is summed up in something Lincoln once said: It's hard to see how you improve a man by shooting him. But there's an American Indian saying: "Let me judge no man until I have walked a mile in his moccasins." If I had walked a mile, if I had been in that prison, was beaten on the legs, had seen the same happen to friends, cousins, one of my own brothers—what would my reaction be?

On my way home, I stopped over in London. I'd never been to England, and the country fascinated me—land of Milton and Shakespeare, home of my own ancestors. I'd planned it as a small reward for myself. It was less than 24 hours, but I was going to see London.

What I saw instead was Heathrow Airport. A civil service strike created a customs nightmare. I stood in line four hours; one man in his 70s collapsed and died. After a grueling trip to Cairo and Jerusalem with Jimmy Carter, followed by two exhausting weeks in Iran—this last frustration seemed intolerable. My stomach boiled.

Next day, leaving, I passed through customs again. I leveled my eyes at an inspector.

"You were on strike yesterday, weren't you?" I said.

He said yes.

"Do you know," I heard myself saying, "that hanging would be too good for you?"

"What's going to happen to Iran?"

The woman asking me that question was going home to Tehran. She was in anguish about her own future, and her country's.

After two weeks there, I left Iran feeling that you could make almost any prediction about that country and have half a chance of being right. In the power vacuum left by the fall of the shah, things are so fluid, so changeable, that they could go in any of a dozen directions.

It could become a religious dictatorship. You see some troubling signs of that. It could break down into civil war between political factions. It could break down into civil war between the outlying tribes—Kurds and Turkomens, for example—and the central government.

It could wallow in economic chaos, making it a target of a takeover from the left or right. You have the Marxist fedayeen, the Mojahadeen Islamic guerrillas, the remains of the Army—pick your own group of riflemen. It could become another Lebanon, with armed bands controlling the fragmented pieces of what used to be a country.

Or it could evolve into something like a constitutional democracy. You see some signs of that, too. You have people like Hedayat Matine-Daftary, the civil rights lawyer, fighting for it. When it comes to writing a constitution, maybe Iran will call on its Matine-Daftarys.

Paradox abounds. "We will have a democracy that will impress the world," a young Iranian told me. He was a walking anomaly, wearing a suit coat and carrying a semi-automatic rifle.

Despite the uncertainties, it's an exciting thing to watch. The overthrow of the shah was a genuine popular revolution. You can't help observing with concern and sympathy as 35 million people struggle to shape a future.

The Iranians have a word for such occasions. The word is inshallah. Literally, it means "God willing"—more loosely, "I hope so."

The woman at the airport, the young man with the rifle—will they someday live in a free country?

Inshallah.●

S. 344: STATEMENT OF SENATOR STAFFORD ON BILLBOARD CONTROL

● Mr. BAKER. Mr. President, our colleague from Vermont (Mr. STAFFORD) is absent due to illness today. He had intended to place a statement in the RECORD, together with letters from the Governors of several States, discussing the present Federal billboard control law. I ask that Senator STAFFORD's remarks and the letters be printed in the RECORD.

The material follows:

S. 344: NEW MEXICO, TEXAS, AND VERMONT EXPRESS THEIR ENDORSEMENT

Mr. STAFFORD. The states continue to send in word of support for S. 344. my bill to add flexibility to the Federal billboard control law. Recently, I received letters from the Governors of New Mexico, Texas, and Vermont endorsing this legislation. Of course, such endorsements are not really unexpected.

Thirty eight states supported passage of S. 344 in a poll conducted recently by the American Association of State Highway and Transportation officials.

For example, Governor King of New Mexico offered this observation on S. 344:

"... I am inclined to agree that Senate Bill 344 is the answer to our sign control problems. ... I feel that New Mexico is unique to the majority of states and that Senate Bill 344 will permit us to pursue a sign control program that will be more effective, less costly, and suit the needs of New Mexico as oppose to the populous states. ... In summation, I do support Senate Bill 344 and appreciate your efforts to pass this legislation."

Governor Clements of Texas wrote to me with this comment:

"Texas is, and always has been, a strong advocate of highway beautification. We have been one of the leading states in signboard removal under the present program since our law was enacted in 1972. In addition, a limited signboard control program was even tested during the 1930's. We do believe, however, that the method and extent of beautification is something that we should decide in accordance with our own standards and available finances. Therefore, please be advised that I am pleased and anxious to offer my support for S. 344. . . ."

Governor Snelling of Vermont provided this comment:

"(W)e feel Vermont has led the nation in its control of billboards. I am delighted, however, with your proposal to turn administration of this activity over to the State. S. 344 would appear to do this in a most satisfactory manner."

Ronald E. W. Crisman, Vermont's Secretary of Transportation, added:

". . . We support S. 344 wholeheartedly. It will help other states to accomplish what Vermont has without the exorbitant costs that Vermont has incurred."

Mr. President, I submit these letters for the RECORD.

STATE OF NEW MEXICO,
Santa Fe, April 12, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senator, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR SENATOR STAFFORD: This is in response to your letter dated March 27, 1979, requesting my thoughts and observations of Senate Bill 344 introduced by you.

After reviewing your Bill and considering the 13 years of opposition by the business community and sign industry here in New Mexico to the Highway Beautification Act, I am inclined to agree that Senate Bill 344 is the answer to our sign control problems. It will relieve the rigid control administered by the State to avoid the 10-percent federal fund allocation penalty and it will reduce our costs considerably.

I feel that New Mexico is unique to the majority of states and that Senate Bill 344 will permit us to pursue a sign control program that will be more effective, less costly, and suit the needs of New Mexico as opposed to the populous states.

As to my analysis of the zoning intrusions imposed by the 1978 Amendments to the Beautification Act, I feel that it places an undue burden on the state to be purchasing signs zoned out of existence by local zoning authorities without the state having any input into such zoning regulations even though the state may have to pay for such signs. In my brief investigation, it also appears that the 1978 Amendments will force New Mexico to purchase at least five or six hundred signs that we presently consider illegal and non-compensable.

In summation, I do support Senate Bill 344 and appreciate your efforts to pass this legislation.

Sincerely,

BRUCE KING,
Governor.

STATE OF VERMONT,
Montpelier, Vt., April 5, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR BOB: I have read your letter of March 27 enclosing a copy of S. 344 regarding the Federal Highway Beautification Act.

As you know, we feel Vermont has led the nation in its control of billboards. I am delighted, however, with your proposal to turn administration of this activity over to the state. S. 344 would appear to do this in a most satisfactory manner.

I am asking Secretary Crisman to comment to you directly regarding your request of analysis of zoning intrusions imposed by the 1978 Highway Act. To this end, I have forwarded your letter to him.

Sincerely,

RICHARD A. SNELLING,
Governor.

STATE OF VERMONT,
Montpelier, Vt., April 23, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR STAFFORD: We support S-344 wholeheartedly. It will help other states to accomplish what Vermont has without the exorbitant costs that Vermont has incurred.

It is very necessary for the control of outdoor advertising to be returned to the states under the state's police powers. To demonstrate this point, the Maine Outdoor Advertising Association stated during a hearing on Maine's proposed billboard law that they were voluntarily controlling outdoor advertising at the present time and added that it was possible under the Highway Beautification Act to have 47,000 signs in Maine and that they were holding the number down to about 4500 signs.

The zoning intrusions imposed by the 1978 Highway Act and the recent interpretation of Mr. Lorenzo Cosanova, Chief Counsel of the wording "legally in existence" to include those signs removed before November 6, 1978 but which were the subject of pending litigation on that date, may very well cost the State of Vermont $60–$80,000 more. Most of the signs in litigation at this time were not legally maintained.

A review of your bill section by section follows:

(a) We agree with this section as long as it remains that the Federal Government will assist the states and does not mandate that the states control outdoor advertising based on federal standards.

(b) We agree with this section if wording is added to allow the states to enact stricter controls than those stated in (c). We suggest line 12 be amended to read, "(c) and determined by the Secretary, [shall acquire] acquires by purchase, etc." This change would insure the states the right to elect to pay compensation and not make the payment mandatory.

(c) We agree with this section without change. Subsection (5) will assist other states to remove signs that do not appear to conform to the Highway Beautification Act.

(d) We agree with this section if the signs on primary highways are for expressways and freeways and not conventional highways.

(e) and (f) We agree with these sections without change.

We appreciate the opportunity to comment on S-344 and congratulate you for your stand on this very important matter.

Please do not hesitate to contact me if you have any questions or need any assistance whatsoever.

Sincerely,

RONALD E. W. CRISMAN,
Secretary.

OFFICE OF THE GOVERNOR,
Austin, Tex., April 18, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senator,
Washington, D.C.

DEAR SENATOR STAFFORD: I am in receipt of your letter of March 27, 1979, requesting my thoughts and observations on S. 344 whereby you propose to amend the Federal Highway Beautification Act of 1965. I appreciate the opportunity to convey my thinking on this matter at this time, particularly in view of the fact that Texas was one of the 38 states which previously indicated support of your proposal.

The history of the program in Texas reflects very clearly that the Legislature enacted our present law only in a last ditch move to protect Federal highway funds. I find that to date even after we have expended some $19,000,000 for sign control and removal, of which $14,250,000 represented Federal funds and $4,750,000 were State funds, we still are faced with approximately 11,000 nonconforming signs. Perhaps a limited program could be supported but not as presently formulated.

I am greatly concerned about the Federal intrusion upon inherent zoning authority of a State and its local governmental units. We recently had a test case which originated prior to the Surface Transportation Assistance Act of 1978. The City of Lubbock adopted a comprehensive zoning ordinance in 1975 providing for gradual elimination of nonconforming signboards through amortization. Lubbock Poster Company, the owner of some 285 signboards, brought suit against the City challenging the validity of the ordinance and further contending that Federal funds would be jeopardized should the signboards have to be removed without compensation. The lower and intermediate courts, deciding the case in accordance with accepted zoning law, concluded that the ordinance was valid and that the Federal Highway Beautification Act of 1965 had no relevancy with respect to the City's action. Our Supreme Court declined to hear the case on appeal. With this case as a precedent, it appears that Texas will have no choice but to engage the Department of Transportation in lengthy litigation if that Department attempts to force payment of State funds when any of such signboards are required to be removed. Local zoning authority has always been recognized as an accepted and necessary governmental function in this state.

Texas is, and always has been, a strong advocate of highway beautification. We have been one of the leading states in signboard removal under the present program since our law was enacted in 1972. In addition, a limited signboard control program was even tested during the 1930's. We do believe, however, that the method and extent of beautification is something that we should decide in accordance with our own standards and available finances. Therefore, please be advised that I am pleased and anxious to offer my support for S. 344.

In your comments before the Senate, you advised that the time has come to end the mandatory features of the Highway Beautification Act of 1965. I respectfully call to your attention that these mandatory provisions also cover the screening or removal of junkyards. The junkyard program is, in the final analysis, subject to virtually all of the same objections that apply to the signboard program. The major difference is simply one of degree, although mandatory compensation where removal is accomplished through zoning has not as yet been ordered. I strongly recommend that S. 344 be extended to cover all the present mandatory provisions of the original Act of 1965, thus leaving the states free to handle any and all phases on a voluntary basis in cooperation with local governmental units.

If there is any way in which I can assist you in this matter, please feel free to call on me.

Sincerely yours,
William P. Clements, Jr.,
Governor of Texas.●

TESTIMONY OF WILLIAM B. BALL REGARDING IRS PROCEDURES FOR TAX-EXEMPT PRIVATE SCHOOLS

● Mr. HELMS. Mr. President, last Friday more than 14,000 Christian school students and 150 pastors and Christian school principals came to Washington and participated in an inspiring program on the steps of the Capitol on behalf of our constitutional rights and religious liberties. A number of Senators, including myself, joined with the Reverend Jerry Falwell and members of the Thomas Road Baptist Church of Lynchburg, Va., in this program.

Christian schools, such as the ones represented on Friday, are being organized at the rate of three schools per day throughout the United States. It is estimated that if this pace continues, by 1992 the number of Christian schools will equal the number of public elementary and secondary schools in the country.

Mr. President, at the very same time thousands of students were gathering in support of religious liberty, the Senate Subcommittee on Taxation and Debt Management was conducting a hearing into the proposed regulations of the Internal Revenue Service to restrict the tax-exempt status of private schools and especially private Christian schools. These regulations have been soundly criticized by many members of the private school community. On April 24, I introduced S. 995, the "Private School Non-Discrimination and Due Process Act of 1979," to protect these schools from the heavyhanded tactics of the IRS. In sponsoring this legislation I was joined by Senators Ford, Schweiker, Stevens, and Zorinsky.

Mr. President, perhaps the most complete analysis of the proposed IRS procedures provided to the Finance Committee at its hearing was by Mr. William B. Ball. Mr. Ball has had a distinguished career as a constitutional scholar and attorney defending religious liberty in the United States. During earlier hearings regarding the IRS procedures, Mr. Ball represented the National Committee for Amish Religious Freedom, the Association of Christian Schools International, Organized Christian Schools of North Carolina, and the North Carolina Association of Christian Schools. Recently columnist James J. Kilpatrick praised Mr. Ball as "the Clarence Darrow of religious freedom."

Mr. President, I commend Mr. Ball's statement to our colleagues. His analysis of the first amendment and the IRS procedures is straightforward and insightful, and I ask that it be printed in the Record.

The statement follows:

Testimony of William B. Ball

I am William B. Ball, partner in the firm of Ball & Skelly, Harrisburg, Pennsylvania, I am a member of the bars of New York and Pennsylvania, as well as the Supreme Court of the United States and various other federal courts. I served as national chairman of the Committee on Constitutional Law of the Federal Bar Association for a number of years and I have long been active in the field of constitutional litigation. Some of my activity has been in the area of racial civil rights, in which role I was volunteer counsel during the 1960's to the Pennsylvania Equal Rights Council and counsel to pro-civil rights *amici curiae* in the U.S. Supreme Court miscegenation and open housing cases. I have also handled much litigation in the field of religious liberty, in which role I have served, for example, as attorney for the National Committee For Amish Religions Freedom since its founding—in that role having defended the Amish in *Wisconsin* v. *Yoder*. I appear here today as an individual attorney.

It is the fact that the proposed Revenue Procedure brings together both of these areas—race and religion—which especially interests me in these hearings. *Two* kinds of minorities are involved here not one: racial minorities *and* religious minorities. I am deeply concerned, as a citizen and as a lawyer, that IRS has proceeded upon the totally false assumption that regulation to combat racial discrimination necessarily nullifies the exercise of First Amendment rights including parental rights and religious liberty—and that while racial minorities are to be aided by our tax laws, religions minorities are to be placed in a suspect class in the administration of those laws.

I am concerned, too, over IRS's assumption that the Congress has given IRS the indefinitely broad powers which it expresses in this Proposal.

I am concerned about a third thing. Only a very small percent of all school children in the nation are enrolled in private schools, and most of these schools are religious schools. Within the past two months, the national news has publicized a Government report that racial segregation, a quarter century after *Brown-Topeka*, remains a major problem in the public schools—particulary in the North. Yet what appear to be leaked stories from IRS has spread a pervasive rumor, that religious private schools (and, in particular, fundamentalist Christian schools) are "racial havens" against which IRS must mount a major effort. While the great number of religious schools with which I am familiar reject, on religious grounds, the immorality of hurting, depriving or diminishing of anyone on account of the race with which God has clothed him, I cannot but wonder over the intensive zeal with which IRS is pushing its effort here today. And when I reflect that all religious schools—Catholic, Missouri Synod, Orthodox Jewish, Quaker, fundamentalist Christian, Amish and others—will suffer a major imposition upon their religious freedom if the Proposal is adopted—I cannot but wonder if we are not faced with an essential hostility, upon the part of some public servants, to non-state education, a reappearance of official horror of pluralism, privacy and real religious freedom to which *Pierce* v. *Society of Sisters*[1] was so great a response.

As I have reviewed the Proposed Revenue Procedure, I have found only two conclusions possible: (1) it is unlawful in that it is without statutory authority, (2) it is unlawful in that it violates constitutionally guaranteed liberties.

Footnotes at end of article.

1. THE PROPOSED REVENUE PROCEDURE IS UNAUTHORIZED BY ANY ACT OF CONGRESS

A Revenue Procedure is intended as law for a nation of 220 million people. All would agree that the proposal before your Subcommittee today is one of extreme importance. The IRS claims it is that. Certainly it pertains to such weighty matters as racial discrimination, the ongoing life of churches, liberties of parents, revenues for our Government, tax liabilities of citizens, and the operating of thousands of schools. It would be astonishing to imagine that any such measure would be put forward unless it were *clearly* authorized by the Congress. It would be more astonishing if the proposal were founded on a flotsam of inferences from Supreme Court decisions, predictions as to how the Court will "surely" act, IRS's own precedents, official gossip about the fundamentalist schools, and the subjective social views of brother citizens who happen to be public servants. Yet that, unhappily, is the case.

The IRS news release of February 9 well reflects IRS's view that it has accordion-like powers which are expandable or contractable at the will of the IRS administrators. It recites, in part:

"The new procedure is a revision of a proposal published in the Federal Register on August 22, 1978. *It gives greater weight to each school's particular circumstances, than did the earlier proposal,* in determining whether a school is racially discriminatory as to students." (Emphasis supplied.)

This superbly illustrates the problem. While the August 22nd proposal was solemnly advanced as authorized, to the comma, by Congress and as necessitated, in its every word, by a compelling "national policy", the individual public servants of IRS, on February 9, felt at liberty to scrap whole portions of that which they had just contended should be "law" and to now give "greater weight" to some new considerations.

I have examined the testimonies of the chief defenders of the IRS position (including the statements of IRS itself, Professor Bernard Wolfman, ACLU, the Library of Congress Research Service,[2] and others. Their chief argument was that presented by Professor Wolfman in his testimony at the December IRS public hearings. He stated:

"The Commissioner has no authority to allow deductions or tax exemption when the private school thus subsidized is one which fails to maintain a racially nondiscriminatory policy as to its students. The law forbids it. The Commissioner has no discretion. In an order affirmed by the Supreme Court, in *Green* v. *Connally*[3], it was held that Section 501(c) (3) and Section 170(a) (c) do not permit exemption or contributions deductions to schools that discriminate." Transcript of Hearings, 178.

While this is a very flat and positive statement, I am compelled, with all respect, to say that it is utterly incorrect. Is it really true that in *Green* v. *Connally* the Supreme Court reviewed the question whether a segregative private school qualifies for tax exemption under Section 501(c) (3)? *Green* is a 1971 case. In 1974 here is what the Supreme Court said about *Green*:

"The question of whether a segregative private school qualifies under 501(c) (3) *has not received plenary review in the Court,* and we do not reach that question today. Such schools have been held not to qualify under § 501(c) (3) in *Green* v. *Connally*. . . . As a defendant in Green, the Service initially took the the position that segregative private schools were entitled to tax exempt status under § 501(c) (3), but it reversed its position while the case was on appeal to the Court. *Thus, the Court's affirmance of Green lacks the precedential weight of a case involving a truly adversary controversy.*" *Bob Jones University* v. *Simon*, 416 U.S. 725, 740 (fn. 11) (1974). (Emphasis supplied.)

So the Supreme Court itself has informed us that in no sense has it affirmed the lower court's holding in *Green*. The Library of Congress memorandum, at Page CRS–23, admits this saying:

"The Supreme Court's reference to *Green* in the *Bob Jones* decision suggests that the validity of IRS's interpretation of 501, as a matter of statutory construction, is not yet firmly settled."

Professor Wolfman seems also to have said that the Congress, in 1976, by its adding of a new "Section 501(i)" of the I.R.C., made clear its intention to give IRS power to issue a Revenue Procedure such as the Proposal. He cites the Senate Report on P.L. 94–568, and notes that that Report says that the Supreme Court, in *Coit* v. *Green* affirmed the decision in *Green* v. *Connally* that discrimination on account of race is inconsistent with an educational institution's tax-exempt status under 501(c)(3). This, I fear, is quite misleading. The new section relates, as Professor Wolfman noted, to social clubs and to nothing else. Social clubs and religious schools are very different things, the latter having been held by the Supreme Court in *Lemon* v. *Kurtzman*, 403 U.S. 602 (1971), to be "integral parts of the religious mission" of churches. Further, the reference to the *Connally-Coit* cases, which appears in a footnote of the Senate Report [4], only proves that whoever drafted that Report was ignorant of the Supreme Court's *own* reading of those cases as expressed in *Bob Jones* v. *Simon*.

A further response must be made to Professor Wolfman's statement. In *Green*, the lengthy opinion of Judge Leventhal deliberately avoids any ruling on religious private schools. The opinion states:

"We are not now called upon to consider the hypothetical inquiry whether tax-exemption or tax-deduction status may be available to a religious school that practices acts of racial restriction because of the requirements of the religion." *Green, supra*, at 1169.

Another argument advanced by IRS and its supporters is contained in the statement by Commissioner Kurtz at the IRS hearings on December 5. It relies on *Green* v. *Connally*. The Commissioner stated:

"Under the common law, an organization, to be recognized as a charity, may not operate illegally or contrary to public policy. The court [in *Green* v. *Connally*] recognized those principles and ruled that private schools are not entitled to tax benefits accorded to charities if they contravene the well established federal public policy against racial discrimination in education expressed in *Brown* v *Board of Education* and the federal civil rights laws." [5]

The Commissioner's point was that a private school, under Section 501(c)(3), is a "charity"—*i.e.*, a private organization whose purposes are of high social interest to the community. A charity's tax exemption, so the argument goes, is conditioned upon its concordance with what, at any particular time, is considered to be "public policy". Since there is a public policy against racial discrimination, a private school practicing racial discrimination may not be tax exempt. A basic error in the Commissioner's (and Judge Leventhal's) argument lies in its failure to reflect the plain language of Section 501(c)(3), which says the organizations are exempt which are ". . . organized exclusively for religious, charitable, scientific, testing for public safety, literary, *or* educational purposes . . ." (Emphasis supplied.)

By familiar and inevitable construction, the word "or" is to be read after each of the listed categories—*i.e.* "religious OR charitable OR scientific. . . (etc.)." The Congress did not, in other words, include "religious" or "educational" under the terms "charitable". Had the Congress desired to classify religious purposes as a species of charitable purposes, it would have done so—*e.g.*, with phrasing such as:

". . . organized and operated exclusively for charitable (including, religious, scientific testing for public safety, literary, or educational) purposes. . ."

This the Congress did not do, and it is plain that "religious" purposes cannot be slid under the heading of "charitable" and churches, by that device, made subject to the "public policy" of the moment. Here it is important to add that, as the Supreme Court recognized in *Walz*,[6] the tax exemption of religious institutions does not depend upon their serving some pragmatic community purpose. Religious purposes are unique, and religious tax exemption closely allied to religious liberty.

IRS, however, appears to have prepared a counter to the foregoing conclusion by differentiating between activities which are *"inherently"* religious and those which are not. Here is an amazing statement by IRS as part of its 1975 Revenue Ruling 75–231 (1975–1 CB 158):

"The First Amendment . . . does bar governmental interference with religious beliefs and opinion, but it does not affect the legal consequences otherwise attending a given practice or action that is *not inherently religious*." (Emphasis supplied.)

The meaning appears to be, that since religious schools teach math, English and other technical subjects, those schools are not, by and large, "inherently religious". Thus IRS—as a secular arm of the state—would set itself up as final judge of what is "inherently" in a group's religion and what is not. This attempt to get "religion" put back under "charity" is, of course, blocked by the First Amendment and by Supreme Court decisions which recognize church-related schools as inherently and pervasively religious [7] and which bar government's defining of religion.[8]

Another peg upon which IRS seeks to hang its claim of statutory authorization for the Proposed Revenue Procedure consists of some very loose generalities about "Federal public policy". For example, in the aforementioned Revenue Ruling 75–231, IRS states:

". . . it is well settled that a religious basis for an activity will not serve to preclude governmental interference with that activity if it is otherwise clearly contrary to Federal public policy."

I am sure that broad "reasons of state" language like that would have been completely understandable to a faithful public servant in the Germany of 1936, but I find most disturbing the principle that economic lifelines to religious liberty may be curtailed—on the basis of some civil servant's view of something called "Federal public policy". I don't know what that phrase means. Nor does anybody else.

One further theory on which the IRS position is sought to be sustained is an argument advanced in the Library of Congress memorandum. It is as follows: (1) federal tax exemption is an economic benefit conferred by government, (2) an economic benefit provided to a private entity is of major help to that entity's existence, and if that entity is engaged in discriminating against people on account of race, then that entity is engaged in "state action" prohibited by the Fifth Amendment,[9] (3) that entity's tax exemption may therefore be removed.

This last argument is baseless and speculative. In sum, it can be said that there is no case law to support it and that the principles established in *Walz* and other Supreme Court decisions completely militate against it.

Finally, resort is had to *Norwood* v. *Harrison, supra* and *Runyon* v. *McCrary*, 427 U.S. 160 (1976). It is hard to see why. *Norwood* held that private schools with racially discriminatory policies were not entitled to state-owned textbooks while *Runyon* held that private schools may not discriminate racially in admissions in violation of Section 1 of the 1866 Civil Rights Act. The Supreme Court, in that case, expressly noted that it was not passing upon "racial exclusion by private sectarian schools . . . on religious grounds." *Id.* at 167. How these cases supply IRS with the missing Congressional authority for the Proposed Revenue Procedure is beyond my ability to understand.

Professor Wolfman has cited *Goldsboro Christian Schools, Inc.* v. *United States*, 436 F. Supp. 1314 (1977). That decision (which was erroneous by its application to a Free Exercise claim of tests of constitutionality under the *Establishment Clause*) was that of a lower federal court. Other lower federal courts have come up with opposite results. See, *e.g., Bob Jones University* v. *United States*, — F. Supp. — (Civil Action No. 76–775, Dec. 26, 1978.

2. UNCONSTITUTIONALITY OF PROVISIONS

Apart from the threshold problem of lack of statutory authority for the proposed Revenue Procedure, is a series of features of the proposal which render it inescapably unconstitutional.

Many—perhaps most—religious schools [10] are not part of any "system" of "commonly supervised" schools. Many are parts of churches which are known as "independent" churches. The fact that these belong to an education association and that they provide Bible-oriented, fundamentalist Christian teaching does not render these church-schools part of any "system". Theologically, these churches cannot assent to, and indeed reject, the concept of "church" as that is known to some of the major national religious bodies. If IRS chooses, in its proposal to accord latitude to those church-schools which are part of a "system", this will undoubtedly be viewed as an improvement over its prior proposal as a move toward less regulation of those religious entities.

But that leaves two immense questions still confronting *all* religious groups:

1. Has IRS power, under unmistakeable Congressional enactment, to make *this* regulation—a regulation which, it must be remembered, can be changed (and undoubtedly will be) as time goes on?

2. May the religious liberty of any church be made to depend upon its being part of a "system"?

We have, I believe, already answered the first question. All should understand that, once the principle is recognized that the IRS administrators have power, apart from statute, to use the tax structure to mold social policy, they can mold it today in a way that seems benign, and tomorrow manipulate that power in precisely the reverse direction.

As to the second question: the principle is unheard of, that religious liberty may be enjoyed by a church only if it will adapt itself to a scheme of organization designated by government. The form of a church's organization is an ecclesiastical question, and the Supreme Court has repeatedly held that the First Amendment bars government from *any* role in determining eccesiastical questions. *Presbyterian Church* v. *Mary Elizabeth Blue Hull Presbyterian Church*, 393 U.S. 404, 447 (1969); *Serbian Orthodox Diocese* v. *Milivojevich*, 426 U.S. 696 (1976). Here, IRS says that it will even explore the relationship between a church and its school, and if the school is separately incorporated under civil law but united with its church under *church* law or custom, IRS will use the civil law separation as the basis for revoking tax exemption of the church and the school. IRS here treads further into the bog of church-state entanglement.

Another constitutional defect in the proposal is seen in Section 3, at Page 5. Here are listed certain facts which a private school

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Footnotes at end of article.

would show in order to establish that its formation or substantial expansion was not related to public school desegregation. One of these facts would be that:

"... the students ... are not to any significant extent drawn from the public school grades subject to desegregation in the community served by the school."

This provision is faulty on a number of grounds.

1. The private school does not *"draw"* any students. Unlike a public school district, the private school has no power of assignment of students. It is *parents* who enroll children in schools, and the IRS has not the slightest power to regulate parents in choosing the schools in which their own children shall enroll. Yet that is just what IRS here seeks to do. If parents choose to remove their children from any public school, that is their *right*, whether or not that school is subject to a desegregation order. Government has no business exploring the intentions of parents in this personal and conscientious decision.[11] Particularly it may not head the school they have chosen toward economic extinction by denying it tax exempt status on the grounds that parents preferred that school to a particular public school.

2. IRS persists in its home-made concept of "community". The term, "community", as used in the proposal bears no rational relationship whatever to the religious necessities of the communities of faith of, for example, Amish schools. The private school is tied to "the community served by the school." Many religious schools do not serve the community even in terms of the common understanding of the word "community"—that is to say, the people living in a given geographical region. These schools serve, instead, *their own faith communities*. It is those communities—not the public—which founded the schools and which maintain them. Except in the sense of being a force for general good in our society (which indeed they are), these schools do not serve the general public.

But the greater error in the Proposed Revenue Procedure is that it attempts to force the schools of the faith communities to be related to population patterns of public school districts. If, during a certain period a religious school is formed or substantially expanded, it must have a student body whose percentage of Blacks, Hispanics, Asians, Pacific Islanders, native Indians or Alaskans,[12] is at least 20 percent of the percentage of the latter "minority" school age population "in the public school district where the religious school is located." It "must", or else it is prima facie discriminatory and thus threatened with economic extinction. Assuming (for the sake of argument) that the definition of "community" is in clear and stable language (which it is not), the requirement that the religious school's enrollment is thus to be determined by public school district population is an egregious violation of the religious liberty of the religious school and the faith community to which it belongs. The church school is forced either to bear the very significant consequences of being government-classified as discriminatory or else it must accept the hitherto unheard of intrusion upon its liberties of having the government say whom it shall enroll as a student. This violates due process, but—worse—it violates religious liberty. It imposes a secular enrollment standard in schools which have been defined by the Supreme Court of the United States as "integral parts of the religious mission" of the churches which operate them.[13] This, under the First Amendment, may not be.

It would be bad enough if the definition of "community" were clear and stable. Alas, it is not. "Community" is not only the public school district in which the religious school is located: it is that "together with any other public school district from which the religious school enrolls a substantial percentage of its student body." Let us now consider a religious congregation which founds a school lying on the outer edge of School District A and which draws children of the church's faith from that and four other School Districts, B, C, D and E. Some of these districts have what the proposal calls "minority" children and some don't. Some may be involved in a desegregation order and some not, and the involvement may be in one of many different ways. The administrator of, let us say, a 50-pupil religious school is put to the exquisite task of checking out the following:

1. Find out the exact school age population of each of the five school districts.

2. Ascertain, exactly, the number, in School Districts A, B, C, D and E, of school age children in each of the named categories (Blacks, Hispanic, etc.)—and of any ethnic categories which might be included under "including".

3. Figure the percent which the population of the "minority" children bears to the school age population of each of the five school districts.

4. Ascertain, per district, the number of children in one's school who are residents in School Districts A, B, C, D and E.

5. Figure out whether, in each case, that number equals a "substantial percent" of one's student body.

6. Check to see whether any of the districts is under a desegregation order and, if so, ascertain the provisions of that order.

7. To avoid being a "reviewable school," (with all the dire consequences which that entails), admit to enrollment a sufficient number of new pupils *irrespective of any religious consideration*—in order to come up to the "20 percent" factor, even if this necessitates dismissing children from your school whose parents enrolled them in your school in obedience to religious conscience.

Section 3.03, at Page 6, says that another of the facts to be shown by the private school is that it was:

". . . formed or expanded in accordance with a long-standing practice of a religion or religious denomination which itself is not racially discriminatory to provide schools for religious education when circumstances are present making it practical to do (such as a sufficient number of persons of that religious belief in the community to support the school), and such circumstances are not attributable to a purpose of excluding minorities."

This makes no sense at all in terms of religious liberty. It makes that liberty depend upon the *time* as which the practice of a church's having schools originated. If a religious body which has had no schools were to decide today to establish them, it would not be protected by that language. Shorn of all tinsel, that piece of drafting seems to be taking dead aim at fundamentalist Christian schools which are indeed in a great period of new growth at the present time. Nowhere in the Constitution do I read any principle that religious liberty belongs solely to religions which have "long-standing practices" of any sort. If a church may lose the tax exemption of its school because it had no "long-standing practice" of having schools, why might it not be curtailed in other of its liberties on the ground of lack of some other "long-standing practice"? Throughout all of our history new religious bodies have been coming into existence. It is inconceivable that groups founded after the effective date of the proposal—which will not have had a "long-standing practice" of any sort—would not be equal before the law with all other religious groups.

A great number of non-"system", non-racially discriminatory religious schools will necessarily flunk the tests set out by IRS at Pages 5, 6 and 7 for determining whether the formation or expansion of a school was "related in fact to public school desegregation." Permit me to apply these tests to what I consider to be a somewhat typical fundamentalist school, which I will call "Bible Christian School":

1. It is not part of a "system", but is the school of an independent Christian church.

2. It does not, as prior testimony has suggested, bear merely a "label" of religion. Instead, it was founded out of a deep and evident desire of Christian people to provide a God-centered education for children. When you go to that school, you have no doubt of that. The school is pervasively religious. The teachers curriculum, textbooks, atmosphere, devotion to prayer, pursuit of a Bible-centered way of life and the sense of a community of faith all attest to that. This church-school keeps its distance from the state by accepting no state funding, services or materials.

3. Most of the children at Bible Christian have already experienced public school. The public school may or may not have been under a desegregation order. Their parents have removed them from public school for different reasons. Invariably you will find, is the positive reason of desiring the child to become fully a Christian. There is also usually a combination of other reasons, both positive and negative: the desire that the child get good education intellectually, have discipline, get accustomed to hard work, but also the powerful reaction of many parents to the widely noted deficiencies in many public schools with respect to competency in instruction, secularist viewpoint, disorder, lack of discipline, drug and alcohol abuse, etc.

4. The school, and the church of which it is a part, were organized within the past ten years. IRS, by fiat, (a) attributes to the school a racist motivation in forming the school at that time, (b) makes non-existent the *actual* intention of the parents in withdrawing their children from public school and in placing them in Bible Christian at that time. This is regulating by suspicion, and officially rules out the historical fact of the widespread and vibrant fundamentalist Christian religious movement which is occurring at this particular point in time for reasons which may be better known to God and to individual souls than to the Internal Revenue Service.

The Proposed Revenue Procedure is shot through with vagueness, and instances of indefinitely broad language occur—with unconstitutional effect—in critically important sections relating to the exercise of IRS powers. Here is but one example:

Section 2.03: All private schools must have a racially non-discriminatory policy and "are subject to examination to verify the existence of that policy." But

"The question whether a private school has a racially discriminatory policy is *based on all the applicable facts and circumstances.*" (Emphasis supplied.)

As has been seen, IRS has stated a list of "facts" which will presumably aid in making its determination. The long and short of the matter is that IRS leaves itself an almost completely free hand in weighing all these "applicable facts and circumstances."

It may be objected, a religious school may purge itself of the harsh presumption that it is racially discriminatory by evidencing, under Section 4, "good faith". But as he now comes to read Section 4, the religious schoolmaster is necessarily dismayed. I will now review several of these in light of the facts of life of the religious and private schools with which I am familiar:

1. "Active and vigorous" minority recruitment programs.

Comment: (1) Apart from the total unconstitutionality of government's purporting to pressure private, non-tax-supported religious institutions to engage in recruiting programs is the fact that government has no power to pressure these institutions to

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Footnotes at end of article.

pay, out of their limited resources, for a non-Congressionally-authorized social program. (2) Again (here through use of the broad language, "active and vigorous") we have wording which makes the public administrator the legally uncontrolled judge of the evidence and the religious schoolmaster like a yo-yo on the string of the administrator's discretion. (3) IRS's unfamiliarity with the subjects it seeks to regulate is no more clear than here: Christian schools do not "recruit"—they evangelize—and evangelization is not a thing subject to governmental direction.

2. Granting of scholarships or other financial assistance to minority students.

Comment: (1) The church funds are trust funds for religious purposes. They cannot be diverted by government to other purposes save as these would relate to matters (*e.g.*, repairs for fire or safety) intimately related to health or safety and then only pursuant to patently clear and reasonable statutes. (2) I know of no religious school today which has a nickel to spare. Their resources are only as deep as their parishioners' pockets. Most of the schools are relatively small schools, not publicly funded, and parents who enroll their children there typically do so at great personal sacrifice. They already pay public school taxes. Government is without constitutional power to extract from them their moneys—dedicated to the religious education of their children—to support an administrator's social program.

3. "Employment of minority teachers or professional staff."

Comment: (1) Religious schools must, as a matter of their religious commitment, select their own teachers and staff. Their prime criterion is, for example, in the case of the Amish, that these people be Amish, or, in the case of the Fundamentalist Christians that these people be "born again" Christians who totally comport with the moral and faith standards of the church appointing them. These church-schools cannot constitutionally be compelled to accept any teacher based on the factor of race. There are important court decisions vindicating their rights in this regard. (2) The church-schools in question are private, non-tax-supported entities which, as such, may not be forced to employ teachers in classifications set by government. (3) These schools, having but very limited resources, cannot expand staffs except in terms of their own economies and the necessities of their religious mission.

4. Participation with integrated schools in sports, music, etc.

Comment: (1) Most of the religious groups may not, in conscience, place their children in a non-faith school setting. The Amish will not send their children into public schools, Catholic schools, fundamentalist schools, or other than Amish schools. They do not engage in "sports", as that term is generally understood. The fundamentalists are very much the same in this respect. Their schools are sufficient for their children, and the right to choose those schools has been long vindicated by the Supreme Court in *Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925) and *Wisconsin* v. *Yoder, supra*. Forcing their children to participate in activities in the schools of other religious groups—or in public schools—would violate that right. (2) The fundamentalists' views on sports and music are, by the way, closely related to their religious beliefs, and are different from the views of much of the larger community.

5. "Special minority-oriented curriculum or orientation programs."

Comment: (1) It is a constitutional right of religious communities to determine their own curricula (assuming that the "basics" are offered—as indeed they are). (2) In the predominantly value-related areas this right is maximized. It is the conviction of these religious groups that their best contribution to justice in our society is through the grounding of children in the teachings of the Bible and in thus forming loving and responsible citizens. They do not choose to avail themselves of secular techniques to achieve this end which some others may prefer as *their* personal choice. And in this they are constitutionally correct.

6. Minority participation in the founding of the school or on board.

Comment: A person would not be excluded by the religious schools with which I am familiar from any role therein solely because he is a member of a "minority". But it is clear beyond any argument that *no* person has the right to participate in those schools *solely* because he is a member of a "minority".

This regulatory scheme also violates the Establishment Clause of the First Amendment. The Supreme Court has held that clause to be violated, not only by government action which excessively entangles government and church-schools (*Lemon* v. *Kurtzman*, 403 U.S. 602 (1971)), but also by action which poses the "potential" for such entanglement. *Public Funds For Public Schools* v. *Marburger*, 358 F. Supp. 29 (D. N.J. 1973), *aff'd*. 417 U.S. 961 (1974). The proposed guidelines bristle with entanglements actual and potential. It is important to understand that the Supreme Court has seen tax *exemption* as militating *against* entanglement, while taxation has the opposite effect. In *Walz*, the Court said that property tax exemption of churches is "simply sparing the *exercise of religion*" from the burden of taxation. *Id*. at 673. (Emphasis supplied.) It continued:

"Elimination of exemption would tend to expand the involvement of government by giving rise to tax valuation of church property, tax liens, tax foreclosures, and the direct confrontations and conflicts that follow in the train of those legal processes." *Id*. at 674.

CONCLUSION

1. I am here to plead with you for the continued existence of a large number of private religious schools. The schools to which I refer are threatened with shutdown, because it would be unrealistic to say that they could continue to exist in a world of spiraling inflation and ever-increasing tax burdens, were they to be denied tax exemption. I realize that there exists a theory, occasionally expressed in dicta by the courts, that tax exemption is a matter of "grace" or "privilege", and not a matter of right. It is clear, however, that where tax exemption is created for a particular group, a member of that group may not be denied tax exemption on the condition that he give up the enjoyment of a constitutional right. If tax exemption is, within a class, a general benefit, it may not be unconstitutionally conditioned, *Sherbert* v. *Verner*, 374 U.S. 398 (1963). That consideration is of particular significance where the tax exemption constitutes an economic lifeline to the tax exempt entity and where, as here, the enjoyment of parental rights and religious liberties under the First Amendment are sought to be conditioned.

2. It has been our position that you, the Congress, have not given IRS the powers which it asserts in its proposal. On its face, that would seem to indicate that there is no need for new legislation. At this point, however, I see it as important that this Subcommittee would subject IRS to the closest scrutiny in its present regulatory effort and, should it persist in this effort, to take *all* steps within its power to curb that effort.

3. One particular point, which is basic to the position of IRS and all of its supporters, is a sleight-of-hand equating, *in the legal sense*, of tax exemption with subsidy. This view had been urged upon the Supreme Court in *Walz* and rejected. In his concurring opinion in *Walz*, Mr. Justice Brennan states:

"Tax exemptions and general subsidies, . . . are qualitatively different. Though both provides economic assistance, they do so in fundamentally different ways. A subsidy involves the direct transfer of public monies to the subsidized enterprise and uses resources exacted from taxpayers as a whole. An exemption, on the other hand, involves no such transfer. It assists the exempted enterprise only passively, by relieving a privately funded venture of the burden of paying taxes. * * * Tax exemptions, accordingly, constitute mere passive state involvement with religion and not the affirmative involvement characteristic of outright governmental subsidy.[14]

4. In weighing the controversy in which IRS has embroiled private and religious schools this past year, I respectfully suggest that you Senators probe deeply into the question *why* this heated pursuit of these schools by IRS? Only a small percent of all school children in the nation are enrolled in private schools, and most of those schools are religious schools. Yet we hear it said that IRS is staffing up for all-out enforcement of this Revenue Procedure against private schools—with the little lobbyless fundamentalist Christian schools largely in mind. One wonders why, and it is to be hoped that the Congress will not suffer the funding of any official expression of religious bias.

5. If, based solely upon IRS administrators' interpretations of Supreme Court decisions (which all must admit are not in point), IRS may fasten *this* Proposed Revenue Procedure on religious schools, there is plainly no reason why, in succeeding years, the administrative imagination should not produce further and worse intrusions upon those schools. Indeed, by letter to IRS dated March 20, 1978, Mr. Jeffrey M. Miller, Assistant Staff Director for Federal Evaluation of the U.S. Commission on Civil Rights, made the following demand:

"We also believe that IRS should specifically *prohibit* racial, ethnic and *sex* discrimination in the treatment and selection of *faculty*."

This is incredible. It is here seriously stated that IRS has power to *prohibit* discriminations, and IRS is goaded now to push into further areas in the life of a private school. But there is more. The letter further states:

"We believe that IRS should include in the revenue procedure a statement to the effect that church schools will be subject to the same rules as all other private schools."

Plainly, the present proposal is only a hint of what some public servants have in mind with respect to the rights and liberties of the citizenry. It is *no* answer to say that IRS employees are expert in all manner of religious, racial and social questions and must be relied on to deal wisely and fairly as administrators. My clients are as little desirous of the favor of public servants as they are fearful of their disfavor. Their reliance is not upon their public employees but upon laws given by the legislature and within the Constitution. With Madison, in his great Memorial and Remonstrance, they say:

". . . [I]t is proper to take alarm at the first experiment with our liberties . . . The freemen of America did not wait till usurped power had strengthened itself by exercise, and entangled the question in precedent. They saw all the consequences in *the principle*, and they avoided the consequences by denying the principle." James Madison, "A Memorial and Remonstrance," II Madison 183–191. (Emphasis supplied.)

FOOTNOTES

[1] 268 U.S. 510 (1925).

[2] The research paper by this body, dated November 21, 1978, entitled, "Proposed IRS Revenue Procedure Concerning Revocation of Tax Exempt Status of Racially Discriminatory Private Schools" can only be described as pro-Government advocacy and scarcely as an objective study of the relevant law.

[3] 330 F. Supp. 1150 (D.D.C. 1971), aff'd. sub nom. *Coit* v. *Green* 404 U.S. 997 (1971).

[4] 5 U.S. Code Cong. & Adm. News, 6051, 6058 (1976).

[5] Opening Statement by the Commissioner of Internal Revenue. Hearing on Proposed Revenue Procedure on Tax Exempt Private Schools, December 5, 1978, 3.

[6] *Walz* v. *Tax Commission*, 397 U.S. 664, 674 (1970).

[7] *Lemon* v. *Kurtzman, supra.*

[8] *United States* v. *Ballard*, 322 U.S. 78 (1944); *Presbyterian Church* v. *Mary Elizabeth Blue Hull Presbyterian Church*, 393 U.S. 440 (1969).

[9] The due process clause of the Fifth Amendment has been recognized as barring denials of equal protection by the federal government. *Bolling* v. *Sharp*, 347 U.S. 497 (1954).

[10] For example, those of the Association of Christian Schools International.

[11] If IRS should attempt to sift parental motives so as to distinguish religious from secular motivations, it would thereby violate the Establishment Clause.

[12] I mention these groups because the proposal does. But the proposal says that "'Minority' is defined as including the following separate categories . . . [Blacks, Hispanics, etc.]." That leaves up in the air whom else "including" includes.

[13] *Lemon* v. *Kurtzman, supra.*

[14] *Walz, supra*, at 690–691. And see Kelley, D.M., "Why Churches Should Not Pay Taxes," 33–34.

BOWIE STATE COLLEGE CELEBRATES HUMANITIES FESTIVAL AND INAUGURATION OF NEW PRESIDENT

● **Mr. MATHIAS.** Mr. President, recently it was my privilege to participate in the honors convocation at Bowie State College, Bowie, Md., marking the start of the college's sixth annual Festival of Humanities and Fine Arts.

The festivals explore ways the humanities and fine arts encourage an individual to realize greater potential and to become an asset to the community. The festivals feature workshops, seminars, lectures, and theater productions by distinguished guests and faculty members. Students and faculty also present original dramatic works, poetry contests, dance exhibitions, art exhibits, and concerts.

The theme of the festival this year was "the quest for excellence" and nowhere was it examined more eloquently than in the honors convocation address by Dr. Huel D. Perkins, Deputy Director, Division of Education Programs, National Endowment for the Humanities.

Dr. Perkins told the students that—

> To seek excellence, to strive for the impossible, to chance an ideal, to one day say something new, is what the college is all about. I think we are rediscovering the fact that no amount of money, no federal program, no piece of legislation can instill this respect for excellence in students. It is a personal quest and thereby your theme becomes vital.

During his talk, Dr. Perkins explained why excellence should be pursued. He encouraged the students to join the quest for excellence to: fulfill the purposes of a human being; to give life meaning; to escape the most prevalent cult on the earth today—the cult of mediocrity and because the youth of today is the hope of the world.

Dr. Perkins' remarks captured the essence of what education and, in particular, college education should be in our society. If we, as a nation, are to continue to be the leaders of the world in the sciences, the arts, in technological achievements, and medical research, we must strive for excellence.

Mr. President, another significant event was held at Bowie State College. Rufus L. Barfield was installed as the sixth president of that institution. Dr. Barfield comes to Bowie from the University of Arkansas with a wide background in administration and a desire to push the school to the forefront of academic institutions meeting the needs of the students and the community. I wish him well and look forward to working with him.

Mr. President, I ask that the text of Dr. Perkins' speech and an article from the Washington Post on Dr. Barfield be printed in the RECORD.

The text follows:

BOWIE STATE TO INSTALL PRESIDENT BARFIELD

(By Vernon C. Thompson)

Rufus L. Barfield, who began his duties as president of Bowie State College last fall, will be formally installed this Sunday.

When Barfield arrived from the University of Arkansas at Pine Bluff, he was faced with a shopping list of problems: a deficit of $315,000; animosity between faculty and administration; a student body in which 10 percent of the students were in academic trouble, and a perception among students, faculty and the community that Bowie State could provide only an inferior education.

And, according to Barfield, that was only the beginning of the list.

"The institution was in worse shape than I perceived it to be," said the 50-year-old Barfield, "but my spirit has not been dampened."

Among his other tasks were to find a solution to declining enrollment at Bowie State, while attempting to deal with student concern that the institution would lose its identity as a predominantly black college.

One of Barfield's early decisions was to leave open any administrative vacancies that might occur and keep at least nine faculty positions unfilled.

"We had too many administrators and faculty for the number of students at Bowie," he said. "I couldn't go before the state Assembly and ask for money when we were top-heavy in administration."

Early on, Barfield met with the faculty and other staff members at the college. In his first meeting, he asked the faculty to give up a scheduled raise and the other employees to sacrifice promotions until June 30 of this year so Bowie State could get back on its feet financially.

As a result of the cooperation from both groups of employes and his decision not to fill vacancies in both the faculty and administration, Barfield said Bowie State is no longer in debt.

The academic trouble students were having was handled by monitoring students who did poorly in midterm exams.

"We had meetings with both students and teachers," said John R. Hill, vice president for academic affairs, who said the students and teachers tried to work out study plans to help students improve their work.

One result, Hill said, was that the school was able to avoid its usual large drop in enrollment during the spring semester. In addition, students were required to explain why they were leaving to a counselor and it made it "more difficult for students to drop out."

Before the beginning of the program, he said, students were often more willing to take the easy way out by dropping out rather than "buckling down."

Bowie, which had a steady increase in enrollment until the early 1970s, reached its peak in 1973 with 3,236 full- and part-time students. Since then enrollment has dropped steadily. The enrollment for the 1978 fall semester was 2,722.

Barfield said he has attempted to improve the image of the school by conducting meetings with local residents to explain college operations and by involving the community in college activities such as a meeting last October between the president and his wife and the community as well as a special Christmas program where members of the community performed.

The new college president said he hopes to increase enrollment by recruiting more white students.

Barfield has said he is not concerned whether or not white students eventually outnumber blacks at the school because he feels the black traditions at the school can still be maintained.

"We have come a long way in the last 20 years," he said. "Now white and black students can walk together on campus and work together without problems."

The animosity between the faculty and administration was one of the first issues brought to Barfield's attention, and the college is continuing to work on the problem, he said.

Soon after he arrived, he said, the faculty gave him a "70-page position paper" outlining their complaints and suggestions for improvement at the college.

"I found that we were not that far apart after reading their document. They wanted the same things I did. They wanted effective administration and they wanted teachers to attend classes. We did not agree on everything, but their major point concerning curriculum I had no problems with."

The faculty, like other faculties in the Washington area, were complaining that they did not have a direct role in determining the college curriculum. The previous administration felt it was the role of the administration and not the faculty to determine what should be taught at the institution.

"I have no argument with the faculty over this point," Barfield said. "It is clearly their role to determine the curriculum."

He said he expects the faculty to develop the curriculum by meeting with the administration and presenting their proposals.

The curriculum is now being revised to give students a better chance to get jobs. Barfield said the college is attempting to get away from solely providing students with a liberal arts education. At least two programs will be designed to cope with the tough job market, a degree program in nursing and a set of courses in public administration.

"We are hoping the new nursing program will bring between 160 and 220 new students to campus," he said.

As Barfield described his progress and plans for Bowie State, construction workers outside his office window were in the first stages of completing a $5 million student union slated for completion in 1982. Barfield said he has been so busy putting the college back in shape that he had not had a chance to carefully study the plans.

He said he was surprised to discover that the new student union would not only mean improvement of the older, smaller facility, but would mean the construction of a larger building with a plaza. The new construction has inconvenienced some college students because a construction fence has literally cut the campus in half.

Barfield said the student union is not the only major change that will be taking place in the near future. By 1981, Bowie State College will be the site of the University of Baltimore law school. The state board of regents has decided that Bowie will make an ideal location for the school.

Robinson Hall on the campus will house the law school. Barfield said the facility currently has a "low priority" on the state board's capital improvement list and that it must be moved up so the college will be able to accommodate the new students.

The new president hopes to see an increase in enrollment this fall. He is projecting that 3,272 students will attend Bowie by next fall and that by 1982 the attendance will be 3,966.

His ultimate goal? "We are going to make Bowie a desirable place to attend for anyone who wants to get a good education."

THE QUEST FOR EXCELLENCE

(By Huel D. Perkins)

I am pleased to be the keynote speaker at this Honors Convocation which begins your Sixth Annual Festival of Humanities and Fine Arts. Yet, amidst this pleasure, one cannot help but approach an Honors Day celebration without some feeling of ambivalence. Honors Day, you say, and immediately the thought comes to mind that if every student who attended Bowie State College came with a seriousness of purpose, with a sincere dedication to the things of the mind, there would be no need for Honors Day—for indeed, every student would be achieving excellence. If every student lived up to the very best that is within him, we would have an honors university rather than an Honors Day. Think about it. But until that day arrives, we must pause in the middle of things and say "well done" to those students who have distinguished themselves by earning honor averages, and remind the remainder of the students that this is what the college experience is all about. So I begin by offering my heartiest congratulations to those of you who are being honored here today. You have shown by the grades you have earned that your values are properly placed, that your sights are accurately focused and that your purposes for being at this college are solidly grounded. To those of you who didn't quite make it this time—I say to you that the Honor Roll is posted each semester. Get on board. Be an honoree next time around.

It appears significant to me that this Honors Convocation serves as the flagship event for your Sixth Annual Festival of Humanities and Fine Arts. There is a clear recognition by the planners of these events that honors, fine arts and humanistic education are all of one piece. There are two kinds of courses which students take in college: courses which teach you how to make a living and courses which teach you how to live. The Fine Arts and the Humanities fall in the latter category. Never take the Fine Arts and Humanities for granted or regard them as fringes on your education or antidotes for boredom in later years or inconsequential effete pastimes. These are the areas of learning which civilize us—cause us to live more fully than we otherwise would—and thus are eternally relevant to us as human beings. They say to us that: "Wonders are many on earth and the greatest of these is man." Stay close to these life-defining disciplines. They are not expendable. Now to my remarks.

This country is perishing from an orgy of mediocrity. We will be numbered among the nations which inhabit the graveyards of civilization if this state of affairs is allowed to continue unchecked. Every form of life seems to be acting in such a way that it levels up our worst and levels down our best. This dastardly state has produced the most deadly cult on the face of this earth—the cult of mediocrity. Fortunately for civilization, things were not always thus. Through a study of history, we learn of a Greek civilization which encouraged excellence through drama prizes and sports competitions and awarded the laurel wreath to its citizens to so indicate this superior achievement. The names of Sophocles, Aeschylus, Euripides and Aristophanes come down to us from this period because they were victors at the Dionysian festival held each spring in Athens to seek out the best playwrights in the province. We read of the Italian Renaissance and discover that outstanding talents and abilities were financially subsidized by patrons, by the church, by the populace and that commissions were awarded on the basis of surpassing excellence in any given art medium. For this period we remember the names of Michelangelo, Raphael, Leonardo da Vinci, Lorenzo Ghiberti who emerged as victors in contests for commissions. Of if we take a close scrutiny at the Harlem Renaissance of the 1920's we find that the entire movement, which produced more conscious, self-expression in ten short years among blacks than had been produced in the preceding 200 years, was based upon ferreting out the superior, the unusual, the excellent—and bringing these giants to the attention of a literate public. Langston Hughes, Countee Cullen, Zora Neale Hurston, Claude McKay—all won prizes conducted by the Crisis and Opportunity magazines. They won because they achieved a level of excellence in their respective fields. They won because they were good. Or if we look at the entrepreneurs of the movement—W. E. B. Du Bois, Alain Locke, Charles S. Johnson—we find examples of men who strove for excellence as a standard of measure.

America has not been without its excursion into this concept of excellence. One recalls in the late fifties and the early sixties, that "excellence" was the key word in educational circles. Articles abounded in professional periodicals dealing with excellence: "The Pursuit of Excellence;" "The Price of Excellence," "High Peaks of Excellence," and "Can State Colleges Educate for Excellence?" Somehow there was no embarrassment associated with trying to achieve this "impossible dream." While the pursuit of an ideal is indeed difficult to measure statistically, there is little doubt in my mind that this emphasis upon the pursuit of excellence had a pronounced positive effect upon our national life and character. I am happy beyond measure to see the idea of excellence as a goal, as a standard, as an ideal returning to our colleges and universities.

Your theme "The Quest for Excellence" is a concrete example of what I am speaking to. The fact that Bowie State College so recognizes the necessity to keep before its students the fact that they should all strive to become superior, first-rate—in short, excellent—is a healthy sign that America will survive. This quest is a personal mission, and should be operative in the mind of each student at this college. To seek excellence, to strive for the impossible, to chase an ideal, to one day say something new is what this college is all about. I think we are rediscovering the fact that no amount of money, no Federal program, no piece of legislation can instill this respect for excellence in students. It is a personal quest and thereby your theme becomes vital. Each of you who sits before me must commit yourself to live up to the very best that is within you. You must keep before you the reasons for matriculating at this college—in short, you must quest for excellence.

Your question to me at this point could well be just why should I join this "quest for excellence?" Excellence is a very elusive ideal, you say, and the journey toward it is a never-ending one. I am glad you asked.

The first reason that you should join in this quest for excellence is because as one strives for excellence he comes nearer to fulfilling the purposes of a human being. Many years ago, Socrates, the wise Greek philosopher, said that a thing achieved excellence in terms of what it was created to do. An automobile is a good automobile in terms of performing the function of an automobile which is to provide transportation. A human being is a good human being when he performs the function of a human being which is namely: to think, to use his mind. Why do I single out thinking? For this reason. Thinking is the only function which separates man from the lower animals. It is the degree to which he capitalizes upon this difference that he approaches becoming a true human being. Man is the only thinking animal—the only animal who knows that there has been allotted to him so much time to fulfill his purpose upon this earth. Man is the only animal who knows that he must die. This fact alone, gives his life purpose. We honor the Greek civilization which flowered to its full fruition about the 5th century A.D. because they were thinkers. They asked the big questions: What is the nature and purpose of man? How do things come into being, have existence and pass away? They were not content to accept the world as they found it. These statements: "Know thyself." "All things must be examined and called into question." "All things were in chaos until the mind arose and put them in order." "The Golden Mean—nothing in excess." are all statements of a thinking man and give evidence of the supremacy of the mind in the affairs of men. Like the Greeks of old, you too must use your minds to improve the human condition, to make this world a better place in which to live, to push back the remaining frontiers of knowledge. The highest compliment that can be paid to a human being is to say that he thinks. May that compliment be bestowed upon you incessantly in your quest for excellence. The best statement I have ever read on thinking comes from a novel by Ayn Rand entitled The Fountainhead. She writes:

"Man cannot survive except through his mind. He comes to earth unarmed. His brain is his only weapon. Animals obtain food by force. Man has no claws, no fangs, no horns, no great strength of muscle. He must plant food or hunt it. To plant, he needs a process of thought. To hunt, he needs weapons and to make weapons—a process of thought. From the simplest necessity to the highest religious abstraction, from the wheel to the skyscraper, everything we are and everything we have comes from a single attribute of man—the function of his reasoning mind."

Join in this quest for excellence because it is vital to your fulfilling your purpose as a thinking human being.

The next reason why you should pursue excellence is that a goal such as excellence can give your life meaning. The psychologist and the theologian tell us that it is sometimes very difficult to find meaning in life. But if we are to live wholesome, productive lives, we must have a purpose—a meaning, a reason for all of this. It does not really matter how much motion you go through, how much energy you crowd into an activity, if there is no meaning connected with the activity, there is no achievement. Look at the abandoned windmill. It is busy enough. It is stirred by every vagrant breeze—but it is unharnessed. Business alone rarely gets the job done. Success demands that motion be coupled with motive—action with ideas. Without a plan, a purpose, and a goal we are merely moving in circles. Set some goals for yourselves and do not rest until you have achieved them. For you young scholars, such as you are, the road ahead should irrevocably lead to graduate and professional schools. I hope that that is in your plans for many of you. You cannot be satisfied with a Bachelor's degree you will receive at the end of your four years here. Years ago, W. E. B. Du Bois, the sainted scholar and first black militant of the 20th century wrote: "The history of civilization seems to prove that no group or nation which seeks advancement and true development can despise or neglect the power of the well-trained minds; and this power of intellectual leadership must be given to any race before this race can seriously be asked to assume the responsibility of dispelling its own ignorance." The same is true today. We need the best trained minds to stay in school as long as they can, earning as many degrees as they can in order to remain among the most civilized people in this world. Without a good quality education in today's world—you are lost. Opportunities are opening up all over this world which were never dreamed of decades ago. You can't wait until the opening comes along and then run back and get prepared. Pursue excellence. You never know where it can lead you. For certain, its results can only be positive—can only lead to personal fulfillment—can only succeed in giving your life meaning through achievement.

Another reason you must pursue excellence is so that you can escape the most prevalent cult on earth at the moment—the cult of mediocrity. We recognize honor students at today's convocation because they rose above the mediocre and distinguished themselves. We never honor the mediocre students. Why? Because it requires no sacrifice, no dedication, no commitment, no skill, no effort. The honor students did not have any more brain power than did his average counterpart, they just decided to use wisely the brain which they had. This is a highly competitive world and machines are being designed that can do anything an average person can do with no mistakes at all. The pace of the world has quickened to the point that if you are not well-trained, there is no time to train you. And that, in my thinking, is precisely why you came to college. You came to college to be changed—to rise above mediocrity. One does not come to college to be reinforced in poor speech habits, fuzzy thinking, and less than lucid writing. A good college changes students in how they talk, how they dress, their tastes, their reading habits—their whole being. Or of what use is it to spend four years in college and leave with the same lifestyle you brought with you as a freshman. A college must change, transform, inspire its students if it is to justify its existence. Not so much what you have learned as how you behave is the measure of your college. A college is not measured by the number of national fraternities and sororities it houses, nor the number of cars—and what models—its students drive. A good college wants to produce the scholars, the leaders and the thinkers of this world—people who will one day say something new. Now if you have read Dostoevsky's "Crime and Punishment," you know that the whole argument of the novel is that the people who have something new to say in this world should be permitted to say it at any and all costs. While you may not be driven to taking the lives of the two pawnbrokers as Raskolnikov did in the novel, you must agree with him that there have been few people in this world who have been able to say something new. These people should be nurtured in our colleges and universities. They should come from among the ranks of those of you who sit before me. You must strive to distinguish yourselves—and if possible, be one of those rare individuals who may say something new. What is there to say? The world still searches for a cure for cancer? For diabetes? The world still longs for peace? The world's sources of energy are slowly being depleted. No, everything new has not been said. There are always challenges ahead and that is what makes life worth the effort.

The final and most important reason why you should pursue excellence as an ideal is that you young people who sit before me represent the hope of the world. The world looks to leadership from its best and its brightest. And understandably so. You would not want dum-dums serving as leaders in the affairs of this world. You would not want an "Average Joe" trying to defend your case in court if you were in serious legal difficulties. Neither would you want a brain surgeon who had been lackadaisical about his professional training performing a delicate operation on you or any of your loved ones. You represent the hope of the hope of the world, but just recently a very important author wrote some very disparaging remarks about this future. Rudolf Flesch, author of the 1955 bestseller "Why Johnny Can't Read" recently asserted that America is lapsing back into illiteracy so fast that it might have to import doctors and scientists by the 1990's. Flesch said that up to half of the United States population is functionally illiterate and that reading skills have been falling constantly since 1925. Arthur Ashe, millionaire tennis star, pretty much echoed the same idea when he placed a great importance on reading. In a letter to black parents, entitled "Parents, Send Your Child to the Library," he wrote boldly that minorities had been on the same road of sports and entertainment too long. We need to pull over, fill up at the library and speed away to Congress, and the Supreme Court, the unions and the business world. He cited statistics: there is one chance in every 1,000 of your son becoming a professional in sports, he said. Would you bet your future on something with odds of 999 to 1? I wouldn't. He goes on to say that while the minorities account for 60 percent of the National Basketball Association, they are less than 4 percent of the doctors and lawyers. While they account for 35 percent of major league baseball, they are less than 2 percent of engineers. While minorities account for 40 percent of the National Football league, they are less than 11 percent of workers such as carpenters and bricklayers. The solution—get thee to a library, to use the language of Shakespeare. If we are talking about the hope of the world, such as you are, the best advice I can offer you is to spend more time in the library. Perfect the skills of reading, writing, thinking. Read everything you can get your hands on. I have never known a person yet who made a significant contribution to civilization who was not a vociferous, voracious, insatiable reader. If you are looking for confidence, a positive self-image, happiness, security and peace of mind—they are all found in perfecting the basic skills of reading, writing and thinking.

I didn't make the world this way. This is the way I found it. I found that those persons who lacked these skills were insecure, reticent, shy, afraid. I found that those people who possessed these skills to a marked degree were the confident, well-adjusted, secure people of this world. I also found that money was no substitute for the perfection of these skills. Money will not buy intelligence for the fool. Money will not buy bravery for the coward. Money cannot even buy happiness for the man who does not know what will make him happy. It is all related to perfecting these skills which say that we are more than animals. It all has to do with being able to handle ideas—to conceptualize, hypothesize, generalize, synthesize. It occurs to me that the three men who divide the world into the old and the new were men just like you and me with minds but with this quest for excellence and the unswerving will to use them. I have reference to Freud in psychoanalysis, Darwin in biology, and Einstein in physics. Men with minds. Men who gave this world a new direction. Martin Luther King, Jr., will certainly go down in history as someone who changed this world—a pivotal figure of the 20th century. Now here was a man who strove for excellence. He had read every book he could get his hands on in the areas of ethics, philosophy, political theory. When history called upon him—he was ready. Bright, articulate, fearless. You represent that kind of hope for the years ahead.

I come now to the end of my remarks. I have tried to say several things. I have said that each and every one of you—honor students and other students alike—must strive for excellence because as you strive toward this ideal you come nearer to fulfilling the purposes of a human being. I have also said that as you quest for this ideal, this goal, it can give your life meaning. I said that as you seek excellence you escape mediocrity—the most deadly of the deadly sins. And that you must seek excellence because as young people you represent the hope of the world. Make a vow today that you will live up to the very best that is within you. There is absolutely no security which can match the confidence and the self-assurance that one receives from knowing deep within himself that he has performed at the very highest level of his ability.

Finally, all I have said to you here this morning seems to be beautifully summed up in a poem by John Oxenham. Listen to it:

"To every man there openeth
A way, and ways and a way
And the high soul climbs the high way
And the low soul gropes the low
And in between on the misty flats
The rest drift to and fro.
But to every man there openeth
A high way and a low
And every man decideth
The way his soul must go."

The high soul pursues excellence. The mediocre soul drifts in between on the misty flats. Won't you be a high soul? Won't you begin today a relentless quest for that elusive ideal called excellence? The times demand it.

Thank you.●

A CLEAN, WELL LIGHTED PLACE: A REPORT ON ELDERLY HOUSING IN PORTLAND

● Mr. COHEN. Mr. President, for the Nation's elderly, these inflationary times create a number of problems. With ever-rising prices, it can be difficult simply to meet day-to-day needs.

One of the hardest things for senior citizens is finding adequate housing at an affordable price. Some find they cannot afford rising property taxes on homes they have lived in for decades. Others are not comfortable living with their children or other relatives.

Many face the choice of moving into a nursing home or seeking an apartment of their own. Federally subsidized projects are often attractive. Unfortunately, they more often than not have waiting lists years long of those wanting to live there.

Looking for an apartment on the open market can be a grim experience for the elderly. With limited resources and fixed incomes, they seek inexpensive housing. All too often, the elderly poor find that what they can afford is barely habitable.

Don Snyder, in an article in the April 20 issue of the Portland Independent, wrote of this serious problem. His piece, "A Clean, Well Lighted Place: A Report on Elderly Housing in Portland," detailed the sad and tragic fate of all too many aging Americans. Snyder summed up well the kind of choice they often face, a choice that explains why significant numbers of the elderly are in substandard housing.

Snyder said:

> The only thing worse than a bad place to live is no place to live at all.

Some of the examples cited in this article illustrate that point. The statements of some of the people he talked with reflect the frustration felt by those who want to improve the situation.

Don Snyder's article should be read by all who are concerned about the quality of life of our Nation's elderly. I commend it to your attention and ask that it be printed in the RECORD.

The article follows:

A CLEAN, WELL LIGHTED PLACE—A REPORT ON ELDERLY HOUSING IN PORTLAND

(By Don Snyder)

It was fear that prevented the woman on Cumberland avenue from protesting to her landlord when melting snow flooded her basement apartment each spring. She was 83 years old and confined to a wheel chair. She had been threatened with eviction before. She had nowhere else to go. Each time her three rooms filled with water, she hoisted her spare belongings off the floor and waited for the water to recede. It was a tedious procedure for someone so badly crippled. Two years ago a stretch of bitter cold weather moved in right on the heels of a warm spell and the soggy floors turned to an inch and a half of ice overnight, freezing her wheelchair in its place. For two days she was unable to dislodge it. She went without food and was forced to go to the bathroom in her bed.

A long time ago, old people were treated differently than they are today. In one obscure Indian tribe in western Ontario, they were respected and embraced for their role in the shifting generations. They instructed the young, reinforced customs and invigorated the vital connections between family members. They could be called upon to explain the present with a broad perception of the history that shaped it. They infused the tribe with a deep sense of stability and an assurance of permanence. When an old person became decrepit and unable to perform his functions in the tribe, the family was assembled and a great feast was prepared. It was an occasion for rich recollections and expressions of love.

Dressed in the noble jewelry and garments of his ancestors, he held the small children in his arms and said to them whatever he was compelled to say. Then as he sang his death song and looked affectionately over the land that had sustained his life, the eldest son came from behind and bashed in his skull with a tomahawk.

In this ceremonial death, old people were spared the arbitrary and pathetic dissolution that often accompanies aging. It was a rite of passage that respected dignity and the realities of nature. It was a sudden and honorable way to go. Or so the tribe believed.

Today the disposition of the aged in America is administered by an elaborate network of magnanimous programs designed to dull the blow of growing old. The maladies of old age are treated in nursing homes. The hunger is assuaged with food stamps. Shelter and clothing are subsidized. Transportation is provided. America has done its level best to market the notion of growing old as a comfortable passage into retirement. For those with money, family support and connections it can be. For many it is not.

There are old people in Portland foundering in isolation and squalor. In the busy stir of the city, they are not readily visible. Some never leave their homes. Others struggle gallantly to conceal their grim conditions under a shield of decorum, more as a means of hope than an act of deception. They are disillusioned and fighting for their lives, groping for allies in an alarmingly indifferent world. And you can find them if you want to.

These are the facts:

The lady on Congress Street with a proud smile doesn't own a winter coat. She and her husband lived in a fine home by the ocean for thirty years. They put two sons through college. It took three years for cancer to finally kill her husband. She still pays what she can every month on his hospital bill. When the sons come to visit, one at Christmas, the other at Easter, she cooks nice meals and buys toys for the grandchildren. She preserves the fiction of usefulness and contentment. The remainder of the year, she eats cat food two meals a day. Her pride is big.

In a warren of elderly folks on Munjoy Hill lives a veteran of the first World War who hasn't been outdoors since his wife's funeral seven years ago. Kids from down the street bring him ginger ale and Table Talk pies, and that's all he eats. He lives in two attic rooms sawed off at the edges by the steep pitch of the roof. A hulking warehouse next door blocks all but a narrow band of sunlight. In the winter, he wraps himself in old newspapers to keep warm.

Not far from this place, lives a pitcher for a former Portland High baseball team. He is eighty-two years old, garrulous and full of pep. But his back is badly crippled now and he is stooped over in the shape of a comma. It is hard work picking a thread off the carpet; it requires contemplation, courage and some pain. "No, things aren't bad for me," he says stoutly. "I have this little place here and I pay for it myself. I don't want the government paying my way . . . And I have my cat to keep me company. She's out now, out on the town, but she'll be back when she wants something to eat." What frightens him most is the prospect of having to move into a nursing home. He doesn't want someone telling him when to eat his meals or when he can watch the Red Sox on television. And he worries about the fate of his cat. "I've kind of told myself that when I have to go, she'll have to go, too. I don't know anyone who'd take care of her for me, and I won't let her be put in a cage someplace. I figure I'll let her loose down at the pier and hope she finds a friend. At least that way she's got a chance . . . But I don't like to think about that. I'm afraid she won't make it without me. We've come to depend on each other."

The stories go on and on. You can listen to them in nursing homes, slap dash tenements, the soup kitchen on Locust Street or the lunch room at the Salvation Army. Old people, disconnected from communities in which they live, are often condemned to despair by the communities' most intractable problems. They are beggared by inflation, and intimidated by the proliferation of violent crimes. Highly depersonalized medical care assaults their dignity and the new austerity in government spending threatens to dismantle social services they have come to depend upon.

In Portland few problems burden the elderly more than the city's dearth of decent housing. Nursing homes are full. There is currently a five year backlog of applications for subsidized elderly housing facilities. Those forced to compete in the marketplace for reasonable rentals must contend with conditions generated by a sellers' market: They are commonly bilked by greedy landlords and stranded pell-mell in substandard apartments.

A statistical profile published recently by the Cumberland-York Counties Task Force on Aging estimates there are 33,000 people over age sixty living in Cumberland County. In Portland that age group comprises 22% of the population.

Aside from privately owned facilities, the Portland Housing Authority owns 200 units at the Franklin Towers, 150 units in Harbor Terrace and 100 units in Washington Gardens. One hundred sixty-six units are currently under construction on State Street. Peter Howe, Housing Authority director notes that these facilities don't come close to meeting the demand for elderly housing. "There is a definite shortage of elderly housing in Portland. As of February 12, 1979 we had a waiting list of 163 people . . . At the present rate it would take five years for the 163rd person to get in."

Elderly persons eligible for Section Eight subsidized housing (where the Portland Housing Authority with federal funds pays 75% of monthly rents) are permitted to secure housing from private landlords who are directly reimbursed under lease arrangements with the housing authority. It is in the private sector where accountability often breaks down and elderly tenants are easily abused. You can get officials in the City government to admit Portland has its share of slumlords who take advantage of the aged. You cannot get them to provide specific names. Some elderly tenants contend that abusive landlords are protected because the only thing worse than a bad place to live is no place to live at all.

John Hauser, Director of Program Operations for the Cumberland-York Task Force on Aging, explains it this way: "In some cases, old people disguise their problems; they don't want to publicize the fact that they live in filth. They fear being evicted . . . Ideally, they should all have decent, clean places to live. But practically speaking, the housing shortage works in the favor of those landlords who want to take advantage of the aged. We have to ask ourselves, 'Are the slumlords given a break by the social agencies who inspect them because people know the tenants would have no place to go if substandard apartments were shut down?' "

When asked for his assessment of this observation, Portland City Attorney Bill O'Brien said:

"That may be a valid criticism of the investigating process. I don't know because we don't do the investigating; we see only the information we're given to see . . . When we prosecute a case, what we are after is compliance with the codes. Beyond that, we seek court costs from the violator."

Concerning chronic violators, or those who may qualify as slumlords, O'Brien stated: "There are several landlords known to us who consistently defy the law. We try to get them at least with a stiff fine. But when the landlord is fined $25 for a violation in which he made $50, there is no sufficient deterrent. The only way to get to them is to hurt their bank accounts. Because the court system moves so slowly the violator knows it's going to take us a great deal of time to get any legal action against him."

O'Brien agrees that those landlords determined to take advantage of the elderly are often able to do so with impunity within the requirements of existing codes.

Those responsible for inspecting the units vigorously deny that substandard housing is tacitly condoned by city officials in Portland.

Lyle Noyes, Director of the Inspection Division, claims his staff is ardent in their inspections. "When we receive complaints, we send investigators immediately. There's nobody in the city more concerned about the elderly than I am . . . I don't have time to go through all the rooms myself, but we have a problem because many of the elderly people who call with complaints refuse to give us their names and room numbers. That happens a lot. What can we do if they won't even tell us where they live?"

Mary Bostwick, director of leased housing for the Portland Housing Authority, decries the notion that the city is going easy on the landlords of substandard units. "When we have complaints, we investigate and we get results or we suspend payments. If a building was closed down, I feel confident we could find alternative places for those people to live, because we have landlords around the city who enjoy housing section 8 people."

The Independent could find no one in city agencies familiar with elderly housing who shared Bostwick's optimism about alternatives to substandard housing.

Workers at the Elder Services Center on Congress Street deal most intimately with the housing complaints on a day to day basis. Administrators there assert that the Trelawny building on Congress Street and The Eastland Hotel on High Street are consistently the focus of the majority of tenant complaints. And they contend that despite annual inspections by the city, problems persist.

There are 85 people over age sixty living in the Trelawny Building. Forty-nine of them are subsidized by the Portland Housing Authority. In 1978 the owner of the building, Geoffrey Rice, a Portland attorney, was paid $70,064 for these subsidized rentals. He was paid an additional $31,069 by the housing authority for other subsidized rentals in numerous buildings he owns throughout the city. The amount of annual revenue he receives from elderly tenants who pay their own rent is unknown.

Tenants at the Trelawny Building are willing to discuss their complaints with the press only if their identity is protected. They say they have been threatened personally with eviction or reduced services if they protest. Some of them live in rooms as dark as caves. They are pestered by cockroaches that crawl in their bedroom slippers and bathrobes. Many are afraid to leave their rooms. At night they brace the doors with chairs and sleep with the lights on.

Carol Rancourt, Director of York and Cumberland County Elder Advocates Program has documented the Trelawny complaints. She states she has received little satisfaction from the management of that building. "In my opinion, the tenants there deserve much more than they're getting. We've had many complaints about cockroaches and insufficient heat in the rooms. We tell Mr. Rice, but the problems persist. He could do more to alleviate the problems, in my opinion."

Rancourt says the tenants continually complain about the heating system. And individual tenants reiterated their complaints to the Independent. Some said they are forced to spend entire days in bed because of the cold. They say on other days, the heat is so excessive that they have trouble breathing. One tenant said she has been keeping track of the fluctuations. "It may be coincidence, but many times, at least a dozen, the heating system has broken down on weekends when no city inspector could come and document the cold rooms. On Monday morning, like clock work, the heat was back on."

Lyle Noyes acknowledges that complaints have been received. "We've received a lot of complaints about the heating in that building. But I don't think they're justified. Elderly people require more heat than most people; they complain even when it is 80 degrees in their rooms."

The heating problem is exacerbated by windows that are improperly caulked.

In rooms investigated by the Independent, windows were loose in their frames, permitting cold air to enter.

Bob Bailey, who actually inspects rooms for the Housing Authority and the Division of Inspections told the Independent the complaints about inadequate heat are unjustified. But when asked about the windows he remarked, "When I do my inspection this month, I plan to check the caulking. The windows in that building are drafty." Bailey says his inspection will be completed by the end of April. Some Administrators in the Elder Advocates program are leery of this inspection. They note that inspections are done every year and the problems continue.

In several rooms investigated by the Independent, cockroaches were readily visible. The Elder Services Center has received numerous complaints about the insects.

Ralph Blumenthal, Director of Portland's Environmental Health Division, relates that he has received complaints about the cockroaches at the Trelawny Building. "We have our own city inspectors looking into the complaints. One worker told me recently that the cockroach problem there is severe."

There are other problems at the Trelawny Building. Tenants there, many whose rooms are exceedingly small, say they fear for their personal safety. They claim the doors to the building's main entrance are locked during the night and on weekends, but that people who have no business being there have acquired keys.

Carol Rancourt at the Elder Advocates Program says when she asked Mr. Rice for some system to monitor the door, she was told, "You recruit the tenants to monitor the door themselves, and I'll provide a bench for them to sit on." Says Rancourt, "Tenants have complained about drunks wandering in the hallways and defecating in the elevators. Tenants have been robbed in their rooms. One woman was threatened with a knife. The solution to the problem is simple. Mr. Rice should hire a night watchman and he should install a buzzer system at the door so tenants could regulate who comes and goes without leaving their rooms."

An official at MEDCU told the Independent that the Trelawny building needs a night watchman to ensure that the elevator is secured and the medical unit move swiftly to the necessary room.

The most common complaint by tenants at Trelawny is that Rice takes an adversary position in his relationship with them. Some say he has no compunction about taking advantage of old people and off the record it is not uncommon for tenants to refer to him as a slumlord.

Sherry Regner is office manager at the Trelawny Building. Stating that she was the person who could best respond to the complaints, she told the Independent that problems in this building are attributable to the fact that "Fifty percent of the tenants belong in nursing homes. The human services department doesn't do what it should to move them out. It is not our role to do what the social services should be doing."

Doris White at the Adult Protection Division of Maine Human Services responds saying, "If they have tenants there belonging in nursing homes, they've not been referred to us."

And Blumenthal in the Portland Health Department notes, "I don't believe that's the story in Trelawny.

I'm sure if a person there had a problem that required nursing home care they'd be helped."

When asked about the problem of cockroaches Regner said "We spray the building whenever we hear complaints. There's no way we can eliminate them entirely. The biggest problem in keeping the building clean is the tenants themselves. We rent to a lower class elderly clientele who are not aware of their responsibilities as tenants. They have to keep their rooms clean and they do not have to let us in to spray. Some refuse."

Concerning the employment of a night watchman to regulate entry to the building Regner stated "At this time after all the money we've spent on renovations of the building we can't afford that expense. There's been no profit on this building for the last three years. Besides, it's my position that the tenants should watch the door themselves. The more you do for these people, the less they'll do for themselves."

Responding to the claim that tenants fear retaliation from Mr. Rice if they complain Regner said "That's crazy. Occasionally we send out letters telling them to put their trash in the trash cans and separate the trash so the aerosol cans don't explode in the furnace, and we always say if you can't comply, we will ask you to leave. But Mr. Rice doesn't threaten them."

"I'm sure," Regner continued, "some people in HUD and the city hall and a lot of those places think Geoffrey Rice is a slumlord. But that's because we rent to people who others won't take. I would not want to live in any of his apartments myself, but these people here have no place else to live. Mr. Rice goes out of his way for the tenants. He loans them money when they can't pay their rent."

When asked why Rice rents to so many elderly people in view of the problems she outlined, Regner replied, "I don't know." When asked if the fact that many of the tenants' are subsidized by the federal government is an incentive to rent to them, she said, "I don't know. They were in this building before I came four years ago."

The Independent made numerous attempts to speak personally with Geoffrey Rice. Once, after waiting at his office at the advice of his assistant, a meeting was denied. More than a dozen attempts to reach Rice by telephone were also unsuccessful.

Complaints about the Eastland Hotel, though not as virulent, or pervasive, are, nevertheless, persistent. The Elder Services Center notes that the cockroach problem there is severe. The Department of Health has received complaints about the heat also.

There are 150 people over age sixty living in the Eastland. Last year Portland Housing Authority paid a total of $64,414 for fifty leased units there. The building is owned by the Aetna Insurance Company of Hartford, Connecticut. Officials in charge of the real estate division there explain that Aetna acquired the hotel from the Dunfey Family Corp. in 1971. David Reed at Aetna said, "We still employ the Dunfey Family Corp. as managers of the facility." Reed later acknowledged, "ultimately, we are responsible for seeing that the managers do their job to maintain the building."

Tim Severance who manages the building for Aetna spoke about the cockroaches. "Roaches are a problem here. They are a problem throughout the world. We have a weekly program for exterminating at no cost to the tenants. Some of our people living here can no longer take care of themselves and should be placed in nursing homes. As long as they are here, we will have the problem."

Severance claims "It would cost an arm and a leg" to remove tenants who can no longer care for themselves. He stated that he has repeatedly asked the city for help. "I've asked Mr. Ayers in the city health department to move these people out, but nothing has happened. How do we get the people out who shouldn't be here?"

When contacted about the problem, Stanley Ayers replied, "I have nothing to do with the placement of people in nursing homes."

In Severance's words, "We care about the old people. We have teas for them and take them shopping. We bought a Chevy Suburban to transport them places. I can say categorically that we aren't taking advantage of the old people."

Tenants living in small, cramped quarters, with inadequate lighting and no direct sunlight disagree. They complain about insufficient heat, particularly on the bottom floors.

When asked whether the Inspection Division had received complaints about Eastland, Lyle Noyes reported, "We're waiting to hear on the Eastland. We haven't been too concerned lately about that building because we know the grant to renovate the building is coming."

A discussion of elderly housing provokes more questions than it answers. And asking for answers sparks the frustration one feels trying to shake scotchtape off a finger.

What is clear is that the questions will become more urgent as Portland's elderly population increases. Who will pay for the tab for subsidized housing and health care facilities? Will conditions in the private sector deteriorate as demand grows? Who will assume the responsibility of housing those disabled tenants who refuse to enter nursing homes? And who will monitor their housing to preclude abuse and neglect?

It is likely that, in the absence of a revitalization of the family unit, individual communities will be charged with a greater responsibility for the care of the aged.

But there is cause for optimism. Consider the case of Ray Lund who has, for nineteen years, owned a private apartment complex on West Street in Portland. Lund's units are scrupulously cared for. His tenants appear content, grateful and enthusiastic about their landlord.

"My building," says Lund, "is fifty years old and we don't have a bug. We work hard to keep it sanitary." And while he admits it is sometimes hard work caring for his tenants, his concern for their welfare is obvious.

When asked how he is able to provide such a pleasant place for the elderly to live, Lund replied, "I can run this place like I do because I'm willing to take a reasonable profit without skinning the tenants like so many others do."●

MICHIGAN STATE UNIVERSITY FARM AND SMALL BUSINESS ECONOMIST OPPOSES REPEAL OF CARRYOVER BASIS TAX REFORM

● Mr. **KENNEDY**. Mr. President, one of the major issues facing the present Congress is the lobbying effort to repeal the so-called "carryover basis" tax reform passed in 1976. Under that reform, gains on property transferred at death are required to be taxed as though the recipient had acquired the property by gift. That is, the tax basis of the former owner is "carried over" and becomes the tax basis of the heir. When the property is eventually sold, income tax must be paid on the increased value, in the same manner as income tax is owed on property transferred by gift.

One of the chief arguments used by lobbyists against the carryover basis reform is that the change places an unfair burden on family farms and small business.

Recently, at my request, Prof. Robert Swanson, of the department of accounting and financial administration in the school of business administration at Michigan State University, prepared an analysis of this and other arguments that I would like to share with my colleagues.

Professor Swanson is a former small businessman who has worked closely with farmers and small business on tax and business problems. In his analysis, Professor Swanson rejects the argument that the 1976 reform, as "cleaned up" by recent Treasury proposals, will have any significant deleterious effect on family farms or small business.

As Professor Swanson argues, other changes in the 1976 act, enacted for the benefit of these groups, have given ample protection to these groups against the burden of estate taxes. In fact, the changes have been so generous that they have actually driven up the price of land by encouraging wealthy private investors to purchase farm property for its tax shelter value. Repeal of carryover basis, he says, would only make this problem worse.

In 1977–78, Professor Swanson conducted an economic study on the appropriateness of these other 1976 changes and concluded that they were of little use to family farms, but largely benefitted the giant agribusiness firms. The repeal of carryover basis, he argues, would enhance this trend, to the likely detriment of family farms.

Professor Swanson notes that the issue is basically one of equity in the tax laws. In lobbying for repeal of carryover basis, wealthy property holders are simply doing what Congress would expect them to do. But their arguments have little merit.

Mr. President, I hope that members of the Senate, particularly those with substantial farm constituencies, will consider Professor Swanson's viewpoint. I am pleased to submit his analysis for the Record.

The study follows:

The Defeat of Carryover Basis—A Federal Subsidy for the Rich

(By Professor Robert Swanson, Department of Accounting and Financial Administration, Graduate School of Business Administration, Michigan State University)

There is presently considerable speculation as to whether or not the carryover basis provisions of the Tax Reform Act of 1976 will be sustained with the strong lobby opposing it. The opposition, of course, is not unexpected. Each segment of our society wants to let some other group pay the costs of government. And in this instance some portion of this nation's wealthy are opposed to paying more to the government through carry-over basis because the government has permitted them this exemption for over a half a century. The wealthy are doing what one would expect in opposing it. A myriad of complaints have been made by this vocal minority, e.g., too complicated, unworkable, too costly to administer, etc., almost all of which have little substance if closely inspected. If Congress repeals carryover basis because of this pressure, they will be doing an injustice to the large majority of taxpayers in granting a subsidy to the wealthy of nearly $1,000,000,000 annually.

THE TAX REFORM ACT OF 1976

The persons who administer estates, such as attorneys and trust department employees, rightfully argued that the carryover provisions as enacted in the 1976 Act inadequately addressed the myriad of problems created by the new law. But since that time the Treasury has addressed these issues and in a statement before the Senate Committee on Finance Subcommittee on Taxation and Debt Management the Treasury proposals have been presented. These proposals should simplify the workings of the provisions for 99% of the estates involved, if these provisions are enacted. In reading these proposals it appears that those seeking repeal of the carryover basis provisions have already gained major concessions.

For example, the area which has received the most criticism from opponents of carryover basis has been that of determining the decedent's basis, which was necessary under the '76 Act in establishing an heir's basis for property other than marketable securities. To overcome this objection the Treasury has proposed determining the heir's basis, where the decedent's basis is not available, by starting with the estate tax value and discounting this value back from the date of death to December 31, 1976, at an annual rate of six percent, subject to a minimum carryover basis of 25 percent of the estate tax value.

With present and projected inflation rates, six percent appears to be a very conservative figure, and represents approximately a 25 percent reduction by the Treasury in the discount rate as set forth in the Revenue Act of 1978. This reduction will increase an heir's carryover basis, and lower his recognized gain if he sells the property. In my conversations with a number of trust officers they have told me that the above mentioned provision would solve the majority of their problems.

The Treasury proposal also addresses a number of other issues, and if their proposals are enacted into law, the benefit to be gained by society appears to far outweigh the costs of administering those estates affected.

One point which should be highlighted in the discussion of carryover basis is that the carryover provisions be highlighted in the discussion of carryover basis is that the carryover provisions will create no tax liability for an heir unless he sells the carryover basis property. And because of the "fresh start" provisions, the taxable gain accruing prior to 1977 on property inhibited after 1979 will be less than if the decedent had sold the property prior to his death. So, for a number of years, the carryover basis provisions will extract a lower tax on realized gains from the family unit (or decedent and his/her heirs) than would be assessed if the property were sold prior to the decedent's death, everything else being equal.

FARMS AND SMALL BUSINESS

Some opponents of carryover basis suggest the recordkeeping requirements for farmers and small business required by the carryover basis provisions are unrealistic, and will seriously hamper this sector of our economy. I have been a small businessman and have worked closely with a significant number of farmers and small businessmen on tax and business problems. Those individuals who operate these businesses successfully generally keep excellent records because the information is essential in operating a successful business.

In addition, they must keep these records to substantiate the numbers they put on their tax returns. Those persons who operate marginal or unsuccessful farms or small businesses may sometimes maintain inadequate records, which may be part of the reason for their lack of success. But this lack of records will seldom cause a carryover problem, for most of these individuals will not have many assets to leave to their heirs.

One important factor which should not be forgotten when dealing with this issue is the heirs will not be required to pay additional taxes because of carryover basis if they continue to operate the family farm or business. Only upon a sale of these assets will additional taxes be incurred. The liberalization of the estate taxation of the estates of family farmers and small businessmen in the Tax Reform Act of 1976 through the "current use" valuation permitted in Section 2032A, and the 15 year payment of the estate tax allowed these groups through Section 6166, should be sufficient to allow heirs of farms and small businesses to take over these operations with minimal, if any, death taxes. Therefore, the attempt to repeal carryover basis to protect these groups, who do not have to sell their assets to pay estate taxes, appears suspect.

Possibly more to the point in discussing the family farm is the roadblocks Congress is putting up which will keep aspiring young people from owning their own farm. The net effect of Section 2032A and Section 6166 is to help the large, wealthy farmers' estates retain their entire farm for the heirs. The main benefits from these sections accrue to the wealthy farmers whose units are much larger than necessary to operate at a level of economic efficiency.

If these Sections were not available and the estates had to sell a portion of these farms to meet death tax payments, the heir could still receive a unit large enough to operate at a profitable level. And in this process more land would become available to those wishing to establish a "family farm."

Section 2032A and Section 6166 are benefits to persons owning farms, and these benefits have been impounded into the price of land, creating upward pressure on farm land prices. If carryover basis is repealed, an additional economic benefit will be impounded into the price of the land.

To those farm belt Congressmen who are supporting these issues, and the repeal of carryover basis, one might ask, how do you define a "family farm," if that's what you say you're trying to protect? If it's an "average" 800 acre spread in Illinois or other Farm Belt States, it's not a family farm by the ordinary definition.

ADMINISTRATION AND COMPLEXITY

A common complaint one hears from lawyers and trust department personnel is that carryover basis is too complex, and that the Treasury can never make it workable. A quick perusal of the table of contents of a recent estate planning conference held by the ALI–ABA suggests that complexity is not a concern when the estate of a client can be spared some taxes. Some of the topics discussed at this conference were:

Generation-skipping Transfers; Postmortem Estate Planning; Postmortem Stock Redemptions; Split-interest Gifts; Planning Domestic Accumulation Trusts; and Split-interest Charitable Trusts.

In comparing the carryover basis problems utilizing the proposals set forth by the Treasury, its complexity appears insignificant compared to some of the above issues which estate planners utilize to minimize client's estate taxes.

If, as some opponents suggest, complexity is the real problem, this issue could easily be resolved by giving heirs a zero basis in all inherited property. Section 61 of the Code, taken from the Constitution, says in part, "gross income means all income from whatever source derived." Though not suggested, a relevant question appears to be, why should inherited income be exempted when that income earned by the producing members of our society is taxed in full? These are difficult questions, but questions which should be addressed.

IN CONCLUSION

In the American Bankers Association statement calling for the repeal of carryover basis they state: "The problem, in our view, is in the concept—not the technical nuances of the statutory provision." The concept, I imagine, is that bankers object to their clients being taxed on appreciation on property held by a decedent at his death, because the clients have not suffered this burden for over 50 years. In response, I would suggest, it's about time.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. **METZENBAUM**. Mr. President, today I am submitting several additional newspaper articles and columns which are representative of editorial opinion throughout the country on the subject of deregulation in the trucking industry.

Today's articles are from newspapers in the States of Connecticut, the District of Columbia, Florida, Georgia, and Illinois.

I commend them to the attention of my colleagues, and ask that they be printed in the Record.

The articles follow:

[From the Waterbury (Conn.) American, Jan. 2, 1979]

Deregulate Trucking

Deregulation of the airlines has benefited users through lower fares and the companies through increased usage. Deregulation of the trucking industry proposed by the Carter Administration should provide similar results.

At present the Interstate Commerce Commission tells regulated truckers (about 44 percent of the nation's total) what routes they can use, what they can transport, how much they can charge, and who can enter the business.

The U.S. Department of Transportation, which has recommended deregulation, contends that it will lead to greater efficiency and better service. It may lead to expansion of the industry and increased compensation.

The Teamsters Union is joining with some of the large trucking firms in opposing deregulation. A fierce battle is anticipated when the proposal goes to Congress.

Regulation of truckers is not only increasing the cost of government but it is depriving the businesses from developing the most efficient systems of transportation. Left alone, many would be able to devise more efficient and speedier transportation at lower costs.

Congress should give deregulation of trucking high priority in efforts to reduce the size of government.

At a time when the government is attempting to convince motorists to conserve fuel, it would be absurd for Congress to insist that artificial restrictions imposed by government on efficient truck transportation should be continued.

Fewer regulations will reduce the government payroll, decrease fuel consumption, help reduce prices and thereby control inflation. What benefits can anyone cite for continuing the present system?

[From the New Haven (Conn.) Register, Jan. 30, 1979]

"Deregulation" as a Tool Against Inflation

Everybody, it seems—or almost everybody—is in favor of deregulating the trucking industry. President Carter's State of the Union and Budget Messages urged the move to spur competition. His Department of Transportation is preparing a legislative package.

A potential political rival, Massachusetts' Sen. Edward M. Kennedy, is stealing a march on the White House with his own bill to eliminate collaborative rate-fixing by truck freight haulers, and he has the administration's support for this major element of deregulation. As he unveiled the measure the other day, it was applauded by consumer advocates, the National Association of Manufacturers, Ralph Nader, and Alfred E. Kahn, the president's chief inflation fighter, among others.

So everybody wants deregulation except, predictably, the trucking industry's lobby and the Teamsters union, and that's where the battle is being joined. Sen. Kennedy wants the bill handled by his Judiciary Committee, where he can shepherd it through. But the industry is backing Sen. Howard Cannon of Nevada, not a deregulation enthusiast, who claims his Commerce Committee should take charge.

Beyond this first-round fight, the arguments and the pressures for deregulation should emerge strongly. Sen. Kennedy's legislation would repeal the 1948 Reed-Bullwinkle Act that grants immunity from antitrust laws to ostensibly competing trucking companies and lets them agree among themselves on freight rates. The administration's program is expected to go further and strip away other regulatory facets. The Interstate Commerce Commission may propose its own changes.

The trucking industry, of course, complains that wide-open competition would cut its profits and even threaten the existence of the smaller carriers. That may be. But the recent airline deregulation actually boosted profits as reduced fares lured more passengers to planes. Couldn't lowered freight rates bring more cargoes to the truckers?

We don't profess to know for sure. What is painfully obvious, though, is that the lack of genuine competition in any industry keeps prices up, and when the protected industry is a vital segment of the transportation system like trucking, the prices of all the commodities transported reflect the upward pressure.

Government has overplayed its legitimate role in the free-enterprise system for a long time. Inflation-spawned fears are primarily responsible for the current shift of attitude, which is better late than never.

[From the Norwich (Conn.) Bulletin, Nov. 22, 1978]

Welcomed Deregulation

The Interstate Commerce Commission took an important step forward Monday when it abolished a 40-year-old rule that prevented companies which haul their own goods from transporting goods for another company.

Previously, companies such as supermarket chains, which use their own trucks to transport their own goods, were prevented from hauling someone else's goods even though it often meant that trucks spent about half their time on the road empty.

Several months ago, the Avon Corrugated Corporation in Massachusetts asked the ICC for permission to haul biscuits from Atlanta, Ga., back to Massachusetts. The firm, which shipped cardboard containers to Atlanta, complained to the ICC about the high costs of making a 1,400 mile trip with an empty truck. The ICC permitted the firm, on a temporary basis, to haul the biscuits. That experiment led to Monday's decision to abolish the discriminatory rule.

The decision is a welcome one, for it demonstrates that the ICC is slowly recognizing that it has operated too long as a protector of special trucking interests and not in the public interest.

The ICC said in its decision "we are convinced that the high cost of energy now and into the foreseeable future, requires us to pay close attention to the need for greater operating efficiency." Clearly, the decision makes sense from an energy conservation standpoint and because it should help to hold down the price of some goods.

Although the decision is an important one, there is a great deal more deregulation that must be carried out to eliminate the inordinately high shipping rates and virtual strangle hold the trucking industry now has on the nation's shipping.

Three years ago President Ford cited the need for deregulation. His proposed legislation would have eased entry of new carriers into the regulated trucking industry, permitted truckers more flexibility in changing their rates, cut the authority of the rate bureaus (the groups of truckers which band together to fix the prices of their services), and expanded the types of transportation service which would be free of ICC regulations.

However, the legislation was violently opposed by the truckers and the Teamsters Union and it eventually died. Today, the need for deregulation is just as pressing as ever.

Some major problems in the trucking industry still exist. At present, it is extraordinarily difficult for truckers to obtain new routes because of the expensive drawn-out proceedings and the willingness of the ICC to accept existing carrier's opposing arguments. Also, there is little competition in rates because the rate bureaus consistently refuse to lower them.

In other cases, trucking service remains poor. Existing carriers sometimes refuse to provide specialized services to meet the needs of some customers. And when a new carrier tries to offer the services, the other truckers often oppose the move before the ICC.

On Dec. 15, Transportation Secretary Brock Adams will issue a detailed proposal on ways to further relax ICC regulations. And President Carter has long advocated deregulating the transportation industry. In the coming year, Congress should pay close attention to legislation for loosening government control over the trucking industry. That industry has, for too long, enjoyed a privileged position at the expense of other businesses and the public in general.

[From the Washington Post, Nov. 27, 1978]

HAULING BOXES AND BISCUITS

The Interstate Commerce Commission ruled last week that a manufacturing company that sends its own products to market on its own trucks does not have to bring the trucks home empty. It can, if it wants, hire them out to haul the products of others on the way back to the plant. That decision sounds full of common sense. But it was a bombshell in the transportation industry. It reversed a policy the ICC established 40 years ago and set the tone that is likely to run through the battle next year to deregulate the trucking business.

As you might expect, such a departure from the past did not sit well with the American Trucking Association. The ATA said it may challenge the new rule in court, describing it as "arbitrary, capricious and unreasonable." If the rule stands, the ATA claimed, it will substantially damage the common carriers—big trucking companies and independent operators who offer their services to all who wish to use them. The ICC, on the other hand, defended the decision as one that will lower freight costs and help in the fight against inflation.

Both sides have a point. The ICC acted in a case involving the Avon Corporation, which makes cardboard boxes in Massachusetts and uses its own trucks to deliver some of them in Georgia. It wanted to use those trucks to haul biscuits back to New England, but under the old rule it wasn't permitted to do that. The hauling of biscuits, or any other product made by some other company, belonged to the common carriers. Avon had no choice but to bring its trucks home empty.

Economically, that rule made no sense. Avon's trucks were obviously wasting energy, capacity and time on the long drive back to Massachusetts. Thus, the ICC is right in claiming that its decision can cut freight costs. Avon could give the biscuit company an extremely low rate and still make more money than it had previously.

But that's not the whole story. Assume that the trucking company that used to haul the biscuits north always hauled shoes back to Georgia. If it is going to keep on hauling those shoes, it will either have to find some new product to haul north or its trucks will make that run empty. If it finds a new product, the truckers now hauling it will not have a load. That's why the ATA says the ICC's new rule changes nothing except the name of the company that has the empty trucks.

The problem, of course, is much tougher. There are thousands of trucks on the highways, and a good number of them are empty on what is known in the business as "backhauls." If all the trucks on the road were full all of the time, some trucking companies either would have much less business than they do now or no business at all. To those interested primarily in efficiency, saving energy or lowering costs, that's the way it should be. But to those interested primarily in jobs, the reverse is true. Added to that is the complication that common carriers have an obligation to provide different kinds of freight service while manufacturers, like Avon, don't. That's why the issue will be one of the most bitterly contested during the deregulation fight.

The ICC, for one of the few times in recent decades, has performed a valuable service by staking out the issue so clearly. Its decision, it seems to us, squares with the mood of the country in the 1970s, when inflation and inefficiency are major targets. The empty back-haul policy, established during the depression of the 1930s, appears to be an anachronism today. But the commission's decision to change that policy is only the first round in what is shaping up as a major legislative battle in the next Congress.

[From the Washington Star, Jan. 29, 1979]

STEERING THE TRUCKING BILL

If the Senate wants to end price fixing in the trucking industry, it probably ought to let Sen. Edward Kennedy's Judiciary Committee handle legislation on the matter.

Senator Kennedy has announced that he will introduce a bill to repeal an exemption from anti-trust laws granted the trucking industry in 1948. But it has set off a heated jurisdictional squabble.

Since the Judiciary Committee has general jurisdiction over anti-trust legislation, it seems logical to assign the bill to Mr. Kennedy's committee. But Sen. Howard Cannon is claiming jurisdiction for his Senate Committee because the anti-trust exemption for the trucking industry was written into an amendment of the Commerce Act.

All things being equal, it probably wouldn't make any difference which committee handled the bill. But all things aren't equal. Senator Kennedy wants the exemption repealed; we're not sure about Senator Cannon.

It doesn't take great perceptive power to see which committee is more likely to act favorably on a repeal bill. Lobbyists for the trucking industry, which wants to keep the exemption, are lined up solidly behind Senator Cannon in the jurisdictional fight.

Senator Cannon threatens to take the fight to the floor if the Senate leadership sends the bill to Mr. Kennedy's committee. If it comes to that, we hope that Senator Kennedy's attempts the past few days to tighten his hold on the Judiciary Committee, which he became chairman of in the new Congress, don't prejudice members of the Senate against letting his committee handle the trucking bill.

While Mr. Kennedy's large ambitions for the Judiciary Committee need watching, we're on his side in the jurisdictional squabble over the trucking bill, for the simple reason that repeal of the anit-trust exemption is most likely to come by that route.

The exemption ought to be repealed. It wasn't appropriate in 1948, when President Truman vetoed it as a tool for the trucking industry to run roughshod over the public interest, and it isn't appropriate now. Mr. Truman's veto was overridden and ever since, as Senator Kennedy pointed out the other day, the exemption has allowed trucking firms to set prices in ways that would be illegal in other industries.

[From the Miami, (Fla.) Herald, Nov. 23, 1978]

IT'S TIME TO DEREGULATE TRUCKING

A Massachusetts company named Avon Corrugated Corporation had a problem. Its trucks were hauling Avon-produced cardboard boxes 1,400 miles to Atlanta. Avon wanted to make some extra money by filling up the trucks with some other company's loads of biscuits for the return trip.

But under Interstate Commerce Commission rules, that was illegal. No company could have its trucks haul anything besides its own products. Avon trucks would have to return to Massachusetts empty.

That was several months ago. But in the meantime a new wind of deregulation has been felt in this country, and the ICC decided this week that Avon could, temporarily anyway, haul the biscuits. The ICC will now study whether other truck-owning companies can do the same. "The new policy (in the Avon case) will provide for increased efficiency in the transportation system by filling up otherwise empty backhauls," the ICC noted in its provisional ruling.

The American Trucking Association, which represents the trucking industry, was not happy. The ICC's decision, it said, is "arbitrary, capricious, and unreasonable." The ATA will seek to block the ICC ruling in Federal court.

May a pestilence strike the ATA's efforts. The ICC action is the best thing that cobwebbed, anti-consumer body has done in years. One of the major causes—if not the major cause—of rampant inflation in this country is inefficiency. Every time a firm like Avon has to pay the fuel and man-hour costs of backhauling an empty rig, it has to increase the price of its cardboard boxes to make up for the loss. And the more haulers are available to carry all kinds of goods, the sooner there will be a decrease in the cost of cargo transportation. It's as simple as that.

The American trucking industry is not a sick one. It is not teetering on the verge of elimination. It is a brawny, able-bodied industry that should be making its own way in the competitive world of free enterprise. Instead, truckers still hide behind the ICC's skirts.

The ICC and its new chairman, A. Daniel O'Neal, should not listen to the protectionist trucking industry but heed the public by taking more and more pro-competitive actions. But just in case they don't here's hoping that Congress will strike a blow for free enterprise by deregulating the trucking industry in 1979.

[From the Miami (Fla.) Review & Daily Record, Jan. 3, 1979]

RELAXATION NEEDED

(By Lee Ruwitch)

There is no reason why the federal government should not relax or modify transportation regulations which compel truckers to travel many miles with empty trucks. This practice only serves to boost food distribution costs.

Under Interstate Commerce Commission rules, some truckers have authority to haul goods in one direction only and must return empty on the trip back to the terminal. (There are truckers who do have two-way authority to haul goods on return trips.)

It's just plain good common sense to liberalize these regulations on backhauls which would considerably lessen transportation cost and help reduce food prices.

[From the Tampa (Fla.) Tribune, Dec. 4, 1978]

KEEP ON (REFORMING) TRUCKIN'

The Interstate Commerce Commission's decision to relax its regulatory grip on the trucking industry is a good place to understand the adage that the worth of a bureaucratic action is best measured by its opposition.

For 40 years the ICC did not let manufacturers haul goods for profit; they could carry only their own goods. But a Massachusetts company which hauled its cardboard boxes to Georgia and returned 1,400 empty miles challenged the rule. It wanted to backhaul Georgia biscuits.

"Arbitrary, capricious and unreasonable," fumed the American Trucking Association at the ICC's ruling to permit the biscuit backhaul. The ATA threatens to go to court to reverse the new policy, which will place thousands of additional vehicles at the disposal of the nation's shippers.

The point is common sense, reduced shipping costs in the fight against inflation (artificial in this case), saved energy and heightened free-market competition. The decision not only fits well with President Carter's strategy to cut costs through deregulation but it foreshadows what could occur in Florida's next Legislature.

There very likely will be an effort to deregulate intrastate trucking in Florida, now consumed by bureaucratic prohibitions and stifled competition. As chairman of the new Regulatory Reform Committee, Hillsborough Rep. George Sheldon will be the man to lead the effort. And he, colleagues and citizens can expect the same illogic and diatribes which greeted the ICC decisions.

But, like trucks and unlike the associations which seek to protect the status quo, regulatory reform is on the move. Inflation, energy and citizens' pocketbooks should be better for it.

[From the Panama City (Fla.) News-Herald, Dec. 6, 1978]

How Not To Deregulate

Three years ago the suggestion that the federal government would deregulate the trucking industry seemed as feasible as electing John Briggs mayor of San Francisco. Two reasons: It is nigh impossible to terminate any federal practice; and many truckers and the politically powerful Teamsters actually favor regulation because it protects them against competition.

It was clear regulation was pushing the cost of living upward, and that when shoppers groused about "inflation" they were complaining mainly about the rising price level. And economic studies abounded showing the relationship of regulation to higher prices.

Everybody knew that trucking regulation was a prize culprit but most everybody despaired when it came to proposing deregulation. Alas, the political choices seem, miraculously, to be shifting.

It is misleading to say that the cost of living and inflation are one. Cost of living is self-defined. But inflation, even if the politicians and some prevaricating economist deny it, means the printing of dollars out of proportion to market production.

Now, getting the Carter White House to admit the government is solely culpable for inflation seems about as possible as electing Harvey Milk a senator from Orange County. Such a confession would force the administration to backtrack on all the spending programs it has launched since its inauguration. Oh, the president has shown some mettle in vetoing a few bills, but no about-face is in sight. Tackling inflation at its source—now there is real political trouble.

Incredibly, deregulation of trucking now seems more politically possible than stemming the printing of dollars by harnessing the Federal Reserve. Events have forced the administration to a new strategy: deregulation.

Comes Transportation Secretary Brock Adams to announce a deregulation plan for railroads and trucking. The Carter administration, Adams said in an interview, now backs legislation limiting the power of the Interstate Commerce Commission to set fees and schedules and limit entries.

More evidence of the administration's interest in deregulation is the elevation of Alfred Kahn, the erstwhile Civil Aeronautics Board chairman, as the government's chief inflation fighter. Kahn is everywhere celebrated for deregulating the airlines, which is directly responsible for the competitive new fares and routes holiday travelers are chirping about.

[From the Gainesville (Fla.) Sun, Dec. 20, 1978]

Trucking to Freedom

U.S. airlines were forcefully dosed with capitalism in 1978. Next year, it is the trucking industry's turn.

We refer, of course, to deregulation. The airlines didn't like the freedom President Carter and the Congress gave them this year, but the results look great so far. New routes are opening up, passenger rates are down. That's good reason to watch this experiment in free enterprise with interest.

Worth watching next year are the truckers. The big boys have flourished in a controlled environment and the little boys have taken the hindmost. With 17,000 of the biggies under his umbrella, Uncle Sam has effectively set rates for an industry of 150,000 companies. And Uncle Sam has created monopoly markets for the big croakers, freezing out the tadpoles.

Worse, the Interstate Commerce Commission has virtually let the trucking cartel set its own rates under exemptions in the antitrust law.

In sheer waste due to circuitous routings and lack of competition, this has been costing Americans almost $2 billion a year. But that figure does not include the generous pass-on of wage demands, said to cost another $1 billion a year. That's a conservative $3 billion down the drain, but some economists say it is more like $6 billion. That's more than the entire cost of the federal food stamp program.

President Carter wants the truckers deregulated, and Congress is likely to agree in 1979. The truckers and related labor unions will screech bloody murder.

We admit to enjoying a scrap like that because trucking titans, like most titans, are prone to pious speechmaking on the benefits of free enterprise. But when it comes to splitting the gizzard, the business barons want free enterprise for everybody else. For themselves, they prefer a legal license for cooperative larceny.

U.S. Rep. Don Fuqua of Altha and Gainesville, who has slapped around meddling big government in his day, should be overjoyed at the chance to curb government and simultaneously free these closet socialists of their inhibitions. It's not every day that a harassed congressman can rise above the humdrum and strike a blow for liberty.

[From the Miami (Fla.) Herald, Feb. 19, 1979]

It's Time To Deregulate Trucking

Congress could strike a dual blow against inflation and energy waste by following the Carter Administration's lead toward deregulation of interstate trucking.

The Interstate Commerce Commission (ICC) has taken some commendable, if tentative, first steps toward allowing freer competition on rates and routes.

For example, the ICC has just changed its rules so that price competition can be considered when a trucking firm applies for a license. And last year the agency made other changes recommended by a task force that had studied the administrative burden caused by regulation.

Despite moves such as these, advocates of deregulation have been disappointed by the slow pace of change at the ICC, even though that agency and its chairman ostensibly are committed to reducing regulation.

Most observers believe that the real solution must come from Congress. Indeed, in 1975 and 1976 President Ford proposed legislation to loosen the ICC's regulatory hold on trucking. But in Congress the proposals encountered a buzzsaw of opposition powered by the industry and the Teamsters Union.

Both the truckers and the drivers favor continued regulation. And why not? Under its protection they have thrived—while the public has paid artificially inflated rates.

Perhaps Federal regulation was beneficial and needed back in 1935, when the Motor Carrier Act first placed much of the trucking industry under the ICC. At that time, after all, the nation was in a deep depression, and the industry was in bad shape.

But political clout, not economic necessity or the public interest, led the 80th Congress to pass (over President Truman's veto) the Reed-Bulwinkle Act in 1948. It allowed the ICC to permit price-fixing within the trucking industry.

Regulated trucking today is no longer a shaky, infant industry. Its 16,000 firms account for 42 per cent of the ton-miles hauled by all modes of transportation in the United States.

Trucking's political clout is awesome—at both state and Federal levels. And at both levels it supports regulation because it has been able to turn the rules to its own advantage, fixing prices and stifling competition.

Logic and reason dictate that trucking should be deregulated. But logic and reason may not prevail when Congress considers the issue. And the prospects for deregulation are further clouded by the industry's current negotiations for a new labor contract.

Clearly the trucking issue will test the mettle of the Administration and those congressmen, notably Sen. Edward Kennedy, who have taken the lead in pressing for deregulation.

It is hard enough to regulate an industry—insurance, for example—that does not want Federal regulation. The ultimate challenge, however, may be to deregulate a powerful, entrenched industry that doesn't want to be deregulated.

[From the Sanford (Fla.) Herald, Feb. 5, 1979]

Deregulation of Trucking

Last year, Congress and the Carter administration won deserved plaudits for deregulating the airline industry, an act which increased competition, lowered air fares and boosted industry profits.

This year, the trucking industry is targeted for similar liberation.

But, while the case for deregulating the truckers is no less compelling than that for the airlines, dragging the protected motor carriers into a free market promises to be far tougher.

Where the airlines were split on the question of deregulation, trucking companies grown fat on the protected routes and rates granted by the Interstate Commerce Commission are unified in opposition to deregulation.

And the politically potent Teamsters union is also fighting deregulation because of the restraining influence competition would have on wages.

Given the presence of both trucking companies and Teamsters in virtually every congressional district, the pressure to maintain the status quo will be fearsome.

Nor will the arm twisting be limited to Capitol Hill. The Teamsters have reportedly threatened to retaliate against the White House for its support of deregulation by ignoring the president's wage guidelines when new contracts are negotiated with truckers this year.

The question is whether Mr. Carter and Congress can withstand the heat long enough to dismantle a regulatory structure that benefits the few at the expense of the many.

The many in this case are consumers who pick up the tab for the excessive truck transportation costs that result from the ICC's wasteful regulatory policies. Empty trucks rattle back and forth across the country burning up fuel and hiking overall operating costs because of senseless ICC rules against two-way hauling.

The trucking companies fix shipping rates, legally, with only a rare objection from the commission's hopelessly swamped staff.

And, through the permits it grants for protected hauling routes, the ICC effectively limits both competition and entry of new trucking companies.

How much these regulatory policies cost the public is subject to debate.

But a reasonable estimate is that of Stanford professor Thomas G. Moore, who puts the annual cost at up to $3 billion.

That kind of money should light fires under every consumer group in the country.

In theory, Washington began regulating the trucking industry during the 1930s to forestall the rise of a predatory monopoly carrier and to protect the railroads.

The 16,000 trucking companies now in operation are adequate defense against any monopoly, save one imposed by Washington.

And, irony of ironies, Washington's clumsy efforts to regulate the railroads have long since driven most of them to penury.

Regulating the truckers won't save the railroads. But rail carriers might save themselves if only Washington would permit them to set their own freight rates and abandon unprofitable operations.

As for the trucking industry, deregulation would reward the most efficient operators while offering shippers the advantages of a competitive marketplace in which to shop for carriers.

We think most truckers, like the deregulated airlines, would find competition a boon rather than a burden.

[From the Lakeland (Fla.) Ledger, Jan. 22, 1979]

TADPOLES VERSUS BIG CROAKERS

U.S. airlines were forcefully dosed with capitalism in 1978. This year, it is the trucking industry's turn.

We refer, of course, to deregulation. The airlines didn't like the freedom President Carter and the Congress gave them last year, but the results look great so far. New routes are opening up, passenger rates are down. That's good reason to watch this experiment in free enterprise with interest.

Worth watching this year are the truckers. The big boys have flourished in a controlled environment and the little boys have taken the hindmost. With 17,000 of the biggies under his umbrella, Uncle Sam has effectively set rates for an industry of 150,000 companies. And Uncle Sam has created monopoly markets for the big croakers, freezing out the tadpoles.

Worse, the Interstate Commerce Commission has virtually let the trucking cartel set its own rates under exemptions in the antitrust law.

In sheer waste due to circuitous routings and lack of competition, this has been costing Americans almost $2 billion a year. But that figure does not include the generous pass-on of wage demands, said to cost another $1 billion a year. That's a conservative $3 billion down the drain, but some economists say it is more like $6 billion. That's more than the entire cost of the Federal food stamp program.

President Carter wants the truckers deregulated, and Congress is likely to agree. The truckers and related labor unions will screech bloody murder.

We admit to enjoying a scrap like that because trucking titans, like most titans, are prone to pious speechmaking on the benefits of free enterprise. But when it comes to splitting the gizzard, the business barons want free enterprise for everybody else. For themselves, they prefer a legal license for cooperative larceny.

This district's congressman, Andy Ireland, has slapped around meddling big government in his day. He should be overjoyed at the chance to curb government and simultaneously free these closet socialists of their inhibitions. It's not every day that a harassed congressman can rise above the humdrum and strike a blow for liberty.

[From the Sarasota (Fla.) Herald-Tribune, Dec. 4, 1978]

COMMON SENSE IN TRUCKING?

The Interstate Commerce Commission's recent ruling that a company truck from the Avon Corp. in Massachusetts could, indeed, bring cookies back to New England after a long haul with cardboard boxes down to Georgia will probably raise howls from trucking companies and independents, but it is simple common sense.

The days when ICC rules that trucks under such circumstances should run the "back haul" empty, eating up money, fuel and employee time for nothing, ought to be over—whether they really are or not. The American Trucking Association, for instance, calls it "capricious" and may sue.

Undoubtedly some trucking firms will be hurt by the loss of their protection against this kind of reciprocal loading by companies not primarily in the truck business. But with inflation still climbing and fuel getting ever more expensive, not to mention scarce in years ahead, the logic lies entirely with the private firms that can make such arrangements. If they have trucks for their own deliveries, there is simply no excuse for making them run half the time with nothing aboard.

The policy requiring empty back-hauls started in the Depression when making jobs for everyone possible was the prime consideration. In these hard-pressed days, inflation is Enemy No. 1 and waste comes right after it.

Congress may be expected to step into this struggle next session and consumers can at least hope that their interest in saving the odd half-a-buck where possible is duly regarded.

If it comes to new legislation on the ICC, as well it might, it will be another legislative thermometer for canny voters to keep an eye on, too.

[From the West Palm Beach (Fla.) Post, Feb. 12, 1979]

DEREGULATE TRUCKING

Congress must not give up the battle to drag the trucking industry kicking and screaming into the free-enterprise system, no matter how long it may take.

Ever since 1935, the Interstate Commerce Commission (ICC) has wrapped the industry in a cozy cocoon of protection. Routes are spelled out in detail, and new lines can be started only if they provide new service. On top of that, Congress in 1948 passed an antitrust exemption allowing truckers to set their own rates through cartels.

The result was predictable. Over the last eight years the eight largest trucking lines have earned more than 20 percent per year on shareholders' equity, an exceptionally high rate.

Now, however, the ICC has a new philosophy. Since April 1977 it has been headed by A. Daniel O'Neal who, as in the case of Alfred Kahn during his tenure with the Civil Aeronautics Board, is soldily for deregulation.

He already has done quite a bit. Under his leadership, the ICC has eased the need test for new licenses, abolished the rule forbidding companies that haul their own goods from picking up cargo from other shippers and revoked the "rule of eight" that allowed a line to contract with only eight shippers.

But he would like to do more. He would like the ICC to set maximum and minimum charges, leaving truckers free to post any rates they please within those limits. But this requires and act of Congress.

One such bill is being pushed by Sen. Edward Kennedy (D-Mass.). Another is being drafted by the ICC and the Carter administration. Such organizations as the National Alliance of Businessmen and the American Conservative Union support the Kennedy measure.

But the truckers don't. They say rate cuts will force smaller firms out of business, leading to eventual increases by the few large firms that remain—an argument that ignores the rate ceiling provided in the legislation.

It may take years to get a deregulation bill through, but it will be worth the effort. There is no reason for the present web of controls. It drives up prices, rewards inefficiency and stifles competition. The only ones who benefit are those allowed into the exclusive club of interstate trucking.

[From the Augusta (Ga.) Chronicle, Jan. 13, 1979]

PUT ON COST TAG

Since 1953, according to figures released by Rep. Tom Railsback, R-Ill., federal spending has grown by more than 550 percent, skyrocketing from about $75 billion 25 years ago to more than half a trillion dollars for fiscal year 1979.

Over that same period, the national debt has mushroomed from $265 billion to $750 billion. And, contrary to the rhetoric from President Carter, spending continues to grow.

This fiscal 1980 budget is not going down, as you might have thought from White House press releases, but it is going up about $44 billion according to the Office of Management and Budget.

There are several measures that many from the free enterprise standpoint have advocated in response to this tremendous growth—a balanced budget, spending cuts and the indexing of spending, among other things.

While not quite the powerful remedy to our economic malaise as a balanced budget or a lid on spending, there is another good proposal that should be implemented. It addresses itself to the very problem of ballooning costs.

The Senate Governmental Affairs Committee, chaired by Sen. Abraham Ribicoff, proposes that before a government agency adopts a new rule, it should say how much it is going to cost.

Says Sen. Charles Percy, R-Ill., and a member of the committee: "By requiring regulatory agencies to give a true accounting of the costs and benefits of their intended actions, we can help stem the federal government's own substantial contribution to inflation."

There could be problems with the putting of a price tag on proposed rules. Some things are just naturally hard to estimate, and some agencies could purposely underestimate a regulation. (Interstate Commerce Commission regulations on trucking may cost between $1.4 billion to $2.9 billion a year. That's quite a spread, and is hard to boil down into one general figure.)

In any event, implementation of the Governmental Affairs Committee proposal should do more good than harm. And it would force big spenders (we won't mention that Ribicoff and Percy have notorious big spender reputations) to spell out the costs of some of their schemes.

[From the Lawrenceville (Ga.) Gwinnet News, Dec. 28, 1978]

ON DEREGULATION

President Carter is reportedly considering two major transportation deregulation plans—one for an industry that wants to be deregulated and one for an industry that is resisting it.

The plans were prepared by the Transportation Department, with help from the White House and other executive branch agencies.

The industry that wants to be deregulated is the railroad industry. The railroads claim that their worsening financial condition over the past decade stems from excessive government restrictions on the way they do business. Unless the federal government eases its regulatory grip, the railroads argue, the amount of money the government will have to pay out in subsidies can be expected to continue to grow in coming years.

The industry that is fighting deregulation is the trucking industry, which claims that efforts to make trucking more competitive will result in poorer service and drive the railroads out of business, to boot, because federal regulation of trucking limits competition, comfortable industry profits have made the existing firms content with the status quo.

The Carter administration is keen on deregulation at this time because of its recent success with airline deregulation legislation. After enactment of that bill, ticket prices fell as the airline companies began competing with each other for new business.

However, instead of disaster—as some airlines had predicted—the industry prospered as both ridership and profits increased.

Despite the airline bill's success, however, Carter's deregulatory drive remains controversial. Letting railroads set prices on their own, for example, while favored by the industry and by Carter policymakers, could result in short-term increases in the cost of shipping some goods by rail, according to administration policy-makers.

And proposals to make it easier for the railroads to drop money-losing routes are likely to prove unpopular with members of Congress from areas that might lose rail service as a result.

In the same way, trucking deregulation also could prove a thorn in Carter's side. Because transportation costs represent only a very small part of a piece of merchandise's final selling price, even a major decrease in transportation costs might result in only a small drop in the cost to consumers.

Because of this, Congress may not see the urgency of deregulating the trucking industry.

In addition, President Carter has asked labor unions to observe the administration's voluntary guidelines on wage increases. However, many truckers are members of the powerful Teamsters Union, which strongly opposes deregulation. Carter's inflation fighters fear that if they push a trucking deregulation bill too forcefully, an angered Teamsters Union—with contract talks underway—will retaliate by ignoring the administration's wage guidelines.

Carter's inflation chief, Alfred E. Kahn, has warned the Teamsters that for them to ignore the guidelines could strengthen Carter's hand in his deregulation drive.

The deregulation of these two major industries will be one of the hottest topics of discussion in Washington next month, as the Congress convenes. In each case, the issues are complex and the potential ramifications awesome. But Carter's basic premise seems to be that regulations have the effect of limiting competition and thus providing some protection for the regulated at the expense of the consumer. Judging by the tremendous results of airline deregulation, that premise seems to be a viable one.

Deregulation of both the railroad and trucking industries—if not fully, at least partially—appears to us to be a course well worth following.

[From the Lawrenceville (Ga.) Gwinnet News, Feb. 20, 1979]

DEREGULATION SCARES 'EM

(By Thomas Oliver)

The threat to the American way of life is an almost constant theme of businessmen who deride the invasion of government into the free enterprise system.

Businessmen lament government intervention almost as much as hillbilly moonshiners do, and the businessmen cite example after example that it's the government who causes inflation.

But listen to the businessmen associated with the trucking industry and they are singing a different tune now that the government is actually going to try to get out of their business.

Carter and his administrators are proposing to deregulate the trucking industry, and the industry is sounding off like a young child frightened of entering the first grade.

They are making noises similar to those we heard from the airline industry, whose officials were scared to death of the government allowing them to compete on a free market basis.

And look what happened in the airline industry—probably the highwater mark of the Carter administration.

Deregulation, the airlines lowered their fares in open competition and consumers flocked to the airports to take advantage of prices that were not inflated by regulated protection.

And just like the free enterprise system is supposed to work, airlines experienced such an increase in business that for a time it was almost impossible to get through on the telephone to the reservationists and book a flight.

Remember all the stories about the impossibility of getting through to the airlines? Look at the record-breaking year the industry experienced with this new business.

Hardly a day goes by that someone doesn't speak on the approaching fall of the American way of life as we know it—of the inevitable downfall of capitalism, of the approaching socialistic system that will take over this country.

I maintain we have as much to worry about from people who don't want to work—who want the government to take care of them—as we do from those businessmen who wish government protection of their industry, who wish the government to guarantee them profits, who wish a guarantee that there won't be too much free enterpirse competition.

In fact, I find very little difference between groups who wish the government to guarantee its members an income—whether it be by welfare and unemployment benefits or by regulating an industry.

Both the American Trucking Association and the International Brotherhood of Teamsters favor continued federal regulation. What these two groups are advocating is "price fixing" pure and simple. They maintain that an end to "internal rate-fixing" will result in chaos and confusion in the trucking industry.

In other words reverting to open free competition will result in the chaos and confusion of capitalism.

Yes, I worry about the American way of life as we know it because those who are supposedly in the forefront of our capitalistic society are talking out of both sides of their mouths and sounding frighteningly like the double talk of Orwell's 1984.

As the saying goes, "We have seen the enemy and they is us."

[From the Arlington Heights, (Ill.) Herald, Nov. 14, 1978]

DEREGULATION OF TRUCK INDUSTRY IS RIGHT ROUTE

What's good for airlines is good for truckers, says the chairman of the Interstate Commerce Commission. Daniel O'Neal has called for his agency to relinquish much of its control over the trucking industry. As long as the federal government retains enough control to protect consumers, particularly in the area of household movers, O'Neal's proposal is a sensible route for the ICC to follow.

The chairman's deregulation policy, under study by other commission members, would let companies enter the trucking business more easily and would limit firms' ability to meet and set rates. More competition would encourage better service and cheaper rates.

The trucking industry is expected to get more attention from the Carter administration and Congress now that deregulation of the airline industry is well under way. Some rules can be eliminated administratively; others require congressional action. Inflation czar Alfred Kahn who, as chairman of the Civil Aeronautics Board, presided over the deregulation of air carriers, believes even less justification exists for controlling trucking firms than for regulating airlines.

Trucking lines are bellyaching about the proposed deregulation, arguing that fewer government controls will lead to less, not more, competition. The end result will be poorer service at higher prices, they contend. The companies say they will be permitted to abandon unprofitable routes more easily, leaving some regions underserved. And if too many truckers are allowed to enter the business, existing firms no longer will enjoy the economies of scale that hold down costs, they say.

Similar cries of protest came from business when the CAB lessened regulations for air fares and routes. Yet the resulting lower ticket prices have created more business and bigger profits for the industry.

We're not convinced that deregulating truckers would be any different from stripping away controls over air carriers.

[From the Charleston (Ill.) Times-Courier, Nov. 14, 1978]

TRUCKING DEREGULATION

(By John Lofton)

NEW YORK.—Now that the airline industry is being deregulated, the trucking industry knows it is next, and it is not at all happy about the prospect.

I am in this city to speak to the California Trucking Association during the American Trucking Associations' (ATA) annual convention. Almost every piece of literature on the press table contains at least one shrill, hysterical, and in some cases untrue, attack on the concept of trucking deregulation.

A one-page handout blasts deregulation as "unconstitutional!" and "a conspiracy!" that "will destroy the economy!" The October 30 issue of "Transport Times" quotes ATA President William Cassels Jr. as characterizing the advocates of deregulation as "anti-forces," observing:

"They don't seem to stand for anything, but they are against just about everything you and I stand for. Primarily, they seem to be against business in general, and the private enterprise system . . . which they view as harmful to the health of consumers . . . The question that begs to be answered is, simply, 'why?' The theorists tell us the system needs to be changed, but they must be looking at the trucking industry in Outer Mongolia. The one here is working fairly well."

But Cassels' assault on the deregulators is positively Orwellian—it is Newspeak double-talk which asserts the opposite of the truth. It is the deregulators who are for increased competition in the trucking industry, whereas it is ATA and its allies who are seeking to preserve the status quo which restricts private enterprise.

In this country (I'll yield to Cassels' knowledge of Outer Mongolia) the trucking industry is regulated by the Interstate Commerce Commission, which exercises absolute control over entry into this business. In order to be admitted as a "common carrier"—essentially a commercial trucker—an applicant must obtain a certificate of "public convenience and necessity," generally granted only when the newcomer can demonstrate that existing firms cannot provide the service specified.

If established carriers can show they have the capacity to handle the traffic, the application normally has been rejected, regardless of whether or not the applicant might provide a cheaper or more efficient service. The burden of proof has been on the applicant, and it is often an impossible one. As the ICC itself admitted in a case involving an Oklahoma transportation company:

"From the beginning of federal motor carrier regulation, restrictions generally have been imposed to protect already authorized carriers from unintended and unwarranted competition. . . ."

When Cassels says that the present system of regulating the trucking industry is "working fairly well" another question begs to be answered, and it is, simply, for whom? Certainly not for those newcomers who are seeking to start a trucking business.

Testifying recently before the Senate Judiciary Antitrust Subcommittee, a variety of individuals told how the burden of proving need for new or additional trucking service has become "insurmountable" for most small carriers. Witnesses complained of bureaucratic ineptitude, the high cost of legal fees for seeking ICC authority, and the ease with which an application can be defeated by existing carriers. Truck operators told of building up considerable business on temporary ICC operating authority only to be denied permanent authority.

Margaret Hardin of the Valley Veterinary Supply in Fort Collins, Colo., told how she was forced to ship vaccines and medicines by air freight or United Parcel because common carrier service was so bad. Her firm, along with 41 others, had supported an application for temporary authority by Edson Express, an intrastate carrier in Longmont, Colo. But the bid was turned down. Edson said it found the burden of proof "insurmountable" because "virtually every city and whistlestop in the U.S. does have some 'carrier service available,'" yet there's no objective standard to determine whether it fills a need.

F. E. Keller of Keller Transport in Billings, Mont., pointed out that protests by existing carriers are given far more weight in ICC application hearings than the support of shippers seeking the service. Keller said the ICC solicits protests from existing carriers, or at the very least asks them if they're aware of applications and want to comment on them.

Milton Boyd, executive director of Minority Trucking Transportation Development Corp., said there must be an end to "push-button" protests by carriers already holding authority.

[From the Chicago (Ill.) Sun-Times, Aug. 15, 1978]

FREE THE CHAINED TRUCKERS

In the business community at large, it's always open season for taking potshots at government regulation. Not so in the trucking industry. The American Trucking Assns. and the 2.3 million-member teamsters union positively revel in the embracing security of their federal chains.

And why not? Under solicitous laws and the mollycoddling of the Interstate Commerce Commission, the $30-billion-a-year trucking industry is free to prosper through restrained competition and the power to set its own rates immune from antitrust law.

At the public's expense.

Jerry Ford tried to change all that by lifting some of the regulations, but he was beaten around the curve by congressional friends of the truckers and teamsters. Now, in the next few weeks, Jimmy Carter will be called upon by his staff to decide whether his White House should submit similar legislation to the next Congress.

We say he should.

Our argument was spoken for us by Stanley E. Morris of the President's budget office, who said: ". . . the past regulatory practices of the ICC have been carried out in an unfair, highly costly and highly litigious fashion. This administration is a firm believer that in cases such as this, competitive principles can be a better regulator than the government."

And a current proof of that is the ongoing deregulation of the airline industry, which is thriving under unprecedented passenger loads stimulated by liberated and, thus, reduced fares. It's the best kind of treatment for an inflation-bedeviled economy.

The laws protecting truckers were born in the chaos of the Great Depression to protect a young industry. They authorize the ICC to regulate truckers' entry into the business, the routes to be served, the commodities to be transported and the rates to be charged (in co-operation with the truckers' own regional rate bureaus).

Foes of deregulation say the existing rules ensure security and stability in the industry, that loosening them would cause excessive competition, leading to bankruptcies that would reduce service.

But the American economic system did not acquire its muscle under a security blanket. It grew strong by the tug and shove of competition, which enforced the delivery of the best service at the lowest cost. That kind of market rewards the deserving consumer as well as the deserving entrepreneur.

We can't know what kind of specific legislation Carter might propose, if indeed he proposes any. But, in principle, we're in favor of a strong dose of free enterprise for the captains of the wheeled fleets. The best of them will like it.●

OPENING STATEMENT BY SENATOR TALMADGE BEFORE SELECT COMMITTEE ON ETHICS

● Mr. TALMADGE. Mr. President, I submit for the RECORD my statement today at the opening of hearings before the Select Committee on Ethics.

In this statement, I outlined my response to charges that have been made against me regarding certain possible violations and stated that evidence that will be put before the committee as the hearings progress will prove that I have committed no intentional wrongdoings, I have in no way brought discredit to the Senate, and that no disciplinary action by the Senate is warranted.

I bring my statement to the attention of my colleagues.

The statement follows:

STATEMENT OF U.S. SENATOR HERMAN E. TALMADGE BEFORE THE SENATE SELECT COMMITTEE ON ETHICS, MONDAY, APRIL 30, 1979

Mr. Chairman, distinguished Members of the Committee, I rise to make the opening argument of Counsel for the respondent in this proceeding—to make the opening argument for myself.

What I present now is not evidence. It is a statement of what the evidence in this proceeding will show.

Certain charges have been made against me, some trivial, some serious. We will respond to those charges in a proper way. We will show this Committee the glaring weaknesses in Special Counsel's case. We will present our own evidence.

We will not respond by loose or false statements to the press. We have not and will not engage in news leaks to grab headlines at the expense of the truth.

I have been utterly appalled that much information Special Counsel has obtained has been reported within a matter of hours or days in hostile news stories. These stories have been injurious to me, to my friends, to the Senate, and to due process.

Evidence will show that I and my staff have made some errors. It will show that I have admitted those errors. I have taken steps to correct them.

But the evidence will not show that I have engaged in any intentional wrongdoing. The evidence will reveal no conduct that warrants any discipline by the Senate.

There are five charges. I deal first with the three minor ones. These three charges are so trivial that they should never have been made part of this "investigation".

Under the Committee's rules, an "investigation" should be reserved for issues of substance. A formal investigation is not for picayune matters.

First, it is charged that I owe gift taxes for certain gifts of stock to my former wife over a thirteen-year period. The Committee's Special Counsel claims that a grand total of $1,070 in gift tax is due.

We will prove that this is wrong. We will show that I do not owe a penny.

If the Committee wants to hear it, my accountant will explain our position by examining all those fifteen stock transactions in tedious detail.

He will establish that many of those transactions were not gifts at all.

As to the rest, he will show that there was no gift tax due because of lawful exclusions and deductions. Even the Internal Revenue Service has not claimed that I owe any tax.

But if Special Counsel were correct—if I owed $1,070 in tax—this is still a minor matter.

At most, it is an argument between accountants. Even Special Counsel does not accuse me of willful tax evasion.

The Committee should not assume the role of the Internal Revenue Service and oversee minor civil tax liabilities of Senators. I ask the Committee to dismiss this allegation now and save us all much time and needless bother.

Second, it is alleged that my 1973 and 1974 campaign receipt and expenditure reports were improperly filed.

The basic facts are stipulated. I filed no 1973 candidate's reports until 1978. Then I reported that, in January 1975, I had been reimbursed around $14,000 for my 1973 expenditures.

The evidence will show that in 1973 my staff had concluded that, under Georgia law, I could not be considered a candidate in that year. Therefore, I did not file reports in 1973.

My candidate reports for 1974 originally showed no campaign receipts or expenditures. There will be evidence that in 1974 my staff was confused about what expenses should be classified as "campaign expenditures" under the new Federal Elections Act.

For this reason, my staff decided that I should pay various expenses from my personal account. I was later reimbursed when my staff and accountants determined which expenses should be classified as "campaign expenditures".

In January 1975 I was reimbursed around $12,000 for my 1974 expenses. I reported this in an amended candidate's report in 1978.

Whatever the confusion in my office about these reports, the stipulated evidence shows—there was no intent to deceive anyone.

This is obvious from my March 1975 campaign committee report. It certified to the Secretary of the Senate that the Committee had reimbursed me some $26,000 for my 1973 and 1974 expenditures.

This is essentially all there is to this charge. The basic facts are all admitted. The errors have all been corrected.

There is not the slightest basis for concluding that those errors were due to anything but inadvertence and confusion.

I doubt if there is any Senator who can claim that his staff has never made a similar error. We all know how difficult it is to find out what is required in these reports.

Why this matter remains the subject of a formal Ethics Committee investigation is beyond me. No Senator should have to endure a formal investigation over this type of nitpicking.

The third minor charge is that, between 1970 and 1977, I failed to list in my Confidential Reports of Financial Interests some alleged gifts and a disputed property claim.

The stipulated evidence and my amended Reports show that during certain of those years I did receive a few gifts, the total value of which appears to be around $1,000.

It is also stipulated that I received some plane rides between 1970 and 1976. We will demonstrate that, until the middle of 1977, it was not at all clear or understood by the Senate that riding in a friend's airplane had to be reported as a "gift".

The property claim involves stock in a company called Terminal Facilities and the proceeds from the stock's sale.

It concerns a long-lasting dispute with my former wife about whether this stock, which I had put in her name, was a gift.

Once again, the basic facts are stipulated. In 1970 and 1971, I reported to the Senate that this was my wife's property. From 1972 to 1976, because of the dispute between us, I did not report the stock proceeds as my property or her property.

The evidence will demonstrate that this was done on the advice of my accountant. I followed his advice in good faith..

In 1977 I reported the stock proceeds to the Senate as owed me by my wife, pending court action.

In 1978 the matter was finally resolved by the Supreme Court of Georgia. The Court decided that the stock had not been a gift to my wife.

It ruled that she had held the stock and the proceeds for me in an implied trust.

The evidence will establish that there was no intent to conceal anything in this matter. The most that was involved was a good faith failure to report at a time when the legal situation was not clear.

Surely none of this—the failure to report small gifts, plane rides, and a disputed property claim—rises to the level of an ethical violation.

Nothing here warrants any further action by this Committee or the Senate.

Indeed, all the charges I have discussed thus far are trivial. I do not believe this Committee would have included any of them in this formal investigation if its Members had been fully aware of how petty these charges are.

I turn now to the two remaining charges. The first is that office expense vouchers, submitted for me to the Senate Disbursing Office from 1972 to 1978, claimed greater expenses than were actually incurred.

Special Counsel alleges in this regard that, as a result of those vouchers, I received overpayments totaling $37,125.

He also claims that, being a Senator for 22 years, I knew or should have known that the claimed reimbursements were greater than allowable.

The Committee undoubtedly knows that the $37,000 figure resulted from an independent audit which I ordered, at my own expense, when possible overpayments were first brought to my attention last year. This is stipulated.

The evidence will also show that I instructed the auditors to be stringent and to resolve all doubts against me.

Upon completion of the audit, I promptly repaid the full $37,125. The evidence will show that I was not aware of these overpayments until 1978.

The evidence will prove that I left these voucher matters to my staff. When vouchers were presented to me, I asked if they were correct. When assured they were, I signed them without reviewing the details.

I would be surprised if many of my colleagues do more, given the multitude of demands on our time.

I do not contend that this was prudent.

I do contend that the evidence will satisfy you that my conduct was no worse than negligent.

I accept responsibility for this. I have already done so by repaying $37,000 to the Senate.

I do not accept the contention that my actions amount to unethical conduct.

The last charge against me is the most serious. This is the accusation that I was aware of, directed and profited from a secret bank account set up by my former Administrative Assistant, Daniel Minchew.

Daniel Minchew admits diverting nearly $13,000 of Senate funds and about $26,000 of campaign contributions into that account.

The accusation against me rests on the word of Daniel Minchew. But no one—after hearing all the facts—could possibly believe his story.

Undisputed evidence will show that Minchew opened the secret Riggs account by forging my signature,

That he obtained the $13,000 in Senate funds by forging my signature to two Senate vouchers,

That he alone made all the deposits into the account,

And that he alone made all withdrawals by forging my signature to checks made out to cash.

The evidence will also demonstrate that Daniel Minchew admits taking over $7,000 from the bogus account for his personal benefit.

We submit that—when the evidence is in—it will be clear to the Committee that this is what he did with all the money.

We will prove that Minchew was lying when he says I knew about the secret account.

We will show that, in June 1978, I ordered an independent audit which would have inevitably disclosed the secret account and the theft of Senate funds—an audit Daniel Minchew tried to talk me out of.

No reasonable person could believe that I would have ordered that independent audit if I had known about the Minchew account and the theft. Even my enemies don't claim that I'm stupid!

You will also hear evidence that when I learned that two Senate checks had been porcessed at the Riggs bank, I promptly reported that fact to this Committee and to the Department of Justice.

These are steps that only a fool would take if he were aware, as Minchew claims I was, that there was a hidden, phony bank account waiting to be found.

Daniel Minchew claims that in June 1978 he showed me—and then kept—two memoranda about illegal conversions of campaign money.

But I repeat, only a fool would have gone to the authorities if he actually knew that Minchew was holding two incriminating memoranda.

You will hear Daniel Minchew claim that he gave money from his secret account to me, to my wife, and to my deceased son.

I have denied that. My former wife has denied that. My Son Bobby is not alive to deny that, but you will hear his widow, who handled all of his financial affairs, deny that.

Daniel Minchew says that my wife gave him a note from me asking him to get money for her. Where is that note? Minchew says he "cannot find it." It was lost in a convenient "flood."

We will show that Daniel Minchew is without credibility. You will have evidence proving:

That Minchew lied under oath to this Committee;

That Minchew lied to financial institutions from which he borrowed money;

That Minchew lied repeatedly to the Department of Justice;

That Minchew failed three FBI lie detector tests;

That even his own hired polygrapher agreed that his answers to the FBI were deceptive;

That Daniel Minchew lied to the Internal Revenue Service again and again and again.

You will also have before you evidence:

That Minchew had a poor reputation for veracity and honesty;

That his travel agency license was revoked because he misused funds due the airlines;

That he was hounded by creditors;

That he failed to pay his debts;

That he bounced checks.

Mr. Chairman, you will also have evidence that in one year alone, 1974, when most of the money was taken from Daniel Minchew's secret account, his obligations and expenditures exceeded his legitimate sources of income by more than $50,000.

A critical question is, who was motivated to steal money, Daniel Minchew or Herman Talmadge?

The evidence will show that my income exceeded $70,000 in 1973 and $80,000 in 1974, that my wife's separate income exceeded $80,000 in both years, and my son Bobby's income was around $50,000 in both years.

The evidence will show that my net worth in those years was over one and one half million dollars, and I had ample funds in the bank. The evidence shows that during those two years, had I needed more money, I could have accepted numerous speaking engagements offering generous honoraria, which I turned down.

If I had intended to steal money, I would not have used an accomplice who could later implicate me.

I would not have used a bank account and left a paper trail that could later be discovered.

I would not have insisted, as Daniel Minchew claims I did, that money from a milk cooperative be put in that bank account at a time when the Watergate Committee on which I served was scrutinizing the political contributions of that same milk cooperative.

There may be testimony that my former wife took a package containing $100 bills from the pocket of an overcoat in January of 1974.

We will prove to you that the bills she gave the Committee could not have come from the secret Riggs account.

We will also prove to you that the package could not have been in my overcoat in early 1974.

We will show you that any testimony along this line would not be consistent with her previous sworn testimony.

Mr. Chairman and Members of the Committee, to find me guilty of complicity in the Riggs account you would have to accept the word of a proven liar, cheat and embezzler.

You would have to accept his word against that of a Senator who has held the trust of his colleagues and his constituents for 23 years—a Senator who would not have jeopardized his career, betrayed his colleagues and abused the trust of his beloved State of Georgia for any reason, let alone for a few dollars.

Gentlemen, I have been in public service for more than 28 years—six years as Governor of Georgia and more than 22 years in the United States Senate.

Most of you know that throughout my long career, it has been my practice to handle public money and personal funds in an extremely frugal manner.

Until hostile newspaper reports during my divorce proceedings in 1978, no one—friend or foe—had accused me of any financial impropriety whatsoever.

As Governor of Georgia, I declined a salary raise in excess of $10,000. That money is still in the state Treasury.

As a United States Senator, I have traveled tourist class on Senate business to save the taxpayers money.

I have left untouched hundreds of thousands of dollars in Senate funds available for my office use.

It is contended by Mr. Minchew that I engaged in a scheme to divert not only Senate funds but campaign funds as well.

In my last campaign, I returned more than $27,000—42 cents on the dollar—to contributors to my campaign committee in Georgia.

It defies common sense to contend that I was diverting campaign funds on the one hand and returning unused campaign funds on the other.

Mr. Chairman and Members of the Committee, your role deals with ethics—matters of moral right and moral wrong.

Your duty is to look with care and decide whether, by ethical standards, I have conducted myself in such a way as to bring dishonor and discredit on you, on me, and on the United States Senate.

I submit to you, and to the Senate, that the facts will show I have not. I am content to stand before my peers, confident of your judgment and my honor.

Thank you, Mr. Chairman.●

DEFENSE SUPPLEMENTAL AUTHORIZATION BILL

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I take this opportunity to request the distinguished majority leader to protect the Senator from Virginia on a unanimous-consent request dealing with the defense supplemental authorization bill. The Senator from Virginia may have one or two amendments to that legislation. I am confident that they are germane, but I would not want to agree to any unanimous-consent request that would question the germaneness of these amendments.

Mr. ROBERT C. BYRD. The Senator from West Virginia will do so.

ORDER FOR RECOGNITION OF SENATOR STENNIS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designess have been recognized under the standing order, Senator STENNIS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR APPOINTMENT OF SENATE LEGAL COUNSEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the May 1 deadline for the appointment of the Senate Legal Counsel and the Deputy Senate Legal Counsel as required by section 701(a)(3)(B) of Public Law 95-521 be extended to June 1, 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JEPSEN ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, Mr. JEPSEN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND RESUMING CONSIDERATION OF S. 413 ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their desginees have been recognized under the standing order tomorrow, there be a brief period for the transaction of routine morning business, that Senators may be permitted to speak therein up to 5 minutes each, with the period not to extend beyond 12:30 p.m., and at the close of morning business the Senate then resume its consideration of the bill S. 413, a bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

> A bill (S. 413) to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 12 noon.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

After the two leaders or their designees have been recognized, Mr. STENNIS is to be recognized for not to exceed 15 minutes; after which there is to be a period for the transaction of routine morning business, and Senators may be permitted to speak up to 5 minutes therein, and the period is to extend no longer than 12:45 p.m., by unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. After which the Senate will then resume consideration of the aircraft noise abatement bill. There is a time agreement on that bill, which is No. S. 413, the time agreement is on page 2 of the Calendar of Business. There will be rollcall votes on the measure, and on amendments and motions in relation to the measure tomorrow.

It is the hope and the intention of the leadership to complete action on that bill tomorrow. It should not take too long. It is my understanding somewhere between 1 and 4 hours ought to do it.

In any event, I think we ought to finish action on the bill tomorrow, but there will be rollcall votes on the measure.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I think it is clear, it appears clear to me, we probably can finish the bill tomorrow.

Is there a sequence for the next item of business before the Senate?

Mr. ROBERT C. BYRD. There is not at the moment. I would assume that by tomorrow morning I will be, perhaps, in a better position to respond as to what might be next.

There are two measures dealing with energy, orders No. 99 and 100, that will probably be called up tomorrow or Wednesday, and there may be other measures which can be cleared by tomorrow.

So I think tomorrow I will be in a better position to discuss with the distinguished minority leader what action will follow the noise abatement bill.

Mr. BAKER. Mr. President, I thank the majority leader.

If he will yield further, I can tell him those two items are cleared on this side. So there would be no problem in proceeding to their consideration. I refer to calendar orders Nos. 99 and 100.

We have had a good bit of inquiry from this side of the aisle on when we might expect to proceed to the consideration of the supplemental defense authorization bill, and I will forego inquiry in that respect until tomorrow.

If the majority leader would be willing to advise us further on that as soon as possible, we would be grateful.

Mr. ROBERT C. BYRD. Yes.

May I say to the distinguished minority leader that the prospects for calling that measure up by Thursday seem to be very good.

At the moment, I am inclined to think that will be taken up on Thursday.

I hope it might be possible at least to proceed with it on Wednesday before we go out, possibly get some discussion of it, and then finish it on Thursday, but I am not in a position at this time to say that that is the case.

Mr. BAKER. Mr. President, I say to the distinguished majority leader, for whatever worth it may have in his scheduling, that we have a request on this side to try to schedule the bill for Thursday. I believe we would be in a position to grant a unanimous-consent request to make it the pending business on Thursday morning. There is high controversy on this measure, as the distinguished majority leader knows. There even has been some conversation about rather extensive debate on the matter.

While I am in no position to suggest that we might be able to gain a unanimous-consent order for the limitation of time, I am fairly sure that we could get one to proceed to its consideration, say, on Thursday morning.

Mr. **ROBERT C. BYRD**. I thank the distinguished minority leader.

I have been apprised by Senators of their concerns about the measure. There were indications earlier that there would be extended debate. I have been told by some Senators that if action on the bill were delayed until Thursday, it would expedite the action thereon, in the end, and there might not be desire on the part of Senators then to unduly delay the bill. For that reason, I am inclined to wait until Thursday. However, I have been talking to some Senators and the chairman; and if it could be worked out among themselves at least to start on it Wednesday, at some point, so that we could finish it Thursday and not have to carry it over until next week, I would like to do that.

Mr. **BAKER**. I thank the majority leader for yielding to me. I am sure this will be another item for our consideration in the morning.

Mr. **ROBERT C. BYRD**. I thank the distinguished minority leader.

In the morning, we should be able to take up, during the morning business period or during the time the two leaders have under the standing order, the bill S. 108, Calendar No. 75, which has been cleared by the distinguished minority leader.

Mr. **BAKER**. The majority leader is correct. We will be in a position to proceed at that time on that item.

RECESS

Mr. **ROBERT C. BYRD**. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:12 p.m. the Senate recessed until tomorrow, Tuesday, May 1, 1979, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate April 30, 1979:

THE JUDICIARY

Reynaldo G. Garza, of Texas, to be U.S. circuit judge for the fifth circuit, vice Homer Thornberry, retired.

Jon O. Newman, of Connecticut, to be U.S. circuit judge for the second circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Carolyn D. Randall, of Texas, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Patricia M. Wald, of Maryland, to be U.S. circuit judge for the District of Columbia, vice a new position created by Public Law 95–486, approved October 20, 1978.

Marvin E. Aspen, of Illinois, to be U.S. district judge for the northern district of Illinois, vice a new position created by Public Law 95–486, approved October 20, 1978.

Valdemar A Cordova, of Arizona, to be U.S. district judge for the district of Arizona, vice a new position created by Public Law 95–486, approved October 20, 1978.

DEPARTMENT OF JUSTICE

Curtis W. Guyette, of Pennsylvania, to be U.S. marshal for the middle district of Pennsylvania for the term of 4 years, vice John L. Buck, term expired.

U.S. ADVISORY COMMISSION ON INTERNATIONAL COMMUNICATION, CULTURAL AND EDUCATIONAL AFFAIRS

The following-named persons to be members of the U.S. Advisory Commission on International Communication, Cultural and Educational Affairs for the terms indicated:

For a term of 1 year:

Leonard L. Silverstein, of Maryland (new position).

For a term of 2 years:

John Hope Franklin, of Illinois (new position).

Neil C. Sherburne, of Minnesota (new position).

For a term of 3 years:

Lewis Manilow, of Illinois (new position).

Mae Sue Talley, of Arizona (new position).

For the term expiring April 6, 1982:

Olin C. Robison, of Vermont (reappointment).

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abel, Richard F., [redacted].
Adams, Francis R., Jr., [redacted].
Adams, Ralph E., [redacted].
Aldrich, Richard B., [redacted].
Alexander, Michael H., [redacted].
Alexander, Tobert M., III, [redacted].
Allison, Paul J., [redacted].
Allison, Thayer W., [redacted].
Alser, Donald J., [redacted].
Amundson, John D., [redacted].
Anderson, B. C., Jr., [redacted].
Anderson, Billy W., [redacted].
Anderson, Darrell L., [redacted].
Anderson, David L., [redacted].
Anderson, John M., [redacted].
Ando, Joe K., [redacted].
Archer, James B., [redacted].
Armstrong, Spence M., [redacted].
Arnau, Robert R., [redacted].
Baird, David M., [redacted].
Baird, William F., Jr., [redacted].
Baker, Thomas P., Jr., [redacted].
Baldasari, Paul, [redacted].
Baltzell, Robert E., [redacted].
Barker, Ronald L., [redacted].
Barnum, Dale C., [redacted].
Barott, Philip J., [redacted].
Barton, Gerard S., [redacted].
Barton, Larry K., [redacted].
Bassett, James R., [redacted].
Batson, Billy W., [redacted].
Baugh, William J. [redacted].
Baumgartner, Daniel J., [redacted].
Beamer, Harold F., [redacted].
Beard, James P. [redacted].
Beer, Carl N. [redacted].
Belinne, Francis, [redacted].
Belli, Robert E., [redacted].
Bellion, Clement E., Jr., [redacted].
Benson, Ronald N., [redacted].
Bergman, Arthur J., [redacted].
Bernal, Albert M [redacted].
Berry, Kay L. [redacted].
Beyer, Robert C., Jr., [redacted].
Billington, George R., [redacted].
Birkett, Robert C., [redacted].
Birkner, Harry, [redacted].
Bittrolff, Eugene E., [redacted].
Blair, James A., [redacted].
Blair, Richard L., [redacted].
Bland, William J., [redacted].
Block, Emil N., Jr., [redacted].
Blum, Joseph J., [redacted].
Boe, Harold T., [redacted].
Boice, Russell T., Jr., [redacted].
Boivin, Richard H., [redacted].
Boockholdt, John C., [redacted].
Boshoven, Bernard W., [redacted].
Bowman, Robert U., [redacted].
Brabson, George D., Jr., [redacted].
Bradley, James P., Jr., [redacted].
Braeden, Cecil H., [redacted].
Brandt, Thomas C., [redacted].
Breslin, Leo H., [redacted].
Bristow, John L., [redacted].
Brog, David, [redacted].
Brown, Charles J., [redacted].
Brown, David M. [redacted].
Brown, David R., [redacted].
Brown, Melvin F., [redacted].
Brown, Paul, [redacted].
Buchert, Ronald V., [redacted].
Buckelew, Jesse W., [redacted].
Bull, Ernest R., Jr., [redacted].
Bulmer, Gail T., [redacted].
Burger, Donald W., [redacted].
Burke, Donald M., [redacted].
Burt, John W., [redacted].
Caine, Philip D., [redacted].
Caldwell, Bruce T., [redacted].
Caldwell, Robert W., Jr., [redacted].
Calhoun, Cecil O., Jr., [redacted].
Callahan, Joseph T., Jr., [redacted].
Campis, Joel R., [redacted].
Carlson, Philip D., [redacted].
Carner, Paul R., [redacted].
Chaffee, Philip, [redacted].
Chain, John T., Jr., [redacted].
Chess, William E., [redacted].
Christensen, Allan R., [redacted].
Christensen, Robert B., [redacted].
Clark, Zack C. [redacted].
Clemens, Ralph O. Jr. [redacted].
Clements, Ronald M., [redacted].
Cleveland, Raymond H., [redacted].
Cobb, Jerry D., [redacted].
Cody, Thomas J., Jr., [redacted].
Compton, Jack B., [redacted].
Conn, Donald N., [redacted].
Conry, James M., [redacted].
Constantine, William M., [redacted].
Conwell, Leslie C., [redacted].
Cook, James, [redacted].
Corlett, Robert M., [redacted].
Corrigan, William J., [redacted].
Coryell, Kendrick S., [redacted].
Courington, George D., [redacted].
Crafton, William T., III, [redacted].
Craig, John E. II, [redacted].
Craig, William P., [redacted].
Crouch, James L., [redacted].
Cummings, William F., [redacted].
Cupfender, Norman M., [redacted].
Cusick, Paul B. [redacted].
Czech, Donald R., [redacted].
Daleski, Richard J., [redacted].
Dander, Vernon A., [redacted].
Daniel, Henry L., Jr., [redacted].
Darrow, Lyle E., [redacted].
Davis, John O., [redacted].
Davis, Laurence R., [redacted].
Davis, Lowell J. K., [redacted].
Davis, William R., [redacted].
Debus, David L., [redacted].
Decell, George M., III, [redacted].
Delauter, Donald R., [redacted].
Denezza, Eugene J., [redacted].
Denniston, Joseph F., [redacted].
Denson, Lee A., Jr. [redacted].
Dent, Frederick R., III, [redacted].
Desaulniers, Eugene R., [redacted].
Dettmer, John W., [redacted].
Dezutter, James E., [redacted].
Dickson, Foster N., [redacted].
Dietz, Arthur H., [redacted].
Dillingham, Larry D., [redacted].
Divich, Chris O., [redacted].
Dockins, Orme L., [redacted].
Dodd, Claude S., Jr., [redacted].
Donath, Harold M., Jr., [redacted].
Donoghue, Vincent J., Jr., [redacted].
Donovan, Robert T. [redacted].
Dornberger, Billy G., [redacted].
Dougherty, Joseph M., [redacted].
Downey, Clark H., Jr., [redacted].
Downs, Robert A., [redacted].
Doyle, William H., [redacted].
Dramesi, John A, [redacted].
Dreyer, Christian F., Jr., [redacted].
Eaglet, Robert D., [redacted].

Edgar, Norman R., [redacted].
Edgell, Robert E., [redacted].
Edsall, Philip V., [redacted].
Eibling, Joseph H., [redacted].
Ellermets, Arne, [redacted].
Elliott, Donald A., [redacted].
Elliott, John E., [redacted].
Ellis, Bobby M., [redacted].
Ellithorpe, Robert C., [redacted].
Elmer, James D., [redacted].
Elrod, Watt D., [redacted].
Elwood, Niles T., [redacted].
Engelbeck, Ronald M., [redacted].
Engle, Joe H., [redacted].
Ericson, Bill D., [redacted].
Ernst, Donald L., [redacted].
Espenshied, John L., [redacted].
Evans, Donald L., [redacted].
Evelan Gerald S., [redacted].
Faha, Frank T., [redacted].
Fair, Roy V., [redacted].
Fantaski, James F., [redacted].
Faurer, Theodore M., [redacted].
Feaster, Richard V., [redacted].
Fender, Johnny C., [redacted].
Field, Edsel R., [redacted].
Field, Kenneth W., [redacted].
Filbey, Hugh L., [redacted].
Fisher, Philip R., Jr., [redacted].
Fitzsimmons, James M., [redacted].
Flemings, Frederic J., Jr., [redacted].
Foley, Brendan P., [redacted].
Forgan, David W., [redacted].
Forrest, James C., [redacted].
Foster, James P., Jr., [redacted].
Foster, Raymond L., [redacted].
Fox, Charles R., [redacted].
Francis, James R., [redacted].
Freund, Richard M., [redacted].
Frickleton, Patrick J., [redacted].
Friedman, Joseph C., [redacted].
Frye, Vernon L., [redacted].
Garber, Meyer, [redacted].
Garrison, Robert D., [redacted].
Gavitt, William F., Jr., [redacted].
Gennaci, Ignatius J., [redacted].
Gerard, Richard C., [redacted].
Germani, Joseph G., [redacted].
Gilchrist, John R., [redacted].
Glenny, Clinton M., [redacted].
Gorman, William J., [redacted].
Gormley, Vincent E., [redacted].
Gray, Allen W., [redacted].
Greenley, Charles H., [redacted].
Griffith, Glenn A., [redacted].
Grimmig, Paul L., [redacted].
Guemmer, Arthur P., [redacted].
Guidotti, Albert C., [redacted].
Guillory, Mark M., [redacted].
Gumbrecht, George E., [redacted].
Haldeman, Robert B., [redacted].
Hale, Jerry W., [redacted].
Hall, James W., [redacted].
Halley, John T., [redacted].
Hamilton, Richard A., [redacted].
Hamm, Charles R., [redacted].
Hampton, John A., [redacted].
Hansen, Walter, [redacted].
Harding, James C., [redacted].
Hargreaves, John J., [redacted].
Hargrove, Donald R., [redacted].
Harlin, Wilyliam F. Jr., [redacted].
Harper, Dennis M., [redacted].
Harris, Richard G., [redacted].
Harrop, Steve J., [redacted].
Hartman, Charles W., [redacted].
Hass, Paul H., [redacted].
Hawkins, Douglas W., [redacted].
Hays, Leo P., [redacted].
Head, Richard H., [redacted].
Heard, Allan P., [redacted].
Heifner, Charles T., [redacted].
Heitkamp, Dennis M., [redacted].
Heide, Daniel I., [redacted].
Henium, Joseph, Jr., [redacted].
Hensley, Billie L., [redacted].
Hernandez, John E., [redacted].
Herring Alfred D., [redacted].
Heston, Earl T., [redacted].
Hetland, Joel S., [redacted].
Hibarger, Robert W., [redacted].
Higginbotham, Jon D., [redacted].
Hilgenberg, John F., [redacted].
Hill, Henry C., [redacted].
Hine, William H., [redacted].
Hipp, Joe W., [redacted].
Holland, William E., [redacted].
Holland, William H., [redacted].
Hollingsworth, Clyde E., [redacted].
Hollis, Donald R., [redacted].
Holt, George, Jr., [redacted].
Holtzclaw, Harold W., [redacted].
Hopewell, Fred N., [redacted].
Hornbarger, Harold A., [redacted].
Hostvedt, David H., [redacted].
Houchin, Lloyd K., [redacted].
Houck, George F., Jr., [redacted].
Houston, Fred K., [redacted].
Hruby, Robert L., [redacted].
Hudel, Perry A., [redacted].
Hughes, Jerome E., [redacted].
Hummon, Guy A., II, [redacted].
Humphries, James F., Jr., [redacted].
Husbands, Herman H., [redacted].
Irwin, Gerald L., [redacted].
Isler, James R., [redacted].
Jackson, Tom W., [redacted].
Jacobson, Ralph H., [redacted].
Janes, Norman W., [redacted].
Jarvis, Richard J., [redacted].
Jassmann, Franklin E., [redacted].
Jefferson, James D., [redacted].
Jenkins, Levaughn, [redacted].
Johnson, Barrett V., [redacted].
Johnson, Eugene, [redacted].
Jones, James G., [redacted].
Jones, William A., [redacted].
Joyce, James J., [redacted].
Julian, Robert E., [redacted].
Jumper, Howard D., [redacted].
Kamhoot, Norman B., [redacted].
Kamp, James J., Jr., [redacted].
Kautz, James G., [redacted].
Keeney, Donald R., [redacted].
Keith, William R., [redacted].
Kelley, Robert E., [redacted].
Kelly, Charles A., [redacted].
Kelsey, Loyal L., [redacted].
Kennedy, Leland T., [redacted].
Kennedy, Stanley O., Sr., [redacted].
Kilborn, John M., [redacted].
Kincaid, Don B., [redacted].
Kinder Morris B., [redacted].
King, Leonard A., [redacted].
Knight, John A., [redacted].
Knutson, Don R., [redacted].
Koerkenmeier, Leo J., [redacted].
Krause, Donald G., [redacted].
Kreider, Bruce N., [redacted].
Krim, John W., [redacted].
Krone, Norris J., Jr., [redacted].
Kuiper, Richard L., [redacted].
Kusel, Jimie, [redacted].
Laird, James R., III, [redacted].
Lang, Allen D., [redacted].
Larsen, Richard N., [redacted].
Lavoie, Robert P., [redacted].
Lawyer, Richard E., [redacted].
Layne, Thair D., [redacted].
Leclercq, Francis K., [redacted].
Lee, Phillip M., [redacted].
Lejk, Richard A., [redacted].
Lilly, Warren R., [redacted].
Lipscomb, Charles L., [redacted].
Litke, Donald P., [redacted].
Livingston, Jerry D., [redacted].
Lockwood, Edward J., [redacted].
Lopez, Antonio, [redacted].
Lowrey, Keith W., [redacted].
Lucero, Antonio H., [redacted].
Lukens, Kenneth W., [redacted].
Lund, Kenneth W., [redacted].
Lund, William W., [redacted].
Luse, Charles G., [redacted].
Lynch, John C., [redacted].
Lyon, Kenneth W., [redacted].
Lyons, Billy S., [redacted].
Macomber, Thomas E., [redacted].
Magnusson, Robert E., [redacted].
Maio, Armand D., [redacted].
Margiotta, Franklin D., [redacted].
Marsh, Donald D., [redacted].
Marston, James S., [redacted].
Martin, John T., Jr., [redacted].
Martin, Leland M., [redacted].
Martinez, Gilbert, [redacted].
Mason, Thomas E., Jr., [redacted].
Masterson, Gordon P., [redacted].
Mathews, Bruce A., [redacted].
Mathews, Royce L., [redacted].
Matthews, Richard D., [redacted].
Maturo, Jimmy L., [redacted].
Mays, Kenneth W., [redacted].
McCartney, Keith D., [redacted].
McChristian, Lester S., Jr., [redacted].
McClure, Roger E., [redacted].
McConnell, James R., [redacted].
McDonald, Herman K., [redacted].
McGovern, Larry E., [redacted].
McGrath, Daniel H., [redacted].
McGuire, John J., Jr., [redacted].
McGuth, William D., [redacted].
McIntyre, John R., Jr., [redacted].
McKay, John G., Jr., [redacted].
McKnight, George G., [redacted].
McLaughlin, Howard J., [redacted].
McMillan, Ronald L., [redacted].
McNutt, Glenn L., [redacted].
McNutt, Thomas V., [redacted].
McPherson, Orville L., [redacted].
McRae, Arley W., [redacted].
Means, William H., Jr., [redacted].
Medigovich, Danilo B., [redacted].
Mellody, Robert J., [redacted].
Melville, Milton A., [redacted].
Mercuro, George J., [redacted].
Meredith, Robert N., [redacted].
Meservey, John W., [redacted].
Metcalf, Charles D., [redacted].
Miedrich, Alan D., [redacted].
Miles, John D., [redacted].
Miller, Donald L., [redacted].
Miller, Gerald O., [redacted].
Miller, Gerald S., [redacted].
Miller, Jerry D., [redacted].
Miller, Ralph D., Jr., [redacted].
Miller, Richard W., [redacted].
Miller, Walter D., [redacted].
Miller, Walter W., [redacted].
Mize, Scott W., [redacted].
Moake, Milton D., [redacted].
Mon, Henry B., [redacted].
Moore, Curtis D., [redacted].
Moore, David R., [redacted].
Moore, Joseph D., [redacted].
Moore, Michael W., [redacted].
Moore, Rolland W., Jr., [redacted].
Morgan, Clark R., [redacted].
Morris, Gerald T., [redacted].
Morris, James L., [redacted].
Morris, John H., Jr., [redacted].
Morris, Thomas E., [redacted].
Mosley, Bruce H., [redacted].
Mourning, John R., [redacted].
Mueller, Robert K., [redacted].
Munsie, Lawrence, Jr., [redacted].
Murray, James R., [redacted].
Musgjerd, William A., [redacted].
Mushalko, George, [redacted].
Myers, Allen G., III, [redacted].
Nagel, Donald M., [redacted].
Napoli, Anthony, [redacted].
Nash, Thomas R., [redacted].
Nelson, Minor W., [redacted].
Nims, Donald K., [redacted].
Nix, Billy G., [redacted].
Noe, Charles G., [redacted].
Nolan, Richard A., [redacted].
Nolan, Robert E., Jr., [redacted].
Noonan, Richard A., [redacted].
Nordlie, Roland L., [redacted].
O'Connor, James B., [redacted].
O'Keefe, John P., [redacted].
Oliphant, John E., [redacted].
Opitz, Stephen J., Jr., [redacted].
Osgood, Jerry W., [redacted].
Overby, Ronald C., [redacted].
Oyama, Robert E., [redacted].
Park, Harold K., [redacted].
Parker, James R., [redacted].
Parker, Paul A., Jr., [redacted].
Pascoe, Richard M., [redacted].
Patterson, John J., Jr., [redacted].

Patterson, Robert B., [redacted].
Patton, Billy D., [redacted].
Pearman, John D., [redacted].
Pendergast, James F., [redacted].
Penn, Bernard C., [redacted].
Perelstein, Erwin S., [redacted].
Perry, William R., [redacted].
Petersen, James D., [redacted].
Peterson, Allen B., [redacted].
Peterson, Clifford D., [redacted].
Peterson, Douglas B., [redacted].
Petranick, Albert G., [redacted].
Pettit, Gene C., [redacted].
Pilley, Charles F., Jr., [redacted].
Pixton, Jerry R., [redacted].
Plummer, Robert H., Jr., [redacted].
Poor, William B., [redacted].
Prather, Gerald L., [redacted].
Price, John C., [redacted].
Price, John H., Jr., [redacted].
Provencio, Arthur T., [redacted].
Purvine, Bruce M., [redacted].
Purvis, Albert D., Jr., [redacted].
Pusey, Frank O., [redacted].
Pyle, George W., [redacted].
Quast, Emil T., [redacted].
Rafter, Eugene J., [redacted].
Ragland, Ralph E., [redacted].
Rathgeber, John W., [redacted].
Rauscher, Norman F., [redacted].
Rayment, Donald W., [redacted].
Reames, John W., [redacted].
Redding, Robert J., [redacted].
Reed, Donald D., [redacted].
Reed, Thomas B., [redacted].
Reeder, Johnnie R., [redacted].
Reiner, David H., [redacted].
Renshaw, Alan B., [redacted].
Revello, Pete A., [redacted].
Revill, Lawrence A., [redacted].
Reynolds, Robert E., [redacted].
Rice, Ronnie C., [redacted].
Richard, Thomas C., [redacted].
Riddlebarger, Samuel E., [redacted].
Rider, James G., [redacted].
Riggs, Douglas C., [redacted].
Riley, Michell B., [redacted].
Ritter, Jack L., [redacted].
Rix, James H., [redacted].
Roberds, Richard M., [redacted].
Robertson, James E., [redacted].
Rogers, Emsley E., [redacted].
Rogers, Sidney D., [redacted].
Roscoe, Arthur J. Jr., [redacted].
Rosenhauer, George L., [redacted].
Rowe, Lloyd J., [redacted].
Roy, Vincent P., [redacted].
Rudolph, Harry G. Jr., [redacted].
Rund, Matthew H., [redacted].
Rush, Thomas A., [redacted].
Russell, Edward B., [redacted].
Russell, James L., [redacted].
Russell, Richard L., [redacted].
Rutland, George L. Jr., [redacted].
Sachse, Billy E., [redacted].
Saffel, Robert T., [redacted].
Samay, Raphael S., [redacted].
Samos, Gerald J., [redacted].
Sams, Warren N. Jr., [redacted].
Sanbord, Morgan W., [redacted].
Sanders, Joe E., [redacted].
Scarboro, Gary L., [redacted].
Schoonmaker, Richard W., [redacted].
Schuh, Fred Jr., [redacted].
Schumann, Albert W., [redacted].
Schwenk, Larry D., [redacted].
Schwieren, Richard D., [redacted].
Scott, Donald L., [redacted].
Seaman, Raymond A., [redacted].
Seymour, Paul A., [redacted].
Shaud, John A., [redacted].
Shaw, William M. Jr., [redacted].
Shields Edward R. II, [redacted].
Shiver, Robert A., [redacted].
Sibson, Donald A., [redacted].
Simmons, William W., [redacted].
Simpson, Paul L., [redacted].
Sims, John D., [redacted].
Slider, Joseph H., [redacted].
Smith, Donald D., [redacted].
Smith, Donald E., [redacted].
Smith, Hall II, [redacted].
Smith, Mark E. III, [redacted].
Smith, Needham B., [redacted].
Smith, Perry M., [redacted].
Smith, Richard E., [redacted].
Smith, Robert D., [redacted].
Smith, Ronald C., [redacted].
Smith, Willard E., [redacted].
Smothermon, James P., [redacted].
Sneary, Richard L., [redacted].
Snow, Jackie K., [redacted].
Soule, Covert A., Jr., [redacted].
Spallina, Marvin G., [redacted].
Spangrud, Casper T., [redacted].
Spears, Thomas R., [redacted].
Spraker, Ralph E., [redacted].
Stanley, William T., [redacted].
Staton, William D., [redacted].
Steadman, Milton A., [redacted].
Steele, John P., [redacted].
Steere, Richard E., [redacted].
Steeves, Thomas W., [redacted].
Stein, Robert K., Jr., [redacted].
Stephen, John G., [redacted].
Stephens, Charles P., [redacted].
Stevens, William L., [redacted].
Stewart, John K., [redacted].
Strack, Ronald G., [redacted].
Strand, George E., [redacted].
Stratton, Ray E., [redacted].
Strayer, Jay M., [redacted].
Strebel, Clarence E., [redacted].
Swain, Donald W., [redacted].
Talbott, Alfred E., [redacted].
Tarleton, Bobby L., [redacted].
Tarleton, Howard R., [redacted].
Taylor, Cortlandt M., [redacted].
Taylor, David M., [redacted].
Taylor, George R., [redacted].
Taylor, Vess J., [redacted].
Teed, Charles M., [redacted].
Thompson, John D., [redacted].
Thursby, Donald E., [redacted].
Tibbetts, Larry N., [redacted].
Tindall, Ira F., [redacted].
Tobin, Thomas G., [redacted].
Torbert, Donald N., [redacted].
Torrey, Charles C., [redacted].
Trippe, William R., III, [redacted].
Turner, Jack A., [redacted].
Tuttle, Leon E., [redacted].
Tuzzolo, Frank G., [redacted].
Tyler, Charles R., [redacted].
Urschler, Regis F. A., [redacted].
Usui, Edwin S., [redacted].
Vanmeter, Thomas R., [redacted].
Vargo, Ronald L., [redacted].
Verble, David E. L., [redacted].
Verfurth, Jan E., [redacted].
Villines, William F., [redacted].
Virant, Richard A., [redacted].
Voehl, Richard K., [redacted].
Volkmann, Thomas L., [redacted].
Waggoner, Robert F., [redacted].
Wagner, Richard N., [redacted].
Walker, Lorenz J., [redacted].
Walker, Phillips N., [redacted].
Wallace, Mathew B., [redacted].
Walters, Alan B., [redacted].
Walters, Merrill B., [redacted].
Warinner, Algernon S., II, [redacted].
Watts, Keith P., [redacted].
Weiss, Bernard L., [redacted].
West, Charles B., [redacted].
Wetzel, William T., [redacted].
Whalen, James P., [redacted].
White, George A., [redacted].
Wilby, Walter L., [redacted].
Williams, Chester Y., [redacted].
Williams, Frederick R., [redacted].
Williamson, Alan R., [redacted].
Wilmot, Charles L., Jr., [redacted].
Wilson, Thomas E., [redacted].
Wink, Frank R., [redacted].
Wolfe, John W., [redacted].
Wollaston, Dean E., [redacted].
Womack, Vernon L., [redacted].
Woodcock, Gerald E., [redacted].
Woodhull, Richard G., Jr., [redacted].
Worrick, Mary J., [redacted].
Wyatt, James G., [redacted].
Yager, Donald E., [redacted].
Yamada, Hisao, [redacted].
Yankowski, Nicholas, [redacted].
Zacharias, Jon E., [redacted].
Zani, Robert C., [redacted].

CHAPLAIN CORPS

Bause, George H., Jr., [redacted].
Calkins, Raymond J., [redacted].
Madden, Wayne S., [redacted].
Moreau, Ernest P., [redacted].
Rice, Frank A., [redacted].
Robert, John B. G., Jr., [redacted].

DENTAL CORPS

Barnhill, Donald E., [redacted].
Burch, Robert A., [redacted].
Derricotte, Eugene A., [redacted].
Dickson, Donald W., [redacted].
Doran, John E., [redacted].
Killoy, William J., [redacted].
Ohta, Ralph M., [redacted].
Torchik, George P., [redacted].
Walters, Robert C., [redacted].
Wardle, William L., [redacted].

JUDGE ADVOCATE

Hill, Vaughn E., [redacted].
Lee, Richard R., [redacted].
Nelson, Keithe E., [redacted].
Pollock, Arnold H., [redacted].
Shreve, Larry W., [redacted].
Thorpe, Norman R., [redacted].
Wendel, Gary C., [redacted].

MEDICAL CORPS

Bratton, Jack L., [redacted].
Christensen, Dennis W., [redacted].
Dehart, Roy L., [redacted].
Ferre, George A., [redacted].
Franks, Bert M., [redacted].
Hale, Albert S., Jr., [redacted].
Jones, R. J., [redacted].
Lawson, William J., [redacted].
Mathews, Thomas P., [redacted].
Mauk, Bryant D., [redacted].
Narboni, Gino R., [redacted].
Perkins, Robert S., [redacted].
Peterson, Carlton J., [redacted].
Self, Robert G., [redacted].
Threadgill, Joseph M., [redacted].
Turk, Robert P., [redacted].
Vanvonderen, Vernon R., [redacted].
Whiteside, Clarence K., Jr., [redacted].
Willis, John C., [redacted].

NURSE CORPS

Giniewski, Mary T., [redacted].
Kirby, Dennis J., [redacted].
Matheson, Billie G., [redacted].
Navarro, Pete, [redacted].
Parker, Fay D., [redacted].
Seymour, Joanne, [redacted].
Staudenmaier, Herbert V., [redacted].
Studer, Joan R., [redacted].

MEDICAL SERVICE CORPS

Bluhm, John L., [redacted].
Corum, B. H., [redacted].
Freistedt, Calvin H., [redacted].
Graves, Frederick J., [redacted].
Harmon, Charles C., Jr., [redacted].

VETERINARY CORPS

Springs, John M., Jr., [redacted].
West, Joe E., [redacted].

BIOMEDICAL SCIENCES CORPS

Foley, Thomas J., Jr., [redacted].
Gunter, James J., [redacted].
McKinney, Vernor L., [redacted].
Pizzuto, Joseph S., [redacted].

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended:

MEDICAL CORPS

Lieutenant colonel to colonel

Davis, Kingsley L., [redacted].

DENTAL CORPS

Major to lieutenant colonel

Summitt, James B., [redacted].

HOUSE OF REPRESENTATIVES—*Monday, April 30, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Be of good courage, and he shall strengthen your heart, all ye that hope in the Lord.—Psalms 31: 24.

O Lord, as we prepare for the activities of this new week, we pray for Your presence among us and all the people. May Your blessing be with those who are sick or needy or anxious about tomorrow, with those who reach out to You in private prayer and petition. May Your grace be sufficient for each new day and may the power of Your healing hand give comfort, strength, and courage to those who call upon You.

Help us always to understand that by ourselves we may feel alone, yet by Your Spirit, we may look forward with confidence in the assurance that You are always with us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2283) entitled "An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1980, and for other purposes."

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 28. An act for the relief of Librado Perez;

S. 49. An act for the relief of Fon-Chiau Shih;

S. 117. An act for the relief of Heung-Sang Chun (also known as Margret Chun);

S. 131. An act for the relief of Dr. Manuel Javier Mariano and his wife, Lilia Zapanta Mariano;

S. 144. An act for the relief of Mr. Angelo B. Cortes;

S. 153. An act for the relief of Benjamin N. Mascarenas.

S. 159. An act for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Aivouich Arriaza;

S. 161. An act for the relief of Dr. Angelito Dela Cruz;

S. 169. An act for the relief of Kwok Hung Poon and his wife, Sandra Shau Man Lai Poon;

S. 170. An act for the relief of Janet Abraham, also known as Janet Susan Abraham;

S. 179. An act for the relief of Reina Estela Olvera;

S. 180. An act for the relief of Chakrapani Sethumadhavan;

S. 214. An act for the relief of Rocio Edmondson;

S. 215. An act for the relief of Renuka Pavia;

S. 327. An act for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara;

S. 364. An act for the relief of Tomiko Fukuda Eure; and

S. Con. Res. 22. Concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982 and revising the Second Concurrent Resolution on the Budget for fiscal year 1979.

AIRLINE DEREGULATION TIED TO ACTION ON AIRCRAFT NOISE REDUCTION ACT

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRINKLEY. Mr. Speaker, a summary of the Airline Deregulation Act of 1978 would include a reference to the vigorous opposition of the airline industry when the legislation was first proposed. During the course of the development of the measure, the opposition became muted and finally, if not actively supportive, passively so. This changing attitude seemed to be in direct proportion to the coming on the scene of the Aircraft Noise Reduction Act, which passed the House on September 14, 1978, by a vote of 273 to 123. The legislation passed the Senate by voice vote on October 15, 1978, legislative day of October 14. The House agreed to a Senate amendment on the same day by a voice vote. No further action was taken on the bill, and it was not signed into public law. The measure should not be revived.

I have reviewed this because of feedback I have received to the effect that some representatives of some airlines are telling localities where there is a diminution of service, that the responsibility rests with the Government, and in particular, with the Member whose congressional district is affected if he or she voted in the affirmative, as 356 of us did. There were only six "no" votes.

Hearsay evidence is unreliable at best, and I hope this information is not generally true. But even if it is true in some instances, it is disappointing because all of us know that airline safety and service is a shared responsibility between the industry and Government. If there are corrections to be made, the industry itself shares in the responsibility of making them because most of us were never alerted to the possibility of a wholesale exodus from medium markets, with a remainder of one.

The remainder of one certainly would not contribute to competition or to the quality of service. If we knew then, what we know now, I doubt if deregulation would have passed.

After the initial free-for-all in the major markets, will the losers then be looking to Government for a "ticket" back to the lesser markets? They should be welcomed back, Mr. Speaker, but under the same auspices which they left—namely that of free enterprise and without a Government ticket in the form of subsidies.

NEW YORK CITY AIDS TEXAS TORNADO VICTIMS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, over the past several years New York City has come to Congress for help on a number of occasions. I am pleased today to tell the Members of the House that in appreciation for the help received from the Congress, and particularly our friends from the Texas delegation, the members of the Association for a Better New York, headed by Lewis Rudin, have given a check in the amount of $10,000 to the Wichita Falls Disaster Relief Fund to help them recover from the damaging tornado that hit them just a few weeks ago.

Continuing efforts will be made to try to raise additional moneys from the people of New York City to help our friends in Texas who suffered this cruel blow.

☐ 1205

TRIBUTE TO THE LATE HARVEY N. JOHNSON

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I am sorry to report that this last week a very

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

distinguished Californian constituent of mine passed away. Mr. Harvey N. Johnson of El Monte, Calif., died last Wednesday afternoon April 25, 1979, at the age of 74 years. Harvey was a very distinguished attorney, civic leader and member of the government of my community. He was first elected to the California Assembly in 1962 and served for 12 years. His father, incidentally, was the first Democrat ever elected to serve in the Kansas Legislature many years ago. Harvey Johnson was an exemplary citizen.

Mr. Johnson was born in Sabetha, Kans. He came to California in the early 1920's, and he lived there ever after. His funeral was last Saturday at Rose Hills Memorial Park, near El Monte. He leaves surviving his wife, Margaret, three children and several grandchildren.

☐ 1210

PRESIDENTIAL CAMPAIGN FUND TAX CHECKOFFS RUNNING BEHIND 1977 RESULTS

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, for the past couple of weeks the proponents of taxpayer financing for congressional campaigns have gleefully been waving around the recent results of a Gallup poll. This poll would have us believe that taxpayers are beating down our door for the opportunity to finance our campaigns.

Polls on public financing are a little like cost estimates of public financing—results depend on questions and assumptions which can be manipulated to force the desired result.

However, every year the IRS conducts a rather extensive poll of its own through the dollar check-off on all tax forms. Participation has never been high. For instance, in the last tax year, 1977, only 28 percent checked yes. Over 70 percent declined to participate.

Mr. Speaker, as of April 6, with nearly two-thirds of the forms filed, check-offs to the Presidential Campaign Fund are running 17.6 percent behind 1977 returns. That's a clear message of rejection. This House would be well advised to listen to what the taxpayers are telling us about taxpayer financing of congressional campaigns.

REPORT ON RESOLUTION PROVIDING FOR 15 ADDITIONAL POSITIONS ON U.S. CAPITOL POLICE FORCE

Mr. ANNUNZIO, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–106), on the resolution (H. Res. 229) providing for 15 additional positions on the U.S. Capitol Police Force, which was referred to the House Calendar and ordered to be printed.

THREE NEW DEFERRALS OF BUDGET AUTHORITY AND A REVISION TO A PREVIOUSLY TRANSMITTED DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–106)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totalling $164.1 million and a revision to a previously transmitted deferral increasing the amount deferred by $1 million. The items involve the fossil energy construction and Strategic Petroleum Reserve programs in the Department of Energy and the payment of Vietnam prisoner of war claims in the Foreign Claims Settlement Commission.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *April 26, 1979.*

☐ 1215

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:15 p.m. on Thursday, April 26, 1979, and said to contain a message from the President concerning the Windfall Profits Tax.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SPECIFICATIONS OF WINDFALL PROFITS TAX AND ENERGY SECURITY TRUST FUND—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–107)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

To the Congress of the United States:

On April 5, I announced the phased decontrol of oil prices beginning on June 1 of this year, and ending with the expiration of price control authority on October 1, 1981. The decontrol program I have established will increase domestic oil production, encourage conservation of existing energy supplies, and make it possible to accelerate development of alternative energy supplies and thereby lessen our dangerously heavy reliance on imported foreign oil.

To prevent unearned, excessive profits which the oil companies would receive as a result of decontrol and possible future OPEC price increases, I proposed a windfall profits tax. I further proposed that the revenues generated by that tax be used to establish an Energy Security Trust Fund which will have three major purposes:

—to provide assistance to low-income households who can least afford energy price increases;

—to increase funding for mass transit; and

—to undertake a major program of new energy initiatives and investments which will permit us to develop critically needed alternatives to imported oil.

This Message sets out the detailed specifications of the windfall profits tax and the Energy Security Trust Fund. I look forward to working closely with you to act on this proposal as quickly as possible.

THE WINDFALL PROFITS TAX

SUMMARY OF THE WINDFALL PROFITS TAX

Under the Energy Policy and Conservation Act of 1975 (EPCA), which amends the Emergency Petroleum Allocation Act (EPAA), all authority to control the price of domestically-produced crude oil expires on September 30, 1981. However, as of June 1, 1979, the amount by which oil prices may increase becomes discretionary with the President.

The Department of Energy has been directed to undertake administrative actions designed to phase out controls on all domestic crude oil by September 30, 1981. Department of Energy regulations implementing some of these changes were published in the *Federal Register* on April 12, 1979 (44 *Fed. Reg.* 22012). The phased decontrol program will begin as of June 1, 1979 and will extend through September 30, 1981.

In order to prevent oil producers from reaping excessive profits from decontrol a windfall profits tax is proposed. This tax would apply to windfall revenues from sales of lower and upper tier oil which are attributable to decontrol and to revenues from the sales of domestic crude oil which are attributable to any future OPEC price increases in excess of adjustments for inflation.

The gradual deregulation of domestic oil prices will bring the price of oil to world oil price levels, with the following benefits: First, it will eliminate the current subsidy provided to imported oil, which has increased consumption and dependence on foreign supplies. Second, it will encourage producers of oil to seek out additional supplies and to continue production from marginally economic operations. Third, decontrol will phase out the complex system of controls which presently produces inequities and inefficiencies. Fourth, through replacement cost pricing, new sources of energy will come into commercial use, further reducing U.S. dependence on foreign oil. Fifth, it will strengthen the stability of the dollar and reduce balance-of-payment flows, both directly through reduced oil payments abroad and indirectly through confidence that the U.S. is attacking its energy problem.

However, deregulation of domestic oil prices will also provide enormous windfall gains for domestic producers of oil. These windfall gains will be generated by two aspects of deregulation: First, there are those gains which will result from the lifting of price controls on lower and upper tier oil. Producers of lower tier oil (controlled at an average price of $5.75 per barrel in January of 1979) will be able to sell increasing volumes of their oil at upper tier prices (controlled at an average price of $12.66 per barrel in January of 1979). At the same time, the controlled price of upper tier oil will be allowed to rise gradually to the world price.

Second, there are those gains that may result from the future actions of the OPEC cartel.

It is estimated that deregulation will increase domestic oil producer income before tax by $1.0 billion in 1979, $5.0 billion in 1980 and $9.3 billion in 1981. In order to capture the windfall portion of these increased revenues, a windfall profits tax of 50 percent is proposed. The proceeds of the tax and of increased income tax revenues attributable to higher producer profits during the deregulation period will be allocated to an Energy Security Trust Fund, described later in this Message.

The tax is designed to reduce to the greatest possible extent the complexity and excessive regulation associated with the existing price control mechanism. The entitlements program will be phased out. For purposes of administering the tax it will no longer be necessary to police the price at which oil and oil products are sold. The records that are to be kept will, in large part, be the same records that taxpayers are required to retain for income tax purposes. Finally, because the volume of oil at the lower tier and the upper tier base price will both phase out, only a simple tax will remain in place permanently.

THE DECONTROL SCHEDULE

The phased decontrol schedule is as follows:

—As of June 1, 1979, newly discovered oil will be permitted to receive the world market price.

—The Department of Energy has promulgated a rule under which, as of June 1, 1979, a substantial percentage of production from marginal properties may be sold at the upper tier price. The base production control level against which current production volumes are measured to determine upper tier volumes each month for marginal properties are set at 20 percent of the average monthly production and sale of lower tier crude oil from marginal properties. Marginal properties are those properties which produced below a certain volume of oil per well per day depending upon the average completion depth of all crude oil producing wells on such properties. The schedule of average well depths and average daily production volumes used to determine a marginal property are:

Under 20 barrels/day between 2,000 and 4,000 feet

Under 25 barrels/day between 4,000 and 6,000 feet

Under 30 barrels/day between 6,000 and 8,000 feet

Under 35 barrels/day below 8,000 feet.

—On January 1, 1980, the base production control levels for marginal properties will be reduced to zero and all current production will be eligible for the upper tier price.

—Effective June 1, any incremental new production from wells employing specified enhanced recovery techniques (e.g., tertiary recovery), may receive the world price. Beginning on January 1, 1980, producers who invest in enhanced recovery projects after June 1 may release specified volumes of lower tier oil to the upper tier price in order to finance that investment.

—Beginning on January 1, 1980, the upper tier oil price will increase in equal monthly increments until it reaches the world price on October 1, 1981.

—The Department of Energy has promulgated a rule under which base production control levels for all properties other than marginal properties will be permitted to decline lower tier oil at a rate of 1½ percent per month from January 1, 1979 through December 31, 1979. Between January 1, 1980 and October 1, 1981, the decline rate will equal 3 percent per month.

TECHNICAL EXPLANATION OF THE WINDFALL PROFITS TAX

1. IMPOSITION OF TAX

An excise tax will be imposed at the wellhead on the owners of property interests in domestic crude oil (i.e., producers and royalty owners). The tax will not be imposed upon royalties paid to the Federal Government. The tax will be withheld and paid over by the person having responsibility for settling with the various property interest owners under a division order. This is generally the first purchaser.

The person having responsibility for withholding and paying over the tax will deposit the tax semi-monthly with authorized depositories. That person will be required to file quarterly returns setting forth the amount collected and deposited for the return period.

Production from the Alaska North Slope (and any other oil transported through the TAPS line) is excluded entirely from the tax. This is because the transportation costs of bringing this oil to market are high, and the actual price received at the wellhead by producers of such oil is significantly below the upper tier price level.

Since the windfall profits tax is an excise tax, it is deductible for income tax purposes.

2. AMOUNT OF TAX

One tax is to be imposed at a rate of 50 percent. The tax is to be imposed on the difference between the price at which each taxable barrel of oil is sold and its base price, multiplied by the volume of oil subject to tax. There are three base prices: the controlled price of lower tier oil; the controlled base price of upper tier oil; and, for the production of unregulated oil, the market incentive price.

3. OIL SUBJECT TO TAX

(a) DEFINITIONS

The windfall profits tax applies only to crude oil produced in the United States. For this purpose, the United States includes Puerto Rico, all United States possessions and the Continental Shelf.

The terms "crude oil", "lower tier oil" "upper tier oil", "stripper well", and "marginal well" will be defined in the same manner as those terms are defined by current Department of Energy regulations.

(b) EFFECTIVE DATE

The tax is to be effective on January 1, 1980. It is a permanent tax.

(c) TAX BASES

Lower tier. Under the President's decontrol schedule, lower tier oil will be released to the upper tier price in accordance with a decline rate applied to the producer's base period control level (BPCL). The BPCL is determined as of January 1, 1979 under recently issued Department of Energy regulations. For decontrol purposes, the decline rate is 1½ percent per month during 1979, and 3 percent per month thereafter.

The taxable volume of lower tier oil will be the volume of lower tier oil freed to the upper tier under decontrol which exceeds the volume of oil which would be freed by reducing the January 1, 1980 volume of lower tier oil by 2 percent of the BPCL per month.

For purposes of computing taxable volume, the 2 percent reduction continues even after price controls expire on September 30, 1981. Consequently, the taxable volume of lower tier oil equals zero at the end of May 1983.

For purposes of computing the tax on lower tier oil, the base price is the controlled price of lower tier oil. Thus, oil which is now selling below its controlled price will be taxed only on the difference between the former controlled price and the price at which it is sold when freed to the upper tier.

For the period following the termination of controls, a constructive lower tier controlled price, generally based upon the present Department of Energy regulations, will be used in computing the lower tier base price. The constructive lower tier base price will be adjusted for inflation (as measured by the GNP deflator) by the Secretary of the Treasury in the same manner as the controlled price is currently adjusted for inflation under Department of Energy regulations.

Any lower tier oil released to the upper tier under decontrol and not includible in the lower tier taxable volume will be included in the upper tier taxable volume and will be taxed at that level.

The computation of the windfall profits tax at the lower tier level is illustrated by the following example:

Producer A's BPCL for lower tier oil as of January 1, 1979 is $100X$ barrels per day. Under the Department of Energy decontrol schedule the volume of oil subject to lower tier prices on December 31, 1979 will be $82X$ barrels per day ($100X$ barrels per day less $18X$ barrels per day representing a 1½ percent decline for the 12 months of 1979). During January, 1980 A produces $83X$ barrels per day. Of that production, $4X$ barrels can be sold as upper tier oil, since the lower tier volume for January 1980 is $79X$ barrels per day. One X barrels per day, the difference between the application of the 3 percent decline permitted under the Department of Energy decontrol schedule and the 2 percent decline permitted for purposes of computing the lower tier taxable volume, is the taxable volume of oil. Thus, if the controlled price of lower tier oil in January 1980 is $6 per barrel and the $1X$ taxable barrels per day are sold at the wellhead for $13 per barrel, the amount of tax would be equal to: 50 percent x ($1X$ barrels per day x 31 days) x ($13 per barrel − $6 per barrel) = $\$108.50X$. The other decontrolled oil produced in January 1980 (31 days x $3X$ barrels per day) will be included in the upper tier taxable volume.

The lower tier taxable volume will not include marginal well production nor production that is released beginning on January 1, 1980 in order to finance investment in tertiary recovery. However, this production is included in the upper tier taxable volume. The lower tier taxable volume also will not include production from wells that would be considered to be stripper wells had controls continued beyond October 1981. However, this production is included in the market incentive tier taxable volume.

Upper tier. The windfall profits tax will apply to all upper tier oil beginning on January 1, 1980. The taxable volume of upper tier oil includes *all* upper tier oil except oil subject to tax at the lower tier level. Under the Department of Energy decontrol schedule, beginning on January 1, 1980, the upper tier oil price reaches the world price on October 1, 1981. For purposes of the tax, the controlled base price of upper tier oil is the price at which upper tier oil would be controlled if the Department of Energy decontrol schedule had not been implemented. This constructive upper tier controlled base price will be adjusted for inflation (as measured by the GNP deflator) by the Secretary of the Treasury in the same manner as the controlled price is currently adjusted for inflation under Department of Energy regulations.

The tax at the upper tier level is computed by applying the 50 percent rate to the upper tier taxable volume, multiplied by the difference between the price at which upper tier oil is sold and its controlled base price.

As in the case of lower tier oil which is now selling below its controlled price, upper tier oil will be taxed only on the difference between its controlled base price and the price at which it is sold.

The constructive upper tier base price will increase in monthly increments beginning in November 1986 so that over a 50-month period the difference between the upper tier controlled base price and the market incentive price (see below) will disappear. Consequently, at the end of the 50-month period, the upper tier tax base will be phased out. The Secretary of the Treasury will prescribe by regulations the applicable monthly increments.

The upper tier tax base will not include new production or incremental tertiary production.

Market incentive tier. The market incentive tier tax will be based on the difference between the price at which the uncontrolled oil is sold and the market incentive base price. The market incentive base price for the fourth quarter of 1979 is $16.00 per barrel. This base price will be adjusted for domestic inflation (as measured by the GNP deflator) and determined by the Secretary of the Treasury on a quarterly basis.

The taxable volume of the market incentive tier includes all uncontrolled oil except any oil subject to tax in the lower or upper tier taxable volume and Alaska North Slope oil. The tax at the market incentive tier is computed by applying the 50 percent rate to the taxable volume, multiplied by the difference between the price at which the oil is sold and the market incentive base price.

4. APPLICATIONS OF OTHER TAX PROVISIONS

For purposes of computing percentage depletion, gross income is reduced by the amount subject to the 50 percent windfall profits tax.

5. REVENUE EFFECT

The gross windfall profits tax will equal $0.4 billion in fiscal year 1980, $1.8 billion in fiscal year 1981, and $3.0 billion in fiscal year 1982. The net windfall profits tax (after reduction for income tax deductions of the excise tax and gain from disallowance of percentage depletion) will equal $0.2 billion in fiscal year 1980, $1.3 billion in fiscal year 1981, and $2.0 billion in fiscal year 1982.

THE ENERGY SECURITY TRUST FUND

SUMMARY OF THE ENERGY SECURITY TRUST FUND

The Energy Security Trust Fund is proposed to be established by statute in the Treasury of the United States to receive on a regular basis the revenues from the windfall profits tax and to receive for fiscal years 1980, 1981, and 1982, an additional amount to be appropriated from general revenues which will be based on an estimate of additional income taxes paid in 1980, 1981, and 1982 resulting from decontrol. The Administration will request an appropriation as soon as the windfall profits tax is enacted. The revenues in the Trust Fund will be used for three basic purposes:

- —not to exceed $800 million annually for assistance to low-income households;
- —not to exceed $350 million annually for additional funds for energy efficient mass transit purposes; and
- —a range of energy program initiatives, including those set forth in the White House Fact Sheet issued on April 5, 1979, and additional initiatives, for long-term energy R&D, conservation, and energy-related environmental R&D, which Trust Fund revenues will support.

The Energy Security Trust Fund programs will be undertaken only if the windfall profits tax is enacted and provides (along with the additional corporate income taxes for fiscal years 1980, 81, and 82) revenues adequate to cover full costs. The Trust Fund is being proposed to insure that all revenues resulting from decontrol are used for the specified purposes.

TRUST FUND STRUCTURE AND OPERATION

The Energy Security Trust Fund will be established by statute and will be credited with revenue from two sources:

- —all revenues actually received from the windfall profits tax on domestic crude petroleum less tax credit reimbursement; and
- —additional income taxes that are estimated by Treasury to be collected as a result of phased decontrol during fiscal years 1980, 81, and 82.

The assistance to low-income households will be given priority on Trust Fund resources.

The total estimated costs for approved Trust Fund initiatives will not be permitted to exceed available resources within the Trust Fund. Total cost estimates by fiscal year will be developed for the expected life of each proposed initiative. The total for all proposed uses of the Trust Fund shall not exceed expected revenue estimates under constant world oil price assumptions.

The estimated out-year costs of approved initiatives will be calculated by year from the first year of the Trust Fund's operation to insure that revenues are adequate to meet commitments. This is necessary because of the substantial out-year costs of certain initiatives such as the shale oil tax credit and the uncertainty about revenues beyond 1985. To the extent that projected resources are in excess of projected commitments, additional energy initiatives which contribute to reducing United States dependence on imported oil may be undertaken. Purposes may include: energy research, development, demonstration, energy related environmental R&D, conservation, etc. All spending from the Trust Fund will be subject to authorization and appropriation in the annual budget process.

The Treasury Department will be responsible for holding the Trust Fund and for current year and long range revenue estimates and for tax expenditure estimates. The extent of resources in the Trust Fund which shall be available for new initiatives shall be determined on the basis of estimates, by fiscal year, of receipts and revenue foregone made by the Secretary of the Treasury, and the total costs of all other demands upon the Trust Fund as determined by the Office of Management and Budget.

Office of Management and Budget responsibilities will include:

—completing reviews of proposed new initiatives and determining whether adequate revenues exist for new initiatives to be undertaken and making recommendations to the President;

—providing annual projections of budget authority and outlays for the life of each approved spending initiative; and

—providing an annual report to the President and Congress describing the operation of the Trust Fund and the projections of future balance.

The Department of the Treasury will be responsible for:

—an estimate for the FY 80–FY 82 period of the amounts of added income taxes paid in consequence of the President's decontrol decision;

—annual estimates of the tax expenditures and foregone excise tax revenues (if any);

—long range revenue estimates updated annually, based on constant real world oil prices; and

—Trust Fund accounting.

Line agencies will be responsible for developing annual budget estimates for approved initiatives, proposing new initiatives for energy purposes if adequate Trust Fund balances are estimated to exist by OMB, justifying Presidentially approved requests before Congress and implementation of appropriated programs. The Department of Transportation will be responsible for developing and implementing the additional mass transit assistance program. The Department of Energy will be responsible for developing and implementing through the normal budget process the energy initiatives specified by the President and other initiatives to the extent permitted by Trust Fund balances estimated by the Office of Management and Budget.

REPORT TO CONGRESS

Each year a full report on Trust Fund projections and activities, will be transmitted to Congress along with any required specific authorization and appropriation requests for approved spending initiatives.

CONCLUSION

Prompt enactment of legislation built on these specifications is essential to a sound energy policy for the future of our country. This initiative is one of the most important of my Presidency.

Taken together, the windfall profits tax and the Energy Security Trust Fund will provide us with the means to move ahead to maximize domestic energy production, to establish stronger conservation habits, and to build toward the day when our reliance on imported oil no longer threatens the very security of this Nation. It will do so in a way which is fair and equitable and which protects the neediest in our society.

The Members of my Cabinet and Senior Staff and I look forward to working with each of you in the Congress to ensure that these vital proposals are quickly and fully enacted.

JIMMY CARTER.

THE WHITE HOUSE, *April 26, 1979.*

REPORT OF 1977 UPLAND COTTON PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

To the Congress of the United States:

In accordance with the provisions of Section 609, Public Law 91–524, 91st Congress, I transmit herewith for the information of the Congress the report of the 1977 Upland Cotton Program.

JIMMY CARTER.

THE WHITE HOUSE, *April 30, 1979.*

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 104]

Abdnor
Akaka
Albosta
Ambro
Andrews, N.C.
Archer
AuCoin
Beard, Tenn.
Bedell
Bethune
Boland
Bouquard
Brodhead
Brown, Calif.
Burton, Phillip
Byron
Chappell
Chisholm
Clausen
Clay
Cleveland
Collins, Ill.
Conyers
Cotter
Coughlin
Crane, Daniel
Crane, Philip
D'Amours
Daschle
Davis, S.C.
Deckard
Dellums
Dickinson
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Edgar
Edwards, Calif.
Edwards, Okla.
Ertel
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fish
Flippo
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Frost
Garcia
Gephardt
Goldwater
Goodling
Gore
Guarini
Hagedorn
Hall, Ohio
Harris
Harsha
Hefner
Heftel
Hillis
Hollenbeck
Holtzman
Hopkins
Hubbard
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kelly
Lederer
Lehman
Leland
Lewis
Loeffler
Long, La.
Luken
McCormack
McDonald
McKinney
Marks
Martin
Mathis
Matsui
Mavroules
Mazzoli
Miller, Ohio
Moffett
Mollohan
Moore
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Nichols
Nolan
Nowak
O'Brien
Ottinger
Patten
Paul
Quayle
Rahall
Railsback
Rangel
Rhodes
Ritter
Roberts
Rodino
Rose
Roth
Runnels
Russo
Santini
Satterfield
Scheuer
Schroeder
Sensenbrenner
Shuster
Skelton
Snyder
Solarz
Stack
Stangeland
Stark
Stump
Synar
Taylor
Thomas
Traxler
Udall
Ullman
Vander Jagt
Walgren
Walker
Watkins
Weaver
Williams, Ohio
Wydler
Young, Alaska
Zeferetti

The SPEAKER. On this rollcall 283 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

☐ 1235

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, pursuant to section 305(a), title 3, of Public Law 93–344, of the Congressional Budget Act of 1974, and the order of the House of April 25, 1979, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter during consideration of House Concurrent Resolution 107.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, H. Con. Res. 107, with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Without objection, the first reading of the concurrent resolution will be dispensed with.

There was no objection.

The CHAIRMAN. Pursuant to section 305(a), title 3, Public Law 93–344, as amended, of the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 5 hours and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

After opening statements by the chairman and ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from Connecticut (Mr. GIAIMO) and the gentleman from Ohio (Mr. LATTA) for 2 hours each to control debate on economic goals and policies. After this 4 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 10 hours of debate.

The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 107, the first budget resolution for fiscal year 1980.

This resolution, as you know, will set target spending ceilings in the aggregate and in the functional categories as well as a target floor for revenues. These targets will guide us in our spending and revenue actions throughout the year. Let me summarize the broad thrusts of the resolution:

First, it reflects genuine spending restraint. It is fully in keeping with the President's theme of budget austerity and with the overwhelming sentiment of the American people for Federal spending discipline. I believe a policy of fiscal restraint, while meeting important national needs, is imperative for a fiscal year 1980, both to cool the fires of inflation and to keep faith with those who elected us.

Second, the resolution recommends an end to the spending pattern of recent years, when program after program year after year was given a sizeable incremental funding increase, almost regardless of its effectiveness. The recommendations substantially slow growth in some programs and call for cuts and even elimination of some others, which are either ineffective, or inequitable, or no longer serve the purpose for which they were intended.

At the same time, the recommendations allow for adequate growth in areas of high priority need—defense, urban policy, energy, education, and others.

Finally, they call for a substantial reduction in the Federal deficit. Given satisfactory performance by the economy, they can pave the way for a balanced budget certainly within a year or two. The committee prints reported to the House pursuant to the Long amendment to the Public Debt Limit Act indicate paths by which balanced budgets might be achieved in fiscal years 1981 and 1982.

Specifically, under the resolution, the fiscal year 1980 deficit would be $3.5 billion less than projected in the President's March 15 revisions and more than $9 billion less than the revised figure for fiscal year 1979. It would be the lowest Federal deficit since 1975.

I ask unanimous consent that the recommended deficit and other budget aggregates as well as the budget authority and outlay figures for the fuctions be printed in the RECORD at this point.

Budget aggregates

[In millions of dollars]

Revenues	$507,800
Budget authority	608,418
Outlays	532,730
Deficit	24,930
Debt subject to limit	888,800

Functional categories

[In millions of dollars]

Function	Budget authority	Outlays
050 National defense	$135,263	$123,975
150 International affairs	12,932	8,223
250 General science, space, and technology	$5,622	$5,475
270 Energy	20,138	7,960
300 Natural resources and environment	12,781	11,820
350 Agriculture	4,929	5,350
370 Commerce and housing credit	7,560	3,195
400 Transportation	19,708	18,184
450 Community and regional development	8,303	7,348
500 Education, training, employment, and social services	32,453	31,454
550 Health	58,079	53,813
600 Income security	217,332	183,100
700 Veterans benefits and services	21,035	20,549
750 Administration of justice	4,306	4,433
800 General government	4,424	4,331
850 General purpose fiscal assistance	6,499	6,489
900 Interest	56,000	56,000
920 Allowances	854	831
950 Undistributed offsetting receipts	−19,800	−19,800

As my colleagues know, the Nation faces an uncertain and difficult economic future. Clearly the fight against inflation must continue as the highest priority in Federal policy.

Among the premises underlying the economic assumptions in the resolution are these: First, the President's anti-inflation program can have an impact if we all work to make it effective. The Federal Government alone cannot control inflation, but it is crucial that we act prudently in such areas as Federal spending.

Second, progress on the inflation front should promote greater confidence in both the private business sector and the consumer sector, promoting growth sufficient to keep unemployment below the recession levels of past years.

In constructing these recommendations, we have sought to achieve a delicate balance. Our policies must aim at cooling inflation, but must not be so restrictive as to tip the economy over into another recession. I believe the recommendations achieve that balance.

The committee's economic assumptions are slightly less optimistic than those of the administration, but not as pessimistic as those of some other forecasters. In fiscal year 1980, we anticipate an improved inflation rate of 6.7 percent, compared to the 6.4 percent assumed by the President and 7.6 percent by the Congressional Budget Office.

We assume an unemployment rate of 6.2 percent by the fourth quarter of fiscal year 1980, the same as the President's figure, and 0.5 percent below the CBO's assumption. Similarly, the three sets of assumptions are close on real economic growth for the year—3.1 percent assumed by the House Budget Committee, compared to 3.2 percent by the President and 3.9 percent by CBO.

All three sets of assumptions are within the possible range as seen by most economists in Government and in the private sector. As in previous years, we can and we should take advantage of later economic data as we approach the second budget resolution next fall and make revisions in 1980 assumptions if appropriate.

While the aggregates proposed in the resolution are close to those in the President's budget, they contain their own priorities.

Revenues for fiscal year 1980 are recommended at $507.8 billion, nearly $4 billion higher than in the President's revised March 15 requests.

Budget authority is $608.4 billion, some $6.5 billion below the President's request. Outlays are $532.7 billion, only $400 million higher than the President proposed. And the deficit, as indicated earlier, is $24.9 billion, or $3.5 billion less than projected by the administration.

The higher revenues, higher outlays and the lower deficit are explained largely by the higher inflation rate we expect in fiscal year 1980.

On the outlay side, the recommendations contain numerous reestimates of program costs. many of them resulting from our slightly less optimistic economic assumptions. They also include both additions and reductions from the President's proposals, based on priorities and policy decisions. Let me briefly mention two of the larger reductions.

First, in the defense function, we recommend budget authority of $135.2 billion and outlays of $123.9 billion, reductions in the President's proposals of 2.1 percent and 1.6 percent, respectively. We believe these savings can be realized by correcting certain imbalances which exist within the defense budget. For example, we need more Navy aircraft than we are buying. But we believe procurement of a "small" aircraft carrier recommended by the President can be deferred. We also recommend a 20-percent absorption of the fiscal year 1980 pay raise and a range of management efficiencies including adjustments to the large and growing unexpended balances in the Defense Department.

While we recommend a slight reduction of the President's request for defense, I should point out that the recommendations would still permit an increase in outlays over fiscal year 1979 of more than $10 billion and real growth in readiness and modernization programs—the muscle of our national defense—of 4.5 percent. We believe that growth meets the President's commitment to our NATO allies of a 3-percent real increase in outlays.

Second, the recommendations call for a reduction of $2.3 billion in function 850, general purpose fiscal assistance, by proposing to suspend the general revenue-sharing program for States, but not for localities.

At a time when the Federal Government is continuing to run a deficit and at a time when the States will run an estimated surplus of about $40 billion in their budgets in fiscal year 1979, fiscal responsibility and simple good sense dictate that this program be assigned a lower priority. At the same time, we believe strongly that revenue sharing for cities, many of which continue to find themselves in a distressed fiscal condition, should be continued.

Eliminating the State's share of revenue sharing will require legislation by the Congress and is one of a series of legislative reforms recommended in the resolution. I will briefly touch on just three of the others:

First, the resolution recommends legislation to stem the skyrocketing costs of hospital care. Such legislation, by reducing Federal Medicare and Medicaid benefits, can save $1.4 billion in fiscal year 1980 and about $22 billion cumulatively by fiscal year 1984. Beyond that, it would save State and local governments some $6 billion, and the private sector more than $26 billion during the same period. This effort to bring the inflation in medical costs under control is a necessary step toward a more rational, cost effective and efficient health care system, and can be a major contribution in the overall effort to reduce inflation.

Second, the resolution again recommends that we eliminate a portion of category B in the school impact aid program. As we all know, these funds go to some of the wealthiest communities in the Nation, diverting the education dollar from areas of real need. Elimination of this program has been recommended by every President since Eisenhower. The recommendation would save $105 million in fiscal year 1980.

Third, the resolution recommends additional savings by annualizing cost-of-living increases for Federal retirees. Social Security recipients receive a once-a-year, cost-of-living adjustment in benefits. But Federal retirees, both military and civilian, receive this adjustment twice annually. The resolution proposes to put them on the same basis as those in the social security program at a savings of about $140 million in outlays in fiscal year 1980.

The battles to effect these and other recommended reforms will not be easy. They involve some programs that have long been regarded as politically sacrosanct. But I believe strongly that ineffective and wasteful programs diminish the public's confidence in Government and squander resources that we must husband. I submit if we are serious about reducing unnecessary Federal spending, the time for congressional action is now. These and the other reforms recommended in the resolution are aimed at removing inequities, waste, and the anomaly of bestowing Federal benefits where need is not a criterion.

Together the reforms would save nearly $6 billion in fiscal year 1980 and more than $55 billion over the next 5 fiscal years.

Failure to enact these reforms would mean either a substantially increased deficit or cuts in higher priority programs which address more pressing national needs.

As I have indicated, the resolution calls for a tight budget which slows program growth. But it does not propose dangerous cuts in programs which have proven their value and have become important parts of the national fabric.

We recommend $2.5 billion in budget authority for a restructuring of EDA programs for urban and other distressed areas, including a proposed replacement for the national development bank, and $150 million in fiscal year 1980 for targeted fiscal assistance programs to aid distressed cities where unemployment is high.

The resolution recommends $4.9 billion for an average of 546,000 CETA public service jobs for the unemployed. In addition, we recommend that the summer youth program, which the President proposed be cut to 750,000 jobs, be restored to the 1 million jobs level.

In the health field, we recommend $240 million for the President's proposal to expand medicaid to cover an additional 2 million poor children and some 100,000 low-income pregnant women not now covered. We also recommend $156 million to support the medicare proposals of the President and the Ways and Means Committee to improve psychiatric outpatient care for the aged, liberalize coverage for the disabled, and accommodate other initiatives.

In education, the resolution provides $400 million for title I concentration grants to urban and rural areas to help low-income children with learning problems and provides $600 million above the President's budget, exclusive of reestimates, for such programs as education of the handicapped and Head Start.

Let me turn briefly now to the revisions contained in this resolution for the second budget resolution for fiscal year 1979.

The resolution recommends increasing the outlay ceiling from $487.5 billion to $492.8 billion. The increase is necessary because of higher costs in mandatory programs triggered by inflation and because of unexpectedly high interest rates.

Interest payments on the debt, required by law, are running some $4 billion higher than assumed last fall when we adopted the second resolution. In addition, automatic cost-of-living increases have pushed payments for social security and other programs beyond levels foreseen last fall.

While the outlay ceiling must be increased, the deficit for fiscal year 1979 will be reduced by nearly $4.5 billion. This will occur because inflation and real growth in the economy have generated higher revenues than were anticipated by the second resolution.

As revised, the fiscal year 1979 ceilings will accommodate some $5.4 billion in budget authority and $5.1 billion in outlays for supplemental appropriations in mandatory programs and an additional $3.2 billion in budget authority and $1.2 billion in outlays for requested discretionary supplementals. Included in the second category is $1.47 billion in budget authority and $350 million in outlays associated with the Middle East peace settlement.

It may well be that good cases can be made for accommodating additional supplementals. Since the Budget Committee completed action on the fiscal year 1979 revision recommendations, cases have been made with particular urgency for supplemental funds for the purchase of two *Spruance*-class destroyers originally ordered by the U.S. Navy to be sold to the Shah of Iran, for the Small Business Administration disaster loan program, for targeted fiscal assistance for urban areas, for the food stamp program, and for other needs. Should the House support supplementals for these programs, the fiscal year 1979 outlay ceiling would need to be adjusted upward from the recommendations before you.

The members of the Budget Committee worked long and hard constructing this resolution. Because membership on the committee rotates, we are blessed with an exceptional combination of more experienced members and those who joined us in the 96th Congress bringing with them uncommon diligence and enthusiasm for a difficult task. I owe all members of the committee a debt of gratitude for their dedication and their support.

I recognize that no budget resolution, no set of national priorities coincides precisely with the thinking of all Members of Congress. I recognize also that there are strong crosscurrents of sentiment running in the House with respect to the budget. On the one hand, the great majority of us are committed to spending restraint. On the other, most of us feel that certain programs which we regard as particularly urgent or of particular concern to our constituents need substantially more funding.

I would not maintain that this resolution as reported by the Budget Committee cannot be improved upon. But as we consider amendments, I would urge that the basic balance achieved by the committee be retained.

In our zeal to curb spending and reduce the deficit, we should remember that precipitious cuts could turn what we see as an economic downturn ahead into a return to recession. The consequences of such a recession could jeopardize the balanced budget we would otherwise project for fiscal year 1981 or 1982.

If on the other hand, we add substantially to the spending recommendations, if we cater to the demands of the many interest groups that would like a bigger slice of the Federal budget, then we will have demonstrated that we are incapable of fiscal discipline. The result, in my opinion, would make virtually inevitable a constitutional amendment or other legal mechanism mandating a balanced budget.

I believe we can shortly achieve that goal by exercising the policy judgments we were elected to make and without the straightjacket some would impose on our ability to do so. I ask you to join me in that effort starting with this budget resolution.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me at this point?

Mr. GIAIMO. I would be delighted to yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say to my colleague, as he will recall that along with the gentleman from Oregon

(Mr. ULLMAN) of the Committee on Ways and Means, I was on the original study group that studied this matter and made recommendations. This was the point Committee on Budget Control.

The Budget Committee has been composed of the outstanding Members of this Congress, the ablest Members. One of the worries that I had as a member of the original study group and later as a member of the committee was that, through this vehicle, we would begin to dictate by item the amounts that the Congress itself could deal with.

In going over these recommendations, that is not done. But the problem with respect to fiscal year 1979 is that because of the greatly increased amounts required to pay interest on the public debt, we are faced with the necessity of making these increases in the budgetary ceilings. But in the process of lifting it, we are doing it by justification on individual items, which is the first step toward dealing with the budget ceiling by items.

□ 1300

I would like for the benefit of the chairman of the Budget Committee to point out some things which have happened, things which are beyond him and beyond me. First, the justification for the passing of the Budget Act, to begin with, was that the Congress was losing control of its annual review through the appropriation process. This was due in part to backdoor spending, that is, entering into commitments for which we had to pay later. The Congress by taking spending actions other than through the Appropriations Committee had contributed to the fragmentation of the budget decisionmaking process.

But after passing this new budget legislation, we find now—and I had a study of this made in depth after Mr. Mahon retired—that what we are now faced with is that a large part of the budget has built into it indexing to cover acceleration of costs. So the more the inflation, the greater the actual expenditures. Some 58 percent of the budget is composed of programs which have automatic escalator provision.

These are some of the things we will be dealing with this year. So it means that as we go into this matter and as we look for means to cut the total, it will be carried out on the 42 percent remaining. This should convince us that we must consider the programs we are primarily interested in. Frequently they are under the tent of protection mentioned earlier, but they should be cut.

These are the nonproductive programs, by and large. As appealing as they may be, they are not those that build highways, they are not those that build schools, and they are not those that build many, many things that are productive.

So, Mr. Chairman, I wish to call attention to that matter at this point. I hope my colleagues will give this their attention as we go along.

Also, I wish to point out another thing which will not work, in my opinion. That is on page 5. It is section 4 which deals with the so-called reconciliation process. It would require our Committee on Appropriations to do the impossible. It is impossible for the Committee on Appropriations to do its work in the timely fashion contemplated by the Budget Act if we are going to have to hold all the appropriation bills for enrolling until we get through with this type of reconciliation process.

What if we have a veto? What if we hold them until September and we have to get Members to try to pass them at that late date? That has never been done before. I hope when we get to that section we will discuss this more in detail. I hope to discuss this with the chairman, my friend and colleague, who has done a splendid job. I hope to discuss with him the workability of this. I do not think it will work at all.

I intend to further address some of these matters, and I wish to point out that I am only speaking off the cuff in a summary fashion.

But these are items that frighten me, because if we get to the point of increasing and decreasing individual line items, the next step will be to legislate by item in this resolution. Then there will be a group that will not want cuts, and there will be five of our colleagues on our Appropriations Subcommittees to deal with.

Then when the Office of Management and Budget cuts next year those items that Congress added this year, they will be gone and OMB will keep all the things it wants.

I am just saying right now that we had better keep these matters in mind if we want to keep available to the Congress the right of annual review and the right of annual appropriation action. I want to say to the committee that in the Committee on Appropriations, of which I have the honor to be the chairman, we have made it a practice of recommending the programs of our colleagues that are so essential to the operation of their districts. That is likely to go down the drain unless we are very careful, unless we work carefully with this vehicle and do that which is necessary.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman from Mississippi (Mr. WHITTEN.). The gentleman has raised several questions at least, and I think I should comment on them.

First of all, it is not the intent nor is it within the capability of the Committee on the Budget to legislate by item, as the gentleman knows.

We deal in setting priorities within various functional categories of the Federal Government in allocating funds in the defense function, in the agricultural function, in the educational, in human resources, in veterans and in all the various categories.

It is then up to the authorizing committees and the appropriations committees to determine where those moneys will be spent. It is not our functions to legislate by item.

Obviously, in order to have any credibility to our numbers in our estimates and our judgments, we have to relate our dollar numbers to certain categories and types of expenditures. We might say, "We think you are spending too much in defense in general, and we think you could find some savings there, but you will then decide in which programs you would find the savings."

We would try to set the overall amount for you. It is the same in other functions.

Mr. WHITTEN. Mr. Chairman, I agree with my colleague, but let me say this.

Mr. GIAIMO. Mr. Chairman, let me finish, and then I will yield further to the gentleman.

The other area the gentleman from Mississippi (Mr. WHITTEN) spoke of was the fact that every year a greater portion of the U.S. Government's budget and programs are being mandated. They are not discretionary, and they do not look to the appropriating committees for an appropriation.

□ 1305

They are mandated by law. They are entitlements. They are huge programs. As the Members know, they are a major portion now of the entire budget. I think everyone in Congress has to look at those programs and decide how we can get better control over the entitlement programs.

For example, the Budget Act curtailed to a great degree as the Members know, backdoor-spending-type programs and brought programs away from the backdoor approach, which we used for decades, and into the appropriating procedures. That was a healthy move and a wise one. I think we have to look at the mandatory programs, look at the entitlement programs, and see how we can get some better congressional control over them.

Mr. WHITTEN. Mr. Chairman, may I thank my colleagues and say that it has been a pleasure working with him. He has done an outstanding job, and I am glad he is staying on during this 2-year session.

I was pointing out the things we are drifting into. One of the things, again, I would mention is this matter of controls in the Congress, which is badly needed. However, since World War II, with one exception, the recommendations of the Committee on Appropriations have been substantially below the budget. It is the backdoor spending for years which has caused the deficit problem. While we get rid of that now, we find we are getting into entitlements passed by the Congress, which contain escalator clauses which cause more built-in inflation.

Mr. Chairman, I want to say, on behalf of the Committee on Appropriations, it has met its responsibilities. What we have been directing our attentions toward and have been trying to put a lid on applies to those things which were bypassing the Committee on Appropriations. And now we have come up with two new gadgets which avoid the review and recommendations of the Congress through the Committee on Appropriations even more.

Mr. Chairman, I appreciate the gentleman giving me this opportunity to express my views. I would like to further discuss section 4 with the gentleman later.

Mr. GIAIMO. Mr. Chairman, I believe we should have a lengthy debate later on on section 4. That has broad implications. It means all of the spending bills would be held and would not be enrolled until the adoption of the second concurrent resolution on the budget.

Mr. WHITTEN. The gentleman is aware we have a right to a reconciliation process in some form. However, we do not feel we can handle the bills in both bodies in a timely manner if we wait until after the second concurrent resolution.

Mr. GIAIMO. It was a matter that was much debated and disagreed with in committee. When the vote was held, it was included. I think it is something we should air broadly here before we adopt this resolution.

Mr. WHITTEN. I will be glad to discuss it with my colleague.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I have listened with great interest to the distinguished gentleman's assessment of the budget resolution. As the gentleman may recall, there was a provision of the so-called Humphrey-Hawkins Act which was passed in the last hours of a 2-day marathon session last fall which amended the Budget Act and suggested that the Committee on the Budget would at the same time it presented the levels embodied in the pending resolution also address itself to the goals covered by that act: Unemployment, rate of inflation, rate of growth, and so on. That amendment also required 4 hours of general debate on those economic goals and policies following the opening statements by the chairman and ranking minority member of the committee.

I notice that the resolution the gentleman's committee has reported contains none of those goals, and it seems to me that it suggests that either they were too difficult to arrive at or that the Full Employment and Balanced Growth Act itself was meaningless, and is not to be considered by the Congress.

In the Economic Report of the President transmitted to the Congress in January of this year the President included a table of economic goals consistent with those specified by the Humphrey-Hawkins Act. I would like to include that table at this point in my remarks:

TABLE 22.—ECONOMIC GOALS, 1979–83

Item	1979	1980	1931	1982	1963
	Level, 4th quarter [1]				
Employment (millions)	97.5	99.5	102.6	105.5	108.3
Unemployment (percent)	6.2	6.2	5.4	4.6	4.0
	Percent change, 4th quarter to 4th quarter				
Consumer prices	7.5	6.4	5.2	4.1	3.0
Real GNP	2.2	3.2	4.6	4.6	4.2
Real disposable income	2.8	2.3	4.4	4.4	4.0
Productivity [2]	.4	1.1	1.8	2.0	2.0

[1] Seasonally adjusted.

[2] Based on total real GNP per hour worked.

Source: Council of Economic Advisers.

This table is comprised of projections of the economic performance that would be required to reach the 1983 unemployment and inflation goals specified in the act.

Section 301(e) of the Budget Act provides that—

> . . . the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress *may set forth the year in which, in the opinion of the Congress, such goals can be achieved*. (Emphasis added.)

It appears to me that since the President has paid "lip-service" to the requirements of Humphrey-Hawkins and recommends that the goals for reducing unemployment be achieved then it is entirely consistent for the Budget Committee to include in their resolution an expression as to whether such goals can be achieved.

Could the gentleman give us some background?

Mr. GIAIMO. Oh, I think the gentleman is drawing the wrong inference.

Mr. BAUMAN. That is why I asked the gentleman to enlighten me.

Mr. GIAIMO. I believe that the Humphrey-Hawkins-type legislation mandated that we discuss economic assumptions and economic implications at the time of the budget resolution. And we do that. The report has a great deal in it dealing with the economic outlook and fiscal policy and the projections for the coming years in that regard, all of which is our effort to comply with what the Humphrey-Hawkins-type legislation demands that we do.

Mr. BAUMAN. If the gentleman will yield further, why was a decision made not to include the specific goals, which I understood to be the major purpose of the Humphrey-Hawkins Act, in the budget resolution? Only then can amendments be offered from the floor by those Members who might have differing views. Section 305(a)(4) of the Budget Act is specific on this point and I quote:

> (4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in section 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

□ 1310

Mr. GIAIMO. My impression is that they are included in the report, and, bear in mind, that our resolution, which deals with dollar figures, is based upon economic assumptions. They represent our judgment of what the inflation rate, what the rate of real economic growth will be, what the unemployment rate will be in fiscal year 1980, and then in later years in the report. I believe that we have complied in that way.

Mr. BAUMAN. If the gentleman will yield, I thank the gentleman for his explanation, but I think it will be a little bit difficult to understand listening to 4 hours of debate on a matter that is not actually before the House.

Mr. GIAIMO. I believe it is before the House. I am sorry if my persuasive powers do not persuade the gentleman. I seem to have trouble doing that here from time to time.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will be delighted to yield to the gentleman from Florida.

Mr. NELSON. I just wanted to inquire, is it not true, that the economic goals as set forth under Humphrey-Hawkins are optional as to whether or not they are taken up in the budget resolution?

Mr. GIAIMO. I believe they are. In any event, I would submit that we have made ample provision here to comply with Humphrey-Hawkins legislation. We are going to have 4 hours of debate right now separately earmarked for Humphrey-Hawkins-type discussions.

Our resolution has inherent in it the economic assumptions for fiscal years 1979 and 1980. Our report has in it our projected economic assumptions for the out years, all of which are contemplated by Humphrey-Hawkins. So I think that it is a matter of form that the gentleman from Maryland may be addressing himself to, but certainly not one of substance as to whether or not we are complying with Humphrey-Hawkins.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Connecticut (Mr. GIAIMO) has consumed 33 minutes.

The Chair now recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say it is always a distinct pleasure to debate the issues of the day when the distinguished gentleman from Kentucky (Mr. NATCHER) is in the chair. During the upcoming hours and days we will be considering this budget resolution, I am certain that tempers may flare, rhetoric may become heated, and Members' patience may wear thin. But through it all, I know the rulings of the Chair will be fair and proper. There will be no need for anyone to even think of appealing a ruling of this Chair.

I also wish to commend my friend, the gentleman from Connecticut (Mr. GIAIMO), the able chairman of the committee, for the manner in which he conducted the hearings in the markup leading to this resolution that is before us today. The minority was given ample opportunity to express its concerns and propose its alternatives. Although our positions on the issues were seldom adopted, we nonetheless appreciated the chairman's indulgence through the process. My respect for him is such that I would hope the day would come when I could join him in supporting a resolution on the House floor calling for a balanced budget. Unfortunately, Mr. Chairman, I cannot join him today, as the resolution calls for too much spending and too much debt.

Mr. Chairman, I want to impress upon

this body that I do not take my role lightly. I must speak out because I am convinced this budget resolution, in its present form, is just another mistake in a series of mistakes which continue to thrust us deeper into debt as a nation. Its passage would do a great disservice to the American people, the economy, and the entire fabric of our society by inviting more and more inflation.

The issue we face, Mr. Chairman, is not so much one of the stark incomprehensible numbers in the budget resolution, but rather, one of trust and confidence of the American people. A clear majority of the American people not only support a balanced Federal budget; they support passage of a constitutional amendment mandating one. Why a constitutional amendment?

Because, quite simply, the people have lost faith in the fiscal judgment of the Congress and no longer trust it to do what the Members have consistently promised to do.

☐ 1315

Last November, spending, taxes and inflation were the big issues in nearly every congressional race. In most cases, both candidates vied with each other in promising more spending cuts, balanced budgets if you please, and an end to inflation-made-in-Washington. I know all of you heard all of those things said during the past campaign. Now, 6 months later, it is incumbent on the 96th Congress to either deliver on those promises made last November or to risk a further and perhaps fatal deterioration of the people's trust in its elected officials and the institutions so fundamental to our system of representative Government.

That, my colleagues, is what the budget resolution is all about. We cut back the size of Government, the levels of Federal spending and taxation, or we forfeit even more of the waning amount of respect and good will our citizens have for this body. Mr. Chairman, I think it is important to understand why we are faced with a crisis of public confidence. Except for assuring that the defense of our Nation is strong, the Congress has no greater responsibility to the people than to spend the tax dollars wisely and prudently; to collect in taxes only the barest amount absolutely necessary; and to pursue public policies which will protect the value of the people's savings, income, and property, while encouraging real growth of productivity and wealth.

While we as a nation wish to show generosity and compassion to those in need, we must never forget, in so doing the Government is taking resources from the backbone of our society, namely, from the people who work and save, invest and take the risk. In short, Government cannot create wealth; it can only redistribute it .

Sadly, I believe we have lost sight of these fundamental purposes. The Federal Government of late has, and has continued to proceed, as if its sole function was to reward the nonproductive at the expense of the productive; to favor public spending over private production, consumption, and savings. It is just such an attitude which is causing the American taxpayer to rebel and to demand an end to extravagance and excesses which have become so commonplace in Washington in most recent years.

If the people thought things were going to be different, if they thought that the politicians had finally gotten the message, they are going to be mighty disappointed with the Budget Committee's version of the first resolution for 1980. Forget for the moment all the conservative rhetoric my friend from Connecticut, the committee chairman, has chosen to apply to this resolution, and turn instead to the horrifying story told by the numbers themselves.

In this budget resolution, Federal spending will total $533 billion. This is up—up $40 billion from the spending in 1979 fiscal year, and works out to a spending rate of more than $1 million per minute. Federal taxes will consume 20.3 percent of the entire Gross National Product, a burden of taxation on the American people unparalleled in peacetime history. In fiscal year 1980, higher social security taxes will extract an additional $11.1 billion from working men and women, and inflation, which pushes taxpayers into higher brackets, will take $7.8 billion more. Think of that: Merely inflation itself is pushing the American people into higher tax brackets. Let me recall something that hapepned the last quarter of last year.

☐ 1320

Revenues, without a tax increase passed by this Congress, merely through inflation alone, were up 20.9 percent—20.9 percent—over the corresponding period in 1978. In spite of these unprecedented increases in taxes, the budget deficit will be $25 billion according to this resolution, barely $8 billion less than in 1979. There is no way—I repeat—no way we can balance the budget in 1981 if we are $25 billion out of balance in 1980. The public debt would rise to $889 billion—$889 billion—a $60 billion increase in 1 single year's time, an amount equal to $12,700 of debt for every taxpaying family in America, if this budget resolution as presented by the majority is passed by this Congress.

Let me tell the Members that when we were discussing the increases in the public debt a short period of time ago, I brought it out, right here in this well, how just during the 1970's this public debt has escalated. In 1970 the public debt stood at $372,600,000,000. If this resolution is put in place, we will have an increase just during the 1970's of $516 billion of public debt, just during the 1970's. Think of it.

The interest on this debt will cost in this budget resolution $56 billion—$56 billion—the third highest item in the budget is interest on the national debt. This interest payment alone will be the equivalent of $800 for each taxpaying family in 1980 alone. Even these numbers fail to convey the true dimensions of this budget.

For example, do the Members realize that the committee actually increased spending over the level requested by the President? Do the Members know that the committee actually reduced defense outlays by $2 billion and cut out $2.3 billion in general revenue-sharing funds for the States, even though many States already have a 2-year budget that they are working under and have included those revenue-sharing funds in their budgets? The same committee then turns around and adds this money to welfare-type programs. Can the Members believe that in the midst of the most inflationary period in our Nation's history the committee continues to spend billions of dolars on programs designed to stimulate the economy? I think we have had enough stimulation of the economy.

Many Members saw the same newspaper last week that I now hold in front of them, the Washington Star. The headline of the Washington Star of Thursday, April 26, 1979, reads: "Inflation in Past Twelve Months Tops Ten Percent."

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. That 10 percent inflation rate was for the last 12 months; is that not correct?

Mr. LATTA. That is correct.

Mr. ROUSSELOT. What did the committee say would be the inflation rate for the next fiscal year period?

Mr. LATTA. They are estimating something around 7 percent.

Mr. ROUSSELOT. I thought it was 7.1 percent according to the committee report. We could ask the chairman.

I will ask the gentleman from Connecticut (Mr. GIAIMO), is it not 7.1 percent?

☐ 1325

Mr. GIAIMO. If the gentleman from Ohio will yield, 7.1 percent for 1980, 8.2 percent for 1979.

Mr. ROUSSELOT. So, Mr. Chairman, the committee is under what in the real world is an estimate; would you not say?

Mr. LATTA. There would be no doubt about that.

Mr. GIAIMO. Mr. Chairman, if the gentleman from Ohio will yield further, I am not surprised that either the gentleman from California or the gentleman from Ohio would have any doubt that the committee would be in error on a thing like that.

Mr. Chairman, I would like to add, we know we have a serious problem with inflation. We know that inflation is a threat. We know we must do something about it. What we think is going to happen is, inflation is going to begin to come down later on this year in 1979 and in 1980.

Mr. ROUSSELOT. Exactly when?

Mr. GIAIMO. Hopefully in the second or third quarter.

Mr. ROUSSELOT. Mr. Chairman, that is what the gentleman from Connecticut said to me last year. As I remember, none of those things happened. I am just disappointed my distinguished committee did not pay more attention to the real world.

Why do you not hold that headline up again. I think everyone in the House should see that again. It is 10 percent for the last 12 months.

Mr. LATTA. Inflation is now running at about 13 percent for 1979.

Mr. ROUSSELOT. Thirteen percent. Amazing. How could our committee be so far off do you suppose? Do you understand that?

Mr. LATTA. The gentleman asks a very good question.

Mr. Chairman, let me continue by saying it seems as though the majority conveniently overlooks the fact that the greatest contributing factor to inflation is Government spending and Government borrowing.

Believe it or not, since this budget resolution was put into effect back in about 1976 we have seen Government spending go up about $366 billion to what is about $533 billion here, so the process itself has not been working as far as holding down Government spending is concerned.

Mr. Chairman, 1 month ago the House was debating a bill to raise the temporary ceiling on the public debt. Those of us opposed to increasing the public debt were told it was too late. Too late. The increases were needed to pay for programs already voted by the Congress.

Now, we are being asked to approve a budget which will once again, a few months down the line, require the House to vote for another massive increase in the public debt.

We never seem to learn. Approval of this budget will mean we will have more than doubled the public debt in only 8 years time. Can any of us expect the voters, the taxpayers to believe that it was necessary and unavoidable for the Federal Government to incur deficits in every one of the past 20 years, save one? Look at what we are proposing to do in 1980. Perhaps I should amend that and say look what the majority is proposing to do in 1980. Inflation has already forced consumers to increase their private debts by 50 percent since 1975. The average family must spend a quarter of its after-tax income on debt service. Yet the Federal Government is trying to increase the public debt burden on the American people by $60 billion in a span of 1 year. To me this is the height of fiscal irresponsibility.

Mrs. FENWICK. Mr. Chairman, will the gentleman from Ohio yield?

Mr. LATTA. I will be happy to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague from Ohio for yielding.

Mr. Chairman, I have not been in Congress so very long but when I came here the debt service was some $44 billion a year. I now understand it has risen to almost $60 billion for debt service since I have come.

I have two small practical suggestions that might cut the cost of inflation, particularly for low-income and moderate-income families.

One, I would like to suggest as I have before in this House that all food, and I mean all food, be exempted from the regulations of the Interstate Commerce Commission. When plucked eviscerated chickens were so exempted by a decision of the U.S. Supreme Court, the cost of distributing them dropped 35 percent.

□ 1330

It is estimated that if all food could be exempted from ICC, the cost of distributing that food would drop between 19 and 33 percent.

What are we doing here if we do not move in this direction?

Second, I would like to suggest that for home heating oil particularly, and perhaps all heating oil, but certainly home heating oil, we exempt the distribution from the provisions of the Jones Act. The Jones Act requires that all goods transported between two American ports be transported in American bottoms. If we exempted fuel oil for homes from the restrictions of this act, we would save 90 cents a barrel for every single homeowner in the Northeast. Any oil coming from Texas to any of the eastern coast has to be transported in these bottoms and that is the extra cost for nothing, but the cost of the Jones Act.

Now, this is serious. Here are two simple things referring to the most onerous and heavy burdens of low-income families, the cost of heating their homes which is going to accelerate, which by simple act of Congress saying that the Jones Act will not apply to transfers of heating oil we could save 90 cents a barrel and that is a good deal of what the OPEC has cost us.

I would like also to see food, all food, everything that human beings eat exempted from the Interstate Commerce Commission franchises which costs, as we say, between 19 and 33 cents.

Mr. Speaker, I thank my colleague for yielding.

Mr. LATTA. Mr. Chairman, I thank the gentlewoman for her comments.

Mr. Chairman, at a time when the committee has finally realized the threat—or should have realized the threat—that Soviet expansion and aggression has perhaps never been greater, we find in this budget resolution a proposal to entirely eliminate the Defense Department supplemental for 1979 and to reduce national security outlays for 1980 by $2 billion.

At a time when the taxpayers are fed up with hearing how uncontrollable the Federal budget is, the committee proposes to eliminate the spending ceiling on the food stamp program that we put on this program just a short time ago—the only bit of control we had on one of the fastest growing major social welfare programs in the budget.

I can recall just a few years ago when the gentlewoman from Missouri, who is no longer here, proposed this program for $300 million a year.

At a time when the people are demanding less Federal interference, the committee cuts general revenue sharing funds, which has few bureaucratic strings attached, and increases a whole host of categorical grant programs controlled from Washington.

Finally, at a time when taxpayers across the land have said "Enough" the committee wants to increase taxes by $19 billion. $11 billion through higher social security taxes, plus $8 billion from inflation pushing taxpayers into higher brackets.

In short, if you vote for this budget resolution, you are committing yourself to the challenging job of explaining to your constituents why it is in their best interest to reduce our commitment to defense, accelerate the pace of income redistribution, and of increased taxes.

While I do not underestimate the rhetorical skills of some of my colleagues, I sincerely doubt whether there is a taxpayer alive who will swallow a line like this.

Frankly, the Republicans believe the following can and should be achieved in this budget:

First, it should contain a deficit of no more than $15 billion or in that vicinity, which is $10 billion below the committee's projected deficit.

More to the point, unless we hold the deficit down to this level it will not be possible to balance the budget in fiscal 1980 as proposed by the President of the United States, and this is one promise he made to the American people that I want to see him keep.

Second, this budget should provide for a tax adjustment to begin in January 1980, totaling at least $15 billion on a calendar year basis.

We do not refer to this as a tax cut, since it will not reduce the tax burden on the American people. It would only keep it from rising to the extent desired by the majority in this budget resolution who would allow inflation to push people into higher and higher brackets and therefore bring about higher tax burdens.

□ 1335

We do not believe that the taxpayers of this Nation should continue to share that burden. Spending for 1980 should be held to $523 billion, which would be an increase of $30 billion over the current year, nearly all of that amount occasioned by the need to adjust social security benefits to rising inflation and a growing number of recipients, as well as to continue the long-delayed upgrading and improvement of our national defense system.

To our colleagues who desire a balanced budget in 1980, I have to say that the current rates of inflation and the momentum of Federal spending under President Carter have made this goal practically unattainable. However, I stress this point: Only by controlling Federal spending in 1980 to the extent I have indicated can we even come close to achieving a balanced budget by fiscal year 1981.

To my colleagues who question whether we can slow our rate of spending and reduce the committee's spending figure by $10 billion, I would answer that I am only suggesting to reduce total Federal outlays by 1.7 percent from the committee's level.

Now, if there is any Member in this House who does not believe there is at least 1.7 percent waste, fat, and just plain low-priority spending in a budget which now exceeds a half trillion dollars, I would be amazed.

Many of the Members probably have not seen this document I am holding in my hand. This happens to be the annual report of the Inspector General of the Department of Health, Education, and Welfare. It is dated March 31, 1978, and it takes into account only one department's waste. Let me read to the Members a summary appearing on page 1 of chapter 1 of the Inspector General's report:

> As summarized below, this inventory of best estimates reveals that for programs involving Federal outlays in fiscal year 1977 of $136.1 billion, the incidence of fraud, abuse, and waste are at a minimum range between $6.3 billion and $7.4 billion.

And here we are only talking about HEW. I think at least we can cut down on some of that waste, abuse, and fraud in that particular Department. If the Inspector General found it in that Department in that magnitude, certainly his counterparts can find some in other departments, and we can do likewise.

I would suggest reducing tax revenues by $15 billion in calendar year 1980, a move which would cost $6.5 billion in the fiscal year. I did not refer to this, as I mentioned earlier, as a tax cut, because it is not. Tax burdens will go up by $18 billion in 1980 if we do nothing to change the tax laws, so the $15 billion merely would offet most of this tax increase. This $18 billion tax increase I am talking about is in addition to the $30 billion increase in tax revenues which we estimate will occur simply because of economic growth—both real and that caused by inflation.

Our calculations are based on more realistic inflation and revenue estimates, both of which, unfortunately, are higher than those of the committee's.

I want to point out that in recent years the administration and the Committee on the Budget have, for whatever reason, underestimated revenues. For example, when the second budget resolution for 1979 was passed only last September 1979, revenues were predicted to be $448 billion. The President's budget submission in January raised this to $456 billion and then to $461 billion in the March budget reestimate.

For the first quarter of fiscal year 1979, individual income tax collections were up 20 percent over the previous year and were twice as high as the administration was estimating only 4 months ago. Although such figures may appear to be good news, in fact they only underscore the perverse incentive whereby inflation works to the benefit of the advocates of Government spending by generating ever greater and ever rising amounts of tax revenues.

We are forced to conclude that revenues for 1979 will be greater than those the committee is willing to forecast, principally because inflation is likely to be higher than the 8.2 percent level they are predicting. Keep in mind that inflation is currently running at 13 percent, so to reach the committee's 8.2 percent estimate for the full year, the rate of inflation would have to average only about 6 percent for the remaining 9 months of 1979. That would be very nice, but—let us face—that is a highly unlikely occurrence.

□ 1340

For this reason, we find the committee's 1980 inflation forecast of 7.1 percent to be unrealistic and have substituted our own estimate of 8 percent. Because adoption of the 8-percent rate would make the extent of the 1980 tax increases even more staggering, the committee obviously has chosen a lower rate in hopes of heading off any tax reductions.

To summarize, the substitute budget we will present controls both the rate of spending growth as well as the rate of tax increase. Unlike the budget the committee has presented, it will give you an opportunity to put into action the campaign promises made last November. Moreover, it will demonstrate that you have the courage to resist the enormous pressures of the endless number of interest groups to increase Federal spending. I submit that we can and we must alter our course and begin responding to those who work and pay the taxes, not to those endless claims on the public purse that can never be satisfied.

We have all heard the expression, "The more things change, the more things remain the same." I cannot think of any better example of this than the words of one of the wisest of our Founding Fathers, Thomas Jefferson, who said nearly 200 years ago:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared.

I urge my colleagues to keep those words in mind when we begin in earnest tomorrow in the House to shape the Federal budget for 1980.

Mr. MARRIOTT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Utah.

Mr. MARRIOTT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I applaud the gentleman for his statement. I agree with what he has indicated. I wonder if the gentleman can just enlighten me on a couple of points.

First of all, the gentleman indicated there was a projected $7 billion of Govenment waste. I recently read an article in one of the Chicago papers that the GAO reported more likely $46 billion in overall Government waste in the last 12 months.

Mr. LATTA. Mr. Chairman, may I say to my friend that I referred to only one Department regarding those figures. The gentleman is referring to all Government waste.

Mr. MARRIOTT. The gentleman would concur then that the waste could possibly be has high as $46 to $60 billion overall?

Mr. LATTA. That is very conceivable, if you can find in one Government agency or Department, as HEW's Inspector General has obviously found in this report, estimates between $6.3 billion and $7.4 billion in one single year. I do not know where the figures the gentleman referred to came from, but that is conceivable.

Mr. MARRIOTT. Second, if the gentleman will yield further, how is it that the revenues betwen 1978 and 1979 increased $56 billion, and yet the committee is estimating only $46 billion, if I am not mistaken, for this next year? How is that arrived at?

Mr. LATTA. Because of inflation. They increased that, and they did not take that inflation rate into consideration when they came up with those figures. That is something we have to do.

Mr. MARRIOTT. I thank the gentleman.

The CHAIRMAN. The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, as I understand it, we also have the time for debate allocated to the Humphrey-Hawkins portion of this consideration of the budget resolution.

The CHAIRMAN. The gentleman is correct.

Mr. GIAIMO. That is 2 hours to myself and 2 hours to the gentleman from Ohio?

The CHAIRMAN. That is correct.

Mr. GIAIMO. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, the Humphrey-Hawkins or Full Employment and Balanced Growth Act of 1979, sets forth unemployment and inflation objectives for 1983. The unemployment rate objective is 4 percent for workers age 16 and over and the inflation objective is a 3 percent Consumer Price Index level. The budget resolution reported to the House does not specifically address those out-year goals but it does attempt to recommend a responsible fiscal policy for the year ahead. Long-term implications of the resolution are addressed in the accompanying committee report.

Any attempt to accurately project economic response far in advance is difficult at best. The Budget Committee does, however, show the likely impact of the recommended budget on out-years provided no other economic changes or shocks occur.

The Budget Committee intends to retain the right to change its recommended policy according to economic developments. The 5 year projections in appendix B of the committee report are simply a projection of the implications of the recommended fiscal year 1980 budget.

For the next several years the economy will be faced with conflicting goals: How do we balance the budget, cut taxes, and at the same time continue to reduce unemployment? The solution is a responsible balance among all these laudable goals. The goals of the Humphrey-Hawkins Act must be considered as only part of that balance.

Inflation is attracting considerable national attention. Price increases have reduced the real value of wages and salaries and have particularly adversely affected persons on fixed incomes. Reducing inflation will take a continuous fight well into the next decade. With the economy near full capacity, the committee feels that the most responsible course of action is a budget that restricts spending to very little real growth (less than 1 percent). This recommendation is consistent with the President's Economic Report and the March 15 economic report from the Joint Economic Committee.

Unemployment at present varies widely among different groups. In March 1979, professional and technical workers had an unemployment rate of 2.1 percent, white males over the age of 20 had a 3.4 percent rate, and all full-time workers had a 5.1 percent rate. In contrast, the teenager unemployment rate stood at 15.5 percent, black and other minorities at 11.2 percent, and adult women at 5.7 percent. As a result, the committee recommends strengthening the targeted structural unemployment programs in preference to the broader unemployment programs that focus on expanding economic growth. This recommendation, too, is consistent with the President's Economic Report and the March 15 economic report from the Joint Economic Committee.

The Congress must give careful consideration to a growing problem that will largely determine how well Humphrey-Hawkins goals are achieved—declining productivity. If new jobs are to be created without increasing inflation, productive capacity must increase. Recently, the economy has been booming because people have consumed a higher proportion of their income than in the past. To increase investment in new productive capacity consumers will need to save and invest more. Increased economic activity or nominal growth to create new jobs must occur through real growth, not inflation. The recently implemented tax changes encouraging private and business investments and additional spending for education in this budget resolution should help alleviate the problem over time.

I recognize that we have a formidable challenge to achieve the Humphrey-Hawkins Act goals. The only way we will succeed is through responsible fiscal policies that balance economic goals over time. There is no quick fix to this problem. If our policies are successful we will be able to make significant progress toward employment goals particularly after we ameliorate the immediate inflation problem and bring the annual budget closer to balance.

FACT SHEET—ECONOMIC IMPLICATIONS OF ACHIEVING HUMPHREY-HAWKINS GOALS BY FISCAL YEAR 1983

GOALS OF FULL EMPLOYMENT AND BALANCED GROWTH ACT (HUMPHREY-HAWKINS)

First 5-year objectives, to be achieved by 1983:

Unemployment rate (for workers age 16 and over), 4 percent.

Inflation rate (CPI), 3 percent.

In the 1980 Economic Report of the President, the President may change the timetable for reaching the goals if necessary but must state the year the unemployment goal will be achieved.

HOW TO ACHIEVE HUMPHREY-HAWKINS GOALS

Time is Needed.—The Humphrey-Hawkins goals are feasible if pursued with determination and if the final date of achievement is somewhat flexible.

Productviity.—Productivity must increase steadily from the 0.4 percent estimated in 1979 to 2.0 percent by 1982.

Employment.—Unemployment programs must target the structurally unemployed. Emphasis on the most affected groups will aggravate the inflation problem less than employment programs designed to expand overall economic growth.

Inflation.—Economic policies must be designed to increase aggregate economic demand and grow no faster than sustainable economic capacity. Excessive demand from expansionary policies will increase the price level.

Summary.—A very optimistic economy must be assumed to reach Humphrey-Hawkings goals by 1983.

DIFFICULTIES IN REACHING HUMPHREY-HAWKINS GOALS

Demand.—Efforts to stimulate demand in order to provide more jobs and reduce unemployment may increase pressure on prices.

Investment.—Encouraging private investment (and thus higher employment) by reducing taxes may conflict with attempts to lower inflation by reducing the deficit.

Structural Unemployment.—Programs to assist the structurally unemployed through expanded government job support may increase Federal outlays, aggravate inflation and enlarge the deficit.

Economic Growth.—An unrealistically high real growth rate may be needed to reach the unemployment goals of Humphrey-Hawkins in 1983. With little room left in the economy for non-inflationary growth after 5 years of expansion without a considerable improvement in productivity, a growth rate of 4.5 perecnt may be difficult to sustain without creating excess demand and provoking still more inflation.

Productivity.—To assist in reaching other Humphrey-Hawkins goals, productivity must rise to 2 percent by 1983. However, in the last 5 years the average rate of productivity increase has fallen to 1.5 percent and is estimated at 0.4 percent by the President for 1979. Reasons for the productivity decline are not well understood and reliable methods to boost it have not been devised.

Summary.—There are inconsistencies between the unemployment growth and inflation objectives that create severe problems accompanying any effort to reach the Humphrey-Hawkins objectives in 5 years.

☐ 1345

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. I thank the gentleman for yielding.

I think we are involved here in consideraton of the Humphrey-Hawkins bill, a very important piece of legislation, which I was happy to support. But I do not think there is anybody in this House, or in this country, or in the organizations who are concerned about the welfare of this country, who does not admit what we now need, for particularly the core cities, for our teenagers. Unemployment for them is reaching up to 40 percent; 15 percent we heard here on the floor. It is much higher than that in some of our core cities.

Are we or are we not going to face the fact that if we really want these young people to be employed, those 16, 17, 18, and 19 years old, we are going to have to have a subminimum wage.

☐ 1350

We listened in committee the other day to Monsignor Baroni, one of the really committed people of this Nation, describing to us the efforts that are being made in some of our cities by the people who live in the neighborhoods in those cities. What do we hear from them? Monsignor Baroni did not quote this, but I do quote it from the New York Times:

> One of the things those groups ask for is a subminimum wage for teenagers.

They know the total impracticality of forcing the skilled wage, or the minimum wage on people who are cooperating in developing sweat equity housing.

If you are going to try to make housing available at low rates, for low-income families, you cannot apply these wages to young people who have never worked and have no skills. What are we doing now? We are dodging. We have schools that hire a fine journeyman with a union card, and take the schoolchildren out and do this sweat equity. It is a dodge. We get the unions to wink at it. It is a dodge.

We ought to face up to it if we really care about these young people. This has got to happen in this Nation; we have got to be honest about it. We are not trying to break organized labor or do anything that would disrupt the system that has worked well for this country, but these young people need work.

Mr. GIAIMO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, may I say first of all that I have the deepest respect for the chairman of the Committee on the Budget, for the members, both majority and minority, of that committee, and I certainly appreciate the manner in which they have brought this resolution to the House. If I differ, it is on a question of principle and not certainly on any matter of respect that I think all of us owe to that committee.

Mr. Chairman, the course of action proposed by the budget slowing down the growth before us today moves in a wonderland of economic unreality and violates in many ways the law we enacted last year by overwhelming vote. The wonderland of unreality is the disregard for the 25 years of empirical observation that inflation soared when stagnation and recession came and price stability was attained only under conditions close to full production and full employment. That is why the Humphrey-Hawkins Act specifically prohibited the tradeoff, by providing that inflation should be fought by means not impeding movement, year by year, toward the full employment goals of that act. If that course had been followed, and the other strong anti-inflation provisions of the act had been followed, we would be now well on our way toward price stability.

But instead, the act has been and still is being systematically violated. The more the "trade-off" fails, the more it is resorted to by the administration and now by this budget we have before us.

In first quarter 1979, the annual rate of real economic growth was below 1 percent, and inflation rose to double digit and at times to 13 percent. This happened under "trade-off" policies which this budget perpetuates; not under the alternative policies which the Humphrey-Hawkins Act mandates.

The sad irony of the situation is this: even those now applying more and more of the remedy as it fails more and more, have no real confidence in it. The budget now before us assumes—optimistically at that—that the rate of inflation will rise from 7.7 percent in 1978 to 8.2 percent in 1979, and be 7.1 percent in 1980. The administration is now comforting us, at least in terms of more realism, by revising these assumptions drastically upward. So now, instead of following the course of reducing inflation year by year to 3 percent by 1983, as the Humphrey-Hawkins Act provides, by following the tested approaches mandated in the act, what are we doing? We are repeating once again, the errors which a few years ago combined the highest inflation since the Civil War with the biggest economic downturn since the depression. We are still committing ourselves to horrific inflation, plus a stagnant and recessionary economy, neglect of priority needs, and hugely unbalanced Federal budgets, as I shall now show.

Last year, by a majority of 104 in this House, by a larger vote in the other body, and by the unqualified approval of President Carter, this Government committed itself to use all available national policies to reduce unemployment, year by year, beginning in 1979, toward the goal of 4 percent overall unemployment and 3 percent unemployment for those 20 years of age and older, by mid-1983. The budget resolution we are considering today assumes that, due to the budget policy now proposed and other adverse trends in the economy which should be counteracted rather than accepted, the unemployment rate will rise from 6 percent in 1978 to 6.2 percent in 1979 and 1980. This violates the intent of the Humphrey-Hawkins Act for 1979 and 1980, and would make it utterly impossible to reach the mid-1983 goals under any conceivable set of national policies. For national policies now to program deliberate increases in unemployment to more than twice the full-employment goal would seem to me unthinkable if it were not now happening.

The Full Employment and Balanced Growth Act of 1978 requires that national policies be directed, beginning in 1979, to reduce the glaring and inflammatory differences in unemployment rates among certain labor force groups, with black teenagers being the most intense victims, and women the most numerous. But these differences are now increasing, and all experience shows that reduced real economic growth and higher rates of unemployment are certain to make the disparities even more acute.

Full production is just as important as full employment, and the act mandates goals, year by year, to move toward full production. It is full production, and that alone, which brings adequately rising living standards, high incentives to business investment, rapid reduction of poverty, and more and more real income for almost everyone. But, the budget now before us assumes a real economic growth rate falling from 4 percent in 1978 to 3.5 percent in 1979 and 2 percent in 1980, or an average of only 2.8 percent for the 2 years. This is the same as the 2.8-percent annual average during 1969–78, which lifted the unemployment rate from 3.5 percent to 6 percent, included many years of economic stagnation and the greatest downturn since the depression, and caused us to forfeit more than $2.2 trillion of total national production—and more than $400 billion of Federal revenues—measured in 1977 prices. The economy needs to grow, in real terms, at about 5.5 percent a year to restore reasonably full production and achieve 4-percent unemployment by mid-1983. The difference between this rate of growth and a 2.3-percent average during 1979 and 1980 would cost us about $140 billion early 1979 dollars in total national production and almost $30 billion in Federal revenues. How can we move in this direction and talk about balancing the Federal budget?

There is now a great and justified concern about low productivity growth and how to evaluate it to normal rates of growth. But the record of the past quarter century and longer demonstrates conclusively that productivity growth moves toward zero during stagnations and recessions, and rises to 3.5 to 4.0 percent a year when our production resources are nearly fully utilized. So we are striking a mortal blow at adequate productivity growth when we deliberately contrive economic stagnation and recession.

We now express justified alarm about the inroads of foreign competition, our unfavorable balances of trade and payments, and the vulnerability of the dollar overseas. But in the long run, these conditions must get worse if we let our real economic rate and our productivity growth fall to less than half that of Germany and less than a quarter that of Japan.

The budget recommendations for fiscal year 1980 are consistent with the dismal economic growth and unemployment assumptions or goals accompanying them, as I have just described them. Instead of fitting the budget to the needs of the economy and the American people, these needs are being fitted into an insulated and irrelevant concept of what the budget should look like. We have put the cart before the horse.

The budget before us today, overall, contains total outlays only about one-twelfth of 1 percent higher than those in the President's budget. The difference is utterly inconsequential. Both budgets commit us to Federal outlays shrinking considerably in ratio to estimated gross national product year by year. Considering the current growth rate of the economy and forecasts for the near future, this budget policy is a veritable formula for economic stagnation and recession.

But, this is not even the worst of it. For more than 20 years, we have been talking about reordering our national policies in terms of our great national priorities and the Humphrey-Hawkins Act mandates us to do so, not only for reasons of human well-being, but also because, for technological and other reasons, this is an imperative requirements for appropriate growth in national production, productivity, and employment. But the President's budget fall short catastrophically by this test, and in general the Budget Committee's recommendations are little better.

In the President's budget, outlays for all domestic programs, which peaked at 16.46 percent of gross national product in fiscal 1976 and were 16.01 percent in fiscal 1979, are set at 15.65 percent in 1980 and projected to fall to 14.94 percent by 1982.

Budget outlays for manpower programs, including public service employment programs, which were 0.59 percent of gross national product in fiscal 1979, are set at 0.46 percent in fiscal 1980, and would fall to 0.38 percent in 1982.

Outlays for education, which were 0.53 percent of gross national product in fiscal 1979, are set at 0.53 percent in 1980, and would decline to 0.48 percent in 1982.

Outlays for health, which were 2.19 percent of gross national product in fiscal 1979, and are set at 2.13 percent for 1980, are projected at 2.12 percent for 1982.

Outlays for income security, which were 6.85 percent of gross national product in fiscal 1979, and are set at 6.94 percent in 1980, would decline to 6.63 percent in 1982.

Outlays for housing and community development, which were 0.59 percent of gross national product in fiscal 1979, and are set at 0.49 percent for 1980, would decline to 0.47 percent in 1982.

In some priority instances, the outlays in the budget now before us are only inconsequentially higher than those of the President, and in other cases slightly worse. For example, in health, this resolution before us is only about one-fourteenth of 1 percent above the President; in community and regional development and housing, more than $200 million below the President; in education, training, employment, and social services, only about 4 percent above the President; in income security, only 1.7 percent above the President; and in energy, virtually the same as the President.

In percentage points, both the President's and the committee's budget reduce domestic priority outlays ratio to estimated gross national product by more than even the recent amendment to the Humphrey-Hawkins Act or the President's proposals for the total budget reduce its ratio to gross national product. This is because of the large increases in defense outlays. If these are deemed needed, then they should be financed in ways other than by heaping sacrifices upon the needy.

This callous neglect of those who need help most cannot be defended on the ground that "more cannot be afforded." What we can really afford and should do should be determined by the amount of our idle production resources which should be activated and used. We are now

150 billion or more dollars below full production, and thereby about $40 billion short of Federal revenues. And if this were not the case, it would be uneconomical, fiscally imprudent, and immoral to fasten the penalties for what "we cannot afford" upon the backs of the old, the unemployed, and the poverty-stricken. Instead, under such circumstances we should increase the tax rates upon high income groups and some huge corporations enjoying excessive and unparalleled profits, close some tax loopholes, and use the proceeds to help those who need help the most.

I recognize the argument that the travesties now under way should be perpetrated in order to balance the budget. But, the Humphrey-Hawkins Act mandates that the budget be used to support—not defeat—its objectives for full production, full employment, and priority justice, and be balanced when 4 percent unemployment is reached. And, even the very recent amendment to the act, providing for a declining ratio of Federal budget outlays to gross national product, provides also that this ratio not be below the level consistent with national needs and priorities, nor impede achievement of the unemployment-reduction goals of the act. Insofar as this seems like ordering that the body be mutilated without drawing any blood, it demonstrates the inconsistent nature of what we are now trying to do with this budget resolution.

Apart from all of this, the noble and worthy objective of balancing the budget is reduced to a pretentious sham when we seek to accomplish this by attempting to squeeze the blood of Federal revenues from the turnip of a deliberately stunted economy. The last period in which we averaged a balanced or surplus budget, 1947–53, was when we came close to full production and reduced unemployment to 2.9 percent. The chronic and stupendous rise in the Federal deficit since has been entirely the result of a real economic growth rate averaging only 3.3 percent—or about 28 percent higher—than the Budget Committee accepts as the average for 1979 and 1980. Budgets are not balanced by pious declarations contrary to the facts of our economic life, and the policies now in the making will yield annual Federal deficits of scores of billions of dollars for as far ahead as we can see. Using the budget to help restore full production and full employment would balance the budget by calendar 1983 at the latest.

We are now in the grips of a Federal Reserve Board monetary policy which, getting worse since 1953, has powerfully helped to bring on five economic stagnations and recessions, doubled the rate of unemployment, and transferred more than $1.5 trillion of national income in wrong and regressive directions. The heralded battle between the Fed and the administration as to whether interest rates should remain intolerably high or be lifted even higher is a sham battle in no-man's land. The budget policies now under consideration are not responsive to the fact that more than $25 billion of the current Federal deficit is due to unconscionably rising interest rates. The Fed has now declared its intent to pursue monetary policies in support of the administration's program to stunt or destroy economic growth and increase unemployment: It has not promised, in accord with the Humphrey-Hawkins Act, to support policies for full production and full employment. And, besides, terribly high interest rates are inflationary per se.

Mr. Chairman, my objection to what is now in process transcend the specific elements which I have been discussing. What is now in process is defeatist in the extreme. Call it fiscal restraint if you will—fiscal discipline—it sells America short. It moves toward scarcities rather than abundance; toward deterioration rather than improvement in our total economic performance; toward saddling the main evils of inflation upon the unfortunates in our society, while allowing inflation to fatten the profits of some of the richest and most powerful; toward redistributing income upward by Government actions; toward increases in the yawning gaps of our neglect of the great national priorities; toward further weakening of our relative position in the world economy; and toward making it harder rather than easier to bear the necessarily high costs of national defense, whatever disagreements there are as to the size of the defense budget.

I cannot accept the assertion that all of this is made necessary for "political" reasons, because of the attitudes of the American people. The American people, by every poll that has been taken, do not want basic services impaired; they want them increased. The American people do not want economic stagnation and recessions, low growth and high and rising unemployment, inflation at 7 to 13 percent, unbalanced budgets for endless year after year. If the American people have been betrayed by the wrong economic and financial remedies, responsible leadership can set them straight and make a political asset of doing what the economy and the people really need. The time has come for Members of the Congress to perform in their representative capacities, and to stand up and be counted on the side of commonsense and right.

Indeed, portions of the Humphrey-Hawkins Act require that, through actions of the Joint Economic Committee, other committees, and the two Budget Committees, adaptations be made in the President's budget to bring it into line with the multiple objectives of that act. A supine acceptance of the President's program does not meet this requirement nor fulfill the great responsibilities of the Congress of the United States.

I appreciate that some Members of the House feel as I do, but have nonetheless supported this budget for so-called "political" reasons. I trust that they and others will reconsider this position, for reasons I have stated. I hope they will also consider the political reactions of the American people if the budget in its current form is approved and brings down upon us all of its inexorable consequences.

Mr. Chairman, I want to thank those who have decided that, in accordance with the Humphrey-Hawkins Act, these proceedings include ample time for discussion and debate as to whether the budget now under consideration is in compliance with the requirements of the Humphrey-Hawkins Act. I submit that this budget is not, and that we should now take action to correct it in general and in detail. We should reserve in our minds the opportunity to vote against this budget resolution if these corrective efforts do not yield enough to justify an affirmative vote. There will be a budget in any event, and such action can help to bring about a budget more responsive to the capabilities and needs of this great Nation of more than 225 million well-endowed people, a budget which observes rather than ignores the Full Employment and Balanced Growth Act of 1978, to which both branches of the Congress so recently pledged themselves by overwhelming votes.

□ 1415

Mr. GIAIMO. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I had the honor and the privilege of serving on the Committee on the Budget for 4 years. During that time I learned to respect the work of the members of the Committee on the Budget. Even those whose positions were diametrically opposed to mine commanded my respect because people worked very hard to arrive at a sensible budget. I recall the last statement that I made when I served on the Committee on the Budget. I simply said that in the 4 years that I served on that committee, though admirable work had been done, we had never really approached the mandate given to the Committee on the Budget—and that was to prioritize, in terms of needs in this Nation.

Some members of the Committee on the Budget challenged me on that statement, but I stand on it today. I do not think, despite your hard work and your dedication, you have really established any priorities.

I wanted to speak earlier on the entire budget process, and certainly I will have the opportunity to do that now. I will be joining with the gentleman from Ohio (Mr. LATTA) in an attempt to vote down this budget resolution—for different reasons. But it is obvious to me that, as this budget is presently constructed, I will have no choice, no choice whatsoever, except to cast a vote against it, and I hope some of my colleagues will join me in that.

However, the issue before us is the Hawkins-Humphrey legislation. Again I regret that one of my colleagues is not here, and that is the gentleman from Maryland (Mr. BAUMAN), because he was dead right, he was right on target, when he questioned why there was no specificity in this budget with regard to the implementation of the Hawkins-Humphrey full employment bill.

The chairman responded by saying that the budget deals with the whole economic process, it talks in terms of where we will be with reference to such things as inflation and unemployment. That is very good, but it does not deal with specifics with regard to setting some goals for the Hawkins-Humphrey bill. I cannot condemn the Committee on the Budget for this failure, because indeed the President of the United States committed the same failure. We have yet to see anything coming from the Office of the President which will specify how they are going to reach the goals of the full employment bill. I think there is a reason for this neglect both in the White House and in this Congress. I think in order to spell out the reason for the neglect you have to look at the unemployment picture going back for a long period of time.

I am particularly concerned about the black unemployment rate. Mr. Chairman, since the end of World War II, 38 years ago, the rate of black unemployment has always been twice as high, at least twice as high, as the rate of white unemployment. This concerns me. There are those who would argue that the rate is always twice as high because somehow or another blacks have less skills, somehow or another we are less educated, somehow or another we are less motivated. But that is an entirely specious argument. When we needed the black workers during World War II in the defense industry, we took the unskilled and the unlettered and the uneducated and the unmotivated and, overnight, we transformed them into productive workers in the defense industry. Why then and not now? The answer is very simple. There is no commitment at any level of the Federal Government. There is no commitment to end black unemployment. There is no commitment to even achieve the goals of the Hawkins-Humphrey bill.

I would suggest that we do a lot of reading. I try to read everything I possibly can. I suggest we have a national interest in reading.

□ 1420

I read "The Prince" by Machiavelli and I have read Karl Marx. Somewhere in Karl Marx's writing, he says that in order for capitalism to survive, it has got to have a reserve of unemployed people. The more I look at the pattern for blacks since the end of World War II in terms of our unemployment, and the more I look at the policies being promulgated by the President and this Congress, which will increase the rate of black unemployment, the more I am inclined to believe that Marx was right, that you have got to have a reserve of unemployment for the capitalistic system to survive. I hope I can be proved wrong. I hope Marx can be proved wrong, but the policy now being demonstrated seems to justify the point that Marx made.

During World War II maximum employment, unskilled, unlearned, uneducated people, we got them to work. Why not now? The answer is very simple. The answer is so very simple. The answer is that white male adults now have an unemployment rate of 3.4. percent below the goal. That is below the goal of the Hawkins-Humphrey bill. In other words, white male adults are at full employment.

The mood of this country and the mood of this Congress is such that it will say, "Look, they have made it. Now let us forget about unemployment insofar as it affects blacks."

The argument will be raised that we ought to end all of these Government efforts to reduce unemployment because the private sector can do it better, and the further argument will be advanced that, in the last few years, the private sector has increased the number of jobs in this country, by what, some 2, 3, 4, 5 million? It has done that. But that increase in the private sector did not at all materially affect the rate of unemployment for blacks. You know why and I know why.

The answer is, ladies and gentlemen, that we cannot rely on the private sector, because racism stands at the hiring gate in the private sector. It, racism, can find 10,000 reasons why a black should not be employed, but can always come up with one good reason why we can employ a white person. That despite title VII. That is behind all of the attacks on affirmative action. The answer is very simple. We are not getting jobs in the private sector because racism sits there at the hiring gate.

That may not be the policy of Sears. It may not be the policy of General Motors. It may not be the policy, but somewhere down the line the person who makes that decision says, "If you are black, then we are going to find reasons not to hire you."

Let me just comment on some other statements that were made.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I am happy to yield briefly to the gentlewoman from Maryland.

Mrs. HOLT. I want to ask the gentleman one question. He said during World War II we had a very high rate of employment and that everybody was employed. Perhaps the gentleman is making a mistake in wanting to add money to the social programs in the budget and not to the defense budget. Today, when our President has made a commitment to a 3-percent increase in defense, maybe this is the place that we should be going to try to get everybody to work.

Mr. MITCHELL of Maryland. I would have anticipated that would be the approach the gentlelady would take. I will yield no further.

The point that I was trying to make was to fight against the silly, stupid, insipid argument that we do not hire people because they are not trained but that we did it in the defense industry.

Now, I do not want to increase the defense budget. It is already swollen beyond its own capacity. I am saying that we can use that same approach in terms of other aspects of the economic system.

The economic system that we know, and not only the economic system, but the political system, the educational system, all of these are man made. They are not perfect. They are not something handed down from God or gods, the economic system is imperfect.

□ 1425

We have a system, a free enterprise system and a system of capitalism. The assumption is that that system will work well for all people. The reality is, it does not. The reality is that even when a portion of that system is working well, when a portion of the American people operating under that system are enjoying a boom, there are others who, through no fault of their own, remain in destitution and poverty because of the disfunctioning of the system itself.

I was saddened when I heard my colleague earlier this morning talk about people who are nonproductive and want to live off the backs of those who are productive. This saddened me because that is not true. Every man and woman and youth that I know who is unemployed does not want to live off of anyone's back—does not. The reason they are unemployed is that there is a disfunctioning in the system, and when that disfunctioning takes place it becomes a responsibility of this Government—of this Government—to provide for those people the jobs and the job training to make them productive citizens.

You know what they are doing? You are going to run a game on the American people again. We are going to say, "Look, join in with President Carter and cut out some jobs; join in with President Carter and outdo him and cut further below what he has done."

That is going to be the game we are going to take out to the American people, saying, "Look how great we are. Look what we have done."

But, when we do that, we must bring out the other part; for every 1 percent of unemployment there is a cost, and that cost ranges from $17 to $19 billion per year. When you go out talking about balancing the budget and how proud we are, or how proud we are of having made these cuts, do not fail to tell your constituents that by so doing you are going to make them pay between $17 billion and $19 billion per year for every 1 percent of unemployment. Say to them, "We are going to make you pay for lack of production in this system."

Let us see what else we are doing. If this is the moment for truth, let us have truth. Blacks and other minorities are disproportionately unemployed, and I am not just talking about youths. Everybody wants to center in on youth unemployment, but we have got to remember that there are adults who are unemployed. The overall rate, as the Members know, for black male adult unemployment is still around 10 percent. That is not youth, but it is somehow or other easier to deal with youths.

What we are doing is saying, "OK, blacks, Hispanics, other minorities, you are disproportionately unemployed, and what we are going to do in our wisdom and sagacity in this Budget Committee and this Congress—House and Senate—is to embark on a policy that will increase the rate of unemployment."

We are talking about 6 percent, 6½ percent rate of unemployment and the Congressional Budget Office and others say it may be 7 percent. The Members know where that is going to fall. It is going to fall disproportionately on the backs of those who are already employed—blacks, Hispanics, and other impoverished people. That is the truth you ought to take on, that we are being used as whipping boys for the summa bonum, the greater good of the entire Nation. Humphrey-Hawkins suggested that we reduce unemployment.

Mr. REGULA. Mr. Chairman, will the gentleman yield just for 1 minute?

Mr. MITCHELL of Maryland. Yes.

Mr. REGULA. The gentleman has not addressed the issue of growth in the economy, productivity or capital formation. Does the gentleman think there is any merit to the position of leaving capital in the private sector to generate permanent jobs for the people that the gentleman is speaking about here?

□ 1430

We know it is a trade-off, one way or the other. If we take the money out of the private sector to create public jobs, it is not there to create permanent private jobs. What is the gentleman's response on that?

Mr. MITCHELL of Maryland. If that were true, I would say yes, but having served on the Committee on the Budget with the gentleman from Ohio, I know exactly what we did when we attempted to formulate the major parts of the budget. We called in the private sector every time we did it, and we said, "Here is what we are shooting for." "Will this crowd you out of the money market?" The reply came back, "No; we can live with this." So if we reach that kind of situation where overcrowding does take place, I would support it, but this has never happened. May I continue?

Mr. REGULA. If the gentleman would yield further, would the gentleman think there would be some merit in trying to formulate a technique for expanding the private sector jobs through stimulating growth of the economy generally and hope that this might alleviate unemployment by providing permanent jobs rather than by those programs that we have to wrestle with annually here?

Mr. MITCHELL of Maryland. I am willing. I have an open mind. I am willing to listen to all of the things that might help out, but I have to look at what is real. The economy was stimulated over the past few years in the private sector. We came out of a recession, and we created *x* number of millions of new jobs.

Mr. REGULA. That is right.

Mr. MITCHELL of Maryland. But somehow or other that did not decrease the rate of black unemployment. I am willing to look at the merit of what the gentleman is saying, but up to this point that has not been an efficacious approach in reducing black unemployment. I will not yield any further because I want to finish my statement.

There are a couple of other points I want to make. Under the Hawkins-Humphrey bill there are two major mandates. No. 1 is to reduce unemployment, and the other is to reduce inflation. I serve as chairman of the Subcommittee on Domestic Monetary Policy. The staff prepared for me 6 months ago a bill which would take care of one part of the Hawkins-Humphrey mandate. It is a bill that I want to introduce. It is a bill that would gradually reduce the money supply so that we can, indeed, decrease inflation. I will not introduce it as of this time. I will be damned if I will. I think it would be arrogant and cruel of me to introduce that bill while at the same time we are pursuing policies to shove up the unemployment rate. I will not let my subcommittee, nor my person be used as the cat's paw to go ahead and implement that part of Hawkins-Humphrey, while at the same time I stand and witness this Congress and the President pursuing policies to increase unemployment. I will be having some more to say on this. We have got a lot of time for debate, and I want to talk in the general debate on the budget process. I am not denigrating anyone, none of my friends on the committee. Some of those who care about human beings really tried, but the others asked the questions "Who is expendable?" "What group is expendable?" The decision was blacks, Hispanics, and minorities are expendable.

The gentleman from California (Mr. HAWKINS) said earlier that it was not just a fiscal exercise we went through in formulating this budget, and he was right. It was a political exercise, and here is the way the politics entered into it. No. 1, What are the issues before the Congress today, before the Nation? Inflation is one. No. 2, Who responds to these issues? In my district I get a larger volume of mail from this portion as opposed to the black or Hispanic portion. No. 3, in terms of my own election, who comes out to vote? If I have an affluent part and a nonaffluent part, a white part and a black part, the vote is larger in the white part than in the black part. Therefore, the black portion can be expendable. That is the politics of the budget act.

For those who have no blacks in their districts, it is not a problem, no problem whatsoever; but for those who do, it should be a problem. We are treating human beings as expendable items on the altar of economics in this country.

Mr. Chairman, we have got a problem. Inflation is not the No. 1 enemy; there are two. We have got unemployment and inflation. Those are the two enemies, and if we deal with the one and ignore the other, then be prepared somewhere down the line to keep on paying out $17 to $19 billion a year to keep people out of work.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Michigan.

□ 1435

Mr. PURSELL. Mr. Chairman, I am a little concerned about the comment of the gentleman to the effect that the Congress does not address itself to policies dealing with unemployment, particularly black unemployment. I think there are many of us who are concerned about that particular issue.

I can recall, Mr. Chairman, in the 95th Congress, the youth differential amendment on the minimum wage. Some of us supported that a great deal. Many blacks from Detroit and Michigan indicated they supported that particular issue because they could be working in particular small companies and in small jobs and having a chance for a job, learning a skill, even though it was not at the maximum minimum wage level.

It seems to me to be good economics if we have 100 people working at $2.50 than it is to have half of that amount working for the greater maximum that has been escalated under Federal law.

We had a major debate on the floor here. I represent 86,000 college students and we had some major debates on our campus. The young people, black and white, rich and poor, came to me and said, "Congressman, we want you to support the youth differential measure to help both black and white."

Mr. MITCHELL of Maryland. Mr. Chairman, does the gentleman ask whether I do or do not support the measure?

Mr. PURSELL. I suggest the Congress has addressed this issue in different respects toward helping black unemployment.

Mr. MITCHELL of Maryland. I think it is not a good way to address the issue. I do not know whether the gentleman from Michigan was here last year when the issue came up.

When I was under 16 I was working. I worked once in a department store as an elevator operator. The other elevator operator was much older than I. I found I was being paid less to do the same thing that he was doing. Is that fair? I worked in the shipping department of a large department store doing the same job being done by some who were older than I. I found I was being paid less for the same kind of work they were doing.

I know what the retort of the gentleman would be, and that is why I will not yield. The gentleman will argue that he wishes to refer to other kinds of jobs. I am talking about the principle.

I yield back the balance of my time.

Mr. ROUSSELOT. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. PURSELL) so that he may respond to my colleague, the gentleman from Maryland, before he leaves the floor.

Mr. PURSELL. Mr. Chairman, I just wanted to indicate that I also recall doing some reading. I have read very diligently on this issue because I think it is one of the most pressing problems in this country. I share with the gentleman from Maryland a need for having a specific solution to this problem. However, I can recall some black economists were also supporting the youth differential amendment. I would like to suggest that in spite of minimum wage in terms of equity that in order to decrease that problem and have more blacks on the job, particularly in the big urban centers that I represent, that this Congress has addressed itself to that issue and we should do more as he suggests in terms of helping black unemployment in this country.

I thank the Chairman.

Mr. SIMON. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Chairman, little more than 6 months ago, the U.S. Congress passed and the President signed into law the Humphrey-Hawkins Full Employment and Balanced Growth Act. This, I thought, signaled the opportunity for a fundamental shift in economic policy decisionmaking.

To date, that promise has not been met. It has not been met because the administration has simply failed to fullfill the Full Employment Act's requirements. It has not been met to date because the Congress has failed adequately to oversee the act's implementation. And it has not been met to date because its opponents have confused the public as to the Full Employment Act's meaning.

The Humphrey-Hawkins Act requires simply that the Federal Government follow economic policies which minimize unemployment while reducing inflation. Opponents of its implementation would have us believe that this great Nation's economic system cannot meet these goals simultaneously, but that low unemployment and low inflation must necessarily be traded off against one another.

The American people must understand, and I believe that they are coming to understand, what this trade-off argument means. It is an argument that when unemployment is low, employers will bid up the price of labor in an effort to find employees, and that this will have an inflationary impact on the economy as a whole.

In the first place, I do not believe that our economy requires large numbers of unemployed persons to restrain inflation; inflation is not caused primarily by wage rates. Wage earners pay taxes and buy goods which improve the health of the economy as a whole. Inflation is caused primarily by administered prices, by price increases, by increased profits.

Moreover, the tragically high unemployment rate is among the so-called "structurally unemployed"—those who do not have skills, training, or experience for most jobs. Their labor is not sought after, and their employment near minimum wage levels does not bid up wage rates at all.

The realization of economic equality is one of my basic goals. Some of you probably saw the March 6 Wall Street Journal article which documented the fact that the median income of black families is only 51.1 percent of that of while families. The really sad thing about this statistic is that this figure has been following a downward trend and is now at its lowest point in 12 years.

One reason for the wide disparity is surely the persistent unemployment of black America. Time and again in recent months the Government has issued figures showing that the number of blacks who remain outside the work force has risen from 20 percent in the 1960's to 30 percent today. Appalling.

With this information in mind, you can understand my deep concern over the proposed cuts in such crucial social programs as jobs and over the so-called "economic trade-off" theory. This is particularly alarming—especially so, when during the 1976 convention the administration embraced the Humphrey-Hawkins bill which seeks to place a floor of 3 percent unemployment for adults and 4 percent for those youngsters 16 or over.

This landmark legislation recognized that high productivity through a policy of full employment is the real key to economic health. It explicitly rejects the "trade-off" theory which mistakenly holds that inflation can be reduced only through increases in unemployment. You do not have to be an economist to see through that. Right now we have nearly record high levels of both unemployment and inflation, just as during the early 1960's we had relatively low levels of both. Moreover, the so-called anti-inflation program is reflected in this budget resolution is likely to drive us into a depression—where the bottom literally falls out of the economy. If this is the price we have to pay to get inflation under control, then the remedy is worse than the disease.

To these criticisms some argue for the virtues of private sector initiatives and relegate public service jobs to a means of last resort. While this approach might make sense when the economy is booming, we cannot now afford to cut back on Government jobs at a time when a recession is constricting opportunities in the private sector.

Thus, when it comes to the "trade-off" theory, let me make my thoughts clear. I feel that the hopes of blacks have been traded off for what can only be described as a political ploy—the result of which is expected to be realized during the 1980 congressional campaign.

I also oppose the 1980 budget resolutions' cut in housing assistance for lower income people, a cut which will result in between 60,000 to 100,000 fewer housing units than were funded for fiscal year 1979 and resulting in the loss of an estimated 24,000 jobs. As if to add insult to injury, I discovered that the reduction in federally subsidized housing is, although taking place under a Democratic administration, more drastic than anything that occurred since the Nixon moratorium of 1974.

Moreover, this cutback which is intended to be deflationary on the economy as a whole, by reducing the Federal deficit, is actually inflationary from the perspective of a poor household, by virtue of the fact that poor people pay a greater proportion of their income for housing than do more affluent citizens.

A third area in which the budget resolution is totally unacceptable is in health manpower programs, including an elimination in grants to medical schools and nursing homes.

Some folk apparently believe that there is no shortage of health personnel in this country. While it is true that there is an overabundance of medical specialists vying for affluent clients, anyone who lives or works in a deteriorating urban neighborhood can attest to the desperate shortage of doctors and nurses in many underserved areas. Under these circumstances, what could possibly be the effect of these budget cuts other than to confirm the suspicions of a vast number of disadvantaged Americans that Congress is either ignorant of or insensitive to the most basic facts concerning their day-to-day lives?

Our present major structural unemployment program is called CETA. Unfortunately, this Congress seems intent on destroying, rather than improving, this one critical means we have of reducing unemployment and inflation simultaneously.

I believe that the President's decision to seek decontrol of crude oil prices has brought home to the American people the simple fact that inflation is caused by higher prices. Inflation is caused in large part by administered prices, and there is no clearer example than an oil company attempting to rationalize an 81-percent increase in profits.

The Humphrey-Hawkins Act has the potential for turning around this country's economic policy and moving us from Herbert Hoover economics to an economics of equity, fairness and one which does address critical priorities first, rather than last.

Mr. Chairman, I hope we will bear these facts in mind.

☐ 1440

Mr. SIMON. Mr. Chairman, I yield 8 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I would like to express my full support for the eloquent remarks made by the gentleman from California (Mr. HAWKINS).

As we all know, our distinguished colleague from California (Mr. HAWKINS) is the principal author, along with the late Senator Hubert Humphrey, of a landmark piece of legislation that commits our Nation to achieving full employment. As a member of the Employment Opportunities Subcommittee, I was privileged to work closely with him on this historic measure.

The Humphrey-Hawkins Full Employment and Balanced Growth Act directs the President to establish yearly numerical goals to "achieve as rapidly as possible the goals of full employment and production." If a job cannot be provided for every American who wants one, then an interim target is set by the legislation of 3 percent adult unemployment and 4 percent total unemployment by the year 1983.

The administration's budget request and the resolution as reported by the House Budget Committee are not consistent with the intent of this legislation.

Indeed, if the budget is adopted in its present form, the joblessness rate in our Nation will not be reduced. It will not even remain static. It will be increased.

In the name of fighting inflation, the administration and the Budget Committee are fashioning a spending plan and delineating priorities that will result in the loss of livelihood for hundreds of thousands of Americans. And—most ironically—these budget proposals will not even accomplish their ostensible aim of significantly lowering the cost of living.

The administration predicts that the unemployment rate will jump from its present and totally unacceptable level of 5.7 to 6.2 percent in 1979 and 1980. The Budget Committee concurs in this projection. I ask my colleagues to consider what these numbers really mean—500,000 people will lose their jobs during the next 12 months based on this assumption.

And even this prediction of a 6.2-percent unemployment rate is regarded by many economic forecasters as unrealistically optimistic. The Congressional Budget Office estimates that the total joblessness rate could reach as high as 7.2 percent by the end of this year. The long-range forecast of the Budget Office is equally bleak and alarming. It foresees a 6.5-percent joblessness level in 1983, the very year when the unemployment rate is supposed to be no higher than 4 percent according to the Humphrey-Hawkins legislation.

And what will be the impact of a higher unemployment rate on the soaring cost of living? Very little, according to the Congressional Budget Office. The spending cuts proposed by the President are expected to decrease the inflation rate by only two-tenths of 1 percent by 1981. This means, Mr. Chairman, that depriving up to 1 million people of productive work will reduce inflation from its current 13 percent annual level to about 12.8 percent.

I ask, "is it really worth it?" Is this the best way to proceed? How can a policy of this sort possibly benefit our Nation?

Clearly, the serious problem of inflation must not be addressed by attempting a trade-off involving a million more unemployed people. As I have pointed out on the floor of this House previously, inflation can be halted only through the enactment of standby controls on wages, prices and profits and by providing full employment. Swelling the ranks of the jobless has not worked before, and it will certainly not work now.

The proposed budget resolution defies the intent of the Full Employment and Balanced Growth Act. The budget we are constructing now will have implications over at least the next 5 years. If we proceed to undercut vital jobs programs and if we quietly accept a 6.5- or 7.5-percent unemployment rate, we will be mocking the aims of full employment legislation.

In addition, Mr. Chairman, we will be telling the hundreds of thousands of young people who cannot find jobs today that they, in effect, have no future. The budget resolution will not enable them to find jobs tomorrow. They will enter adulthood without employment experience, without any marketable skills, without any hope or stake in our economy.

I urge that this House construct a spending plan more cognizant of human needs than is encompassed in the proposed budget resolution.

□ 1445

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I would be pleased to yield to the distinguished chairman of the subcommittee.

Mr. HAWKINS. Mr. Chairman, knowing of the gentleman's interest in the youth, as a member of the Subcommittee on Employment Opportunities of the Committee on Education and Labor, may I ask for a comment from him concerning the obscured argument that somehow the problem of unemployment in America is going to be solved by a subminimum wage for youth, keeping in mind that there is a substitution factor, that is, that adults may be laid off in order to employ the youth, because of the low wage, and second, because many of these so-called youth are up to age 25 and have families of their own and dependents who depend upon this wage earner.

Keeping these things in mind and also considering the sheer number of black youth who are unemployed, which is certainly around the figure of some 1 million or so, with an unemployment figure then of more than 6 million in America, if every black youth were to be employed at a subminimum wage, in spite of all the objections to that, does the gentleman consider that this would make a substantial dent in the unemployment problem or constitute a sensible, rational approach to the unemployment problem?

□ 1450

Mr. WEISS. If I may, I would be pleased to respond to the gentleman's question. It seems to me that the proposed youth wage differential really begs the question.

In the first place, when you look at the cost of living today and if you assume $3 as the minimum wage and a 40-hour workweek, that totals $6,000 a year, before deductions such as taxes or social security or unemployment compensation. That is certainly not a great deal of money for any one individual to live on or, in many instances, to support a family.

In the second place, I think there is a very serious likelihood that if you permit young people to be hired for less than the minimum wage, older workers will be forced out of jobs. That is something we ought to be extremely concerned about. We have other programs in place now where, if jobs were available, employers could take advantage of tax credits to hire workers. But the jobs simply have not been there. I think what has to be done, of course, is for the Government to play a role in providing more jobs.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's yielding me the time, and I assume he will allow me to use some of the time after he asks his question.

Mr. ROUSSELOT. I would be delighted. I would like to ask the gentleman a question or two.

Mr. WEISS. Of course I yield to the gentleman.

Mr. ROUSSELOT. I assume the gentleman is going to support the budget resolution, is he not?

Mr. WEISS. I do not know. It depends on how it finally turns out.

Mr. ROUSSELOT. I see. The gentleman mentioned that if we spend more at the Federal level, we might possibly lessen this high level of youth unemployment. I think all of us would be very pleased if that actually occurred. The youth unemployment rate among all people, all young people between 16 and 19 years of age, is roughly 14 percent; among minority workers, it is about 34 percent.

Mr. WEISS. Or 37½ percent, depending on whom you read.

Mr. ROUSSELOT. Depending on who you believe, right. How many Federal dollars does the gentleman think we need to add to this budget to cut that unemployment rate back, and how can the gentleman assure us that that would occur?

Mr. WEISS. I think that there are any number of ways that the Government can play a role in doing that, including tax credits.

Mr. ROUSSELOT. Tax credits?

Mr. WEISS. Yes. The gentleman may be surprised. I think that tax credit incentives should be a part of a job creation program.

Mr. ROUSSELOT. Tax credits to whom?

Mr. WEISS. To employers.

Mr. ROUSSELOT. To employers.

Mr. WEISS. Employers who would be hiring the young people. It seems to me that if we were to invest $10 billion of the excessive funding that is in our defense budget now for job creation for young people, we would be going a long, long distance toward creating job training and job opportunities.

Mr. ROUSSELOT. So the gentleman is not necessarily suggesting an increase in the expenditure level of this budget resolution; the gentleman is suggesting that if we shifted expenditures from one or two budget functional categories to another we would greatly reduce youth unemployment. Under this budget resolution about $124 billion is set for defense outlays, so if we cut that back to, say, $114 billion and shifted that $10 billion to another functional category, the tax credit side, which would reduce revenues about $10 billion would that do it—or how would you do that?

Mr. WEISS. A combination of programs. The gentleman, I believe, is a very sophisticated, knowledgeable Member of this body.

Mr. ROUSSELOT. I appreciate that statement.

Mr. WEISS. And the gentleman knows that you have to try a variety of programs. I would agree with the gentleman that it is not necessary to add to the budget. It is possible to make a very searching review of defense authorizations and to develop a figure, of minimally $10 billion, and then transfer those funds to our domestic needs.

□ 1455

Mr. ROUSSELOT. I appreciate that comment. You are not recommending here in this discussion about the follow-through on the Humphrey-Hawkins provisions that it is necessary to increase the expenditure side of this budget. You are merely shifting it from defense. Which functional category would you put it in in order to reduce this youth unemployment? And more important how much do you think it would reduce unemployment in the youth category?

Mr. WEISS. I think it is function 500. It seems to me that it is not necessary to add to the budget. If the gentleman were, for example, to support my proposal and convince all of his Republican colleagues to support a transfer of funds from the defense part of the budget, I think we could then reorder our priorities. If that does not happen, rather than see hundreds of thousands of our young people across this country, black and white without jobs, I would then educate the alternative of adding to the budget. Such a spending increase would certainly be preferable to the social dislocation that is created by unemployment.

Mr. ROUSSELOT. Do you intend to offer such an amendment in the full committee? Further what would the specifics be of how you think either a tax credit or a combination of a tax credit with an increase expenditure function 500 and what will that change actually produce in results?

Would the gentleman be able to specify how he thinks those expenditures and/or tax credits would specifically pare down this youth unemployment to which the gentleman addresses himself and which I think is very important to talk about.

Mr. WEISS. I know of at least two amendments which will be offered, that I will be supporting, which are intended to reorder the priorities in this budget, to provide specifically for transferring funds from certain categories to other categories.

Mr. ROUSSELOT. And the end result will be on the basis of some kind of evidence that we have available that it will, in fact, reduce youth unemployment. You see I have been on the Budget Committee for some time—not for this session, but I have not seen those kind of results from the money we have already spent. Second, I serve also on the Joint Economic Committee, and all of the testimony we have received or the majority of it on this issue of unemployment, especially when talking about CETA programs, for instance, Mr. Schultze said that there is very little evidence that the large amounts of money that we have spent in some of these categories, such as CETA, has genuinely gotten to these young people and put them back to work. It has in some cases, but nowhere near the way some of the proponents thought it would. We had to reevaluate the programs. I do not think any of us would be displeased with the concept of putting youth back to work, if, in fact, that would be the end result.

Mr. WEISS. As my distinguished colleague from Maryland (Mr. MITCHELL) pointed out, I do not want to focus just on youth unemployment. There is both youth and adult unemployment.

Mr. ROUSSELOT. I think it is an important area. I agree.

Mr. WEISS. Just as an example, the amount of moneys that are allocated to New York City this year for summer youth employment will allow some 53,000 young people to be employed. We, in New York City, at the department of employment already have 100,000 applications which have been filed by young people who want to work during the summer.

Mr. ROUSSELOT. Those 53,000 all will be funded from the public sector?

Mr. WEISS. That is right. Those will be the summer youth program components of CETA.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

□ 1500

Mr. SIMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have heard my distinguished colleagues speak and I find myself agreeing and disagreeing with what they have to say: agreeing in the sense that we have not recognized the employment problem in this Nation as we some day, I hope soon, will. One of the things that Humphrey-Hawkins I believe ultimately is going to point us in the direction of doing is establishing a national policy that we are going to guarantee every American the right to a job—a very fundamental, simple thing. Once we ultimately reach that point, we are going to find to our surprise that we are a richer, finer, better Nation when we have done it.

Maybe the gentleman from California (Mr. HAWKINS) will not be here in the House when it happens; maybe PAUL SIMON may not be here when it happens, but the day is going to come, and the gentleman from California will help to point the way when we get there.

I have talked about this before to my colleagues in the House, and they are going to have to listen to me talk about this again and again until we reach that point of full employment. We are still laboring under the notion that somewhere just around the corner, if we stimulate the private sector enough, there are going to be enough jobs for everyone. I believe the economic reality is, that is not the case. Now, to the extent that we can stimulate the private sector to provide those jobs, I am all for it, but we can produce more refrigerators, more soybeans, more everything today with fewer and fewer people, and we have more and more women entering the labor force.

I admire my colleague from Maryland—and I can add here that his former colleagues on the Budget Committee miss his presence on that Budget Committee. But one of the points that he made at one point when we were discussing this whole question of expenditures is that part of this whole employment picture that we have yet to face up to is this: If we want to cut back on costs of unemployment compensation and welfare and other costs that are related to unemployment, we have to recognize this fundamental thing, that we are not going to let people starve to death, and we shall either pay people for being productive or pay people for being nonproductive. It makes infinitely more sense to pay people for being productive.

One of the things that concerns me—and I know two Members on the floor right now are members of the Joint Economic Committee—is that I see a lot of expectation on the numbers of people who can be employed and should be employed. It seems to me that we are seeing a rising figure of what is in fact full employment in this Nation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield at that point?

Mr. SIMON. I will be pleased to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding to me.

The statements the gentleman is now making about higher expectations is true. The people who are pushing that expectation up relating to the issue of full employment, are in this administration. Many of the new projections relating to full employment say that an unemployment figure of 4 percent is a realistic full employment figure. The basis of that argument is that there are too many people in that unemployment number that voluntarily do not wish to go back to work.

So, I do not think that it is the people on the Joint Economic Committee who want to change it. It is just a more realistic appraisal of what is in fact full employment.

Mr. SIMON. I am not blaming the Joint Economic Committee because I read that elsewhere. I am not sure I agree, however, with the gentleman from California when he said that it is a more realistic appraisal.

Mr. ROUSSELOT. That is what many authorities and experts are saying.

Mr. SIMON. I am sure the gentleman from California differs with them on that. Let me get to the final point on this discussion, and that is that assuming that you stand where I stand, where you would have voted—had my colleague from Maryland been on the committee I am sure that our votes would have been virtually identical—you come down to the bottom line. That is, do we promote the cause of full employment by rejecting the House Budget Committee recommendation?

□ 1505

I reach a different conclusion from that of my colleague, the gentleman from

Maryland, and I reach it because I think we have to live in the world of reality about what it is possible to achieve, given the mood of this Congress and this country right now. I do not happen to like that mood. But as I look at what we were able to achieve in the House Committee on the Budget and as I look at what our colleagues across the building over in the Senate have achieved, I think the House Committee on the Budget Resolution comes infinitely closer to the goals that my colleague, the gentleman from Maryland, and the others who have spoken wish to achieve. So I would urge those who share the concern of all of us who have spoken about the employment picture to seriously consider whether we advance this cause by rejecting the House budget resolution.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

While I am on my feet, I want to apologize to a Member over there to whom I did not yield. I was caught up at the moment, and I will find out who he is.

What the gentleman says sounds reasonable. It sounds fair. But I have got to lay that alongside 35 to 38 years of black unemployment in this country being twice as high as white. When we take this posture of saying, This is the best we can do under the circumstance, all we are doing is repeating what has been said for 35 to 38 years.

I have come to the conclusion—and it is just mine, and maybe some of the members of the caucus and this House will disagree with me—that it is time for me to stop lying or telling half-truths to the people who are in need. I have come to the conclusion that we cannot just say, OK, this is the best we can do. You have to suffer for another year.

Particularly is that galling to me when that is what has been done straight down the line. Therefore, I have reached the point where I say maybe if we stop the process, maybe if we just come out honestly and say, Look, we are just going to throw you some scraps; we are not really going to end unemployment—maybe if we stop that, maybe some factors will be put into motion to address the problem of unemployment. That is the reason I went to work to get to my position. I thank the gentleman for yielding.

Mr. SIMON. I understand completely the position of the gentleman from Maryland. My fear is that if the House this week rejects this first budget resolution, the modified figures that will come before the House then will be moving away from the position that the gentleman and I hold on some of these things rather than toward that position. How far I had any confidence or much hope that the opposite would take place, I do not think that it will.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am pleased to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

The gentleman mentioned that he and our good colleague, the gentleman from Maryland (Mr. MITCHELL) did have a general feeling that, I guess, the expenditure side of this resolution should be higher and that somehow adjusted upward the country thus would do a better job of addressing the issue of unemployment.

Mr. SIMON. Let me correct the gentleman from California.

Mr. ROUSSELOT. Yes.

Mr. SIMON. I would rather associate myself with the remarks of my colleague from New York who simply suggested a modification of priorities.

Mr. ROUSSELOT. Rather than increasing the expenditures of the Federal Government you would rearrange the $532 billion of spending?

Mr. SIMON. Rather than increasing the amount. I think the gentlewoman from New Jersey (Mrs. FENWICK) was correct earlier today when she pointed out this horrendous growth in interest. It is going to be $57 billion in fiscal year 1980.

□ 1510

Mr. ROUSSELOT. Yes; I am aware of what that is going to be.

Mr. SIMON. I think there are other areas where we could reasonably make some reductions and increase expenditures in the area.

Mr. ROUSSELOT. So the gentleman would merely do as the gentleman from New York has suggested, transfer expenditures from various functional categories to other categories?

Mr. SIMON. Yes. Let me add, if in theory I could just sit down and write the budget. But as the gentleman knows, serving on the committee, it is a process of compromise where there is given and take. It does not work out that one individual can sit down and write it precisely like he or she would like.

Mr. Chairman, I think to reject the resolution will not move us in the direction of being more sensitive to the problems of those who are the unemployed in our society.

Mr. ROUSSELOT. As the gentleman knows, I reject it because I think it does shift too much of the burden to the people who have to pay for it, the taxpayers. I suppose that is insensitive to be concerned about them, because they pay this bill, 95 million working people in this country, to whom we shift much of this funding.

Mr. Chairman, I just wondered if there was a figure among those who think it should be more. How much more would be enough?

Mr. SIMON. I do not have a specific figure. I think I am as sensitive to those taxpayers as is the gentleman. Let us see that those taxpayers pay for getting people doing productive things other than nonproductive things.

Mr. ROUSSELOT. Mr. Chairman, if I were convinced adding more to CETA would put more people to productive work and that they would not be counting dogs and cats in Ventura County, I would probably agree with you. We found $348,000 went to count dogs and cats in Ventura County and I do not think that contributed to the welfare of the Nation as I see it and understand it. That was under the CETA program.

Mr. SIMON. I am sure you can find a great many abuses, just as you could find abuses under the old WPA programs and a lot of others, but those WPA people and CETA people and a lot of others are doing a lot of things to enrich our society and I think we should note that also.

Mr. ROUSSELOT. Mr. Chairman, of course we are not talking about the era of the WPA right at this second. The unemployment level is not quite that high although it is bad, but not as bad.

Mr. SIMON. The lesson from that WPA period is a lesson we should learn today and that is that they took a liability of unemployment and converted it into a national asset by putting people to work constructing buildings, making playgrounds, producing plays.

Mr. ROUSSELOT. Also Hoover Dam.

Mr. SIMON. A great many things, Mr. Chairman.

Mr. ROUSSELOT. Mr. Chairman, our President would like to stop many of those projects.

Mr. Chairman, I think the gentleman makes an excellent point. How much money does the gentleman think we need to shift from some of these spending areas to other spending areas that will alleviate this problem to which the gentleman now addresses himself? Does the gentleman have some specific amendments?

Mr. SIMON. If the gentleman from California will assure me he is willing to cosponsor such an amendment, I would be pleased to come up with a figure for him.

Mr. ROUSSELOT. I would just like to know what it is. I would like to know if it would produce results. That is what our taxpayers are asking.

Mr. SIMON. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I was somewhat disappointed perhaps, Mr. Chairman. If all of us in this House believed that just spending money as we have done in the past would do what we know what must be done, which is to give many of our young people who are, as I say, coming up to a 40-percent unemployment rate, some hope, that there is a place for them in this country, we would be prepared to do so.

Mr. Chairman, I think what we must admit we have learned is that we have not yet found a system, and that simply enormous sums of money are not going to do it.

We have got to change the ways in which we spend this money and how we administer it.

Mr. Chairman, I can point to two fine CETA programs in my own county of Somerset, N.J. I have written to our colleague, the Congressman from California, about these two. One was worked out with the labor unions and with cooperating companies, whereby the graduates will receive, if they satisfactorily complete the training program, bureau of apprentice cards. They are in the mainstream. They will be.

Mr. Chairman, the second is worked out with companies in the district who have devised a special curriculum with our county college and when they graduate and pass those examinations satisfactorily they will receive jobs starting at $10,000 a year.

□ 1515

This is good and this should be emphasized; but on every side we hear the abuses of these programs and what seems to work does not seem to get copied and too much of it goes into what we know, hiring back people who are already trained and that the cities have laid off because they have not enough money to keep them on.

We have seen abuses and we have not yet been able in this House to correct them. We could devise programs for these young people and we should. We are beginning to know now how to do it; but the way we have done it in the past does not work. Millions of them are not employed. Are we going to continue just to pour money down the drain?

I would not mind that as much if we had the money, but first, we have not got the money and second, the young people are not benefiting. That is what is wrong.

We are neither being prudent with other people's money, nor are we giving these young people hope for whom now for so many there is no hope. That is what I think we have to begin in this House to be concerned about. Just throwing money at the problem, as we know, does not work. We have tried it with housing. We have in my own State done to the poor with Federal housing is outrageous—outrageous things. The only good part of Newark is where there is not a dime of Federal money, the east border ironbound section. People can live there because the houses are human sized and they do not fear one another, as they do in these monster high-rises we have built with Federal money.

Mr. Chairman, I thank my colleague for yielding.

Mr. SIMON. Mr. Chairman, I thank the gentlewoman from New Jersey.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to my colleague, the gentleman from California.

Mr. HAWKINS. Mr. Chairman, the impression is being given that those of us who support full employment somehow advocate waste and spending. Without any support of those statements, the impression, I think, may be given that some of us are trying to defend waste in Government or advocating large expenditures as a means of solving this problem.

Would the gentleman agree that there is nothing in the act which calls for this, that the methods which are to be used are left up to the Congress and that in many instances those methods would involve monetary and fiscal policies that have nothing at all to do with spending; for example, monetary policies might be involved in which there would be no spending whatsoever involved in them. In a tax bill, a tax bill might be considered which might be a progressive tax bill, as the income tax was first conceived of, that would merely shift the burden on to those who are most able to pay and away from those who now bear a disproportionate share of the load; but this type of spending, giving to some individuals who do not need the money, this type of expenditure does not seem to be included in those expenditures referred to by those who are advocating somehow we cannot throw money at people, and yet that is exactly what we are doing in the tax bill.

Again, no one has suggested that to keep paying people on welfare to do nothing, to produce no goods and services, is certainly opposed to the concept of full employment and that we propose to give them constructive jobs and to pay them for doing something, rather than do nothing; nor has anyone indicated that the income transfer of payments that are ballooning and have ballooned under the policies that we have followed since 1969, this has been due to these shortsighted policies. We did not have full employment and what did we get? We got an increase in the transfer of payments, more welfare, more crime, more social problems. We have had inflation and we have had high unemployment under existing policies which the full employment act attempted to change. Yet none of this has seemed to somehow have been received by those who continue to oppose the full employment act on the basis that somehow it advocates spending billions of dollars which they support spending without the act itself.

□ 1520

Mr. Chairman, would the gentleman agree with that as a supporter of the Full Employment Act? Certainly we would agree with him that to ferret out waste wherever it exists would not just show favoritism, and that we would also support the wise expenditure of money on programs that are successful rather than throwing it away, as we now do, on advocating welfare and unemployment compensation where people do not produce anything or provide any vital necessities or goods and services for the American people.

Mr. SIMON. Mr. Chairman, I could not agree with my colleague more. If I could just use one illustration, in the last session of Congress we changed the capital gains tax law, and among others who get benefits from the capital gains tax law are those who invest in real estate for speculative purposes. They add not one iota to the productive capacity of this Nation, and I do not hear any great hue and cry from the other side of the aisle that that ought to be modified.

The gentleman is absolutely correct. The gentleman from California (Mr. Hawkins) and the rest of us who advocate moving toward a more full employment policy are in fact asking for a prudent, wise expenditure of the public funds.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Illinois (Mr. Simon) has consumed 21 minutes.

The Chair now recognizes the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Chairman, we have no further requests on this side in connection with the debate on economic goals and policies.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, we yield back the balance of our time on this side. I must say that I am somewhat disappointed that the committee did not take advantage of all the time.

Mr. SIMON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Illinois (Mr. Simon) yields back the balance of his time.

The gentleman from Illinois (Mr. Simon) now has the regular time under the budget resolution, and the same applies to the gentleman from California (Mr. Rousselot).

The Chair now recognizes the gentleman from Illinois (Mr. Simon).

Mr. SIMON. Mr. Chairman, I yield 11 minutes to the gentleman from Ohio (Mr. Stokes), a member of the committee.

Mr. STOKES. Mr. Chairman, at this time, prior to making my remarks, I would like to take the opportunity to commend the distinguished chairman of the Committee on the Budget, the committee on which I serve, the gentleman from Connecticut (Mr. Giaimo), for what I believe has been an outstanding job of presiding over this committee. The gentleman has already done so in a very fair and judicious manner, and he has always afforded every member of our committee every opportunity to be heard on all the issues taken by this committee. For that I want to specifically commend him to my colleagues in the House.

Mr. Chairman, while I did vote to report out of committee the first concurrent budget resolution, I have agonized over whether I could vote for the resolution on final passage. My rationale for voting this resolution out of committee was in no way based on approval of the committee's actions; rather, I hope that through the process of offering amendments we would have the opportunity to make the resolution reflective of the kinds of priorities a democratically controlled Congress should have. I am distressed and disheartened that the budget resolution does not embody the priorities of the Democratic Party as I understand them. As the first concurrent resolution now stands, I cannot vote for it on final passage. The judgment as to whether I will alter this position depends on the course of action taken on this resolution on the floor.

What I find particularly difficult to fathom about this Congress is that we seem to have lost sight of the bottom line. The current politically expedient bottom line is simple: Outlays should equal revenues and any deficit should be attributable to acts of God or extreme economic circumstances. But the hurried pursuit of a balanced budget, especially one with the current budget priorities, entails heavy economic and social costs. The real bottom line is not the size of the deficit in any 1 year. The bottom line of the economy is a measure of our status and progress as a nation: How fast our economy grows, how stable our prices are, how much of our labor force is contributing meaningfully to gross output, and how much we contribute to world peace.

I am truly disturbed by the mood of Congress and the administration, especially the willingness to let millions of disadvantaged Americans—the blind, the elderly, the handicapped, the black, the Chicanos—drift in the morass of economic uncertainty. In his State of the Union message, President Carter spoke of a "new foundation," I don't quite know how he meant that, because his budget proposals, and those of the House and Senate, will do more to tear away at the foundation of this country, and the principles of the Democratic Party than it will to establish a new foundation. This budget resolution tells me that we are willing to break the sacred covenant between the Government and the American people. If this resolution passes, we will be saying to them, "you are all Americans. You must obey our laws, uphold the Constitution, and serve your country if you are ever called upon. But this year, we don't care if many of you go without jobs, money or food. Our priority will be to give your tax dollars to our defense contractors and our NATO allies in western Europe."

Mr. Chairman, I do not believe that Americans are any less compassionate than they once were. We are faced with the dual problem of high inflation and unfair taxation, and we do need relief. However, a mythology has been fabricated by certain segments in society—which some voters have accepted—which blames the poor, minorities, and Government programs and regulations for rising prices and high taxes. The mythology provides for a "quick-fix"—cut out Government waste and balance the budget. This mythology must be refuted; the American people must understand that there is no quick-fix to the problem of inflation.

This myth that elimination of the Federal deficit will kill inflation is not supported by the facts. Federal deficits are not the only source of inflation; the price of imported oil, weather, low growth in domestic productivity and imported inflation are also significant factors. If we were to try to balance the budget in fiscal year 1980, it is likely that we would get just the opposite of what was intended: We could enter a severe economic downturn which would jeopardize the opportunity to produce a balanced budget in subsequent fiscal years. The staff of the House Committee on the Budget has done an analysis of a balanced budget in fiscal year 1980 through outlay reductions. In order to balance the budget by reducing outlays with a $24.9 billion deficit, the total reduction must be in the range of $38 billion to compensate for dwindling revenues and automatic spending for higher unemployment and other programs.

I can give you a cursory benefit/cost analysis based on the staff's economic research and assumptions. On the benefit side, we have a balanced budget, with total outlays of only $494 billion. The Consumer Price Index would rise one-tenth of 1 percent less from the fourth quarter of 1979 to the fourth quarter of 1980. On the cost-side, nominal gross national product would decrease by $55 to $60 billion, causing a certain severe recession; the unemployment rate would increase seven-tenths of 1 percent to eight-tenths of 1 percent by the fourth quarter of 1980, and there would be an unintended outlay reduction of $13 billion. Quite clearly, there are definite economic costs to a balanced budget in fiscal year 1980. On the other hand, an independent analysis indicates that if the entire amount needed to maintain current human services were included in this budget, the inflationary impact would be something approximating three-tenths of 1 percent. This three-tenths or 1 percent is an economic and social cost, but the benefit of human services to the people of this country far outweighs that small cost.

Mr. Chairman, there are many programs which must receive additional outlays in 1980 if I am to support this resolution, however, I will only mention a few of the programs which deserve special attention by this committee. First, the food stamp cap must remain lifted to reflect higher food costs and a possible larger number of program participants due to expected higher unemployment. The present ceiling on appropriations for the program was based on price forecasts done in 1977. These forecasts have been overtaken by events and they are no longer valid—by the end of fiscal year 1980, food prices are projected to be 16 percent higher than the projections made in 1977 indicated they would be. The rolls have increased substantially in the first couple of months of this year; however, participation may diminish when the provisions of the 1977 Food Stamp Act are fully implemented.

Second, the impact aid "B" program should be maintained, and at the bare minimum be adjusted for inflation. This resolution suggests that 1980 outlays be cut by more than 40 percent from 1979 levels. If adopted this would impose an additional financial hardship on already hard-hit local school districts. The land that the Government owns does not generate taxes, either in the form of property tax or business tax. Thus, Federal property imposes a tax penalty on local residents, who must make up for this lost revenue while still financing local education expenditures. This problem is further amplified in low-income communities, where the tax base is small and educational services are inadequate to begin with. The impact aid B program has the potential of benefiting 2,000 public school districts and about 10 million students.

Third, jobs programs especially CETA, summer youth employment and targeted fiscal assistance, should at least be maintained at current program levels; preferably there should be sufficient flexibility to provide countercyclical assistance for those areas that will be hardest hit when unemployment rises again later this year. The story will be the same: While total unemployment will be in the 6.2- to 6.5-percent range, the unemployment rate for black adults will be more than twice that rate. The rate for black teenage unemployment will be in the 40- to 50-percent range; in my district it may well exceed 50 percent.

If these kinds of programs are not altered by this committee, I will be hard put to support this resolution.

I have a responsibility to my constituents, to develop legislation that looks to their interests. I have to go back to my district with pride, knowing that the bills that I have voted for will help them. I am not proud of this first budget resolution. I simply cannot, in good conscience, vote in favor of this resolution as it now stands.

□ 1530

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, as a member of the House Budget Committee, I am greatly disappointed by the approach of the committee to this proposed fiscal year 1980 budget resolution on several counts.

This $532.7 billion budget resolution would increase Federal spending over 1979 in every area of the budget, and would further increase spending for social welfare programs substantially over current levels, as has been the case almost every year since 1958.

The committee's proposed spending increases would be financed by higher taxes, which would be taken from the people as the result of inflation.

I oppose this continued "spend and tax" philosophy. Our obligation now is to reverse that trend and make some needed cuts in the nondefense areas of the Federal budget that is before us.

Mr. Chairman, I would like to include in the RECORD at this point a series of tables to document the budget trends that I have cited.

The first table is included in my own views in the Budget Committee report accompanying this proposed fiscal year 1980 budget resolution. It documents spending outlays for every function of the budget since 1969. The table shows that total Federal spending in inflated dollars has increased 167.3 percent just since 1969, and that the average Federal deficit every year has been $28,000,000,000.

The table also documents the proposed further spending increase for fiscal year 1980 over fiscal year 1979 of $39.3 billion—another 8-percent increase in 1 year over the current estimated 1979 level.

BUDGET OUTLAYS BY FUNCTION: 1969-80

[In millions of dollars]

Function	1969	1970	1971	1972	1973	1974	1975	1976	Transition quarter	1977	1978	1979 (est.)	Percent change 1979–1969	Fiscal year 1980 recommendation	Percent 1980–1979
National defense	79,417	78,553	75,808	76,550	74,541	77,781	85,552	89,430	22,307	97,501	105,186	114,503	+44.2	123,975	+8.3
International affairs	4,573	4,297	4,097	4,693	4,066	5,681	6,922	5,552	2,193	4,813	5,922	7,312	+59.9	8,223	+12.5
General science, space, and technology	5,014	4,507	4,180	4,173	4,030	3,977	3,989	4,370	1,161	4,677	4,742	5,226	+4.2	5,475	+4.8
Energy	1,000	990	1,031	1,270	1,179	837	2,170	3,127	794	4,172	5,861	8,630	+763.0	7,960	−7.8
Natural resources and environment	2,890	3,061	3,909	4,235	4,763	5,670	7,335	8,124	2,532	10,000	10,925	11,207	+287.8	11,820	+5.5
Agriculture	5,780	5,161	4,288	5,280	4,852	2,227	1,659	2,504	581	5,532	7,731	6,224	+7.7	5,350	−14.0
Commerce and housing credit	563	2,108	2,358	2,216	924	3,925	5,607	3,792	1,392	−44	3,325	2,968	+427.2	3,195	+7.6
Transportation	6,528	7,006	8,050	8,388	9,065	9,172	10,388	13,435	3,304	14,636	15,444	17,449	+167.3	18,184	+4.2
Community and regional development	1,511	2,360	2,833	3,388	4,537	4,080	3,689	4,709	1,340	6,286	11,000	9,063	+499.8	7,348	−18.9
Education, training, employment, and social services	7,540	8,625	9,839	12,519	12,735	12,344	15,870	18,737	5,162	20,985	26,463	30,656	+306.6	31,454	+2.6
Health	11,757	13,051	14,716	17,467	18,832	22,073	27,648	33,448	8,721	38,785	43,676	49,136	+317.9	53,813	+9.5
Income security	37,285	43,073	55,426	63,913	72,965	84,437	108,610	127,412	32,797	137,915	146,212	158,867	+326.1	183,100	+15.3
Social security	(26,791)	(29,685)	(35,247)	(39,409)	(48,288)	(54,936)	(63,648)	(72,664)	(19,763)	(83,861)	(92,242)	(102,323)	(+281.9)	(118,223)	(+15.5)
Other income security	(10,494)	(13,388)	(20,178)	(24,504)	(24,675)	(29,498)	(44,959)	(54,748)	(13,034)	(54,054)	(53,970)	(56,544)	(+438.8)	(64,877)	(+14.7)
Veterans benefits and services	7,640	8,677	9,776	10,730	12,013	13,386	16,597	18,432	3,962	18,038	18,974	20,329	+166.1	20,549	+1.1
Administration of justice	761	952	1,299	1,650	2,131	2,462	2,942	3,320	859	3,600	3,802	4,351	+471.7	4,433	+1.9
General government	1,610	1,888	2,104	2,449	2,626	3,296	3,182	3,006	883	3,374	3,777	4,413	+174.1	4,331	−1.9
General purpose fiscal assistance	430	536	535	673	7,351	6,890	7,187	7,235	2,092	9,499	9,601	8,936	+1,978.1	6,489	−27.4
Interest	15,793	18,309	19,602	20,563	22,782	28,032	30,911	34,511	7,216	38,009	43,966	52,766	+234.1	56,000	+6.1
Allownaces														831	
Undistributed offsetting receipts	−5,545	−6,567	−8,427	−8,137	−12,318	−16,651	−14,075	−14,704	−2,567	−15,053	−15,772	−18,670	+236.7	−19,800	+6.1
Total budget outlays	184,548	196,588	211,425	232,021	247,074	269,620	326,185	366,439	94,729	402,725	450,836	493,368	+167.3	532,730	+8.0
Total deficit	[1]+3,000	−3,000	−23,000	−23,000	−15,000	−5,000	−45,000	−66,000		−45,000	−49,000	−37,000		−25,000	

[1] Surplus.

Source of data: Office of Management and Budget, "Federal Government Finances" (January 1979 Edition).

Mr. Chairman, the second table documents the composition of actual and estimated defense and nondefense outlays, including transfer payments to individuals under social welfare programs, in current and constant dollars from 1958 to 1982.

This table is taken from the U.S. budget in brief, fiscal year 1980, prepared by the Office of Management and Budget.

The table is important, in light of misleading and dangerous arguments that budget priorities require further cuts in defense spending so that increased spending can be allowed in other nondefense areas of the budget.

Th table clearly shows that Federal spending budgeted for defense has been declining in constant dollars for the past 20 years, while nondefense spending has been rising rapidly.

The current defense budget is $5 billion less in constant 1972 dollars than it was 20 years ago in 1958. On the other hand, nondefense spending has soared $148 billion higher since fiscal year 1958.

Defense spending is down $33 billion in constant dollars from fiscal year 1968, and down $8 billion from fiscal year 1972. Nondefense spending is up $87 billion in constant dollars from fiscal year 1968, and up $60 billion just since fiscal year 1972.

COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1958-82

In billions of dollars[1]]

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
			Nondefense						Nondefense			
	Total outlays	National defense	Total nondefense	Payments for individuals	Net interest	All other	Total outlays	National defense	Total nondefense	Payments for individuals	Net interest	All other
1958	82.6	43.7	38.9	19.4	5.6	13.8	141.9	74.0	67.9	28.0	16.2	23.7
1959	92.1	46.0	46.1	21.2	5.8	19.2	153.9	75.3	78.6	30.1	16.5	32.0
1960	92.2	45.2	47.1	22.9	6.9	17.2	150.8	73.8	77.0	32.1	16.3	28.6
1961	97.8	46.6	51.2	25.9	6.7	18.6	157.1	74.8	82.2	35.8	16.2	30.2
1962	106.8	49.0	57.8	27.1	6.9	23.8	168.7	77.2	91.5	37.1	16.6	37.8
1963	111.3	50.1	61.2	28.7	7.7	24.8	170.7	76.8	93.9	38.8	16.8	38.3
1964	118.6	51.5	67.1	29.8	8.2	29.1	177.4	77.0	100.4	39.7	16.7	44.0
1965	118.4	47.5	71.0	30.5	8.6	31.9	173.3	69.3	103.9	40.1	16.7	47.2
1966	134.7	54.9	79.8	34.3	9.4	36.1	187.9	76.3	111.6	44.2	16.4	50.9
1967	158.3	68.2	90.0	40.1	10.3	39.7	212.1	92.0	120.1	50.1	16.1	53.8
1968	178.8	78.8	100.1	46.0	11.1	43.0	229.5	101.4	128.1	55.6	16.9	55.6
1969	184.5	79.4	105.1	52.8	12.7	39.6	223.1	97.9	125.3	60.9	15.5	48.8
1970	196.6	78.6	118.0	59.8	14.4	43.9	220.8	90.3	130.5	65.1	15.0	50.4
1971	211.4	75.8	135.6	74.6	14.8	46.2	223.0	81.2	141.8	77.2	15.2	49.4
1972	232.0	76.6	155.5	85.3	15.5	54.7	232.0	76.6	155.5	85.3	15.5	54.7
1973	247.1	74.5	172.5	95.9	17.3	59.3	233.2	70.0	163.2	92.2	15.4	55.6
1974	269.6	77.8	191.8	111.1	21.4	59.3	231.9	67.9	164.0	98.0	14.3	51.6
1975	326.2	85.6	240.6	142.7	23.2	74.7	253.5	67.1	186.4	113.3	14.6	58.4
1976	366.4	89.4	277.0	167.4	26.7	82.9	266.6	65.6	201.0	124.2	16.4	60.4
1977	402.7	97.5	305.2	182.6	29.9	92.7	272.7	66.7	206.0	126.0	17.4	62.6
1978	450.8	105.2	345.6	195.4	35.4	114.9	283.2	67.3	216.0	125.9	17.8	72.3
1979 estimate	493.4	114.5	378.9	213.2	43.0	122.6	284.1	68.3	215.9	126.6	17.5	71.7
1980 estimate	531.6	125.8	405.7	237.7	46.1	121.9	286.2	70.4	215.9	132.0	17.2	66.7
1981 estimate	578.0	137.0	440.9	258.0	46.7	136.2	294.2	72.5	221.7	135.1	16.2	70.4
1982 estimate	614.9	148.2	466.7	276.8	45.0	144.8	299.9	74.7	225.1	138.4	15.5	71.3

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[1] The amounts of earned income credit in excess of tax liabilities are shown as budget outlays rather than as negative budget receipts. Accordingly, the budget totals have been adjusted retrcactively.

Note: The 1976–78 data have been revised retroactively to include the exchange stabilization fund in the unified budget instead of with the off-budget Federal entities. Profits on gold sales are now treated as a means of financing rather than an offsetting collection. The budget totals have been adjusted retroactively, starting with 1975.

Source: The United States Budget in Brief, Fiscal Year 1980, p. 81.

NATIONAL DEFENSE

Mr. Chairman, the committee's cuts of $5 billion from the President's defense budget—$2 billion supplemental fiscal year 1979 funds, and $3 billion from the fiscal year 1980 budget—are, in my view, the most irresponsible action imaginable.

At a time when our naval and air forces, now and 10 years down the road, are in desperate need of greater strength and modernization because of worldwide threats posed by the Soviet Union and its allies, Congress should better understand the priorities of our Nation to maintain an adequate national defense, as well as to reduce Federal spending.

As Congress prepares to consider a new proposed SALT treaty between the United States and the Soviet Union, our 1980 budget should include sufficient funds to start redressing the serious imbalance in the strength of U.S. strategic forces, compared to those of the Soviets.

A deceiving argument has been presented to the American people that the present military balance between the United States and the Soviet Union is essentially equivalent. Having just returned from an intensive week of briefings and inspections of NATO facilities in Europe, where Soviet and Warsaw Pact forces were abundantly visible wherever we went, I can personally attest that this argument of "essential equivalence" is totally invalid.

This argument, while itself invalid, also overlooks the Soviet Union's current fast-paced intensive modernization effort that far surpasses current efforts.

To obtain a balanced understanding of the present military relationship between the United States and the U.S.S.R., we must therefore examine not only the static indicators concerning the overall force sizes, but we must also consider the recent trends in force deployments, rates of production, and military investments that show the Soviets obtaining clear superiority over the United States.

The following tables spell out these changing trends in military capabilities, showing the enormous disproportion in relative efforts of the Soviet Union and the United States with regard to strategic, naval, and ground forces, as well as reviewing the comparative military investment of the two countries.

The first table shows the overall strategic force levels of the United States and the Soviet Union.

This table was presented in the latest report of the Department of Defense to the Congress. It must be noted, however, that the table omits the Soviet Backfire bomber from the column of strategic bombers—even though the Backfire's unrefueled range enables it to attack large population centers in the United States as well as our military bases along the east and west coasts.

The Soviet Union now has about 150 operational Backfire bombers, and is producing about 30 additional Backfires each year.

Moreover, the Defense Department report does not assess the high probability that the Soviet Union is presently attempting, or will soon attempt, to increase the range of the Backfire bomber.

UNITED STATES AND SOVIET STRATEGIC FORCE LEVELS

	Jan. 1, 1979	
	United States	U.S.S.R.
Offensive:		
Operational ICBM launchers	1,054	1,400
Operational SLBM launchers	656	950
Long-range bombers (TAI):		
Operational	348	150
Others	221	0
Variants	0	120
Force loadings weapons	9,200	5,000
Defensive:		
Air defense surveillance:		
Radars	59	7,000
Interceptors (TAI)	309	2,500
SAM launchers	0	10,000
ABM defense launchers	0	64

Mr. Chairman, the ominous trend of the shifting strategic balance in favor of the Soviet Union has been adequately documented by the Department of Defense and our intelligence agencies.

Their data show that since 1966, the Soviets have increased their number of ICBM's almost fivefold—from a level of about 300 to 1,400 today—while our number of ICBM's has stayed almost constant at a level of 1,054. Similarly, the Soviets have increased their number of SLBM's from less than 50 in 1966, to about 900 today, while the number of U.S. SLBM's has remained almost constant at about 656.

MISSILE LAUNCHERS [1]

	U.S.S.R.	United States	U.S.S.R./U.S ratio
ICBM	1,500	1,054	1.4:1
SLBM	+900	656	1.4:1

[1] Source: Fiscal year 1978 and 1979 annual reports, Department of Defense.

The U.S. heavy bomber force has declined from about 750 in 1966, to 348 today, and we are producing no new heavy bombers. The Soviets today have approximately 330 heavy bombers, more than twice the number they had in 1966, and they are producing an additional 30 Backfire bombers each year.

The net result of these changing balances in the field of strategic forces is that our U.S. forces are becoming increasingly vulnerable to a preemptive Soviet attack—a first strike, hard-kill attack against American population centers, industry, and defense locations.

That fact is highlighted by the changing estimate in survival of U.S. land-based missiles if attacked by Soviet forces. Today, it is estimated by the Department of Defense that less than 40 percent of all U.S. missile silos could survive a first-strike Soviet attack. By 1980, that estimate is reduced to about 25 percent survival rate for U.S. missile silos. By 1982, the best estimate is that about 20 percent of all U.S. land-based missiles will survive a Soviet attack, by 1984 only about 10 percent could survive, and by 1988 only a few will not be destroyed before they can be launched.

With regard to naval forces, the situation is similarly serious. In terms of aggregate force levels, there is once again a rough balance. But in terms of modernization, the Soviet Union and its allies very dramatically lead the United States and our allies.

The following table shows the comparison of combatant ship deliveries by the United States and the U.S.S.R. between 1966 and 1976:

U.S./U.S.S.R. COMBATANT SHIP DELIVERIES, 1966–76 [1]

	United States	U.S.S.R.
Submarines	54	138
Minor combatants (100–1,000 tons)	41	480
Major combatants (1,000–10,000 tons)	101	131
Major combatants (10,000 tons or more)	30	3
Underway replenishment	23	4
Total number of ships	249	766
Total displacement (tons)	2,055,520	1,503,990

[1] Support ships other than those capable of underway replenishment are not included.

With regard to ground forces, the pattern changes, because the Soviet Union, besides modernizing its forces on a broader scale, and at a much more rapid rate, also holds a clear overall edge.

The following table shows the overall imbalance, in favor of the Soviets.

GENERAL FORCES

	United States	U.S.S.R.
Ground forces	774,000	1,737,000
Tanks	7,835	45,000
Tactical forces	1,968	4,030

The table below shows the relative production rates of the United States and the Soviet Union, and clearly demonstrates the Soviet Union's clear advantage in its production of new tanks, armored personnel carriers, artillery, fixed-wing aircraft, helicopters, and ground-launched antitank missiles.

WEAPONS PRODUCTION RATES, 1972–76 [1]

[Annual average]

	U.S.S.R.	United States	U.S.S.R./United States ratio
Tanks	2,770	469	5.9:1
APC's	4,990	1,556	3.2:1
Artillery	1,310	162	8.1:1
Combat aircraft	1,090	573	1.9:1
Helicopters	666	733	1:1.1
Antitank missiles	27,000	27,351	1:1

[1] Source: Fiscal year 1972–78 annual reports, Department of Defense.

WEAPONS NUMBERS [1]

[June 1977]

	U.S.S.R.	United States	U.S.S.R./United States ratio
Tanks	45,000	10,000	4.5:1
APC's	50,000	22,000	2.3:1
Tactical aircraft	4,500	4,000	1.1:1
Interceptors	2,500	309	8.1:1
Bombers (I/C)	270	347	1:1.3
Helicopters	3,800	9,000	1:2.4
Artillery	20,000	5,000	4:1
Total ships	1,769	455	3.9:1
Attack submarines	195	78	2.5:1
Combatants (DDE or larger)	270	169	1.6:1
Amphibious ships	101	64	1.6:1

[1] Source: Fiscal year 1980 annual reports of Department of Defense. Joint Chiefs of Staff, and Chief of Naval Operations.

The key facts presented in the foregoing tables highlight the reason for my great concern and disillusionment over the action of the Budget Committee's majority to cut so much out of the President's already tight defense budget.

The Soviet Union has been more willing than the United States to devote its economic and fiscal resources in order to produce and field most impressive military capabilities.

If the United States is to maintain its position as the leader and final defense of the free world—indeed, to remain free itself—the Congress must reassert its willingness to devote sufficient funds to our Nation's No. 1 priority, our people's national defense.

The current comparative trend in military investments by the United States and the Soviet Union is most ominous, as shown in the following tables.

OVERALL DOLLAR EXPENDITURES ON DEFENSE[1]

[In billions of dollars]

Fiscal year	U.S.S.R.	United States
1964	45	51
1968	79	79
1969	86	80
1970	90	79
1972	99	77
1974	112	78
1976	136	89
1977	[2] 147	98
1978	[2] 154	110
1979	[2] 161	[2] 115

[1] Source: Department of Defense annual reports, fiscal years 1964–80.

[2] DOD estimates.

RESEARCH, DEVELOPMENT, AND TESTING EXPENDITURES: TRENDS[1]

[In billions of dollars]

	U.S.S.R.	United States
1964	12	7
1968	17	7
1969	19	8
1970	21	7
1972	22	8
1974	25	8
1975	25	9
1976	26	9
1977	[2] 27	11
1978	(3)	11
1979	(3)	[2] 13

[1] Source: Department of Defense annual reports, fiscal years 1964–80.

[2] DOD estimates.

[3] Not available.

MISCELLANEOUS FACTS[1]

1. 68 percent of U.S.S.R. military spending goes toward procurement or RDT&E; only 30 percent of U.S. military spending does.

2. Only 13 percent of U.S.S.R. military spending goes for personnel costs; 57 percent of U.S. military spending costs are personnel costs.

3. The U.S.S.R. has 850,000 scientists engaged in research and development, 500,000 of whom are involved in military research. Of 500,000 U.S. R. & D. scientists, only about 150,000 are concerned with military programs, even indirectly.

4. Soviet research and testing facilities have increased more than 40 percent in the last 12 years.

5. The U.S.S.R. graduates almost 300,000 engineers annually; the U.S. less than 50,000.

6. In 1968–69, the U.S. and the U.S.S.R. had approximately equal numbers of R. & D. scientists. In less than 10 years, the U.S.S.R. has increased their total to 850,000, while ours has remained about the same.

Mr. RUDD. Mr. Chairman, the committee's action to cut more than $2 billion in supplemental fiscal year 1979 defense funds requested by the President adversely affects more than 25 ongoing programs, including MX and other missile development, B–52 aircraft modernization, United States NATO commitments, and other vital programs.

The committee also cut $1.7 billion requested by the President for a small conventional aircraft carrier, on the argument that aircraft procurement by the Defense Department is insufficient, but failed to reprogram the funds to procure more aircraft. The fact is that our defense forces badly need more aircraft and another aircraft carrier as well—preferably a larger more energy-efficient nuclear carrier, which has much greater offensive capability and over a 13-year-period is less costly than any conventional carrier.

I hope that the full House recognizes the urgency of our defense needs, and will take resolute action to restore all needed defense funds to the fiscal year 1979 and fiscal year 1980 budgets.

FEDERAL INCOME TRANSFER PROGRAMS

Every administration and every Member of Congress in recent memory has publicly expressed concern over the escalating costs, duplication, waste, and fraud in the Federal welfare system. Yet the costs continue to rise each year, out of proportion to the rest of the budget. Duplication and waste continue, and no meaningful effort has yet been undertaken to get this worsening situation under control.

This Congress has a clear responsibility and opportunity to impose some discipline by starting the effort towards real welfare reform. Total Federal spending for the more than 185 different Federal income transfer programs is now more than $250 billion annually, and this proposed budget resolution does nothing to restrain the growth, duplication, or waste in these programs.

Public assistance programs are increased 15.5 percent over the current estimated 1979 levels under this budget resolution. Housing programs are up 18.6 percent. These increases are substantial and unwarranted.

Since 1971, the income security function, which accounts for about $56.5 billion of spending for public assistance programs other than Social Security, has increased at an annual rate of 12.4 percent. Aid for families with dependent children (AFDC) has increased from $5.9 billion in 1971, to an estimated $6.7 billion in 1979, despite the fact that the number of recipients in the program is now lower than at any time since 1971 and more than a million lower than in 1976. More significantly, since its inception the ratio of children covered by AFDC to the Nation's population of persons under 18 years of age increased from 1-in-50 to 1-in-8 by 1974. In a number of the Nation's large urban areas, the ratio is now 1-in-5 or less.

School lunch and other nutrition programs have increased more than 505 percent since 1971—an annual growth of about 63 percent, and the multiplicity of housing assistance programs has increased at an annual rate of 27 percent in higher costs.

The food stamp program, which has received deserved criticism, is increasing in scope and cost at an annual rate of about 37 percent. The program started out at a modest level of $34 million in 1965, and has escalated in cost to its current estimated level of more than $6.3 billion. The following table outlines the growth in cost of the food stamp program since 1965:

Growth of food stamp program: 1965–79

	Millions
1965	$34
1966	70
1967	114
1968	185
1969	248
1970	577
1971	1,568
1972	1,909
1973	2,208
1974	2,992
1975	4,386
1976	5,327
1977	5,058
1978	5,499
1979 (estimated)	6,321

The argument is made that public assistance programs such as food stamps, AFDC, medicaid, supplemental security income (SSI), and so forth are "entitlement programs," and that they are therefore "mandatory spending" items over which Congress has no control. This argument is fallacious and a copout.

Congress can and must control the escalating cost and scope of these programs, so that only the truly needy of our society are receiving taxpayer subsidies.

A badly needed reform of eligibility requirements, including the income level of people receiving benefits from Federal income transfer programs, must take place to reduce the number of people receiving support they do not deserve or really need.

This and other reforms, which could be accomplished right away, would greatly reduce overall welfare casts, and allow the budget to be cut in these areas.

For example, reform proposals made by the administration, the General Accounting Office, various committees and individual Members of Congress, would save an estimated $3.6 billion in the cost of the AFDC program—a savings of $1.8 billion each year to both the general Government and the States.

Reforms that would save an additional estimated $2.5 billion in the food stamp program have also been identified and proposed, but Congress has failed to take appropriate action.

Similarly, Congress has failed to take corrective action to halt the high error rate in payments under medicaid and supplemental security income. The medicaid error rate is estimated at 8 percent. An additional $1 billion a year could be saved if proper corrective action was taken.

The congressional budget and appropriations process is the place where needed discipline can and should be imposed to enforce reform in Federal welfare programs. The administration is estimating a further $6.6 billion, or 22 percent, increase in food stamps, AFDC, medicaid, and supplemental security income between now and 1982 unless reforms are imposed.

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[1] Source: Department of Defense annual reports, FY 1964–80.

Social welfare programs of the Federal Government are primary evidence of the excessive and irresponsible spending attitude that led to proposition 13 and the movement to require a balanced Federal budget.

Mr. Chairman, it has become apparent that the political motivation of many welfare program supporters is to build a permanent "recipient class" of citizens through Government handouts, who will show their gratitude to the "big spenders" by reelecting them to office.

Working citizens and taxpayers—the producing element of our society—have become aware that their taxes are being used to "buy votes" of welfare program recipients, rather than to support a sincere and reasonable effort to help the truly needy in our society.

I believe we are at a most important crossroads in our Nation's history. For every dollar collected by the Federal Government as tax receipts, 69 cents is given out as direct or indirect benefits to Federal income transfer program recipients. Unless this dangerous trend is reversed, the whole social, economic, and political fabric of our society will be destroyed.

It is my firm belief that Congress must take resolute action to restrain and cut back Federal spending for duplicative and unnecessary public assistance programs. If this is not done through the budget and the appropriations processes, public confidence in our Government and democratic process will be further eroded. Furthermore, lasting damage will be done to our people's productive incentive and capacity, and to their humanitarian sense of community.

□ 1535

Mr. SIMON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. MATTOX).

Mr. MATTOX. Mr. Chairman, Members, for those who have copies of the committee report, I would like for them to take a look at it because I think there are some matters that are particularly significant. If Members will look at page 5, I think I should point out several things that are important.

The first thing on page 5 Members will notice is that the Budget Committee makes a statement of cutting the deficit by something over $4 billion. If Members will look further down, they will see that the Budget Committee cut the budget authority by $6.59 billion. But, the very significant thing the Members should notice is that when they look over at the outlays they will notice that the outlays that the Budget Committee actually produced was $401 million more.

So, Members might ask themselves how we have the deficit go down by $4 billion, but our outlays actually go up by $400 million. That is a good question. Well, it happens as a result of budgetary gimmickry, changing of revenue figures and certain other matters, but what this resolution actually tells us is that the actual spending, actual outlays in this budget resolution are higher today than what they were when the Budget Committee started out on it. It is higher by $400 million.

Now, do the Members realize that? Most Members probably did not realize that, so what would I say? I would say to the Members that have so eloquently spoken before us that they are opposed to this resolution, because of its cutting activity, that they are mistaken. They need to look at it and find out and realize that is not what the Budget Committee did. For those who think that perhaps these figures are too high and should not have increased, I propose to offer a few amendments—and there will be several other amendments, some of which I think will be very adequate.

Mr. Chairman, the American people are confronted with double-digit inflation. As the editorial in the Washington Post on April 30 said, there is no single culprit; likewise, there is no simple solution.

Part of the problem may be attributable to monetary policy, other parts may be attributable to excessive Government spending, some may be attributable to the decline in productivity and still other factors may be those such as our international trade policy, our regulatory policy, and our practice of indexing benefits and wages to cost-of-living formulas.

Whatever the causes, we must attack the problems across the board. The Federal budget is one place where we can begin an all-out attack on the inflation problem by reducing excessive and unnecessary Government spending. In this resolution before us today, we are calling for spending totals of $532.7 billion. We are providing $82.4 billion in outlays for grants to State and local governments. Of this total $18.1 billion is targeted for major urban programs. We are targeting for fiscal year 1980 almost $9½ billion for comprehensive employment and training services. Over 25 percent of our budget, or in excess of $130 billion, is earmarked for our retirees. Indexing of social security and other entitlement benefits to cost-of-living adjustments presents the Federal Government with a bill of $14.7 billion. Over $21 billion is being spent on veterans' benefits.

I would not call this an austere budget; it is a very generous budget. And, in fact, it costs $24.9 billion more than we take in. Let us not be deceived by the rhetoric of either those who cry out for indiscriminate across-the-board reductions, or those who say that we are torpedoing the lives of American people. Both views are dictated by the most gross superficially obvious political expediency.

I shall offer a series of amendments to reduce some of the excesses in this budget resolution. I have tried to be fair and equitable and not to do damage to any legitimate program effort. My amendments are as follows:

First. No new starts. This amendment essentially says no new starts. We should not be enacting new budget authority for programs that in the long run will be costing billions of dollars in the future and at the same time by budgetary legerdemain of reestimates claim we are closing the gap between expenditures and revenues.

Reduce budget authority by $3,950 billion and reduce outlays by $1,241 billion.

My amendment encompasses nine major functions of the Federal budget. What I have attempted to do is to stop the momentum of new budget authority every year that results in dramatically increased expenditures in future years. Had we been more prudent a few years ago in enacting new budget authority, I do not think we would find ourselves in the difficulty we are in today.

I do not say that some of these initiatives are totally lacking in merit or that they cannot be started at some future date when we can afford it. The time for austerity has come and we should suspend all major efforts to initiate new programs that are untried until we reverse this inflationary pressure on the American people and return to fiscal responsibility.

Specifically I would eliminate the following new initiatives:

FUNCTION 270—ENERGY

Postpone or eliminate the spent fuel storage fund at a savings of $300 million in budget authority and State energy management and planning initiatives at a savings of $107 million in budget authority. These two changes would reduce outlays in this function by $136 million.

FUNCTION 300—NATURAL RESOURCES AND ENVIRONMENT

Postpone or eliminate 26 new water projects; defer the new urban parks and recreation grants and other initiatives with a savings of $525 million in budget authority and $77 million in outlays.

FUNCTION 370—COMMUNITY AND HOUSING CREDIT

Defer funding for the special home ownership assistance program for rural housing and the additional funding requested for a central liquidity backup for credit unions, which could save $1 billion in budget authority and $15 million the first year in outlays, which would endoubtedly burgeon in future years. In addition, the National Consumer Cooperative Bank should be deferred, resulting in a savings of $89 million in budget authority and $14 million in outlays.

FUNCTION 450—COMMUNITY AND REGIONAL DEVELOPMENT

Eliminate funding for the new initiatives which have replaced the President's previous request for a National Development Bank and related programs at a savings of $775 million in budget authority and $95 million in outlays.

FUNCTION 500—EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

Cut out the proposed CETA private sector initiative program, thus saving $400 million in budget authority and $150 million in outlays.

FUNCTION 550—HEALTH

Eliminate the new entitlement for child health assistance program (CHAP) and other initiatives at a savings of $235 million in budget authority and outlays.

FUNCTION 600—INCOME SECURITY

Cut out a number of new initiatives, some of which have not yet been identified, at a savings of $276 million in budget authority and outlays.

FUNCTION 700—VETERANS BENEFITS AND SERVICES

Cut out new programs for a savings of $93 million in budget authority and outlays.

FUNCTION 850—GENERAL PURPOSE FISCAL ASSISTANCE

Eliminate funds for countercylical targeted fiscal assistance proposal at a savings of $150 million in budget authority and outlays.

Second. Elimination of targeted fiscal assistance. Reduce budget authority and outlays by $150 million.

There is no need for any general countercyclical program in a year in which there is no countercyclical problem. The proponents of this new program justify it on the grounds that the "shock" to distressed urban areas of termination of the old countercyclical program was so great as to require an easy letdown or a "soft landing." The "shock" happened last July, when the final payment was made under the old program. Every community that was getting countercyclical aid knew that it was a temporary program. Let it die.

Third. Major urban programs. Reduce budget authority by $2,616 million and reduce outlays by $363 million.

[In millions of dollars]

	Budget authority	Outlays
Function 400: Transportation	150	150
Function 500: Education, training, employment and social services	223	198
Function 600: Income security	2, 243	15
Total	2, 616	363

Funds for the major urban assistance programs, as requested in the President's budget, total over $17.6 billion in outlays for fiscal year 1980—an increase of 7 percent over outlays for fiscal year 1979. The Budget Committee went the President one better in three areas, producing an outlay increase of 9 percent over fiscal year 1979. Many of the programs included in the President's request are questionable as to their effect and their usefulness in attacking the urban problems; however, the purpose of this amendment is merely to remove the excesses built into the major urban programs by the committee's actions to increase CETA, subsidized housing and big-city mass transportation subsidies.

CETA

The CETA programs have never done what Congress expected them to do: They have only rarely trained anybody to do anything useful, they tend to employ the wrong people to do the wrong jobs, and more often than not end up being nothing more than a thinly disguished form of general revenue sharing—only with strings attached. There is very little justification for even continuing this program, much less expending it.

SUBSIDIZED HOUSING

The President's budget included enough budget authority to carry the section 8 and other subsidized housing programs forward at an annual rate of 300,000 units, including the use of carryover funds. The Budget Committee's action to add $2.2 billion results from a disagreement about the amount of carryover and the average subsidy cost per unit. If we add funds to permit a higher subsidy cost, are we not just going to make a self-fulfilling prophecy? The issue is 300,000 units. If later more budget authority is needed to reach that objective, then we can enact it then.

MASS TRANSPORTATION

The committee's increase of $150 million in budget authority and outlays is justified on the grounds that big cities—where so-called second tier money is supposed to go—cannot afford to pay their own way in their public transportation systems. This is another case of throwing more money at a problem and thereby assuring that it will never be solved.

☐ 1540

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, the Budget Committee majority boasts that it has reduced the Federal budget deficit from an estimated $34 billion in fiscal 1979 to a projected $2 billion for 1980.

What they are not saying is that they intend to achieve this result by imposing a higher tax burden on the American people.

The Budget Committee majority proposes an 8-percent increase in Federal spending for 1980, a jump of $40 billion from the estimated 1979 level.

At the same time, they are estimating that revenues will increase by almost $50 billion, or nearly 11 percent, which allows them to reduce the budget deficit.

They have not cut the budget proposed by President Carter. They have accepted a large tax increase driven by inflation. Now we know how they plan to balance the budget in fiscal 1981 or 1982. They plan to do it on the backs of the taxpayers.

Some of us in the Congress have a better idea. With some prudent reductions in spending, we can cut taxes and the deficit. We can achieve a balanced budget at lower tax rates.

The taxpayer is in a terrible and losing struggle against the horrendous inflation rate that is cutting his purchasing power. When he gets a pay raise to help him cope, the Government takes a larger bite through the progressive tax structure.

I would remind the House that the current extremely high rate of inflation is a product of the wildly stimulative fiscal and monetary policies pursued by Government a year ago and 2 years ago.

The committee majority is using the tax impact of this inflation for its 1980 revenue estimates, but even those estimates are probably too low. The inflation rate is likely to be considerably higher than what they estimate, I am sorry to say.

The sad truth is that inflation raced at an annual rate of 13 percent in the first quarter of this year. But the committee majority assumes an inflation rate of only 8.2 percent in 1979 and 7.1 percent in 1980.

I understand their reluctance to admit the consequences of their prior extravagance, but I believe the budget should be based on realistic economic assumptions.

The committee majority has also been extremely unrealistic in terms of our national security needs. They slashed $3 billion budget authority and $2 billion from the tight defense budget submitted by President Carter, then transferred these funds to their pet programs.

Tomorrow the House will have an opportunity to vote for a budget substitute that realistically provides for national defense, but also cuts taxes and reduces the deficit.

The American people do not want us to move toward a balanced budget with a rising tax burden. They want us to achieve a balanced budget with prudent, frugal fiscal policy that offers them real relief from the burden of Government.

☐ 1545

Mr. SIMON. Mr. Chairman, I yield 13 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. My colleagues, I had an opportunity during the discussion on the Hawkins-Humphrey full employment bill to point out some major problems I think we have with this budget. Despite the cautions given to me by my good friend, the gentleman from Illinois (Mr. SIMON), for voting for the budget resolution I cannot and will not, if the budget remains as it is constructed presently.

I asked for additional time to pursue what I think are the weaknesses of this budget from another perspective.

When we construct this budget in the House and Senate budget committees, we are viewing it in isolation from some very significant economic developments that are occurring at the same time we fashion the budget resolution.

More specifically, I am suggesting that the budget resolution bears little or no relationship to the monetary policy presently being carried out by the Federal Reserve. For the last 6 months money growth has been at about 2.6 percent. When the Chairman of the Federal Reserve Board came before the committee he argued that the money growth figure should be somewhere around 6 percent. That was last year. What happened was, last fall there was a precipitous change in the policies of the Federal Reserve. Money supply was drastically cut and we have had for the last 6 months a 2.6 percent money growth.

If you factor out transfer accounts and NOW accounts, you will see that for the last 6 months a zero or negative money growth policy.

What we intend to do, what some in this Congress intend to do is to vote for a budget resolution which takes the deficit down from where it was last year—$37 billion. We are down now to around $25 billion. There will be some amendments to cut it perhaps by another $10 billion. Let us just deal with the $25 billion. Subtract it from the last year's deficit of $37 billion. At the same time you have negative money growth you are suddenly going to pull back out of the economy $12 billion, $12 billion coupled with zero, or negative money growth.

My colleagues, I am telling you what you are doing. You are planning for a recession in this country. There is no way in the world that you can have these two factors operating without setting the stage for a recession.

□ 1550

Generally it takes maybe 6 months to 12 months after there has been a severe change in monetary policy, for that impact to show up in the economy. Recall, if you will, the monetary policy change last fall; sudden curtailment, a sudden turning of the screw, and already we are beginning to see the signs of the recession. Retail sales have fallen. They fell in January and rose only three-fourths of 1 percent in January and only 1 percent in March.

Automobile sales in mid-April were off nearly 17 percent from last year.

For 4 consecutive months housing starts have fallen.

New factory orders for durable goods fell by 2.5 percent after seasonal adjustments in March.

The policies that the Federal Reserve started implementing last fall are beginning to bring about the recession that is surely going to worsen.

The final sales component of the gross national product, again after adjusting for inflation, fell by eight-tenths of 1 percent.

The lag time is beginning to disappear and we should realize that the policies we are pursuing fiscally, when combined with the policies that we are pursuing monetarily, are going to lead us to a recession.

My colleagues, I think we are overreacting. I think that there might be some hope for this budget resolution, not to induce a recession, if we could get down to the Federal Reserve and tell the Federal Reserve, "Look, you come back to the monetary figures that you suggested to us, or at least come up to maybe a 2.6-percent yearly growth rate," which is far below what it was last year, but significantly above where it is right now.

I know my words are going to fall on deaf ears. I know there are those who are going to say, well, the economists are always going to predict a recession. I am not an economist. I am a reader of economic facts.

We know that the recession is coming. Certainly a recession will take hold if we pull out several billions of dollars from the economy, and indeed, the Federal Reserve continues to pursue its monetary policies and, indeed, Mr. Miller has indicated that he will do just that. We know a recession is coming. We do not know how long it will be. We do not know how deep it will be. Those are the unanswered questions.

So I would beg of you as you consider this first budget resolution, do not do so in isolation from other aspects of the economy. View in it conjunction with other aspects of the economy. If you do that, if you do that you will change the budget resolution to ward off and prevent, hopefully, a recession that none of us wants.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I would be delighted to yield.

Mr. LATTA. Mr. Chairman, I want to thank my friend for yielding.

I'd like to get some idea, as a matter of record, how much more money the gentleman from Maryland thinks ought to be in this resolution. As reported out of the Budget Committee, the budget resolution for fiscal year 1980 includes $40 billion more than the budget for fiscal year 1979; so with that understanding, how much more money does the gentleman think ought to be in there?

Mr. MITCHELL of Maryland. I will be offering a human needs amendment during the course of this debate on the budget resolution which will call for a 3 percent real increase in eight human resources programs.

The precedent for that is established by the President. He found it justifiable to add 3 percent on to the military and I find it justifiable to add 3 percent on to our human resources. In fact what I propose to do is really not increase the deficit at all in my human needs amendment, and I will spell the details out for the gentleman sometime during the debate.

The point I was trying to make is that if we have the Federal Reserve on the one hand pursuing no-growth money policies, and that is exactly what they are doing when we take out transfer accounts and NOW accounts, and we suddenly extract from the budget $12 billion, $15 billion, $20 billion, those two things are going to link together to cause a recession.

What I had hoped we would do would have been to have followed the more prudent course that we followed over the last 4 years, a course in which every year we reduced the deficit a little bit, thus giving the economy time to adjust to it. That is what I had hoped we would do.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I would be delighted to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I was interested in the gentleman's suggestion that he thinks tight monetary policies are creating a recession.

Does the gentleman think the money supply should be expanded more rapidly than productivity?

Mr. MITCHELL of Maryland. Mr. Chairman, the answer to that is that those two ought to be linked together, and we ought to spur productivity. Could I embellish on that point a little?

Mr. REGULA. Yes, certainly.

Mr. MITCHELL of Maryland. Mr. Chairman, my greatest concern is that the Federal Reserve came in last year before the Committee on Banking, Finance and Urban Affairs and said, "We are going to set targets for money programs, and the high would be no more than 6 percent in M-1."

That was in early spring of last year. But last fall the Federal Reserve had exceeded its own target, and we were at an 8.5 percent M-1 growth, which was a disaster. At that point I was urging that we curb the flow of money. The Federal Reserve Board realized what they had done, and then they suddenly put on the brakes, cutting the money supply in such a precipitous fashion that we now see these indicators of recession appearing on the scene.

That is the crux of the problem. Obviously somewhere down the line I think we have to get all of this linked together; a stability in the money supply linked to productivity and linked to the rate of growth in the country. I think all of these have to be brought together.

But for now I would argue that, while we have a shot at it, let us get the Federal Reserve to at least come up to where it said it ought to be in order to help ward off a recession.

Mr. REGULA. Mr. Chairman, would the gentleman agree, though, that as a matter of long-term policy the expansion of the money supply should move in connection with increasing productivity?

Mr. MITCHELL of Maryland. Yes, I would. I would like to see a harmonious relationship existing between all the major components in the Federal Government. I would like to see a harmonious relationship between the money supply and fiscal policy and between productivity and growth and everything else. But right now, I will say to my dear colleague, that I think we are standing on the brink of a recession, and there are only two things we have to work with: one is the budget, and the other is the policy of the Federal Reserve.

Mr. REGULA. Mr. Chairman, let me ask the gentleman if he thinks that allocating an ever-increasing share of the GNP for the expenses of Government has any debilitating impact on the productivity and growth of the country?

Mr. MITCHELL of Maryland. No. I think I addressed that question earlier.

Mr. REGULA. Yes, we discussed it.

Mr. MITCHELL of Maryland. No. 1, I do not think that that has really yet ocurred. We have not had a situation in which the amount of money being taken out by the Government in any way impedes the private sector. As I pointed out earlier, when we formulated the budget each year, the lending institutions came in and they said, "We can live with this figure." So it has not crowded anyone out.

Mr. REGULA. Mr. Chairman, would the gentleman agree that if the money supply is expanded more rapidly than productivity, we run the risk of runaway inflation, which has its greatest impact on the poor and on the senior citizens?

Mr. MITCHELL of Maryland. Of course, I would agree with that. That is precisely why I started raising Cain last fall when the Feds went above their own 6-percent goal. When they got up above 8.5 percent, I was screaming; I was saying, "Stop it. You are way out of line with the rest of the system."

Mr. REGULA. So the gentleman's quarrel is with the unevenness of the growth?

Mr. MITCHELL of Maryland. We have got to establish a money supply policy in this country. We have never had one. I would like to see one developed. I do not know the precise details of what ought to go in it.

But I do know that the roller coaster way of supplying money in the last 50 years has produced a peak, then a recession, then a plateau, then another peak, and then another recession, and we have to deal with it.

Mr. REGULA. Mr. Chairman, I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, at this time I am not going to enter into a discussion of the merits as much as to bring to the Members today some of the testimony that was presented to the Committee on the Budget. Unfortunately, those who do not serve on the committee handling a given piece of legislation do not oftentimes have an opportunity to hear or read the testimony presented on any given subject.

□ 1600

I would like to take a few minutes today to point out some of the highlights of the testimony of various witnesses who apeared before the Committee on the Budget. I am going to start with the Director of the Office of Management and Budget, Mr. James McIntyre, I am going to quote directly from the testimony that he presented to the committee this year.

First of all, he said:

> The proposals in this budget reflect the President's belief that our most important domestic priority is to bring inflation under control.

I think that is the challenge of this budget process this year—to do what we can to deal with the No. 1 problem as outlined by Director McIntyre, and that is to restrain inflation.

Director McIntyre went on to say:

> The best way to avoid a recession and its high social cost is to avoid the boom-and-bust cycle generated by accelerating inflation and severe restraint that would eventually become necessary.

He continued in his testimony:

> The budget must be kept within the bounds of appropriate economic policy. In today's world, economic policy calls for restraint.

Mr. Chairman, what we are proposing on our side of the aisle in the budget process this week is the restraint called for by the Director of the Office of Management and Budget.

Director McIntyre further said:

> There are two very important points that I need to make here. Spending in an inefficient way doesn't necessarily help the poor. In fact, in some cases evidence would indicate spending in certain programs that we think are designed to help the poor really don't go to help the poor. CETA Title 6, for example, is one.

He continued in his testimony:

> We have a lot of programs in this Government created over a period of time that address similar needs and purposes. We are going to have to look at these programs and decide on priorities.

And the last point I would make from Director McIntyre's testimony is as follows:

> It is time to take on some federal programs, it is time to make them more efficient and effective, and it is time to eliminate some of the overlap and the duplication. That is the message that I have been trying to leave with this committee this morning.

My colleague, the gentleman from Ohio, pointed that out very clearly with the Inspector General's report that indicated something like $5 to $7 billion in waste and fraud in just one agency. What we are attempting to do on the minority side is to say:

> We will provide reasonable budget increases, and you in the agencies who are in charge try to make your agency more effective, try to improve the delivery service, try to achieve the objectives that were outlined for our committee by Director McIntyre.

Second, I would like to quote from Michael Blumenthal, Secretary of the Treasury, as he appeared before the committee this year:

> I don't need to, before this group, stress the critical point that the economy has reached, the fact that we are faced with a strong and robust economy with much progress, but with an overriding inflation problem. Every American knows it; I am sure every Member of Congress knows it. The President and his advisers know it well.
>
> It is for this reason that we have placed inflation ahead of all other concerns, for we realize that all groups in the society, particularly those of low income, those who cannot properly protect themselves, are most affected by it.

Secretary Blumenthal went on to say:

> We are trying to slow things down so that we can have a more gradual growth, some slowdown, but that will allow us to work on inflation. We know we are going to have to do this for an extended period of time.

And he continued:

> Productivity growth, we have been discussing that at great length. In 1978, we had less than 1 percent growth in productivity.

□ 1605

In response to a question from the gentleman from Michigan (Mr. BRODHEAD):

> I wonder what guidance you could give us as to the relative importance of the expenditure limit, the deficit limit, and the real wage insurance programs in achieving the real goals we have?

Secretary Blumenthal said:

> That is a critical question, Mr. Brodhead; for your purposes, I would say the critical figure is the spending figure.

Again, I would emphasize that the direct quote from the Secretary of the Treasury is that the spending figure is the key element in the budget. This is what we are attempting to speak to on the minority side.

Secretary Blumenthal went on to say:

> I certainly would say that I look at the spending figure first, then see what kind of budget deficit that yields me and try to get within that context the deficit down as far as I can.

The third witness that I would call your attention to today was Mr. Charles Schultze of the Council of Economic Advisers.

He said, in his appearance before the Budget Committee, and I quote:

> To accomplish the needed transition, fiscal and monetary policy must shift toward restraint. The need for restraint at the present time has been made more urgent by several factors:

At that point he goes on to mention inflation and so on.

I further quote from Mr. Schultze:

> Under those circumstances, Mr. Chairman, controlling and then reducing inflation has to be the primary objective of the Federal Government.

Mr. Schultze, in response to a question from my colleague from Maryland (Mrs. HOLT), said this:

> The first priority is getting the expenditures down.

The last witness I would call to your attention was Mr. Alfred Kahn, Chairman of the Council on Wage and Price Stability. This is what he said in his opening testimony, and I quote:

> Of course, it is correct to observe that inflation has become a cliche, but it is still obviously the case, inflation is our most serious domestic challenge and something we have been suffering from for 10 years.

He went on to say:

> If you look at the source of the inflationary problems during the last 10 years, I think you really have to assign blame first to the ill-advised expansions of the money supply and of Federal spending, unmatched by taxes, during the late 60s and the period in 1971–73.

I just want to repeat one line from that for emphasis.

Alfred Kahn said:

> I think you really have to assign blame first to the ill-advised expansions of the money supply and of Federal spending . . .

That is what we are talking about today in framing in the fiscal 1980 budget, is to restrain Federal spending.

The challenge is before us from the four witnesses before our committee, all from the administration, and all distinguished economists.

Again I quote Mr. Kahn:

> I think we would have been better off had we had a smaller Federal deficit; on the one hand, and a smaller deficit in the balance of payments and a higher level of investment, on the other.

It is just a reemphasis of what he said earlier.

I could point out a lot of other testimony that was given to the Budget Committee. I will not take the time, but I think this was an overriding theme from all of these witnesses: First, inflation is the No. 1 problem; second, the cause of inflation is a high level of Federal expenditures and a high level of Federal deficit; and third, the remedy is to restrain Federal spending.

This is what the argument is all about this week.

What we are going to propose is a way to do that, a way to meet the goals outlined by these distinguished witnesses, and that is restrain Federal spending, restrain the deficits, head to a balanced budget in 1980. We can give a message to the American people that the greatest single cause of inflation, the taxes and spending habits of the Federal Government, are going to be restrained, so they in turn can respond to this kind of leadership.

The Federal budget in the past 10 years has grown at an average of 12 percent.

Now, some would say, "Well, that is just an inflationary growth," but let me point out to you that the average inflation during the past 10 years has been 6.8 percent. So, what you have, in effect, is the Federal Government taking an ever-larger share of the product of the people of this Nation.

☐ 1410

This is reflected in the high outlay figures. The budget for fiscal year 1980 proposes to cross the $532 billion mark, and yet as recently as 1970 it was at the $200 billion level.

There is one simple answer to all this, and that is that we have to reduce the Federal share of this Nation's gross national product. We have to say to the people of this Nation, "We are going to let you keep a little more, develop your productivity skills, invest capital in the future of our country, get a reward for your productivity; and to do this we will restrain what the Federal Government takes from you both through direct taxes and through the indirect tax of inflation. We will give you an opportunity to have the kind of growth that will produce the jobs that my colleague from Maryland (Mr. MITCHELL) would like to have—not temporary jobs, not jobs where you cannot go to a financial institution and borrow money to buy a house, but permanent jobs, jobs that have a lasting potential, jobs that can be used to gain credit to buy housing, to buy the things that people would desire to achieve."

To do this, we need to say to our agencies in Government, "The evidence is strong that you have not managed these dollars well in the delivery system of the Federal Government. Therefore, we are going to restrain the growth of your budget, and you work to eliminate the fraud and waste."

Benjamin Civiletti, the Deputy Attorney General, testified before the Senate Budget Committee as follows:

> We have estimated and it has appeared in some GAO reports based on limited programs in our experience in the prosecution of a particular area that anywhere from 1 to 10 percent of particular program expenditures, depending on whether it is a procurement program or a benefit program, can be found to be lost through fraud or waste or gross abuse, but that is not a basis from which to extrapolate to an overall figure of 10 percent or 1 percent or 5 percent of any total number, no matter how appealing that might be to demonstate the true seriousness of the fraud problem.

I think that it is absolutely vital that we send a message to the agencies that we will not continue to countenance this kind of expenditure by simply adding a percentage of last year's budget.

The goal of the Budget Committee is not to use an arithmetic process and take each agency and say, "well, you get 10 percent this year," and then add up the totals. Our goal is to decide what works effectively on behalf of the American people. I think in some instances agencies ought to either be abolished or phased out, or certainly severely reduced rather than expanded.

We ought to take the HEW budget, for example, and say, "Eliminate the fraud and waste that has been outlined by the Inspector General."

This is the challenge of this week, and how we respond to it will send a message loud and clear to the American people as to what kind of leadership we are going to give them. I hope all of you, my colleagues, will join in in supporting the achievement of the kind of budget sought by our witnesses, the Secretary of the Treasury, the Director of the Office of Management and Budget, the Council of Economic Advisers, the Council on Wage and Price Control, and one last one that I did want to mention, G. William Miller, who testified:

> Our chances of solving the problems with inflation would be enhanced if we slowed the growth of Federal spending and thereby reduce the size of government in the economy. This would do much to improve the climate for private capital formation.

That is the challenge to this House this week.

Mr. GRASSLEY. Mr. Chairman, would the gentleman yield?

Mr. REGULA. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman for his fine statement.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio (Mr. REGULA).

Mr. GRASSLEY. I think the statement laid it out as it should be laid out, but one comment the gentleman made in reference to a quote from Alfred Kahn, who appeared before this committee, was that I think the gentleman from Ohio said that he called for a tighter monetary policy. The gentleman did mean monetary policy and not fiscal policy?

☐ 1615

And if the gentleman did mean monetary policy, then that means that he feels that the present policies of the Federal Reserve Board are not as restrictive as they ought to be, which is a little bit in conflict with the speech of the gentleman who preceded him, the honorable gentleman from Maryland (Mr. MITCHELL), in which he said it was already too restrictive and in fact somewhat negative. I believe the gentleman from Maryland was probably referring to the M-1 category of money in which we probably feel that that is not a proper measurement of money supply any more and that we ought to be looking to M-2 or M-3 categories for a real determination as to the amount of money that is in circulation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. I yield 1 additional minute to the gentleman from Ohio.

Mr. GRASSLEY. If the gentleman will yield further, consequently, I believe that that would show that it is very expansive as opposed to being restrictive. Then consider also in conjunction with that the recent debate just made public from the Federal Open Market Committee which shows that we still have the easy money people in control of the Federal Reserve Board by a 6-to-4 vote. It is even good news that for once we have four people on a committee saying we ought to have a more restrictive monetary policy. But I think Mr. Kahn is bringing emphsis to the point that we still do have too loose a monetary policy reflecting what the Secretary of the Treasury, Mr. Blumenthal, is saying and reflecting what the Chairman of the Economic Council, Mr. Charles Schultze, is saying, that in fact Mr. Miller and the Federal Reserve Board are not restrictive enough.

Mr. REGULA. The gentleman is right.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, this year's budget resolution represents one of the most serious efforts of the House Budget Committee to respond to the present mood of the Nation and Members, who are calling for restraint and moderation in Federal fiscal policy.

The committee labored both in caucus and in full committee for 2 straight weeks to arrive at the budget resolution that is on the floor today. This resolution represents a careful analysis of the priorities and assumptions made in the President's budget, with adjustments to reflect the views and values of the House In particular, close scrutiny was given to proposals for new spending initiatives or increases in nonmandatory spending programs. In many cases, the committee reduced these increases.

One of the most important areas where the committee focused its attention, and where the committee covered new ground is the area of legislative savings. As chairman of the Legislative Savings Task Force of the Budget Committee, our purpose was to focus on areas where programmatic changes, not just reductions, could be made. Legislative savings, changes in mandatory spending requirements that produce budgetary savings, account for $5.966 billion in this budget. This savings represents $5.966 billion that would otherwise be spent in fiscal year 1980 and otherwise add to the deficit. This year's deficit of $24.9 billion would, without legislative savings, become an unacceptable $30.896 billion.

There are, in the budget resolution, about 19 major legislative savings proposals. The most significant of these proposals are those proposing the elimination of the State share of the general revenue-sharing program accounting for $2.2 billion of the $5.966 billion, and the other proposing hospital cost containment which provides another $1.4 billion. Included in the list are savings in: wage board reform, annualizing Federal retirees' cost-of-living benefits, lowering operating differential subsidies in the merchant marine, eliminating the indexing of State vocational education grants; cutting category B impact aid; reforms in medicare and medicaid; food stamp reform; AFDC program reforms; AFDC child support enforcement; SSI modifications; cutting subsidies for nonneedy in the child nutrition programs; disability reforms; veterans health reforms (third party reimbursement); GI bill benefit reforms; and the imposition of a burial benefits cutoff standard.

These savings, which total $5.966 billion for fiscal year 1980, spin out to savings of more than $55 billion by 1984, a figure that I think makes each of the relatively small items in the list of legislative savings take on a new significance to us all.

In assuming these savings, the Budget Committee went far beyond the authorizing committees responsible for these measures. In their March 15 reports, the authorizing committees only endorsed $2.571 billion of the $5.966 billion assumed by the Budget Committee. By substantially exceeding the standards set by the authorizing committees, the Budget Committee has announced its deep commitment to the idea of legislative savings.

There is no question that these are, in many instances, controversial and difficult issues. Some involve huge amounts of money, others impact on favored interest groups. Others may affect one district or area more than another. These are real problems that must be dealt with if we are to succeed in adopting legislative savings.

Most important of all, however, will be enthusiasm of individual Members and their willingness to look at these legislative savings as a package, not just as a list of separate proposals. These measures are of tremendous significance in the effort to hold down spending; the loss of just one important saving could deeply damage that effort. Accordingly, I would urge Members, in reviewing the list of assumed legislative savings and in considering amendments that may be offered to strike those savings assumptions, to look at these proposals together as one tool to use in regaining control over spending.

In addition, Mr. Speaker, I would like to address a few other points that are relevant to the issues before us. First, as Members may have noticed, this year's budget resolution contains language that requires standing committees to make status reports by July 1 of their actions on the legislative savings proposals included in the first concurrent resolution and to include in their next March 15 report to the Budget Committee specific recomendations as to all possible legislative savings for which each committee has responsibility.

This kind of amendment to the budget resolution is highly unusual, as I am sure Members realize. I sponsored it and the Budget Committee adopted it, because we feel that it is important, even essential, that the authorizing committees begin to focus more closely on legislative savings. The purpose of the amendment is to require the standing committees to play more of a partnership role in working with the Budget Committee. To date, this responsibility has been confined to the Budget Committee, with the authorizing committees paying little attention. This year, for example, the committees' March 15 reports contained virtually no new proposals beyond those already identified by the President in his budget message. Clearly, there is a need for a better focus on legislative savings at the authorizing committee stage. The Budget Committee needs, welcomes, and looks forward to the participation of the authorizing committees in this crucial area.

The second point that I would urge Members to reflect upon is the pressure of the budget process itself that we feel today. Having gone through the budget process as a Member of the Budget Committee, for the first time, I am acutely aware of the enormity of the task that faces the Budget Committee and the shortness of time provided for dealing with it. The 6 or 8 solid weeks that the Budget Committee devotes to hearings on economic and policy issues are just barely enough to acquaint members of the committee with the problems and questions before them. It certainly is not nearly enough time to get into the tough, detailed issues the committee has a responsibility to investigate. Certainly, though it does not look at line items, the Budget Committee should be looking at the nuts and bolts of programs and looking, in concert with the authorizing committees, at ways of improving or changing their operation. This it simply does not have the time to do. It must rely on the piecemeal expertise of each of its members to find problems that need attention.

Mr. Chairman, I believe that this once again should remind us of the need to take a fresh look at the budget timetable. This year, in an effort to meet the demands of Members and constituents for reduced Federal spending, the committee made some hard choices on programs, some of them based on very little substantive knowledge of the effects of cuts. While there was probably no other way to hold down spending, I think this illustrates the need for more time for the budget process in the congressional schedule.

We all talk about holding down Federal spending and about regaining control over programs and over the regulatory activities of Federal agencies, but the fact remains that we simply do not have the time to do the work these worthwhile goals entail. Each committee involved in the budget process—the Budget Committee, Appropriations, the authorizing committees—all are pressed into very tight time constraints that do not allow them to do the kind of work and oversight they need to do and are best suited to do.

It is for this reason that I introduced H.R. 2000, the Biennial Budgeting Act, which would put the Congress on a 2-year budget schedule. This approach, which has been tried with success in a number of States, would give us essentially 1 year to do oversight on programs and 1 year to focus on legislation, including budget matters. This would avoid the annual spectacle of long, dragged-out fights over the same issues and allow us to get more deeply into serious program and policy issues. Instead of shotgunning after the same programs year after year, we would be able to make the kind of meaningful, responsible cuts and changes in law that would result in real control over spending, real reductions in waste and real improvements in the programs that serve people. We would be cutting fat and not muscle in important programs. This is the kind of budgeting that we should be doing and the kind of budgeting that we could do, if we had the time.

My bill already has a number of cosponsors and it will be studied next week during the hearings the Rules Committee Subcommittee on the Legislative Process is holding. I hope that as Members, especially new Members, experience the pressure of this week and the rush to adopt amendments cutting programs that they may not have enough information or enough time to study or understand, they will give serious thought to comprehensive reform of the budget process timetable. To date, the Budget Act has shown that the House can discipline itself and can adhere to tough guidelines on spending. With more time, the benefits we have already reaped can only grow.

☐ 1625

Mr. LATTA. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, although I am a new Member of the House, the debate that I have heard today gives me a great sense of deja vu. Having watched the Congress through the media from back home in California in past years, I have observed again the consistently adopted arguments that the Federal Government can solve our problems if only we spend more money, and yet much of today's arguments seem to imply that the Government just has not done enough recently; but can anyone really suggest that the Federal presence has receded in the last decade? The answer has to be a ringing no. Yet we are told by some that even the committee's budget resolution, which if we look at it really follows the philosophy of the spending Congresses of the recent past, is not enough. That is unbelievable. If the Government spending on massive domestic programs had worked to reduce unemployment, stabilize the economy or somehow decrease inflation, I can understand it; but we all know it has not done so. We all know that we have tried the approach of Government as the salvation of our economic and social problems for several decades. It has failed and let us admit it and let us admit it now. Let us try something different.

We certainly cannot do any worse and perhaps, and I believe we can do far better.

In considering this week the first concurrent resolution on the budget for fiscal year 1980, we must remember that we are exercising the essence of responsibilities granted us as representatives by the men who designed our political system. This is the function, the keeping of the public purse, that was uppermost in their minds when they established this House of Representatives. The men who met in Philadelphia during that summer of 1787 had fresh memories of burdensome taxes imposed by a government far away and unconcerned with their needs. They wanted a government that imposed taxes to answer to the taxpayers. They knew this was the only way to imbue the elected with a sense of the judiciary responsibility they needed to serve the needs of those who elected them.

The system whereby taxes were levied by elected representatives generally worked until the sheer size and complexity of our economic system led to a loss of control. This loss was further accelerated by the acceptance of the theory that we hear even today that budgetary deficits could be run indefinitely with no ultimate day of reckoning.

Today, this week we consider a budget resolution in an amount that would have staggered the founding fathers. Indeed, it staggers us, and most importantly, it staggers the taxpayer.

The resolution provides for total budget outlays of over $532 billion. It provides for total Federal revenues of $507 billion. It provides for our borrowing nearly $25 billion to bridge the gap between these two figures and declares in the words of this resolution that, "The appropriate level of the public debt is $888,800 million, the appropriate level.

□ 1630

Certainly we do not say that to the taxpayers when we go home on Easter break or when we are talking about reelection.

This is not the fiscal craftsmanship of a responsible Government. It is one more step along the road to ruin. The fact that it is neither the first nor the last step in that journey does not absolve us of responsibility for the final destination. Our lack of courage and resolve in allowing this Nation to slip further into debt will haunt us and this institution in years to come.

The post-World War II era has been the most prosperous period in our history. It has been a period when we might have reversed the disasterous economic consequences of the Great Depression and 4 years of global war. Instead, it is a period when we squandered every opportunity to put our Nation's fiscal house in order.

To quote the highly regarded economist, Herbert Stein:

> The idea that the Federal budget should be balanced has been standard American doctrine for a long time (except, probably, among economists since about 1930), but the budget has in fact been balanced in only nine of the past fifty years and in only one of the past twenty. In the past fifty years there have been $626 billion of deficits and $34 billion of surpluses. About $247 billion of those deficits, or 40 percent of them, came in the five fiscal years 1975–1979.

Mr. Chairman, this is a damning indictment of this institution and all who serve in it. No one serving in this body today can look askance at the record of previous Congresses unless he or she is willing to vote now to assure that fiscal 1980 is not still another milestone of waste, deficits, inflation and broken promises.

We who serve in this House have a relationship of trust with the electorate in which we must reflect their needs and protect the public interest. We may stumble occasionally as we grapple with subjects beyond our expertise, but the principles of taxing and spending are understood by all and they are certainly understood by those who vote. Our fiscal house is in disarray because we too often lack the courage to vote against expenditures that please some of the voters. As a result, we have saddled unborn generations of voters with a public debt of mindboggling proportions. We have imposed on those whom we most seek to protect—the sick, the poor, the aged—a level of inflation that is destroying their own meager holdings.

We have required them to come back to Congress year after year. We have taken the independence of those people, the last thing they have really had, the one thing they cherished, and told them that, "With inflation, you have to come back to Congress year after year, and we will take care of you."

We know we have not taken care of them, and we know we will continue not to take care of them as long as we spend and spend in an effort to be reelected and reelected.

We have an opportunity this week to reverse this trend. We have a chance to set America on the right path.

Let us remember that the question is not just on this bill or that resolution or some amendment in the nature of a substitute; the question is what way we want this country to go. We have the power and we have the responsibility to make that decision, only if we have the courage.

Mr. Chairman, the people have found the answer. I do not have to remind the Members of proposition 13 and those things that followed in other States besides California. We know about that. The people know what the answer is. Let us hope that we as their Representatives somehow, some way, find that same answer this week.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I want to take this brief time to commend the chairman of the Committee on the Budget and the members of the committee for putting together a budget document that I think is pretty good, and even in its present form I believe it can be supported by the House of Representatives.

This is a target resolution. It is one that I think puts us within striking distance of balancing the budget in fiscal year 1981, and I think it is one that can be supported. I would like to see a couple of billion dollars more in cuts in this budget in order to really put us close to achieving that balanced budget goal for next year, and tomorrow I will have some amendments to the budget resolution that I want to bring to the attention of the House today.

A couple of these amendments are the kind we need to pass if we are going to have our rhetoric back home matched with our actions here in the House.

One of my amendments will be to cut the EDA new program initiative which calls for budget authority of $500 million in fiscal year 1980 and outlays of $50 million. Although the outlay in fiscal year 1980 is very small, I think we should be very cautious and look at this program with a great deal of scrutiny and care. If we look at the total program as sent up by the administration, we are not looking at just $50 million of outlays in fiscal year 1980; we are looking at $480 million expended in 1982 and $941 million in 1984, which is nearly a 2,000-percent increase in spending in that one program alone. In addition to that, there will be about $1.5 billion in off-budget borrowing authority which presumably by 1984 will be a part of the budget.

□ 1635

If you are going to live up to the promises to your constituents back home of a balanced budget, you are not going to do it by adding about $3 billion in spending in new budget authority in fiscal year 1984. And so one of the amendments will be to strike the EDA new program initiative.

Another major amendment I intend to offer deals with CETA title VI program. The President has already recommended a cutback in CETA title VI that will reduce the number of public service jobs from 358,000 to 200,000 by the end of 1980. What I will propose is a further cutback in budget authority of about $500 million that will reduce it to 100,000 jobs by the end of 1980.

In looking at CETA, we find that since 1974 outlays have increased 467 percent. Most of this growth has been in the public service title VI sector. This was designed originally as the countercyclical program. Title VI has been successful in supplying jobs and money, but in the current stage of the business cycle, I cannot find that there is reasonable rationale for a large countercyclical jobs efforts. So I will be offering an amendment to cut this down and further reduce the budget authority by about $500 million. Those two items alone will cut out about $1 billion in budget authority, and there will be other items that I urge the committee to take a close look at.

I have had a number of disagreements with this particular budget document. I have mentioned that I would like to see more cuts targeted in areas that are not going to cut off the necessary programs for the poor.

I would like to have seen the budget be a little more bipartisan in its formation. I still look for the day when both parties work to present a bipartisan economic budget document. But be that as it may, I still think it is a good target and one that deserves to be passed.

I think that those of us who are working toward a balanced budget and reduced spending and getting our fiscal house in order ought to choose our battlegrounds carefully. And, to me this first budget resolution is not the battleground.

There are two more significant battlegrounds that are ahead of us. One of them is later this spring, when the leadership has promised that we can have a substantive vote on either a spending limitation approach or a balanced budget amendment to add to the statutes. Then if we can pass that, the second and real battleground will be the second budget resolution in September, and that is the time we are to determine whether or not we are truly within striking distance of a balanced budget next year. I hope we can pass the spending limit approach, and I will be offering legislation after we dispense with this budget resolution which, in essence, will limit

Federal spending to 20 percent of our gross national product. If we can continue the improvement of our economy, if we can accept the economic forecasts and predictions, we can look in fiscal year 1981 to a balanced budget and some small tax cut and in fiscal year 1982, to a balanced budget and a $48 billion tax cut.

So this is the effort, this is the battleground that I think we ought to really gear up for, and that is the substantive vote on a spending limitation amendment which will come later this spring or early summer. And then if we can pass that, then we will have set in motion the kind of effort that it will take to have a meaningful second budget resolution that will put us within striking distance of a balanced budget next year.

☐ 1640

I have been asked the question, "In order to balance the budget or reduce spending, are you going to take it out of the hides of the poor?"

My answer to that is, "No. We do not have to."

Basically, the Federal Government has five or six principal purposes in spending. One, to provide for national defense and national security, and to provide for four categories of our citizens who need Government help. That is the aged, the young, the poor and infirmed.

What has happened over the past decade or so in the name of trying to provide human services and social services, all we have done at the Federal level is to provide further funding for the tremendous growth in bureaucracy, not at the Federal level, but State and local level.

The 1976 Federal fiscal year budget was analyzed and found to have about $220 billion targeted toward, "human services and social services programs."

In further looking at that 1976 budget, we found that only $1 out of $6 actually went to people in the poverty category.

If you look at what the people are complaining about these days, among those things are the tremendous growth in bureaucracy. Where has it occurred? Not at the Federal level.

We have 100,000 fewer bureaucrats today in the Federal civilian service than we had 9 years ago.

The State and local governments have 200 percent more bureaucrats today than they did 9 years ago. Most of that has been funded right here in Congress. You look at the general revenue sharing. You look at title VI of CETA. Title VI of CETA is not a program for the poor. It is a program to keep local government bureaucracy and general revenue sharing alive. So these are the kinds of things that I think we need to target toward.

The only way we are going to do it, the only way we are going to tell the nurses, the doctors, that we must cut per capita grants, the only way we are going to tell those people in more affluent districts such as my own that impact aid for education is not going to go on forever, the only way we are going to wean State and local governments from general revenue sharing is to pass an amendment to the budget process, that says, "You can spend a certain amount and no more. How you spend it is up to you, but you cannot breech that total amount."

That is where we ought to pledge our efforts. That is where we ought to make the battle. In the meantime, after we amend this budget resolution, I think we ought to pass this budget resolution and get on to the meaningful battles, the ones that the American people really want us to fight.

Thank you very much, Mr. Chairman. I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

The Chair now recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, first of all, I would like to say that I find much with which to agree with the previous speaker, and I have introduced some bills and resolutions which do some of the things which he was suggesting here as methods of consideration for balancing the budget or tying the budget into the gross national product. Those, of course, cannot be considered now, but they will be considered later on, based on a perfecting amendment, I call it, which I have introduced today, and which I will offer tomorrow, which would result in a balanced budget. I am under no illusions that my amendment will be adopted tomorrow, but I think it will provide a starting point or a discussion point for debate, and if perchance by some miracle it would pass, though, then I have introduced legislation which would provide the vehicle whereby we could have a balanced budget.

I have introduced a bill in each Congress which would provide for a balanced budget, unless the House and the Senate, acting together, declares that because of an economic emergency by a two-thirds vote, that a deficit should be permitted.

I think the chairman of the Budget Committee (Mr. GIAIMO) and the Budget Committee, given the framework within which they had to operate, have done an excellent job in providing a target budget for us to consider tomorrow.

☐ 1645

I am not under some restraints that I perceived the chairman of the Budget Committee or the Budget Committee itself to be under, so I propose to go further, as I have suggested. It seems to me that the administration has put too much emphasis on voluntary wage and price restraints in an effort to bring inflation under control. Voluntary wage and price restraints have not worked, as evidenced by the fact that inflation is now running at a 13-percent rate. The question might be asked as to when the guidelines will begin to work to bring inflation under control.

Last year, hourly earnings and unit labor costs were up about 9 percent. Yet, as I say, the present rate of inflation is 13 percent, so wage and price guidelines are an idea based on something that is not fact; that is, the fact that inflation is pushed by wages. But right now it is not. Inflation is being pulled by too much Government spending, too big a deficit, too much money creation and too many taxes and regulations that hold down production. I think it is time we stopped the charade of claiming that wage and price guidelines can do the job and concentrate on the real problem, the linchpin of which I perceive to be a budget deficit.

Aside from the hidden tax of inflation brought on by budget deficits, there is an additional problem of financing the public debt which the Government must meet. The Federal Government must borrow money through intervention in the private marketplace. The result is not only higher interest rates to individual borrowers, but competition for money which private industry could use, and it also reduces the money available to job-producing investments in the private sector.

I think, therefore, there is a relationship between our current inflation and our very poor productivity performance. Our rate of productivity, as Mr. Kahn pointed out before the Joint Economic Committee last week, is among the lowest of the industrial nations. As a matter of fact, right now Japan's productivity rate is 10 times our own, and ours is the lowest of the industrial nations, as I have said.

Now, there may be times when a budget deficit is necessary to stimulate the economy, but it should not be a way of life if our free enterprise system is to remain viable. By transferring resources from the public sector to the more efficient private sector, stable, inflation-free growth could become a reality. So, I will offer this perfecting amendment to the budget resolution. As I say, I am under no illusion that it will be adopted, but if by some miracle it is, adoption of H.R. 853, which calls for a balanced budget except in time of war or economic necessity, could follow. If the economy slows to the point where unemployment becomes a problem, we could stimulate it by declaration of an economic emergency.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. To me, inflation is our No. 1 problem, as I have said, and in many respects it has been since I first came to Congress in 1967. In each Congress since then, I have introduced this resolution which I felt addressed the problem as a debate vehicle, at least.

As the Members know, last year grassroots development unfolded which gave us hope. The American people began to move into the problem, as evidenced by proposition 13, and to call for a constitutional amendment to mandate a balanced Federal budget. My hope is that congressional action will cure the problem and that a constitutional convention will not be necessary. I think that mandating no deficit in the Federal budget except in time of war or economic necessity by a rollcall vote of two-thirds of both Houses is the best approach, and I would hope, with that in mind, that the perfecting amendment which I will offer tomorrow calling for a balanced budget will be adopted.

□ 1650

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Chairman, I appreciate this opportunity to discuss my views on the budget resolution, which I cannot support as it now stands. Today when Government programs affect the quality of life for many millions of people in our mixed economy, budget power takes on a much more significant meaning. That is why Congress has interjected itself progressively and aggressively into the budgetary process. However, I find it ironic that just as the House of Representatives had begun to assert itself on this issue, we find ourselves faced with a mood of so-called fiscal conservatism. As a result of this mood in Congress, we have a budget resolution that looks like something that was cooked up by Herbert Hoover.

There has been some discussion here today, and there just was, about whether inflation can be diminished by a cutting of spending. I happen to think that it cannot. I agree with those, however, who say that inflation is a major problem. It is especially hard on the poor, those on fixed incomes, and those who are unemployed and who are, therefore, absolutely defenseless against the seemingly arbitrary and sometimes cruel fluctuations of an economy that I think has gone absolutely berserk. But this budget resolution will not solve that problem. In fact, this resolution is totally unacceptable, in my view. It is totally unacceptable to the members of the Congressional Black Caucus. It is totally unacceptable to black America as it now stands, and I will, of course, vote against it, because I think it is time to stand firm against the chipping away of Government initiatives which aid our least affluent citizens, those who have historically suffered discrimination and economic oppression.

I feel sick today when I think that this budget has become the avenue for the politics of expediency which has replaced the politics of compassion that I have known this country to have. The politics of meanness have replaced social policies designed to remove conditions which remain the shame of America.

The attacks on the poor and on minorities are both direct and indirect. The direct attacks try to kill the CETA program, which provides jobs for the structurally unemployed, rather than trying to improve it; the direct attacks try to reduce drastically the number of low-income housing units which will be built. The direct attacks try to cut back the food stamp program, to take the very staff of life out of the mouths of people who are striving to survive at subsistence levels of the economy.

We are faced also with indirect attacks. They come cloaked in the rhetoric of "cut the budget" and "balance the budget," which declare everything but programs to aid the poor, the aged, and the handicapped to be sacrosanct in the budget-cutting mania.

Yet these indirect attacks are the most pernicious because they have effectively hidden the truth from the American public while successfully moving toward the destruction of compassionate Government policy which we have developed only painfully over the past few years.

The American public has been told, erroneously I believe, that low budget deficits will help to reduce inflation. Our own Congressional Budget Office and the President's Office of Management and Budget will tell us exactly the opposite.

Somehow the American public has gotten the picture that low unemployment will increase inflation, but they are coming to understand that inflation is caused by rising prices which are frequently the result of administered prices, higher energy cost, food costs, health, and housing costs.

One of the few problems poor Americans do not have is rationalizing an 81-percent increase in profits, as one of our major oil companies is today trying to do. Too many of our colleagues here today in Congress say that they will be voting for budget cuts because that is what the American public wants. I tell them to look at the recent Harris Poll in which 78 percent—yes, 78 percent—of the American people were against major budget cuts which would harm the aged, the handicapped, and the poor.

I ask my colleagues to repeat this fact to their constituents and to stop repeating erroneous economic theories and harmful self-fulfilling political prophecies which serve to damage our most vulnerable citizens. Those who would call for austerity should visit it upon institutions and individuals who reap massive profits, not on those who struggle just to exist in this so-called land of plenty.

□ 1655

I want to conclude by pointing out a statement in the minority views of the budget resolution which I believe epitomizes what I have called the politics of meanness. We are told that the majority "pushed for an acceleration of the redistribution of income and welfare on the productive segments of our society to the nonproductive." Is this country going to tell the victims of discrimination and economic oppression that they are to be denied job training and employment, decent housing and even food; that they are to be cast aside to die?

We in the House of Representatives have a responsibility as good Americans to not turn our backs on the needy. We must help to provide for those who are less fortunate than we are, those who do not have work but who look to us for jobs; those who do not have fancy houses but who want us to give them the hope for a good residence; those who have not fancy degrees but who want us to use our commonsense when it comes down to this budget; those who are hungry, who want us to help them get food and, yes, food stamps; those who are diseased and who want us to help them get good medical care; those who are aged who want to be relieved of their anguish.

Let us not fail them by voting for a budget that plays politics for their lives. I will not be a party to a budget that tries to build a new foundation on the backs of people least able to carry the burden. That is not the kind of United States of America I know and love. I urge my colleagues to support the human needs amendment that the gentleman from Maryland (Mr. Mitchell) is going to offer, and if the amendment does not pass so that this budget resolution will be significantly improved, I urge them to do as I will do and that is vote against it.

Mr. ROUSSELOT. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas, a distinguished member of the Committee on Veterans' Affairs.

Mr. HAMMERSCHMIDT. Mr. Chairman, I wish to express my deep concern over the inadequacies of the budget for the Veterans' Administration as submitted by the President in January as well as the recommendations of the House Budget Committee on veterans' benefits and services under function 700 of the reported measure. It is my understanding that the distinguished chairman of the House Veterans' Affairs Committee plans to offer an amendment which I shall support.

The President requested $20.9 billion in budget authority and $20.4 billion in outlays for fiscal year 1980. The personnel losses in Veterans' Administration hospitals resulting from this budget, together with the personnel reductions ordered in the current year, mean the Veterans' Administration hospital system will operate with almost 8,000 fewer personnel than were employed during fiscal year 1978.

This situation is creating havoc with the care and treatment of sick and needy veterans. Entire wards in hospitals are being closed; prescription drugs previously furnished are now denied; nonservice-connected outpatient care is being cut back and the Veterans' Administration medical program in general is being cut to the bone.

The seriousness of the situation can be assessed by the reaction of some of the Nation's leading veterans organizations. National Commander John M. Carey of the American Legion said:

> The American Legion believes the President's 1980 Budget for the Veterans Administration is dangerously inadequate.

DAV National Director of Services Norman B. Hartnett commenting on fiscal year 1980 funding for Veterans' Administration hospital described it as "inadequate staff-to-patient ratios, bare-bone funding, and ineffective, if not thoughtless, short and long-range planning." VFW Commander in Chief Eric Sandstrom said:

> There are 600,000 World War I veterans, many living on fixed incomes, who would be turned away from Veterans' Administration hospitals if they were not wounded. It isn't their fault they weren't wounded.

Unfortunately, the Budget Committee failed to provide any relief despite the fact that their report recommended $63 million more than the President had requested.

The amendment to be offered by the gentleman from Texas will restore some of the sorely needed funds and permit the Veterans' Administration to continue providing quality medical care that has been earned by the Nation's veterans. I shall strongly support the amendment and urge that it be adopted.

[In millions of dollars]

	House Veterans' Affairs Committee		Budget Committee		Roberts amendment	
	BA	O	BA	O	BA	O
1. 8.3-percent compensation and DIC rate increase	577.0	530.9	577.0	530.9		
2. Minor compensation initiatives	11.2	11.2	9.0	9.0		
3. To deny burial benefits to certain n/s/c veterans			−50.0	−50.0	50.0	50.0
4. Enhance ch. 31 vocational rehabilitation program for service-connected veterans	41.0	41.0	41.0	41.0		
5. Terminate flight training and correspondence programs under GI bill	58.9	58.9	−58.0	−58.0	58.0	58.0
6. Medical authorization initiatives	181.5	181.5	150.0	150.0		
7. Medical "cost savings"	262.0	262.0	−262.0	−262.0		
8. Medical personnel	149.0	149.0			149.0	149.0
9. Medical and prosthetic research	10.0	10.0			8.0	8.0
10. Baltimore Hospital and Camden Hospital			−143.0	−7.0		
Total, Roberts amendment					265.0	265.0

☐ 1700

The CHAIRMAN. The Chair now recnizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I know the House will be delighted to learn it will have an opportunity once again to vote for a balanced budget resolution. The resolution is carefully thought out and takes into consideration all of the categories to which we must give our attention in this budget process.

This is the day you have been waiting for. You now have an opportunity to vote for less spending, less Government, and less taxes.

Once again I will offer the Rousselot balanced budget substitute which permits a tax cut and calls for restraints in spending increases. The committee version creates tax increases.

Adopting a balanced budget resolution will show the American people that the Members of the House of Representatives are serious about restraining the growth in government and controlling inflation—and that we are not just blowing smoke in their ear when we go home and talk about it.

The Rousselot balanced budget substitute balances outlays with anticipated revenues at $515 billion for fiscal year 1980 by restraining increases. Outlays have been established either at or above last year's levels, or they have remained at the levels recommended by the Budget Committee. Additionally, the Rousselot balanced budget substitute provides for a net tax cut of $10 billion. This is roughly equivalent to a $16 billion gross tax cut before tax revenue reflows that will result from an expanding economy.

Support for the concept of a balanced budget has spread throughout the grassroots of America. According to recent polls, over 70 percent of the people support a balanced Federal budget. After all, they pay the bills.

The Members of this House—that branch of the U.S. Government which has the responsibility to control the Nation's purse strings—have been making promises of fiscal responsibility back home. Now is the time for a promise to become a vote—and a commitment to fiscal responsibility.

The underlying economic model from which the Rousselot balanced budget revenue estimate is derived is a closer approximation to reality than the Budget Committee's model. The Rousselot estimate of target revenue levels for the 1979 fiscal year was set at $464 billion—this estimate has been substantially validated by the rate at which revenues are actually flowing in.

Comparison

The facts speak for themselves.

Fiscal year 1979:

Rousselot revenue estimate $464.0.
Budget Committee revenue estimate $443.3.
Current OMB estimate $461.2.

According to OMB, revenues will total at least $461.8 billion by the end of fiscal year 1979. In comparison, the majority's resolution, which this House accepted last year, was an astonishing $18.5 billion off the mark with a target set at $443.3.

The Rousselot balanced budget substitute estimates a nominal growth of 12 percent, a more realistic figure that the Budget Committee's estimate of 9.4 percent.

ROUSSELOT BALANCED BUDGET SUBSTITUTE AMENDMENT TO 1ST CONCURRENT RESOLUTION, FISCAL YEAR 1980

[In millions of dollars]

	Fiscal year 1980 House Budget Committee	Fiscal year 1979 2d Concurrent Resolution (revised)	Fiscal year 1980 Rousselot substitute	Rousselot increase/ (decrease) over prior year
Revenues	507,800	458,485	515,000	56,515
Budget authority	608,418	555,659	593,831	38,172
Outlays	432,730	492,820	515,000	22,180
Deficit	24,930	34,335	0	0
Public debt	888,800	830,000	863,900	33,900
050—National defense:				
Budget authority	$135,263	$125,468	$132,283	$6,815
Outlays	123,975	113,817	123,975	10,158
150—International affairs:				
Budget authority	12,932	11,576	12,647	1,071
Outlays	8,223	7,640	6,000	(1,640)
250—General science, space, and technology:				
Budget authority	5,622	5,357	5,498	141
Outlays	5,475	5,151	5,151	
270—Energy:				
Budget authority	20,138	7,592	19,695	12,103
Outlays	7,960	7,338	7,338	
300—Natural resources and environment:				
Budget authority	12,781	12,770	12,500	(270)
Outlays	11,820	11,245	11,245	
350—Agriculture:				
Budget authority	4,929	8,283	4,929	(3,354)
Outlays	5,350	5,918	5,350	(568)
370—Commerce and housing credit:				
Budget authority	7,560	5,844	7,394	1,550
Outlays	3,195	2,917	2,917	
400—Transportation:				
Budget authority	19,708	19,212	19,274	62
Outlays	18,184	17,137	17,600	463
450—Community and regional development:				
Budget authority	8,303	8,062	8,120	58
Outlays	7,348	9,001	7,348	(1,653)
500—Education, training, employment, and social services:				
Budget authority	32,453	32,604	31,739	(865)
Outlays	31,454	29,995	30,000	5
550—Health:				
Budget authority	58,079	52,904	56,801	3,897
Outlays	53,813	49,409	50,400	991
600—Income security:				
Budget authority	217,332	193,717	212,551	18,834
Outlays	183,100	161,096	177,227	16,131
700—Veterans benefits and services:				
Budget authority	21,035	20,386	20,572	186
Outlays	20,549	20,211	20,549	338
750—Administration of justice:				
Budget authority	4,306	4,163	4,211	48
Outlays	4,433	4,179	4,300	121
800—General government:				
Budget authority	4,424	4,237	4,327	90
Outlays	4,331	4,159	4,200	41
850—General purpose fiscal assistance:				
Budget authority	6,499	8,476	6,356	(2,120)
Outlays	6,489	8,602	6,489	(2,113)
900—Interest:				
Budget authority	56,000	52,429	53,880	1,451
Outlays	56,000	52,430	53,880	1,450
920—Allowances:				
Budget authority	854	699	854	155
Outlays	831	693	831	138
950—Undistributed offsetting receipts:				
Budget authority	−19,800	−18,120	−19,800	(1,680)
Outlays	−19,800	−18,120	−19,800	(1,680)

I, too, share with my colleague, the gentleman from Ohio (Mr. WILEY) the belief that this House can arrive at a balanced budget resolution and do that with appropriate consideration for some kind of action by the Committee on Ways and Means on tax relief in 1980. Knowing full well that that is an election year, that the Democratic caucus has voted very decisively to restrain automatic increases in the social security taxes for 1980 and 1981; knowing that this House will be anxious to show the American people that they realize that inflation, now running at well above 10 percent, will carry their taxes even higher in 1980. Therefore, we should make some important adjustments as we did in 1978 to reduce that tax burden.

So my resolution will have a consideration for a $16 billion tax cut that I think this Congress will probably put in place in 1980. I will leave the details to the Committee on Ways and Means on which I serve; but knowing that you cannot second-guess that committee in its deliberations and what it will bring to us.

Let me review some specifics of the Rousselot substitute. Many of us believe that revenues will run as high as $515 billion, actually higher than that after the tax cut, but a net revenue of about $515 billion. Budget authority is $593 billion; outlays are set at $515 billion.

There is no deficit add-on for 1980 under this resolution and requiring a much more modest increase in the overall debt ceiling because we have off-budget trust funds that still operate outside of this budget resolution, which I think is a mistake, but that is still the fact of reality under which we operate.

Now, I want to address specifically the fact, as I did earlier in the day, that I do not think the committee has given adequate attention to the inflationary factor that is included in the committee resolution. The committee states that it is their estimate that the inflationary factor will be 7.1 percent. I think that is grossly underestimated, especially when we have the administration announcing last week that the inflation factor for the past 12 months has been 10 percent. We are told by various estimates that we receive in the House or specific economic indicators from the Joint Economic Committee that the inflation rate for the past month was 13 percent.

Now, realizing that this Congress and the administration hopes to contain that inflation rate, I have estimated it for the year of 1980 at 8.5 percent, which I think is a far more rational explanation of what inflation will be than what the committee has suggested.

Additionally, I have felt that, for instance, in one functional category, income security, the committee has recommended that our target for income security be $183 billion.

☐ 1705

That will be well in excess of an increase of $20 billion for one functional category, repeat—just one functional category. I believe we should be able to contain that functional category at $177 billion, which still accommodates the assumptions that we will be increasing the social security benefits according to inflation indexing procedures. That will more than accommodate the social security increases already built into the system. We have indexed the social security benefits, but we have not indexed tax rates for our taxpayers, which I think is a real mistake.

But in any regard, in targeting in on that one category, I have suggested an increase of about $16 billion over last year's estimates or the 1979 estimates of what we will spend in that category.

Mr. Chairman, my colleague, the gentleman from Ohio (Mr. WYLIE), will in his resolution suggest that we stick with the committee $507 billion revenue level. I do not believe that is realistic, although I will support his resolution because I, too, think we need to send a message to the other body that we are serious about coping with inflation. Especially we should drawn attention to the Government inflation in expenditures. I am willing to support the gentleman's resolution, but I think, more realistically, a $515 billion expenditure level, which is far below what the committee is recommending. That expenditure level allows for additional costs of roughly $22 billion, and I think that is more than adequate to handle the inflationary aspects of this budget resolution.

So, Mr. Chairman, I now urge my colleagues to review their mail, because in their mail this evening they will receive a copy of all the functional categories and the overall aggregates that I propose in my resolution. It will be offered as a substitute for the committee resolution. With that resolution, I feel the Members can go home and explain to their constituents that they have voted for fiscal responsibility but not the kind of expenditure increases that are proposed in the committee resolution of $532 billion.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, a member of the Committee on the Budget, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding.

Would the gentleman characterize his budget as a current services budget?

Mr. ROUSSELOT. Yes; it is very close to a current services budget. In other words, $515 billion will more than accommodate the current service-required increases that we have already considered in the authorizing legislation of the past. So it would certainly accommodate the current services requirements.

Mr. Chairman, I urge my colleagues to support this substitute resolution.

Mr. GIAIMO. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois (Mr. STEWART).

Mr. STEWART. Mr. Chairman, I consider it a rare privilege and a great honor on my maiden trip to the well to plug the needs of the suffering people throughout this Nation, and especially in my district and my community.

Mr. Chairman, I rise to express my concern about the first concurrent resolution on the fiscal year 1980 budget.

I appreciate the effort by the House Budget Committee to restrain excessive spending, to combat inflation, and to move toward the goal of a balanced budget.

Those are serious problems confronting everyone and a grave concern to my constituents.

At the same time, however, unemployment remains at a very high level for minorities nationwide and in Chicago.

The proposed budget resolution does not take sufficient and effective action on programs to create jobs.

In my view, jobs are keys for moving black and minority Americans into the economic mainstream.

The proposed budget resolution also cuts back from the current policy level many other programs which help the poor and the cities.

The results of such cuts in human needs programs would be real reductions in goods and services delivered to those most in need.

A specific example is the Budget Committee's recommendation for public service employment under the Comprehensive Employment and Training Act.

The recommendation reduces the number of CETA title VI job slots for the counter cyclically unemployed from 358,000 to 200,000 jobs by the end of fiscal year 1980.

Not only does the resolution propose to restrict programs that provide for the real needs of Americans, but also the budget resolution proposes an 8.9 percent increase in military spending over the revised 1979 outlays.

Such a sizable increase in military spending has not been justified, and it is unwarranted at a time when not enough is being done to meet the real security needs of the American people.

That security, as I see it, pertains in the first instance to those matters most directly affecting individual Americans—a job, nutritious food, adequate housing, good health care, educational opportunities, livable communities, and a healthy family life and physical environment.

Far from providing us with more security, increased military spending provides only illusory security.

The foundation for real security rests in strong cities, in a productive economy, and in a healthy society.

Deterioration of the cities, unemployment, racial tensions, hunger, and economic disorders all add to national insecurity.

The national resources and human talent which are now used to increase military spending and to accelerate the arms race should be directed to the economic and social development of our people.

Only when we transfer our national priorities from the arms race, will we address adequately the needs of the human race.

That, Mr. Chairman, is why during consideration of the first concurrent budget resolution for fiscal year 1980, I will be supporting efforts to increase the budget for major domestic social programs that meet human needs.

☐ 1715

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I think we made some real progress on the budget process this year. I note the President's budget, while not a model of fiscal responsibility, was at least down from the spending path of the previous budget which he had recommended to this Congress. I think, in sending us a budget like that, he gave us a good example.

I am sorry that the House Budget Committee did not follow that example with more enthusiasm, but even so, I think the Budget Committee performed beyond its previous record of achievement in trying to look with care on the expenditures of the Federal Government. I would certainly want to congratulate the committee and its chairman for doing a workmanlike job and in making improvements over previous years.

Mr. Chairman, those improvements were not enough. Our taxpaying constituents and, indeed, all of our constituents, expect better of us than $532 billion.

They expect better of us than an 8-percent increase over last year's spending levels.

They expect better of us than a $40 billion increase over last year's spending.

So, the $532 billion of outlays, which the committee is recommending, is not what the public is asking for. It is simply too much.

We are not giving the Federal employees an 8-percent increase. The wage guidelines that the President has established are not 8 percent. There is no reason why we should let the Government spend 8 percent more. We can make deeper cuts, and we can make them effectively without disrupting our national economy.

I think that the substitute amendment, which has been suggested by the distinguished ranking minority member of the Budget Committee, the gentleman from Ohio (Mr. LATTA), is an excellent step that would show the Congress has some serious intentions about restricting Federal expenditures. The expenditure level there is a reduction of about $9 billion over what the committee did. That will be a difficult decision for this House to make. Nevertheless, I think we have to make it.

In addition, the amendment by the gentleman from Ohio, the substitute amendment, includes a tax cut. I think that is really important for a suffering segment of our society. So far, the Congress has shown its greatest enthusiasm for fiscal responsibility in its attempts to balance the budget over the dead bodies of the taxpayers.

We know that inflation raises most people's tax rates without giving them a real increase in income.

We know that the Social Security taxes are going up. We know we are going to have energy taxes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. I yield 2 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. So, a tax cut has to be a part of the budget process if we are going to be fair to the taxpayers. Otherwise, the share of the gross national product that they are able to keep is going to be reduced, and the Government's share will continue to rise.

In summary, the Budget Committee has done a pretty good job. The President did a pretty good job. But pretty good is not enough to warrant the approbation of our constituents.

We must make further budget cuts. We must provide for a tax cut. Only in that way can we do what our constituents expect of us.

I again restate my support for the amendment of the gentleman from Ohio and hope that it is adopted by this House.

I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield 2 mintues to the gentleman from Mississippi (Mr. MONTGOMERY).

☐ 1720

Mr. MONTGOMERY. Mr. Chairman, I would like to take this opportunity to thank the chairman of the Committee on the Budget and the members of the committee for the courtesies and consideration they have shown my chairman of the Committee on Veterans' Affairs and also the members of that committee.

Mr. Chairman, following general debate on the first concurrent resolution on the budget, the very able chairman of the full Committee on Veterans' Affairs, RAY ROBERTS, will offer the following amendment to increase budget authority and outlays under function 700 (veterans benefits and services) by $265 million:

AMENDMENTS TO H. CON. RES. 107, AS REPORTED OFFERED BY MR. ROBERTS

Page 4, line 19, strike out "$21,035,000,000" and insert in lieu thereof "$21,300,000,000".

Page 4, line 20, strike out "$20,549,000,000" and insert in lieu thereof "$20,814,000,000".

Conform the aggregate amounts in the first section of the resolution.

I strongly support the amendment.

The proposed amendment is also supported by the very able ranking minority member of the Committee on Veterans' Affairs, the distinguished gentleman from Arkansas, JOHN PAUL HAMMERSCHMIDT of Arkansas, and other members of the committee.

Adoption of the amendment is essential if we are to continue to maintain current levels of health care and benefits for our sick and disabled veterans. The additional funds are not for new or expanded programs. If the amendment is adopted, it will simply allow the Congress to enact legislation to provide an 8.3 percent cost-of-living adjustment in the monthly benefit checks paid to service-connected disabled veterans and their eligible survivors. In addition, it will provide funds necessary to restore some of the health-care personnel reductions imposed on the Veterans' Administration by the Office of Management and Budget and will prevent further bed closings and personnel reductions targeted for fiscal year 1980. The proposed amendment contains funds to also restore the seven employees cut from the American Battle Monuments Commission in fiscal year 1979.

Last Friday, Mr. ROBERTS and Mr. HAMMERSCHMIDT sent a letter to each Member of the House explaining their reasons for offering the amendment. I would like to take a little time to outline to you why many of us who serve on the committee feel the amendment is so critical. First, unless the amendment is enacted, we will exceed our target contained in the first concurrent resolution, if, as expected, we report a bill in the very near future to provide an 8.3 percent cost-of-living adjustment in compensation and DIC rates paid for service-connected disabled veterans and their eligible survivors. This would cost $577 million. In addition, we would exceed our target if we were to enact a bill which is expected to be reported in the very near future to provide a cost-of-living adjustment in the assistance allowance payable under the vocational rehabilitation program for service-connected disabled veterans. I'm sure Members favor this legislation in that it does not establish new programs but simply provides cost-of-living adjustments in order to offset the current rate of inflation.

Second, last year when the administration submitted its budget request to the Congress for fiscal year 1979, we took issue with the administration's planned reduction of 1,500 full-time permanent positions within VA's medical program and the closing of 3,132 beds. You will recall the Budget Committee accepted the administration's recommendation which prompted Mr. ROBERTS to offer an amendment to the resolution last year to restore the funds necessary to continue operation of those beds. In addition, funds were included to increase outpatient staff and staffing of new medical facilities by some 875 people. Our amendment carried by an overwhelming vote and funds were included in VA's fiscal year 1979 appropriation bill to carry out the clear intent of the Congress.

Notwithstanding the wishes of the Congress, the Office of Management and Budget directed that the Veterans Administration not use the funds for personnel. Instead, the Administrator of Veterans Affairs was told that the funds appropriated specifically for VA medical personnel and research must be used to help absorb the Federal pay raise that became effective October 1, 1978. Thus, at the beginning of the current fiscal year, the VA proceeded to close the 3,132 beds and began a reduction of 1,500 staff positions.

To make matters much worse, we learned that on or about January 29, 1979, the Chief Medical Director informed all VA hospital directors that they must cut back an additional 3,581 positions by September 30, 1979. Since this additional reduction was not imposed until midway into the second quarter of the fiscal year, in order to attain the imposed personnel ceiling, the hospitals lost another 1,895 positions. Therefore, the total loss of personnel in existing facilities during fiscal year 1979 will be almost 7,000.

There follows an exchange of letters between the chairman of the committee and the Administrator confirming these reductions:

Committee on Veterans' Affairs,
Washington, D.C., March 23, 1979.
Hon. Max Cleland,
Administrator of Veterans Affairs,
Veterans Administration,
Washington, D.C.

Dear Mr. Administrator: Thank you for your letter of March 12, 1979 in response to questions I previously raised pertaining to the personnel reductions within the Department of Medicine and Surgery.

This morning my staff met with members of your staff in an attempt to clarify the personnel issue and the meeting was very worthwhile. Since I expect to be meeting with the Chairman of the Budget Committee within a day or so, I would appreciate your response to the following remaining questions:

1. How many positions (full time or full-time equivalent) will be lost in existing VA medical facilities in fiscal year 1979?

2. How many additional positions are expected to be lost at existing medical facilities in the budget request submitted by the Agency for fiscal year 1980?

3. There seems to be some difference of opinion as to the recent allocation of additional FTEE to existing medical facilities on a non-recurring basis for fiscal year 1979. Please provide us with the *exact* FTEE allocated to all medical districts and the date such allocation was made.

Because of the urgency of the situation, this letter will be hand delivered to your office by a member of my staff, and your prompt response would be most helpful to us.

Sincerely,
Ray Roberts, *Chairman.*

Veterans' Administration, Office of the Administrator of Veterans Affairs
Washington, D.C., March 27, 1979.
Hon. Ray Roberts,
Chairman, Committee on Veterans' Affairs,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of March 23, 1979, concerning medical care staffing. The following responses are provided to the three questions raised in your letter:

1. Effective October 1, 1978, existing medical facilities lost 1,500 positions and FTEE due to bed reductions. As a result of a reduction in the medical care ceiling, 3,735 end-of-year positions and 3,581 FTEE were withdrawn from the field in January 1979 for future activations. According, total reductions in FY 1979 for existing medical facilities were 5,235 end-of-year positions and 5,081 FTEE. Furthermore, 175 positions/FTEE for new activations and 700 positions/FTEE for outpatient care added by Congress in FY 1979 were not provided to the Veterans Administration.

2. In FY 1980, existing medical facilities will lose 1,650 positions/FTEE. As indicated in our budget submittal (Vol. II, p. 6-36 to 39) these positions will be reallocated for new and replacement VA medical centers, VA Prosthetics Center N.Y., nursing homes, and other new facilities.

3. As you know, 3,003 FTEE were provided to existing medical facilities on a non-recurring basis in FY 1979. This action was taken in order to help activities achieve lower end-of-year ceilings and to soften the impact of a loss of approximately 5,476 FTEE that would result from an annualization of the 3,581 FTEE withdrawn from the field in January 1979. As requested, attached is a breakdown of the 3,003 FTEE by medical districts. An additional 504 FTEE is being held in reserve and is also available for distribution on a non-recurring basis in FY 1979 pending further study.

I would like to reiterate that the FY 1979 and 1980 budgets reflect lean and austere staffing. My staff and I have attempted to be very open in our discussions with veterans service organizations and the Congress concerning the impact of these budget levels. Although overall indicators of performance in the medical care program, e.g., patients treated and staff-to-patient ratios, remain almost the same in FY 1978, 1979 and 1980, we have continually acknowledged that staffing in existing medical facilities would be reduced in order to meet new commitments. Moreover, the task of reducing staffing and adjusting operations will be a difficult undertaking for our hospital directors. While we recognize that there are limitations concerning the extent to which future commitments can be met with present resources, we believe that the reallocation of personnel in FY 1979 and 1980 are at manageable levels. I can assure you however, that we are closely monitoring the reallocation of staff and related operational impacts and that we will not hesitate to take appropriate remedial action if circumstances warrant.

I appreciate your's and the Committee's interest in the well being of our medical care program. My staff and I will continue to keep you fully informed of matters related to this area.

Sincerely,
Max Cleland, *Administrator.*

Attachment.—*Fiscal Year 1979 Non-Recurring FTEE Allocation—FTEE and date*

District No. 1: 129, 3–12–79.
District No. 2: 102, 3–12–79.
District No. 3: 318, 3–12–79
District No. 4: 186, 3–12–79.
District No. 5: 57, 3–12–79.
District No. 6: 177, 3–12–79.
District No. 7: 84, 3–12–79.
District No. 8: 66, 3–12–79.
District No. 9: 150, 3–12–79.
District No. 10: 87, 3–12–79.
District No. 11: 60, 3–12–79.
District No. 12: 54, 3–16–79.
District No. 13: 54, 3–12–70.
District No. 14: 51 3–12–79.
District No. 15: 51, 3–12–79.
District No. 16: 30, 3–12–79.
District No. 17: 159, 3–12–79.
District No. 18: 66, 3–12–79.
District No. 19: 120, 3–12–79.
District No. 20: 99, 3–12–79.
District No. 21: 90, 3–12–79.
District No. 22: 69, 3–12–79.
District No. 23: 141, 3–12–79.
District No. 24: 63, 3–12–79.
District No. 25: 60, 3–12–79.
District No. 26: 219, 3–12–79.
District No. 27: 156, 3–12–79.
District No. 28: 105, 3–12–79.
Total, 3003.

Mr. Chairman, I think it should be noted the administration was most reluctant to admit that existing hospitals would lose so many healthcare personnel in such a short period of time, especially in view of Congress clear intent that such reductions not take place. It was only through extensive staff investigations and committee hearings on February 28 and March 1, that we were able to confirm the magnitude of the reductions being made. In their letter to each Member of the House, Mr. Roberts and Mr. Hammerschmidt noted the number of beds, personnel, and funds lost in every VA hospital within the system.

Following our hearings, the chief medical director, although he indicated he hoped no reductions-in-force would be necessary, was asked to furnish the committee with specific data as to the number of reductions-in-force that were submitted to him by all hospital directors to attain the imposed reductions. Nineteen medical center directors have requested RIF actions and seven have received approval to proceed. In addition, the committee has been informed by the chief medical director that some additional beds are being closed. In too many cases entire wards are being closed. There follows a recent exchange of letters between the committee and the chief medical director reflecting these additional bed closings:

Committee on Veterans' Affairs,
Washington, D.C., March 28, 1979.
Dr. James C. Crutcher,
Chief Medical Director, Department of Medicine and Surgery, Veterans Administration, Washington, D.C.

Dear Dr. Crutcher: In reference to the Administrator's letter of March 27, 1979 (copy enclosed), the Committee would appreciate the following data:

1. (a) How many directors have requested a reduction-in-force in order to bring about the reduction in his or her facility?

(b) How many directors have received approval from Central Office to proceed with a reduction-in-force?

2. (a) How many facilities have requested that they be allowed to close wards?

(b) If any, please identify the stations and number of proposed beds and type of ward proposed to be closed.

(c) How many requests have been approved by Central Office?

3. How many stations have different outpatient workloads from that shown in the President's FY 1980 budget request?

I would appreciate this information as soon as possible.

Sincerely,
Ray Roberts, *Chairman.*

Veterans Administration,
Department of Medicine and Surgery,
Washington, D.C., April 24, 1979.
Hon. Ray Roberts,
Chairman, Committee on Veterans Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of March 28, 1979, concerning reductions-in-force and ward closures. The following information is submitted in response to the six questions contained in your letter:

1. (a) Nineteen Medical Center Directors have requested reductions-in-force during the current fiscal year.

(b) Seven Medical Center Directors have received approval to proceed with the reduction-in-force.

2. (a) Thirty-two Medical Centers have requested approval to close wards during FY 1979.

(b) The following listing identifies those Medical Centers proposing ward closures:

Medical center, beds, and category

Atlanta, 32, Surgery.
Augusta, 84, Psychiatry (2).
Bronx, 10, Psychiatry; 75, Medicine (2); 29, Surgery.
Brooklyn, 41, Medicine.
Chillicothe, 25, Surgery.
Cleveland, 16, Medicine; 20, Rehabilitation; 20, Neurology.
Columbia, Mo., 30, Medicine.
Danville, 53, Psychiatry.
Dublin, 36, Surgery.
East Orange, 28, Psychiatry; 40, Medicine.
Ft. Lyon, 133, Psychiatry (2).
Hines, 30, Surgery.
Little Rock, 106, Psychiatry (2).
Long Beach, 30, Neurology; 40, Surgery; 105, Medicine.
Los Angeles (Brentwood), 20, Psychiatry.
Los Angeles (Wadsworth), 20, Medicine.
Louisville, 21, Medicine.
Madison, 15, Surgery; 14, Medicine.
Martinez, 41, Surgery/Neurology.
Martinsburg, 71, Medicine (2).
Miami, 42, Medicine.
Minneapolis, 31, Surgery; 55, Medicine (2).
Murfreesboro, 66, Psychiatry; 38, Medicine.
New York, 31, Psychiatry.
Palo Alto, 53, Psychiatry (2).
San Antonio, 30, Medicine.
Sepulveda, 22, Surgery; 38, Medicine.
Syracuse, 52, Medicine.
Togus, 16, Medicine.
Tuskegee, 36, Psychiatry.
Walla Walla, 31, Medicine.
West Haven, 36, Psychiatry.
32 Medical Centers, 1,762.
Medicine, 735.
Rehabilitation, 20.
Neurology, 50.
Surgery, 301.
Psychiatry, 656.
Wards, 51.

(c) Thirty requests for ward closure have been approved by VA Central Office.

3. Based upon projected outpatient workloads for FY 1979, there are 43 Medical Centers and Independent Outpatient Clinics that vary by more than 10% from the President's FY 1980 budget request.

I appreciate the opportunity to provide this information. Thank you for your continuing concern for Veterans Administration health care programs.

Sincerely,

JAMES C. CRUTCHER, M.D.,
Chief Medical Director.

Mr. Chairman, this drastic reduction of staff and closing of beds have had a severe impact on the care and treatment of our Nation's veterans. Simply put, hundreds of veterans are already being denied treatment. The number being denied will continue to grow. Many who are receiving care as inpatients are being told they cannot be seen, to the degree the committee feels necessary, following discharge. Many are being denied medicine and drugs. We have even received confirmation from VA that severely disabled veterans are being dismissed with instructions to seek follow-up care through private physicians. For those who do not have a private family physician, they are being told to find one. The following correspondence clearly shows the adverse impact these bed closings and staff reductions are having on VA's medical care programs:

JANUARY 19, 1979.

To: ACOS for Ambulatory Care (11C); Thru: Chief of staff SPS.
From: Medical Center Director (00).
Subject: Health care delivery to nonservice-connected veterans.

1. It has become painfully clear that this medical center will no longer be able to provide health care and follow-up to all eligible veterans. With the personnel constraints recently imposed by VACO, it will no longer be possible for us to provide outpatient treatment or follow-up care to nonservice-connected, non-pensioned veterans beginning January 22, 1979. Additionally, we will not admit the nonservice-connected, non-pensioned veterans to the medical center for inpatient treatment unless he is an absolute medical emergency case or urgent case.

2. If a nonservice-connected, non-pensioned veteran presents himself/herself at the medical center, the medical staff is to evaluate the medical conditions and, if not emergent or urgent, the individual may be provided with sufficient medication to be able to have that veteran referred to his/her private physician or community resources.

3. It is with great regret that we must impose such restrictions, but there appears to be no other choice short of compromising the quality of care rendered.

MARJORIE R. QUANDT.

VETERAN'S ADMINISTRATION,
MEDICAL DISTRICT 14,
ANN ARBOR, MICHIGAN.

To all non-service connected veterans:

Congress, the Office of Management and Budget and the Veterans Administration recognize that it is spending an increasing share of the available resources for the care of Non-Service Connected Veterans. Public Law 95–581 established priorities for the care of Veterans and gives top priority to Service Connected Veterans. In view of limitations in the Federal Budget, immediate steps must be taken in order to assure that we can continue to give priority to Service-Connected Veterans.

Effective July 1, 1979 we will no longer provide Non-Service Connected Veterans with medications, drugs, and supplies which are available commercially without prescription. (Except diabetic supplies.) These nonprescription medications, drugs and supplies include such items as aspirin and aspirin-related products, antacids, laxatives, dietary supplements, swabs, vitamins, cold and cough preparations.

This means that the Non-Service Connected Veterans must purchase these items, since they will no longer be supplied by the Medical District 14 Medical Centers. (Please see attached list.)

Our Medical Staffs will continue to inform the Non-Service Connected patient of the need for such medications, drugs, and supplies, but these will not be provided by our Pharmacies. We regret we are no longer able to provide this service, but we recognize our responsibility to give priority to the care of Veterans with Service-Connected disabilities. Should you have any questions, please feel free to contact us.

A. ZAMBERLAN,
Director,
VAMC Ann Arbor, Mich.
C. ANDERSON,
Director,
VAMC Saginaw, Mich.
J. DONACHIE,
Director,
VAMC Battle Creek, Mich.
R. DROSKE,
Acting Director,
VAMC Allen Park, Mich.

VETERANS' ADMINISTRATION
HOSPITAL,
Durham, N.C., March 6, 1979.

DEAR BYPASS PATIENT: You have been followed by the Cardiology Bypass Clinic at the Durham VA Medical Center, and it has been a pleasure to have been of assistance to you. In order for you to be followed on an outpatient basis beyond the point where your medical condition has stabilized, you must be one of the following: (1) service-connected for that particular condition; (2) 50 percent or more disabled because of service-connected disabilities; or (3) rated by the VA as in need of regular aid and attendance or house bound benefits due to a disability. This is in accordance with VA regulations and policies as formulated by legislation approved by the Congress.

I have reviewed your medical record and am of the opinion that the medical condition for which we have been following you has stabilized. Since you do not meet any of the three conditions listed in the above paragraph, we are not allowed to continue to provide any further followup care or medications. If you have a local physician, appropriate medical information can be released to him in order that care can be continued, if needed, at your own expense. You will be required to sign the necessary authorization in order for this information to be released. If you do not presently have a local physician to be referred to, it is suggested that you take the necessary steps to make such arrangements.

If at any time in the future you are in need of hospitalization, you may reapply at that time.

Sincerely,

KENNETH G. MORRIS, M.D.

Finally, Mr. Chairman, the administration's fiscal year 1980 budget would eliminate approximately 2,100 additional beds and 1,884 personnel in medical facilities throughout the country. Within 2 years VA's medical facilities will lose more than 8,000 people. We must not allow this to happen.

I think we have clearly established the need to adopt the Roberts amendment. If we do we will let the Office of Management and Budget know that Congress is not going to allow the excellent health-care system we have established for our deserving veterans to be dismantled. If the amendment is not adopted, you can be sure there will be another 5,000 beds closed next year with appropriate personnel reductions and another 5,000 the year after.

Therefore, I urge every Member of the House to support Mr. ROBERTS when he offers his amendment tomorrow in behalf of our Nation's disabled veterans.

Mr. GIAIMO. Mr. Chairman, does the gentleman from Ohio have any further requests for time? Does the gentleman yield back his time?

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I support the first concurrent budget resolution for fiscal year 1980 as approved by the House Budget Committee. It represents significant progress toward holding the line on Government spending and bringing the Federal deficit under control.

The resolution pares over $4 billion off of the President's proposed deficit, representing the smallest gap between revenues and outlays we have seen in several years.

Although the outlay figure in the resolution slightly exceeds the level submitted by the President, the committee, in fact, cut over $5 billion from the administration's requests. On the basis of the committee's reestimates of spending under the proposed administration policies, the President's outlay requests totaled $538 billion rather than $532.3 billion, as originally submitted. Thus, the $532.7 billion outlay figure represents a significant cut. Budget authority in the committee's resolution is also $6.5 billion below the President's figure.

In arriving at these figures, the committee made some hard decisions. Every function was examined carefully and debated thoroughly. In the end, the committee adopted many of the President's proposed legislative savings, including some that are politically unpopular. In addition, the committee recommended further statutory changes that will cut spending. The largest of these would end general revenue sharing for State governments.

Funding of many existing programs would be trimmed where waste and inefficiency have bloated the budget beyond necessary levels. Additional reductions in the resolution result from the committee's decisions to slow down or postpone implementation of several new programs.

Finally, the committee derived considerable savings in fiscal 1980 from its actions in the supplemental requests for fiscal 1979. The committee concluded, appropriately, that given the current overheated state of the economy higher levels of spending are inappropriate this year. Thus, only those discretionary supplemental requests that were considered essential to prevent larger expenditures in the future or severe hardship on certain areas or groups have been accommodated by the Budget Committee. The rejection of some $5.2 billion in supplemental budget requests for fiscal 1979 led to a total reduction of over $800 million in outlays in fiscal 1980.

There are further areas in which Federal spending can be reduced responsibly. Many were proposed during the deliberations of the Budget Committee and some may well be raised during our debate on the floor. I will propose, as I did in committee, to begin the complete phaseout of the Law Enforcement Assistance Administration. I believe this is a program that should be terminated.

On the whole, however, the effort of the House Budget Committee this year represents continuation of our rapid progression from the huge deficits of the past few years toward a balanced budget. They represent a reasonable response to the fiscal problems confronting us. The budget resolution makes significant but not radical cuts in the President's budget. Without unfairly forcing austerity on some groups more than others, the Budget Committee has constructed a direct path which can head us steadily in the direction of a balanced budget.

The challenge before us now, as the full House begins debate on the first budget resolution for fiscal 1980, is to resist efforts to increase spending levels. We all have constituents who will be hurt by one cut or another incorporated in the budget resolution. As a whole, however, we will all benefit from the fiscal restraint which has been applied across the board. I urge my colleagues to stand firm against pressures to raise the targets for any budget function. Not only would such increases jeopardize passage of the resolution, but above all, they would send the wrong signal to the American people who are looking to the Congress to take the lead in the fight against inflation. Our best way of doing that is to demonstrate our commitment to budget austerity—by approving this budget resolution.

● Mr. HILLIS. Mr. Chairman, the proposed fiscal year 1980 budget has become known as the budget which cuts human service programs and adds to the military programs.

The meaning of budget totals is often difficult to understand and always impossible to comprehend. Each program must be viewed from a historical perspective. At the end of this statement, I am inserting two charts which should help to place the Budget Committee's proposal in perspective. Further, I believe that it can be argued that the recent increase in outlays and the seemingly never-ending growth in the total public debt are not caused by defense spending, but by increases in payments to individuals.

In 1960, defense outlays were $45.2 billion as compared to nondefense outlays of $47.1 billion of which $22.9 billion was in payments to individuals. Defense spending accounted for 49 percent of the total outlays of $92.2 billion during 1960. Today, defense spending accounts for only 23 percent of our total outlays. The $22.9 billion for payments for individuals accounted for 25 percent of the total outlays. In 1979, payments for individuals was $213.4 billion or 43 percent of the budget.

When the budget is viewed in terms of constant fiscal year 1972 dollars as is done in chart B, it is quite clear that defense spending is not the cause of our increased spending. In constant dollars, defense spending has decreased from $73.8 billion in fiscal year 1960 to $68.3 billion in fiscal year 1979. Nondefense outlays have increased from $77 billion in fiscal year 1960 to $215.9 billion in fiscal year 1979—using fiscal year 1972 dollars as constant.

It is obvious that while the total budget has increased tremendously over the last 20 years, defense spending has grown at a relatively slower pace. There will be much discussion this week about excessive military spending. The Department of Defense is to be commended for meeting the defense needs of this Nation while using an increasingly smaller portion of our national resources.

The charts referred to follow:

FEDERAL BUDGET OUTLAYS, FISCAL YEAR 1960 TO FISCAL YEAR 1980

[In billions of dollars]

Function	Fiscal year—							
	1960	1965	1970	1975	1977	1978	1979 (est.)	1980[1]
Social security and railroad retirement (nongrants)	12.3	18.1	31.3	68.6	84.6	96.2	106.6	
Federal employees retirement and insurance (nongrants)	.9	1.5	2.7	7.0	9.6	10.6	12.2	
Unemployment assistance	3.1	3.0	3.8	14.0	15.8	12.4	11.0	
(Nongrants)	(2.8)	(2.6)	(3.1)	(12.8)	(14.3)	(10.9)	(9.3)	
(Grants)	(.3)	(.4)	(.7)	(1.1)	(1.5)	(1.5)	(1.7)	
Veterans benefits (nongrants)	4.0	4.3	6.6	12.4	12.9	13.1	13.6	
Medicare and medicaid		.3	9.9	21.6	31.4	35.9	40.9	
(Nongrants)			(7.1)	(14.8)	(21.5)	(25.2)	(29.1)	
Grants)		(.3)	(2.7)	(6.8)	(7.9)	(10.7)	(11.8)	
Housing payments	.1	.2	.5	2.1	2.9	3.6	4.2	
(Nongrants)	(.01)	(.01)	(.04)	(.8)	(1.1)	(1.2)	(1.4)	
(Grants)	(.1)	(.2)	(.4)	1.3)	(1.8)	(2.4)	(2.9)	
Public assistance and related programs	2.3	3.1	5.1	7.1	22.8	23.5	24.6	
(Nongrants)		(.005)	(.03)	(10.1)	(12.3)	(13.4)	(14.2)	
(Grants)	(2.3)	(3.1)	(5.1)	(6.9)	(9.8)	(10.1)	(10.4)	
Total payments for individuajs	22.9	30.5	59.8	142.7	182.6	195.4	213.4	
(Percent of total outlays)	(25)	(26)	(30)	(44)	(45)	(43)	(43)	
Other nondefense	24.2	40.5	58.2	97.9	122.6	150.2	165.5	
Total nondefense	47.1	71.0	118.0	240.6	305.2	345.6	378.9	408.7
Total defense	45.2	47.5	78.6	85.6	97.5	105.2	114.5	123.0
(Percent of total outlays)	(49)	(40)	(40)	(26)	(24)	(23)	(23)	(23)
Total	92.2	118.4	196.6	326.2	402.7	450.8	493.4	532.7
Budget surplus/deficit	+.3	−1.6	−2.8	−45.2	−45.0	−48.8	−37.4	−24.9
Total permanent and temporary debt	286.1	317.6	373.4	534.2	670.0	772.7	830.0	888.8

[1] House Budget Committee's 1st budget resolution, H. Con. Res. 107.

CHART B

FEDERAL BUDGET OUTLAYS IN CONSTANT (FISCAL YEAR 1972) PRICES: FISCAL YEAR 1960–79

Function	Fiscal year—						
	1960	1965	1970	1975	1977	1978	1979
Total payments for individuals	32.1	40.1	65.1	113.3	126.0	125.9	126.6
Other nondefense	44.9	63.8	68.4	73.1	80.0	90.1	89.3
Total nondefense	77.0	103.9	130.5	186.4	206.0	216.0	215.9
Total defense	73.8	69.3	90.3	67.1	66.7	67.3	68.3
Total outlays	150.8	173.3	220.8	253.5	272.7	283.2	284.1

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● Mr. DERWINSKI. Mr. Chairman, my modest nature would normally restrain me from making these observations but in the interest of good government and taxpayer relief, that reticence must be overcome.

When our Committee on Post Office and Civil Service filed its budget recommendations last month, all nine Republican members signed minority views in which we rebuked the spending spree proposed by the committee Democrats.

We said:

> The majority party's report of budget authority and outlays for 1980 does not reflect the objective thinking that is necessary for the 96th Congress. The projections are unrealistic and raise the question of whether the majority party has any feel for grass roots opinion of the American public.

Our minority views asserted we should be working to hold down the cost of government, improving the effectiveness of Federal employees, and helping to balance the budget instead of adding unwarranted personnel costs which would be charged to the already weary taxpayer.

We predicted:

> While this is a minority report, we have confidence that our comments will receive support from a majority of the Committee on the Budget.

Mr. Chairman, this turned out to be a remarkably accurate prediction. Here is the boxscore as it comes from the Budget Committee:

	Post Office and Civil Service Committee recommendations	Budget Committee recommendations
1. October pay increase of 10.25 percent.	+3 billion	No additional funds pay cap 5.5 percent.
2. Wage board pay reform	+105 million (no legislative action).	−81 million (enact President's proposal).
3. Postal subsidy	+422 million	No funds.
4. Increase Government contribution to health benefits program.	+325 million	Do.
5. Increase cost to Government for life insurance coverage.	+87 million	Do.
6. Bills to liberalize retirement benefits.	+51 million	Do.

Mr. Chairman, our committee has demonstrated a proclivity for generosity in dealing with its special constituency. Frequently, it has been the type of largess which has irritated and antagonized the American public, the executive branch of Government and Congress as a whole.

If we were realistic in drafting our recommendations to the Budget Committee, we should have given serious consideration to the fiscal restraints called for by the President. It is pointless to bring to the House floor a series of spending proposals which will not be sustained. Why offer targets of opportunity to Members who are locked in fierce competition to prove they are the true champions of fiscal responsibility?

In attempting to increase a variety of Federal fringe benefits, we are diluting the effectiveness of the committee and sidetracking it from meeting its most formidable challenge in years. The committee must position itself to protect the Federal retirement system as well as the rights of Federal employees who have qualified under retirement and social security. The scattershot approach recommended in the majority report will leave us in a weakened position at a time when we must be our persuasive best if we are to be of real service to Federal employees.

Uppermost in the minds of most Federal employees is the escalating campaign to absorb civil service retirement assets into the social security fund. We can offer little faith and assurance to Federal employees and annuitants that accrued benefits will not be denied or diminished, if we persist in tilting with windmills.●

Mr. GIAIMO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. Montgomery, having assumed the chair, Mr. Natcher, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

CREATING SYNTHETIC FUEL FROM COAL

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PERKINS. Mr. Speaker, on April 25 during debate on the naval oil reserves legislation, I made reference to work being done in the Union of South Africa on the creation of synthetic fuel from coal.

South Africa has no oil deposits, and must rely solely on other countries for its petroleum imports. Earlier this year, Iran, the principal supplier, embargoed the shipment of petroleum to that nation.

While we are fortunate in having substantial domestic reserves and sources of petroleum production, our situation is similar to South Africa's, except in degree.

We are dependent upon foreign sources for 8.5 million barrels of petroleum daily. I maintain that this dependence is not tolerable, and that our national security demands something be done about it now.

In this country, we have tremendous resources of coal. This energy source provides us with the only presently available avenue to energy self-sufficiency.

But we go on acting as if coal does not exist. Our whole energy policy, if we have one, seems to be based upon petroleum.

For nearly 50 years, the technology of turning coal into clean, environmentally acceptable fuels has been known. Pilot plants to turn coal into gasoline operated in this country in the early 1950's until a petroleum-dictated national energy policy forced closing of those plants.

Since then, the technology for producing clean fuels from coal has been developed even more. Today, there is simply no excuse for our not taking advantage of it, and removing our national security from jeopardy.

On April 27, the Washington Post ran two articles about the progress of the synthetic fuels industry in South Africa. I think this information is very instructive on what can be done here, and I insert the text of these articles by Caryle Murphy in the body of the Record:

To Cope With Embargoes, South Africa Converts Coal Into Oil

(By Caryle Murphy)

Secunda, South Africa.—Here amid shimmering acres of leafy green stalks in South Africa's rustic corn belt, American construction know-how has linked up with South African ingenuity to build this country's most important insurance policy against a future world oil embargo.

"Sasol Two" will be the world's largest plant producing commercial oil from coal when it is completed sometime next year at a cost of $2.8 billion.

The massive complex is designed to guarantee South Africa at least a minimum supply of gasoline and other strategic fuels from its abundant coalfields if international hostility to its racial discrimination ever results in a ban on the flow of imported oil.

The strategic importance of the Sasol project to South Africa, which has no known domestic oil reserves, was underscored last month when, in reaction to Iran's decision to discontinue supplying South Africa with oil, government officials announced that construction of "Sasol Three," at an estimated cost of $3.8 billion, would begin as soon as Sasol Two is completed.

The Fluor Corp., based in Irvine, Calif., the builder of stations on the Alaska pipeline project, holds the management contract for Sasol Two. Officials of the giant construction company, which has also helped build two oil refineries in South Africa, refuse to say how much the contract is worth.

Predictably, Fluor was chosen by South Africa to construct Sasol Three with a completion date of 1982. It will be located at Secunda next to Sasol Two.

Under the hot sun of South Africa's highvelt, the Afrikaan's name for this corn-growing plateau, construction of Sasol Two is at is peak. Among the 20,000 workers are 300 Americans, mostly engineers. With their families, they live at the project's prefabricated town of Secunda, a two-hour drive from Johannesburg.

Necessity has been the midwife of these expensive projects. Without a drop of oil of its own, and threatened by repeated calls for an oil embargo by Third World countries in addition to increasing pressure from its Western allies to modify its political system of apartheid, South Africa has had to regard the cutoff of imported oil as a real possibility.

South Africa began planning for the day when an international oil boycott might materialize as far back as the 1950s. The state-run South Africa coal, oil and gas corporation (known as Sasol) built a tiny pilot oil-from-coal plant—Sasol One—at Sasolburg in 1955. In 1974 it decided to construct the much larger Sasol Two.

"It was a very solid approach not often seen in government around the world, and it took a certain amount of courage," said one Western expert on oil.

South Africa also began to build oil reserves in 1966, pouring the precious commodity into abandoned coal mines east of Johannesburg and Pretoria on the country's industrial plateau, and in the western Cape. Informed observers estimate that the reserves could meet South Africa's needs at present consumption for about 18 months to two years, possibly longer with strict rationing.

Sasol's executives admit that around 40 percent of the entire cost of the Sasol project, more than $6.6 billion, will be spent abroad. Thus, strategic though it may be, the project is still greatly dependent on Western technology, loans and equipment, making it vulnerable to anti-apartheid moves in the West to curb private investment and business ventures in South Africa.

The major problem for the South African government now, however, is how to finance Sasol Three. For the first time, the government has invited private financing for almost a third of the project's cost. The new plant will also be partly financed by recent increases in gasoline prices that brought the cost to nearly $1.85 a gallon.

Although the tremendous cost of the Sasol project is undoubtedly straining South Africa's economy, government officials say that the huge investment is a wise one in the face of inevitably rising oil prices.

Sasol directors are telling the public that the three Sasol plants will eventually be saving the country more than $1.3 billion a year in foreign oil bills, which last year amounted to an estimated $1.6 billion. South Africa expects to spend $2.3 billion on imported crude this year.

Since information about South Africa's oil situation is highly classified, it is impossible to know exactly how much of the country's oil-based fuel needs will be met by the three Sasol plants. Government officials have claimed, however, that the first two Sasol plants would meet 30 to 40 percent of the country's gasoline and diesel fuel needs at present consumption. Economic Affairs Minister Christiaan Heunis said recently that the addition of Sasol Three would push that figure to 47 percent.

The minister, however, did not speak of expanded needs. If South Africa is to avoid mass unemployment among its 18 million black majority, a matter of great concern to the government, then the economic growth rate must expand far beyond the modest 2 to 3 percent it now sustains. That will mean increased fuel consumption.

Some examiners of South Africa's projected fuel needs, notably British economists Martin Bailey and Bernard Rivers, in a report for the U.N. Center Against Apartheid, concluded that Sasol One and Two are likely to provide only 13 percent of South Africa's 1980 projected gasoline and diesel fuel needs. The addition of Sasol Three by this estimate would be likely to raise that portion only to between 26 and 30 percent.

Whatever the economics of the Sasol project, it is seen as a tribute to South Africans ingenuity and initiative in the practical application of a technique that "is as old as coal itself," according to Sasol's public relations officer, Clarence Keyter.

Pretoria Forced to Pay Premium for Oil Since Cutoff by Iranians

(By Caryle Murphy)

Johannesburg.—Since the overthrow of Iran's shah, South Africa has had to go to the expensive "spot" market to maintain its supply of imported oil.

Embargoed oil from Nigeria and the Arab states still manages to find its way here through multilayered, complicated dealings of the international spot market, but at a premium of several dollars a barrel above established world market prices.

For years, Shah Mohammed Reza Pahlavi supplied 90 percent of the oil needs of South Africa, the country where the shah's exiled father died in 1945.

Most of the Arab countries have observed an oil embargo against South Africa since the 1973 Middle East war, when Pretoria assisted Israel by sending a token supply of arms.

One of the first decisions announced by Ayatollah Ruhollah Khomeini's new government was that Iran would no longer sell oil to South Africa or Israel.

Because of the current tight world oil market, South African buyers are forced to pay handsome premiums on their spot purchases—those made outside established long-term channels, according to government and industry sources. To pay for these premiums the government has raised the price of gasoline 38 cents a gallon since the beginning of the year and there may be more increases later this year, sources say.

In addition, the government has set up a four-man committee to approve or reject all intended spot purchases of oil in order to pressure the importers (mainly the oil companies) into shopping around to get the lowest premiums.

The major companies (Esso, Caltex, Mobil, Shell, BP and Total) are also depending on their parent firms for additional supplies and those that have access to non-embargoed oil such as that from Venezuela and the North Sea, are in the best position to help their South African subsidiaries, according to one expert on the oil supply.

"Sometimes we live day to day," said one oil importer, "but there is no crisis."

While the government is concerned about the Iranian shutoff, the consensus is that South Africa will continue to get the oil it needs—although at a cost.

CARTER ADMINISTRATION DOUBLETHINK

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, George Orwell's 1984 talked about doublethink. Doublethink is the ability to believe completely in two contradictory ideas or sets of facts at the same time. Communists, for example, can be ordered to believe that they are fighting for liberation while having tyranny at home and suppressing all freedoms in lands they control without seeing any contradiction. We are rapidly moving to that same doublethink, particularly when it comes to peace, peace treaties, and intentions of our enemies.

That is just what we see in the craven, crawling manner in which our leaders have been addressing our Communist adversaries in Russia and China. For example, the press and liberal leaders have been hailing the release of the Soviet dissidents over the weekend but it is the classic exercise in doublethink. At the outset, note that we did not even release Americans for Soviets. That used to be the pattern. Soviet spies would be convicted in our country. The U.S.S.R. would trump up a charge against an Allis Chalmers salesman or some American national in Moscow. We would then swap.

In this case, we swapped two Soviet spies convicted in this country for buying some of our defense secrets in return for Soviet citizens who have been oppressed and brutalized in the Soviet Union for exercising freedoms we take for granted.

Now nobody could be more pleased than I am that five brothers in arms have been released from Communist Russia. God love them, they are patriots and freedom fighters of the highest order. What I do object to is the doublethink attitude of the White House and the press in hailing this release as an example of the improvement in Soviet internal policies and Soviet-United States relations. What improvement? Quite the opposite, the dissidents left because there is no improvement internally in that repressive society in Russia.

As for our relations with them, what improvement? As the old saying goes, they know what we are and the only question is over the price. What price will this weak-kneed administration be prepared to offer for the release of Anatoly Scharansky? A billion dollars of American credits for the Communist to buy our goods or some SALT concessions? The price is awesome because the United States deals from weakness rather than strength.

The Chinese Communists, the Panamanians, Castro, the illegal aliens, the draft dodgers and others have all found the same thing in dealing with the weakness of this administration. Take a hard line, the Carter crew will back down.

The Chinese Communists held out "nonnegotiable" demands in return for us recognizing them. Think of that, us recognizing them. They wanted to be treated as the only legitimate Chinese Government, they wanted the 1954 Mutual Defense Treaty between the United States and the Republic of China—free China—abrogated and for the United States to withdraw our military from Taiwan. President Carter cravenly capitulated on all of these. The only real hardheaded "demand" we advocated in dealing with the Reds was that the Communists on the mainland renounce the use of force in any future reunification with Taiwan. They laughed and threw rice in our face. President Carter's team stood there and took it. Like their Soviet cousins, they know what we are and they know our price is cheap.

George Orwell told us, through doublethink, that war is peace, freedom is slavery, and ignorance is strength. 1984? Sounds more like 1979.

SIGNIFICANT SPEECHES GIVEN BY PRIME MINISTER OF REPUBLIC OF IRELAND AND SPEAKER THOMAS P. O'NEILL

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remark and to include extraneous matter.)

Mr. FOLEY. Mr. Speaker, on April 19, 1979, at the Dublin Castle, in Dublin, Ireland, the Honorable Jack Lynch T.D., the Prime Minister of the Republic of Ireland, and the Speaker of the House of Representatives of the United States of America, the Honorable THOMAS P. O'NEILL, both made very significant and eloquent speeches on the current situation in Northern Ireland.

These remarks were originally subjected to some critical comment, particularly in the British press; therefore, I would like to place them into the RECORD at this time, so that all Members will have the opportunity to read them firsthand.

The more recent press comments have been more thoughtful and responsive, and very strong statements in approval of the Speaker's remarks have been made by the British in the Economist, and the New Stateman, the Irish Times, and Irish Press, the Boston Globe, the Baltimore Sun, and, today, the New York Times.

I believe the Speaker's remarks reiterate clearly the U.S. commitment for a peaceful solution to the tragic situation in Northern Ireland.

Mr. Speaker, I should also wish to place in the RECORD the eloquent open letter to the British and Irish press of the Honorable Garratt Fitzgerald T.D., the leader of the opposition fine Gael Party.

I believe that the Speaker spoke in effect for all Americans when he enunciated that position so clearly and eloquently at Dublin Castle.

SPEECH BY THE TAOISEARCH, MR. J. LYNCH, T.D., AT THE DINNER FOR SPEAKER AND MRS. O'NEILL AND AMERICAN CONGRESSMAN, DUBLIN CASTLE, 19TH APRIL, 1979, AT 10:00 P.M.

The U.S. Secretary of Energy recently asked the question "What is Cambridge, Massachusetts, famous for these days?" Mr. Schlesinger who happens to be a Harvard graduate, replied "It is the home of 'Tip' O'Neill, the greatest Speaker of the U.S. House of Representatives in the modern era." As we all know, the Speaker's position is one of great importance and influence in the U.S. In fact, it is said of the present incumbent in Washington that the nickname 'Tip' is really short for the phrase "To Influence Presidents".

When he was just out of high school he ran for local office in what was to be the only election he ever lost. He was returning home after hearing the bad news and he met his neighbour who lived across the road, Mrs. McCarthy. He naturally had assumed that she had voted. "Why," he asked, "Because you never asked me" she answered. It is obvious that the Speaker never again forgot to ask!

Irish people have done well in U.S. politics; indeed it can be said that Irish people, wherever they go in the world, have a flair for politics. This is because one of our best traditions, I believe, is our reverence for the principle that everyone, no matter who he or she is, Mrs. McCarthy or her husband, is entitled to a hearing and to a role in the democracy of which he or she is part.

'Tip' O'Neill's grandfather and three brothers arrived in Boston from Ireland around 1845. I would like to emphasize that they were born in Cork.

Ireland has changed since the middle of the 19th century and so has America. But what has not changed is the deep bond of friendship between our two countries, which has matured and has been enhanced by the passage of time. We are separated by some thousands of miles of ocean but joined by our experience and our common history in a fundamental belief in the dignity of the human person and the right of man everywhere to life, liberty and the pursuit of happiness.

Much of what we see in the media nowadays is bad news. I certainly have no wish to paint Ireland as Utopia. We still face formidable problems. Inflation is too high. Our dependency on external sources for energy is excessive. Unemployment is our most serious social problem. Yet I doubt if, even now, the connection between inflation, excessive increases in income and job losses is clearly enough realized. If anything or any commodity, whether it be labour, goods employment if wage or other costs rise too much.

There are many bright features. We have again a young and rapidly growing population; a standard of living in city and country which far exceeds the dreams of many who went to your own great country in search of a decent life; a prosperity that is steadily extending into the most remote parts of our country; and a people who take pride in the achievements of the independent Irish State for which so many Irish-Americans worked.

Economic growth in Ireland in recent years has been dramatic and foreign investment has been an important element in this growth. We have been happy to welcome many U.S. industrialists who have found that investment here can be very profitable indeed. Ireland has proved to be one of the most attractive and rewarding places in the world for American investment. I realise that we have some problems here, too, but I know that the innate intelligence of our Irish management and workforce will overcome them.

On the international stage, too, we play a part that is widely acknowledged as constructive. In the knowledge of our common vulnerability on this planet, as a member of the United Nations and the European Community, and in our own right, we are glad to support international efforts to relax tension in all parts of the world.

I recently conveyed to President Carter my congratulations on the outcome of his personal and courageous effort to establish a basis for a true peace in the Middle East and expressed the hope that the agreement reached under his auspices will indeed prove to be a first Ireland have given practical expression to this wish in the participation of our army in the United Nations peacekeeping forces including the present force in the Lebanon. In the economic field, we join in international efforts to develop the trading and monetary basis for world prosperity. Through different aid programmes we seek to promote the development of the Third World.

In Northern Ireland we face daily the tragedy of broken lives and homes. The origins go far back in history. There are two communities in Northern Ireland, holding different and conflicting political allegiances. One aspires to a united independent Ireland, the other to preserve the union with Britain. The partition of 1921 was an attempt, made from the standpoint of British interests, to resolve that problem. The evidence of history and especially of the past ten, tragic years, is there to show clearly that this attempted solution has been a failure and that new solutions must be sought. Northern Ireland was an artificial creation which failed to offer stability or security and which was prey to tensions which are tearing it apart. The Irish Government have made clear their view. We believe that the most important priority is that the two communities in Northern Ireland will live together in peace and in equality, with mutual respect for each others traditions. This is a *sine qua non* to any progress there, economic or political. It is the wish of the great majority of all the people on our island that we all will ultimately come together, by consent, under agreed structures freely negotiated and in harmonious relationship with Britain.

We will be pressing our views with whatever Government is formed there following the forthcoming election.

The unity in which we believe must be the unity of reconciliation and can only be achieved by agreement. To believe that unity can be imposed by legislation, or a single political decision, extracted under threat, is a flight from reality. It is the sort of fantasy on which the heart grows brutal. It has led to such acts as this week's murders of four policemen and of a prison officer—who was shot while walking to his car, with his wife and three year old daughter, following the wedding of his sister.

I know that our U.S. visitors will learn from their contacts here of the universal condemnation by Irish people of such inhuman acts and that, on their return to the United States, they will be sceptic of those who give support, wittingly or unwittingly, to those who say they seek Irish reunification but who follow the course of violence the consequence of which is, not peace or reconciliation, but domination, and the antithesis of democracy as we know it.

Here, I would like to mention the statement issued by President Carter in August 1977, in which he called for an end to violence and undertook to support a solution by considering how additional job-creating investment in Northern Ireland could be encouraged. This was the first public statement by a U.S. President on Ireland, and we are deeply appreciative of his concern. We are also aware of the part played by the Speaker and Senators Kennedy and Moynihan and Governor Carey, in the preparation of that statement and of the later declarations on the same subject. In a St. Patrick's Day statement this year, signed by the Speaker and his three friends to whom I have referred, as well as by other influential public representatives in the U.S., there was a careful analysis of the causes of the present impasse in Northern Ireland and enlightened pointer to the path forward as well as a reiteration of President Carter's commitment of help when we embark along this path.

We are frequently asked by our friends and kinsmen in the United States what they can do. I need only commend to them that they study these statements so they can better understand the underlying problems and the way in which they can best help in bringing peace and progress to the country of our common ancestry.

I should like tonight to express to you, Mr. Speaker, directly and personally, the gratitude of the people of Ireland for your positive role, and that of Senators KENNEDY and MOYNIHAN and Governor Carey, Congressman BOLAND and the others, who together have been a pillar of strength.

I turn now to more pleasant thoughts. I would like to tell all our visitors how pleased we are that this important delegation has chosen our country as part of your itinerary in Europe.

That so many of you have brought your wives is an added pleasure. I hope I will be forgiven if I extend a particular welcome to Millie O'Neill.

Whether it be at golf, and we have many excellent courses around Dublin and throughout Ireland, or relaxing and enjoying the scenery, we hope you will all bring back to the U.S. happy memories of your short visit to Ireland and more important, that you will come to visit us again for perhaps a longer stay.* * *

Before rising to his present eminence, "Tip" O'Neill some years ago, he entered his name in the contest for the majority leadership of the House of Representatives. His opponent, a distinguished Congressman from a Southern State, stuck it out for a little while but capitulated before the vote. He said "I can't campaign against 'Tip' O'Neill. He knows no North, East, South or West. He is liked by everyone."

There is no greater compliment for any man. I am glad here, tonight to have the opportunity of recalling the incident before the Speaker and his Party, each of whom is welcome both in his own right and as a representative of a great country to which we in Ireland look as an example of the humanity, reconciliation and unity in diversity which we hope to see one day in our own island.

TOAST REMARKS

(By THOMAS P. O'NEILL, JR.)

Taoiseach, Distinguished Guests, my Colleagues, Ladies and Gentlemen:

Later this year these halls in Dublin Castle will see the political leaders of European Communities gathered, under the chairmanship of the Irish Government, to debate and decide issues of major importance to everyone living in Europe and indeed to those of us who live across the seas. 100 years ago it was most unlikely that a Jack Lynch would even see the inside of Dublin Castle, except perhaps in the interrogation wing. 100 years ago it would have been almost unthinkable that a Tip O'Neill would be welcomed in Dublin Castle as the Speaker of the U.S. House of Representatives. The fact that you are honouring the United States Congress here this evening and the fact that you will be exercising the leadership of Europe here later this year are a measure of the success of the Irish in Ireland and the United States. Long may it continue!

It seems to me that in recent years there has been a change in the nature of the relationship between Ireland and Amercia. That relationship has always been and of course remains based principally on ties of family and friendship. Until recent years, however, there was a certain tendency on the part of Irish-Americans to regard the country of their ancestors as a homeland which, however sacred in our racial memories, had many of the characteristics of chronic underdevelopment.

The Ireland of today remains precious to us of course as the land of our roots and the symbol of all that is Irish. But those of us who visit Ireland and read about it have been surprised at the dramatic economic development of recent years and the significant role which Ireland now plays in the world and particularly in Europe. We are proud of your achievements. This is the change that I refer to in the relations between Ireland and America. Ireland is no longer a beloved symbol of a tortured past. It has become for us the Irish in America a dynamic proof of the vitality and energy of our race.

The past is of course important to all of us and I believe that the Irish in America as well as the Irish in Ireland are increasingly taking a mature view of our joint heritage. The Government of Ireland, in letting us have the exhibition of Treasures of Early Irish Art for the past three years, have helped enormously in educating the Irish-American awareness of this great legacy. On behalf of the hundreds of thousands of Irish-Americans and indeed other Americans who have been thrilled by this record of 4,000 years of Irish civilization, I would like to thank the Irish Government and the people of Ireland. We are aware that there were very understandable concerns on the part of the Government in this country about the safety of those priceless artifacts. I can only assure you that the exhibition has, more than any event in recent times, given the Irish in America reason to take pride in their heritage.

The past for the Irish is of course also full of tragedy. One of your great writers, James Joyce, yearned "to awaken from the nightmare of history." While the torment of that nightmare is still playing itself out in Northern Ireland, it affects all the people of Ireland and indeed concerns the Irish in America.

Northern Ireland is a very complicated situation produced by historical forces which often seem destined to defy resolution for generations to come. For as you once so eloquently stated, Taoiseach, the conflict produces "its own momentum, its own instability and its own tragedy."

Nevertheless I believe that there is a choice before the people of Northern Ireland and before us all: are the people of Northern Ireland to be the prisoners of that history condemned to repeat in every generation that nightmare of violence and hate or are they to overcome the past and share together in the shaping of their future. For those of us Americans who are concerned about Ireland, the specific challenges are: are we to connive at the perpetuation of this nightmare or are we to help in whatever way is open to us to end this tragedy.

It is clear to me that the people of Ireland generally have in this generation taken a constructive and realistic attitude to the problem of Northern Ireland and I believe that the same process is going on among Americans of Irish descent. I am of course like many in this room by tradition an Irish nationalist. I would like to see Irish unity and indeed I believe it is the only ultimate solution to the problem. I would not however wish to impose it against the will of the people of Northern Ireland and I would not wish to promote it at the expense of Irish lives and the right of a whole generation of young people to happiness and stability.

It was only four years ago that an Irish American journalist wrote that "Americans, even those of us of Irish background, are curiously silent and apathetic" concerning the trouble in Northern Ireland.

Since then the President of the United States Jimmy Carter has issued a policy statement calling for an end to violence and offering American aid in job development and business investment in Northern Ireland. As Speaker I have joined my colleagues in the House and the Senate in calling for an end to violence in the North and finally that Irish American journalist is now the United States Ambassador to Ireland, William Shannon.

While it is not for Americans to say the parties involved: this is the solution or this is the path to be chosen, I have been deeply concerned by the lack of political progress in Northern Ireland over the last few years. Consequently together with all sides in Ireland we insist that Britain bears a heavy responsibility for the failures of recent years on the political front. We have been concerned that the problem has been treated as a poltiical football in London or has otherwise been given a low priority. So far as I am concerned, there is no more serious problem on the agenda of British politics than a crisis which has claimed 2,000 lives and caused almost 20,000 serious injuries. It is not our concern to favour one party or another on the forthcoming elections in Britain but we do insist on an early, realistic and major initiative on the part of the incoming British Government so as to get serious negotiations moving quickly towards a just, realistic and workable solution.

I would repeat what I said at the Ireland Fund dinner on May 10th in New York last year: to those who tell me that if I do not support the supporters of violence I will come under political pressure; I would say: I do not want the votes of those who support the killing of innocent Irish men, women and children. And if the democratically elected Taoiseach of Ireland, my friend Jack Lynch and the leaders of the Opposition parties in Ireland my friends Garret Fitz-Gerald and Frank Clusky, who have much more to lose than I have on this issue, tell me that there are organizations in the United States which are linked to those who are doing the killing, I will listen to them and I hope that my political colleagues and opponents and all my fellow Americans will do the same thing.

Taoiseach, Distinguished Guests, my Colleagues, Ladies and Gentlemen, this is a proud evening in my life. My forebears came from Belfast, Buncrana and County Cork. Here this evening there are people who themselves come from those places. I am proud to be with you, I admire your achievements. My colleagues and I bring you the good wishes of your millions of friends in America.

THE LETTER * * * IRISH PAPERS AND TO THE BBC AND ITV, HAS CRITICISED THE REACTION OF BRITISH POLITICIANS TO THE RECENT REMARKS ON THE NORTH BY MR. "TIP" O'NEILL

The letter read:

On Thursday night last, I was present in St. Patrick's Hall in Dublin Castle, when Speaker O'Neill of the United States House of Representatives addressed a distinguished gathering of Americans and Irish people.

His remarks were instantly criticised by some British political leaders in terms which display a misunderstanding that, charitably, may be put down to a hasty reading of a phrase taken out of context, and by other politicians in terms which display a crass ignorance of the man and of his record.

The Hall in which he spoke, in a building which for over seven centuries was the seat of British power in Ireland, is decorated with the emblems of that colonial past, including the Royal Standard itself, preserved by Irish Governments with a sense of history, and free from bitterness about this past.

It stands within a few yards of cells in which Irishmen were tortured to death by auxiliary forces of the British Crown, from whose custody my own father was, indeed, saved only by the prompt intervention of the British civil authorities, whom my mother had alerted.

In this place of historic contrasts, I heard the Prime Minister of my country and political opponent, Jack Lynch, last Thursday condemn recent killings in Northern Ireland in unforgettable terms of powerful emotion, saying of the murderous onslaught on four women prison officers: "If this is patriotism, then patriotism is dead."

I heard Speaker O'Neill respond in a moving speech of nobility and compassion, condemning the IRA, calling on all his compatriots to withhold aid or support from this body, asserting that Irish unity (to which he, like others of the Irish nationalist tradition, aspire), can and should come about only with the free consent of the people of Northern Ireland, and speaking with deep affection, not alone of the Northern Nationalist minority, but most specifically of the Northern Unionist majority, to whose fears and sense of insecurity he showed himself deeply sensitive.

He also spoke of his concern and that of the American people, at the absence of any adequate political initiative on the part of British political leaders in recent years in pursuit of a solution to the problem of devolved self-government in Northern Ireland.

This concern is shared by Irish people, North and South, unionist and nationalist alike.

A phrase from this speech, torn from its context, has been condemned by British political leaders. They have said that Northern Ireland has not been a political football in Britain.

They asserted that bipartisanship has been maintained on Northern Ireland between the British parties.

Yes, there was bipartisanship five years ago, on the twin policies of no devolution without power-sharing and on the need for recognition of what was then called by British statesmen "the Irish dimension" of the Northern Ireland problem—the intimate linkage of the political and economic lives of the two parts of this island.

But since then, sadly, this has been replaced by bipartisanship in drift away from these policies.

There have been other forms of bipartisanship, however, as well as the constructive policy initiatives of 1972/73 and the bipartisanship drift thereafter. Both major parties in Britain have negotiated with or talked to the IRA or its representatives.

This process was started when Sir Harold Wilson came to Ireland in Opposition on the excuse of visiting the democratically elected leaders of this State, but in fact with the purpose of meeting secretly with the IRA leaders behind the backs of our Government.

We bore that patiently—more patiently, I suggest, than if the Leader of the Irish Opposition had visited Britain purportedly to meet parliamentary leaders, and had behind their backs talked with terrorists of the Angry Brigade.

There followed the Conservation Government's invitation to IRA leaders to London, and the prolonged contacts in Belfast with IRA political representatives, authorised by the Labour Government.

All this happened despite the continuing protests of successive Irish Governments, which have always refused to negotiate with terrorism.

Indeed, I would remind the British people that in the only instance where suspicion existed that Irish politicians were in contact with the IRA, two Ministers, Neil Blaney and Charles Haughey, were dismissed from office and charged before the courts.

There has been something like bipartisanship in Britain also on the non-implementation of the law passed some years ago by the Irish and British Parliaments, under which fugitive offenders from Northern Ireland or Britain could be tried in the Republic for offences of violence there.

The British Government has failed to provide our authorities with any such evidence in recent years, and the Opposition has collaborated with the Government by asking no questions about this failure.

I would add that I had personal experience, as Minister for Foreign Affairs, of what I can only describe as a conspiracy by certain public authorities in Britain to deprive the widow of a hunger striker, herself under the threat of death from the IRA, of custody of the body of her husband, which those authorities attempted to hand over to the IRA, who wished to mount a macabre demonstration with it around Ireland.

Only when I threatened to expose these events to the world press within hours did I secure the handing over of this man's remains, in accordance with British law, to his widow, at London Airport.

That against this background representatives of political parties in Britian should decide to criticise, and in some cases, attack in uninhibited terms, the American politician who has most courageously led the campaign against support for the IRA in his country, without regard to political cost to himself, is indefensible, even in the heat of an election campaign.

I hope those concerned will have the courtesy—and the wisdom in view of the importance of the Anglo-American relationship—to apologise to him for these statements, which must have deeply wounded a man of outstanding political courage and statesmanship—a man who has shown that his only concern with our affairs is to work for peace in Ireland, regardless of what it may cost him in votes from Irish-American extremists.

If Dr. Ian Paisley can recognise publicly Speaker O'Neill's contribution in tackling IRA fund-raising in the U.S., can the leaders of the British political parties not find it in themselves to follow suit?

If this letter seems impassioned, it is inspired by a passion for peace and by concern to secure a united front against men of violence, with whom no democrat should deal or negotiate.

It is also inspired by a deeply-felt desire, shared by the vast majority of Irish people, North and South, as well as by concerned American opinion, that the new British Government, with bipartisan support from the Opposition, give priority from the moment of its election to an imaginative initiative designed to secure devolution of government on an agreed basis in Northern Ireland.

Our hope is that a devolved Government, representative of all of the people of that unhappy area, may be brought into being, which, with every support that we in the Republic can give it, can undertake the task of restoring peace there, and of reconciling those tragically divided by history.

I trust that despite the length of the letter, the tradition of freedom of the press, which we in Ireland have inherited from the British connection, will permit its publication in full.

PUBLIC SERVICE PULITZER FOR POINT REYES LIGHT

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, this year's Pulitzer Prize for public service by a newspaper was awarded to the Point Reyes Light, a California-based publication in the Fifth Congressional District, which is run by a husband and wife team and has a modest weekly circulation of 2,700. David and Catherine Mitchell run the Light out of a three-room storefront type shop. Their sudden entrance into the limelight of national focus came about because of the Light's in-depth series of exposes on Synanon, a drug rehabilitation organization centered near the newspaper—an organization the editors believed had turned into an authoritarian cult.

The selection of the Point Reyes Light for the gold medal Pulitzer is noteworthy not only for the courageous investigative reportorial series on Synanon but also because the Light is one of the "little guys" in the newspaper industry. It is the ultimate inspiration to smaller-sized newspapers all around the country to underscore through a Pulitzer award that their potential and ability to compete with the large dailies on a journalistic level can be realized.

As the Washington Post has pointed out, the press has woven a Cinderalla story about the Mitchell's publication. We picture a smalltown weekly with a tiny circulation set up in a three-room shop by a husband and wife team who have sunk all their money into this dream.

The story is true in the sense that it is factual but the total picture is somewhat different. We are not talking about a smalltime paper that accidentally hits the jackpot. We are talking about an extremely sophisticated Marin County population of readers and a husband and wife team with masters' degrees from Stanford University.

In short, the Mitchells knew exactly what they were taking on when they took on Synanon and they have consistently produced top notch, powerful news pieces in their paper. Their scoops are not read by an isolated West Marin, Calif., audience. National news bureaus such as network news, Newsweek magazine, and the New York Times are among the Light's regular subscribers and they frequently will follow the Light's leads.

I am very proud of the Point Reyes Light and I commend the editors and reporter of the staff for their outstanding work. But I would be remiss if I did not also add that part of the elation in seeing the Light win the Pultizer stems from the fact that this is a strong reminder of what a journalistic enterprise—whether small or large—can do at its very best.

THE GREAT PLAINS CONSERVATION PROGRAM

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. DE LA GARZA. Mr. Speaker, in

these troubled times we often forget the source from which all blessings flow, and we continue to mistreat the land that has been left in our trust. Texas, my home State, is part of such an area—the Great Plains—an area that produces 60 percent of the Nation's wheat and 30 percent of the Nation's beef. Today Representative ED JONES and I are introducing a bill to extend an important program that enables farmers and ranchers to conserve their natural resources; to improve their livelihood; and to enhance the rural landscape for all citizens.

The Great Plains conservation program (GPCP), which began in 1956, will terminate at the end of 1981 unless we take action. This program has a unique concept and formula that I support. Through GPCP, the U.S. Department of Agriculture (USDA) Soil Conservation Service (SCS) helps farmers and ranchers decide what kind of improvements their land needs, sets up a schedule for installation of the conservation practices on the land, decides what maintenance is required, and shares the cost so that conservation in the public interest is not prohibitively expensive.

The program is voluntary, popular, and effective. It provides the farmer with technical and financial assistance to accomplish the needed land treatment, and provides the public cleaner air, cleaner water, and the guarantee of a permanent productive resource base for food and fiber production.

It is currently designed to protect and improve soil, water, plant, and wildlife resources in 469 designated counties of the 10 Great Plains States where recurring drought and wind erosion are serious problems. Its focus was on minimizing hazards to farm and ranch lands in the Plains; a 1969 amendment also authorized long-term contracts on nonfarm lands that have severe soil erosion.

The program currently has an authorized appropriation of $300 million, with annual cost-sharing payments not to exceed $25 million in any one program year. More than $250 million already has been obligated.

There are 13,621 active GPCP contracts, and the total signed since the program began is almost 56,000. There are another 4,900 applications on hand for GPCP assistance. This year, all funds for new contracts were obligated within 60 days in 6 of the 10 States. Land owners and operators feel this is a good program.

The average length of a contract is just over 5 years. The average number of acres covered by each contract is 2,416, which is up almost 50 percent from the 1974 average of 1,616 acres. The average cost share per contract is $8,846.

Seventy percent of the annual GPCP budget is allocated for cost sharing for 33 soil and water conservation practices; about 18 percent goes for technical assistance and administrative costs, the remainder goes for cost-share programing and contract administration.

GPCP is coordinated with other Federal, State, and local agencies through State and county GPCP committees that meet at least once a year. Farmers Home Administration (FmHA), Agricultural Stabilization and Conservation Service (ASCS), Federal Crop Insurance Corporation (FCIC), Forest Service (FS), Cooperative Extension Service, and Agricultural Experiment Stations are involved along with the Soil Conservation Service (SCS). The committees often invite other Federal and State agency representatives to participate.

Soil and water conservation districts with responsibility for conservation at the local level have an important role in reviewing all contracts, setting priorities for planning, and serving on the county GPCP committees. GPCP is an important tool for districts in achieving their objectives.

Through GPCP, Great Plains farmers and ranchers treat about 4 million acres a year. Through active contracts, the public is assured of adequate soil and water conservation for over 30 million acres annually for less than 75 cents per acre. Since the program began, a partial list of accomplishments are:

Permanent vegetative cover, 2.7 million acres; stripcropping, 1.2 million acres; pipelines for livestock water, 10,548 miles; and windbreaks, 56,149 acres.

All acres under contract must be adequately protected or the cost of eligible practices cannot be cost shared. There is no cost sharing for management practices such as proper grazing of rangeland, or proper cropland residue management, even though they are required.

These and other practices have reduced soil erosion by 240 million tons a year—an important contribution to air and water quality.

If the public is to retain the Great Plains as the "bread basket" and not the "dust bowl," this special conservation thrust specifically identified and funded for the Plains, must continue. The need is evident: SCS reports that during the 1977–78 wind erosion season, more than 2.8 million acres of land were damaged, mostly cropland. Of the total damage, 77 percent occurred in the southern Great Plains.

Another 8.3 million acres were reported in condition to blow. These figures indicate a continuing serious environmental problem in the Great Plains, even though they are down significantly from the previous year's report of almost 8 million acres damaged and 10.3 million acres in condition to blow. Wind erosion is a variable but constant threat, and its control requires a continuing program of assistance to landowners. About half of the Great Plains acreage needing conservation work has been aided thus far. Another 75 million acres could benefit from GPCP contracts for conservation assistance. Also, changing ownership, fluctuating markets, and production policies continuously offset the acreage of land adequately treated. Some acres may need a second effort.

Several studies have shown that GPCP is effective in several ways beyond soil erosion control. Complete conservation treatment and management systems on farms and ranches help stabilize individual enterprises and consequently the local economy. Each dollar of cost sharing generates an annual increase in net agricultural income of $3.80 to the community.

A 1976 study in 47 counties in South Dakota showed that farmers and ranchers who participate in GPCP are better able to sustain their livestock enterprise during drought. The survey, done by a committee at the request of Governor Kneip, showed that 35 percent more nonparticipating land units had drought-associated problems than GPCP contract lands. Stockwater conditions were worse on 43 percent more acres; moderate or severe wind erosion damaged 38 percent more acres; 36 percent more acres of grassland were overgrazed; and emergency pasture was required on 41 percent more acres than on ranches where GPCP assistance was used.

In 1970, Kasak and Back evaluated GPCP to assess the physical and economic consequences of the program. In 1974, Gray analyzed program impacts of alternative allocations of cost-share funds on selected program objectives, primarily reduction of soil erosion and the balance between erosion reduction and agricultural income. USDA's Office of Audit examined GPCP in 1973 to determine whether or not SCS offices had ". . . effectively planned, developed, and implemented the GPCP in accordance with SCS procedures, guidelines, and within the spirit and intent of the program." As a result of these studies, procedures were changed in 1976 to increase the efficiency of program operations.

In summary, the program is reducing gross soil erosion in the area it serves; and, it is helping to stabilize farm enterprises as they are influenced by severe climatic fluctuations. Program funding changes should help do an even better job.

The legislation that I have introduced today will extend the termination date of GPCP from December 31, 1981, to September 30, 1987. I recommend just a 6-year extension of the program because the conservation programs of the Department are currently undergoing an intensive review under Public Law 95–192, the Soil and Water Resources Conservation Act of 1977 (RCA), a bill I was privileged to introduce. The law provides for an initial report to Congress by January 1, 1980, on the status and condition of resources. It will be followed in 5 years the findings and recommendations of the 1985 RCA report have been evaluated, we will then be in position to decide the future of all our soil and water conservation efforts, including GPCP.

My bill would enable the Secretary of Agriculture to extend the provisions of GPCP to all counties that have conservation problems that can be addressed by this program. The previous program limitation has been removed, because inflation has caught up with it. We must have a strong conservation program to hold down agricultural production costs and pollution control costs.●

● Mr. JONES of Tennessee. Mr. Speaker, today, I join Representative DE LA GARZA in introducing a bill to extend the Great Plains Conservation program.

Since 1956 this program had been one of the most effective conservation programs that we have had. Even though it is not an authorized program in my State of Tennessee, I have always been and will continue to be a strong supporter of the Great Plains Conservation program.

The legislation we are introducing today will extend the program through September 30, 1987. This brings the program into phase with our Soil and Water Resources Conservation Act which will provide us with an updated inventory of our soil and water resources and recommendations for changes in the national policy every 5 years. By tailoring our conservation efforts to meet the schedule of the Resources Conservation Act, for the first time we will be taking an organized and logical approach to addressing our soil conservation problem.

Since I chair the subcommittee which has jurisdiction over soil conservation programs, I am glad to join Representative DE LA GARZA in sponsoring the bill. In the coming months of the 96th Congress, the subcommittee will be taking a look at new conservation initiatives to meet the needs for the next few decades. Already we are involved in collecting ideas, drafting legislation and trying to put together a package of conservation incentives which will address, what experts have termed, an environmental crisis.

I, for one, know that soil conservation is the most pressing environmental problem in my district of west Tennessee. We suffer an average loss of 40 tons per acre and, in some cases, losses well over 100 tons per acre. Fortunately, the people of west Tennessee have realized the severity of their problem and together we have been able to develop a cooperative approach which combines talents and resources of Federal, State and local agencies to work in a coordinated effort to address the problem. Hopefully, this spirit of cooperation and coordination can spread from our west Tennessee project to other areas of the Nation that have critical soil erosion problems.

Representative DE LA GARZA's introductory statement today gives you the background of the Great Plains Conservation program and explains the details of the legislation. I want to commend him for his fine work in the area of conservation and assure him that the Subcommittee on Conservation and Credit will be seeking his advice as we consider this and other conservation legislation.●

☐ 1725

CUTTING AMTRAK SERVICE SHOULD BE RECONSIDERED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all the Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Speaker, I come to the well of the House today to talk about an issue which I believe to be of fundamental importance for the future of America, and that issue is Amtrak, and that issue is rail service. The basic issue, Mr. Speaker, is whether this Nation will continue to have an adequate form of rail transportation which we do not have now and which will be rendered virtually nonexistent if Amtrak and the Department of Transportation have their way.

I have been particularly concerned because not only was my State affected by the cuts but also the study which founded the basis of whether the Amtrak cuts were going to be made or not was done last summer, primarily in May, June, and July of 1978 before anybody had ever heard of the Ayatollah Khomeini, before anybody ever knew what effect the OPEC nations would really have on our supply of oil and our price of petroleum.

It just appeared to me once I saw the Amtrak report, which was done by the Department of Transportation—which, incidentally, looked to me no better than an average master's thesis and not of the quality that should be prepared by a department when they are eliminating nearly half the rail transportation in this country—that it was inadequate. It appeared to me that Amtrak should have that report sent back to them by this Congress to reevaluate, in light of the dramatic change in energy that has come upon this country since the report was initially prepared.

In addition, Mr. Speaker, after reviewing the report, it came to my attention fundamentally clear that this report cutting all this train service in this country nowhere makes any relevance or connection with the broad issue of national transportation policy. Amtrak is considered alone by itself.

The economic issues are considered alone by themselves. They mention nothing about the national transportation policy. They correlate rail travel nowhere with bus travel, airplane travel, or any other forms of travel. It is a national disgrace that half of the trains in this nation were going to be eliminated without any more testimony or thoughtful study.

☐ 1730

Since I have gotten involved in this issue, I have become aware of a couple of things very recently of which the House should be aware.

Last week on April 27, 1979, a letter was sent by Alan Boyd who I believe is the president of Amtrak, to JAMES FLORIO, the chairman of the Transportation and Commerce Subcommittee of the Committee on Interstate and Foreign Commerce. In this report Mr. Boyd backtracks a great deal from the initial recommendations made in the other Amtrak study based upon the new cost information. Mr. Boyd now indicates that some of the routes that Amtrak originally scheduled to be cut off should not be cut off now because of additional cost for all involved and rerouting the trains and because of other economic matters not earlier considered.

Among those routes are the Southwest Limited, the Zephyr, the Broadway and the Lake Shore.

Mr. Speaker, I ask unanimous consent that this letter be placed in the RECORD at this point.

The SPEAKER pro tempore. Without objection the letter will here appear in the RECORD.

The letter follows:

AMTRAK,
April 27, 1979.

Hon. JAMES J. FLORIO,
Chairman, Subcommittee on Transportation and Commerce, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: When the DOT route report was issued on January 31, 1979, Amtrak suggested that there would have to be additional study of the implementation aspect of three new or restructured routes in the recommended system. These were the Lake Shore Limited, to be rerouted through Canada connecting Buffalo and Detroit; the Broadway Limited, with a segment linking Washington and Cleveland; and the San Francisco Zephyr, which would be rerouted to provide both Chicago-Los Angeles and Chicago-Oakland service by splitting at Ogden, Utah.

Subsequently, and in cooperation with DOT and the affected railroads, Amtrak conducted extensive site inspection trips and engineering analysis to determine:

(1) more precise estimates of track connection and other capital costs;

(2) the reasonable time frame within which the new service could be initiated; and

(3) the operational and passenger service impacts of the new routings.

I indicated in testimony before the Congress on March 5, March 21, and April 3, that Amtrak would report to the appropriate committees when this new data was complete.

Attached you will find the report of those field investigations and railroad discussions. Missing from the report is "attachment A" for each segment which details the line item estimates. I feel that releasing these costs in such detail at this time would further erode our negotiating position with the operating railroads.

I would like to summarize for you what the situation is on each of these proposed routes and what the implications are for the pending authorization and appropriation legislation.

Since this data was compiled, we have coordinated closely with DOT and are in substantial agreement in terms of the estimated time and costs involved. I have added my own conclusion on the quality of service implications.

I. The Lake Shore Limited.—Boston/New York-Chicago service with a rerouted segment through Canada connecting Buffalo and Detroit.

This restructured route will cost $6.7 million in capital to implement and will result in an increased annual operating cost of $2 million over the DOT budget request for Fiscal Year 1980. While service could begin October 1, 1979, it must be instituted simultaneously with the rerouted Broadway

Limited to maintain Cleveland-Chicago service as required by the DOT report.

II. The Broadway Limited.—New York/Washington-Chicago service to be achieved by rerouting the Washington-Pittsburgh section through Cumberland, Maryland, and rerouting Pittsburgh-Chicago service through Cleveland.

These connections will cost $19 million to achieve and will add $1.3 million to the annual operating cost included in the DOT FY80 budget request. Service could not begin before May 1981.

While most of the capital cost are associated with the Alliance, Ohio-Cleveland section, there are some serious service implications in the Cumberland-Pittsburgh segment. This trackage permits an average speed of 34.4 miles per hour, is subject to frequent derailments, has heavy freight traffic (mostly coal), and has no alternate or detour possibilities in case of blockage.

I have some question of committing to new service if it is not going to be better service than we now operate. Unfortunately, these two routes, after improvements, will both operate with longer running times and slower average speeds than the present Lake Shore and Broadway routes.

III. The San Francisco Zephyr.—Chicago-California service with the train splitting at Ogden, westbound, sending one section to Oakland and the other to Los Angeles through Las Vegas. Eastbound, the two sections would join at Ogden and proceed to Chicago as one train.

Two prospective routings between Kansas City and Denver were investigated. Each would cost nearly $8 million in capital to achieve and would raise annual operating costs over the DOT FY80 budget request, depending on which routing is selected by Amtrak.

The routing via LaJunta, Colorado, could not be in service before May of 1981, while the routing via Salina, Kansas, could be instituted possibly by May of 1980.

In either event, Amtrak will be required to maintain existing Chicago-Oakland and Chicago-Los Angeles service until such time as the restructured route can be instituted.

Keeping the present Zephyr and the Southwest Limited in place to maintain this service will require an additional $10.5 million in operating costs for Fiscal Year 1980. For Fiscal Years 1981 and 1982, the additional operating costs for these two trains drop to below $1 million per year because of the introduction of the Superliner equipment.

On this restructured route, Amtrak again would be offering service that is longer in endpoint mileage and overall running time and slower in average speed.

I would question whether this is really what we had hoped route restructuring would achieve.

The one segment of this route which can be immediately implemented with minimal capital costs ($1.1 million) is the Ogden, Utah-Las Vegas-Los Angeles segment. Because this service was predicated on a market potential involving Las Vegas, Los Angeles and Denver, it makes sense to me to initiate such service independently of a restructured Zephyr. We estimate that this service will require an additional $6 million subsidy on an annual basis.

No one could know of all the cost and operational problems when the DOT report was issued in January. Now that we have the advantage of such data, it appears to me that Amtrak should have the flexibility of being able to maintain present service on all of these routes until such time as the proposed routes become feasible in terms of both costs and service.

Keeping present service of the Broadway, Lake Shore, Zephyr, and Southwest Limited (on their existing routings) will require an additional $12.3 million in operating subsidy for Fiscal Year 1980. This, however, will be offset by the fact that $10 million in scheduled labor protection payments would not have to be paid.

Other Fiscal Year 1980 savings involved in retaining this existing service would be the $33.6 million in track, signal, and facility costs involved in the three restructured routes. As you can see from the attached chart, the three restructured routes will result in up to $7.2 million in increased operating costs when implemented.

In summary, the three restructured routes will take up to two years to implement, result in $33.6 million in capital costs, and up to $7.2 million in increased annual operating costs.

Continuing the existing Southwest Limited, Zephyr, Broadway and Lake Shore along their present routings maintains all endpoint service recommended in the DOT study. The only intermediate point which would not be served would be Detroit (which has and will continue to have Chicago service under the DOT plan).

Continuing existing service on these routes will cost $12.3 million in FY 80, offset by not requiring labor protection payments of $10 million.

Because of the above, it is my feeling that Amtrak should be relieved of the absolute statutory deadline for implementing the new routes. I would propose instead a requirement that: (1) operations be initiated soon after the start of fiscal year 1980 on those portions of the new routes where it is physically and economically possible and constitutes improved service; (2) on other portions of the new routes operations be commenced only when economical, desirable construction work can be completed; and (3) so as not to disrupt service in the interim, existing patterns of service between the end points of the new routes be continued until the new routes can feasibly be operated in total.

I believe that such a course of action would represent the most orderly and sensible way to implement the Secretary's route structure recommendations.

I would be happy to meet with you or any members of the Committee to explain any of the attached in greater detail.

Sincerely,

ALAN S. BOYD,
President.

Mr. GLICKMAN. Mr. Speaker, realizing before going and looking at this letter from Mr. Boyd it became all the more fundamentally clear that we are not only being sold a bill of goods by Amtrak and by the Department of Transportation but we are being sold a bill of goods on the basis of information which is at the very, very best, totally incomplete. Therefore, I strongly suggest that the Amtrak study, which by the way will go into effect next year unless this Congress rejects it, be returned back to Amtrak to determine whether modifications need to be made in the light of changed energy considerations and in the light of new cost estimates which they themselves are doing.

I would like to mention two more things because I know some of my colleagues wish to talk about this.

As I just mentioned a copy of a letter from Mr. Boyd backtracking on the wisdom of some of the proposed route realinements including one in my own State of Kansas which was recently made, I should be delighted that that occurred. My State gets a route back.

I think the point needs to be made that regardless of what happens in Kansas rail transportation as a concept in this Nation is being dramatically affected and I think we ought to know all the facts are being considered before it is finally done.

The Secretary of Transportation put out a news release dated Tuesday, April 3. Let me read you the headlines: "Adams Says Amtrak Is Energy Waster."

I asked myself if it is such a waste why cut only 43 percent of the lines? Why not cut 100 percent of the lines? Are cars not a waste? Why not cut all the cars, particularly where only one person rides in a car.

My point is obviously he does not believe the whole system is an energy waster and obviously he believes that some rail transportation is necessary.

In the Department of Transportation study a chart very clearly pointed to the fact that ridership of U.S. rail service increased dramatically during the Second World War. The reason, people recognized there was a shortage of energy and they had very little long-term alternative. Not only was energy being rationed but also tires were being rationed. If you look at the chart in the Amtrak study it is dramatic. Ridership in 1935, 1936, 1937, and 1938 are about level. In 1939 it jumps dramatically. Then for 1941, 1942, 1943, 1944, 1945 and the early part of 1946, very high again, much, much higher than it is now. It then drops back down. Once we had tremendously adequate fuel supplies, once we had all the tires and rubber we needed.

My point is that we now recognize we have a shortage of energy and that some people in this country have very little long-term energy alternatives.

While I am not advocating we keep all the routes that are in existence now, I am advocating that we have a responsible Federal Government that makes sure it has all the facts before it makes recommendations to us.

This week the House is considering a budget, a resolution which, by the way, accepts the Amtrak proposal. I think we need to look at budget planning, not just in the short term but in the long term. It is going to be much more costly to restore service in some of these areas than it would be to cut them and upgrade them and make it work. Mr. Boyd's letter indicates that very clearly.

□ 1735

Many of the routes Amtrak recommended cutting they are now finding that it is going to be more expensive to put in the alternative routes than if we had kept the ones originally in service.

We are talking about a national transportation policy here and our transportation policy affects the use of immense quantities of a very short resource, which is energy. We should not act carelessly or precipitiously. I think the DOT recommendation should be returned for restudy in light of the backstepping that is occurring on the specifics and in light of the energy situation today.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I would be glad to yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, I want to commend the gentleman in the well, the gentleman from Kansas, for his efforts in spearheading this and I want to join with the gentleman in the Amtrak Improvement Act of 1978. The ink is hardly dry and we have almost a major retreat from the amendment in terms of quality rail transit that is possible.

When Congress passed the Rail Passenger Service Act of 1970, it acted to provide a service that the private rail industry had neglected for too long and was in the process of eliminating. Congress acted, because it recognized that our country needed a viable rail passenger system within the context of our national transportation policy. Congress realized that rail passenger service offered an alternative form of transportation which should be continued and encouraged.

In the Amtrak Improvement Act of 1978, Congress, while ordering the Secretary of Transportation to review route structures, did reaffirm its commitment to the continued development of national rail passenger service. While Congress did recognize that the current Amtrak route structure may not be the best available and that each line currently under operation may not merit further financial support, the basic intent of this act was to insure the continuation and strengthening of Amtrak.

The recommendations of the Secretary of Transportation do not reflect the commitment of Congress to our national rail passenger system. Indeed, the DOT recommendation seems to be the first step in the dismantling and destruction of the entire system. No one would deny that Amtrak has been plagued by difficulties during its time of operation. Some of these problems were inherited or the result of the action or inaction of others and other problems were the result of Amtrak's own mismanagement. Regardless of the source, these problems have hampered the growth of Amtrak. Amtrak is now beginning to resolve many of the problems that it has faced. New equipment being added to various routes, management dedicated to increasing Amtrak's ridership levels and improvements in marketing and truckage all contribute to an optimistic attitude about the future of Amtrak.

Unfortunately, now that Amtrak is beginning to show signs of life, the Secretary, in his recommendations, seems to be delivering a final fatal blow.

The Secretary is shortsighted in his recommendations on Amtrak routes. In his concern over the immediate problem, he ignores the long-term impacts of his decisions and the very real potential of a viable national rail passenger system. Our country is facing an energy crisis. There are predictions that our country may face a 10- to 20-percent shortfall in gasoline supplies by this summer. It seems readily apparent that alternative forms of mass transportation must be available for the public and that rail transportation is a leading alternative. If the Secretary's recommendations are implemented, this possibility will, at the very least, be severely hampered. Once a route is eliminated, it will be extremely difficult, if not impossible, to get it reinstated, and despite future needs or demands, a return of passenger trains may be impossible. Amtrak has already demonstrated its value to our Nation. During the Arab oil embargo, Amtrak ridership levels dramatically increased. Hopefully, Amtrak will still be operating when we again must depend on it in our national transportation policy.

I am puzzled by what means the Secretary reached his decisions on route recommendations. Many of the decisions that he reached defy logical explanation. For instance, why is one of the most heavily traveled routes, the Blue Ridge, destined for deletion? This route has more than adequately demonstrated its value. Another example is the proposed route from St. Paul to Seattle, the Empire Builder. Currently, 7-day service is provided between these points by the Empire Builder and the North Coast Hiawatha. Since 7-day service is provided, the Postal Service has signed contracts with Amtrak to carry mail on these routes. The revenue from these contracts has been a major source of the revenue for these routes and is increasing. For fiscal year 1977, these revenues totaled over $1 million or 100 percent of the total mail contracts for all of Amtrak.

Under the DOT recommendations, service along this corridor will be cut back to a triweekly basis resulting in a loss of at least $1 million.

The current Amtrak route structure may not be perfect. Improvements are needed and should be made. However, the DOT recommendation is not an improvement. It represents a step backwards for our national rail passenger system and must be modified or rejected.

Mrs. SMITH of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I would be delighted to yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. Mr. Speaker, I thank the gentleman. I would like to commend the gentleman in the well for his action.

Mr. Speaker, I represent a western district, the Third Congressional District of Nebraska, where the automobile is king, where farming requires huge amounts of energy, and where, nevertheless, public transportation facilities are already inadequate. Now, my district—and my State—face extinction of railroad passenger service.

I especially appreciate this opportunity to express my continuing outrage about the management of the Amtrak service and about the present proposals to truncate the service.

As I read this latest Amtrak proposal, Nebraska apparently would become one of 10 States without any rail passenger service. Now, while we would not, therefore, feel singled out exactly for discriminatory treatment, I think that really important national policy questions have to be addressed before we Nebraskans can agree that due process has been served.

One estimate is that the rail passenger service through Nebraska would operate at a loss of about $2.9 million in fiscal 1980, while for the whole national Amtrak system, the loss will approach a bit less than $1 billion a year.

Does Amtrak really believe we can mollify Nebraskans by saying to them: "You are just going to have to go on paying out your taxes for providing the rest of the Nation—or most of the rest of the Nation—with passenger rail service, but you can't have any out of your State."

Therefore, the real policy question is whether it is equitable and realistic to expect Amtrak to serve only part of the people only part of the time—however badly that attempt is executed.

If, on the other hand, there is real hope that Amtrak's government subsidy can be reduced to nominal size soon, then I would agree that Nebraskans and others must willy-nilly give up passenger service for the greater good.

But I see no real possibility that the Amtrak subsidy will ever be substantially smaller. And so I think Nebraskans have every reason to insist that a real effort be made to properly provide service at reasonable hours, on time, and with good equipment. I submit that this has not been regularly done in Nebraska—and elsewhere, for that matter.

I think Nebraskans deserve good rail passenger service every bit as much as do the huddled masses of the East. I think all Americans do.

But somebody is playing an unfunny practical joke or is adamantly hostile to the idea of encouraging passenger use of railroads in my State.

To illustrate, let me demonstrate to you what a hardy lot our Nebraska railroad passengers are. At present, Amtrak runs the Zephyr through Nebraska from Chicago to San Francisco. There is one train a day in each direction, East and West.

Five Nebraska cities and towns are served: Omaha, Lincoln, Hastings, Holdredge, and McCook.

The trouble is these two trains run only in the wee hours of each day. If you wish to use these trains in each direction, passengers must arise well before 1 a.m. and before 6:20 a.m., depending on the direction and the point of departure.

Mr. Speaker, my colleagues and I in the Congress have long complained of these ridiculous hours and have pointed out that better service at just some more reasonable hours for just one of the trains would undoubtedly greatly encourage even greater use than the considerable amount now obtaining.

Omaha is the largest city served by Amtrak in Nebraska. Although riding the train through the State demands iron determination (leaving Omaha at 12:40 a.m. westward and 6:20 a.m. eastward), no less than 18,551 persons either boarded or disembarked Amtrak trains in that city in 1977. Omaha has a population of 354,000.

In Holdredge, the smallest community served by Amtrak, with a population of only 5,635, nearly 4,000 persons got on or off trains in 1977, even though it was 2:30 a.m. or 4:55 a.m. when they did so—if the train was on time—depending which way these people were traveling.

Mr. Speaker, I submit for the RECORD the following table showing the number of passengers who got off or on the Zephyr at the five cities and towns now served by Amtrak in calendar year 1977, the latest year for which figures are available:

PASSENGERS ON/OFF AMTRAK TRAINS IN NEBRASKA, CALENDAR YEAR 1977

	City/town				
	McCook	Holdredge	Hastings	Lincoln	Omaha
Population	8,285	5,635	23,580	149,518	354,000
Amtrak passengers on/off	6,762	3,844	6,503	14,373	18,551

	City/town				
	McCook	Holdredge	Hastings	Lincoln	Omaha
Eastbound arrival time (a.m.)	1:00	2:13	3:10	5.00	6:20
Westbound arrival time (a.m.)	6:05	4:55	4:10	2:10	12:40

Now, of course, more often than not, the train was not on time—despite Congress flat directive that railroad companies must always give priority to Amtrak passenger trains over freight trains.

In spite of that directive, the Zephyr's on-time performance declined drastically in the last 3 months of 1978 to only 27.4 percent of trains, down from 56.5 percent a year earlier.

To put it another way, almost three out of every four trains were late from Chicago to San Francisco and back again. This was worse than it was a year ago—when one out of every two trains were late. And hardly anybody could be proud of even that better mark.

The astonishing and astounding truth of the matter is that despite all this, despite aging equipment, passenger traffic actually increased by nearly 12 percent to 67,706 passengers on the Zephyr in the last 3 months of last year above the year-earlier total in the same period of time.

I find it also astonishing that the rerouting is planned even though the Zephyr often is sold out. In the second week of August last year, 1,312 requests for coach seats on both east and westbound trains were denied. Requests for 357 first-class roomettes and 566 bedrooms also were denied.

The Amtrak plan calls not only for taking away this much-wanted, much-used passenger service, but combining it with the Southwest Limited—which also is often sold out.

Can enough new trains be put on to serve the resulting increased demands? Will depriving Nebraska cities and towns of rail service decrease demand enough to permit this? It is highly doubtful.

It is difficult not to admire the experience of foreign countries—England and France—who seem to be able to run a good railroad system for people as well as cargo.

I pledge my support for any honest American effort to do the same. There must be some way, in these times of feared energy shortages, to exploit our magnificent rail system that covers the country like a blanket.

Mr. WILLIAMS of Montana. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. Mr. Speaker, I thank the gentleman. I commend the gentleman from Kansas for calling this special order today.

I really wish we could have a major national debate and I know the gentleman does, too, on what is a most important issue; but I will be brief this afternoon, because I have the feeling that only some of the folks out there are listening and not enough people either downtown or on this Hill have turned a proper attentive ear.

□ 1740

The question is whether or not folks ride on Amtrak. Now, if they do not—and it is a big "if"—and if the ridership is not adequate, let me speak for a moment about why it is not adequate in my home State of Montana.

Amtrak has not had an advertisement out there encouraging people to ride the train since 1971. I think in place of advertisements, they have schedule changes, because since 1971 we have had eight—count them, eight—schedule changes, which only serve to confuse those who would like to ride the train.

Mr. Speaker, we just had a great national phenomenon in Montana. We had an eclipse, a solar eclipse. I stayed out there and watched it, by the way. It was interesting.

We have all been on Amtrak, we have all been up in the dome car, and we all know that would be a marvelous place from which to watch an eclipse. But there was not one single ad anywhere in this Nation or anywhere in the Northwest that said to the folks:

> Why don't you take a day off and get on Amtrak and get up in the dome car, get up in that high car out in Montana where you will have a once-in-a-lifetime view of a solar eclipse?

So, as I say, Amtrak has completely fallen down on the job in encouraging ridership on trains.

The hard fact is that despite lousy service, despite no advertising, despite all the schedule changes, folks in Montana do ride the train. The passenger load in Montana is, in fact, quite good, and that is surprising. Let me make a few comparisions for the Members.

Here in the Washington, D.C., area the train will come and go today 73 times. Now, the train in Montana will come and go this week only three times. In other words, by midnight tonight more trains will have come and gone from this city and this area than will have come and gone from my hometown in Montana by next Halloween. But despite that fact, the folks in Montana have used the train.

Let me give the Members the facts. Now, I am talking about per capita ridership, because, as we know, we cannot just use passenger load, we have to use per capita ridership. That is, how many people are there who live in the area who can possibly get on the train? So let us use per capita ridership.

In Providence, R.I., 33 percent of the folks use the train, per capita ridership. In Bozeman, Mont., the figure is 45 percent.

In Hartford, Conn., 18 percent of the folks use the train under the per capita ridership formula. In Butte, Mont., the figure is 25 percent.

Those types of figures go on and on, and there are cities in my State and cities in the West where Amtrak is going to be shutdown and where the per capita ridership is double what it is in the more populated Northeast Corridor.

So again, Mr. Speaker, I want to commend the gentleman from Kansas (Mr. GLICKMAN), and I again, as I have done on several occasions, want to ask the Secretary of Transportation to reconsider. More importantly, I want to ask the responsible committee, the Committee on Public Works and Transportation here in the House, to bring out these resolutions so that we can have a national debate here on the floor and properly discuss the future of Amtrak.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman from Montana (Mr. WILLIAMS).

Mr. Speaker, I might mention one other thing, too, in light of what the gentleman said.

This past weekend—actually it was Friday—I went to the Ford Motor Co. as part of the Committee on Science and Technology, along with the gentleman from Iowa (Mr. HARKIN). We spent about 4 hours at Ford's research facilities, and it is altogether abundantly clear to me that while Ford is, I think, making a reasonably dedicated effort toward meeting the fuel economy standards by 1985, the automobile companies are not making any major capital expenditures on any time schedule past that or are not really spending a lot of money on alternative fuels for cars.

That is my only point. I am not speaking critically or positively about that; I am just saying that we know that fossil fuels are going to be in shorter and shorter supply all the time, and people out in less populated parts of the country like Montana and the western parts of my State—in fact, all through the west central part of America—will have limited alternatives available.

If we see fossil fuel shortages becoming more pronounced all the time and we do not see any new technologies for propelling cars coming on fairly soon, this country, and particularly the people in less populated areas of this country, are really going to be in trouble.

☐ 1745

So I think the gentleman makes an excellent point, and I just hope that the majority of the Members of this Congress agree with him.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding and I commend the gentleman from Kansas for raising this issue. I think the gentleman is correct that this is one of the most critical issues that face this Congress and this country, and I think the failure of the Congress to address the issue of rail transportation and the future of it in a constructive manner in this Congress would be a critical mistake for the future of our country.

The gentleman was generous in sharing with the Members of Congress the editorial by Nick Thimmesch several months ago, which indicates in a very specific manner the critical value of rail transportation in terms of energy savings and the overwhelming advantages of rail transportation in terms of energy savings. Just to reiterate from that article, Mr. Thimmesch states:

> The chart shows that the passenger train is the champion of fuel efficiency. An 18-car train, pulled by two locomotives, yields 500-passenger miles per gallon of fuel. By comparison, the intercity bus gets 250 passenger miles; 747 jet, 62; 727 jet, 36; passenger cars, hopefully between 20 and 40.

So there is just no possible competition in terms of fuel efficiency. We are at that point in our history where that is one of the critical issues which we have to face, which is to more efficiently move the American people and provide them with a greater and a more efficient transportation system. At the same time, to dismantle and abandon the system today means that we condemn ourselves forever to the impossibility of replacing it. The capital cost of investment that it would require to once again attempt to regenerate the American rail passenger system would be absolutely prohibitive. So this is a road from which there is no turning back. Therefore, it is absolutely essential that the American people understand it.

I think it is unfortunate that the Congress to date and, particularly, the responsible committees, have not given either the Congress or the American people a full opportunity for hearing the debate. I commend the gentleman for his efforts for attempting to insure that that debate would take place.

Mr. Speaker, I would further like to include in the Record a recent and separate editorial from WOWT television in Omaha on this subject, and I again commend the gentleman from Kansas (Mr. Glickman) for his efforts.

The editorial is as follows:

> Amtrak may be heading down the wrong track!
>
> The Department of Transportation is proposing deep slashes in the federally subsidized railroad. The cuts would eliminate all rail passenger service in Nebraska and most of Iowa.
>
> It is no secret that the service provided our area has been poor quality . . . often marked by late arrivals and departures. Isn't it possible that poor management and service have been the major reasons for Amtrack's problems?
>
> More and more people are traveling today. One only has to frequent the airports to realize that.
>
> We feel it will be a tragic loss if the government eliminates passenger rail service in Nebraska. Omaha was once a major rail hub and it will be difficult to imagine our area without any passenger service.

Mr. GLICKMAN. I thank the gentleman for his remarks.

Mr. KOGOVSEK. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Colorado.

Mr. KOGOVSEK. Mr. Speaker, I, too, want to thank the gentleman from Kansas (Mr. Glickman) for providing us this time for discussing this issue, and I want to say that I appreciate the comments of the gentleman from Nebraska (Mr. Cavanaugh).

In Colorado we talk a lot about population dispersal, but it is true that we have 15,000 new people moving into the State of Colorado every month. Think about that: 15,000 new people. And most of these people are moving to the Denver metropolitan area.

Mr. GLICKMAN. Could the gentleman shift some of them into Kansas maybe?

Mr. KOGOVSEK. I think we will try to.

But we are moving a lot of these people into the Denver metropolitan area, and for one specific purpose: transportation. People and business move to metropolitan areas, because that is where the transportation lines are, that is where the airports are, that is where the highways are, and that is where the railroads are. I think one of the things that we as a government fail to remember is our responsibility to the people who live in the rural areas of Colorado and the whole Western United States. There will be less incentive to move to Lamar, Colo., especially now since the Secretary of Transportation has decided that the Southwest Limited which runs through Lamar, La Junta, and Trinidad should no longer be. It is going to be hard for me to go back to Lamar and tell those people, on the one hand, that I support the President when he says we should decontrol the price of oil and, on the other hand, say, "Well, what about our transportation system," because they are going to remember that the President wants to take a large part of the windfall transportation tax and spend it on transportation.

☐ 1750

So it becomes doubly hard for me to understand how the Secretary of Transportation, on the one hand, can say that we are going to do away with the significant portion of mass transportation and, on the other hand, have his boss tell him, "We have got to spend more money on mass transportation." That just does not make sense.

I think that we have to remember our responsibility to the western part of this country, and, at the present time, we are not doing it. The Federal Government has a responsibility to the West to make sure that we have the kind of transportation that is going to get the job done, but I think that we also have to remember, and I know that I do not have to remind the gentleman from Kansas that Congress also has the responsibility to put its money where its mouth is.

I have talked to the people from the Department of Transportation, and they are saying:

> Look, if Congress would realize its responsibility and come up with the proper amount of money, we could run good Amtrak lines.

I think we can argue about that, but the point is that I appreciate the fact you have taken the time this afternoon to make sure that at least we make a record for our cause in the western part of the country. I thank you for that.

I would hope that we can get the proper attention.

I would ask that the Secretary of Transportation reconsider his decision, and. hopefully, we can get this before the whole floor for the needed debate that we should have on it.

Mr. GLICKMAN. I would just make one comment to your cogent remarks. That is, we share a common train, the Southwest Limited. I received a letter which actually came on the 27th of April, from Nan Boyd to Congressman Florio, which indicates that perhaps he made a mistake by rerouting the Southwest Limited. It is a letter which probably reflects the kind of reevaluation of facts which should have gone into the original Amtrak study and which did not.

As I said during my original comments, I am delighted, but I think this issue goes beyond this one train, and that is an isssue which I hope 10 years from now we will not be saving to ourselves, when gas is $2.50 a gallon, and when aviation fuel becomes short—and I hope I am wrong on this—there is no way to get from Lamar, Colo., to Chicago, Ill., anymore, except hitchhiking.

Mr. KOGOVSEK. Let me say that I earlier appreciated the remarks that were made by the gentleman from Kansas in front of the committee hearing a couple of weeks ago, when the gentleman pointed out there really is no logical reason for the moves that are being made by the Secretary of Transportation.

I mentioned at that time the small

amount of research I have done has indicated it is going to cost literally millions of dollars to upgrade the track that will be used by the new northwestern route. It seems to me that, as far as the Southwestern Limited is concerned, that we have a track that can handle high speeds, and it seems to me that it makes more sense to utilize that track instead of spending millions of taxpayers' dollars to upgrade a new track.

Thank you, Mr. Speaker.

Mr. GLICKMAN. I thank the gentleman.

If there are no further requests for time, Mr. Speaker, I would just close by making one point.

The next 3 weeks will determine the fate of this issue. As I understand the situation, the Transportation Subcommittee of the Commerce Committee takes up the Amtrak report tomorrow, and has the choice of either accepting it or rejecting it. It is a veto-related issue. It is my current feeling that more than likely the Amtrak report will be accepted, which means we will have until May 15 for the full committee to take action.

Now, in the interim, I am aware that legislative authority to improve Amtrak's operations.

I might also say to those here and also those who may be watching on television that we have a budget resolution before us. That budget resolution reflects $166 million less than would have been reflected had the routes still stayed in that were in last year.

☐ 1755

It is possible that the gentleman from Kansas might offer an amendment to try to restore some of those funds, but I think we will kind of wait and see what the Transportation Subcommittee does tomorrow and Wednesday before we make that decision. But, if nothing else, this House does need to have some sort of votes on the issues raised by that study. Even though we advocated that, we gave it to Amtrak to come up to us with a report, and in light of the fact that they made the report with no concept of the real energy problems, I think we owe it to the American people to vote on it up or down here.

● Mr. KINDNESS. Mr. Speaker, last year, the 95th Congress enacted the Airline Deregulation Act in the hope that, under freer market conditions, more appropriate airline service would emerge to serve our Nation's air passengers. That same Congress also enacted the Surface Transportation Act which reaffirmed our commitment to complete the Interstate Highway System and, hopefully, set a firm date for completion.

In fairness, it may be too early to judge what will result from airline deregulation. But, there are now Members saying that they would have voted against the act because it appears that the hoped-for service will not develop. At the same time, we are contemplating a standby gasoline rationing plan, and we are hearing of shortages of gasoline and the President's call for us to drive 15 fewer miles per week.

So, what does the Department of Transportation's Amtrak route restructuring plan offer us? A route system which will not provide the service necessary to divert passengers away from either automobiles or airliners—the two least energy efficient forms of transportation. And, if the fears of some Members as to the results of airline deregulation are realized, many areas will be left without either air or train passenger service.

What makes the plan so galling is its failure to look to the future both in terms of service and energy conservation. Ridership on Amtrak has shown consistent gains in spite of the almost insurmountable difficulties Amtrak has encountered in making its service more attractive and, thus, competitive with other forms of transportation. Yet, Secretary Adams continues to argue the merits of his plan solely on the basis of current ridership.

In a letter dated April 13, 1979, the Secretary argued that his route plan was not counterproductive to our national effort to save energy. He said that "information which speaks to the energy potential of trains may confuse the issue. Our analysis deals with recent experience in the real world."

I wonder if Mr. Adams tried to buy gasoline for his car yesterday. In the real world, it was pretty hard to find. In the real world, it has been pretty hard to get airline tickets lately.

In that same real world, people are finding it easier to get tickets for Amtrak, they are finding cleaner, safer stations, more comfortable train cars, and generally are finding that Amtrak is a reasonable alternative for travel. But, it needs more time. We didn't terminate the Interstate Highway System in 1972 because it wasn't completed and we didn't terminate it in 1974 when we were siting in long lines at the gas station.

I am convinced that if we truly provide passenger service, rather than routes over which passenger trains roll, the people will use them and we will make a significant contribution to energy conservation.●

● Mr. AuCOIN. Mr. Speaker, today my colleagues are debating, under special order, a most urgent question before the country. That's the question of our future passenger rail services. As I add my views to the many solicited comments this afternoon, I join the numbers of disillusioned Americans who do not wish to see railroad transportation become only a nostalgic chapter of our history.

In the State of Oregon, ridership has increased steadily over the Amtrak Pioneer's 23-month life. Yet Secretary Adams is preparing to eliminate this route from the national rail system. Careful examination of the Pioneer's costs and services convinces me that, while the Pioneer is still operating in the red, this route has a promising future. The Pioneer should receive continued funding through fiscal year 1980 to give it a chance to demonstrate its ability to become self-supporting. Extended funding through 1980 would give the Pioneer a 1-year reprieve beyond its original 2-year tribal period.

Secretary Adams' interpretation of the Pioneer's data would lead one to believe it has no promise at all. Let me give an example of this skewed analysis.

DOT estimated the Pioneer's passenger mile per train mile to be 87 in fiscal year 1978. This figure falsely overstates the train's actual performance during those 12 months. DOT revised a lower PM/TM figure up to 87, factoring in an anticipated high performance with the use of back-ordered Superliner equipment. But the train continued to operate without the expected equipment, and its actual performance in fiscal year 1978 was substantially less than DOT's projection.

In drafting a new national rail system, Secretary Adams assumed that trains recommended for elimination would continue in fiscal year 1980 to operate at their fiscal year 1978 PM/TM levels. The Pioneer, with its inaccurately high 87 PM/TM for fiscal year 1978 still compared unfavorably to the lowest acceptable long-distance productivity projection for trains remaining in the system—156 PM/TM.

But let us examine the Pioneer's performance after it was subjected to these criteria and recommended for elimination. The most recent Amtrak statistics show the Pioneer operating at 81 PM/TM, nearly the level which DOT estimated would be possible only with the larger more efficient Superliner equipment. To date, only five Superliner cars are operating on the Pioneer run when over 30 times that number were originally ordered. If the Pioneer can achieve an 81 PM/TM with only five Superliners, 150 such cars would surely bring the Pioneers performance within the lowest acceptable PM/TM for trains remaining in the final rail system.

The Pioneer is surpassing all DOT's performance expectations, and I am confident it will continue to do so in a third year of trial operation. It deserves the chance to succeed it did not receive from DOT during the first round of rail route surgery.

Let me make several other points:

First. DOT has short changed the Pioneer by putting it into a long-distance train category. The Pioneer is not a two-nighter as most long-haul trains, nor did it have the characteristic long-distance equipment of baggage or sleeper cars until May 1978. The Pioneer passenger falls somewhere between the long-distance rider and the Northeast Corridor commuter, making the run an anomaly in DOT's classification.

Second. The Pioneer serves a varied ridership. College students depend on the run. In eastern Oregon, there is a large group of day students who commute to school and live at home. Farmers depend on the Pioneer for transporting machine parts and other equipment from suppliers. Senior citizens rely on the train as their link to friends and social activities. Rural families use the train to travel to urban centers for shopping, medical treatment, and cultural activities.

Third. Before cutting back services, Amtrak should expand marketing efforts to attract more riders. In a survey conducted by a researcher from the University of Idaho, only 16 percent of the riders on one run of the Pioneer learned of the run from advertising. That hardly reflects an aggressive marketing effort. If we sold the rail system in this country as aggressively as we sell detergent, we would have a cost-efficient rail transportation system.

Fourth. I want to emphasize that I am not in favor of the continued subsidy of routes where clearly there is no hope of self-sufficiency. But there is a partial explanation for the present day economic bleakness of our rail system. During this century, nearly $1 trillion of Federal subsidies have been sunk into highways, roads, and streets to the benefit of the automobile and bus industry. Some $75 billion went to subsidize air transport facilities and equipment. But prior to Amtrak, this country's total contribution to passenger rail transportation was a mere $65 million. It is small wonder that this country will soon be left with an amputated version of a rail system which can hardly be referred to as "national."

What the Congress is really deciding with respect to the Amtrak rail system is whether, for all future time, there will be rail service countrywide. When we eliminate trains like the Pioneer, there is little likelihood that we will ever have the option to restore rail service over such routes. This means we have to be willing to commit ourselves to a course of action which may be irreversible.

I don't believe the Pioneer has had its "day in court." Therefore, I urge extending the life of the Pioneer for another year, before its final sentencing.●

● Mr. COELHO. Mr. Speaker, my purpose in speaking today is to urge the distinguished member of the House Committee on Interstate and Foreign Commerce to report a bill disapproving the Department of Transportation's proposed Amtrak reorganization plan, thereby allowing the Members of the House to vote for or against this proposal.

Because this issue has significant impact on our Nation's transportation and energy policies, I am sure that most Members have strong feelings about this issue. While I happen to feel there are problems with the DOT recommendations and will vote against implementation of the plan as it now stands, I think it is absolutely essential that the entire House set such a policy rather than a Federal agency.

Inaction by the full House on this matter can only be viewed as further acquiescence of the executive branch. Policies as important as this one should be set by elected representatives, not by appointed ones.●

● Mr. VAN DEERLIN. Mr. Speaker, our former colleague, Brock Adams, is certainly one of the brightest stars of the Cabinet, just as he was among the ablest Members of the House during his distinguished service in this body.

While a member of Congress, Mr. Adams was perhaps best known as the primary architect of the legislation setting up the National Railroad Passenger Corporation. It was my pleasure as a fellow member of the Commerce Committee to work closely with Mr. Adams on this law which gave new life to the passenger train in this country.

I can appreciate the kind of pressure Mr. Adams is now under as Secretary of Transportation to cut spending wherever possible. I can also appreciate the eloquence of his arguments that Amtrak is ripe for reduction; however, I disagree.

While it is true that some Amtrak trains are not well patronized, this to my mind in no way justifies eliminating 43 percent of the service, as proposed in Secretary Adams' Amtrak Restructuring plan.

It seems to me that the Department of Transportation study is particularly shortsighted in measuring existing rail routes only on the basis of current and as yet unfulfilled demand.

Because of the way DOT has framed the issue, the Department reaches the odd conclusion that less train service—which means more auto and plane use—is somehow going to help our energy conservation efforts.

This view ignores some recent lessons. For example, during the last energy crunch, in 1974, Amtrak ridership jumped 18 percent. Whether petroleum use is limited by weekend closing of gas stations, escalating prices, or rationing, the demand for Amtrak service is bound to increase. We should insure the trains are there to accommodate that demand.

The effects of the sweeping "restructuring" would be felt everywhere. Although the proposed cutback leaves untouched the service between my home city of San Diego and Los Angeles, it would nevertheless throttle expansion plans of the California Department of Transportation, which sponsors three of the six daily 250-mile roundtrips between the two cities.

Caltrans proposes to add a seventh roundtrip through the densely populated southern California corridor, where traffic congestion is a daily and ever-worsening fact of life. Amtrak at least has helped to alleviate these problems; before the service was inaugurated, the "San Diegans," as they are known, carried fewer than 400,000 passengers a year—now the annual total is approaching 900,000.

It is true the service still operates at a deficit, but one that is swiftly closing as passenger traffic increases. The service has done well notwithstanding the fact that it is both slow and relatively inefficient. Through some rerouting of the tracks and lifting of unrealistic speed limits, at least half an hour could be shaved from the 150-minute traveltime from San Diego to Los Angeles.

Sure, Amtrak is expensive, but I see it as an investment whose time will come if it is not here already. Other modes of transportation are partly subsidized as public services. Amtrak should be, too, especially in view of the potential for energy savings through more effective use of the passenger train.●

● Mr. HILLIS. I am pleased to have the opportunity to reiterate my views on the proposed curtailment of Amtrak service as outlined in the Department of Transportation's final report to Congress on the Amtrak route system.

It is my strong belief that more time is needed to study the future of Amtrak. Within the past several weeks, our oil shortage dilemma has become increasingly aggravated and I feel it is necessary for this Congress to reassess the DOT proposal in light of the worsening energy situation facing this Nation. The American public has been called upon to change its attitudes toward excessive use of private automobiles, the airline industry is reassessing its ability to offer economy fares, and, in general, public transportation dependent upon gasoline as its energy source will need to reassess routes and rates as fuel supplies decrease and costs increase.

The prosperity of our Nation and the public's demand for good reliable rail service must be given heavy weight in considering the future of Amtrak. Further, the energy efficiency of the system must receive very close attention before decisions are made.

Created in 1970, Amtrak has had many problems during its short history. However, these problems should have been predictable. The equipment problems which have plagued the system were due mostly to the condition of the equipment acquired at its inception. Amtrak has been in the ongoing process of modernizing its equipment and the efficiency of the system should improve. I see this as only one example of why the past record should not be used to predict the future usage of Amtrak. As equipment improves, patronage will increase, further aiding the system's balance of payments.

I believe the American people want an extensive rail passenger system. It is, nevertheless, obvious that Amtrak has failed to live up to congressional expectations.

Although the Congress has been reviewing the DOT recommendations since the beginning of this year, I submit that more time is needed to adequately review all the issues involved. For that reason, I urge extension of the deadline for congressional action until October 1, 1980. Certainly the public interest would be better served by giving Congress the requisite time to fully comprehend Amtrak's situation and the possible alternatives available. Congress also needs the additional time to review and comprehend the effects of decreasing gasoline supplies and increased prices.

By October 1, 1980, we will have more data available regarding our supply of gasoline, and those who wish to save the trains will have more time to demonstrate their intention to use the system.

I expressed by views on this matter to Secretary of Transportation Brock Adams in a letter dated April 1, 1979. A copy was entered into the CONGRESSIONAL RECORD on that date, along with my statement of explanation as to why I feel an extension of the deadline to be necessary.●

● Mr. JEFFORDS. Mr. Speaker, the Amtrak Improvement Act of 1978 directed the Secretary of the Department of Transportation to design a preliminary and final route system for the Nation's network of passenger trains. Between these reports the public was clearly intended by Congress to have notice of possible service changes and route cutbacks as well as an opportunity to be heard. The route system was to be designed on an optimal basis: that is, a route structure most favorable or advantageous to this Nation and the travel needs of our people. The route structure was to involve a nationwide system. The Secretary was to have supported his final report route recommendations with supporting and explanatory information.

I have very briefly summarized the instructions of Congress because I do not believe that the Secretary has complied with these instructions.

Perhaps the job was too large to be done as Congress wanted it to be done. I believe the Secretary and his staff worked very hard in coming to the final conclusions. Despite the well-known concern of the Congress that this process include the fullest possible public reaction, the Secretary's final recommendations would eliminate service on eight major routes that were recommended for service continuation in the preliminary report. Moreover, the Rail Services Planning Office held public hearings in 51 cities, areas where, according to the preliminary route recommendations of the Secretary, service would be modified. This was done, obviously, so that the public could comment on service changes and so the DOT would have the benefit of this public input. After the hearing process was concluded DOT recommended dropping Amtrak service altogether along some of the routes, without giving the traveling public any opportunity to comment on such service reductions. These substantial changes from the proposal presented for public comment in May can in no way be considered appropriate under the Amtrak Improvement Act of 1978. Congressional intent clearly mandated an open and fair process within which the maximum public participation could take place. Instead, the Secretary made his decisions based on a partial public reaction. The appearance of openness and the expressed legislative requirement of due process has thus been converted to a process of secret, closed decisionmaking, as if the public reaction were unimportant, and the public's suggestions were useless.

Furthermore, it is no secret that several of the major decisions to eliminate Amtrak routes, including the only service throughout northern New England and the Deep South, were made, not because these lines were not part of the optimal Amtrak system, but because they did not fit within the budgetary strictures set by the Office of Management and Budget. It is clear to me that Secretary Adams not only failed to apply the " optimal" standard and failed to assure the public participation required by the Congress, but also that some of his decisions on specific route eliminations were plainly wrong. After all, the reason for extending due process to the affected public or parties in any governmental action is chiefly to provide a check against arbitrary or mistaken decisionmaking. In this case the secretary's failure to provide for full public participation may well have precluded his learning why his final recommendations might be mistaken.

The best way to remedy this sad state of affairs is to disapprove of the Secretary's final report and assist him to design a truly optimal route system after he has scheduled public hearings along those routes that will receive different service or will lose rail passenger service altogether.

The Secretary's final report on Amtrak relies upon a massive reduction in service, a 43-percent shinkage in the reach of Amtrak's scheduled train system across this land. This major retreat from providing an optimal system with greater frequency along, at least, those routes that have proven their popularity or show strong increases in ridership, will save only 23 percent of the budget requirement for operating the existing system in fiscal year 1980. Clearly pulling routes off the map is not the appropriate method for economizing.

Amtrak could save much money if the Department of Transportation turned its attention to supplying it with the means to properly audit billings by railroads, and if the Department took a serious look at wasteful labor practices that the railroads have negotiated with organized labor into their freight contacts and which the railroads apply in making their train and engine crew charges to Amtrak. Amtrak's financial health would improve greatly if its routes were logically located through major population centers. For instance, the Floridian somehow manages to travel between Chicago and major Florida points without tapping the Atlanta or Chattanooga markets. This could be done by the wise investment of some $20 million in track reconstruction funds. But instead of exercising its expertise to improve ridership or attempt to reduce costs, the Department of Transportation has told Congress, in effect, that the public does not use Amtrak, that the only way to economize is to reduce frequency and service, that the only meaning of "optimal" that it envisions is the greatest effect in meeting the dictates of the Office of Management and Budget.

The Secretary's admitted use of the dollar amount of $552 million in federal passenger rail operating subsidy for fiscal year 1980 as the operative criteria by which he decided to drop at least two viable and popular long distance train routes, as well as two of the most popular routes in the long distance system, is another reason sufficient to disapprove of his final report. Whether his budgetary cutoff was dictated by the Office of Management and Budget or whether it was, as the Secretary has told Members of Congress, his best approximation of what Congress wanted to spend to subsidize Amtrak operations, neither reason is even hinted at as appropriate in the legislative reports leading up to passage of the act. And, of course, there is no connection between this funding level and any of the substantive criteria Congress adopted in the act.

Therefore, the Secretary has failed to do what the Congress asked of him. Rather than designing the optimal system with full public reaction and participation, he based his restructuring decisions mainly on the basis of fiscal austerity; the Secretary has also done what was never asked of him by Congress—he has decided how much money the Congress should spend on Amtrak in the coming year.

The final report, unfortunately, appears to be way off the mark in judging which of the lines should remain in the national system because the Secretary's study was based upon fiscal 1977 data to a large extent. Amtrak's ridership is now in the midst of a major upward trend, a trend that seems to have caught hold about halfway through fiscal year 1978 and continues right now. The final report is hinged on predictions of ridership that are based on shaky or unproven assumptions. In some cases the projections of ridership have already been proven wrong by the fare paying public.

For example, the Department evaluated specific routes on the basis of ridership projections that were designed to gage the systemwide increase in passenger rail use, plus additional increases based upon anticipated delivery of new passenger train cars for use on particular routes. The systemwide average ridership increase that DOT used was 2 percent between the fiscal years 1977 and 1980. The new equipment was expected to increase ridership between 15 and 30 percent depending on whether it consisted of low-level Amfleet cars—20 percent—bilevel Superliners on order—30 percent—or conversion of breakdown-prone older cars to head-end electric power for operation of temperature control, light and other energy requirements—15 percent). The DOT has yet to justify these projections in any detailed manner showing why they are reliable. The DOT has also not justified why its 2-percent system average ridership increase for the 3-year period through fiscal year 1980 is a reliable means of making decisions to change or abandon specific existing routes.

Route specific projections of ridership increases were available from the Amtrak marketing office. These projections are quite different than the DOT projections and they appear closer to the mark. For example, the DOT's fiscal 1980 projection for ridership generated by the Montrealer route north of Springfield, Mass., was about 46 million passenger miles. Amtrak's projection was 55 million. In fiscal year 1978 the actual ridership generated by the portion of the route, according to Amtrak, was 48.5 million passenger miles, substantially above the DOT's initial projection 2 years hence. Because of this obvious incongruity the DOT increased its fiscal 1980 projection to about 49.3 million passenger miles. This kind of result is probably not atypical because of the systemwide ridership factor used to project future ridership within the DOT final report.

The transportation secretary has compounded this problem by testifying before the Congress that the Montrealer is basically a northeast corridor train, implying that because the corridor portion of the train will be retained under his proposed route structure, the Montrealer will be little missed. This statement could not be farther from reality. Actual ridership on the Montrealer has been steadily increasing from about 64.5 million passenger miles in 1975 following the Arab oil boycott, to the fiscal 1980 estimate by Amtrak of 83.6 million passenger miles. More importantly, the traffic and revenue generated by the portion of the route that DOT now wants to abandon has grown steadily since fiscal 1976 while the intra-corridor traffic has declined and then levelled off. This is shown in chart No. 1 (not printed in the RECORD). In fiscal 1978 the northern portion generated 67 percent of the total passenger mile volume of ridership. In fiscal 1980 Amtrak estimates this portion of the route will generate about the same proportion of the total business of this route. How can the section of the route outside of the northeast corridor, that generates two-thirds of the route business be accurately called basically a corridor train?

Two other train routes that were also cut out for purely fiscal reasons were the Amtrak Crescent, linking New York City to Atlanta and New Orleans, and the New York-Philadelphia-Florida service. The Florida service is probably the most used by the traveling public of all long distance trains. There is no way the DOT's route system can handle the business on the Florida line that already exists. With respect to the Crescent, I am informed by Amtrak employees that this train is also crowded and well ultilized by the traveling public, although no firm statistics have yet been released for this service since it was taken over by Amtrak in February with an improved frequency between Atlanta and New Orleans.

The DOT report appears to be simply obsolete in terms of its long distance train ridership figures and projection. The American public has proved this at the ticket window. Since the final report was released, ridership has literally taken off. The 4-month period through January 1979 saw a 10-percent systemwide increase in ridership, as measured in total passenger miles. The much-maligned long distance trains scored a 14-percent increase. The Montrealer tallied a 17.5-percent increase, increasing its average ridership from 133 passenger miles per train mile to about 157 passenger miles per train mile, over the same period a year before. In January alone the Montrealer was the second most used train in the long haul system, averaging 176 passengers per train mile.

The final report of the Secretary was to contain supporting and explanatory information related to the route decisions. I found that when exposed to the light of scrutiny the grounds listed to justify elimination of the Montrealer were inaccurate and misleading. For example, the Secretary cited a Government Accounting Office study of the high fiscal 1977 losses incurred by several of Amtrak's routes, including the Montrealer. That GAO study listed the total losses incurred by the Montrealer at 19 cents per passenger mile of travel. What the Secretary failed to mention, however, is that during fiscal 1978 the losses for the Montrealer were about 16 cents and during the first quarter of fiscal 1979—the most recent period for which such statistics were reported by Amtrak—the losses declined to about 13 cents per passenger mile. This most recent data puts the Montrealer' allocated loss at a level equal to the average such loss for the same period of all long existing distance trains that were recommended to be retained in some form by the DOT in its final report, and lower than the long distance system average for the existing trains.

The increased revenues on the Montrealer resulting from new equipment that went into service in the spring of 1978, and more aggressive marketing, substantially improved the profitability of the Montrealer. This is demonstrated by the route profitability chart comparing passenger revenues as a share of total route costs for long distance trains between the first quarter of fiscal 1978 and the first quarter of fiscal 1979. Chart No. 4 (not printed in RECORD). Avoidable losses per passenger-mile for the Montrealer, measuring the amount of money that would be saved by ending the service, also show it in a very favorable light compared with other routes recommend for retention by the DOT. Chart No. 5 (not printed in RECORD).

Of 11 routes recommended for retention in some form by DOT the Montrealer ranked sixth using this measure.

The Montrealer has also proven to be a high-yield long-distance train. The attached chart No. 3 (not printed in RECORD) demonstrates that on a revenue-per-train-mile basis, the Montrealer ranked third in the long-distance-train system.

Perhaps the most significant measure of the public service provided by any train, as well as a reflection of service quality, is the passenger-miles-per-train-mile factor. Between fiscal year 1977 and 1980, according to Amtrak records and marketing projections shown in chart No. 2 (not printed in RECORD) the Montrealer, stands well ahead of a number of the long-distance routes that the DOT has recommended for retention.

In summary, Congress instructed the DOT to produce a route system that would best serve the intercity traveling public of the entire Nation. Instead, the Department seems to have produced a system that best serves the objectives of the Office of Management and Budget. In so doing, the Secretary has underestimated the ridership on some lines, such as the Montrealer and the Amtrak Crescent, and ignored the strong demand for Amtrak services on others, such as the New York to Florida routes. At a time when Federal transportation policy should clearly encourage mass transportation over energy inefficient automobile and airplane travel modes, the Congress must reaffirm its commitment to a safe, modern, affordable, and more efficient system of intercity passenger rail service. The final report of the Secretary fails to lead the Nation in that direction at the very time when such leadership is so badly needed, even demanded, by the traveling public.

● Mr. WHITTAKER. Mr. Speaker, I thank my colleague from Kansas for making this time available to discuss the Department of Transportation's proposals for Amtrak route changes.

Train routes that are eliminated will be hard to restore in the future. And new figures from Amtrak make is clear that one of the routes that the Department of Transportation would have us eliminate should be maintained.

I am speaking of the Southwest Ltd., which, along with the San Francisco Zephyr, runs between Chicago and the west coast.

The DOT plan calls for combining these two routes into a single route. However, that recommendation was made without "riding the rails" of the new route to see whether or not it was a better and more economical.

Now, with only 2 weeks of time left in the 90-day limit for congressional consideration of the DOT proposals, we find out that those proposals are more costly than the present Southwest Ltd., and that they would provide poorer service as well.

That conclusion is stated, though a bit ambigiously, in a letter sent Friday from Amtrak President Alan Boyd to our Subcommittee on Transportation and Commerce. He noted in the letter that the DOT's route would offer "service that is longer in endpoint mileage and overall running time and slower in average speed." He said later in the letter that the new routes should be implemented only where they constitute "improved service," which this route change does not do.

A call to Mr. Boyd's office produced even clearer language. A spokesman said, "It would be cheaper in both the short-term and the long-term to keep the current Southwest Ltd., and Zephyr, and that's what we're recommending."

Not only is this the less costly alternative, but it is also the one that offers better service, with some of the best passenger train track in the entire Amtrak system, and one of the best stations in the system at Emporia—which won the Station of the Year Award in 1977.

With only about 2 weeks left for Congress to disapprove of the DOT plan, it is good that this information has finally come out in a documented form. I hope that this will move the Congress to act—and that the Transportation Subcommittee will forward a disapproval petition to the full House for a vote. This is an important decision, and one that should be made by full membership.

If such action is not taken by the committee, I hope that the committee will consider this letter from Mr. Boyd in its markup session tomorrow. Language can still be added to Amtrak's authorization to provide the continuation of the Southwest Ltd. I urge the committee to do so.●

● Mr. MARLENEE. Mr. Speaker, I take the opportunity to urge that the full House be given the opportunity to vote on the Department of Transportation's plan to cut the Amtrak system by 43 percent.

It is obvious to me that this is an issue that needs to be addressed by every Member, because it deals with the country's public transportation policy. It is just not fair to have the DOT plan go into effect on October 1, severing service to many Americans without the benefit of those persons knowing just how their elected Representatives feel on national rail passenger service.

Last summer the Rail Service Planning Office held hearings in 51 cities throughout the country on Amtrak service. At that time, it was clearly pointed out that rail service is the only mode of transportation service available for elderly persons, the handicapped, and others faced with hardship of ownership, maintenance, and operation of a private car. And yet, these recommendations have been largely ignored by the Department of Transportation.

When fuel shortages are increasing and fuel prices are climbing daily, it does not make sense to cut back on a passenger network that is saving fuel and making us less dependent on foreign oil.

It should be up to Congress to reflect the public's desire on how they feel about a nationwide rail system and to have their elected Representatives reflect those expressed desires.●

POSSIBLE UNJUST ENRICHMENT IN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRINKLEY. Mr. Speaker, under the community development block grant program, needy people are given a helping hand by improving or providing the basics of housing in which they live; a floor, a roof, toilet facilities, and the like are the items covered.

Except for one point, I have no quarrel with this because we would have to supply public housing in the alternative. But, the improvements are in the nature of a grant and upon the divestiture of title by death or sale, an unmerited enrichment is gained by the grantee or by the heirs.

Should the law not be changed to provide for a lien on the property to the extent of the grant, to be enforced only at the death of the grantee? Or, at the time of sale inter vivos, if unjust enrichment would result?

EXPORT TASK FORCE ARTICLE 6: U.S. TRADE GAP NARROWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, the U.S. economy recently received some good news the other day with the announcement that the U.S. balance of trade was in its best shape in 2 years.

Statistics supplied by the Department of Commerce show that for the month of March imports exceeded exports by only $821.3 million down sharply from a $1.3 billion deficit in February and a $3.1 billion gap in January.

With the signing of the multilateral trade negotiations (MTN) agreement and the narrowing of the trade balance the economic future of our country seems bright. However, as Assistant Secretary of Commerce Frank Weil has stated:

> We just can't wipe the sweat from our brow and walk away thinking the job is done.

The following two articles appeared in the Washington Star and Washington Post and I recommend them highly to my colleagues:

[From the Washington Star, Apr. 28, 1979]

TRADE BALANCE MAKES BEST SHOWING IN 2 YEARS

(By Leonard Curry)

A record surge of exports allowed the United States to narrow its international trade deficit to $821 million in March for the best showing in nearly two years, the Commerce Department reported yesterday.

For the first quarter, the United States slashed its trade deficit in half from the $10.2 billion in the first three months of 1978. American exports are one-third higher in dollar terms than they were a year ago.

"It was a pleasant surprise," said Assistant Commerce Secretary A. Frank Weil, the administration's leading proponent for export trade. "But it's really hard to tell what it means."

Weil warned that the improvement appears to be largely a technical reaction to the dollar devaluation of 1978 and the shortfall of petroleum imports due to collapse of Iranian production. The oil cartel's price hike on March 26 will weaken the trade picture in the months to come, he said.

"We just can't wipe the sweat from our brow and walk away thinking the job is done," Weil said.

There is a sense of urgency now among American businessmen about the need for developing an export market and overseas sales are improving, he said. This renewed emphasis on foreign sales has helped, he said.

But structural problems that caused trade deficits of some $55 billion in the past two years still exist. These are excessive reliance on imported petroleum and failure to expand foreign markets.

The March deficit was the smallest since the $723 million shortfall in May, 1977. The U.S. deficit fell from $3 billion in January to $1.3 billion in February.

The continued narrowing in March indicates that U.S. exports are becoming more price-competitive because of the decline in the dollar's value against other currencies. At the same time, American consumers are cutting back their purchases of imported goods.

This consumer withdrawal was evident in imports of cars, television sets and electronics—down 10 to 30 percent since January. Many of these goods originate from Japan, whose surplus fell to $286 million, the lowest in two years.

Despite the improvement with Japan, which posted a $1 billion surplus in January, Weil said "very difficult" problems still remain with Japan. Imports from Japan fell while exports of food, fish and industrial raw materials increased.

Buoyed by exports of food, aircraft and manufactured products, the United States sold $14.6 billion to foreign buyers to schatter the prveious record set only a month earlier by nearly $1 billion. American imported $15.3 billion last month.

Weil said the March figures continue a trend that began last summer, although the deficit is likely to widen again in April and May to reflect petroleum price increases and the rebuilding of oil inventories. Petroleum inventories plunged this winter at the steepest rate since the Arab oil embargo five years ago.

[From the Washington Post, Apr. 29, 1979]

U.S. TRADE GAP NARROWS SHARPLY TO $821 MILLION

(By Art Pine)

The nation's foreign trade deficit narrowed dramatically in March for the second consecutive month leaving the United States with its smallest red-ink trade figure in almost two years, the government reported yesterday.

Commerce Department statistics showed that imports exceeded exports by only $821.3 million last month, down sharply from a $1.3 billion deficit in February and a $3.1 billion gap in January.

The improvement surprised even government economists, who have been perdicting for months that the trade deficit would decline significantly this year from last year's record $28.5 billion.

Moreover, the gains came despite a big jump in the value of oil imports, which soared 12.9 percent last month, mainly as a result of higher Middle East oil prices.

The continued improvement in the trade balance appeared to confirm that the long-delayed impact of the 1977–78 dollar decline finally is beginning to take effect, pointing to further sharp gains in coming months.

The decline of the dollar was supposed to help the trade balance because the depreciation makes foreign imports more costly here and makes U.S. exports more attractive overseas.

But the improvement was delayed for reasons analysts cannot explain. The trade deficit narrowed only gradually during most of last year and widened slightly in October. Only in February did the red-ink figure really shrink.

William Cox, the Commerce Department's deputy chief economist, said the United States finally was "seeing the kind of downward trend in the deficit we expected earlier." Cox called the dip "long overdue."

The improvement in March resulted primarily from a sharp increase in exports, which jumped 7 percent over the month to a new annual rate of $14.45 billion. The rise followed a 2.9 percent gain in February.

Exports increased in nine of 10 major categories, from food and live animals, crude materials and manufactured materials to machinery and transportation equipment. Only exports of animal fats declined.

Imports rose less robustly, climbing by 3.2 percent to a new annual rate of $15.27 billion. Imports declined by 8.7 percent in February, in part because of the oil shutdown in Iran.

The deficit for March was the smallest red-ink trade figure since May 1977, when the nation recorded a trade deficit of $723 million. Last month's red-ink figure was the 34th in a row.

The department also reported the U.S. trade deficit with Japan narrowed in March to $286.3 million, from $781.2 million, while America's surplus with Western European nations rose to $1.14 billion, from $1.13 billion before.

The increase in petroleum imports last month stemmed in part from the fact that there were more days in March than there were in February—increasing the total volume of oil purchases.

However, the actual number of barrels the United States imported each day declined over the month to 8.3 million, from 8.5 million in February.

The $821.3 million trade deficit for March was computed on the department's standard basis. On an alternative measure used by most other nations, the deficit was $1.78 billion, compared to $2.21 billion in February.●

THE HAZARDOUS MATERIALS CONTROL AND COMPENSATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 30 minutes.

● Mr. LAFALCE. Mr. Speaker, this month marks the ninth anniversary of Earth Day, an idea born in 1970 symbolizing the necessity of conserving the world's natural resources. This lesson may have been lost on many Americans, and on Congress as well, for interest in environmental protection seems to have waned in recent years. Those who live near the Love Canal, however, know this lesson all to well—that hazardous wastes, often buried years ago with inadequate protection, can enter the environment and produce serious environmental, health, and economic problems.

Further, hazardous waste materials do not provide the only source of release of these poisonous substances. Hundreds of thousands of Americans are exposed to toxic substances every day in the workplace. Nearly half a million American workers are disabled or killed by occupational diseases yearly. Unfortunately, neither the problems associated with the release of toxic substances into the environment, nor the compensation of victims injured by exposure to these substances have been adequately dealt with by the Congress or responsible public officials.

For example, until recently, the issues surrounding the inadequate disposal of hazardous wastes received only a fraction of the attention that clean air and clean water problems had received. It was not until August 2, 1978, when the New York State Commisisoner of Health declared the Love Canal abandoned hazardous waste site a health emergency, that the media focused upon what is destined to become the major environmental issue of the 1980's. Since that date, not only has the Love Canal received media attention, but stories of the effects of other abandoned hazardous waste sites on the environment and on the people living near them have appeared on an almost daily basis. Further, we are only now beginning to discover the full scope of a closely related problem—that of human exposure to toxic substances at the workplace.

For over 2 years, Mr. Speaker, the most important issue for me has been the effects of the release of toxic substances, including hazardous waste materials, into the environments where people live and work. In July of 1977 I visited the residents of the Love Canal area which is in my congressional district. When I saw the anguish on their faces which reflected only a small amount of the tragedy they had experienced, I immediately began to urge Government officials at all levels to pay attention to the Love Canal and the problem it represents; namely, the indiscriminate dumping of hazardous wastes which destroys the environment and creates inestimable risks to human health. The response of Congress and responsible public officials, however, has often been one of silence or delay, or at best, inadequate action.

If there can ever be a positive note in the Love Canal tragedy, however, it is that this series of horrors has finally sparked a chain of events that promises to bring Congress directly into the battle to clean up current and future waste problems, and, even more important, prevent future Love Canals from occurring.

I am pleased to note that during this session of Congress no less than eight House and Senate subcommittees have held hearings on either the subject of hazardous wastes or the related issue of compensation of victims who have been exposed to toxic pollutants. Some of these subcommittees have had oversight authority and have used this authority to bring attention to the terrible waste management practices that have occurred in the past or are still followed. Some of the subcommittees have also had legislative responsibilities and are expected to report out legislation aimed at alleviating the tragic effects of improper hazardous waste disposal, both past and present.

I have testified before most of these subcommittees and introduced a bill, H.R. 1048, the Hazardous Waste Control Act, earlier this session that I believe is essential to improve existing laws, especially the Resource Conservation and Recovery Act of 1976. I have also introduced another bill, H.R. 1049, the Toxic Tort Act, which I believe would create an innovative method to compensate victims of toxic pollutant exposure.

Today, Mr. Speaker, I am introducing another new bill, the Hazardous Materials Control and Compensation Act which I hope that you and my other colleagues will give serious attention. This bill combines portions of the above-mentioned bills, the Hazardous Waste Control Act and the Toxic Tort Act, with a "superfund" device to raise the required funding. Thus, the Hazardous Materials Control and Compensation Act would provide for a comprehensive system to address the problems of existing, future, and abandoned waste sites as well as to compensate persons who have been injured by exposure to toxic pollutants both within the workplace and outside of it.

I have chosen to introduce this new bill because I believe that the only way to effectively deal with the wide-ranging problems created by hazardous wastes and toxic pollutants is to create solutions that will protect both the people and the environment.

The Hazardous Materials Control and Compensation Act is intended to fill the gaps in the Resource Conservation and Recovery Act of 1976 (RCRA) by amending it to:

Establish a program for the identification and reclamation (when feasible) of abandoned and inactive waste sites;

Provide a procedure for the selection of future sites for the disposal of hazardous waste; and

Provide a program for emergency assistance and payment of costs to clean up hazardous waste situations which threaten the health of the general public. This provision is accompanied by authorization for the government to bring legal actions against those responsible for such emergencies to recover the costs of the cleanup operations.

Further, it would fill a major gap in existing legislation by providing a mechanism for compensating persons exposed to and injured by a wide variety of toxic pollutants, both within and outside of the workplace. Legislation to accomplish these purposes either does not presently exist, or what has been enacted has proved inadequate to address the full measure of the problem.

The Hazardous Materials Control and Compensation Act would provide such a compensation mechanism by accomplishing the following objectives:

It would create a Federal cause of action for victims of toxic substances, permitting them to seek redress against negligent manufacturers.

It would establish an independent agency within EPA to compensate victims of pollution-related injuries regardless of fault. This Agency would function, in principle, like a workers' compensation system;

It would require EPA to study the relationships between exposure to toxic substances and human disease and authorize EPA to make a "requisite nexus" finding. This would overcome the problem of proving causation with traditional proof requirements;

It would modify the proof and limitations requirements which claimants must meet in State workers' compensation proceedings and in court actions, permitting the use of the presumption based on EPA's "requisite nexus" findings;

It would subrogate EPA to the rights of the injured party, enabling EPA to seek reimbursement from a negligent manufacturer; and

It would establish a fund to carry out the aforementioned programs.

Mr. Speaker, at this time I would like to explain the various provisions of this bill in more detail.

ABANDONED AND INACTIVE SITES PROGRAM

RCRA, as presently written. does not provide a program for the identification, reclamation, and maintenance of hazardous waste sites—whether abandoned or just inactive. Neither does it provide for the location of future sites.

Recently, we have all become acutely aware of the need to provide for such a program as witnessed by the surfacing of the Love Canal, the Valley of the Drums, Kin-Buc, and others. The Environmental Protection Agency has estimated that there are perhaps a thousand dumpsites across the country which pose a serious threat to the health and welfare of the citizens who live near them and to the environment.

A concerted effort must be made to identify all abandoned and inactive sites that do or may contain hazardous wastes, and once they are identified, they must be reclaimed if feasible. If reclamation is not feasible, they must be monitored to insure that public environmental health and safety are not endangered. My bill includes an approach to do just that: it establishes a joint State/Federal procedure for identifying, reclaiming, and/or monitoring abandoned and inactive sites.

The State/Federal program for abandoned and inactive sites may also be used for sites which are currently operating under permits. However, no Federal funds can be expended for these sites unless all bonds, insurance and other amounts of money which have been posted by the licensee in order to obtain his permit under RCRA have been exhausted to cover the expenditures of the clean-up of the site.

LOCATION OF FUTURE LANDFILL FACILITIES

When RCRA was passed in 1976, no one foresaw the widespread public opposition to new hazardous waste disposal sites which has swept the country. The general public was then not generally aware of the large number of abandoned sites throughout the country, the deleterious effects they were having on people's health and safety, and their dire impact on the environment. Now that the public awareness has grown, in part because of situations like the Love Canal, citizens are understandably leery about having the dubious distinction of having a hazardous waste landfill operation in their neighborhood. However, new sites are necessary for two reasons: We must create new sites which are safe in order to properly dispose of the wastes that have to be moved from older, incorrectly constructed sites, and we need new sites in order to have safe places to dump the wastes that we are creating every day as a result of our efforts to maintain the lifestyle to which modern America has become accustomed.

My bill provides a process for the selection of sites for future disposal of hazardous waste. This would be accomplished by having the EPA Administrator approve or disapprove an application after consultation with the National Academy of Sciences, the affected States and local governments, and after notice and opportunity for public hearing in the area affected. No area may be designated unless the EPA Administrator has determined that the site will be safe and environmentally sound.

EMERGENCY ASSISTANCE

Another provision in my bill establishes a program to provide emergency assistance and payment of cleanup costs in situations where the health of the general public is threatened and time is of the essence. This provision is accompanied by an authorization which allows the Government to bring legal actions against those responsible for such emergencies to recover the costs of the cleanup operations.

COMPENSATION FOR HAZARDOUS WASTE AND TOXIC POLLUTANT EXPOSURE VICTIMS

I believe that in order to have a comprehensive legislative program concerning hazardous wastes, we must include the compensation of victims who are exposed to and injured by such substances. But further, the human problems created by exposure to toxic materials are not limited to those caused by hazardous waste dump sites. Accidental spills of hazardous substances, such as a chlorine gas leak from an overturned rail tank car, also exact a human toll in both physical and other injuries. Finally, the workplace accounts for perhaps the largest amount of human exposure to toxic substances.

In each of these circumstances, innocent victims are involved. These are people who have suffered personal injury, temporary or permanent loss of income, deep physchological scars and often severe reductions in the value of property. These losses are as real as if they had been sustained in an automobile accident and yet, as of now, there is no Federal mechanism or any other effective means by which victims who have innocently suffered as a result of exposure to toxic substances can obtain compensation for their losses.

The Hazardous Materials Control and Compensation Act provides a several-sided remedy to this tragic inequity.

THE REQUISITE NEXUS FINDING

First, my bill directs the Environmental Protection Agency to mount a major research effort to discover the cause and effect relationship between exposure to a particular chemical and the illnesses or injuries that result from such exposure. In making a determination on the exposure-illness relationship, EPA will take into account the exposure to hazardous substances, both as to time and place, necessary to produce the physical injury. EPA's determination is then available to victims of such exposure to expedite the compensation process because the bill provides for the use of this finding in subsequent legal or administrative proceedings. The basic impact of this "requisite nexus" finding is to greatly lessen the burdens of toxic exposure victims by helping them to overcome the traditional proof requirements and time limitations.

FEDERAL CAUSE OF ACTION

My bill also creates a Federal cause of action enabling a victim or his representative to sue any person who negligently manufactures, treats or stores any toxic pollutant which causes physical injury or death. This right would be in addition to any existing rights or causes of action under State or Federal law.

ENVIRONMENTAL VICTIMS COMPENSATION BOARD

My bill provides for an additional means of compensating victims of exposure to toxic pollutants regardless of fault. It would create the Environmental Victims Compensation Board as an independent office within the Environmental Protection Agency. This Board would be empowered to pay benefits up to $50,000 to persons who have sustained injury as a result of exposure to hazardous substances. These benefits would be available to a victim who can prove that he or she meets the requirements established by the "requisite nexus" determination for a given toxic pollutant. It is not necessary for the victim to prove that negligence was responsible for his or her injury. Nevertheless, in the event that a party or person is ultimately found to be at fault, EPA will be subrogated to the rights of the injured person and will either share in any recovery he or she may receive or initiate its own action against the party at fault.

WORKERS' COMPENSATION MODIFICATIONS

Finally, this bill would insure that work-related illnesses caused by exposure to toxic pollutants are included within the provisions of the various States' workers' compensation systems. It would require that State workers' compensation programs allow the compensation claimant to utilize the "requisite nexus" finding to facilitate proof of the causal relationship between the claimant's illness and exposure. Further, it would also modify the statute of limitations requirements to acknowledge the unique character of many toxic exposure-caused illnesses, which can require a latency period of 20 or more years before the symptoms of such an illness are manifested.

THE SUPERFUND

Mr. Speaker, knowing as I do how difficult and potentially costly a problem we face in trying to mount an effective effort in the area of proper management of existing and to be produced hazardous waste materials, and to compensate persons injured by exposure to toxic pollutants from waste materials and other sources, I support the concept of a "superfund" to address this wide range of environmental and human calamities. I have used this concept as the basis of the funding mechanism for the programs I have outlined above.

If we are to have a truly comprehensive program to manage hazardous wastes and compensate injured victims of toxic substances, we need to have a funding mechanism which not only generates sufficient revenue to do the job, but which also encourages the private sector and others involved to keep future problems to a minimum.

Therefore, the sources of revenue that I envision for the superfund include the following:

Fees to be paid by the owners or operators of oil refineries and the producers of natural gas;

Fees to be paid by private organizations that store or dispose of hazardous waste materials; and

A contribution by each State equal to 5 percent of the cost of operating that State's program to identify, reclaim and/or monitor manage hazardous waste sites.

I believe that there should be a fee on the owners or operators of oil refineries and producers of natural gas because, in addition to being hazardous materials themselves, these materials constitute primary natural resources in the manufacture of many chemicals and other hazardous materials.

However, a broad fee levied on natural resources alone would not achieve other goals which a funding mechanism can help greatly with, such as:

Conservation, and therefore, reduction of waste;

Recycling of hazardous wastes into other manufacturing processes, thus reducing the quantity of wastes to be handled; and

Reducing the toxicity of wastes that cannot be eliminated.

My bill that I introduced earlier this year, the Hazardous Waste Control Act, contained one approach which would help meet these goals. This is the suggested fee to be paid by those who store or dispose of hazardous wastes.

There are perhaps many ways to achieve the same goals as I have outlined above. I put forward my approach as just one for your consideration. But I do feel that a fee system which derives its revenues from both the producers of the raw materials, at the start of the production cycle, and from those who dispose of the wastes at the other end, can provide both needed revenues for a comprehensive program and desirable incentives to keep the dimensions of the problem to a minimum in the future.

I have added the State contribution to my superfund concept inasmuch as they have benefited from having the industrial processes which produce wastes and they ought, therefore, to carry some of the societal burdens associated with them.

In no way should any program we devise relieve past, present, or future manufacturers or disposers of liability for negligence in dealing with hazardous substances. It is important that our actions find proper balance between the need to encourage responsible entities in the private sector to take part in the disposal business and the need to assure that both victims and the Government be able to hold irresponsible or negligent parties accountable for their actions.

CONCLUSIONS

Mr. Speaker, I cannot state strongly enough the urgent need in this country for Congress to come to grips with the problems created by hazardous wastes and other toxic pollutants and to pass a comprehensive legislative program for cleaning up and long term maintenance of hazardous waste sites, as well as for compensating the victims who have been exposed to such toxic pollutants and other hazardous materials. We cannot sit idly by and allow these problems to mount at an ever-increasing rate, always believing that an ad hoc solution is sufficient. Congress must take the initiative. We must act this year. I offer my bill as one approach for dealing with these problems and am hopeful that my colleagues will give my program their full consideration.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I call to the attention of the House a notification from the U.S. Export-Import Bank regarding proposed additional financing on a sale of 28 Boeing 737–200 jet aircraft to British Airways.

This notification was referred to me as chairman of the Banking Subcommittee on International Trade Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires the Bank to notify the Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

The notification I am presenting to the House today is supplementary to one submitted here on September 8, 1978, which stated the Bank's intention to grant a credit of $151,200,000 to help finance a $216 million sale of 19 new Boeing 737–200 jets to British Airways. This transaction was approved by the Bank on October 3, 1978.

Now the Eximbank, at the request of British Airways, is proposing to provide additional financing of $71,600,000 to finance the sale of nine more Boeing 727–200 jet airplanes. Thus the total Eximbank credit would be increased to $222,846,000 and would make possible sale of $318,351,000 in U.S.-made aircraft and related goods and services.

I am inserting in the RECORD the letters from the Eximbank pertaining to this transaction. I will welcome any comments my colleagues wish to offer concerning this proposed financing arrangement.

EXPORT-IMPORT BANK OF THE
UNITED STATES,
Washington, D.C., April 13, 1979.

Hon. THOMAS P. O'NEILL,
The Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: By our letter dated September 8, 1978, a copy of which is enclosed, we submitted a statement to the United States House of Representatives pursuant to Section 2(b)(3(i) of the Export-Import Bank Act of 1945. as amended with respect to a proposed credit involving the export to the United Kingdom of nineteen new Boeing 737–200 jet aircraft and related goods and services with a total U.S. export value of $216,000,000. On October 3, 1978 the Board of Directors of Eximbank authorized the credit on the financing terms described in the letter of September 8, 1978.

Since that time, Eximbank has been approached by British Airways, the purchaser of the aircraft, with a request to provide additional financing in the amount of $71,600,000 to finance nine more new Boeing 737–200 jet aircraft and related goods and services with a toal additional U.S. export value of $102,351,000. The amended Eximbank credit of $222,846,000 would thereby facilitate the export of $318,351,000 of United States goods and services.

The financing plans as authorized and as proposed is as follows:

	Percent of U.S. costs	As authorized	As proposed
Cash payment	30	$64, 800, 000	$95, 505, 000
Eximbank credit	70	151, 200, 000	222, 846, 000
Total	100	216, 000, 000	318, 351, 000

As presently authorized, the Eximbank credit will be repaid by British Airways in two schedules of 20 semiannual installments each, beginning October 5, 1980 and April 5, 1981, and will bear interest at the rate of 8½% per annum, payable semiannually. As proposed, in order to take into account revised delivery schedules, the first repayment schedule will now commence on November 15, 1980 and the second repayment schedule will commence on July 15, 1981. The interest rate with respect to disbursements charged to the second repayment schedule will increase from 8½% to 8⅝% per annum. The interest rate for the balance of the credit will remain at 8½% per annum and the commitment fee of ½ of 1% per annum on the undisbursed portion of the credit will also remain unchanged.

As stated in the letter of September 8, 1978, the government of the United Kingdom will unconditionally guarantee payment of principal and interest by British Airways to Eximbank under the direct credit.

We refer you to the letter of September 8, 1978 for a more detailed description of the transaction.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., September 8, 1978.

Hon. THOMAS P. O'NEILL,
The Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to the United Kingdom:

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximback is prepared to extend a direct credit of $151,200,000 to British Airways. The purpose of the Eximback financing is to facilitate the purchase in the United States by British Airways of nineteen new Boeing 737–200 jet aircraft and related goods and services (including Pratt & Whitney engines) with a total U.S. export value of $216,000,000.

2. Identity of the parties

(a) *British Airways.*—British Airways is the largest commercial air carrier in the United Kingdom and is wholly owned by the Government of the United Kingdom. British Airways was incorporated under the Civil Aviation Act of 1971 to assume the activities of British Overseas Airways Corporation (BOAC) and British European Airways (BEA). British Airways operates under the terms of the British Airways Board Act of 1977 and under this Act has the power to operate every type of air transport service.

(b) *Government of the United Kingdom.*—The Government of the United Kingdom will unconditionally guarantee payment of principal and interest by British Airways to Eximbank under the direct credit.

3. Nature and use of goods and services

The principal goods to be exported from the United States are commercial jet aircraft to be used by British Airways on its short and medium-term routes, principally in Western Europe and the United Kingdom. The airframes will be manufactured by The Boeing Company (Boeing) of Seattle, Washington and the JT8D engines will be manufactured by the Pratt & Whitney Aircraft Group of United Technologies in Hartford, Connecticut. In addition, other U.S. firms will furnish related spare parts and services.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank credit of $151.200,000 will facilitate the export of $216,000,000 of United States goods and services. Sales, profits and employment for U.S. aircraft manufacturers are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market.

Boeing estimates that the export of these aircraft will provide 6.4 million man/hours of work for Boeing and its sub-suppliers. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of spare parts, ground support and other related equipment.

Since 1966, British Airways has purchased 45 commercial jet aircraft from the United States with Eximbank support. British Airways estimates that in the near future it will have to replace a substantial number of obsolescent aircraft in its fleet of approximately 180 aircraft. The airline has indicated its desire to rely on Eximbank support so that it may continue to purchase new aircraft in the U.S. British Airways has been under growing pressure to select aircraft manufactured in the United Kingdom or by Airbus Industrie. Eximbank support facilitates the selection of aircraft from the U.S. and, in this case, facilitated the choice by British Airways of the U.S.-made 737 over the British-made BAC-111.

2. *The financing Plan*

The financing plan for the total U.S. goods and services of $216,000,000 is as follows:

	Percent of U.S. cost	Totals
Cash Payment	30	$64,800,000
Eximbank Credit	70	151,200,000
Total	100	216,000,000

(a) *Eximbank Charges.*—The Eximbank credit will bear interest at the rate of 8½% per annum, payable semiannually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) *Repayment Terms.*—The Eximbank credit will be repaid by British Airways in two schedules of 20 semiannual installments each, beginning October 5, 1980 and April 5, 1981.

Sincerely,

JOHN L. MOORE, Jr.●

HOSPITAL COST CONTAINMENT ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, on March 12 the President sent the Congress an important legislative package to restrain hospital cost increases. He emphasized to us and to all the American people, that the enactment of hospital cost containment legislation is a key element in his program to fight inflation. The Ways and Means Health Subcommittee took the first important step toward this goal last week by reporting the Hospital Cost Containment Act of 1979, H.R. 2626, to the full committee for consideration.

As a society, we cannot afford continuing increases in expenditures for medical care—particularly, hospital care—at the rates we have been experiencing over the last decade. At some point, we must decide how much of our limited health resources we want to spend on hospital care. H.R. 2626 will permit us to save more than $55 billion over the next 5 years. I urge my colleagues to support this bill.

In the past the argument has been made that since the prices paid by the hospitals for supplies, equipment, construction, labor, and other items are uncontrolled, then the cost of providing hospital care cannot be controlled. This argument is certainly untrue of the current hospital cost containment legislation. This year's bill takes into account and adjusts for the actual rate of inflation that has occurred for each item in the hospital's market basket. For example, if the increase in food prices is 10 percent this year, then foods' contribution to total costs will be increased. Also nonsupervisory wages will be adjusted for the actual increase in total nonsupervisory wages in hospitals.

Over the past 3 years, hospital expenditures have risen at a more rapid rate than such highly inflationary items as food and fuel. No other legislative proposal before the Congress can contribute so significantly to curbing inflation in the economy; and so I urge you to help us enact a meaningful program of hospital cost containment.●

THE HUCKABY SUBSTITUTE BUTCHERS LAST YEAR'S ALASKA LANDS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, as a member of the Committee on Interior and Insular Affairs and a cosponsor of the Udall-Anderson substitute to H.R. 39, I am all too familiar with the deficiencies of the Huckaby substitute.

This version of the Alaska National Interest Lands Conservation Act, which passed our committee by the narrowest of margins, butchers the proposals approved by so wide a margin on the House floor last May. The Huckaby substitute abandons the balanced approach that was the result of months of work in the Interior Committee. This substitute makes so many substitutions for the sound provisions of last year's House-passed bill that our dissenting views to the committee report cover nearly as many pages as the report itself.

I quote here from the introduction to the dissenting views, beginning on page 380 of the Interior Committee report. These views bear the names of 20 of my Interior Committee colleagues and myself:

> By a single vote, the Committee rejected the refined Udall-Seiberling bill derived from last year's House-passed "Alaskan National Interest Lands Conservation Act." In this Congress, the Udall-Seiberling bill has been cosponsored by more than 150 Representatives—over one-third of the House.
>
> By the margin of a single vote, the Committee proposes to replace that refined Udall-Seiberling bill with an inadequate substitute unworthy of being called a conservation bill. This "Huckaby substitute" has been found flatly unacceptable, not only by us but also by the administration, and by all of America's major membership conservation organizations."
>
> We fully agree with Thomas Kimball, executive vice-president of the 4 million member National Wildlife Federation: "Anything even partially like the Huckaby substitute is a giant step backward, so far as conservation is concerned."
>
> *A "step backward" for conservation*
>
> The Huckaby substitute reported by the one-vote majority of the Committee is a step backward for conservation because:
>
> *It would attack and undermine the protection of National Park System units in Alaska.*—Critical parts of the existing Noatak National Monument, the existing Gates of the Artic National Monument, and other existing Park System areas would be reclassified to a less protected status. Furthermore, 5½ million acres of national parks the House endorsed last year would be cut and parkland protection is weakened across the board.
>
> *It would attack and undermine the protection of critical wildlife habitat in Alaska.*—14 million acres of national wildlife refuges endorsed by the House last year (including major parts of the existing Yukon Flats National Monument) would be slashed out, and protection of wildlife habitat gutted throughout.
>
> *It would gravely threaten commercial fisheries.*—Key forested watersheds would be opened to clearcut logging, in areas vital to nationally important salmon runs.
>
> *It would slash in half the existing Admiralty Island National Monument.*—Virgin forests, unequalled populations of bald eagles, and a magnificent brown bear population would be threatened or wiped out.
>
> *It would undermine sound forest management on existing national forests in Alaska.*—Long-held principles of sustained yield forestry would be sidestepped by major exceptions from existing law.
>
> *It would dismember the existing Misty Fjords National Monument.*—An unspoiled coastal ecosystem comparable to the fjords of Norway.
>
> *It would sacrifice our last untouched Arctic coastal landscape.*—Flying in the face of a logical progression of economic development by promoting oil exploration first in an area of greatest surface value conflicts: The fragile tundra calving grounds for North America's last large caribou herd.
>
> In short, when compared with last year's House-passed bill, the Huckaby substitute would drastically weaken conservation protection for land and wildlife that belong to all the American people.
>
> *A "step backward" for the public interest*
>
> The Huckaby substitute poses a serious step backward for the proper management of the American people's public lands and resources:
>
> *It would sanctify a giveaway of the public lands and their resources.*—The reported bill would transfer to the State government federally owned "national interest lands"—the property of the American people—which the State cannot lawfully obtain otherwise. Millions of acres are involved, including lands which would become "inholdings" in national monuments, conflicting with management of parks and wildlife refuges and ultimately requiring purchase at huge costs by the very taxpayers whose lands these are today.
>
> This is a prospect the House soundly rejected last year, by a vote of 251 to 141.
>
> *It would further subsidize monopolistic firms, including a wholly-foreign-owned pulp company.*—Assuring them a windfall bonus of cheap supplies of timber from our national forests in Alaska.
>
> *It would prohibit the use of other public lands not covered in this bill to meet the nation's needs.*—By outlawing future studies or land withdrawals in Alaska, it would cripple the nation's ability to plan for defense, scientific, resource, commercial, navigational hydrographic, agricultural, fishery, conservation or transportation uses of the public lands.

A "step backward" for Alaska's people

On top of its other failings, the reported Huckaby substitute would be a step backward for Alaskans because:

It would threaten the ability of Alaska's Native peoples to maintain their culture and to choose their own lifestyle.

It would continue and deepen uncertainty about the status of the public lands and other lands in Alaska—an uncertainty which has discouraged investment and thus inhibited sound growth and balance development.

Because this reported version is such a step backward, section-by-section and title-by-title, we repudiate it. We cannot condone such a step backward for conservation, for our public lands, and for Alaska's people. We are confident that the House of Representatives will join us in our vote against this ill-considered, ill-drafted, and unwise measure which the Committee has reported by the margin of a single vote.

Mr. Speaker, while this excerpt provides a good overview of the Huckaby substitute's primary failings, a title-by-title, proposal-by-proposal comparison of its text to that of the Udall-Anderson substitute further reveals the Huckaby measure's deficiencies. I hope each Member will take some time to compare the provisions of the two measures—and the provisions of the Breaux-Dingell substitute as well—before they come to the House floor for the crucial votes on the future of Alaska's—and our Nation's—most unique lands.

The Alaska lands issue is complicated, the stakes are enormous, and the conflicts between various interests are great. In the last Congress, the House approved a measure which contained a number of painful compromises, but represented a good and balanced resolution of the competing interests. That same type of balance is reflected this year in the Udall-Anderson substitute, and I urge my colleagues to support it.●

ALASKA NATIVES SUPPORT FEDERAL OVERSIGHT OF SUBSISTENCE ACTIVITIES ON PUBLIC LANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, a subject of extreme importance to rural Alaskans which was left unfinished by passage of the Alaska Native Claims Settlement Act of 1971, was that of subsistence use of renewable resources—particularly fish and wildlife—on the public lands in Alaska. Last year the House passed H.R. 39, the Alaska National Interest Lands Conservation Act which contained a subsistence use provision supported by a broad spectrum of interests—the Natives, the State, and the administration. Since then, some uninformed groups have campaigned against language in last year's bill, concerning Federal oversight of this use under the false premise of interference with "State's rights" in fish and wildlife management. Nothing could be further from the truth. On the contrary, if the House-passed bill of last year had been acted into law, it would have been the first law in the history of the Republic which expressly transferred fish and wildlife management on the public lands to a State. Strong local input into management decisions would have been assured.

The alternative language reported recently by committees contains different language which places the courts in the role of enforcing subsistence uses on the public lands—an untenable process which may very well be unconstitutional.

The Udall-Anderson substitute, like the House-passed bill of last year, transfers management of fish and wildlife resources to the State, and assures local participation and Federal monitoring which Native Alaskans have consistently supported.

Mr. Speaker, following is an excerpt from a recent Tundra Times story outlining the position of the Alaska Federation of Natives on this important subject:

AFN PUSHES FOR FEDERAL CONTROL

The Alaska Federation of Natives (AFN) will push for federal oversight of the management of fish and game resources on all federal lands in Alaska, AFN President Morris Thompson announced last week.

Thompson said the decision resulted from "continued frustration" in dealing with the state. The AFN and other Native organizations has been working for years in an attempt to secure legislation that would put fish and game management authority in the hands of regional boards, he said.

The entire issue of regionalization has been addressed numerous times both on the state and national level. The concept was included in last year's D-2 bill which passed both the House and Senate before being killed by Senator Gravel. AFN's position is that the management of all fish and game resources in the state should be handled at the local level.

The AFN worked with the state in Washington on a national level to ensure continued state management of fish and game resources on all lands in Alaska. Although the AFN supports state management of fish and game, it is its feeling now that federal oversight is necessary to ensure the resources are managed in a way which benefits those users directly affected.●

CHANGES IN COMPUTING COST-OF-LIVING ADJUSTMENTS UNFAIR TO FEDERAL RETIREES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 5 minutes.

● Mrs. SPELLMAN. Mr. Speaker, I rise today to bring to the attention of my colleagues a proposal which, if adopted, would have this Congress renege on a promise—a promise made only a short time ago to the 1.8 million Federal retirees who placed their futures in our hands. In 1976 this body voted to eliminate the 1-percent add-on which had been legislated previously in order to compensate retirees for the delay occasioned each year in the adjustment of the cost-of-living factor. The "kicker" was criticized for being too costly and for overcompensating retirees. A more equitable system, it was argued, would be to replace the kicker with a system of twice-a-year adjustments—adjustments to be made on the first of March and the first of September of each year. These adjustments, of course, would reflect the percentage change in the Consumer Price Index.

Of course, retirees would come out on the short end of the stick, but in the interest of economy (and some argued, in the interest of equity) the 1 percent kicker was scrapped. However, retirees were assured that the twice-a-year adjustment, although less generous, would provide fair compensation, and Congress would make certain that there would be no greater erosion of the compensation of these people on fixed incomes.

Yet, just about 2 years after repeal of the kicker, we have another proposal to change the method of computing cost-of-living increases for Federal retirees. We are being asked to change from a twice-a-year adjustment to a once-a-year adjustment. The reason? It will save money. Of course, it will save money, but at whose expense? At the expense of our senior citizens, our veterans, the people who trusted us and believed that we would not further tamper with and erode their retirement incomes.

"Sorry about that," we will say to the retirees. "We need to economize, and you will have to be the fall guys. Promises are only made to be broken." Well, I, for one, think that's shameful and I hope many of my colleagues agree with me.

In the last decade, inflation has risen at a very high rate, and we have a need for greater reliance on retirement benefits by the American people. Currently, demographic trends indicate that not only will there continue to be this great reliance on retirement benefits, but the number of people 65 years and older will also increase.

To prepare the Nation and the Congress for what lies ahead, the President established a Commission on Pension Policy. The Commission is charged with assessing the present financial status of our public and private pension plans and making recommendations to the Congress for a coordinated national policy. It is hoped by many that this national policy for the first time will define and establish governmental policy in the retirement area for both the private and the public sectors.

At this time, the Government is without any retirement policy. It cannot define retirement adequately or specify what a proper retirement income should be.

As you can see, Mr. Speaker, the White House has not asked for the change in the cost-of-living adjustments. The appropriate authorizing committee, the Committee on Post Office and Civil Service, did not ask for these reductions. How then, you may ask, are they coming before us? Through the back door, Mr. Speaker, not as legislation proposed by an authorizing committee or by the administration, but through a budget item. Backdoor legislation. Thought through? No. Have hearings been held to determine the impact? No. This magic is accomplished through changing one figure on a budget line, and substituting another figure. And 1.8 million people are affected and disadvantaged by those few strokes of a pen.

I fear we would be making a grave mistake if we were to set a precedent here by reducing the statutory entitlement of so many individuals, knowing full well we are not taking the action to achieve a retirement policy—knowing full well we lack sufficient background information to make intelligent decisions.

The people being affected here are the one group that has no other way to combat inflation except cost-of-living adjustments. It is well known that those on fixed incomes are the ones who suffer the most from the debilitating effects of inflation.

Who knows, after we receive the recommendations from the different studies, we may ultimately propose that the cost-of-living adjustments be made on an annual basis. Then again, we may not. But at least at that time, we would be moving toward achieving a policy goal. We would be aware of the effects and would be able to take proper action to offset losses in income. If we move today, we will be diminishing the retirees' ability to fight inflation while we ridiculously rationalize that this reduction is to help combat the same inflation.

I am very much concerned with eliminating unnecessary inflationary costs and I certainly commend the efforts of my colleagues on the Budget Committee. However, I believe the area of providing adequate benefits for our Nation's retired population is an area which deserves much greater consideration.

Therefore, Mr. Speaker, I will be supporting the amendment of the distinguished gentleman from Virginia (Mr. FISHER) to rescind the Budget Committee's recommendation in the area of Federal employee retirement benefits. I urge all my colleagues to join in this effort.●

THE TROUBLES IN SOUTH AFRICA AND WHAT WE CAN DO TO HELP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DUNCAN) is recognized for 10 minutes.

● Mr. DUNCAN of Oregon. Mr. Speaker, my Easter work session was spent, not in the District, not in the fleshpots of the world, nor even in the new frontier, that is, China. I went, instead, to one of the troubled and trouble spots of the world. One going through the agony of finding itself—in the 20th century—after centuries of nomadic, primitive life and centuries of slavery, persecution, exploitation, and colonialism—(if that latter word is not redundant.

In some places the changes have been relatively peaceful—in most violent—as the black peoples have emulated the struggles for freedom we undertook several hundred years ago. In a few places—unfortunately all too rare—peace and freedom flourish as they do in some places—too few—in the white world. In others, tyranny flourishes, and freedom exists only in the rhetoric of the leaders as they seek to hoist us on our own petard of freedom and democracy and elections approaching a state of perfection not yet obtained anywhere—and, certainly, not even approached in their own country; seeking to bastardize those concepts to win goals they have not been able to win by force of arms, though willing still to risk their lives to wrest power from those few white minorities who still deny them, risking all for all rather than accept a half a loaf.

Most—though not all—of these movements—those which have succeeded and those which still contest the issue—speak in the Marxist terms of Marx, Engels, and Lenin. Of some, we are told, they do not really mean it—that they are capitalists at heart. But of the virtues of Western capitalism to which they have been exposed, few have trickled down to them. And in their struggle for freedom, seldom has Western assistance been available to them—both because of our relationship to the colonial power and because of that very Marxist philosophy.

Some, indeed, have become Marxist, with the Soviet Union a powerful influence. Angola, Mozambique, and Ethiopia are examples, posing to Egypt, for instance, and the Persian Gulf (in conjunction with Libya) the threat of a double encirclement—one from the Mediterranean to the Red Sea threatening the Nile—and still another across southern Africa from Angola to Mozambique. Marxist governments in South Yemen and Afghanistan—gross instability in Iran, Socialist Bathist regimes in Iraq and Syria hostile to the West and Egypt because of the Israeli/Egyptian treaty, an unstable and resentful Turkey, a weak Jordan, a frightened Saudi Arabia and our apprehension of Marxist revolutionaries cause us to take the reassurances of our liberal friends with a grain of salt.

On the other hand, the U.S.S.R. has been asked to leave Egypt and Somalia. Self-interest transcends political ideology and western oil companies operate in Angola and Mozambique trades with South Africa—that pariah of all pariahs to black Africa. We can and do adjust and do business with tyrannies of the right and left all around the world, including with Marxist states in Africa.

It is undoubtedly true that nationalism is the prime motivating force in the freedom movement in Africa, and not communism. Communism may be and probably is a tool to achieve freedom and political power. But whether an end or a means, a Marxist state is the result—and only a few would argue that we are better off with Marxist governments than not.

In southern Africa two states both as bulwarks against nationalism and Marxism and as symbols for and instruments of oppression, discrimination and cruelty against the blacks—Rhodesia and South Africa. The battlegrounds today are Rhodesia, or Zimbabwe, and Southwest Africa, or Namibia. The cataclysmic battleground of tomorrow—the armageddon of white Africa—promises to be in South Africa itself, and sooner rather than later unless the intransigence of the dominant white leadership and its basic political support can be overcome and the stark reality of numbers and the political history of Africa since World War II can be faced realistically.

Which brings us back to the Easter work session in the district—which I chose to spend in southern Africa—in Maputo and Lusaka—in Dar es Salaam and Gaboronne—in Salisbury and Capetown—rather than in Portland and St. Johns—Troutdale and Gresham—Yachats and Salem. We have already had a number of votes on these issues—the Byrd amendments on Rhodesian chrome, and the question of sanctions against Rhodesia in a number of different forms. I consider this to be a very difficult and very important foreign policy issue. I consider it to be an important part of my job, and it is important to me personally, to try to help this nation develop the correct policy—as insignificant as my effort may be—and to do so from as informed and intelligent a perspective as possible.

I went to Africa searching for that information—to look and to listen and not to lecture and advise on my own preconceived ideas. I looked only a little—there was no sightseeing, no parties, no shopping. I listened a lot—in London to a high-ranking Labor Government official; to expatriate Rhodesians imbued with the cause of the blacks and—I suppose associating that cause with the inevitability of the triumph of the Patriotic Front—giving little thought to what might follow that victory; to writers on Rhodesia, and to leaders of a religious and philanthropic organization working in Rhodesia.

In Johannesburg to a liberal newspaper man—yes, there are such even in South Africa—a more moderate one, an academician and blacks active in the liberation cause.

In Capetown to the Foreign Minister and to ultra-conservatives who insisted that, by comparison, they were liberals who admitted that change must come in the next 30 to 100 years.

In Salisbury to Rhodesian soldiers, police, Ian Smith, General Wells, and other officials of White Rhodesia, members of the equivalent of the Chamber of Commerce, the Foreign Secretary, members of the Jewish community—also soldiers—black nationalists representing Zanu and Zapu—Mugabe and Nkomo—to priests and laymen of the Catholic Commission on Justice and Peace, liberal white members of the National Unifying Force, an opposition white party that has been disenfranchised for all practical purposes.

In Mozambique to our Embassy people, high government officials, including President Machel and to Robert Mugabe the head of Zanu.

In Tanzania to our Embassy people and to President Nyerere.

In Zambia to President Kaunda, our Embassy people, and to the second and third echelon Zapu leadership who took us to a refugee camp near Lusaka and where we saw the remains of Nkomo's house.

In Botswana to our Embassy people, to the international community and government leadership, black and white, including President Sir Seretse Khama, and Foreign Minister Mogwe.

As one might imagine from the Babel of voices, no consensus appeared except a view on all sides that somehow or other the United States was to blame for the present situation because of what we did or did not do, and the way in which we did or did not do it. There is still—in spite of our reverses—a perception of almost omnipotent U.S. power to accomplish whatever we make up our minds to do—an opinion not shared, any longer in this country. It was almost like trying to settle a fight between husband and wife in which both turned on the intermediator with blows. I could not escape the question of "What are we doing here?" Why must we not meddle in the internal affairs of Portugal, or Angola or Chile, but must immerse ourselves in the affairs of Rhodesia and South West Africa—and apparently on the side of the guerrillas—or the terrorists—depending on your point of view.

Well, I am the product of my generation—as each of us is of his. My experience was born out of the depression and nurtured on World War II—where, as a student, I believed and debated that the West could and should have stopped fascism aborning in Spain, in Ethiopia, in Albania, at the Saar, and certainly at the Sudetenland that the appetite of tyranny could not be satiated by giving Hitler part of Czechoslovakia and, even if it could, what right did we have to condemn that land and those people to that fate; that ultimately we too were involved—for as the freedom of anyone is taken anywhere in the world—so is our freedom threatened. "Ask not for whom the bell tolls—it tolls for thee."

So do I believe that great forces and great causes have almost a spontaneous generation and an inexorable movement almost independent of any one man. We may speed them up or slow them down—but can neither start nor stop them. The idea is not that of one—but a synthesis of many, born of instincts more than of the intellect.

I believe that shot fired at Concord Bridge—echoing many abortive such fired theretofore—is still reverberating around the world. It was heard in France, traveled to Italy, visited South and Central America—back to France—increased in volume many times in Russia, crescendoed in World War II, and then spread to Asia, the subcontinent, Israel, across Africa to the highlands of Rhodesia, the barren wastes of Southwest Africa, and to the veld of South Africa itself. It has had setbacks—the Soviet revolution and all that followed has written history not in terms of freedom—but of abuse of power, suppression of freedom, torture, imprisonment, suffering, and poverty. In Africa, freedom from white colonialism has been replaced by true freedom seldom—Botswana is an almost lonely example—by tyranny unmasked as in Uganda, and most often by one-party perversions of political freedom—and common to all is poverty and economic conditions that run from bad to chaotic.

Neverthless, I believe that the tide of political freedom will run its course and ultimately succeed. Some Idi Amins have gone. Others—more powerful—will go too, for there is that drive to be free, a drive for justice that will not be denied.

And I believe our African policy has been based upon these ideas—though perhaps phrased differently—upon a desire to help if not lead the cause of freedom, and, not incidentally, to end up on the winning side for a change. It may be mistaken, as we have been before, but it is well intentioned and motivated as, I contend, other mistaken policies have been.

It was and is this concept that has seemed to and has caused us to overlook the suffering of the whites in southern Africa and the economic strength and productivity they have created—in South Africa over the course of some 300 years—and seemed to and has lined us up on the side of the guerrillas—or terrorists if you must—discounting or ignoring those Marxist doctrines and those tribal and personal rivalries that produce, more often than not a black tyranny, economic disaster, and hunger. In the process we have discounted or ignored the possibility of more gradual or evolutionary change on the assumption—frequently correct—that power will not be yielded voluntarily and that such grudging concessions as are made under pressure, are too little and too late and will not stop or avoid the warfare and bloodshed and suffering.

Such may be so—but I believe that we must be as chary of handling over whole nations of people in Africa at the point of a gun as we should have been in Europe before World War II. I believe we have been and are in danger of becoming a captive of our past policy and we may even contribute to making our prophecies self-fulfilling. Some may be so committed, so convinced as to want to make certain they are not proved incorrect. Some may subjectively want to insure that the hypotheticals on which we based our policy in fact occur. This we must guard against.

Aside from the high moral concepts of freedom and democracy and human rights—more pragmatic concerns advance themselves. I shall not dwell on the strategic advantages of a friendly black Africa—nor the disadvantages should we alienate them and they end up in the Eastern camp. Sealanes, bases, and troop movements I shall leave to others. The strategic raw materials, however, must be mentioned. These the Soviets can get along without. To the West, however, the chrome, uranium, diamonds, gold, antimony, tungsten, and other minerals, are as vital to our economy and our military strength as is the oil of the Middle East. The Soviet strategy here, as in the Middle East, must be one of denial and ours must be one of continued and more access thereto.

Is there any way out of this dilemma? Must we risk all and throw in our lot with the black revolutionaries, losing the friendship of the now dominant white government of South Africa and the beleaguered but still powerful white forces in Rhodesia? Or must we back the whites in their continued dominance of the region and the black peoples, against the tide of history, and at the risk of being driven from any influence with or participation in the future of that continent as white supremacy and apartheid are finally conquered.

Or is there a middle and better course? Should we not try to regain our objectivity? Should we not resist the urgings of both sides to precipitate action? Should we not retain, to the extent possible, our freedom of action so that we may be useful to both sides in achieving our objectives which I conceive to be: First, the creation of governments in each troubled area which the majority of the people will accept and support, and second, which can stop the bloodshed and suffering. I do not conceive it to be our objective or right to impose a system satisfactory to us—though I hope the result so will be. But it seems to me we must accept what the people of that area want—whatever it may be.

So the question is—how, in that beleaguered area, with its tradition of white supremacy, native tribalism, illiteracy and poverty, in the middle of terrorist welfare, martial law, political suppression, and facing more and more international involvement, do we ascertain what the majority of the people want and will support and, having done this, how do we persuade or force the guerrillas to lay down their arms?

The question is compounded by the infinite number of personalities and groups involved. In southwest Africa, SWAPO has produced SWAPO–D. There is a party friendly, if not subservient to South Africa and several other splinters, the Western Five, the United Nations, the South African Government, and personalities in each that grate on the other and compound the issue.

In Rhodesia, the Patriotic Front is scarcely united, with Zanu and Zapu, each led by strong personalities antagonistic to three or so black leaders inside Rhodesia as well as to Smith and the white leadership and scarcely supportive of each other. The defeat and flight of the whites could very well produce a black civil war, continuing until one black leader is supreme—scarcely a result to be desired or a course calculated to produce an enlightened and prosperous and happy Zimbabwe. Also involved is Great Britain, still the legal colonial power as the Patriotic Front reminds us, the United Nations to which Great Britain took its problem, the United States which has tried to act with Great Britain in finding a solution, the front line countries generally supporting the Patriotic Front and two of which offer haven to Zapu and Zanu at considerable expense and suffering of their own people. Behind the front line is the Organization of African Unity, and hanging over all is the spector of the U.S.S.R. and Cuba.

In South Africa there are several black parties, many banned and underground—the South African Government, the United States more and more involved with spy planes and strained relations, and few white voices for change, entrenched white political parties, so far impervious to those voices, the OSU and the United Nations.

There are three problems facing us. They are different—but they are all so related that they seem to be parts of a single one. By looking at each separately perhaps we can see how they affect each other—and, by examining the interests of the various parties, arrive at a policy. I must say here though, that though newly returned from 10 days in South Africa, Rhodesia, Mozambique, Tanzania, Zambia, and Botswana, events have moved so swiftly that I already feel out of date. While we explored sundry hypotheticals and possibilities in our discussions with the principals and others, the answers cannot be relied on in the face of changing events, interests, and perceptions.

RHODESIA

I shall not review all of the history of this country—of the efforts at negotiation, the demands and counterdemands. Suffice to say that a couple of years ago a British-American proposal was made based on five principals—sometimes six or seven. Central to these were majority rule, free and impartial elections, and the abolition of discrimination. Britain was to establish an interim transitional government with a U.N. force and presence.

Zapu and Zanu—Nkomo and Mugabe—agreed to an all parties conference in principal but demanded a dominant role in the transitional government, as well as in the police and armed forces. Smith refused this, and refused Britain's role in any transition, and, in fact, refused any further all parties conferences.

In the meantime, Smith, Bishop Muzorewa, the Reverend Sithole, and Chief Chirau agreed to an interim government under an executive council of the four, with dual black and white ministries. A new constitution was drafted abolishing discrimination, providing for elections, on a one-man-one-vote principle, of a majority government. The constitution was submitted to and approved by white voters. It was not submitted to the blacks on the theory that it gave them majority rule, which was what they all wanted. The constitution, however, provided for separate black and white voting rolls, guaranteed 28 white—and probably Smith's party—seats, and 72 black seats and this cannot be changed for at least 10 years. The civil service, army, and the judiciary are "entrenched" and this cannot be changed without white votes.

The Patriotic Front was invited to participate in the elections if they would lay down their arms. They refused and maintain that the constitution is a sham and continues white rule in Rhodesia even though hiding behind a black face. In this view they are supported by the front line states. They insist the war will continue and that they will win. Admitting to hardship, especially to Mozambique and Zambia where Zanu and Zapu are based and which have the burden of refugees and Rhodesian attacks, the front line states nevertheless say they are committed to real majority rule in Rhodesia and that those whose sacrifices and fighting have forced Smith to this point cannot be excluded. They look upon any raising of sanctions, not as a return to neutrality, but affirmative support for white supremacy and for an illegal regime in Rhodesia. The Patriotic Front and heads of government making no or little pretense of democracy, taunt us with questions as to the justice and fairness of the elections—hoisting us, as I have said, on our own petard of democracy and human rights.

Smith on the other hand contends that black majority rule has been obtained, that Rhodesia has done everything the West demanded, that the new government should be recognized and sanctions lifted. The interim government expects a Conservative victory in Great Britain, and recognition thereafter. They hope for a Presidential finding of free and fair elections and that this, coupled with their agreement to an all parties conference made in October 1978, will result in lifting sanctions and recognition by the United States. They expect a few African States to recognize them and insist that, after an initial period of vociferous objection, some of the frontline states will do so—that Zambia, especially, is desperate for peace. Raising sanctions will help Rhodesia economically, help provide jobs to blacks, lessen support for the Patriotic Front, reduce the strength of the guerillas and bring the war down to manageable proportions. Failing to raise sanctions shows our continuing support for Marxist terrorists determined to impose themselves on Rhodesia by violence and willing to submit to an election only under conditions where they are sure of winning. In this view they are supported by South Africa.

So where do we stand? And what must we do? Raise sanctions, or not? To do something or to do nothing, are each something. And, while unlikely but itself, may be determinative of the final result. In any event, either decision will seriously affect our relations with the parties involved.

The constitution has many defects by our standards—yet if it causes the white population to remain and if peace comes, the Rhodesian economy will prosper—with benefits to all its peoples—indeed, to all of Southern Africa. Rhodesia can be the bread basket of an area where hunger is endemic. No one should want the chaos and waste that has followed the flight of whites following the transition to majority rule in other African countries, if it can be avoided. And there is no doubt that major changes have taken place in Rhodesia in the last 18 months. Discrimination has been legally abolished, white Rhodesians have learned that they can work with and for black ministers and that the world has not ended. There is little doubt that concessions which today seem too little would have been welcomed and probably have easily ended the war had they been made as little as 2 years ago. The more moderate of the front line states readily admit as much.

And, in any event, flawed as it is, if this constitution is accepted and supported by the people of Rhodesia, isn't that their decision to make? Reports—even from potentially the most biased—indicate that the elections were as free and fair as could be expected, in spite of threats and pressures probably on both sides, and in spite of violence by guerrillas, in spite of the security measures intended to counteract such acts as any government properly should. Over 60 percent apparently voted—an enviable record by any standards—even our own.

So, if we concede, arguendo, that the elections were fair and free and that the vote indicated acceptance of this government and this constitution, does that solve our dilemma and suggest that we should raise sanctions—and perhaps recognize the new government? That is one possible course—and raising sanctions and/or recognition could help the new government to succeed—though I doubt that the benefits would be immediately felt by the people.

But one problem remains—the war. Zapu and Zanu are still armed and still supported by the front line and through the front line by Russia and, to a lesser extent, the Chinese. So long as personal ambitions survive, so long as dissatisfaction with the constitution and the makeup of the new government persist, so long as Communist governments furnish armaments and the front line furnishes sanctuary and bases, the terrorism and war and suffering will continue and a stable government and peace in Rhodesia will elude us.

However, there is a chance—perhaps two chances—to build on the substantial accomplishments already in place. One is for the new government to move, and move rapidly, to bring genuine improvements to the people of Zimbabwe. Legal discrimination is already out. This government must move quickly to effectuate the law—meaningful land reform can come about even within the restrictions of the constitution, education can be improved for the blacks, an affirmative action program can be promptly initiated to put blacks into responsible positions in the civil service, on the courts and in the military. There are several thousand bright and able and well educated black Rhodesians—many abroad but some at home.

These things will be difficult to accomplish by blacks alone. Some doubt that the bishop can do this without alienating his white support. But many white Rhodesians know that this must be done. Powerful South Africans know it must be done; and I believe South Africa, in spite of its own dismal record, has been instrumental in moving Smith to this present position. We must help South Africa to help Rhodesia over these difficult times ahead by making this new government work.

If it can do those things, the people can be expected to respond and to resist the guerillas. Defections may then begin to occur. Genuine change in Rhodesia may wean at least part of the front line, and without the front line there is no Zapu or Zanu, in spite of the Soviet Union. The front line will bear sacrifices for freedom for Zimbabwe but not for the personal ambitions of Nkomo or Mugabe. If they are convinced this black government is working, I believe their support for the Patriotic Front will diminish and vanish. Growing white confidence should make constitutional changes and Ian Smith's departure from government possible.

The other chance that remains assumes that things do not change all that much, that the war goes on, and that the bishop is not able to deliver the benefits of self government either because of his own limitations, the intransigence of Smith and Company, or both. It assumes, as General Walls agrees, that there is no military solution to the problem. That chance is through an all parties conference and a settlement somewhat along the lines of that proposed for Southwest Africa—a ceasefire, a U.N. presence, an election for a constituent assembly to draft a new constitution, an election in which all participate with a single voting roll.

Some whites—perhaps many—would refuse and leave the country, a result not to be desired. But the bishop, faced with failure, should be willing and we should encourage him. Nkomo and Mugabe, sensing victory, would want to refuse. Mugabe says today that the government is illegal and he will not negotiate with it, that the United Nations has no function, and that he will negotiate only with the legal colonial power—Great Britain. But he also says that Great Britain can bring with it anyone it wants, and I believe that the Front Line would insist on the Patriotic Front's attendance. If it refused they would consider their obligation fulfilled and, while they are sympathetic to those who have fought and whose efforts—along with sanctions—have brought the concessions thus far made, they will not sacrifice their countries for the personal ambitions of leaders who shun elections for the gun and the knife. A caveat must be noted, however—there is a difference in the rhetoric, if not the conviction, of the leaders of those nations born peacefully by a cession of power from the colonial power, as opposed to those born of violent revolution. But the former can be reasonably depended on to carry the day. And even Mozambique said that the result of a free election must be respected.

If neither of these series of events take place, then I believe continued war is inevitable, the whites will flee and black civil war will ensue until only one leader remains—beholden to the Soviet Union and with a frightened and more repressive than ever South Africa on his southern border, sitting on a more and more volatile combination of bitterness and hatred bound to explode in blood.

So, Mr. Speaker, I urge that we communicate our satisfaction with the very substantial progress that has been made in Rhodesia, Zimbabwe, and with the successful election they have held. I suggest that we not be in too great a haste to lift sanctions, but that we watch and see what happens over the next few months. If the government is succeeding, then I think they should be lifted. If it is not, then I think we should urge an all parties conference and we would be more useful arranging such if we have held our judgment, than if we act precipitously and turn out to be in error.

SOUTHWEST AFRICA

After acceptance of a U.N. plan for transition of Southwest Africa from the status of a U.N. trusteeship under South Africa, to independence, certain problems have arisen which cast serious doubts on the viability of that plan. These problems are: First, whether SWAPO bases in Angola and Zambia will be monitored by U.N. forces; and second, whether SWAPO bases inside Namibia will be permitted, and, if so, how many.

There are four or so political organizations in Namibia which, it is proposed, will compete in an election for a constituent assembly to draft a constitution (pending a ceasefire) under U.N. supervision. It is proposed that South African forces be reduced to 1,500 and confined to two bases. All adult Namibians are to be eligible to vote without discrimination or fear, and all parties are to have full and fair opportunity to organize and participate in the election. The armed conflict has basically involved the forces of SWAPO-N and South Africa. Other parties exist, including SWAPO-D (a splinter of SWAPO-N), and Namibian National Front—sometimes if not frequently reflecting the views of South Africa.

South Africa appears to be grossly offended by what they contend is conduct on the part of the western five that was clumsy at best and duplicious at worse, in that agreements which they insist were worked out with respect to the above two points were altered before being promulgated by the Secretary General. Involved, and perhaps overshadowing the merits of the substantive issues, are very serious personal problems with certain U.S. diplomatic personnel.

At issue, South Africa (and I am told the NNF) insists, is not the question of putting SWAPO on a par with South Africa, but with giving SWAPO an advantage over the other competing parties in the election by giving them armed bases—even though under U.N. monitoring—in Namibia, where none now exist, and, further, imperiling the ceasefire by not monitoring SWAPO bases in Angola and Zambia with U.N. personnel. There is no confidence in the will or the ability of Angola and Zambia to effectively monitor SWAPO.

The issues do not seem to me to be beyond solution, unless one or both sides do not want an election because they each doubt a favorable outcome. From SWAPO's standpoint, and assuming willing participation in the electoral process, it would seem that they would be better off having their people, even unarmed, free to campaign rather than being confined to bases presumably remote from population centers. SWAPO representatives are deliberately ambiguous as to what the population of these bases might be. Nor does it seem that U.N. personnel monitoring SWAPO in Angola and Zambia would constitute any loss of national sovereignty when done under a U.N. resolution to which those nations subscribe.

On the other hand, South Africa and NNF, it would seem, would be better off to have SWAPO guerillas in a monitored camp in isolated areas rather than participating in the election—perhaps surreptitiously armed and perhaps employing threats or duress to influence voters.

In any event, I have read some compromise proposals, apparently formulated by NNF early in April, which indicate the possibility of compromise (at least on that side). South Africa appears adamant but puts the burden for decision on NNF and the other internal parties. But it is also obvious that the mistrust and suspicion noted above persist and that negotiations by present personnel would be extremely difficult if not doomed in advance. I have difficulty, for instance, in separating the aggrieved feelings produced by this matter with the subsequent imbroglio between the United States and South Africa over the so-called spy plane.

I would respectfully suggest, therefore, a change in United States, if not U.N., personnel—without admitting any wrongdoing—and solely in an effort to settle this matter and get on with a peaceful solution to Southwest Africa that appears to be within our grasp and which I believe to be important to an ultimate solution to the other separate, but still related, problems of southern Africa.

SOUTH AFRICA

Though not immediately in a crisis, the problem of black/white relations in South Africa resembles a seething volcano about to erupt and is potentially far more threatening and far more intractable than Southwest Africa or Rhodesia.

Black resentment is deep and bitter. White suppression is ruthless and determined. As the circle of beleaguered white wagons draws closer and closer, as the ring of black nations and black power grows tighter and tighter, there is less and less room for any kind of a peaceful settlement. As in Rhodesia, what is acceptable today will be rejected tomorrow. Too little, too late will again result in terrible bloodshed and, ultimately history and freedom will not be denied. There are whites who know this—a few realize that time is running out. Too many think there is time—some even talk in terms of 30 to 100 years. The colonial mentality which we have and still do experience in this country, and in Panama, prevails in the dominant South African political party. Even if my perception is correct—that the defects of present policy are apparent to some in positions of political leadership in South Africa, I am not at all certain that their base of political support will permit them enough freedom of political activity to make the changes necessary.

South Africa, it seems to me, is at a crossroad. Either it will make accommodations with Western opinion and its black citizens, or it will retreat into the larger—South Africa against the world and against the substantial majority of its own citizens. It cannot survive as it is. And only South Africa can bring about the changes.

Success in Southwest Africa, and especially Rhodesia, in effecting change to majority government without displacing the white population and preserving the economic base would be, I believe, infinitely reassuring to South Africa and furnish a benevolent impetus to peaceful change. An affirmative effort by the

United States to rescue our deteriorating relations with South Africa would be useful in mitigating the sense of isolation which can only push South Africa to greater regression and repression. This must be done while maintaining our position, firmly, that apartheid must be abandoned. Pass laws, housing laws, curfews, racial limits on education and employment cannot be tolerated long by men and women of any color. I would not. None of us would.

Mr. Speaker, I must not conclude this report without a comment about the new chairman of the Foreign Affairs Committee's Subcommittee on Africa, Congressman SOLARZ. In 10 days, as intense as these, one becomes well acquainted.

Seldom have I seen such dedication, with people of different cultures, such an ability to communicate with people of divergent views. He works literally 18 hours a day and commends respect even where disagreement exists. Not the least of the personal benefits of this trip was the opportunity to observe his incisive direct questions and his inquiring mind—ready I believe, to change and accept new positions based on the evidence he has found.

He would have made a superb lawyer—and that is a compliment—and I believe he will be a superb chairman. I hope he gets lots of votes in Brooklyn for his work in southern Africa.

First-class staff work by John Carson and Karl Lauenstein, and cooperation of Embassy people along the way enabled this mission to meet more people and accomplish more than any I have ever been a part of.

Mr. Speaker, I know that a little knowledge can be a dangerous thing—but I believe a little knowledge is better than none at all. I return from South Africa fully aware of the complexities and dangers of the problems—fully aware of the limitation on my knowledge and on my ability to put myself in the shoes of either the black or the white African and therefore convinced that only African solutions will work: that our function should be not to dictate, but only to help and perhaps guide a little as Africans grope to a solution. To do this requires an open and a questioning mind—willing to weigh the evidence, consider new and changing events, and perceptions, and to change our own ideas and suggestions in spite of pride of authorship and prejudices on all sides to which we are all subject.

Einstein once attributed his discovery of the theory of relativity to his willingness to challenge fundamental precepts and postulates. We must do no less—and the reward may be a contribution to political science in Africa no less important than Einstein's theory was to the science of physics.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. MATTOX) is recognized for 5 minutes.

● Mr. MATTOX. Mr. Speaker, on Tuesday, April 23, I was necessarily absent from the House floor while on official business for the Budget Committee's Task Force on National Defense and International Affairs.

While I have for the past 2 years scrupulously avoided extra travel at Government expense not between Washington and the Fifth District of Texas, my responsibilities as chairman of the National Defense Task Force required my leading a delegation of fellow Budget Committee members on a state of readiness fact finding tour of our NATO forces in Europe.

This comprehensive onsite review was scheduled to coincide as closely as possible with the Easter congressional recess. But because of our final meeting last Tuesday with Adm. Joseph P. Moorer, commander of U.S. Naval Forces in Europe, I was unable to be here. I regret missing legislative business that day, but am certain the importance of our NATO visit fully warranted the 1-day absence from regular business.

I am now more certain than ever that perceptions regarding the ability of NATO to deal with the Soviet naval buildup in the Mediterranean must be carefully reevaluated and must also take into account the changing political conditions in Greece, Turkey, and Iran. Because budgetary assistance plays such an important role in our Nation's security and defense preparedness, particularly with regard to NATO's ability to deter Communist adventurism, this mission by members of the Budget Committee was of great and timely importance to the United States and its allies.●

COURT OF APPEALS FOR THE FEDERAL CIRCUIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, it is my pleasure to introduce the Court of Appeals for the Federal Circuit Act of 1979. This measure, along with H.R. 2848 introduced last month by Mr. KASTENMEIER, comprise the package of comprehensive new reforms proposed by President Carter in his message to Congress on February 27, 1979.

Although the bill differs in form from the measure transmitted to Congress, the substance is one and the same. The staff of the Judiciary Committee has worked with representatives of the legislative counsel's office and of the Department of Justice to technically refine the proposal before introduction.

The essence of the proposal is the creation of a new intermediate appellate court, to be called the "United States Court of Appeals for the Federal Circuit," by merging the Court of Claims and the Court of Customs and Patent Appeals. The new court would consist of 12 article III judgeships to be appointed by the President with the advice and consent of the Senate. Initially the 12 judges of the two existing courts would staff the new court.

This new court would be, in effect, a 12th circuit court. It would not be interposed between the existing circuits and the Supreme Court, but rather would occupy a similar place in our appellate structure as the existing circuits. Review of its decisions would be in the Supreme Court upon a writ of certiorari.

Like the existing circuit courts, the new court would hear appeals from final decisions of the district courts. Unlike the existing circuits, however, the jurisdiction of the new court would be nationwide and would be limited and exclusive.

A major object of the proposal is to reduce the widespread lack of uniformity and uncertainty of legal doctrine that now exists in the administration of the patent law and that has resulted in costly and unseemly forum shopping in that area. This objective would be realized by giving the new court exclusive jurisdiction over all appeals from cases in the district courts in which a patent issue was raised in the complaint, as well as over all appeals in patent cases currently reviewed by the Court of Customs and Patent Appeals.

In addition, the new court would inherit all other jurisdiction of the Court of Claims and of the Court of Customs and Patent Appeals except for, first, cases brought under the Federal Torts Claims Act (all of which historically have been heard by the district courts and the regional circuits) and second, the trial function now being performed by the commissions of the Court of Claims.

A new article I court, patterned after the U.S. Tax Court, and to be called the "United States Claims Court," would be created consisting of 16 judgeships (initially staffed by the current Court of Claims commissioners). The Claims Court would inherit the existing jurisdiction and function of the Court of claims commissioners, again, with the exception of Tort Claims Act cases.

Mr. Speaker, this proposal is a significant attempt to achieve much-needed structural reform in the administration of our Federal civil justice system. In addition to creating a new appellate tribunal to provide doctrinal uniformity would reduce the number of decision-making entities within the system and would achieve economies in the system's operation by the simple device of utilizing excess capacity within two existing courts while avoiding an increase in the number of existing judgeships.●

INTRODUCTION OF A BILL TO ESTABLISH THE CHANNEL ISLANDS NATIONAL PARK AND CHANNEL ISLANDS NATIONAL PRESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BEILENSON) is recognized for 10 minutes.

● Mr. BEILENSON. Mr. Speaker, I am today introducing legislation to establish the Channel Islands National Park and the Channel Islands National Preserve. This area of fragile and scenic beauty off the southern California coast faces the cumulative impacts of greatly increased oil and gas leasing, space shuttle testing, missile testing, heavier tanker and service vessel traffic, as well as other of man's activities and may be lost forever if the Congress does not act to protect and save it.

The Channel Islands and Santa Monica Mountains are part of a single mountain range 125 miles long which mostly lies submerged beneath the Pacific Ocean. The mainland mountains, which are tied to the islands culturally and historically, as well as geologically were given national recreation area status in the last session of Congress. Because of their historical, archeological, and biological value, the islands also merit such protection.

Remains of the earliest known inhabitants of California, the Chumash Indians, have been found on Santa Cruz Island and over hundreds of varied archeological sites exist on the islands. These islands, cut off from the mainland thousands of years ago, provide a habitat for unique flora and fauna which represent a vital link to the natural history of the California coast. When the islands separated from the coast, many animal and plant species, including ice age dwarf elephants, were stranded, and one archeological discovery on Santa Cruz Island is thought by some archeologists to be evidence of the oldest known habitation of man in North America, dating back some 30,000 years. By the time the Spanish conquistador, Juan Cabrillo, first landed in California on one of the Channel Islands in 1542, the Chumash Indians had developed an elaborate trading network between their settlements on the mainland and the islands.

In this bill, ownership of San Miguel Island, which is the prime breeding ground for 3,000 Northern elephant seals and other pinnepeds, would be transferred from the Navy to the Department of the Interior. Santa Cruz and Santa Rosa, the largest and most ecologically diverse islands, would be added to the national park system with certain rights to be retained by their owners. Both islands are privately owned and primarily devoted to ranching. They have long been on environmentalists' key lists for inclusion in the national park system and are at the top of those lists this year. Prince's Island, a haven for a plentitude of sea birds, is located near San Miguel Island and would also be included in the national park.

Two of the smallest channel islands are already designated as a national monument, yet the larger islands house the greatest wealth of archeological and biological treasures. Each of the islands proposed for inclusion in the park differs from the others, with special habitats for species and plants found nowhere else. For example, San Miguel Island, currently owned by the Navy, harbors one of the largest known colonies of sea elephants, several pairs of American eagles, wonderful seabird rookeries, and an unusual variety of island fox.

The islands are uniquely situated at the meeting point of northern and southern ocean currents off of the Pacific coast. They serve as the northernmost migratory point of many southern marine mammals and birds, such as the rare Guadaloupe fur seal, and as the southernmost migratory point of many northern marine mammals and birds, such as certain types of sea otter. The many magnificent rookeries of the islands are the breeding grounds of the endangered brown pelican and other varieties of sea birds with delicate breeding habits.

In 1959, the National Park Service concluded in a study that the channel islands represented an area of such great scientific and cultural value that their unparalleled inland, seashore, and offshore marine areas should be preserved. Efforts to include them in a park have taken place since 1963, because of a realization of these values. But now the islands are threatened by a multitude of projects whose cumulative impact will certainly destroy them. The area is a missile target range for Air Force and Navy tests from Point Mugu and San Nicholas as well as being in the flight path of the Space Shuttle. Giving the islands park status gives the Secretary of the Interior a basis for coordinating with the military that all testing having a potential impact upon the islands be targeted and scheduled so as to avoid environmental damage.

The area is also the site of substantial oil and gas leasing and was the site of the devastating oil spill off the Santa Barbara coast 10 years ago that sparked the environmental movement in this country along with the finding that high quantities of DDT in the water were destroying the brown pelican's ability to propagate. The Bureau of Land Management is currently in the final stages of a new and quite large lease sale, and another one is planned for 1982.

Oil-related hazards in the channel are not merely those of blowouts. Minor oil spills are a normal and inevitable occurrence in the loading and unloading of oil at marine terminals; the cumulative impact of these spills is considerable. Moreover, tanker traffic within the channel is quite heavy and will increase tremendously as more oil is taken from the channel and as oil from Alaska streams its way south. With more drilling operations in the channel, the number of supply boats that need to traverse tanker traffic lanes increases, as does the resulting potential for collision. It takes many large tankers over a mile to stop, and their maneuverability is obviously quite poor.

The bill establishes strict regulations for all of the above activities and requires the Secretary of the Interior to prepare a study of available oil spill technology to be adapted to the local conditions of the islands' area. This is to be updated regularly.

A Channel Islands Citizen Advisory Commission is to be established and shall meet regularly amongs themselves and semiannually with a representative of the Secretary of the Interior to discuss matters pertaining to the management and development of the park and preserve areas.

The Channel Islands National Monument has been recognized by UNESCO for its environmental and archeological value as a biosphere reserve under their man and the biosphere program. The two tiny islands, Anacapa and Santa Barbara, which comprise the current national monument, are included in the UNESCO program primarily for conservation purposes. However, if the other three larger islands in the chain, San Miguel, Santa Cruz, and Santa Rosa, as well as little Prince's Island also receive national protection, the entire area would be more useful to this international program which seeks to study and understand man's impact on the evolutionary process.

The Channel Islands clearly qualify for national park status under the strictest criteria for establishing a national park. The islands have preserved unique and ancient life forms due to their long period of isolation, and are severely threatened by contact with man and his advanced technology. When we have before us the opportunity to pressure an area that the U.S. Department of the Interior has described as "unrivaled evolution factories, biological laboratories, and maritime museums," it seems to me imperative to take that opportunity before it is forever lost to us.

The text of the bill follows:

H.R. 3813

A bill to establish the Channel Islands National Park, to establish the Channel Islands National Preserve, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Channel Islands National Park and Preserve Act of 1979".

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TITLE I—CHANNEL ISLANDS NATIONAL PARK

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TITLE III—GENERAL PROVISIONS

TITLE I—CHANNEL ISLANDS NATIONAL PARK

SEC. 101. (a) There is hereby established the Channel Islands National Park (hereinafter in this Act referred to as the "park"). The park shall consist of Anacapa Island, Santa Barbara Island, Santa Cruz Island, Santa Rosa Island, San Miguel Island, Prince Island, and the area (including rocks, islets, submerged land, and waters) within one nautical mile of the shoreline of each such island, as generally depicted on the map entitled "Proposed Channel Islands National Park", numbered 15920001, and dated October, 1978.

(b) The Channel Islands National Monument is hereby abolished and any funds available for purposes of the monument shall be available for purposes of the park.

(c) (1) Within the boundaries of the park, the Secretary (after consultation with the appropriate agencies of the State of California, including the California Coastal Commission and the California Department of Fish and Game) may acquire lands, waters, and interests therein (including improvements) by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange, or otherwise. Any lands and waters, or interests therein, owned by the State of California may be acquired under this subsection only by donation or exchange.

(2) Notwithstanding any other provision of law, any Federal property located within the boundaries of the park shall be transferred without payment to the administrative jurisdiction of the Secretary. The Secretary and the Secretary of Transportation shall execute an agreement providing for the continued use by the United States Coast Guard (for navigational aids and related purposes) of the one-half acre sites on Anacapa and Santa Barbara Islands.

(d) The Secretary shall not acquire by condemnation under this section any land or water, or interest therein, designated on the map numbered and dated unless the Secretary determines that the owner thereof is not providing for the protection of the natural ecological values of such property.

(e) For additional provisions relating to acquisition of lands and waters and the retention of rights by landowners, see sections 303 and 304.

SEC. 102. (a) The park shall be administered in accordance with the requirements of this Act, the provisions of Presidential Proclamation No. 2281, and the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish the National Park Service, and for other purposes", approved August 25, 1916 (16 U.S.C. 1-4). In administration of the park, the Secretary may utilize such statutory authority available for the conservation and management of wildlife and natural and cultural resources as he deems appropriate to carry out the purposes of this title.

(b) Because of the fragile nature of most of the areas within the park, the Secretary shall establish appropriate visitor-use levels to ensure the protection of habitats for rare, unique, fragile, threatened, or endangered species of native plants and animals, and native terrestrial and aquatic communities characteristic of the area.

(c) Within three years from the date of the enactment of this Act, the Secretary shall submit to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs a general management plan for the park (including a resource management plan) which insures permanent protection of unique island species and provides for continued scientific research. Such plan shall be accompanied by a proposed level of funding for management of the park. In the preparation of such plan, the Secretary shall consult with the United States Fish and Wildlife Service and the United States Geological Survey and shall seek the advice and counsel of the concerned scientific and conservation community. Following the date of the enactment of this Act and before submission of such management plan, lands owned by the United States on San Miguel, Santa Cruz, and Santa Rosa Islands shall be opened to only such limited public use as the Secretary deems appropriate, pursuant to permits issued by the Secretary containing such terms and conditions as he deems necessary.

(d) The Secretary may enter into cooperative agreements with the State of California and private nonprofit conservation organizations for the management of lands and waters within, and adjacent to, the park which are owned by the State of California and for the enforcement of Federal and State laws and regulations applicable to such lands and waters.

(e) If any activities (including space shuttle tests and flights and weapons testing) carried on outside of the park by any department, agency, or instrumentality of the United States affect the park, such activities shall be scheduled and located so as to cause the minimum possible environmental and biological disruption within the park.

TITLE II—CHANNEL ISLANDS NATIONAL PRESERVE

SEC. 201. (a) There is hereby established the Channel Islands National Preserve (hereinafter in this Act referred to as the "preserve") in order to preserve and protect a biologically rich and diverse area of the California coast. The preserve shall consist of the lands and waters depicted on the map appropriately referenced, dated , and numbered .

(b) The Secretary, acting through the Director of the National Park Service, shall manage the preserve in order—

(1) to preserve and protect the scenic, recreational, educational, natural, scientific, archeological and public health benefits of the preserve and of the Channel Islands National Park from damage or degradation due to commercial and industrial activities occurring within the preserve;

(2) to maintain high levels of biologic productivity and diversity of species in the area for ecological stability and for use as natural resources;

(3) to protect and maintain large and healthy populations of marine mammals, seabirds, fish and other marine organisms (including plants) in the area and to prevent disturbance to their breeding and spawning grounds, nursery grounds and migratory pathways;

(4) to protect and enhance the habitats and foraging range for the numerous rare and endangered species in the area; and

(5) to encourage scientific research and education in support of monitoring and management programs with particular emphasis on the cumulative effects of man's activities on the areas within the preserve.

(c) The Congress finds that State and local agencies with jurisdictions adjacent to the preserve have special knowledge and interest concerning the area within the preserve and should be involved to the greatest degree possible in the planning, management, and protection of the preserve.

SEC. 202. (a) With respect to the areas of the preserve which lie outside the territorial jurisdiction of the United States, the Secretary of State shall commence negotiations to enter into such agreements with other nations as may be appropriate to protect the preserve and to promote the purposes for which it is established.

(b) The provisions of this title and regulations issued pursuant to such provisions shall be applied in accordance with recognized principles of international law, including treaties, conventions, and other agreements to which the United States is signatory. Unless the application of any such provision or regulation to any person not a citizen or resident of the United States is in accordance with such principles or is otherwise authorized by an agreement between the United States and the foreign State of which the affected person is a citizen (or, in the case of the crew of a foreign vessel, between the United States and flag State of the vessel) such provision or regulation shall not apply to such person outside the territorial jurisdiction of the United States.

SEC. 203. (a) The Secretary shall review existing ocean dumping regulations and, in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, shall promulgate regulations to insure that ocean dumping within the preserves will be in accord with the purposes of this title. Such regulations shall—

(1) include such provisions for civil and criminal enforcement thereof as may be appropriate; and

(2) provide that dumping and discharge of all waste substances (except marine toilet effluents, cooling water effluents from marine vessels, and fish wastes) shall be prohibited within the preserve.

(b) The Secretary may promulgate regulations which require a higher level of treatment for all sewage outflows affecting the preserve than is presently required under other authorities of law if on-site studies for such sewage outflows demonstrate that such requirements are necessary to protect resources of the preserve.

(c) The Secretary, after consultation with other interested Federal agencies, shall issue any necessary and reasonable regulations to control any activities within the preserve for which a permit, license, or other authorization is required under any other authority of law. No such permit, license, or other authorization for any such activity issued pursuant to any other authority of law shall be valid unless the Secretary certifies to the permitting authority that the permitted activity is consistent with the purposes of this title and can be carried out consistent with the regulations promulgated under this title.

SEC. 204. The Secretary of the Department in which the Coast Guard is operating shall provide for the on-site supervision of all loading and unloading of oil at marine terminals, and other facilities used for the loading, unloading, or transportation of oil from marine vessels, in areas within, or in proximity to, the preserve.

SEC. 205. The Secretary of the Department in which the Coast Guard is operating, in cooperation with the Secretary of the Interior and all appropriate Federal, State, and local agencies, shall develop a program for the monitoring of all marine vessel traffic in the preserve and for regulation of such traffic to prevent collisions and accidental or intentional discharge of oil or other toxic, hazardous, or environmentally injurious substances.

SEC. 206. For purposes of the application of part C of title I of the Clean Air Act, the preserve established under this title shall be treated as a class I area which may not be redesignated under the provisions of such part. The Secretary of the Interior, in cooperation with the Administrator of the Environmental Protection Agency, shall undertake a program to monitor the air quality of the preserve for purpose of determining compliance with the provisions of such part C by sources of air pollution affecting the preserve.

SEC. 207. (a) No tracts may be leased for oil and gas exploration or drilling by the United States under any authority of law if all or any portion of such tract is within:

(1) a designated shipping lane or within one and one-half miles of a designated shipping lane; or

(2) six miles of a State designated "oil and gas sanctuary", a "Resource Protection Zone" designated by the California Coastal Conservancy, or an "Area of Special Biologic Significance" designated by the California Department of Fish and Game.

(b) No lease may be issued pursuant to the five-year leasing plan prepared pursuant to Public Law 95-372, section 20(b), ——— U.S.C. ———, which applies to any area within the preserve, unless the Secretary has certified in writing that development permitted under such plan will be in accord with the purposes of this title.

SEC. 208. (a) Within 18 months from the date of enactment of this Act, the Secretary shall complete a study of those oil and gas related activities (including exploratory drilling, extraction, transportation, loading or unloading at marine terminals, and all activities associated with the construction and operation of any facility used for the receipt of liquid natural gas transported by vessel) which may cause environmental harm to the preserve. The study shall specify in which seasons and at which locations environmental harm may occur. The Secretary shall consult with local and State agencies in the preparation of the study, and shall conduct one or more public hearings prior to completion of the study.

(b) Within nine months after completion of the study, the Secretary shall issue regulations for oil and gas related activities affecting the preserve. Such regulations could cause significant environmental or biologic damage and shall recommend regulations to be adopted by other agencies to prevent environmental or biologic damage. Operations or activities which the Secretary finds to be damaging to ecosystems or disruptive of long-term biologic productivity in the preserve shall be prohibited under such regulations.

(c) The authority of the Secretary to promulgate regulations under this section shall be in addition to his authorities under other provisions of this title and under other provisions of law.

SEC. 109. (a) The Secretary, in consultation with the Department of Commerce, the National Science Foundation, representatives of the oil industry, interested environmental organizations in the scientific research community, and State and local agencies, shall initiate a program of research designed to develop and deploy oil spill prevention and clean-up systems within the preserve and areas closely associated with the preserve. Such systems shall be adapted to local conditions (for example: rough seas, coastal inlets, and predominant ocean currents) to minimize the net impact of oil pollution in the environment. Within 3 years after the date of the enactment of this Act, the Secretary shall prepare and submit an oil spill prevention and emergency clean-up plan for the Santa Barbara and Channel Islands area to the Channel Islands Citizens Advisory Commission and to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.

(b) The Secretary shall promulgate such regulations and enter into such interagency agreements with the appropriate Federal, State, and local agencies as may be necessary to deploy equipment and sustain research in accord with the oil spill prevention and emergency cleanup plan.

(c) The Secretary shall annually review any regulations promulgated under this section and make any changes necessary to accommodate new developments in oil spill prevention and clean-up technology or changes in the level of activity in the preserve.

SEC. 210. (a) After the date of the enactment of this Act, the construction or expansion of industrial facilities within the preserve (including offshore storage and transport facilities, liquid natural gas receiving, storage, and gasification facilities, deepwater ports, offshore and oil receiving and storage facilities) shall be prohibited.

(b) Activities of any type carried on by any department, agency, or instrumentality of the United States outside the preserve, but which affect the preserve (including space shuttle tests and flights and weapons testing) shall be scheduled and located to cause the minimum possible environmental and biologic disruption.

SEC. 211. (a) Any person who violates any prohibition contained in this title or in any regulation promulgated under this title shall be liable to a civil penalty of not more than $50,000 for each such violation. Such penalty may be assessed by the Secretary after notice and opportunity for public hearing. Each day of a continuing violation shall constitute a separate violation.

(b) Upon failure of any person to pay a penalty assessed under this section, the Attorney General, at the request of the Secretary, shall commence action in the appropriate district court of the United States to collect the penalty and to seek such other relief as may be appropriate.

(c) A vessel used in the violation of any provision of this title or any regulation promulgated under this title shall be liable in rem for any civil penalty assessed for such violation and may be proceeded against in any district court of the United States having jurisdiction thereof.

(d) The district courts of the United States shall have jurisdiction to restrain a violation of any provision of this title or any regulation promulgated under this title, and to grant such other relief as may be appropriate.

TITLE III—GENERAL PROVISIONS

SEC. 301. As used in this Act—

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "improved property" means a detached single-family dwelling, the construction of which was begun before January 1, 1979 (hereafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures necessary to the dwelling which are situated on the land so designated.

(3) The term "agricultural property" means property developed for agricultural uses (together with any structures accessory thereto) which was so used on or before January 1, 1979.

SEC. 302. (a) The maps referred to in this Act shall be on file and available for inspection in the offices of the National Park Service, Department of the Interior, District of Columbia, in the headquarters of The Channel Islands National Park, and in such other locations as the Secretary deems appropriate.

(b) After advising the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, in writing, the Secretary may make minor revisions of the boundaries of the areas established or expanded under this Act when necessary by publication of a revised drawing or other boundary description in the Federal Register.

SEC. 303. (a)(1) The owner or owners of any improved property or agricultural property acquired by the Secretary under this Act may retain a right of use and occupancy of the property for noncommercial residential or for agricultural purposes, as the case may be, for—

(A) a definite term of not more than twenty-five years, or,

(B) a term ending at the death of the owner or owners.

The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of the right retained by the owner. For purposes of applying the preceding provisions, ownership shall be determined as of the date of acquisition, except that in applying subparagraph (B) ownership shall be determined as of January 1, 1979.

(2) A right retained by the owner pursuant to this subsection shall be subject to termination by the Secretary upon his determination that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(b) Where appropriate in the discretion of the Secretary, he may lease land owned by the United States (or any interest therein) which has been acquired by the Secretary under this title and which was agricultural land immediately before such acquisition. Any such lease shall be subject to such conditions and restrictions as the Secretary deems necessary to carry out the purposes of this title, including terms and conditions which provide for—

(1) the continuation of existing uses of the land which are compatible with the park,

(2) the protection of the important resources of the leased area, and

(3) the retention by the Secretary of such access and development rights as the Secretary deems necessary to provide for appropriate visitor use and resource management.

And land (or interest therein) leased pursuant to this subsection shall first be offered for such lease to the person or persons who owned such land (or interest) immediately before its acquisition by the United States.

SEC. 304. In exercising the authority to acquire property under this Act, the Secretary shall give prompt and careful consideration to any offer made by an individual owning property within the boundaries of the park established under this Act to sell such property, if such individual notifies the Secretary that the continued ownership of such property is causing, or would result in undue hardship.

SEC. 305. Notwithstanding any other provision of law, the Secretary is authorized to accept donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of land acquisition and providing services and facilities which the Secretary deems consistent with the purposes of this Act.

SEC. 306. The Secretary shall give full consideration to the recommendations of the California Department of Parks and Recreation, the California Department of Fish and Game, and the California Coastal Commission respecting the areas administered by the Secretary under this Act.

SEC. 307. (a) There is hereby established the Channel Islands Citizens Advisory Commission (hereinafter in this Act referred to as the "Advisory Commission"). The Advisory Commission shall be composed of 15 members appointed by the Secretary to serve for terms of five years. The Advisory Commission shall designate one of its members as chairperson.

(b) The Secretary, or the Secretary's designee, shall from time to time, but at least semiannually, meet and consult with the Advisory Commission on matters relating to the management and development of the Channel Islands National Park and the Channel Islands National Preserve.

(c) The Advisory Commission shall meet on a regular basis. Notice of meetings and agenda shall be published in local newspapers which have a distribution which generally covers the area. Commission meetings shall be held at locations and in such a manner as to insure adequate public involvement. Such locations shall be in the counties of Santa Barbara or Ventura.

(d) Members of the Commission shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred in carrying out their responsibilities under this Act on vouchers signed by the Chairperson.

SEC. 308. The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking in the lands and waters within the Channel Islands National Park or the Channel Islands National Preserve and the head of any Federal agency having authority to license or permit any undertaking in such lands and waters shall, prior to the approval of the expenditure of any Federal funds on such undertaking or prior to the issuance of any license or permit, as the case may be, afford the Secretary a reasonable opportunity to comment with regard to such undertaking and shall give due consideration to any comments made by the Secretary and to the effect of such undertaking on the purposes of this Act. No such expenditures shall be approved nor shall any such license or permit be issued which, in the judgment of the Secretary, would be inconsistent with the purposes of this Act or any plan, rule, or regulation promulgated by the Secretary under this Act.

SEC. 309. (a) There are authorized to be appropriated such sums as may be necessary for acquisition of lands and interests in land within the boundaries of the park and seashore, but not more than ----------.

(b) For the development of essential public facilities in the park there are authorized to be appropriated not more than $500,000.●

ON THE INTRODUCTION OF THE AMENDMENTS TO THE NAVAJO-HOPI SETTLEMENT ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am introducing this morning, at the request of the Hopi Indian Tribe, a bill containing amendments which they have proposed to amend the Navajo-Hopi Settlement Act of 1974 (Public Law 93-531). I will, perhaps, favor some of the stipulations in the act and probably question others, but so that Members and other interested parties might have the chance to study these proposed amendments, prior to hearings which we will hold in the Interior Committee, it is now appropriate that this bill be introduced.

Many of us presumed, after years of congressional concern about the century-old Navajo and Hopi dispute in my home State, that the passage of the 1974 Compromise Act would have concluded congressional involvement in this matter. Much of Congress time from 1972 through 1974 had been spent in field trips, hearings, and markup sessions, and in floor debate. I have been surprised as, in the years since, this ongoing dispute has reared its head, periodically causing reverberations in this body. Last fall, in the closing weeks of Congress, we passed H.R. 11092, a bill containing amendments to the 1974 act. That bill was vetoed by President Carter.

Pursuant to the provisions of the 1974 act, representatives of the Hopi and Navajo Tribes have met with the help of Federal mediators to seek a negotiated settlement. The matter was then submitted to the U.S. district court which has weighed all relevant factors and has entered an order of partition.

It is now clear that the relocation of several thousand persons will be necessary to completely effectuate the purposes of the 1974 act and to uphold the rights of the parties as determined by the court.

In view of this situation, I have agreed that the House Interior Committee will review the 1974 act one final time to determine whether it might be updated to make the resettlement process for those required to move as simple, expeditious, and painless as possible.

I do not favor a wholesale reconsideration of the major points in this dispute. Before Congress acted, the Federal courts, after lengthy adjudication, had determined the equities. Congress action in 1974 sought to set up procedures and programs to implement the court's judgment. All major issues were considered at great length. Countless hours of Congress time has been spent. The decisions we made in solving this dispute were the result of thorough congressional consideration and should be presumed settled and closed.

To reopen this matter would be to raise unjust expectations of some, adding confusion and uncertainty, and causing further distress in the lives of those people involved. The 1974 solution was basically sound and should be left intact, except as some modifications might better facilitate the resettlement and adjustment.

It is my intention to visit the Hopi and Navajo Reservations in the near future and then to schedule hearings on this legislation.●

MORRIS A. NOSS SUCCUMBS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, my congressional district has suffered a severe loss this week with the passing of a man of great vision and great dedication to his community, Morris Noss of Cortland, N.Y.

Morris Noss had a long and distinguished career of civic leadership. He was instrumental in the revitalization of Cortland's business life. He was the city's only four-term mayor. He constantly was active in projects designed to better the quality of life for the people of his community, an example being his major role in senior citizen housing projects.

Morris Noss was an eternal optimist, right up until his last days, when the pain of cancer was draining his energies.

The list of Morris' accomplishments is great, and I submit to my colleagues an article which appeared in the April 24, 1979, edition of the Cortland Standard as a demonstration.

No one can deny that Cortland is a far better place for Morris Noss having made his home there. He will be sorely missed.

The article follows:

[From the Cortland (N.Y.) Standard Apr. 24, 1979]

MORRIS A. NOSS SUCCUMBS

Morris A. Noss, 62, of Cortland, one of Cortland's most active civic and community leaders and the city's only four-term mayor, died Monday night at Cortland Memorial Hospital.

He was born June 10, 1916 in New York City, the son of Sam and Rebecca Adelman Noss.

A 1934 graduate of the Radio Technical Institute in New York City, he was the owner of his own appliance business, Noss Radio, on Clinton Avenue in Cortland from 1935–1972.

He married the former Helen C. Crispell in 1940.

Noss founded the Cortland County Development Corp. in 1957 and was its president from 1960 to 1966 and from November 1974 until he died.

In that capacity, he was instrumental in bringing several new industries to Cortland and relocating others within the county.

Noss did not live long enough to witness the opening of Cortland's latest industry, Rotelcom Inc., a subsidiary of Rochester Telephone Corp. The company announced this week that it would soon start up two new divisions in the former Brockway plant on Central Avenue.

Noss also played an influential part in attracting the following industries to the area: ETL Laboratories, which moved to the former Chris-Craft plant on Route 11 in 1977: Buckbee-Mears Co. which moved here into a new plant on Kellogg Road in 1974; Tuscarora Plastics Inc., a Pennsylvania firm, which opened its first plant in this state in Cortland in 1971; Monarch Machine Tool Co., which acquired the locally-owned Edlund Division and opened a new plant on Route 13 in Cortlandville in 1968; SCM Corp., which moved here to new South Cortland plants in 1958.

He also had a key role in the relocation of Overhead Door Corp. to a new plant on Route 281 in 1968; Wilson Sporting Goods Co. to its present location on Kellogg Road in 1973; and the building of a new plant on Route 11 in Polkville for Chris-Craft to build its Corsair boats. (The plant is now occupied by ETL Laboratories after Chris-Craft left the area.)

In August of 1977, Noss was unanimously appointed to the position of executive vice president of the Cortland Chamber of Commerce, an organization in which he had been actively involved for many years. He served as executive vice president of the local Chamber until several weeks ago.

After serving as an alderman on the city's Common Council from 1956–1961 he was elected to his first term as the city's mayor in 1965, an office he held for eight years. In addition, he also served as commissioner of the Board of Public Works and as chairman of that organization for two years.

As mayor, Noss' accomplishments included: approval and construction of a 240-unit senior citizen housing complex and activity center; completion of a new city hall; establishment of a carbon-activated sewage treatment plant, one of the first in the nation to be developed; the development of Yaman Park; a downtown revitalization project which included the institution of a one-way Main Street; the building of the city's second fire station on South Franklin Street.

Noss was a charter member of the Central New York Regional Planning and Development board, which was started in 1966. He served as vice chairman of the CNYRPDB from 1969–1970 and as chairman of that organization in 1970–1971 and 1971–1972.

He had the distinction of being included on two separate occasions in "Who's Who in the East."

Noss also served from 1968–1973 as chairman of the New York State Council of University Cities, from 1968–1971 as chairman of the Central New York Regional Crime Prevention Commission, from 1969–1972 as a member of the Executive Committee of the New York State Conference of Mayors, in 1956, 1957, and 1962 as president of the Cortland County Chamber of Commerce, and from 1964–1965 as president of Temple Brith Sholom.

He is survived by his wife, Helen Crispell Noss; a son, H. Eric Noss of Reading, Pa.; two daughters, Mrs. Sharon Andrus of Kingwood, Tex. and Mrs. Pamela Rappaport of Union, N.J.; a brother, Stanley Noss of Hackensack, N.J.; two sisters, Mrs. Harry Rock of Tamarack, Fla. and Mrs. Harry Adler of Manhasset; and six grandsons.●

UDALL SETS RECORD STRAIGHT ON ALASKA, RARE II

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as the time again approaches for the House to consider the important matter of providing permanent protection for key conservation areas on the public lands in Alaska, a by now familiar campaign of misinformation, erroneous statements, and distortions is being mounted against bills, such as the Udall-Anderson substitute (H.R. 3651), which I support, which would responsibly dispose of this most important conservation question of the generation.

One example is the charge that such legislation would raise the price of lumber, and thus the price of housing, with disastrous inflationary consequences for the Nation. These groundless charges are combined, for purposes of sowing further confusion, with a broad attack on proposals that are emerging from the administration's review of national forest roadless areas (RARE II).

Recently, Chairman Udall, in a letter to the Washington Star, again spelled out just how far such misstatements go in distorting the actual situation. This letter merits the attention of all our colleagues as we prepare to consider the Alaska lands proposals. I offer it for the Record at this point so it will be available to all Members.

[From the Washington Star, Apr. 20, 1979]

Accuracy Would Help Protect Our "Jewels"

The article in your real estate section by Michael Sumichrast, "Wilderness Reserves Affect Price of Home" (March 17), is another example of gross distortions and falsehoods being circulated about the Alaska lands bill and the Roadless Area Review (RARE II) proposals for designating wilderness areas in various national forests.

Both issues are much too important to the American people to be decided on the basis of misinformation, whether deliberate or inadvertent. Rather than try to unscramble Sumichrast's hopelessly garbled rendition, I would simply like to offer a few key facts.

The failure of the Senate to complete action on an Alaska lands bill in 1978 was a great disappointment to the millions of Americans (74 percent according to a Lou Harris poll) who want to see the nation's spectacular heritage of Alaskan scenery and wildlife protected for the enjoyment of our own and future generations. The disappointed ones included those of us who joined in passing an Alaska lands bill in the House last year by a vote of 277 to 31.

Fortunately, through the wise and courageous action of President Carter in creating national monuments of 56 million acres of federal land in Alaska and of Secretary of the Interior Cecil Andrus in freezing the status of another 60 million acres for three years, the ability of Congress to act in the interest of all of the American people has been preserved.

Alaska is a huge land mass of 375 million acres, more than twice the size of Texas. Twenty years ago, ownership of all but a tiny fraction of Alaska was still in the federal government. At that time, Congress granted to the state of Alaska, and later to its native residents, the right to select 149 million acres of federal land, an area almost 1½ times the size of California. Since then, the state has selected many areas of high economic potential, including the Prudhoe Bay oil fields.

The Alaska lands bill passed by the House last year, and the bill I am supporting in this Congress, would give national park, national wildlife refuge and national forest wilderness protection to about 115 million acres of federal lands in Alaska. These include the lands covered by President Carter's recent action and, added to previously existing Alaskan national parks and refuges, would protect about 142 million acres of federal lands, America's "crown jewels."

While this is indeed a lot of land, it is less than the amount granted to the state and to natives. In fact, the state and native lands, plus the federal lands unaffected by my bill, amount to 62 percent of all the land in Alaska. More important than mere acreages are the economic potentials of these lands. The bill I am supporting:

Will permit continued mining claims on 66 percent of the lands in Alaska with metallic mineral potential, as determined by the U.S. Geological Survey (the government's leading experts).

Will leave available for exploration and development more than 90 percent of the areas with high or favorable onshore oil and gas potential—and all the offshore areas (which are seen as most likely to contain oil and gas).

Will leave ample timber available for harvest (according to the National Forest Service) to support and even expand the existing timber industry in Alaska.

And will have no effect whatsoever on lumber prices or on the prices of housing, since almost all timber from national forests in Alaska is reduced to pulp and exported to Japan.

The Alaska lands bill I support incorporates Agriculture Secretary Bob Bergland's wilderness recommendations for the national forests in Alaska. So the only portion of his recommendations under the RARE II process that could affect the availability of lumber are those involving the roadless areas of the national forests in the "Lower 48." There, Bergland has proposed 9.4 million acres of wilderness, 8 million acres for wilderness study and the balance—28.6 million acres—for non-wilderness uses.

The administration's final RARE II recommendations have not yet been submitted to Congress. When they are, they will be considered by the public lands subcommittee and the full Interior Committee. We will try to protect America's economic base and also its wilderness heritage. We will be helped in achieving both of these important goals by full, fair and accurate reporting in the news media.

Morris K. Udall,
Chairman, Committee on Interior and Insular Affairs, House of Representatives.

Washington, D.C.●

MISLEADING TACTICS OF U.S. BORAX CO. AGAINST ALASKA LANDS BILL EXPOSED

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the Alaska National Interest Lands Conservation Act, a bill to designate certain federally owned lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wilderness Preservation and Wild and Scenic Rivers Systems is scheduled for consideration of the House in the next few days. Among the many distortions advanced by the industries attempting to frustrate legislation to provide adequate protection for the Nation's scenic and wildlife heritage in Alaska, few have been more persistent and misleading than those spread by U.S. Borax Chemical Corp. This huge company, a wholly owned subsidiary of a London based multinational corporation, Rio Tinto Zinc, long ago disposed of its popular image of being a small organization with a "twenty-mule team" logo.

In 1977, I personally visited the site of U.S. Borax's molybdenum ore claim in the Tsongas National Forest in southeast Alaska and listened to the concerns of company officials and their objections to having the site placed in a wilderness area. In an effort to accommodate their concerns, I, as subcommittee chairman, drafted the provisions in the Alaska lands bill reported out last year by the Interior Committee which would have excluded from the Misty Fiords Wilderness the entire area of the U.S. Borax claim (which only covers a few hundred acres) and an extensive portion of the surrounding area, to provide more than ample space for projected future operations, a total of 20,000 acres in all.

Nevertheless, all through 1978, U.S. Borax lobbyists continued to assert that the committee's response was not adequate. My efforts to satisfy or resolve each new demand or concern were invariably followed by more demands. Finally, the company's representatives admitted that what they really wanted was to have the southern half—about a million acres—of the proposed Misty Fiords Wilderness Area eliminated, even though such a vast area bore no relation to the needs of their proposed molybdenum operation.

Their real interest, which they did not deny, was to be able to continue new mineral exploration in that huge area, even though three-fourths of the 20-million-acre Tsongas National Forest would continue to be open to new mineral entry and even though the protection of all valid existing mineral rights was guaranteed by the provisions of the bill.

This year our experience with U.S. Borax has been essentially the same as before. Although their molybdenum claim is located within the Misty Fiords National Monument, the Udall-Anderson substitute contains the same protections for holders of valid existing mineral rights as last year's House-passed bill. However, U.S. Borax this year expressed the concern that because its molybdenum claim is now in a national monument, it would be subject to the restrictions of the Mining in the Parks Act of 1979 (Public Law 94–249). In response, the Udall-Anderson substitute expressly provides that the Mining in the Parks Act does not apply to national forest monuments. Apparently this still does not placate U.S. Borax, which has continued to demand that the entire southern half of the Misty Fiords National Monument be eliminated. Despite the fact that 98 percent of such a huge slice of land has no relevance to U.S. Borax's present or projected molybdenum mine operation, both the Huckaby and Breaux substitutes would simply toss out 1 million acres of one of the Nation's most spectacular natural areas to satisfy the insatiable appetite of a multinational corporation shark.

U.S. Borax Co. lobbyists continue their campaign of distortions and misrepresentations in an effort to garner opposition to the Udall-Anderson substitute. Recently I received a copy of a letter to Congressman Don Young from the Southeast Alaska Conservation Council, Inc., which spells out in some detail the facts and exposes some of these tactics, including efforts to manipulate public opinion by extorting from job applicants statements opposing protective land use classifications. The letter follows these remarks:

Southeast Alaska
Conservation Council, Inc.,
Juneau, Alaska, April 5, 1979.

Hon. Don Young,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

Dear Congressman Young: The enclosed letter was sent to people seeking employment as geologists with U.S. Borax and Chemical Corporation, a wholly-owned subsidiary of the London-based multi-national corporation, Rio Tinto Zinc, by Thomas Henrickson, senior geologist for U.S. Borax. Henrickson's letter asked all prospective employees to "... please forward along a copy of the letter or letters (opposing protective land use classifications) with your application . . ." This statement by a high-level Borax representative convinces SEACC that this multi-national corporation, through its economic power, is trying to manipulate public opinion and shape public policy for its own profit; a classic case of colonialism.

As if this attempt to influence U.S. public policy is not sufficiently appalling, Rio Tinto Zinc purposefully misleads people about the consequences of protecting federal lands by suggesting that such actions threaten our national security and constitute an expropriation of resources. These claims are, of course, ridiculous. Rio Tinto Zinc's major mineral interest in Alaska is molybdenum; they have staked a large deposit of this mineral within the proposed Misty Fjords wilderness. Presently, however, the United States is the world's leading exporter of molybdenum and has reserves which exceed far beyond our needs.

The suggestion of expropriation is even more ludicrous. Expropriation refers to the action of a government in the taking or modifying of the property rights of an individual in the exercise of its sovereignty. The lands in question before Congress are federal or public lands. As you know, any valid mining claims within these lands are treated as valid and existing rights, which are afforded all the rights normally associated with private property.

U.S. Borax states that it will not be possible to develop their claim under wilderness status. The Wilderness Act of 1964, however, specifically guarantees that existing mining claims can be developed and that the operators must be allowed reasonable access over wilderness lands. Wilderness designation gives the federal managing agency the authority to control damage to the non-mineral resources on federal lands.

Serious questions surrounding the impacts of mining construction and operations on fisheries resources remain unanswered . . . damage from access road construction, sub-lethal heavy metal toxicities, acid mine wastes, and tailing disposal among them. Unique characteristics of Misty Fjords such as 150 inches of annual precipitation and strong oceanic upwelling makes damage to the fisheries resources even more likely than down in the "Lower 48" where the molybdenum industry has devastated rivers and acquired a notorious record of environmental abuses.

If it is not economically feasibly to mine profitably without significant damage to the fishing and other non-mineral resources of Misty Fjords, as would be allowed within a wilderness area, then perhaps it is in the public interest for this mining operation to be delayed. A recent molybdenum discovery in Crested Butte, Colorado, estimated to be of value equal to that of the Misty Fjords deposit, makes it less likely not only that this mineral will be in short supply, but also that market conditions will become economically favorable for the extraction of molybdenum in a manner that does not damage the fishing resources of Southeast Alaska.

Last year fishermen harvested an estimated catch of $6,970,722 retail value from the Misty Fjords, approximately one-tenth of the total commercial fishing catch in southern Southeast Alaska. Over 5,000 fishing permits were issued in Southeast Alaska last year. Adding to that figure crew members and the roughly 700 workers employed in the fish processing industries, it is easy to see that fishing is not only a way of life, but a livelihood for many Southeastern Alaskans. Mining is but a possibility; one that carries with it many unknowns.

A major issue of the Quartz Hill molybdenum mine controversy may well be the question of fishing jobs versus mining jobs. The important trade-offs involved should be made by the citizens of the United States, their elected officials, and those persons presently utilizing the area's resources, NOT by profit-motivated multi-national corporations. We at SEACC strongly oppose U.S. Borax's attempts to trade jobs for a greater voice in a public decision-making process.

We hope that you will reassess your position concerning the Quartz Hill mine and support our efforts to attain wilderness designation of Misty Fjords so that its valuable resources and the substantial number of jobs for Southeastern Alaskans these resources presently provide will be protected now and in the future.

Sincerely,
Cynthia J. Croxton,
Staff, Southeast Alaska Conservation Council.

U.S. Borax.

Dear Mr. Job Applicant: Thank you for your letter inquiring about employment opportunities with U.S. Borax. As you may be aware President Carter's recent designation under the Antiquities Act of 56 million acres as National Monuments in Alaska has severely curtailed mineral exploration in that state. Deposits worth more than 20 billion dollars have been withdrawn from development by the federal government. Proposed RARE II legislation in the "lower 48" states on U.S. Forest land in combination with the above Alaskan withdrawals can do incalculable damage to a healthy and efficient mining industry, and in the long run may endanger national security.

Because of the adverse effects of federal legislation, the job market for permanent and summer employees is going to be quite limited. If you are seriously considering working in industry as a temporary or permanent exploration geologist, I strongly suggest that you write your congressmen, senators, and the President and voice disapproval to the government's expropriation of the natural resource base in the United States. Congress is currently making decisions that can be influenced by your opinion.

All politics aside, we may have an opening in our organization for a person with your qualifications. Please complete and return the enclosed application. In addition, please forward along a copy of this letter or letters written to your legislators with your application as we are compiling a reference file on this topic.

Thank you for your interest in securing employment with us. We hope to hear from you soon.

Sincerely,
Thomas A. Henricksen,
Senior Geologist.●

□ 1805

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the 1-minute speech today by the gentleman from Texas (Mr. de la Garza).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Young of Alaska (at the request of Mr. Michel), for today, on account of official business.

Mr. Murphy of Illinois (at the request of Mr. Wright), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Solomon) to revise and extend their remarks and include extraneous material:)

Mr. Ashbrook, for 10 minutes, today.
Mr. Horton, for 60 minutes, on May 3.

(The following Members (at the request of Mr. Matsui) to revise and extend their remarks and include extraneous material:)

Mr. Glickman, for 60 minutes, today.
Mr. Weaver, for 10 minutes, today.
Mr. Alexander, for 30 minutes, today.
Mr. LaFalce, for 30 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Pickle, for 30 minutes, today.
Mr. Carr, for 5 minutes, today.
Mr. Phillip Burton, for 5 minutes, today.
Mrs. Spellman, for 5 minutes, today.
Mr. Van Deerlin, for 10 minutes, today.
Mr. Duncan of Oregon, for 10 minutes, today.
Mr. Mattox, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Beilenson, for 10 minutes, today.
Mr. Udall, for 5 minutes, today.
Mr. Kastenmeier, for 60 minutes, on May 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Vanik, and to include extraneous matter.

Mr. Foley, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $965.

(The following Members (at the request of Mr. Solomon) and to include extraneous material:)

Mr. Royer.

Mr. Frenzel in five instances.

Mr. Whitehurst.

Mr. Conte.

Mr. Findley.

Mr. Badham.

Mr. Rudd in two instances.

Mr. Anderson of Illinois in two instances.

Mr. Lent.

Mr. Brown of Ohio in two instances.

Mr. Ashbrook in three instances.

Mr. Grassley.

Mr. Davis of Michigan.

Mr. Kelly.

Mr. Goldwater in two instances.

Mr. Bethune.

(The following Members (at the request of Mr. Matsui) and to include extraneous material:)

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances

Mr. Frost.

Mr. Charles H. Wilson of California.

Mr. Beard of Rhode Island.

Ms. Mikulski in two instances.

Mr. Stark in 10 instances.

Mr. Barnes in five instances.

Mr. Benjamin in two instances.

Mr. Stokes.

Mr. Vento.

Mr. Mazzoli in two instances.

Mr. Wolpe.

Mr. Long of Maryland in two instances.

Mr. Dodd in two instances.

Mr. LaFalce.

Mr. Alexander.

Mr. McDonald in five instances.

Mr. Waxman.

Mr. Hamilton.

Mr. Van Deerlin.

Mr. Bolling.

Mr. Gibbons.

Mr. Long of Louisiana.

Mr. Mitchell of Maryland.

Mr. Vanik in three instances.

Mr. Gray.

Mr. Clay.

Mr. Baldus.

Mr. Obey in 10 instances.

Mrs. Spellman.

Mr. Moakley in 10 instances.

Mr. Richmond in five instances.

Mr. Danielson.

Mr. Wolff in four instances.

Mr. Nelson.

Mr. Stack.

Mr. Bennett.

Mr. Dingell in three instances.

Mr. Simon in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 28. An act for the relief of Librado Perez; to the Committee on the Judiciary;

S. 49. An act for the relief of Fon-Chiau Shih; to the Committee on the Judiciary;

S. 117. An act for the relief of Heung-Sang Chun (also known as Margaret Chun); to the Committee on the Judiciary;

S. 131. An act for the relief of Dr. Manuel Javier Mariano and his wife, Lilia Zapanta Mariano; to the Committee on the Judiciary;

S. 144. An act for the relief of Mr. Angelo B. Cortes; to the Committee on the Judiciary;

S. 153. An act for the relief of Benjamin N. Mascarenas; to the Committee on the Judiciary;

S. 159. An act for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Alvouich Arriaza; to the Committee on the Judiciary;

S. 161. An act for the relief of Dr. Angelito Dela Cruz; to the Committee on the Judiciary;

S. 169. An act for the relief of Kwok Hung Poon and his wife, Sandra Shau Man Lai Poon; to the Committee on the Judiciary;

S. 170. An act for the relief of Janet Abraham, also known as Janet Susan Abraham; to the Committee on the Judiciary;

S. 179. An act for the relief of Reina Estela Olvera; to the Committee on the Judiciary;

S. 180. An act for the relief of Chakrapani Sethumadhavan; to the Committee on the Judiciary;

S. 214. An act for the relief of Rocio Edmondson; to the Committee on the Judiciary;

S. 215. An act for the relief of Renuka Pavla: to the Committee on the Judiciary;

S. 327. An act for the relief of Shavji Purshottam Dusara, his wife, Vasanti Shavji Dusara, and their child, Shreedhar Dusara; to the Committee on the Judiciary;

S. 364. An act for the relief of Tomiko Fukuda Eure; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2283. An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes.

ADJOURNMENT

Mr. GLICKMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 7 minutes p.m.) the House adjourned until tomorrow Tuesday, May 1, 1979 at 12 o'clock noon.)

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1423. A communication from the President of the United States, transmitting requests for supplemental appropriations and transfer authority for fiscal year 1979, and budget amendments for fiscal year 1980 (H. Doc. No. 96–108); to the Committee on Appropriations and ordered to be printed.

1424. A letter from the General Counsel of the Department of Defense, transmitting draft legislation amending the fiscal year 1980 military construction program now under consideration by the Congress; to the Committee on Armed Services.

1425. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the annual report of the Board for calendar year 1978, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking, Finance and Urban Affairs.

1426. A communication from the President of the United States, transmitting a justification for the amendment he has proposed to the fiscal year 1980 budget to provide for a grant military assistance program for Turkey, together with his certification that the furnishing of such assistance will be consistent with the principles set forth in section 620C(b) of the Foreign Assistance Act of 1961, as amended, pursuant to section 620C(d) of the act (H. Doc. No. 96–109); to the Committee on Foreign Affairs and ordered to be printed.

1427. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin military equipment to the Government of New Zealand, pursuant to section 3(a) of the Arms Expert Control Act; to the Committee on Foreign Affairs.

1428. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment sold commercially to Spain (transmittal No. MC–21–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1429. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors-designate Lawrence Pezzullo and Walter L. Cutler, and by members of their families, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

1430. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

1431. A letter from the Secretary of Labor, transmitting a report on his Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1432. A letter from the Acting Deputy Assistant Secretary of the Interior, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1433. A letter from the Secretary of the Interior, transmitting the annual report for calendar year 1978 on the Anthracite mine water control and mine sealing and filling program, pursuant to section 5 of the act of July 15, 1955, as amended (76 Stat. 935); to the Committee on Interior and Insular Affairs.

1434. A letter from the Secretary of Health, Education, and Welfare transmitting the 1978 report of the National Academy of Sciences/National Research Council on personnel needs and training for biomedical and behavioral research, pursuant to section 473 (c) of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

1435. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's comments to the Office of Management and Budget on draft legislation concerning uniform hazardous substances export notification, pursuant to section 27(k)(2) of Public Law 92-573; to the Committee on Interstate and Foreign Commerce.

1436. A letter from the Secretary of Transportation transmitting the annual report for calendar year 1978 on the regulation of ocean dumping, pursuant to section 112 of Public Law 92-532, as amended; to the Committee on Merchant Marine and Fisheries.

1437. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a work plan for upstream watershed protection of the Upper San Marcos River Watershed in Comal and Hays Counties, Tex., pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Public Works and Transportation.

1438. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the semiannual report on the effectiveness of the civil aviation security program, pursuant to section 315(a) of the Federal Aviation Act, as amended; to the Committee on Public Works and Transportation.

1439. A letter from the Federal Cochairman, Ozarks Regional Commission, transmitting the 1978 annual report of the Commission, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1440. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the 23d annual report on the financial condition and results of operations of the highway trust fund, pursuant to section 209(e)(1) of the Highway Revenue Act of 1956, as amended; to the Committee on Ways and Means and ordered to be printed.

1441. A letter from the Assistant Secretary of the Army (Civil Works) and the Secretary of Agriculture, transmitting three drafts of proposed legislation, (1) "To deauthorize the Cross Florida Barge Canal project, and for other purposes," (2) "To provide for restoration of the Oklawaha River portion of the project and disposition of other lands and facilities outside the Oklawaha River Area," and (3) "To authorize study of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System"; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

1442. A letter from the Comptroller General of the United States, transmitting a report recommending the repeal of the Davis-Bacon Act (HRD-79-18, April 27, 1979); jointly, to the Committees on Government Operations, and Education and Labor.

1443. A letter from the Comptroller General of the United States, transmitting, a report on the Appalachian Regional Commission (CED-79-50, April 27, 1979); jointly, to the Committees on Government Operations, and Public Works and Transportation.

1444. A letter from the Assistant Secretary of Energy for Environment, transmitting an amendment to the 1972 cooperative arrangement between the United States and the State of Colorado covering the uranium mill tailings remedial action program in the area of Grand Junction, Colo., pursuant to section 2(c) of Public Law 95-236; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

1445. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting, a report on means of improving opportunities for State participation in the process of siting, licensing and developing nuclear waste storage or disposal facilities, pursuant to section 14(b) of Public Law 95-601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on April 26, 1979, the following report was filed on April 27, 1979]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Resolution 209. Resolution to approve standby emergency temperature restrictions on certain buildings (Department of Energy standby conservation plan No. 2), Rept. No. 96-105). Referred to the Committee of the Whole House on the State of the Union.

[Submitted April 30, 1979]

Mr. ANNUNZIO: Committee on House Administration. House Resolution 229. Resolution providing for 15 additional positions on the U.S. Capitol Police Force (Rept. No. 96-106). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN:

H.R. 3778. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the issuance of a regulation for a food additive on the basis of an evaluation of the risks and benefits of the additive and to allow the continued use of saccharin; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois:

H.R. 3779. A bill to authorize a review of collective bargaining in the construction industry; the broadening of the geographical scope of collective bargaining for construction affecting interstate commerce; and the establishment of a Construction Industry Bargaining Commission; to the Committee on Education and Labor.

H.R. 3780. A bill to amend title XIV of the Public Health Service Act to provide Federal grants for small public water systems to meet national primary drinking water regulations; to the Committee on Interstate and Foreign Commerce.

H.R. 3781. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

H.R. 3782. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. BINGHAM:

H.R. 3783. A bill to provide for continuation of authority to regulate exports, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BONER of Tennessee:

H.R. 3784. A bill to provide that social security benefit increases occurring after May 1979 shall not be considered in determining eligibility for, or benefits under, certain Federal housing programs; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3785. A bill to amend the Federal Railroad Safety Act of 1970 to strengthen State enforcement of railroad safety laws; to the Committee on Interstate and Foreign Commerce.

By Mr. CLEVELAND (for himself and Mr. Lewis):

H.R. 3786. A bill authorizing a study to develop small hydroelectric projects for rural areas or communities; to the Committee on Public Works and Transportation.

By Mr. COELHO:

H.R. 3787. A bill to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973; to the Committee on Armed Services.

H.R. 3788. A bill to amend section 612(b) of title 38, United States Code, to clarify the intent of Congress in the application of the 1-year limitation within which certain veterans may apply for outpatient dental care; to the Committee on Veterans' Affairs.

By Mr. de la GARZA (for himself, Mr. Jones of Tennessee, Mr. Hightower, Mr. English, Mr. Stenholm, Mr. Glickman, and Mr. Hance):

H.R. 3789. A bill to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program; to the Committee on Agriculture.

By Mr. DOWNEY:

H.R. 3790. A bill to eliminate discrimination with regard to mental illness under medicare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 3791. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 3792. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on industrial development bonds the proceeds of which are to be used to provide facilities for the production of alcohol for use in the production of gasohol or other fuel; to the Committee on Ways and Means.

By Mr. JEFFORDS:

H.R. 3793. A bill to establish a program of replacing gasoline consumption by at least 10 percent with replacement fuels by 1985 and to extend Federal price controls on oil; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

By Mr. ECKHARDT (for himself, Mr. Ottinger, Mr. Florio, Mr. Moffett, Mr. Markey, Mr. Gore, and Ms. Mikulski):

H.R. 3794. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and to provide that the mandatory authority to regulate petroleum under the Emergency Petroleum Allocation Act of 1973 not expire until September 30, 1981; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. KINDNESS:

H.R. 3795. A bill to repeal section 19 of Public Law 95-142; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. KOSTMAYER:

H.R. 3796. A bill to extend the authority under the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. LaFALCE:

H.R. 3797. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fund to be used for the reclamation of hazardous waste sites and for the compensation of persons injured by hazardous waste, to provide a Federal cause of action for damages caused by hazardous waste, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3798. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fund to be used for the reclamation of hazardous waste sites and for the compensation of persons injured by toxic pollutants, to provide a Federal cause of action for damages caused by toxic pollutants, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORHEAD of California:

H.R. 3799. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin each year on the last Sunday in February rather than the last Sunday in April; to the Committee on Interstate and Foreign Commerce.

By Mr. MURTHA:

H.R. 3800. A bill to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products; to the Committee on Agriculture.

H.R. 3801. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. NATCHER:

H.R. 3802. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 3803. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3804. A bill to amend chapter 47 of title 10, United States Code, to prescribe the power of the President to promulgate rules for the administration of military justice within the Armed Forces; to the Committee on Armed Services.

H.R. 3805. A bill to amend chapter 47 of title 10, United States Code, (Uniform Code of Military Justice) to improve the quality and efficiency of the military judicial system; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 3806. A bill to establish a U.S. Court of Appeals for the Federal Circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

H.R. 3807. A bill to amend subtitle IV of title 49, United States Code, to codify recent law and improve the code without substantive change; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 3808. A bill to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out the purposes of the act, and to initiate an emergency investigation on the striped bass in Atlantic coastal waters; to the Committee on Merchant Marine and Fisheries.

By Mr. STENHOLM:

H.R. 3809. A bill to establish a Producer Elected Farm Policy Advisory Board, and for other purposes; to the Committee on Agriculture.

By Mr. TAUKE:

H.R. 3810. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 3811. A bill to increase the Federal share for interstate transfer projects under title 23 of the United States Code; to the Committee on Public Works and Transportation.

By Mr. WAMPLER:

H.R. 3812. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BEILENSON:

H.R. 3813. A bill to establish the Channel Islands National Park, to establish the Channel Islands National Preserve, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. UDALL (by request):

H.R. 3814. A bill to amend the act of December 22, 1974, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BURLISON (for himself, Mr. Nolan, and Mr. Mollohan):

H.J. Res. 308. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.J. Res. 309. Joint resolution providing for the designation and adoption of the American marigold as the national floral emblem of the United States; to the Committee on Post Office and Civil Service.

By Mr. KELLY (for himself and Mr. Kemp):

H.J. Resolution 310. Joint resolution disapproving and invalidating regulations of the Department of Housing and Urban Development concerning minimum property standards for thermal insulation requirements, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURTHA:

H.J. Res. 311. Joint resolution to authorize the President to proclaim the 22d day of April of each year as Queen Isabella Day; to the Committee on Post Office and Civil Service.

By Mr. WAMPLER:

H.J. Res. 312. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 313. Joint resolution requesting the President to proclaim the second week of May as "Municipal Clerks' Week"; to the Committee on Post Office and Civil Service.

By Mr. LATTA (for himself, Mr. Broyhill, Mr. Conable, Mrs. Holt, Mr. Regula, Mr. Shuster, Mr. Frenzel, and Mr. Rudd):

H. Con. Res. 113. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1980; to the Committee on the Budget.

By Mr. YATES:

H. Res. 239. Resolution disapproving a proposed deferral of budget authority No. D79-54; to the Committee on Appropriations.

H. Res. 240. Resolution disapproving a proposed deferral of budget authority numbered D79-56 to the Committee on Appropriations.

MEMORIALS

Under clause 4 of rule XXII,

146. The SPEAKER presented a memorial of the Legislature of the State of Hawaii, relative to reserve requirements for membership in the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHN L. BURTON:

H.R. 3815. A bill for the relief of Mr. Richard Thomas; to the Committee on the Judiciary.

H.R. 3816. A bill for the relief of Mrs. Maruko Kubota Smith; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 3817. A bill for the relief of Felipe Cabral, Lucrecia Cabral, Juan Cabral, Carlos Eduardo Cabral, Leticia Cabral, Maria de la Luz Cabral, and Maria Moreno Cabral; to the Committee on the Judiciary.

By Mr. MAZZOLI (by request):

H.R. 3818. A bill for the relief of Clarence S. Lyons; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 3819. A bill for the relief of Granwel Aquino Esteban; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. Martin and Mr. Marriott.

H.R. 154: Mr. Rangel, Mr. Fisher, Mr. Cotter, Mr. Swift, Mr. Fithian, Mr. Shannon, Mr. Levitas, Mr. Jones of North Carolina, Mr. Cavanaugh, and Mr. Myers of Indiana.

H.R. 214: Mr. Jeffries, Mr. Hansen, and Mr. Whittaker.

H.R. 282: Mr. Roe.

H.R. 365: Mr. Carney, Mr. Evans of Indiana, and Mr. Marriott.

H.R. 382: Mr. Kindness.

H.R. 388: Mr. Evans of the Virgin Islands.

H.R. 654: Mr. Murphy of Illinois and Mr. Long of Maryland.

H.R. 827: Mr. Carr, Mr. Corman, Mr. Garcia, Mr. Leland, Mr. Mineta, and Mr. Roe.

H.R. 1297: Mr. Long of Louisiana.

H.R. 1509: Mr. Gilman.

H.R. 1598: Mr. Bereuter and Mr. Loeffler.

H.R. 1674: Mr. Roth.

H.R. 1739: Mr. Breaux and Mr. Dornan.

H.R. 1979: Mr. Leach of Iowa, Mr. Pease, and Mr. Fazio.

H.R. 2043: Mr. Sabo and Mr. Erdahl.

H.R. 2157: Mr. Jenrette, Mr. Beard of Rhode Island, Mr. Pepper, and Mr. McClory.

H.R. 2158: Mr. Jenrette, Mr. Beard of Rhode Island, Mr. Pepper, Mr. Wampler, and Mr. McClory.

H.R. 2203: Mr. Ottinger, Mr. Mitchell of Maryland, Mr. Bailey, Mr. Lowry, Mr. Weiss, Mr. Roybal, Mr. Stokes, Mr. Lederer, Mr. Simon, Mr. Donnelly, Mr. Buchanan, and Mr. Wolpe.

H.R. 2279: Mr. Gilman.

H.R. 2341: Mr. Moorhead of California and Mr. Regula.

H.R. 2364: Mr. O'Brien and Mr. Vander Jagt.

H.R. 2647: Mr. Coelho. Mr. Vento, Mrs. Chisholm, Mr. Akaka, Mr. Addabbo, Mr. D'Amours, Mr. Roth, Mr. Lujan, Mr. Evans of the Virgin Islands, Mr. Long of Maryland, Mr. Kogovsek, Mr. Leach of Louisiana, and Mr. Weaver.

H.R. 2648: Mr. Coelho, Mr. Vento, Mrs. Chisholm, Mr. Akaka, Mr. Addabbo, Mr. D'Amours, Mr. Roth, Mr. Lujan, Mr. Evans of the Virgin Islands, Mr. Long of Maryland, Mr. Kogovsek. Mr. Leach of Louisiana, Mr. Weaver, and Mr. Whittaker.

H.R. 2975: Mr. Hawkins, Mr. Richmond, Mr. Derwinski, Mr. Rahall, and Mr. Erdahl.

H.R. 3246: Mr. Jenrette.

H.R. 3284: Mr. Swift.

H.R. 3494: Mr. Rodino, Mr. Clay, Mr. Stark, Mr. Pepper. Mr. Corrada, Mr. Weiss, Mr. Dellums, Mr. Roe. Mrs. Collins of Illinois, Mr. Evans of the Virgin Islands, Mr. Gray, Mr. Vento, and Mr. Rangel.

H.R. 3613: Mr. Williams of Montana, Mr. Kildee, Mr. Gray, Mr. Burgener. Mr. Solomon, Mr. Frenzel, Mr. Frost, Mr. Hughes, Mr. Gephardt, Mr. Ertel, Mr. Edgar, Mr. Weaver, Mr. Mottl, Mr. Benjamin, Mr. Duncan of Tennessee, Mr. Wirth, Mr. Whitehurst, Mr. Kindness, Mr. Murphy of Pennsylvania, Mr. Jacobs, and Mr. Dornan.

H.R. 3651: Mr. Seiberling, Mr. Quillen, Mr. Phillip Burton, Mr. Eckhardt, Mr. Derrick, Mr. Findley, Mr. Long of Maryland, Mr. Ambro, Mr. Annunzio, Mr. Atkinson, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Bingham, Mr. Boland, Mr. Bonior of Michigan, Mr. Bonker, Mr. Brodhead, Mrs. Byron, Mr. Carr, Mr. Cavanaugh, Mr. Corrada, Mr. Danielson, Mr. Dellums, Mr. Conyers, Mr. Dixon, Mr. Dodd, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Evans of Delaware, Mrs. Fenwick, Mr. Gephardt, Mr. Fisher, Mr. Fowler, Mr. Guarini, Mr. Gudger, Mr. Hawkins, Mr. Howard, Mr. Jeffords, Mr. Kildee, Mr. Kastenmeier, Mr. Kostmayer, Mr. Leach of Iowa, Mr. Lehman, Mr. Gradison, Mr. Markey, Mr. Mikva, Mr. Matsui, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Neal, Mr. Ottinger, Mr. Pease, Mr. Pepper, Mr. Minish, Mr. Ratchford, Mr. Regula, Mr. Reuss, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Sabo, Mr. Sawyer, Mr. Simon, Mr. Scheuer, Mr. Stack, Mr. Stark, Mr. Stewart, Mr. Studds, Mr. Van Deerlin, Mr. Vanik, Mr. Vento, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Wirth, Mr. Wolff, Mr. Wolpe, Mr. Thompson, Mr. Heftel, Mr. Holland, Mr. Shannon, Mr. Gibbons, Mr. Luken, Mr. Kogovsek, Mr. Fazio, Mr. Daschle, Mr. Weaver, Mr. Moffett, Mr. Mineta, Mr. Brown of California, Mr. Sharp, Mr. Gray, Mr. Garcia, Mr. Florio, Mr. McHugh, Mr. Baldus, Mr. Nolan, Mr. Fascell, Mr. Maguire, Mr. Solarz, Mrs. Spellman, Mr. Patterson, Mr. Rangel, Mr. Ford of Tennessee, Mr. Barnard, Mr. Harkin, Mr. Jacobs, Mr. John L. Burton, Mr. Brademas, Mrs. Schroeder, Mr. Hall of Ohio, Mr. Jenrette, Mr. Erdahl, Mr. Coelho, Ms. Mikulski, Mr. Ireland, and Mr. Green.

H.J. Res. 244: Mr. Rahall, Mr. Cleveland, Mr. Pepper, Mr. Jenrette, Mr. McHugh, Mr. Downey, Mr. Grisham, Mr. Solomon, Mr. Skelton, Mr. Weaver, Mr. Scheuer, Mr. Gilman, Mr. Lloyd, Mr. Gingrich, Mr. Neal, Mr. Dornan, Mr. Dougherty, Mr. Cheney, Mr. Wolpe, Mr. Brademas, Mr. Shuster, Mr. Gephardt, Mr. Stangeland, Mr. Campbell, Mr. Sawyer, Mr. Lungren, Mr. Richmond, and Mr. Fowler.

H.J. Res. 289: Mr. Burgener, Mr. Collins of Texas, Mr. Robert W. Daniel, Jr., Mr. Dornan, Mr. Kindness, Mr. Lagomarsino, Mr. Lungren, Mr. Walker, and Mr. Charles H. Wilson of California.

H. Res. 180: Mr. Roth.

H. Res. 232: Mr. Brodhead, Mr. Corman, Mr. Kemp, Mr. Rangel, Mr. Gilman, Mr. Lederer, Mr. Williams of Ohio, Mr. Murphy of New York, Mr. Roe, Mr. Frost, Mr. Ambro, Mr. Archer, Mr. Richmond, Mr. Weiss, Mr. Moakley, Mr. Waxman, Mr. Rosenthal, Mr. Yates, Mr. Collins of Texas, Mr. Mikva, Mr. Pepper, Mr. Lloyd, Mr. Howard, Mr. Scheuer, Mr. Drinan, Mr. AuCoin, Mr. Wolff, Mr. Levitas, Mr. Harris, Mr. Lent, Mr. Ottinger, Mr. Lagomarsino, Mr. Solarz, Mr. McHugh, Mr. Hughes, Mr. Ritter, Mr. Green, Mr. Dodd, Mr. Dougherty, Mr. Flood, Mr. Fish, Mr. Blanchard, Mr. Coughlin, Mr. Evans of the Virgin Islands, Mr. Barnes, Mr. Vento, Mr. Horton, Mr. Long of Maryland, and Mr. Buchanan.

PETITIONS, ETC.

Under clause 1 of rule XXII,

113. The SPEAKER presented a petition of the Economic Development Commission of Chippewa County, Mich., relative to year-round navigation and shipping in the Saint Mary's River system, which was referred to the Committee on Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 107

By Mr. BARNES:

—In the matter relating to the recommended level of Federal revenues increase the amount by $200,000,000;

In the matter relating to the appropriate level of total new budget authority increase the amount by $853,000,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $838,000,000;

In the matter relating to the amount of the deficit increase the amount by $638,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $538,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $638,000,000.

In the matter relating to national defense increase the amount for budget authority by $595,000,000; and increase the amount for outlays by $586,000,000.

In the matter relating to allowances increase the amount for budget authority by $258,000,000; and increase the amount for outlays by $252,000,000.

By Mr. JOHN L. BURTON:

—Page 2, line 4, strike out "$507,800,000,000" and insert in lieu thereof "$510,800,000,000".

Page 2, line 8, decrease the figure by $22,427,391,000.

Page 2, line 10, decrease the figure by $22,427,391,000.

Page 2, line 13, decrease the figure by $24,930,000,000.

Page 2, line 15, decrease the figure by $25,427,391,000.

Page 2, line 17, decrease the figure by $25,427,391,000.

Page 3, line 8, strike out "$135,263,000,000" and insert in lieu thereof "$112,974,000,000".

Page 3, line 9, strike out "$123,975,000,000" and insert in lieu thereof "$101,686,000,000".

Page 3, line 18, strike out "$20,138,000,000" and insert in lieu thereof "$20,002,005,000".

Page 3, line 19, strike out "$7,960,000,000" and insert in lieu thereof "$7,824,005,000".

By Mr. FLORIO:

—Page 4, line 21, strike out "$21,035,000,000" and insert in lieu thereof "$21,065,000,000".

Page 4, line 22, strike out "$20,549,000,000" and insert in lieu thereof "$20,556,000,000".

Conform the totals in the first section accordingly.

By Mr. GEPHARDT:

—In the matter relating to the appropriate level of total new budget authority reduce the amount by $497,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $95,000,000;

In the matter relating to the amount of the deficit reduce the amount by $95,000,000:

In the matter relating to the appropriate level of the public debt reduce the amount by $95,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $95,000,000.

In the matter relating to Function 750, Administration of Justice reduce the amount for budget authority by $497,000,000; and reduce the amount for outlays by $95,000,000.

By Mr. GLICKMAN:

—On page two, the numerals on lines 8 and 10 are each increased by $83,000,000 over those in the resolution; on page four, line 5, the numeral, "$19,708,000,000," is deleted and, in lieu thereof "$19,791,000,000" is inserted; and on page four, line 6, the numeral, $18,184,000,000" is deleted and, in lieu thereof $18,267,000,000" is inserted.

By Mr. JONES of Oklahoma:

—In the matter relating to the appropriate level of total new budget authority reduce the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $100 million;

In the matter relating to the amount of the deficit reduce the amount by $100 million;

In the matter relating to the appropriate level of the public debt reduce the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $100 million.

—In the matter relating to Function 050 reduce the amount for budget authority by $100 million; and reduce the amount for outlays by $100 million.

In the matter relating to the appropriate level of total new budget authority reduce the amount by $490 million;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $475 million;

In the matter relating to the amount of deficit reduce the amount by $475 million;

In the matter relating to the appropriate level of the public debt reduce the amount by $475 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $475 million.

In the matter relating to Function 500 reduce the amount for budget authority by $490 million; and reduce the amount for outlays by $475 million.

—In the matter relating to the appropriate level of total new budget authority reduce the amount by $500 million;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $50 million;

In the matter relating to the amount of the deficit reduce the amount by $50 million;

In the matter relating to the appropriate level of the public debt reduce the amount by $50 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $50 million.

In the matter relating to Function 450 reduce the amount for budget authority by $500 million; and reduce the amount for outlays by $50 million.

By Ms. MIKULSKI:

—Page 4, line 21, strike out "$21,035,000,000" and insert in lieu thereof "$21,065.000,000".

Page 4 line 22, strike out "$20,549.000.000" and insert in lieu thereof "$20,556,000,000".

Conform the total in the first section accordingly.

By Mr. MITCHELL of Maryland:

—Strike sections 1 through 3 and insert the following:

That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $511,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $610,624,000,000;

(3) the appropriate level of total budget outlays is $534,241,000,000;

(4) the amount of the deficit in the budget which is appropriated in the light of economic conditions and all other relevant factors is $22,441,000,000; and

(5) the appropriate level of the public debt

is $886,800,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $56,800,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $135,263,000,000;
(B) Outlays, $123,975,000,000.
(2) International Affairs (150):
(A) New budget authority, $12,932,000,000;
(B) Outlays, $8,223,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,622,000,000;
(B) Outlays, $5,475,000,000.
(4) Energy (270):
(A) New budget authority, $20,638,000,000;
(B) Outlays, $8,030,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,781,000,000;
(B) Outlays, $11,820,000,000.
(6) Agriculture (350):
(A) New budget authority, $4,929,000,000;
(B) Outlays, $5,350,000,000.
(7) Commerce and Housing Credit (370):
(A) New Budget authority, $7,560,000,000;
(B) Outlays, $3,195,000,000.
(8) Transportation (400):
(A) New budget authority, $19,708,000,000;
(B) Outlays, $18,184,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,524,000,000;
(B) Outlays, $7,535,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,840,000,000;
(B) Outlays, $31,855,000,000.
(11) Health (550):
(A) New budget authority, $58,307,000,000;
(B) Outlays, $54,012,000,000.
(12) Income Security (600):
(A) New budget authority, $217,702,000,000;
(B) Outlays, $183,325,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,700,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,306,000,000;
(B) Outlays, $4,433,000,000.
(15) General Government (800):
(A) New budget authority, $4,424,000,000;
(B) Outlays, $4,331,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,824,000,000;
(B) Outlays, $6,814,000,000.
(17) Interest (900):
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.
(18) Allowances (920):
(A) New budget authority, $854,000,000;
(B) Outlays, $831,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$19,800,000,000;
(B) Outlays, —$19,800,000,000.

—Strike Section 6 and insert in lieu thereof:

Sec. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $459,485,000,000, and the House Committee on Ways and Means shall submit to the House of Representatives legislation to increase Federal revenues by approximately $1,000,000,000; and

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $33,335,000,000;

(5) the appropriate level of the public debt is $829,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

By Mr. ROUSSELOT:

(Amendment in the nature of a substitute)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $515,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,000,000,000;

(2) the appropriate level of total new budget authority is $593,831,000,000;

(3) the appropriate level of total budget outlays is $515,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $——— 0 ———; and

(5) appropriate level of the public debt is $863,900,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,900,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of the total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974; that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $132,283,000,000.
(B) Outlays, $123,975,000,000.
(2) International Affairs (150):
(A) New budget authority, $12,647,000,000.
(B) Outlays, $6,000,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,498,000,000.
(B) Outlays, $5,151,000,000.
(4) Energy (270):
(A) New Budget authority, $19,695,000,000.
(B) Outlays, $7,338,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,500,000,000.
(B) Outlays, $11,245,000,000.
(6) Agriculture(350):
(A) New budget authority, $4,929,000,000.
(B) Outlays, $5,350,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,394,000,000.
(B) Outlays, $2,917,000,000.
(8) Transportation (400):
(A) New budget authority, $19,274,000,000.
(B) Outlays, $17,600,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,120,000,000.
(B) Outlays, $7,348,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $31,739,000,000.
(B) Outlays, $30,000,000,000.
(1) Health (550):
(A) New budget authority, $56,801,000,000.
(B) Outlays, $50,400,000,000.
(12) Income Security (600):
(A) New budget authority, $212,551,000,000.
(B) Outlays, $177,227,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $20,572,000,000.
(B) Outlays, $20,549,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,211,000,000.
(B) Outlays, $4,300,000,000.
(15) General Government (800):
(A) New budget authority, $4,327,000,000.
(B) Outlays, $4,200,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,356,000,000.
(B) Outlays, $6,489,000,000.
(17) Interest (900):
(A) New budget authority, $53,880,000,000.
(B) Outlays, $53,880,000,000.
(18) Allowances (920):
(A) New budget authority, $854,000,000.
(B) Outlays, $831,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$19,800,000,000.
(B) Outlays, —$19,800,000,000.

By Mr. WYLIE:

Strike out sections 1 through 5 and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $507,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is 0;

(2) the appropriate level of total new budget authority is $583,488,000,000;

(3) the appropriate level of total budget outlays is $507,800,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $863,870,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,870,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $134,263,000,000;
(B) Outlays, $122,975,000,000.
(2) International Affairs (150):
(A) New budget authority; $9,932,000,000;
(B) Outlays, $5,223,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,422,000,000;
(B) Outlays, $5,275,000,000.

(4) Energy (270):

(A) New budget authority, $18,338,000,000;

(B) Outlays, $6,160,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,181,000,000;

(B) Outlays, $11,220,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,429,000,000;

(B) Outlays, $4,850,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,310,000,000;

(B) Outlays, $2,945,000,000.

(8) Transportation (400):

(A) New budget authority, $18,458,000,000;

(B) Outlays, $16,934,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,003,000,000;

(B) Outlays, $7,048,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,653,000,000;

(B) Outlays, $24,654,000,000.

(11) Health (550):

(A) New budget authority, $53,079,000,000;

(B) Outlays, $48,813,000,000.

(12) Income Security (600):

(A) New budget authority, $215,732,000,000;

(B) Outlays, $181,500,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20,895,000,000;

(B) Outlays, $20,409,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,056,000,000;

(B) Outlays, $4,183,000,000.

(15) General Government (800):

(A) New budget authority, $4,223,000,000;

(B) Outlays, $4,130,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,499,000,000;

(B) Outlays, $6,489,000,000.

(17) Interest (900):

(A) New budget authority, $54,000,000,000;

(B) Outlays, $54,000,000,000.

(18) Allowances (920):

(A) New budget authority, $815,000,000;

(B) Outlays, $792,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000;

(B) Outlays, —$19,800,000,000.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

EXTENSIONS OF REMARKS

AIRCRAFT NOISE ABATEMENT

HON JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MOAKLEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues the testimony of Mr. David W. Davis, executive director of the Massachusetts Port Authority before the Aviation Subcommittee of the House Public Works Committee.

Mr. Davis addressed the subject of aircraft noise abatement, a matter of critical importance to my constituents in Boston, many thousands of whom live in close proximity to Boston's Logan Airport, a major domestic and international airport.

I believe that it is crucial for the Congress to pass strong legislation requiring the replacement or retrofit of airplane engines which violate the personal health and well-being of neighborhood area residents.

Mr. Davis presents a strong case for retrofit, and he has cited statistics at Boston's Logan Airport that speak for themselves for the need for quieter jet aircraft. I believe that my colleagues will be interested in Mr. Davis' testimony which follows:

TESTIMONY OF DAVID W. DAVIS

Mr. Chairman and members of the Committee, my name is David W. Davis, and I am executive director of the Massachusetts Port Authority, proprietor of Boston-Logan International Airport.

I am pleased to be here because the subject we are addressing today is one of tremendous importance to us in Boston.

As any of you who have flown to Boston know, we have an airport which is almost uniquely close to the city center, an airport which was built literally in the midst of an existing residential neighborhood.

Logan Airport, in the jargon of the trade, is considered one of the five most noise-impacted airports in the United States.

Because of the intense concern in Boston about airport noise and its ever growing impact on our surrounding communities, we at Massport, with the support of our congressional delegation, have focused significant attention over the last three years to produce a meaningful noise abatement program.

It is in the area of aviation noise that the relationship between the Federal Government and the airport proprietor is unique. The airport proprietor faces very special responsibilities to respond to noise impacted areas, including ultimate legal liability for noise damages. Yet, the airport proprietor cannot control the most important means for resolving the problem—control over the source of noise—the aircraft itself.

No matter how creative or committed the airport operator may be in dealing with noise at the local level we are absolutely powerless to deal with aviation noise at the source.

The aircraft fleet quieting regulation adopted by the Department of Transportation in December of 1976 was the result of over twenty years of discussion, including almost 7 years of rule making. This regulatory scheme, however, represented a compromise between the needs of impacted communities and the needs of the industry. In order to accommodate the concerns of the aviation industry, a retrofit/replacement program was to be phased in over a period of several years. That compromise offered relief to the community only at the end of this period. Now that the date for the promised relief to the long suffering communities is finally at hand, the legislation before you proposes to postpone it indefinitely.

And every month that the Congress continues to debate the merits of aircraft noise abatement further delays decisions by airline management to comply with that regulation.

That regulation had as its premise that retrofit is a crucial part of any program to reduce aircraft noise at the source. I want to stress that I believe that retrofit can make an appreciable difference. I believed that when the rule was promulgated. I believe that today.

To support my statement, I want to share with you some data that addresses the difference between part 36 and non part 36 aircraft in terms of noise impact to the community surrounding Boston's Logan Airport.

The maps, attached to my statement, show the noise contours measured in effective perceived noise level (EPNL) units for a landing by a 727 at Logan International Airport. This method of measurement corresponds to the way noise is actually perceived by people—that is, on a single event basis. Merely by looking at the difference between the size of the contours before and after retrofitting, you begin to see the significant effect of retrofitting. The tables included in this statement also translate the reach of these contours into the number of people affected by each individual noise event. As you can see, the percentage of people who enjoy a reduction at the highest levels is more than 86 percent. At the 100–105 level, it is greater than 38 percent. At the 95–100 level, which is much larger than either of the other groups, in terms of the number of people affected, the reduction in the affected population is almost 59 percent. When you total these numbers, what you see is that high-range noise—and at 95 and above we're talking about very loud noise—is reduced for some 34,000 people. That amounts to a 58 percent reduction in the number of people exposed to high-range noise as a result of retrofitting a single 727. When you take into account that 40 percent of the Boston fleet is in non-retrofitted two and three engine aircraft, it is readily evident that retrofitting has dramatic benefits for people in the communities surrounding our airport.

These reductions are equally dramatic for school children in the area surrounding Logan Airport. There are 17 schools within the 95 EPNdB arrival contour and above. Almost 6,700 children attend these schools. Retrofitting will reduce the number of students impacted by this high-level of noise down to less than 2,700 students. That represents a reduction of 60 percent of the number of children exposed to high-level noise. Remember these figures are based on a single event basis only. When we consider the number of operations conducted on a daily basis, not only at Boston, but at noise impacted airports throughout the country, the benefit of retrofitting two and three engine aircraft would seem unassailable. There is, of course, the question of the cost of retrofit. Some opponents of retrofitting have labeled it as "too costly an undertaking."

I believe there is a positive cost benefit relationship for retrofitting. Indeed, more farsighted carriers are already beginning to take steps to retrofit their planes, recognizing that there is value to them economically. In Boston, for instance, the Federal Express Co. has agreed and is now in the process of retrofitting a 727-100 for Boston service. This is costing them approximately $78,000. This can hardly be considered exorbitant, let alone cost inefficient.

So, what we see is that retrofitting not only provides dramatic relief for communities surrounding airports, but that it costs less than we have been led to believe by some of the more melodramatic rhetoric of the industry.

Mr. Chairman, the issue before you today should be not whether 2 or 3 engine noncomplying aircraft will be retrofitted, but when! Certainly, the 727 fleet is not going to disappear from the face of the Earth. With a substantial portion of their useful life remaining, the economics of the aviation industry will require their continued utilization.

The additional demands placed upon the carriers resulting from the Air Cargo Deregulation Act of 1977 and the Airline Deregulation Act of 1978 will result inevitably in the sale of these aircraft by the larger, incumbent carriers to the newer entrants into the marketplace. Thus, in effect, we are talking about delaying the inevitable to the detriment of over 6 million people living in areas highly impacted by aviation noise.

Members of the Congress should also be aware of the potential economic impact resulting from a change in the Federal noise rules at this point in the game. Such a change may well raise serious legal questions which could upset the precarious balance in noise abatement powers between the Federal Government and local airport operators.

A court may well perceive that Congress has decided to accept the legal liability for noise damage lawsuits resulting from their decision to weaken the noise standards in an area already preempted by the Federal Government. And, conversely, the courts may decide that since the Federal Government is withdrawing its commitment to meaningful noise relief during the period of 1981–1990 and beyond, the local operators can now promulgate their own fleet noise rules to fill the vacuum.

Mr. Chairman, aircraft noise has been a noticeable and irritating problem for over 20 years and I would say it's now time for the airlines to get on with compliance efforts unhampered by last ditch efforts to rewrite an already promulgated regulation on which the clock has been running for more than 2 years.

Unfortunately the waiver provisions contained in legislation before your committee raises serious questions about the Federal Government's commitment to a real aircraft noise reduction program.

In summary, Mr. Chairman, we respectfully ask that your Committee take a firm stand and allow no further delays in the implementation of a meaningful noise abatement program.

A statutory grant of waivers at this point in time will serve to erode the expected noise reduction contemplated when the far 36 rule was promulgated and will create additional hardships for those noise impacted citizens for whom the rule was designed to offer protection.

POPULATION EXPOSED TO VARIOUS EPNL VALUES DURING LANDING OF 727 AIRCRAFT BEFORE AND AFTER RETROFIT, BOSTON-LOGAN INTERNATIONAL AIRPORT, POPULATION EXPOSED WHEN 727 IS LANDING ON RUNWAY

EPNL values	4 L. & R.	15 R	22 L. & R.	27	33 L	All runways combined	Percentage reduction (after retrofit versus before retrofit)
Before retrofit:							
105	1,220	4,000	3,910	440	0	9,570	
100 to 105	1,750	7,420	3,990	500	0	13,660	
95 to 100	8,090	18,190	7,780	800	0	34,940	
Total						58,170	
After retrofit:							
105	0	740	490	90	0	1,320	86.2
100 to 105	1,460	3,640	2,290	440	0	8,460	38.1
95 to 100	2,040	7,690	4,650	0	0	14,380	58.8
Total						24,160	58.0

SCHOOLS WITHIN 95 EPNL ARRIVAL CONTOUR FOR 727[1]

Neighborhood and school	Impacted enrollment preretrofit	Impacted enrollment postretrofit
East Boston:		
Kennedy	129	
Sheridan	185	185
East Boston High	1,098	
Revere:		
Roosevelt	200	
Mable	100	
Howe	250	250
Ronan	204	204
Pasteur	113	113
Walcott	219	219
Garfield	289	289
Liberty	400	
Chelsea:		
Williams	1,310	
St. Stanislaus	221	
Shurtleff	858	858
Everett:		
Lewis	173	
Centre	549	549
Devens	296	
Total	6,683	2,667

[1] Reduction equals 60 percent. ●

A RESPONSIBLE VOICE ON IRELAND

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BARNES. Mr. Speaker, as you are all too well aware, the terrible tragedy in Northern Ireland has been made far worse, both by those in responsible positions who avoid their responsibilities, and by those not in authority who abuse their right of criticism with demagoguery and invective.

I am proud that the Speaker of the U.S. House of Representatives has persisted in his efforts to contribute responsibly toward the resolution of the conflict, and I think all of my colleagues should know that Speaker O'NEILL's efforts—and fairness—have not gone unnoticed among the American people.

I commend to this House the following editorial which appeared in the Baltimore Sun on Thursday, April 26, 1979:

O'NEILL ON IRELAND

Few Irish-Americans have shown as genuine and compassionate concern for the troubled people of Northern Ireland as Speaker of the House Thomas P. O'Neill, Jr. Few congressmen have been as responsible and constructive about it as he, as devoid of politicking for votes out of tragedy.

Speaker O'Neill maintained his high standard last week when he sought out representative leaders of opinion in Belfast and elsewhere. Then at a dinner in Dublin he delivered his frustrations. "There is no more serious problem on the agenda of British politics than a crisis which has claimed 2,000 lives and caused almost 20,000 serious injuries," he said. "The problem has been treated as a political football in London, or has otherwise been given a low priority." He called on the government to be elected next week to begin new initiatives for a settlement based on consent.

Somehow the "political football" phrase became top item on British television news in the raw nerve period of the election campaign. The result was a cascade of invective against Mr. O'Neill. But he was right. Northern Ireland has been used as a political football by some British politicians, and it has been relegated by all to lower priority than conditions demand.

Margaret Thatcher, the British Conservative leader, can understandably take umbrage at "political football" for a trauma that includes the assassination of her most trusted political friend, Airey Neave. But her own contribution to thought about Northern Ireland is negligible. Shirley Williams, a Labor cabinet minister, may have been right that many Irish-Americans are not up-to-date on Irish affairs. That could not include Tip O'Neill, who does his homework. There are legitimate targets for the crack by Claran McKeown, a leading Ulster conciliator, about "a combination of Irish-Americanism and a calculated interest in the Irish-American vote." Mr. O'Neill is not among them.

Perhaps Mr. O'Neill should be grateful that Britain's election campaign does not turn on Northern Ireland. Electioneering does not bring out the best approaches to issues susceptible to demagoguery. But he is right about the seriousness of Northern Ireland as a problem for Britain, and absolutely right to keep up the pressure for fresh initiatives.

Tip O'Neill has come home unrepentant. He has a lot to be unrepentant about. ●

THRIFT IN AMERICA

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, Americans are becoming less thrifty. The personal savings rate—the percentage of disposable income saved—in this country has declined from the 7-percent rate that has prevailed in recent years (1966–75) to 4.8 percent in the fourth quarter of last year. While that decline is in itself cause for concern, it is even more worrisome if the recession now forecasted for later this year arrives on schedule.

Typically the rate of personal savings picks up markedly before the onset of a recession. In the 12 months that preceded the last recession in November 1974 individuals were saving, for example, nearly 8 percent of their disposable income. Today, 4.8 percent.

The decline in personal thrift is also reflected in consumer installment debt. The ratio of consumer installment debt (for cars and other credit purchases) has risen dramatically in the past 2 years from the 12.3 percent average of 1976 to nearly 15 percent in January of this year.

From both a long-term and cyclical perspective, Americans are simply borrowing too much and saving too little at this stage of our economic recovery. The consequences of inadequate savings on the individual level should be apparent to all. Insufficient savings can force the postponement or forfeiture of plans for the purchase of a new car or home, or a college education for the children. But more importantly, individuals who save too little are ill-prepared for contingencies like unemployment or prolonged illness.

But the consequences of inadequate savings are equally important to the Nation at large. Personal savings are a vital source of investment and growth in this country; as we save less, we invest less in the future. The apparent slowdown in productivity and real wages is in no small way related to the decline in savings and investment.

What accounts for the decline of thrift in our country? The simple answer is that the real after-tax return on savings has fallen measurably, making it much harder for people to save, especially for lower and middle-income taxpayers. Put another way, a penny saved is no longer a penny earned.

Twenty years ago, banks and savings and loan institutions offered their depositors interest rates of only 2 to 3 percent. But given that inflation was averaging 1.5 percent or less, the depositor still received a positive rate of return even after taxes. Today, the depositor earns 5 to 6 percent on his investment, but the inflation rate is almost 9 percent, if not greater. As a consequence, depositors lose in real terms an average of 3 to 4 percent a year on their investment. But the Government adds insult to the savings injury by taxing the nominal interest. After State and Federal income taxes are assessed on the nominal interest, the loss in real terms can jump as high as 6 percent.

The savings dilemma is particularly acute for those lower and middle-income taxpayers who cannot afford to obtain higher interest rates by purchasing large denomination corporate and municipal bonds or the "money market certificates" now offered by depository institutions.

Individual Retirement Accounts (IRA's) have not helped either. It was originally hoped that IRA's would offer a viable savings plan for those employees not enrolled in a qualified pension plan. It has helped some taxpayers. An estimated 2.5 million taxpayers used an IRA in 1977 by investing—and writing off for tax purposes—up to 10 percent of their income—with a maximum contribution of $1,500—in a qualified savings or investment plan. But the utilization rate by taxpayers earning $20,000 or less was only 5 percent—or 1 out of 20 eligible taxpayers.

If we are to rectify the inequitable treatment accorded the small saver in this country, we must begin by reducing the taxation of interest income. The easiest and fairest way to begin is by excluding from the taxpayer's gross income the first $500 of interest earned in a depository institution for single taxpayers—and $1,000 for married couples filing joint returns.

Such a step would not only help to remove an inequitable tax burden, it would also serve as a substantial savings incentive for millions of young and poor Americans who at present are saving only a small fraction—if any—of their income. Let's make thrift a paying proposition.

Mr. Speaker, I am introducing today legislation along the lines outlined above. I hope and trust that my colleagues will give this proposal the serious consideration that it deserves.●

THE UNITED JEWISH FEDERATION OF BUFFALO CELEBRATES THE 31ST ANNIVERSARY OF THE NATION OF ISRAEL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. KEMP. Mr. Speaker, 31 years ago, after 2,000 years of searching for a homeland, Jews around the world rejoiced at the rebirth of Israel.

Today, after 31 years of freedom and sacrifice and too many wars, Israel sees the flickering light of peace at the end of a dark tunnel. The price of that freedom and protecting that flame are dear. Israel must still be vigilant in defending its borders, and constantly wary of the despicable terrorists who brutally murder and assault innocent citizens, young and old alike.

But even today, as in 1948, when David Ben Gurion read the proclamation of statehood to the citizens of Tel Aviv, Jews rise to assume their unique burden with a marvelous joy. Few back then gave Israel much chance to survive. Israel was surrounded by hostile armies, its own forces were small and untried, the land arid and desolate, the economy weak. But Israel had spirit. Its people were dedicated to building a nation that worked.

They succeeded beyond expectation. Where once were rocks and dust, now stand thriving communes where productive cooperation makes the land fertile and the people prosperous. Entire cities have bloomed on the horizon and Jews from every other nation return to their homeland, some fleeing oppression, all seeking to join this new experience. Carefully nourished, the nation of Israel has taken root in a once dusty soil and blossomed into a major industrial power and a symbol of democracy.

Tried as they will surely be, never again will persecuted Jews from oppressive nations be refused final refuge. With their dedication, never will the hard-won homeland be lost. And with our steady commitment, never will calls for assistance from these steady friends go unanswered.

On May 6, 1979, the 31st anniversary of the nation of Israel, the citizens of Buffalo will conduct a Walk for Israel to observe this milestone in the history of mankind. The leaders of the United Jewish Federation of Buffalo are honored to receive the Israeli Ambassador to the United Nations in Buffalo to share this moment. It is appropriate that we gathered in Congress bear witness to events in Israel and in Buffalo and join in celebrating 31 years of freedom, justice, and progress in the land of Moses. Shalom.●

A BILL TO AMEND THE FEDERAL RAILWAY SAFETY ACT OF 1970

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BONER of Tennessee. Mr. Speaker, at this time, I would like to introduce an amendment to the Federal Railroad Safety Act of 1970 (45 U.S.C. § 421, et seq.) which, if enacted, would greatly strengthen the Federal/State partnership in promoting and enforcing safety on the Nation's railroads. The amendment that I am proposing would grant State agencies that regulate the safety of rail facilities, equipment and operations within their respective borders, authority concurrent with that of the Secretary of Transportation, to enforce Federal railroad safety rules and regulations. The purpose of this amendment is to encourage the active and vigorous participation by State regulatory authorities in the continuing effort to reduce the tragic loss of life and severe property damage that result from railroad accidents throughout the country.

It is becoming increasingly apparent that the current law and its administration by the Federal Railroad Administration are not working. Before the Railroad Safety Act was signed into law in 1970, railroad safety had for the most part been left in the hands of the States.

In that year, according to FRA statistics, accidents on class I and class II railroads occurred at the rate of 9.65 accidents per million miles travelled. By 1977, after 7 years of FRA administration of rail safety, the rate of accidents had increased by 43 percent to 13.82 accidents per million miles travelled. The cost in human terms of this increase in the incidence of rail accidents is staggering. In 1970, over 23,000 persons were killed or injured as a result of rail accidents. By 1977, the number of casualties on our class I and II railroads had jumped to almost 70,000 persons, an increase of almost 200 percent.

The success, or rather lack of success, of the FRA administered safety program can also be judged by the number of States that have been willing to participate in enforcing the Federal safety standards. As of April 1978, only seven States were fully certified to enforce either FRA equipment standards or track standards. In addition, 13 other States had entered into agreements with the FRA to enforce track standards, while four States were willing to agree to enforce equipment standards. The majority of the States, however, have been unwilling to implement the Federal program. In sharp contrast, a similar program established under the Natural Gas Pipeline Safety Act of 1968 has enlisted almost unanimous State participation.

The major reason for the failure of the States to participate in the Federal safety program is the present State of the Federal Railroad Safety Act. Under section 207 of the current law (45 U.S.C. § 436), a State agency must wait 90 days from the time it discovers an unsafe condition on a railroad operating within its borders until it can bring suit in Federal District Court seeking an injunction against the unsafe condition. A State must sit idly by for 3 months waiting for the FRA to correct a condition which could cause serious loss of life and property damage. In many cases, the FRA takes no action at all during this 90-day period, allowing the railroad in question to continue to operate in an unsafe manner.

The bill that I am proposing today would amend the Federal Railroad Safety Act by deleting the present § 207 in its entirety. In its place would be added a new § 207, which would make participating State agencies full partners with the FRA in this enforcement effort. The FRA would continue to determine uniform safety standards to be applied throughout the country as it does under the present law. The proposed amendment, however, would permit a participating State agency to go directly into Federal court when the agency detects a violation of the Federal standards by a railroad. There would be no 90-day waiting period during which the railroad could continue to operate in violation of Federal safety standards.

The proposed amendment would also grant State agencies the authority to issue emergency orders prohibiting unsafe conditions which in the agency's determination are likely to result in death or injury to persons. The likelihood of tragic accidents involving serious loss of life will therefore be reduced.

When enacted, I believe the proposed law will greatly enhance the common effort of both State and Federal agencies to insure the safe operation of our Nation's railroads. The added enforcement muscle given State agencies by the proposed bill will increase a State's desire to participate, either by certification or agreement, in the Federal safety program. The continuing deterioration of our railroads demands more effective enforcement of Federal safety standards by both State and Federal agencies. We cannot allow the death and destruction of the Nation's rail system to continue to grow at its present rate. The only practical way to reduce the rate of serious accidents is to encourage active State participation in the Federal program by enacting this bill. The Congress must act or the grim statistics will continue to climb.●

MARVELLA BAYH

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 25, 1979

● Mr. ANNUNZIO. Mr. Speaker, it is with a sad heart that I join my distinguished colleague, JOHN BRADEMAS of Indiana, in paying tribute to a gallant and courageous woman, Marvella Bayh, the wife of the Honorable BIRCH BAYH, Senator from Indiana, who died after a long and valiant struggle with cancer. Mrs. Bayh became a national symbol of courage for millions of her fellow citizens for her unflinching devotion to duty in spite of the debilitating effects of her disease and the treatment necessary to slow its progress. Her inspiring example of heroism in the fact of adversity is a tragic loss for all the people of our country.

In spite of her serious disability, Marvella Bayh remained stalwart and loyal in her duties as the wife of a Senator, a position that required the greatest of personal sacrifice and the total dedication of her personal life to the demands of her husband's public office. A normal family life is almost impossible to maintain in the face of the need for extensive travel and late, indefinite working hours, and as we all know, this kind of life is difficult under any circumstances, even without a debilitating disease.

Mrs. Bayh "Marvella Hern" was born in Enid, Okla., attended Oklahoma State University and Indiana University, and she married the future Senator, BIRCH BAYH, in 1952. She was already an accomplished orator, winning many speaking contests, and was the first woman to win the National Farm Bureau national speaking contest in 1951. It was in 1971 that she found she was stricken with cancer, and was forced to undergo a mastectomy.

The tragic cancer operation did not discourage her or dim her natural optimism, and she became a dedicated and tireless speaker for the American Cancer Society around the country, giving almost 200 speeches as well as radio, TV, and newspaper interviews too numerous to mention, encouraging the millions of Americans afflicted by this disease, and stressing the importance of early detection and treatment. She emphasized the importance of being hopeful, living a normal life, and retaining the belief that even this dread disease can be defeated by pointing out that already 1 out of 3 cancer victims are cured, and with perserverance, that rate can be increased to 1 out of 2.

Mr. Speaker, Mrs. Annunzio and I extend our deepest sympathy to our dear and old friend, Senator BAYH, and his son, Evan, on their great loss.●

1979 SOLIDARITY SUNDAY HAS SPECIAL MEANING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BIAGGI. Mr. Speaker, as I have throughout its 8-year history, yesterday I marched in New York for the observance of Solidarity Sunday. However, this year the march was dramatically different. In years past, those of us who marched did so with the fervent hope that our actions might lead one imprisoned Soviet Jew closer to freedom. This year, our prayers were answered when Mark Dymshits and Edward Kuznetsov, two of five Jewish dissidents freed by the Soviets appeared and addressed the 1979 rally.

It was dramatic and poignant moment. Here were these two men less than 72 hours after being released from the harsh life of a Soviet prison receiving a thunderous ovation from a crowd of more than 50,000 persons. Following the ovation, the two men spoke and thanked the crowed for their work which helped to lead them to their freedom.

Frankly, the swiftness with which the Soviet Union acted in this case stunned most observers in this Nation. However, we had been noting the gradual softening of Soviet attitudes in the area of Jewish emigration as more visas were being issued than in the past.

I had a special interest in the Edward Kuznetsov case for he was my "adopted" prisoner of conscience in the prisoner adoption program sponsored by the Greater New York Conference on Soviet Jewry. Edward Kuznetsov was arrested in June 1970 on charges of conspiracy to hijack a civil aircraft to escape to Scandanavia en route to Israel. He was originally sentenced to death but his term was reduced to 15 years after a worldwide outcry. During his imprisonment Kuznetsov wrote and smuggled out of prison a diary detailing his treatment. An excerpt:

> No matter how tragic is your acceptance of the world, life gives you such degrading blows that you make grimaces and gestures like a clown at moments that are most unsuitable

for a tragic role. For them, of course, it is not enough to sentence, to be shot, they must bring me to such a condition that I should make grimaces to amuse the public. No sir! Were I a Spaniard, like Unamuno, I would not be afraid of the pathos of the shout. "You can kill me, but not convince me!"

Kuznetsov is married to the gallant Sylva Zalmonson herself a former prisoner of conscience. This remarkable woman after she was repeated denied permission by the Soviets to visit her husband came to the United States to plead on her husband's behalf. Her sincere and moving testimony resulted in a 1977 mailgram signed by myself and 35 of my colleagues to Ambassador Dobrynin which urged relief for Kunetsov.

Edward Kuznetsov was a courageous man in prison. He dared to protest against conditions, he conducted a hunger strike. He raised the world's consciousness and concern about life for Soviet Jews in prison.

As recently as April 2, I wrote to Ambassador Dobrynin urging freedom for Kuznetsov. At this point I wish to insert this letter into the RECORD:

WASHINGTON, D.C., *April 2, 1979.*

Hon. ANATOLY P. DOBRYNIN,
Ambassador Extraordinary and Plenipotentiary, Union of Soviet Socialist Republics, Office of the Embassy, Washington, D.C.

DEAR AMBASSADOR DOBRYNIN: I am contacting you on behalf of Mr. Edward Kuznetsov, who is currently serving a 15-year sentence in a Soviet prison.

In 1970, due to intense feelings about his Jewish heritage, Mr. Kuznetsov requested the necessary documents needed to emigrate to Israel. For no apparent reason, his request was denied. Only a few months later, Mr. Kuznetsov was arrested for allegedly attempting to hijack an airplane to Israel and was formally charged with treason. Given the death penalty, Mr. Kuznetsov's sentence was reduced, after a worldwide appeal, to 15 years in a specially strict-regime camp.

I am very much aware of the positive efforts by your government to increase the number of Soviet Jews allowed to emigrate. However, I also recognize that there is a great need to continue and expand this policy, in keeping with the Helsinki Accords, which guarantee the right of emigration. Certainly, Mr. Kuznetsov should be granted amnesty, as permitted under Soviet law, and an immediate exit visa to join his wife in Israel.

We in the Congress consider the right to speak freely and the right to emigrate to be basic rights that no country should deny its citizens. I hope you will communicate to your government my objections over the treatment of Mr. Kuznetsov and my request that he be released immediately. I anxiously await your favorable reply in this important matter.

Sincerely,

MARIO BIAGGI,
Member of Congress.

April 27, 1979, will be remembered as a day of triumph for the cause of freedom and human rights. Last week produced widely varying emotional feelings for Jews. On Tuesday in a somber ceremony attended by President Carter, a memorial was dedicated to the victims of the holocaust. Three days later the Soviet Union released the five dissidents and just yesterday President Carter escorted one of them to church service.

The leaders of the Soviet Union are to be commended for their actions. They have clearly demonstrated an interest in improving United States Soviet relations by responding to one of the United States most intense concerns—the release of Soviet Jewish prisoners. It remains to be seen if this was one symbolic gesture or the beginning of a new commitment to freedom by the Soviet Union.

Solidarity Sunday 1979 is a day I will not soon forget. As I stood among the joyous crowd I could not help thinking about how hopeless the situation seemed just several years ago. In the end justice triumphs. There remains a long way before total justice is achieved for Soviet Jews, but a giant step has been taken.●

NEW PERSPECTIVES ON THE COST OF REGULATION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. VENTO. Mr. Speaker, we have heard much in recent years about the high cost of Government regulation. Unfortunately, little has been said about its economic benefits. This article from the Washington Post offers a new perspective. It pinpoints specific savings as a result of the Clean Air Act. I want to bring this to my colleagues' attention because I think it offers a positive response to those who put forth blanket criticism of regulation. Health savings and an increase in longevity are precisely the kinds of benefits we should be measuring. Translated into dollars and cents, these benefits represent the best argument of all for laws like the Clean Air Act.

The article follows :

ECONOMIC GAINS SEEN EXCEEDING CLEAN AIR COSTS

A new study of one major form of air pollution shows the country may be making money as well as improving the health of its citizens by cleaning up the air, the Environmental Protection Agency said yesterday.

As of 1977, the study said, the United States was spending $6.7 billion on government-required controls for pollution from power plants, factories and other non-automotive sources, while reaping a benefit of more than $8 billion.

"One can draw a reasonable implication . . . that the health benefits alone from cleaning up air pollution appear to be substantially more than [the cost of] controlling particles and all other pollutants from stationary sources," said Alan Carlin of EPA's Office of Research and Development.

The study, conducted by scientists at the universities of Wyoming, New Mexico and Southern California under an EPA grant, concluded it is possible to measure benefits previously thought intangible. That could help government regulators, now under fire for the inflationary and other costs of regulation.

The study also said illness, or the prevention of it, may be a more important measurement of economic benefits than death statistics for those exposed to pollution.

"The likely economic benefits of air quality improvements are perhaps as much as an order of magnitude greater than previous studies had hypothesized," the report concluded.

A sample of 5,000 households nationwide determined there is a statistical association between time lost from work and lost wages, and living in an area where the air contains particulate matter such as soot, the report said.

If that form of pollution could be cut by 60 percent there would be a $36 billion benefit in increased labor productivity, it said.

In addition, it said a look at death rates in 60 cities indicates an additional $4 billion economic benefit from reduced mortality if particulate pollution dropped by 60 percent.

From 1970, when Congress passed the Clean Air Act, to 1977, particulate pollution dropped only by an estimated 12 percent.

The study also found that in the Los Angeles basin alone there would be an increase in real estate values of $950 million per year—or $500 per household—if smog were cut by 30 percent.●

ALASKA—LET US PRESERVE OUR WILDERNESS HERITAGE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Ms. MIKULSKI. Mr. Speaker, the House will soon be considering one of the most significant public lands issues of our time. The Alaska National Interest Lands Conservation Act, enjoying active support from Americans throughout the Nation, proposes to protect and preserve our great northern wilderness. From the inland passage of southeast Alaska to the flowing caribou plains on the Arctic North Slope, the unmatched splendor of our 49th State presents us with an unparalleled opportunity for stewardship. I am proud to share in this opportunity and I welcome the occasion to vigorously back the Udall-Anderson substitute to H.R. 39—legislation that will provide real and solid protection for these fragile heritage wild lands.

I wish to express my heartfelt thanks to our colleague MORRIS K. UDALL, whose dedicated and untiring efforts have made this opportunity possible. Of the various shades of Alaska lands legislation being advanced, only the Udall-Anderson substitute to H.R. 39 renders real protection to some 110 million acres of national parks and wildlife refuges and wild rivers for the State's magnificant wildlife—the caribou, wolverine, grizzly, arctic fox, and the hosts of migratory waterfowl and shorebirds. Over 4,000 miles of wild rivers, hundreds of unexplored valleys and tundra marshes, horizons of majestic mountain peaks and ridges, and most importantly, some 67 million acres of designated wilderness will be preserved—for us, for all the American people, and for all of our children for generations to come.

Alone among the various proposals, the Udall-Anderson substitute is well-balanced, accommodating both demands on economic resources and natural resources in Alaska. It is a careful modification of the Udall-Seiberling bill cosponsored by one-third of all House Members. It is built upon the bill passed last year by a 9-to-1 margin. I hope that we will again use that same far-sighted and fair judgment by passing this legislation by a similar margin. It's judgment the American people want and deserve.●

WILD, FRIED, DRIED: RICE IS NICE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. ALEXANDER. Mr. Speaker, this morning's Food Section of the Washington Post contains an article on the merits of rice, written incidentally by William Rice. As a representative from a State that is the leading rice producer in the Nation, I wanted to share this article with my colleagues.

The Arkansas Rice Festival Assn., based in Weiner, Ark., in my district has long been engaged in efforts to urge Americans to eat more rice. The attention that the Post has given to this valuable commodity is commendable and I urge my colleagues not only to read the article, but to follow its advice as well: Eat more rice.

[From the Washington Post, April 26, 1979]

Wild, Fried, Dried or Fortified, To Make a Long Story Short, Rice Is Nice

(By William Rice)

I like rice. That has helped over the years as people with senses of humor more suited to noodles have chuckled as they serve "rice to Rice." Editor and Publisher Magazine once printed a one-sentence joke to the effect that someone named Rice was covering the Food Editors Conference. A real thigh-slapper. I'm weak on my family genealogy, but to the best of my knowledge I have no Chinese ancestors, no Uncle Ben, nor has anyone in my family been a rice farmer.

In my kitchen, rice has no special status. I use it when I don't use potatoes or pasta, although sometimes at least two of this lovable starch trio do appear at the same meal. (Calories aside, I'd be happy to eat all three.) As much, and maybe even more than the other starches, rice's enduring charm lies in its versatility. Rice at risotto, with meat, fish or chicken in a casserole, served hot in a soup or cold in a salid, mixed with sugar and eggs to fashion a dessert. You don't eat it all, so the next day, or the next after that, you make fried rice.

Rice comes in a variety of sizes and at least two forms. It first was used—or at least people first wrote about using it—in China. The year it arrived in this country, undoubtedly memorized by every South Carolina school child, was 1694. It became popular in the South, but has never become the diet staple it is in the Orient.

Depending on how strongly you feel about "natural" foods, processors have either done awful things to rice or simply made it much more convenient to use. Brown rice has only the hulls removed, should be washed and requires considerable time to cook. Converted rice has been processed to remove the hulls, germ, outer bran and most of the inner bran. It has been given booster shots of vitamin B-1, niacin, iron and possibly vitamin D and calcium in an effort to return some of the nutrients that were removed in the processing. It needs no washing before cooking. "Instant" rice has been precooked and dried. Wild Rice is not the black sheep of the family. It isn't rice at all, but grain harvested from a species of wild grass.

There are some 7,000 varieties of rice. For most purposes, it is enough to know that "long-grain" rice is what you want to serve with chicken and gravy or as a casserole. "Short grain" is about two-thirds shorter, has a chalky as opposed to a transclucent color and tends to stick together when cooked. Therefore eaters welding chopsticks prefer it, as do chefs making croquettes, rice rings or puddings. While the American rice sold in supermarkets can hold up its head at a gathering of gourmets, there are some special types that are exceptional, including basmati from India or Iran, Arborio rice from Italy and a wild pecan rice grown in Texas.

Cooking rice is as simple as buying it, though countless stubborn cooks continue to try to prove the opposite. The directions on the package of supermarket rice *do* work. The French like to saute some onion in butter, stir in the rice, then add twice as much liquid (stock, preferably) and a bit of nutmeg. Stir once, cover the pan and allow 20 minutes at a simmer. Holes will appear in the top crust of the rice when it is cooked.

Another option is to bring two quarts of water to a boil, add salt and then a cup of rice, slowly to maintain the boil. Stir and boil uncovered for 12 to 14 minutes. Test a few grains by crushing or biting into them. When tender, drain in a sieve or colander. Cover with cheesecloth. Add some water to the pan, bring it to a boil and place the sieve over the water. Steam over low heat until the rice is fluffy or until it is needed.

Orientals cook short-grain rice using only about 1½ cups of water to 1 cup of rice. Add salt to the pan, cover it and bring to a boil over high heat, stirring twice. When the water boils, lower the heat and simmer until all liquid is absorbed.

Perhaps the most delicious way to prepare rice that I know is the Persian method for making *chelo*. * * *●

HOLOCAUST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. MAZZOLI. Mr. Speaker, a ceremony commemorating the millions of victims of the holocaust was held in the Capitol rotunda this week.

The ceremony was led by Elie Wiesel, a survivor of the holocaust, and included remarks from President Jimmy Carter.

This was a sobering and moving experience for all of us who stood in that imposing awe-inspiring room which has witnessed so many other moving moments in our Nation's history.

And what was the crime of these 11 million who were slaughtered? Nothing more than to have been born Jewish—over half these innocent victims were Jewish—or to have the wrong surname or the wrong heritage or to live in the wrong place at the wrong time.

While their deaths were reprehensible and monstrous; their deaths were not futile.

They lived and they died as mute reminders of a world gone mad.

Though dead for over a generation, they trouble, haunt and disquiet us today. They serve as reproaches to every human alive today. They will remain reminders of man's inhumanity to man for all the years this planet exists.

Both President Carter and Elie Wiesel paid eloquent tribute to the need for remembrance of the holocaust and its victims. Mr. Wiesel, Chairman of the President's Commission on the Holocaust and himself a survivor of the camps, recalled his father's words during his family's ordeal.

He had asked his father, "How can the world allow such things to happen?" His father replied, "Perhaps the world does not know."

Mr. Speaker, maybe the world did not know then—though that is harder than ever to believe—but the world certainly knows today. It cannot excuse away its responsibilities today and tomorrow because it knows.

The holocaust was a time of monstrous brutality and savagery. We cannot change history. But, we can learn from it and atone for it.

The whole country owes Mr. Wiesel and you, Mr. Speaker, and all the other sponsors a debt of gratitude for having sponsored these ceremonies honoring the victims of the holocaust.●

THE TOXIC WASTE AND TORT ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. LaFALCE. Mr. Speaker, this month is the ninth anniversary of Earth Day, an idea born in 1970 symbolizing the necessity of conserving the world's natural resources. This lesson may have been lost on many Americans, and Congress as well, for interest in environmental protection seems to have waned in recent years. Those who live near the Love Canal, however, know this lesson too well—that hazardous wastes, often buried years ago with inadequate protection, can produce serious environmental, health and economic problems.

Until very recently the issue of hazardous wastes was not given the attention that clean air and clean water problems received. It was not until August 2, 1978, the date the New York State Commissioner of Health declared the Love Canal site a health emergency, that the media focused on what could become the major environmental issue of the 1980's. Since that date, not only has the Love Canal received media attention, but stories about the effects of other abandoned hazardous waste sites on the environment and on the people living near them have appeared on almost a daily basis.

For over 2 years, Mr. Speaker, the most important issue for me has been the issue of hazardous wastes. In July 1977 I visited the residents of the Love Canal area, which is in my congressional district, and once I saw the anguish on their faces I began to urge government officials at all levels to pay attention to the Love Canal and the problems it represents: the indiscriminate dumping of hazardous wastes which destroys the environment and causes inestimable risks to human health. The reactions, however, have often ranged from silence to delay, or at best, inadequate action.

If there can ever be a positive note in the Love Canal tragedy, however, it is that this horror story has finally set off a chain of events that promises to bring Congress directly into the battle to clean up current or future problems, and most importantly, prevent future Love Canals from occurring.

I am pleased to note that during this session of Congress no less than eight House and Senate subcommittees have held hearings on either the subject of hazardous wastes or the related issue of compensation of victims who have been exposed to toxic pollutants. Some of these subcommittees have been oversight subcommittees and they have used their authority to bring to the fore the terrible practices that have taken place in the past or are still occurring. Some of the subcommittees which have held hearings have been legislative subcommittees which hopefully will report out legislation which will help alleviate the terrible effects of indiscriminate dumping—both past and present.

I have testified before most of these subcommittees and introduced a bill, H.R. 1048, the Hazardous Waste Control Act, this session which I believe would improve existing laws, such as the Resource Conservation and Recovery Act of 1976 (RCRA). I also introduced another bill, H.R. 1049, the Toxic Tort Act, which I believe would create an innovative method to compensate victims of toxic pollutants.

Today, Mr. Speaker, I am introducing another new bill, the Toxic Waste and Tort Act, to which I hope my colleagues will give serious consideration. This bill takes portions of the two aforementioned bills, the Toxic Tort Act and the Hazardous Waste Control Act, and combines them with a "superfund" device for funding. Thus, the Toxic Waste and Tort Act would provide for a comprehensive system to deal with existing, future and abandoned sites and to compensate people who have been injured due to exposure to hazardous wastes.

I have chosen to introduce this new bill because I believe that the only way we can deal with the comprehensive problems created by hazardous waste is to create solutions which will both protect the people as well as the environment.

The Toxic Waste and Tort Act is intended to fill the gaps in the Resource Conservation and Recovery Act of 1976 (RCRA) by amending it to:

Establish a program for the identification and reclamation—when feasible—of abandoned and inactive waste sites;

Provide a procedure for the selection of future sites for the disposal of hazardous waste;

Provide a program for emergency assistance and payment of costs to clean up hazardous waste situations which threaten the health of the general public. This provision is accompanied by authorization for the Government to bring legal actions against those responsible for such emergencies to recover the costs of the cleanup operations;

Compensate victims injured by hazardous waste;

Provide for a Federal cause of action caused by exposure to hazardous wastes, and that would enable persons to sue for injuries; and

Establish a fund to carry out the aforementioned programs.

Mr. Speaker, I would like to explain these provisions at this time in a bit more detail.

ABANDONED AND INACTIVE SITES PROGRAM

RCRA, as presently written, does not provide a program for the identification, reclamation, and maintenance of hazardous waste sites—whether abandoned or just inactive. Neither does it provide for the location of future sites.

Recently, we have all become acutely aware of the need to provide for such a program as witnessed by the surfacing of the Love Canal, the Valley of the Drums, Kin-Buc and others. The Environmental Protection Agency has estimated that there are perhaps 1,000 dumpsites across the country which pose a serious threat to the health and welfare of the citizens who live near them and to the environment.

A concerted effort must be made to identify all abandoned and inactive sites that do or may contain hazardous wastes, and once they are identified, they must be reclaimed if feasible. If reclamation is not feasible, they must be monitored to insure that public environmental health and safety are not endangered. My bill includes an approach to do just that: It establishes a joint State/Federal procedure for identifying, reclaiming, and/or monitoring abandoned and inactive sites.

The State/Federal program for abandoned and inactive sites may also be used for sites which are currently operating under permits. However, no Federal funds can be expended for these sites unless all bonds, insurance, and other amounts of money which have been posted by the licensee in order to obtain his permit under RCRA have first been used to cover the expenditures of the cleanup of the site.

LOCATION OF FUTURE LANDFILL FACILITIES

When RCRA was passed in 1976, no one foresaw the widespread public opposition to new hazardous waste disposal sites which has swept the country. The general public was then not generally aware of the large number of abandoned sites throughout the country, the deleterious effects they were having on people's health and safety, and their dire impact on the environment. Now that the public awareness has grown, in part because of situations like the Love Canal, citizens are understandably leery about having the dubious distinction of having a hazardous waste landfill operation in their neighborhood. However, new sites are necessary for two reasons: First, we must create new sites which are safe in order to properly dispose of the wastes that have to be moved from older, incorrectly constructed sites, and second, we need new sites in order to have safe places to dump the wastes that we are creating every day as a result of our efforts to maintain the lifestyle to which modern America has become accustomed.

My bill provides for the selection of sites for future disposal of hazardous waste. This would be accomplished by having the EPA Administrator approve or disapprove an application after consultation with the National Academy of Sciences, the affected States and local governments, and after notice and opportunity for public hearing in the area affected. No area may be designated unless the EPA Administrator has determined that the site will be safe and environmentally sound.

CONTINUITY OF OWNERSHIP

Whereas RCRA provides for the continuity of operation, my bill provides for the continuity of operation and ownership. I believe that the additional provision of continuity of ownership is necessary in order to prevent a person or organization which has owned a property which has been used for the disposal of hazardous waste from being liable for his actions. Thus, my bill states that there shall be continuity of ownership for a period of time which may be necessary or desirable during which hazardous waste is received at a facility used for treatment, disposal or storage and for such period thereafter to insure the protection of public health and safety.

EMERGENCY ASSISTANCE

Another provision in my bill establishes a program to provide emergency assistance and payment of cleanup costs in situations where the health of the general public is threatened and time is of the essence. This provision is accompanied by an authorization which allows the government to bring legal actions against those responsible for such emergencies to recover the costs of the cleanup operations.

COMPENSATION FOR HAZARDOUS WASTE VICTIMS

I believe that in order to have a comprehensive legislative program concerning hazardous wastes, we must include the compensation of victims.

Innocent victims are involved—people who have suffered personal injury, temporary or permanent loss of income, deep psychological scars and often severe reductions in the value of property. These losses are as real as if they were the result of an automobile accident and yet, as of now, there is no Federal mechanism or any other effective mechanism for compensating victims who have innocently suffered as a result of hazardous wastes.

My bill, therefore, provides for the creation of a compensation board within the Environmental Protection Agency. The board, the Environmental Victims Compensation Board, will also be empowered to pay benefits, up to $50,000, to persons who have sustained injury as a result of exposure to hazardous wastes. These benefits will be available whether or not anyone who treats, stores or disposes of hazardous waste is ultimately determined to be responsible for the physical injuries. However in the event that any such person is found to be at fault, EPA will be subrogated to the rights of the injured person and will either share in any recovery he may receive or initiate its own action against the person at fault.

THE REQUISITE NEXUS FINDING

The bill also directs the EPA to study physical injuries, and to determine which such injuries are caused by specific hazardous wastes. In making this decision, EPA will take into account the exposure to the hazardous waste—both as to time and place—necessary to produce the physical injury. EPA's determination then may be used by victims of such exposure to expedite the compensation process since the bill provides for the utilization of this finding in subsequent legal and/or administrative procedures. Further this finding, termed under the act as a finding of "requisite nexus," would greatly lessen the burdens of all victims by helping them to overcome the traditional proof requirements and time limitations.

FEDERAL CAUSE OF ACTION

My bill creates a Federal cause of action enabling a victim or his representative to sue any person who negligently treats, disposes, or store hazardous waste which causes physical injury or death to any person. This right would be in addition to any existing rights or causes of action under State or Federal law.

THE SUPERFUND

Mr. Speaker, knowing as I do how difficult and potentially costly a problem we face in trying to mount an effective effort in the area of hazardous wastes, I support the concept of a "superfund" to deal with a number of environmental calamities. For this reason, I have used this concept as the source of funds for the programs I have outlined above.

If we are to have a truly comprehensive program to manage hazardous wastes, we need to have a funding mechanism which not only generates sufficient revenue to do the job, but which also encourages the private sector and others involved to keep future problems to a minimum.

Therefore, the sources of revenue for the superfund as I envision it are the following: fees to be paid by the owners or operators of oil refineries; fees to be paid by producers of natural gas; fees to be paid by private organizations which store or dispose of hazardous wastes; and a 5-percent contribution from the States to help defray the costs of each individual State's hazardous waste program.

I believe that there should be a fee on the owners or operators of oil refineries and producers of natural gas because, in addition to being hazardous materials themselves, these materials constitute primary natural resources in the manufacture of many chemicals and other dangerous materials.

However, a broad fee levied on natural resources alone would not achieve other goals which a funding mechanism can help greatly with, such as:

Conservation, and therefore reduction of waste;

Recycling of hazardous wastes into other manufacturing processes, thus reducing the quantity of wastes to be handled, and

Reducing the toxicity of wastes that cannot be eliminated.

My bill that I introduced earlier this year, the Hazardous Waste Control Act, contained one approach which would help meet these goals. This is the suggested fee to be paid by those who store or dispose of hazardous wastes.

There are perhaps many ways to achieve the same goals as I have outlined above. I put forward my approach as just one for your consideration. But I do feel that a fee system which derives its revenues from both the producers of the raw materials, at the start of the production cycle, and from those who dispose of the wastes at the other end, can provide both needed revenues for a comprehensive program and desirable incentives to keep the dimensions of the problem to a minimum in the future.

I have added the State contribution to my superfund concept inasmuch as they have benefitted from having the industrial processes which produce wastes and they ought, therefore, to carry some of the societal burdens associated with them.

In no way should any program we devise relieve past, present or future manufacturers or disposers of liability for negligence in dealing with hazardous substances. It is important that our actions find proper balance between the need to encourage responsible entities in the private sector to take part in the disposal business and the need to assure that both victims and the government be able to hold irresponsible or negligent parties accountable for their actions.

CONCLUSION

Mr. Speaker, I cannot state strongly enough the urgent need in this country for Congress to come to grips with the problems created by hazardous waste and to pass a comprehensive legislative program for the cleaning up and long term maintenance of hazardous waste sites, as well as the compensation of victims who have been innocently exposed to hazardous wastes. We cannot sit idly by and allow these problems to mount at an exponential rate and believe that we can deal with them on ad hoc basis. Congress must take the initiative and we must act this year. I offer my bill as one approach for dealing with these problems and am hopeful that my colleagues will give my program their full consideration.●

ROGERS MORTON

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BOLLING. Mr. Speaker, I wish to join my many colleagues who have eulogized Rogers Morton. His death is a loss to all of us who knew him and to the political process in the United States. That is so, because while he was a partisan, as most of us are, he seemed always to manage to be both friendly and civil even in his partisanship. My deepest sympathy goes to his wife and family.●

THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. McDONALD. Mr. Speaker, since the end of our involvement in Vietnam, there has been a steady decline in the numbers of our ships and overseas bases. We are still trying to meet our global responsibilities in the face of a growing Soviet fleet. And further we have to face the fact of increasing prices for fuel oil for these ships. In addition, any conventionally powered task force at sea can only afford to stray so far from its fuel whether located at a base or in a Navy tanker. This greatly restricts its speed of movement and its operating area. A nuclear task force suffers from no such restrictions. The need for a new nuclear carrier, instead of a new conventionally powered carrier was set forth factually and succinctly in Sea Power magazine of April 1979 by former Secretary of the Navy J. William Middendorf and former head of the Joint Chiefs of Staff, Adm. Thomas H. Moorer. I commend this article to the attention of my colleagues:

THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

(By J. William Middendorf II and Adm. Thomas H. Moorer)

(Former Secretary of the Navy J. William Middendorf II is now President and Chief Executive Officer of Financial General Bankshares, Inc.; Admiral Thomas H. Moorer, USN (Ret.)—Chief of Naval Operations 1967-70 and Chairman of the Joint Chiefs of Staff 1970-74—is now a member of the board of advisors for the Georgetown University Center for Strategic and International Studies.)

On the 26th of March, Israel's Prime Minister Menachem Begin and Egypt's Anwar Sadat, with U.S. President Jimmy Carter acting as witness, signed the peace treaty between their two nations which history may later record as the first step toward a permanent and lasting peace between all nations in the Mideast.

That it was, however, only the first step of many which must still be taken was dramatically emphasized the very next day when OPEC (the Organization of Petroleum Exporting Countries) announced it would increase the basic price of oil by 9 percent—to $14.54 a barrel—and also permit each member country of OPEC to impose additional surcharges of as-yet-undetermined amounts.

The new OPEC increase (the first of several since 1 January 1973, when the price was only $2.59 per barrel, and has caused serious apprehension among Western nations already concerned about the recent change of government in Iran and the increasingly dangerous military threat against Saudi Arabia and other countries in the Persian Gulf/Arabian Sea area.

Because of that threat, the Defense Department is now reportedly considering organization of a new U.S. naval force—which would be called the Fifth Fleet—to patrol those areas of the Indian Ocean considered essential to the interests of the United States and its allies around the world.

But those naval forces—which means, for most practical purposes, the Navy's carrier task forces—are already stretched very, very thin, and they are constantly overworked.

One reason they are overworked, of course, is that in one crisis situation after another successive commanders-in-chief have realized that the carriers are often the only immediately deployable instrument of national military power available to them. The most recent crisis sorties were those made by the USS Constellation, ordered by President Carter twice within a matter of weeks to the Indian Ocean.

It is worth noting that the Constellation was accompanied by two tankers. The tankers slowed her down, but without them she could not have continued operations.

Besides being overworked, our carriers are also overaged. Before another carrier of any type could be operational, only four of the 13 carriers now in the fleet would be less than 25 years old. The operational life of some of the larger-deck carriers is being stretched out, at a cost of hundreds of millions of dollars, through what is called a "service life extension program," or SLEP, but if experience with similar makeshift programs in the past teaches us anything it is that we almost always wind up with less capability than needed or anticipated, and at a much higher cost than originally projected.

All of the foregoing argues compellingly, in our opinion, for construction of at least one more nuclear carrier (or CVN) of the Nimitiz class for the U.S. Navy.

As most informed Americans are aware, one of the major issues to be decided by Congress in its consideration of the Defense Department's budget for the new fiscal year (FY 1980) starting on 1 October is whether the aircraft carrier requested in the budget submitted by the President should be nuclear-powered or conventionally-powered.

There is no debate over whether the Navy needs another carrier. The President, the Secretary of Defense, Navy officials both civilian and uniformed, and the cognizant committees of Congress all are in unanimous agreement that the Navy does need at least one more aircraft carrier.

There are many—and we include ourselves in this category—who believe several more carriers are needed if the Navy is to responsibly carry out all the worldwide missions which have been assigned to it.

The most important of those missions—except for conduct of full-scale combat operations—is crisis response, as President Carter recognized in his use of the Constellation.

"Calling out the carriers," of course, is nothing new. Former Secretary of State Henry Kissinger, in a speech at the Naval War College in Newport, R.I., said "In the crises in which I was involved, the use of naval power, particularly the carrier, turned out to be almost invariably the crucial element."

In that same connection, it may also be recalled that on 15 April 1970 the late General Earle G. Wheeler, then serving as Chairman of the Joint Chiefs of Staff (following an earlier tour as Army Chief of Staff) testified that, even after the Vietnam War would be over, the Navy would need 16 carriers—"not on the basis of a peacetime situation, but on the basis of a possible future war. . . ."

"We must recognize," General Wheeler told a Joint House-Senate Armed Services Subcommittee, "that if we have a war in which the Soviet Union is involved the war is not going to be confined to the Atlantic Ocean or to the Atlantic region. The Soviet Union is a two-ocean country as well as the United States, and therefore we will have a requirement for a carrier force to be deployed in the Pacific area."

"In addition to that," he continued, "we are going to have to have something for contingencies. After going over a great number of mixes of carriers needed under varying realistic contingencies, I came down on the number of 16 as being within a prudent level of risk."

In the nine years that have passed since General Wheeler's testimony, of course, the United States has suffered the loss of access to most of her important overseas bases and, with its allies, has grown much more heavily dependent on Persian Gulf oil.

During the same time frame the Soviet naval threat has increased—in both quality and numbers—at a much more rapid pace than earlier expected. It used to be asked, by those who opposed the U.S. Navy's carrier construction programs, why the Soviet Union doesn't build aircraft carriers, if they're such an essential part of a strong navy.

That question is no longer asked. The USSR has two small carriers operational—the Kiev and the Minsk (both of which were on fleet exercises in the Mediterranean last month)—and are building one more, possibly two. Some analysts also believe a large new surface ship now under construction in the Soviet Union might be the USSR's first nuclear carrier.

Despite the increased Soviet naval threat, despite the increased dependence of the United States and its allies on overseas sources of oil and many other raw materials, and despite the loss of several more overseas bases formerly available to U.S. land-based aircraft, it has been decided—largely because of what is referred to as "cost considerations"—that the U.S. Navy now only needs 12 aircraft carriers.

It also has been decided by the present administration—again, because of cost considerations—that the carrier requested in the FY 1980 budget should be conventionally-powered rather than nuclear-powered.

To further reduce initial acquisition costs of the FY 1980 carrier—which according to present Defense Department plans is the last one the Navy will *ever* be permitted to buy—the administration decided at the same time it should be a ship of a completely new "CVV" design and, at 62,500 tons, much smaller in size—and considerably less capable—than either the 94,000-ton Nimitz-class CVNs or the 81,000-ton (conventionally-powered) John F. Kennedy CVs which are now the mainstays of the Navy's carrier force.

Last year, it will be remembered, the President vetoed the defense authorization bill because Congress had included in it funds for a nuclear carrier, CVN, which the President had not requested and which he said at the time would be: (1) too expensive; and (2) not needed. (He also said the same money could be better used on procurement of several smaller ships; to date, those ships have not been requested—in fact, the President has further reduced the Navy's five-year shipbuilding plan.)

For a number of reasons, not all of which were directly related to the comparative merits of a nuclear carrier vs. a conventional carrier, Congress failed to override the President's veto. A substitute bill virtually identical to the vetoed bill, but minus the carrier authorization, was then passed and signed into law.

The President had said in his veto message he would include funds for a new carrier in his 1980 budget request. He did not, however, specify what type of a carrier.

There are many knowledgeable defense analysts—in the Navy, in Congress, in the academic world, and in the media—who vehemently disagreed with the President's veto decision. They believed, and still do, that the overwhelming body of evidence and empirical data accumulated over the past quarter-century of nuclear-ship operations conclusively proves that another CVN would be not only significantly more combat-capable than either a CV or CVV, but also considerably more cost-effective than either of the latter ships—and perhaps even less expensive in absolute terms.

But that is irrelevant, for all practical purposes. It is not necessary to rehash last year's budget debate to suggest that, *this year*, the economic, political, and national security milieu in which defense budget decisions must necessarily be made have changed so much, and so recently, that the assumptions upon which the President's budget request is based are no longer valid.

Preparation of the annual Defense Department budget request is a long and complex process, which starts more than a full year before the approved request is submitted to Congress (at the beginning of the congressional session). Congress itself then conducts, through its Armed Services and Appropriations Committees, months of hearings—during which literally thousands of pages of testimony are developed—before shifting to floor debate six to nine months later and finally enacting authorization and appropriations legislation for the President's signature. (The authorization bill tells the Defense Department and the Services what they can and cannot do and what programs may or may not be funded; the appropriations bill contains the legal authority to spend money for the programs authorized. A program can be authorized but not funded; it *cannot* be funded without first being authorized.)

The bills which eventually reach the President's desk *always* differ in numerous respects from those originally introduced—sometimes because of changes requested by the administration itself; sometimes because Congress differs from the administration in its perception of the nation's defense needs; and sometimes simply because outside events dictate changes not possible to anticipate.

That is what has happened this year. Within the past several months the United States has lost the right to use bases and facilities in Iran which were an integral part of the U.S./NATO defense structure in that important area of the world. The United States has also, within the same time frame and for reasons which may long be debated, broken formal relations with Taiwan—thus incurring the risk of permanently losing the excellent port and air facilities on that island which for the past 25 years served this country, in effect, as a "fixed site aircraft carrier" strategically positioned off the east coast of the Asian mainland.

Whatever the political merits of the President's decision to recognize the People's Republic of China, the fact remains that part of the price paid is the possible (many would say probable) non-availability, for the foreseeable future, of an important overseas land base.

The loss of overseas bases is not an isolated phenomenon, unfortunately. The country's operational overseas base structure has been reduced from the 105 that existed 10 years ago to fewer than 40 today. (Among the more harmful recent losses are those of Cam Ranh Bay and other bases in Vietnam now being used by the Russians—just as they are also using former Wheelus Air Force Base in Libya. The United States is a double loser in such instances.)

Whether we stay or leave, overseas land bases cost money—much more money in the long run than do aircraft carriers. It is worth recalling that it cost the United States over $525 million just to build the massive complex of air bases used in Southeast Asia during the Vietnam War. Additional hundreds of millions of dollars were spent building logistics support facilities, petroleum and ammunition storage dumps, and defense installations.

Those assigned to defend our land bases in Vietnam, let there be no doubt about it, did their job well. Despite their best—and often heroic—efforts, however, over 400 allied aircraft were lost from ground attack alone, and more than 4,000 more aircraft were damaged.

In contrast, during the whole Vietnam War not one sea-based aircraft was lost or damaged on board any U.S. carrier as a result of enemy action.

Nevertheless, our overseas base structure is still immensely important to our overall defense program, and the loss of such previously available bases and facilities in Iran and Taiwan, and the annually less viable tenure of U.S. base rights in many other countries, puts an added burden on the Navy's already overworked aircraft carriers and makes it mandatory that those carriers be, if at all possible, increased in number. It also makes it imperative that the high quality of the carriers now in the fleet not be diminished in any way by the addition of ships of lesser capability, lesser endurance, and more limited in range, speed, payload, and safety—it has been repeatedly demonstrated that smaller and less capable carriers suffer much higher accident rates, in both peace and war.

There are other unanticipated changes which have also dramatically altered the FY 1980 defense planning assumptions.

One such change is the still precarious peace agreement between Egypt and Israel; another is the volatile situation on the Persian Gulf threatening the pro-Western regime in Saudi Arabia and her smaller neighbors. Lacking land bases in the immediate area, the only way the United States can contribute to continued stability in the region is through use of sea power.

And sea power in this instance as almost everywhere else in the world, means aircraft carriers.

Aircraft carriers are over the horizon and out of sight. They do not violate national sovereignty or offend local political sensibilities. They are immune to insurgents, revolutionaries, and guerrillas—and to changes in government which are so often followed by changes in national policy which say in effect, "Yankee Go Home!"

But carriers are far from invisible to those who threaten the peace. They are a message to friend and foe alike that the United States Navy is offshore, a short jet-flight away, ready to carry out its defense commitments and to protect American interests in the area and the interests of America's allies.

Carriers are quickly deployable. The same carrier which today is enjoying a port visit to Naples could be in the Eastern Mediterranean tomorrow ready to provide powerful assistance to Egypt or Israel if either of those countries is attacked. And a carrier brings with it all of the airplane fuel, supplies, ordnance, spare parts, and repair and support facilities needed by the 90-plus aircraft it carries.

But why a nuclear carrier? Why not the CVV which the President has requested—or the "compromise" option, another conventionally-powered Kennedy-class CV?

The answer can be stated briefly: A CVN is faster, safer, more combat-capable, and more quickly deployable—and has infinitely more range—than either a CVV or CV; it is also much cheaper to operate.

Surprisingly, another CVN may, in addition, actually cost less to construct than a CVV—it is certainly more cost-effective than either the CVV or the CV. It could be delivered to the Navy at least a full year earlier than the as-yet-undesigned CVV could be delivered, and probably almost as soon as another CV could be operational.

Those statements require and deserve amplification.

Insofar as military characteristics are concerned:

The CVN carries 90–95 aircraft; the CVV 50–64.

The CVN has twice the propulsion power and carries 2.5 times as much aircraft fuel, and 1.5 times as much aircraft ammunition, as the CVV could carry.

The CVN has four aircraft elevators, four catapults, and four propeller shafts; the CVV would have two of each. (The Navy has not within the past 40 years built a carrier with only two shafts.)

The CVN has a higher maximum speed (classified, but officially conceded to be "about five knots faster" than any conventional carrier). The CVN can, in fact, with one shaft down, continue operations at a speed almost equal to the CVV's maximum speed.

The most important CVN advantages, however, are those which flow from nuclear propulsion. The CVN can literally steam around the world at maximum speed without ever having to refuel. The CVV (or the CV, for that matter) is limited by the fuel it could carry—and also by the availability of the slow-speed refueling ships which have to accompany conventionally-powered ships or rendezvous with them along the way.

There are also a number of intangibles which favor the CVN—intangibles which in a crisis could mean the difference between mission failure and "mission accomplished." The CVN has greater seakeeping qualities, for example. That translates into a more stable platform, which means fewer aircraft accidents, fewer lives lost, lower repair and replacement costs, and the ability to sortie more aircraft more often regardless of foul weather conditions. (Because of its freedom from fuel constraints the CVN can often avoid storm areas by following a more circuitous transit; the more limited conventional carriers seldom have the same option.)

The more heavily armored CVN is also much more survivable in combat; its high speed makes it a tougher target both to find and to hit, and its heavy armor and high degree of compartmentation combine to ensure that, even if it is hit (by anything less than a nuclear weapon), it probably would not even have to cease regular operations.

The myth of "carrier vulnerability," by the way, is just that: a myth. A heavily armored high-speed ship at sea presents a rapidly moving, and maneuvering, target extremely difficult to find, much less to hit and to hurt. It is infinitely easier to target and destroy our fixed-site shore-based ammunition dumps, fuel depots, and air fields. The punishment a modern nuclear carrier can take was—unfortunately and unintentionally—demonstrated in 1969 when nine 500-pound bombs (the equivalent of six Soviet cruise missiles) exploded on the flight deck of the USS Enterprise, the Navy's first nuclear carrier (and the only non-Nimitz CVN). Despite the damage done, the Enterprise could have resumed flight operations within a matter of hours. Today's carriers, with a higher degree of compartmentation, better sprinkling systems, and generally improved fire-fighting and damage control techniques, are even tougher and more survivable.

Now, the matter of cost:

According to the administration's budget presentations, the acquisition cost of the CVV would be about $1.6 billion; another CVN would cost an estimated $2.4 billion.

However, consider the following:

Incredibly, the cost of fuel is not included in that cost comparison. The CVN's reactor will permit it to steam for 13 years prior to re-coring. It is impossible to estimate the delivered cost of the fuel (literally millions of barrels) a CVV would use in a similar 13-year period of operation. The delivered cost—which includes refining, processing, and storage costs as well as the very high costs of the tankers (convoyed and protected by other oil-burning ships) needed to carry and transfer the fuel to the carriers, can be three or four times the per-barrel cost at the wellhead.

At last year's prices, according to several independent cost studies, the cumulative cost of CVV fuel and other expenses not calculated in the administration's analysis would have been sufficient to virtually wipe out the CVN/CVV differential. At today's new and higher OPEC prices, which almost certainly will be substantially increased several more times in the next 13 years, the combined ship-plus-fuel cost calculations should now favor the CVN by a large margin.

Among the "other expenses" not included in the administration's cost analysis, incidentally, were such line items as: the acquisition, operating, and personnel costs for the surface combatants needed to escort the tankers during a conflict situation; the extra base facilities therefore needed in the United States and overseas; the very high cost of the aircraft more likely to be lost from a CVV or CV than from a CVN; and the incalculable cost of the extra lives also more likely to be lost.

Just as incalculable, of course, are the horrendous costs which might be incurred by not having enough combat aircraft available when and where they are needed in time of crisis.

Or by having them available in sufficient numbers—but either too far away to do any good, or unable to get to the combat zone until three or four days after they are most needed.

In today's high-speed world of supersonic jets and instantaneous around-the-world communications, that three or four days might mean a new cost differential which would have to be counted in terms of battles, perhaps even wars, won or lost.

All of the arguments which, in our shared opinion, make the CVN such a logical choice over the CVV apply with almost equal validity in a comparison between the CVN and the CV. (The CV would cost an estimated $143 million more than the CVV to build, and proportionately more to operate over a 13-year period. It would be just as dependent on logistics support. It would carry not quite as many aircraft as the CVN, it would be less survivable than the CVN, and it would carry only half as much aviation fuel and two thirds as much aircraft ammunition as would a CVN.)

There is a final point of almost overwhelming importance which should be considered: Those who advocate construction of a CVV, or even a "compromise" CV, take it for granted that the oil needed by those oil-burning ships will be available anytime and anywhere it is needed. That is a most dangerous assumption to make in building a ship which might have to be deployed on short or no notice anywhere in the world—including: (1) Constellation-like sorties to the vast reaches of the Indian Ocean where the United States has one small refueling base, at Diego Garcia (the nearest alternative is Subic Bay in the Philippines. 4,000 miles away); or even (2) at a time of another oil crisis, to the more narrow confines of the Eastern Mediterranean to help preserve the new peace between Egypt and Israel.

Persuaded by the logic of the above cost considerations, and even more by the overwhelmingly greater combat capabilities of the CVN, there are already many members of both the House and Senate. Republicans and Democrats alike, who are committed to authorizing another Nimitz-class CVN in the FY 1980 defense budget approved by Congress.

Such action, they recognize, would risk another confrontation with the President. Too many confrontations of that type are not good for the country. And they are not good for our overall national defense program.

Another such confrontation should therefore be avoided if at all possible. And it could be avoided. The President himself could dramatically demonstrate his own continuing dedication to defense, as well as to preservation of the peace agreement in the Middle East which he helped engineer, by informing Congress that, in view of the many changes in the world situation which have occurred since this year's defense budget was prepared, he now supports construction of another nuclear carrier.

We most urgently recommend that he do so forthwith.●

SHAPING UP THE PEACE CORPS

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. VAN DEERLIN. Mr. Speaker, besides being a former boss of mine, Howard Chernoff is a man of considerable distinction.

Immediately after World War II, he was managing editor of the San Diego Journal at a time when I also toiled—but in a lesser capacity—at that now defunct daily.

Howard also had a successful career in broadcasting and in the 1960's he served as executive assistant to Leonard Marks when Marks headed the U.S. Information Agency. Later Howard held ambassadorial rank as the U.S. representative at an international trade fair in Japan. For years he has been a civic leader in San Diego, most prominently in his associations with the development of our world famous zoo. Last year he took time out to help me prepare my first bill for rewriting the Communications Act.

Howard has never been one to mince words, and recently he offered some pithy advice in the form of an open letter to Richard Celeste, director-designate of the Peace Corps. Mr. Chernoff drew on past firsthand experience with some Peace Corps fumbling in Iran in making his recommendations.

I believe that all of us concerned with funding the Peace Corps can benefit from Howard's thoughts about how we can save some of that money while making the Peace Corps more effective. The letter, which follows, was published as a commentary in the April 23 editions of the San Diego Union:

IDEAS FOR THE NEW PEACE CORPS DIRECTOR

(By Howard L. Chernoff)

Congratulations on your new job as director of the Peace Corps. Most of your friends will tell you it will be challenging and they won't be far wrong.

They also will tell you how to run your agency as well as your job. I won't, but, based on my experience as a member of State Department inspection team in Iran a few years ago, I might be able to give you ideas that could provide you with some questions.

As an inspector, one of my assignments was to inspect the Peace Corps operation in Iran. And I did just that!

Should you care to see what I wrote, you will find it in our inspection report. My part was in no uncertain terms.

I found that, although we were paying the shah cash on the barrelhead for oil, he was only paying 10 percent of the cost of maintaining the Peace Corps in Iran.

And how was he paying that 10 percent? I was told he paid off in services . . . such as providing the poor, sleepy fellow at the entrance to your headquarters in Teheran and designating him a "security guard."

Your people couldn't tell me why we were paying 90 percent of the cost, while the United Nations provided the shah with the same type of service, for which the shah paid all the cost.

Even our then-ambassador had no answer for that one.

I insisted on interviewing Peace Corps members, whom I chose at random and with whom I spoke privately.

Outstanding in my memory is the young chemical engineer, a graduate of the University of Tennessee, who thought he would be helping all mankind by joining up immediately after he got his degree, only to find that he spent the first three months in Iran siteing in an agricultural extension office doing nothing . . . but absolutely nothing!

He finally got so bored that he offered to prune farmers' trees, something that he knew how to do, having been raised on a farm.

So, he pruned trees for two years. He thought he was going to help build a fertilizer plant.

I also interviewed some young people who were disenchanted because they wanted to "relate to people." Some were brought over to teach English, when they thought they would be building drainage systems.

Others were disenchanted because they were building drainage systems when they were certificated English teachers.

Spend U.S. taxpayers' money teaching English to people whose nation, according to the shah, is 26 percent illiterate in their own language? Yes, indeed!

I asked the Peace Corps director in Iran what he thought was the shah's top priority for the Peace Corps. He thought the shah believed the teaching of English was No. 1.

My question was: With all of that oil money, why wasn't he asked to pay for the maintenance of the Peace Corps, instead of letting him mooch off Uncle Sam?

The answer was simple: Because that was the way we set it up originally and no one had ever questioned it.

Upon my return to Washington at the conclusion of our inspection, I thought it might be helpful if I told all this and more to the people at your headquarters.

I did, and made quite a few enemies in just a few minutes.

So, Mr. Celeste, my hope is that you will challenge a few of these nonsenses.

Find out exactly what the Peace Corps is doing in each country. And for goodness sakes, don't talk with the Country Director. Ask some of the workers, or better yet, get a hard-nosed inspector to do it for you.

Find out how many countries can and should be paying for the work of the Peace Corps, instead of continuing to load it onto the U.S. taxpayer.

The Congress and all of us will cheer you on and love you.●

ENCYCLICAL LETTER OF POPE JOHN PAUL II

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BEARD of Rhode Island. Mr. Speaker, on behalf of my constituents, I would like to submit a portion of Pope John Paul II's encyclical letter:

Faced with these tasks that appear along the ways for the Church, those ways the Pope Paul VI clearly indicated in the first encyclical of his pontificate, and aware of the absolute necessity of all these ways and also of the difficulties thronging them, we feel all the more our need for a profound link with Christ. We hear within us, as a resounding echo, the words that He spoke: "Apart from me you can do nothing."(201) We feel not only the need but even a categorical imperative for great, intense and growing prayer by all the Church. Only prayer can prevent all these great succeeding tasks and difficulties from becoming a source of crisis and make them instead the occasion and, as it were, the foundation for ever more mature achievements on the People of God's march towards the Promised Land in this stage of history approaching the end of the second millennium. Accordingly, as I end this meditation with a warm and humble call to prayer, I wish the Church to devote herself to this prayer, together with Mary the Mother of Jesus,(202) as the apostles and disciples of the Lord did in the Upper Room in Jerusalem after His Ascension.(203) Above all, I implore Mary the heavenly Mother of the Church, to be so good as to devote herself to this prayer of humanity's new Advent, together with us who make up the Church, that is to say the Mystical Body of her Only Son, I hope that through this prayer we shall be able to receive the Holy Spirit coming upon us(204) and thus become Christ's witnesses "to the end of the earth,"(205) like those who went forth from the Upper Room in Jerusalem on the day of Pentecost.●

ECONOMIC SUCCESS STORY: THE VALUES OF CONVERSION

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DODD. Mr. Speaker, I wish to commend to the attention of my colleagues a front-page story in last Thursday's New York Times. which portrays a community in Alabama which has successfully converted from a military to a civilian economy.

As the chairman of the Task Force on Economic Conversion for Members of Congress for Peace through Law (MCPL), I believe all of us must recognize the need of many of our communities to broaden their economic base. My own State of Connecticut is heavily dependent on the defense industry; but all of us know that without diversification, it and others like it will one day suffer economic catastrophe.

The New York Times' article follows:

CITIES FIND CONVERSION OF OLD MILITARY BASES A BOON TO ECONOMICS

(By John Herbers)

Special to The New York Times

MOBILE, ALA.—When Brookley Air Force Base was closed in 1969 with the loss of 13,600 civilian jobs, there were bitter protests and acute apprehension.

Now, a decade later, and at a time of new fights over base closings in other places, many leaders in this city would not have Brookley back even if the Government came begging. The base has been turned into prospering industrial-aviation-educational complex; the city government has become an industrial landlord with a major new source of revenue, and the departure of so large a military presence has made the city more diverse and independent.

"WE ARE A LOT BETTER OFF"

"In my opinion, we are a lot better off now," said Lieut. Gen. Walter K. Wilson Jr., retired chief of the Army Corps of Engineers, who headed a citizens committee searching for new industry in the divisive and gloomy period of the base's closing.

Around the nation, many communities that lost military installations have shared Mobile's experience of renewal. Few want to return to dependence on the Department of Defense, with its fluctuating needs for facilities and manpower.

Yet recriminations over base closings go on unabated, as do the political pressures to hold onto old military falicities and acquire new ones. In some ways they have intensified and spread to regional levels.

After the latest round of closings and reductions was announced on March 29, a coalition of Northeastern and Middle Western Congressmen asserted that the cutbacks would "perpetuate the migration of military jobs, payroll and construction" to the Southern and Western states, going on since 1950. Representatives James J. Floro, Democrat of New Jersey, protesting the removal of the Army training center from Fort Dix to the South, said it would "further undermine the economy of central and southern New Jersey."

The Pentagon has repeatedly denied the charges of bias, and economic interest groups from the South and Southwest have countered that their region was simply more adaptable to military bases.

In 1968 more than eight million people, civilian and military, were employed by the armed services. That number has been steadily reduced to about five million, and military techniques and equipment have changed. As a result, base closings and reductions have affected hundreds of communities.

CITES VALUE TO COMMUNITY

William J. Sheehan, director of the Pentagon's office of economic adjustment, which helps communities search for new industry, says that an abandoned base is usually found to be valuable. In a study of 77 bases closed from 1961 to 1976, Mr. Sheehan found that 72 had been put to use—for industry, education, aviation, commerce, recreation or a combination of these. The former bases now are the sites of 47 industrial parks, seven four-year colleges and 26 postsecondary vocational institutes.

The Brooklyn Navy Yard, for example, was closed in 1966 and later was sold to New York City for $23.5 million. The city, in turn, leased the 265-acre property to the Commerce Labor Industry Corporation of Kings County, a nonprofit development concern that has leased space in the yard to shipbuilding and ship-repair companies, as well as a variety of manufacturing concerns.

The recriminations over base closings continue, Mr. Sheehan said, because most communities undergo a period of depression and readjustment before new uses are found for the closed bases. "Ninety-nine percent of the communities recover reasonably well after a period of nine to 36 months," he said in an interview in his Washington office.

The Northeast-Midwest coalition says Mr. Sheehan's office tends to underestimate the economic impact of base closings, but there is strong evidence that most communities eventually organize in a concerted self-preservation effort that goes beyond merely finding tenants for the facility.

The Brookley closing, which was the largest in terms of lost jobs, followed a pattern typical of most, although some communities have failed to turn their abandoned bases into economic assets.

First, the Alabama Congressional delegation and almost every political, business and civic leader in southern Alabama rose up in indignation and demanded a reversal of the decision. Despite Air Force statements that Brookley was becoming obsolete, the general belief here was that the Democratic Party was punishing Alabama because George C. Wallace, then Governor, was dividing the party with his Presidential bids.

When the base was closed in 1969, deciding what to do with it was not easy.

Many in Mobile had a fixation on Brookley's extraordinary main runway, 9,600 feet long with a thousand-foot overrun on each end and 200 feet wide. If one stands at one end on a clear day, all that can be seen of the other end is a shimmering haze dissolving into the horizon.

Some wanted to offer it to test the supersonic transport, then under development, before Congress killed it. Others wanted to make it into a supermunicipal airport or to use it as a hub for transporting airplane parts all over the world. After bitter fights that went on for several years, Mobile finally settled on a more realistic course.

After all, there was Brookley, several thousand acres of land with streets, water and sewer lines already installed, within the city limits, 10 minutes from downtown, with 10,000 feet fronting on Mobile Bay.

CITY GOT A BARGAIN

From the Government's bargain basement, Mobile got the runways, aviation buildings and 1,312 acres of land for $1, to use as a general aviation airport; 392 acres at fair market price for an industrial park; 24 acres for a city park at one half the market price; 289 acres on Mobile Bay and scores of buildings as an additional campus for the University of South Alabama—free.

The base is now a bustling subcity. The chapel, with steeple removed, is a crime laboratory. College fraternities occupy the big houses where generals used to live. In an enormous hangar, International Systems Inc. is making concrete modular housing units that, stacked one on another, are going to become luxury hotels in Saudi Arabia.

With the last mortgage payment to the Federal Government for the industrial park having been made this year, Gary A. Greenough, the city's Finance Commissioner, said Mobile could look forward to substantial revenue from industrial leases for years to come.

ATTRACTS RELATED INDUSTRIES

The largest tenant is Teledyne Continental Motors, which has drawn a number of related industries to the base. There are clock manufacturers and computers that serve banks. There is still land to lease and there are long-range plans to build shipping docks into the bay.

Old bases attract industry because their new owners, usually some level of government, are frequently able to make better deals than the owners of private property. Sheldon L. Morgan, senior vice president of the Merchants National Bank of Mobile, said that Teledyne would not have settled here had it not been able to occupy Air Force buildings.

Mr. Morgan, who was on the staff of the Chamber of Commerce when the base closed, said that private industry did not want to settle in Mobile so long as the base was open because of competition with the salaries and other benefits provided to Government workers.

The city needed diversity and that is what Brookley's closing brought, he said. Now the metropolitan area does not have a single military installation, and Mr. Morgan hopes it stays that way.●

PRODUCTION AND INFLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from April 11, 1979 into the CONGRESSIONAL RECORD:

The key to less inflation is an increase in productivity.

In its first unanimous report in 20 years, the Joint Economic Committee of Congress, a group comprised of ten Senators and ten Representatives, said that the best ways to fight inflation are to produce more goods and services (not discourage people from buying them) and to promote savings and investment. This advice comes at a time of economic trouble. The nation is faced with double-digit inflation, unemployment, a shortage of energy, the threat of recession, and a congressional debate on a balanced-budget amendment to the Constitution.

During much of the post-war period the economy posted overall gains in productivity exceeding 3% per year, but since the late 1960s this average has been cut in half. In the 1970s productivity slumped even further, growing at a rate of 0.8% in 1978. Projected rates ranging from 1.1% in 1980 to 2.0% in 1982 and 1983 are not encouraging. In contrast, rates of growth in European and Japanese productivity have been moving up briskly. If these trends continue, several nations will surpass us in productivity within a few years.

Productivity is a basic measure of the efficiency with which goods and services are produced. Low productivity means inefficiency, which can cause inflation, noncompetitiveness on world markets, an unfavorable balance of payments, and a weak currency. The relation between productivity and inflation is particularly close. If production is efficient, more goods and services can be turned out without high added cost, and prices are less likely to rise. But if production is inefficient, the substantially higher cost of turning out more goods and services must be passed through to consumers. Our slump in productivity has been concentrated in the non-farm, non-manufacturing sector. Manufacturing productivity has remained strong.

The causes of low productivity are several. One is lagging capital formation, and our investment in plant and equipment certainly has been inadequate, especially in view of the rapid growth in the number of people working. Technological advance—a major factor in efficient production—has been slowed as expenditures by companies for research and development have declined in proportion to other expenditures. Another cause is greater investment in anti-pollution devices which do not directly augment productive capacity. The dramatic drop in the average age of workers has meant low productivity, too, since younger employees tend to be inexperienced and less efficient. Low productivity also results from government regulation and red tape, and possible changes in attitudes toward work.

Sound steps can be taken to raise productivity. Capital investment should be stimulated by cuts in taxes on capital gains and corporate profits, such as those that were made last year. More generous investment tax credits and liberalized depreciation write-offs could also be useful. Tax incentives to spur research and development by businesses are long overdue. In addition, the government should consider direct spending to support such efforts when the benefits to society from improved technology would outweigh the costs. Grants for promising research and development should be exempt from the budget cutter's knife.

Beyond these steps there are many others to be taken. Morale problems in the workplace might be corrected by joint labor-management committees. Regulation should be reduced where possible, and red tape held to the very minimum. Inexperienced workers might be helped by special programs of on-the-job training. Anti-pollution regulations should be reassessed, with close attention to both their benefits and their costs. In this last area, we might reconsider our present approach to environmental protection. We should never abandon the goal of a clean environment, but we could have the government confine itself to the setting of standards and the fining of violators, leaving it to individual businesses to devise the least costly methods of cleaning up.

In my view, our economic policy has not fully taken account of the impact of low productivity on costs. That impact has more to do with the nation's long bout of inflation than any yet recognized in our policy. We can, and must, do better. Improving productivity does not mean working harder. It means working "smarter", with better training, better machinery, and better cooperation between labor and management. Our policy targets must be increased supply, fewer disincentives to produce, and larger rewards for production.

I believe that productivity must be given a prominent place on the national agenda. I believe as well that the battle to improve productivity will not be won or lost by the government, but rather by the private sector where 80% of all goods and services are produced. In the final analysis, productivity is a basic responsibility of the private sector. The government has a responsibility to create a healthy climate in which production can become more efficient. I have a hunch that our problems would not seem so enormous if we modernized our economy, produced more at lowest cost, and did what was necessary to become competitive again.●

LEGISLATION TO PROTECT IDENTITIES OF U.S. INTELLIGENCE OFFICERS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BENNETT. Mr. Speaker, I have just introduced legislation to provide criminal penalties for the unauthorized disclosure of information identifying individuals engaged in foreign intelligence activities.

These types of disclosures have no redeeming social value and have been made mainly by individuals who are openly undermining our Nation's vital intelligence efforts. Leading the list is Phillip Agee, a former CIA employee who has published the names of some 1,200 alleged CIA personnel and whose most recent book, "Dirty Work," purports to identify over 700 past and current CIA employees in Europe alone. That these disclosures have been made with relative impunity and commercial success is a travesty and serves no purpose but to encourage others in the continuation and expansion of such destructive activity.

Such disclosures not only place in jeopardy the lives and safety of this Government's intelligence officers and their families, as well as the lives and safety of those who cooperate with the United States in fulfilling its intelligence mission, but also have an adverse effect on the foreign intelligence and counterintelligence efforts of the United States. The fact that the U.S. to date has not been able to fashion a legal remedy to put a stop to such disclosures has severely damaged this Nation's credibility in its relationship with essential foreign sources of intelligence. The problem can be simply stated as follows: Current law is insufficient to cover the type of conduct that must be protected against; Congress has been unable to legislate a remedy; the disclosures continue to be made; the net result is a damaged intelligence capability and reduced national security.

A remedy is needed now. It is urgent that the 96th Congress clearly and compellingly demonstrate that the unauthorized revelation of the identities of our intelligence officers and those allied in our efforts will no longer be tolerated. The bill I have introduced provides the needed remedy. Subsection (a) of H.R. 3762 would make it a criminal offense for any present or former officer or employee of the United States or member of the military to knowingly disclose, to anyone not authorized to receive it, information which identifies anyone not publicly associated with the U.S. Government's foreign intelligence or counter-intelligence efforts and whose association therewith is classified. Subsection (b) would criminalize the same activity as described above for subsection (a) but is focused on those who—even though not present or former U.S. Government officers or employees or military personnel—have or have had a position vis-a-vis the U.S. Government which granted them access to identifying information. The U.S. Government contractor or his employee are an example of the subsection (b) potential defendant. Subsection (c), in turn, would make it a criminal offense for anyone, not described in subsection (a) or (b), to knowingly disclose, to anyone not authorized to receive it, information which identifies anyone not publicly associated with the U.S. Government's foreign intelligence or counterintelligence efforts and whose association therewith is classified, where, as a result of the disclosure, the identified individual's safety or well-being are prejudiced or where such disclosures damage the foreign intelligence or counterintelligence efforts of the United States. Furthermore, the bill in subsection (d) would make it an offense to falsely assert that an individual is engaged in intelligence activities where this prejudices the individual's safety or adversely affects the foreign affairs functions of the United States. The individual identified as being associated with U.S. intelligence efforts, whether correctly or incorrectly, may be nonetheless prejudiced and his or her future effectiveness called into question as may be the role he or she plays in the foreign affairs functions of the U.S. Government.

In addition, my bill provides injunctive relief and makes provision for an in camera proceeding so that the court in camera may determine whether the information about to be disclosed is that for which a criminal penalty may be imposed. The bill does not purport to criminalize disclosures made pursuant to a Federal court order or to either of the Intelligence Oversight Committees or disclosures otherwise authorized by Executive Order or by directive of the head of any U.S. department or agency engaged in foreign intelligence or counterintelligence activities. On the other hand, the bill would allow prosecutions of accomplices or conspirators, including, if guilty, members of the news media in those cases of prosecution under subsection (c). The courts have consistently recognized that the First Amendment freedom of speech does not prevent legislation such as I propose. Our distinguished forefathers who drafted the First Amendment clearly never intended it to be a shield behind which those who would wish to undermine the intelligence efforts of the United States might stand with impunity.

Mr. Speaker, I urge my colleagues in the House to take swift and sure action in the 96th Congress to pass this bill. I am optimistic that the 96th Congress will be remembered as one that dared to speak out against those who currently are working to destroy our intelligence agencies.●

ORGANIZATIONS SUPPORTING COMMITTEE VERSIONS OF ALASKA LANDS BILL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. LENT. Mr. Speaker, later this week, a vote on the "Alaska national interest lands" is scheduled.

Before voting, I would like to everyone to think about the term "national interest" and what it means. We as a nation have an interest in many things: Wildlife management; outdoor recreation; food production, including the harvest of fish; minerals; timber; and oil and gas. It is in our interest to pass a bill that supplies all of these in a balanced manner so that each is compatible with all of the others.

Members have doubtless received many letters from groups claiming to represent the "national interest" which call for the designation of large areas of wilderness in Alaska. Unfortunately, they represent only one segment of that interest.

The following organizations, representing millions of Americans, endorse the Alaska lands bills reported by the Committee on Merchant Marine and Fisheries, or the Committee on Interior and Insular Affairs, or the principles contained within those bills. I urge Members to carefully consider where the "national interest" lies and cast your vote accordingly.

ALASKA LANDS

Entities and Organizations who support either H.R. 39 (Huckaby) H.R. 39 (Breaux-Dingell), or the principles within the two bills. Conversely, they oppose H.R. 3636, H.R. 3651 (Udall-Anderson).

AVIATION

National Air Transportation Association.
Alaska Air Carriers Association.

U.S. Seaplane Pilots Association.
Aircraft Owners and Pilots Association.

ENERGY AND MINERALS

American Petroleum Institute.
Independent Petroleum Association of America.
Rocky Mountain Oil and Gas Association.
Western Oil and Gas Association.
American Gas Association.
Alaska Oil & Gas Association.
American Mining Congress.
Pacific Northwest Mining Association.
Mineral Exploration Coalition, Denver, Colo.
Southern Oregon Resources Alliance.
Alaska Miners Association.

GOVERNMENT AND CIVIC

Alaska Municipal League.
Western Conference Council of State Governments.
National Association of Counties Organization.
Good Sense Forum.
Concerned Citizens of the West.

LAND USE

Public Lands Council.
National Grange.
National Park Inholders Association.
American Farm Bureau.
American Land Development Association.
National Association of Cattlemen.
National Association of Realtors.

TIMBER AND LUMBER

American Forest Institute.
National Association of Home Builders.
National Forest Products Association.
Southern Forest Products Association.
Western Timber Association.
Federal Timber Purchasers Association.
Industrial Forestry Association.
Alaska Loggers Association.
Federal Timber Purchasers Association.

TRADE ASSOCIATION

Association of Equipment Distributors.
Associated General Contractors.
National Association of Manufacturers.
National Association of Home Builders.
Western Federation of Regional Construction Employers.
Western Environmental Trade Association.
National Association of Property Owners.
U.S. Chamber of Commerce.

UNIONS

Laborers International Union of North America.
Seafarers International Union of North America.
United Paperworkers International Union.
AFL–CIO.
United Association of Journeymen & Apprentices of the Pipefitting Industry of the U.S.
International Brotherhood of Carpenters.
International Union of Operating Engineers.
International Brotherhood of Electrical Workers.
International Brotherhood of Teamsters.
American Society of Professional Engineers.
Washington State Building Construction Trades Council.
American Society of Civil Engineers.
Marine Engineers Beneficial Association.

RECREATION AND CONSERVATION

Outdoors Unlimited.
National Outdoor Coalition.
National Rifle Association.
Safari Club International.
Boundary Waters Canoe Alliance.
Far West Ski Association.
International Snowmobile Industrial Association.
United Fourwheel Drive Association.
Recreation Vehicle Association.
Territorial Sportsmen of Alaska.
American Ski Federation.
American Sportsmen's Club.
Game Conservation International.
International Association of Fish and Wildlife Agencies.
National Trappers Association.
American Fur Industry.
North American Foundation for Wild Sheep.
Wildlife Management Institute.●

A 7,000-MILE WALK TO SAVE ALASKA

HON. EDWARD J. STACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. STACK. Mr. Speaker, the House will soon be considering the greatest conservation opportunity of our time—the Alaska National Interest Lands Conservation Act. One version of this legislation, the Udall-Anderson substitute to H.R. 39, provides for lasting protection to our Nation's unique northern wilderness heritage. The fact that the Udall-Anderson substitute is a balanced bill, deftly considering both our Nation's need for economic resources and our need for wilderness, has precipitated support from people all across the country, from all walks of life. My constituents and I agree that the Udall-Anderson substitute is sound legislation and it has my full support.

A number of dedicated people have made this legislation possible, including our colleagues MO UDALL, JOHN SEIBERLING, and JOHN ANDERSON, other Members of the House, the Alaska Coalition of Conservation, labor, and other groups, and many others. But as a symbol of unrelenting dedication and support, the efforts of one young man stand out. Ten months ago, a 23-year-old man named Sean McGuire set out on a 7,000-mile walk from Alaska's Yukon River to Key West, Fla. He made the epic journey—which included a hit-and-run accident with him as the victim, several interrogations by local police, and almost a dozen worn running shoes—to draw attention to the Alaska lands legislation now before Congress. McGuire carried with him a small vial of Yukon River water to symbolize that all Americans share in the heritage of Alaska's wildlands, and when he arrived in Key West on April 9, he emptied the vial into the Atlantic Ocean.

I hope that my fellow colleagues, in considering the Alaska legislation now before us, will remember that we all share in Alaska's wilderness treasure. With that sharing goes a responsibility of stewardship, a responsibility of conservatorship, and a responsibility of using wise and farsighted judgment when considering the fate of the Alaska national interest lands. I think you will agree that the Udall-Anderson substitute fulfills that responsibility, and I hope you will join me in supporting this legislation.

I wish to enter into the RECORD at this point the following article which appeared in the Miami Herald on March 26 on Sean McGuire's journey:

[From the Miami Herald]

WALK FOR WILDERNESS AREA NEARS END

(By Frederick Burger)

Sean McGuire's face reflected the weary perspiration of a man who's been walking across the country since last June. His jeans were dirty, but his soiled white T-shirt said it all:

"Key West Or Bust—Alaska's Wilderness Needs Help."

That message may seem a bit disjointed, but it all makes perfectly good sense to McGuire. He's walking across the country to draw attention to and win support for a proposal before Congress to protect 100-million acres of Alaskan wilderness.

The 23-year-old student-dishwasher from Berkeley, Calif., started about 200 miles north of Fairbanks, Alaska, and hopes to reach his destination by April 9.

"I think this is the biggest conservation issue in the history of the United States," McGuire argued about 3:20 p.m. Sunday, shortly after he trudged onto the public beach at Lake Worth. "I think it's spiritually important that there be a last wild place in the United States.

"No one was ever sorry, in the long run, that they made a park."

McGuire is not jousting with windmills. He's being aided along the way by members of The Audubon Society, who are housing him during his overnight stops. That organization has joined with such other environmental groups as the Sierra Club, the Wilderness Society and Friends of the Earth to lobby for the legislation that was introduced last year by U.S. Rep. Morris Udall (D., Ariz.).

Twelve environmental groups have banded together to form the Alaskan Coalition, which they hope will conquer the lobbying efforts of big-business oil and timber interests to kill the bill.

Udall's proposal cleared the House, but long-winded senators filibustered it to death in the upper chamber. The measure has been reintroduced in the Congress this year. Despite the bright prospects, McGuire is fearful that a committee amendment, offered by Rep. Thomas Huckaby (D., La.), will gut the true purpose of the bill.

McGuire hopes his walk will encourage citizens to write their congressmen and plead for passage of the measure—as Udall wrote it—which now is pending before the House Merchant Marine and Fisheries Committee.

The bill claims the support of the Carter administration. In fact, Carter has utilized an obscure 1906 law to protect some of the Alaskan wilderness lands, which are federally owned, but that act would not have quite the permanency of Udall's measure.

The 7,000-mile trek is not as much a stunt as some might suspect. McGuire came to love the Alaskan wilderness, when he started visiting family friends living inside the Arctic Circle. The idea for the cross-country walk popped into his head about nine months before he started it last June 9.

McGuire is not alone in his trek. Friend John Rouverol is driving a four-wheel-drive truck along the route, and McGuire's dog, Sweden, a mixed German shepherd, is walking much of the way with his master.

The trip has been eventful. McGuire says he was hit by a truck in Alaska shortly after his march to the sea began. He was confined to bed in Dallas, Tex., for exhaustion. Private security guards hauled him in Saturday when he unknowingly invaded Lost Tree Village, an ultra-private Palm Beach County community; McGuire said he had been looking for a shortcut to State Route A1A.

"I haven't actually been arrested, but I've been interrogated a couple of times." McGuire said. "Walking against traffic is really a mental stress. As long as I'm walking on the beach, I feel fine."

McGuire's been walking down the Florida coast since he hit St. Augustine a few weeks back: "My spirit is really good now. I'm coming to the end."

As he headed south along the Lake Worth beach, he had the rest of his trip to consider. He was wondering how to negotiate the Seven Mile Bridge as he crossed the Florida Keys and headed for Key West.

INFANT FORMULA EXPLOITATION

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. RICHMOND. Mr. Speaker, last week on the steps of the Capitol, a rally was held in protest of the dangerous and deplorable promotion of infant formula products in Third World countries. I would like to share with my colleagues comments I prepared for delivery at the rally.

STATEMENT BY REPRESENTATIVE FRED RICHMOND BEFORE THE INFANT RALLY

INFANT FORMULA EXPLOITATION, WASHINGTON, D.C.

It is a privilege to be here today to add my voice in protest against the dangerous and deplorable promotion of infant formula to uneducated, impoverished, new mothers in developing nations by the Nestle Corporation. The victimization of millions of Third World babies each year through heartless, hard-sell marketing tactics is an international tragedy. Poverty, ignorance and unsanitary living conditions, together with the unparalleled power of sophisticated advertising, has created a deadly combination, endangering human life in a multitude of countries from Haiti to Malaysia.

Despite extensive public citizen lobbying, the Nestle Corporation is continuing its unethical campaign to convince uninformed new mothers to abandon as backwards their tradition of breastfeeding for infant formula products they can neither afford nor properly use. Enticed by free samples, these new mothers soon find formula feeding too great an expense for their families' budgets to bear. As we now know, mothers are then forced to stretch formula supplies to last weeks instead of days, often diluting it with the local, bacteria-infested water. Healthy babies soon develop protein deficiencies, dehydrate and die, and Nestle's collects another buck for the corporate coffers.

Corporate irresponsibility is a disgrace with which we have become all too familiar, and I am pleased to announce today that I plan to be among the first to cosponsor the bill that my California colleagues, Representatives Ron Dellums and George Miller, will submit to Congress to curb exports by American infant formula companies in those poverty stricken areas of the world where this disgrace claims the lives of babies every day.

The international abuses of infant formula marketing have been well documented. However, we, as Americans, proud of our Democracy and technology, often fail to see the ignorance and poverty which exists in our own backyard. As Chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, I maintain that we must also focus our concern on the infant formula marketing practices among the poor in our country.

A study, jointly conducted by the National Council of Churches and the Interfaith Center for Corporate Responsibility, has surveyed 1,500 families in the urban ghettos of Los Angeles and San Antonio, Texas, at the Pine Ridge Indian Reservation in South Dakota and throughout the rural South. This study, which will be released at the end of June, is expected to show that limited education and insufficient medical care—conditions which breed abuses in infant formula marketing—are hardly exclusive to the Third World. I plan to examine the results of this survey, the first of its kind to concentrate on the domestic promotion of infant formula, to determine the implications for possible changes in our federal food programs.

Certainly, some changes will be in order. Among the most essential of our feeding programs is the Special Supplemental Program for Women, Infants and Children. While this program, which provides nutritional assistance for pregnant women, new mothers and children under five, is one of the most praise-worthy efforts of the Federal Government, its mandated nutrition education component has failed to adequately stress the medical advantages of breast feeding.

No one—not even the Nestle Corporation—denies that breast feeding is best for babies. The American Pediatric Association, recognizing that mothers' milk provides a variety of nutritional benefits—including immunities to diseases which account for early infant illnesses and death—recommends that babies be fed mother's milk exclusively for the first four to six months of life. However, systematic brainwashing by powerful, profit-motivated infant formula companies has fostered social taboos which discourage breast feeding as a viable alternative for American women and their lifestyles.

It is the responsibility of the Federal Government to assure that Americans are reeducated to understand and accept the natural, nutritional values that breast feeding holds for the health of our young.

Certainly, considering the entrenched hospital routines, traditional medical education and the vested economic interest of infant formula producers, this task will be most difficult. But with the help of the Infant Formula Action Coalition, the cooperation of Agriculture Department professionals and the assistance of my concerned colleagues in Congress, the battle to sway public opinion through the necessary program changes and educational processes will be fought unrelentlessly.

I pledge to support not only the Nestle Boycott, but the boycott of any corporation which indulges in the appalling marketing methods of unneeded infant formula as cited here today. In the name of safety, health and common human decency, the challenge to halt these deadly practices is one I wholeheartedly welcome.●

WELCOME OLIVER WENDELL HOLMES MIDDLE SCHOOL STUDENTS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. FROST. Mr. Speaker, I have the honor this week of welcoming 40 exceptional students and their chaperones from the Oliver Wendell Holmes Middle School in Dallas, Tex. These students were selected to travel to Washington, D.C., on the basis of their outstanding achievement records and I take sincere pride in welcoming them here today.●

STEEL INDUSTRY

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BENJAMIN. Mr. Speaker, during this time when much attention is focused on the international trade arena, I would like to call attention to an industry which is particularly vulnerable to injury—fabricated structural steel.

This industry provides the fabricated structural steel frames for many essential buildings, bridges, and other structures in this country, including steel mills, heavy and light manufacturing plants, electric power generating stations, warehouses, high and low rise office and commercial buildings, shopping centers, hospitals, schools, airport hangars and terminals, public assembly buildings, long-medium-short span highway, railroad and subway bridges, and an infinite variety of other structures. I believe these structures will be required for our future domestic growth. In war, if it should come, the industry's facilities have been and can be converted to tank turrets, landing craft, and many types of military hardware. In short, I hope the Congress and the Administration recognize the industry has facilities, equipment, personnel and skills, capacity and capabilities that must be kept at current levels for the good of the country.

Structural steel fabricators, who are separate and independent from the basic steel industry, buy rolled structural shapes and plate from the steel mill producers and fabricate these steel materials into the structural frames for buildings and bridges. To accomplish this, they perform some or all of the following operations:

Receive and stock mill material, use conveyors and cranes to move the steel, saw, shear, or burn to length and shape, punch, drill, bend or heat curve, weld or bolt subassemblies, clean, paint, inspect, and ship to job site for erection.

The American Institute of Steel Construction, Inc. (AISC), which is the technical specifying and trade promotion organization for structural steel fabricators, has 350 members, located in 48 States, made up of a majority of small companies, a number of medium sized firms, and a few relatively large fabricators. Each company is an important economic entity and employer in its own community.

Structural steel fabricators actually are in the construction industry. Fabricators bid, on a competitive price basis against each other, to a general contractor, for the fabricated structural steel contract on each project. Since the low bidder normally is awarded the job, this practice exercises a downward pressure on profits, which range up to 5 percent in good times and under 1 percent when the volume is low.

For the past 3 years the construction industry has been, and still remains, at a depressed level. The fabricators industry has shared in full measure this decline in market volume, with bookings having declined 30 to 40 percent over 3 recent years. As a consequence, in this same period, an estimated 30 companies have gone into receivership, have gone out of the fabricating business, or have converted their production equipment and sales efforts toward other markets.

This U.S. economic problem and difficulty for the fabricators have been compounded by large scale intrusions by foreign fabricators (Japanese for the most part and recently Canadian) into the free, relatively unprotected domestic market. Their forays into the United States have been accomplished by a simple tactic—low bid prices. Commerce Department statistics report on imports, dated March 29, 1979, shows a rising trend in imports of fabricated structural steel over the 4 preceding years, namely:

	Tons
1975	109,000
1976	115,000
1977	156,000
1978	165,000

In the case of the Japanese, their prices have ranged to 35 percent below the lowest domestic fabricator bid. Since structural steel fabricators throughout the world use basically similar equipment and must perform the same operations, it is inconceivable that their costs (despite lower wage rates) could be so far under U.S. fabricator costs.

The Canadian fabricators' activities in the U.S. market have accelerated over the past year or two. I assume this has been triggered by the substantial decline and continuing weakness in the Canadian dollar viz-a-viz the American dollar (in the order of 15 percent), plus the very low (3½ percent) U.S. import duty on fabricated structural steel from Canada (versus 17 percent) Canadian import duty on our U.S. product.

Whatever the major cause, the Canadians have recently taken a number of U.S. fabricating jobs near the Canadian border. Obviously, jobs let to foreign firms diminish U.S. employment, lower domestic sales and profits, decrease local tax income, and increase unemployment payments to displaced workers.

It should be remarked that the administration's trigger price mechanism, designed to provide some protection for domestic steel producers from imports, does not apply to fabricated structural steel imports. In fact, foreign mills will be tempted to divert restrained tonnages of shapes and plate to further advanced, higher value products, such as fabricated structural steel, and to export these to the United States where no import restraints exist.

The Treasury Department has refused to include fabricated steel in the TPM. The International Trade Commission has been petitioned to conduct an inquiry concerning the impact of imports on the domestic fabricating industry, but they so far declined, because we have been unable to supply detailed cost data for the Japanese bids.

So, this brings us to the Multilateral Trade Treaty which will shortly be presented to Congress for approval or disapproval. It should be mentioned that the American Institute of Steel Construction, Inc. (AISC) was invited 3 years ago to serve on Industry Sector Advisory Committee No. 14—Other Fabricated Metal, and they have been faithful in their attendance and have consistently advocated protection and safeguards for the industry. Present U.S. import duties on fabricated steel products are nominal, but despite AISC's continuing advice and input to ISAC No. 14, the U.S. representatives to the Geneva negotiations had offered to lower U.S. import duties on fabricated steel products by 35–40 percent. Specifically, the present and proposed U.S. import duty rates are:

[In percent]

	Present U.S. import duty rates	Proposed U.S import duty rates
TSUSA Nos. (covering fabricated structural steel):		
609.84	6.5	4.4
609.86	8.5	5.3
652.94	3.5	0
652.95	(?)	(?)
652.96	5.5	3.9
652.98	9.5	5.7

The ASIC has entered a strong protest with ISAC No. 14, regarding the inadequacy of the present duty rates which are further aggrevated by the proposed decreases. The ASIC feels their position and interests have been ignored or may have been traded off to achieve concessions on other products deemed more important by our trade negotiators.●

ALASKA LANDS—PART I

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DINGELL. Mr. Speaker, for over 24 years I believe it is well known that I have been a conservationist actively involved in the drafting and successful enactment of many of the Nation's crucial environment, conservation and wildlife statutes. An excellent product of this effort is the Alaska lands legislation reported by the Merchant Marine and Fisheries Committee of which I am a cosponsor with my colleague, John Breaux of Louisiana, and which is pending for House floor action.

Today, I am greatly troubled by the assertions of those who support the Udall-Anderson substitute on the Alaska lands bill who claim that the Merchant Marine and Fisheries Committee bill is a "less than conservationist" proposal. They are in error, substantial error.

I believe that many of those who are spending a considerable amount of time lobbying this issue either have failed to read the provisions of the Breaux-Dingell proposal or lack a clear understanding of its intent or impact.

The bill is truly a balanced piece of legislation. It is, furthermore, the best proposal offered to Congress thus far. It satisfies the need to protect critical resource areas in Alaska, it satisfies the needs of the State of Alaska to undertake reasonable and structural economic development, and it affords the people of Alaska and the rest of the Nation reasonable opportunity for access to the resources. It is not a step backward for the conservation of Alaska's irreplaceable natural resources, but it is, instead, a step forward for everyone concerned with Alaska.

The legislation would set aside over 128 million acres in national parks, park preserves, national wildlife refuges, national forests, wild and scenic rivers, and special management and conservation areas. The Breaux-Dingell substitute would designate over 53 million acres of wilderness, a more than adequate amount for the resource needs of the State.

The legislation would allow for oil and gas leasing on nonwilderness wildlife refuges where such activity is determined to be compatible with the purposes of the refuge. Moreover, the proposal would establish a 7-year wildlife and resource assessment program to ascertain energy resource potential in the coastal plain Arctic Refuge. This assessment would be conducted under the regulatory constraints of the Department of the Interior to insure there is no adverse impact to the resource or wildlife. In fact, it is stipulated in Breaux-Dingell that only a statutory act of Congress, after the 7-year study, would authorize any development activity. It is this provision that may save Alaska from the ravages of a future uncontrolled exploitation of the resources. It is the ongoing energy crisis that might very well precipitate such a stampede.

I have been to the great State on numerous occasions. I know the land. I know its people. In fact, I feel that I have an intimate relationship with Alaska and I am the last one in this Congress who would want to witness the ruination of this last frontier.

The Breaux-Dingell substitute is not a "development proposal." It offends me that recognition is not afforded those in the conservation community who support this bill. It concerns me that the administration continues to remain inflexible and obstinate in its opposition to a most realistic and rational solution to the Alaska dilemma.

I urge that my colleagues take an analytical look at the provisions of the Breaux-Dingell substitute and not blindly accept the analysis of those who do not put the needs of Alaska as their first priority.

When the various Alaska lands bills are debated later this week, I urge my colleagues to look beyond the banner arguments of those who do not fully understand the issues. I urge you to make a decision based on fact, on rational analysis, and with the interests of Alaska's invaluable resources in mind, the people of Alaska and the future of our Nation.●

WHO IS STEALING THE "SARATOGA"?

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. GRAY. Mr. Speaker, the early months of the 96th Congress have seen a debate over where the U.S.S. *Saratoga* should be overhauled.

In late 1976, during the Ford administration, the Navy indicated its plan to perform the overhaul at the Philadelphia Naval Shipyard. I would be more than happy to share with my colleagues a copy of the Navy papers to document this fact.

The documentation is important, Mr. Speaker, because a few of our colleagues have made the *Saratoga* overhaul a political issue by alleging, without foundation, that the Carter administration is sending the *Saratoga* and its 3,000 jobs to Philadelphia as a "payoff" to compensate for the closing of the Frankford Arsenal.

Nothing could be further from the truth, Mr. Speaker. Certainly the Philadelphia congressional delegation is anxious to help replace the jobs lost due to previous base closings. This is a goal which we would expect the administration and every Member of the House and Senate to share, no matter what city or State is affected.

But the fact remains that the recommendation to assign the *Saratoga* to Philadelphia was made on the merit of which shipyard could perform the job most effectively in terms of cost, performance, and defense security.

I am aware that we have heard a great deal about less cost at Newport News, according to a GAO report.

But we should be aware, Mr. Speaker, that this same report has been widely discredited. It was designed in advance to show only one conclusion. It did not take into account the millions upon millions of dollars in cost overruns—costs paid by the taxpayer—which have plagued Newport News' naval work; it did not take into account the tremendous time delays which the Navy has encountered at Newport News; and it did not take into account the fact that the Philadelphia Naval Shipyard—and not Newport News—has built a successful track record in major overhaul work of the type needed on the *Saratoga*.

I might add that independent studies since the GAO's report of last year have shown little or no cost difference between Philadelphia and Newport News.

If any of us, Mr. Speaker, are asked to vote on this issue on the floor of this House or in committee, I would urge us to become familiar with all of the facts of the case, and not just the political hyperbole. I commend to the attention of my colleagues the following commentary on this issue from the Philadelphia Inquirer of April 24, 1979, and I invite my colleagues to discuss the questions it raises with me or with Mr. Myers of Pennsylvania, who has so ably directed Pennsylvania's efforts to provide information to us regarding the *Saratoga*.

ANOTHER DESPERATE TRY TO STEAL THE SARATOGA

There seems to me no limit to how far the congressman who represents Newport News, Va., will go in bizarre efforts to reverse the U.S. Defense Department's sound decision to send the aircraft carrier *Saragota* to Philadelphia for overhaul. His current strategy, absurd on its face, is to deprive the Defense Department, the White House, and the Congress of any voice in the decision and let it be made by the U.S. General Accounting Office.

Rep. Paul S. Trible, a second-term Republican doesn't say it in those words, of course. He is trying to attach to a fiscal 1979 supplemental defense appropriations bill a rider that would prohibit expenditure of funds for the *Saratoga* overhaul "unless such program is to be conducted on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on Sept. 22, 1978."

That is the date of the notorious and discredited GAO report, formally issued by the comptroller general, which concluded that the *Saratoga* could be overhauled at the Newport News Shipbuilding and Dry Dock Co., a private yard, for up to $105 million less than the work could be done at the Philadelphia Naval Shipyard. The study was based on faulty assumptions—regarding labor costs, for example—and failed to give proper accounting to some items, including overhead costs. An analysis of the GAO report by the Wharton School at the University of Pennsylvania pointed out numerous deficiencies and concluded there would be no significant cost differential between Newport News and Philadelphia.

Moreover, the GAO report did not give adequate, or any, consideration to several important factors other than cost. As a matter of prudent defense policy it is desirable to maintain and improve ship overhaul capabilities at the Philadelphia Navy Yard, which has an excellent record for ontime, within-budget performance, and not to become overly reliant on the Newport News yard which has an infamous record of cost overruns and late deliveries. Additionally, there is a question whether Newport News, with construction work already committed or in prospect, would be able to initiate the *Saratoga* overhaul in 1980 as scheduled and follow through with overhaul of three other carriers in a total of eight years.

Disregarding all such considerations, Rep. Trible is still trying to keep the carrier work from going to Philadelphia even though that was the Navy's original choice and it was confirmed by the Defense Department after the GAO report was issued. The Newport News congressman has failed thus far to have his rider approved by the House Armed Services Committee but has succeeded, with the help of southern colleagues, in getting it approved by the Senate Armed Services Committee as an attachment to supplemental defense appropriations.

The Trible proposal has enticing language in the "least cost" phraseology, which is deceptive in the absence of any firm evidence that there is significant difference in the cost factor between Newport News and Philadelphia. Rep. Trible, who requested the GAO study in the first place, is trying to hoodwink Congress and the Executive Branch into abandoning their own responsibilites and granting blank-check acceptance of the findings of the GAO, which is not accountable to voters.

The Trible rider should be rejected by the Congress as part of the 1979 supplemental defense appropriations or on any other bill to which it might be attached. Philadelphia has been chosen by the Navy for the carrier overhaul work, that decision has been approved by the Defense Department, and the work should proceed in Philadelphia on schedule.●

AGRICULTURAL DEVELOPMENT COMPATIBLE WITH STRONG ALASKA LANDS BILL

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BALDUS. Mr. Speaker, the House will soon be considering legislation to preserve the vast wilderness territories of Alaska. The Udall-Anderson substitute to H.R. 39, which I strongly support as the only satisfactory version of the Alaska lands bill, provides permanent protection to the finest of our northern wilderness, while also allowing for the country's resource development needs. The Udall-Anderson substitute is a responsible and balanced bill.

We have heard—and I am sure we will continue to hear—an abundance of argument that great oil, gas, and mineral resources will be locked up by passing the Udall-Anderson bill. Many of these assertions come from the major oil companies, with whose impartiality and objectivity we are already familiar.

I personally am convinced that those areas with potential for these resources have been set aside already for possible development. If there are pockets of these resources scattered among the vast miles of the northern wilderness, I do not believe it worth the price to chew up and regurgitate our last unspoiled frontier looking for them.

But, as I said, that issue has already been argued to death. There is another aspect of the issue, however, that has received scant attention. I recently heard an argument—a new one—that the Udall-Anderson substitute bill would ruin forever the chances for agricultural development in Alaska. As a member of the Agricultural Committee and a farmer from way back, I decided to check into this charge. I would like to share with my colleagues some of my findings.

In analyzing last year's bill, of which the Udall-Anderson substitute is a careful refinement, the Interior and Insular Affairs Committee found that with only one exception there was no conflict between the proposed conservation units and potential agricultural development in the State. That one exception—the rich Yukon Flats National Wildlife Refuge in northeastern Alaska—will not diminish the State's opportunity for agricultural development.

Here is some background on the issue There are currently only 17,000 acres of land in Alaska under cultivation: Matanuska Valley, Tanana Valley and western Kenai Peninsula. Because Alaska imports more than 95 percent of its food, it is understandable that a number of residents are eager to increase the State's agricultural production. Indeed, State selection of potential agricultural lands to date will help realize this goal.

The Soil Conservation Service has targeted about 18.6 million acres as "potentially arable" in the entire State. One-half of that total is considered by the State to have "significant" agricultural potential. The State and Native Corporations have selected roughly two-thirds, or about 5.5 million acres, of the "significant" category. Furthermore, of the only 1.5 million acres considered to have "high" potential, the State and Native Corporations have already selected 71 percent, or well over 1 million acres. Looking only at the "high" potential land resource already selected out of Federal ownership for agricultural production, agricultural activity in the State could be expanded by a whopping 46 times over the current level.

Let me point out that there are numerous stumbling blocks to such an increase in agricultural activity in the State, of which the high cost of production is perhaps the greatest.

The Yukon Flats National Wildlife Refuge in Alaska's largest interior valley contains about 10,310,000 acres of prime wildlife habitat. The Yukon Flats are an essential link in the annual flight of 2,100,000 ducks, 16,500 geese, and many other migratory birds. The Yukon Flats are also home to caribou, moose, wolverine, grizzly and black bear, wolf, beaver, mink, and Dall sheep. The waters in the range abound with salmon, northern pike, whitefish, and 19 other species of fish.

In light of the extremely high wildlife values of the Yukon Flats wildlife range, and of the extensive agricultural land available elsewhere in the State, the Interior Committee concluded:

> The committee was informed that about 19.5 percent (or 3.6 million acres) of the lands in the State classified as "potentially arable" are located in the Yukon Flats area. The committee also notes that a large percentage of the lands which have "significant" agricultural potential likely will be transferred to Native corporations, and thus, into private ownership . . . The committee believes that sufficient lands will be in private ownership in Yukon Flats to satisfy potential agricultural development for a long period of time.

Mr. Speaker, I contend that the Udall-Anderson substitute will not have a negative effect on Alaska's agricultural development, which some people are alleging. I hope my colleagues will join me in realizing that this legislation has been compromised to the fullest extent possible. I hope my colleagues will join me in voting for the Udall-Anderson substitute.●

TRIBUTE TO RETIRING LOS ANGELES CITY COUNCILMAN BOB WILKINSON

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. GOLDWATER. Mr. Speaker, an outstanding city councilman, representing the 12th district of the city of Los Angeles, is soon to retire from public office. It is our privilege and honor to give recognition today to the dedication of Robert M. Wilkinson for over two decades of service to the people of the Los Angeles area.

The 12th district of Los Angeles is composed of approximately 49 square miles in the northwest section of the San Fernando Valley and is among the fastest growing areas in the country. Councilman Wilkinson has recognized and provided the unique type of leadership necessary for this type of development.

A native of Nebraska, Bob Wilkinson moved to the San Fernando Valley in 1936. His service to the public began in 1953 with his election to the Los Angeles City Council. After 4 years in office, he was appointed to the harbor commission and served as its executive secretary until 1965. He was again elected to the city council and was subsequently reelected for two additional terms.

His civic interest reaches far beyond political boundaries; he is an active member in over two dozen organizations, including the American Legion Post 308, Big Brothers of Greater Los Angeles, Friends of the Santa Monica Mountain Parks Advisory Board, the Guardians of the Jewish Home of the Aged, the National League of Cities, VFW Post 2323, and the West San Fernando Valley Family Young Men's Christian Association. His concern for constituent problems, both large and small, is well known and his efforts on their behalf are documented by long hours of hard work, often extending into weekends and holidays.

A graduate of Canoga Park High School and the University of California, he and his wife Marjorie are the parents of three children and the grandparents of five.

We join at this time to wish our friend Bob Wilkinson much happiness, prosperity and good health in his retirement, and to express to him a feeling we are sure his constituents share with us—his presence on the Los Angeles City Council will be missed.●

CELEBRATION OF CREATIVITY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. WHITEHURST. Mr. Speaker, we so often hear what is wrong with our schools that I am sure we sometimes wonder if there is anything good to be said about our system of education. The following article, which appeared in the Norfolk Virginian-Pilot shortly before the recess, makes it clear that we still have reason to be optimistic about the future of American education.

I am delighted to be able to report that there were over 2,500 people in attendance at the March 20, 1979, Celebration of Creativity at Plaza Junior High School in Virginia Beach, and I want to take this opportunity to commend Dr. Benjamin I. Troutman, Jr., the principal, for his ongoing efforts.

For further information of my colleagues, I am pleased to insert at this point in the RECORD the program of the Celebration of Creativity and the goals that have been set to take the students and the community "Beyond Competence."

JUNIOR HIGH LOOKS FOR JOY OF LEARNING

(By Mike Smith)

VIRGINIA BEACH—Minimum competencies may assure students they can read maps, but they will know where they're going, where they are when they get there, and if they want to be there? Some Virginia Beach educators, parents, and students are concerned as the state pushes minimum competency requirements.

"When I think of minimum competency, I think of it as being able to function totally and effectively. Not simply fill cut forms or get information, but to be able to deal with the complex technological, moral, and environmental issues we face today and in the future," said Dr. Ben I. Troutman, Jr.

One of the dangers Troutman, principal at Plaza Junior High School, sees in the minimum competency movement is that it doesn't allow "the full expression of the human imagination. And it's the human imagination that really created all of the great ideas of the world."

In an effort to broaden the goals of education at a time when they see a narrowing under the pressure of minimum competencies, some educators, parents, and students have organized at Plaza to "cultivate and develop thinking, responsible, caring, creative students."

The symbol of this effort will be Tuesday night's "Celebration of Creativity," a three-hour, open-to-the-public program designed to show "just how important creativity and thinking are to our school system and to the teachers and students at Plaza," Troutman said.

The program will begin at 7 p.m. with art demonstrations by elementary schoolchildren. From 7:45 to 8:30, photographer William McIntosh will put on three slide-tape shows. That will be followed by an hour of special-interest sessions in ballet, poetry, mime, drama, opera, and many aspects of art. Walter Noona will close the evening on a musical note.

Through the evening, exhibitors will be available for questions and some will invite public participation in the creative process.

"This is symbolic of a much larger, on-going attempt to meet the needs of our students and to elevate their thinking, artistic, aesthetic, and appreciation levels," Troutman said.

Such needs aren't being met because much of learning has become "so mechanical, so routineized, so programmed that the joy of investigating an idea or solving a problem is lost," Troutman said.

His beliefs are supported by Dr. Lawrence D. Hultgren, associate professor of philosophy at Virginian Wesleyan College.

He's found that a lot of his students haven't developed reasoning skills by the time they get to college.

"Many students in my classes don't have the ability to wonder. They've been taught that education is learning answers and not learning how to raise questions. The wonder has been taken out of learning," Hultgren said.

"Students have their reading, math, and science classes," Hultgren said. "Everybody assumes they're going to learn as a by-product, they're going to learn to reason, they're going to think both cogently and creatively, and yet that hasn't been happening. Maybe instead of trying to teach thinking indirectly we should teach it a little more directly."

What Troutman and the committee hope to generate is a concern for scholarship and intellectual and critical thinking "in everything we do whether it be reading or watching TV."

Troutman believes the competency movement tends to focus on a narrowing of educational goals and objectives.

"Although they may be of some value, they're not the traditional central core values that we've developed over the years, teaching kids to be good thinkers, good writers, good speakers, and good readers," he said.

"The minimum competency movement is going so far in attempting to define what are the important things in education that it's missing some of the more critical ideas," he said.

An example of Troutman's attempt to improve and enrich his students' education is the right-to-read program he instituted two years ago.

Two half-hours are set aside each month at Plaza where everybody, Troutman and his secretaries included, stop what they're doing and read. "They can read anything they want, comics, magazines, anything, as long as they read for the half hour," he said.

"We felt very strongly (two years ago) it was a very important time to spread the idea and develop the notion that we wanted not just mechanical readers but critical readers," Troutman said. "We wanted to develop in the student body some joy and pleasure in school and reading."

He has also involved students and parents in various planning sessions of the school, opened the library to the public, offered a course in visual language, and encouraged critical thinking in each class.

As for the community's acceptance of these goals, Troutman said he believes the community will want to move beyond minimum competency.

"The community will want to get into higher levels of thinking. It will want better thinkers, writers, and readers."

A special invitation to the Celebration of Creativity, March 20, 1979, Plaza Junior High.

Opening: 7 p.m. Doors open to the public.

7–7:30 p.m., foyer, art demonstrations by students from Elementary schools.

7:30 p.m., auditorium, Dr. Ben. I. Troutman, Jr., principal, welcome and introduction.

7:45–8:30 p.m., auditorium, Mr. William McIntosh, master of photography, series of slide-tape programs.

Special interest sessions: 8:30–9:30 p.m., art rooms, demonstrations by guest artists.

Ray Dorosz/Painting, Cynthia Flegal/Textiles, Alyce Musgrove-Walcavich/Painting, Linda Quillin/Woodcarving, Joseph Stith/Ceramics, Ginny James/Stained Glass, Betty Jo Woodhouse/Drawing, Janet Mitchell Fishel/Needlework, Bevin Norkin/Ceramics.

8:30–9:30 p.m., gym, Virginia Beach Civic Ballet.

8:30–9 p.m., auditorium, Philip Graham, poet-in-the-school.

8:30–9 p.m., Kiva I. Martin and Julia Tickner, mime.

9–9:30 p.m., auditorium, Kathleen Lockwood, dramatic cuts from The Belle of Amherst.

9–9:30 p.m., chorus room, Hope Mihalap and Betsy Trundle, Virginia Opera Association.

Finale: 9:30–10 p.m., auditorium, Walter Noona, musical composition.

Student artwork from the following schools will be displayed: Windsor Woods Elementary, Windsor Oaks Elementary, Brookwood Elementary, Holland Elementary, Lynnhaven Elementary, Plaza Elementary, Seatack Elementary, Kellam High, Cox High, Princess Anne High, and Plaza Junior High.

Other exhibits will feature student projects in visual language, science, home economics, industrial arts, literature; creative works of Plaza staff members and parents; and a special planetarium presentation.●

1979 BUDGET RESOLUTION SUPPLEMENTAL AMENDMENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. SIMON. Mr. Speaker, during consideration of the third budget resolution for fiscal year 1979, I will introduce an amendment to add $2.2 billion in budget authority and $1.5 billion in outlays covering the following essential items: Assistance for disasters, food stamps, defense, aid to cities, and human services. Even with these changes, the 1979 deficit will be $2.9 billion lower than the deficit in the second budget resolution approved last fall.

Following is an explanation of why we need this amendment, along with more details on the attached page. I hope you will support this amendment.

Defense: The amendment adds $628 million in budget authority while reducing foreign military sales by $336 million, for the purpose of purchasing two Spruance class destroyers, a net increase of $292 million.

Originally ordered by Iran, these ships each cost $200 million less than comparable ships requested previously by the administration and provide us a chance to bolster existing Navy carrier task forces, at less cost than we would otherwise.

Termination of contracts for these ships would add considerably to the cost of other items under purchase by the Department of Defense.

Failure to purchase these ships would add embarrassment and uncertainty to our already sensitive relations with Iran.

Disaster assistance: The amendment adds $920 million in budget authority to cover emergency assistance for disasters by the Federal Emergency Management Agency, the Corps of Engineers, and the Small Business Administration in response to recent flooding and other disasters.

Aid to urban areas: The amendment adds $324 million in budget authority for targeted fiscal assistance, aid to the territories, and urban parks for rehabilitation of deteriorating facilities.

Food stamps: The amendment adds $650 million covering the unanticipated increase in use of this program, particularly among the rural poor, as a result of the 1977 Food Stamp Amendments.

Human services: The amendment adds $37 million in budget authority for handicapped and aging programs. These funds will cover inflation costs for the aged employment program. It also pays for comprehensive services to severely handicapped persons to enable them to live and function independently rather than rely on welfare.

Following is a copy of the amendment I plan to introduce and a chart explaining the amendment according to functional categories of the budget:

AMENDMENT TO H. CON. RES. 107 BY MR. SIMON

(NOTE.—Amendment to H. Con. Res. 107, or to any amendment in the nature of a substitute to H. Con. Res. 107.)

In section 6(a):

In the matter relating to the appropriate level of total new budget authority increase the amount by $2,223,000,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $1,522,000,000;

In the matter relating to the amount of the deficit increase the amount by $1,522,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $1,522,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $1,522,000,000.

In section 6(b):

In the matter relating to Function 050—National Defense increase the amount for budget authority by $628,000,000; and increase the amount for outlays by $315,000,000.

In the matter relating to Function 150—International Affairs decrease the amount for budget authority by $336,000,000; and decrease the amount for outlays by $315,000,000.

In the matter relating to Function 300—Natural Resources increase the amount for budget authority by $88,000,000; and increase the amount for outlays by $27,000,000.

In the matter relating to Function 450—Community and Regional Development increase the amount for budget authority by $870,000,000; and increase the amount for outlays by $605,000,000.

In the matter relating to Function 500—Education, Training, Employment and Social Services increase the amount for budget authority by $37,000,000; and increase the amount for outlays by $13,000,000.

In the matter relating to Function 600—Income Security increase the amount for budget authority by $650,000,000; and increase the amount for outlays by $600,000,000.

In the matter relating to Function 800—General Government increase the amount for budget authority by $16,000,000; and increase the amount for outlays by $7,000,000.

In the matter relating to Function 850: General Purpose Fiscal Assistance increase the amount for budget authority by $270,000,000; and increase the amount for outlays by $270,000,000.

In section 1:

In the matter relating to the appropriate level of total budget outlays increase the amount by $470,000,000;

In the matter relating to the amount of the deficit increase the amount by $470,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $470,000,000:

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $470,000,000.

In section 3:

In the matter relating to Function 050—National Defense increase the amount for outlays by $166,000,000.

In the matter relating to Function 150—International Affairs decrease the amount for outlays by $74,000,000.

In the matter relating to Function 300—Natural Resources and Environment increase the amount for outlays by $35,000,000

In the matter relating to Function 450—Community and Regional Development increase the amount for outlays by $265,000,000.

In the matter relating to Function 500—Education, Training, Employment and Social Services increase the amount for outlays by $24,000,000.

In the matter relating to Function 600—Income Security increase the amount for outlays by $50,000,000.

In the matter relating to Function 800—General Government increase the amount for outlays by $4,000,000.

SIMON AMENDMENT

I. This amendment would change the budget aggregates as follows (in millions of dollars):

Fiscal year 1979:
Budget authority ---------------- 2,223
Outlays ------------------------ 1,522
Fiscal year 1980:
Outlays ------------------------ 470

II. The amendment would provide for fiscal year 1979 supplementals in the following amounts:

A. $628 million in budget authority for the purchase by the Navy of two Spruance class destroyers originally ordered by the Government of Iran through the Foreign Military Sales Trust Fund (FMS) and later cancelled.

B. $920 million in budget authority for disaster relief activities, including $720 million for SBA disaster loans, $150 million for activities of the Federal Emergency Management Agency (FEMA), and $50 million for the Corps of Engineers.

C. $250 million for the proposed Targeted Fiscal Assistance program.

D. $111 million in budget authority for other activities and programs, including $38 million for initial funding of the Urban Parks and Recreation Recovery Act of 1978, $12 million for start up of the independent living program for the severely handicapped and for the institute on the handicapped, $25 million to increase part-time employment opportunities for the low-income elderly, $36 million to the Virgin Island and the U. S. trust territories for construction of energy and hospital facilities and for other payments including those to offset revenue losses due to Federal tax cuts.

E. $650 million in budget authority to cover food stamp payments in fiscal year 1979.

III. The amendment would change budget functions as follows (in millions of dollars):

	Fiscal year 1979		Fiscal year 1980 outlays
	Budget authority	Outlays	
050 National defense, 2 Spruance class destroyers	628	315	166
150 International affairs, FMS trust fund reflection of purchase of destroyers	−336	−315	−74
300 Natural resources and environment	88	27	35
Emergency flood control—Corps of Engineers	(50)	(25)	(25)
Urban parks	(38)	(2)	(10)
450 Community and regional development	870	605	265
SBA disaster loans	(720)	(540)	(180)
FEMA activities	(150)	(65)	(85)
500 Education, training, employment, and social services	37	13	24
Handicapped	(12)	(7)	(5)
Low-income elderly part-time employment opportunities	(25)	(6)	(19)
600 Income security, food stamp payments	650	600	50
800 General government, Virgin Islands and trust territories construction and other payments	16	7	4
850 General purpose fiscal assistance	270	270	
Offset to Virgin Islands revenue loss	(20)	(20)	
Targeted fiscal assistance	(250)	(250)	

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ON DEATH OF ROGERS MORTON

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MICHEL. Mr. Speaker, I thank my distinguished colleague for yielding, and appreciate the time that he has taken here that we might say a few words in memory of our former colleague and very dear friend, Rogers Morton.

I shall always remember him best for his disarming manner. No one ever had reason to feel ill at ease in his presence. He liked those best who were just as good-natured as he was and he always seemed to have an anecdote to break the ice if necessary.

Rogers was a big hulk of a man—6 feet 8 inches tall and well proportioned. When he walked into a room he dominated it. Nevertheless he had an air of informality and even tended to slouch sometimes as if to lower his profile. When he sat down he just seemed to spill over any chair.

While Rog had every reason to be a proud man he was a humble man. You could not help liking him. Even in the most partisan debate, he always played the role of a gentleman and preferred to humorously needle the opposition than to engage in any free-wheeling verbal broadside.

Having come to the Congress from private industry he was a free enterpriser through and through. Notwithstanding that commitment, he also had a great deal of respect for the public interest. This became quite evident during his tenure as Secretary of the Interior. Rog loved the out-of-doors and he could rough it with the best of them.

It was quite appropriate then that when he knew he was to be a victim of cancer that he should return to those pursuits on the Eastern Shore of Maryland to live out his life doing what he liked best.

Rogers' life was a good one, but all too short. He made it well in the private sector and gave us all something extra-special in his public life.

I shall always treasure my friendship with Rogers and revere his memory. He was one of the truly great ones to come our way.

I do appreciate having the opportunity to publicly tell Anne, Thruston, Jane and the children how much we share their loss and send along our expressions of profound sympathy.●

VANGO

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. LONG of Maryland. Mr. Speaker, I would like to share with my colleagues Maryland's VANGO, an exciting and very effective program for energy conservation.

VANGO is a Federal and State-funded, nonprofit corporation organized in 1977 for the purpose of providing standardized, no-risk leases of vans to employers or to groups of individual commuters for use as vanpools. First in the Nation, Maryland's program is used as a model by other States which are establishing ride sharing programs. VANGO services eliminate the financial risk to vanpoolers, simplify getting started, and are provided at no cost to the users.

A vanpool is a 12 to 15 seat passenger van carrying commuting employees between home and work. All costs are divided evenly among the riders. The driver rides free and gets use of the van after work, on weekends and holidays for only a small mileage charge. Each vanpool is a self-supporting, self-operating, independent unit.

VANGO operates as a middleman in lease arrangements between leasing companies and van users. It obtains grant money; prepares bid specifications for standards lease agreements; awards a master leasing contract; markets the vanpool concept among potential users; coordinates commuter ridematching; cosigns leases between the leasing company and vanpool users; and, provides program evaluation.

The vanpool concept benefits everyone—workers, employers, and the community. Workers enjoy reliable, economical commuting with guaranteed seating; express, door-to-door service; no rush-hour driving or parking problems; reduction in personal auto insurance; and, possible large savings if the need for a commuting car is eliminated.

Companies enjoy a reduction in traffic congestion around work sites; reduction in employee parking space requirements; decreased absenteeism and tardiness; an employee benefit at no cost to the company; increased labor market area; and, no company liability.

The entire community benefits by a substantial energy savings (vans get 150 passenger miles per gallon); better air quality by reduced auto pollution; fewer vehicles on the roads at rush hour; less need for new parking lots; no tax dollar subsidies required; and, less wear and tear on roads.

In the past year, Maryland has registered 85 ridesharing vans. Over 1,000 Marylanders are participating in this program which has saved over 500,000 gallons of gasoline. Just think how much energy could be saved if the whole country knew about vanpooling.

Anyone who is interested in more information about VANGO should call or write Mr. Alan Winn, State ridesharing coordinator, Maryland Mass Transit Administration, Airport Investment Building, Suite E–100, Linthicum, Md. 21090; 301/796–POOL.●

UNIVERSAL SERVICE—A REPORT BY THE MARION-UNION COUNTY COMMITTEE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BROWN of Ohio. Mr. Speaker, the following is a report prepared by the Marion-Union Counties Committee of the Seventh Ohio Congressional Youth Advisory Committee on the proposal universal national service for this Nation's young adults.

Members of the Marion-Union Committee included: Roger Geiger, chairman; Eric Stickdorn, vice chairman; Rae Thompson, secretary; Patti Blue, Ruth Clinger, Karen Dean, Brook Ferguson, Jodi Hedges, Jon Isaacs, Annie Kerns, John Morman, Becky Moury, Teri Rae, Diana Rowland, and Chuck Stinemetz.

Following the defeat of an amendment to limit the use of military manpower in the United States, and the defeat of an amendment calling for "voluntary service for a period of 3 years, with no pay, no benefits, 10 hours of service per week and a choice of work place," the committee's report was defeated by the council on a 40 to 41 vote.

The report follows:

We as Americans cherish our freedoms, including the freedom of choice. It's a privilege that is enjoyed by very few. Americans have always had the right to choose their own goals in life. Would it not be taking this cherished freedom away by forcing one to serve in an area he or she wishes not to serve?

SOME ADVANTAGES OF TODAY'S MILITARY

There are many advantages for servicemen in today's military. Minimum wages per month are set at $300 and variable reinlistments bonuses up to $10,000, possibly reaching $15,000, are only the first of a long list of military incentives. The chance to complete or further an education free of cost is another nice benefit.

Other incentives include: cash savings on such costly items as housing, food, insurance and travel; recreational facilities that offer swimming pools, golf courses, competitive intraservice sports and amateur theatre groups; karate and judo clubs providing training in self-defense that certain branches of the service do not; rod and gun clubs, with hunting and fishing on military reservations; elimination of former service-life irritants, from reveille to KP, semi-private quarters and five-day weeks; up to $15,000 in life insurance; 30 days paid vacation; and free health and dental care as well as medical care for dependents.

Commissary (grocery store) and post exchange (department store) privileges save from 20 to 30 percent a year also are included as advantages. Finally, enlistees signing up for three years or longer can be guaranteed training in the career of their choice.

AGAINST A VOLUNTEER ARMY

Grim statistics are the most effective arguments against the volunteer army.

The age group from which recruits are drawn is shrinking. Approximately 10 million males in the United States are between the ages of 17 and 21, and all but a handful of recruits come from this 10 million. This manpower reserve will dwindle in the 1980s. As conditions now stand, more than 40 percent are disqualified from service for physical or mental reasons. Another two million are in universities or medical schools or have already entered the services.

Further, the volunteer army must compete with the Navy and the Air Force for recruits. Navy or Air Force service appears cleaner and less demanding, and army casualties in war are higher than those in other services.

The basic reinforcement in the event of war would come from the National Guard and the reserve units. The latter are almost half a million soldiers short, according to the Chief of Staff's estimates in March 1978.

The army's need is for a program that will raise the inducements for Individual Ready Reserves. Many believe this cannot be accomplished without a system of national military service that encompasses both reservists and draftees.

In addition, some critics have said that the racial balance within the army is unrepresentative of the United States, and others argue that, despite the army figures, the educational standards are low.

The Senate Armed Services Committee is worried about the inability of all three services "to attract sufficient numbers of high quality recruits." According to the committee the all-volunteer force is not now providing sufficient reserve personnel and will be hard-pressed to provide additional active recruits should the national security require expansion.

Statistics add credibility to that argument: about 790,000 men and women are in the active army, compared with 1,825,000 in the Soviet Army.

To support such a force would require a draft. The services could not depend on the present system, given the numerical and, in some aspects, qualitative superiority of Soviet forces.

The cost of the volunteer army is another target of critics.

Defense manpower, of which the army is the largest contributor, will cost $1 billion in the current year, of approximately 46 percent of the defense budget. The cost of recruiting a single soldier is approximately $1,400. And manpower costs in terms of pay are unlikely to fall because they are to be comparable to wages in the civil service which, in turn, are to comparable to those in the private sector.

The charge that the volunteer army will have undue political influence in the Republic continues.

There is adequate evidence in other countries to support such a concern—Wilhelmine, Germany, France in the closing decade of the last century and, according to informed intelligence sources, the Soviet Union today. Those who make the criticism emphasize that a force as large, as well funded and, they concede, as well as the present American armed forces in a dire emergency would be able to take indirect control of formulating national policy.

Accompanying this argument is one that a professional army is ill-attuned to American society. There should be a closer relationship between the army and the people; it should be a people's army comparable to that of the Soviet Union, which is a conscript force led by highly trained long service officers.

A NATIONAL SERVICE CORPS

Millions of young Americans serving their country between the years 18–26 in a "national service" corps.

We envision young Americans siding and infirm, rehabilitating neighborhoods, helping in hospitals and assisting community centers. Vista, the Peace Corps and the young Adult Conservation Corps, present government-service programs, would be part of this new system.

The government services above would be alternatives to compulsory military services. All men and women at the age of 18 or upon graduation shall be required to register at local points of registration at which time they will choose one of the following three (3) opportunities:

Choice A—4 years of service in one of our military branches with all military benefits.

Choice B—6 years of a national service corps (see above). They will be employed by the national, state or local government. (Minimum of 10-15 hours a week must be served).

Choice C—8 years on stand-by or reserve. (This means that the individual is not bound to any other services until time of war).

Registrations will be confirmed every other year at the individual's point of registration.

LIMITATIONS AND RESTRICTIONS

If you go into the military service under the 4 or 8-year plan, you must do so between the ages of 18–22 because the military doesn't want people with families. For the civil services, you must enter between the ages of 18–26, because the activities involved are less time consuming than the military service and that one would be able to have a family at the same time.

There are no restrictions on the sex of a person. In case of a war, male soldiers will be on the front lines of the battle area with women soldiers as reserve troops in the back lines.

All people must pass a physical and intelligence test before they may be accepted into the military service. If one cannot pass a physical test, he may, if he is mentally capable, join the civil service branch of military service.

CONCLUSION

Our present military system has been experiencing some quantitative and qualitative recruiting problems. Many military manpower analysts believe that a wide variety of options are available to improve active force and/or Selected Reserve recruiting within the context of an All-Volunteer Force. Several alternative methods of selecting draftees have been proposed. These include (1) universal national service with a military option (including compulsory registration, classification, and evaluation for national service, without a compulsory service requirement itself), (2) universal military service, and (3) selective service. The proposals for universal service all have the advantages of being more equitable, and providing both tangible and intangible benefits to the civilian economy as a whole. Also, there would be sufficient trained military manpower to meet any imaginable military contingency.

To deal with the complex, interacting youth problems confronting the nation, a wide variety of national service programs have been proposed. National Service has meant different things at different times. In the early 1960's, national service programs were implemented as a way to fulfill the desires of youth for voluntary service and to meet foreign and domestic social needs. As the war in Southeast Asia increased the need for military manpower during the mid-1960's, universal national service was proposed as a method of military recruitment that would avoid the inequities of the draft. In the late 1960's and early 1970's, national service was considered as an alternative to extending the draft or implementing the All-Volunteer Force. More recently, national service has been put forward as a means of dealing with the continuing, severe problem of youth unemployment.

Only by making national service compulsory can we assure to everyone the rewards and opportunities of national service. National service would be like a school in which enrollment was required, maintenance was provided, and subjects were elective. A wide range of choice could be substituted for the gross inequity of our present system, under which only a few are chosen, and have little or no choice of the kind of service they will perform.

A national service could enable all—no matter how deficient in education or defective in body—who participated to make a tremendous contribution to citizen knowledge of the country and citizen participation in the benefits of our society.

A program such as a compulsory national service will help to draw all people together—working toward a common course, the betterment of the Nation's total environment. In learning more about people from all walks of life, we learn much about ourselves. This growth is necessary for the continued physical, emotional and spiritual growth of our country. Every participant will be able to make his own contribution and take pride in this contribution.●

CHAMPION OF FIGHTERS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. CLAY. Mr. Speaker, today it is a privilege to join with other colleagues in the House in cosponsoring H.R. 3407, a proposal which authorizes the President to award the Congressional Medal of Honor, posthumously to William James Tsakanikas. Tsakanikas was Private James' Greek surname. In the Greek language, Tsakanikas means "champion of fighters." I can think of no more apt a description of Private James and his performance with the 394th Infantry Regiment, 99th Division, during World War II.

Private James is one of our heroes of the Second World War who deserves the highest honor for bravery. Ordinarily, the Department of the Army requires that a formal recommendation for the Congressional Medal of Honor be made through official military channels within 2 years of the act of service. However, heroes are not ordinary people for whom ordinary procedures always apply. William James was an extraordinary hero who, with his intelligence and reconnaissance platoon, in the opening stages of the Battle of the Bulge, halted an entire German battalion at a vital crossroads near the Belgian village of Lanzerath.

The Lanzerath incident was a turning point in the Second World War. Very little was reported of this action because no one returned to tell the story before the war's end. It was a battle which occurred one December day on the snow-covered Ardennes. Eighteen fearless American GI's thwarted an entire column of German panzers, paratroopers, and SS troops long enough to permit the 99th Division to regroup its forces and prepare for the impending attack known as the Battle of the Bulge.

For 18 hours, the American soldiers held off the German forces. The range was so close Private James could see the faces of his enemy. Bullets whizzed past the American GIs and artillery shells spread across the landscape. The American troops called for artillery support. But help never arrived. The soldiers had been ordered to hold the slope overlooking an important passage. The last order they received before their radio was destroyed was "hold at all costs." The American GIs held the Germans until their guns burned out and their ammunition supplies depleted. After 18 hours, the Germans finally overtook their position. Upon their capture, the Americans had to be pulled bodily from their foxholes.

These soldiers had no way of realizing they were a part of Hitler's Ardennes offensive. The Germans sought to encircle the American divisions in the Bulge and seize Antwerp. But, these 18 courageous soldiers stood in the path of the spearhead of the Nazi assault. Despite the tremendous odds, Private James and the other Americans never surrendered. In the end, two American soldiers were dead and German casualties were listed at 509.

These few forgotten heroes shaped the course of our history. Had they not foiled Nazi invasion plans, by miraculously holding off enemy troops, the German soldiers would have been able to continue their campaign on schedule and catch the untested 99th Division off balance. The epic stand of these 18 men played a crucial role in the American and Allied victory at the Battle of the Bulge. The heroism these Americans displayed at Lanzerath is hardly matched in our history.

Private James was the youngest soldier in the 394th Infantry Regiment at Lanzerath. In January 1945, the Department of War reported James missing in action. He was among the 16 American soldiers captured by the Germans. During the battle, the young private was struck in the head by a blast from a German burp gun. The right side of his face was destroyed. Semiconscious, Private James was captured and his life was saved by a German military doctor.

After being liberated by American forces at the end of the war, William James returned home to the United States. His superior courage and service above and beyond the call of duty went unrecognized. William James completed his college education, enrolled in Cornell Law School, married, and raised a family. William James lived the life of a model citizen. But, he carried with him the scars of battle for the remainder of his life. Never bitter, William James quietly bore the physical pain of his injuries every day until his death.

Heroes are often born of circumstance. Heroes are found in the right place at the right time. William James did not know the critical significance of the role in which he had been cast in the battle at Lanzerath. He was not a hero for only one day in December 1944, when he fought on the slopes of the Ardennes. William James was a hero from that day to the end of his life. He lived with his physical scars and his memory. Still, he never showed remorse or regret. He never sought recognition for his deeds. James' inner resources carried his heroic life well beyond that wintry day in Belgium. James died in 1977, following his 36th operation for injuries sustained at Lanzerath. His performance at Lanzerath was an act of outstanding heroism, his life after Lanzerath was a lesson in heroism. William James Tsakanikas was, in every sense, a "champion of fighters."●

SUMMARY OF TESTIMONY ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS: NO. 4

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. VANIK. Mr. Speaker, as I have previously reported (CONGRESSIONAL RECORD, page H2346), the Subcommittee on Trade of the Committee on Ways and Means is currently conducting major hearings on the Tokyo Round Multilateral Trade Negotiations (MTN) and the legislation necessary to implement that massive trade agreement.

I ask permission to include at this point additional summaries of testimony. I hope that the Members and their staffs will have the opportunity to review this material.

The staff summary of testimony follows:

TESTIMONY OF THE CONGRESSIONAL STEEL CAUCUS

(Representatives GAYDOS, MURTHA, MIKULSKI, and BUCHANAN, testifying.)

The role of steel in the U.S. economy was underscored by testimony from the members of the Congressional Steel Caucus. They observed that current U.S. policies have encouraged foreign economic growth at the expense of that of the United States, which, in part, has resulted in the high rates of inflation and unemployment apparent today. In addition to these economic problems, the unreliability of steel imports, as evidenced in 1973–74, presents a real threat to national security.

In Japan and Europe, according to the Caucus, there have been concerted efforts to maximize steel production through cooperation at the public and private levels in order to protect the financial positions of their steel industries. However, the Congressional members note that "In the U.S., the opportunities and incentives for Japanese and European steel producers have not been available to American steel companies."

Because of the failure of the negotiations to achieve steel tariff reciprocity "it is difficult to understand why the U.S. has offered to reduce its steel tariffs to a lower level than those of its trading partners . . .", the Caucus strongly recommends unilateral actions, through the MTN implementing legislation, to remedy flaws in domestic trade policies.

Among such policies, the Caucus urges reform in our antidumping procedures. To date, ". . . the Department of Treasury has shown a consistent, deep-seated, reluctance to enforce the Antidumping Act of 1921." The result is that dumping is encouraged. The Caucus suggested that these provisions be incorporated into any proposed changes in the Antidumping Act:

1. The statute should retain the require-

ment that the dumped imports be a cause of injury to a domestic industry.

2. The term 'injury" should be qualified as meaning anything more than immaterial or inconsequential.

3. The amount of the antidumping duty imposed should fully offset the dumping margin. Furthermore, this remedy should not be removed by any settlement devices which assess a duty in an amount that is less than the amount of the dumping margin.

4. A preliminary determination on an antidumping complaint should be made no later than 120 days from the filing of the complaint.

5. The United States should require provisional duties in the form of cash deposits equal to the margin of dumping.

6. Provision should be made to expedite the assessment and collection of duties.

One Representative noted the need for Treasury to initiate antidumping cases on basis of information available to it or other agencies.

The second area of interest to the Caucus was the Countervailing Duty Statute. To this they made the following recommendations:

1. The amount of the countervailing duty should be imposed in the full amount of the subsidy.

2. Procedures for settling a case in an amount less than the full amount should be prohibited.

3. The statute should provide a definition of "bounty or grant" that incorporates the illustrative list of subsidies contained in the trade pact's subsidy code and that also provides an analytical device for identifying new forms of subsidization.

4. The legislation should not provide for a stricter burden of proof for complainants. The standard should simply be that the subsidized imports are a cause of injury.

5. If the trade pact requires the United States to provide for an injury test in its Countervailing Duty Statute, then this term should be defined as meaning anything more than immaterial or inconsequential.

6. The injury test in the proposed legislation should be applied to imported goods from signatory countries.

7. The time limit for reaching a preliminary determination in a countervailing duty proceeding should be 75 days from the date of filing the complaint.

8. Legislation should require provisional duties in the form of cash deposite equal to the amount of the subsidy to be made after an affirmative preliminary determination.

9. The legislation should expressly and clearly require the U.S. government to seek and disseminate information on subsidization practices by foreign governments.

10. If the government obtains information that foreign subsidies exist, it should be required by legislation to initiate an investigation.

11. The legislation should provide that unions will have the right to file complaints and that a notice to initiate an investigation will be sent to any union having an interest in the investigation.

12. Various determinations should be subject to judicial review.

Additionally, the Caucus recommends that in any safeguards agreement, "The U.S.... retain the current statutory causality test rather than adopting the much stricter 'principal cause of injury' test," that "federal procurement practices . . . be undertaken with utmost care to assure that other signatories to the Government Procurement Code are abiding by that Code's provisions in operating fair, open, and rational bidding systems," and "that some additional negotiations . . . be undertaken to gain greater access to Japan's procurement market."

Representative Buchanan testified in support of the Fair Trade Enforcement Act of 1979, which includes provisions for faster action on ITC 201 investigations.

AMERICAN IRON & STEEL INSITITUTE (AISI)

(Robert B. Peabody, president)

AISI cannot take definitive position on MTN until implementing bill actually introduced. If introduced bill follows decisions announced to date by Senate and House Committees, "there will have been substantial improvements made to our trade laws."

AISI recommends:

DEFINITION OF INJURY

The injury provision in both the antidumping and countervailing statutes should be any injury which is more than immaterial or inconsequential. This is the test used by the ITC under the current antidumping statute.

CAUSATION STANDARD

The addition of an injury test to the countervailing duty law should not result in a causation standard more stringent than the current antidumping statute test.

DISCONTINUANCE OF A PROCEEDING

We agree with the concept that the U.S. Government should have the discretion to discontinue, when appropriate, pending antidumping or countervailing duty proceedings. However, to avoid an abuse of this discretion, proper safeguards must be structured in the statutes in order to condition the exercise of this discretion. It is our recommendation that the discontinuance, based on price assurances, of a pending dumping or countervailing duty proceeding should only be permitted when the price assurance eliminates the full amount of the net subsidy or the dumping margin. In addition there should be a published notice that a discontinuance is contemplated, thereby giving interested parties an opportunity to challenge the discontinuance. Further, once a discontinuance is granted on the basis of an assurance given by a foreign producer, Treasury or other administering agencies must monitor in order to ensure compliance. Penalties must be provided if a foreign producer defaults on the assurance.

DEFINITION OF SUBSIDY

The implementing legislation should broadly define both export and internal subsidies.

In calculating the amount of a net subsidy, the allowable offsets should be limited and should relate directly to the subsidy benefit. The legislation should state that the burden of proving an offset rests with the party alleging the offset.

The implementing legislation should stipulate the manner in which internal subsidies should be apportioned over units of production.

DISTILLED SPIRITS COUNCIL OF THE UNITED STATES (DISCUS)

(John F. McCarren, general counsel)

DISCUS is divided on the issue of whether the wine gallon method should be repealed, but is unanimous on the need for domestic relief if it is repealed.

Our proposals for concessions may be summarized as follows:

I. *Extension of Tax Deferral Period.*—("Most important" concession.)

Extend the deferral period for payment of tax on distilled spirits withdrawn from plants (including Puerto Rico and the Virgin Islands) for an additional period of 30 days.

II. *All in Bond.*—All operations at distilled spirits plants (production, storage, bottling) would be conducted under bond, including the right to transfer spirits to other bonded premises. Repeal of recertification tax is recommended only if all-in-bond system is adopted.

III. *Extension of All-In-Bond Concept to Wholesale Level.*—Within one year of extension of the tax deferral period at plants, extend the point of tax payment of distilled spirits shipped in bond to wholesalers (including Control States) who have chosen to bond their facilities and have otherwise complied with relevant government requirements.

IV. *Reform of Federal Alcohol Administration Act.*—A violation of provisions of section 5 of the Act relating to trade practices may be prosecuted as a criminal offense under section 7 of the Act. Most of these "violations" would at the most be subject to civil sanctions if any product other than beverage alcohol were involved. The Act should be amended to make such violations civil only, while retaining criminal penalties for such activities as engaging in business without the required permit.

V. *Designation of Bourbon as a Distinctive American Product.*—A commitment should be made by the government to support industry efforts with the EEC and other foreign government representatives to obtain recognition of Bourbon whiskey as a distinctive American product.

WINE AND SPIRITS WHOLESALERS OF AMERICA, INC. (WSWA), ABRAHAM TUNICK, WASHINGTON COUNSEL

WSWA supports recommndations of DISCUS for domestic compensation and notes:

"We must assume that if the 'all in-bond concept' for wholesalers is adopted, the implementing law and regulations will allow wholesalers who elect to go 'all in-bond' free and unlimited access to his warehouse without 'over the shoulder' government supervision and tax payment would be made on the basis of audit on a return system. We understand that this is in full accord with the Comptroller General's recommendation for the 'all in-bond concept' for distilled spirits plants. We also assume that surety and structural requirements will be fair and reasonable."

TESTIMONY OF LEO VERNON, INDEPENDENT AMERICAN WHISKEY ASSOCIATION, THE AD HOC COMMITTEE, PUBLICKER INDUSTRIES, AND MEDLEY DISTRIBUTING CO.

Mr. Vernon's statement claimed that injury will be caused to small domestic bottling companies by elimination of the wine gallon method. He also discussed a possible change in the tax (supported "by virtually the entire American industry") collection regulations to benefit the impacted American distillers.

IAWA estimates that elimination of wine gallon will cause one-half of the U.S. bottlers to move their facilities to Canada, Scotland, Mexico, and other countries. Citing figures developed by the Teamsters Union, Mr. Vernon explained a net job loss of 25,000 will occur. Not only will jobs be lost in the bottling industry, but losses will also appear in the bottling machine industry, the glass manufacturing industry, and the carton manufacturing industry among others. Mr. Vernon also stated that the U.S. Treasury will lost $120,000,000 annually in distilled spirit taxes and duties. Mr. Vernon said the greater part of this sum will benefit two Canadian firms and several Scottish companies.

Mr. Vernon stated that wine gallon does not constitute a trade barrier. As proof of this contention he offered statistics exhibiting large increases in domestic sales of foreign spirits. Sales of American whiskies have declined.

In addition, Mr. Vernon claimed that the change in the tax on spirits will not offer Americans consumers lower prices because price reductions would, in many cases, erode the status position of many importers' products which generally sell at higher prices than Canadian whiskey imported in bulk and bottled here.

In the event that wine gallon is eliminated, Vernon said it is necessary that the Committee alter the method of tax collection on American spirits in order to lessen the severe impact that will result. Vernon asked that legislation allow American distillers to ship their bottled liquors in Internal Revenue bond to wholesalers and allow that the tax be paid only when the goods are withdrawn from bond. Such a procedure said Vernon, is similar to the tax system imposed on foreign distillers.

Realizing that instituting such a system would take approximately a year, IAWA asked that they be given an immediate additional 30–45 days to pay the tax. Mr. Vernon responded to the Department of Treasury's concern that the deferral will cause a one time tax collection lag of $260,000,0000 which could cost Treasury $24,000,000 in interest to finance the deferral. Mr. Vernon said the money saved by the distillers in tax finance costs would create additional income tax dollars amounting to $18,000,000 plus additional revenues.

William Jay Schieffelin III, Distilled Spirits Committee for International Trade

"I must say . . . that elimination of this form of taxation applicable to certain imported bottled spirits, will have a salutary effect on importers and domestic producers alike. We believe that elimination of this major U.S. non-tariff barrier to trade, will help American products gain fair and equal treatment in major export markets.

"We conclude that no major change in historic trade patterns relating to distilled spirits will result from the removal of the wine gallon basis of taxation.

"We support any [tax/bonding] changes submitted by your Subcommittee which would help the domestic distilled spirits industry."

Summary of Testimony of Morris K. Udall

The Treasury Department is apparently interpreting the [Antidumping] Act in a current [Mexican Tomato Case] so as to require each individual sale of imported perishables to be made at above its full cost of production. That interpretation of the Act is nothing less than preposterous. It ignores legislative history and economic reality. It threatens the jobs of hundreds of thousands of Mexicans, many of whom will be forced to seek employment in this country. It threatens the sole industry and economic heart of an Arizona city. And, it promises to eliminate nutritious foods for many Americans in many months of the year, while raising vegetable prices generally by eliminating a healthy competitive force from the marketplace. An interpretation of the Act which would require each single sale of produce to exceed cost of production does not square with the reality of agricultural economies."

Since (Treasury) seems bent on this approach, we in Congress must rewrite the law to avoid a ridiculous and costly result.

STATEMENTS OF MORTON COOPER, NATIONAL OUTERWEAR AND SPORTSWEAR ASSOCIATION: AND RALPH L. EDWARDS, RALPH EDWARDS SPORTSWEAR INC., CAPE GIRARDEAU, MO.

Mr. Morton Cooper and Mr. Ralph Edwards testified concerning the domestic impact of leather imports on the U.S. industry, experiences of the industry in seeking relief under the CVD statute, and other concerns regarding the MTN implementing legislation.

The witnesses recounted the sharp decline of the U.S. leather apparel industry, despite a growing demand for leather garments. According to the industry, import from developing nations have captured an increasing percentage of the U.S. market by virtue of a compounding of their natural advantage of low labor costs with government subsidies, prohibition of raw hide exports resulting in depressed material costs and zero-duty GSP treatment. In some cases, even when subsidies have been removed on exports to the U.S., subsidies on exports to other countries have been increased, resulting in the maintenance of the importers' overall price structure. It was strongly urged that the MTN implementing legislation inhibit these distortions of international trade.

The industry applauds the President's removal of leather apparel from the GSP list, but regrets that action took so long. On subsidies, the industry has been frustrated in its attempts to seek the imposition of countervailing duties to offset subsidized imports. Mr. Cooper and Mr. Edwards were highly critical of the Treasury Department's administration of the CVD statute. Specifically. Treasury was criticized for:

(1) Missing statutory deadlines;

(2) Stretching the authority of the 1974 Trade Act with regard to the granting of waivers;

(3) Accepting unverified information from foreign representatives as the basis for its determinations;

(4) Reducing the calculated amount of a subsidy and hence the CVD in questionable ways.

For these reasons, the witnesses feel that the Treasury Department should no longer be permitted to administer the CVD statute. It was suggested that the Office of the Special Trade Representative, the Department of Commerce, or some new Department of Trade be given responsibility for administration of the CVD statute. Regardless of the chosen administering agency, the industry feels that the existing discretionary authority under the CVD statute should be substantially reduced by MTN implementing legislation, so that the intent of Congress be served in this area.

A number of tentative decisions by the Trade Subcommittee of Ways and Means and Senate Finance Committees concerning details of the MTN implementation legislation are disturbing to the industry. Specifically, the industry objects to (1) filing fees for investigations, (2) stricter definitions of "injury" than embodied in the current antidumping laws; (3) extended executive authority to cut tariffs, and (4) acceptance of assurances regarding price or quantitative limitations as bases for the termination of investigations.

Passaic Color & Chemical Co. (Unit of Royce Chemical Group) Fred H. Hummel, President, and Eugene Wyatt, President, Oil, Chemical and Atomic Workers International Union (AFL–CIO), Local 8–406 (N.J.):

Company manufactures synthetic organic dyestuffs and is concerned about Customs Valuation Code, and the ability of foreign suppliers, who sell largely at less than arms length to American users, to subvert valuation system. Industry uncertain whether ASP conversion to regular tariff system is accurate. Therefore Mr. Hummel proposes "if any time duty recovery drops per unit, taking into account reasonable variables, on a competitive dye, this would trigger a reversion to the ASP duty equivalent level set at the time the converted rates were set, in dollar taking inflation into account."

Statements of American Dinnerware Emergency Committee; American Restaurant China Council; and Syracuse China Corp.

The testimony of the American Dinnerware Emergency Committee, the American Restaurant China Council, and the Syracuse China Corporation, supported the MTN china tariff classification revisions. The industry witnesses all agreed that the reclassification of china according to use rather than quality would effectively close present loopholes permitting imports to circumvent chinaware tariffs intended to allow American producers to compete with importers in the hotel china market. The new agreements are considered both fair and comprehensive by the U.S. industry.

Current lobbying efforts by foreign producers against the agreements are regarded by US producers as eleventh hour attempts to preserve current unfair loopholes in the law.●

THE 25TH ANNIVERSARY OF STATION WGVE–FM

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BENJAMIN. Mr. Speaker, I invite my colleagues to join with me today in paying tribute to the 25th anniversary of broadcasting by WGVE–FM in Gary, Ind. This radio station is unique in that it is operated by students from the Gary Area Career Center who are pursuing careers in public broadcasting.

On January 4, 1954, WGVE–FM went on the air with its first regular schedule of broadcasts from Lew Wallace High School in Gary with 10 watts of power. In 1963, the power was increased to 295 watts and in 1969 the station was moved to the Gary Area Career Center. WGVE–FM now broadcasts both local and national programing daily except Sunday with 2,100 watts of power which covers approximately a 25-mile radius.

WGVE–FM not only serves the community as an informative broadcasting station, but also encourages professional development in the field of public broadcasting. The students develop skills in announcing, newscasting, directing and producing. In addition, writing skills are cultivated and the students are taught the intricacies of creating sound effects, operating control boards and transmitter operations.

Programs are planned to supplement learning experiences in the classroom through in-school listening and to give both the elementary and high school students the opportunity to participate in and produce original radio broadcasts. Programs are also specifically planned for adult listening in the areas of fine arts, forum and round table discussions, and public service broadcasts. As a member of the National Association of Educational Broadcasters and the National Educational Radio Network, WGVE–FM receives outstanding programs that are produced by stations throughout the country and from foreign broadcast agencies.

Under the expert guidance of Mr. Lawrence Ventura, manager of WGVE–FM, many students earn a radio operator's license entitling them to work in commercial radio stations and a large number of the students continue their broadcast training in colleges and universities.

I have the privilege and honor of having been invited to participate in the silver anniversary celebration to be held on Friday, May 4, at the Gary Area Career Center. I am proud to pay tribute to such an outstanding community endeavor and commend the Voice of Education—WGVE-FM for its 25 years of exemplary service and contributions to the area.●

FEDERAL SPENDING LIMITATION—A REPORT BY THE GREENE COUNTY-MAD RIVER TOWNSHIP COMMITTEE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BROWN of Ohio. Mr. Speaker, the following is a report prepared by the Greene County-Mad River Township Committee of the Seventh Ohio Congressional Youth Advisory Committee on Federal spending limitation.

Members of the Greene County-Mad River Township Committee included: Chuck Smalley, chairman; Edwina Gardner, secretary; Luann Magee, Kate Manley, Walter Mayne, Peggy Muick, Pam Risner, Lynne Thomas, and Mike Williams.

The report follows:

GREENE COUNTY RESOLUTION

Resolved by the Greene County-Mad River Township committee that, in the fiscal year following enactment, the Congress of the United States shall not increase the national budget by more than ten percent of the average of the total national budget outlays of the three previous fiscal years plus the rate of inflation of the previous year.

In the event of national war or emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, to render the limitation invalid in that fiscal year in which such a vote is taken.

An amendment to require the appointment of a committee to study the effects of a balanced budget and report back to the Congress was adopted by a vote of 57 to 13.

Following adoption the amendment, the resolution was passed by a vote of 60 to 10.

INTRODUCTION

For any years past, the United States Government has had a deficit of varying amounts. Until recently this federal dilemma has been largely ignored. Now, the constituents have come to the realization that the federal government cannot continue to appropriate the taxpayers' money unchecked. In this report we will attempt to identify the facts and propose a workable solution to control deficit spending. At this point we do not feel that it is necessary to deal with the national debt as such. This will be expanded upon later in the report.

ECONOMIC TERMS

In order to fully understand our intent we now define some of the terms used in our report.

National Deficit.—The total amount of dollars spent by the federal government in excess of federal revenues during a given year.

National Debt.—A total cumulative sum of all past deficits.

Average National Income.—The total income of a nation usually over a period of a year.

THE PROBLEM

In 1977 the federal deficit was $50 billion. In 1978 the deficit was $43 billion. The projected deficit for 1979 now stands at a figure substantially higher than last year. Many studies show that deficits of this proportion feed inflation, add to the devaluation of the United States dollar and contribute overall to the instability of our economy.

THE ALTERNATIVES

One of the proposals we reviewed involved an increase of the budget at the rate of inflation plus 2% each year. The bill states that if these terms are not met, a surtax must be imposed. We feel that this does not put a definite limit on the government's expenditures.

A second proposal that we reviewed was the possibility of a constitutional amendment mandating a balanced budget for the year following ratification. This involves many ramifications. The first being that an amendment is not necessary because it does not allow for economic fluctuations. The immediate balanced budget called for by this amendment could result in a possible economic depression in the near future. Finally, during a constitutional convention there is no guarantee of what will be brought to the floor and this could be like opening Pandora's box.

The other piece of legislation which aided us in the formation of our ideas was introduced by Representative PHILIP CRANE from Indiana. This legislation limits the budget to 33⅓% of the average national income for the three previous years. The major fallacy in this bill is that it does not safeguard against a large deficit which is the main concern of our group.

OUR PROPOSAL

The attractions of this bill include the fact that it is based on a three year period which results in a more stable figure to work with. Also, the bill provides for economic fluctuations because of the inclusion of the rate of inflation which serves as a thermometer of the economy.

Still another attribute of our bill is that it places a check on Congressional appropriations of the taxpayers' money. As a result of this limitation, government efficiency will be forced to be improved.

These are necessary ingredients to curb deficit spending.

THE NATIONAL DEBT

Our committee did not deal with the national debt. If deficit spending is limited, the debt will become less and less significant with time. Thus, we felt it inappropriate to deal with this matter.

CONCLUSION

In closing we must again reflect upon the problem. Federal spending has gone unchecked for too long. Many solutions have been proposed, but most are lacking in some respects.

Many of the qualities of our bill have been derived from other sources. When combined they form a workable solution.●

THE NATIONAL MINORITY PURCHASING COUNCIL, INC.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, a few unenlightened businessmen complain about Government's efforts to support and encourage minority business efforts. But in their private sector world they do little if anything to assist minority entrepreneurial efforts.

In sharp contradistinction to that situation is the work of the National Minority Purchasing Council, Inc.

I want to share with you, my colleagues, excerpts from two pieces of correspondence I have received from Augustine R. Marusi, chairman and chief executive officer of Borden, Inc. and chairman of the National Minority Purchasing Council, Inc. (NMPC).

I quote from his correspondence:

> Since the NMPC was founded in 1972, the recorded purchases of goods and services from minority vendors has risen from $86 million to $1.8 billion annually. Our goal for 1979 is $2.6 billion, and we expect to exceed $3 billion by 1980. You will recognize that our goal for 1980 equals the goals set by President Carter for federal purchases from minority-owned companies.
>
> Last October, the membership of the NMPC set strict criteria for their own performance, requiring a written policy of all company members to be carried out as a regular management function, with measurement of performance. Criteria also requires the reporting of purchases from minority-owned companies, and the payment of dues based on declared assets. To date, 119 major corporations and institutions have become dues-paying supporters of our program, and more than 1,000 participate in minority purchasing activities through the regional council network.
>
> We hope to expand our activities in the future to include joint ventures and co-ventures among majority and minority companies.
>
> Although we are grateful for the relative progress that has been made, we realize that it is only relative to the true potential for minority companies. We are determined, therefore, as an organization, to assure true access.

That is the kind of effort and spirit this Member of Congress can appreciate. Would only that thousands of other businesses would emulate the efforts and spirit of the National Minority Purchasing Council, Inc.

This Member, on behalf of minority businesses throughout the country, says "thank you" to the NMPC, Inc.●

ALASKA LANDS—PART II

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DINGELL. Mr. Speaker, when the House of Representatives begins its consideration of the various Alaska lands proposals, the record should be clear that contrary to what proponents of the Udall-Anderson substitute have indicated, the legislation reported by the Merchant Marine and Fisheries Committee has gained the widespread support of conservationists and sportsmen across the Nation.

I support the Merchant Marine and Fisheries Committee bill and urge the support of my colleagues. I am cosponsoring this bill with the chairman of the Fisheries and Wildlife Conservation and the Environment Subcommittee of the Merchant Marine and Fisheries Committee, the Honorable JOHN BREAUX of Louisiana.

The Alaska lands legislation, commonly referred to as the Breaux-Dingell substitute, is the most sweeping, comprehensive, and conservation bill that will address Alaska and its myriad problems. The bill sets aside over 128 million acres of land in conservation units. This represents more acreage than last year's House-passed legislation and more than that contained in the Udall-Anderson substitute. Unlike the more extremist Udall-Anderson proposal, the Breaux-Dingell substitute addresses not only the vital needs of the resource, wildlife, and wildlife habitat, but allows for the orderly economic and environmentally safe development of the State of Alaska—a right that should not be denied to the American citizens who reside there.

Conservationists and sportsmen from all over the country have contacted me pledging their support of the Breaux-Dingell substitute. These same conservationists and sportsmen view the Udall-Anderson proposal as contrary to the future recreational opportunities of Americans.

A recent letter from Sports Afield magazine, a widely circulated conservationists' and sportsmen's periodical, reflects this points of view. I insert it into the RECORD for the benefit of other Members:

NEW YORK, N.Y.,
April 22, 1979.

Hon. JOHN DINGELL,
The House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN DINGELL: In regard to the Alaskan land issue, may I send my sincere thanks to you and Congressman Breaux for the sound and foresighted amendments you are proposing to H.R. 39. The 41 million acres that the Udall version would have closed to sport hunting, and the more than 85 million acres it would have prevented all but the very wealthy, hale and hearty from ever seeing, would have been a severe blow to hunters, fishermen, and most Americans who love the outdoors.

Your proposal to reduce these highly questionable "lock-ups" of Alaska's public lands is much more reasonable. The 85 million acres that you propose for National Parks, Wilderness Areas, and preserves still represent almost ¼ of the entire state—certainly an adequate amount for the federal government to protect against encroachments of civilization. Now, perhaps the great state of Alaska will also stand a chance to receive its long overdue and fair share of lands promised by the Alaskan Statehood Act.

I feel sure that your well timed and constructed bill will earn the support of all thinking environmentalists. Again, thank you for applying your wisdom in environmental matters to an issue of grave importance to the entire nation.

Respectfully yours,
DAVE HARBOUR.●

ATLANTIC UNION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. FINDLEY. Mr. Speaker, Harry Truman, shortly after the signing of the U.N. Charter, said in a speech in Kansas City:

> It would be just as easy for the nations to get along in a republic of the world as it is for us to get along in a republic of the United States.

When reporter Merriman Smith later asked the President about his statement, Truman replied that he had not originated the idea. He then took from his wallet a worn piece of paper on which were written 10 lines from Tennyson's Locksley Hall, ending so:

> Till the war-drum throbb'd no longer,
> and the battle flags were furled
> In the Parliament of man,
> the Federation of the world.

Truman told Smith that he had carried the piece of paper in his wallet since 1910.

The thought that Harry Truman carried with him in his wallet and in his heart continues to inspire many people today.

Partially, it is the recognition that the problems we face loom too large for nations to solve individually. Energy is one good example. It is frustrating to observe the effects of OPEC oil price increases, engineered by an organization that has no counterpart among the purchasing nations of the industrialized West. As the United States and the nations of Europe scramble after our separate energy needs, we should consider how much more effective a united Western effort would be.

It is the welfare of the individual which is really at stake in proposing a greater unity among nations. The Tennyson quote acknowledges that quarrels more often involve governments than peoples. In an age when weapons are ever more destructive, it is important that we consider this fact carefully. We need to seek more ways to bring people together and to bridge the gap between nations.

The concept of Atlantic Union which would create a federation of the industrialized democracies on both sides of the Atlantic and further individual liberty remains, therefore, timely and needed.●

THIRD ANNUAL SWEET POTATO AFFAIR

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. LONG of Louisiana. Mr. Speaker, I am very proud to join the Louisiana Sweet Potato Commission in sponsoring the third annual Sweet Potato Affair on Wednesday, May 2. I hope that all of my colleagues and their staffs will take advantage of a complimentary serving of candied Louisiana yams to be offered at lunchtime in the House Restaurant that day.

I am extremely proud of the special qualities found in the golden yam of Louisiana—the product of diligent research at Louisiana State University and the fertile soil of the Acadiana region of my State.

Although the Louisiana yam has long been a staple item of famous Southern cooking, it has not received the kind of demand I believe it deserves. The yam is not only sweet and delicious, it is extremely high is essential nutrients. Each golden tuber contains 150 percent of the recommended daily dietary allowance of vitamin A—essential for healthy bones, teeth, and skin and crucial for good night vision. Yams also contain vitamin C, thiamine (vitamin B_1), from iron, riboflavin (vitamin B_2), calcium, and other nutrients.

Yams can be baked, boiled, candied, scalloped, or french fried. They are available fresh, frozen, canned, and in dry flakes. The Louisiana yam is distinguished by its deep copper color, golden moist flesh, and rich sugary taste.

Christopher Columbus loved sweet potatoes so much that he took this additional golden treasure back to Spain with him. DeSoto found sweet potatoes growing in what is now Louisiana.

The purpose of our Sweet Potato Affair is to let the rest of the Nation know what they have been missing, to encourage them to give yams the taste test, and to buy and enjoy the Louisiana yam.

The word "yam," by the way, is thought to come from the Senegalese word "nyami," meaning "to eat," and that is precisely what I invite you all to do tomorrow. Bon appetit.●

TRIBUTE TO REV. JOHN J. KENNY, 50 YEARS A PRIEST

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. ROYER. Mr. Speaker, I want to add my voice to those honoring the Reverend John J. Kenny, a constituent of my California 11th Congressional District, who has devoted 50 years in service to humanity.

The Reverend John J. Kenny was born in County Kilkenny, Ireland, and was ordained to the priesthood in 1929. The following year he came to America and served various parishes of the San Francisco archdiocese.

In 1950, Father Kenny established the Parish of the Immaculate Heart of Mary in Belmont, Calif. Its first building was the mission chapel on Ralston Avenue, presently the Art Center of the College of Notre Dame.

Through his inspiration, leadership, and devotion, the Church of the Immaculate Heart of Mary was constructed in 1958, and its adjoining grammar school built 4 years later.

Father Kenny has served the city of Belmont and the county of San Mateo throughout his ministry. He was chaplain at San Mateo County Hillcrest Juvenile Detention Center, chaplain at Crystal Springs Convalescent Home, and has assisted the Belmont Police Department in numerous emergency situations.

Father Kenny will be honored for his 50 years of priestly service at a banquet to be held in his honor on the 5th day of May, 1979.

Mr. Speaker, I am proud of the outstanding public service rendered by Rev. John J. Kenny, pastor of Immaculate Heart of Mary Church, to the citizens of Belmont and San Mateo County, Calif.●

THREE MILE ISLAND

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

○ Mr. WOLPE. Mr. Speaker, as the severely damaged reactor core on Three Mile Island slowly approaches cold shutdown, Congress will begin to reappraise our national commitment to the development of nuclear energy. I strongly believe that this debate should be concerned with the energy efficiency and economic aspects of nuclear energy, as well as the public health issues, though admittedly, it is the latter that has occupied most media attention.

On April 5, I sent a letter to President Carter, cosigned by 22 other Members of this body, urging him to lead the Nation in a new direction, away from nuclear energy, and toward the development of safe and renewable energy technologies. The letter does not call for the immediate closing of all nuclear reactors; it only proposes a number of responsible steps regarding the future direction of our energy policy.

Nuclear energy fails to address our most immediate energy need—decreasing our dependence on imported petroleum. Currently, 54 percent of our oil use is for transportation, 17 percent for residential and commercial space heating, and 19 percent for industrial and agricultural uses. Only 9 percent is for electricity generation—the end-product of nuclear energy.

Based on these figures, it is apparent that the best way to decrease our dependence on imported petroleum is not to spend our limited capital resources on nuclear energy, but to implement a strong energy conservation program, while developing renewable energy technologies to substitute for oil space heating and transportation.

The economic questions are also of utmost importance. The owners of the Three Mile Island plant recently announced that they would face bankruptcy if they did not receive at least a $33 millon rate increase. The question of who is financially responsible for the clean-up of Three Mile Island will be a topic of continuing public debate in the coming months. Moreover, we have not even begun to address the massive Federal expenditures that will be required in the future for decommissioning nuclear plants and the disposing of nuclear wastes.

Mr. Speaker, I strongly believe that it is in the best interest of the Nation to move our energy policy in this new direction. The following is the text of the letter which was sent to President Carter on April 5:

April 5, 1979.

Hon. Jimmy Carter,
President of the United States, The White House, Washington, D.C.

Dear Mr. President: The unfortunate disaster at the Three Mile Island nuclear plant near Harrisburg, Pennsylvania, demonstrates how infeasible it is to continue relying on nuclear energy as an integral part of our national energy policy. We urge you to transform this crisis into an opportunity to set a new direction for our national energy effort. We must move away from nuclear energy, and toward the development of safe and renewable energy sources.

Since the end of World War II, we have spent over $17 billion in efforts to adapt this inherently violent technology to peaceful purposes. Yet, after 30 years, nuclear energy continues to threaten the public health and drain our limited capital resources, while providing for less than 4 percent of our national energy needs.

A series of recent events, prior to the Harrisburg incident, have raised fundamental questions about this technology:

In January, the Nuclear Regulatory Commission repudiated the "Rasmussen Report", which had been used to defend nuclear plant standards since 1974.

In February, the Department of Health, Education and Welfare issued the summary of its Interagency Task Force on Ionizing Radiation, which challenged the long-held belief that there is no connection between exposure to low-level radiation and cancer.

In March, the Nuclear Regulatory Commission ordered the closing of five nuclear plants after their safety was seriously questioned.

On the same day in March, the Interagency Review Group on Nuclear Waste Management stated that the scientific feasibility for the safe, permanent burial of radioactive wastes has not yet been established.

Unfortunately, the Harrisburg incident that followed these events is far from an isolated incident. There have been at least 10 other nuclear accidents in the United States in the last four years alone that have posed direct threats to the public health. In addition, the Soviet Union has experienced at least three major nuclear disasters, one of which is reported to have killed hundreds of people, while spreading contaminated nuclear material over 1,000 square miles.

We must act to protect the health of the American people. Do we really want to sentence present and future generations to lives of constant fear and anxiety resulting from the threat of a nuclear catastrophe? This is the real question posed by Harrisburg.

Ironically, nuclear power does not even make sense from the standpoint of our national energy needs. Our highest energy priority should be to decrease our dependence upon imported oil. But only 9 percent of our petroleum is used by utilities to generate electricity, which is the end-product of nuclear plants. Nuclear power is totally inappropriate for meeting our transportation and space heating needs, which account for 70 percent of our petroleum use. The expanded use of electricity for space heating, as some have urged, would only increase the inefficiency of our energy use, while causing consumers' utility costs to soar.

Nor does nuclear energy make sense economically. It has turned out to be such a costly enterprise, so capital-intensive, that 200 reactor orders have been cancelled since 1976. Only two new reactors were ordered last year. Moreover, we have not even begun to address the tremendous federal expenditures that will be required in the future for decommissioning nuclear plants and disposing of nuclear wastes.

We must stop pouring out limited capital resources into this technology in a desperate attempt to justify the $17 billion we have already spent. We are only compounding our problems, getting in deeper and deeper, because of our inability to admit past mistakes.

An unfortunate analogy comes to mind: nuclear power is to our energy policy as Vietnam was to our foreign policy. Do we foolishly continue on our present course, until we are in over our heads, or do we courageously admit that we have made a mistake and pull back?

Mr. President, you have the opportunity to lead our nation in a new direction. The massive federal expenditures that have been necessary to finance our ill-fated attempt to harness the atom can be redirected to encourage safe and socially beneficial solutions to our energy problems. Mr. President, we urge you to support the following actions:

1. A five year moratorium on all new nuclear plant construction permits.
2. The development of more stringent NRC safety standards and inspection procedures for all existing nuclear plants.
3. Require the adoption and approval of state and federal emergency evacuation procedures for all plants.
4. Require the immediate shut-down of all plants manufactured by Babcock and Wilcox that are similar in design to the Three Mile Island plant, and require the special examination of all similar plants due to go on line shortly.
5. The repeal of the Price-Anderson Act, which limits damages from nuclear accidents at privately-run power plants to $560 million.
6. Guarantee every state the right to participate in, and approve, all decisions respecting the burial of nuclear waste materials within their boundaries.
7. Shift our energy priorities to:

a. The development of solar energy. We would specifically urge your support for Option III of the Solar Domestic Policy Review. Studies commissioned by the Council on Environmental Quality show that solar-related technologies can provide at least 25 percent of our energy needs by the year 2000, directly decreasing our dependence on foreign oil.

b. The increased development of technology to promote energy conservation. A recent report by the Council on Environmental Quality concluded that we could cut energy consumption by 40 percent, while maintaining a healthy rate of economic growth. According to the CEQ, instead of needing 500 new power plants by the year 2000, we may be able to limit that number to 135.

c. The increased development of efficient alternative fuels, such as gasohol.

d. Aggressively moving closer the timetable for the safe, clean use of coal.

e. Perfecting the disposal of nuclear wastes.

f. Improving nuclear non-proliferation technology.

g. Research into the health effects of low-level radiation.

Redefining our priorities in this direction will produce numerous social benefits, such as increased employment, fewer public health hazards, less threat of terrorist action involving nuclear materials, and a more democratic, decentralized energy structure.

Our foreign policy is just recovering from the Vietnam era. We cannot allow our current energy policy to stumble along in confusion due to our inability to admit the failures of past policies.

Let the crisis in Harrisburg become a turning point in our search for a safe, humane, energy future.

Let us resolve that there will be no more Harrisburgs.

Sincerely,

Howard Wolpe,
Member of Congress.●

MacARTHUR MEMORIAL WEEK

HON. EDWIN R. BETHUNE, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BETHUNE. Mr. Speaker, on June 8, the widow of one of America's greatest

World War II leaders—Gen. Douglas MacArthur—will be unveiling a statue in his honor in Milwaukee, Wis. It is a true, but less widely known, fact that General MacArthur was born in Little Rock, Ark. On behalf of the people of Little Rock, I am proud to support a bill introduced today by my colleague from Wisconsin setting the week of June 8–14, 1979, as "MacArthur Memorial Week." The courage and contributions of this brilliant military tactician are instilled in the minds and hearts of all Americans. It is only fitting that we establish a special week to honor his memory.

I urge my colleagues to join the people of Little Rock in paying tribute to General MacArthur and to three generations of the MacArthur family's outstanding achievements and service to the United States.●

SADE AND ALEX COLMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. WAXMAN. Mr. Speaker, on Thursday, May 3, 1979, the American Jewish Committee will present its Los Angeles Chapter's Communal Service Award to Sade and Alex Colman in the Versailles Room of the Beverly Hilton Hotel, Beverly Hills. This award is given in recognition of extraordinary devotion to the cause of better human relations among all peoples. The Colmans' longstanding involvement in community affairs make them especially deserving of this high honor.

Alex is a member of the American Jewish Committee's executive board, and has served as cochairman of its business and industry committee. Sade is active in AJC's women's public affairs forum On-Guard. Alex has served in such key leadership posts as chairman of the apparel division of the United Jewish Welfare Fund and trustee and fundraising chairman of the City of Hope. He has also served as a board member of Wilshire Boulevard Temple, as a patron of the University of Judaism and as chairman of the National Conference of Christians and Jews.

Together, Sade and Alex Colman are among the founders of the famous Los Angeles Music Center. Also, they are active in the Textile Association of Los Angeles, the county museum of art, and the chamber of commerce. Sade is an original member of the Beverly Hills Hadassah.

The Colmans have always been extremely modest about their many contributions to the betterment of our community. However, we who are familiar with their myriad good works find no words adequate to praise their deeds. For their tireless and generous endeavors, I ask the Members to join me in paying tribute to two people who enrich their city and their Nation: Sade and Alex Colman.

WESTSIDE JEWISH COMMUNITY CENTER

Mr. Speaker, the Westside Jewish Community Center, the foremost facility of the Jewish Centers Association of Los Angeles, is commemorating 25 years of service to both the Jewish and general communities, culminating on Sunday, May 6, 1979, with a day-long celebration and formal ceremonies.

The center has served as a modal in developing new avenues of communal services that have been emulated throughout the country, and has conceived innovative programs for working women, for Russian immigrants, for athletes and scholars, for artists and entertainers, for all ages from toddlers to senior citizens, in a stimulating atmosphere of intergenerational activities. Throughout its history, the Westside Jewish Community Center has represented the combined efforts of thousands of members, active volunteers and dedicated professionals, grounded in a firm philosophy of democratic participation and Jewish ideals which encourage all points of view, all shades of opinion and all religious persuasions.

To preserve the harmony and continuity of the neighborhood it serves, the center has been instrumental in stabilizing a changing community situation through a highly successful educational campaign that saved neighbors from painful misunderstanding, drastic economic loss, prejudice, and racial tensions. Its quality educational programs have helped to develop a harmonious integrated neighborhood that has preserved an attractive residential district in the midcity, their programs have demonstrated not only good human relations but have epitomized the Jewish values of justice and fairness.

I ask my colleagues to join me in commending the Westside Jewish Community Center for its 25 years of devoted service and its continuing efforts to make our community a place for all people to live.

I ask the members to join me in honoring the 25th anniversary of the Westside Jewish Community Center.

MAX AND MIRIAM CUKIER

On January 23, 1979, Max and Miriam Cukier received the coveted Sword of Haganah Award of the State of Israel in recognition of a lifetime of dedication and concern for their fellowman.

Their experiences early in life as survivors of Hitler's concentration camps and as fighter partisans in the Russian underground during World War II instilled in them a sense of caring for all human beings. They came to the United States where they found the peace and security they dreamed about. Settling first in Houston, and then in Los Angeles, they raised three children, Riva, Benny, and Jeff. They established a growing business and became productive members of their community. Always mindful of the plight of others, their community activities include membership in the King Solomon Lodge of B'nai B'rith, the American Congress of Polish Jews, the City of Hope, the Guardians of the Jewish Home for the Aged, the Hillel Hebrew Academy, the Rambam Torah Institute, Beth Jacob Congregation, The Guardians of Courage of the Chain Sheba Hospital in Beersheba, Israel, the American Friends of the Hebrew University, and they are longtime supporters of Israel Bonds.

I ask the Members to join me in congratulating Mirian and Max Cukier on their award and to wish them many more years of a rich and meaningful life.●

KENNY GRIBBLE RECEIVES TOP ROTARY AWARD

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DANIELSON. Mr. Speaker, I am most pleased to bring to the attention of the House of Representatives an event honoring a great community leader and my valued friend, Kenny Gribble of Monterey Park, Calif.

On Thursday, May 3, 1979, Kenny will be the recipient of the Rotary Club Four-Way Test Award, during a testimonial luncheon at the Luminaries Restaurant.

Kenny Gribble, a Cornhusker like myself, was born in Dakota City, Nebr. His family brought him at age 3 to Monterey Park, Calif., where he has lived ever since.

Kenny's civil contributions are so many one wonders where to begin enumerating them. He is a past mayor and councilman, serving during a period when Monterey Park faced complex water problems. He persistently sought and achieved a good, cost-saving solution to what appeared to be a near-impossible financial problem and provided our community with good water, to the benefit of all of us.

He is also a past president of the Monterey Park Lions Club and a past district governor of Lions. He helped found "White Cane Days," a fundraising project of the Lions, to help persons with sight problems. The white cane project has had enormous success, not only in California but nationally and internationally as well; and all of it is serviced from their facility in Monterey Park which manufactures approximately 5 million of the white canes annually.

Kenny also was a leading force in the building of Lions Manor, a much needed senior citizen housing facility. I was pleased to have worked with Kenny in helping to obtain the Federal funds for the project, which was completed last year.

Kenny and his wife, Eva, have also been active in the American field service program, helping to bring foreign students to Mark Keppel High School.

Mr. Speaker, the Rotary Club's Four-Way Test Award is Rotary's top award, given only to those with outstanding community service. Its four-way test criteria are:

First. Is it the truth;

Second. Is it fair to all concerned;

Third. Will it build goodwill and better friendships; and

Fourth. Will it be beneficial to all concerned?

From the days when Kenny operated Gribble's Pioneer service station to the present, as a businessman, elected official, civic leader, and involved human being, Kenny Gribble's life is a classic example of the qualities Rotary seeks in its awardees.

Mr. Speaker, I ask that you and my colleagues join me in this well-deserved salute to Kenny Gribble and to wish him, his devoted wife, Eva, his daughter, Mrs. Ruth Krug, and two sons, John and Bill, much success in all of their future endeavors.●

THERMAL INSULATION STANDARDS

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. KELLY. Mr. Speaker, the lack of a consistent national energy policy poses one of the greatest dangers to the economic strength of our Nation. Ill-considered and illogical policies frequently serve to tie the hands of the organizations and individuals who are best able to devise and implement solutions to the specific problems at hand.

As an example, the Department of Housing and Urban Development is planning on implementing a rule to increase thermal insulation requirements of its one-and-two-family dwellings in the name of energy conservation. Yet, the effect of this rule will be to deny the consumer the option of using certain materials and methods of design in achieving significant energy conservation goals.

When Congress passed the National Energy Conservation Policy Act last year, we directed HUD to increase the energy efficiency in all its new construction projects through performance standards, having recognized that residential energy conservation, specifically the design and construction of private homes, has an important role to play in the total energy program.

Unfortunately, however, in its effort to establish tougher energy consumption standards, HUD has established standards that are prescriptive rather than performance in nature. That is, HUD's standards adopt certain means of achieving the desired energy savings and apply those means across the board. The problem with this approach is that differences in climate or proximity to resources can make HUD's emphasis on lightweight frame wall with insulation unwise on economic and energy grounds.

For example, in a State like Florida, which is primarily a cooling State rather than a heating State, certain characteristics of masonry construction, notably the timelag factor which causes masonry walls to delay the passthrough of warmer air, reduce the need for air-conditioning and lower energy consumption levels.

The adoption of these standards by HUD would be very untimely. Farmers Home Administration which last year adopted similar thermal insulation standards, was instructed by Congress to undertake a study of the thermal performance of masonry wall construction. While the final results of that study have not been released, preliminary indications are that masonry walls meeting only half the insulation requirements set out by HUD either equal or exceed the energy conservation performance of frame walls insulated at the levels mandated by HUD.

For these reasons, in accordance with the regulatory review procedures of the Housing and Community Development Act of 1978, I am today introducing a joint resolution disapproving HUD's thermal insulation standard for one- and two-family dwellings. The resolution directs the Secretary of HUD to carry out a study of the dynamic thermal performance of light frame, masonry, solid wood, and other wall materials. The Secretary is further directed to coordinate the findings of this study with the findings contained in the Farmers Home Administration-National Bureau of Standards load determination study of masonry wall construction. Finally, the Secretary shall consult with the Department of Energy, applicable construction materials industries, and various State and local codes and standards organizations before issuing new revised thermal insulations standards.

Mr. Speaker, this resolution constitutes a perfect example of the purpose intended by Congress in passing the regulatory review procedure. The procedure is designed to allow Congress to assure that regulations adopted by the Department of Housing and Urban Development conform to the will of Congress, are in the best interest of the American people, and make sense. HUD's proposed regulations on thermal insulation standards do not meet those tests, and should be disapproved.●

ADMINISTRATION'S INFLATION FIGHTER SAYS 5.5-PERCENT PAY CAP "UNFAIR" TO FEDERAL EMPLOYEES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BARNES. Mr. Speaker, I am inserting in the RECORD today the text of an amendment I hope to offer to House Concurrent Resolution 107, the first concurrent resolution on the budget for fiscal 1980. My amendment would assume a 7-percent pay raise effective October 1, 1979, for military personnel and Federal civilian white collar employees whose salaries are subject to annual adjustment under the Pay Comparability Act and related provisions. A 7-percent pay raise would match the voluntary wage guidelines of the administration's anti-inflation program. While a 7-percent pay raise would be well below the level required for comparability with private industry, it would avoid singling out Federal employees to bear a special burden in the national fight against inflation. House Concurrent Resolution 107 assumes only a 5.5-percent Federal pay raise this year.

My amendment would also provide that there will be no pay adjustment for Members of Congress this year. It is quite apparent that Congress will not grant itself a raise this year, so there is no reason to assume the need for such funds in the budget resolution.

I believe that Members will be interested in the remarks made several days ago by Alfred Kahn, the administration's chief inflation fighter. Mr. Kahn is quoted in the Washington Post of Saturday, April 28, 1979, as saying that a 5.5-percent cap is unfair and presents an undue burden for Federal employees.

The text of my amendment and the Washington Post story follow:

H. CON. RES. 107

In the matter relating to the recommended level of Federal revenues increase the amount by $200,000,000;

In the matter relating to the appropriate level of total new budget authority increase the amount by $853,000,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $838,000,000;

In the matter relating to the amount of the deficit increase the amount by $638,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $638,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $638,000,000.

In the matter relating to national defense increase the amount for budget authority by $595,000,000; and increase the amount for outlays by $586,000,000;

In the matter relating to allowances increase the amount for budget authority by $258,000,000; and increase the amount for outlays by $252,000,000.

KAHN CONCEDES FEDERAL PAY LID MAY BE UNFAIR

(By T. R. Reid and Art Pine)

President Carter's chief inflation fighter conceded yesterday that the administration's anti-inflation effort is likely to place an unfair burden on federal employes.

Noting that the White House tentatively plans to limit federal wage increases to 5.5 percent this year, while wages and prices in the private sector can go up 7 percent or more under administration guidelines, Alfred E. Kahn, chairman of the Council on Wage and Price Stability, said, "I don't think as a long-run proposition it is fair to set stricter limits for federal workers."

Meanwhile, Kahn's office announced that Sears Roebuck and Co., the nation's largest retailer, had agreed to roll back recent price increases in its stores and catalogue to stay within the voluntary price guidelines.

The council also announced it will start investigations of two paper companies that it believes may be violating the voluntary guidelines. It is the first formal enforcement action since the price guidelines were established last year.

On pay for federal employees, Kahn said no anti-inflation program will work "if the burden is not distributed evenly." He said he gets frequent suggestions from the public to fight inflation by holding down federal pay. "The simple answer is, it's unfair."

Federal employees get a general pay boost each October in an amount determined by the president. Last year Carter set the increase at 5.5 percent—below the rate of inflation—as a model to encourage moderation in private wage settlements.

The administration has said it will hold the general pay raise to 5.5 percent again this year, and yesterday after Kahn's remarks, the White House press office said Carter has not changed his position on the issue.

The congressional budget committees have planned for a 5.5 percent increase in their initial blueprints for the fiscal year 1980 budget.

Kahn, an outspoken economics professor who has developed a reputation for not ducking tough questions, was asked at a luncheon with reporters about the fairness of contrasting public-private wage limits. He grimaced, stalled for a few seconds, and then answered.

"The consideration is a genuine one," he said. He said he recognized the argument that federal workers should set an example for the private sector, but said he was concerned about "unequal burdens," because private wage settlements are exceeding the federal model.

He noted that, even if the general pay raise is held to 5.5 percent, many federal workers will actually receive higher increases because of promotions and grade advancements. Those additional raises might bring the total federal increase over 7 percent, he said.

But he added, "As compared with workers in private industry, who may be benefiting from agreements giving 7 percent, and who get [merit] raises too, I think there may be some unfairness still."

On the price front, Kahn's office said yesterday that in addition to Sears, one smaller firm, De Anza Corp., a California trailer park operator, had agreed to cut prices to stay within the voluntary 7 percent guidelines. The two paper companies charged with "possible noncompliance" of the price guidelines ure Crown-Zellerbach, a San Francisco-based paper and wood products firm, and Hammermill Paper Co. of Erie, Pa.

Kahn said his office has been reviewing the books of several paper producers because of recent sharp price increases in the industry. He said one big paper firm, Scott, had rolled back price in response to the inquiries.

Crown-Zellerbach and Hammermill will have 10 days to produce new data showing that their price increases did not exceed the guidelines. If they fail to satisfy Kahn's office, the two firms stand to be declared ineligible for federal contracts, although the legality of that sanction or any other, for failing to meet voluntary standards is in question.

No details of the Sears rollback, which was agreed to after Carter personally interceded with corporate officials, were made public.●

LIBERTY BELL MAN

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. FRENZEL. Mr. Speaker, Rev. Joe Head of Minneapolis, is properly described as a "Preacher of Patriotism". The attached article from the Northern Natural Gas magazine details the success this 78-year-old patriot has had with his program to teach the history of American freedom and the fundamentals of free enterprise to young Americans in their schools.

Joe Head, a long-time friend of mine has traveled 25 States in his Liberty-van towing his Liberty Bell replica; 300,000 students have enjoyed his patriotic and historical presentation.

Despite his active schedule, Joe gives no indication of slowing down his crusade. That's a good thing because there are a lot kids out there who want to hear his message.

The article follows:

LIBERTY BELL MAN

(By Becky Christiansen)

What's red, white and blue, 78 years old and holds a world's record in the 100-yard dash?

Give up? It's Rev. Joseph B. Head of Minneapolis, Minnesota; better known as the "Liberty Bell Man."

Joe, a retired Baptist minister, describes himself as a "preacher of patriotism." And since 1976 he and his wife, Leona May, have toured America preaching Americanism to over 300,000 students in 25 states.

Traveling in a red, white and blue mobile home with an exact replica of the Liberty Bell in tow, Joe visits elementary schools across the country, allowing children to ring the bell and presenting his patriotic show.

The idea of the Liberty Bell exhibit was created by a group of Minneapolis businessmen, who formed the Liberty Bell Education Foundation. Co-sponsoring the program are the Sons of the American Revolution (SAR) and the Veterans of Foreign Wars. As a member of the SAR (he is past vice president general and bicentennial chairman), Joe was the most likely candidate to spread their message of freedom.

Joe's personal commitment to the program grew out of an urge to teach new generations of young Americans their heritage.

Teaching comes naturally to Joe. He taught high school dramatics and history in addition to performing duties as school principal. Joe said he has also spent time as a submarine quartermaster, college football and track coach, insurance salesman and newspaper reporter.

Now he has "retired" to full time work on this latest project. "I am ringing the bell of liberty and freedom so that the American tradition is kept alive in the hearts of all our children.

"I try to teach them the fundamentals of free enterprise, and the freedoms of speech, assembly, religion and press," Joe said. "Textbooks aren't doing the job in my opinion," he continued. "There have been many attempts to debunk America's Revolutionary heros and I won't let them. I am going to tell them how it really was."

In telling his colorful version of American history to his often boisterous audiences, Joe blends his red, white and blue blazer and colonial tricorne hat with a breakneck pace to hold the youngsters' attention.

With the energy of a man half his age, he sprints toward the crowd, wildly waving his arms, yelling, "You've never seen a character like me before." Strained by the years of preaching and lecturing, Joe's gravelly voice echoes through the gym.

Holding the stunned attention of his audience—the same students who seconds before were squirming and chattering—Joe continues his frantic pace, stopping only to select students to dramatize his points and to hear the audience respond to questions.

"George Washington . . . Thomas Jefferson . . . Patrick Henry," the students chant. Joe continues his lecturing with all the fervor of a tent preacher at a revival meeting.

As the din becomes a roar, Joe, clad in tennis shoes, takes off running around the gym. Stunned silence reigns once again as the children watch the red, white and blue streak around the crowd.

Stopping as abruptly as he started, Joe appears to be none the worse for his sprint. Getting down on his knees he offers to share the secret to his youthful energy and physical prowess.

"It's clean living," he confides. Joe unabashedly notes that he holds the world's record in the 100-yard dash for a man over 70, as proof of his theory.

"I've never smoked or had a taste of liquor. I have no hatred for anyone on earth," he adds. "Keeping in shape is a combination of work between the body and the soul."

Joe's daily fitness regimen is the key to his inexhaustible energy supply. Every morning he touches his toes 50 times, does 20 leg exercises and several isometric exercises besides running a mile and a half.

Clearly revealing his enthusiasm, his blue eyes twinkle as he shouts to the audience, "We've got the best country in the world. Right? Sure we've got problems but we're going to correct them. Right?"

"Right," comes the resounding reply.

As before, Joe is steering his audience into the responses he is seeking.

"When you get a shiner, do you get rid of your eye?" he asks the entranced students. "When you hurt your finger do you cut it off?"

"Of course not! You fix it," is the unanimous response.

Having reached the appropriate conclusion, Joe wraps up his program with a rousing rendition of "The Grapes of Wrath" on his harmonica, marching in time to the music and the steady clapping of his enthusiastic audience.

Following the show, Joe led the students outside to his van where the 2,080-pound replica of the Liberty Bell stood waiting to be rung.

To the delight of the students—and confusion of neighbors, no doubt—everyone rang the bell once.

"They love to ring the bell," Joe said, never flinching despite the loud tolling of the giant bell a few feet away.

The bell was cast by the Paccard Foundry in Annecy, France, in 1976. It is an exact replica right down to the famous crack.

"The bell not only serves as a theme for the program," Joe said, "but it is also a special treat that memorably expresses what I have tried to tell the students."

As proof of his popularity and the program's success, Joe cites the 17,000 letters he has received from appreciative students across the country.

He attributes this success to the fact that he not only believes in his philosophies, but he lives them in his daily routines.

"I practice what I preach," Joe said. "I won't eat at a restaurant that doesn't fly the flag in front, because I believe in patriotism; and I drink mineral water and eat health food because I believe in clean, healthy living. The kids seem to sense that I am not just a talker but I am a 'doer' and they respect me for it."

Watching Joe's presentation and listening to his thoughts leads invariably to an obvious question: where does a 78-year-old man—even one who once held the world's championship in the 100-yard dash—find the energy to continue performing at such a rapid pace?

"I'm inspired," Joe said flatly, as if he had answered that question many times before. "I'm inspired by what I am trying to do for the kids of America."

The last child pulled the rope of the bell, ringing out the final toll of the day. Joe and Leona May said good-bye to students and teachers. After loading up their gear, they climbed into their van and were off down the road for another presentation.●

THREE MILE ISLAND INCIDENT

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. BADHAM. Mr. Speaker, as every Member of this body knows, a great deal has been written about the incident at Three Mile Island over the past month. Much of what has been written has been sensational. Many articles have been written by people who lack even a basic knowledge of nuclear power and the subject of radiation.

One writer who cannot be thought uninformed on the subjects involved is Edward Teller. His accomplishments in the field have made him world renown and his reputation for scrupulous accuracy is widely known.

In the aftermath of the Three Mile incident, Mr. Teller has written an excellent article placing the effects of the events of March 28 and the actions that followed in perspective. I commend it to the attention of my colleagues and ask that it be inserted in the Record at this point.

After Harrisburg

(By Edward Teller)

On an island downstream from Harrisburg, Pa., the biggest nuclear reactor accident in the United States occurred before dawn on March 28. Radiation was released, its invisibility magnifying fear.

These are the facts:

The only danger from the incident was radiation exposure.

The maximum dose permitted according to regulations for a worker is three roentgen units (or r-units, or rems) for any 90 day period. Actually, one worker was exposed to 3.4 rems, and another to 3.1 rems. No other person in the plant was exposed to as much as 3 rems. By comparison, an astronaut is allowed to receive 35 rems or more (depending on which part of the body is exposed). The effect of 3 rems is so slight as to go unnoticed in any statistical study.

We know that such an exposure in an adult will not cause ill effects for at least twenty years. Some opine that beyond that time a small increase in cancer incidence will occur; this is unprovable.

An even higher dosage in colonies of rats and mice gave rise to a prolongation of life by 10 percent. Is a little radiation good for you? I doubt it. The rodent colonies were infected, in all cases, with pneumonia; under these conditions radiation seems to help.

Some people say "nobody knows." We know for sure that the effect is so small that we cannot find it. (Therefore, let us panic?)

As a measure of extreme precaution, pregnant women and pre-school children near the Three Mile Island reactor were evacuated. Actually, the fetus is the form of human life most susceptible to radiation; an infant is next.

According to a "worst case" assumption, nobody outside the plant could have been exposed to more than 1–10th of a rem, to state it differently, 100 millirems. This is the same amount of radiation that all of us get from natural sources in one year. A more realistic estimate of the maximum radiation received outside the island is 50 millirems. That is the same amount of radiation an airline hostess gets from fifty hours aloft in a jet plane; airline hostesses insisted a few years ago that they have the right to stay in service whether or not they are pregnant.

So far as comparison with normal human occurrences is concerned, nobody in Pennsylvania was subjected to unusual health damage, unless one chooses to consider radiation more seriously if it happens to come from a nuclear reactor. In fact, human tissue does not recognize the difference between radiation from a reactor and that from cosmic rays.

The occurrence on Three mile Island is best described as a small LOCA (Loss of Coolant Accident). The much debated Rasmussen report estimated that one small LOCA should be expected in a hundred reactor years if one is pessimistic, or in 10,000 reactor years if one is optimistic. It occurred after a little less than 500 reactor years if all the reactors in the United States are counted, and a little more than 1,000 reactor years if we count all the electric generator reactors throughout the world. (Information from behind the Iron Curtain is not available.)

One nuclear power reactor replaces 40,000 barrels of oil per day. Together the 72 power reactors in the United States replace 3 million barrels of oil per day; we are importing 9 million barrels.

The Nuclear Regulatory Commission has sent highly qualified supervisory persons to all seven nuclear plants that are similar to the one on Three Mile Island. Since much depends on avoiding human error, this measure makes a repetition of the malfunction exceedingly unlikely.

Regulated nuclear power reactors have never been the cause of any human injury (a few people were hurt by accidents in unregulated experimental reactors). Power generating reactors are less dangerous than any other means of producing energy.

EVERYBODY'S CONCERN

In the end, when all information is in, we will have learned more about nuclear warfare, and reactors will become even more safe. This knowledge will have caused the loss of at least $100 million, possibly a lot more. It will have been bought at no cost to human life or human health. This is as it should be.

What happened in Pennsylvania brought increased awareness of the consequences of radiation and the behavior of reactors to almost everybody in America, and, indeed, in the world. It is time to look at the broad picture. A full deployment of nuclear reactors could reduce the demand for oil in the 1990s by 30 percent. This would solve the energy crunch. It would allow use of oil for fertilizers and small machines needed badly in the Third World. It would help to relieve pollution by poverty, to which three-quarters of mankind is exposed bringing suffering and conflict in its wake.

Nuclear reactors are no longer the business of a few experts, industrialists or politicians; they are the concern of everyone. The worldwide discussion of the Three Mile Island incident has started on a strident note. If it continues in a more thoughtful manner, it's effects could become helpful.●

PUBLIC FINANCING OF CAMPAIGNS IS A RAID ON THE TREASURY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. RUDD. Mr. Speaker, I would like to call to the attention of the House an excellent article concerning H.R. 1, the controversial bill which would require taxpayer-financing for congressional elections and simultaneously limit the political spending by private citizens, political action committees, and independent groups.

The article was written by a well-respected conservative columnist, M. Stanton Evans, and appeared in the April 20, 1979, edition of National Review Bulletin.

I have talked with many distressed Arizona citizens and received countless letters of protest about the proposed raid on the Treasury to finance political campaigns.

Nothing has made the voters of my district any angrier than the prospect of their hard-earned tax dollars being spent to finance the campaigns of candidates with whom they may be in complete disagreement on issues of fundamental importance to our Nation.

H.R. 1 attempts to correct inequities which, in fact, do not exist. Glowing rhetoric is heard from the proponents of public financing of campaigns about how its adoption will aid in cleaner, fairer campaigns without any supporting evidence about how spending taxpayers' dollars relates in any way to these objectives.

The fact of the matter is that the fairest campaigns are the ones in which our citizens are freely able to contribute to and otherwise support those candidates with whom they agree, and work diligently against those with whom they disagree.

This legislation attempts to impose the Federal Government in yet another aspect of our citizens' daily lives. This bill strikes at one of the rights dearest to all Americans—that of political involvement.

Our Nation will not have better campaigns or candidates as a result of H.R. 1. What we will have is an ever growing deficit as a consequence of spending tax dollars for political purposes.

I join with a number of my colleagues in resisting this dangerous ill-advised legislation, and I commend to those who may be undecided the insights of Stan Evans.

I include the article by M. Stanton Evans at this point in the Record:

At Home

If the congressional Democratic leadership can get its way, participation by private citizens in the electoral process will soon be drastically curtailed. Such would be the obvious but under-emphasized effect of HR–1, a bill to establish taxpayer-funding for elections to the House and put limitations on political spending by private citizens, political action committees, and independent groups. As usual, the proposal is being touted as a "reform" of our political system, designed to limit special-interest leverage; but the existing evidence suggests the true result would be the exact opposite.

HR–1 begins by clamping a $150,000-per-candidate spending lid (plus fund-raising costs and a mailing to constituents) on general-election campaigns for the House, $60,000 of which could be supplied on a matching basis by the taxpayers. The limit and the federal funding are tied together, so that only if the spending lid is accepted by the candidate does the tax money begin to flow.

Conversely, refusal to take the federal funds would mean the candidate doesn't have to accept the spending limits.

This may sound fair enough, but there is a kicker: if a candidate opts out of the system, his opponent gets a special bonus—up to $60,000 in extra matching funds, plus permission to raise additional money from donors who have already contributed the sum of $100 to his campaign (the maximum single contribution that can be matched with federal dollars). Thus the deck is stacked twice over against the non-participant—up to $120,000 of tax-paid campaign help for his opponent, as against none for himself. Few aspirants to public office are willing to give their opposition that kind of edge, which means that few would choose to stay outside the system.

Stacking the deck is what HR–1 is all about. Like its predecessor, the Campaign Reform Law of 1974, the bill might best be described as an "incumbents' protection act." It completely ignores the advantages incumbents enjoy from name recognition, staffing, the franking privilege—all of which put challengers in the hole before the race has started—even though these advantages have frequently been pointed out by critics of the electoral process, left and right.

A couple of years ago, for instance, the liberal Americans for Democratic Action estimated the total resources available to a sitting lawmaker at $567,000—and some estimates put the figure above $800,000. While these resources are supposedly not to be used for political purposes, the line between "constituent service" and active politicking is hard to draw. Congressmen routinely send out baby books, American flags, and other items to "serve" the voters—and also, incidentally to keep themselves in favor with the homefolks. The potential importance of such activity may be gauged from the fact that senators from large states such as New York and California can set out 900,000 newsletters a month, at taxpayers' expense.

Against that backdrop, the idea of putting limits on the sums that can be spent by challengers has obvious appeal—for incumbents, and for the majority party in the Congress. It is noteworthy that, in the 1978 elections, 63% of the challengers who successfully went against incumbents in House races spent in excess of $200,000 apiece—well above the limits set by HR–1. This is only one among several features of the law that would rig the election process in favor of the congressional establishment.

Another glaring anomaly in the bill is its failure to count "in-kind" electoral services as contributions. Phone banks, get-out-the-vote drives, mailings, etc.—which are the specialties of the labor unions—aren't counted as contributions as long as they are allegedly nonpartisan or supposedly directed at group members, rather than the general public. As pointed out by Reed Larson of the National Right to Work Committee, this loophole would constitute a virtual Magna Carta for labor activism in the field of politics.

Big labor's expertise in this area is suggested by the 1968 presidential campaign, when AFL–CIO's COPE distributed 55 million pieces of election literature, conducted a registration drive that enrolled 46 million voters, did a phone blitz that had 72,225 people manning more than 8,000 phones, and ran a get-out-the-vote push with 84,475 volunteers. On the estimate of Yale Professor Ralph Winter, Big Labor's effort in 1976 was even more extensive: more than 75 million pieces of mail sent out by unions, 10 million phone calls, and a $2 million computer operation.

As Michael Malbin concluded in the *National Journal,* "the biggest winner [from the '74 "reform"] was organized labor. The magnitude and sophistication of labor's efforts . . . are even more impressive when stacked up against what others could do, particularly on the presidential level. Public financing for the general election campaign shut off private contributions to the two major presidential candidates. Contributions to the national party committees were permitted, but even this was limited. In contrast, labor was able to spend as much as it wanted to in communicating with union members and their families, registering them to vote, and getting them to the polls."

Such was the impact of the alleged reform that was shoved through Congress in 1974. The effects of the bill proposed in 1979, despite alleged safeguards, would all to probably be the same.—M. Stanton Evans.●

PERALTA HOME IN SAN LEANDRO ON NATIONAL REGISTER OF HISTORICAL PLACES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. STARK. Mr. Speaker, through the persistent efforts of a group of my constituents who are officers and members of the Alta Mira Club of San Leandro, Calif., the city of San Leandro now has a building recorded on the National Register of Historic Places.

The Ygnacio Peralta Home was purchased by the club in 1926 and now serves as the home of the Alta Mira Club. On Wednesday, May 14, 1979, in a public ceremony, the club will dedicate the National Register Plaque attached to native stone. The ceremony will commemorate over 50 years of tender, loving care devoted by the club to the maintenance and preservation of this historic building. At one point, the club members had to fight to save the landmark from being destroyed and replaced by a proposed apartment building.

The following informational resolution gives in outline form the history of the Ygnacio Peralta Home and its site. I join in offering my congratulations to the Alta Mira Club for a job well-done. They have preserved a piece of our California heritage that can be shared with future generations. They deserve our thanks.

The resolution follows:

Resolution

Whereas Alta Mira Club members purchased the Ygnacio Peralta home in 1926 and have maintained this historic building for 53 years at their own expense. Restoration and preservation of original building has cost over $70,000.

Whereas Peralta House stands on land which was part of a 68 square mile grant given Don Luis Maria Peralta in 1820 in recognition of meritorious military service. The award made by Pablo Vincente de Sola, first Mexican governor of California. It included sites of modern Albany, Berkeley, Emeryville, Piedmont, Oakland, Alameda and part of San Leandro, to the middle of San Leandro Creek.

Whereas in 1842 Ygnacio Peralta, one of the four Peralta sons received land from San Leandro Creek to 68th avenue, Oakland.

Whereas in 1860 the brick part of Peralta House was built, the first brick house in Alameda County. Ygnacio Peralta died in the home in 1874.

Whereas in 1937 Peralta House became California Historical Landmark No. 285. In 1949 the bronze plaque was installed and dedicated.

Whereas in 1972 Peralta House was made a San Leandro Historical Landmark during the Bi-Centennial celebration.

Whereas in November of 1978 Peralta House, home of Alta Mira Club was listed on the National Register of Historical Places. The committee responsible for this four year project consisted of Helen Painter, Chairman; Frances Junker, Secretary and Club Historian, Doris Clark, Katherine Toner, Bessie Roberts, Suzanne Sneeden, Estelle Wilson, Helen McCauley and Josephine Roberts.

Whereas The National Register plaque attached to native stone will be dedicated on May 14, 1979, during a public reception.

Alta Mira Club members are to be congratulated for their determination to maintain the historic Peralta House, a valuable legacy from the past for the City of San Leandro, the State of California and the United States.●

CLARK KELLOGG, SPECIAL "K"

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. STOKES. Mr. Speaker, I recently entered into the Record two Cleveland Plain Dealer articles on Clark Kellogg, the very promising high school basketball star from Cleveland Saint Joseph High School.

Clark was heavily recruited by every major college basketball power in the Nation. He has made that important decision and finally decided on attending Ohio State. It is now my only hope that in accepting this scholarship Clark will not ignore Ohio State's academic tradition.

Mr. Speaker, again for the benefit of my colleagues I request that two articles, one from March 31, 1979 Cleveland Call & Post and the other from the April 8, 1979 Cleveland Plain Dealer, be entered into the Record. I would also like my colleagues to join me in wishing Clark Kellogg the best of luck at Ohio State University.

The article follows:

[From the Cleveland (Ohio) Call & Post, Mar. 31, 1979]

"Special K"—The Clark Kellogg Effect

(By Ronnie Clark)

The most illustrious high school basketball career any Clevelander has ever had came to a dramatic close last week.

Of course that career, was that of the spectacular court magician, Clark Kellogg.

Clark Kellogg is the best basketball player this city has ever produced. Clark has scored more, rebounded more, done everything more and better than anybody else ever did; to many that makes him outstanding. But to this reporter, it's not Clark's record-breaking point tallies, phenomenal behind the back passes or his bone crushing slam dunks that makes him outstanding, it is his character.

If I were a seventeen-year-old, whose name appeared in every newspaper in the state day-in and day-out; If I were sought after by every college and university in the country; If I were named to every All-Star squad there is and given every award known to the game of basketball; If I struck fear in the hearts of every 5'8" guard taking a jump shot from the key; If I had to wear sunglasses when I went out to avoid being mobbed, you could bet your life I'd rank myself as good as Jesus and act that way too. But not Clark, the humble, to whom all of these circumstances have become a part of everyday life for the past couple of years.

Clark possesses the stuff that gets politicians elected, beauty queens crowned, movie stars loved and heroes worshipped—CHARISMA.

"Kellogg charisma" combines basketball wizadry with unselfishness, humility, leadership and emotionalism.

Never have I been moved by an individual player's performance like I was watching Clark score 51 points last week at the Columbus State AAA championship game.

The 14,000 plus seated in St. John's Arena that day were there to see what Clark could do. The pressure was literally amplified by constant sarcasm from opposition cheering sections. With St. Joe emerging from the half time locker room down by the score of 54–26, Clark took it upon himself to lead his team. So admirably did Clark perform in the second thirty minutes of play, that what were jeers from the opposing fans in the first half, turned to standing ovations in the second.

[From the Plain Dealer, Apr. 8, 1979]

In Pursuit of Clark Kellogg

(By Dick Zunt)

St. Joseph High's dynamic senior basketball player, Clark Kellogg, generated more interest in Cleveland the past season than any other individual sports figure.

College coaches came from near and far to see if what had been said and written about the 6–8 basketball superstar was true.

Kellogg, a high school All-American, created a lively recruiting rush to Cleveland. There were a number of top-flight high school basketball prospects in the area this season. But Kellogg was the main draw.

Coaches and their recruiters attended all of St. Joseph's games this season. Business at the telephone company and post office didn't suffer.

The recruiting of this 17-year-old (he won't be 18 until July 2), 220-pound basketball phenomenon could have gotten out of hand.

But, it didn't.

Early this week, Kellogg will make his college choice known. He has narrowed the possibilities to either Ohio State or the University of Michigan.

"It's 50–50," he said. "There are two schools left. Once I've made my decision, I'll channel all my efforts toward that school.

"The tough job—and it will be pretty tough—will be telling somebody no. This is going to be rough."

When Kellogg makes his announcement, it will end weeks of rumor and speculation.

How was the volume of calls and letters handled? Was it an unbearable, pressure-packed situation? How did it affect Kellogg, his family, his coach and his athletic director?

"We think we handled the situation pretty well," said the mature Kellogg. "We set up ground rules at the end of my junior year. The coach (Bob Straub) and I decided that there would be no coaches allowed at practice and that they would have to talk to him, not me, when they contacted the school.

"At home, coaches would have to set up a visit with my parents. Most of the pressure was on my father. He got a lot of calls.

"My dad (Clark Sr.) will be glad when I make my decision."

The Kelloggs' unlisted phone number was changed once during the past season. But it still kept ringing.

"I started dealing with eight schools—Ohio State, Michigan, Notre Dame, Kentucky, Duke, North Carolina, UCLA and Southern California," said Kellogg. "I visited four—Ohio State, Michigan, Notre Dame and Kentucky. I decided not to visit the West Coast."

When did Kellogg first start hearing from colleges?

"I picked up a few letters, my freshman year," he said. "At the end of my sophomore year, my father got some calls and some literature. It started picking up then."

Among those schools who first contacted him were Ohio State and Michigan.

"From then on, there has been a big buildup. I think it really would have been bad if we had not set up the ground rules.

"When coaches found out that I was dealing with only a certain few schools, many of them laid off or went back into the shadows.

"Most of the coaches are class individuals. They've been through this before. Most did not contact me as a common courtesy after I told them that I was not interested in their schools.

"My parents (Clark and Mattie) were with me on my visits. When I went to an Ohio State game, I met Gov. (James A.) Rhodes. I also got a letter from his office.

"My family points out the advantages and disadvantages of a situation and then leaves it up to me. Hopefully, I'll come up with the best decision."

Kellogg's dad is a former star athlete at Cleveland East High. How has he handled the situation?

"On the whole, it's a nice position to be in," said the elder Kellogg. "But just like some days are good, some are bad. From the outside looking in, it's not always as sweet as it looks.

"Coaches feel that until he signs, there is hope.

"It's the kind of burden that you enjoy at times and at other times you don't. You can't cut your phone off.

"We gave coach Straub authority to handle the school situation, and I don't think Clark was bothered at school at all."

Was Kellogg made any undue offers as enticements?

"The institutions that have been contacting us handled things like they're supposed to be handled," said the elder Kellogg.

"I suppose it's possible that it could have happened, but it wasn't here.

"Clark received mail both at home and at school. My wife is a secretary and she helps with the mail that is not of a personal nature."

Viking coach Straub told of his role.

"I couldn't even give a ballpark figure on the amount of mail Clark received," he said. "A lot of his mail was in care of me. I would get the mail and give it right to him.

"Things were hectic in September and October when schools were contacting us to find out what our ground rules were.

"Clark told me the schools he wanted to visit and we let him talk to those people. We tried to keep things as normal as possible.

"We got a lot of phone calls. Sometime it (the telephone) would just about ring off the hook. Clark handled everything very well, though. He's such a level-headed person."

St. Joseph's long-time athletic director and former head basketball coach, Bernie Guilfoyle, and school principal, James Simonis, also handled their share of phone calls.

"The real recruiting process was limited because of selectivity, but the amount of mail was unreal," said Guilfoyle. We have had many fine young men here at St. Joseph, but we have never been associated with a young man of his character and ability.

"Clark is pretty close to the eighth wonder of the world. With me, this has been an enjoyment. It's probably an ego trip.

"It was just great to be in the position we were in. The telephone would ring and it would be an Eldon Miller (Ohio State), Joe Hall (Kentucky), Digger Phelps (Notre Dame) or Johnny Orr (Michigan).

"Clark is definitely the most heavily recruited athlete in St. Joseph history. When the schools called and they were not from the list of schools that Clark had given us, we advised them that they were wasting their time. It was a controlled, but healthy thing.

"Clark is not the type of young man who would use a school just for a trip. He's just a super person.

"During the state tournament in Columbus, I hired a private detective, Tom Toohig, to help keep people away from Clark.

"This was a personal security measure," said Guilfoyle. "We wanted him to concentrate on the state basketball tournament. It helped Clark to be just another guy.

"This was not to keep recruiters away, but just to keep people away from him until the tournament was over.

"I made a lot of enemies because of our security methods. But Clark is such an affable guy, he would sign autographs for hours. He would never refuse anybody an autograph.

"Tom (Toohig) got Clark out of St. John Arena and they met the rest of the team at the restaurant in Columbus. We also kept tight security at the motel.

Toohig is a Cathedral Latin School and John Carroll University graduate who now is president of Investigative Consultants Inc. He is a basketball official, and once, as a physical education teacher in the East Cleveland schol system, taught Clark in elementary school.

Toohig said nothing out of the ordinary happened in Columbus in his capacity to keep Clark geared toward winning a state championship.

"After the tournament was over, we did not alienate the media. Clark gave a press conference. But we did not want any distractions while we were alive in the tourney.

"It was a great experience for us and our school," said Guilfoyle. "I personnally waited 25 years while I've been associated with St. Joseph to get the state tournament. Clark fulfilled that dream.

To many of Kellogg's fans, he is Special K. He is super on and off the court.

"He is extraordinary," said Clark Sr. "He may be a combination of me and my wife, but I think that what he has is God-given.

"I'm very proud of him, and the whole family has been proud of him for a long time.

"He told me that he's close to making his decision on college, and what he does is within himself. Hopefully, it will be this week."●

ALASKA LANDS PART III

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DINGELL. Mr. Speaker, this week the House of Representatives is to begin consideration of one of the most sweeping and comprehensive conservations bills of the century. While there have been numerous attempts to finally put the Alaska issue to rest, including the failure of the Senate to pass legislation last year, I believe that a viable and most rational proposal is now at hand.

The House Interior and Insular Affairs Committee reported for House consideration language—referred to as the Huckaby substitute—that was agreed to by Congressmen UDALL and SEIBERLING, Senators STEVENS and DURKIN, the Secretary of the Interior, and others.

The Merchant Marine and Fisheries Committee has responsibly acted. We reported the balanced Breaux-Dingell substitute to H.R. 39. Our committee bill is a more conservationist-oriented and comprehensive bill than either last year's House-approved legislation or the Interior Committee-approved bill of this year.

The gentleman from Arizona, Hon. Morris K. UDALL, has acted, now, however, by introducing new legislation which he claims is "compromise" legislation. It has not been approved by either the Interior Committee or the Merchant Marine and Fisheries Committee.

The proponents of the so-called "Udall-Anderson substitute" err in their claim of widespread support from the conservation community. They also assert that conservationists and sportsmen do not favor the Breaux-Dingell substitute to H.R. 39. These assertions are without foundation.

To clarify the issue, I am inserting for the RECORD correspondence from the Alaska Federation of Garden Clubs that will be of interest to the Members of this body:

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

DEAR SIR: Alaskans continue to hear the Environmental Lobbyists claiming the support of "The Garden Clubs of America" when presenting their devious and unrealistic viewpoint of Alaska D–2 Lands Legislation.

The most recent incident occurred at the National Association of Counties Executive Board's "Land Use Steering Committee" testimony in Washington, D.C., March 11, 1979, by a spokesman for "The Alaska Coalition" organization.

At no time did the organization called "The Alaska Coalition" have the endorsement of The Garden Clubs of America, as they claim. The National Council of State Garden Clubs, Inc., a 400,000-member organization, was involved, however, with an environmentally structured organization called "Americans for Alaska."

Please be aware of the enclosed documented facts of that involvement, based solely on the slanted environmental viewpoint, and of the eventual dissolution of that involvement in Alaska Lands lobbying efforts.

Very truly yours,

Mrs. CLIFF R. TARO,
Past President, Ketchikan Garden Club; Member, Executive Board, Alaska Federation of Garden Clubs.

The following is a documentation of facts regarding the involvement and eventual dissolution of involvement of the "National Council of State Garden Clubs, Inc." in the Alaska D–2 lands legislation.

In January of 1978, a Mr. George Wills, Executive Director and organizer of the "Americans for Alaska" Committee, and an environmental lobbyist, presented H.R. 39 to the Executive Board of the National Council of State Garden Clubs, Inc., a 400,000-member organization, as a "Middle of the Road" concept, and urged their cooperation to support passage of this legislation.

In late April, 1978, the "Americans for Alaska" organization sent a propaganda mailing to every President of the over 13,000 Club membership of the National Council of State Garden Clubs, Inc. This mailing urged every President to "encourage each member to send letters or mailgrams to their U.S. Representatives before a certain date in support of H.R. 39 and Senate Bill 1500."

The above actions were taken by the National Council of State Garden Clubs, Inc. and the "Americans for Alaska" organization without knowledge of unbiased facts of Alaska lands by experts in resource fields. At no time was the affiliated "Alaska Federation of Garden Clubs" executive board or its membership made aware of this action or allowed to voice an opinion on this action—an issue so vital to Alaskans.

This mass mailing by "Americans for Alaska," and intense environmental lobbying efforts, accelerated the passage of H.R. 39, allowing no time for knowledgeable Alaskans to counter this reprehensible act.

In July, letters of objection were sent in protest to this biased maneuver to all members of the National Council of State Garden Clubs Executive Board, along with testimony by Alaska's Senator Ted Stevens, and facts and testimony by experts on Alaska Lands and its Resources.

In August, the Alaska Federation of Garden Clubs, at their annual convention, attended by the National President, Mrs. William Hedley of Clayton, Missouri, and Pacific Regional Chairman, Mrs. Raymond Elstrom of Salem, Oregon, voted unanimously "to support 'no wilderness' designation of Alaska lands. This would allow management of renewable resources." The motion was worded in this manner because the convention delegates preferred multiple use designation and turned down the single use of "Wilderness" to allow access to and through lands, management of forests, aquaculture programs, hydroelectric vs. diesel power, recreation areas, mineral, oil, and gas exploration, and gradual planned development.

As a result of these incidents, the National Council of State Garden Clubs, Inc., at their Fall Executive Board Meeting in Missoula, Montana, October 12, 1978, voted that "we discontinue working with 'Americans for Alaska' "; thus, their total dissolution of involvement in Alaska Lands Legislation.●

REPEAL OF MEAT IMPORT QUOTAS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. GIBBONS. Mr. Speaker, I have recently introduced a bill to repeal the statutory authority to impose quotas on imported meat and meat products. The Meat Import Act, which contains the authority for these quotas, was enacted in 1964 at a time when the domestic cattle industry needed to recover from depressed prices as a result of overproduction. Today, however, we are faced with a shortage of beef from the domestic industry; consequently, we need imports more badly than ever.

Imported beef constitutes only about 7 percent of total U.S. consumption. Further, imported beef basically does not compete with domestically raised beef. U.S. producers purposefully produce tender, well-marbled beef by "finishing" beef cattle through intensive feeding of grains in feedlots. Imported fresh-frozen boneless beef, in contrast, is lean as the result of grass-feeding on the open range. Imported beef is commonly used for hamburgers, while the domestic beef is well suited to the American love of roasts and steaks. In partial recognition of these facts that imported beef is largely complementary to U.S. production, the International Trade Commission unanimously decided in September 1977 that imports neither caused nor threatened serious injury to the domestic cattle industry.

In today's economy of sky-rocketing beef prices, protection for the domestic industry is clearly unwarranted. In the period January to March 1978, for example, hamburger prices averaged just 93 cents per pound; today the price of hamburger averages $1.59 to $1.69 per pound. Without lean imported beef, hamburger prices would be substantially higher.

Unfortunately, the people who suffer the most from these high beef prices are precisely those people who can least afford it—the poor, the elderly, those who are living on fixed incomes. Repeal of meat quotas is clearly needed to protect the consumer from the ravages of inflation. And because imported meat is basically complementary to domestic production instead of competitive with it, repeal of the meat quotas will not injure the domestic producers.●

TRIBUTE TO SAN FERNANDO VALLEY CITIZEN JOHN BOWLES

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. GOLDWATER. Mr. Speaker, I would like to take this opportunity to pay tribute to an outstanding citizen of the San Fernando Valley. John Bowles is an inspirational civil and philanthropic figure in southern California. His public-spirited interests and activities are manifold and are documented by the numerous offices he has held, and awards that have been presented to him over the years. Among the most prestigious was the honor of being chosen as the Fernando Award recipient in 1978. This award symbolizes the qualities of strength, courage, and leadership and is not only regarded as the highest honor that can be bestowed upon a valley citizen, but is now recognized as one of the outstanding awards in the United States for civic accomplishments.

Additionally, John has been the recipient of the Citizen of the Year Award, presented for contributions to the welfare and progress of the community of Sherman Oaks, an unprecedented four times—in 1970, 1972, 1974, and 1976. He has also served on the Sherman Oaks Chamber of Commerce as vice president three times, twice as its president, twice as its chairman of the board, and has been a member of the Board of Directors since the 1960's.

His community involvement includes primary responsibility for the drive to unite the valley's three chamber organizations into a single entity. Success came in 1977 when his untiring efforts helped create the United Chambers of Commerce of the San Fernando Valley. He was elected its first president and has recently been elected to a second term.

Another valley organization, Build Rehabilitation Industries (BRI) is also grateful for John's interest and hard work on their behalf. The BRI is a nonprofit transitional workshop for the handicapped. This program of work and rehabilitation creates a milieu through which they meet their objectives of returning trainable handicapped individuals to the productive labor force and competitive employment. In the years John has been involved, over 1,600 persons have entered the private sector work force and hundreds have completed their education. It is estimated that over $160 million in future tax money has been saved due to this worthwhile program. These individuals are no longer institutionalized and supported by Federal and State governments, but are now contributing members of society.

John was born in Los Angeles and although he moved to South Dakota at an early age and completed his education there, he returned to his native State of California in 1952 and accepted a position with a large insurance company at that time. He formed his own insurance agency in 1960 in Sherman Oaks and has lived and worked there since. He and his lovely wife Nancy are the parents of three children and the grandparents of six.

John once summarized his feelings toward his home State by referring to an excerpt from a Bing Crosby song:

> I'm going to settle down and never more roam and make the San Fernando Valley my home.

The people of the valley are, indeed, fortunate to have a friend and neighbor like John Bowles.●

POLITICAL ILLUSIONS ARE NO DEFENSE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I am deeply concerned over the new tact used by the Carter administration to win support for the SALT II treaty with the Soviet Union. Whether this agreement will serve U.S. national interest or the interest of our allies is no longer the question. SALT II has taken on a life of its own. The agreement is the objective—not arms control.

SALT II supporters have cautioned against using "linkage" as an issue in the upcoming debate. I strongly disagree. Such a posture should not leave Carter administration officials wondering why the Soviets continue the conquest of Africa by proxy or hold a match to the powder keg in the Middle East.

But linkage goes beyond military tactics. What happens to the entire fabric of our society when American prestige—economically and militarily—is so severely questioned throughout the world? We are dealing with illusions of how we want the world to be not with the reality of the world as it is.

I recently had the opportunity to state my views on this issue at the quarterly meeting of the Southern California Small Business and Economic Utilization Council.

I would like those of my colleagues who continue to support SALT II to know that the majority heartily endorsed my position—when our national security is challenged—our business is challenged.

My remarks follow:

UNITED STATES NATIONAL SECURITY: REALITY VERSUS ILLUSIONS

I am most grateful for the opportunity to meet with the Small Business and Economic Utilization Council today.

I am, of course, aware that the purpose of your Council is to share ideas in order to more effectively carry out the small and minority business programs. You are the experts in that area—I am not.

In choosing my topic for today, I wanted to find a subject in which perhaps I might be more expert. My subject today deals with the reality versus the illusions involved in the national security of the United States as viewed by a Member of Congress. It appears to me that small business, big business, minority business, and all business must operate under the same blanket of national security.

When our national security is sound, business will be secure. When our national security suffers, business will suffer. When our national security is challenged, our business is also challenged. And, if our national security fails and the country comes to an end, business as we know it will also end. There is no business in the Soviet Union except state business.

From debates in the Congress, from political speeches, from editorials and articles, and from some television programs, we can gather that national security means different things to different people.

Some emphasize strategic nuclear forces.

Others tend to emphasize the conventional forces of our Army, Navy, Air Force and Marine Corps.

Still others would rely on treaties and alliances with other countries.

And the arms control community sees the role of arms control agreements as predominant in national security.

The truth is that all of the above, and more, are necessary for a sound national defense and national security policy. We must also add such things as a strong economy, a sound dollar, adequate energy supplies and technical innovation.

Our national security depends to a very great extent on the physical things which we have, the ways that both friendly and unfriendly nations view those things, and our national will to use them in our own interest. If we continue to send out signals that we are unable, or unwilling, to act in our own interest, all of the hardware and arms control agreements in the world will not prevent blackmail or war.

Conversely, if we fail to maintain the physical side of our national security, that is sufficient strategic and conventional forces, no illusions of strength created by brave speeches will be of any help.

Let there be no mistake about one fact. The national security of the United States is now being strongly challenged on several fronts. The challenge comes both from foreign powers, whose motives I distrust, and from domestic sources, whose wisdom I seriously question.

The success of these many challenges is reflected in the fact that American horizons are becoming more narrow. Our flexibility as a nation is becoming more and more restricted. As a great nation, we could never expect to influence all important world events, but we are fast losing the power to influence those events which are most important to us and which are vital to our national security.

The question behind my message today is simply this: Will we meet the many challenges to our national security with realities, or will we continue to concoct illusions—which, like pain killers, make us feel better, but fall far short of a cure?

On illusion, with which we are all familiar is that we can become self-sufficient in energy by the year 19 blank blank—you can fill in the blanks; the illusion is that we can somehow "conserve" ourselves out of an energy supply crisis. The realities are that the United States has within its borders the greatest store of energy, and the technology to use it, existing on earth. However, a maze of self-imposed laws and regulations, and idiotic policies, will prevent the development and use of these resources, unless they are reversed.

The actions and policies which killed the Sun Desert nuclear power plant, the SOHIO pipeline, and the Dow Chemical plant here in California, are only three of hundreds of examples. Recent testimony before a Congressional committee shows that if we had only eight more nuclear power plants, we would need no Iranian oil at $15 to $20 per barrel.

Unless the Carter Administration reverses its ill-considered anti-nuclear policy, and reins-in the EPA, the reality is that we will continue to turn over to the Arabs a considerable part of our economy, and more and more of our foreign policy and national security will depend on decisions made in the Middle East.

There are other illusions now being pandered by our own State Department and Arms Control and Disarmament Agency which weaken and endanger the national security. These illusions are not based on an honest misinterpretation of the facts—they are at variance with the facts. Or, as Senator Stennis described President Carter's veto message on the defense bill last year, they are using "false facts".

These illusions deal first, with the military and international political power of the United States versus that of the Soviet Union; and secondly, with the alleged value of a SALT agreement with the Russians and nuclear weapons test ban.

The military superiority of the Soviet Union in conventional forces such as troop strength, tanks, tactical aircraft, chemical warfare, artillery and fighting vehicles, is no longer a matter of controversy. Trends in these forces continue to favor the Soviets, and the trends are most adverse to the United States in the European area. In many areas they are not only numerically superior but technically superior.

The Naval balance has become so adverse that there is grave doubt that the United States could maintain commerce with Asia, or even resupply NATO, in the event of a Soviet confrontation.

Trends in NATO theater nuclear forces also favor the Soviets and, with the introduction of the SS-20 missile and Backfire bomber, will soon be overwhelmingly in their favor.

The strategic nuclear forces of the United States and the Soviet Union are roughly equivalent in numbers. But numbers do not tell the entire story. Soviet nuclear weapons are more powerful and more destructive—and just as accurate as U.S. weapons.

On balance, the "Russians are not ten-feet tall" militarily, they are six feet four and growing, while the United States is about five feet ten and getting smaller.

These are not my opinions, but the thoughtful opinions of witnesses of the Carter Administration who have appeared before the Congress during the past three months.

In order to rationalize the military situation, Secretary Brown has said that military power is not everything. He cites a *strong* U.S. economy—an economy now ridden by inflation which has the dollar decreasing in value worldwide.

He cites a cohesive society—a society which came unglued during the Vietnam war.

He also cites the cohesion of the United States allies—allies which refused to sell oil to the U.S. Sixth Fleet or to grant landing rights during the 1973 Arab-Israeli war.

Somehow overlooked in Secretary Brown's analysis is the controlled economy of the Warsaw Pact and the will and military means to *assure* the cohesion of its people and allies.

It is this refusal to look at reality which has lead the United States to send out signals of weakness over the past several years. The cancellation of the B-1 bomber, the Nimitz Class carrier, the SRAM-B missile and neutron weapons are examples of such signals. The troop pullout plans in Korea, the Panama Canal Treaties, and withdrawal of support for Taiwan have done nothing to build confidence in the United States as a reliable ally. Signs of nervousness are already showing among our NATO allies.

In this atmosphere, is it any wonder that the Soviets continue the conquest of Africa by proxy? Is it any wonder that they are holding the match close to the powder keg in the Middle East? Is this the reason the Soviets fill the power vacuum in Asia and the Middle East?

While all of this has been going on, Secretary Vance and Paul Warnke have been negotiating with the Russians in the rarefied air of Geneva, Switzerland. A Strategic Arms Limitation agreement with Russia and a total nuclear weapons test ban, which are being negotiated, are said to be the centerpieces of the present Administration's foreign policy.

As a candidate, the President placed a high priority on the limitation of strategic arms and the removal of nuclear weapons from the earth. Considering the proposals and concessions made by the United States during the past two years, he may be partially successful. He may well sign an agreement which limits only U.S. arms, and which at least removes nuclear weapons from a *part* of the earth—the United States.

The Administration is spending large sums of your money and my money on a Rafshoon public relations campaign. Appointed public officials are traveling across the length and breadth of the land to create the illusion that SALT is good for us regardless of its terms.

Never mind the 326 large Soviet SS-18 missiles which alone can destroy our minuteman deterrent.

Never mind the 950 submarine launched strategic missiles.

Never mind the fact that the Soviet intercontinental Backfire bomber will not count under the SALT limits.

Never mind the fact that the Soviet SS-20 missile will not count under the SALT limits, and that it also can hit U.S. targets.

And never mind that neither SALT nor a nuclear weapons test ban can be verified so as to detect Soviet cheating.

Whether SALT will serve the U.S. national interest, and the interests of our allies, is no longer the issue. The sad fact is that SALT has taken on a life of its own. The agreement itself is now the objective—not arms control.

What are the specific shortcomings of SALT?

First, the agreement would not provide equally for the national security of the United States and the Soviet superiority.

Second, SALT would hamper innovative U.S. technology, and the translation of that technology into systems which would deter war in Europe, or nuclear blackmail of the United States.

Third, the false illusion of security which SALT would provide would work to prevent the exercise of certain options by the United States such as mobile ICBMs (The MX) ground launched cruise missiles and sea launched cruise missiles. In fact, numerous weapons programs have already been cancelled or placed on "hold" because of some paranoid fear that to go forward with them might influence some sort of Russian response.

For example, one year ago President Carter suspended work on enhanced radiation (neutron) weapons. He said that he would watch for some sign of Soviet "restraint". Soviet "restraint" during the past year has consisted of the fielding of 200 or more new missiles, several new submarines, at least 30 new Backfire bombers, development of new air defenses, and adventures in Afghanistan, Iran, South Yemen, Africa and Vietnam. One wonders how much more Soviet "restraint" we can stand.

Another example is the Standard II air defense missile which the "weak willies" in the State Department say the Russians don't like.

The most glaring case of indecision by the Administration involves a secure basing mode for the MX ICBM missile. While almost everyone admits that our 1,000 minuteman missiles will be vulnerable to a Soviet first strike by the year 1982, or sooner, the desire of the Carter Administration to appease the Russians has caused delay after delay. The matter is literally being studied to death. Even if we were to begin today, we could not deploy the MX until 1986—four years after the Russians are able to knock out minuteman.

During the three decades following World War II, the United States has been second to none militarily because of its technology. Our technology has made it unnecessary for us to match the Soviets or Chinese man-for-man or gun-for-gun. This technology is now being stifled by a policy of self-denial. Because of the great rush toward a SALT agreement, we have not taken full advantage of our technical resources. If we have a SALT agreement, we will not be able to exploit our technical resources for years to come.

While SALT would severely limit our military options, a nuclear weapons test ban would bring about the sure deterioration of our nuclear deterrent forces. If such a test ban continued over a period of time, we could not recover confidence in the deterrent for many years.

A fourth problem with SALT lies in the way that our friends and allies view the prospective agreement. As I stated earlier, our allies are becoming more nervous with each Soviet action and with the failure of the United States to respond to the huge Soviet military buildup.

Yet the Administration has attempted to create an illusion of allied support for SALT even before our allies know the contents of the agreement.

At the end of last winter's meeting on Island of Guadaloupe, between President Carter, the Prime Minister of the United Kingdom, the Chancellor of West Germany, and the President of France, vague statements were made in support of the SALT process.

I have since found in meetings with members of Parliament that the British have grave reservations about the possible effects of SALT.

I also note that France wants nothing whatever to do with strategic arms control agreements with the Soviets.

Recently, Dr. Alois Mertes, a German parliamentarian, and ferquent spokesman for the leading West German political party on arms control matters, made some interesting observations about SALT. These observations also reflect the reservation about SALT that I have heard from other European allies.

First, it was asked how the United States could positively guarantee that a very ambiguous "non-circumventing clause" will not impede a close cooperation between the Western Alliance? The so-called "non-circumvention" clause states that neither the United States nor the Soviet Union will take any action "through third countries" which violates the purposes and intent of the agreement.

The Germans see this clause as a future source of Soviet-American antagonism which will burden NATO in the face of a growing Soviet threat.

Second, it was asked how can the United States positively guarantee that the restrictions on mobile missiles, ground launched cruise missiles and sea launched cruise missiles will not forecolse options for weapons which are indispensible for the defense of Western Europe?

Third, it was asked how the United States can reliably guarantee, prior to the ratification of SALT, that the "gigantic and incessantly growing Soviet superiority" in medium-range nuclear missiles—which are not subject to SALT—will be mitigated with a view toward parity, or offset by U.S. nuclear defense measures? The West Germans see these Soviet missiles as a source of political pressure and blackmail.

These are legitimate questions. I have no good answers to them and no member of the Carter Administration has a good answer to them.

Dr. Mertes concluded his remarks with a reminder that West Germany has renounced the maintenance of nuclear weapons within its own arsenal for defense against a Soviet attack. He said, West Germany "is much more dependent on credible security guarantees by the United States than are England and France! I want to emphasize the word credible.

He stated that U.S. security guarantees should be such that neither West Germany nor the Soviet union could seriously doubt them.

I agree with these statements entirely and join in the expressed fear that SALT will drive a wedge between the U.S. and its NATO allies.

So much for the false illusion that our allies are solidly behind SALT II. The reality of the situation is again the other way around.

Because of the need of the Carter Administration for SALT as a domestic political symbol, our overall defense posture has suffered. What is worse, by catering to Soviet propaganda with regard to SALT, we have, in effect, permitted many of our national security policies to be made in Moscow—not in Washington. By the same token, our economic policy is being driven by the OPEC oil producers.

How we, in the Congress, and as citizens, meet these challenges to the national security of the United States can affect our way of life and welfare long into the future. But whether we continue to meet them with docile inaction or with positive measures, we must do so in the light of the world as it is—and not as we would like the world to be.

Political illusions are no defense in the world as it is. National security either exists or it does not exist. There is no such thing as security by incantation.●

MIKE DAVIS OF TORRANCE SAVES THREE LIVES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. ANDERSON of California. Mr. Speaker, in this day and age when our country's youth are often maligned and misunderstood, I would like to share with our colleagues a story which appeared on the front page of the Thursday, April 26 edition of the Los Angeles Times. My heartiest commendations go to Mike Davis for his quick thinking and perseverance in initiating the crucial contacts which effected the rescue of three people thousands of miles away.

Most people many years older than Mike can not say they have been responsible for saving even a single life. Mike certainly has something to be proud of, and all of us in the South Bay area are proud of him.

HAM RADIO OPERATOR, 13, IS HERO OF SEA RESCUE

(By Bill Billiter)

A dramatic rescue of a sinking fishing ship in the Caribbean was made Wednesday by the U.S. Coast Guard in Florida—thanks to the skill and quick thinking of a 13-year-old amateur radio operator in Southern California.

The 11th Coast Guard District Rescue Coordination Center in Long Beach said that the information it got from young Mike Davis of Torrance resulted in saving the three persons on the ship thousands of miles to the east.

The Coast Guard said one of its aircraft from Miami flew Wednesday to the sinking vessel Carman 75 miles northwest of Jamaica. The plane dropped pumps, a raft and a radio capable of linking the Carman with the Coast Guard. Meanwhile, a Coast Guard ship steamed to the site to provide other assistance if needed.

The three men on the Carman were in desperate condition when Mike picked up the Mayday emergency call on his ham radio at about 1 a.m. Wednesday.

"They said they had a hole in their ship, they were taking on water and they could last only about eight more hours," Mike said in an interview.

"I was trying to pick up a station in the Caroline Islands in the Pacific when I heard the Carman talking to a ham operator in New Zealand.

"They weren't copying (hearing) each other too well, and they both were occasionally sending at the same time."

Mike said he realized that the New Zealand operator could do little to help the sinking ship half a world away. So Mike (call letters WD6FFV) broke in and got the ship's latitude and longitude.

He then got on the telephone and asked the operator to connect him with the closest Coast Guard station. "That was the only problem I had," Mike said. "It took the telephone operator about 10 minutes."

Once Mike was connected with the Coast Guard station in Long Beach, the rescue sequence began. The Coast Guard in Miami was notified by Long Beach, but because Miami had no amateur radio capability, it could not pick up the Carman.

Mike thus stayed with his radio and relayed, by phone, information to the Coast Guard in Miami. Although the Carman's crew misjudged their position by about 75 miles, the Coast Guard plane was able to find them. Mike kept up the relay work until he lost the Carman's signal at about 2 a.m.

"I am very proud of him," said Mike's mother, Mrs. John M. Davis. She said she had to call Mike home from school Wednesday to answer all the calls from newsmen after the Coast Guard released information about his hero's role.

The Coast Guard particularly praised Mike's perseverance in staying with the Carman's radio signal and relaying information. Mrs. Davis said that perseverance is a trait Mike displayed in becoming a ham radio operator in the first place.

Noting that the federally required test for amateur radio operators is very complex, Mrs. Davis said that Mike last year, when only 12, took the exam three times before passing on the fourth try. The exam is hard, she noted, even for a bright boy like Mike, who is in the eighth-grade mentally gifted minor program and attends both Newton Middle School and South High School.

She said Mike's older brother, Bob, 15, (WB6QNN) and his father (K6KAQ) also are ham operators. The family's involvement with the hobby has brought some complaints from new neighbors who built homes at the rear of the Davis residence.

Mrs. Davis said some of the new neighbors complained to the city of Torrance because they didn't like seeing the "unsightly" radio antennas sprouting from the Davis home.

"I'm calling Torrance City Hall today and telling them no way am I going to take down those antennas," she said.●

POTENTIAL FOR HYDROELECTRIC POWER

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. CONTE. Mr. Speaker, according to a U.S. Corps of Engineers study, there are approximately 50,000 existing dams sites in this petroleum-dependent country. Of that number, only about 1,400 have been developed for power generation. The remainder are used for improvement of river navigation, flood control, and irrigation. Many of these existing dams can be made to accommodate power installations without compromising their original function and in a minimum amount of time. It should be noted that presently, it requires nearly 10 to 12 years to design, license and construct a nuclear powerplant.

The potential for hydroelectric power exists today, merely waiting for full utilization. The Federal Energy Regulatory Commission estimated that if only 10 percent of our 50,000 existing dams were developed for power generation, we could save the equivalent of 180 million barrels of oil every year. Further estimates indicate that the installation of additional generation capacity at existing sites could add 54,000 megawatts to the Nation's power pool. This is the equivalent of the power generated by 54 large nuclear powerplants.

Nationally, the utilization of hydroelectric power generation has declined from 40 to 15 percent of total U.S. electricity demand. Projects under construction, planned, and available for future development in the next two decades could increase the hydroelectric capacity to 55 percent. If this projected increase in capacity were produced by petroleum-fired plants, this would require an average of 80 million barrels per year at a cost of more than $1 billion if the oil is imported.

It was for this reason that I successfully urged my colleagues to join me in offering a committee amendment to the Energy Research and Development Administration authorization measure in 1977 to provide $10 million for their hydro program. The objective of this funding was to allow the administration to effectively demonstrate the economic feasibility of retrofitting existing sites for this purpose. The program thus far has demonstrated the economic soundness of this source of energy and hopefully will reverse the trend away from utilizing our existing sites.

For the most part, this hydroelectric potential is being neglected in our rush to provide massive, large-scale solutions to our growing problems. This is especially true in New England, where the availability of this additional energy source is great. This section of the country is blessed with approximately 1,900 dams. They were originally built to harness the energy of our rivers to power sawmills, papermills, shoe, textile, furniture, and machine tool factories. These small dams made an invaluable contribution to this country's independence and prosperity. Now they sit idle, awaiting to be "reborn." In a region that has traditionally paid the highest average fuel bills, the economic attractiveness of this concept must be appreciated.

The need for the inclusion of this energy source in the Nation's energy policy is obvious. The utilization of hydroelectric power is a major step in harnessing the renewable source of energy we have at our disposal. These small-site projects can be developed at a lower capital cost per unit than huge new generation stations that use less permanent, less reliable, more hazardous resources.

Recently, the renewed interest in this source of power has prompted manufacturers to develop compact turbine designs, most notably the "bulb," which will increase the efficiency of these generation plants. In addition, this concept of revitalizing small sites has spurred a new sense of community involvement. These projects mean lighting for schools, streets, parks, and other communal purposes, at prices less than the norm. They mean power at a price that will permit small industries to stay in business and keep on employing people. Thus, I am sponsoring this measure which will include small-site hydroelectric power generation in the Energy Tax Act of 1978. It will provide the necessary incentive to the private sector to assist in this country's quest for its independence from nonrenewable petroleum.●

KAHN CONCEDES FEDERAL PAY LID MAY BE UNFAIR

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mrs. SPELLMAN. Mr. Speaker, I wish to include in today's RECORD an article by T. R. Reid and Art Pine, which appeared on the front page of the Saturday, April 28 Washington Post. The article is entitled "Kahn Concedes Federal Pay Lid May Be Unfair."

If I may, Mr. Speaker, I would like to quote the first paragraphs of the article. It says:

> President Carter's chief inflation fighter conceded yesterday that the administration's anti-inflation effort is likely to place an unfair burden on federal employees.
>
> Noting that the White House tentatively plans to limit federal wage increases to 5.5 percent this year, while wages and prices in the private sector can go up to 7 percent or more under the administration guidelines, Alfred E. Kahn, chairman of the Council on Wage and Price Stability, said: "I don't think as a long-run proposition it is fair to set stricter limits for federal workers.

The complete article is attached at the end of this statement.

Mr. Speaker, I urge the President and all of my colleagues to listen to the sound equity arguments of the Nation's chief inflation fighter. The present proposal of the administration runs against the tide of equity and fairness and is a devastating deterrent to good employee morale.

To add insult to injury, the administration, besides not letting Federal employees participate fully in its voluntary wage guideline of 7 percent, recently has announced that Federal employees will have to start paying for their Government parking spaces. This is just another way to cut back on their take-home pay. I wonder how many executives in the private sector are paying for their parking spaces. I wonder how many employees in the industrial fields are required to pay for parking. And I wonder if the Teamsters are paying for parking. Still, I would support parking charges if the recommendations of the pay comparability panel were permitted to go into effect, but not as an additional insult over and above the pay lid.

Mr. Speaker, it is my hope that all my colleagues will read this article in full and join me in supporting the Barnes amendment to the budget resolution to allow federal employees to participate fully in the President's voluntary wage guideline. The amendment would limit the employees' October pay increase to 7 percent instead of the 10.5 percent required under the Pay Comparability Act of 1970.

KAHN CONCEDES FEDERAL PAY LID MAY BE UNFAIR

(By T. R. Reid and Art Pine)

President Carter's chief inflation fighter conceded yesterday that the administration's anti-inflation effort is likely to place an unfair burden on federal employes.

Noting that the White House tentatively plans to limit federal wage increases to 5.5 percent this year, while wages and prices in the private sector can go up 7 percent or more under administration guidelines. Alfred E. Kahn, chairman of the Council of Wage and Price Stability, said. "I don't think as a long-run proposition it is fair to set stricter limits for federal workers."

Meanwhile, Kahn's office announced that Sears Roebuck and Co., the nation's largest retailer, had agreed to roll back recent price increases in its stores and catalogue to stay within the voluntary price guidelines.

The council also announced it will start investigations of two paper companies that it believes may be violating the voluntary guidelines. It is the first formal enforcement action since the price guidelines were established last year.

On pay for federal employees, Kahn said. no anti-inflation program will work "if the burden is not distributed evenly." He said he gets frequent suggestions from the public to fight inflation by holding down federal pay. "The simple answer is, it's unfair."

Federal employes get a general pay boost each October in an amount determined by the President. Last year Carter set the increase at 5.5 percent—below the rate of inflation—as a model to encourage moderation in private wage settlements.

The administration has said it will hold the general pay raise to 5.5 precent again this year, and yesterday after Kahn's remarks, the White House press office said Carter has not changed his position on the issue.

The congressional budget committees have planned for a 5.5 percent increase in their initial blueprints for the fiscal year 1980 budget.

Kahn, an outspoken economics professor who has developed a reputation for not ducking tough questions, was asked at a luncheon with reporters about the fairness of contrasting public-private wage limits. He grimaced, stalled for a few seconds, and then answered.

"The consideration is a genuine one," he said. He said he recognized the argument that federal workers should set an example for the private sector, but said he was concerned about "unequal burdens," because private wage settlements are exceeding the federal model.

He noted that, even if the general payraise is held to 5.5 percent, many federal workers will actually receive higher increases because of promotions and grade advancements. Those additional raises might bring the total federal increase over 7 percent, he said.

But he added, "As compared with workers in private industry, who may be benefiting from agreements giving 7 percent, and who get merit raises too, I think there may be some unfairness still."

On the price front, Kahn's office said yesterday that in addition to Sears, one smaller firm, De Anza Corp., a California trailer park operator, had agreed to cut prices to stay within the voluntary percent guidelines. The two paper companies charged with "possible non-compliance" of the price guidelines are Crown-Zellerbach, a San Francisco-based paper and wood products firm, and Hammermill Paper Co. of Erie, Pa.

Kahn said his office has been reviewing the books of several paper producers because of recent sharp price increases in the industry. He said one big paper firm, Scott, had rolled back prices in response to the inquiries.

Crown-Zellerbach and Hammermill will have 10 days to produce new data showing that their price increases did not exceed the guidelines. If they fail to satisfy Kahn's office, the two firms stand to be declared ineligible for federal contracts, although the legality of that sanction or any other, for failing to meet voluntary standards is in question.

No details of the Sears rollback, which was agreed to after Carter personally interceded with corporate officials, were made public.●

THE FEC—A CONGRESSIONAL RESPONSIBILITY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. FRENZEL. Mr. Speaker, today the Washington Post carried a page 1 news item under the byline of Fred Borbash headed, "Criticism of FEC Spreading As '80 campaign nears."

The article was strongly critical of the FEC, voting it had no CPA on its staff, was unpreposed to handle the 1980 Presidential campaigns, has not rewritten inadequate disclosure rules, and has a turnover rate of 20 percent.

And this is the agency to which some Members want to entrust the management and audit of taxpayer financing of congressional elections.

I invite the attention of every Member to this article. The FEC is a good example of agency which took a confusing legal charge and managed to make it a good deal more confusing.

It has done a particularly poor job on one of its primary functions, that of audit. The audit of the President's campaign committee is a horrible example. The head auditor of that campaign said that the FEC did not know what it was doing.

Its staff, according to the article, is "not unqualifedly comfortable" with the FEC's ability to handle the 1980 elections.

Even more disturbing is the alleged cronyism in hiring practices. The "Lipshutz connection" casts further doubt on the Carter audit.

I personally doubt that the FEC is as bad as portrayed in this article. But, it surely is nowhere near as good as it must be to administer the law adequately. It needs immediate repair including a much clearer definition, and restriction, of its function. Otherwise we are better advised to remove its basic functions to the Justice Department and save the taxpayers some money by terminating it.

If the FEC is as bad as it appears, the fault lies as much with Congress as with itself. The FEC is a unique congressional plaything. Every bill relating to it is one of extraordinary personal interest to every Member.

Attempts to improve the FEC law have, since 1976, foundered on political problems in Congress, including the role of parties in campaign financing and the annual catfight over taxpayer financing of congressional elections. As one of the founders of the FEC, I would prefer to see it improved and simplified. But, if that is not possible because of political considerations, then its functions should be transferred to an agency which can handle them.

The article follows:

CRITICISM OF FEC SPREADING AS '80 CAMPAIGNS NEAR

(By Fred Barbash)

The Federal Election Commission, created in 1975 to bring integrity to campaign financing, got off to a rocky start. Its regulations, when formulated, were often unintelligible. It was understaffed with inexperienced people. It wasn't even certain who it was trying to protect, politicians or the public.

Today, as the 1980 election campaigns near, little has changed.

Item: Though it now regulates a $400 million industry called campaign finance, the FEC does not have a single certified public accountant on its auditing staff.

Item: Elmo Allen, the lead auditor on the recently completed audit of President Carter's primary campaign, quit last month, complaining that the agency has badly flubbed what little of the audit it has completed and that it is simply incompetent to examine adequately campaign finances. "I just believe that those people don't know what the hell they're doing," Allen said in an interview.

Item: An April staff memo to the commissioners specified 27 steps needed to prepare for the 1980 campaigns and dates by which these steps were to be taken. Twenty of the 27 dates had long since passed. At the same time, more than $3 million has already been raised by 1980 presidential candidates.

Item: A planned revision of the rules governing campaign finance disclosure has never occurred. There was so little guidance to candidates in the 1976 election that the FEC felt it could not hold the Carter campaign, for one, accountable for thousands of dollars in inadequately documented expenditures.

Item: Staff turnover is now about 25 percent annually, much higher than most government agencies. Morale, concedes FEC Chairman Joan D. Aikens, is low among many employes "in every division." Complaints of "cronyism" in hiring and promotion, which have contributed to low morale, resulted last September in the formation of an employes union at the FEC.

Criticism of the agency is starting to spread. "There are severe administrative weaknesses over there," says Bob Moss, chief counsel for the House Administration Committee, which oversees the FEC.

"Our concern goes beyond the normal resentment" expected of members of Congress toward the agency set up to watch over their campaigns, Moss added. "There have just been too many blunders. If a secret vote were taken in Congress today, the FEC would be disbanded."

"We realze we are going to be criticized," said the FEC's Aikens. "But a lot of it is unjust and unfair. It has been very difficult to build a staff. There is very little experience in how to administer the law." She said she is confident that the agency can handle the 1980 campaigns.

Commission staff director Orlando Potter was not so confident when asked the same question. "I couldn't say I'm unqualifiedly comfortable" about the situation, he said.

Beyond the specific problems, there are questions about whether the FEC, which is supposed to regulate the behavior of politicians, isn't in fact regulated by them and for them. Some of the questions arise out of the basic structure of the agency as created by Congress.

The commissioners are appointed according to party affiliation. There are three Republicans, Aikens, Max Friedersdorf and Vernon W. Thompson, and three Democrats, Robert O. Tiernan, Thomas E. Harris and John W. McGary.

The commissioners commonly intervene in the formulation of advisory opinions by staff lawyers, according to general counsel William Oldaker, and "say how they want them to come out in a certain way."

Somewhat less than half the FEC hires, according to a rough estimate by commission director Potter, have prior "connections" with politicians, general members of Congress.

One example is Kenneth A. Gross, an assistant general counsel hired two years ago to advise auditors on the legal aspects of their work, including the Carter campaign audit. He was plucked from the Atlanta law firm of Robert Lipshutz, White House counsel and treasurer of the Carter campaign. "I would think," says Oldaker, "that Lipshutz had something to do" with the hiring.

Commission audits are conducted under unusual secrecy, though this is not required by law, under the philosophy that "anything you might do might affect an election," according to Oldaker.

During the 2½ years it took to complete the audit of the Carter primary campaign, the FEC clamped a lid of secrecy on all information pertaining to the audit, refusing to explain the delay or any other aspect of the examination. It cited the law creating the FEC, claiming that it prohibited the agency from discussing campaign audits in public.

Last week, however, after months of protests by news organizations, the commission changed its policy and decided that it may discuss audits in open meetings. The general counsel advised the commission that there never was a legal requirement that it be done in secret.

Finally, as matter of policy, the agency created in the wake of Watergate makes a point of not going out and looking for wrongdoing.

Oldaker disbanded a 15-member investigative staff, saying there "wasn't enough work for them to do," and arguing that it was preferable to rely on the filing of complaints. Meanwhile, a sample audit by the FEC of the 1978 congressional races found that 40 percent of the campaigns accepted illegal contributions.

Another factor contributing to criticism of the FEC is the fact that the agency still hasn't completed audits of four 1976 presidential campaigns, including Carter's.

In March, the FEC finished the audit of Carter's primary campaign, after a 2½-year effort. But the long delays and complaints about the quality of the audit have subjected the agency to new scrutiny.

The audit found only minor and technical violations of disclosure provisions in the Carter primary campaign. As a result, repayments totaling about $8,000 were required.

There is no evidence that there were anything other than minor infractions by the campaign. In an interview, Allen, the lead auditor for the Carter audit who resigned last month, suggested that the commission simply was not equipped to find anything else.

"I just believe that these people [the auditors] don't know what the hell they are doing," Allen said. "It was a standard joke—that people didn't know what they were doing."

Allen said that some of those doing the Carter audit "never had had any audit training. We had some very inexperienced people on it."

"In addition," he said, "the FEC is very understaffed. We didn't have half the people we needed for the job."

As a result, he said, there were periods of up to a month's duration in which only one or two persons were working on the audit and other times when no one was.

Staff director Potter said in an interview that "audit staff strength has been a problem. We've had a lapse there we've been hard put to make up." Experienced CPAs, he said, are unwilling to work at the government's pay scale. But he defended the capabilities of the 30 or so auditors now employed by the FEC.

"We don't have anything to apologize for. I think they are very able people."

Potter also defended the hiring two years ago of Lipshutz's law associate, Gross, as assistant general counsel in charge of audits. He and Oldaker said that while Gross did not formally disqualify himself from decisions relating to the Carter audit, he did not make "decisions" pertaining to it.

Oldaker said Gross' only role in the Carter audit was to advise him of precedents from prior audits when questions came up.

Oldaker said of Gross, "I can't remember how he got here. I would think that Lipshutz probably had something to do with it."

He said he definitely remembered Lipshutz's name being used by Gross as one of his references. Gross, through a commission spokesman, declined to be interviewed.

"I assure you," Potter said, Gross' "lineage was made perfectly clear to all members of the commission" at the time he was hired.

According to some agency employees and former employees, the FEC has crippled itself with its own hiring policies.

"It seemed as though some people were here not by virtue of their performance but according to how well connected they were," said Philip Kellett, a paralegal specialist in the FEC and president of the independent union organized there last September. "A common complaint is that there is cronyism" in hiring and promotion, he said.

All of this was denied by general counsel Oldaker.

The FEC is now more than just a regulatory agency. In the 1976 elections it dispensed more than $50 million in public funds to help finance presidential campaigns. Now Congress is considering extending public financing to congressional races, which would further add to the FEC workload.

There is concern among supporters of public financing that the agency's current weakness could undermine support for public financing and also concern about whether the agency could handle the new load should the legislation pass.

The House Administration Committee, according to Moss, is planning extensive oversight hearings on the FEC in June in hopes of getting to the bottom of the agency's problems before it is swamped by the events of 1980.●

SOME POINTS TO REMEMBER

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. OBEY. Mr. Speaker, this article by Anthony Lewis, which appeared in the New York Times on April 23, 1979, raises important points to remember for both Israelis and Palestinians, especially as the next, and most crucial, stage of the Mideast negotiations begins:

AT HOME ABROAD: "DO I NOT HAVE FEARS?"

(By Anthony Lewis)

JERUSALEM.—An official in Menachem Begin's Government was talking about the Palestinians. "The trouble is," he said, "that the good people, the ones we could trust with political responsibility, are not in the picture. If an Anwar Nuseibeh were there, we could make an arrangement in a minute. . . ."

Anwar Nuseibeh, now 66 years old, heads one of Jerusalem's distinguished Arab families—one that has played a part in the city for more than 1,000 years. He was a lawyer and judge before 1948, then served the Jordanian Government as Minister of Defense, ambassador to Britain and governor of Jerusalem. Since 1967 he has continued to live in his house in East Jerusalem, taking no part in public life under the occupation but still a respected figure.

The other day I talked with Mr. Nuseibeh about relations between Palestinians and Israelis, and in particular about the "autonomy" that Israel proposes for Arab residents of the West Bank and Gaza. Negotiations about "autonomy" are supposed to start in a month.

"There are two ways Arabs and Jews can live together in Palestine," Mr. Nuseibeh said: "In one country or dividing it. But you cannot combine those two theories, and that is what Camp David tried to do.

"Israel has a legitimate interest in its security, and we can discuss that. But if for the sake of peace Israel is ready to agree that this area is our homeland, that we have a right to our identity, then it has no business to impose on us the means of running the area.

"I can very well understand that the Israelis would be happy to rid themselves and their occupation of small administrative details—to use their soldiers for the sort of jobs for which soldiers are intended. But do not glorify 'automy.' "

Mr. Nuseibeh, given his past role as a Jordanian official, is not generally reckoned a supporter of the goal most Palestinians now speak of: an independent state. But he said he was not opposed—the important thing was to let Palestinians decide for themselves.

"I was always a believer in the right of the Palestinians to self-determination," he said. "I saw the Jordanian solution as the best way out of a dilemma after 1948. If the people of Palestine want a Palestinian state, fine. I personally may vote for union with Jordan. There are practical as well as emotional reasons: economic, defense, an outlet to the rest of the Arab world."

I asked whether Mr. Nuseibeth did not think that Camp David was a step toward Palestinian identity and self-determination—a step that would allow time to ease Israel's fears.

"Do I not have fears?" he asked. "And on the basis of the facts, are mine not more justified than Israel's? By all means allay Israel's fears, but think of mine, too. Reassure me about my land.

"How can we be sure it won't be worse after five years? Their settlement program goes on, their ideology, their power.

"Are they talking of 'autonomy' for the Sinai? Are the Sinai Bedouins more capable of running their affairs than we are? What nonsense."

What about Israeli fears of the Palestinian leadership, I asked, of radicalism and terrorism?

"If one could get the Israelis to go along with a true accommodation," Mr. Nuseibeh said, "they wouldn't have to worry about the quality of our leadership. And there would be guarantees, with America as the underwriter. So don't impose formulas. Let us talk about security."

His words should be sobering to anyone who takes an optimistic view of the 'autonomy' negotiations. If someone as conservative as he speaks so critically of the idea, it is surely going to be hard to attract anyone from the West Bank into the talks. More than that, his comments show how deeply Palestinians resent being treated as second-class citizens in their own land. Israelis, and people in the West, tend to underestimate that resentment.

But I think responsible Palestians underestimate the fears felt by Israelis, and the process that will be needed to overcome them. Psychological acceptance of Palestinian rights is growing in Israel. But it will take time, and very likely a new political generation, to translate that feeling into national action. The process will not be advanced by rejectionist Palestinian tactics, even less by murderous terrorism.

The practical course for Palestinians, resent it though they may, seems to me to lie in encouraging the process of acceptance in Israel. That means playing the political game, working for incremental change instead of absolutes. Right now it would mean trying to work out meaningful 'autonomy.' But the truth is that no Palestinian of note on the West Bank is ready to join in the negotiations.●

INDIAN HUNTING AND FISHING RIGHTS

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. DAVIS of Michigan. Mr. Speaker, the controversy over the issue of Indian hunting and fishing rights is oftentimes distorted, blown out of proportion or given an emotional twist that does nothing to further a clear representation of the situation.

There are times, however, when someone attempts to put into perspective an issue which becomes more heated every day and becomes therefore, more difficult to view from an objective position. Recently, Mr. George Rintamaki of the Upper Peninsula Sunday Times outlined his feelings on this subject in his weekly column. Although Mr. Rintamaki makes clear he is expressing his own personal opinions on the matter, I believe his views are well worth considering as they lend a note of rationality to a confused and turbulent setting.

LOOK WHAT TREATIES SAY

(By George Rintamaki)

Michigan Indian fishing rights, and how they are perceived have posed a controversy.

I believe the federal government and the courts, perhaps responding to the nudgings of a conscience which has lain dormant for 200 years or more, have taken the side of the Indian and they seem determined to read into the treaties rights which are no longer there—and perhaps never were. If such fishing and hunting rights ever existed, they have, in my analysis, clearly been given up and abandoned in later treaties.

The release of such rights as may have been provided by the treaty of 1836 is indicated in later treaties agreed to by the federal government and tribal leaders who sought to change and improve the lot of their constituents by accommodating with the way of the white man. This happened about 20 years later.

Let this observer, lest he be accused of being totally out of sympathy with the Indian, hasten to point out that the primacy of reserving the rights of the Indian on the land of his ancestors has always been considered as being basically correct. I believe the white man has honored only about one per cent of the treaties he signed with the Indian over about three centuries.

In light of evidence however, I maintain it is apparent that the forefathers of today's Indians gave up and completely abandoned by treaty agreement all rights to privileges previously guaranteed. In fact, the tribal chiefs in later treaties also agreed to disband their tribes as such in favor of dealing with state and federal governments on an individual or personal basis.

Mention is made today of Indian "tribes." The fifth article of a treaty made in 1855 stipulates, however, that "the tribal organizations of Ottawa and Chippewa Indians (of Michigan) are hereby dissolved."

The material for this installment is largely drawn from a resume of Michigan Indian treaties from their inception by former Governor of Michigan Alpheus Felch, which he provided in 1894 to clarify this situation; from the early reports of the Michigan Fish Board; and from excerpts from the treaties themselves.

I believe Indians have seized upon the somewhat liberal interpretations and conclusions of today's federal and district courts of the old treaties as clearly supportive of their broad claims, whether such items are specifically mentioned or not.

Such court interpretations should also work to clarify the intent of following agreements, however.

For instance, in all of the Indian treaties made in the 19th century that I have been privileged to review, nowhere do I find a mention of specific Indian fishing areas other than a brief mention of certain rights to fishing in the St. Mary's Rapids.

Much is made by the federal government agencies and the Indians of "fishing rights" guaranteed by the treaty of 1836. Yet fishing rights are not specifically mentioned anywhere in the treaty as far as I can see. What is in the treaty of 1836 is the phrase "with the other usual privileges of occupancy." This provision was interpreted by the Michigan Supreme Court in 1976 as including the right to fish on waters within the ceded territories covered in the treaty.

Now, conceding the point that such fishing rights were included in the early treaty, let us look at the treaty which was signed on July 31, 1855.

By this treaty, the United States withdrew from public sale certain lands in the Michigan and made them available to "each Ottawa and Chippewa Indian, being the head of a family," as 80-acre plots, and in 40-acre plots to specified single persons.

In consideration of these provisions of the treaty, plus a payment of $538,000 the tribal groups mentioned released the United States from all liability on account of former treaty stipulations and all "other things guaranteed to them or either of them by previous treaties." It is this treaty that dissolves all previous tribal organizations. I believe the statement is clear: "The title of the tribes is given up; the tribes themselves by the terms of the treaties, yield up their own tribal existence."

The number of Indians in the state census returns of 1891 was put at 6,991, a large portion of them living in the area of Baraga County. More than 27,000 acres in this and other lesser areas were made available to the Indians for private settlement under the terms of the treaty which voided all previous rights.

In studying the treaties enacted after 1836, I believe it is clear there are no longer any Indian fishing rights in existence. By the treaty of 1836 the Indian may have reserved this privilege, but the 1855 treaty clearly gives up all earlier rights.

If today, the courts and the federal government continue to ignore the clear language of the treaty of July 31, 1855, and still insist on providing the unlimited rights to the Indians, then it appears to me any efforts to bring about corrections will be doomed to failure.

If today the agencies of the citizens of the state and the officials of the federal administration continue to deal with the Indians on the basis of tribal entity, when by reason of treaty agreement such entities no longer exist, I believe it is obvious that counter-action is futile and pointless.

The Chippewas and Ottawas are still here and can take considerable pride in their ancestory. But on July 31 and Aug. 2, 1855, they solemnly abandoned their tribal organizations. They go to the polls as voters and are eligible to official positions of government. I maintain the law gives no benefit to the white man that it does not give to the red man. The same broad shield of protection is over both.

As I read the treaties, the Indian is no longer the possessor of certain special rights and privileges, but a citizen who has joined the community of other citizens as an equal to be subject to the same rules, laws and regulations as his fellow citizens.

This is not because of the dictates of the white man, but I believe, though the free choice and decision of the sachems and other wise men of the tribes who saw that the future of their people lay not in independence but in becoming, irrevocably, citizens of the white man's world.

NAVY LETTER AND MEMORANDUM EXPLAINS SHIP CONCERN

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. SIMON. Mr. Speaker, I call the attention of my colleagues in the House to an important accumulation of data and information supplied to us by the Navy. I am inserting it in the RECORD at this point.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington,, D.C. April 23, 1979.

Hon. ROBERT N. GIAIMO, *Chairman,*
Committee on the Budget, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to assure you of the Administration's support for the procurement for the U.S. Navy of the four DDG–993 destroyers being built under an FMS case for Iran and to emphasize the desire of the Navy to have these ships. The Chief of Naval Operations and I are in full agreement on the real need the U.S. Navy has for these very capable surface combatant ships.

I have enclosed three memoranda which discuss the basic issues raised on this procurement proposal. I hope they are adequate to answer your questions. If they do not, please call the Office of Legislative Affairs, 697-7146.

These ships have the same weapons capability as our modern VIRGINIA Class nuclear powered guided missile cruisers and the same propulsion plant and inherent survivability of our modern SPRUANCE Class destroyers. They are sorely needed to bloster our force levels for the present and through the 1980's. The taxpayers will save over $200 million for each ship by taking advantage of this opportunity as compared to contracting for a similar ship at this year's prices.

I hope you will consider our concern and be able to support us when the Budget Resolution for the 1979 Supplemental comes to the floor of the House.

Sincerely,
W. GRAHAM CLAYTOR, Jr.

DISCUSSION ON TERMINATION OPTION

One reaction to the procurement of the four DDG–963's has been a hope that we could minimize the cost to the U.S. taxpayer by terminating the contract, letting the Iranian government take the burden of all termination costs, and then have the U.S. government pick up the pieces and recontract for the four ships.

At the present time the United States has two valid government-to-government agreements with Iran. One is the basic contract for the DDG–993 FMS case and the other is a Memo of Understanding on the disposition of two of these destroyers. These agreements recognize the Iranian equity in these ships. If in fact we were to terminate completely, funds collected from salvage and scrap would be put in the trust fund and any remaining assets tendered to Iran. If it is our intent to try to take advantage of the work that has already been done under this contract by completing these ships for the U.S. Navy, we would want to buy the ships as is, to buy the equipment that has been purchased to outfit the ships, and we would also want to buy the raw material (steel, etc.) that has already been purchased. Only with this investment in hand can we realize the great savings available. Under our present proposal we estimate Iranian equity in these ships at about $450M.

The second consideration under this scheme of prompt termination would be the extent of the liability of the United States. It is very doubtful that there would then be enough money in the trust fund, given its other commitments at this time, to pay the costs of complete termination. Estimates of the extent of these costs exceed $200M. Final status of the fund, after salvage, is speculative.

The third concern is the impact on other contracts at Litton. If Litton were required to terminate production there would be a large lay-off and the delay and disruptive effect would be significant. The additional costs would impact directly in varying degrees on present contracts for construction of DD–963's, LHA's and the DDG–47.

The prompt termination proposal also envisions the eventual procurement of these ships for the U.S. Navy with funds authorized and appropriated in FY '80. Therefore a new contract would have to be negotiated sometime in FY '80. We would expect to pay significantly higher prices and to share a good deal of the costs of disruption of production.

The Navy's engineers, contracting officials and lawyers are all agreed that the total cost of all these actions would certainly be more than the $1.35B we would have to pay under the Administration's present proposal.

The international impact of repudiating the government-to-government agreements in order to give ourselves access to the ships as presently completed and the equipment and materials already purchased without reimbursement would be significant. Further comment on this subject is really not the Navy's responsibility but the Senate should weigh it.

MEMORANDUM ON PROPOSED ACQUISITION OF IRANIAN DDG SHIPS NOW UNDER CONSTRUCTION AT INGALLS SHIPYARD, PASCAGOULA, MISS.

This memorandum deals with questions raised by the proposed acquisition by the Navy of four DDG–993 ships being built under the Foreign Military Sales (FMS) program for the Government of Iran and which have, since the revolution in Iran, been made available for acquisition by the U.S. Navy at a cost significantly less than that at which they could be acquired if initially ordered now.

A description of the complex contractual arrangements covering these and similar foreign military sales acquisitions will first be presented, with an analysis of the current and anticipated status of the Iranian trust fund. Following this will be a brief summary of how the FY 79 Supplemental appropriation request developed following loss of substantial new construction shipbuilding as a result of the Presidential veto. The memorandum will then analyze the need for an operational capability of the DDG–993 class of ships and finally the funding implications of various alternatives from including all four ships in the supplemental appropriation to cancelling all four of them.

The FMS contractual agreement.—At the outset it must be understood that contracts for the four Iranian DDG's, like other foreign military sale acquisitions, are between the domestic suppliers and the U.S. Government (USG); the Government of Iran has no direct contractual relations with the shipbuilder or other suppliers. This applies, of course, to both the ships themselves and extensive Government Furnished Equipment (GFE). The USG in turn has a contract with the Iranian Government that calls for that Government to reimburse the USG for all costs and to maintain a "trust fund" in the USG's hands sufficient to cover the USG's obligations. The important thing to keep in mind is that the USG itself is the party which has contracted with the shipbuilder and other suppliers, and in the event of any dispute or alleged default will certainly be proceeded against by them whether or not it is able to obtain reimbursement under its separate agreements with the Iranian Government.

On 3 February 1979, the Iranian Government and the USG signed a Memorandum of Understanding with respect to two of the four Iranian ships, providing that the USG would use its best efforts to obtain authority to take over responsibility for funding construction of these ships, and that pending such approval construction would continue to be financed by the Iranian trust fund. On consummation of such a proposed deal, the USG would reimburse the trust fund for expenditures to that date (less agreed amounts for uniquely Iranian items of no interest to the U.S. Navy).

Subsequently, the USG was informed that the Iranian Government desired a similar arrangement to be made with respect to the other two Iranian DDGs under construction, and payments have been continued from the trust fund and work carried on since that time on all four ships.

If, as voted by the Senate Armed Services Committee, acquisition of these ships is funded and the contracts assumed by the USG (Navy) for its own account, the Iranian trust fund will be reimbursed for those amounts paid out to the shipbuilder and GFE contractors, less those amounts paid for items not desired by or useful to the Navy. The total of these latter amounts is now about $150M. The result of all this would be that the Navy would obtain four ships at an average cost of about $340 million each that would cost over $540 million each if ordered today—a savings of some $200 million per ship or a total savings of $800 million on the four ships. As noted in detail below, these ships are highly capable and badly needed.

The trust fund.—The Iranian trust fund's unexpended balance as of 11 April 1979 was approximately $320 million. Disbursements from the fund are continuing to be made to meet contract payment requirements for the DDG ships discussed above as well as for a number of other items, and additional payments are being made for contract termination costs in other cases where the contracts have been terminated rather than reassigned to another purchaser. At the present rate of reimbursement, the trust fund will be exhausted before the end of July 1979 unless there is reimbursement from contracts funded by the fiscal year 79 supplemental.

Should the trust fund be exhausted, the contractors would expect to proceed against the U.S. Government for reimbursement under their contracts. While such payments by the USG might eventually be reduced by credits for salvage of material, the amount of this is uncertain and it seems questionable whether any recovery could be had from the Government of Iran in a timely manner. These uncertainties—with their incalculable adverse financial consequences to the USG—can only be avoided by keeping the trust fund solvent if that is at all possible.

Of the total estimated costs to the U.S. Navy for the four Iranian DDG ships of approximately $1.36 billion, approximately $450 million has been paid out of the Iranian trust fund. In other words, if the Congress promptly approves the acquisition of two of these ships in a supplemental appropriation, the trust fund will be reimbursed about $225 million, and if all four are acquired the reimbursement will be about $450 million. The remainder of the total cost of these ships to the U.S. Navy would be paid directly to the contractors building the ships or furnishing the equipment.

This would not be any windfall for the Government of Iran, but it would insure the continued solvency of the trust fund, with the advantages to the USG pointed out above. Reimbursement of the trust fund by $450 million is not a payment to the Government of Iran. These funds are in the hands of the United States and are earmarked for payment of construction costs or cancellation charges incurred by domestic contractors working on the various Iranian military sales contracts in this country. If, after all Iranian liabilities in this country on foreign military sales contracts are liquidated, the trust still contains funds, these moneys could be held by the USG to offset any other claims that might then exist against the Iranian Government. In view of the many complex legal relationships involved in these matters that will take a long time to untangle, it seems unlikely as a practical matter than Iran could in the foreseeable future recover any amounts maintained in the trust fund.

The important function served by maintaining a solvent trust fund is not its impact on the substantial costs that the Iranians have already incurred and may well never recover, but rather its role in saving unnecessary costs that might otherwise be incurred by the USG. A solvent trust fund is more of an insurance policy against U.S. losses than any conceivable "bail out" of the Iranian Government.

Fiscal year 1979 Supplemental Issues.—Subsequent to the veto of the FY 79 Authorization, the budget was approved less the $1.9B for the CVN, with the result that the Shipbuilding and Conversion (Navy SCN) account for FY 79 was, in constant dollars, the smallest in 25 years with the exception of two Vietnam War years. The circumstances which led to this outcome were well described by Senator Stennis, who stated that the pressure to adjourn because of impending Congressional elections made it impossible to fill the SCN gap with other needed ships. In recognition of this, an agreement was made that the Administration would submit a Supplemental which would support the intent of the veto by restoring ships and other first priority needs within the funds deleted for the CVN. Such a Supplemental was to be consistent with the President's statement that, "We need a fleet that includes more vessels than can perform our Navy's mission, but that are not . . . prohibitively expensive to build."

The Navy commenced a review of the feasibility of including a DDG-993 class ship in the supplemental in October 1978—long before any indication that the Iranian ships would be available. Previous consideration had been given to including a ship of this class in the FY 78 shipbuilding plan at a cost estimated at that time to be $470M. With the fiscal constraints of FY 78, and the priority given to the lead DDG-47 and the ongoing FFG-7, the DDG was not included in that year. Last year, FY 79, the fiscal pressures again precluded the inclusion of any additional surface combatants, until the veto of the CVN and the decision to submit the Supplemental. In this regard, Secretary Claytor testified to the SAC on March 6, 1979: "The Iranian type DDG ship was not contained in the five year plan because of higher priorities within the fiscal guidance received by Navy. The five year plan represents the best balance of shipbuilding programs within funds availabale, and—as is evident from the first FY 1979 Supplemental request—once these priorities were met, the guided missile version of the SPRUANCE class ship was included at the first opportunity." When addressing the HASC, Secretary Claytor gave his views on why the Supplemental is proper: "The Supplemental is designed primarily to pick up things that could not have been in the initial authorization.

"I think this is almost a textbook example. These ships and weapons were not available. They were not expected to be available. We are able to buy the two ships that are now available at an off-the-shelf price, eliminating enormous amounts of inflation and saving better than $200 million per ship."

Two ships were included in the initial Supplemental, one PERRY-class (FFG-7) frigate, and one DDG-998 class destroyer, based on our SPRUANCE DD-963s, but identical in practically all respects to the DDGs ordered in 1977 by Iran. The Supplemental, then, was considered a valid part of our FY 79 budget, actually a belated adjustment made necessary by a late veto and the long election year adjournment.

The change in government in Iran, after the Supplemental was submitted, resulted in the cancellation of a variety of weapons orders, including two destroyers. These ships were identical to the DDG-998 already in the Supplemental. Additionally, each could be obtained at a savings of over $200 million each. Therefore, the Navy considered it sound fiscal judgment to substitute the two DDG-993s for the ships we had requested, acquiring a more capable pair of ships at a savings of $100M compared to the original Supplemental, and of about $400M compared to what a new order would cost for two such ships in FY 79, and we would get them several years sooner. Both DOD and OMB agreed fully with this conclusion, and approved and forwarded a revised FY 79 Supplemental appropriation request accordingly. Similar alternations to the Supplemental were proposed, for the same reason, to take advantage of the savings and earlier delivery of aircraft and missiles also made possible by the Iranian cancellations. Briefings and hearings started on the new proposals. The timing was critical because a break in the contract to wait for FY 80 would be extremely expensive due to termination and start up costs, and the unique opportunity for savings would be largely lost. Therefore, procurement of the two ships in FY 79 was considered justified.

Later, the Government of Iran indicated it did not want the other two destroyers. The Administration announced that these could be purchased in FY 80 by offsets within the limits of the FY 80 budget already submitted. The Senate Armed Services Committee, however, adjusted the proposed Supplemental by providing for procurement of all four destroyers within the original budget limits of the Supplemental, it being their view that this would come closer to restoring the original FY 79 level in Navy shipbuilding, and that this would eliminate the necessity for offsets in an already severely constrained FY 80 shipbuilding program, including probable reduction in FFG acquisition.

Operational requirement.—Witnesses on behalf of the Navy have repeatedly testified in support of the requirement for surface combatants capable of operating in high threat areas as part of our battle groups. The characteristics required of these types of ships include a high degree of self-sufficiency and the ability to bring to bear quickly an appropriate weapon for the targets presented. That is, these ships must have the anti-air, anti-missile, anti-submarine, and anti-surface (both ships and land) weapons, including large magazines for repeated engagements; engineering redundancy, damage control, and survivability features; and sophisticated command, control, and communication and electronic warfare suites. The DDG-993s have these characteristics. With respect to numbers, our planning figures, derived from such analyses as the Major Fleet Escort Study, the SEAMIX series, the NSC Study on Shipbuilding, FORCE MIX, and SEA PLAN 2000, have consistently called for six to nine battle group capable surface combatants to operate with a one carrier battle group. At the end of FY 79 the Navy will have but 35 modern battle group capable AAW ships that have the necessary characteristics to cope with the threat of the 1980s. This is slightly less than three per carrier, against the desired level of about six per carrier. The Navy has plans to upgrade this capability through modernization of 10 DDG-2 class ships, backfitting the SM-2 missile on others, and introduction of AEGIS; but even with these improvements, the full requirement is not met until about 1990. In the interim, the acquisition of the four DDG-993s, both in terms of their capabilities and numbers, will assist to a large degree in offsetting this deficiency against the threat. The four DDG-993s are urgently required. A more detailed description of how we would use them is provided as follows:

Mission statement of the DDG-993

To operate offensively, in the presence of an air, surface or subsurface threat, independently or with strike, anti-submarine, or amphibious forces; and to provide protection to these forces, underway replenishment groups, and military or mercantile convoys; and to provide gunfire support to amphibious assault or land campaigns.

Operational employment

Battle group capable surface combatants are used principally with the carrier battle groups, although their characteristics permit employment in other roles, such as escort of an amphibious task group, when the occasion demands. A typical battle group is composed of forces as depicted in the accompanying figure. This composition may be changed to achieve the proper balance of capabilities for a specific tactical situation, such as combining two or more carrier battle groups together, but, as a minimum, the typical battle group includes an aircraft carrier, surface combatants, and submarines operating in direct support of the surface forces. Each battle group must be able to perform the full range of offensive naval warfare tasks.

DDG-993s would bring anti-air, anti-submarine, and anti-surface (including land targets) warfare capabilities to the battle group. While having virtually the same weapons systems as the *Virginia* (CGN-38) class, the DDG-993s would normally operate with the conventionally powered carriers, whereas the nuclear powered cruisers would operate with our CVNs.

In the report of the Senate Armed Services Committee on the FY 76 budget, the comment was made (page 56) that the TARTAR D weapons system is inadequate to meet the projected threat. The Navy strongly objected to that observation then and strongly objects to it now. In point of fact, the TARTAR D fire control system of the DDG–993s and the CGN–38 class ships represent the latest in digital technology, and is much more capable than the Navy's older AAW systems. Until AEGIS arrives, TARTAR D is the best there is. After AEGIS is introduced in the fleet beginning in FY 1984, the TARTAR D will make a valuable contribution to the AAW defense of the force by combining existing high speed secure data links with the battle management capability of AEGIS, which would facilitate assignment of targets to non-AEGIS equipped ships. The capability of TARTAR D ships will be further improved by the incorporation, about 1985, of the SM–2 missile capability, as delineated in the table below, and the introduction of the Joint Tactical Informations Distribution System (JTIDS) which will provide a higher speed, jam resistant, secure data link through Time Division Multiple Access (TDMA) technology. The SM–2 upgrade will also be provided to those other of our battle group capable warships having both the combat suite capable of incorporating it and the service life remaining to use it; specifically our cruisers and the DDG–37 class.

AAW Capability of TARTAR D to an SM–2 capability compared to existing TARTAR D/SM–1 (DDG–993 or CGN–38)

FIRE CONTROL

TARTAR D/SM1

Dual Channel.
MK 74 GMFCS.

TARTAR D/SM2 Block I

Dual Channel.
MK 74 GMFCS w/Midcourse Guidance.

DATA DINKS

TARTAR D/SM1

MK 86 GFCS.
Link 4A.
Link 11.
Link 14.

TARTAR D/SM2 Block I

MK 86 GFCS.
Link 4A.
Link 11.
Link 14.
Missile Data Link.
Maximum Intercept range (Classified) *.
Simultaneous engagements (Classified) *.
Reaction time (Classified) *.

*SM2 increases range, increases simultaneous engagements and decreases reaction time substantially.

SM–2 missile capability

The SM–2 is a medium range surface-to-air missile with an improved warhead that is capable of receiving mid-course guidance, and is equipped with improved resistance to electronic jamming to achieve intercepts against mall high speed targets.

Funding implications.—As stated above, the Armed Services Committee has voted to fund all four DDG–993s in the FY 79 Supplemental. Should this not occur, there are three basic possibilities with respect to these ships:

Two are funded in the FY 79 Supplemental and two in the FY 80 budget.

None are funded in the Supplemental and four in the FY 80 budget.

The USG terminated the contract.

The first alternative would realize the cost benefits and is supported by the Navy and the Administration, in spite of the adverse effect on an already fiscally constrained FY 80 Navy budget.

The second alternative would still be theoretically preferable to cancelling the four shipbuilding contracts, but would not be feasible in the absence of interim financing to keep construction going until enactment of the FY 80 appropriation bill, since as noted above the Iranian trust fund would be exhausted prior to that time and ship construction would be halted with disastrous effects. In addition, any effort to absorb all four ships in the FY 80 budget would have a very serious impact on the FY 80 shipbuilding plan.

Should the Navy be forced to terminate the contract, Ingalls could, under the provisions of the contract, be required to stop work, cancel subcontracts, and transfer title of the work-in-process to the Navy. Since the yard already is in a declining workload status, the consequences of stopping work is liable to be the layoff of most, if not all, of the 3000 employees involved in the DDG–993 project. Below some level of employment, the continued viability of Ingalls becomes subject to conjecture. There will also be direct costs, on the order of $200M, involved with terminating the contract. To the extent salvage of materials and equipment is possible, there will be an offset against these costs. Indirect costs would include an as yet unquantified amount of increased overhead burden which will accrue to other Navy work in progress in the yard. The remaining DD–963s, the DD–997, LHAs–4 and 5, and the DDG–47. Although it is unclear as to whether or how much of these indirect costs are chargeable to Iran, it is likely that they will be paid either through increased costs of affected programs or in the termination costs of the Iranian program. As noted above, if the Iranian trust fund is exhausted, the contractors will look to USG for reimbursement of any unpaid termination costs.

In short, $1.2B has been obligated and about $600M has been spent to procure these four ships. Funds for 98% of all material have been obligated. The four ships are in various stages of assembly at the shipbuilder, with the first scheduled to deliver in November 1980. It would not appear logical, in either a capability or business sense, to lose the opportunity to acquire these ships for the Navy.

Prospect for foreign military sales.—Navy Security Assistance experts have advised that there is no world market for any DDG–993s. Industrialized nations and lesser developed countries with a maritime capability have their own major shipbuilding industries, e.g., Germany, Netherlands, Italy, Spain, Japan, France, United Kingdom, and Korea. In almost every one of these countries, the shipbuilding industry is depressed and heavily subsidized by the national government. Rather than being in the market for new ships, these countries are heavily involved in sales efforts of their new ships. For countries other than those discussed above—Latin America, Egypt, Greece—the current economic situation precludes their being able to afford DDG–993s. In fact, they are unable to afford ships of the FFG–7 class. Also, in other countries which are non-treaty allies, Presidential Directive 13 has, since 13 May 1977, restricted arm sales, including marketing efforts.●

KEYNOTE SPEECH BY BILL NELSON

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. NELSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

KEYNOTE SPEECH BY THE HONORABLE BILL NELSON BEFORE THE 16TH SPACE CONGRESS AT COCOA BEACH, FLA., APRIL 25, 1979

Thank you for inviting me to be keynote speaker at this Sixteenth Space Congress.

I bring you greetings from Congressman Don Fuqua, Chairman of the Science and Technology Committee, on which I am privileged to serve.

This Space Congress has scheduled outstanding speakers and panelists. Since I must return to Washington for today's session, I have arranged for a friend and advisor to attend each session and brief me on the results.

I am truly honored, since I firmly believe that the subject of your deliberations here—developing our knowledge of space for the benefit of all mankind—is of the most critical significance for the future of America and the world.

Over the next three days, you will dwell on the operational aspects—the nuts and bolts—of the next phase of our space program, the industrialization of space.

I, therefore, would like to discuss with you why it is important that we accomplish those things they will describe and the obstacles we may encounter along the way.

Let me put my views into perspective with a brief historical anecdote, a sea story if you like.

Late in the eighteen century, Captain Robert Gray, a Rhode Island veteran of the Revolutionary Continental Navy, for the first time carried the new flag of the United States of American around the world, sailing around the Horn to the Pacific Northwest thence to China, across the Indian Ocean and around the Cape of Good Hope to Boston. Two years later, Robert Gray became the first captain to take a sea-going vessel through the lines of breakers guarding the estuary of the great river which today forms the boundary between the states of Oregon and Washington. His discovery and upstream explorations later strengthened our claim to the Oregon territory which were disputed by England, Russia, and Spain.

Gray's epic voyages were in the tradition of the great oceanic explorations which began in the late fifteenth century and continued into the early years of our own—explorations which began to teach us the true nature of our planet, which brought great power, prestige and prosperity to the nations which undertook them, and which more importantly, expanded the spirit, enlarged the consciousness, and inspired the imagination of all the western world.

Captain Gray's ship was the *Columbia* and that great northwestern rider now bears the name.

Nearly two centuries later, in the summer of 1969, another Columbia orbited watchfully overhead while two American astronauts became the first creatures from the planet Earth to walk the airless deserts of the moon.

In the near future another Columbia will depart from the United States. Like Gray's three-master and Apollo 11's Command Module, she, too, will carry the stars and stripes around the globe. She, too, will be following the great tradition of exploration which has long brought well-deserved prestige to our country.

But, unlike Captain Gray's square-rigger, the second spaceship Columbia, like her immediate predecessor, is part of a tradition of exploration only two decades old. It will be the new Columbia and her sisters, Challenger, Discovery and Atlantis which will open and accelerate a new era of exploration of even greater importance to the nation which built and launched them than were the heroic voyages of an earlier time or even the epochal first landing on the moon.

This new era of exploration will be more important and of greater significance for the future of our country than any explorations ever previously undertaken by mankind. With the launching of the second Columbia, humanity for the first time will have achieved practical, economical access to space with its infinite resources and its potential for the development of human knowledge and the human spirit. We have severed the apron strings of mother Earth and broken out of the terrestrial nursery into the unbounded Universe.

Ladies and gentlemen, how fortunate we are to be living in these times, to be witnesses to events of such unprecedented potential. The new access to space provided by the Space Shuttle is, quite simply, one of the most significant secular events in all of human history.

The Space Shuttle and the new era of space which it brings, presents us than, with a range of opportunities which stagger the mind. But opportunity, like freedom, does not come free. Both are inseparable from a solemn obligation to do something with them, to use them as intelligently and constructively as possible, particularly because the Shuttle System does not come cheaply. NASA's Space Transportation System's initial cost is $5 billion. It is, I believe, money well spent but the cost reinforces this obligation.

Thus, how we fulfill the unprecedented opportunity of space is what concerns me today.

I am concerned that the challenge of space must be recognized for what it is—the foundation of the future.

I am concerned for our country that the challenge be accepted with vigor, with imagination, with determination, with enthusiasm. In the words of James Michener testifying before the Congress in February, "the life of any nation since the beginning of history has been a record of how it confronted the great challenges that inevitably came its way." In our efforts to fight inflation, as indeed we must, and to apportion our scarce resources, we must insure that the vigorous exploitation of space will not be delayed, diluted and deferred in favor of programs with more immediate and visible pay-outs.

I am concerned that the exploration of space will fall prey to the shortened slide-rules of myopic vision of a nation's people concerned with domestic problems.

I am concerned, in other words, that the future will be sacrificed to the present, to the incalculable detriment of our prospects and our progeny.

Ladies and gentlemen, if you share these concerns with me, let me suggest that right now is the time for us to act.

Our efforts in space appear to fall roughly into 10-year increments.

Early in the sixties we committed ourselves to put Americans on the moon and we succeeded by the end of the decade.

Early in the seventies we committed ourselves to the Space Shuttle, and soon we will be launching America into its second generation of space achievement.

What new commitment will we make in the early eighties?

What will be the third generation of American genius in space?

What new triumph of technology will we be anticipating when we meet here again in the spring of '89?

The time to tackle these questions is now. And there is no dearth of choices.

Do we want to mount an assault from space on the paramount problem of our time—the increasing demand and decreasing supply of energy?

The technology exists to attack from two directions; improved and dedicated low orbit Earth sensors of the Landsat class to locate new reserves of fossil fuels to buy us time; and the concurrent development of solar power satellites to tap the effectively infinite energy of the sun for the inevitable day when Earth's resources are exhausted. Such a project, successfully accomplished, would lead to the solution of other major problems. It could:

Eliminate our dangerous vulnerability to foreign oil exporters by providing self-sufficiency in energy;

Reduce if not eliminate our inflationary balance of payments deficit by changing us from an energy importer to an energy exporter; and

Reduce the pollution of our fragile atmosphere from the burning of fossil fuels.

Do we want to confront what is perhaps the gravest single threat to the future of the human race—the danger of nuclear war—by declaring war on war from space?

The technology exists to create a network of civil and military, earth-sensing, weather, surveillance, navigation, mapping and communications satellites supported by ground and sea-based instruments and processing centers which could provide a continuing public inventory and warning system, not only of weapons and their disposition, not only of the movements and maneuvers of military forces, but of such other dangers as hurricanes, droughts, floods, crop failures, forest fires and even possibly earthquakes.

Such a global system would necessarily involve the joint efforts of many nations—itself an important force for peace. An important spin-off would be significant benefits to undeveloped nations which would in turn tend to defuse many of the causes of conflict.

Do we want to concentrate our energies on the achievement of a definitive understanding of the chemistry, dynamics, atmospherics and possibly biology of our solar system in the next decade?

The technology is available to return soil samples from Mars and possibly Venus, to put sensors in orbit around Saturn and Mercury in addition to the Galileo orbiter and the probes of Jupiter presently authorized.

Do we want a base on the moon as a way station for future manned flights to the other planets and as a source of raw materials for the construction of large facilities in space?

Or do we want a permanently manned orbital space station and operational center with multiple capabilities in the areas of communications, power generation, space manufacturing, environmental monitoring, weather and climate research, solar studies, and astronomy?

All these and a variety of other projects are within our capabilities, given a national commitment to move out boldly into space and get them done.

I believe we must make such a national commitment.

I believe that boldness, not timidity, must be the hallmark of our future efforts in space. Such boldness was what brought Robert Gray through the waters of the great river Columbia. And it was not timidity that successfully brought the United States Astronauts to and from the moon.

I believe that the people of the United States are willing to support and pay for a renewed commitment, and that boldness in its concept and execution would restore confidence and raise morale at every level of American life.

I wish that I were able to stand before you today, and in a dramatic announcement unveil a bold new chapter in this nation's assault on the mysteries and promises of the universe.

That I cannot do.

What we all can do, to hasten such a day is to achieve a consensus on commitment, to decide direction, and then to go forth with missionary zeal into the halls of government, the boardrooms of the private sector, and on the public platform to present the cause of space with the conviction which comes from the knowledge of its necessity and its urgency.

Some three millenia ago, King Solomon wisely proclaimed that "when a people lose their vision, they will perish."

America must not lose her vision.

We cannot, we must not, let history record that we lacked the vision to open up the universe to future generations.

The challenge is there. Let us accept it.●

FEDERAL HOSPITAL COST CONTAINMENT WOULD REDUCE QUALITY HEALTH CARE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 30, 1979

● Mr. RUDD. Mr. Speaker, I would like to call attention to an excellent analysis of hospital cost containment proposals which was published over the recent recess.

The article was written by Mr. Martin Feldstein and appeared in the Wall Street Journal. Mr. Felstein is the president of the National Bureau of Economic Research, and professor of economics at Harvard University.

He has diagnosed, quite accurately, I believe, the fallacies in the arguments supporting federally mandated hospital cost containment legislation.

Such heavy-handed Federal interference in the health care of our Nation will have disastrous consequences.

Mr. Feldstein essentially observes that critics of the present system are attempting to compare apples and oranges. It is demonstrably true that hospital and other medical care is more expensive than it was 10 or 20 years ago. What these critics apparently do not recognize is that the health care provided today is far superior to that which existed 10 or 20 years ago. Thus, it should not be surprising that the costs are somewhat higher.

Those who wish to return to the more economical days cannot do so without simultaneously returning to the lower quality health care of the past as well.

As Mr. Feldstein points out:

> The so-called "savings" to which the administration points would really be only a forced reduction in the quantity and quality of hospital services that patients could buy.

While this may not be the objective which the administration has in mind, it will surely be the consequence of the action they propose.

Mr. Feldstein has also suggested the substantial effect which health insurance has had on the demand for hospital coverage and subsequently on hospital services.

His observations are well founded, and I commend to my colleagues the article by Professor Feldstein:

CONSEQUENCES OF HOSPITAL CONTROLS

(By Martin Feldstein)

The administration describes the control of hospital costs as a part of its overall anti-inflation strategy. This represents a misunderstanding of the true nature of the rise of hospital costs and the general problem of inflation.

For the economy as a whole, inflation means the increase in the cost of buying an *unchanged* bundle of goods and services; this is precisely what the consumer price index tries to measure. In contrast, the relatively rapid rise in the cost of a day of hospital care reflects the rapidly *changing* hospital product.

The most obvious thing about hospital care today is that it is very different from what it was 25 years ago or even a decade ago. Today's care is more complex, more sophisticated and more effective. The cost of hospital care rises more rapidly than the price level in general because patients and their doctors are no longer choosing the same old product but are buying a different and much more expensive product. The rapid rise of hospital costs is therefore not a form of price inflation but represents an increase in the quantity of hospital services that are packed into a day of hospital care.

Reducing the rise of hospital costs means curtailing the quantity of those services and, thereby, the quality of hospital care. The so-called "savings" to which the administration points would really be only a force reduction in the quantity and quality of hospital services that patients could buy. Some of us would, of course, be at least partially compensated for this reduction in care by a lower cost of insurance and a reduction in the taxes needed to finance Medicare and Medicaid. But the aged and the poor who depend on Medicare and Medicaid would suffer a cut in the quality of their health care without any compensating increase in their spendable incomes. Are these really the groups that should bear the heaviest burden of reducing the rise of hosiptal costs?

Moreover, the penalties for violating the so-called mandatory limits are too Draconian to be enforceable. Denying full reimbursement from Medicare, Medicaid and Blue Cross and levying a punitive 150% tax on other "excess" insurance revenues would rapidly exhaust the small reserves of hospitals that did not or could not comply. Many local nonprofit hospitals could be forced into bankruptcy within one or two years.

PROPOSAL SILENT IN ONE AREA

The administration's proposal is silent on what would happen as these hospitals reached the verge of bankruptcy. Would the government really force them to close? Would it instead nationalize them or force them onto the budgets of state or local governments? Or would community political pressures result in administrative exceptions that would vitiate the controls? I believe that as long as strong financial incentives for higher spending remain, it will be politically impossible to restrain them by government controls.

Hospitals can also circumvent the effect of regulation by changing their behavior in a number of ways that can only be described as wasteful distortions that produce the appearance of compliance. By admitting more patients whose conditions require relatively short stays or relatively less nursing or laboratory services, a hospital could appear to reduce the rise in its cost per case. By reorganizing to spin off services like pathology or laboratory testing, a hospital might also be able to reduce its adjusted cost per case. The totally inadequate system of hospital accounting makes such circumventions extremely difficult to prevent and a potential source of endless litigation.

Although the administration claims that its regulations would reduce waste, experience suggests that hospital controls are more likely to be wasteful and raises costs. The bureaucratitc complexity of regulating the costs of 6,000 hospitals is frightening.

And what would it actually achieve even if it could be fully successful? The administration's calculations indicate that the total so-called saving by the year 1984—including the reduced direct spending for hospital services, the lower insurance costs, and the reduced taxes—would be only $138 for a family of four with a median income of some $30,000. The reduced spending amounts to less one-half of one percent of the family's income. It would increase the overall growth in income between now and 1984 by less than 2%. And this reduced spending does not represent an equal real saving but is just a compensation for giving up a corresponding amount of hospital services.

In terms of inflation, holding down hospital costs to the full extent that the administration hopes would reduce the cumulative inflation over the next five years by an almost unnoticeably small amount. For example, a 6% average annual inflation rate over the next five years would raise the price level by 33.8%; hospital cost controls that achieve everything the administration is seeking would reduce this 33.8% to about 33.4%.

Regulation is inappropriate because it does not deal with the real cause of the problem. Hospital care has become much more sophisticated and therefore more expensive because the public and their doctors now demand such care. The primary reason for the increasing demand for expensive care has been the growth of insurance. There is now substantial evidence that patients, guided by their doctors, demand more services and more expensive services when a large part of the cost is offset by insurance.

Some simple but striking numbers will illustrate what the growth of insurance has done. In 1950, when the average cost per patient day was $16, private insurance and government programs paid for half of hospital bills. This meant that, on average, the net cost to a patient for a day of care was about $8. By 1979, many hospitals will have a cost per day of $250. But with 90% of this cost paid by public and private insurance, the net cost to the patient will be only $25.

Moreover, since the general consumer price level has roughly tripled since 1950, this $25 in 1979 can only buy about as much as $8 could in 1950. The growth of insurance means that, in *real* terms, the net cost to the patient at the time of illness has not changed at all during the past 30 years. As a result, consumer demand maintains the pressure for an ever-increasing expenditure on hospital care.

Why has the American public bought such comprehensive insurance, much of it "first dollar" coverage that provides relatively little protection while contributing substantially to the rise of hosptial costs?

The answer lies in the tax treatment of health insurance premiums. Government policies encourage the purchase of additional health insurance by tax subsidies that now cost the Treasury more than $10 billion a year. Individuals can deduct about half of the premiums that they pay for health insurance. Much more important, employer payments for Insurance are excluded from payments for insurance are excluded from the taxable income of the employee as well as the employer. These employe payments are also not subject to Social Security taxes or state income taxes.

THE TAX LAWS' INCENTIVE

Even for a relatively low income family, the tax laws provide a substantial incentive to take more health insurance and lower wages. Because of federal and state taxes, a married man who earns $10,000 a year will take home less than $65 for each $100 that the employer adds to his gross wage. If the employer buys health insurance instead, the full $100 can be used to pay the premium and no tax is due. The dollar then buys the individual more than 50% more in health services if paid through an insurance premium than if paid in wages to the individual who thus buys his care directly. For workers in higher tax brackets, the incentive is even greater.

Increasing the extent to which individuals pay directly for their own hospital care would introduce a cost-consciousness that would limit the future rise in hospital costs. My calculations indicate that even a relatively small increase—from the present 10% to 14%—in these copayment rates would be sufficient to achieve the administration's goals.

This increase in the average coinsurance rate could be achieved by different combinations of changes in the coinsurance rules applied in public and private insurance. Even if Medicare and Medicaid are left unchanged, this increase in the overall coinsurance rate could be achieved by a relatively modest rise in the private coinsurance rate. Patients with private insurance currently have an average coinsurance rate of approximately 18%; increasing this to 24% would be sufficient to raise the overall coinsurance rate to the required 14%.

This small increase in the private coinsurance rate could be achieved by removing or reducing the existing tax subsidy from insurance coverage that is regarded as excessive. For example, employers might be allowed to deduct the cost of health insurance only for "qualified insurance plans" that meet certain standards—for example, a minimum coinsurance rate of 30% on all hospital bills below some catastrophic ceiling. There are a variety of other ways in which the existing tax subsidy for excessive insurance could be modified to encourage the use of higher coinsurance rates.

Reducing the tax subsidies for excessive health insurance would get directly at the basic cause of the rapid rise in hospital costs. The administration's goals of limiting future costs would be achieved without the cumbersome bureaucracy and without regulation's distorting effects on the behavior of hospitals.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the Congressional Record on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meeting scheduled for Tuesday, May 1, 1979, may be found in the Daily Digest of today's Record.

Meetings Scheduled

MAY 2

9:00 a.m.

*Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the Government and the District of Columbia.

S-126, Capitol

Banking, Housing, and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings on S. 301, and S. 745, bills to amend housing and community development laws relating to labor standards.

5302 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for programs administered by the Federal Trade Commission.

6226 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue markup of S. 914, proposed National Public Works and Economic Development Act, and S. 971, proposed Energy-Related Economic Development Act.
4200 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
457 Russell Building

Select on Small Business
To continue markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5510 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Business meeting on pending calendar business.
322 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

*Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume consideration in closed session of issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Foreign Relations
Business meeting, to mark up S. 662, to provide for an increase in U.S. contributions to the Fund for Special Operations in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.
4221 Dirksen Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 988, to extend assistance programs for biomedical research.
4232 Dirksen Building

10:30 a.m.

*Judiciary
To hold hearings on S. 961, proposed Speedy Trial Act Amendments Act.
2228 Dirksen Building

Rules and Administration
To hold hearings on S. 817, authorizing funds for fiscal year 1980 for the Canal Zone biological area of the Smithsonian Institution; S. 927, authorizing funds for fiscal year 1980 for future development of the southern area of the original Smithsonian Institution building; and on proposed legislation authorizing funds for fiscal year 1980 for the Federal Election Commission to reimburse states for their record keeping expenses.
301 Russell Building

2:00 p.m.

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Judiciary
To hold hearings on the nominations of Harold Duane Vietor, to be U.S. District Judge for the Southern District of Iowa; Norman W. Black, to be U.S. District Judge for the Southern District of Texas; Georgia E. Cire, to be U.S. District Judge for the Southern District of Texas; James DeAnda, to be U.S. District Judge for the Southern District of Texas; George P. Kazen, to be U.S. District Judge for the Southern District of Texas; and Gabrielle A. Kirk McDonald, to be U.S. District Judge for the Southern District of Texas.
2228 Dirksen Building

2:30 p.m.

Foreign Relations
Business meeting, to markup S. 802, authorizing funds for fiscal year 1980 and 1981 for Peace Corps programs.
4221 Dirksen Building

Government Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
3302 Dirksen Building

MAY 3

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.

Environment and Public Works
Resource Protection Subcommittee
To make up proposed legislation authorizing funds for fiscal year 1980 for programs under the Endangered Species Act, Anadromous Fish Act, and Noise Control Act.
4200 Dirksen Building

Labor and Human Resources
Business meeting to mark up S. 209, to regulate Federal law relating to private sector pension and welfare programs.
4232 Dirksen Building

*Veterans' Affairs
To mark up S. 330 to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
S-126, Capitol

Select on Small Business
To continue markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
5110 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
6226 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Foreign Relations
Business meeting to mark up S. 584, proposed International Security Assistance Act.
4221 Dirksen Building

Governmental Affairs
To hold hearings on S. 262, to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time-consuming procedures to decide cases.
3302 Dirksen Building

Governmental Affairs
To resume hearings on the President's reorganization plan number two, to consolidate certain foreign assistance activities of the U.S. Government.
224 Russell Building

Governmental Affairs
Permanent Investigations Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and Printing.
224 Russell Building

2:00 p.m.

Appropriations
Interior Subcommittee
To hold hearings to examine the cost factors involved for a road project through the Cumberland Gap.
1223 Dirksen Building

Commerce, Science and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

*Governmental Affairs
Permanent Investigation Subcommittee
To continue hearings to investigate alleged improper practices within the Bureau of Engraving and printing.
224 Russell Building

Labor and Human Resources
To hold hearings on the nomination of Janet L. Norwood, of Maryland, to be Commissioner of Labor Statistics.
4232 Dirksen Building

2:30 p.m.

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on a reprograming request of funds for the production and promotion of the Susan B. Anthony dollar coin.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on S. 737 and S. 977, proposed Export Administration Acts.
5302 Dirksen Building

Foreign Relations
To continue markup on S. 584, proposed International Security Assistance Act.
4221 Dirksen Building

3:00 p.m.

Environment and Public Works
Nuclear Regulation Subcommittee
To mark up S. 562, authorizing funds for fiscal year 1980 for programs of the Nuclear Regulatory Commission.
4200 Dirksen Building

MAY 4

9:00 a.m.

*Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, proposed Small and Independent Business Protection Act.
457 Russell Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Sucommittee
To hold oversight hearings on the testing provisions of the Toxic Substances Control Act of 1976.
235 Russell Building

Environment and Public Works
To mark up pending calendar business.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 252, proposed Anti-Arson Act.
6202 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the applicability and enforcement of sandstone and gravel mining operations under the Federal Mine Safety and Health Program
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearing on proposed legislation authorizing funds for fiscal year 1980 for all existing rural housing programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 262, to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time-consuming procedures to decide cases.
3302 Dirksen Building

Joint Economic
To receive testimony on the employment-unemployment and price data situation for April.
318 Russell Building

MAY 7

9:00 a.m.

Armed Services
Research and Development Subcommittee
To mark up, in closed session, S. 428, authorizing funds for research, development, test and evaluation programs for the Department of Defense.
224 Russell Building

9:30 a.m.

*Finance
Energy and Foundations Subcommittee
To oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 677 and 678, bills to provide for improvements in the structure and administration of the Federal Court system.
2228 Dirksen Building

Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury and proposed authorizations through fiscal year 1984 for programs under the Export Administration Act.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of homecare services for older Americans.
1318 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demand and high unemployment.
6226 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.

Environment and Public Works
To resume markup of pending calendar business.
4200 Dirksen Building

*Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To hold hearings on the Federal Government's responsibility for radiation protection.
3302 Dirksen Building

Judiciary
To resume markup of S. 300, proposed Antitrust Enforcement Act.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To hold joint hearings with the Subcommittee on Improvements in Judicial Machinery on S. 678, proposed Federal Courts Improvement Act, S. 295, proposed Judicial Tenure Act, and S. 522, proposed Judicial Council Amendments and Discipline Act.
318 Russell Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold joint hearings with the Subcommittee on Constitution on S. 678, proposed Federal Courts Improvement Act, S. 295, proposed Judicial Tenure Act, and S. 522, proposed Judicial Council Amendments and Discipline Act.
318 Russell Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to mark up S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

2:00 p.m.

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To assume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competitive and Deregulation Act.
235 Russell Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.
2228 Dirksen Building

Select on Small Business
To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

*Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue markup of S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Patricia A. Goldman, of the District of Columbia, to be a Member of the National Transportation Safety Board.
S–146, Capitol

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.
4232 Dirksen Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands and high unemployment.
5110 Dirksen Building

11:00 a.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 10

9:30 a.m.
*Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

Environment and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.
5110 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up proposed authorizations for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.
5302 Dirksen Building

Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

10:30 a.m.
Judiciary
To resume hearings on S. 961, proposed Speedy Trial Act Amendments Act.
1318 Dirksen Building

2:00 p.m.
*Commerce, Science, and Transporation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 11

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up pending calendar business.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 14

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 968, to expedite processing of applications from Midwestern residential, agricultural, and industrial consumers for crude oil transportation systems.
3110 Dirksen Building

Select on Small Business
To resume hearings on the effect of Government regulations on the production and utilization of coal.
6226 Dirksen Building

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on the roles of women in health and science.
4232 Dirksen Building

MAY 15

9:30 a.m.
Select on Small Business
To continue hearings on the effect of Government regulations on the production and utilization of coal.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.
5302 Dirksen Building

Governmental Affairs
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

2:30 p.m.
Select on Intelligence
To receive testimony on alleged Soviet electronic surveillance in the United States.
5110 Dirksen Building

MAY 16

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on the roles of women in health and science.
4232 Dirksen Building

11:00 a.m.
Select on Small Business
To hold hearings on the nomination of Paul R. Boucher, to be Inspector General, Small Business Administration.
424 Russell Building

2:00 a.m.
Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

2:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 18

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 100, to provide a deduction for expenses incurred by the replanting of trees by the timber industry and environmental groups, and S. 394, to provide that certain authors and artists be considered employees of certain corporations under specified contracts.
2221 Dirksen Building

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

MAY 21

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Milwaukee railroad system.
235 Russell Building

2:30 p.m.
Finance
Health Subcommittee
To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.
2221 Dirksen Building

MAY 22

9:30 a.m.
*Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Select on Small Business
To hold hearings on the availability of investment capital to small businesses.
424 Russell Building

MAY 23

8:00 a.m.
*Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
6226 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 24

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
345 Cannon Building

JUNE 6

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 870, proposed GI Bill Amendments Act, S. 830, to eliminate the State's required payment in the educational assistance allowance program provided for veterans, and S. 881, to provide for the protection of certain officers and employees of the VA assigned to perform investigative or law enforcement functions.
6226 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 7

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 12

9:00 a.m.
** Veterans' Affairs
To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

JUNE 19

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JUNE 20

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
6226 Dirksen Building

JUNE 21

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JULY 12

9:30 a.m.
* Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
6226 Dirksen Building

CANCELLATIONS

MAY 2

10:00 a.m.

Finance

To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building

MAY 3

9:30 a.m.

Governmental Affairs

Energy, Nuclear Proliferation and Federal Services Subcommittee

To hold hearings on the Federal Government's responsibility for radiation protection.

357 Russell Building

10:00 a.m.

Finance

To continue markup of S. 570, to establish a system of standby percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building